



**THE NATIONAL TREASURY  
AND ECONOMIC PLANNING**

**STATE DEPARTMENT  
FOR ECONOMIC  
PLANNING**

# First ANNUAL PROGRESS REPORT 2023-2024

*ON THE IMPLEMENTATION OF THE FOURTH  
MEDIUM-TERM PLAN (2023-2027) OF THE  
KENYA VISION 2030*





REPUBLIC OF KENYA

THE NATIONAL TREASURY AND ECONOMIC PLANNING  
STATE DEPARTMENT FOR ECONOMIC PLANNING

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*ON THE IMPLEMENTATION OF THE FOURTH  
MEDIUM-TERM PLAN (2023-2027) OF THE KENYA  
VISION 2030*

JANUARY 2025



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# Table of Contents

<i>Abbreviations and Acronyms .....</i>	<i>vii</i>
<i>Foreword.....</i>	<i>xv</i>
<i>Acknowledgements.....</i>	<i>xvi</i>
<i>Executive Summary.....</i>	<i>xvii</i>
<i>List of Tables .....</i>	<i>xi</i>
<i>List of Figures.....</i>	<i>xiv</i>
<b>CHAPTER ONE.....</b>	<b>1</b>
1.0 INTRODUCTION .....	1
1.1 Overview of the Kenya Vision 2030 .....	1
1.2 Overview of BETA Priority .....	4
1.3 Organization of the Report.....	8
<b>CHAPTER TWO.....</b>	<b>9</b>
2.0 KEY ACHIEVEMENTS OF THE BOTTOM-UP ECONOMIC TRANSFORMATION AGENDA (BETA) .....	9
2.1 Overview .....	9
2.2 Key Achievements of the Bottom-up Economic Transformation Agenda (BETA) Pillars .....	9
2.3 Key Achievements of the BETA Enablers .....	12
2.4 Recommendations on the BETA and Enablers Implementation.....	22
<b>CHAPTER THREE.....</b>	<b>23</b>
3.0 MACROECONOMIC FRAMEWORK REVIEW .....	23
3.1 Overview .....	23
3.2 Overall Economic Performance .....	23
3.3 Sectoral GDP Performance .....	25
3.4 The Services Sector Performance .....	25
3.5 The Secondary Sector Performance .....	26
3.6 The Primary Sector Performance .....	26
3.7 Performance of Key Macroeconomic Indicators .....	26
3.7.1 National Accounts and Inflation.....	27



3.7.2	Central Government Budget.....	28
3.7.3	Money Supply and Credit Sector .....	30
3.7.4	External sector.....	31
3.8	Balance of Payments.....	32
3.9	Employment.....	33
3.10	Human Development .....	33
3.11	County Governments Fiscal Performance.....	33
3.12	Structural Reforms.....	34
3.13	Revitalizing the public private partnership framework.....	36
3.14	Statistical reforms .....	36
<b>CHAPTER FOUR.....</b>		<b>38</b>
4.0	FINANCE AND PRODUCTION SECTOR .....	38
4.1	Overview .....	38
4.2	Agriculture Sub-Sector .....	38
4.3	Livestock Sub-Sector .....	49
4.4	Investments Promotion Sub-Sector .....	59
4.5	Trade Sub-Sector.....	64
4.6	Industry Sub-Sector.....	80
4.7	Micro, Small and Medium Enterprises (MSME) Development Sub-Sector .....	91
4.8	Cooperatives Sub-Sector .....	99
4.9	East Africa Community Affairs Sub Sector.....	103
4.10	Financial Services Sub-Sector.....	106
4.11	Economic Planning Sub sector.....	112
<b>CHAPTER FIVE.....</b>		<b>115</b>
5.0	INFRASTRUCTURE SECTOR.....	115
5.1	Overview .....	115
5.2	Roads Sub Sector.....	115
5.3	Transport Sub sector .....	118
5.4	ICT and Digital Economy Sub sector.....	123
5.5	Broadcasting and Telecommunications Sub sector .....	131
5.6	Lands and Physical Planning Sub sector .....	134
5.7	Public Works Sub sector .....	138
5.8	Housing and Urban Development Sub sector.....	141
5.9	Energy Sub sector .....	147

5.10 Petroleum Sub Sector.....	154
5.11 Water and Sanitation Sub sector .....	161
5.12 Irrigation Sub sector .....	167
<b>CHAPTER SIX .....</b>	<b>173</b>
6.0 SOCIAL SECTOR.....	173
6.1 Overview .....	173
6.2 Public Health and Professional Standards Sub sector .....	174
6.3 Medical Services.....	179
6.4 Labour and Skills Development Sub sector .....	186
6.5 Public Service Sub sector.....	198
6.6 Gender and Affirmative Action Sub sector .....	204
6.7 Culture, the Arts and Heritage Sub sector.....	212
6.8 Basic Education Sub sector .....	216
6.9 Population and Development Sub sector.....	228
6.10 Social Protection and Senior Citizens' Affairs Sub sector .....	233
6.11 Sports Sub sector.....	239
6.12 Youth Affairs and Creative Economy Sub sector.....	244
6.13 Higher Education and Research Sub sector.....	253
6.14 Technical, Vocational Education and Training Sub sector .....	257
6.15 Performance and Delivery Management Sub sector.....	260
<b>CHAPTER SEVEN .....</b>	<b>263</b>
7.0 ENVIRONMENT AND NATURAL RESOURCES SECTOR .....	263
7.1 Overview .....	263
7.2 Environment and Climate Change Sub sector.....	263
7.3 Forestry Sub sector .....	269
7.4 Tourism Sub sector .....	273
7.5 Wildlife Sub sector .....	279
7.6 Arid, Semi Arid Lands and Regional Development Sub sector .....	285
7.7 Mining Sub sector.....	291
7.8 Blue Economy and Fisheries Sub sector .....	293
7.9 Shipping and Maritime Affairs Sub sector .....	298
<b>CHAPTER SEVEN .....</b>	<b>308</b>
8.0 GOVERNANCE AND PUBLIC ADMINISTRATION SECTOR.....	308
8.1 Overview .....	308





8.2	Cabinet Affairs Sub sector .....	308
8.3	Immigration and Citizen Services Sub sector.....	310
8.4	Correctional Services Sub sector .....	311
8.5	Internal Security and National Administration Sub sector .....	315
8.6	Devolution Sub sector .....	320
8.7	Diaspora Affairs Sub sector .....	321
8.8	East Africa Community Affairs Sub sector.....	329
8.9	Parliamentary Affairs Sub sector .....	331
8.10	Office of the Attorney General and Department of Justice.....	333
8.11	Foreign Affairs Sub sector .....	339
<i>CHAPTER NINE.....</i>		<i>345</i>
9.0	MONITORING AND EVALUATION ECOSYSTEM IN THE PUBLIC SECTOR.....	345
9.1	Overview .....	345
9.2	Summary of Monitoring and Evaluation Activities in the Public Sector.....	345
9.3	Monitoring, Evaluation, Learning, and Public Investment Management Directorate (MELPIM) .....	345
9.4	Public Investment Management Directorate .....	346
9.5	Vision 2030 Delivery Secretariat (VDS) .....	346
9.6	Sustainable Development Goals (SDGs) Coordination Directorate.....	346
9.7	Ministries, Departments, and Agencies (MDAs) .....	346
9.8	NEPAD/APRM Kenya Secretariat .....	346
9.9	County Governments.....	346
9.10	Challenges Facing Institutionalization of M&E.....	347
9.11	Lessons Learned .....	347
<i>CHAPTER TEN.....</i>		<i>348</i>
10.0	GENERAL CHALLENGES, LESSONS LEARNT AND RECOMMENDATIONS .....	348
10.1	Overview .....	348
10.2	Challenges .....	348
10.3	Lessons Learnt .....	349
10.4	Recommendations.....	349
<i>LIST OF REFERENCES.....</i>		<i>351</i>

# Abbreviations and Acronyms

ACP	African, Caribbean and Pacific	CIDCs	Constituency Industrial Development Centres
ADR	Alternative Dispute Resolution	CIGs	Common Interest Groups
AfCTA	African Continental Free Trade Area	CMA	Capital Markets Authority
AG	Attorney General	COMESA	Common Market for Eastern and Southern Africa
AGOA	African Growth and Opportunity Act	DIIMS	Diaspora Integrated Information Management System
AGPO	Access to Government Procurement Opportunities	EAC	East African Community
AHITI	Animal Health and Industry Training Institute	EAPC	East Africa Portland Cement
AMCHAM	American Chamber of Commerce	EU	European Union
APR	Annual Progress Report	FDP	Field Development Plan
ASK	Agricultural Shows of Kenya	FLID	Farmer Led Irrigation Development Initiative
AU	African Union	FY	Financial Year
BETA	Bottom-up Economic Transformation Agenda	GBV	Gender-Based Violence
BFCI	Baby Friend Community Initiative	GCI	Global Competitive Index
BLA	Bilateral Labour Agreements	GDP	Gross Development Product
CAIPS	County Aggregation and Industrial Parks	GHG	Greenhouse House Gases
CATI	Computer Assisted Telephone Interviews	GHRIS	Government Human Resource Information System
CBK	Central Bank of Kenya	GPA	Group Personal Accident
CBTAs	Cross Border Trade Associations	GPRS	Government Performance Reporting System
CCG	Clean Cooking Gas	HDI	Human Development Index
CET	Common External Tariff	HMIS	Health Management Information System
CFTA	Continental Free Trade Area	HSC	Head of State Commendation
CHPs	Community Health Promoters	ICMS	Integrated Customs Management System



ICT	Information Communication and Technology	KOMEX	Kenya Multi-Commodity Exchange
ICTA	ICT Authority	KOSFIP II	Kimira Oluch Smallholder Farm Improvement Project Phase II
IDPs	Institutional Development Plans	KPRL	Kenya Petroleum Refineries Limited
IFMIS	Integrated Financial Management System	KPS	Kenya Prisons Service
IHDI	Inequality-adjusted Human Development Index	KRA	Kenya Revenue Authority
IMAM	Integrated Management of Acute Malnutrition	KSh	Kenya Shilling
IPR	Industrial Property Rights	KUSP	Kenya Urban Support Programme
IPRS	Integrated Population Registration System	LCI	Land Commercialization Initiative
ITAP	Industrial Training and Attachment Portal	LEZ	Livestock Export Zone
KAIST	Kenya Advanced Institute of Science and Technology	LITS	Livestock Identification and Traceability System
KCGC	Kenya Credit Guarantee Company	LMIS	Logistics Management Information System
KDC	Kenya Development Corporation	LPG	Liquified Petroleum Gas
KeLCoP	Kenya Livestock Commercialization Project	MCDAs	Ministries, Counties, Departments and Agencies
KETRA	Kenya Trade Remedies Agency	MDACs	Ministries Departments, Agencies and Counties
KIAMIS	Kenya Integrated Agriculture Management Information System	MDAs	Ministries, Departments and Agencies
KIRDI	Kenya Industrial Research Development Institute	MoU	Memorandum of Understanding
KITI	Kenya Industrial Training Institute	MPC	Monetary Policy Committee
KLMIS	Kenya Labour Market Information System	MRF	Material Recovery Facilities
KMWWF	Kenya Migrant Workers Welfare Fund	MSCI	Morgan Stanley Competitive Index
KNBS	Kenya National Bureau of Statistics	MSMEs	Micro, Small and Medium Enterprises
KNT	Kenya National Theatre	MTP	Medium-Term Plan
KNTC	Kenya National Trading Corporation	MTRH	Moi Teaching and Referral Hospital
		MTRS	Medium-Term Revenue Strategy
		NAEA	National Arts Excellence Award

NCEC	National Creatives Economy Council	NTNC	National Trade Negotiations Council
NCIP	Northern Corridor Integration Project	NYOTA	National Youth Opportunities Towards Advancement
NCPD	National Council for Population and Development	ODeL	Open Distance and e-Learning
NCPWD	National Council for Persons with Disabilities	ODPC	Office of the Data Protection Commissioner
NDIC	National Development Implementation Committee	OPV	Open Pollinated Varieties
NFA	Net Foreign Assets	OSH	Occupational Safety and Health
NFDK	National Fund for the Disabled for Kenya	PCEA	Presbyterian Church of East Africa
NGAOs	National Government Administration Officer	PACS	Probation and Aftercare Service
NIFC	Nairobi International Financial Centre	PCNs	Primary Health Care Networks
NIMES	National Integrated Monitoring and Evaluation System	PPPs	Private Public Partnerships
NITA	National Industrial Training Authority	PSC	Public Service Commission
NMC	Numerical Machining Complex	PV	Present Value
NOCK	National Oil Corporation of Kenya	PV	Photovoltaic Solar
NOFBI	National Optic Fibre Backbone Infrastructure	RCGS	Rural Credit Guarantee
NPCC	National Productivity and Competitiveness Centre	SAGA	Semi-Autonomous Government Agency
NPCK	National Potato Council of Kenya	SDA	State Department for Agriculture
NPHI	National Public Health Institute	SDARD	State Department for the ASALs and Regional Development
NQCL	National Quality Control Laboratory	SDC	State Department for Cooperatives
NSCC	National System Control Centres	SDCS	State Department for Correctional Services
NSE	Nairobi Security Exchange	SDEAC	State Department for East African Communities
NSNP	National Safety Net Programme	SDEP	State Department for Economic Planning
NSP	National Spatial Plan	SDGAA	State Department for Gender and Affirmative Action
NTBs	Non-Tariff Barriers	SDI	State Department for Industry
		SDIP	State Department for Investments Promotion

SDLD	State Department for Livestock Development	SHIF	Social Health Insurance Fund
SDL&SD	State Department for Labour and Skills Development	SNE	Special Needs Education
SDMS	State Department for Medical Services	SRH	Sexual Reproductive Health
SDPA	State Department for Parliamentary Affairs	STEM	Science, Technology, Engineering, and Mathematics
SDPDM	State Department for Performance and Delivery Management	STR	Simplified Trade Regime
SDPHPS	State Department for Public Health and Professional Standards	SCMPs	Sub-Catchment Management Plans
SDPS	State Department for Public Service	TIMPs	Technology-Intensive Management Practices
SDSPSCA	State Department for Social Protection and Senior Citizens Affairs	TLUs	Tropical Livestock Units
SDT	State Department for Trade	TNT	The National Treasury
SDTVET	State Department for TVET	TVETs	Technical and Vocational Education Training
SDYACE	State Department for Youth Affairs and Creative Economy	UHC	Universal Health Coverage
		UNDP	United Nations Development Programme
		WRS	Warehouse Receipt System
		YECs	Youth Empowerment Centres



# List of Tables and Figures

Table 1: Link between MTP IV sectors and BETA .....	20
Table 2: Sectoral GDP performance.....	25
Table 3: Performance of key macroeconomic indicators (2020/21-2023/24) .....	28
Table 4: Recent trends in inflation (%). ....	29
Table 5: Kenya’s external debt sustainability analysis .....	31
Table 6: Money and credit developments (12 months to June 2024, Ksh billion).....	32
Table 7 : Human development index performance, 2024 .....	34
Table 8: Crops output implementation status for FY 2023/24 .....	42
Table 9: Crops outcome implementation status for FY 2023/24 .....	47
Table 10: Livestock output implementation status for FY 2023/24.....	51
Table 11: Livestock outcome implementation status for FY 2023/2024.....	57
Table 12: Investment promotion output implementation status for FY 2023/2024.....	59
Table 13: Investment promotion outcome implementation status for FY 2023/2024 .....	61
Table 14: Trade output Implementation status for FY 2023/24 .....	65
Table 15: Trade outcome implementation status for FY 2023/2024 .....	76
Table 16: Industry output implementation status FY 2023/24 .....	80
Table 17: Industry output implementation status for FY2023/2024 .....	88
Table 18: MSME output implementation status for FY 2023/24 .....	90
Table 19: Cooperatives output implementation status for FY 2023/24.....	96
Table 20: Cooperatives outcome implementation status for FY 2023/24 .....	98
Table 21: EAC output implementation status for FY 2023/24 .....	100
Table 22: EAC outcome implementation status for FY 2023/24 .....	101
Table 23: Financial services output implementation status for FY 2023/24.....	104
Table 24: Financial outcome implementation status for FY 2023/24 .....	107
Table 25: SDEP outputs implementation status for FY 2023/24.....	109
Table 26: Roads output Implementation status FY 2023/24.....	114
Table 27: Roads outcome implementation status for FY 2023/24 .....	117
Table 28: Transport output Implementation status for FY 2023/24.....	119
Table 29: Transport outcome Implementation status for FY 2023/24 .....	122

Table 30: ICT output Implementation status for FY 2023/24 .....	126
Table 31: MTP IV outcome achievements for FY 2023/24 .....	129
Table 32: Broadcasting and telecommunications output implementation status for FY 2023/24 .....	132
Table 33: Broadcasting and telecommunications outcome implementation status for FY 2023/24.....	133
Table 34: Lands, public works, housing and urban output implementation status for FY 2023/24.....	135
Table 35: Lands and physical planning outcome implementation status for FY2023/24.....	137
Table 36: Public works output implementation status for FY 2023/24 .....	139
Table 37: Public works outcome implementation status for FY 2023/24.....	140
Table 38: Housing and urban development output implementation status for FY 2023/24.....	143
Table 39: Housing and urban development outcome implementation status for FY 2023/24.....	145
Table 40: Energy output implementation status for FY2023/24.....	149
Table 41: Energy outcome implementation status for FY 2023/2024 .....	152
Table 42: Petroleum output implementation status for FY 2023/24.....	156
Table 43: Petroleum outcome implementation status for FY 2023/24 .....	160
Table 44: Water and sanitation output implementation status FY 2023/24 .....	162
Table 45: Water and sanitation outcome implementation status for FY 2023/24 .....	165
Table 46: Irrigation output Implementation status for FY 2023/24.....	168
Table 47: Irrigation outcome implementation status for FY2023/24 .....	172
Table 48: Public health and professional standards output implementation status for FY 2023/24.....	176
Table 49: Public health and professional standards outcome implementation status for FY 2023/24.....	178
Table 50: Medical Services - Implementation Status on the key outputs and BETA priorities for FY 2023/24 .....	180
Table 51: Medical Services– Outcome Results for FY 2023/2024 .....	183
Table 52: Labour and skills development output implementation status for FY 2023/24 .....	189
Table 53: Labour and skills development outcome implementation status for FY 2023/24 ....	192
Table 54: Public service output implementation status for FY 2023/24.....	199
Table 55: Gender and affirmative action output implementation for FY 2023/24 .....	206
Table 56: Gender and affirmative action outcome implementation status for FY 2023/24.....	210
Table 57: Culture, the arts and heritage output implementation status for FY 2023/2024 .....	213
Table 58: Culture, the arts and heritage outcome implementation status for FY 2023-2024 ..	215

Table 59: Basic education output implementation status for FY 2023/24 .....	218
Table 60: Basic education outcome implementation status for FY 2023/24.....	223
Table 61: Population and development output implementation status for FY 2023/24.....	230
Table 62: Population and development outcome status for FY 2023/2024 .....	231
Table 63: Social Protection output implementation status for FY 2023/24.....	234
Table 64: Social protection outcome implementation status for FY 2023/24 .....	236
Table 65: Sports output implementation status for FY 2023/24 .....	240
Table 66: Sports outcome implementation status for FY 2023/24.....	243
Table 67: Youth and creative economy output implementation status for FY 2023/24 .....	248
Table 68: Youth affairs and creative economy outcome implementation status for FY 2023/2024.....	253
Table 69: Higher Education and Research output implementation status for FY 2023/24 .....	254
Table 70: Higher Education and Research outcome implementation status for FY 2023/2024 .....	257
Table 71: Technical, vocational education and training output implementation status for FY 2023/24.....	259
Table 72: Technical, vocational education and training outcome implementation for FY 2023/2024.....	261
Table 73: Performance and delivery management output implementation status for FY 2023/24 .....	266
Table 74: Environment and climate change output implementation status for FY 2023/24 ....	267
Table 75: Environment and climate change outcome implementation status for FY 2023/24.	271
Table 76: Forestry outputs implementation for FY 2023/24 .....	273
Table 77: Forestry outcome implementation status for FY 2023/2024 .....	276
Table 78: Tourism output implementation status for FY 2023/24 .....	279
Table 79: Tourism outcome implementation status for FY 2023/24.....	280
Table 80: Wildlife output implementation status for FY 2023/2024 .....	283
Table 81: Wildlife outcome implementation status for the FY 2023/2024.....	286
Table 82: ASALs and regional development output implementation status for FY 2023/24 ...	289
Table 83: Mining Subsector BETA Output Results for FY2023/2024.....	291
Table 84: Mining Subsector Outcome Results for FY2023/2024 .....	292
Table 85: Blue economy and fisheries output implementation status for FY 2023/24.....	294
Table 86: Blue economy outcome implementation status for FY 2023/24 .....	296
Table 87: Shipping and maritime affairs output implementation status for FY 2023/24 .....	298
Table 88: Shipping and maritime outcome implementation status for FY 2023/2024 .....	305



Table 89: Cabinet affairs output implementation status for FY 2023/24.....	308
Table 90: Immigration and citizen services output implementation status for FY 2023/2024 .....	310
Table 91: Correctional services output implementation status for FY2023/2024 .....	312
Table 92: Internal security and national administration output implementation status for FY 2023/24.....	316
Table 93: Devolution output implementation status for FY 2023/24.....	320
Table 94: Diaspora affairs output status for FY 2023/24.....	322
Table 95: SDDA outcome implementation status for FY 2023/2024.....	325
Table 96: East African Community affairs output implementation status for FY 2023/24.....	329
Table 97: Parliamentary affairs output implementation status for FY 2023/2024 .....	332
Table 98: OAG&DOJ output implementation status for FY 2023/2024 .....	333
Table 99: OAG&DOJ outcome implementation status for FY 2023/2024 .....	336
Table 100: Foreign affairs output implementation status for FY 2023/24 .....	339
Table 101: Foreign affairs outcome implementation status for FY 2023/24.....	342

### *List of Figures*

Figure 1: Overview of BETA priorities.....	4
Figure 2: Linkage between MTP IV sectors and BETA.....	5
Figure 3: Economic performance 2018-2023.....	10
Figure 4: Annual real GDP growth rates, percent.....	10
Figure 5: Growth rates of ordinary revenue categories .....	15

# Foreword

Annual Progress Reports (APRs) are a useful part of the public accountability process while implementing Government plans. APRs provide a sufficiently balanced and informed picture of how Ministries, Departments and Agencies (MDAs) are progressing towards the implementation of the Medium-Term Plans (MTPs) of the Kenya Vision 2030.

The APR provides information on the implementation status at output and outcome levels. This report, therefore, serves as a crucial tool to inform policy dialogue within the Government and guide resource allocation decisions for the next financial year.

As we advance the implementation of the MTP IV, the country faces global challenges, including the economic impacts of the conflicts between Russia and Ukraine, and Israel and Palestine, which have disrupted supply chains and heightened inflationary pressures worldwide. These challenges, coupled with structural pressures on the economy, underscore the importance of the Bottom-up Economic Transformation Agenda (BETA) in steering Kenya towards inclusive growth and sustainable development. The Kenyan economy has, despite the above challenges, demonstrated resilience, with the Kenyan Shilling strengthening against the major global currencies, and providing some relief in mitigating inflationary pressures. Additionally, the economy recorded a GDP growth rate of 5.6 percent in 2023. These gains, despite global challenges, highlight the country's progress in driving the BETA.

I commit to support the process of implementing the Fourth Medium-Term Plan and extend my sincere appreciation to the Principal Secretary, State Department for Economic Planning, for the technical and administrative support provided during the preparation of this report. I am also grateful to all stakeholders, including development partners, MDAs, and county governments, for their continued commitment to advancing our development agenda.



*The APR provides information on the implementation status at output and outcome levels.*

A handwritten signature in red ink, appearing to read 'John Mbadi Ng'ongo', enclosed within a red oval.

**Hon. FCPA John Mbadi Ng'ongo, EGH**

Cabinet Secretary, The National Treasury and Economic Planning

# Acknowledgements

In executing its mandate of providing leadership in the formulation, monitoring and tracking of national development plans, policies, programmes and strategies and monitoring of economic trends, the State Department for Economic Planning through the Monitoring, Evaluation, Learning and Public Investing Management Directorate has prepared the First Annual Progress Report for MTP IV (2023-2027) in collaboration with line Ministries, Departments and Agencies. The APR is based on a set of national output and outcome indicators contained in the National Reporting Indicators Handbook for the MTP IV.



This APR has been developed under the National Integrated Monitoring and Evaluation System (NIMES) framework. I would like to express my gratitude to the various Ministries, Departments, and Agencies for their active engagement and valuable contribution to the preparation of this report. Special appreciation is extended to the numerous stakeholders who provided critical insights. We value and acknowledge your efforts, without which this document would not have been realized.

*We value and acknowledge your efforts, without which this document would not have been realized.*

I would like to extend my special gratitude to the Ag. Economic Planning Secretary, Mr Timothy Gakuu (HSC), for his leadership and technical support throughout the preparation of this report. I appreciate the Monitoring, Evaluation, Learning and Public Investment Management team and staff from the State Department for Economic Planning for their dedication towards the production of the report under the leadership of the Director of Planning, Mr David Kiboi.

Finally, I wish to assure stakeholders that the report will be disseminated to inform the budgeting and assessment of the implementation of the MTP IV. This report is available on the National Treasury and Economic Planning websites: [www.treasury.go.ke](http://www.treasury.go.ke) and [www.planning.go.ke](http://www.planning.go.ke).

A handwritten signature in black ink, appearing to read 'James Muhati'.

*James Muhati, CBS*

Principal Secretary  
State Department for Economic Planning

# Executive Summary

The Kenya Vision 2030, launched in 2008, aspires to transform Kenya into a newly industrializing, middle-income nation with a high quality of life by the year 2030. Built on three pillars—Economic, Social, and Political—the Kenya Vision 2030 is supported by essential enablers such as infrastructure, information communication technology (ICT), public sector reforms- in terms of human capital and land reforms. The Fourth Medium-Term Plan (MTP IV) for 2023-2027 focuses on the Bottom-up Economic Transformation Agenda (BETA), prioritizing Agriculture, MSMEs, Housing, Healthcare, and the Digital Superhighway to foster inclusive growth, job creation, and tax base expansion. This report evaluates the implementation of the MTP IV, covering the achievements, challenges, and recommendations.

Kenya's economy grew by 5.6 percent in 2023, an increase from 4.9 percent in 2022. Agriculture, bolstered by favourable weather, and government support, grew by 6.5 percent, reversing the previous year's decline. The financial and insurance sector grew by 10.1 percent while accommodation and food services surged by 33.6 percent. However, the mining sector contracted by 6.5 percent due to lower-than-expected production of minerals.



*Livestock plays a vital role in Kenya's economy, driving food security and employment.*

Inflation remained within the target, largely due to stable food and energy prices. Public debt stood at 65.5 percent of GDP as of June 2024, with both external and domestic debt almost equally split. The government managed fiscal pressures through enhanced revenue collection and structural reforms, creating 848,200 new jobs mainly in the informal sector.

The agriculture sector is a key driver of economic growth. In 2023, the sector raised its contribution to GDP 21.8 percent, with notable crop production increase supported by government initiatives under the BETA and the Kenya Vision 2030. Notable initiatives include Agricultural mechanization, crop insurance, agro-processing, pest control, subsidized fertilizers, improvement of technology centres, and strengthening research for productivity.

Livestock plays a vital role in Kenya's economy, driving food security and employment. The key initiatives include development of the leather and leather products value chain, dairy value chain, and production of livestock feeds, Towards Ending Drought Emergencies (TWEENDE) initiative, and food safety and quality assurance. The notable achievements include the support of 30 farmers' groups on feed production, upgrading of Animal Health and Industry Training Institutes (AHITIs) at Kabete, Nyahururu and Ndomba, graduation of 1,176 trainees from Livestock Industry Training Institutes, and saving/insuring of 198,095 livestock under Tropical Livestock Units (TLUs).

The Micro, Small, and Medium Enterprises (MSME) sub-sector significantly contributes to Kenya's economy, accounting for 24% of GDP and 90% of private-sector enterprises. Key achievements include mapping and sensitizing 171 MSMEs in the leather value chain, equipping 10 CIDCs for

textile and construction industries, training 4,936 MSMEs on business development services, and mobilizing 1,700 cotton farmers for the textile value chain. Additionally, the Hustler Fund disbursed Ksh. 53 billion, while 1,487 MSMEs accessed regional and international markets, showcasing the sector's role in driving economic growth and financial inclusion.

The investment promotion sub-sector fosters Kenya's transformation through a competitive business environment. The new initiatives include the Business Development Committee (BDC) and piloting of the World Bank's Business Ready tool in 2025, which is aimed at improving internal investments and revising targets. The trade sub-sector links the economic sectors, creating jobs and contributing significantly to the Gross Domestic Product (GDP). In 2023, export earnings grew by 16.3 percent, totaling Ksh. 1,009.1 billion, with tea as the leading export. The recent trade agreements such as the EU-Kenya Economic Partnership and UAE-Kenya Comprehensive Partnership enhance access to global markets. Digital trade is also emphasized, with a protocol harmonizing e-commerce across Africa.

The manufacturing sub-sector focuses on policy formulation, value addition, and skills development to increase the GDP contribution to 15 percent and create one million jobs annually. However, the sectors' contribution declined from 7.8 percent in 2022 to 7.6 percent in 2023. Despite declines in some industries, growth in dairy and meat products was also noted. The initiatives include machinery modernization, County Aggregation and Industrial Parks (CAIPs), and green manufacturing.

The Housing and Urban Development Sub-sector achieved notable milestones during FY 2023-2024, including the completion of 815 housing units under the affordable housing programme and facilitating mortgages worth Ksh. 1.34 billion to 251 civil servants. Additionally, seven markets, including Githurai and Wajir North, were completed, improving access to essential infrastructure. The enactment of the Affordable Housing Bill, 2024, marked significant progress in policy reforms. However, budgetary constraints and delays in exchequer releases hindered some planned activities. To enhance implementation, it is recommended to diversify funding through Public-Private Partnerships and strengthen project monitoring and evaluation frameworks.

The financial services sub-sector aims to support Kenya's competitive financial environment and finance investment needs. In 2023, Gross National Savings fell due to high inflation and monetary tightening. The Nairobi International Financial Centre improved business facilitation, and interoperability advances included online state transactions to curb corruption. The E-Citizen digital finance growth was notable. During the period under review, ninety-three (93) green finance service providers were accredited, 149 green finance professionals trained, and Ksh. 10,507 billion disbursed to the counties under the County Climate Change Funds to manage climate risks. The digital financing services provided through the E-Citizen platform also increased.

In healthcare, the key achievements include the operationalization of 168 primary healthcare networks, the establishment of Community Health Units (CHUs), and the roll-out of the Community Health Information System (E-CHIS). Infrastructure projects such as the National Public Health Institute and modernization of the Kenya Primate Research Institute are ongoing. The education and skills development initiatives focused on strengthening the linkages between training institutions and industries, improving job placement rates, and enhancing technical and vocational education. The social protection programmes targeted vulnerable populations, and thus contributing to inclusive development.

The environment and natural resources sector achieved notable progress, including tree-planting campaigns aimed at increasing the tree cover from 12.1 percent to 21.0 percent by 2027, and establishing material recovery facilities in four counties for improved waste management. The tourism and wildlife protection efforts included habitat restoration, anti-poaching measures, and infrastructure improvements to mitigate human-wildlife conflicts.

The governance and public administration sector saw substantial progress in 2023/24 in coordinating government functions, implementing reforms, and enhancing services. The interior and national administration sub-sector emphasized security modernization with technologies such as the Advanced Passenger Information System. The diaspora affairs fostered international links, with diaspora remittances reaching Ksh. 580.7 billion by May 2024. The Office of the Attorney General and the Department of Justice achieved decentralization and digitization in legal services, expanding legal aid offices and automating 25 percent of the services. The efforts included business registration improvements, with 136,209 entities registered, and surpassing the case resolution targets.

The challenges experienced across the sectors include financial constraints, capacity gaps, and infrastructure delays. The recommendations focus on resource mobilization, capacity building, and robust monitoring and evaluation frameworks, alongside technological adoption for enhanced sector performance.

In conclusion, Kenya has achieved considerable progress under the MTP IV, particularly in economic growth, infrastructure, and social development. The ongoing collaborations, policy reforms, and stakeholder engagements will be vital for realizing the Kenya Vision 2030's long-term objectives.



# CHAPTER ONE

## 1.0 INTRODUCTION

### 1.1 Overview of the Kenya Vision 2030

The Kenya Vision 2030, launched in June 2008, is the first long-term development blueprint for the country that aims to create “a globally competitive and prosperous country with a high quality of life by the year 2030”. It is designed to transition Kenya into a newly industrializing, middle-income country providing a high quality of life to all its citizens in a clean and secure environment. The Kenya Vision 2030 comprises three pillars, namely: Economic, Social, and Political, which are anchored on the Foundations or Enablers.

The Foundations or Enablers are geared towards national transformation and a stable macroeconomic framework. These are: Infrastructure; Information Communication and Technology (ICT); Science Technology and Innovation (STI); Land Reforms; Labour and Employment; Security, Peace Building and Conflict Resolutions; Public Service Reforms; National Values and Ethics; and Ending Drought Emergencies.

The Vision is implemented through successive five-year Medium-Term Plans (MTPs). Currently, the country is implementing the fourth MTP (2023-2027). The country has recorded substantial progress under the three MTPs. For instance, the poverty level has declined from 46.0 percent in 2005 to 36.1 percent in 2015 (2015/16 Kenya Integrated Household Budget Survey), substantial progress has been made in education and health, and there is also remarkable increase in power generation and the development of infrastructure.

Kenya transitioned from a low-income country to a lower middle-income country in 2014 after surpassing the GDP per capita threshold of US\$ 1,035 for lower middle-income countries. The GDP per capita income has improved from US\$ 1,430 in 2014 to US\$ 2,240 in 2022, with an average annual per capita growth of 6.17 percent. However, despite this remarkable progress, the country faces critical challenges, including low productivity, significant income and regional inequalities, and weak economic resilience to shocks. In addition, the economy is confronted by rising inflation and interest rates, fiscal distress and structural weaknesses that have converged into a ‘perfect economic storm’.

#### 1.1.1 Overview of the Fourth Medium-Term Plan

The Fourth MTP was launched on 21<sup>st</sup> March 2024, and subsequently disseminated in 46 counties between 3<sup>rd</sup> and 21<sup>st</sup> June 2024. This process underscores the government’s commitment to participatory development and accountability. With active involvement from national and county governments, the dissemination forums engaged over 6,000 citizens, ensuring alignment

of County Integrated Development Plans (CIDPs) with MTP IV priorities. The key outcomes included the identification of flagship programmes such as the Credit Guarantee Scheme, Inua Jamii cash transfer, locally-led climate action initiatives, and county-specific programmes and projects that are critical to achieving the Bottom-Up Economic Transformation Agenda (BETA). The implementation of these and other programmes outlined in the MTP IV will be monitored and reported annually through Annual Progress Reports (APRs).



*President William Ruto, National Treasury and Economic Planning Cabinet Secretary Prof. Njuguna Ndungu, The National Treasury Principal Secretary, Mr Chris Kiptoo and Economic Planning Principal Secretary Mr James Muhati during the launch of the Fourth Medium Term Plan at State House Nairobi on 21<sup>st</sup> March 2024*

The Fourth Medium-Term Plan seeks to address various challenges facing the nation and strengthen the country's prospects towards transitioning to an upper middle-income country and enhancing Kenya's competitiveness. This will be achieved by focusing on: human capital development and capital accumulation; development, protection and regulation of markets; domestic resource mobilization and optimal tax instruments; and leveraging the Fourth Industrial Revolution (4IR) to digitalize the economy.

The Fourth Medium-Term Plan (MTP IV) of the Kenya Vision 2030 themed "Bottom-up Economic Transformation Agenda (BETA) for inclusive growth". Outlines the main policies, legal, and institutional reforms, programmes and projects that the Government intends to implement during the period 2023-2027. The MTP IV adopts the BETA strategy, which is geared towards economic turnaround through a value chain approach. At the core of the BETA are five (5) pillars, namely: Agriculture; Micro, Small and Medium Enterprise (MSME) Economy; Housing and Settlement;

Healthcare; and the Digital Superhighway and Creative Economy. The targeted priorities in these pillars have the potential to reduce the cost of living, eradicate hunger, create jobs, expand the tax base, improve the foreign exchange balance, and ensure inclusive growth.

The specific MTP IV objectives are to: bring down the cost of living by lowering the annual inflation rate to 5 percent; eradicate hunger; create 1,200,000 jobs annually; expand the tax revenue base by increasing revenue collection to 19.7 percent of GDP by 2027/2028; improve foreign exchange balance through promotion of exports to sustain reserves to 6.1 months of import cover; and ensure inclusive growth and leave no one behind.

The MTP IV focuses on the sectors with the highest impact on the cost of living. The Government aims to boost agriculture by enhancing productivity in the key value chains, such as leather and leather products, textile and apparel, dairy, tea, rice, edible oils, the blue economy, minerals including forestry, and construction/building materials. A key element of the value chain approach will be to support the Micro, Small and Medium Enterprises (MSMEs) to provide employment and income opportunities for the economically excluded segments of the population.

The Government seeks to transform the Micro, Small and Medium Enterprise (MSME) economy by strengthening the Hustler Fund, which provides access to affordable credit, capacity building of business owners and providing linkages to markets. In addition, the Government will strengthen the capacity of MSMEs to venture into economic activities in building and construction value chains, and ring-fencing certain components of low-cost housing projects for the MSMEs.

In housing and settlement, the Government aims to increase investment through construction of 200,000 housing units annually, enable low-cost mortgages, strengthen the capacity of the Jua Kali industry to produce high quality construction products, and provide incentives to developers to support the affordable housing programme.

The Government aims to strengthen healthcare by delivering the Universal Health Coverage (UHC) through implementation of a fully public-funded primary healthcare system (preventive, promotive, outpatient and basic diagnostic services) and a universal seamless health insurance system; establishing a national fund for chronic and catastrophic illness and injury costs not covered by insurance; scaling up manufacturing of essential medical supplies; strengthening the human resource for health; expanding healthcare infrastructure; and enhancing supply chain management for health commodities.

To enhance productivity and overall competitiveness, the Government will increase investment in the digital superhighway and the creative economy by scaling-up broadband connectivity and fully implementing the Last Mile Electricity Connectivity programme to improve the business environment. In addition, the National Optic Fibre Backbone will be extended to enhance reliable and affordable information and communication technology (ICT) connectivity and improve government service delivery through digitalization and automation of processes.

The government will strengthen public institutions to deliver effective and efficient services necessary for successful implementation of the MTP IV. Moreover, policy, legal and institutional reforms will be undertaken in all sectors to support the implementation of the MTP IV development priorities. In this regard, the government will fast-track the implementation of the legislative agenda to ensure that the key legislations are enacted. To facilitate an increase in savings, domestic and foreign investments, the government will improve the ease of doing business, scale-up the provision of credit and capacity building to MSMEs, promote the cooperative movement, and strengthen security across the country.

The MTP IV will be financed through sectorial budget allocations; domestic and foreign direct investments, including Public Private Partnerships (PPPs) and green financing; and support from development partners. In this regard, the Government will continue to strengthen the legal framework underpinning PPPs and ensure the alignment of development partners' support to development priorities, while promoting a 'Whole-of-Government-Approach' to service delivery. At the same time, the government will deepen and build strong collaborations with all stakeholders towards the realization of the MTP IV outcomes, with special emphasis given to county governments.

## 1.2 Overview of BETA Priority

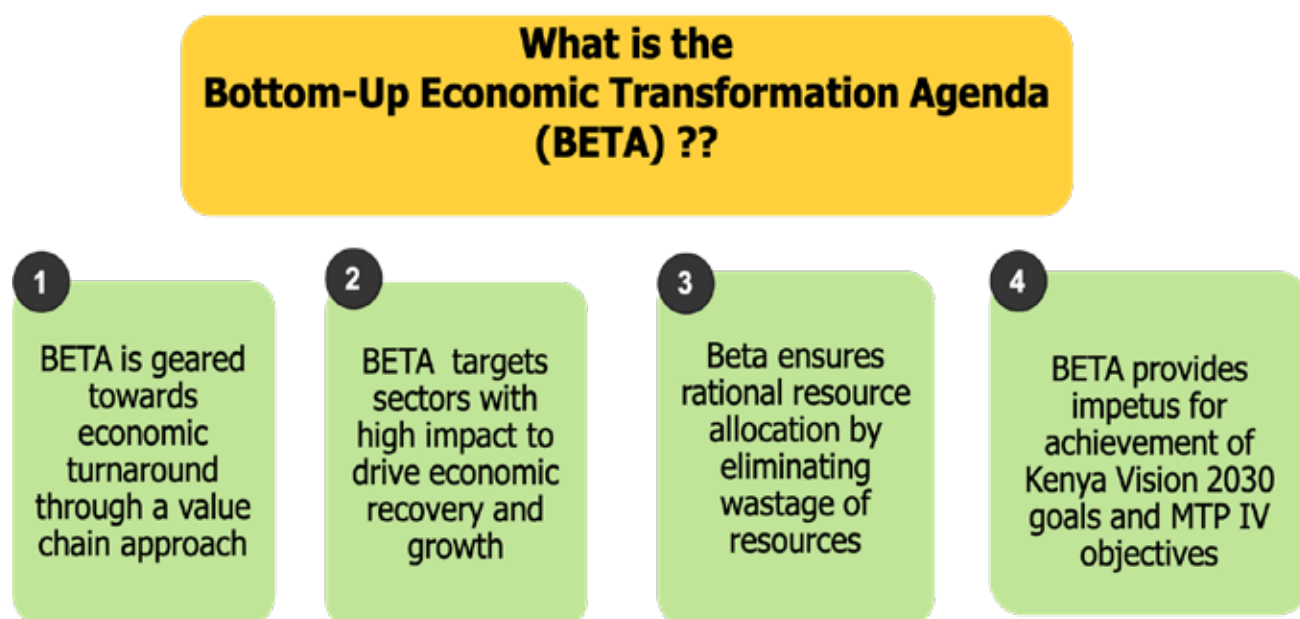


Figure 1: Overview of BETA priorities

The Bottom-up Economic Transformation Agenda (BETA) is a strategic initiative geared towards economic turnaround and inclusive growth through a value chain approach. The BETA prioritizes the needs and contributions of grass root communities and targets the sectors with high impact to drive economic recovery. It places special emphasis on the priorities that target reduction in the cost of living, creation of jobs, achievement of more equitable distribution of income, enhancement of social security, expansion of the tax base, and increase of foreign exchange earnings.

The BETA is anchored on five (5) pillars with the largest impact and linkages to the economy, on household welfare, and 12 enablers that aim at creating a conducive business environment for socio-economic transformation. The five (5) BETA pillars are: Agricultural Transformation; Micro, Small and Medium Enterprise (MSME) Economy; Healthcare; Housing and Settlement; and Digital Superhighway and Creative Industry. Likewise, the key enablers are: Blue Economy; Education and Training; Environment and Climate Change; Foreign Policy and Regional Integration; Governance; Infrastructure; Manufacturing; Service Economy; Women Agenda; Social Protection; Sports, Culture and Arts; and Youth Empowerment and Development Agenda

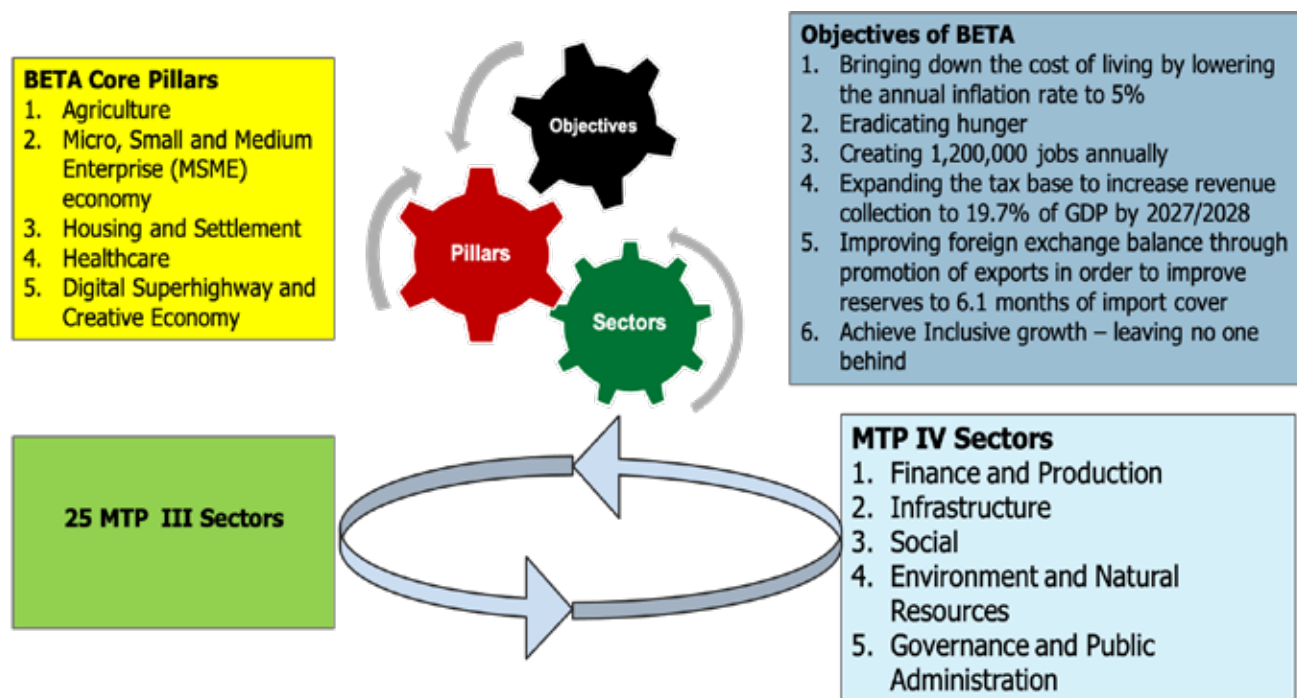


Figure 2: Linkage between MTP IV sectors and BETA

Table 1: Link between MTP IV sectors and BETA

26 MTP III Sectors	MTP IV Sectors	Ministries
<ol style="list-style-type: none"> <li>1. Financial Services</li> <li>2. Agriculture and Livestock</li> <li>3. Trade</li> <li>4. Manufacturing</li> </ol>	Finance and Production	<ul style="list-style-type: none"> <li>• National Treasury and Economic Planning</li> <li>• Agriculture and Livestock Development</li> <li>• Cooperatives and Micro, Small and Medium Enterprises (MSMEs) Development</li> <li>• Investments, Trade and Industry</li> <li>• EAC, The ASALs and Regional Development</li> </ul>
<ol style="list-style-type: none"> <li>5. Infrastructure (Roads, Energy, Railway, Air)</li> <li>6. Environment, Water, Sanitation and Regional Development*</li> <li>7. Land Reforms</li> <li>8. Population Urbanization and Housing</li> <li>9. Information Communication and Technology</li> <li>10. Business Process Outsourcing (BPO)</li> </ol>	Infrastructure	<ul style="list-style-type: none"> <li>• Roads and Transport</li> <li>• Energy and Petroleum</li> <li>• Information Communication and the Digital Economy</li> <li>• Lands, Public Works, Housing and Urban Development</li> <li>• Water, Sanitation, and Irrigation</li> </ul>



26 MTP III Sectors	MTP IV Sectors	Ministries
11. Education and Training 12. Health 13. Public Sector Reforms 14. Gender, Youth and Vulnerable Groups 15. Labour and Employment 16. Science, Technology and Innovation 17. Sports, Culture and the Arts 18. Ending Drought Emergencies	Social Sector	<ul style="list-style-type: none"> <li>• Health</li> <li>• Education</li> <li>• Labour and Social Protection</li> <li>• Public Service and Human Capital Development</li> <li>• Gender, Culture, the Arts and Heritage</li> <li>• Youth Affairs, Creative Economy and Sports</li> </ul>
19. Environment, Water, Sanitation and Regional Development* 20. Tourism 21. Oil, Gas and Mineral Resources 22. Blue Economy	Environment and Natural Resources	<ul style="list-style-type: none"> <li>• Environment, Climate Change and Forestry</li> <li>• Tourism and Wildlife</li> <li>• EAC, ASALs and Regional Development</li> <li>• Mining, Blue Economy and Maritime Affairs</li> </ul>
23. Governance, Justice and Rule of Law 24. Devolution 25. Security, Peace Building and Conflict Resolution 26. National Values and Ethics	Governance and Public Administration	<ul style="list-style-type: none"> <li>• Interior and National Administration</li> <li>• Defense</li> <li>• State Law Office</li> <li>• Foreign Affairs and Diaspora Affairs</li> <li>• EAC, ASALs and Regional Development</li> </ul>

### 1.2.1 Key achievements under the Bottom-up Economic Transformation Agenda (BETA)

**Agricultural Transformation:** Tea production for the half-year period of 2024 was higher by 47.44 million kgs (17%) from 273.64 million kgs during the same period of the previous year to 321.09 million kgs. This contributed to increased export earnings with tea and flowers contributing Ksh. 54.7 billion, a rise from Ksh. 44.6 billion the previous year. Marketed milk production rose by 6.9 Percent from 754.3 million litres in 2022 to 806.6 million litres in 2023 Initiation. The coffee revitalization programme saw the distribution of 49,000 seedlings in four counties of Nandi - 16,000 (75 farmers), Trans Nzoia - 10,000 (62 farmers) Kericho - 15,000 (75 farmers) Kisumu - 8,000 (94 farmers). The area under rice production increased to 24,404(Ha) due to additional acreage put under irrigation as a result of storage from Thiba Dam. Over the same period, 235,028 MT of subsidized fertilizers distributed of planting and top-dressing fertilizers was distributed to rice farmers and two Common user facilities for milling and packaging rice were established -1 in Kisumu and 1 in Ahero. There was development of Agriculture Technology Innovation Centre in Homa Bay and construction of two potato cold storage facilities to reduce post-harvest losses in Meru, and Nyandarua counties. Other crop production interventions: Food security subsidy and crop diversification which increased area under maize production (Ha) to 2,353,655; Agricultural insurance with coverage of 647,017 farmers across 41 counties; E-voucher input system where 1,060,285.65 MT fertilizer and 34,430.95 MT of lime benefited



1,436,715 farmers; Agro-processing by completing 18 County Aggregation Industrial Parks (CAIPS); Miraa industry revitalization, Strengthening agricultural mechanization; Development of agriculture technology innovation centres; Pest and disease management and Agricultural research.

*Micro, Small and Medium Enterprise (MSME) Economy:* The Micro, Small, and Medium Enterprises (MSME) Development programmes supported 622 Common Interest Groups (CIGs) and 19,395 beneficiaries were provided with grants worth Ksh. 1.5 billion. Capacity was built for 565 seaweed farmers in mariculture production; and six (6) patrol boats commissioned to support surveillance for both marine and inland waters, incubated 1,002 SMEs were at KIRDI Common Manufacturing Facilities and mapped and sensitized 171 MSMEs on leather value chain.

A total of 1,487 MSEs were facilitated to access markets through various trade fairs and 348 MSMEs successfully exhibited their products during the EAC MSMEs Trade Fair, which was held in the Republic of Burundi on 23rd December 2023. A total of 228 artisanal Mining Saccos formalization operations as cooperatives and three (3) Mineral Value addition centers for fluorspar, gold and granite were established, 11,652 youths engaged in commercial enterprises and 68 Jua kali associations were capacity-built on product certification in the construction value chain and 10 CIDCs were modernized and linked to technical, vocational, education training institutions (TVETs)

*Healthcare:* Under the Health Commodity Security project, 85 percent of IDPs have been addressed towards Maturity Level 3. The Kenya Primate Research Institute has been upgraded. The Kenya Primate Research Institute was upgraded and the resource centre. Further, there was a slowdown in the operationalization of Primary Healthcare Networks (PCNs). Community health high impact interventions saw the operationalization of 168 Primary Healthcare Networks (PCNs), out of 315, as most counties are adapting to the new model. The establishment of 51 Community Health Units (CHUs) while 100,000 CHP kits were procured, fully achieving the target. Baby Friend Community Initiative (BFCI) was rolled out in 831 CHUs, out of 9,600, with implementation primarily in counties under the Nutrition Improvement through Cash and Health Education (NICHE) program. The Integrated Management of Acute Malnutrition (IMAM) programme reached 388,378 children, achieving 53 percent of the target due to reduced donor funding and outreach efforts.

Health infrastructure, the establishment of the National Public Health Institute (NPHI) is in progress. The Kenya Primate Research Institute's modernization is ongoing, with the achievement of 15 percent of its modernization target for the year, consistent with the plan to achieve 100 percent over five years. Overall, the achievements reflect significant progress in many areas, with ongoing efforts to address the challenges and meet targets in the coming periods.

The government enacted four health laws to support universal health coverage: This includes Social Health Insurance Act, 2023; Primary Health Insurance Act, 2023; and Facility Improvement Act, 2023. The health laws have already been enacted and operationalized towards supporting the implementation of Universal Health Coverage. Other policy guidelines undergoing review are: Migration policy for healthcare workers; Health and wellness policy guidelines; Disability mainstreaming policy; Privacy Policy for Electronic Community Health Information System (ECHIS); School Health Policy 2023; and Operationalize the Pharmacy and Poisons Board (PBB) and the National Quality Control Laboratory (NCQL).

*Housing and Settlement:* The government targeted 200,000 housing units during the period under review, and 815 housing units were completed. For the review period (FY 2023-2024), 251 civil servants were facilitated with mortgages worth Ksh. 1,342,798,992 and seven (7) markets were constructed to completion. During the review period, the Affordable Housing Bill, 2024 was enacted. The Act allows the government to collect the housing levy and establish the Affordable Housing Fund for purposes of provision of funds for the design, development and maintenance of affordable housing, institutional housing and associated social and physical infrastructure. The other policies, legislations and statutory instruments under review to enable the State Department to effectively execute its mandate are: National Housing Policy 2016, National Urban Development Policy 2016, and development of Public Office Accommodation Policy and Metropolitan Development Policy

*Digital Superhighway and Creative Industry:* In promoting the digital economy, the government established a one-stop centre for labour migration services to enable seamless labour export. The centre brought together various service providers that are essential to labour migration under one set-up where all migrant workers get services under one roof. A Bilateral Labour Agreement (BLA) between Kenya and the UK is currently under implementation. As of April 2024, 280 nurses have been recruited to work in the UK under the agreement. In addition, the National Employment Authority placed 107,756 Kenyans in employment locally and abroad, and 18,875 have been placed locally while 88,631 have been placed in foreign countries. The achievement is pegged on availability of job orders. In the creative economy, 2,700 talents were identified, nurtured and commercialized. In sports and arts, the achievement includes construction of the Talanta Sports City in Nairobi; completion of the Wote, Karatu, Ruring'u, Marsabit, Kirigiti, and Bomet stadiums; and establishment of Constituency Academies of Sports. The sports and arts infrastructure upgraded over the review period are: Phase II of the Kenya Academy of Sports (KAS); upgrade of the Moi International Sports Centre Stadium, Nyayo National Stadium, and Kipchoge Keino Stadium.

### **1.3 Organization of the Report**

The report contains information on the progress in the implementation of policies, programmes and projects; pointing out implementation challenges encountered and innovative ways to address them; and lessons learnt during implementation. The review of performance is based on targets as spelt out in the National Reporting Indicator Handbook for the MTP IV.

# CHAPTER TWO

## KEY ACHIEVEMENTS OF THE BOTTOM-UP ECONOMIC TRANSFORMATION AGENDA (BETA)

### 2.1 Overview

This chapter presents the implementation status of the Bottom-up Economic Transformation Agenda (BETA). Precisely, it focuses on the BETA **Pillars**, which are: Agricultural Transformation; Micro, Small and Medium Enterprise (MSME) Economy; Health Care; Housing and Settlement; and Digital Superhighway and Creative Industry. These pillars were prioritized owing to the impact they bear on bringing down the cost of living, eradicating hunger, creating jobs, expanding the tax base, improving foreign exchange balance, and enhancing inclusive growth. The chapter also focuses on the performance of the **Enablers** that were prioritized to enhance the achievement of BETA.

### 2.2 Key Achievements of the Bottom-up Economic Transformation Agenda (BETA) Pillars

The following is a summary of the BETA performance, specifying the achievements made within the FY 2023/2024 implementation period.

Project	Key Interventions and Achievements
<b>1. Agricultural Transformation</b>	
Tea Production	Tea production for the half-year period of 2024 was higher by 47.44 million kg (17%) from 273.64 million kg during the same period of the previous year to 321.09 million kg. This contributed to increased export earnings, with tea and flowers contributing KSh 54.7 billion, a rise from Ksh 44.6 billion the previous year.
Milk Production	Marketed milk production rose by 6.9 per cent from 754.3 million litres in 2022 to 806.6 million litres in 2023.
Coffee Production	The coffee revitalization programme saw the distribution of 49,000 seedlings in four counties of Nandi - 16,000 (75 farmers), Trans Nzoia - 10,000 (62 farmers), Kericho - 15,000 (75 farmers) and Kisumu - 8,000 (94 farmers).

Project	Key Interventions and Achievements
Rice Production	The area under rice production increased to 24,404 (Ha) due to additional acreage put under irrigation because of storage from Thiba Dam. Over the same period, 235,028 MT of subsidized fertilizers were distributed to rice farmers for planting and top-dressing fertilizers, and two common user facilities for milling and packaging rice were established -1 in Kisumu and 1 in Ahero.
Potato Production	There was development of Agriculture Technology Innovation Centre in Homa Bay, and construction of two potato cold storage facilities to reduce post-harvest losses in Meru, and Nyandarua counties.
Maize	Food security subsidy and crop diversification increased the area under maize production (Ha) to 2,353,655.
Other(s)	<ul style="list-style-type: none"> <li>a) Agricultural insurance with coverage of 647,017 farmers across 41 counties</li> <li>b) E-voucher input system where 1,060,285.65 MT fertilizer and 34,430.95 MT of lime benefited 1,436,715 farmers</li> <li>c) Agro-processing by completing 18 County Aggregation Industrial Parks (CAIPS)</li> <li>d) Miraa industry revitalization</li> <li>e) Strengthening agricultural mechanization; pest and disease management and agricultural research</li> <li>f) Development of agriculture technology innovation centres</li> </ul>

## 2. Micro, Small, and Medium Enterprises (MSMEs)

Beneficiaries of MSME Development Programmes	The Micro, Small, and Medium Enterprises (MSMEs) development programmes supported 622 Common Interest Groups (CIGs) and 19,395 beneficiaries were provided with grants worth KSh. 1.5 billion.
Seaweed Farmers Capacity Built	Capacity was built for 565 seaweed farmers in mariculture production
Surveillance of both Marine and Inland Waters	Six (6) patrol boats commissioned to support surveillance for both marine and inland waters
SMEs Incubated	1,002 SMEs were incubated at KIRDI Common Manufacturing Facilities
MSMEs Mapped and Sensitized on Leather Value Chain	171 MSMEs mapped and sensitized on leather value chain
MSEs Facilitated to Access Markets	A total of 1,487 MSEs were facilitated to access markets through various trade fairs and 348 MSMEs successfully exhibited their products during the EAC MSMEs Trade Fair, which was held in the Republic of Burundi on 23 <sup>rd</sup> December 2023.
Artisanal Mining SACCOs Formalized	A total of 228 artisanal Mining SACCOs formalized operations as cooperatives and three (3) Mineral Value addition centres for fluorspar, gold and granite were established.
Youths Engaged in Commercial Enterprises	11,652 youths engaged in commercial enterprises and 68 Jua kali associations were capacity-built on product certification in the construction value chain.

Project	Key Interventions and Achievements
CIDCs were Modernized and Linked to TVETs	Ten (10) CIDCs were modernized and linked to technical, vocational, education training institutions (TVETs).
<b>3. Healthcare</b>	
Health Commodity Security	85 percent of IDPs have been addressed towards Maturity Level 3.
Kenya Primate Research Institute	The Kenya Primate Research Institute was upgraded to a resource centre. The modernization is ongoing, with the achievement of 15 percent of its modernization target for the year, consistent with the plan to achieve 100 percent over five years.
Primary Healthcare Networks	There was a slowdown in the operationalization of Primary Healthcare Networks (PCNs).
Community Health High Impact Interventions	Community health high impact interventions saw the operationalization of 168 Primary Healthcare Networks (PCNs), out of 315, as most counties are adapting to the new model.
Community Health Units (CHUs)	51 Community Health Units (CHUs) were established.
CHP Kits Procured	100,000 CHP kits were procured, fully achieving the target.
Baby Friend Community Initiative (BFCI)	Baby Friend Community Initiative (BFCI) was rolled out in 831 CHUs, out of 9,600, with implementation primarily in counties under the Nutrition Improvement through Cash and Health Education (NICHE) programme.
Integrated Management of Acute Malnutrition (IMAM)	The Integrated Management of Acute Malnutrition (IMAM) programme reached 388,378 children, achieving 53 percent of the target due to reduced donor funding and outreach efforts.
Health Infrastructure	Health infrastructure, the establishment of the National Public Health Institute (NPHI) is in progress.
Legal, Institutional and Policy Reforms	The government enacted four health laws to support universal health coverage: This includes Social Health Insurance Act, 2023; Primary Health Insurance Act, 2023; and Facility Improvement Act, 2023. The health laws have already been enacted and operationalized towards supporting the implementation of Universal Health Coverage.
	Other policy guidelines undergoing review are: Migration policy for healthcare workers; Health and wellness policy guidelines; Disability mainstreaming policy; Privacy Policy for Electronic Community Health Information System (ECHIS); School Health Policy 2023; Operationalize the Pharmacy and Poisons Board (PBB); and the National Quality Control Laboratory (NCQL).
<b>4. Housing and Settlement</b>	
Housing Units	The government targeted 200,000 housing units under the period under review, and 815 housing units were completed.
Mortgages	For the review period (FY 2023-2024), 251 civil servants were facilitated with mortgages worth KSh. 1,342,798,992 and seven (7) markets were constructed to completion.

Project	Key Interventions and Achievements
Legal, Institutional and Policy Reforms	Under the review period, the Affordable Housing Bill, 2024 was enacted. The Act allows the government to collect the housing levy and establish the Affordable Housing Fund for purposes of provision of funds for the design, development and maintenance of affordable housing, institutional housing and associated social and physical infrastructure. The other policies, legislations and statutory instruments under review to enable the State Department to effectively execute its mandate are: National Housing Policy 2016; National Urban Development Policy 2016; and development of Public Office Accommodation Policy and Metropolitan Development Policy.
<b>5. Digital Superhighway and Creative Industry</b>	
One-Stop Centre for Labour Migration Services	In promoting the digital economy, the government established a one-stop centre for labour migration services to enable seamless labour export. The centre brought together various service providers that are essential to labour migration under one set-up where all migrant workers get services under one roof.
Bilateral Labour Agreements (BLA)	<p>A Bilateral Labour Agreement (BLA) between Kenya and the UK is currently under implementation. As of April 2024, 280 nurses have been recruited to work in the UK under the agreement.</p> <p>The National Employment Authority placed a total of 107,756 Kenyans in employment locally and abroad. 18,875 have been placed locally while 88,631 have been placed in foreign countries. The achievement is pegged on availability of job orders.</p>
Creative Economy	In the creative economy, 2,700 talents were identified, nurtured and commercialized. In sports and arts, the achievement includes construction of the Talanta Sports City in Nairobi; completion of the Wote, Karatu, Ruring'u, Marsabit, Kirigiti, and Bomet stadiums; and establishment of Constituency Academies of Sports.
Sports and Arts Infrastructure Upgraded	The sports and arts infrastructure upgraded over the review period are: Phase II of the Kenya Academy of Sports (KAS); upgrade of the Moi International Sports Centre Stadium, Nyayo National Stadium, and Kipchoge Keino Stadium.

## 2.3 Key Achievements of the BETA Enablers

Project	Key interventions and Achievements
<b>1. Infrastructure</b>	
Road Construction and Maintenance	Cumulatively, the sector achieved 673.36 km of newly constructed classified roads out of a targeted 1,200 km and maintained and rehabilitated 50,356.52km of roads, surpassing the target of 45,351 km, marking an improvement in road accessibility.
Water	A total of 3,217 household water pans and 44 community water pans with a cumulative volume of 7,674,252 were excavated. The paddy rice production increased to 276,012 tonnes due to expansion of the Mwea Irrigation Scheme by 5,600 acres to command an irrigation area of 30,600 acres. The sub-sector also progressed the construction of Mwache and Siyoi Muruny dams to 12.6 percent and 84 percent, respectively, and constructed 8.34 km of flood mitigation structures and one check dam.



Project	Key interventions and Achievements
Electricity	9,659,877 households were connected to electricity and 555 public facilities were connected to the power grid. Green Energy Industrial Park-Phase I in Olkaria is at 10 percent completion rate.
Petroleum	LPG truck loading facility at KPRL Changamwe was completed. The 824 km 20-inch Lokichar-Lamu Crude Oil Pipeline is at 40% level of completion.
<b>2. Manufacturing Sector</b>	
<p>The number of persons employed in the formal manufacturing sector grew by 2.7 percent in 2023. Total persons employed in the sector during the period under review was 362,300 compared to 352,600 in 2022. This was 11.5 percent share of the total persons engaged in employment in the formal sector. Despite the increase, an 8.8 percent drop in employment of persons to 76,400 in 2023 was recorded in the Export Processing Zones (EPZs). Additionally, there was increased growth of agro-based cottage industries and value addition practices that contributed to increased opportunities for employment. The modernization of the Rivatex machinery reached 99 percent level of completion.</p>	
Leather	Total export value of apparel and textile was KSh. 49,493.7 million. A total of 439.7 tonnes of hides and skins were delivered to tanneries for processing. Construction of County Aggregation and Industrial Parks (CAIPs) under Phase 1 of 18 CAIPs is ongoing, with an average completion rate of 36 percent. By close of FY 2023/2024, the National Government had disbursed KSh. 1.152 billion to the 18 counties with each county receiving KSh. 64 million. The CAIPs are at different stages in the various counties.
Manufacture of Machinery, Automotive, Equipment and Parts	To increase production of industrial parts, the volume of castings produced recorded 68.5 tonnes while transmission industrial and automotive parts manufactured were 280,000 pieces. The percentage completion rate of modernization of the NMC foundry and CNC workshops was 37.02 percent integrated iron and steel mill plant, scrap metal and mineral value addition. Scrap metal business was controlled and regulated as 813 licenses were issued to scrap metal dealers. The Scrap metal Act was reviewed, and the level of mapping of scrap metal dealers was 40 percent, and the level of operationalization was 60 percent.
Building Products	During the period under review, 68 Jua kali associations were capacity-built on product certification in the construction value chain. The Jua kali associations capacity-built had a total membership of 168 MSEs and were from Tharaka Nithi—9, Kisumu—56, Migori—26, Meru—45, Nyandarua—22, and Nairobi—10. Furthermore, 10 CIDCs were modernized and linked to technical, vocational education training institutions (TVETs). 83.2 kilotonnes of cement were produced to support the affordable housing programme.

Project	Key interventions and Achievements
<b>3. Blue Economy</b>	
Fisheries Resources Development and Utilization	A total of 12,760 inland fishing landing sites were developed and rehabilitated. The quantity of fish landed increased from 174,027 metric tonnes to 191,439 metric tonnes. Fish production from freshwater sources rose from 108,203 metric tonnes to 19,032 metric tonnes, while fish production from marine sources also increased from 37,992 metric tonnes to 41,791 metric tonnes. The total value of fish produced was KSh. 40.6 billion.
Blue Economy Investment and Development Programme	The development of ultra-modern tuna fish hub at Liwatoni with capacity for 1,000 metric tonnes cold storage was completed and the installation of water supply to the jetty was done.
<b>4. The Services Economy</b>	
Financial Services	<p>The financial services sub-sector remained a major driver of the services sector, with innovations in mobile money platforms and digital banking driving financial inclusion. The Central Bank of Kenya (CBK) reported a 15 percent increase in mobile money transactions, totaling over KSh. 7.5 trillion for the FY 2023/24. Additionally, credit to the private sector grew by 9 percent, reflecting improved liquidity and confidence among businesses and households. The trade sub-sector also posted significant growth, supported by the implementation of the African Continental Free Trade Area (AfCFTA) agreement, which facilitated regional trade integration. Export volumes of services, particularly in professional and technical services increased by 8 percent largely driven by demand from regional markets. The transport and logistics sub-sector saw improved performance due to strategic investments in infrastructure projects, including the expansion of the Standard Gauge Railway (SGR) and the modernization of key port facilities in Mombasa and Lamu. These developments enhanced cargo handling efficiency, leading to a 12 percent increase in freight volumes. Similarly, the ICT sub-sector continued to thrive, supported by Kenya's growing digital economy. Internet penetration reached 94 percent, and the adoption of e-commerce platforms surged by 20 percent, highlighting the sector's role in driving innovation and economic diversification. Despite the sector's overall positive trajectory, challenges such as high inflation, exchange rate volatility, and geopolitical tensions posed risks to sustained growth. Therefore, there is a need for policy interventions to address structural bottlenecks, including reducing the cost of doing business and enhancing regulatory frameworks. The targeted investments in skills development, green energy solutions, and digital infrastructure are essential in maintaining the momentum of the services sector as a key driver of Kenya's economic growth.</p>

Project	Key interventions and Achievements
Tourism	Kenya recorded 2,098 million international tourists, which has increased to 2,129 million for the FY 2023/24, with inbound earnings being KSh. 352 billion and direct job contribution of 1.1 million persons with a total of indirect jobs accounting for 9 percent of total employment in the country. The sector contributes to 11 percent of the country's GDP. The ministry envisages growing the inbound arrivals to 5 million by 2027 and tourism inbound earnings to grow to KSh. 824 billion by the same period.
<b>5. Environment and Climate Change</b>	
<b>Agro-Forestry</b>	The sub-sector collected and produced 70,000 kgs of tree seeds in all ecoregions. The seeds were distributed to both State and non-State actors for propagation of tree seedlings. In the period under review, a total of 1.1 billion tree seedlings of different species were produced. Additionally, 0.4 billion trees were grown and reported in the JazaMiti App, which is the national reporting tool for tree growing. 28,000 Ha of agroforestry was developed in ASALs in partnership with development partners. This included growing fruit trees in schools and farms.
<b>6. Education and Training</b>	
Open University of Kenya and Open Distance and eLearning (ODEL)	All the eight (8) targeted higher education and research programmes were developed. The State Department also showed commitment towards the establishment of digital labs, whose construction was curtailed by budgetary constraints. The high-speed Internet connectivity to tertiary educational institutions could not be carried out because it falls under the mandate of the State Department for ICT. Learning management systems were developed in a number of universities. These include Mt Kenya University, KU, St Paul Kiriri, Lukenya University, Kenya Methodist University, and Murang'a and Meru universities.
Education Reforms	Recommendations from the Presidential Working Party on Education Reforms were fully implemented. The implementation of University Competency-Based Curriculum Framework (UCBCF) was at 40 percent by the end of Q3, towards the implementation of Competency Based Assessment (CBA).
Inclusion in Education and Training	The targeted nine (9) PWD-friendly infrastructure were constructed in universities to enhance inclusivity. This is as part of an ongoing activity that is part of the Performance Contract (PC) for all universities. Additionally, a significant number of Government-sponsored students (GSS) were given capitation grant, loans and bursaries.
University Infrastructure Improvement	The critical university infrastructure was rehabilitated and equipped. Students also benefited from loans and bursaries.

Project	Key interventions and Achievements
Strengthening of Science, Technology, Engineering and Mathematics	The capacity of seven (7) universities and two (2) research institutes were strengthened to be centres of excellence. These include Egerton, Moi and Jaramogi Oginga Odinga University of Science and Technology (JOOUST) centres of excellence supported through World Bank ACE II project. Thirty (30) out of the 90 Kenyan node of the National Science, Technology and Innovation Observatory were also established.
Automation and Skills Development (Digital Labs)	126 against the targeted 50 digital labs were installed and operationalized. To enhance relevance and effectiveness of the labs, 27,632 out of the targeted 50,000 youth were trained.
Expansion of Technical, Vocational Education and Training	The SD-TVET focused on the construction and equipping 15 out of the targeted 26 TVET institutions in 52 constituencies, equipping 36 TVET institutions (26 have been equipped), recruitment of 1,000 technical trainers and instructors (which has been surpassed by 1,000), establishment of 1,000 incubation in every TVET institution, and facilitating online learning in TVETs.
Gross Enrolment Rate	During the FY 2023/24, the TVET sub-sector achieved a gross enrolment of 406,598 trainees (222,898 male and 183,700s female) against a target of 640,326 trainees.
Education Reforms	This entails the implementation of recommendations from the Presidential Working Party on Education Reforms. The targeted 50 percent implementation was met.
Automation of Basic Education System	The targeted 50 percent of the National Skills Management Information System was developed and operationalized.
Infrastructure Improvement	There is a need to increase investments for expansion, upgrading, rehabilitation and equipping of existing institutions across the learning and research spectrum. This should be based on objective criteria and priorities to cater for the increased enrolment while enhancing inclusive education and training, and research infrastructure (RI). The sector will prioritize near completion projects before embarking on new ones.
Review of Capitation Guidelines for all Levels of Education	The government is developing policy guidelines on the provision of capitation grant for mainstreaming pre-primary education to ensure seamless transition into formal schooling. In addition, the conditional grant to county governments for development of youth polytechnics/VTCs and capitation to trainees should be sustained and enhanced. The sector will also review the current funding model to ensure optimum support to the niche areas in institutions is undertaken, and the harmonization of the legal, policy and regulatory framework for the sector.
Staffing and Training	The sector is recruiting adequate staff to deliver the education mandate across all levels of the sub-sector. This will include adequate staffing at the zonal, sub-county, county and headquarters, including SAGAs to deliver services across all levels of education. In addition, there will be a need to facilitate and continuously build the capacity of the existing sub-sector staff for efficient delivery of services.

Project	Key interventions and Achievements
ICT Integration in Education and Training	The sector, in collaboration with the relevant State agencies, is facilitating ICT infrastructure, Internet connectivity and training of personnel in institutions of learning and education offices, and facilitating e-learning, live-streaming of lessons in the basic education institutions to mitigate the challenge of teacher shortage. This will require additional resources to procure the requisite equipment and infrastructure to enable the integration of ICT in teaching and learning. In this regard, there is a need to enhance security, safety and ethical use of ICT in education and training as provided in the ICT in Education and Training Policy. There is also a need for enhanced and up-scaling of local digital learning resources and building the capacity of institutional managers, teachers/trainers, learners and field officers on ICT in education and training. This should include building capacity for support and maintenance of ICTs at the institutional levels.
Climate change:	The sector recommends establishment of structures to implement Education for Sustainable Development (ESD) and climate change programmes. This will provide for mentorship on ESD and training education managers on climate change, food production in institutions of learning, and documentation of success stories.
Sector governance:	There is a need to enhance the coordination of capacity building programmes of education managers in the sector on governance, risk management, controls, accountability, and project implementation/contracts management to optimize utilization of public resources. Monitoring and stakeholders' feedback mechanisms will be critical in enhancing service delivery. There is a need to domesticate the National Monitoring and Evaluation Policy to ensure sound tracking, monitoring and evaluation programmes in the sector.
Maintenance of education standards, quality assurance and audit:	The sector is comprehensively reviewing the National Education Quality Assurance and Standards Framework (NEQASF) as recommended by the Presidential Working Party on Education Report (PWPER). The sector will need to develop guidelines and standards that were identified as missing, such as the Special Needs Education (SNE) standards, home-schooling and online schooling. There will be a need for the sub-sector to increase the number of quality assurance and standard officers to keep pace with the increasing number of education institutions. Further, there is a need to establish a strong institutional-based quality assurance and standards mechanism and retooling of field officers and institutional administrators to lead in the internal quality assurance function. More staff need to be recruited. School auditors need to be trained on modern audit techniques, and audit functions need to be automated.
Junior School (JS) and Senior School (SS):	The sector is developing a framework for collaboration with the teacher training institutions (universities, TTCS and TVETs) to review the training needs for teachers entering the teaching profession and align content in compliance with the ongoing CBC reforms. Further, there is a need for intensified retooling of teachers in the service through enhanced Teacher Professional Capacity Development (TPCD) to address their professional gaps in Technology, Pedagogy, and Content Knowledge (TPACK).

Project	Key interventions and Achievements
Summary of Achievements	Education, training and research for the country. There was good progress towards enhancing universal access, completion, transition, quality, equity and relevance in education and training. These achievements are evidenced by increased enrolments; rollout of the Competency Based Curriculum and Assessment from Pre-primary 1 to Grade 7; improvements on ICT integration; improvement in the positive indicators of quality such as improved pupil-book ratio; more research funds mobilized; STI priorities issued, improved infrastructure at all levels of education; strengthening the function of quality assurance and standards by developing and implementing the National Education Quality Assurance and Standards Framework (NEQASF); and automating enrolment, capitation, curriculum delivery, quality assurance and assessment. Based on the achievements made, the sector is on track towards attainment of the aspirations of the Kenya Vision 2030, Sustainable Development Goal No. 4 and BETA.

## 7. Women Agenda

**Training Simplified Trade Regime (STR):** According to the East African Community Affairs, a total of 1,200 youth, women and PWD traders were trained on Simplified Trade Regime (STR) to enhance their knowledge/awareness on border laws and regulations; elevate traders from small scale to own cooperatives and empowerment on value chains in STR; and reduce cases of smuggling across the border. Additionally, a total of 764 women and youth traders in Loitoktok, Malaba, Namanga, Isebania, Lwakhakha and Suam were trained on EAC Simplified Trade Regime.

**Trade Agreements and Market Access:** The State Department for Trade reported that the African Continental Free Trade Area agreement that focuses on inclusivity concluded a Protocol on Women and Youth in Trade, supporting women's and youth participation in trade to enhance economic development and employment opportunities.

**Improvement of Maternal and Neonatal Health:** There has been a decrease in the proportion of women seeking skilled birth attendance at health facilities, despite an increase in antenatal care attendance.

**Number of women trained on digital platforms:** The number of women trained on digital platforms exceeded expectations, supported by collaboration with COMESA. However, efforts to recruit women into table banking groups and train them on cross-border trade fell short, mainly due to funding limitations.

**Economic empowerment programmes:** Programmes related to the distribution of sanitary towels were successful, with 18.35 million towels distributed across all 47 counties meeting the annual target.

The **Women Enterprise Fund** saw a significant achievement in the disbursement of affordable loans, surpassing the target in the fiscal year. A total of 189,550 women were issued with affordable loans and 120,556 women were trained on entrepreneurship under the Women Enterprise Fund programme. However, the initiative to train women on digital literacy did not progress as planned due to budget constraints.

**Campaign against Gender-Based Violence:** Significant progress was made in engaging men and boys in campaigns against Gender-Based Violence (GBV), with 1,220 male champions identified, exceeding the target of 1,000. Likewise, efforts to distribute dignity kits to GBV survivors and build the capacity of gender desk officers were successful. However, several targets, such as providing essential services to GBV survivors and hosting forums on GBV reduction were not achieved due to delays in fund disbursement and budget cuts.



Project	Key interventions and Achievements
	<p><b>Campaigns to Eradicate Female Genital Mutilation (FGM):</b> Campaigns to eradicate FGM reached over 13 million people through the media, surpassing the target of 10 million. Despite this, inter-county coordination mechanisms fell short. For the Women Enterprise Fund, loan disbursement targets were exceeded in the first quarter, but other initiatives such as digital literacy training for women lagged behind due to budgetary constraints.</p>
<b>8. Social Protection</b>	
	<p><b>National Safety Net Programme (NSNP):</b> The State Department committed to ensure that identified beneficiaries are provided with cash assistance within the period under review. It would also ensure that the social protection Management Information System (MIS) is linked to relevant Government information systems to ensure that the Social Assistance Fund is enacted and operationalized. The State Department would further ensure that the social protections single registry is upgraded. To this effect, cash assistance was provided to 1,044,194 beneficiaries, compared to the targeted 1,733,000 beneficiaries within the period under review. The social protection Management Information System (MIS) was linked to relevant Government information systems to ensure that the Social Assistance Fund is enacted and operationalized. The social protection single registry was upgraded.</p> <p><b>The Presidential Secondary School Bursary for Orphans and Vulnerable Children:</b> The Presidential Secondary School Bursary for Orphans and Vulnerable Children was advanced to all the targeted beneficiaries, besides the prevention and response to violence against children, and the provision of childcare protection services, which were all over-achieved.</p> <p><b>Implementation of the Children Act, 2022:</b> Towards the implementation of the Children Act, 2022, the State Department set out to implement the Presidential Secondary School Bursary for Orphans and Vulnerable Children, whose target was fully met. It also deployed resources towards the prevention and response to violence against children, and the provision of childcare protection services, which were all over-achieved.</p> <p><b>National Positive Parenting:</b> The State Department for Social Protection and Senior Citizen Affairs developed the framework for the design, implementation, and monitoring of evidence-based parenting programme, which is at 25 percent completion. The State Department also rolled out a training to empower parents, caregivers and trainers of families on positive parenting. This was also over-achieved.</p> <p><b>Kenya Social Economic Inclusion Programme:</b> The State Department targeted 23,500 beneficiaries for cash top-up and nutritional counselling under the Kenya Social Economic Inclusion Programme, which is well on course. The State Department advanced cash top-ups and provided nutritional counselling to 17,000 beneficiaries. It also ensured the provision of asset transfer (seed capital) for business start-ups (KSh. 30,000) to the targeted households.</p> <p><b>Other Projects:</b> The other projects implemented during the FY 2023/24 include the inclusion of persons with disabilities in the national development; community mobilization, development and empowerment; and rehabilitation of street families.</p>
<b>9. Sports, Culture and Arts</b>	
	<p><b>Talents Identified, Nurtured and Commercialized:</b> A total of 2,700 against the targeted 4,700 talents were identified, nurtured and commercialized.</p>

Project	Key interventions and Achievements
	<p><b>Sports and Arts Infrastructure:</b> The sports and arts infrastructure that were targeted include: Phase II of the Kenya Academy of Sports (KAS); upgrade of the Moi International Sports Centre Stadium, Nyayo National Stadium, and Kipchoge Keino Stadium; Construction of the Talanta Sports City in Nairobi; Completion of the Wote, Karatu, Ruring’u, Marsabit, Kirigiti, and Bomet stadiums; and establishment of Constituency Academies of Sports.</p> <p><b>Promoting Sports Tourism:</b> Promoting tourism through sports and arts (sports tourism) was done by hosting 1 out of the 6 targeted international sporting events.</p> <p><b>Anti-doping Promotion:</b> Anti-doping promotion was enhanced by conducting intelligent based-tests and the roll-out of anti-doping education.</p> <p><b>Preserving the National Culture and Heritage:</b> In preserving the national culture and heritage, 26 cultural events were held, surpassing the target of 17 cultural events. The over-achievement was attributed to collaborative efforts between the National and County governments. Further, one national heritage site was preserved during the period under review.</p> <p><b>Library and Information Access:</b> The sub-sector also endeavoured to increase the number of people accessing the library and information. To do that, 11,185,816 persons were targeted, out of 7.9 million accessing library service. The under-achievement was attributed to preference of library uses resorting to online use of materials and information.</p> <p><b>International arts and creatives festival exhibitions:</b> The sub-sector enhanced international arts and creatives festival exhibitions in collaboration with partners.</p>
<b>10. Youth Empowerment and Development Agenda</b>	
	<p><b>Management of Skills Development and Post-training:</b> The State Department for Labour and Skills Development trained 9,188 youths on online employment skills and 4,000 others on talent, innovation and entrepreneurship development.</p> <p><b>Youth Skilling, Employment, and Wealth Creation:</b> The State Department for Public Service focused on the training of youth in paramilitary, national service, technical and vocational skills annually; engaging youth in tasks of national importance and National Youth Service (NYS) commercial enterprises; and construction of NYS classrooms, workshops, and double pan barracks.</p> <p><b>Talents Identified, Nurtured and Commercialized:</b> A total of 2,700 against the targeted 4,700 talents were identified, nurtured and commercialized under the State Department for Sports.</p> <p><b>Increased Youth Skilling, Employment and Wealth Creation:</b> This forms a key component of the State Department’s output that significantly contributes to youth unemployment rate, and the Kenya Youth Development Index (KYDI) that is being developed for the country. To enhance youth skilling for employment and wealth creation, 28,407 youth were trained on Sexual Reproductive Health (SRH) and further facilitated 31,670 youth to access SRH services. Further, 24,138 youths were trained in life skills and entrepreneurial skills. This is in addition to 975 youth being engaged in cloud sourcing and online jobs. To promote innovation among youth, 35 innovators were profiled and incubated.</p>

Project	Key interventions and Achievements
	<p><b>Vijana Vuka na Afya programme:</b> Youth (15-24 years) were targeted for training on sexual reproductive health (SRH) services and development of socio-economic skills. 157 youth peer educators were trained against the targeted 7,250 educators. 28,407 youth were consequently trained on appropriate SRH against the targeted 26,000. Consequently, 31,670 youth were able to access SRH.</p> <p><b>Promotion and Development of Creative and Film Industry:</b> Establishing one (1) incentive framework; hosting one (1) international art and creatives festival exhibition; engaging the targeted 50 artists in mentorships and apprenticeship programmes; and issuing licenses to 89 percent of the targeted exhibitors, distributors and new film makers. Precisely, the State Department issued 4,762 licenses to exhibitors, distributors and new film makers. To promote the film industry, the State Department hosted the international art and creatives festival exhibition, where a total of 69 local and international organizations exhibited at the event.</p> <p><b>Presidential Challenge and Innovation Awards:</b> This focused on Youth Empowerment Centres (YECs) transformed into digital innovation hubs measured by the number of YECs refurbished. Precisely, it focused on the number of YECs constructed, the number of innovation hubs established, the number of youth accessing innovation hubs, the number of youth accessing youth friendly services, and the number of youth talents and innovations incubated.</p> <p><b>Skills Development/Youth Skilling Employment and Wealth Creation:</b> Youth were trained on life skills and entrepreneurial skills. Conversely, youth entrepreneurs were engaged in green jobs and cloud sourcing/online jobs. 11 out of the targeted 19 community youth SACCOs were operationalized. Further, an impact evaluation of the affirmative funds was conducted; business grants for start-ups were issued; and community-based youth-savings and investment (CYSI) groups were slated for establishment.</p> <p><b>Knowledge Sharing on Youth's Socio-Economic Transformation:</b> This programme entails the transformation, development of youth leadership and governance structures, and hosting Youth Connekt forums. To increase knowledge sharing for the youth's socio-economic transformation, the State Department developed a Youth Connekt framework and hosted a Youth Connekt Summit, which brought together 25,000 youths.</p> <p><b>Youth Enterprise Development Fund (YEDF):</b> This is a programme to advance a sum of KSh. 4.3 billion to youth enterprises. As a result, youth entrepreneurs benefited from YEDF loans for Business Development Services. Under the Youth Enterprise Development Fund, KSh. 324.1 million was disbursed to youth entrepreneurs in key value chains as loans, benefiting 25,360 youth across the country. Further, 107,034 youth were provided with business development services.</p> <p><b>Youth Empowerment Centres (YECs):</b> To access youth friendly services, the State Department constructed 3 Youth Empowerment Centres (YECs) and renovated an additional 12 YECs. Further, 14 YECs were supplied with assorted furniture while 25 YECs were equipped with ICT equipment. This allowed 216,000 youth to access youth friendly services across the country.</p>
<b>11. Governance</b>	
	<p><b>Police Welfare Programme:</b> A total of 106,469 security officers were provided with Insurance cover.</p> <p><b>Rehabilitation and Reintegration of Offenders:</b> 252,000 offenders were provided with psychological support, educational and technical training opportunities.</p> <p>Development of the Childcare Policy for children accompanying their mothers to prisons was set up at Kahawa Court in Kamiti Maximum Prison, acquired 114 assorted vehicles, and obtained title deeds for the Kamiti Command, Makueni Command, Murang'a prison and Nyahururu prisons.</p>

Project	Key interventions and Achievements
<b>12.Foreign Policy and Regional Integration</b>	
<p>The State Department for Foreign Affairs enhanced Kenya's global presence, profile, and influence by strategically placing Kenyans in key international organizations. It successfully lobbied for Kenya's membership in critical decision-making organs and bodies of various intergovernmental organizations. The State Department articulated the country's position in its engagements in both bilateral and multilateral peace and security platforms, promoted economic cooperation and commercial diplomacy and provided consular services.</p> <p>The Department successfully coordinated a range of multilateral engagements and high-profile conferences between July 2023 and June 2024, including key meetings such as the AU Mid-Year Coordination Meeting, the Annual Board Meeting of the Eastern Southern African Trade and Development Bank, the Africa Climate Summit, and the Munich Security Conference Leaders Meeting.</p> <p>Additionally, Kenya hosted notable events such as the East Africa Regional Tourism Expo, Kenya Innovation Week, and the Youth Connect Africa Summit. Upcoming meetings include the UNESCO Eastern Africa Forum on Artificial Intelligence, the Global Peace Leadership Conference, and the United Nations Civil Society Conference, all aimed at strengthening regional and international cooperation across climate, economic, technological, and security issues.</p> <p>Joint mobilization was conducted whereby relevant MDAs, and 348 Kenyan MSMEs successfully exhibited their products during the EAC MSMEs Trade Fair, which was held in the Republic of Burundi on 23<sup>rd</sup> December 2023. The target of 2000 is for all the implementing agencies, and the EAC is only contributing to the target.</p>	

Overall, the achievements reflect significant progress in many areas, with ongoing efforts to address existing challenges and meet targets in the coming periods.

## 2.4 Recommendations on the BETA and Enablers Implementation

- (i) Conduct a comprehensive performance review of the value chain approach to identify and unlock bottlenecks that have hindered the effective implementation of the various value chains. The value chain implementation committee needs strengthening and further consideration to have the State Department for Economic Planning as a secretariat to the committee.
- (ii) Enhance monitoring and evaluation of BETA priority projects to ensure that projects are implemented within the designed timelines.
- (iii) Address financial and resource constraints. This can be done through allocating additional resources to underfunded but critical aspects of the projects. There is also a need to ensure that resources are directed to areas with the highest impact.
- (iv) Focus on quick wins and scalability. It is critical to Identify and implement low-cost, high-impact interventions that can deliver visible results in the short term.
- (v) Strengthen policy and regulatory support by advocating for policy changes that support the success of BETA projects, such as tax incentives, reduced trade barriers, and supportive regulations. Also, increased support for the adoption of quality standards and certifications in MSMEs to enhance the competitiveness of products in local and international markets.

# CHAPTER THREE

## 3.0 MACROECONOMIC FRAMEWORK REVIEW

### 3.1 Overview

This chapter provides a review of the progress made towards achieving the objectives and targets of the Fourth Medium-Term Plan (MTP IV). It highlights the macroeconomic performance, sectoral performance, and the status in implementation of various government development projects and programmes.

### 3.2 Overall Economic Performance

The economy rebounded strongly from a growth of 4.9 percent in 2022 to 5.6 percent in 2023. This was largely driven by resilient services sector and strong performance of the agriculture sector due to favourable weather conditions, and government support through the subsidized fertilizer programme. This was against the MTP IV target of 6.1 percent. The agriculture, forestry and fishing sector grew by 6.5 percent in 2023, marking a recovery from the 1.5 percent contraction in 2022. The other key drivers of the growth include information and communication (9.3 percent), transportation and storage (6.2 percent), financial and insurance (10.1 percent), real estate (7.3 percent) and accommodation and food service activities (33.6 percent). However, the mining and quarrying sector recorded a 6.5 percent contraction, largely attributable to a decline in the production of most of the minerals such as titanium and soda ash. A comparative analysis of the targeted and actual GDP growth rates over the period 2018-2023 is presented in Figure 3.1.

The available economic indicators for the first half of 2024 point to mixed performance in the economy, reflecting sustained performance in agriculture, improved exports and services sector and a subdued industrial sector. Given this and other considerations, including domestic and external factors, economic growth is projected at 5.2 percent in 2024 and 5.4 percent in 2025 (Figure 3.2). These projections are underpinned by broad-based private sector growth and ongoing government interventions and strategies under the Bottom-up Economic Transformation Agenda (BETA). Additionally, the implementation of prudent fiscal and monetary policies will continue to support economic activity.

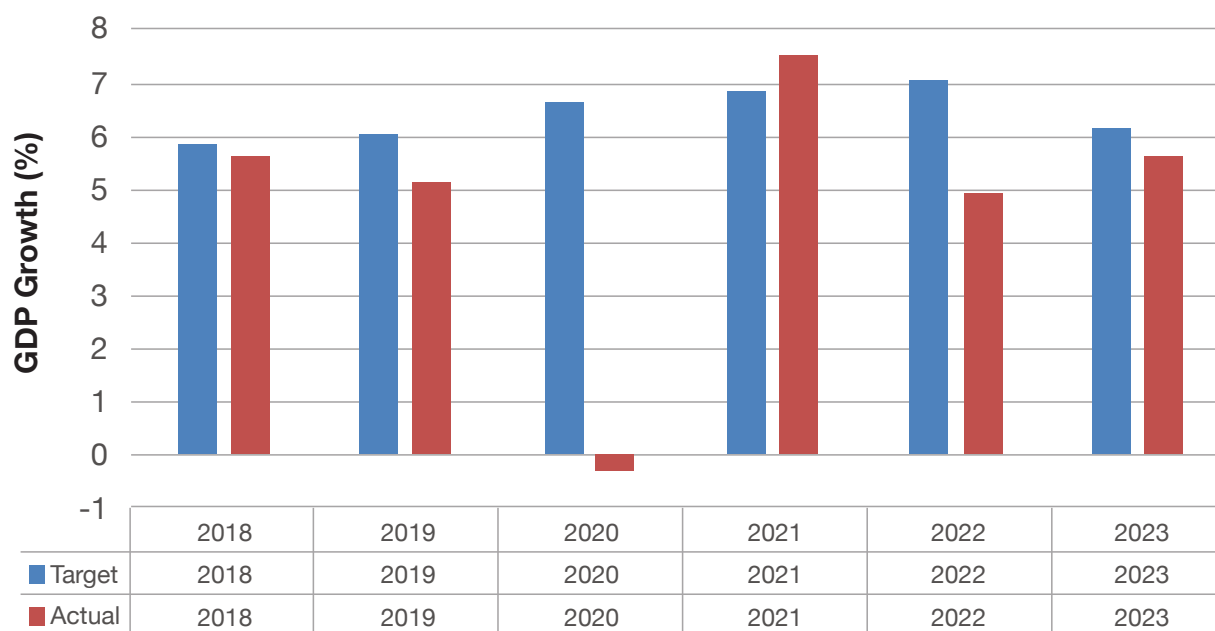


Figure 3.1: Economic performance 2018-2023

Source: Kenya National Bureau of Statistics (2024), Economic Survey

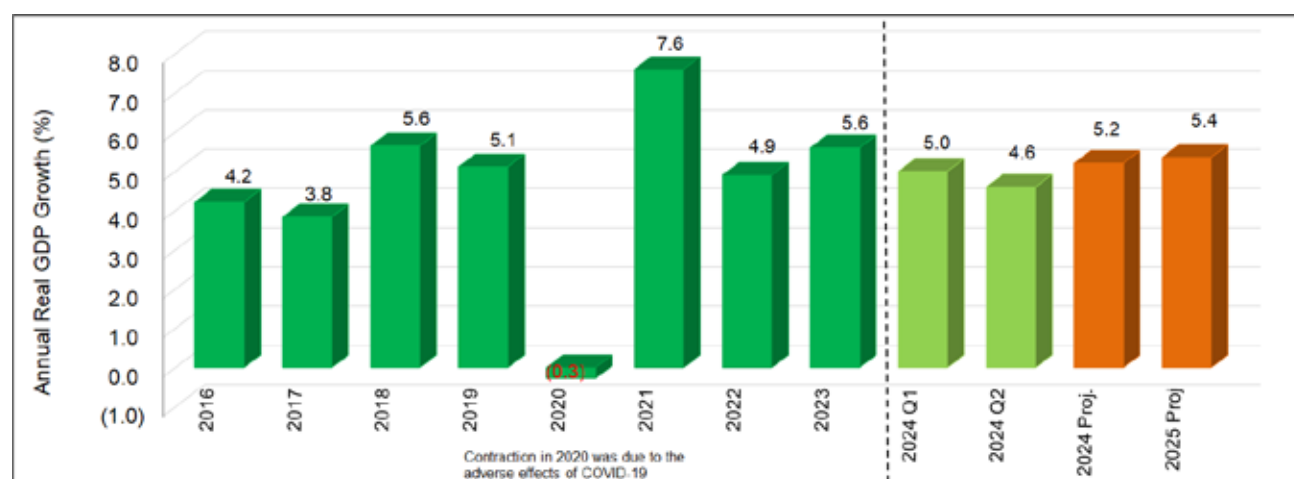


Figure 3.2: Annual real GDP growth rates, percent

Source: Kenya National Bureau of Statistics (2024), Economic Survey

The Kenyan economy is currently unwinding from the effects of negative and persistent global and domestic shocks that had pushed the economy to its lowest activity level. These shocks include the COVID-19 pandemic and its ensuing effects, conflict in Eastern Europe and the Middle East, which led to global supply chain disruptions, and the adverse effects of climate change from the prolonged drought in 2021 to the floods in the first half of 2024. The various government interventions, structural reforms and policies have supported economic recovery.



### 3.3 Sectoral GDP Performance

The sectoral GDP performance was largely driven by the primary and services sectors. The primary sector was supported by a strong rebound in the agricultural sub-sector, which benefited from favourable weather conditions after two years of severe drought, and the robust performance of the services sector. The performance of the industrial sector, particularly manufacturing has remained subdued. The performance of annual growth for 2022, 2023 and quarterly growth of these sectors is summarized below (Table 2).

*Table 2: Sectoral GDP performance*

Sectors	Annual Growth Rate		Quarterly Growth Rates			
	2022	2023	2023 Q1	2023 Q2	2024 Q1	2024Q2
Primary Industry	(0.8)	5.6	5.3	6.9	5.0	4.4
Secondary Sector (Industry)	3.5	2.5	2.5	2.1	1.0	0.8
Tertiary Sector (Services)	6.6	6.8	6.5	6.7	6.2	5.3
GDP Growth	4.9	5.6	5.5	5.6	5.0	4.6

*Source: Kenya National Bureau of Statistics (2024), Economic Survey*

### 3.4 The Services Sector Performance

The services sector has continued to demonstrate its significance as a critical pillar of the economy, contributing approximately 50 percent of the Gross Domestic Product (GDP). In the Financial Year (FY) 2023/24, the sector exhibited resilience amidst global economic uncertainties, driven by robust growth in key sub-sectors such as financial services, trade, transport, and ICT. According to quarterly GDP reports, the services sector recorded a GDP growth rate of 5.6 percent compared to 5.2 percent in the previous financial year. This growth was underpinned by increased consumer spending and enhanced performance in the hospitality and tourism industries, which has been sustained by post-pandemic recovery and renewed international travel regulations.

The activities in the services sector continued to sustain a strong growth momentum in the first half of 2024 and grew by 6.2 percent in the first quarter and 5.3 percent in the second quarter. The performance was largely characterized by significant growths in accommodation and food service, financial and insurance, information and communication, real estate, and wholesale and retail trade sub-sectors. Accommodation and food service activities reflected post-COVID recovery despite the lingering effects of the pandemic. Consequently, the sub-sector grew by 28.0 percent in the first quarter and 26.6 percent in the second quarter of 2024.

The financial services sub-sector remained a major driver of the services sector, with innovations in mobile money platforms and digital banking driving financial inclusion. The Central Bank of Kenya (CBK) reported a 15 percent increase in mobile money transactions, totaling over KSh. 7.5 trillion for the FY 2023/24. Additionally, credit to the private sector grew by 9 percent, reflecting improved liquidity and confidence among businesses and households. The trade sub-sector also posted significant growth, supported by the implementation of the African Continental Free Trade Area (AfCFTA) agreement, which facilitated regional trade integration. Export volumes of services, particularly in professional and technical services increased by 8 percent, largely driven by demand from regional markets.

The transport and logistics sub-sector saw improved performance due to strategic investments in infrastructure projects, including the expansion of the Standard Gauge Railway (SGR) and the modernization of key port facilities in Mombasa and Lamu. These developments enhanced cargo handling efficiency, leading to a 12 percent increase in freight volumes. Similarly, the ICT sub-sector continued to thrive, supported by Kenya's growing digital economy. Internet penetration reached 94 percent, and the adoption of e-commerce platforms surged by 20 percent, highlighting the sector's role in driving innovation and economic diversification.

Despite the sector's overall positive trajectory, challenges such as high inflation, exchange rate volatility, and geopolitical tensions posed risks to sustained growth. Therefore, there is a need for policy interventions to address structural bottlenecks, including reducing the cost of doing business and enhancing regulatory frameworks. The targeted investments in skills development, green energy solutions, and digital infrastructure are essential in maintaining the momentum of the services sector as a key driver of Kenya's economic growth.

### **3.5 The Secondary Sector Performance**

The industrial sector performance remained subdued, with the growth of the sector slowing down to 1.0 percent in the first quarter and 0.8 in the second quarter of 2024. This was mainly on account of a slowdown in activities from electricity, water supply and the construction sub-sectors. The growth of the manufacturing sub-sector slowed down from 2.6 percent to in 2022 to 2.0 percent in 2023. In the manufacture of food products, growth was supported by tea and dairy processing despite the decline in the production of soft drinks and cement. The industrial sector performance remained subdued, with the growth of the sector slowing down to 1.0 percent in the first quarter and 0.8 in the second quarter of 2024. This was mainly on account of a slowdown in activities from electricity, water supply and the construction sub-sectors. In the manufacture of food products, growth was supported by tea and dairy processing despite the decline in the production of soft drinks and cement.

### **3.6 The Primary Sector Performance**

The primary sector recorded an impressive growth from negative (0.8) percent in 2022 to 5.6 percent in 2023. In 2024 the sector grew by 5.0 percent in the first quarter and 4.4 percent in the second quarter of 2024 compared to a growth of 5.3 percent and 6.9 percent in the corresponding quarters in 2023. This was because of the robust growth in the agriculture, forestry and fishing sub-sector despite a contraction in the mining and quarrying sub-sector. The robust activities in agriculture, forestry and fishing supported the expansion of the sub-sector by 6.1 percent in the first quarter and 4.8 percent in the second quarter of 2024 compared to a growth of 6.4 percent and 7.8 percent in similar quarters in 2023. This was despite a contraction in the mining and quarrying sub-sector. This was due to a decline in the production of most minerals such as titanium, soda ash, and gemstone.

### **3.7 Performance of Key Macroeconomic Indicators**

The four (4) broad categories of key macroeconomic indicators are National Accounts and Prices, Central Government Budget, Monetary Sector and External Sector. The MTP IV has specific performance targets for each of the selected macroeconomic variables in the broad

categories, which give a broader view of the overall performance of the economy. Table 3 presents a summary of the performance of the key macroeconomic indicators for the period 2020/21-2023/24.

*Table 3: Performance of key macroeconomic indicators (2020/21-2023/24)*

Macroeconomic Indicators	2020/2021		2021/2022		2022/23		2023/24	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
<b>National Accounts and Prices</b>								
Real GDP Growth (%)	6.8	3.6	6.9	6.5	7.0	5.2	5.9	
Overall Inflation (Average) (%)	5.0	5.7	5.0	6.5	5.0	7.6	6.3	
Gross National Savings (as a % of GDP)	18.0	14.1	19.2	13.5	21.2	14.2	15.3	
Investment (as a % of GDP)	22.8	20.1	23.4	19.2	25.4	19.3	20.7	
<b>Central Government Budget Indicators (% of GDP)</b>								
Total Revenue	19.2	15.7	19.4	17.2	19.6	16.5	18.6	16.8
Total Expenditure and Net Lending	22.9	24.3	22.5	23.7	23.1	22.6	24.2	
Overall Balance (including Grants)	-3.3	-8.2	-3.0	-6.2	-3.1	-5.6	-5.3	
Total Debt	48.2	62.8	43.6	63.0	42.0	68	65.4	
<b>External Sector</b>								
Current Accounts Incl. Official Transfers (% of GDP)	-4.8	-5.9	-4.2	-5.7	-4.2	-5.1	-5.3	
Reserves (Months of this Year's Import cover)	7.0	5.8	7.1	5.8	7.2	5.8	5.8	

Source: The National Treasury Report, FY 2023/24

### 3.7.1 National Accounts and Inflation

The overall inflation declined to 4.9 percent in the fourth quarter of 2023/24 compared to 7.9 percent in a similar quarter of 2022/23 and is mainly driven by easing energy and food prices. Food inflation declined to 5.8 percent in the fourth quarter of 2023/24 from 10.2 percent over the same period in 2022/23, supported by improved food supply arising from favourable weather conditions, the government interventions through the subsidized fertilizer programme, and zero rating of import duty on staple food items. Additionally, international food prices remained low compared to the previous year, supported by increased production in key countries and the easing of global supply chain constraints. Fuel inflation declined significantly to 7.2 percent in the fourth quarter of 2023/24 compared to 13.2 percent in a similar period of 2022/23. The decline is mainly because of lower pass-through arising from exchange rate stability and easing of electricity and pump prices. Non-food Non-fuel (NFNF) inflation marginally declined to 3.4 percent from 3.6 percent in the previous quarter, attributed to muted demand pressures in the

economy and the continued impact of monetary policy decisions (Table 4). The other factors expected to support low inflation include the pass-through effects of the strengthening exchange rate, decreases in electricity and pump prices and the CBK monetary policy stance.

*Table 4: Recent trends in inflation (%)*

	FY 21/22		FY 22/23				FY 23/24			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Overall Inflation	5.3	72	8.7	9.4	9.1	7.9	6.9	6.8	6.3	49
Food Inflation	9.2	12.8	15.4	15.0	13.2	10.2	8.0	7.7	6.8	5.8
Fuel Inflation	6.8	52	9.5	12.3	13.7	13.2	13.9	14.6	13.3	72
NFNF Inflation	2.1	2.7	3.3	4.0	4.4	4.2	3.7	3.4	3.6	3.4

*Source: Kenya National Bureau of Statistics and Central Bank of Kenya (2024)*

### 3.7.2 Central Government Budget

#### i) Total revenue and expenditure

Budget execution in the FY 2023/24 was hampered by challenges in revenue mobilization and difficulties in raising resources from the domestic market. By the end of June 2024, the total revenue collected, including A-I-A, amounted to KSh. 2,702.7 billion (16.8 percent of GDP) against the MTP IV target of KSh. 2,907.5 billion (18.6 percent of GDP). The shortfall of KSh. 204.9 billion was on account of below target ordinary revenue collection by KSh. 172.1 billion, while collection of the ministerial A-I-A was also below target by KSh. 32.8 billion.

The total expenditure and net lending in the FY 2023/24 amounted to KSh. 3,655.6 billion, against a target of KSh. 3,871.5 billion. The under expenditure of KSh. 215.5 billion is attributed to lower absorption in recurrent and development expenditure by the National Government, and the below target equitable share transfers to the County Governments. In line with the performance in expenditure and revenue, the fiscal deficit (including grants, on a cash basis) amounted to KSh. 809.3 billion (5.0 percent of GDP) against a target of KSh. 925.0 billion (5.7 percent of GDP). This resulted in a primary surplus of KSh. 31.4 billion (0.2 percent of GDP).

The private sector Pay As You Earn (PAYE) was affected by non-payment of bonuses by various firms in June 2024; utilization of refunds to offset PAYE tax liabilities by a number of Large Taxpayers Office (LTO); and reduction in average monthly cash pay per employee over time due to the ongoing restructuring by various organizations to manage costs. The excise duty at KSh. 276.6 billion in FY 2023/24 was below target by KSh. 13.3 billion because of lower excise rate in petrol and diesel. The Value Added Tax (VAT) amounted to KSh. 645.5 billion in FY 2023/24, recording a shortfall of KSh. 9.3 billion on account of below target performance in VAT imports of KSh. 14.8 billion despite a surplus collection from VAT domestic of KSh. 5.5 billion. The import duty collection in FY 2023/24 at KSh. 133.9 billion was below target by KSh. 8.4 billion due to a general decline in volume of imported products. Ordinary revenue collection in FY 2023/24 grew by 12.1 percent annually, compared to a growth of 6.4 percent in FY 2022/23. The growth rates

of the major tax heads were as follows: VAT 17.3 percent, income tax 10.8 percent, excise duty 4.6 percent and import duty 2.9 percent, as shown in Figure 3.3.

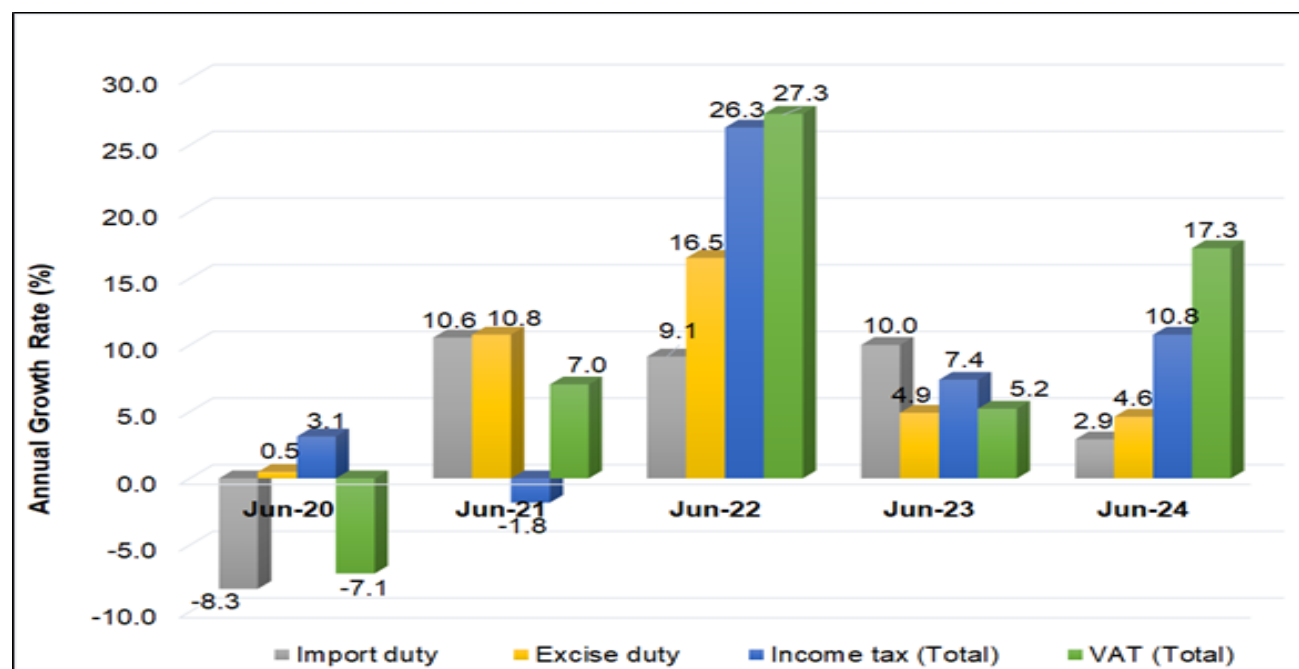


Figure 3.3: Growth rates of ordinary revenue categories

Source: The National Treasury (2024)

## (ii) Public debt

The total public and publicly guaranteed debt stock in gross terms as at the end of June 2024 was KSh. 10,561.1 billion, equivalent to 65.5 percent of GDP. External debt amounted to KSh. 5,150.8 billion and domestic debt was KSh. 5,410.3 billion. As a proportion of total debt, external and domestic debt accounted for 48.8 percent and 51.2 percent, respectively. The stock of public debt increased by KSh. 282.5 billion (2.7 percent) between June 2023 and June 2024. The increase in public debt stock in nominal terms was mainly attributed to ongoing and new development projects and exchange rate depreciation.

The Debt Sustainability Analysis (DSA) conducted in December 2023 (Table 5) indicates that Kenya's public debt remains sustainable, but with a high risk of debt distress. Kenya is assessed as a medium performer in terms of Debt Carrying Capacity (DCC), with an estimated Composite Indicator (CI) of 3.01. The CI captures the impact of various factors through a weighted average of an institutional indicator (measured by the World Bank's Country Policy and Institutional Assessment - CPIA), real GDP growth, remittances, international reserves, and global growth. The December 2023 DSA CI score was marginally higher than the June 2023 DSA CI score, and this was due to the stronger projected path of import coverage of reserves.

The external DSA indicates that the Present Value (PV) of PPG external debt-to GDP ratio remains below the 40 percent indicative threshold throughout the projection period. The solvency indicator is projected to decline from 31.7 percent in 2023 to about 28.3 percent in 2028, reflecting the

impact of fiscal consolidation and a borrowing mix biased towards concessional borrowing (Table 5). However, external debt indicators in terms of exports and revenue exceed their respective thresholds under the current trend (baseline), resulting in a mechanical high-risk signal (Table 3.4). The PV of PPG external debt-to-exports (solvency indicator) remains above the threshold (180 percent) through 2029, with the ratio expected to decline gradually as exports recover.

Debt service-to-exports (liquidity indicator) exceeds its threshold (15 percent) in the medium-term on account of the Eurobond repayments in 2024 and 2028, and rollover of external bank loans (in 2025-26). Additionally, the anticipated rollovers of maturing commercial financing will cause the PPG debt service-to-revenue ratio (liquidity indicator) to exceed its threshold (18 percent).

The breaches in the debt thresholds in terms of exports indicate increased vulnerability of public debt to export and financing shocks. This underscores the importance of broadening the export base given the volatility in export commodity prices, and continuation of the recent practice of contracting loans with amortizing repayment terms and lengthening of the maturity profile of domestic debt through issuance of longer dated bonds.

*Table 5: Kenya's external debt sustainability analysis*

Indicators	Thresholds	2022	2023	2024	2025	2026	2027	2028	2033
		Actual		Projection					
PV of PPG external debt-to-GDP ratio	40	29.0	31.7	35.8	33.8	31.8	29.9	28.3	23.3
PV of PPG external debt-to-exports ratio	180	238.2	256.9	240.3	224.0	209.9	194.3	182.1	137.9
PPG debt service-to-exports ratio	15	21.5	24.9	36.0	25.1	24.9	21.1	23.3	15.5
PPG debt service-to-revenue ratio	18	15.3	17.3	28.5	19.8	19.6	16.9	18.8	13.6

Source: The National Treasury and International Monetary Fund (IMF) country report

### 3.7.3 Money Supply and Credit Sector

Broad money supply, M3, grew by 6.0 percent in the year to June 2024 compared to a growth of 13.4 percent in the year to June 2023 (Table 6). The slowdown in growth of M3 was due to a decline in the growth of Net Domestic Assets (NDA), particularly the domestic credit. The primary source of the growth in M3 was an improvement in the Net Foreign Assets (NFA) of the banking system. The NFA of the banking system in the year to June 2024 expanded by 53.2 percent compared to a growth of 29.5 percent in the year to June 2023. The increase in Net Foreign Assets mainly reflected an increase in commercial banks' foreign assets.

The Net Domestic Assets (NDA) contracted by 0.2 percent in the year to June 2024, compared to a growth of 11.5 percent over a similar period in 2023. The slowdown in growth of the NDA reflects a decline in growth of the domestic credit to both the Government and the private sector. The domestic credit extended by the banking system to the Government decreased to a growth of 7.9 percent in the year to June 2024 compared to a growth of 13.0 percent in the year to June 2023. Lending to other public sectors grew by 1.5 percent compared to a contraction of 0.5



percent over the same period.

Table 6: Money and credit developments (12 months to June 2024, KSh. billion)

				Change		Percent Change	
	2022 June	2023 June	2024 June	2022-2023 June	2023-2024 June	2022-2023 June	2023-2024 June
<b>COMPONENTS OF M3</b>							
1. Money supply, M1 (1.1+1.2+1.3)	1,906.8	2,098.2	2,023.8	191.4	(74.4)	10.0	(3.5)
1.1 currency outside banks (M0)	251.4	257.9	274.2	6.5	16.3	2.6	6.3
1.2 Demand deposits	1,552.0	1,680.7	1,572.9	128.7	(107.8)	8.3	(6.4)
1.3 Other deposits at CBK	103.5	159.6	176.8	56.2	17.2	54.3	10.7
2. Money supply, M2 (1+2.1)	3,551.5	3,852.2	4,001.8	300.7	149.6	8.5	3.9
2.1 Time and savings deposits	1,644.7	1,754.0	1,978.0	109.3	224.0	6.645	12.8
<b>Money supply, M3 (2+3.1)</b>	<b>4,443.0</b>	<b>5,037.4</b>	<b>5,341.5</b>	<b>594.4</b>	<b>304.1</b>	<b>13.4</b>	<b>6.0</b>
3.1 Foreign currency deposits	891.5	1,185.2	1,339.7	293.7	154.5	32.9	13.0
<b>SOURCES OF M3</b>							
1. Net foreign assets (1.1+1.2)	456.8	591.5	905.9	134.6	314.4	29.5	53.2
1.1 Central Bank	641.5	616.9	479.2	(24.6)	(137.7)	(3.8)	(22.3)
1.2 Banking Institutions	(184.7)	(25.4)	426.7	159.3	452.1	86.2	1,780.1
2. Net domestic assets (2.1+2.2)	3,986.2	4,445.9	4,435.6	459.7	(10.3)	11.5	(0.2)
2.1 Domestic credit (2.1.1+2.1.2+2.1.3)	5,185.8	5,820.2	6,130.3	634.4	310.1	12.2	5.3
2.1.1 Government (net)	1,844.8	2,083.9	2,247.8	239.2	163.9	13.0	7.9
2.1.2 Other public sector	84.1	83.7	84.9	(0.4)	1.3	(0.5)	1.5
2.1.3 Private sector	3,256.9	3,652.6	3,797.5	395.7	144.9	12.2	4.0
2.2 Other assets net	(1,199.6)	(1,374.3)	(1,694.7)	(174.7)	(320.4)	(14.6)	(23.3)

Source: Central Bank of Kenya (2024)

The growth in private sector credit from the banking system slowed to 4.0 percent in the year to June 2024 compared to a growth of 12.2 percent in the year to June 2023, reflecting the impact of exchange rate appreciation on foreign currency denominated loans and monetary policy tightening. The reduced credit growth was observed in manufacturing, trade (exports) and building and construction. These are some of the sectors with significant foreign currency denominated loans

The monthly (month-on-month) credit flows to the private sector have slowed down since December 2023 following the monetary policy action of increasing the central bank rate to manage the inflation expectation, which resulted in the increased cost of credit. The sustained demand particularly for working capital due to resilient economic activity, the implementation of the Credit Guarantee Scheme for the vulnerable MSMEs, and the projected economic growth for 2024 will continue to support private sector credit uptake.

### 3.7.4 External sector

The current account deficit narrowed to US\$ 4,091.3 million (3.2 percent of GDP) in June 2024 compared to US\$ 4,840.9 million (4.5 percent of GDP) in June 2023, reflecting lower imports, strong performance of export of goods and services and increased remittances. The exports of goods increased by 5.0 percent in the 12 months to June 2024 compared to a similar period in 2023, reflecting increased exports of agricultural commodities and re-exports. The imports of goods declined by 3.3 percent in the 12 months to June 2024 compared to a similar period

of 2023, reflecting lower imports across all categories, except sugar, machinery and transport equipment, crude materials, and miscellaneous manufactures. In this respect, the balance in the merchandise account improved by US\$ 961.1 million to a deficit of US\$ 9,887.8 million in June 2024. The remittances increased by 12.9 percent to US\$ 4,536 million in the 12 months to June 2024 compared to US\$ 4,017 million in a similar period in 2023. The tourist arrivals improved by 27.2 percent in the 12 months to June 2024 compared to a similar period in 2023.

The capital account balance improved by US\$ 12.8 million to register a surplus of US\$ 138.5 million in June 2024 compared to a surplus of US\$ 125.8 million in the same period in 2023. The net financial inflows declined to US\$ 2,817.1 million in June 2024 compared to US\$ 3,420.4 million in June 2023, reflecting a slowdown in inflows to the government and other sectors. However, portfolio investments and financial derivatives registered a net outflow during the period partly due to Kenya's limited access to international financial markets owing to elevated borrowing costs.

### **3.8 Balance of Payments**

The Balance of Payments (BOP) in Kenya for the Financial Year (FY) 2023/24 reflected mixed performance, driven by global economic headwinds, fluctuating commodity prices, and domestic macroeconomic challenges. The overall balance of payments position slowed down to a surplus of US\$ 657.6 million (0.5 percent of GDP) in June 2024 from a surplus of US\$ 1,096.5 million (1.0 percent of GDP) in June 2023. This was primarily attributed to increased import expenditures on critical items such as petroleum products, industrial machinery, and foodstuffs, exacerbated by higher global oil prices and drought-induced food imports. Export earnings, while growing, are insufficient to offset the surge in imports, leading to a negative trade balance.

Merchandise exports expanded by 6 percent during the period, driven by higher demand for agricultural products such as tea, coffee, and horticultural produce. Tea exports alone accounted for 22 percent of total export revenues, benefitting from improved global prices and increased production. However, challenges such as the depreciation of the Kenyan Shilling against major currencies and high production costs, particularly in the agricultural sector, constrained the competitiveness of Kenyan exports. Services exports, particularly in tourism and transport, showed signs of recovery following the easing of global travel restrictions, contributing positively to the current account.

The financial account recorded a notable inflow of foreign direct investment (FDI) and portfolio investments, as investor confidence rebounded amid improved macroeconomic stability. Net FDI inflows rose by 8 percent compared to the previous year, supported by investments in the ICT, energy, and real estate sectors. Portfolio inflows also grew as Kenya tapped into international financial markets through sovereign bonds, raising over US\$ 2 billion. Remittances from the diaspora remained a significant source of foreign exchange, increasing by 12 percent to reach US\$ 4.2 billion. This underscored the role of remittances in cushioning the economy against external vulnerabilities.

The overall BOP position remained under pressure due to rising external debt service obligations and exchange rate volatility. The CBK's efforts to stabilize the Shilling through forex market interventions and prudent monetary policy provided some relief but were insufficient to fully offset the external sector imbalances. The widening current account deficit highlighted the need

for Kenya to diversify its export base, reduce reliance on imports, and enhance productivity in key sectors. Policymakers must prioritize structural reforms to improve the trade balance and ensure sustainable external financing.

### 3.9 Employment

Employment in the modern and informal sectors, excluding small-scale farming and pastoralist activities, went up from 19.1 million in 2022 to 20.0 million in 2023. The total new jobs generated in the economy were 848,200 in 2023. In the year under review, wage employment in the modern sector grew by 4.1 percent, which translated to creation of 122,800 new jobs in the sector. The informal sector created 720,900 new jobs and accounted for 85.0 percent of all the new jobs created in 2023. In the MTP IV implementation period, the government is aiming to create 1,200,000 jobs annually through the Bottom-up Economic Transformation Agenda (BETA) for inclusive growth. This will mainly be achieved through promotion of micro and small medium enterprises, linking Kenyans to employment abroad through Bilateral Labour Agreements (BLAs), and enhancing skills in demand for the global job market, among others.

### 3.10 Human Development

The Human Development Index (HDI) is a composite index measuring average achievement in three (3) basic dimensions of human development: a long and healthy life, knowledge and a decent standard of living. In the review period, the United Nations Development Programme (UNDP) 2023/2024 Human Development Index Report placed Kenya at Medium HDI of 0.601. Kenya's HDI and Inequality-adjusted Human Development Index (IHDI) was slightly lower than for medium and developing countries, and higher than for least developed countries (Table 7).

*Table 7: Human development index performance, 2024*

Category	Human Development Index (HDI)	Inequality-adjusted Human Development Index (IHDI)
Very High	0.902	0.807
High	0.764	0.628
Developing Countries	0.694	0.524
Medium	0.640	0.447
Kenya	0.601	0.438
Least Developed Countries	0.542	0.363

*Source: UNDP, Human Development Report 2023/2024*

### 3.11 County Governments Fiscal Performance

During the FY 2023/24, the combined County governments' budgets approved by the County Assemblies amounted to KSh. 562.75 billion. Ksh. 189.93 billion (33.8 percent) was allocated to development expenditures, and KSh. 372.82 billion (66.2 percent) was allocated to recurrent expenditure. However, the Controller of Budget (COB) approved the transfer of KSh. 354.59 billion as the equitable share of revenue raised nationally from the Consolidated Fund to the various County Revenue Funds (CRFs) per Article 206 (4) of the Constitution. The transferred amount represented 92 percent of the allocated equitable share of KSh. 385.42 billion.

During the reporting period, County governments generated KSh. 58.95 billion from their own source revenue (OSR), which was 72.8 percent of the annual target of KSh. 80.94 billion. The realized OSR is an improvement compared to KSh. 37.81 billion generated in FY 2022/23. An analysis of own-source revenue as a proportion of the annual revenue target indicated that ten (10) counties outperformed their annual targets, namely: Turkana, Vihiga, Kirinyaga, Lamu, Nandi, Wajir, Garissa, Nyeri, Samburu, and Murang'a. The County governments that recorded low performance of own source revenue were Nyandarua, Machakos, Mandera, Nyamira, Bungoma, Kajiado, and Busia.

The total expenditure by county governments in the FY 2023/24 was KSh. 446.76 billion, representing an absorption rate of 79.5 percent of the total annual county governments' budget of KSh. 562.75 billion, a decline from an absorption rate of 83.3 percent in the FY 2022/23 when the total expenditure was KSh. 428.90 billion. Recurrent expenditure was KSh. 337.53 billion, representing 90.5 percent of the annual recurrent budget, a decrease from the 93.3 percent reported in the FY 2022/23. The development expenditure amounted to KSh. 109.23 billion, representing an absorption rate of 57.5 percent and a decline from 61 percent attained in the FY 2022/23 when total development expenditure was KSh. 97.98 billion. As of 30<sup>th</sup> June 2024, the counties reported outstanding pending bills of KSh. 181.98 billion, comprised of KSh. 179.87 billion by the County Executive and KSh. 2.11 billion by County Assemblies.

## **3.12 Structural Reforms**

### **3.12.1 Budgetary and Public Expenditure Reforms**

The FY 2023/24 saw significant strides in budgetary and public expenditure reforms aimed at enhancing fiscal discipline and aligning resource allocation with national development priorities. The National Treasury prioritized programme-based budgeting (PBB) to ensure efficiency in spending and outcome-oriented financial planning. The key achievements included strengthening the roll-out of electronic resource management, which improved transparency and accountability in public spending. Expenditure rationalization measures focused on reducing non-priority outlays and reallocating funds to critical sectors, including health, education, and infrastructure development. However, challenges in curbing recurrent expenditure growth persisted, necessitating further reforms.

### **3.12.2 Pension reforms**

Pension reforms under MTP IV aim to address the escalating pension liability and improve retirement benefits for public sector workers. During FY 2023/24, the government continued to operationalize the Public Service Superannuation Scheme (PSSS), transitioning public servants to a contributory pension framework. This reform is expected to reduce the fiscal burden on the exchequer while ensuring sustainability in pension payouts. Additionally, efforts to expand pension coverage to informal sector workers through initiatives such as the Mbao Pension Plan were intensified. The challenges included low enrollment rates and limited awareness among informal workers, highlighting the need for targeted public education campaigns.

### **3.12.3 State-owned enterprises**

State-Owned Enterprises (SOE) reforms during FY 2023/24 focused on improving governance,

operational efficiency, and financial performance. The government implemented performance contracting for SOE management and initiated the restructuring of under-performing enterprises such as the Kenya Power and Lighting Company. The Public Investment Management Framework (PIMF) was deployed to assess the viability of government investments in SOEs to ensure optimal returns. Privatization efforts were advanced for non-strategic enterprises to reduce fiscal pressures. Despite these measures, several SOEs continued to face financial challenges, necessitating further interventions to enhance oversight and accountability.

#### **3.12.4 Resource mobilization**

Enhanced domestic resource mobilization remained the cornerstone of fiscal policy in the FY 2023/24. The Kenya Revenue Authority (KRA) introduced measures to broaden the tax base, particularly targeting the digital economy and informal sector. Innovations such as the electronic Tax Invoice Management System (e-TIMS) and automation of customs processes were implemented to enhance compliance and reduce revenue leakages. Property tax reforms and enforcement of excise taxes on emerging sectors contributed to improved revenue performance. Therefore, achievement of the targeted revenue-to-GDP ratio requires further policy and administrative adjustments.

#### **3.12.5 Public debt management reforms**

Public debt management reforms focused on enhancing debt sustainability and transparency. During FY 2023/24, the government prioritized concessional financing over commercial loans to reduce interest costs. Refinancing high-cost debt and extending maturities were key strategies employed to manage the debt burden. Legal reforms under the Public Finance Management (Amendment) Act provided a stronger framework for monitoring and reporting public debt. Despite these efforts, the debt-to-GDP ratio remained high, underscoring the need for sustained fiscal consolidation.

#### **3.12.6 Monetary and financial policy reforms**

The ongoing implementation of reforms to modernize the monetary policy framework and operations continues to enhance monetary policy transmission and improve the distribution of liquidity in the interbank market. The MPC meeting in June 2024 noted that the new monetary policy implementation framework adopted in August 2023 has resulted in improved functioning of the interbank market, narrower interest rate spreads with reduced market segmentation, and improved monetary policy transmission. To enhance the effectiveness of the monetary policy implementation framework, the MPC approved a recommendation to review the width of the interest rate corridor around the CBR from  $\pm 250$  basis points to  $\pm 150$  basis points. The Committee also approved a recommendation to adjust the applicable interest rate on the discount window from 400 basis points above CBR, to 300 basis points.

The Central Bank of Kenya has at December, 2023 undertook the following major reforms in the operation of the interbank foreign exchange market: introduction of Electronic Matching Systems (EMS) in the interbank market; requirement of a maximum spread of 20 cents on indicative quotes in the interbank market removed; and the Central Bank of Kenya (CBK)-published exchange rate is now a weighted average rate of all interbank transactions executed the previous day. Previously, the published rate was based on an indicative rate provided by selected major players in the interbank market.



Additionally, the implementation of the DhowCSD, an upgraded Central Securities Depository infrastructure, has greatly enhanced efficiency in investment in government securities. The DhowCSD also continued to improve the functioning of the interbank market by facilitating collateralized lending among commercial banks and further reducing segmentation in the interbank market.

As part of the process, the Government will accelerate investments in human capital development, revive and sustain markets to play their pivotal function, develop diverse methods for domestic resource mobilization, reform and restructure institutions to provide policy leadership and policy implementation, and accelerate digitalization to coordinate all the other four areas.

### **3.13 Revitalizing the public private partnership framework**

The government made significant progress in revitalizing the PPP framework to accelerate infrastructure development. Amendments to the PPP Act streamlined project approval processes and increased private sector participation. In FY 2023/24, the key projects under the affordable housing programme and renewable energy initiatives demonstrated the potential of PPPs to mobilize private investment. Blended financing models and improved transparency in project selection further enhanced the attractiveness of Kenya's PPP framework. The challenges experienced included delays in project implementation and capacity gaps in public institutions, necessitating capacity-building initiatives and institutional reforms.

### **3.14 Statistical reforms**

In the review period, the Kenya National Bureau of Statistics (KNBS) developed the Kenya Household Master Sample Frame (K-HMSF). This frame contains telephone numbers of the household heads listed, which allows for Computer Assisted Telephone Interviews (CATI) methodology whenever need arises. The KNBS also has an elaborate infrastructure for data collection across the country, which includes County Statistical Offices in all the 47 counties as data collection centres and also has two sampling frames for implementation of censuses and surveys, and various databases for socio-economic statistical information.

The Bureau collects various statistical information on monthly, quarterly, semi-annually and annual basis. Ad hoc surveys and studies are also carried out to gather information on specific indicators. Some of the statistical products of the Bureau include the Consumer Price Index (CPI), Leading Economic Indicators report, Quarterly Gross Domestic Product (GDP) release, Quarterly Producer Price Index (PPI), Quarterly Balance of Payment release, Annual Economic Survey report, Annual Statistical Abstract, and County Statistical Abstract. The Bureau maintains various platforms through which its products and statistical information are disseminated.

#### *3.14.1 Tax reforms*

The medium-term fiscal policy approach seeks to support the government's Bottom-up Economic Transformation Agenda through continued implementation of a growth responsive fiscal consolidation plan that slows the yearly increase in the public debt and puts in place an efficient liability management strategy without affecting the provision of services to the public. The consolidation will be achieved through enhanced revenue mobilization and rationalization of non-priority expenditure while protecting essential social and development spending.



On enhanced revenue mobilization, the Government will implement a mix of tax administrative and tax policy measures to boost revenue collection efforts by the Kenya Revenue Authority (KRA), which is projected at Ksh. 3,407.8 billion (18.9 percent of GDP) in the year 2024/25 from Ksh. 2,406.9 billion in 2023/24. This revenue performance will be underpinned by the ongoing reforms in policy and revenue administration. In particular, the Government will focus on domestic resource mobilization efforts that include:

- (i) The Government through The National Treasury and Economic Planning developed a National Tax Policy, which provides a set of policy guidelines for taxation of income, goods and services and forms the basis for review of tax legislation, development and administration. The Policy proposes a comprehensive review of tax laws every five (5) years to address the unpredictability of tax rates;
- (ii) The Medium-Term Revenue Strategy (MTRS) 2024/25–2027/28 was developed to provide a framework for tax system reforms aimed at boosting domestic revenue, which has been declining over time. The strategy is aligned to the Resource Mobilization and Tax Reforms espoused in the MTP IV (2023-2027) of the Kenya Vision 2030. The MTRS targets to strengthen tax revenue mobilization efforts to 20.2 Percent of GDP, increase tax compliance rate to 90 Percent, and increase investment to GDP ratio to 25.7 Percent over the medium-term;
- (iii) Focus on additional non-tax measures that MDAs can raise through the services they offer to the public, e.g. the Ministry of Lands, Immigration and citizen services, among others;
- (iv) Strengthening of tax administration for enhanced compliance through scaling up use of technology to seal revenue leakages. This will involve enhancement of iTax and Integrated Customs Management System (ICMS) and usage of Tax Invoice Management System (e-TIMS); and
- (v) Comprehensive State-Owned Enterprises' (SOE) reforms that will target to streamline the sector as governance issues are addressed. This process will result in savings to the exchequer.

To improve efficiency in public spending and ensure value for money, the Government will sustain efforts to eliminate non-priority expenditures, rationalize tax expenditures, scale-up the use of Public Private Partnerships financing for commercially viable projects, and roll out an end-to-end e-procurement system.

# CHAPTER FOUR

## 4.0 FINANCE AND PRODUCTION SECTOR

### 4.1 Overview

The finance and production sector comprise the following sub-sectors: The National Treasury and Economic Planning; Agriculture and Livestock; Cooperatives and Micro Small Medium Enterprises (MSMEs); Investment, Trade and Industry; and East Africa Community Affairs. The sector aims to create synergies among the sub-sectors by adopting the value chain approach to production, value addition and market access, while ensuring quality assurance and standards. Value chain is an end-to-end process that begins at production through processing to marketing. The value chain approach is expected to bring about a major transformation in the sector through a shift from the traditional sub-sector silo mentality to an integrated planning and programming approach, thereby reducing duplication, overlaps and wastage of resources.

### 4.2 Agriculture Sub-Sector

Agriculture is the most important sub-sector in Kenya's economy. This is attributed to the role played by the sub-sector in Socio-economic development of the country through its contribution to Gross Domestic Product (GDP), foreign exchange earnings, employment and wealth creation opportunities, provision of raw materials for manufacturing, and sustainable management of the environment. According to the Economic Survey 2024, the agriculture sector value added at constant prices recorded a 7.0 percent growth from Ksh.1,526.37 billion to Ksh. 1.633.2 billion, and its contribution to GDP stood at 21.8 percent.

The sector accounted for over 40 percent of the total employment and more than 70 percent of employment for the rural population (CBK, Monetary Policy Committee Agriculture Sector Survey July 2023). The contribution of crops to GDP intermediate consumption at constant prices increased by 10.7 percent from Ksh. 408.0 billion in 2022 to Ksh. 451.5 billion in 2023. Agriculture value added at constant prices grew by 7.0 Percent from Ksh. 1,526.4 billion to Ksh. 1,633.2 billion in 2023. Aggregate maize production increased by 39.0 Percent in 2023 to 4,285,200 tonnes from 3,082,200 tonnes in 2022. This increase in production can be attributed to several factors, which include the government's fertilizer subsidy, favourable weather conditions in 2023, and the expansion of the area under crop. In the Kenya Vision 2030, agriculture is a priority sub-sector identified to drive economic growth in the economic pillar. The Fourth Medium-Term Plan of the Kenya Vision 2030 clusters agriculture in the finance and production sector.

The Bottom-up Economic Transformation Agenda (BETA) identified agriculture as a priority pillar. In the agriculture pillar, the following value chains are prioritized for implementation: food security, reducing imports and growing exports pillars. The agriculture pillar of BETA focusses on Agricultural transformation and inclusive growth through development of key value chains. The agriculture sub-sector plays a critical role in improving the livelihood of Kenyans and ensuring food and nutrition security.

The key targets and the respective achievements for the agriculture sub-sector in the FY 2023/2024 review period are structured below for each of the priority value chains:

### 4.2.1 Sub-sector Performance

#### Performance of the crop value chain

*Tea value chain:* Tea production for the half-year period of 2024 was higher by 47.44 million kgs (17%) from 273.64 million kgs during the same period the previous year to 321.09 million kgs. The higher production was due to relatively higher precipitation during the period January to March, occasioned by El-Nino weather conditions, and the enhanced rainfall during the “long-rains” (March-April-May) season. Production was also boosted by the effects of fertilizer application, which was supplied to the farmers under the Government fertilizer subsidy programme, and the commissioning of three factories that offered additional processing capacity. In 2023, the Government supported the distribution of 97,974 MT of fertilizer to tea farmers at a subsidized cost of Ksh. 2,500 per 50 kg bag (92,700 MT procured and distributed under KTDA and 5,274 MT procured and distributed through the Kenya National Trading Corporation). The fertilizer was applied to tea bushes between October last year and February this year.

*Edible oils value chain:* During the period, the State Department for Agriculture distributed 434 MT sunflower seeds to 35 counties and trained 1,100 county officers on edible oil GAP. The subsector managed to produce 28,852 metric tonnes as a result of concerted effort of supplying seeds and subsidized fertilizer to the farmers.



*Edible oil initiatives sunflower crop in Sabaot, Trans Nzoia County*

*Textile and apparel value chains:* The target for seed support in 2023/24 was 19.5 MT of bt. cotton and 20 MT of Open Pollinated Varieties (OPVs). The seed availed for the March/April season surpassed the target due to the support provided by stakeholders.

*Rice value chain:* On the specific interventions on the national value chain support for rice production, 16.5 MT of rice seeds were availed to farmers by the State Department while 70 MT were availed by the Kenya Agricultural and Livestock Research Organization (KALRO). Farmers were also able to access suitable subsidized fertilizers that were used in production. The area planted increased marginally from 41,300 hectares in 2022 to 44,400 hectares in 2023. The government together with development partners has put in place investments in mechanization and inputs to improve efficiency in land operations and harvesting.

#### 4.2.1.1 Other crop production interventions

*Food security subsidy and crop diversification:* The State Department for Agriculture and its semi-autonomous government agencies (SAGAs) increased the area under maize production (Ha) to 2,353,655 from a targeted 2,168,603 due to favourable weather and the 44 million bags of 90kg fertilizer subsidy applied.

*Agricultural insurance:* To address climate change mitigation, the sub-sector implemented the Area Yield Index Crop Insurance programme as one of the ways to de-risk the agriculture sector and reduce the vulnerability of farmers and other value chain actors. The programme provided insurance coverage to 647,017 farmers across 41 counties, with the targeted crops including maize, potato and green grams.

*E-voucher input system:* Under the input subsidy, the sub-sector availed 1,060,285.65 MT fertilizer and 34,430.95 MT of lime to 1,436,715 beneficiaries.

*Agro-processing:* Establishment of agro-industries is ongoing and, so far, the Government has completed 18 County Aggregation Industrial Parks (CAIPS) to enhance the productivity of the agriculture sector.

*Coffee revitalization:* On coffee revitalization, 49,000 seedlings were distributed in the four counties of Nandi - 16,000 (75 farmers), Trans Nzoia - 10,000 (62 farmers) Kericho - 15,000 (75 farmers) Kisumu - 8,000 (94 farmers).

*Wheat promotion programme:* Wheat is Kenya's second largest consumed cereal crop after maize. However, the area under wheat production decreased from 119,600 hectares in 2022 to 104,400 hectares in 2023. This reduction can be attributed to farmers shifting focus from wheat to maize in 2023. The reason for this shift is the favourable prices for maize in 2022, which incentivized farmers to switch to growing more maize. Wheat production also declined from 368,700 tonnes in 2022 to 309,492 tonnes in 2023 partly due to increased Qelea Qelea bird's menace, especially in Narok. Consequently, the value of wheat decreased from Ksh. 14.7 billion in 2022 to Ksh. 12.30 billion in 2023. A draft wheat production and investment guide was developed and 157 county staff sensitized on GAPs in the wheat value chain.

*Miraa industry revitalization:* To boost farm productivity under the Miraa Industry Revitalization Project, 3 dams (Kirundi, Kiangithi, Nthawa) and 2 markets sheds (Tiira Miraa Market Shed in Meru County, and BAT Siakago Miraa Market Shed in Embu County) were developed.

*Strengthening agricultural mechanization:* Agricultural mechanization is a key ingredient to modernization of the sub-sector by increasing efficiency in production and other value chain-related activities. The interventions aimed at enhancing agricultural mechanization were undertaken during the period under review to increase agricultural production and productivity. In this regard, seven (7) appropriate technologies, including small tractor (power tiller) based mechanization technologies; flour blending; oil extraction; baobab jam making; hay baling; cassava harvester; single row corn harvester; three (3) agricultural mechanization hubs; and one (1) agro-processing incubation centre were established.

*Development of agriculture technology innovation centres:* During the period, one innovation centre was constructed to completion and equipped at Homa Bay Agricultural Technology Development Centers (ATDCs).

*Pest and disease management:* During the period under review, the sub-sector coordinated the surveillance and control of key trans-boundary pests for enhanced food security and procured 72,175 litres of pesticides for management of the Fall Army Worm.

*Agricultural research:* To increase crop production and productivity, KALRO submitted 40 promising lines of different crop varieties for the National Performance Trials (NPT), 2 maize lines resistant/tolerant to Maize Lethal Necrosis Disease, and 19,086 soil samples were analyzed and recommendations given. To increase livestock production and productivity, KALRO analysed 1,975 animal feed samples, produced 2.9 million clean Napier grass cuttings and availed 210 Sahiwal/ Boran breeding bulls to farmers for improvement of livestock breeds.

#### a) Implementation status of key outputs and BETA priorities

Table 8 shows the performance of output indicators under BETA in the crops sub-sector.

*Table 8: Crops output implementation status for FY 2023/24*

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
<b>Production</b>					
National value chain support for rice production	Basic seeds produced	Quantity of basic seeds produced (MT)	6,000	51.055	Target not achieved. The sub-sector recommends allocation of funds to KARLO towards seed production
	Rice seeds availed to farmers	Quantity of rice seeds availed to farmers (MT)	800	86.5	16.5 MT availed by MOALD 70 MT availed by KALRO
	Volume of avicides availed to farmers	Volume of avicides availed to farmers (litres)	5,000	2,500	Procurement was done only once

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Rice farmers mobilized into cooperatives	No. of rice farmers mobilized into cooperatives	50,000	1,500	The membership in the cooperatives is expected to grow as more sensitization is done to the rice-growing farmers
		No. of farmers cooperatives	4	2	The two cooperatives were formed in the first quarter
	Basic seed produced for irrigated and rain-fed lands	Quantity of seed produced and distributed for irrigated ecologies (MT)	5	47.5	There is enormous demand for Komboka rice variety
		Quantity of seed produced and distributed for rain-fed ecologies	5	2.005	Demand for upland rice seed is low
Market Access					
	Financial products developed for rice value chain	No. of groups accessing financial products	1	1	Mwea Rice Growers Multipurpose Co-operative Society is providing financial services through its SACCO
	Consumption of locally produced rice promoted	Quantity of locally produced rice consumed (MT)	192,299	192,299	All domestically produced rice was consumed.
Other Crop Production Interventions					
Food security subsidy and crop diversification	Land under crop production (maize, potatoes, rice)	Area under maize production (Ha)	2,168,603	2,430,014	Over-achievement due to favourable Weather, and fertilizer subsidy
		Area under potatoes production (Ha)	214,600	239,325	Target achieved due to enhanced rainfall and availability of inputs



Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
		Area under rice production (Ha)	25,548	24,404	There was a positive variance due to additional acreage put under irrigation
	Land under irrigated crop production (maize, rice)	Area of irrigated land under maize production (Ha)	30,238	12,806	Under-achievement due to budget cut.
		Area of irrigated land under rice production (Ha)	69,825	44,379	Additional acreage put under irrigation as a result of storage from Thiba Dam
	Subsidized fertilizer distributed	Quantity of subsidized fertilizers distributed (MT)	267,400	235,028	235,028 MT of planting and top-dressing fertilizers were distributed
	Drought-tolerant crop seeds distributed	Quantity of drought-tolerant crop seeds distributed (MT)	250	540	540 MT of potato seeds were produced
	Cold storage facilities constructed and operationalized	No. of cold storage facilities operationalized in rice production areas	3	2	Two potato cold storage facilities to reduce post-harvest losses constructed in Meru, and Nyandarua counties
Agricultural insurance	Farmers provided with subsidized crop insurance products	No. of farmers insured	550,000	152,000	The delayed procurement of service providers affected provision of crop insurance in the short rains season
E-Voucher input system	Farmers accessing assorted quality farm inputs	No. of farmers accessing farm inputs	1,044,759	59,560	Increased demand for the fertilizer inputs by the farmers
	Quantity of fertilizer distributed	Quantity of fertilizer distributed (MT)	31,600	217,344	Unexpected increased demand for fertilizer
	Quantity of agricultural lime distributed	Quantity of agricultural lime distributed (MT)	2,750	687	Lime was not a part of the input package offered to farmers for redemption through the system

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Certified seeds accessed by farmers	Quantity of certified seeds accessed by farmers (MT)	400	0.24	Late delivery of sunflower seeds. More farmers were served with the sunflower seeds by NCPB but off the system
Agro-processing	Agrochemicals accessed by farmers	Litres of agrochemicals	15,800	0	Affected by delays in processing of the Ministry's paybill and exemptions on the same
Coffee revitalization	Seedlings provided to farmers	No. of seedlings provided to farmers	12,000	913,000	30,000 in Kiambu, 383,000 in Uasin Gishu, 1,900 in Kisumu and 450,000 in Nandi)
National wheat promotion programme	Wheat seeds availed	Quantity of wheat seeds availed (MT)	550,000	-	Target not achieved Pre-harvest sprouting caused by heavy rains experienced during the harvesting period
	Wheat flour blends formulated	No. of wheat flour blends formulated (MT)	4	6	Standards have been developed; however, there is no achievement because of lack of quality raw materials
	Fertilizer availed	Quantity of fertilizer availed (MT)	500,000	8,708,088	Target surpassed
Miraa industry revitalization	Miraa market sourcing and promotion conducted in countries	No. of Miraa market destinations sourced	1	0	Target not achieved
	Miraa umbrella cooperatives strengthened through capacity building	No. of farmers in cooperatives	1,000	0	Achievement hampered by poor response from stakeholders
		No. of cooperatives capacity built	1	0	Achievement hampered by poor response from stakeholders
Strengthening agricultural mechanization	Pilot mechanization hubs established	No. of pilot mechanization hubs established	1	1	Maize value chain hubs established in New Progressive Farmers' Cooperative Society in Uasin Gishu County

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Development of Agriculture Technology Innovation Centres	Incubation facilities constructed and equipped at ATDCs	No. of incubation facilities constructed and equipped	1	1	ATDC Homa Bay facility constructed
	Agricultural mechanization technologies acquired, fabricated and tested	No. of technologies acquired, fabricated and tested	10	10	The target was achieved through collaboration with stakeholders
	SMEs incubated	No. of SMEs incubated	100	91	SMEs for some value chains were not existing for all the targeted value chains. The difference was occasioned
Pest and disease management	FAW pesticides availed	Volume of pesticides availed (litres)	105,000	33,500	Target not achievement because procurement was not done in Q1 & Q2 due to lack of funds
	Aflasafe availed	Quantity of Aflasafe availed (MT)	30	94	Annual target achieved due to budget provision
	Pesticides residue laboratories completed and equipped	% of completion	95	100	Completed and awaiting lab equipment
Agriculture research	Crop TIMPs (e.g. varieties, seeds, seedlings) developed	No. of crops TIMPs developed	50	14	Crops varieties released
	Crops research facilities improved	No. of crops research facilities improved	3	1	Tea research factory at Kericho equipped
	Livestock TIMPs (e.g. breeds) developed	No. of Livestock TIMPs generated	40	6	Sahiwal, Boran, Sahiwal amp; Friesian Cross, Orma Boran cross, 7 K1, K2 indigenous chicken
	Livestock research facilities improved	No. of livestock research facilities improved	5	1	Diary Research factory at Dairy Research Institute, Naivasha

Source: State Department for Agriculture Reports

b) MTP IV outcome achievements for FY 2023/2024

Table 9: Crops outcome implementation status for FY 2023/24

MTP IV Outcome	Outcome Indicator(s)	Baseline Value	Annual Target FY 2023/24	Annual achievement FY 2023/24	Remarks on performance
Increased crop contribution to GDP	Share of crops contribution to GDP (%)	15.1	16.2	21.8	Agriculture output at current prices increased by 17.1 percent from Ksh. 3,111.3 billion in 2022 to Ksh. 3,641.9 billion in 2023
	Quantity of maize produced annually (90 kg bags (millions))	Increased maize production and productivity	36.0	47.6	The area dedicated to maize cultivation increased from 2,113.5 thousand hectares in 2022 to 2,430.0 thousand hectares in 2023
	Quantity of maize produced per acre (bags per acre)	12	15	19	Target achieved
Increased rice production	Quantity of rice produced annually (MT)	192,299	250,000	244,058	Target not achieved. However, there was an increase from the baseline attributed to the use of innovative technologies and progressively better rainfall performance in 2023
Increased tea production	Quantity of processed tea produced (MT)	535,000	540,000	619,920	Target surpassed. Production at the farm level was boosted by the Government fertilizer subsidy programme
Enhanced Irish potato production	Quantity of Irish potato produced annually (MT)	1,800,000	2,400,000	2,309,900	Target not achieved. Increase in production is attributed to promotion of the potato value chain and favourable prices
Increased production of edible oils	Quantity of edible oils produced (Sesame, Canola, Sunflower, Castor Bean, Oil Palm (MT)	80,000	150,000	28,852	Target not achieved

MTP IV Outcome	Outcome Indicator(s)	Baseline Value	Annual Target FY 2023/24	Annual achievement FY 2023/24	Remarks on performance
Increased cotton production	Quantity of cotton produced (MT)	5,486	20,000	3,864	Target not achieved. Drop in productivity due to challenges in climate change and flash floods in critical periods of crop production
Reduced post-harvest losses of maize	Percentage change in post-harvest losses of maize (%)	30	25	25	Provisional multi sector experts estimate awaiting confirmation after actual field work in November, 2024

Source: State Department for Agriculture Report, FY 2023/24

#### 4.2.2 Policy, legal and institutional reforms

During the period under review, the State Department for Agriculture has developed the following policies, bills and regulations:

- (i) Agricultural Soil Management Policy, 2023
- (ii) National Phytosanitary Policy, 2023
- (iii) National Agriculture Research System Policy, 2023
- (iv) National Agriculture Insurance Policy, 2023
- (v) Kenya Agriculture Sector Extension Policy, 2023
- (vi) Agriculture Mechanization Policy, 2023

##### Finalized bills:

- (i) Food and Feed Safety Coordination - Bill in Parliament
- (ii) Pest Control Products Bill
- (iii) Plant Protection Bill
- (iv) Kenya Plant Health Inspectorate Service (Amendment) Bill
- (v) Pyrethrum Act (Repeal) Bill

##### Gazetted regulations:

- (i) Pest Control Products (Inspection and Certification) Regulations, 2024
- (ii) Pest Control Products (General) Regulations, 2024
- (iii) Pest Control Products (Importation and Exportation) Regulations, 2024

- (iv) Pest Control Products (Fees and Other Charges) Regulations, 2024
- (v) Pest Control Products (Disposal) Regulations, 2024
- (vi) The Crops (Miraa) Regulations, 2022
- (vii) National Cereals and Produce Board (National Food Reserve) Regulations

#### 4.2.3 Implementation challenges

The following are the implementation challenges that faced the State Department for Agriculture in implementation of the MTP IV programmes and projects :

- (i) Weak enforcement of policies, legal and regulatory frameworks;
- (ii) Delays in piloting and testing the data governance framework, and therefore the Ministry is yet to start sharing farmers registration data with counties;
- (iii) Funding constraints affected agricultural research institutions in achieving their goals;
- (iv) Kenya Integrated Agriculture Management Information System (KIAMIS) institutionalization within the Ministry structure and counties not yet completed
- (v) Inadequate funds to facilitate sensitization of county governments on policies and strategies; and
- (vi) Prevalence of diseases and pests, pre-harvest and post-harvest losses occasioned by pests, diseases and lack of proper handling and storage facilities. This causes heavy losses through deaths, reduced productivity and loss of markets for products

#### 4.2.4 Recommendations

- (i) Finalize and launch the data governance framework to facilitate the sharing of farmers' personal data in line with the Data Protection Act, 2019;
- (ii) Funding of crop insurance and facilitation of yield loss estimates for farmers' compensation;
- (iii) Fast-tracking the institutionalization of the Kenya Integrated Agriculture Management Information System (KIAMIS) within the Ministry structure to ensure complete ownership of KIAMIS;
- (iv) Enhance extension services, including E-extension;
- (v) Improve post-harvest loss management;
- (vi) Implementation of the Soil Health Management for Land Productivity, and Access to Renewable Energy projects, guided by the recommendations made in the feasibility study;
- (vii) Promote the adoption of science and superior genetic technologies in crop production and enhance pest surveillance and response programme; and
- (viii) Provide adequate budgetary allocation for the target programmes to enable timely achievement of the Food Nutrition Security pillar.



## 4.3 Livestock Sub-Sector

The livestock sub-sector is one of the key drivers of the Kenyan economy, a source of food and nutrition security, household incomes and employment for over 50 percent of the agricultural labour force. The country's blueprint, the Kenya Vision 2030, identifies the livestock sector as one of the key drivers of the economic pillar that is expected to drive the economy to the projected 10 percent annual economic growth. In the implementation of the agriculture pillar under the "Bottom-up Economic Transformation Agenda" (BETA), the sub-sector is a key driver of the dairy, leather and beef development programmes and provides raw materials for agro-industries. The key sub-sector targets set to be achieved by 2027 are follows: leather value chain development; dairy value chain development; meat value chain development; livestock disease control; animal genetic improvement; and livestock feeds.

### 4.3.1 Sub-sector performance

*Leather and leather products value chain:* The project aims to enhance productivity in the leather value chain, targeting an increase in income from Ksh. 120 billion, job creation from 17,000 to 100,000, and the availability of 3 million hides and 18 million skins for tanneries. The goals include revising the Hides and Skin and Leather Trade Act, finalizing the Leather Development Policy, mapping MSMEs in the value chain, and establishing hides and skins collection centres. Additionally, the project will support livestock farmers' cooperatives, improve the quality of hides and skins, and provide subsidized animal feeds.



*Kenya Industrial Leather Park, Kenanie: Common effluent treatment plant*

*Dairy value chain:* The project seeks to double dairy productivity, targeting 1 billion litres of milk

exports and a farm gate price of Ksh. 40 per litre, while creating 500,000 jobs. It aims to reduce post-harvest losses and enhance value addition. The deliverables include supplying 650 bulk milk coolers and small-scale processing plants. The status shows an increase in milk production from 4.6 billion litres in 2022 to 5.2 billion litres in 2023.

*Other livestock projects:* The DRIVE project focuses on protecting the pastoral economies against drought and enhancing financial inclusion for 625,000 livestock units. The key activities include livestock insurance sales and capacity building for the pastoralist groups. The Livestock Genetic Improvement project aims to distribute millions of doses of semen and liquid nitrogen while modernizing genetic conservation centres.

*Livestock feeds production:* This initiative aims to improve livestock feed availability by placing 300,000 hectares under feed production and distributing fodder seeds. The Kenya Livestock Commercialization project empowers 110,000 households in several counties to engage in livestock commercialization, with significant infrastructure improvements made.

*The program to Build Resilience for Food and Nutrition Security (BREFONS)* aims to enhance resilience through irrigation and livestock market construction in various counties. The Livestock Disease Management project focuses on modernizing vaccine production and strengthening surveillance against diseases.

*Towards Ending Drought Emergencies (TWEENDE)* aims to restore rangelands and improve food security for 620,000 people. The Livestock Identification and Traceability System (LITS) is being established to improve trade and food safety.

The *Food Safety and Quality Assurance* targets improvement of the safety of animal-origin foods, with significant training and licensing efforts ongoing.

The projects for meat processing and honey production seek to enhance pastoral community incomes and are in various development stages. The Accelerated Rangeland Development project is conceptualizing new infrastructure but faces funding challenges.

#### a) Implementation status of key outputs and BETA priorities

Table 10: Livestock output implementation status for FY 2023/24

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual achievement FY 2023/24	Remarks on performance
<b>Production</b>					
Leather and leather products value chain	Collection centres established	No. of collection centres	5	0	Target was not applicable during the period under review
	Hides and skins delivered to tanneries	Quantity of hides delivered to tanneries (MT)	1,000	1,234	Target was achieved as planned, following mopping up of hides and skins

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual achievement FY 2023/24	Remarks on performance
		Quantity of skins delivered to tanneries (MT)	10,000	12,977	
	Feed production farmer groups supported	No. of farmer groups supported	30	30	Achieved through GoK/Donor funded programmes
	Subsidized animal feeds provided to farmers	Quantity of subsidized animal feeds provided to farmers (MT)	2,000	0	The proposal was not funded
	Leather aggregation centres established in Narok, Laikipia, Marsabit, and Garissa counties (collection and preservation)	No. of aggregation centres established	1	0	Implementation was affected by austerity measures during the FY under review
	Bachuma Livestock Export Zone (LEZ) completed	% of completion	56	56	Stalled due to lack of budgetary provision
	Lamu LEZ constructed and operationalized	% of completion	5	0	Targeted not achieved. Activities affected by budget cuts and delays in land registration of Bargoni holding ground
	Biosafety Level 3 (BSL 3) Lab completed in Kabete	% of completion	65	0	Non-achievement attributed to budget cuts
	Regional veterinary laboratories refurbished	No. of regional veterinary laboratories refurbished	8	0	Non-achievement attributed to budget cuts

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual achievement FY 2023/24	Remarks on performance
	Leather Science Institute established at Ngong	% of completion	55	0	Funds were not allocated in FY 2023/24
	Livestock Industry Training Institute	No. of institutions upgraded	9	3	AHITIs – Kabete, Nyahururu and Ndomba upgrading continued during the period under review. Other livestock industry training institutions upgrading was significantly affected by budget cuts
		No. of trainees graduated	984	1,176	The over-achievement attributed to increase in students' enrolment due to introduction of new courses to meet market demands
	Livestock insurance programme	No. of livestock saved/insured (TLU)	125,000	198,095	Target achieved
<b>Value Addition</b>					
	Common manufacturing facilities constructed	No. of manufacturing facilities constructed	0	0	Target was not achieved during the period under review due to reallocation of funds the project was implemented.
<b>Production</b>					
	Animal genetics (AI) services and research established	No. of doses of dairy goat semen produced and distributed	100,000	35,053	Under-performance was attributed to inadequate Liquid Nitrogen due to breakdown in production plants
		No. of doses of bull semen produced and availed to dairy farmers	800,000	787,439	Delay in supply of imported bull semen production inputs by the manufacturer and inconsistent supply of Liquid Nitrogen due to plants' breakdown

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual achievement FY 2023/24	Remarks on performance
	Processed camel milk	Quantity of camel milk processed (million litres)	68	27	During the period under review 182,710,447 litres of camel milk were produced. The processing was affected by inadequate aggregation and processing facilities in camel rearing regions
	Milk coolers installed	No. of coolers installed	220	0	265 milk cooler sites are ready for installation in 34 counties. However, delivery of milk coolers from Poland has been constrained by delay in approval of contract execution period by the Polish government
	Amount of milk processed	Volume of milk processed (million litres)	754.3	881	Volume of processed milk rose by 20 percent from 73 million litres in FY 2022/3 to 881 million litres in FY 2023/4 as a result of improved pastures and fodder and implementation of Dairy Industry Regulations 2021
	Safe, affordable and efficacious livestock vaccines produced	No. of vaccines doses produced (millions)	38.1	30.80	Under-performance was attributed to inadequate budgetary allocation, human resources, austerity measures
<b>Market</b>					
	National Dairy Laboratory completed and accredited	% of completion	100	95	National Dairy Laboratory completed and equipped. Awaiting conclusion of accreditation process
<b>Other Livestock Programmes</b>					
De-Risking, Inclusion and Value Enhancements of Pastoral Economies (DRIVE)	Tropical Livestock Units (TLUs) in 8 ASAL counties insured	No. of TLUs insured	75,000	153,367	Target surpassed due to continued dry spell resulting to high purchase of livestock insurance and also renewals and repeats from pastoralists who had purchased insurance in the previous year

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual achievement FY 2023/24	Remarks on performance
	Pastoralists groups and pastoralists supported under the DRIVE project	No. of pastoralist accessing financial services	160,000	63,759	63,759 livestock insurance policies bought by the pastoralists. However, the number of pastoralists and their dependents covered by financial services total to 382,554
		No. of pastoralists groups linked to markets and savings institutions	-	424	The target was not applicable during the period under review. However, achievement was attributed to high sensitization and adequate mobilization of beneficiaries
		Amount of private capital mobilized through the facility to de-risk private investment (millions)	-	1,118	The target was not applicable during the period under review. However, Ksh. 918,696,190 of private capital contributed to 10 private investments being funded by Kenya Development Corporation under KDC de-risking facility
Livestock genetic improvement	Doses of semen produced and distributed	No. of doses of semen produced and distributed	1,900,000	787,439	Delay in supply of imported bull semen production inputs by the manufacturer and inconsistent supply of Liquid Nitrogen due to plants' breakdown
	Liquid Nitrogen produced	Litres of Liquid Nitrogen produced and distributed	330,000	313,552	Under-performance was due to breakdown of Liquid Nitrogen plants and periodic power supply interruptions
	Dairy Goat AI Centre completed and equipped at AHITI Ndomba, Kirinyaga	% of completion	100	100	Established a Goat AI Centre in Ndomba, Kirinyaga County. Phase 1 completed ready for commissioning



Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual achievement FY 2023/24	Remarks on performance
	Doses of goat semen produced and distributed	No. of goat semen doses produced and distributed	50,000	35,053	Inadequate supply of liquid nitrogen for processing of buck semen affected expected production level
	Sexed semen produced and distributed to dairy farmers	No. of doses of sexed semen produced and distributed	250,000	0	The target was affected by delay in the delivery of semen sexing machines. Importation of sexed semen done as a mitigation
	Livestock genetic conservation centres modernized	No. of livestock genetic conservation centres	3	0	Under-performance was attributed to inadequate budgetary allocation and austerity measures effected during the FY 2023/24
	Veterinary pharmaceutical efficacy trial	No. of veterinary pharmaceutical efficacy trial centres modernized	1	0	Under-performance was attributed to lack of budgetary provision
Large scale commercialization of livestock feeds production and conservation	Area of land placed under livestock feeds production	Ha of land under livestock feeds production	60,000	0	Production of feeds under the land commercialization initiative (LCI) is yet to be started and operationalized
	TLUs provided with livestock feeds	No. of TLUs provided with livestock feeds	200,000	0	Production of feeds under the land commercialization initiative (LCI) is yet to be started and operationalized
Kenya Livestock Commercialization Project (KeLCoP)	Households empowered to participate in livestock commercialization	No. of households empowered	11,000	14,616	Target surpassed through trainings, asset transfer and investment
Livestock Disease Management	KEVEVAPI modernized	% of modernization	40	0	Targeted modernization milestones were affected by inadequate budgetary provision

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual achievement FY 2023/24	Remarks on performance
	Vaccine doses produced annually	No. of vaccine doses produced annually (million)	35	30.8	Under-performance was attributed to inadequate budgetary allocation, human resources, austerity measures and low market access
	Veterinary investigation laboratories equipped	No. of veterinary laboratories equipped	2	0	Non-implementation was occasioned by lack of funds
	Tsetse control belts covered	No. of Tsetse control belts covered	6	7	During the period under review, North Eastern Tsetse belt was covered. The belt covers Mandera, Marsabit, Wajir and Garissa counties
	Surveillance conducted	No. of surveillances conducted	4	4	Target achieved
	Vaccines administered	No. of vaccines administered (millions)	35	30.8	Target achieved
	Peste des petits ruminants (PPR) and Foot and Mouth Disease (FMD) incidences reduced	% reduction in PPR and FMD incidences	10	5	Disease control has not been harmonized between counties. This negatively affects control of transboundary animal diseases, which require regional concerted efforts
Towards Ending Drought Emergencies in Kenya (TWEDE)	Rangelands protected	Area of rangeland restored or protected (HA)	100,000	93,000	The under-achievement was attributed to erratic weather conditions
	Households benefitting from the project	No. of households benefitting	21,000	29,400	Enhanced partnership with other agencies resulted to over-achievement of the target
Food safety and quality assurance	Compliance with safety and quality of food of animal origin	% of compliance	100	100	Target achieved

Data Sources: State Department for Livestock Development (SDLD) Report. Kenya Dairy Board (KDB) Reports and Kenya National Bureau of Statistics (KNBS), Economic Survey Report 2024

## b) MTPIV outcome achievements for FY 2023/2024

Table 11: Livestock outcome implementation status for FY 2023/2024

MTP IV Outcome	Outcome Indicator(s)	Baseline Value	Annual Target FY 2023/24	Achievement FY 2023/24	Remarks on performance
Increased livestock production	Share of livestock contribution to GDP (%)	3.50	3.75	3.8	The improvement was attributed to increase in marketed value of livestock and livestock products by 6.9 percent from 754.3 million litres in 2022 to 806.6 million litres in 2023 because of improved pastures and fodder
	Average milk yield per cow day (litres)	2.5	3.0	3.77	The variance was attributed to gradual uptake of modern breeding technologies
	Amount of milk produced (million litres)	5,280	5,544	4,568.6	Target not achieved due to high cost of feeds.
	Percentage change in post-harvest losses in milk (%)	6.0	5.5	5.0	The achievement on reduced milk post-harvest losses was attributed to gradual utilization of the installed 350 milk coolers countrywide
	Quantity of leather produced (MT)	9,084	9,900	8,152	The target was affected by inadequate capacity in relation to incomplete Kenya Leather Industry Park - Kenanie, flaying skills in slaughterhouses and low awareness on the importance the leather industry
	Jobs Created in the leather value chain (No.)	17,000	25,000	1,303	
	Average carcass weight per cow (Kgs)	120	125	127	The achievement was attributed to gradual uptake of modern livestock breeding technologies and good forage in the last year
	Amount of meat produced (MT) ('000")	652	717	870	The growth was attributed to increase in meat demand due to increasing population. The meat source was cattle, sheep/goat, camel, donkey, pigs, chicken and rabbits as outlined in the Economic Survey Report 2024
	Amount of honey produced (MT) ('000")	18	25	21.754	Variance was attributed to delays in establishment of bulking sites, and no colonies were distributed due to inadequate budgetary allocation

Source: State Department for Livestock Report, FY 2023/2024

### 4.3.2 Policy, legal and institutional reforms

- (i) *Sessional Paper No. 3 of 2020 on the Livestock Policy*: The policy has undergone stakeholder consultations and validation and is in the National Assembly awaiting feedback;
- (ii) *Sessional Paper No. 2 of 2020 on the Veterinary Policy*: The policy has undergone stakeholder consultations and validation and is in the National Assembly awaiting feedback;
- (iii) *Dairy Industry Act of 1958*: The Act was reviewed, awaiting Cabinet approval and the Attorney General final processing to Parliament;
- (iv) *Livestock Bill 2024*: The Bill has been approved by the Cabinet and forwarded to the National Assembly for re-publication.

### 4.3.3 Challenges

- (i) Inadequate budgetary allocation, human resources, austerity measures and procurements requirements affecting projects implementation
- (ii) Weak collaboration between the National and County governments, specifically on data/information for decision making
- (iii) Climate change with extreme and unpredictable weather patterns causing challenges such as frequent and prolonged droughts, floods and emerging new pests and diseases impacted negatively on the livestock productivity
- (iv) High cost of inputs for livestock production
- (v) Inadequate markets and marketing infrastructure
- (vi) Lengthy timelines in policy formulation, coupled by constrained budgetary resources
- (vii) Limited collaboration and coordination among agricultural research institutions, and low adoption of researched technologies
- (viii) Overlapping mandates with the State Department for ASALs and Regional Development (SDARD), i.e. 'Promotion of Livestock Development, Marketing and Value Addition of Resources within Arid and Semi-Arid Areas' and 'Implementation of Arid and Semi-Arid Lands Programmes'.

### 4.3.4 Recommendations

- (i) The need to embrace alternative financing mechanisms such as Private Public Partnerships (PPPs) to supplement the resource requirements gap
- (ii) Embrace climate smart technologies in mitigating the impacts of climate change and other emerging issues
- (iii) Enhance implementation of the Land Commercialization Initiative and unlock new large-scale private farms operated by commercial agribusiness ventures on livestock, pasture and fodder production
- (iv) Embrace the digitization strategy towards enhancing the use of ICT in delivery of

- services such as e-extension, e-subsidies, digital food balance sheets, and early warning systems
- (v) Parliament to fast-track the enactment of relevant pending legislations to strengthen the legal and institutional framework in the sector
  - (vi) Adoption of tax measures such as zero rating of key livestock inputs to ensure affordability of farm inputs
  - (vii) Strengthen linkages and collaboration with all the stakeholders, particularly between the National and County Governments to ensure sustainable food security and efficient service delivery
  - (viii) Strengthen livestock research and dissemination mechanism and modernize agriculture training institutions to increase access to suitable varieties of breeds and fodder seeds
  - (ix) Promote the adoption of science and superior genetic technologies in livestock production and enhance pest surveillance and response programme
  - (x) Incentivize the production in medium and large-scale farms as identified in the ASTGS, and facilitate investments in agro-processing hubs to create markets for agricultural produce

## 4.4 Investments Promotion Sub-Sector

The Investments Promotion sub-sector is key target and commitment to the Government. It is aimed at driving the country's economic transformation agenda towards increased investments in a competitive and conducive business environment.

### 4.4.1 Sub-sector performance

The improved Business Environment both Global Competitive Index (GCI) and Morgan Stanley were replaced by the Business Development Committee to look at internal investment and business concerns affecting the cost and ease of doing business. Further, there is a new tool from the World Bank called Business Ready (B-Ready) where Kenya has been proposed to be piloted in the 2025 calendar year. This calls for a revision of this target.

#### a) Implementation status of key outputs and BETA priorities

*Table 12: Investment promotion output implementation status for FY 2023/2024*

Priority Project	Output	Indicator	Annual Target FY 2023/24	Cumulative Achievement FY 2023/24	Remarks on Performance
<b>Value Addition</b>					
Leather and leather products value chain	Kenya Leather Industrial Park - Kenanie completed (CET, roads, water reticulation, ICT, security, power station, 4 warehouses)	% of completion	-	85	No funds allocated to finalize the Common Effluent Treatment Plant (CETP) Project. The plant development was funded through SDIP
<b>Value Addition</b>					
Textile and apparels value chain	Large industrial sheds constructed	No. of industrial sheds	1	-0.5	Weather-related challenges
	Railway sliding and related infrastructure at EPZ Athi River developed	No. of railway sliding and related infrastructure	3	-2.25	Project still at the design stage and no yet allocated funds
<b>Enablers of the Finance and Production Sector</b>					
	County Competitiveness Index	County Competitiveness Index	1	0	The process towards this is ongoing to be completed by end of the year 2024
		No. of County Competitiveness Reports	1	0	Related to the above ongoing process
	County Regulatory Toolkit	No. of counties covered by County Regulatory Toolkits	10	10	The first cohort of counties include: Kisumu, Nairobi, Mombasa, Nakuru, Uasin Gishu, Machakos, and Garissa
	Policy Legal and administrative reforms on business climate	No. of reforms undertaken	10	10	Target achieved



Priority Project	Output	Indicator	Annual Target FY 2023/24	Cumulative Achievement FY 2023/24	Remarks on Performance
Industrial infrastructure development project	Athi River Engineering Park established	% of completion	66.43	66.43	No progress as funds were not allocated for FY 2023/24
	Naivasha 2023/24 Administration Block and horizontal infrastructure completed	% of completion	4	9	Progress has been slow due to non-release of exchequer in 2023/24 and no allocation in 2022/23
Investment attraction, retention, facilitation and enablement	Investments opportunities and bankable investment projects promoted locally and internationally	No. of bankable investment projects identified	12	12	Target achieved. 16 projects across 7 different sectors were identified

Priority Project	Output	Indicator	Annual Target FY 2023/24	Cumulative Achievement FY 2023/24	Remarks on Performance
	Central Repository and Complaint Handling Single Window-PASHA	% of completion of PASHA	38	15	Target not yet achieved - no budget allocation; Project being reengineered to meet advanced system solutions
	One Start, One Stop Centre established at KENINVEST	% of completion of One Start, One Stop Centre established at KENINVEST	40	38	Target yet to be achieved. Project redesigned and expanded. Additional funding approved but not yet allocated
	Public SEZs developed in Dongo Kundu and Naivasha	% of completion in Dongo Kundu	10	8	Dongo Kundu was handed over to KPA at 8 Percent completion.
		% of completion of SEZs in Naivasha	20	84	Naivasha SEZ is 84 percent complete
	Public EPZs developed in Athi River, Kenanie, Uasin Gishu, Kirinyaga, Nakuru, Murang'a, Busia and Kwale	% of completion of Athi River Textile Hub	70	66	Weather challenges due to prolonged rains
		% of completion of railway sliding and related infrastructure at Athi River EPZ	4	3	Project still at the design stage with no allocated funds
		% completion of investor sheds at Athi River EPZ	8	2	Weather challenges attributed to prolonged rains in April, May and June 2024
		% of completion of effluent treatment plant at Kenanie Leather Park	70	85	Sufficient funds to finalize the CETP Project
		% completion of flagship EPZ hubs in Uasin Gishu, Kirinyaga, Nakuru, Murang'a, Busia and Kwale counties	10	1	Weather challenges, missing data for surveys and land ownership transfer issues

Priority Project	Output	Indicator	Annual Target FY 2023/24	Cumulative Achievement FY 2023/24	Remarks on Performance
	Investments de-risked	Value of co-investments (Ksh. billions)	1	7.279	Approved Ksh. 5,351 million towards 38 projects  Ksh. 1,928 million disbursed towards 59 projects

Source: State Department for Investment Promotion Report, FY 2023/2024

b) MTPIV outcome achievements for FY 2023/2024

Table 13: Investment promotion outcome implementation status for FY 2023/2024

MTP IV Outcome	MTP IV Outcome Indicator	Baseline Value	MTP IV Outcome Target	Actual Achievement	Remarks on performance
Increased investments	Total Foreign Direct Investment (FDI) (US\$ millions)	500	2.5	1.517	MOUs signed to meet the target but actualization of investments has delayed
	Total Domestic Direct Investment (DDI) (KSh billions)	13	390	480	Kenya Economic Survey, 2024
	Investment contribution to GDP (%)	20.3	25	14.6	
Improved business environment	Global Competitive Index (GCI) - Rank	95	90	0	These two indicators to be replaced by World Bank's B-READY going -forward 95/187 as at the year 2020
	Morgan Stanley Competitive Index (MSCI) - Rating	+ve	stable	0	

Source: State Department for Investment Promotion Reports

#### 4.4.2 Policy, legal and institutional reforms

- (i) Investment Promotion and Facilitation Bill, 2023 was passed to make it easier for businesses to invest in Kenya.
- (ii) Special Economic Zones (Amendment) Bill, 2023 was passed. Its aim is to improve the regulatory framework for special economic zones (SEZs) in Kenya
- (iii) County Licensing (Uniform Procedure) Bill, 2022 (Senate Bill No.9/2022) to establish standard uniform procedures for licensing by county governments; and for connected purposes.

### 4.4.3 Implementation challenges

- (i) Exchequer delays or cuts causing some projects to stall or not meet the proposed targets
- (ii) High cost of energy and horizontal infrastructure development
- (iii) Lack of proper synergy between implementing partners to progress or move projects to the next level
- (iv) Litigations

### 4.4.4 Recommendations

- (i) Railway sliding and related infrastructure at EPZ Athi River could be handed over to Kenya Railways for it to progress better
- (ii) The two indicators, GCI and MSCI, to be replaced with the World Bank's Business Ready (B-Ready) tool that will give a more suitable measure.

## 4.5 Trade Sub-Sector

The trade sub-sector connects manufacturing, MSMEs, agriculture, and services by facilitating the movement of goods and services from producers to consumers. It generates employment in both formal and informal sectors, contributing to poverty reduction and improvement of welfare. Trade also attracts domestic and foreign investments, thus enhancing market access.

### 4.5.1 Sub-sector performance

The trade sub-sector in Kenya is pivotal in connecting the key areas such as manufacturing, MSMEs, agriculture, and services, moving goods and services from producers to consumers. This sub-sector not only supports market channels but also creates employment in both the formal and informal sectors, promoting poverty reduction and enhancing welfare. Trade also attracts investment and plays a crucial role in advancing domestic and foreign capital across value chains, ultimately enhancing market access.

As per the 2023 Kenya National Bureau of Statistics report, wholesale and retail trade contributed significantly to Kenya's economy, ranking fifth in GDP contribution and third in job creation within the private sector. In 2023, wholesale and retail, hotels, and restaurants collectively accounted for 58.2 percent of the informal sector employment. Additionally, Kenya's export earnings surged by 16.3 Percent, reaching Ksh. 1,009.1 billion, with tea (Ksh. 188.7 billion) and horticulture (Ksh. 187.4 billion) as the top earners. Other major contributors included apparel, coffee, and iron and steel.

Exports were primarily destined for African markets (43.2 Percent of export earnings), while exports to the EU grew by 12.7 percent, led by cut flowers, avocados, and beans. The key exports to the UK, such as tea and flowers, contributed Ksh. 54.7 billion, a rise from Ksh. 44.6 billion the previous year. Exports to Asia increased by 19.3 Percent, majorly supported by exports to Pakistan, the UAE, and Saudi Arabia, with the total exports to the Americas valued at Ksh. 68.9 billion.

## Trade agreements and market access

To improve market access and diversity, Kenya has concluded multiple trade agreements. The Kenya-European Union Economic Partnership Agreement (EPA) signed in December 2023 provides quota-free and duty-free access for Kenya's exports to the EU, with gradual market opening for EU goods in Kenya over 25 years. Similarly, the Kenya-UAE Comprehensive Economic Partnership Agreement (CEPA) aims to expand bilateral trade, improve service access, and foster economic cooperation, with non-oil trade between Kenya and the UAE reaching US\$ 3.1 billion in 2023.

The African Continental Free Trade Area agreement, focusing on inclusivity, concluded a Protocol on Women and Youth in Trade, supporting women's and youth participation in trade to enhance economic development and employment opportunities. Additionally, Kenya conducted joint committee meetings with regional neighbours, including Tanzania, Somalia, Ethiopia, Egypt, and Djibouti, aimed at resolving trade barriers and promoting market access.

Notably, the Kenya-US Commercial and Investment Partnership MoU, signed in May 2024, aims to strengthen economic ties, promote investment, and increase commercial engagement, with implementation overseen by a joint steering committee.

## Sub-sector priorities and market development initiatives

The Kenya National Multi-Commodities Exchange (KOMEX) initiative focuses on improving market access for smallholder farmers. The key developments included increased staffing, ecosystem awareness campaigns, and capitalization of the exchange. In collaboration with stakeholders such as the Capital Markets Authority (CMA), NSE PLC, and the Cooperative Bank, KOMEX introduced structured trading systems, and the integration of e-WRS (Warehouse Receipt System) was completed for various certified warehouses, supporting farmers with credit access and stabilizing market prices.

Kenya also prioritized markets for various value chains. For dairy, textile, and apparel, these included South Sudan, the DRC, the USA, and Europe. The edible oil and leather markets targeted Uganda, Tanzania, South Sudan, and European countries to enhance Kenya's competitive presence.

## Warehouse Receipt System (WRS)

The Warehouse Receipt System has been transformative for the agricultural sector, enabling farmers to store produce until favourable market conditions arise. Farmers can leverage their stored produce as collateral for loans, stabilizing incomes and providing access to credit. In FY 2023/24, the WRS expanded with e-suite links to county-level registries, and more warehouses were certified to support local farmers and foster market stability.

## Promotion of E-commerce and digital trade

The digitalization initiatives in trade, including Kenya's e-commerce strategy, have streamlined cross-border trade by reducing transaction costs and connecting global markets. The strategy facilitates the growth of digitally delivered services, which now comprise over half of global service exports. Kenya's trade sub-sector is also building capacity among county trade officers

to drive e-commerce.

Additionally, the sub-sector concluded a Protocol on Digital Trade under the African Continental Free Trade Area, setting harmonized standards to enhance intra-African digital trade. The key aspects of the protocol include digital inclusion, access for MSMEs, and data governance, promoting a secure and transparent trade ecosystem.

### Global integrated marketing campaigns and promotion of Kenyan products

To strengthen Kenya's brand image, Kenya undertook marketing campaigns to elevate the "Made in Kenya" brand and expand global awareness of Kenyan products. Campaigns at the Fruit Logistica Fair in Germany and other exhibitions in the US resulted in export deals valued in millions of dollars. Kenyan horticultural exports alone generated over US\$ 2.5 million in Berlin.

### Modernization of Kenya National Trading Corporation (KNTC) warehouses

The KNTC warehouse modernization project aims to increase operational efficiency, including asbestos roof replacement, installation of laboratory and grading facilities, and integration with the Warehouse Receipt System. The project was at 72.6 percent completion as of the latest update.

### Fair trade practices and legal meteorology initiatives

To uphold fair trade practices, Kenya's legal meteorology laboratory modernization focuses on ensuring accurate measurements in trade, reducing consumer exploitation. Collaboration with the Tea Board of Kenya and the Kenya Revenue Authority has led to improved compliance and revenue collection through verification of weighing equipment across various regions.

In conclusion, Kenya's trade sub-sector is a significant economic driver that not only contributes to GDP growth and job creation, but also plays an essential role in expanding market access, fostering inclusive growth, and promoting Kenya's goods and services globally. With ongoing efforts in e-commerce, trade agreements, and infrastructure modernization, the sector aims to further Kenya's position in international markets while supporting local economic resilience and development.

#### **a) Implementation status of key outputs and BETA priorities**

*Table 14: Trade output Implementation status for FY 2023/24*

Priority project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Leather value chain/ Production	Central registry for leather and leather products established	% of completion	100	0	Target not achieved



Priority project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Leather value chain/ Marketing	Exporters sensitized on market requirements and opportunities for leather and leather products	No. of exporters sensitized	10	0	Desktop research for leather value chain undertaken, awaiting validation with stakeholders before dissemination and utilization in sensitizing the exporters on the opportunities for leather and leather products in the export markets
	Export market development and promotion undertaken	No. of new markets identified	1	8	Priority markets for leather and leather products identified for implementation of market development initiatives therein and link Kenyan exporters to buyers in these markets. These include the UK, Burundi, Rwanda, South Sudan, Uganda, Italy, Germany and the USA
	Commercial representation strengthened	No. of commercial offices established	-	0	Not a target for the period under reporting. However, concept note was developed in preparation for implementation in the subsequent FY
		No. of commercial attaches capacity built on leather industry development	2	0	Activity not undertaken due to budgetary constraints

Priority project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Unfair import trade practices threatening leather industry identified and remedied	No. of trade remedy measures applied	3	0	Activity not undertaken due to budgetary constraints
	Sensitization of manufacturers on unfair import trade practices	No. of manufacturers sensitized annually on unfair trade practices	4	0	Activity not undertaken due to budget constraints
Dairy value chain/ Markets	Local and export markets promoted and diversified	No. of new markets promoted	1	0	Target not achieved due to budgetary constraints. This is prioritized for implementation in the FY 2024/2025. Priority markets for dairy identified for implementation of market development initiatives therein. These include South Sudan, Tanzania, Uganda, DRC, Somalia, Malawi and Ghana
	Exporters sensitized on market requirements and opportunities	No. of exporters sensitized	10	0	Target not achieved due to budgetary constraints. This is prioritized for implementation in the FY 2024/2025
	Made in Kenya global campaigns conducted	No. of Made in Kenya global campaigns conducted annually	20	4	4 Made in Kenya digital activations were undertaken through social media platforms. Under-achievement is attributed to lack of budget

Priority project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Export market and products developed	No. of new markets identified and linked to exporter	1	5	Priority markets for dairy identified for implementation of market development initiatives therein and link Kenyan exporters to buyers in these markets. These include South Sudan, Tanzania, Uganda, DRC, Somalia, Malawi and Ghana
	Unfair import trade practices threatening dairy value chain identified and remedied	No. of trade remedy measures (safeguards, anti-dumping, anti-countervailing) applied	3	0	Activity not undertaken due to budgetary constraints
	Manufacturer sensitized on unfair import trade practices	No. of manufacturers sensitized on unfair import trade practices	4	0	Activity not undertaken due to budget constraints
Textile and apparels value chain/ Marketing	Exporters sensitized on market requirements and opportunities	No. of exporters sensitized	10	0	The State Department had planned to hold the EPA forum, which was rescheduled because the EU officials did not manage to travel
	Commercial attache's capacity built on textile and apparels development	No. of commercial attaches capacity built	2	-	To be undertaken in FY 2024/25

Priority project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Export market development and promotion undertaken	No. of new markets identified	1	5	Priority markets for textile and apparel identified for implementation of market development initiatives therein and link Kenyan exporters to buyers in these markets. These include the USA, UK, Netherlands, Germany and Nigeria
	Made in Kenya global campaigns conducted	No. of Made in Kenya global campaigns	2	4	4 Made in Kenya digital activations were undertaken through the Agency's social media platforms
		No. of commercial attaches capacity built on leather industry development	2	0	Target not achieved due to budgetary constraints. This is prioritized for implementation in the FY 2024/2025
	Unfair import trade practices threatening textile and apparels industry identified and remedied	No. of trade remedy measures applied	3	0	Activity not undertaken due to budgetary constraints
	Manufacturers sensitized on unfair import trade practices sensitized	No. of manufacturers sensitized	4	0	Activity not undertaken due to budget constraints
Edible oils value chain/Marketing	Edible oil market price stabilized	Absolute price of edible oil per litre (Ksh.)	230	+96.36	According to Kenya National Bureau of Statistics data. This is attributed to increase in duty on raw materials and refined cooking oils

Priority project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Exporters sensitized on market requirements and opportunities	No. of exporters sensitized	10	0	Desktop research on edible oils value chain undertaken, awaiting validation with stakeholders before dissemination and utilization in sensitizing the exporters on the opportunities for edible oil products in the export markets
	Commercial representation in industry development strengthened	No. of commercial attachés capacity built	2	-	Target not achieved due to budgetary constraints. This is prioritized for implementation in the FY 2024/2025
	Product and export market development and promotion, including market diversification undertaken	No. of new markets	1	8	Priority markets for edible oils identified for implementation of market development initiatives therein and link Kenyan exporters to buyers in these markets. These include Uganda, Rwanda, Tanzania, South Sudan, DRC, Burundi, Zambia and Malawi
	Unfair import trade practices threatening leather industry identified and remedied	No. of trade remedy measures applied	3	0	Target not achieved.
	Unfair import trade practices threatening edible oil value chain identified and remedied	No. of trade remedy measures applied	3	0	Target not achieved

Priority project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Unfair trade practices threatening construction/building materials identified and remedied	No. of trade remedy measures (safeguards, anti-dumping, anti-countervailing) applied	4	3	Target not achieved due to budgetary constraints
	Sensitization of manufacturers on unfair trade practices under construction/building industry	No. of manufacturers sensitized	4	3	Target not achieved due to budgetary constraints
	Sensitization of manufacturers on unfair import trade practices	No. of manufacturers sensitized annually on unfair trade practices	3	0	Target not achieved
Tea Value Chain/ Marketing	Export market and product developed through showcasing, value of exports and sharing market intelligence	No. of trade promotional events coordinated	6	4	Target not achieved but the four include: "Make it Kenya" exhibition in Atlanta Georgia US; 2024 Zimbabwe International Trade Fair (ZITF) in Bulawayo Zimbabwe and the Fourth American Chamber of Commerce (AMCHAM) summit held in Nairobi, Kenya, on the 24th and 25th of April 2024
		No. of market intelligence reports generated	1	1	The Agency developed a market intelligence report for the tea value chain during the reporting period



Priority project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Exporters sensitized on market requirements and opportunities	No. of exporters sensitized	10	10	Target achieved
	Product and export market developed	No. of new markets identified and linked to exporters	10	0	This was not undertaken due to budgetary constraints
	Commercial representation strengthened	No. of commercial attaches capacity built	2	0	Target not achieved
Construction/ Building materials value chain / Marketing	Unfair trade practices threatening construction/building materials identified and remedied	No. of trade remedy measures (safeguards, anti-dumping, anti-countervailing) applied	3	0	Target not achieved
	Sensitization of manufacturers on unfair trade practices under construction/building industry	No. of manufacturers sensitized	4	3	Target not achieved due to budgetary constraints
<b>Markets</b>					
	Local and export markets promoted and diversified	No. of new markets promoted	1	1	The Economic Partnership Agreement between the EU and Kenya was concluded. The National Assembly ratified the Kenya-EU Economic Partnership Agreement (25th April, 2024)
	Exporters sensitized on market requirements and opportunities	No. of exporters sensitized	10	80	Target surpassed because the exercise was conducted virtually.

Priority project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Made in Kenya global campaigns conducted	No. of Made in Kenya global campaigns conducted annually	20	0	Target not achieved due to budgetary constraints
	Export market and products developed	No. of new markets identified and linked to exporter	1	0	Target not achieved due to budgetary constraints
	Unfair import trade practices threatening dairy value chain identified and remedies	No. of trade remedy measures (safeguards, anti-dumping, anti-countervailing) applied	3	0	Activity to be undertaken in FY 2024/25
	Manufacturer sensitized on unfair import trade practices	No. of manufacturers sensitized on unfair import trade practices	4	3	Target not achieved due to budgetary constraints
Edible oils value chain production	Central registry and guarantee scheme fund established in all counties	No. of counties with a central registry and guarantee scheme fund	10	0	Target not achieved.
Kenya Multi-Commodity Exchange (KOMEX)	KOMEX Operationalized	Operational KOMEX (%)	100	95	Consultative meeting held with NSE PLC, Cooperative Bank and KCB Investment Bank.

Priority project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
					Regulatory compliance enhancement through budget; allocation, capitalization and additional key staff deployments pending acquisition of Commodity Exchange Trading Technology Suite and License
Warehouse receipt system	Central Registry e-suite established and linked to 47 county level registries	% of completion	50	50	The Council (WRSC) has completed establishment of central registry e-suit
	Smallholders, traders and other value chain actors on warehouse receipt system	No. of certified warehouse operators	6	7	During the Q4 of FY 2023/24, one warehouse operator (OIKalou Cold Storage Facility) was inspected for certification. The Council has certified a total of 7 warehouse operators and issued 11 warehouse receipts as at end of FY 2023/24
Development of E-Commerce in the promotion of trade	E-Commerce Strategy and Policy developed	E-Commerce Strategy and Policy developed	1	1	E-Commerce Strategy developed and launched. The Policy will be developed in the FY 2024/25 due to insufficient funding
Commercial centre	Commercial centres established	No. of new markets established	1	1	The National Assembly of Kenya ratified the Kenya-EU EPA during the period

Priority project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Exports market access and diversification	Bilateral and multilateral trade agreements coordinated, negotiated and concluded	No. of regional, bilateral and multilateral trade agreements coordinated, negotiated and concluded	12	5	Kenya-Morocco MoU on trade was initiated  Kenya-Jordan Third Session JTC- Concept note was developed  *Note: the target for the FY was 8 not 12
	Stakeholders sensitized on trade and investment opportunities arising from negotiated trade agreements RECs, MoUs, FTAs, WTO, EPAs, JTCs	No. of stakeholder's engagements held	8	1	Scheduled for FY 2024/25 if funds will be available. Through support from partners coordinated and participated in the COMESA Integration Agenda Dialogue. Signing of MOU with Kenya National Chamber of Commerce and Industry and Ghana National Chamber of Commerce and Industry to enhance the private sector engagement to boost intra-African trade
Protocols implemented and strategies negotiated/ developed	% of implementation of RECs protocols, SPS (Sanitary and Phytosanitary Measures) Protocols, AfCFTA strategy and Kenya-UK EPA	100	0		Due to budget constraint the sub-sector only managed to organize a 5-day capacity building workshop for transport sector stakeholders;

Priority project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
					conducted one stakeholder consultation; and developed Kenya's position ahead of the AfCFTA negotiations
	Existing commercial offices strengthened, and 16 new offices established	No. of commercial offices strengthened and established	2	0	Scheduled for FY 2024/25 if funds will be available
Warehouse and distribution centres	Warehouses established	No. of warehouses established	2	0	Target was not achieved due to budgetary challenges. Concept was developed for implementation in the FY 2024/25
Global integrated marketing campaign	Global integrated marketing campaigns conducted	No. of global integrated market campaigns conducted	2	4	4 Made in Kenya digital activations were undertaken through the Agency's social media platforms
National Legal Metrology Laboratories	National Legal Metrology Laboratory modernized	No. of laboratories	2	0	These were not allocated any funds in FY 2023/24
Operationalization of Kenya Trade Remedies Agency (KETRA)	KETRA operationalized	% of completion	100	0	This process will be initiated in FY 2024/25 if funds are availed

Source: Departmental Reports, 2023/24, Kenya National Bureau of Statistics (2024)

**b) MTPIV outcome achievements for FY 2023/2024**

*Table 15: Trade outcome implementation status for FY 2023/2024*

MTP IV Outcome	Outcome Indicator(s)	Baseline Value	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Increased value of domestic trade	Value of wholesale and retail trade (Ksh. million)	1,042	1,083	1,134.25	Target achieved due to conducive business environment
	Jobs created in wholesale and retail trade (No. 000)	267.9	374.0	5,652.79	This huge increase is because the indicator combines wholesale and retail trade, hotels and restaurants in the Economic Survey 2024
Capitalization of the KOMEX Exchange System	Smallholder farmers integrated to the WRS (No.)	0	1,000	0	Target not achieved. Target to be realized in the FY 2024/25 once capitalization of KOMEX is completed
Increased Kenyan Exports	Total value of exports (Ksh. billion)	873.1	917	1,009.1	Aggressive marketing campaigns, product market diversification and favourable exchange rate to the US Dollar
	Total value of exports to the EAC (Ksh. billion)	226.5	238	305.88	Enhanced promotion activities and resolution of NTBs
	Total export value of leather and leather products (Ksh. million)	1,991.1	2,091	2,190.6	The leather and leather products are among the priority value chains in BETA expected to spur the contribution of manufacturing to GDP and employment
	Total export value of edible oils (Ksh. million)	26,295	28,295	23,052.3	Unfavourable weather conditions led to low levels of production
	Total export value of tea (Ksh. million)	163,278	171,442	188,737.9	Increased volume of exports coupled with favourable exchange rate to the US Dollar, and stable prices



MTP IV Outcome	Outcome Indicator(s)	Baseline Value	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Total export value of apparel and textile (Ksh. million)	47,311.30	49,676.90	49,493.7	Kenya's apparel market is experiencing a surge in demand for sustainable and ethically produced clothing, driven by a growing awareness of environmental and social responsibility among consumers
	Total export value of horticulture (Ksh. million)	152,269	159,883	187,409.0	This was due to favourable weather conditions that characterized the better part of 2023. High demand for Kenyan produce in Europe, Middle East and Far East markets

Data Sources: Kenya National Bureau of Statistics (2024); Departmental Progress Reports

#### 4.5.2 Policy, legal and institutional reforms

- (i) The National Consumer Protection Policy, 2023 drafted and is waiting stakeholder inputs.
- (ii) The Warehouse Receipt System (Amendment) Bill, 2024 final draft is ready for submission to the Attorney General.

#### 4.5.3 Implementation challenges

- (i) *Inadequate funding*: The sub-sector plays a vital role in the economy, contributing significantly to GDP, job creation and social economic welfare. However, a persistent challenge faced by the sub-sector is inadequate funding and budget cuts, which has had a detrimental impact on its ability to fulfill its mandate.
- (ii) *Inadequate policy and legal framework*: The sub-sector lacks adequate legislation for effective execution of its mandate.
- (iii) *Existence of non-tariff barriers*: Despite trade rules having been set and tariffs removed/reduced through various agreements, non-tariff barriers and other market requirements remain the leading obstacles to accessing markets.
- (iv) *External factors*: The global economic trends, increased currency volatility and geopolitical dynamics impact the implementation of trade policies in Kenya. The Russia and Ukraine conflict and the Middle East tension disrupted supply chains and markets.
- (v) *Inadequate human resource*: Under-staffing, high staff turnover in the State Department and SAGAs.

- (vi) *Low level of awareness on market opportunities/benefits:* There is generally low level of awareness by the business community on the socio-economic benefits and provisions of the EAC, AfCFTA, TFTA and COMESA integration processes. Without information on the business opportunities and markets available, most of the producers are not able to exploit their potential.

#### 4.5.4 Recommendations

- (i) Lobby for increased funding from the exchequer through the MTEF budget Sector Working Groups and Parliamentary committees (Parliament Departmental Committee on Trade, Industry and Cooperatives, Senate Standing Committee on Trade, Industrialization, and Tourism)
- (ii) Explore resource mobilization from development partners
- (iii) There is need for continuous consultations, collaboration, enhance communication and joint resource mobilization among the Finance and production sector actors with a view to realizing the set targets to avoid breaking the chain
- (iv) Fast-track the completion and enactment of various pending legal bills to create a conducive business environment for businesses to thrive and strengthen the sub-sector's legal framework
- (v) Establish a framework for closer collaborations, coordination and cooperation with the County governments and the private sector
- (vi) Enhance engagement with the trading partners to address non-tariff barriers (NTBs) and other trade concerns
- (vii) Expand trade relationships beyond a few key partners to reduce vulnerability to global economic fluctuations and regulatory changes
- (viii) Develop contingency plans to address potential disruptions caused by external factors, enabling agile responses to changing trade dynamics
- (ix) Enhance the human resource capacities within the sub-sector, including recruitment, motivation, training, rationalization and distribution of human resource, and ensure succession planning and management

## 4.6 Industry Sub-Sector

The Industry Sub-Sector drives the manufacturing under the finance and production sector. The programmes under the sub-sector aim at formulation and implementation of policies to promote manufacturing, value addition, enterprise development, quality standards, industrial research and innovation, creation of enabling business environments and industrial skills development. During the period, the manufacturing sub-sector aims at increasing the level of contribution to the GDP to 15 percent; the competitiveness of the Kenyan manufactured products; increasing the volume of Kenyan manufactured exports; and creating over one (1) million additional jobs annually.

### 4.6.1 Sub-sector performance

The sub-sector's contribution to GDP declined from 7.8 percent in 2022 to 7.6 percent in 2023. This was due to a decline in the production of sugar; cocoa, chocolate, and sugar confectionery; wood and products of wood; paper and paper products; and motor vehicle, trailers and semi-trailers sub-sectors. Although the targeted growth in the sub-sector was not attained, there was significant growth attributed to increased manufacture of dairy products; meat and meat products; prepared and preserved fruits and vegetables; bakery products; prepared animal feed; leather and related products; plastic products and structural metal products.

The number of persons employed in the formal manufacturing sector grew by 2.7 Percent in 2023. Total persons employed in the sector during the period under review was 362,300 compared to 352,600 in 2022. This was 11.5 percent share of the total persons engaged in employment in the formal sector. Despite the increase, an 8.8 percent drop in employment of persons to 76,400 in 2023 was recorded in the Export Processing Zones (EPZs). Additionally, there was increased growth of agro-based cottage industries and value addition practices that contributed to increased opportunities for employment.

The key achievements during the period under review included modernization of the Rivatex Machinery which reached 99 percent level of completion; 1,588 bales of cotton lint sourced locally; 87 tonnes of cotton seeds and 3,253 litres of pesticides distributed to 15,000 cotton farmers; Nyando, Karichen and Lusigetti apparel value addition units reached 92, 100 and 16 percent level of completion, respectively; 328 tonnes of industrial castings and 65,904 industrial and automotive parts produced; modernization of the Numeric Machining Complex (NMC) foundry and Computer Numerical Control (CNC) and fabrication workshops reached 37 percent level of completion; 83.2 kilo tonnes of cement produced to support the affordable housing programme; 813 scrap metal dealers licensed; 4,004 students trained on industrial and entrepreneurship skills; upgrading of civil works at the Kenya Industrial Training Institute (KITI) reached 50 percent level of completion; 10 conformity assessment bodies accredited; 435 new standards developed out of which 5 are for the construction sector; construction of laboratories at the Kenya Industrial Research Development Institute (KIRDI) South B reached 80 percent completion level; 1,002 small and micro enterprises (SMEs) incubated at KIRDI common manufacturing facilities; performance improvement grants worth Ksh. 146 million committed to SMEs/firms for innovation and productivity improvement; 483 patents, utility models and industrial designs registered; 5,210 new trademarks registered; and 484 Intellectual Property Rights (IPRs) recorded.

*Small, medium and large industries development:* Under this enabler, 227 SMEs were trained on entrepreneurship, value addition and modern technologies; and 410 start-ups incubated and accelerated under the Kenya Industry and Entrepreneurship Project (KIEP) intervention. Construction of County Aggregation and Industrial Parks (CAIPs) under Phase 1 of 18 CAIPs is ongoing, with an average completion rate of 36 percent. By close of FY 2023/2024, the National Government had disbursed Ksh. 1.152 billion to the 18 counties with each county receiving Ksh. 64 million. The CAIPs are at different stages in the various counties.



*Ongoing construction of Meru County Aggregation and Industrial Park*

*The manufacture of machinery, automotive, equipment and parts:* To increase production of industrial parts, the volume of castings produced recorded 68.5 tonnes while transmission industrial and automotive parts manufactured were 280,000 pieces. The percentage completion rate of modernization of the NMC foundry and CNC workshops was 37.02 percent integrated iron and steel mill plant, scrap metal and mineral value addition. Scrap metal business was controlled and regulated as 813 licenses were issued to scrap metal dealers. The Scrap metal Act was reviewed, and the level of mapping of scrap metal dealers was 40 Percent, and the level of operationalization was 60 percent.

*Industrial research, technology, and innovation:* Under industrial research development and innovation, 125 industrial technology prototypes were developed and transferred to industries, 95 industrial products upgraded through product development, 1,521 industrial enterprises supported and industrial research laboratories at South B constructed to 80 Percent completion level.

*Skills enhancement for industrialization:* The Kenya Industrial Training Institute (KITI) is mandated to give trainees hands-on training in technical skills with a strong component in technical skills and entrepreneurship skills for self-employment. The objective is to train artisans, craftsmen, technicians, engineers and entrepreneurs for self-employment; train middle level managers for the industrial sector and carry out research in projects and products that accelerate rural industrialization. In recent years, the institution has adjusted its curriculum to align with the changing times and respond to specific needs of the industry. In the last two financial years, KITI has trained 7,646 people.

*Green manufacturing:* The industrial partnerships for reskilling and upskilling of workers were undertaken 15 partners. The construction of KITI (training) stalled at 46.9 percent completion

level. Under the number of MSMEs adopting green manufacturing technologies in production, 3 enterprises adopted green manufacturing.

**a) Implementation status of key outputs and BETA priorities**

*Table 16: Industry output implementation status FY 2023/24*

Priority Project/Priority	Output	Indicator	Annual Target FY2023/24	Actual Achievement FY 2023/24	Remarks on performance
Leather and leather products value Chain	Leather aggregation centres established in Narok, Laikipia Marsabit and Garissa counties (collection and preservation)	No. of aggregation centres established	1	0	Budget cuts led to suspension of implementation of planned activities
	Leather processing clusters established in Isiolo, Uasin Gishu, Narok, Kisumu, and Mombasa	No. of leather processing clusters established	1	0	Austerity measures led to lack of funds for establishment of the leather cluster
	Kariakor manufacturing facility established and operationalized	% of completion	50	0	Limited funds affected implementation of planned activities
	Leather cottage industries promoted and established	No. of leather cottage industries promoted and established	5	0	Limited funds affected implementation of planned activities
Dairy value chain	Machinery and equipment for dairy fabricated	No. of machinery and equipment for dairy fabricated	10	0	Inadequate funds to facilitate activities
	Capacity building of enterprises conducted	No. of enterprises trained annually on dairy value addition	10,000	0	
Tea value chain	Tea cottage industries promoted	No. of cottage industries promoted	50	11	Limited funds to undertake promotional activities
	Tea value addition hubs and warehouses established	No. of tea value addition hubs and warehouses	1	0	Budgetary constraint led to delays in implementation of planned activities

Priority Project/Priority	Output	Indicator	Annual Target FY2023/24	Actual Achievement FY 2023/24	Remarks on performance
Edible oils value chain	Cottage oil industries promoted (capacity building incubation and standards)	No. of cottage industries promoted	5	0	Budgetary constraints led to delays in implementation of planned activities
	Small industries provided with processing machinery	No. of small industries	5	0	
	Oil crop SMEs strengthened and trained on cottage level processing	No. of oil crops SMEs trained	10	0	
	Machinery and equipment for edible oils fabricated	No. of machinery and equipment for edible oils fabricated	5	0	
Textile and apparels value chain	BT cotton distributed for 200,000 acres in 24 counties	No. of acres under BT cotton	26,000	29,216	Achievement on course
	Fabric value addition centres established in Nyando, Kieni and Lusigetti	No. of fabric value addition centres	1	1	Kieni value addition centre established. Nyando and Lusigetti on course
	Farmers supplied with subsidized fertilizer	No. of cotton farmers	10,000	15,000	The company used various approaches, e.g. physical meetings (barazas) with farmers and other cotton stakeholders
	Modern ginneries established	No. of modern ginneries established (Homa Bay, Siaya and Meru)	1	0	Budgetary cuts have led to slow down of planned activities
	Capacity building on fashion and design of clothing and textile products conducted	No. of enterprises capacity built	5,000	1,793	Limited funds available to undertake planned activities
	Textile value addition centres constructed and equipped (Nyando and Kieni)	% completion rate (Nyando)	70	92	Project ongoing, partitioning done, and electrical works ongoing
		% completion rate (Kieni)	50	100	Target achieved



Priority Project/Priority	Output	Indicator	Annual Target FY2023/24	Actual Achievement FY 2023/24	Remarks on performance
Agro-processing	Fruit and vegetable processing plants constructed	No. of processing plants constructed	1	0	Delays in disbursement of development budget led to delays in implementation of planned activities
Construction/ Building materials value chain	Standards for affordable and green construction materials developed	No. of new standards for construction materials developed	30	20	Target not met because of timelines mandated by the regulations of standards development
	Cement (affordable construction materials) produced	Quantity of cement produced (MT)	560,000	235,200	The Clinkering and Milling Plant was temporarily shut down for maintenance, thus leading to negative variances
	East Africa Portland Cement Plant optimized and restructured	% level of modernization of EAPC plant	20	5	Delayed realization of proceeds from sale of fully mined idle land earmarked for plant refurbishment and replenishment of working capital
	East Africa Portland Cement building materials industrial park developed	% of completion of building materials industrial park	20	5	
	Use of Alternative Building Technologies (ABTs) promoted	No. of ABTs promoted	30	10	Lack of awareness among stakeholders led to negative variance
	Cottage construction industries promoted	No. of cottage construction industries	-	0	To be undertaken in subsequent periods
	Waste recycling plant for power generation established	% of completion	10	0	Delays in disbursement of development budget led to delays in implementation of planned activities

Priority Project/Priority	Output	Indicator	Annual Target FY2023/24	Actual Achievement FY 2023/24	Remarks on performance
Small, medium and large industries development	Industries trained on entrepreneurship and value addition	No. of Industries trained	2,000	1,978	Support from development partners led to over-achievement
	IPRs registered by firms and enterprises	No. of IPRs registered	800	1,004	Enhanced outreach programmes on IPRs led to increased awareness
	Manufactured products certified	No. of products certified	15,000	14,207	Target achieved
	Firms and enterprises facilitated to access local, regional and international markets	No. of firms and enterprises accessing local, regional and international markets	10	9	Target achieved
County Aggregation and Industrial Parks (CAIPs)	County Aggregation and Industrial Parks (CAIPs)	No. of CAIPs established	5	0	Construction still ongoing
Manufacture of machinery, automotive, equipment and parts	Agro-machinery, equipment, tools and parts manufactured	No. of agro-machinery, equipment, tools and parts manufactured	5	0	Limited funds to undertake planned activities
	Industrial machinery, equipment and tools manufactured	No. of industrial machinery, equipment, tools and parts	320,000	240,063	The target was not achieved due to down time of some machines (the key ones being the Disamatic machine and sand mixers), and delay in delivery of some inputs not locally found (e.g. Slax100)
	Industrial parts produced	Volume of castings produced (tonnes)	200	367	Over-achievement because of bulk orders from Isuzu East Africa and GDC

Priority Project/Priority	Output	Indicator	Annual Target FY2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Transmission parts manufactured	No. of transmission parts produced	320,000	240,063	The target was not achieved due to down time of some machines (the key ones being the Disamatic machine and sand mixers), and delay in delivery of some inputs not locally found (e.g. Slax100)
	Foundry plant and workshops modernized	% completion of foundry plant and workshop modernized	48.76	37.01	Delay in disbursement of development funds affected implementation of the planned project activities
	Automotive, motorcycles, aerospace and ship equipment, agro-machinery, electric bicycles/motorcycles/ motor vehicles locally	No. of firms facilitated to assemble vehicles locally	3	7	Increased sensitization and investor targeting led to the over-achievement
		No. of firms attracted to assemble electric vehicles and motorcycles locally	2	6	
		No. of firms attracted to convert internal combustion engine to electric	2	2	
Manufacture of electrical and electronic products	Computer parts, electronics/ electrical and IT-related components manufactured	No. of firms manufacturing electronics/ electricals	2	2	Target achieved

Priority Project/Priority	Output	Indicator	Annual Target FY2023/24	Actual Achievement FY 2023/24	Remarks on performance
Industrial research, technology and innovation	Academia, industry and Government linkage established	No. of prototypes developed	10	19	The positive variance is attributable to increased demand for services because of increased marketing and promotional activities
	Research laboratory equipped and operationalized at South B	% of completion level	80	80	FY 2023/24 allocation was used in part payment settlement of pending bills, hence no funds to increase completion rate
Skills enhancement for industrialization	Students/ Startup/ MSMEs trained on industrial skills	No. of students/ Startup/ MSMEs trained on industrial skills	4,000	5,282	The target was surpassed due to increase in enrolment of CBET trainees and trainees from CDF Nakuru Town East Constituency
		No. of industrial partnership for reskilling and upskilling of workers undertaken	2	3	Outreach activities led to increased partnerships
	Training infrastructure and facilities developed and equipped	% completion of KITI infrastructural facilities	45	50	Target achieved
	Competency based assessment centre established	% of completion	-	0	To be undertaken in subsequent years
Green manufacturing	Green manufacturing concept in production adopted	No. of MSMEs adopting green manufacturing technologies	20	9	Slow adoption by MSMEs led to negative variance

Priority Project/Priority	Output	Indicator	Annual Target FY2023/24	Actual Achievement FY 2023/24	Remarks on performance
Accreditation and standards	Conformity assessment bodies accredited	No. of conformity assessment bodies accredited	150	44	Low uptake of accreditation by clients
		No. of new accreditation schemes and scopes developed and rolled out	3	2	KENAS developed validation and verification global gab accreditation schemes
		No. of assessment and accreditation infrastructure developed	5	2	Target achieved
	Products for SMEs and large firms certified	No. of products certified	15	15	Target achieved
	Standards developed	No. of new standards developed	800	1,124	Target achieved
	Inspection centres established in Mombasa, Nairobi, Lamu and Naivasha	No. of inspection centres established	2	2	Target achieved
	Infrastructure standards (Nairobi, Nakuru, Nyeri, Meru, Konza) upgraded	No. of infrastructural standards upgraded	2	0	To be done in the FY 2024/25
	Modern testing and calibration laboratories established (Nairobi, Nakuru, Nyeri, Meru, Konza)	No. of modern testing and calibration laboratories established	1	0	Establishment of Nairobi labs still ongoing
Industrial property rights protection	IPR registration system operationalized	% of completion	100	70	Achievement on course
	Technology and Innovation Support Centre (TISC) established	% of completion	20	15	Target achieved
	Industrial Property Rights (IPRS) registered	No. of IPRs registered (patents, utility models and industrial designs)	1,200	1,004	Non-compliance with application requirements resulting in applicants being invited to correct defects

Priority Project/Priority	Output	Indicator	Annual Target FY2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Intellectual property rights recordation	No. of intellectual property rights and import permit recordation	300	328	Effective use of AiMS system, which fast-tracked the receipt and processing of applications
	Anti-Counterfeit Training Academy (ACTA) established	% of completion	20	0	Inadequate funds to undertake planned activities

Source: State Department for Industry Report, FY 2023/2024

## b) MTPIV outcome achievements for FY 2023/2024

Table 17: Industry output implementation status for FY2023/2024

MTP IV Outcome	MTP IV Outcome Indicator	Baseline Value	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Increased contribution of manufacturing sector to GDP	Share of manufacturing to GDP (%)	7.8	9.2	7.6	Under-achievement is due to a decline in production in some sub-sectors
Increased growth in manufacturing	Percentage growth in manufacturing (%)	10.3	11.6	13.09	The growth was due to increased production in agro-based industries
Increased job creation in the manufacturing sector	Jobs created in the manufacturing sub-sector (Formal) ('000')	352.6	1,282.1	362.3	Target not met because some sub-sectors registered declines, e.g. motor vehicle, trailers and semi-trailers, which reduced the opportunities available for employment.
	Informal ('000')	3,181.0	5,544.8	3,138.5	

Source: State Department for Industry reports; Kenya National Bureau of Statistics (2023), Economic Survey

## 4.6.2 Policy, legal and institutional reforms

- (i) Draft National Automotive Development Bill
- (ii) Draft Kenya Quality Policy
- (iii) Sub-Contracting Strategy

### 4.6.3 Implementation challenges

- (i) Inadequate infrastructure due to high costs associated with provision of infrastructure affect timely implementation of programmes and projects.
- (ii) Low awareness on Industrial Property Rights (IPRs) and weak protection of indigenous knowledge leading to low uptake of IPRs due to lack of awareness of benefits of IPRs protection, coupled with lengthy and costly registration process.
- (iii) Inadequate funding to facilitate the implementation of planned activities.
- (iv) Inadequate skills and capabilities in the manufacturing sector leading to a mismatch between available technical skills and market demands due to poor linkages between training institutions and the industry.

### 4.6.4 Recommendations

- (i) Explore the use of Public Private Partnership (PPP) in provision of the required infrastructural and affordable credit facilities.
- (ii) Provision of adequate resources to put up the basic infrastructural facilities, which include roads, power, and water, among others, to attract industrial investments that support manufacturing.
- (iii) Strengthen the cross-sector linkages and collaboration with key partners to enhance efficiency in the manufacturing value chain.
- (iv) Creation of awareness on the requirements, process and benefits of intellectual property protection.

## 4.7 Micro, Small and Medium Enterprises (MSME) Development Sub-Sector

The MSMEs sub-sector cuts across all the sectors of the economy, contributing about 24 percent of GDP and accounting for approximately 90 percent of private sector enterprises. The MSME economy is supported by business and investment in climate reforms; mobilization and aggregation of MSMEs into cooperatives around specific value chains; investment promotion; industrial infrastructure development; and improving productivity and sustainability of MSMEs. Further, the sub-sector will prioritize financial inclusion through interventions such as: the Hustler Fund; market access and product market diversification; and promotion of fair-trade practices.

### 4.7.1 Sub-sector performance

#### a) Implementation status of key outputs and BETA priorities

*Leather and leather products value chain:* In FY 2023/24, 171 MSMEs were mapped and sensitized on leather value chains in Kisii, Narok, Embu, Isiolo, and Kilifi counties. Similarly, due to inadequate budget, only 5 Constituency Industrial Development Centres (CIDCs) were equipped to support the leather value chain in Suneka, Isiolo South, Malindi CIDC, Runyenjes and Banisa CIDCs.



*Dairy value chain:* Three cottage industries were financed to the tune of Ksh. 7.1 million. The State Department for MSMEs sought to finance the cottage industries but not establish them.

*Edible oil value chain:* The State Department and its SAGAs registered and sensitized 35 groups in Busia County regarding the edible oil value chain. Furthermore, 2,000 farmers in the production clusters were sensitized on the opportunities available in the edible oil value chain in Oloitoktok.

*Textile and apparel value chain:* No aggregation centres in the Constituency Industrial Development Centres (CIDCs) were established due to inadequate funding. Furthermore, 1,700 farmers within cotton catchment areas mobilized and sensitized in FY 2023/24, and 4 CIDCs were equipped to support the textile value chain Mwea CIDC, Kitale CIDC, Olkalau and Embakasi North.

*Food security and crop diversification:* Due to inadequate funds, no cold storage facilities in the potato production areas were constructed and operationalized. The State Department is partnering with various key public and private stakeholders to operationalize the facilities through a co-investment model.

*Construction and building materials value chain:* During the period under review, 68 Jua kali associations were capacity-built on product certification in the construction value chain. The Jua kali associations capacity-built had a total membership of 168 MSEs and were from Tharaka Nithi—9, Kisumu—56, Migori—26, Meru—45, Nyandarua—22, and Nairobi—10. Furthermore, 10 CIDCs were modernized and linked to technical, vocational education training institutions (TVETs)

*Hustler Fund:* During the period under review, the financial inclusion fund loan disbursement grew to approximately Ksh. 53 billion from Ksh. 32 billion in the previous review period. The fund, though, was not able to perform well in group loans and was not able to launch the MSMEs product due to low funding from the exchequer from an expected Ksh. 10 billion to Ksh. 800 million. Funding also affected government counterpart savings, thus only Ksh. 401 million was provided once for counterpart savings, which are only for individual and group loan products. Since the MSME loan product has not yet been launched, there are no MSME savings.

*Development of e-commerce in the promotion of trade:* No MSMEs were linked through sub-contracting and franchising. This activity is to be implemented in the financial year 2024/25.



*Training of women at Olololunga CIDC, Narok County*

#### a) Implementation status of key outputs and BETA priorities

*Table 18: MSME output implementation status for FY 2023/24*

Priority Project	Output	Indicator	Annual target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Leather and leather products value chain	MSMEs mapped and sensitized on leather value chains	No. of MSMEs sensitized	1,400	171	Target not achieved due to inadequate budget
	CIDCs equipped with common user facilities	No. of CIDCs equipped with common user facilities and operationalized	20	5	Target not achieved
	MSMEs linked with large enterprises, schools, and Government institutions	No. of counties with supply agreements/ contracts signed between MSMEs and large enterprises	10	0	The process of Identifying MSMEs in the counties is on-going

Priority Project	Output	Indicator	Annual target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Local market demand enhanced through enforcement of AGPO and the 40 percent of preferential procurements	% of procurement budget set aside by MDAs for locally produced goods and services	40	0	Target not achieved. The Department is currently developing an M&E framework
Dairy value chain	Dairy cottage industries for animal feeds established	Amount of funds disbursed to dairy cottage industries (Ksh. million)	50	7.1	Target not achieved. The shortfall of Ksh. 42.9 million was due to insufficient funds
	Production clusters mapped out and MSMEs sensitized on opportunities in animal feeds	No. of production clusters mapped out	7	0	Target not achieved
Edible oil value chains	Counties supported to mobilize and register farmers to cooperatives, groups and chamas	No. of cooperative/ groups formed	10	35	Target achieved. Groups registered in Busia County
	Farmers sensitized on opportunities available in the edible oil value chain	No. of farmers sensitized in the production clusters	2,000	3,700	2,000 farmers sensitized in Oloitoktok
	Cottage oil industries promoted (capacity building incubation and standards)	No. of cottage industries promoted	5	2	Target not achieved. The organization targeted to finance cottage industries to the tune of Ksh. 50 million but NOT to finance 5 cottage industries  The shortfall of Ksh. 38 million was due to insufficient funds

Priority Project	Output	Indicator	Annual target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Farmers in the production clusters linked with oil processors through contract farming	No. of oil production clusters linked	2	0	Target not achieved. The process for identifying the farmers in the production clusters is on-going
Textile and apparels value chain	Aggregation centres in Constituency Industrial Development Centres (CIDs) established	No. of aggregation centres	3	0	Target not achieved due to inadequate funds
	MSMEs within cotton catchment areas mobilized and sensitized	No. of farmer MSME sensitized	2,000	1,700	Target not achieved.
	Common user tailoring facilities developed and equipped in CIDs	No. of common user tailoring facilities developed and equipped	3	4	4 CIDs equipped to support the textile value chain (Mwea CIDC, Kitale CIDC, Olkalau and Embakasi North)
	Capacity building on fashion and design of clothing and textile products conducted	No. of enterprises capacity built	5,000	100	Target not achieved due to inadequate budget
	Tailors linked with large entrepreneurs, schools, colleges and uniformed forces	No. of tailor groups linked with large entrepreneurs and institutions	100	0	Target not achieved due to inadequate funding
Rice value chain	Financial products developed for the rice value chain	No. of groups accessing financial products	1	0	The State Department is developing the financial product
	Cold storage facilities constructed and operationalized	No. of cold storage facilities operationalized in the potato production areas	3	0	Target not achieved due to inadequate funding
	Farmers linked to large enterprises through sub-contracting	No. of contracts honoured	7	0	Target not achieved due to inadequate funding

Priority Project	Output	Indicator	Annual target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Construction/ Building materials value chain	Jua kali county associations capacity built	No. of Jua kali county associations capacity built on product certification	10	74	68 associations capacity built with a total membership of 168 MSEs
	Production corridors/ clusters established	No. of corridors/ clusters established	7	0	Target not achieved due to inadequate funding
	MSMEs mobilized and aggregated into cooperatives around specific value chains opportunities (labour and material supplies)	No. of cooperatives formed and sensitized	50	185	MSEA registers MSME associations and not cooperatives. In FY 2023/24, 185 associations were sensitized
	MSME groups linked with Government projects	No. of MSME groups linked with Government projects	50	3	Three (3) MSE associations linked and awarded affordable housing contracts in Bomet and Nyandarua counties
	CIDCs modernized and linked to TVET	No. of modernized CIDCs linked to TVET	10	10	Target achieved
	MSMEs capacity strengthened to venture into economic activities in building and construction	No. of MSMEs engaged in building and construction	10	168	Six (6) associations capacity built with a total membership of 168 MSEs
	Low-cost housing components ring-fenced to MSMEs	No. of MSMEs groups linked with National and County projects	100	70	Two (2) MSME associations linked and subcontracted on affordable housing in Bomet and Nyandarua (1 MSME Association has 35 members)
Decriminalization of MSMEs in the informal sector	Licensing regime (licenses, fees and cess) streamlined	No. of counties	47	0	The State Department held a meeting with the counties and agreed on areas to be streamlined

Priority Project	Output	Indicator	Annual target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Working spaces secured in counties	No. of counties with streets / spaces set aside for MSMEs	10	10	Most counties have working spaces following a consultative meeting
	MSMEs favourable policies and regulatory frameworks formulated	Reviewed MSMEs policy	1	0	To be undertaken in FY 2024/25
MSMEs development	MSMEs trained on entrepreneurship and value addition	No. of MSMEs trained on entrepreneurship and value addition	200	720	KIBT targeted to train 8,000 MSMEs on entrepreneurship and value addition but was only able to train 720 for FY 23/24 due to limited funding
	MSMEs facilitated to access local, regional and international markets	No. of MSMEs facilitated to access local, regional and international markets	2,000	1,487	The variance is due to reduced budget
Hustler Fund	Hustler Fund for MSME operationalized	Amount of industrial credit issued (Ksh. million)	20	0	Target not achieved. The Loan product to lend to enterprises has not yet been developed
		No. of enterprises financed (million)	0.5	0	Target not achieved. The loan product to lend to enterprises has not yet been developed
	MSME savings	Amount of Government counterpart savings for borrowers (Ksh. billion)	2.5	0.401	Government counterpart savings were issued once in the second quarter of FY 2023/24
		Amount of money saved by MSMEs (Ksh. billion)	1.25	3.1	The savings is for personal and group loan. Its cumulative of since the fund began



Priority Project	Output	Indicator	Annual target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	MSMEs trained and mentored	No. of enterprises trained on BDS and mentored	1,000	4,936	Target achieved
	MSMEs linked through sub-contracting and franchising	No. of MSMEs linked through sub-contracting and franchising	2	0	Target not achieved

Source of the Data: Departmental Reports

#### 4.7.2 Policy, legal and institutional reforms

None was done during the period under review.

#### 4.7.3 Implementation challenges

Budgetary constraints have resulted in slow progress for most priority projects in the fourth quarter and the non-implementation of some.

#### 4.7.4 Recommendations

Provision of adequate funding to facilitate the priority project Implementation by implementing agencies.

### 4.8 Cooperatives Sub-Sector

The Cooperatives Sub-Sector plays a key role in the development of the cooperative policy, standards and implementation; promotion of cooperative ventures; cooperative production and marketing; supervision and oversight over cooperative societies; cooperative savings, credit and other financial services policy; cooperative legislation and support services; cooperative education and training; cooperative audit services and cooperative financing policy.

#### 4.8.1 Sub-sector performance

The outcome metric is based on the number of cooperatives that are registered and active at the point of reporting. There is a discrepancy between the registered and active cooperatives that may affect the pattern. Full compliance is expected to improve on the advent of the Cooperatives Bill, deeming it an important instrument in governance of cooperatives.

The revitalization of BETA value chains involves capacity building and mobilization of economic agents into cooperatives. The focus is on the 9 priority value chains: rice; tea; dairy; livestock and beef; textile and apparel; edible oils; artisanal fisheries; artisanal mining; affordable housing. The New KCC factory modernization project is 85 percent complete. The project involves refurbishment and new installations in existing factories with an aim of expanding the processing capacity. The New KCC milk powder initiative offers the uptake of excess milk produced by farmers during glut periods. The farmers' cooperative ginnery aims to provide ginning facilities to farmers of cotton, and the Phase 1 of PAVI ('Pamba na Viazî) cotton farmers cooperative



ginnership is 80 percent is complete. The other initiatives include oversight over cooperatives by implementing governance requirements of the current Cooperatives Act.

Most of the targets were not achieved due to mainly budget cuts that affected value chain activities such as training, mobilization or even infrastructure development.

#### a) Implementation status of key outputs and BETA priorities

Table 19: Cooperatives output implementation status for FY 2023/24

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Livestock value chain					
Leather and leather products value chain	Livestock cooperatives mobilized to provide and skins	No. of livestock farmers in cooperatives	10,000	600	Lack of budget for mobilization activities in hard-to-reach areas
Dairy value chain	Dairy cooperatives established	No. of dairy cooperatives established	10	62	New cooperatives are emerging but with very few members
		No. of dairy farmers enrolled into cooperatives	304,550	62,000	Target over-estimated as most farmers are in cooperatives
	New KCC plants modernized	% completion	80	0	No allocation for the project
		Quantity of powdered milk produced (MT)	800	1,669	Enhanced rainfall led to over-production of milk
		No. of modernized new KCC plants	2	0	No budget availed
Crop value chains					
Tea value chain	Tea cooperatives established/ strengthened	No. of cooperatives established/ strengthened	9	1	Most farmers are under KTDA
	Tea farmers mobilized into cooperatives	No. of tea farmers mobilized into cooperatives	5,000	50	Most farmers are under KTDA

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Edible oil value chain	Counties supported to mobilize and register farmers into cooperatives	No. of cooperatives formed	10	41	The scope of crops was expanded to include groundnuts and avocado
	Edible oil crop farmers mobilized into cooperatives	No. of oil crop farmers mobilized into cooperatives	5,000	4,100	Farmers registered per cooperative lower than anticipated
Textile and apparels value chain	Cotton farmers mobilized into cooperatives	No. of cotton farmers mobilized into cooperatives	10,000	34,000	Budget cuts that affected mobilization activities
Rice value chain	Rice farmers mobilized into cooperatives	No. of rice farmers mobilized into cooperatives	50,000	1,500	The number of farmers that are not in cooperatives is smaller than earlier anticipated
		No. of farmer cooperatives	4	3	No expansion in rice farming (irrigation schemes) to warrant new cooperatives
Food security subsidy and crop diversification	Cooperatives mobilized to produce maize and potatoes	No. of farmers in maize cooperatives	320,000	10,450	The number of farmers per cooperative was lower than anticipated; also limited mobilization due to budget cuts
		No of farmers in potato cooperatives	120,000	6,000	Limited mobilization due to budget cuts
Miraa industry revitalization	Miraa umbrella cooperatives strengthened	No. of farmers in cooperatives	1,000	0	Data not yet submitted at the national level
		No. of cooperatives capacity build	1	0	
Building and Construction					
Construction and building materials	MSMEs mobilized into cooperatives	No. of MSMEs mobilized into cooperatives	150	1,200	Support from Global Community (an NGO) that facilitated greater reach of SMEs

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Industrial property rights protection	Cooperative management information system developed	Operational CIMS modules	7	0	Target not achieved due to lack of funds
<b>Environment and Natural Resources Sector</b>					
Formalization of artisanal mining operations	ASM cooperatives registered	No. of cooperatives	80	117	Most groups registered in previous quarters, reducing the rate of registrations
Formalization of artisanal fisheries	Artisanal fishermen mobilized into cooperatives	No. of cooperatives	100	104	Most groups registered in previous quarters, reducing the rate of registrations
	Artisanal fishermen mobilized into cooperatives	No. of cooperatives	15,000	18,900	Most groups registered in previous quarters

Source of data: State Department cooperatives registry; quarterly monitoring reports.

### c) MTP IV outcome achievements for FY 2023/2024

Table 20: Cooperatives outcome implementation status for FY 2023/24

MTP IV Outcome	Outcome Indicator	Baseline Value	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Improved cooperative governance	Proportion of cooperatives complying with the Act	15	17	45	Compliance reports established that the active cooperatives are way less than the registered cooperatives

Data source: Cooperative Register and Compliance Reports

## 4.8.2 Policy, legal and institutional reforms

The Cooperatives Bill 2024 is in the National Assembly at the second reading stage.

## 4.8.3 Implementation challenges

- (i) Very limited funding to the State Department. The recurrent and development budgetary gap is too wide versus the functions of the State Department
- (ii) Poor data management that will be enhanced by the Act and investment in knowledge management systems

- (iii) Some State Departments are appropriating the functions of the State Department for Cooperatives.

#### 4.8.4 Recommendations

- (i) The enactment of the Cooperatives Bill is crucial in harmonizing the roles of the National versus County government in cooperatives management.
- (ii) The recurrent and development budgetary gap is too wide and more resources are needed to bridge the gap.
- (iii) Improve data management, and investment in knowledge management systems to enhance decision making

### 4.9 East Africa Community Affairs Sub Sector

The sub-sector aims to deepen and widen economic integration and socio-political cooperation among the member states in the EAC regional economic bloc. The East African Community Treaty provides for the integration of EAC economies through the Customs Union, Common Market and Monetary Union. It also provides for the cooperation in economics, investment, infrastructure, social, environmental and political affairs.

The EAC is the biggest single export market for Kenyan goods and services, accounting for 63.3 percent of total exports to Africa in 2022 (Economic Survey, 2024). Uganda remained the single leading destination of the country's exports, accounting for 11.1 percent of the total export earnings. Total exports to Uganda increased from Ksh. 91.7 billion in 2021 to Ksh. 97.2 billion in 2022. Similarly, exports to Tanzania grew by 25.9 percent to Ksh. 57.4 billion in 2022. Exports to Rwanda increased by 31.6 percent to Ksh. 40.2 billion in the same period.

The admission of the Democratic Republic of Congo (DRC) to the EAC in 2022 and the Federal Republic of Somalia (FRS) in November 2023 will further expand the EAC domestic market and elevate the prospects for Kenyan goods and services.

#### 4.9.1 Sub-sector performance

*MSMES development:* Joint mobilization was conducted with the relevant MDAs and 302 Kenyan MSMEs successfully exhibited their products during the 23<sup>rd</sup> EAC MSMEs Trade Fair held in the Republic of Burundi in December 2023. The target of 2000 is for all the implementing agencies, and EAC is only contributing to the target.

*EAC uptake enhancement:* To enhance EAC uptake, there was collaboration between the National and County Governments. Stakeholder engagements were held in Kajiado, Migori, Bungoma, Trans Nzoia, Isiolo, Marsabit, and Taita Taveta counties to assess progress in those counties with regard to the implementation of the East African Community integration projects and programmes and strengthen the capacities of MSMEs in the counties to trade in the EAC region. The achievement is attributed to support from TradeMark Africa (TMA). In addition, 1,200 youth, women and persons with disability (PWD) traders were trained on Simplified Trade Regime (STR) to enhance their knowledge/awareness on border laws and regulations; elevate traders from small scale to own cooperatives and empowerment on value chains in STR; and reduce cases of smuggling at the border. Further, Namanga and Loitotok EAC Cross Border Trade Associations (CBTAs) were revived and trained on the Simplified Trade Regime (STR).

*Increased Kenyan exports:* The value of exports to the EAC market was KSh 305.9 billion against a target of Ksh. 238 billion. The achievement was because of expansion of the EAC market due to the DRC joining the bloc. The admission of the Federal Republic of Somalia (FRS) to the East African Community further expanded the market for Kenyan goods by a population of 12 million people. The 23<sup>rd</sup> EAC MSMEs Trade Fair held in the Republic of Burundi in December 2023 and elimination of trade barriers also contributed to the increase in volume, and hence the value of exports in the EAC region. During the Trade Fair, 302 Kenyan MSMEs were facilitated and successfully exhibited their products. The increase in the value of Kenyan exports is also due to export capacity development for cross border business community at 6 points of entry (POEs), namely Loitoktok, Malaba, Namanga, Isebania, Lwakhakha and Suam where a total of 764 women and youth traders were trained on EAC Simplified Trade Regime.

#### a) Implementation status of key outputs and BETA priorities

Table 21: EAC output implementation status for FY 2023/24

Priority Project	Output	Indicator	Annual Target 2023/24	Cumm. Achievement 2023/24	Remarks on Achievement Variance
MSMEs development	MSMEs facilitated to access local, regional and international markets	No. of MSMEs facilitated to access local, regional and international markets	2,000	302	Trade fair was held in quarter 2. The target of 2,000 is for all the implementing agencies and EAC is only contributing to the target
EAC uptake enhancement	National outreach and stakeholder engagements undertaken	No. of national outreach and stakeholder engagements held	10	3	Achieved
	Kenya's participation in EAC trade fairs enhanced	No. of trade fairs held	1	1	Trade fair was held in quarter 2 in the Republic of Burundi
		No. of Kenya's MSMEs products showcased in trade fairs	300	700	Trade fair was held in quarter 2 in the Republic of Burundi
	EAC trade and investment regulations and procedures developed and disseminated	No. of dissemination reports	1	1	Target achieved. Dissemination was conducted in 10 cross-border and other towns
	Women and other small-scale traders trained	No. of women and other small-scale traders trained	50	12,000	Over-achievement is attributed to support by TradeMark Africa

Priority Project	Output	Indicator	Annual Target 2023/24	Cumm. Achievement 2023/24	Remarks on Achievement Variance
	EAC Cross Border Trade Associations (CBTAs) revived and trained	No. of CBTAs revived and trained	2	2	Target achieved

Source: State Department for East African Community Report, FY 2023/2024

## b) MTP IV outcome achievements for FY 2023/2024

Table 22: EAC outcome implementation status for FY 2023/24

MTP IV Outcome	Outcome Indicator(s)	Baseline Value	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Increased Kenyan exports	Total value of exports to the EAC (billion)	226.5	238	305.9	The target was over-achieved due to market expansion with DRC joining the Bloc, Trade fair, and elimination of trade barriers

Source: Kenya National Bureau of Statistics (2024), Economic Survey; EAC Administrative data; and EAC M&E System

### 4.9.2 Policy, legal and institutional reforms

- (i) Developed EAC Regulations for the EAC Special Economic Zones Policy, which were approved by the Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI).
- (ii) The EAC Regional Strategy on the implementation of the AfCFTA was finalized and adopted by the 43<sup>rd</sup> SCTIFI in February 2024. The aim is to expand the market for Kenyan products and services by taking advantage of the membership in the East African Community and the African Continental Free Trade Area (AfCTA).
- (iii) Developed draft Harmonized qualification framework for TVETs in the EAC region.
- (iv) Kenya assented to three (3) regional bills cleared by all the EAC partner states, namely: East African Competition (Amendment) Bill 2022; East African Community Appropriation Bill, 2022; and East African Community Supplementary Appropriation (No. 2) Bill 2022). The assent to these bills was an agenda item during the 23<sup>rd</sup> Ordinary Summit of the EAC Heads of State that was held in Ngurdoto, Tanzania on the 24<sup>th</sup> of November 2023.

Harmonized two (2) EAC Regional Policies and Standards on Transport (Air, Rail/marine/Water way and Road) and Communication Sector.

### 4.9.3 Implementation challenges

- (i) Inconsistent application of the Common External Tariff (CET), re-occurrence and

emergence of new NTBs and restrictive use of rules of origin continue to be detrimental to the free flow of trade;

- (ii) The ongoing peace and security situation in the Eastern DRC and its effects on the integration agenda;
- (iii) Inadequate budget and budget cuts, which affect implementation of the set targets; and
- (iv) Slow progression to the EAC pillars of Customs Union, common market and political federation.

#### 4.9.4 Recommendations

- (i) Spur regional agribusiness by linking the Kenya Commodity Exchange with that of the Northern Corridor Integration Project (NCIP) partner states to facilitate intra-trade in EAC through warehouse receipt systems;
- (ii) Revision of the EAC Simplified Trade Regime to enhance the list of commonly traded products by the MSMEs across the borders;
- (iii) Timely resolution of reported non-tariff barriers to trade;
- (iv) Enhance awareness creation on opportunities obtaining from the EAC integration process;
- (v) Fast-tracking conclusion of the EAC social security mechanism to facilitate portability of health benefits and the framework for EAC pooled bulk procurement of medicines to ensure access and affordability of medicines;
- (vi) Continue facilitating MSMEs participation in the EAC trade fairs to showcase Kenyan-made products and services. Specifically, facilitate at least 500 Kenyan MSMEs during the 24<sup>th</sup> MSMEs Trade Fair in 2024 in Juba, South Sudan;
- (vii) Full operationalization of the EAC NTBs elimination mobile application;
- (viii) Interfacing the Central and Northern Corridor cargo tracking systems; and
- (ix) Exploiting the economies of scale emanating from emerging and third-party markets

### 4.10 Financial Services Sub-Sector

The sub-sector is expected to provide an enabling macroeconomic environment, and financing to support all the sectors. The goal of the financial services sub-sector as envisioned in the Kenya Vision 2030 is to create a vibrant and globally competitive financial sector that will promote a high level of savings to finance Kenya's investment needs.

#### 4.10.1 Sub-sector performance

The proportion of population using formal financial services has remained the same since no new data has been published. The FinAccess survey is underway, and the report will be released in December 2024 (the report is released after every 4 years).

The share of financial services contribution to GDP decreased, as mobile money subscriptions recorded a first-ever decrease, dropping by 2.58 percentage points to 73.76 per 100 inhabitants



in 2023. This downturn is partly attributable to a market saturation point in the mobile money market, indicating that the rapid expansion phase of mobile financial services may be stabilizing as the market matures. The Gross National Savings dropped from 14.24 Percent in FY 2022/23 to 11.9 Percent in FY 2023. This is attributed to the drop in business activities amid widespread economic challenges that included higher inflation rates depreciation in the first half of FY 2023/2024. Additionally, the tight monetary policy with CBR being raised to 13.0 affected lending and deposit rates by commercial banks.

*Nairobi International Financial Centre (NIFC):* During the period under review, the centre's operations were streamlined to efficiently offer a one-stop-shop for business incorporation and facilitation alongside bespoke operational rules. The NIFC has proposed tax incentives across the eight sectors to attract more investment into the economy and supporting innovation, especially into sectors outlined in the Government's BETA Transformation Agenda.

The *Payment ecosystems interoperability* aims to create an inclusive, competitive, efficient, and stable financial services sector. The migration of all state transactions to an online payment portal and using the universal Playbill number 222222 has facilitated a seamless and centralized payment system for government services, resulting to revenue visibility/increased revenues mobilization (i.e., revenue leakages reduced significantly), reduced corruption from long physical queues while the public are looking for services and timelines and the cost effectiveness, since services can be accessed online on a 24-hour basis anywhere in the globe as long as there is Internet connectivity.

*Green financing:* During the period under review, ninety-three (93) green finance service providers were accredited, 149 green finance professionals trained and Ksh. 10,507 billion disbursed to the counties and under the County Climate Change Funds to manage climate risks.



*H.E. President William Samoei Ruto, C.G.H., Unveils the Online Government Services Pay Bill 222 222 at the Kenyatta International Convention Centre in Nairobi on 30<sup>th</sup> June 2023. This will enhance efficiency and inclusivity in service delivery and eliminate inefficiency, corruption, wastage and discrimination that is inherent in human interactions*

*Digital finance:* During the period under review, the services provided digitally through the E-Citizen platform increased, while Ministries Departments, Agencies and Counties (MDACs) on-boarded citizen facing services into the E-Citizen platform and the number of applications on the platform increased rapidly.

#### a) Implementation status of key outputs and BETA priorities

*Table 23: Financial services output implementation status for FY 2023/24*

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Rural Kenya Financial Inclusion Facility (RK-FINFA)	Rural Credit Guarantee Scheme (RCGS) operationalized	No. of commercial banks participating in RCGS	2	0	RCGS is yet to be operationalized
		Volume of credit disbursed under RCGS (millions, US\$)	8	0	RCGS is yet to be operationalized
		No. of farmers in rural areas accessing financial services under RCGS	2,350	0	RCGS is yet to be operationalized
Green financing	Green finance service providers accredited	No. of accredited local green finance service providers	1	3	KCB, NEMA and Acumen Fund incorporated
	Green finance professionals trained	No. of green finance professional trained	50	149	Trainings supported under FLLoCA programme
		Capitalization of climate change funds (amount Ksh. millions)	1,500	10,507	Target Achieved
Credit Guarantee Scheme	MSMEs provided with business development services	No. of MSMEs guaranteed loan through the scheme	10,000	4,118	Not achieved The scheme is undergoing transition into a company

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Kenya Credit Guarantee Company established	%of completion	100	95	Credit Guarantee Policy, CAB Memo amendment to CBK Act and Articles of association developed and submitted to the Cabinet, awaiting approval for incorporation of the company
	Sector-specific credit guarantee product developed	No. of sector-specific credit guarantee products developed	3	6	Developed 5 sector-specific and 1 for special segment, i.e. for women, youth and PWDs
	CGS capital mobilized	Amount of CGS sector-specific credit guarantee developed and capital mobilized from the private sector (Ksh. millions)	4,000	0	Not achieved. This is awaiting the establishment of the company
Payment's ecosystems interoperability	Interoperable payments system developed	% of completion	60	60	Presidential directive which terminated all non-designated payment platforms and migrate to the designated Paybill Number 222222
	Government payment platforms automated	No. of Government payment services automated	12,000	19,888	Tremendous growth occasioned by the Presidential Directive to on-boarding all Government services onto the e-Citizen portal
Nairobi International Financial Centre (NIFC)	Incentive package to attract capital investments developed	No. of incentives package developed	3	10	Target not achieved due to challenges in obtaining data regarding existing revenue levels from the sectors targeted by the proposed incentives

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Investment vehicles established	No. of investment vehicles established	2	0	Target not achieved as key tax incentives affecting investment vehicles which required amendments were included in the Finance Bill 2024, which was rejected by the courts
	Fintech and technology ecosystem in place	No. of Fintech firms in the NIFC	2	0	Target not achieved as the proposals for establishment of Fintech firms were rejected under the 2024/25 Finance Bill

Source: The National Treasury Reports; Kenya National Bureau of Statistics (2023), Economic Survey

## b) MTP IV outcome achievements for FY 2023/24

Table 24: Financial outcome implementation status for FY 2023/24

MTP IV Outcome	Outcome Indicator(s)	Baseline Value	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Increased access to financial services	Proportion of population using formal financial services (%)	83.7	84.1	83.7	The target remained the same since no new data has been published. The FinAccess survey report will be released in December 2024 (The report is released after every 4 years)
Increased financial services contribution to GDP	Share of financial services contribution to GDP (%)	7.6	8.1	5.7	Target not achieved and downturn is partly attributable to a market saturation point in the mobile money market, indicating that the rapid expansion phase of mobile financial services may be stabilizing as the market matures

MTP IV Outcome	Outcome Indicator(s)	Baseline Value	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Increased Gross National Savings	Gross National Savings as a % of GDP (%)	14.24	15.30	11.9	Target not achieved due to the drop in business activities amid widespread economic challenges that included higher inflation rates, and depreciation in the first half of FY 2023/2024. Additionally, tight monetary policy with CBR being raised to 13.0 affected lending and deposit rates by commercial banks

Data Sources: 2024 Economic Survey, Departmental Progress Reports

#### 4.10.2 Policy, legal and institutional reforms

The following policy, institutional and legal frameworks were developed during the FY 2023/24 to facilitate the implementation of MTP IV:

- (i) Development of the National Tax Policy to enhance administrative efficiency of the tax system, provide consistency and certainty in tax legislations and management of tax expenditure;
- (ii) Development of the Medium-Term Revenue Strategy (MTRS) for the period 2023/24-2026/27 to expand the tax base to 20 percent of GDP by FY 2026/27. The MTRS provides a comprehensive approach of undertaking effective tax system reforms for boosting tax revenue and improving the tax system over the medium term;
- (iii) Strengthening of tax administration by the Kenya Revenue Authority for enhanced compliance by leveraging technology to revolutionize tax processes, sealing revenue loopholes and enhancing the efficiency of the tax system; and,
- (iv) Focusing on unlocking additional non-tax revenue potential by Ministries, Departments and Agencies through the services they offer to the public.

#### 4.10.3 Implementation challenges

- (i) Macroeconomic targets are prone to shocks emanating from external and domestic shocks. The Kenyan economy is currently unwinding from the effects of negative and persistent global and domestic shocks that pushed the economy to its lowest activity level. These shocks included the COVID-19 pandemic and the effects of climate change that range from the prolonged drought in 2021 to the floods in 2024. These shocks escalated the cost of essential household commodities. They also pushed up fuel prices and led to a rapid depreciation of the Kenya Shilling, thus piling pressure on the already heavy public debt.
- (ii) The Government has implemented bold policy measures to mitigate the negative shocks to the economy and the efforts have started yielding positive results. The economy expanded by 5.6 percent in 2023, up from 4.9 percent in 2022, a

demonstration of resilience. The cost of living as measured by inflation is now firmly under control. Inflation stood at 4.6 percent in June 2024 and 5.0 percent in May 2024, from a peak of 9.6 percent in October 2022 due to easing food and energy prices. The pass-through effects of the strengthening exchange rate since February 2024 and the tight monetary policy stance have supported the easing in inflation. Additionally, the interventions by the Government in providing subsidized fertilizer and seeds continue to lower the cost of food production.

- (iii) The achievement of the fiscal targets for the FY 2023/24 was hampered by the challenges in raising resources. By end April 2024, total revenue amounted to Ksh. 2,179.7 billion against a target of Ksh. 2,402.1 billion, resulting to a shortfall of Ksh. 222.4 billion. The below target performance was on account of the shortfall registered in ordinary revenue of Ksh. 267.9 billion despite the surplus collection of Ksh. 45.4 billion in the ministerial A-i-A. Similarly, expenditures were below target by Ksh. 323.3 billion on account of below target disbursements towards both recurrent expenditure and development expenditures. The below target performance in fiscal deficit is largely explained by the shortfalls in revenue performance and liquidity constraints.
- (iv) Other challenges that affected performance include:
  - Litigations that delayed and hampered approval and implementation of provisions in the Finance Bill, 2023;
  - Resource constraints, which hindered implementation of targeted policies; and
  - Annual budget allocations not aligned to the MTP IV priorities.

#### 4.10.4 Recommendations

- (i) Promote financial literacy and awareness, along with consumer education and protection.
- (ii) Effective monitoring and evaluation (M&E) is critical in tracking the implementation of the MTP IV activities and therefore must be adequately supported both financially and technically.
- (iii) Strengthen coordination of risk mitigation to cushion the economy from the impact of domestic and exogenous shocks whether economic or political.
- (iv) Ensure annual budget are fully aligned to the MTP IV targets to facilitate their implementation.

### 4.11 Economic Planning Sub-sector

The Economic Planning Sub-Sector coordinates implementation of its programmes aimed at the realization of the Vision 2030 through MTPs. Further, the sub sector is tracking the status of implementation of the MTP IV and Bottom-up Economic Transformation Agenda programmes through regular monitoring, evaluation and reporting to ensure optimal utilization of scarce resources to yield the desired development results and outcomes. The sub sector has the following programmes during the fourth MTP: Economic Policy and National Planning; National Statistical Information Services; Monitoring and Evaluation Services; and General Administration,



## Planning and Support Services.

### 4.11.1 Sub-sector performance

*Macroeconomic research, modelling and forecasting:* During the FY 2023/24, 51 Technical officers were sensitized on macroeconomic modelling, KIPPRA Treasury Macro Model (KTMM) was upgraded, MTP IV Key Investment Opportunities (KIO) booklet was prepared, and quarterly status of the economy reports were prepared.

*Monitoring and reporting on economic trends:* Technical support was provided to MDACs on monitoring and evaluation, 4 M&E Progress reports were prepared, and 12 county governments were provided with technical support in the implementation of County Peer Review Mechanisms.

*Strengthening planning at national and county levels and the link between national and county planning:* in the period under review, a draft County engagement framework was developed, County Annual Development Plan guidelines was reviewed, and 173 MDAs were provided with technical support in the preparation of 5<sup>th</sup> generation strategic plans.

Table 25: SDEP outputs implementation status for FY 2023/24

Priority Project/ Priority	Output	Indicator	Annual Target FY2023/24	Actual Achievement FY2023/24	Remarks on performance
Macroeconomic research, modelling and forecasting	Technical officers' capacity built on the KTMM	No. of officer's capacity build	45	51	Target surpassed. 51 officers sensitized on macroeconomic modelling during the FY 2023/24
	KIPPRA-Treasury Macro Model (KTMM) upgraded	No.	1	1	KTMM upgraded in collaboration with KIPPRA & other stakeholders
	MTP IV Key Investment Opportunities (KIO) booklet prepared	No.	1	1	Key Investment Opportunities Booklet prepared
	Quarterly status of the economy reports prepared	No.	4	4	Status of the economy reports prepared
Strengthening the monitoring and evaluation system for tracking implementation of government policies, programmes, and projects	Comprehensive monitoring and evaluation system established	% level of establishment	-	0	To be undertaken in FY 2024/25



Priority Project/ Priority	Output	Indicator	Annual Target FY2023/24	Actual Achievement FY2023/24	Remarks on performance
		Proportion of MDACs using the system	100	0	The system will be rolled out from FY2024/25
	Technical support provided to MDACs on monitoring and evaluation	%	100	100	All MDACs that requested for technical assistance were supported
	Progress reports prepared	No.	5	4	Delayed launch of MTP IV affected Q1 and Q2 reports
	Technical support in County Peer Review Mechanisms to County Governments provided	No.	47	12	NEPAD/APRM had target to onboard 7 counties in the County Peer Review Mechanism. Five additional counties acceded to the Peer Review Mechanism
Strengthen national planning at the county level	County engagement framework developed	No. of frameworks	1	1	Draft framework developed. SDEP partnered with CoG and counties to develop the draft
	Guidelines on development planning provided	No. of guidelines developed	1	1	Target achieved. Reviewed the County Annual Development Plan Guidelines
	Technical support to MDACs on development planning provided	%	100	100	SDEP provided support to 173 MDAs in preparation of 5th Generation Strategic Plans. Also provided technical support to 7 counties in development planning

Source: State Department for Economic Planning Report, FY 2023/2024

#### 4.11.2 Policy, legal and institutional framework

The State Department for Economic Planning is finalizing the draft Economic Planning Policy and Bill to anchor the economic planning function in a policy and legal framework. During the period under review, the State Department continued to implement the following policies and Regulations:

- (i) Monitoring and Evaluation Policy, 2022
- (ii) Knowledge Management Policy, 2022
- (iii) PFM (PIM Regulations), 2022

#### 4.11.3 Implementation challenges

- (i) *Budgetary constraints:* The State Department experienced budgetary constraints occasioned by inadequate funding, compounded by austerity measures that hampered the implementation of planned programmes and projects. In addition, allocations to SAGAs have either been reduced or maintained at baseline for the whole Medium-Term Expenditure Framework period, hindering the effective delivery of mandates and functions;
- (ii) *Human resource constraints:* Inadequate staffing and capacity gaps especially of professional/technical officers at the middle and senior levels hampered effective service delivery;
- (iii) *Climate change and global supply chain shocks:* Due to climate change and global supply chain shocks, the country was not able to meet its tax revenue targets to finance the planned programmes and projects;
- (iv) *Institutional weakness:* The Boards and Councils of some SAGAs had not been fully constituted, which hampered service delivery; and
- (v) *Institutional framework:* Weak policy and legal framework to anchor the economic planning function. This poses a threat to the effective and efficient implementation of the mandate at both levels of government.

#### 4.11.4 Recommendations

- (i) Provision of adequate budgetary allocation by the National Treasury to enable the State Department to complete its on-going programmes/projects, especially those affected by budget cuts and increment of transfers to SAGAs to cater for incremental credits and other resource requirements;
- (ii) Ensure effective succession management and adequate human resource in collaboration with the Public Service Commission and also identify skills gap and provide the necessary capacity building for efficient service delivery;
- (iii) Prioritize programmes and projects based on need and ensure value for resources allocated;
- (iv) Strengthen the legal and institutional frameworks to support the implementation of the mandate of the State Department for Economic Planning;
- (v) Provide for timely appointment of Council and Board members in SAGAs for effective execution of their mandates; and
- (vi) Formulation and implementation of resource mobilization strategies to expand the resource base.

# CHAPTER FIVE

## 5.0 INFRASTRUCTURE SECTOR

### 5.1 Overview

The infrastructure sector comprises the following key sub-sectors: Roads and Transport; Energy and Petroleum; ICT and Digital Economy; Lands, Public Works, Housing and Urban Development; and Water and Irrigation. The sector plays a critical role as an enabler of the other four (4) sectors by providing cost-effective public utilities, infrastructure facilities, and services critical for socio-economic development. The sub-section enumerates the sector performance, challenges encountered in the implementation during the review period, lessons learned, and sector-specific recommendations.

### 5.2 Roads Sub Sector

Under the Kenya Vision 2030 and the Bottom-up Economic Transformation Agenda (BETA), the roads sub-sector has been identified as an enabler to the key productive sectors of the economy that are critical to the realization of economic transformation. The State Department for Roads is key to improving Kenya's global competitiveness through road development, maintenance, and effective management. The State Department for Transport is mandated to develop policy, legal, and regulatory instruments and coordination and oversight of the road construction authorities and agencies falling under its mandate.

#### 5.2.1 Sub-sector performance

The results for the FY 2023/24 roads sector initiatives showcase a mixed performance across key priorities and targets, as summarized below:

*Road construction and maintenance:* Of the targeted 1,000 km of roads for construction, 673.36 km were achieved, and the progress was hindered primarily by contractor delays due to payment issues. The rural road maintenance significantly surpassed its target, with 32,216.9 km improved or maintained against an annual target of 21,755 km because of timely release of RMLF. The urban and highway maintenance achieved 18,139.32 km out of a 21,000 km target, meeting expectations.

*Decongestion projects:* The efforts to alleviate congestion in the cities through the construction of arterials and collectors saw 123.7 km completed, surpassing the 87 km target. Financial limitations impacted the construction of bypasses and other missing links, with no progress made towards these goals due to funding shortfalls.

*Footbridge construction:* The target of constructing three footbridges was exceeded, with 5

footbridges along Mombasa Road substantially completed, achieving 166 percent of the target.

*Traffic and safety initiatives:* A total of 6 out of 10 cameras (4 spot speed cameras and 2 average speed cameras) were installed for piloting along the Southern Bypass (2), Ihindu (2), Kinungi and Laini (2). The procurement process for the remaining speed cameras was terminated due to budget constraints. Plans to establish an Integrated National Transport Information Management System (INTIMS) infrastructure across major cities also faced funding constraints, with designs ready but no installations completed due to lack of allocated funds.

*Road sub-sector outcome results:* Cumulatively, the sector achieved 673.36 km of newly constructed classified roads out of a targeted 1,200 km and maintained or rehabilitated 50,356.52 km of roads, surpassing the target of 45,351 km, marking an improvement in road accessibility.

Overall, while notable progress was made in rural road improvements and footbridge construction, the challenges around funding and contractor delays impacted the realization of certain key targets, especially within urban decongestion and ITS infrastructure development.

*Table 26: Roads output Implementation status FY 2023/24*

Priority Project	Output	Indicator	Annual target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Construction of Km roads	Km of roads constructed/ rehabilitated	Km of roads constructed/ rehabilitated	1,200	673.36	Slowed down works due to unpaid certificates
Rural roads maintenance	Rural roads improved to gravel standard/ maintained	Km of roads improved	21,755	32,216.9	Target over-achieved because of timely release of RMLF
Urban and highway roads maintenance	Highways and urban roads maintained	Km of roads maintained	21,000	18,139.32	Target not achieved
Decongestion of cities, urban areas and municipalities	Length of arterials and collectors constructed	Km of roads constructed	87	123.7	Target achieved
Construction of footbridges	Footbridges constructed (KENHA)	No. of footbridges constructed	3	5	Five (5) footbridges along Mombasa Road were completed
Implementation of Integrated National Transport Information Management System and Dashboard	Traffic and speed cameras installed along main highways	No. of speed cameras installed	10	6	4 No. Spot Speed camera and 2 No. Average speed cameras installed for piloting along the Southern Bypass
Decongestion of cities, urban areas and municipalities	Length of bypasses constructed	No. of Km constructed	29.4	0	Inadequate allocation of funds

Priority Project	Output	Indicator	Annual target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Length of missing links constructed		8	0	Inadequate allocation of funds
	Length of arterials and collectors constructed		87	123.7	Target achieved
	ITS infrastructure installed in Nairobi, Mombasa, Kisumu, Nakuru, Eldoret and Thika junctions	No. of Junctions installed with ITS	25	0	Designs in place. No funds allocated for works
	Traffic management centres constructed	No. of traffic management centres constructed	1	0	Target not achieved due to budgetary cuts.

Source: State Department for Roads Report, FY 2023/2024

Table 27: Roads outcome implementation status for FY 2023/24

MTP IV Outcome		MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Improved road accessibility		Classified roads constructed (Km)	1,200	673.36	Inadequate funds slowed down work progress
		Classified roads maintained and rehabilitated (Km)	46,000	50,356.52	Target achieved

Source: State Department for Roads Report, FY 2023/2024

### 5.2.2 Policy, legal and institutional reforms

- (i) Comprehensive Road Asset and Corridor Management Policy
- (ii) Bill to Transform to KIHBT to a SAGA
- (iii) Review Kenya Roads Act 2016
- (iv) Review of Kenya Roads Board 1999
- (v) Review of Roads Maintenance Levy Funds Act 1993
- (vi) Review of Road Annuity Fund Regulations

### 5.2.3 Implementation challenges

- (i) High stock of pending bills
- (ii) Inadequate financing especially for high-capital road projects
- (iii) High construction and maintenance costs due to rising inflation

- (iv) Vandalism of road infrastructure facilities
- (v) Lengthy procurement procedures, including litigation challenges
- (vi) Encroachment of land earmarked for road infrastructure development
- (vii) Climate change has resulted in challenges in executing road development and maintenance projects due to extreme weather events, such as heavy rainfall and flooding, damaging road infrastructure and elevating maintenance needs.
- (viii) Land acquisition and compensation: Acquiring land and compensating for road construction and expansion projects tends to be a complex and protracted process, often causing delays, disputes, and elevated costs.

#### 5.2.4 Recommendations

- (i) There is a need to explore alternative sources of funding, such as Public Private Partnerships (PPP) to ensure sustainable funding for road development.
- (ii) The Government development budgetary allocations should be enhanced for the timely completion of ongoing road development projects.
- (iii) Effective coordination is key in ensuring the alignment of the annual work plans/ budgeting process to the Medium-Term Plan IV.
- (iv) There should be enhanced and effective monitoring and evaluation of projects to ensure intervention of emerging challenges towards timely completion.
- (v) Greater focus on disaster preparedness to mitigate against disasters such as El Nino that disrupt project completion rates.
- (vi) Land acquisition and compensation: To optimize this process, it is essential to enhance communication and transparency with all stakeholders, ensure comprehensive documentation, speed up land acquisition and compensation efforts, and conduct early needs assessments. Furthermore, proactive engagement with impacted communities and offering support services could help address the concerns and hasten the overall process of land acquisition.
- (vii) Adopting green infrastructure techniques, promoting biodiversity conservation, and engaging with local communities and stakeholders all contribute to sustainable road development, aiming to minimize ecological harm and maximize long-term benefits for both local communities and the environment.

### 5.3 Transport Sub sector

The sub sector facilitates transport by coordinating the development of policy, legal, and regulatory instruments in all matters of transport. It encompasses civil aviation, railways, and ports. The sub sector is spearheaded by the Ministry of Roads and Transport and draws its mandated under Executive No. 1 of January, 2023 on the Organization of Government. The mandates includes: Axle Load Control Policy and Standards; Development and Maintenance of Airstrips; National Roads Development Policy; Development, Standardization and Maintenance of Roads; Materials Testing and Advice on Usage; Protection of Road Reserves; Maintenance of Security Roads;

Administer Mechanical and Transport Fund; Registration of Engineers; Mechanical and Transport Services; Enforcement of Axle Load Control; Transport Policy Management; Rail Transport and Infrastructure Management; Fast-Tracking Identified Northern and Northern Corridor Transport and Lamu Port South Sudan Ethiopia Transit (LAPPSET) Transport Corridor Projects; Oversight and Coordination of LAPSSET Programmes Implementation; Civil Aviation Management and Training; Registration and Insurance of Motor Vehicles; Motor Vehicles Inspection; National Transport Safety; National Road Safety Management; and National Roads Transport Policy.

### 5.3.1 Sub-sector performance

The key outputs for the State Department of Transport for the FY 2023/2024 review period are structured for each of the priority value chains as shown in Table 28

Table 28: Transport output Implementation status for FY 2023/24

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
<b>Enablers of the Finance and Production Sector</b>					
Investment attraction, retention, facilitation and enablement	Public SEZs developed in Dongo Kundu, and Naivasha	% of completion in Dongo Kundu	10	1.7	50 acres out of 3,000 available allocated for development
<b>Inclusive Growth (People Centred)</b>					
Development of 50-year Transport Master Plan	Master plans developed	% completion	71	0	TOR in the process of being drafted. Financing being sought under the Horn of Africa Project
Road safety project	Integrated Transport Information Management System	% of Integrated Transport Management System completed	30	0	This is scheduled for FY 2024/25
	Model motor vehicle inspection and driver testing unit with simulators	No. of inspection and driver testing unit	38	0	Construction works at 15 percent completion. Super structural works are completed, and foundation works are in progress. Installation of equipment to be undertaken after construction
	Upgrading manual motor vehicle inspection centres	No. of Inspection centres upgraded	3	0	The project has not commenced due to lack of budgetary allocation



Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Road safety audits and accident investigations/ Inspections undertaken	No. of road safety audits undertaken	12	32	All the road safety audit and accident investigations/ Inspections reports were developed and shared with the road agencies for implementation
Decongestion of Nairobi Metropolitan Area (NMA)	28 Km of Line 2 Simba: Rongai - Bomas (Langata Rd) - CBD - Ruiru - Thika – Kenol constructed	Km constructed	20	0	Target not achieved
Construction and rehabilitation of railways	Nairobi Railway city developed	% completion	13	30	Student housing at tendering stage  Phase 1 construction (Central Station, Public Realm and Yard Works) awaiting approval by The National Treasury
	Eldoret Railway City developed	% completion	10	10	Master Plan for the Eldoret Railway City completed.  Draft Eldoret Railway City Strategic National Installation and Project Plan approved.  Stakeholder engagement conducted
	Embakasi village - Ruai commuter line completed	% completion	5	0	Target not met but prepared designs for the line; Feasibility study for the route ongoing
	SGR Phase 2B and 2C	% completion	-	5	Proposed financing model for Phase 2B and C; and engagement with Uganda on designs and implementation schedule completed

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Central Workshop, Mombasa Depot, Eldoret Depot and Nakuru Depot modernized and equipped	% completion	10	-	Work plan has been prepared and forwarded to the State Department for Transport for review
	Locomotives and wagon purchased, rehabilitated and overhauled	No. of locomotives and no. of wagons	207	208	7 MGR locos rehabilitated; 1MGR locomotive remanufactured; 200 MGR wagons delivered
Implementation of Integrated National Transport Information Management System and Dashboard	Traffic and speed cameras installed along main highways	No. of speed cameras installed	10	0	Target not achieved
Civil aviation development and management	Terminal at JKIA constructed with an additional capacity of 20 million passengers	% completion	5	0	At the pre-contract activities in the on-boarding phase of a Public-Private Partnership (PPP)
	JKIA Terminal 1E upgraded to a permanent facility	% completion	11	0	A demolition plan and methodology have been established
	Kisumu Airport Control Tower constructed	% completion	50	50	Project at 50 percent completion rate
	Air Navigation Services (ANS) systems and equipment installed	No. of assorted equipment installed	525	0	Target not achieved
		No. of systems installed	1	0	Target not achieved
	Alternative Financing				
E-mobility	E-mobility Policy developed	E-mobility Policy	1	0	Public participation exercise for the draft policy conducted.

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Develop cool logistics corridor for Kenya	Improved existing cool logistics facility in rail and port	% of cool logistics corridor facility improved	20	0	Target not achieved
Construction and rehabilitation of railways	12Km Riruta/ Lenana – Ngong Commuter MGR Line (with 3 commuter stations) constructed	% completed	58	4.68	Route alignment design completed.  Design review for Lenana station and Ngong station finalized; and construction is ongoing
	Longonot - Malaba MGR rehabilitated (Phase II)	% completed	75	10	Railway superstructure materials (rails, sleepers, track and fittings) have been delivered to site for installation
	No. of relocation units constructed to implement Kibra/Mukuru Relocation Action Plan	No. of relocation units	58	-	The project stalled due to lack of budgetary allocation

Source: State Department for Roads Report, FY 2023/2024

The State Department's performance at outcome level is summarized in Table 29, which highlights the performance of the MTP IV outcome indicators for FY 2023/24.

Table 29: Transport outcome Implementation status for FY 2023/24

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Increased access to aviation services	Number of air passengers handled (international and domestic) per year (million)	11.87	12.84	Experienced traffic growth in passenger and aircraft movement, driven by the ongoing recovery of international travel, and volume of air cargo improved with the resumption of operations at Eldoret International Airport
	Volume of air cargo handled per year (total freight) Kg millions	403.7	394.9	
	Number of aircraft movement per year	294.2	295.2	

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Improved access to shipping and maritime services	Cargo through-put in Dead Weight Tonnes (DWT) per year	35.1	37.5	The positive variance is due to increased handling of containerized and liquid bulk cargoes during the period
	Containers handled in Twenty-foot Equivalent Units (TEUs)	1,587	1,789	The positive variance is attributed to increased handling of transit market cargo especially destined to Uganda
Improved access to rail services	Rail passengers handled per year (000)	7,790	5,636.9	Cumulative achievement represents 72 percent of the target
	Rail cargo handled per year	8,862	7,393.95	Cumulative achievement represents 83 percent of the target

Source: State Department for Transport (2024)

### 5.3.2 Policy, legal, and institutional reforms

- (i) Development of Regulation for National Transport and Safety Authority Act of 2012
- (ii) Review of Kenya Railways Act Cap 397
- (iii) Review of Traffic Act
- (iv) Review of Motor Vehicle Inspection Regulations

### 5.3.3 Implementation challenges

- (i) Late disbursement of project funds; and
- (ii) Lack of budgetary allocation from the Government.

### 5.3.4 Recommendation

Budgetary allocation and timely disbursement of funds are key for the effective implementation of projects.

## 5.4 ICT and Digital Economy Sub sector

The ICT and Digital Economy is one of the BETA priority sub sectors. State The sub sector is responsible for the Development of the Information and Communication Sector (including Broadcasting, Multimedia); Data Protection Policy and Regulation of Personal Data Services; National ICT Policy; Promotion of ICT Innovation and Digital Economy; Promotion of E-Government; Promotion of Software Development Industry; Provision of ICT Technical Support to MDAs; Policy on Automation of Government Services; Development of National Communication Capacity and Infrastructure; and Management of National Fiber Optic Infrastructure.



*Horizontal infrastructure at Konza Technopolis*

#### 5.4.1 Sub-sector performance

##### **i) Inclusive growth (people-centred)**

- *Digital access and creative economy:* The project's expectation is to leverage ICT to increase employment opportunities for youths. At the end of the review period, the following milestones were achieved: 1,368 free public Wi-Fi (JiKonnnect Hotspots) were established across the country; 11 training/innovation hubs (digital hubs) were connected to hotspots; 157,000 youths trained through the Ajira Youth Empowerment Centres and 400 ICT graduates trained on high-end skills through the Presidential Digital Talent Training Programme (PDTP); equipping of 66 TVETs with creative economy facilities; and 75,650 youth connected to online jobs.
- *Last Mile County Internet Connectivity Project Phase IV and V:* Through the project, 150 public institutions have been connected to the Internet.
- *Manufacture of affordable smart devices:* This project seeks to make available smart devices that are affordable, with a price range of US\$ 40 through the promotion of local manufacturing. One (1) plant has been established and 1,050,000 devices assembled by the EADAK (Safaricom, Jamii Consortium) and Mkopa Ltd.
- *ICT capacity development:* 66,248 citizens and 35,158 public officers have been trained to enhance digital skills.
- *ICT green initiative programme:* The project aims to promote green economy and reduce the associated impacts of ICT devices and equipment to the environment. Completion of the E-Waste Management Centre is at one percent against the targeted rate of 10 Percent.

## **ii) Digitalization**

- *Digitalization of Government services and records:* The project entails digitalization of 80 percent of Government services (both operational and citizen facing) and 12,584 Government services, and 83 percent records at the national and county government level have been digitized.
- *Cyber security:* Operationalization of the ICT Security Operation Centre with 40 percent implementation status. This comprises the acquisition of software, which collects logs from the digital assets.

## **iii) Expand the revenue base**

- *Promote Konza Technopolis as a Silicon Savanna:* Various components of this project are at various levels of completion (construction of the smart city facilities at 100 percent, horizontal infrastructure at 99 percent, construction of Konza Complex at 70 percent).
- *Konza Data Centre:* The project aims to enhance the safety of Government data by onboarding all Government data at the Centre and is at various levels of completion.
- *Data protection and cyber security:* The project seeks to strengthen the national cyber security capacity in addressing cyber security threats and safeguarding information security. Seven (7) regional offices for the Data Protection Commissioner, were operationalized in Nairobi, Mombasa, Nakuru, Kisumu and Huduma centres in Eldoret, Nyeri and Garissa.

## **iv) Alternative financing**

- *Universal broadband connectivity:* The project aims at providing the National Optic Fibre Backbone Infrastructure (NOFBI) to enhance affordable ICT connectivity and bridge the digital divide across the country through construction of an additional 100,000km (52,000 km by the Government and 48,000 km by private sector) of fibre optic cable to 1,450 wards to enhance broadband connectivity and opening of NOFBI for commercialization where 9,208 km of fibre has been installed.
- *Regional smart hub project:* The project entails establishing a smart hub for the landing stations and the Internet Protocol (IP) exchange point in Mombasa to enhance connectivity in the EAC region and attract investment in ICT-related industries and establishing and operationalizing of eight (8) regional hubs to monitor the NOFBI infrastructure and provide support to the regional ICT authorities.
- The key outputs for State Department of ICT for the FY 2023/2024 review period are structured for each of the priority value chains as shown in Table 30.



Table 30: ICT output Implementation status for FY 2023/24

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
<b>Inclusive Growth (People Centred)</b>					
Digital access and creative economy	Free public Wi-Fi across the country (JiKonnnect Hotspots) installed	No. of hotspots installed	5,000	1,491	Under-achievement due to inadequate budgetary allocation
	Training/ Innovation hubs (digital hubs) connected to hotspot	No. of hubs connected	290	206	Under-achievement due to inadequate budgetary allocation
	Youths trained annually through Ajira Youth Empowerment	No. of youths trained	120,000	121,666	The target was surpassed due to high demand for online training
	Centres and ICT graduates trained annually through the Presidential Digital Talent Training Programme (PDTP)	No. of ICT graduates trained	400	400	Target achieved
	TVET institutions equipped with creative Economy facilities (23 000 VDIs)	No. of TVETs equipped	86	288	Target achieved
	Youths connected to online jobs (ITES/ BPOs)	No. of youths connected	100,000	102,400	The programme benefited from enhanced enrolment of youth in the digital hubs following sustained advocacy at high levels of the government
Last Mile County Internet Connectivity Programme (Phase IV and V)	Public institutions in counties and sub-counties connected	No. of institutions connected	160	200	Target achieved



Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Manufacture of affordable smart devices	Availability of smart devices with a price range of US\$ 40	No. of smart devices manufacturing plants established	1	1	The MTP IV targets to establish manufacturing plants to avail the smart devices. Thus, the indicator has been revised from No. of devices provided at US\$ 40 to No. of smart devices manufacturing plants established
	Citizens trained on digital literacy skills	No. of citizens trained	4,000,000	101,406	Target a not achieved.
	Officers in public service trained in high-end specialized ICT areas.	No. of public service officers trained	151,000	35,158	The low achievement is due to lack of budgetary allocation
ICT Green Initiative Programme	E-waste management centre established	% completion of E-waste management centre	20	1	The project currently on-going in Nairobi. The under-achievement is attributed to budgetary reviews which reduced allocation of funds to the intervention
<b>Digitalization</b>					
Digitalization of Government services and records	Government services digitized	No. of services digitized	1,000	5,250	The over-achievement was due to acceleration of works following President's Directive
	Government operational systems and records digitized (paperless and fully digital Government	%. of Government operational services and records digitized	30	83	The over-achievement was due to acceleration of works following President s' Directive
Cyber security	ICT security operation centre	% completion	30	30	Target achieved

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
<b>Expand Revenue Base</b>					
Promote Konza Technopolis as a Silicon Savanna	Konza Complex Phase 1B (Conference Facility)	% completion	58	76	The over-achievement was due to acceleration of works to cover slowdown experienced in the last FY
	Konza Masterplan Consultancy MDP2	% completion	53	53	The master delivery partner (MDP2) contract expired on 30 July 2022
	Supervision of streetscape and wastewater	% completion	95	99	The over-achievement was due to acceleration of works to cover slowdown experienced in the last FY
	Completion of Horizontal Infrastructure (EPC-F)	% completion	95	99	The over-achievement was due to acceleration of works to cover slowdown experienced in the last FY.
	Konza Smart City facilities and services	% completion	80	80	Target achieved
Konza City Technopolis	Construction of the Disaster Recovery Centre	% completion	50	95	Target achieved
	Construction of the smart city facilities	% completion	100	100	Target achieved
	Horizontal infrastructure	% completion	100	99	Target achieved
	Construction of Konza Complex	% completion	70	70	Target achieved
Konza Data Centre	On-boarding Government services in the Konza Data Centre by June 2024	% of services on-boarded	20	100	Target achieved
		% completion of Disaster Recovery Centre	95	95	Target achieved

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Data protection and cyber-security	13 regional offices for the Data Protection Commissioner operationalized	No. of offices operationalized	4	7	The Office has established regional offices in Nairobi, Mombasa, Nakuru, Kisumu and Huduma centres in Eldoret, Nyeri and Garissa  The positive variance is due to enhanced budgetary support to ODPC
<b>Alternative Financing</b>					
Universal broadband connectivity	100,000 Km (52,000Km by the Government and 48,000Km by the private sector) of fibre optic cable installed	Km of fibre optic installed	20,000	9,208	The non-attainment of target is due to delayed procurement process on on-boarding of contractors

Source: SDICT&DE and SDBT FY2023/2024 Progress Reports

Table 31 presents the FY 2023/2024 MTP IV outcome indicators for the State Department for ICT and Digital Economy.

Table 31: MTP IV outcome achievements for FY 2023/24

MTP IV Outcome	MTP IV Outcome indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Universal access to information	Proportion of the population With 4G Internet connectivity	96	97	Rolling out of the National Optic Fibre Broadband countrywide improved the network coverage
	No. of public institutions connected to broadband network	150	400	Rolling out of National Optic Fibre Broadband countrywide increased access to online/ digital services
Increased employment opportunities for the youth through ICT	No. of youths connected to online jobs (Information Technology Enabled Services -ITES/Business Processing Outsourcing -BPOs)	100,000	102,400	ITES/BPO programme benefited from enhanced enrolment of youth in the digital hubs following sustained advocacy at high levels of the government

MTP IV Outcome	MTP IV Outcome indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	No. of university graduates trained through Presidential Digital Talent Programme (PDTP)	400	400	The programme target was revised to onboard 400 Interns annually from 100 indicated in the National Indicator Handbook

Source: SDICT&DE and SDBT FY 2023/2024 Progress Reports

### 5.4.2 Policy, institutional and legal reforms

The State Department is committed to ensure sound policies and regulatory institutional frameworks, a prerequisite for effective and efficient service delivery in implementation of projects and programmes. The following bills have been developed:

- (i) The Technopolis Bill that has already gone through the first reading and is currently undergoing public participation as it awaits to be tabled for the second reading.
- (ii) ICT Authority Bill: The bill was drafted, and stakeholder engagement is planned.

### 5.4.3 Challenges

- (i) Budget reviews in supplementary budgets have resulted to delays in payment of running contracts and key project activities;
- (ii) Cyber security threats: Malicious acts that damage data and ICT systems;
- (iii) Damage and destruction of ICT infrastructure due to vandalism and physical infrastructure constructions requiring provision of resources for regular maintenance and rehabilitation;
- (iv) Lack of interoperability and integration of systems: Government services often span multiple departments and agencies, which are not integrated, leading to challenges in interoperability and data integration;
- (v) Limited coverage of national fibre infrastructure resulting to a slow Internet uptake, especially in the rural areas;
- (vi) Prolonged acquisition of wayleaves from the County Governments;
- (vii) Rapid ICT technological advancements: Rapid change in technology leading to obsolescence of devices leading to high cost of device replacement;
- (viii) Unfavourable weather conditions and floods affecting the trenching and fibre blowing; and
- (ix) Acquisition of waivers for wayleaves for deployment of ICT Infrastructure.

### 5.4.4 Recommendations

The recommendations below are geared towards facilitating the State Department to fast-track achievement of objectives and fulfilment of the mandate in the realization of aspirations of the Fourth Medium-Term Plan of Vision 2030; Sustainable Development Goals (SDGs);

African Agenda 2063 and the Government's Bottom-up Transformation Agenda of the Digital Superhighway.

- (i) Enhanced budgetary allocation proportional to the expected outputs and services.
- (ii) Commercialization of ICT infrastructure to reduce reliance on the exchequer for maintenance and new connectivity.
- (iii) Increased investment in ICT connectivity and maintenance of the existing infrastructure to make them secure, reliable, and affordable.
- (iv) Effective transfer of knowledge and skills integrated in financing and commercial agreements/arrangements signed between the Government and development partners.
- (v) Fast-tracking the Critical Infrastructure Bill to facilitate implementation of ICT infrastructure Master Plan.
- (vi) Enactment of infrastructure sharing legislation to enhance the sharing of ICT and avoid duplication.
- (vii) Enhanced collaboration with agencies and County Governments on the acquisition of wayleaves

## **5.5 Broadcasting and Telecommunications Sub sector**

The Sub sector major mandate is to ensure that the citizens are informed on Government projects, programmes and initiatives. The programmes/ projects undertaken under the sector are under: Telecommunications Policy; Broadcasting Policy; Coordination of National Government Advertising Services; Public Communications; Postal and Courier Services; Development of Local Content Policy; Telecommunications, Postal Services and Electronic Commerce; and Government Telecommunications Services.

In the enabler, broadcasting and telecommunications is under the infrastructure sector where the target is to enable universal access to information through the development and review of policy, legal and institutional frameworks, modernization and expansion of broadcasting and telecommunications infrastructure, and mass media skills development. The Fourth National Reporting Indicator Handbook for MTP IV identifies three outcome indicators and two projects to enhance universal access to information under the broadcasting and telecommunications sub-sector.

### **5.5.1 Sub-sector performance**

#### ***Mobile network coverage***

The sub-sector key targets for the FY 2023/2024 were to facilitate basic voice infrastructure 2G connectivity in all un-served and undeserved areas, and thus increase mobile network coverage to 100 percent in the country. During the period, mobile network coverage increased dismally from 96 percent to 97 percent. The increase was due to the rollout of mobile cellular infrastructure and services in 36 un-served and under-served sub-locations. This provides access to ICT services to approximately 84,286 people.

The mobile cellular penetration has been gradually declining in the last two years. This has been attributed to market stagnation in mobile subscriptions, which continued into the review period with a slight dip to 139.48 subscribers by 100 inhabitants.

There has been a steady growth in the licensed spectrum of international Mobile Telecommunications (IMT) since 2021, with an increase of 51.5 percent to 1,121 MHz in 2023. Mobile subscriptions rose to 66.7 million in 2023 from 65.7 million in 2022. The rise in mobile phone usage has facilitated the integration of mobile networks with machines to machines (M2M) technology. Mobile cellular network coverage expanded by one percentage point, reaching 97 percent in 2023.

### ***Proportion of the country covered by digital TV signal***

The national digital TV coverage increased from 91.2 to 92.1 percent due to the continued roll out of digital TV broadcast infrastructure by the public and private operators. This has improved the household's access to the digital broadcast signals, especially in unserved and undeserved areas. The government has continued to implement the public digital broadcast infrastructure under the signet by filling in the identified gaps.

### ***Proportion of households with access to radio***

The sector continued to license and assign radio frequency to community broadcasters, thereby increasing households' access to radio broadcast signal to 96 in 2023. The total number of FTA radio stations grew from 204 in 2021 to 233 in 2023. This includes community radio that broadcast in vernacular and national radio stations that broadcast in Kiswahili and English.

The progress and implementation status of the key outputs and BETA priorities for FY 2023/24 are provided in Table 32.

*Table 32: Broadcasting and telecommunications output implementation status for FY 2023/24*

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Digital access and creative economy	Additional Studio Mashinani established	No. of Studios established	3	0	Target not met due to inadequate funding
	Mass media practitioners trained	No. of practitioners trained	700	962	Target surpassed. This was occasioned by a double intake: September 2023 intake - 554 and May 2024 intake-408

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Kenya Institute of Mass Communications Eldoret Campus constructed and equipped	% completion	10	23	The 23 percent is the cumulative project status since inception in 2020. It covers the land donated by the County Government, construction of perimeter wall, gate, gatehouse, intake and development of Certificate Course modules.
					However, roll out of vertical infrastructure is not done due to non-disbursement of capital grant. The project was allocated Ksh. 100 million in FY 2023/24, but funds were not disbursed hence no project was done
Cellular mobile network infrastructure and services development Phase II, III and IV	Cellular mobile network connectivity in 379 sub-locations in 42 counties	No. of sub-locations connected	72	16	Target not met. This is attributed to inaccessibility to the sites due to bad terrain and flooding resulting from adverse weather conditions in some of the targeted sub-locations

Source: State Department for Broadcasting and Telecommunications Report, FY 2023/2024

The State Department's performance at outcome level is summarized in Table 33, which highlights the performance of the MTP IV outcome indicators for FY 2023/24.

Table 33: Broadcasting and telecommunications outcome implementation status for FY 2023/24

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Universal access to information	Mobile network coverage in the country	98	97	Target achieved
	Proportion of the country covered by digital TV signal	94	92.13	Target achieved
	Proportion of households with access to radio	98	96	Target achieved

Source of Data: State Department for Broadcasting and Telecommunications Report, FY 2023/2024



### 5.5.2 Policy, institutional and legal frameworks

The sub-sector relied on the existing policy, institutional and legal framework to facilitate the implementation of planned projects/programmes under the review period.

### 5.5.3 Challenges

- (i) Inadequate funding and delayed exchequer. This affected take-off activities at KIMC Eldoret Campus and Studio Mashinani
- (ii) Adverse weather conditions
- (iii) Vandalism of infrastructure
- (iv) Cyber threats and abuse of social media

### 5.5.4 Recommendations

- (i) Amendment of laws on destruction and vandalism of infrastructure
- (ii) Funds mobilization
- (iii) Provision of adequate resources to lay the required infrastructure to attract investors
- (iv) Implementation of the national addressing system and e- commerce

## 5.6 Lands and Physical Planning Sub sector

The programmes/projects under the sub sector fall under: National Lands Policy and Management; Physical Planning for Land Use; Land Transactions; Survey and Mapping; Land Adjudication; Land Registration; National Spatial Infrastructure; Land and Property Valuation; Services Administration; Land Information Systems; Maintenance of a Public Land Bank; Administration of Public Land as Designated by the Constitution; Land Settlement Policy and Management; Land Settlement Matters; and Rural Settlement Planning.

### 5.6.1 Sub-sector performance

The sub sector achievement improved service delivery and increased demand for land services. Over the review period, 422,313 title deeds were processed and registered; developed land value index for Nyeri, Laikipia, Tharaka Nithi, Kitui and Makueni counties; georeferenced 44,733 land parcels; surveyed 267,899 land parcels; acquired 11,000 acres of land in Kedong ranch for settlement of the landless and settled 10,343 landless households in Taita Taveta (1,687), Trans Nzoia (2,654), Makueni (2,764), Kwale (1,139), Mombasa (816) and Tana River (1,283) counties.

Counties were capacity built on the preparation of physical and land use development plans for: Kapsabet municipality; Chemase Agro-Industrial Park; Lodwar town urban area; Chelimo; Olkalou and Holili/New Taveta border town; prepared 6 nautical charts to aid safe navigation across waters; established 437 boundary pillars to support surveying and maintenance of 52 km along the Kenya-Tanzania boundary, 6.2 km along the Kenya-Uganda boundary and delimited, demarcated and reaffirmed 110 km along the Kenya-Tanzania boundary. Further, land services were digitized in Murang'a while digitization and automation of land services is ongoing in Isiolo, Marsabit and Mombasa counties.

The progress and implementation status of the key outputs and BETA priorities for FY 2023/24 are provided in Table 34.

*Table 34: Lands, public works, housing and urban output implementation status for FY 2023/24*

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Processing and registration of title deeds	Title deeds issued	No. of title deeds issued	405,000	422,313	Target surpassed due to improved service delivery and increased demand for land services because of enlightened citizens
National Land Value Index	National Land Value Index developed in 25 counties	No. of counties with National Land Value Index	8	5	Land Value Index prepared for Nyeri, Laikipia, Tharaka Nithi, Kitui and Makueni counties. Target affected by delay in exchequer release
Geo-referencing of land parcel	Parcels of land geo-referenced to produce cadastral plans and maps	No. of land Parcels geo-referenced	60,000	44,733	Under-achievement due to inadequate survey equipment and software, and delay in exchequer release
Implementation of the National Spatial Plan (NSP) and National Land Use Policy (NLUP)	National Spatial Plans and National Land Use Policy implemented	No. of physical and land use development plans developed	2	7	Prepared Physical and Land Use Development Plan for: Kapsabet Municipality; Chemase Agro-Industrial Park; Lodwar Town; Peri- Urban Area; Chelimo; Olkalou and Holili/ New Taveta Border Town.
	Staff in counties sensitized on development of physical and land use development plans	No. of counties sensitized	5	5	Sensitized Nandi, Turkana, Nairobi, Taita Taveta, Nyandarua and Uasin Gishu counties.
Settlement of landless	Land acquired for settlement	Area of land acquired (Ha.)	43,000	4,452	Target affected by delay in exchequer release for the land purchase.
	Landless households settled	No. of households settled	12,000	10,343	10,343 landless households settled in: Taita Taveta (1,687); Trans Nzoia (2,654); Makueni (2,764); Kwale (1,139); Mombasa (816) and Tana River (1,283). Target slowed by delay in exchequer release

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Surveyed and mapped land parcels	No. of parcels surveyed	100,000	267,899	Target surpassed due to increased demand for land services.
Survey and maintenance of national and international boundaries	Kilometres along national and international boundaries surveyed and maintained	Km surveyed and maintained	200	58.2	52km along Kenya-Tanzania boundary 6.2km along Kenya-Uganda boundary. Delay in exchequer release, rugged terrain and insecurity along boundary line affected the target
	Boundary mark/pillars established	No. of pillars established	100	437	Established 22 boundary pillars along Kenya-Uganda border; and Established 415 boundary pillars along Kenya-Tanzania border. Over-achievement due to multi-agency collaboration and co-operation among the stakeholders)
	Delimitation demarcation and reaffirmation of the international boundaries between Kenya/ South Sudan, Kenya/ Uganda and Kenya/ Tanzania undertaken	No. of kilometres surveyed and maintained	150	110	110km surveyed and maintained along Kenya-Tanzania boundary.
Development of hydrographic database	Nautical charts and bathymetric maps produced	No. of maps and charts produced	4	6	Nautical chart prepared to aid safe navigation in the ocean.
Digitization of land services	Land records in the counties digitized	No. of counties digitized	7	1	Murang'a land services are now accessible online. Scanning of land records done for Isiolo, Marsabit and Mombasa Island and information stored in Electronic Data Management System

Source: State Department for Lands and Physical Planning Report, FY 2023/2024

The State Department's performance at outcome level is summarized in Table 35, which highlights the performance of the MTP IV outcome indicators for FY 2023/24.

*Table 35: Lands and physical planning outcome implementation status for FY2023/24.*

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Improved land tenure security	Title deeds registered and issued	405,000	422,313	Target surpassed due to improved service delivery and increased demand for land services because of enlightened citizens
	Public institutions issued with title deeds	4,000	214	Lack of sufficient supporting documentation on requests received; Conflict on who to be issued with title deed where land is shared by more than one institution; Delay in exchequer release
	Land parcels geo-referenced	60,000	44,733	Under-achievement due to inadequate survey equipment and software, and delay in exchequer release

Source: State Department for Lands and Physical Planning Report, FY 2023/2024

## 5.6.2 Policy, legal and institutional reforms

- (i) Land Laws (Amendment) Bill, 2023. The bill has since been withdrawn after undergoing the first reading in Parliament.
- (ii) Review of the Survey Act (Cap 299): Three (3) outcome draft instruments have been prepared because of the review and subject to public participation. The Instruments include the draft National Land Surveying and Mapping Policy, 2023; draft Land Surveying and Mapping Bill, 2023 and the draft Land Surveyors Registration Bill, 2023.
- (iii) Review of Physical Planners Registration Act (Cap 536): The draft Physical Planners Registration Bill, 2023 is awaiting public participation after professional drafting by the Office of the Attorney General and the Department of Justice (OAG&DJ).
- (iv) Review of National Land Policy, 2009: A multiagency team was appointed for the review. Analysis of the current policy was done and various issues agreed upon for consideration (initial stage of review).
- (v) Review of the Valuers Act (Cap 532): Legislative proposal done and forwarded to OAG&DJ for professional drafting.
- (vi) Review of the Land Adjudication Act (Cap 284): Legislative proposal is being prepared.

## 5.6.3 Implementation challenges

- (i) Inadequate and late disbursement of funds, therefore affecting timely implementation of projects;

- (ii) Manual land records, which hinder its efforts towards expeditious land transactions;
- (iii) High number of litigations has affected and delayed the implementation of the projects and programmes;
- (iv) Insecurity from hostile communities along the national and international boundaries;
- (v) Inadequate capacity in land administration and management; and
- (vi) Inadequate specialized equipment/software to undertake service delivery due to low budget levels.

#### 5.6.4 Recommendations

- (i) Enhancement of funding by The National Treasury;
- (ii) Fast-track digitalization of all land records and process;
- (iii) Promote use of Alternative Dispute Resolution (ADR) mechanisms in land disputes;
- (iv) Public participation among communities to support the department's projects and programmes;
- (v) Timely approval for employment of adequate human capacity to improve service delivery

### 5.7 Public Works Sub sector

The sub sector plays a key role in accelerating economic growth in the construction industry by enhancing the development and maintenance of cost-effective public buildings, regulation and research within the industry and other public works that are environment friendly and sustainable. It further provides consultancy services in the design, documentation and supervision of government buildings with special focus on the Bottom-up Economic Transformation Agenda (BETA) projects and the Kenya Vision 2030.

The mandate of the sub sector are: Public Works Policy and Planning; National Building Inspection Services; Setting and Management of Building and Construction Standards and Codes; Setting and Management of Building and Construction Standards and Codes; Coordination of Procurement of Common User Items by Government Ministries; Registration and Regulation of Contractors, Consultants for Buildings, Civil Works and Material Suppliers; Registration of Architects and Quantity Surveyors; Provision of Mechanical and Electrical Building Services; Building Research Services; Registration and Regulation of Civil, Building and Electromechanical Contractors; Development and Management of Public Buildings; Building Research Services; and Other Public Works.

#### 5.7.1 Sub-sector performance

During the review period, seven (7) foot bridges and a new jetty at Mokowe were constructed to enhance pedestrian safety and mobility. In addition, the State Department constructed 300 metres of Ndau seawall and implemented a number of stalled Government projects. Table 36

outlines the output results by the State Department for Public Works for FY 2023/24 and Table 37 outlines the outcome results.

*Table 36: Public works output implementation status for FY 2023/24*

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Construction of footbridges	Footbridges constructed	No. of footbridges constructed	23	7	The target was not achieved due to non-budgetary allocation
Construction and maintenance of jetties	Jetties constructed	No. of jetties constructed	1	1	New Mokowe Jetty was implemented to completion
Construction and maintenance of seawalls	Length of various seawalls constructed	Metres of sea wall constructed	294	300	300 metres of Ndau seawall was implemented
Construction of river protection and training works	Length of riverbank/ sea wall constructed	Metres of river bank/ sea wall constructed	600	0	The target was not achieved due to lack of budgetary allocation
Completion of stalled and ongoing Government projects	Isiolo County headquarters completed	% completion	75	60	The project was handed over to the County Government for completion
	Tharaka Nithi County Headquarter completed	% completion	100	82	The project was handed over to the County Government for completion
	Nyandarua County headquarter completed	% completion	75	68	The project was handed over to the County Government for completion
	Tana River County headquarter completed	% completion	90	72	The project was handed over to the County Government for completion
	Lamu County headquarter completed	% completion	70	60	The project was handed over to the County Government for completion
	Completion of Voi Pool Housing – Phase I and II	% completion	95	72	The target was not achieved due to low budgetary allocation

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Migori District headquarter Phase I completed	% completion	100	86	The target was not achieved due to non-budgetary allocation
	Kericho Pool Housing completed	% completion	100	35	The target was not achieved

Source: State Department for Public Works Progress Report, FY 2023/24

Table 37: Public works outcome implementation status for FY 2023/24

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Enhanced pedestrian safety and access to service	No. of footbridges constructed	18	7	Non-budgetary allocation
	No. of jetties constructed	1	1	New Mokowe Jetty was implemented to completion
Enhanced protection of human and property from sea wave action	Metres of sea wall constructed	294	300	300 meters of Ndau seawall was implemented.

Source: State Department for Public Works Progress Report, FY 2023/24

## 5.7.2 Policy, legal and institutional reforms

The State Department:

- (i) Submitted the National Public Works Policy to the Attorney General's office
- (ii) Enacted to law the National Building Code
- (iii) Drafted the Furniture Policy
- (iv) Submitted the Design Bill to the Attorney General's office

## 5.7.3 Implementation challenges

The State Department faced a number of challenges while implementing various projects. This impeded progress and compromised the quality of outcomes. These include:

- (i) Austerity measures and budget cuts posed a significant hurdle by restricting the financial resources available for critical project components. This financial strain led to reduced scope, delays, and the inability to hire skilled personnel or procure necessary materials.



- (ii) Adverse weather conditions, especially the recent prolonged heavy rains, which exacerbated these challenges by causing site erosion, flooding, and delays in construction activities. These environmental factors further stretched the limited resources as additional funds and time were required for repairs and mitigation efforts.

#### 5.7.4 Recommendations

To address the challenges in project implementation, several recommendations can be considered to enhance resilience and ensure successful outcomes. These are:

- (i) Implementing a robust risk management framework can help anticipate and mitigate the impacts of budget cuts and adverse weather conditions. This includes setting aside contingency funds and developing flexible budgeting practices to accommodate unexpected expenses.
- (ii) Adopting advanced project management tools and techniques can improve the efficiency and coordination among stakeholders, ensuring that resources are used optimally.
- (iii) Leveraging on technology for remote monitoring and communication can also enhance oversight and reduce delays.
- (iv) Investing in capacity building for project teams can improve their ability to navigate the logistical and environmental challenges effectively.
- (v) Incorporating sustainable and resilient design principles can minimize the impact of environmental factors such as heavy rains, ensuring that projects are built to withstand adverse conditions.

### 5.8 Housing and Urban Development Sub sector

The sub sector programmes fall under the following: Housing Policy Management; Management of Civil Servants Housing Scheme; Development and Management of Affordable Housing; National Secretariat for Human Settlement; Appropriate Low-Cost Housing Building and Construction Technologies; Development and Management of Government Pool Housing; Shelter and Slum Upgrading; Public Office Accommodation Lease and Management; Maintenance of Inventory of Government Housing Property; Urban Planning Policy; and Townships, Municipalities and Cities Policy.



*Mukuru Kwa Njenga Affordable Housing Project comprising 13,248 units.*

The institutions under the State Department include: National Housing Corporation (Housing Act, Cap 117); National Housing Development Fund (Housing Act, Cap 117) -to replace the Affordable Housing Fund; Civil Servants Housing Scheme Fund; and Estate Agents Registration Board (The Estate Agents Act, Cap 533).

### 5.8.1 Sub-sector performance

The key priority for the review period FY 2023-2024 in the sub sector was the affordable housing programme, whose objective is to increase access to decent, safe and affordable housing. Out of the targeted 200,000 housing units under the period under review, 815 housing units were completed. For the review period (FY 2023-2024), 251 civil servants were facilitated with mortgages worth Ksh. 1,342,798,992 and seven (7) markets were constructed to completion.

The progress and implementation status of the key outputs and BETA priorities for FY 2023/24 are provided in Table 38.

Table 38: Housing and urban development output implementation status for FY 2023/24

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Affordable housing	200,000 units constructed	No. of housing units constructed annually	200,000	815	<p>Completed housing units are as follows: 605 Affordable housing at Bondeni, Nakuru County; 50 Police housing units at Bungoma County; 60 Police housing units at Thika main prison, Kiambu County; 100 Prison housing units at Shimo la Tewa Prisons, Mombasa.</p> <p>Construction of various housing units ongoing as follows:</p> <ul style="list-style-type: none"> <li>Affordable housing sites; Ruiru 1,050 units (60%), Mavoko 5,360 units (7%), Shauri Moyo A 2,456 units (8%) and Starehe 2,420 units (2%) completion levels</li> <li>5,066 Consistency affordable housing units at an average of 19% completion level</li> <li>4,054 units at Kibera at 21% completion level and 5,616 bedsitter units at Mukuru- 47% completion level</li> </ul>
					<ul style="list-style-type: none"> <li>690 police and prison housing at an average of 73% completion level</li> <li>13,562 housing units under procurement</li> </ul>
	1 million affordable home financing mortgages issued (low-cost mortgages, TPS, affordable construction loans)	No. of low-cost mortgages issued	200,000	251	251 civil servants were facilitated with mortgage worth Ksh. 1,342,798,992 (figure from State Department alone)

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Markets development	Markets constructed	No. of markets developed	5	7	Githurai, Wajir North Market, Ogembo, Sang'alo Dundori, Nyansingo and Jera markets were completed
Kenya Urban Support Programme (KUSP II)	Urban areas with improved resilient urban infrastructure and services	No. of strengthened institutions for urban service delivery	79	0	Target not achieved. KUSP II became effective on 14th March 2024. However, disbursement of urban institutional grants and urban development grants will commence in the first quarter of FY 2024/25
Kenya Informal Settlement Improvement Project (KISIP II)	New security lights constructed	No. of streetlights	50	0	Target not achieved due delayed commencement of planned interventions occasioned by delay in procurement of works and clearance of safeguards instruments
	Km of access roads improved	Km of access roads improved	25	0	Target not achieved
	Storm water drainage constructed	Km of storm water drainage constructed	25	0	
	Kms of walkways constructed	Km of walkways constructed	10	0	
	Settlements upgraded	No. of settlements upgraded	30	0	
	Households connected to water supply	No. of households connected to water supply	1200	0	
	Allotment letters/ title deeds/ leases prepared and issued	No. of allotment letters/title deeds issued	5000	0	Target not achieved Lengthy time taken by County Assemblies in approving the local physical development plans prior to processing of allotment letters/ title deeds/ leases

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Socio-economic inclusion plans prepared	No. of socio-economic inclusion plans	25	25	Implementation of identified interventions to start in FY 2024/25

Source: State Department for Housing and Urban Development Report, FY 2023/24

The State Department's performance at outcome level is summarized in Table 39, which highlights the performance of the MTP IV outcome indicators for FY 2023/24.

Table 39: Housing and urban development outcome implementation status for FY 2023/24

MTP IV Outcome	MTP IV Outcome Indicator	MTP IV Outcome Target FY 2023/24	Actual Achievement	Remarks on Achievement Variance
Improved access to affordable housing	No. of affordable housing units constructed	200,000	815	Completed housing units are as follows: <ul style="list-style-type: none"> <li>• 605 affordable housing at Bondeni Nakuru</li> <li>• 50 police housing units at Bungoma police station</li> <li>• 60 police housing units at Thika Main Prison</li> <li>• 100 police housing units at Shimo la Tewa police station in Mombasa</li> <li>• 26,772 housing units are ongoing at various completion levels</li> </ul>
	No. of civil servants accessing mortgages	200	251	251 civil servants were facilitated with mortgage worth Ksh. 1,342,798,992
Improved markets development	No. of markets developed	25	7	<ul style="list-style-type: none"> <li>• 7 markets were completed at Githurai, Wajir North Market, Ogembo, Sang'alo Dundori, Nyansiongo and Jera</li> <li>• 11 modern markets are ongoing at 57 percent completion rate</li> <li>• 158 ESP markets are under construction at an average of 3 percent completion rate</li> </ul>

State Department for Housing and Urban Development Report, FY 2023/24

### 5.8.2 Policy, legal and institutional reforms

During the period under review, the Affordable Housing Bill, 2024 was enacted. The Act allows the government to collect the housing levy and establish the Affordable Housing Fund for

purposes of provision of funds for the design, development and maintenance of affordable housing, institutional housing and associated social and physical infrastructure. The other policies, legislations and statutory instruments under review to enable the State Department to effectively execute its mandate are as follows:

***Proposed policies***

- a) Review of National Housing Policy 2016. This is ongoing
- b) Review of National Urban Development Policy 2016. Internal review is ongoing
- c) Development of Public Office Accommodation Policy (initiated)
- d) Development of Metropolitan Development Policy

***Proposed legislation***

- a) Amendments to Urban Areas and Cities Act 2011 (initiated)
- b) Housing Bill, 2022 under review to incorporate AG's comments
- c) Landlord and Tenant Bill resubmitted to Parliament for consideration
- d) Amendments to the Estates Agents Act, 1987 (initiated)
- e) Proposed Amendments to the Housing Act, CAP 117 (initiated)
- f) Building Maintenance Bill (being drafted)
- g) Housing Developers Regulatory Bill (being drafted)

***Proposed statutory instruments***

- a) Estates Agents (Categorization of Estates Agents) Regulations 2023 (being drafted)
- b) Urban Area and Cities (General) Regulations (under review)
- c) Reviewed Civil Servants Housing Schemes Fund regulations awaiting public participation
- d) Affordable Housing Regulations 2024 (at AG for final drafting)

**5.8.3 Implementation challenges**

The major challenges encountered by the sub-sector during the implementation include the following:

- (i) Budgetary cuts coupled with delayed release of exchequer during budget implementation led to slow implementation of programmes and thereby translating to pending bills
- (ii) Inadequate serviceable and suitable land for development of projects and lack of land bank

- (iii) Litigations that delay implementation of projects
- (iv) Implementation of Kenya Urban Support Programme (KUSP) II was slowed down by delays in release of programme funds for FY 2023/24
- (v) Non-compliance by some counties to commitments on their obligations as per the signed participation agreements for KUSP II projects
- (vi) Lengthy time taken by County Assemblies in approving the Local Physical Development Plans under KISIP2.

#### 5.8.4 Recommendations

- (i) Explore alternative sources of funding to supplement the exchequer releases, such as Public Private Partnerships (PPPs) and Joint Ventures in project financing to reduce risks associated with dependency on exchequer funding
- (ii) Continuous engagement and sensitization of stakeholders before and during project implementation
- (iii) Formulation of Market Development and Management Policy and Guidelines by national and county governments
- (iv) Deliberate investment in housing and urban infrastructure by the national and county governments and establishment of a land bank
- (v) Strengthen monitoring and evaluation frameworks for project implementation

### 5.9 Energy Sub sector

The energy sub-sector is a key player in the infrastructure sector under the MTP IV. It is envisaged that the sub-sector plays a key role in promoting the development of energy generation and distribution by increasing investments in green energy (geothermal, wind, solar and hydro). From this, the sub-sector will contribute to cost-effective public utilities and essential services for socio-economic growth.





*Kimuka Electricity Substation completing the 220kV ring around Nairobi.*

### **5.9.1 Sub-sector performance**

Under the First Phase of the Green Energy Industrial Park in Olkaria, the application for the design of the Special Economic Zone (SEZ) was approved in June 2024 and submitted to the Ministry of Investments, Trade and industries for gazettment. The tender for consultancy services for detailed park infrastructure design was awarded and is under contracting. 54 projects were commissioned under the exchequer funding and 49 under the matching fund. The total public facilities commissioned in the financial year were 474. Identification of 273 facilities for installation of solar PV was done. This includes 23 primary and 9 secondary schools, and the projects are awaiting funding.

The energy sector's implementation status of key outputs and BETA priorities for quarter 4 of the FY 2023/24 is presented in Table 40.

Table 40: Energy output implementation status for FY2023/24.

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Green energy industrial parks and other geothermal resources direct use	Green Energy Industrial Park-Phase I in Olkaria	% completion	10	10	Application for SEZ designation; approved in June 2024 and submitted to Ministry of Investments, Trade and industries for gazette; Tender for consultancy services for detailed park infrastructure design awarded and is under contracting
Power distribution	Public facilities connected to power grid	No. of public facilities connected	6,000	555	54 projects commissioned under exchequer funding and 49 under matching fund. Total public facilities commissioned 474.  Turnkey project: Three (3) projects commissioned under BADEA and one (1) under OFID funding. Total commissioned 81.
	Transformers installed and maximized	No. of transformers installed and maximized	18,000	297	136 projects commissioned during the year and total commissioned to date 297
	New customers connected to electricity	No. of new customers connected	580,000	465,416	After budget reviews, the annual target was reviewed to 350,000, which has been achieved
	Street lighting lanterns installed	No. of lanterns Installed	15,000	5,996	After budget reviews, the annual target was reviewed to 5,000, which has been achieved
	Solar mini grids constructed	No. of solar mini grids constructed	50	0	Project is ongoing with projections of completion during FY 2024/25
Alternative energy technologies	Alternative clean energy sources developed	No. of Photovoltaic Solar (PV) systems installed	550	0	Identification of 273 facilities for installation of solar PV done
		No. of stand-alone solar systems installed	165	0	Target not achieved pending budgetary provision

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
		No. of energy centres established	1	0	Target not achieved currently in tendering in progress
		No. of biogas digesters installed	300	207	Under-achievement due to delayed release of funding and cash flow challenges
		No. of small hydro plants installed	2	0	Target not achieved but identified 19 sites awaiting funding
		No. of wind masts and data loggers installed	16	2	Tender under evaluation to install two Additional masts in Kajiado West
		No. of biomass charcoal kilns, biomass data loggers installed	15	0	Experienced challenges during the procurement process
		No. of clean cooking solutions installed	4	5	LPG installed in public institutions
		% completion of green hydrogen powerplant	10	10	Target achieved.
Power transmission	Length of high voltage transmission lines constructed	Km of transmission lines constructed	1,159	191.6	Inadequate budget for procurement of contractor on time. The Treasury has now secured funding, and the contract will be initialled in July 2024
	Power transmission substations constructed	No. of substations constructed	12	9	Inadequate budget for procurement of contractor on time. The Treasury has now secured funding, and the contract will be initialled in July 2024

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	National System Control Centres (NSCC) operationalized	No. of operational NSCC	30	1.93	Inadequate budget for procurement of contractor on time. The Treasury has now secured funding, and the contract will be initiated in July 2024
Geothermal exploration and steam development	Geothermal wells drilled in Menengai, Baringo-Silali and Suswa fields	No. of wells drilled	17	5	Four (5) geothermal wells PW03C, PW09, PW10, SW01A and PW02C drilled to completion as at Q4 of financial year. Drilling of PW1C and SW02 ongoing as at end of Q4
	Cumulative MW of power installed	MW of power installed	35	35	Achieved in Q1
Power plants and resource development	Geothermal power Installed	Additional MW of power	35	35	Achieved in Q1
Nuclear power development	Nuclear research reactor established	% completion	5	5	Developed the Draft stakeholder engagement and communication strategy; Developed the integrated nuclear infrastructure review for the Research Reactor project (INIR-RR) mission action plan
	Infrastructure for generation of electricity from nuclear sources developed	% completion	30	30	Inspected the delivery of the meteorological tower components to the site in Kilifi County, Kenya
	Nuclear energy skills	No. of persons trained on nuclear energy	50	98	Trained 10 Kenyans on areas related to nuclear science and technology
	Nuclear Energy Policy	% completion of National Nuclear Policy	45	45	Trained seven (7) internal staff on key areas in relation to National Nuclear Policy; Two draft regulations were developed.

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
					<p>These include: Nuclear Regulatory (Licensing Requirements for Nuclear Facilities and Related Activities) Regulations, 2024; and Nuclear Regulatory (Site Evaluation Requirements for Nuclear Facilities and Related Activities) Regulations, 2024.</p> <p>Reviewed the national laws relevant to the Nuclear Regulatory Act. No. 29 of 2019 and the Nuclear Power Programme. A matrix was developed identifying the possible review areas for consideration</p>
	Energy Research Centre established	% completion	20	16	Reviewed the draft report on Waste to Energy (WtE) conversion technologies in Kenya through a workshop held in May 2024. The forum subjected the Draft Report to peer review and input from stakeholders

Source: State Department for Energy and its Agencies Reports, FY 2023/24

Table 41: Energy outcome implementation status for FY 2023/2024

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Increased power generation	MW of national power generation capacity	3,344	3,243	75MW Kipevu I Diesel Power plant was retired and decommissioned in July 2023 following the expiry of its Power Purchase Agreement, and in line with the Sub- sector's commitment to increase the renewable share of the installed capacity
	Proportion of national power generation capacity from clean source	85	91	91 Achievement due to decommissioning of Kipevu I and increased uptake in generation from clean sources

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Increased access to electricity	Number of households connected to electricity	9,919,440	9,659,877	Under achievement due to budget reviews that affected achievement of the planned targets
Improved clean cooking	Number of public institutions using cleaner forms of cooking energy	7,500	-	Requires support from KNBS to undertake the survey
	Percentage transition of rural households to clean cooking	10	-	Requires support from KNBS to undertake the survey
	Percentage transition of urban households to clean cooking	30	-	Requires support from KNBS to undertake the survey
	Percentage transition of MSMEs to clean cooking	10	-	Requires support from KNBS to undertake the survey

Source: State Department for Energy and its Agencies Reports, FY 2023/24

### 5.9.2 Legal, policy and institutional framework

- (i) Development of Mini and Micro Off Grid Power Policy
- (ii) Finalization of Energy Local Content and Regulations Policy
- (iii) Finalization of the National Nuclear Energy Policy
- (iv) Development of Regulations to Operationalize the Energy Act 2019
- (v) Development of Nuclear Regulatory Act 2019

### 5.9.3 Implementation challenges

- (i) Insufficient budgetary allocation and delays in disbursement of funds
- (ii) Devaluation of the Kenya shillings against major foreign currency causing the cost of doing business to increase
- (iii) The Agency experienced delays in excavation and installation of the 100m meteorological tower due to local community resistance
- (iv) Difficult drilling conditions
- (v) Challenges in wayleaves and land acquisition
- (vi) Vandalism of the energy infrastructure
- (vii) Lack of sufficient capacity in specialized operational functions

- (viii) Loan expiry during project implantation leading to demobilization of contractors
- (ix) Contractors going under liquidation leading to termination of contracts by client

#### 5.9.4 Recommendations

- (i) Timely and adequate disbursement of funds
- (ii) Capacity build and provide retention incentives for staff in specialized areas
- (iii) Continuous stakeholder engagement to ensure social acceptance of the programme and its benefits
- (iv) Create a judicial mechanism for expediting court cases that affect national projects

### 5.10 Petroleum Sub-Sector

The State Department for Petroleum (SDP) was established under the Ministry of Energy and Petroleum through Executive Order No. 2 of 2023 on organization of the Government of the Republic of Kenya. Its focus is promotion of sustainable exploration and management of oil and gas, and management of supply of petroleum products in the country. The Executive Order gives the mandate of the State Department for Petroleum are as follows: Petroleum Policy; Strategic Petroleum Stock Management; Management of Upstream Petroleum Products Marketing; Oil and Gas Exploration Policy Development; Oil/Gas Sector Capacity Development; Petroleum Products Import/Export Marketing Policy Management; Licensing of Petroleum Marketing and Handling; and Quality Control of Petroleum Products.

Implementation of the mandate is carried out by the State Department for Petroleum together with its State Corporations, namely: National Oil Corporation of Kenya (NOCK), Kenya Pipeline Company (KPC) Limited, and Kenya Petroleum Refineries Limited (KPRL), with support from Petroleum Development Levy Fund (PDLF).

#### 5.10.1 Sub-sector performance

##### Development of liquefied petroleum gas (LPG) infrastructure

The project aims to promote the use of LPG as a clean energy source. This entails the construction of a truck loading facility, and LPG bulk storage and handling facility in Changamwe with a capacity of 45,000MT (30,000MT in the medium-term and 15,000MT in the future), a common user manifold from Kipevu Oil Terminal II and a bulk LPG storage facility at Nairobi with a capacity of 10,000MT.

##### National liquefied petroleum gas enhancement

The project seeks to increase the use of LPG by households and learning institutions. The project comprises two initiatives: The Mwananchi LPG initiative, which entails the purchase and distribution of 6kg LPG cylinders to selected low-income households across the country to enhance LPG penetration from 30 Percent in 2021 to 70 Percent over the plan period. It also entails the provision of clean cooking gas for schools to 5,000 public boarding schools, with initial investment for the infrastructure (installation of LPG gas bullets, piping, and burners) and seed gas.



### **Expansion of petroleum products supply infrastructure**

This will entail the construction of a new 20-inch 450km pipeline from Mombasa to Nairobi to increase the flow rate from 1,000m<sup>3</sup> /hr to 2,000m<sup>3</sup> /hr and conversion of KPRL crude oil storage tanks in Mombasa to refined products storage to increase the capacity by 200,000m<sup>3</sup>.

### **Exploration and commercialization of oil and gas resources**

The project entails licensing of blocks to technically and financially robust companies to accelerate the exploration and implementation of the approved South Lokichar Field Development Plan. This will be undertaken through acquisition of geological and geophysical data; exploratory and appraisal drilling in Kenya's sedimentary basins; land acquisition for upstream facilities and water pipeline; water for oil production, central processing facility and flowlines, production wells and access to power for upstream facilities. Enhanced appraisal in the Anza Basin blocks where gas discoveries have been made will be carried out, and depending on the resource potential, follow-up monetization will be undertaken through a modular gas-to-wire power generation unit and export of natural gas.

### **Lokichar-Lamu crude oil pipeline**

The project aims to construct 824km 20-inch pipeline with a marine terminal and load-out facility to transport crude oil from South Lokichar oil fields to Lamu Port for export.

### **Geochemical and petrophysical laboratory**

This project aims at developing a world class oil and gas laboratory to serve Kenya and the region in analysing oil, gas, and rock samples to establish the presence of hydrocarbons. During the plan period, the laboratory will be equipped and operationalized. Additionally, the project aims to commercialize geochemical and petrophysical analysis, coordinate laboratory-based multi-client studies for revenue generation and de-risking exploration blocks and offer geochemical and petrophysical services in Block 14T and other exploration blocks.

### **Quality assurance of petroleum products**

The project aims at monitoring the quality of petroleum products offered for sale in the local market to prevent motor fuel adulteration or dumping of export-bound motor fuels. Over 70,000 samples will be collected and tested in the retail stations. In addition, the sector will undertake regular quality testing of LPG to monitor compliance to LPG quality standards so that consumers of LPG can get value for money.

Table 42 shows the implementation status of the key outputs and BETA priorities for Q4 of FY 2023/24.

*Table 42: Petroleum output implementation status for FY 2023/24*

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Development of LPG infrastructure	LPG bulk import handling, and storage facilities constructed in Mombasa (30,000MT)	% completion of storage facility	40	0	Front End Engineering Design (FEED) consultancy completed in FY 2022/23 awaiting establishment of a PPP framework for project implementation
	LPG bulk storage facility constructed in Nairobi (10,000MT)	% completion of storage facility	40	0	Commenced was deferred
	LPG truck loading facility at KPRL Changamwe completed	% completion of loading facility	100	100	LPG truck loading is completed, tested and awaits to be commissioned
National liquefied petroleum gas enhancement	6kg LPG cylinders and accessories supplied to low-income households	No. of cylinders distributed	100,000	0	281,524 6kgs LPG cylinders, 357,368 grills, 357,355 burners, 90,103m of hosepipes and 84,500 two-burner cook-stoves have been procured  Transfer of assets to NOCK initiated  Distribution to commence within Nairobi County as a pilot and subsequently to other counties
	5,000 public boarding learning institutions provided with Clean Cooking Gas (CCG) infrastructure	No. of public schools provided with CCG	100	0	Cabinet memo approved and baseline survey on CCG conducted  Structural designs for the required infrastructure developed and tenders awarded for only 20 schools due to financial constraints

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
					<p>Environmental impact assessment report prepared and forwarded to NEMA for approval</p> <p>Installation works to commence once EIA licenses are issued by NEMA</p>
Expansion of petroleum products supply infrastructure	Crude oil tanks in Mombasa converted to white oil storage to provide 200,000 M3 additional capacity	% completion	50	49	<p>Five tanks with a total capacity of 124,478MT have been rehabilitated and converted to white oil storage. They are yet to be commissioned as they await completion of pipeline connectivity to KOT2, which is currently at 88 percent complete</p> <p>rehabilitation of the 5No. KPRL Tanks at Port Reitz Mombasa, to meet growing demand by June 2024. Tanks under rehabilitation and their respective capacities are:</p> <p>T-701: 18,438m3;  T-702 18,438m3;  T-704 14,438m3;  T-706 18,438m3; T-708 50,726m3</p>

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Exploration and commercialization of oil and gas resources	Petroleum blocks marketed	No. of petroleum blocks marketed	3	3	The three blocks were marketed through the following avenues: 4th World Energy Summit held in Canada in September 2023 - meetings with Canadian energy companies held and presentations on Kenyan petroleum blocks undertaken; Meeting with investors from Brazil hosted by the State Department; Meeting with Algerian Ministry of Energy sector in Algeria in May, 2024
	Petroleum blocks reviewed/reconstituted	No. of blocks reviewed/reconstituted	5	5	Five blocks were reviewed but not reconstituted due to a delay in procurement of the required software (ArcGIS) license
	Block 9 Natural gas prospects evaluated	Completion level (%) of Block 9 evaluation	-	15	Preliminary assessment of the natural gas resource potential has been done and a technical Atlas developed, which contains technical data package for Block 9; 50 percent completion level target set for FY 2024/25
	Geological and geophysical data generated	Area in sq. km for which geoscientific data has been acquired	1,310	1,265	Geoscientific data acquisition undertaken in blocks L17 Zone 2 covering 325 sq. km and L18 covering 940 sq. km

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Increased oil and gas production	Amount invested in petroleum blocks (US\$ (millions)	3.2	0	The envisaged investment engagement with the external investors did not take place due to foreign travel ban
Lokichar-Lamu Crude Oil Pipeline	824km 20-inch Lokichar-Lamu Crude Oil Pipeline constructed	% completion of preliminary activities	50	40	Community engagement and sensitization in project-affected area commenced; Survey, demarcation and registration of community land for 23 out of 63 communities in the Turkana section of the proposed crude oil pipeline done; Development of land acquisition plans for the counties of Lamu, Garissa and Isiolo in preparation for land inquiries for the said counties completed
Geochemical and petro-physical laboratory	Geochemical and petro-physical laboratory	% completion of a geochemical and petro-physical laboratory	30	30	The National Data Processing Centre's processing and modelling software was upgraded to current version; The first batch of Lab equipment were procured and delivered
Quality assurance of petroleum products	Quality and secure petroleum products marketed nationally and regionally	Samples of petroleum products tested	14,000	26,872	Target was over-achieved due to enhanced monitoring to increase compliance

Source: State Department for Petroleum Reports, FY 2023/24

Table 43 presents the outcome results for FY 2023/24 for the State Department for Petroleum.

*Table 43: Petroleum outcome implementation status for FY 2023/24*

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Enhanced use of LPG	Proportion (%) of households using LPG	31	30	The State Department for Petroleum expects among other stakeholders' efforts to increase this proportion. Its contribution is dependent on the distribution of the gas cylinders to households, which was not achieved. In addition, the actual status will only be established through KNBS generated statistics
	Average LPG consumption per capita No. (Kg per person /yr) -	7.0	7.0	SDP contribution is dependent on the distribution of the gas cylinders to households and schools. However, LPG consumption increased due to steep rise in price of alternative source of cooking energy
	Proportion (%) of public learning institutions using LPG (public boarding primary and secondary schools, and tertiary institutions)	14	8	This was dependent on provision of CCG to learning schools, which was initiated during the review period. There were delays and only contracts awarded for infrastructure development for 20 schools. As such the baseline status remained
Stable supply of refined petroleum products	Quantity of petroleum products imported (MT millions)	6,690	7,140	There was an increase in demand for petroleum products in Q3 and Q4
Increased oil and gas production	Amount invested in petroleum blocks (US\$ millions)	3.2	3.2	The overall effect/change is targeted for FY 2026/27. As such, the baseline reported remains as the outcome target for the review period

Source: State Department for Petroleum Reports, FY 2023/24

### 5.10.2 Policy, legal and institutional framework

During the review period, the State Department for Petroleum, in consultation with stakeholders, prepared a draft National Petroleum Policy. The draft Policy is now awaiting public participation. To strengthen the petroleum sub-sector legal framework, nine (9) downstream regulations were developed and forwarded to the AG's Office for review. Six (6) out of the nine (9) regulations have been cleared by the AG's Office, pending compilation of the statutory documents (regulatory impact assessment, and explanatory memorandum). The three (3) remaining regulations are pending clearance by the AG's Office.

To enhance operational efficiency of the State Department for Petroleum SAGAs, KPRL was made a subsidiary of the KPC, while restructuring of NOCK commenced with bringing of a strategic partner on board.

### 5.10.3 Implementation challenges

- (i) Inadequate financial and specialized technical human resource capacity
- (ii) Delays in the finalization of the Field Development Plan (FDP)
- (iii) Unstable geopolitical environment
- (iv) Delays in land and right of way acquisition
- (v) Community/stakeholders resistance to programmes and projects
- (vi) Long lead time between project conceptualization and realization
- (vii) Litigations leading to project delays and increased project costs

### 5.10.4 Recommendations

The following are recommendations to address the implementation challenges and enhance projects implementation:

- (i) The State Department in collaboration with the National Treasury to expand resource mobilization for investment in oil and gas exploitation
- (ii) EPRA to fast-track completion of the Field Development Plan (FDP)
- (iii) Recruitment of additional/optimal technical staff and enhance implementation of capacity building programmes for enhanced exploration, exploitation and extraction of oil and gas
- (iv) Periodic review of risk management strategies and enhancement of external risk forecasting and management
- (v) The sector should be adaptive to the geopolitical, social, technological, environmental and economic changes to manage competing interests, especially from renewables at the global level
- (vi) In collaboration with National Land Commission (NLC), intensify stakeholder engagement regarding land and right of way acquisition
- (vii) Enhance investment in technical capacity in the sector by packaging and extensive marketing of the oil and gas potential
- (viii) In collaboration with the Judiciary and State Law Office, adopt alternative dispute resolution mechanisms and engage with the relevant parties and agencies to fast-track and resolve any litigations

## 5.11 Water and Sanitation Sub sector

The sub-sector is critical in provision of safe drinking and agricultural water, and sewerage and sanitation infrastructure. The MTP IV prioritizes the construction of large dams and multi-purpose



dams; expansion of existing irrigation schemes; land and river reclamation; and development of sewerage facilities.

The sub-sector comprises the State Department for Water and Sanitation (SDWS), and State Department for Irrigation (SDI). The SDWS is mandated to provide water resources, sewerage services and wastewater treatment policy and standards; protection of catchment areas; sanitation management; public water schemes and community water projects; and water harvesting and storage for domestic and industrial use. The SDI is responsible for national irrigation policy and management; water harvesting and storage for irrigation; management of irrigation schemes; and land reclamation.

### 5.11.1 Sub-sector performance

The sub-sector is significant in enhancing access to water for domestic, agriculture and industrial use. During the review period, six (6) small dams and 16 water pans were constructed and five (5) water harvesting projects were implemented, thus enabling over 450,000 cubic metres of water to be harvested. However, the construction of climate proof underground water reservoirs in ASALs, and construction of large dams is yet to commence.

The progress and implementation status of the key outputs and BETA priorities for FY 2023/24 are provided in Table 44.

*Table 44: Water and sanitation output implementation status FY 2023/24*

Priority Projects/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
National transboundary water resources	Sub-Catchment Management Plans (SCMPs) implemented	No. of SCMPs implemented	40	31	Delayed disbursement of Counterpart Funds affected the implementation of SCMPs
Management programme	Water resources monitoring stations rehabilitated and upgraded to telemetry to relay real time data	No. of water monitoring stations rehabilitated and upgraded	50	4	Most of stations were not rehabilitated due to the high river flows occasioned by the heavy rainfall experienced in the country
	Ground water mapping in five (5) counties undertaken	No. of mappings undertaken	1	0	Target not achieved but Mapping for Mandera County is at the procurement stage
River restoration	Athi River restored and managed	No. of new and upgraded sewerage plants constructed	2	0	Target not achieved

Priority Projects/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
		No. of Km of extended/ upgraded sewer lines	150	135	Late disbursement of funds
		No. of Km of river cleaned	30	6.1	Target not achieved due to inadequate funding
		No. of trees planted	50,000	50,294	More tree seedlings planted during the tree growing day in November, 2023
		No. of ablution blocks constructed in informal settlements	10	8	Late disbursement of funds
Completion of ongoing/stalled domestic water projects	Ongoing/stalled projects completed	No. of projects completed	250	62	Most projects are at advanced stage of implementation will be completed by Q4
Sanitation/ Sewerage for urban centres	Additional sanitation projects in urban areas across the country	No. of sanitation projects completed	6	19	Target achieved
		No. of sanitation schemes rehabilitated	1,000	4	Target not achieved
Rural water and sanitation	Boreholes constructed	No. of boreholes	1,000	133	Target not achieved
	Public institution projects	No. of projects in public institutions	900	33	Target not achieved
	Roof catchment structures drilled/ rehabilitated and solarized	No. of roof catchment structures	1,100	101	Target not achieved
	Desilting pans/ dams constructed	No. of pans/ dams desilted	300	9	Target not achieved
	Springs/ Water catchment area protected	No. of springs protected	150	5	Target not achieved

Priority Projects/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Dams/rock catchment structures supply/pipeline extension projects protected	No. of dams/ rock catchment structures protected	100	0	Target not achieved
		No. of water supply/pipeline extension projects protected	400	0	Target not achieved
Provision of water and sanitation to underserved and unserved areas	People served with water and sanitation services	No. of additional people served	400,000	61,206	Delay in completion of the projects therefore causing variance in the population reached
Reduction in non-revenue water	Share of non-revenue water in 47 counties reduced to less than 15 percent	% share of non-revenue water	38	43	Target not achieved
	Unit to protect water infrastructure established	No. of water protection units established	1	1	Water police unit established
	Inter- governmental agreements signed	No. of inter-governmental agreements	5	4	The Water Sector Inter-Governmental Consultation and Cooperation Framework (WSIGCCF) was signed by both levels of government
Water research, training and innovation	10 innovations (products/ services) developed and adopted	No. of innovations	1	1	Recognition for prior learning policy developed
	KEWI infrastructure in Nairobi, Kisumu, Chiakariga and Kitui campuses modernized	No. of campuses	1	1	Modernization of Nairobi campus undertaken

Priority Projects/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Construction of 100 large dams	Carry out new and review 45 feasibility studies for 55 new dams	No. of new feasibility studies done	44	5	Feasibility studies was preceded by screening of 265 potential dams and 3,824 pans
		No. of new feasibility studies reviewed	25	4	

Source: State Department for Water and Sanitation Administrative Reports, 2023/24

The State Department's performance at outcome level is summarized in Table 45 which highlights the performance of the MTP IV Outcome Indicators for FY 2023/24.

Table 45: Water and sanitation outcome implementation status for FY 2023/24

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Improved access to clean, reliable and safe water	Proportion of national population using improved water services (%)	72	73	Target has been met
	Urban population with access to clean and safe water (%)	87	91	Attributed to completion of projects under projects under Kenya Towns, Kenya National Urban Water and Sanitation Programme
	Rural population with access to clean and safe water (%)	64	65	Achieved through drilling, equipping and solarisation of boreholes in various parts of the country
	Annual per capita water availability	547	452	This is a result of rising water demand from the key economic sectors, catchment degradation, encroachment of riparian land and wetlands, pollution, uncontrolled and unregulated use of water resource, climate variability and climate change and limited technical and enforcement capacities
	Proportion of water bodies with good ambient water quality (%)	87.5	87.5	Target achieved
	No. of ongoing/ stalled water projects completed	300	62	Budget cuts and delayed disbursement of funds delayed completion of ongoing projects

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Increased water harvesting and storage capacity for domestic use	Additional water capacity in million cubic meters	50	0.95	Large multi-purpose dams still ongoing. Additional water harvested from completed water pans/ small dams
Improved water use efficiency	Proportion of non-revenue water (%)	38	43	Target being progressively achieved
Increased access to sanitation services	Proportion of population using improved sanitation services (%)	70	68	Target progressively being met
	Urban population using improved sanitation services (%)	92	93	Financed implementation of projects in underserved and unserved areas serving an additional 157,000 people in urban informal settlements served with sanitation services
	Rural population using improved sanitation services (%)	57	56	
	Proportion of urban population with access to safely managed sanitation (%)	32	33	Attributed to completion of projects under Kenya Towns, Kenya National Urban Water and Sanitation Programme connecting approximately 200,000 people with sewerage services

Source: State Department for Water and Sanitation Administrative Reports 2023/24

### 5.11.2 Policy, institutional and legal frameworks

- (i) Finalization of Sanitation Management Policy
- (ii) Finalization of Transboundary Water Policy
- (iii) Review of Water Act 2016 CAP391

### 5.11.3 Implementation Challenges

- (i) Delay in completion of the projects therefore causing variance in the population
- (ii) Lack of budgetary allocation
- (iii) Delayed disbursement of funds affected the implementation of dam projects

### 5.11.4 Recommendations

- (i) Enhanced budgetary allocation: The sub-sector will continue to rationalize its activities to match the expected exchequer releases and continuously engage the National Treasury and Parliament with a view to enhancing budgetary allocation.
- (ii) Fast-track on-going projects especially on sewerage to address water pollution challenges.

- (iii) Securing/ acquisition of project sites/ wayleaves for large infrastructures before projects commencement to reduce delays and escalated compensation claims.
- (iv) Capacity building to develop policies and increase investment in the reduction of non-revenue water (NRW) by providing technical support to water supplies and sewerage schemes, carrying out monitoring of NRW annually and developing and issuing policy guidelines on reduction of NRW.
- (v) Expansion of sewerage and adoption of alternative technology for waste management to address aging sewerage and low sewerage coverage.
- (vi) Adoption of advanced techniques is essential to map and access large groundwater resources and adopt energy-efficient technologies to reduce the cost of water.
- (vii) There is a need for an investment plan to fund the gaps in the development and management of water and sanitation, including the use of an alternative model of financing projects (PPP model).
- (viii) Prioritize climate-smart water and sanitation projects to address climate change related challenges.

## 5.12 Irrigation Sub sector

The mandate of the sub sector as per Executive Order No. 2 of 2023 on the Organization of the Government of the Republic of Kenya are: National Irrigation Policy and Management; Water Harvesting and Storage for Irrigation; Management of Irrigation Schemes; Water Storage and Flood Control Management; Mapping, Designating and Developing Areas ideal for Irrigation Schemes; Development of Irrigation Infrastructure; and Land Reclamation.

### 5.12.1 Sub-sector performance

The area under irrigation increased by 21,136 acres to 733,069 acres in FY 2023-24. This was contributed by completion of several irrigation projects, namely National expanded (7,294 acres), Turkana (890), Lower Kuja (1,330), supplemental irrigation from household and community water pans (6,672 acres), Lower Nzoia (4,200), and community-based (750). A total of 3,217 household water pans and 44 community water pans with a cumulative volume of 7,674,252 were excavated. The paddy rice production increased to 276,012 tonnes due to expansion of Mwea Irrigation Scheme by 5,600 acres to command an irrigation area of 30,600 acres. The sub-sector also progressed the construction of Mwache and Siyoi Muruny dams to 12.6 percent and 84 percent, respectively, constructed 8.34 km of flood mitigation structures and 1 check dam.

The implementation status of the key outputs and BETA priorities by the irrigation sub-sector for FY 2023/24 is shown in Table 46.

Table 46: Irrigation output Implementation status for FY 2023/24

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
<b>Crops value Chain - Other Crop Interventions</b>					
Food security subsidy and crop diversification	Land under crop production (maize, potatoes, rice)	Area under maize production (Ha)	30,238	12,806	Acreage of irrigated maize production includes seed and commercial maize produced in national schemes, including Bura, Tana, Perkerra, Katilu and Lokubae clusters
<b>Inclusive Growth (People Centred)</b>					
Water harvesting for irrigation and domestic use	Water harvesting projects for irrigation in 23 ASAL counties with a capacity of 517.5 million cubic metres (climate financing)	Volume of water in cubic metres	10,800,000	7,674,252	The volume includes household pans and community water pans done in Q3 and Q4
Water harvesting from “Laggahs” and exploitation of ground water for irrigation in arid counties	Drilling and equipping of bore holes	No. of bore holes drilled	8	10	Subuku Secondary, Sagana Primary, Habaswein Boys, Kahuho Secondary, Ndugamano Primary, PCEA Grace School, Soipan Primary, Kamumo Primary, Ganda Primary and Barwessa
	Installation of greenhouses under the micro irrigation programme	No. of greenhouses installed	8	10	
Integrated regional development dams	5.5 billion cubic metre High Grand Falls Multipurpose Dam constructed	% completion	10	0	High Grand Fall Dam PIP approved, project development phase concluded and its evaluation ongoing
Land Reclamation	Land Degradation mapping and assessment reports developed	No. of Assessment reports developed	2	2	Middle Tana and Mara (Talek) sub-catchment assessments done



Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Acreage of land reclaimed, rehabilitated and restored	Acres of land reclaimed, rehabilitated and restored	1,350	2,632	Through financial support from the Water Resource Authority (WRA) and the Coast Development Authority (CDA), undertook rehabilitation of 1,053 hectares through construction of gabions, terraces and planting of tree seedlings in the large Mwache dam catchment
Drought resilience	Water pans constructed to supply 298,282,500, m3 of water in ASALs	No. of water pans constructed	400	0	The project progress was hampered by the challenges occasioned by transfer of funds to the counties, delayed approval of County Governments Additional Allocation Act (CGAAA) by the Senate and delays in procurement.  Counties did not receive funding in FY 2023/24 due to non-absorption of funds allocated in FY 2022/23 occasioned by late disbursement of funds to counties  However, feasibility studies, detail design and procurement of tender documents are ongoing
		Cubic metres of water harvested	3,778,245	0	
Construction of flood mitigation structures	Length of dykes constructed	No. of Km constructed	11	8.398	Nyando and Isiolo flood control works at the procurement stage
	Check dams constructed	No. of check dams constructed	5	1	One complete, two underway (Osinoni is at 13 percent while TOT is under procurement)
	Flood control infrastructure maintained	No. of Infrastructure maintained	3	0	Target not achieved due to budgetary constraints

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Community managed irrigation projects	Community managed irrigation projects established	No. of projects established	44	21	18 projects were done under the National Expanded Irrigation programme and 3 under community-based irrigation projects completed
	An additional acre of land under irrigation annually	New acres of land under irrigation annually	34,000	8,044	National expanded – 7,294 acres, Murang'a Lot 3 – 600 acres Anyiko – 150 acres
Farmer Led Irrigation Development Initiative (FLID)	Acres of land put under Irrigation	Acres under irrigation	5,000	1,500	Offtake of the programme dependent on development of FLID Partnerships with financial institutions and establishment of an irrigation fund for derisking
	Farmers linked to financial institutions for irrigation de- risking	No. of farmers linked	5,000	2,500	Target not achieved
Expansion of existing irrigation schemes	Additional acres under irrigation	New acres under irrigation	40,000	0	The Institution did not undertake schemes expansion in the year FY 2023/24. However, 3,206 acres of expanded acreage realized in FY 2022/23 was cropped
Irrigation schemes utilization and productivity improvement programme	Surveys on best yield standards and management practices undertaken	Number of surveys undertaken	3	1	Done in Bunyala Irrigation Scheme under SRI
	Performance audit assessments undertaken	Number of performance audits undertaken	4	5	Bura, Tana, Ahero, Kimira Oluch, Lower Kuja schemes assessed
	Irrigation technologies promoted	No. of technologies	1	1	Promoted drip irrigation technology

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	IWUAs capacity built	No. of IWUAS	4	8	Eldume, Kanini, Wagamachame, Githuya, Kaigunji, Okundi, Thuci and Kaihi
Large scale irrigation	Large irrigation projects established	No. of irrigation schemes	1	1	Rwabura irrigation development was successfully completed in FY 2023/24
		No. of acres of land irrigated	18,124	1,500	Lack of budgetary provisions hindered the establishment of other targeted large irrigation schemes
Alternative Financing					
Construction of 100 large dams	Carry out new and review 45 Feasibility studies) for 55 new dams	No. of new feasibility studies done	44	11	Eleven (11) done (i.e. Mburanjiru Dam, Mutetha Dam, Ruiru Rwarera, Umaa; Badassa; Bosto; Isiolo, among others)
		No. of feasibility studies reviewed	25	7	This priority project and target is being implemented by the two State Departments. During the period, the. The State Department for Irrigation managed to review seven (7) feasibility studies
Galana-Kulalu Food Security Project implemented under PPP	Acres of land under maize production (under Production)	Acreage under production	10,000	538	538 acres put under maize production in a PPP pilot phase.  Project transiting to a private investor - Negotiations and Project Agreement finalized and forwarded to the PPP directorate for approval
	Acres of land irrigated	Acreage under irrigation	500	538	Target achieved
Turkana Irrigation Project	Acres of land irrigated	Acreage under irrigation	1,200	3290	2,400 existing acres were irrigated and additional new 890 acres developed

Source: State Department for Irrigation FY 2023/24 Reports

Table 47: Irrigation outcome implementation status for FY2023/24

Outcome	Indicators	Annual Targets 2023/24	Cumulative Achievement 2023-2024	Remarks on Over or Under achievement
Increased acreage under irrigation	Area of land under irrigation (Ha)	54,637	21,136	Actual expansion realized. Budget cuts and reported insecurity in Turkana region led to low achievements
Increased water harvesting and storage capacity	Volume of water harvested and stored	232,400,000 m <sup>3</sup>	7,674,252m <sup>3</sup>	Household water pans – 4,668,272 m <sup>3</sup> Community water pan – 3,185,980m <sup>3</sup>
Increased irrigated production	Quantity of rice produced	200,000	276,012	Ratoon crop and production on expanded areas facilitated targets over achievement

Source: State Department for Irrigation FY 2023/24 Reports

### 5.12.2 Policy, institutional and legal reforms

- (i) The Land Reclamation Policy conducted regional stakeholders' forums and validation with support from National Drought Management Authority (NDMA) and the International Union of Conservation Network (IUCN).
- (ii) The Cabinet memorandum was done and is awaiting submission to the Cabinet.

### 5.12.3 Implementation challenges

- (i) Delay by contractors in implementing contractual works due to several issues for instance land compensation issues
- (ii) Unfavourable weather conditions hindered work progress in most of the sites
- (iii) Limited budget to undertake land reclamation and rehabilitation works
- (iv) Lack of clear collaboration, coordination, and implementation mechanisms for land reclamation activities in the counties due to lack of a legal and institutional framework
- (v) Financial flow constraints, therefore, accumulation of pending bills resulting in contractors demobilizing from sites before project completion

### 5.12.4 Recommendations

- (i) Increase sector budget for land acquisition and resettlement
- (ii) Adequate and timely disbursement of project funds
- (iii) Increase supervision and follow-up of contractors throughout the project implementation cycle
- (iv) Fast-track policy, legislative, and institutional development and strengthening

# CHAPTER SIX

## 6.0 SOCIAL SECTOR

### 6.1 Overview

The Government is keen on investing in people through quality and affordable health care and education, and adequate jobs and skills to develop the country's human capital in an inclusive and sustainable manner. The sector makes provision for social protection of women, girls, children, youth, persons with disability, street families and the elderly as part of inclusion of vulnerable groups in national planning and development.

The sector comprises 13 State Departments and their agencies. The state departments are: Medical Services, Public Health and Professional Standards; Basic Education; Technical, Vocational Education and Training; Higher Education and Research; Labour and Skills Development; Social Protection and Senior Citizen Affairs; Public Service; Gender and Affirmative Action; Youth Affairs and Creative Economy, Sports and Culture, the Arts and Heritage; Performance and Delivery Management. The sub-section enumerates the sector performance, challenges encountered in the implementation during the review period, lessons learnt and sector-specific recommendations.



*Principal Secretary State Department for Social Protection and Senior Citizen Affairs Mr Joseph M. Motari, MBS, overseeing the Inua Jamii Programme registration at Gatanga Constituency in Murang'a County*

## 6.2 Public Health and Professional Standards Sub-Sector

The sub sector functions are centred around Public Health and Sanitation Policy; Preventive and Promotive Health Services; Policy on Human Resource Development for Health Care Workers; Health Education Management; Food Quality, Hygiene and Nutrition Policy; Quarantine Administration; Radiation Policy; Control and Management of Tuberculosis (TB) and other lung diseases; and Malaria Control and Management.

The key priorities for review for the period FY 2023/2024 for the State Department include Health Commodity Security; Human Resource for Health; Community Health High Impact Interventions; and Health Infrastructure.

### Sub-sector Performance

- (i) *Health commodity security*: Notable progress has been made, Maturity Level 3 standards for the National Quality Control Laboratory (NQCL) and Pharmacy and Poisons Board (PPB), with 85 percent of Institutional Development Plans (IDPs) addressed towards this goal.
- (ii) *Human resource for health*: The stipends were paid to 94,628 community health promoters (CHPs), though the target was 100,000 due to delayed funds from The National Treasury (TNT). The renewal of contracts for 8,550 Universal Health Coverage (UHC) staff was completed in Q2 for a one-year period. Medical interns were posted in Q1 and Q3, meeting the annual target of 1,200 interns. The recruitment of additional health personnel is to be achieved in the year to 2024/25. No specialized healthcare workers were trained due to a lack of approval and funding. However, progress was made in certifying the unregulated health workforce, with 16 workers recognized across 11 cadres in Q1 and an additional 5 in Q3. The development of a master register for healthcare workers is still in progress.
- (iii) *Community health high impact interventions* saw the operationalization of 168 Primary Healthcare Networks (PCNs), out of 315, as most counties are adapting to the new model. The establishment of 51 Community Health Units (CHUs) met the quarterly target, while 100,000 CHP kits were procured, fully achieving the target. The Electronic Community Health Information System (E-CHIS) was successfully rolled out. Training for 11,000 CHPs is ongoing, and progress is being made in training and mentoring Community Health Assistants (CHAs). The Baby Friend Community Initiative (BFCI) was rolled out in 831 CHUs, out of 9,600, with implementation primarily in counties under the Nutrition Improvement through Cash and Health Education (NICHE) program. The Integrated Management of Acute Malnutrition (IMAM) programme reached 388,378 children, achieving 53 percent of the target due to reduced donor funding and outreach efforts.
- (iv) *Health infrastructure*, the establishment of the National Public Health Institute (NPHI) is in progress. The Kenya Primate Research Institute's modernization is ongoing, with the achievement of 15 percent of its modernization target for the year, consistent with



the plan to achieve 100 percent over five years. Overall, the achievements reflect significant progress in many areas, with ongoing efforts to address the challenges and meet targets in the coming periods.

### 6.2.1 Sub-sector performance

Under the Health Commodity Security project, 85 percent of IDPs have been addressed towards Maturity Level 3. The Kenya Primate Research Institute has been upgraded. The Kenya Primate Research Institute was upgraded and the resource centre. Further, there was a slowdown in the operationalization of Primary Healthcare Networks (PCNs). The programme on community health did not have high impact interventions due to closure of financial year for most development partners.

### 6.2.2 Policy, legal and institutional reforms

- (i) Enacted four health laws to support universal health coverage: This includes Social Health Insurance Act, 2023, Primary Health Insurance Act, 2023, and Facility Improvement Act, 2023. The health laws have already been enacted and operationalized towards supporting the implementation of Universal Health Coverage.
- (ii) Migration policy for healthcare workers: The review of the process is ongoing to provide a framework to govern healthcare worker migration.
- (iii) Health and wellness policy guidelines: The review of the process is underway and aids in developing comprehensive policy guidelines on health, wellness, and geriatric healthcare.
- (iv) Disability mainstreaming policy: This is in progress and aims to support in developing a framework to guide disability mainstreaming.
- (v) Privacy Policy for Electronic Community Health Information System (ECHIS): The review of the process is underway to guide the implementation for ECHIS.
- (vi) School Health Policy 2023, which aims at updating the existing policy.
- (vii) Amendment to the Pharmacy and Poisons Board (PBB) Act: The process is ongoing and aims to allow for regulation of pricing of health products.
- (viii) Operationalize the Pharmacy and Poisons Board (PBB) and the National Quality Control Laboratory (NCQL): The review of the process is in progress. It purposes to comply with the requirements towards achievement of the WHO Maturity Level 3 status.

### 6.2.3 Implementation challenges

- (i) Inadequate budgetary allocation to support planned programmes and projects and over-dependence on development partner resources
- (ii) Incomplete and fragmented health information systems hinder effective planning and decision-making
- (iii) Sub-optimal collaboration between the two levels of government and other sectors



- (iv) Limited awareness on disease prevention strategies among community members

## 6.2.4 Recommendations

- (i) Increase domestic resource mobilization and funding for healthcare, through adoption of innovative financing mechanisms, and harnessing public private collaborations.
- (ii) Strengthen health information systems by investing in technology, and training healthcare workers on data collection and analysis.
- (iii) Develop and implement integrated health programmes that address both infectious and non-communicable diseases. This includes the strengthening of preventive measures, early detection, and treatment protocols.

The following table presents the implementation status on MTP IV outputs and key BETA priorities for the State Department for Public Health and Professional Standards for FY 2023/2024.

*Table 48: Public health and professional standards output implementation status for FY 2023/24*

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Health commodity security	Maturity Level 3 standards for NQCL/ PPB attained	Standards for NQCL/ PPB	1	1	Still implementing Institutional Development Plans (IDP) where 85 percent of IDPs have been addressed towards maturity level 3
Human resource for health	Existing Community Health Promoters (CHPs) paid stipend	No. of CHPs paid stipend	100,000	94,628	Variance due to delay by the National Treasury in releasing the funds
	Contracts for UHC staff renewed	Contracts for UHC staff renewed	8,550	8,550	Renewal of UHC staff was done in Q2 for one year as per PSC Circular PSCV/10/1/ (2) of 17th May, 2023
	Medical interns posted to internship training centres	No. of medical interns posted	1,200	3,759	Posted in Q1 and Q3
	Specialized and sub-specialized healthcare workers trained	No. of specialized and sub-specialized healthcare workers trained	100	0	Training not done due to lack of funds
	Unregulated health workforce mapped, verified and certified	No. of unregulated health workforce	10	16	The Board approved recognition of 11 cadres in Q1 and an additional 5 cadres in Q3

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Health workers Master register developed and maintained	Operational Master register for health workers	1	0	Exercise not done due to lack of funds
	Health Care workers exported	No. of health care workers exported	100	0	Bilateral labour migration agreements being done
	HRH policy developed	% of HRH policy developed	50	50	Draft HRH policy in place waiting validation
Community health high impact interventions	Primary health-care networks (PCNs) operationalized	No. of PCNs operationalized	315	168	Most counties owned up the process and adaptation to the new model
	Community health units operationalized across the country	No. of community health units established	200	231	Achieved the target
	CHPs kits procured	No. of CHPs procured	100,000	100,000	Target achieved
	Community health information system (E-CHIS) rolled out	Operational Community Health Information Systems (E-CHIS)	1	1	Achieved the target
	Community Health Promoters (CHPs) trained	No. of CHPs trained	11,000	18,000	Target surpassed
	Community Health Assistants (CHAs) trained, mentored and supervised on iCCM	No. of CHAs trained	1,800	1,500	Process ongoing
	Baby friend Community initiative (BFCI) rolled out	No. of CHUs implementing BFCI	960	831	The BFCI was rolled out in 5 counties (Kilifi, Kitui, Turkana, Marsabit and West Pokot) implementing the NICHE project
	Integrated management of acute malnutrition (IMAM) scaled up	No. of children with severe or moderate acute malnutrition accessing IMAM services	727,650	388,378	53 percent achievement.  There was scale down of outreaches and mass screening at community level in hard to reach areas due to reduced donor funding

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Health infrastructure	National Public Health Institute (NPHI) established and equipped	Operational NPHI	-	-	Board of Directors appointed. NPHI being operationalized
	KMTC campuses upgraded	No. of KMTC campuses upgraded	8	14	Target achieved
	Kenya Primate Research Institute upgraded	Modernized Kenya Primate Research Institute (100% modernized, i.e. yearly target 20 percent to achieve 100 percent over the 5-year period)	20	15	Target achieved (upgrade at administration block landscaping at resource centre done)

Source: State Department of Public Health and Professional Standards Reports, FY 2023/2024

The FY 2023/2024 outcome results by the State Department for Public Health and Professional Standards is presented in the following table.

Table 49: Public health and professional standards outcome implementation status for FY 2023/24

MTP IV Outcome	MTP IV Outcome Indicator	Baseline	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Increased access to universal healthcare	Doctors per 10,000 population	3.2	-	2.1	To be achieved in FY 2025/26
	Nurses per 10,000 population	20.8	-	11.1	To be achieved in FY 2025/26
Reduced malaria, HIV/AIDS, TB incidences	Malaria prevalence rate (%)	6	-	5.8	To be achieved in FY 2025/26
	TB incidence per 100,000 population	259	-	237	To be achieved in FY 2025/26
Improved nutrition	Prevalence of stunting among children under 5 years (%)	18	-	18	To be achieved in FY 2025/26

MTP IV Outcome	MTP IV Outcome Indicator	Baseline	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Prevalence of wasting among children under 5 (%)	5	-	4	To be achieved in FY 2025/26
	Percentage of children under 5 who are overweight (%)	3	-	4.1	To be achieved in FY 2025/26

Source: State Department of Public Health and Professional Standards Reports, FY 2023/2024

## 6.3 Medical Services

Medical Services sub sector in the Ministry of Health is critical towards ensuring that the healthcare state of the Country is elevated to global standards. Its functions revolve around Medical Services Policy, Curative health services, Health Policy and Standards Management, Training of Health Personnel, Pharmacy and Medicines Control, National Health Referral Services, National Medical Laboratories Services, Cancer Policy, Radiation Control and Protection, HIV/ Aids Management, Nutrition Policy, Immunization Policy and Management, Reproductive Health Policy, Preventive, Promotive and Curative Health Services, Health Education Management, and Quarantine Administration.

### 6.3.1 Sub sector performance

The performance of the State Department for Medical Services for FY2023/24 is detailed as follows.

- *Reduction of Maternal Mortality:* The facility maternal mortality ratio has increased to 103 per 100,000 live births, compared to the target reduction to 80 per 100,000 live births or less, indicating poor performance. In response, the national government has supported county governments in building the capacity of their healthcare providers. This support includes mentorship and technical assistance on Emergency Obstetric and Newborn Care (EmONC), continuum of care, quality of maternal care, and Maternal and Perinatal Death Surveillance and Response (MPDSR). These efforts aim to improve providers' competence in delivering maternal and newborn health services.
- *Improvement of Maternal and Neonatal Health:* There has been a decrease in the proportion of women seeking skilled birth attendance at health facilities, despite an increase in antenatal care attendance. The Ministry of Health, through the Division of Reproductive and Maternal Health, has developed policy documents guiding the provision of maternal and newborn health services. Additionally, the Ministry has continued to empower healthcare providers in maternal and newborn health units to assess the quality of care and gather feedback through exit interviews to improve service delivery.

- *Family Planning Performance:* Good performance in family planning can be attributed to increased capacity building of healthcare providers, collaboration with community health promoters (CHP) in providing family planning information, the rollout of newer and more acceptable methods, improvements in the logistics management information system (LMIS), and close collaboration with family planning stakeholders.
- *Maternal Mortality Ratio:* The maternal mortality ratio was assessed using facility-based health records. The data was collected from health management information systems (HMIS).

The following table presents the implementation status of key MTP IV outputs and key BETA priorities by the State Department for Medical Services for FY2023/2024.

*Table 50: Medical Services - Implementation Status on the key outputs and BETA priorities for -FY 2023/24*

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Health Financing	85% of Kenyans enrolled in the Social Health Insurance Scheme (SHI)	%of Households enrolled	24	25	Social health insurance still under establishment
	Essential Benefit package defined	Essential Benefit package	1	1	Awaiting gazettelement
	Consolidated Health Insurance schemes	No. of Health insurance schemes consolidated	5	5	Five schemes consolidated
	Health Benefit Package and Tariffs Authority (HBPA) established	Operational HBP	1	0	Legal framework in place
	Health Emergency and Chronic Disease Fund established	Operational Health Emergency and Chronic Disease fund	1	1	Incorporated in the social health authority
Health Commodity Security	National Health Procurement Board (NHPB) established	Operational NHPB	1	0	Not established
	Kenya Biovax Institute (KBI) established	Operational KBI (%)	100	15	Not achieved
	Plants for local manufacture of HPTs established	No. of plants established	2		Local manufacturing Road map developed and included within the Supply Chain Strategic Plan 2020-2025

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Comprehensive cancer management centers (Nyeri, and Kisii) completed, and Kisumu regional cancer center equipped	No. of comprehensive cancer centers completed equipped	3	0	The Institute support Kisii and Kitui County referral hospital to set up a mid-level cancer centre
	Radiotherapy bunkers established and equipped in Meru, Kakamega, Machakos and Embu cancer centres	No. of radiotherapy bunkers	4	0	This activity was not done
	Flow Cytometry machine acquired for the National Cancer Reference Laboratory	Operational Flow Cytometry machine	1	0	Flow Cytometry machine was not acquired
	East Africa Kidney Institute equipped	Operational East Africa Kidney Institute	100	60	The complex has been equipped. Awaiting commissioning of the equipment
Integrated Health Management Information System	Health facilities and services digitized	No. of health facilities digit	121	127	Surpassed the targets. More county facilities continuing to digitized
	Integrated Health Management Information System (IHMS) established	Operational IHMS	1	1	Operationalized
	Afya Bora Mashinani dashboard developed	Real time Afya Bora Mashinani dashboard	Yes	Yes	Dashboard displaying analytic reports
	National Health Data Center Operationalized	Operational National Health Data Center	1	1	Operational
	Public hospitals providing Telemedicine Services	No. of Public Hospitals providing telemedicine services	4	2	Isiolo and Kenyatta National Hospital linked
	Kenya Tissue and Organ Transplant Centre established	Operational Kenya Tissue and Organ Transplant Centre	1		Implementation of the project will be initiated in FY2024/25.

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	KEMRI research labs constructed/upgraded No. of KEMRI research labs constructed/upgraded	KEMRI research labs constructed/upgraded No. of KEMRI research labs constructed/upgraded	1	1	KEMRI completed the construction of Centre for Community Driven Research, (CCDR) Kirinyaga and currently awaiting to be fully equipped with laboratory equipment, other facilities and resources in FY2024/25 to enable it to deliver its scientific research mandates, health promotion and support community engagement activities.
					Tenders for construction of laboratories of CMR/CPHR block (Nairobi) and Kwale phase I were concluded and contracts signed in FY2023/24.
	KEMRI Centre of Excellence in Precision Medicine established Operational Centre for Precision Medicine	KEMRI Centre of Excellence in Precision Medicine established Operational Centre for Precision Medicine	1	0	Implementation of the project will be initiated in FY2024/25.
	Kenya Primate Research Institute upgraded Modernized Kenya Primate Research Institute	Kenya Primate Research Institute upgraded Modernized Kenya Primate Research Institute	1	0	Implementation of the project will be initiated in FY2024/25.
	Moi Teaching and Referral Hospital (MTRH) modernized	Moi Teaching and Referral Hospital (MTRH) modernized	Equipping of Radiotherapy Unit at MTRH. (Multi-Year Project)	Projects awaits official commissioning	
		Procurement of medical equipment and accessories as per the approved procurement plan			



Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Completion of equipping of ICUs at MTRH	Procure and establish HDU Unit at the new Cathlab	1	0	Equipment advertised on 3rd March 2024.

Source of Data: Ministry of Health; NCPD Reports, FY2023/24

At outcome level, the State Department for Medical Services registered the achievements presented in table 51 that follows.

Table 51: Medical Services– Outcome Results for FY 2023/2024

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Increased access to universal healthcare	Proportion of population covered under SHI	30	25	Registration is under going
Reduced child Mortality	Neonatal mortality rate (per 1000 live births)	12	21	Target not achieved
	Infant Mortality Rate (per 1000 live births)	18	32	Target not achieved
	Under 5 Mortality Rate (per 1000 live births)	25	41	Target not achieved
	Proportion of under 1-year old children fully immunized	85	80	Target not achieved
Reduced Maternal Mortality	Facility based maternal mortality rate per 100,000 deliveries	80	103	Poor performance, showing an increase in Maternal deaths. Most of the deaths are preventable and due to poor quality of care
Improved maternal and neonatal health	Proportion of births attended by skilled health personnel	80	73	Trends are going down due to delayed Linda mama/NHIF reimbursements and Doctors and clinical officer's strike.
	4th ANC Coverage	58	63	Surpassed the target, need to increase the target
	Modern Contraceptive Prevalence Rate (MCP	64	57	Positive Performance
	Unmet need for family planning	10	14	Performance is on course

Source of Data: Ministry of Health; NCPD Reports, FY2023/24

## Description of Results

The State Department developed its first Strategic Plan 2023-2027 to provide a roadmap to implementation of the manufacturing and commercialization of vaccines and biotherapeutics. Renovation of the warehouse for the manufacturing plant is at 40%. The procured Contractor failed to complete the works as per the Bill of Quantities and the Contract was terminated. A total of Nineteen (19) staff have so far been recruited.

Non-Disclosure Agreements with 2 existing vaccine manufacturers have been signed – Management has progressed to sign MoUs with BioFarma Indonesia and SK BioScience South Korea.

The State Department Signed MoUs with 2 research organizations, KEMRI and KIPRE- KBI led the negotiations leading to the accession of the Republic of Kenya to International Vaccine Institute on 5th June 2024; Negotiation of host country IVI/ AVEC agreement is ongoing. The Biosafety and Biosecurity Policy manual and the Finance Policy were developed.

### 6.3.2 Policy, Institutional and Legal Frameworks

The following Policies, institutional and Legal frameworks were developed in the period under review:

- i. The social health insurance Act was established 'No 16 of 2023.
- ii. Social Health Authority was established.
- iii. The social Health Insurance Fund established.
- iv. The Emergency, Chronic and Critical Illness Fund was established
- v. The Digital health bill was finalized and enacted,
- vi. The adolescent health policy was finalized.
- vii. The National Cancer Control Strategy was launched and disseminated to >90% of counties
- viii. The Facility Improvement Financing Act, 2023 was passed and aims at structuring the process and guiding the counties on how to provide for the retention, management and use of revenue derived from health-related services rendered at public health facilities and for connected purposes.
- ix. An Act of Parliament to establish the framework for the management of chronic illness and emergency medical care to promote financial protection and access
- x. Bilateral Labour Agreements were developed between some countries with clear guidelines, frameworks and MoUs for migrating nurses
- xi. The ICT department managed to develop a digital registration tool that will facilitate the registration of members to the Social Health Insurance Fund (SHIF). The tool is expected to be rolled out in March 2024.
- xii. Telemedicine guidelines were finalized
- xiii. The Health Information Exchange (HIE) superhighway, Kenya national health terminology service and the client registry were developed

### 6.3.3 Implementation Challenges

- i. Over reliance on donors for programmatic activities
- ii. There were delays in the approval of the FY 2023/2024 supplementary estimates No. 1 by the National Assembly
- iii. There exists a gap of Human Resources (including specialized cadres) as the amount of work exceeds the existing workforce
- iv. There exist funding delays from partners who had made commitments to support certain activities.

### 6.3.4 Recommendations

- i. *Addressing Priority Issues:* In the coming year, the Ministry of Health will focus on several priority issues critical to achieving national and regional development priorities. These issues include:
  - **Staffing:** Addressing the shortage of qualified healthcare providers remains a top priority. Efforts should be intensified to recruit, train, and retain healthcare Providers.
  - **Infrastructure Development:** Improving health facility infrastructure. This involves upgrading existing facilities, constructing new ones.
  - **Resource Availability:** Ensuring a consistent supply of essential medicines, medical supplies, and equipment to be prioritized. Strengthening supply chain management systems and establishing emergency stock reserves will help mitigate shortages and improve service delivery.
  - **Community Engagement:** Enhancing community outreach and education programs to increase awareness and utilization of maternal and newborn health services. Tailored interventions will be developed to address cultural and social barriers, thereby improving health outcomes.
- ii. *Changes in the operating environment*
  - *Enhanced Data Utilization:* Leveraging advancements in health information technology to improve data collection, analysis, and decision-making. This will enable more targeted interventions and efficient resource allocation.
  - *Strengthened Partnerships:* Building stronger partnerships with international donors, NGOs, and private sector stakeholders to mobilize additional resources and technical support. Collaboration will be key to addressing complex health challenges and achieving sustainable improvements.
  - *Policy and Regulatory Adjustments:* Reviewing and updating health policies and regulations to reflect current needs and best practices. This includes incorporating lessons learned from recent initiatives and ensuring alignment with national health strategies.
  - *Adaptive Program Management:* Implementing flexible program management

strategies to quickly adapt to emerging challenges and opportunities. This includes regularly reviewing progress, identifying areas for improvement, and making necessary adjustments to plans and approaches.

## **6.4 Labour and Skills Development Sub sector**

The sub sector plays a key role towards realization of the aspirations of the Kenya Vision 2030 by providing an adaptive human resource base that meets the requirements of a rapidly industrializing economy. The focus is on creation of jobs, improvement of productivity and promotion of a conducive working environment for Kenyans. It is, therefore, an enabler of socio-economic transformation.

The strategic objectives of the sub-sector are to: ensure effective coordination, planning and reporting on policies, projects and programmes in the State Department; coordinate the development/review of the sectoral policies and plans; coordinate the monitoring and evaluation of the State Department's Projects and Programme; strengthen the budgetary process in the State Department; enhance industrial peace and harmony in the country; and provide labour market statistics.

The key targets for the review period under review include: Resolution of all labour disputes both locally and abroad; Carry out 10,300 workplace inspections on wages and terms and conditions of employment terms; Establish and operationalize 10 county child labour committees; Repatriate all cases of migrant workers' distress; Attest and/renewal 90,000 foreign contracts; Inspect 400 trade unions' books of account; Medically examine 125,000 workers in hazardous occupations; Place 140,000 job-seekers in gainful employment; Vet and register 520 private recruitment agencies; Negotiate and sign 4 Bilateral Labour Agreements in key destination countries; Assess and certify 10,000 persons under the recognition of prior learning; Place 40,000 trainees in industrial attachment; Provide 233,000 Kenyan migrant workers with pre-departure training; Undertake 2 national manpower surveys; Develop 20 national and sectoral productivity indices; train 10,000 youths on online employment skills; and develop and review at least 3 labour policies and Acts.

### **6.4.1 Sub-sector performance**

#### **Social welfare system for Kenyans living in the diaspora**

The proposed Kenyan Migrant Workers Welfare Fund seeks to address some of the challenges that Kenyan migrant workers face in their countries of destination. The Fund will enable the migrant workers meet expenses related to repatriation of workers in distress or their remains in case of death, legal fees for workers in detention, medical care for workers while abroad, return and reintegration services, training and other social support services. The proposed fund will be contributory in nature and will be funded by migrant workers through contributions and subscriptions. Stakeholders' consultation is ongoing, and the fund is expected to be in place within the FY 2025/26.

#### **Strengthening linkages between industry and training institutions**

There is need to have strong nexus between training institutions and industries in those training institutions ought to produce learners who are ready for the job market. Towards this, the

National Industrial Training Authority (NITA) continues to re-skill and upskill workers on new skills emerging in the labour market. The Authority placed 1,000 students and lecturers in industrial attachment and 25 others were placed under apprenticeship. Further, 158,074 workers in textiles and apparels within the EPZ were trained on relevant industrial skills. A further 59,422 from the housing and construction sector were assessed in Government trade testing.

### **Labour migration**

The State Department developed a National Policy on Labour Migration that seeks to provide a framework for labour migration in the country. High levels of unemployment in the country have forced many Kenyans to seek employment opportunities abroad, with the hope of improving their livelihoods. However, labour migration from Kenya is largely unregulated and involves numerous public sector agencies. This results in duplications and weakening of efforts to coordinate the migration. The policy will address the issue of uncoordinated labour migration with a view to bringing harmony to the whole process of labour migration. The State Department negotiated several BLAs with various key labour destination countries and is currently implementing two BLAs (the BLA between Government of Kenya and the Government of the United Kingdom of Great Britain, the Northern Ireland for Collaboration on Health Care Workforce and the BLA between Government of Kenya and the State of Qatar on Regulation and Employment of Kenyan Migrant Workers), and several others are in various stages of negotiations. Besides, the State Department placed 88,631 workers in jobs abroad through the National Employment Authority.

### **Occupational safety and health**

The State Department medically examined 193,282 workers in hazardous occupations with a view to promoting occupational health. A total of 22,248 hazardous industrial equipment was examined in the period under review. A review of the Work Injury Benefits Act (WIBA) was subjected to public participation and the stakeholders' comments are being considered. An integrated OSH Information Management System (OSHIMS) was conceptualized and is undergoing user testing awaiting roll-out.

### **National human resource planning and development**

A Labour Market Information System (LMIS), a system that provides up-to-date labour market statistics, was developed and customized into KLMIS. Visualization tools were installed to facilitate the generation of Labour Market Information (LMI) in pictorial/graphical form from the data stored in KLMIS. An STLI (Survey of Training in Local Institutions (STLI) in Technical and Vocational Training Centres was carried out. The survey seeks to find out the match between demand and supply of relevant technical courses in the labour market.

### **Productivity and competitiveness**

Productivity mainstreaming in the public sector was introduced with the aim of enabling MDAs to develop, implement and adopt strategies and interventions to support them measure, manage and improve productivity and ultimately entrench a culture of productivity. Towards this, the NPCC assisted 483 MDAs in developing productivity measurement metrics. A productivity statistics report on 20 economic sectors was also published.

## **Promotion of harmonious industrial relations**

An Alternative Disputes Resolution (ADR) mechanism for labour and employment disputes was established as provided for under Article 159 (2)(c) of the Constitution and Labour Relations Act of 2007 to ensure expeditious conciliation and mediation services for disputes outside the existing arbitration through the Employment and Labour Relations Courts. It provides an amicable, faster and cost-effective framework for settlement of disputes and preserves social dialogue throughout and after resolution, and it is therefore the preferred mode of dispute resolution.

Towards operationalization of the ADR, the Ministry provided conciliation services to the seven (7) economic disputes received from the Employment and Labour Relations Court; established a secretariat for the Alternative Dispute Resolution; established a multi-agency committee to address health workers' issues; and settled five (5) disputes.

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

## **Promotion of decent work in the digital economy**

The State Department sought to digitize industrial training centres to promote decent work in the digital economy. However, the same was not achieved in the period due to budgetary constraints.

## **Integrated service delivery models**

A one-stop centre for labour migration services to enable seamless labour export was established and operationalized. The centre brought together various service providers that are essential to labour migration under one set-up where all migrant workers get services under one roof.

## **Management of skills development and post-training**

The State Department trained 9,188 youths on online employment skills and 4,000 others on talent, innovation, innovation and entrepreneurship development.

## **Portability of knowledge, skills, innovation and technical resources to diaspora**

The Bilateral Labour Agreement between (BLA) Kenya and the UK is currently under implementation. As of April 2024, 280 nurses have been recruited to work in the UK under the agreement since its signing.

Table 52: Labour and skills development output implementation status for FY 2023/24

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Social welfare system for Kenyans living in the diaspora	Kenya Migrant Workers Welfare Fund (KMWWF) established	% of establishment of the KMWWF Fund	-	-	The Multi-Agency Technical Committee, drawing membership from relevant agencies involved in labour migration, developed a policy framework and roadmap towards establishment of the Fund; Reviewed benchmarked studies reports of four countries (Philippines, Sri Lanka Vietnam, Nepal) with similar funds; sought advisory from the Office of the Attorney General and the National Treasury on the legal anchorage for the fund; Reviewed the existing legal and policy frameworks to best anchor the fund; developed a policy matrix and model for the fund in Kenya; and developed draft regulations for the funds
Social security coverage to the informal sector	NSSF registration process integrated; auto debit process for Mobile Network Operators (MNO) established	% of integration of NSSF registration process	25	0	Target not achieved. The process did not kick-start in the period under review as it was yet to get the required approval from the Central Bank of Kenya
	Informal sector social security guidelines developed	% of operationalization of auto debit process for MNOs guidelines	25		
Strengthening linkages between industry and training institutions	Students and lecturers placed on industrial attachment	No. of students and lecturers placed on attachment	4,000	37,800	Target achieved. National Industrial Training Authority placed 37,800 students and lectures in industrial attachment



Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Teachers and students placed under apprenticeship	No. of teachers placed on apprenticeship	100	0	Target not achieved
	Industrial Training and Attachment Portal (ITAP) upgraded	% Of Upgraded ITAP	20	0	Target not achieved. A firm was awarded an ERP contract to carry out the upgrade in Q4 of FY 2023/24
	Industrial training centres upgraded	No. of centres upgraded	1	0	Target not achieved due to lack of funds because of budget cut affected the delivery of this target
Labour migration	Bilateral labour agreements (BLAs)	No. of BLAs	2	0	Target not achieved. However, Seven (7) draft Agreements are on different stages of negotiations: Germany, Ethiopia, Oman, Serbia, Bahrain, Austria, Canada
	Kenyans placed in jobs	No. of Kenyans placed in jobs	400,000	107,756	National Employment Authority placed a total of 107,756 Kenyans in employment locally and abroad. 18,875 have been placed locally while 88,631 have been placed in foreign countries. The achievement is pegged on availability of job orders
	Assessment of skills in demand in destination countries conducted	No. of country skills assessment	2	0	Target not achieved but the State Department of Diaspora Affairs conducted a market analysis of the labour market of Canada
National human resource planning and development	Kenya Labour Market Information System (KLMIS) upgraded	No. of KLMIS upgraded	15	1	Target not achieved but visualization tools installed in the KLMIS to facilitate generation of Labour Market Information (LMI) in pictorial/graphical form from the data stored in KLMIS

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Labour market surveys conducted	No. of surveys	1	1	Carried out a Survey of Training in Local Institutions (STLI) in technical and vocational training centres
Productivity and competitiveness	Productivity and competitiveness award programme established	Operational productivity and competitiveness award	1	0	Target not achieved but concept note for the productivity and competitiveness award is at the development stage.
	Labour productivity model produced, and productivity statistics produced	Annual national and sectoral productivity indices	20	20	Productivity statistics report in 20 economic sectors developed
Promotion of harmonious industrial relations	Alternative Dispute Resolution (ADR) mechanism for labour and employment operationalized	No. of labour and employment disputes resolved	80	80	ADR mechanism applied in resolving labour and employment disputes leading to resolution of 9,587 cases
	County labour offices established and operationalized	No. of additional county labour offices	4	1	Mandera County Labour office was opened and operationalized. The other 3 county offices were not established owing to inadequate budget allocation
Promotion of decent work in the digital economy	Skill development in industrial training centres digitized	No. of digitized industrial training centres	5	0	Target not achieved due to funding challenges
Integrated service delivery models	One-stop-centre for labour migration services established	% of completion	-	1	A one-stop centre for labour migration services was established and operationalized. It still needs recourses to be fully functional, including furniture, computers, etc
Management of skills development and post-training	Enhanced access to work-based learning programmes	No. of youth trained on on-line employment skills	10,000	9,188	Target was not achieved as budget cuts affected the realization of this activity

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
		No. of youth trained on talent, innovation and entrepreneurship development	4,000	4,000	
		No. of youth trained under the Agricultural Mentorship and Skill Share Programme	10,000	0	
		No. of STEM graduates placed under the National Volunteering Programme (G-united)	376	0	
Portability of knowledge, skills, innovation and technical resources to Diaspora	Bilateral labour agreement between Kenya and the UK, Saudi Arabia, Kuwait and Bahrain implemented	No. of bilateral labour agreements	1	1	The BLA between Kenya and the UK is currently under implementation. As of April 2024, 280 nurses have been recruited to work in the UK under the agreement since its signing

Source: State Department for Labour and Skills Development Reports, FY 2023/2024

## Labour and skills development outcome results for FY 2023/24

Table 53: Labour and skills development outcome implementation status for FY 2023/24

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Increased access to employment opportunities	No. of jobs created ('000)	848.2	940	According to KNBS Economic Survey 2023, there were 848.2 jobs generated in the economy
	No. of migrant workers placed in employment abroad ('000)	88,631	70	Target achieved. National Employment Authority placed 88,631 job seekers in jobs abroad
	Unemployment rate (%)	-	5.5	Labour Force Survey not published

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	No. of people Accessing the labour market information in the KLMIS ('000)	28,650	450	The indicator depends on the number and frequency of people accessing the KLMIS
Reduced distress cases of Kenya migrant workers	The proportion of distress cases of migrant workers (%)		4.5	The State Department resolved all 787 cases of distress reported. Target needs to be adjusted
Improved labour productivity	Country Competitiveness Index (Out of 141)	-	90	Ranking not done in the last three years
	Country Labour Productivity (%)		3.0	Latest data not available
Enhanced human capital development	No. of persons assessed and certified under the recognition of prior learning	527	1000	The underachievement was occasioned by the fact that a number of enrolled trainees were on skills upgrading programme, which does not require them to be attached at the end of the training
	No. of persons assessed and certified in government trade testing	59,422	80,000	Target Achieved.
	No. of workers trained in relevant industrial skills, including textile and apparels within EPZ	158,074	60,000	Over-achievement was due to continued sensitization of all stakeholders on the available programmes in the Authority

Source: State Department for Labour and Skills Development Reports, FY 2023/2024

The proposed Kenyan Migrant Workers Welfare Fund seeks to address some of the challenges that Kenyan migrant workers face in their countries of destination. The Fund will enable the migrant workers meet expenses related to repatriation of workers in distress or their remains in case of death, legal fees for workers in detention, medical care for workers while abroad, return and reintegration services, training and other social support services. 1000 students and lecturers in industrial attachment and 25 others were placed under apprenticeship. Further, 158,074 workers in textiles and apparels within the EPZ were trained in relevant industrial skills. A further 59,422 from the housing and construction sectors were assessed in Government trade testing. NITA continues to re-skill and up skill workers on new skills emerging in the labour market.

Labour migration from Kenya is largely unregulated and involves numerous public sector agencies. This results in duplications and weakening of efforts to coordinate the migration. The State Department medically examined 193,282 workers in hazardous occupations with a view to

promoting occupational health. A total of 22,248 hazardous industrial equipment was examined in the period under review. A review of the Work Injury Benefits Act (WIBA) was subjected to public participation and the stakeholders' comments are being considered. An integrated OSH Information Management System (OSHIMS) was conceptualized and is undergoing user testing awaiting roll-out.

#### 6.4.2 Policy, institutional and legal frameworks

##### Policy reforms

There have been a number of policy reforms undertaken by the State Department for Labour and Skills Development, which aim at contributing to the overall achievement of the set targets.

- (i) The National Policy on Labour Migration was forwarded to the National Assembly and passed as Sessional Paper No. 5 of 2023. The Policy aims at promoting inclusive and sustainable development of the country through safe, orderly and productive labour migration, promoting good governance in labour migration, protecting migrant workers and promoting their welfare and that of their families, and optimizing labour migration benefits in development. This will lead to increased workers in jobs abroad, leading to enhanced diaspora inflows.
- (ii) The National Policy on Linking Industry to Education, Training and Research was finalized and launched in FY 2023/24. The Policy seeks to promote and strengthen linkages between industries to education, training and research to drive a knowledge-based and globally competitive economy.
- (iii) The National Policy on Work-Based Learning whose main goal is to promote an integrated work-based learning system was also developed and operationalized during the period under review.
- (iv) The National Wages and Remuneration Policy was developed, and it aims at providing a framework and necessary guidance on wage levels, wage formation and adjustment mechanisms and other wage administration issues to be applicable in the country. The draft Policy was adopted by the National Labour Board and discussed with stakeholders drawn from all agencies dealing with workers' remuneration. The Policy is awaiting stakeholders' validation, which is expected to be undertaken within the end of 2024.
- (v) A review of the National Policy on Elimination of Child Labour, which seeks to end child labour in all sectors was undertaken. A draft policy has been developed and is currently undergoing stakeholder engagement.

##### Institutional reforms

- (i) *National Labour Board*: The Labour Institutions Act of 2007 has faced implementation challenges. One such challenge that is currently being addressed is the operation of the National Labour Board. It has had some operationalization challenges over the years due to resource constraints, but more recently the Board has had some regular meetings and activities, partly with the support of partners. Among other things, it established the Seafarers' Wages Council and approved a number of conventions for

ratification. Issues relating to the harmonization of registration of trade unions have also been discussed.

- (ii) *Sector Wages Councils*: Two (2) of the 13 sector wages council have been established but new members are yet to be appointed. They have, however, been incapacitated due to resource constraints. Resources are required to pay members honoraria and build their capacity while supporting operations such as meetings.
- (iii) The review of the *National Policy on Elimination of Child Labour* and its resultant National Action Plan for the Elimination of child labour is in its final stages of development, having undergone stakeholders' engagement.
- (iv) *Establishment of Alternative Dispute Resolution Mechanism*: Establishment of an institutional mechanism for Alternative Dispute Resolution (ADR) for labour and employment disputes is provided for under Article 159 (2) (c) of the Constitution of Kenya. The mechanism promotes social dialogue, labour productivity and decongestion of the already burdened Employment and Labour Relations Court. There are draft rules and regulations in place. Appointment and induction of conciliators has also been done. More resources are needed for additional conciliators and their capacity building.

### Legal and regulatory reforms

- (i) The Occupational Safety and Health Practitioners Bill, 2024 (proposed): The Bill is in the initial drafting stage.
- (ii) Labour Migration Management Bill, 2024: The revised Labour Migration Management Bill, 2024 which had been subjected to stakeholder participation has been forwarded to the Attorney General's Office for legal drafting and guidance.
- (iii) The National Productivity and Competitiveness Council Bill, 2024 was submitted to the Office of the Attorney General for legal drafting.
- (iv) National Skills Development Bill, 2024: This is an Act of Parliament to provide for the establishment of the National Skills Development Council and to provide for the regulation and registration of sector skills councils to assure standards and for other connected purposes. It has been submitted to the Attorney General's Office in 2023.
- (v) Workers Injury Compensation Fund: The to establish the fund is undergoing public participation from 8<sup>th</sup> April to 15<sup>th</sup> May 2024.
- (vi) The Occupational Safety and Health Bill, 2024 (proposed): The Bill is currently undergoing public participation between 8<sup>th</sup> April and 15<sup>th</sup> May 2024.
- (vii) The Occupational Safety and Health Practitioners Bill, 2024 (proposed): The Bill is in the drafting stage.
- (viii) Industrial Training Bill, 2024: The Bill is in the initial drafting stages.
- (ix) National Social Security Fund (Amendment) Bill, 2024: Miscellaneous Amendments to incorporate Unemployment Benefits under Section 34 of the National Social Security Fund Act, No. 45 of 2013. The draft miscellaneous amendments and draft regulations

have been developed. Stakeholder mapping and engagement plans have also been developed and approval has been obtained from the Board of Trustees to commence public participation. It now awaits a court case to commence public participation.

The National Employment Authority (Amendment) Bill, 2024: To amend the National Employment Authority, 2016 to address identifies gaps. The proposed amendments are under consideration by the Senate.

### **Statutory instruments initiatives**

- (i) The Occupational Safety and Health (First Aid in the Workplace) Regulations was Gazetted on 11<sup>th</sup> March 2024. It is meant to guide occupiers on means of preserving life and minimizing the consequence of injury in case of an accident at work; and
- (ii) Provide for the prerequisites for carrying out First-aid in workplaces.
- (iii) The Industrial Training Levy Regulations, 2024 were submitted to the Attorney General's Office for legal drafting. It is intentional towards the provision of the administration of the Industrial Training Levy collected under the Industrial Training Act.

The primary legislation in the sub-sector has, however, not been reviewed. They include:

- (i) Employment Act, 2007
- (ii) Labour Relations Act, 2007
- (iii) Labour Institutions Act, 2007

The delayed review of the laws is not only a challenge for the sub-sector, but a major problem given the impact of labour laws on all other sectors of the economy. Their formulation and review are involving due to the extensive stakeholder engagement required. The intention to review them in the year 2024/25 may not materialize after the initiative was granted Ksh. 280,000 out of a request for Ksh. 175 million.

There are many reasons why these laws should be reviewed, including the current constitutional dispensation. The most urgent need now is to seize on the emerging employment opportunities, including BPOs, which was envisaged to be one of the six key sectors of the economy by 2030. This is particularly acute in light of the employment crisis that is now an underlying cause of instability in the country.

### **6.4.3 Implementation challenges**

The State Department for Labour and Skills Development plays a major role in national development. However, several challenges hamper the attainment of these developmental roles. The major challenges include but are not limited to:

- (i) Outdated labour laws
- (ii) Low human resource capacity
- (iii) Low levels of productivity and competitiveness
- (iv) Slow pace in completion of Occupational Safety and Health Institute



- (v) Upsurges in industrial actions in the public sector. Frequent budget cuts delayed the completion of key projects such as the National Occupational Safety and Health (OSH) Institute
- (vi) Obsolete training equipment and dilapidated industrial training centres
- (vii) Lack of a framework and weak collaboration between institutions in sharing the requisite labour market information
- (viii) Frequent changes in technology and customer needs, prompting continuous training for workers and review of curricula
- (ix) Lack of appropriate legislation on labour migration
- (x) Inadequate awareness and weak productivity culture within the populace

#### 6.4.4 Recommendations

- (i) **Outdated labour laws:** Outdated laws are a major challenge, especially considering emerging employment opportunities. Piecemeal funding of infrastructure has been a challenge leading to slow completion. At the same time, data on areas of interest is inadequate. The quarterly labour force surveys are not always published, and when they are available, they usually come late such that the data is not very relevant. Unemployment is a historical problem. It can, however, be addressed by taking advantage of emerging employment opportunities, including BPOs and existing initiatives such as labour migration interventions. This, however, requires a review of the labour laws because dating back to 2007, they came before areas such as the digital economy, and remote work across geographical borders.
- (ii) *Low human resource capacity:* The State Department for Labour is one of the enablers for Kenya's economic growth and development, and a foundation for national transformation. However, the Department has suffered perennial challenges in its human resource capacity. The State Department operates with a staff capacity of 31 percent of the staff establishment, which is less than the optimal level of 55 percent. In addition, the aging workforce has adversely affected succession management in the Department, where 49 percent of the staff is in the age-bracket of 51-60 years. The low staff capacity has adversely affected the operations of the State Department since the number of staff is inadequate to cover the whole country.
- (iii) *Low levels of productivity and competitiveness:* There is need for increased awareness on productivity improvement initiatives in all sectors of the economy and to develop a productivity culture among Kenyans from an early age. Kenya's overall labour productivity measured by output per person employed has remained low and has grown slowly over the years. The country's overall labour productivity index dropped slightly from 100 in 2012 to 99.53 in 2013 but increased minimally to 101.25 in 2014, 102.76 in 2015 and 105.69 in 2016. This shows that labour productivity increased cumulatively by 9.23 percent or by an average of 2.31 percent per annum over the 4-year period. Kenya's Global Competitiveness Index is also low and ranged between 3.7 to 3.9 out of 7 between 2012/13 and 2016/17 financial years. The country's GCI and ranking is, arguably low, compared to those of competitor countries. Some of the

factors responsible for Kenya's low productivity and competitiveness are inadequate awareness, and a weak productivity culture within the populace, weak stakeholder involvement in productivity movement and campaigns, and inadequate focus of productivity improvement initiatives in the public sector.

- (iv) *Slow pace in completion of Occupational Safety and Health Institute:* The construction of the Institute was initiated over nine years ago but has not been completed due to frequent budget cuts. The Institute will be expected to offer safety and health expertise and act as referral OSH institute in East and Central Africa. It is expected to serve as a testing centre for plant, materials, personal protective equipment (PPE), dust and fumes samples from workplaces and as a demonstration centre with models of best methods for control of hazards. In the 2023/24 financial year, the project was allocated Ksh. 206.43 million. It is expected that the project will be completed in FY 2025/26.
- (v) *Upsurges in industrial actions in the public sector:* Most industrial unrests in the country are in the public sector. Although there are many causes of industrial action, the ones in the public sector tend to be associated with terms and conditions of employment, and especially failure to negotiate or non-implementation of registered Collective Bargaining Agreements (CBAs). Increase in industrial action also points to weak frameworks for social dialogue and an ineffective industrial relations system.
- (vi) *Low financial resource capacity:* The State Department has continued receiving inadequate funding despite its wide mandate and emerging issues. This has, therefore, hindered effective implementation of the Department's mandate since it has not been able to recruit the required staff, purchase vehicles and working tools and equipment especially for field office charged with ensuring safe workplaces and adherence to the labour standards on terms and conditions of employment. The challenge is further aggravated by budget cuts during the financial year.

## 6.5 Public Service Sub sector

The sub-sector is currently domiciled at the Ministry of Public Service, Performance and Delivery Management created under Executive Order No. 2 of November 2023 on the Organization of the Government of the Republic of Kenya. The functions as provided are: Public Sector Reforms and Transformation, including Operational Standards and Process Engineering; GHRIS and Services; Internship and Volunteer Policy for Public Service; Government Payroll Policy and Standards; Government Shared Support Services; Research, Development and Public Service Delivery Innovations; Public Service Career Planning and Development; Administration of Insurance and Welfare Programmes for Civil Service, including Comprehensive Group Life, Last Expense, Work Injury Benefits and Group Personal Accident (GPA) Insurance Cover and; Counselling Policy Service.

### 6.5.1 Sub-sector performance

The results indicate that customers can access Government services through the one-stop-shop, therefore reducing the transaction cost (cost of accessing government services), and improving the economic welfare of citizens. Achievement of the targeted outputs as indicated in

Table 19 shows that some targets were not achieved due to inadequate funding. Generally, the overall performance was good. Other priorities for the Department are as follows:

- (i) *Strengthening linkages between industry and training institutions:* Implementation of a one-year paid national internship programme.
- (ii) *Public service reforms:* This entails the development of career progression guidelines frameworks; development and implementation of a strategy to harness and transfer of knowledge, skills and competences in the public service; strengthening KSG capacity; development and implementation of a master plan on scarce and high priority skills; development of County Public Service Transformation Framework and Sector-Specific Transformation Plans; and provision of a comprehensive medical insurance scheme for civil servants, among others.
- (iii) *Youth skilling, employment, and wealth creation:* The State Department focused on the training of youth in paramilitary, national service, technical and vocational skills annually; engaging youth in tasks of national importance and National Youth Service (NYS) commercial enterprises; and construction of NYS classrooms, workshops, and double pan barracks.
- (iv) *Human capital systems:* Key among the goals of SDPS is enhancing efficiency in public service delivery by updating the GHRIS infrastructure and consolidating the public service human resource data.

The following table presents the output results for the State Department for Public Service for FY 2023/2024.

Table 54: Public service output implementation status for FY 2023/24

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Strengthening linkages between industry and training institutions	One-year paid national internship programme implemented	No. of Graduate Assistants placed on internship in various industries	3,000	0	Target not achieved
Public service reforms	Career Progression Guidelines Frameworks for MDAs and Counties	No. of Career Progression Guidelines Frameworks developed	1	1	Target achieved
		No. of MDACs supported	25	26	Target achieved

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	A strategy to harness and transfer knowledge, skills and competencies in the public service developed and implemented	No. of strategies developed	1	0	Target not achieved but a draft Human Resource Development Strategy has been developed
	KSG capacity strengthened	No. of priority programmes developed	5	8	Target achieved, Child Protection Systems and Services Economic Security Lands.  Economic Governance Programme.  Protection of Marginalized Individuals in Emergencies Within Refugee Setups.  Drug and Substance Abuse  Data Analytics.  National Internship and Mentorship Programme
		% completion of the KSG centre for western region	20	10	Advertisement done in Q4; Tender evaluation done in Q4; Contract awarded on 18th June 2024
	Master plan on scarce and high priority skills developed and implemented	Operational customized skills Master plan	1	0	Not yet done but to be a target in the FY 2024/2025
	Access to Training Revolving Fund (TRF) enhanced	No. of public servants accessing the fund	700	43	Target not achieved due to lack of information about the facility across the service (MDACS) FYs
	MDACs trained on Business Process Re-engineering (BPR)	No. of MDACs trained on BPR	150	84	Training is ongoing on a continuous basis

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	County Public Service Transformation Framework and Sector Specific Transformation Plans Developed	No. of framework and sector-specific transformation plans developed	5	0	Target not achieved due to budget constraints
	Civil servants provided with comprehensive medical insurance scheme	No. of officers covered	150,000	133,980	The reduction of civil servants being covered is due to exits, including retirement from all Ministries
	Comprehensive health insurance, and post-retirement medical scheme established and operationalized	No. of CS, PS and senior officials provided with medical cover	300	201	All the CS, PS and senior officials were provided with medical cover during the period under review
		No. of retirees covered	50,000	0	Awaiting approval for the establishment and implementation of the scheme
	Comprehensive scheme on last expense, Group Life, Group Personal Accident (GPA) and Work Injury Benefit strengthened	No. of beneficiaries	150,000	118,194	Target achieved. All officers in post were covered during the period under review
Youth skilling, employment, and wealth creation	Youth trained in paramilitary, national service, technical and vocational skills annually	No. of youths trained	40,000	63,097	Trained 25,655 youth in paramilitary skills comprising of two cohorts; Training in National Service is yet to commence; and trained 38,054 youth
	Youth engaged in tasks of national importance	No. of youth engaged in tasks of national importance	22,500	21,367	The Service engaged 21,367 youth, 14,672 males and 6,695 females, in various tasks of national importance directives

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Youth engaged in NYS commercial enterprises	No. of youths engaged in commercial enterprises	10,000	11,652	The Service engaged 11,652 youth in commercial enterprises
	NYS Classrooms, workshops, doubles pan barracks constructed	% of NYS classrooms, workshops, doubles pan barracks constructed	10	10	Construction of 6 classrooms at Athi River Field Unit; Construction of double span barrack (100 percent completed), classrooms, workshop, and ablution block at NYS Engineering Institute (83 percent); and rehabilitation of sewer line at NYS Paramilitary Academy Gilgil, which is currently 68 percent completed
Public service wellness	Psychological Assessment Centre established	% of establishment	10	0	Not undertaken due to budget constraints
	Counselling and wellness services provided to public officers	No. of officers counselled	9,000	11,134	The over achievement was due to the support received from MDAs
Human capital systems	GHRIS infrastructure updated	% upgrade of Government Human Resources Information System (GHRIS)/UHR infrastructure	80	80	Delivery, installation, testing, and commissioning of a Hyper convergence GHRIS infrastructure done
	Public service human resource data consolidated	% of public service human resource data consolidated	50	0	Target not achieved currently awaiting finalization of the payroll module
Integrated service delivery models	Customers served through Huduma service delivery channels	No. of customers served through Huduma service delivery channels (millions)	14	14.15	A total of 14.15 million out of the targeted 14 million customers served through Huduma Kenya service delivery platforms

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Huduma centres revamped	No. of Huduma centres revamped	10	53	53 Huduma centres revamped through AIEs
	Huduma centres in the sub-counties established	No. of Huduma centres in sub-counties	60	1	One Huduma centre established in Laikipia East Makutano. Target not achieved due to insufficient funding

Source: State Department for Public Service Reports, FY 2023/2024

The results indicate that customers can access Government services through the one-stop-shop, therefore reducing the transaction cost (cost of accessing government services), thereby improving economic welfare of citizens. The achievements of the targeted outputs and outcomes show that some targets were not achieved due to inadequate funding. Generally, the overall performance was good.

### 6.5.2 Policy, legal and institutional reforms

- (i) Human Resource Development Policy
- (ii) Public Service Guidance and Counselling Policy
- (iii) Public Service Substance Abuse Workplace Policy
- (iv) Counsellors and Psychologists Act
- (v) Mental Health Act
- (vi) Employment and Pensions Act
- (vii) Public Officers Ethics Act
- (viii) Public Service Human Resource Bill, 2024
- (ix) Public Finance Management (Training Revolving Fund) Regulations, 2024
- (x) Revised Guidelines on Terms and Conditions of Service for Board Members and Staff of State Corporations (Joint Memorandum by the Prime Cabinet Secretary; the Cabinet Secretary for Foreign and Diaspora Affairs; the Cabinet Secretary for the National Treasury and Economic Planning; the Cabinet Secretary for Public Service, Gender and Affirmative Action; and the Attorney General)
- (xi) Internship and Volunteer Policy and Guidelines for the Public Service (Joint Cabinet Secretary for Public Service, Gender and Affirmative Action; the Cabinet Secretary for the National Treasury and Economic Planning; and the Attorney General)
- (xii) The comprehensive medical insurance scheme, group life, last expense, work injury benefits and group personal accident insurance covers for civil servants.



- (xiii) Review of designated hardship areas and payment of hardship allowance in the public service.
- (xiv) Designating Kenya School of Government as a strategic national institution for the purpose of accreditation as a specialized degree awarding institution.

### 5.5.3 Implementation challenges

- (i) Inadequate or delayed funding for most projects and programmes, which undermines optimal service delivery, thereby impacting on execution of its mandate in relation to completion of projects. Some of the delayed projects include expansion of Huduma Centre services to sub-counties. Delays and inadequate release of exchequer results in accumulation of unfunded commitments and increased pending bills;
- (ii) Inadequate office space and offices situated in various buildings affecting supervision and coordination of activities;
- (iii) Human resource capacity constraint occasioned by inadequate human resource planning, high staff turnover and weak succession management, which has resulted in an ageing workforce and shortage of skills; increased cases of public servants with mental health issues due to work related and societal pressures; and
- (iv) Slow pace in adoption of information and communication technology to support timely service delivery, virtual learning and remote working. There is also inadequate systems integration for GHRIS, IFMIS, Pension Management System, IPPD, ITAX and UPN.

### 6.5.4 Recommendations

- (i) Human resource capacity constraint: The State Department will address understaffing through finalization and implementation of its Human Resource Plan;
- (ii) There is need to adequately fund public service training to ensure well-skilled human resources for quality service delivery, and classify capacity development resources as development expenditure to guard against frequent cuts;
- (iii) Scattered and inadequate office space: acquire adequate space to accommodate all staff in the State Department.

## 6.6 Gender and Affirmative Action Sub sector

The programmes under the sub sector contributes to the National Development Agenda by promoting gender equality and empowerment of all women and girls. The aim is to enhance gender equality, cultural preservation, and economic empowerment, with specific targets and indicators to measure progress. The functions are: Gender Policy Management; Special Programmes for Women Empowerment; Gender Mainstreaming in Ministries/Departments and Agencies; Community Mobilization on Gender Issues; Domestication of International Treaties/Conventions on Gender; Policy and Programmes on Gender Violence; Affirmative Action Policy; Promote Equity; Undertake a National Survey on Special Needs; Mainstreaming Affirmative Actions in MDAs; and Ensure Compliance with Affirmative Action Principles as Envisaged in the Constitution.

### 6.6.1 Sub-sector performance

*Prevention of Gender-Based Violence (GBV):* Notable progress was made in engaging men and boys in campaigns, with 1,220 male champions identified and engaged, exceeding the target of 1,000. However, the provision of essential services to survivors of GBV fell short, reaching only 5 percent of the reported cases against a target of 10 percent. Community dialogues aimed at reducing GBV and FGM were significantly under-achieved, with only 5 forums held out of a target of 100, largely due to delays in disbursement of funds. Despite this, the target for the distribution of dignity kits to GBV survivors was met, with 1,000 kits distributed. The efforts to sensitize service providers and operationalize POLICARE centres were hindered by financial constraints, resulting to under-achievement of targets. On a positive note, training at police gender desks exceeded expectations, with 135 personnel trained against a target of 100. Unfortunately, the training of GBV duty bearers also fell significantly short, with only 1,800 trained out of a target of 10,000.

*Eradication of Female Genital Mutilation (FGM):* Anti-FGM County Steering Committees met the target. The awareness campaign through the media surpassed expectations, reaching 13 million people, well above the target of 10 million. Cross-border ministerial sessions aimed at curbing FGM met their goals.

**Affirmative action:** Bursary disbursements for needy students fell slightly short, with 518 million disbursed against a target of 521.6 million, due to low budget allocation. Similarly, the funding for Affirmative Action Groups was below target, reaching 518.6 million compared to the 521.6 million planned.

**Gender mainstreaming:** Gender mainstreaming efforts encountered several obstacles, particularly in training MDACs on gender-responsive budgeting, which saw little progress due to budget cuts. However, the development of the legal framework for the two-thirds gender principle was a notable success, achieved despite not being initially included in the financial year's plan.

*Training in climate-smart agriculture* met its targets while the number of women trained on digital platforms exceeded expectations, supported by collaboration with COMESA. However, efforts to recruit women into table banking groups and train them on cross-border trade fell short, mainly due to funding limitations.

*Economic empowerment programmes*, particularly those related to the distribution of sanitary towels, were successful, with 18.35 million towels distributed across all 47 counties meeting the annual target. The Women Enterprise Fund saw a significant achievement in the disbursement of affordable loans, surpassing the target in the fiscal year. However, the initiative to train women on digital literacy did not progress as planned due to budget constraints.

The following table presents the outputs results matrix for SGAA implementation status of the key outputs and BETA priorities for FY 2023/24.

Table 55: Gender and affirmative action output implementation for FY 2023/24

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Prevention of and response to gender-based violence (GBV)	Men and boys engaged in the campaign against GBV	No. of male champions identified and engaged	1,000	1,120	Target achieved.
	Survivors provided with GBV essential services	% of survivors (reported cases) provided with GBV essential services	10	5	Target not achieved due to delay in disbursement of funds
	Reduced GBV and FGM cases	No. of forums held in community dialogue to end all forms of GBV	100	5	Target not achieved due to delay in disbursement of funds
	Dignity kits distributed	No. of dignity kits for GBV survivors purchased and distributed in safe houses	4,000	4,000	Target achieved
	GBV service providers sensitized on GBVRC guidelines	No. of GBVRC service providers sensitized	100	150	Target achieved
	POLICARE centres operationalized	No. of POLICARE centres supported in operationalization	2	0	Target not achieved due to delay in disbursement of funds
	Police gender desk/officers' capacity built	No. of personnel capacity built at gender desks/ units in counties	100	195	Target achieved.
	GBV duty bearers trained	No. of GBV duty bearers trained	1000	1040	Target achieved
	Sanitary towels distributed	No. of girl's supported in public schools	2,293,000	2,293,000	Target achieved. Distribution done across all the 47 counties
		No. of sanitary towels distributed in millions	18.35	18.35	Target achieved

<i>Priority Project</i>	<i>Output</i>	<i>Indicator</i>	<i>Annual Target FY 2023/24</i>	<i>Actual Achievement FY 2023/24</i>	<i>Remarks on performance</i>
Eradication of FGM	Accountability and co-ordination mechanisms on eradication of FGM strengthened	No. of anti-FGM County Steering Committees	35	41	Target achieved
		No. of persons reached through electronic, print and social media (millions)	10	27	Target overachieved as there were numerous sensitizations
		No. of inter-country ministerial sessions on cross border FGM	-	2	Target achieved
Access to Government Procurement Opportunities (AGPO)	Youth, women and PWDs trained on AGPO	No. of youth, women and PWDs trained on AGPO	800	1,011	Target achieved because of collaboration of the National Treasury and the UN Women
Women Enterprise Fund	Affordable loans disbursed	No. of women issued with affordable loan	2,500	189,550	Target achieved
	Women entrepreneurs trained	No. of women entrepreneurs trained	120,000	120,556	Target achieved
	WEF remodelled	Digital lending	1	1	Target achieved
	Women trained on digital literacy	No. of women trained	200	0	Target not achieved
National Government Affirmative Action Fund	Bursaries awarded to needy students	Amount of grants disbursed for bursaries in millions	518.7	496.1	Target not achieved. Allocation for the whole year is 518.7. Some counties to support in the next FY 2024/2025
	Funds disbursed to 13,514 Affirmative Action Groups (AAGs)	Amount disbursed to AAGs in millions	518.7	459.6	Target not achieved. Allocation for the whole year is 518.7. More AAGs to be supported in the 2024/25
	Funds disbursed for value addition activities	Amount disbursed for value addition activities in millions	652.0	264.7	Target not achieved. Allocation for the whole year is 272.3. More AAGs to be supported in the next FY
	Youth talents supported	No. of youth's supported	1,250	1,255	Target achieved

<i>Priority Project</i>	<i>Output</i>	<i>Indicator</i>	<i>Annual Target FY 2023/24</i>	<i>Actual Achievement FY 2023/24</i>	<i>Remarks on performance</i>
Gender mainstreaming	MDACs trained on gender responsive budget	No. of MDACs trained	100	79	The under-achievement is due to budget cuts and exclusion of gender mainstreaming in MDA's PC
	MDACs analyzed on compliance with gender mainstreaming policies	No. of MDACs analysed	100	79	Target not achieved. Budget cuts and exclusion of GM in MDA's PC affected the analysis
	Male engagement and inclusion in the thematic area operationalized in counties	Number of counties	10	15	Target over-achieved
Compliance with international and regional gender treaties and obligations	Compliance with gender treaties, conventions and obligations monitored	No. of normative frameworks reported on	5	5	Target achieved
	Sectoral policies for gender responsiveness analysed	No. of sectoral policies on gender responsiveness analyzed	5	2	Target not achieved due to budget constraints
	No. of officers trained/ capacity built	No. of officers trained/ capacity built	25	67	Target achieved
	MoUs implemented and monitored	No. of MoUs implemented	3	5	Target achieved
Socio-economic empowerment	Women leaders trained on political leadership skills	No. of women leaders trained	300	0	Target not achieved. Activity done by Kenya School of Government

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Increased awareness on gender in MDACs on policies and programming	No. of focal persons trained	100	300	Target achieved. Activity done online
	Increased awareness on gender across MDACs	No. of MDACs capacity built	100	0	Target not achieved due to insufficient funds
	Audits on inclusion of women in leadership conducted	No. of audits	1	1	Target achieved
	Women engaged in social economic empowerment programmes and activities	No. of women trained on access and control of productive resources	200	831	Target achieved because of collaboration of the National Treasury and the UN Women
		No. of women trained on the provisions of the Public Procurement and Disposable Act and AGPO	600	1,253	Target achieved because of collaboration of the National Treasury and the UN Women
		No. of women trained on gender issues in blue economy and investment opportunities	600	0	Target Not achieved due to inadequate funds
		No. of women trained on gender issues in climate smart agriculture	10	90	Target achieved in Q2
		No. of women trained to access and utilize digital platforms	200	1161	Target achieved as result of support by COMESA 50 million women platform sensitization and during the training of AGPO sessions on access and utilization of digital platforms were allocated time

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Women economic empowerment	Women groups recruited into table banking groups	No. of women trained on cross border and inter-county trade	645	247	Target not achieved due to inadequate funds
		No. of women groups recruited into table banking	5,000	0	This target was derived from Uwezo Fund, which is now in a different State Department
		No. of women capacity built	75,000	0	This target was derived from Uwezo Fund, which now in a different State Department
	Kenya National Care Policy developed	Operational Kenya National Care Policy	1	1	Target achieved. The policy is developed but yet to be operationalized

Source: State Department for Gender and Affirmative Action Reports, FY 2023/2024

The outcome implementation status for SGAA is presented in the table that follows.

### Gender and affirmative action - Outcome implementation status for FY 2023/24

Table 56: Gender and affirmative action outcome implementation status for FY 2023/24

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Reduced prevalence of gender-based violence	% of ever-partnered women and girls aged 15 years and older subjected to physical, sexual or psychological violence by a current or former intimate partner in the previous 12 months by form of violence and by age	25	0	The prevalence of GBV is determined by KDHS, which is done after 5 years. The next will be done in 2027
Reduced prevalence of FGM	Percentage of girls and women age 15-49 who have undergone FGM.	14	0	The prevalence of FGM is determined by KDHS which is done after 5 years, the next will be done in 2027
Reduced gender disparities	Global Gender Gap Index	0.736	0.692	There is significance reduction on the Gender Gap Index

Source: State Department for Gender and Affirmative Action Reports, FY 2023/2024



The results indicate a mix of achievements and challenges across key initiatives within the State Department for Gender and Affirmative Action. Significant progress was made in engaging men and boys in campaigns against Gender-Based Violence (GBV), with 1,220 male champions identified, exceeding the target of 1,000. Likewise, efforts to distribute dignity kits to GBV survivors and build the capacity of gender desk officers were successful. However, several targets, such as providing essential services to GBV survivors and hosting forums on GBV reduction were not achieved due to delays in fund disbursement and budget cuts.

Similarly, campaigns to eradicate FGM reached over 13 million people through the media, surpassing the target of 10 million. Despite this, inter-county coordination mechanisms fell short. For the Women Enterprise Fund, loan disbursement targets were exceeded in the first quarter, but other initiatives such as digital literacy training for women lagged behind due to budgetary constraints.

Other notable gaps include failure to meet the training targets for youth, women, and persons with disabilities (PWDs) under the Access to Government Procurement Opportunities (AGPO), and delays in the development of key policies such as the Kenya National Care Policy, which was not approved. The variance between targets and actual achievements highlights the impact of financial limitations and the need for better resource allocation and planning in future fiscal years.

#### 6.6.2 Policy, institutional and legal frameworks

In the policy, institutional and legal framework, progress was made in developing gender frameworks, notably the 2/3 gender principle, and compliance with international treaties. However, gender mainstreaming initiatives in MDACs and some training programmes were hindered by budget cuts, showing room for improvement in institutional support and funding.

#### 6.6.3 Implementation challenges

- (i) Insufficient funding hinders the State Department ability to undertake activities in the Fourth Medium-Term Plan. The Department also experiences delays in disbursement of funds, resulting in delayed implementation of programmes.
- (ii) The approval of key policy frameworks, such as the Kenya National Care Policy, was delayed, preventing timely implementation of the policy.
- (iii) There is inadequate comprehensive, reliable, and disaggregated data on gender-related issues, which hinders the effective design, implementation, monitoring, and evaluation of gender equality initiatives and policies. The sub-sector also lacks mechanisms to obtain real time data on GBV, FGM and other harmful practices for immediate intervention.
- (iv) Several trends such as change of cultural practice have emerged regarding eradicating FGM, where the practice no longer attracts celebrations and is mostly carried out secretly as a family affair. Girls are undergoing FGM at a younger age, some at birth; it is no longer seen as rite of passage.

#### 6.6.4 Recommendations

- (i) Secure consistent funding and streamline disbursement processes to ensure timely programme implementation of the State Department's programmes
- (ii) Expedite the approval process of critical policies such as the Kenya National Care Policy for timely implementation.
- (iii) Develop reliable data collection systems and tools for real-time tracking of gender-related issues such as GBV and FGM.
- (iv) Strengthen community engagement and surveillance mechanisms to address the secretive nature of FGM and target younger victims.

### 6.7 Culture, the Arts and Heritage Sub sector

The sub sector has been playing a strategic role in the country's economic and social development through the promotion and exploitation of Kenya's diverse cultural expressions and the rich heritage. The programmes under the sub-sector aim to promote, preserve and maintain positive and diverse cultures for national identity, and manage and preserve heritage and public records for sustainable development.

#### 6.7.1 Sub-sector performance

In preserving the national culture and heritage, 26 cultural events were held, surpassing the target of 17 cultural events. The over-achievement was attributed to collaborative efforts between the National and County governments. Further, one national heritage site was preserved during the period under review.

The sub-sector also endeavoured to increase the number of people accessing the library and information. To do that, 11,185,816 persons were targeted, out of 7.9 million accessed the library. The under-achievement was attributed to preference of library uses resorting to online use of materials and information. Also, the sub-sector enhanced international arts and creatives festival exhibitions in collaboration with partners.

#### 6.7.2 Policy, institutional and legal frameworks

The sub-sector reviewed and finalized some policies and bills during the plan period. Some of these include national culture and heritage, and national music policies. The Culture Bill, 2020 was approved by the Cabinet and forwarded to the Office of the Attorney General for transmission to parliament for deliberation.

#### 6.7.3 Implementation challenges

- (i) Non-recognition and appreciation of the culture and heritage contribution to development
- (ii) Existing weak records management practices and limited access to information has negatively affected delivery of service
- (iii) Delay in procurement of goods, services and works that affected project implementation and service delivery

- (iv) Weak mechanisms for implementation, monitoring, evaluation and review of ongoing projects and programmes
- (v) Inadequate and delay funding to the sub-sector for development projects

The implementation status of the key outputs and BETA priorities for the fourth quarter of FY 2023/2024 by the State Department is presented in Table 57.

*Table 57: Culture, the arts and heritage output implementation status for FY 2023/2024*

Priority Projects	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Public records and archives management	Archival holdings acquired	No. of archival records acquired for permanent preservation	11,800	12,200	Target achieved
		No. of archival materials acquired	20,100	32,984	Targets over-achieved due to acquisition of archival records through Uhuru Gardens Project 58
		No. of government publications acquired	1,403	2,051	Target over-achieved. More materials acquired from the Office of the Attorney General and County Governments
		No. of information materials retrieved	13,368	12,777	Target not achieved due to decrease of quick reference research visitors
	Researchers visiting the archives monitored	No. of researchers visiting the archives	1,129	389	Target not achieved due to slow recovery of international travel for foreign researchers
	Public archives and records preserved	No. of records digitized	178,580	97,183	Target not achieved due to shortage of staff and inadequate equipment
		No. of records micro-filmed	30,000	26,720	Target not achieved in FY 2023/24 due to breakdown of equipment

Priority Projects	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
		No. of records re-stored	35,704	39,884	Target over-achieved since the Ministry of Lands sponsored restoration of old land records
Development and promotion of culture	Cultural practitioners supported	No. of cultural practitioners imparted with skills	2,774	2,050	Target not achieved due to budget cuts
		No. of people sensitized on the use of traditional foods	145	100	Target not achieved in FY 2023/24 due to budget cuts
		No. of traditional herbal medicine practitioners promoted	80	133	Target achieved due to collaborations with herbalists co-funding
	Traditional knowledge and cultural expression protected and promoted	No. of cultural practitioners sensitized on the provisions of the Traditional Knowledge and Traditional Cultural Expressions Act 2016	410	486	Target over-achieved in collaboration with NPI, support from SASDF and collaboration from County Governments
		No. of oral traditions documented	1	1	Target achieved
	National values and principles promoted	No. of participants attending the Annual National Kenya Music and Cultural Festival	8,832	8,504	Target not achieved. Fewer counties participated in the festival. Some counties unable to fund their participants
		No. of National Kenya Music and Cultural Festivals held	1	1	Target achieved
		No. of cultural festivals Coordinated	10	4	Target not achieved in 2023/2024 due to budget cuts
		No. of Intercommunity cultural exchange	1	3	Target achieved

Priority Projects	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Heroes and heroines recognized and honoured	No. of heroes honoured	220	250	Target achieved
Ushanga Kenya Initiative	Women in pastoralist communities empowered in beadwork	No. of women trained and empowered in bead work across the 10-pastoral target counties	1,730	650	Target not achieved due to budget constraint and cuts
	Beadwork products marketed	No. of seasonal catalogues developed	2	2	Target achieved
Promotion of performing and visual arts	Artists imparted with skills and talents nurtured	No. of performing and visual artists trained	582	110	Target not achieved due to budget cut
		No. of visual artists exhibitors supported	60	30	Target not achieved due to budget cut
		No. of artists sensitized on the UNESCO 2005 Convention	50	20	Target not achieved due to budget cut
		No. of capacity building workshops held for visual artists and performing artists	2	2	Target achieved

Source: State Department for Culture, the Arts and Heritage Report, FY 2023/2024

The outcome results are presented in Table 58.

Table 58: Culture, the arts and heritage outcome implementation status for FY 2023-2024

MTP IV Outcome	Outcome Indicator (s)	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Preserved national heritage and culture	No. of cultural events held	17	26	Over-achievement was due to collaboration with county governments
	No. of national heritage sites preserved	5	1	Lack of budgetary allocation

MTP IV Outcome	Outcome Indicator (s)	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Increased access to library and information	No. of persons with access to libraries and information	11,185,816	7,900,000	Under-achievement was due to preference of people using Internet in accessing reading materials online
International arts and creatives festival exhibitions hosted	No. of exhibitions	1	2	The Centre hosts the annual Macondo Book Festival in September, and it is in partnership with the Kenya International Theatre Festival, which takes place every year in the month of November

Source: State Departmental Reports, 2023/2024

## 6.8 Basic Education Sub sector

Education, and training plays a critical role in socio-economic development through human capital empowerment for sustainable development. It facilitates the acquisition of relevant knowledge, skills, and attitudes that enable individuals to be empowered and engaged in national development. This effectively improves the quality of lives for people, which leads to broad socio-economic benefits to individuals and the society. The Ministry is guided by the Kenya Vision 2030 and MTP IV, particularly the Bottom-up Economic Transformation Agenda (BETA), other government development policies, and international commitments such as the Africa Agenda 2063 and Sustainable Development Goals (SDGs).

During the 2023/24 financial year, the State Department for Basic Education (SDBE) aimed at implementing a number of key targets. These are to: Achieve 100 Percent transition from primary to junior secondary school; Develop and disseminate curriculum designs and curriculum support materials for secondary; Implement recommendations of the Presidential Working Party on Education Reforms; Recruit school teachers for primary, junior and senior school; Expand education infrastructure; Equip the National Psycho-Education Assessment and Placement Centre; Establish, renovate and equip low-cost boarding schools in ASALs (dormitories, dining halls, ablution constructed); Establish model green schools; Undertake in-service teachers trained under the Government programme; Automate of the basic education system; Establish the Kenya National Education Management System (KEMIS); and Train Science, Technology, Engineering and Mathematics (STEM) teachers.

### 6.8.1 Sub-sector performance

#### Infrastructure improvement

There is need to increase investments for expansion, upgrading, rehabilitation and equipping of existing institutions across the learning and research spectrum. This should be based on an objective criteria and priorities to cater for the increased enrolment while enhancing inclusive education and training, and research infrastructure (RI). The sector will prioritize near completion projects before embarking on new ones.

## **Review of capitation guidelines for all levels of education**

The government is developing policy guidelines on the provision of capitation grant for mainstreaming pre-primary education to ensure seamless transition into formal schooling. In addition, the conditional grant to county governments for development of youth polytechnics/VTCs and capitation to trainees should be sustained and enhanced. The sector will also review the current funding model to ensure that optimum support to the niche areas in institutions is undertaken, and the harmonization of the legal, policy and regulatory framework for the sector.

## **Staffing and training**

The sector is recruiting adequate staff to deliver the education mandate across all levels of the sub-sector. This will include adequate staffing at the zonal, sub-county, county and headquarters, including SAGAs to deliver services across all levels of education. In addition, there will be a need to facilitate and continuously build the capacity of the existing sub-sector staff for efficient delivery of services.

## **ICT integration in education and training**

The sector, in collaboration with the relevant State agencies, is facilitating ICT infrastructure, Internet connectivity and training of personnel in institutions of learning and education offices, and facilitating e-learning, live-streaming of lessons in the basic education institutions to mitigate the challenge of teacher shortage. This will require additional resources to procure the requisite equipment and infrastructure to enable the integration of ICT in teaching and learning. In this regard, there is a need to enhance security, safety and ethical use of ICT in education and training as provided in the ICT in Education and Training Policy. There is also a need for enhanced and up-scaling of local digital learning resources and building the capacity of institutional managers, teachers/trainers, learners and field officers on ICT in education and training. This should include building capacity for support and maintenance of ICTs at the institutional levels.

## **Climate change**

The sector recommends establishment of structures to implement Education for Sustainable Development (ESD) and climate change programmes. This will provide for mentorship on ESD and training education managers on climate change, food production in institutions of learning, and documentation of success stories.

## **Sector governance**

There is a need to enhance the coordination of capacity building programmes of education managers in the sector on governance, risk management, controls, accountability, and project implementation/contracts management to optimize utilization of public resources. Monitoring and stakeholders' feedback mechanisms will be critical in enhancing service delivery. There is a need to domesticate the National Monitoring and Evaluation Policy to ensure sound tracking, monitoring and evaluation programmes in the sector.

## **Maintenance of education standards, quality assurance and audit**

The sector is comprehensively reviewing the National Education Quality Assurance and Standards Framework (NEQASF) as recommended by the Presidential Working Party on Education Report



(PWPER). The sector will need to develop guidelines and standards that were identified as missing, such as the Special Needs Education (SNE) standards, home-schooling and online schooling. There will be a need for the sub-sector to increase the number of quality assurance and standard officers to keep pace with the increasing number of education institutions. Further, there is a need to establish a strong institutional-based quality assurance and standards mechanism and retooling of field officers and institutional administrators to lead in the internal quality assurance function. More staff need to be recruited. School auditors need to be trained on modern audit techniques, and audit functions need to be automated.

### Junior School (JS) and Senior School (SS)

The sector is developing a framework for collaboration with the teacher training institutions (universities, TTCS and TVETs) to review the training needs for teachers entering the teaching profession and align content in compliance with the ongoing CBC reforms. Further, there is need for intensified retooling of teachers in the service through enhanced Teacher Professional Capacity Development (TPCD) to address their professional gaps in Technology, Pedagogy, and Content Knowledge (TPACK).

*Table 59: Basic education output implementation status for FY 2023/24*

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Education reforms	100% transition from primary to junior secondary school	Rate of transition (%)	100	99.9	Natural attrition and dropout
	Curriculum designs and curriculum support materials for secondary developed and disseminated	Number of curriculum designs for Grade 10 to 12 developed	78	126	Target achieved
		Number of electronic and non-electronic curriculum support materials provided	800	1244	Target achieved
		Number of digital items curated and disseminated	500	130	Target achieved
		Number of curriculum support materials for learners in special needs developed	72	139	Target achieved
	Presidential Working Party on Education Reforms recommendations implemented	% of recommendations implemented	50	50	Target Achieved

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Universal primary education	Education capitation grants awarded	No. of pupils enrolled in public primary (millions)	6.963	8.123	Gradual KEMIS/ NEMIS data uptake
		No. of pupils in public low-cost boarding	144,574	144,845	Target achieved
		Enrolment of SNE learners in public pre-school	146,300	150,144	Target surpassed
		No. of schools with receiving Minimum Essential Package (MEP)	9,379	0	Target not achieved due to lack of funds
	School teachers recruited	No. of teachers recruited	9,665	2,000	Interns recruited
	Out of school children of pre-primary age enrolled in schools	No. of children enrolled in pre-primary education	80,000	80,000	Target Achieved
	Learners provided with day meals	No. of learners provided with school feeding programme in millions	4	2.6	Increased unit cost
	School going girls at puberty stage provided with sanitary hygiene pack	No. of school girls provided with sanitary hygiene pack (millions)	2.4	0	Target moved to State Dept for Gender and Affirmative Action
	Infrastructure facilities renovated/ rehabilitated	No. of infrastructure facilities renovated/ rehabilitated	23	20	Target not achieved
	Classrooms constructed	No. of classrooms constructed	100	0	Budgetary cuts and reprioritization of programmes
	Learning resource centres constructed	No. of resource learning centres constructed	6,000	0	Target not achieved
	Schools provided with WASH facilities	No. of schools with adequate sanitation facilities	55	0	Budgetary cuts and reprioritization of programmes
	Duksi and Madrassa integrated into formal basic education	No. of counties implementing the integration of duksi and madrassa into formal basic education	4	4	Target achieved

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Universal secondary education	Secondary school teachers recruited	No. of teachers recruited	13,534	18,000	interns recruited
	Education infrastructure expanded	No. of classrooms constructed	1,050	1,530	Target achieved
		No. of laboratories constructed	754	283	slow progress of construction works
		No. of workshops constructed	806	0	Target not achieved
		No. of special needs education toilet blocks	33	0	Target not achieved
		No. of integrated resource centres constructed	3,717	2,859	Target not achieved
		No. of public secondary schools provided with computing packages	250	285	Target achieved
	Access to universal secondary education	No. of students receiving capitation in millions	3.06	4.03	Increased due to 100% transition
Inclusion in education and training	PWD friendly infrastructure constructed in schools	No. of schools with SNE/PWD compliant infrastructure	10	21	Target not achieved
	Learners provided with mentorship and psychosocial support	No. of beneficiary learners	10,000	387	Target achieved
	Teachers and trainer's capacity built on SNE	No. of teachers and trainer's capacity built on SNE	2000	2,358	partnered with NCPWD
	National psycho-education assessment and placement centres equipped	% establishment of national psycho-education assessment and placement centres	90	95	Target met
	National Academy for Gifted and Talented Learners established and operationalized	% establishment of National Academy for Gifted and Talented Learners	80	0	Target not achieved

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Physical Education (PE) and sports integrated with special needs and disabilities	No. of schools with PE and sports integrated	459	0	Target not achieved
	Education and resource centres to identify and place learners with special needs	No. of education resource centres	47	0	Target not achieved
	Low-cost boarding schools in ASALs established, renovated and equipped (dormitories, dining halls, ablution constructed)	No. of low-cost boarding schools established, renovated and equipped	45	0	Budgetary cuts and reprioritization of programmes
	Learners provided with mentorship and psychosocial support	No. of beneficiary learners	45,000	0	Target not achieved
	Model green schools established	No. of green schools established	2	1	Inadequate funding
	Adult learners certified	No. of adult learners certified	150,000	22,177	The target was not achieved due to massive exit of ACE instructors without replacement and lack of examination waver to adult learner candidates
Teacher management and development	In-service teachers trained under the Government programme	No. of in-service teachers trained	50,000	77,000	Achieved through cascade model
	Teacher education retooled	No. of teacher education retooled	20	40	Target over-achieved
	Capacity building teacher trainees	No. of teacher trainees capacity built	400	600	Target over-achieved
	Pre-service teacher training in competency based teacher education	No. of teachers graduating from the 35 TTCs	5,000	0	Target not achieved

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	KEMI transformed to a premier management development institute	% of completion of KEMI	50	50	Target achieved
	Ultra-modern education resource centre constructed and equipped	% establishment of ultra-modern education resource centre	27	0	The project did not receive any budgetary allocation during the FY 2023/2024
Auto-mation of basic education system	e-Assessment system developed	% completion of e-Assessment system	30	2	Target not achieved
	Smart classrooms established	No. of smart classrooms established	188	0	Target not achieved due to lack of exchequer
	Teacher files digitized	% of teacher files digitized	40	40	Target achieved
	Monitoring, Evaluation, Accountability and Learning (MEAL) system developed	Operational MEAL system	1	1	Target achieved
Kenya National Education Management System (KEMIS)	Capitation module and school registration module for junior secondary school upgraded	% of capitation and school registration modules upgraded	50	50	Target achieved
	Statistical booklet datasets and reporting dashboard developed	No. of statistical booklet datasets and reporting dashboard	1	1	Target achieved
Strengthening of Science, Technology, Engineering and Mathematics (STEM)	STEM teachers trained	No. of STEM teachers trained	33,100	22,214	Exceeded due to leveraging on old and new partnerships
	Curriculum implementers trained on gender responsive pedagogy	No. of trained curriculum implementers	5,500	0	The Centre had not targeted these indicators for the financial year
	STEM Centres of Excellence established in schools	No. of centres of excellence	600	0	There was no budget to establish STEM centres
Co-curricular development	Learners participating in games and performing arts	No. of learners participating in games and performing arts	13,200	15,200	More schools participated after COVID-19 interruptions

Source: SDBE Reports, FY 2023/24

The outcome results for the State Department for Basic Education are presented in the following table.

*Table 60: Basic education outcome implementation status for FY 2023/24*

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Enhanced access to basic education	Pre-primary Gross enrolment rate (GER)	109.7	110.1	County Governments construction of ECDE centres and classrooms
	GER-Girls	106.0	110.0	Target achieved
	GER-Boy	107.5	112.0	Target achieved
	Pre-primary gross net enrolment rate (NER)	91.0	93.0	Target achieved
	NER-Girls	91.0	93.0	Target achieved
	NER-Boys	91.0	93.0	Target achieved
	Gender parity index at pre-primary	0.98	0.78	Awareness and empowerment of parents
	Transition rate from pre-primary to primary level	100	101	Engagement of parents
	Primary level Gross enrolment rate (GER)	106.3	109.2	This is due to enrolment of over-age and under-learners
	GER-Girls	105.2	107.5	This is due to enrolment of over-age and under-learners
	GER-Boys	107.3	110.8	This is due to enrolment of over-age and under-age learners
	Retention rate from Grade 1 to Grade 6	96.7	99	Target achieved
	Girls	96.7	96	Target achieved
	Boys	96.7	96	Target achieved
	Primary completion rate (Total)	88.2	87.8	Target achieved
	Primary net enrolment rate (NER)	79.5	79.3	Target achieved
	NER-Girls	79.5	78.8	Target achieved
	NER-Boys	79.5	79.8	Target achieved
	Gender parity index in primary education	0.97	0.97	Target achieved
	Primary to secondary transition rate (PSTR)	100	82.3	Target not achieved
	JSS Gross enrolment rate (GER) (Total)	100	0.80	Target not achieved

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	GER-Girls	100	0.78	Target not achieved
	GER-Boys	100	0.83	Target not achieved
	JSS net enrolment rate (NER)	100	74.7	Target not achieved
	JSS Gender parity index (GPI)	1	0.96	Target not achieved
	Secondary Gross enrolment rate	85.3	89.9	Over-achieved due to the 100 percent transition policy
	NER-Girls	86.6	89.9	Target achieved
	NER-Boys	84.0	90.3	Target achieved
	Net enrolment rate	54.5	74.7	Target achieved
	Girls	57.4	77.2	Target achieved
	Boys	51.4	76.0	Target achieved
	Gender parity in secondary education	1.0	1.02	Implementation of inclusive policies
Enhanced quality of basic education	Pupil-teacher ratio at basic education level	42:1	39:1	Increased recruitment and improved distribution of teachers
	Student-teacher ratio at secondary education level	27:1	32:1	Increased recruitment and improved distribution of teachers
	Textbook-pupil ratio at primary	1:1	1:1	95% of schools
Improved adult and child numeracy and literacy skills	Enrolment in adult and continuing education	190,500	126,525	Target not achieved due to massive exit of Accelerated Christian Education (ACE) instructors without replacement
	Female	63,645	79,650	Women are more receptive to ACE programmes and there are more illiterate women compared to men, hence more female potential learners than male
	Male	126,855	46,875	Men shy off from participating in ACE programmes

Source: State Department for Basic Education Reports, FY 2023/24

The sector made major strides in delivering inclusive and equitable quality and relevant education, training and research for the country. There was good progress towards enhancing universal access, completion, transition, quality, equity and relevance in education and training.



These achievements are evidenced by increased enrolments; rollout of the Competency Based Curriculum and Assessment from Pre-primary 1 to Grade 7; improvements on ICT integration; improvement in the positive indicators of quality such as improved pupil-book ratio; more research funds mobilized; STI priorities issued, improved infrastructure at all levels of education; strengthening the function of quality assurance and standards by developing and implementing the National Education Quality Assurance and Standards Framework (NEQASF); and automating enrolment, capitation, curriculum delivery, quality assurance and assessment. Based on the achievements made, the sector is on track towards attainment of the aspirations of the Kenya Vision 2030, Sustainable Development Goal No. 4 and BETA.

### 6.8.2 Policy, legal and institutional frameworks

#### Policy initiatives

Development of STEM Education and Training Policy for Kenya is in its advanced stages with the following objectives:

- (i) Provide a policy framework for strengthening STEM education, training and research
- (ii) Improve access and participation in STEM education and training
- (iii) Reduce disparities in STEM education and training
- (iv) Increase resources and partnerships for STEM education and training
- (v) Provide educational institutions with infrastructure, equipment, teaching and learning resources for STEM education and training
- (vi) Improve capabilities for research, technology and innovation in STEM education and training
- (vii) Integrate ICT in STEM education and training
- (viii) Provide adequate and competent workforce for STEM education and training
- (ix) Produce transformative workforce fit for the 21st century in STEM education and training

The final draft policy was formulated and validated by stakeholders. Further, a Sessional Paper has been drafted and forwarded to the Attorney General's office for onward submission to Cabinet for approval.

#### Legal frameworks

The State Department for Basic Education has prepared the following bills during the period under review:

- (i) Basic Education Bill, 2024
- (ii) Basis Education Bursaries and Scholarships Bill, 2024
- (iii) Kenya Literature Bureau (Amendment) Bill, 2024
- (iv) Kenya Institute of Curriculum Development (Amendment) Bill, 2024
- (v) Kenya National Examination Council (Amendment) Bill, 2024

- (vi) Teachers Service Commission (Amendment) Bill, 2024
- (vii) Education Appeals Tribunal Bill, 2024
- (viii) Education and Training of Teachers and Managers of Basic Education Institutions Bill, 2024

### 6.8.3 Implementation challenges

- (i) Inadequate infrastructure: Despite past investments by the Government of Kenya, institutions of learning still face inadequate infrastructure. The 100 percent transition policy has increased enrolment, leading to congestion in schools.
- (ii) Inadequate human resources: Population growth, expansion, and the establishment of new schools has stretched the demand for teachers. There is an estimated staffing gap of 111,870 teachers in basic public learning institutions due to the 100 percent transition and CBC implementation. The current establishment in basic education is 4,279, against an authorized establishment of 9,853, resulting in a deficit of 5,574 officers.
- (iii) Inadequate capitation funding: Enrolment has increased, but budgetary allocations have not kept pace, leading to funding deficits. The Government subsidy for secondary education has had an average shortfall of Ksh.13 billion annually over the last three financial years.
- (iv) Inadequate capacity for Special Needs Education: Special needs education suffers from a lack of specialized expertise, teachers, trainers, tutors, and support staff. Funding for inclusive education and training is low. The specialized equipment for special needs education is inadequate.
- (v) Radicalization and insecurity: These issues continue to affect the delivery of quality education, training, and research. Learners and staff are unable to undertake studies and duties effectively in areas affected by insecurity and radicalization.
- (vi) Inadequate quality assurance of education and training: The sector is required to assess educational institutions but struggles due to a low number of quality assurance officers. There are only 447 quality assurance officers against an optimum requirement of 2,603, leading to only a portion of basic learning institutions being assessed annually.

### 6.8.4 Recommendations

To ensure effective delivery of its mandate, the following recommendations should be implemented by the sector:

- (i) Quality assurance and standards: The National Education Quality Assurance and Standards Framework (NEQASF) should comprehensively be reviewed as recommended by the Presidential Working Party on Education Reforms (PWPER).
- (ii) Operations in the field education offices: This will ensure that there is ample and suitable working space for the field education officers. The sub-sector should enhance field operations for improved service delivery.

- (iii) ICT Integration in basic education: Enhance provision of ICT infrastructure, Internet connectivity and training of personnel in institutions of learning and education offices. There is a need for advocacy for effective use of automated services in the sub-sector. The sub-sector should improve power supply connectivity, data management and security. The sub-sector has embraced ICT integration in learning across all levels. In this regard, there is a need to enhance security, safety and ethical use of ICT in education and training as provided in the ICT in Education and Training Policy.
- (iv) Health, safety and wellness issues: The sub-sector should establish preventive and rehabilitative measures against Sexual and Gender Based Violence (SGBV), Alcohol and Drug Abuse (ADA) and any other form of human rights abuse both at the workplace and learning institutions. This will require strengthening collaborations and joint actions with relevant agencies, enhanced training of teachers and the decentralization of professional counselling services.
- (v) Inclusive education: There is a need for the sub-sector to strengthen Educational Assessment Resource Centres (EARCs) through provision of personnel, equipment, and training. Additionally, advocacy and sensitization on disability mainstreaming in education and training should be enhanced. There is also a need for provision of tax waivers for assistive devices, equipment and technologies used by special needs education to make them affordable.
- (vi) Staffing and training: There is need to recruit adequate staff across all cadres to deliver education mandates across all levels of the sector. Continuous capacity building is needed for the existing staff and institutional managers as recommended by the PWP on education reforms.
- (vii) Infrastructure improvement: The sector should increase investments in institutional infrastructure based on an objective criteria and priorities. This includes target interventions in primary, junior school, secondary, ACE and teacher education. This will ensure sufficient infrastructure to accommodate all learners and trainees, occasioned by increased enrolment, while enhancing inclusive education.
- (viii) Administration of assessments and examinations: Progressive automation of assessments and examinations should be enhanced through support in the development of e-assessment systems that will enable the development, administration, processing and marking of examinations through an online platform. This will ensure sustainability of examinations and assessment administration by reducing the costs associated with printing, distribution and marking of examinations.
- (ix) Climate change (implementation of the tree planting directive): There is a need to establish structures to implement Education for Sustainable Development (ESD) and climate change programmes. This will provide for mentorship on ESD and training education managers on climate change, food production in institutions of learning, and documentation of success stories.

#### 6.8.5 Recommendations

- (i) A highly skilled human capital is necessary to facilitate carrying out of the planned policies, strategies and programmes within the sector

- (ii) Skills inventory for adequate planning of human resource development to address the issue of skills gaps is required
- (iii) Good governance and accountability play a crucial role in programmes and project success.
- (iv) There is need for harmonization in the development of institutional and legal framework to create a conducive environment for operations and avoid duplication of efforts

## 6.9 Population and Development Sub sector

The National Council for Population and Development (NCPD) is a SAGA under the National Treasury and Economic Planning, State Department for Economic Planning. The Council is the sole entity under the sub sector and its responsible for analysis of population issues and development of policies relating to population; provision of leadership and mobilization of support for population programmes, including coordinating population programme implementation by different organizations; assessment of the impact of population programmes and make recommendations arising from such assessments; and assisting other organizations in dealing with population issues, among others.

### 6.9.1 Sub-sector performance

The following achievements were registered during the FY 2023/2024 by the National Council for Population and Development projects and programmes:

*Centre of excellence on population and development:* The Council established an office at its headquarter for the National Population Centre. This office was equipped with one interactive screen to facilitate knowledge and information sharing on population and development issues, including fertility, sexual reproduction, health, and family planning, morbidity and mortality, and migration, among others.

In addition, three advocacy meetings were held in Indonesia, Malawi and New York, with potential donors to solicit support for the establishment and operationalization of this centre of excellence on population and development. The process of establishing the centre is now estimated to be 10 percent complete. An evaluation will be undertaken by an independent entity to determine the actual percentage of the process of the establishment of this centre of excellence in population and development.

*Implementation of ICPD25 Kenya country commitments:* The Council developed and disseminated the 4<sup>th</sup> Annual Progress Report on the implementation of ICPD25 Kenya country commitments for FY 2023/2024. The report was developed by the Multi-Sectoral National Technical Committee, with members drawn from relevant MDAs and Council of Governors under the leadership of the NCPD. The report has been disseminated to inform the national consultation forums on 30<sup>th</sup> Anniversary Celebrations of the International Conference on Population and Development held in Cairo, Egypt in 1994 (ICPD@30), and the United Nations Summit of the Future planned for September 2024 in New York. The recommendations in the report are being implemented by relevant MDAs to inform policy and programmes for the acceleration of the achievements of the ICPD Programme of Action (ICPD PoA) and the Sustainable Development Goals by the year 2030.

*Preparation and dissemination of policies, briefs, advisories, working papers, strategies, guidelines, plans, reports, fact sheets on population issues, including implementation of demographic dividend roadmap 2020-2030 for Kenya:* In the FY 2023/2024, the NCPD developed and disseminated two advisory papers, five working papers, five fact sheets, state of Kenya Population report 2024, 2<sup>nd</sup> progress report on the implementation of the demographic dividend roadmap for Kenya, an action plan for the implementation of Sessional Paper No. 1 of 2023 on Kenya National Population Policy for Sustainable Development, Addis Ababa Declaration on Population and Development at Ten (AADPD@10) report, and the NCPD M&E framework. These reports have provided data and information for advocacy and public education on population and development issues to inform policy and programmes at national and county levels.

*Surveys/ research on population issues undertaken and disseminated:* In the FY 2023/2024, NCPD conducted further analysis of the Kenya Demographic and Health Survey 2022 dataset and developed five working papers and five fact sheets.

*Advocacy and sensitization on population and development issues undertaken at national and county levels:* In the FY 2023/2024, NCPD held advocacy and sensitization meetings with parliamentarians and Members of the County Assembly (MCAs) in which 28 parliamentarians from parliamentary network and 162 MCAs from 11 counties (Garissa, Samburu, Siaya, Tharaka Nithi, Nairobi, Kilifi, Nyeri, West Pokot, Machakos, Kisii and Kakamega) were sensitized on population programmes. This has enhanced political and financial support for the implementation of the national population policy and programmes and has helped in building consensus on contentious population issues at national and county levels. The campaigns on ending teenage pregnancy were held, including two national and one each in 11 counties and 13 reports prepared. These campaigns brought together various stakeholders involved in ending teenage pregnancy initiatives in the country. The campaigns were held in Nairobi, West Pokot, Samburu, Kisumu, Elgeyo Marakwet, Kajiado, Kericho, Migori, Kitui and Wajir counties.

In addition, a virtual and a physical research dialogue/webinar on population, climate change and food security was held in Kitui and Isiolo counties, respectively, and two reports prepared. A virtual meeting in Kitui was held on 31<sup>st</sup> August 2023 while the one in Isiolo County was held on 14<sup>th</sup> May 2024 at Barsilinga Towers Hotel, Isiolo town. The County government of Kitui and Isiolo together with the stakeholders who participated in these meetings agreed to implement the recommendations made to improve the inter-linkages between population, climate and food security to accelerate development aspirations of the two counties.

*Key stakeholders trained on population issues:* In the FY 2023/2024, 41 technical officers drawn from the key stakeholders were trained on population research, data analysis and visualization. The training has equipped these officers with skills to undertake population projections and generate data for decision making and strategic planning and forecasting. In addition, the five working papers and fact sheets on topical population issues were developed by the officers who benefited from this training.

Table 61: Population and development output implementation status for FY 2023/24

Priority Project(s)	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Centre of excellence for population and development	Centre of excellence established	% of establishment of centre of excellence for population and development	10	10	Target achieved
Implementation of ICPD 25 Kenya country commitment coordinated and reports prepared	Number of annual progress reports on ICPD25 Kenya country commitments	ICPD25 annual progress report	1	1	Target achieved
Other activities	Policies/ briefs/ Advisory/ working papers/Strategies/ Guidelines/ Plans/ Reports/	Number of policies/ briefs/ advisory papers/ strategies/ guidelines/ reports/ plans	15	16	Target achieved
	Fact sheets on population issues including implementation of Demographic Dividend Roadmap 2020-2030 for Kenya prepared and disseminated				
	Surveys/ research on population issues undertaken and disseminated	Number of surveys/ Research reports	1	1	Target achieved
	Advocacy and sensitization on population and development issues undertaken at National and County levels	No. of Parliamentarians and Members of the County Assemblies sensitized	185	190	Target achieved 28 Parliamentarians; 162 Members of County Assembly sensitized on population and development issues
		No. of forums on population and development issues held and reports prepared	13	13	Target achieved 13 forums on ending teenage pregnancy held and reports prepared

Priority Project(s)	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
		No. of research dialogues/ webinars on population climate change and food security	1	1	Target achieved One each research dialogues/ webinars in Kitui and Isiolo counties
	Key stakeholders trained on population Issues	No. of technical officers trained on population research, data analysis and visualization	20	41	Target achieved

Source: NCPD Reports, FY 2023/24

Table 62: Population and development outcome status for FY 2023/2024

MTPIV Outcome	MTPIV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Reduced population growth	Annual population growth rate	2.13	1.75	Target achieved
	Dependency ratio	74	77	Target not achieved
	Total fertility rate	3.26	2.89	Target Achieved
	Life expectancy	68.5	68.05	Target Achieved

Source: NCPD Reports, FY 2023/24

The National Council for Population and Development established an office at its headquarter for the National Population Centre. This office was equipped with one interactive screen to facilitate knowledge and information sharing on population and development issues, including fertility, sexual reproduction health and family planning, morbidity and mortality and migration, among others. Dissemination of the 4<sup>th</sup> Annual Progress Report on the implementation of ICPD25 Kenya country commitments for FY 2023/2024 was done. The report was developed by the Multi-Sectoral National Technical Committee, with members drawn from relevant MDAs and Council of Governors under the leadership of the NCPD.

The NCPD developed and disseminated two advisory papers, five working papers, five fact sheets, state of Kenya Population report 2024, 2<sup>nd</sup> progress report on the implementation of the demographic dividend roadmap for Kenya, an action plan for the implementation of Sessional Paper No. 1 of 2023 on Kenya National Population Policy for Sustainable Development, Addis Ababa Declaration on Population and Development at Ten (AADPD@10) Report and NCPD M&E Framework. These reports have provided data and information for advocacy and public education on population and development issues to inform policy and programmes at national and county levels.



### 6.9.2 Policy, institutional and legal frameworks

In the FY 2023/2024, NCPD registered the following policy, institutional and legal achievements:

- (i) Sessional Paper No. 1 of 2023 on the Kenya National Population Policy for Sustainable Development. The policy was officially launched on 6<sup>th</sup> June 2024. The policy is being disseminated across all the 47 counties to facilitate its implementation.
- (ii) Fourth NCPD Strategic Plan 2023-2027. The NCPD Fourth Strategic Plan 2023-2027 was launched on 27<sup>th</sup> March 2024. This five-year strategic plan builds on lessons learnt from the previous strategic plans, challenges experienced, performance gaps and emerging issues in population and development.
- (iii) The Kenya National Council for Population and Development Bill 2023 to establish NCPD by an Act of Parliament was approved by the Cabinet and forwarded to Parliament for deliberation. The draft bill has undergone first reading and public participation pending the second reading.

### 6.9.3 Implementation challenges

- (i) Inadequate awareness on the inter-linkages between population and development. This has led to inadequate integration of population issues in development policies and plans.
- (ii) Weak legal framework for the NCPD for coordination of the implementation of the population policy and programmes because the NCPD was established through Legal Notice No. 120 of 29<sup>th</sup> October 2004.
- (iii) Insufficient funds from government budgetary allocation devoted to population-related activities, coupled with occasional austerity measures from the National Treasury, and low geographical presence, thus affecting the visibility of NCPD.
- (iv) Persistent socio-cultural beliefs and systems that impede implementation of the population and development programmes.

### 6.9.4 Recommendations

- (i) The National Treasury and Economic Planning to increase funding to NCPD for the implementation of the Kenya National Population Policy and population programmes.
- (ii) There is a need for the Kenya National Assembly to fast-track the enactment of the Kenya National Council for Population and Development by an Act of Parliament.
- (iii) There is a need for NCPD to fully operationalize the NCPD approved organizational structure to improve geographical coverage of the implementation of population policies and programmes.
- (iv) There is a need for NCPD to fully operationalize the Centre of Excellence on Population and Development.
- (v) There is a need for NCPD to enhance advocacy, public education, research and coordination of the population programme for achievement of sustainable development.

## 6.10 Social Protection and Senior Citizens' Affairs Sub sector

The Sub sector is important towards improving social welfare through the Development of National Policies and Programmes on Social Protection, Senior Citizens, Volunteerism; Persons with Disabilities, Older Persons, Community Development and Family Protection; Vocational Training and Rehabilitation of Persons with Disabilities; Management of Statutory Children's Institutions; Community Mobilization; Registration of Self-Help groups; Protection and Advocacy of Needs of Persons with Disabilities; Social Assistance Programmes; Rehabilitation of Street Families; Counter Trafficking in Persons; Children Welfare and Penal Protection; and Support for Matrimonial and Succession Laws and Policies.

The key identified programmes for implementation are: Social Development and Children Services; National Safety Net; General Administrative Planning and Support Services.

### 6.10.1 Sub-sector performance

The key identified programmes/projects slated for implementation during the FY 2023/24 include the following:

- *National Safety Net Programme (NSNP)*: The State Department committed to ensure that identified beneficiaries are provided with cash assistance within the period under review. It would also ensure that the social protection management Information System (MIS) is linked to relevant Government information systems to ensure that the Social Assistance Fund is enacted and operationalized. The State Department would further ensure that the social protections single registry is upgraded.
- *Implementation of the Children Act, 2022*: Towards the implementation of the Children Act, 2022, the State Department set out to implement the Presidential Secondary School Bursary for Orphans and Vulnerable Children, whose target was fully met. It also deployed resources towards the prevention and response to violence against children, and the provision of childcare protection services, which were all over-achieved.
- *National positive parenting*: The State Department for Social Protection and Senior Citizen Affairs developed the framework for the design, implementation, and monitoring of evidence-based parenting programme, which is at 25 percent completion. The State Department also rolled out a training to empower parents, caregivers and trainers of families on positive parenting. This was also over-achieved.
- *Kenya social economic inclusion programme*: The State Department targeted 23,500 beneficiaries for cash top-up and nutritional counselling under the Kenya Social Economic Inclusion Programme, which is well on course. It also ensured the provision of asset transfer (seed capital) for business start-ups (Ksh. 30,000) to the targeted households.

The other projects implemented during the FY 2023/24 include the inclusion of person with disabilities in the national development; community mobilization, development and empowerment; and rehabilitation of street families.

The State Department for Social Protection registered achievements on MTP IV outputs and

BETA priorities during the FY2023/2024. These are presented in the following table:

Table 63: Social Protection output implementation status for FY 2023/24

Priority Project(s)	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
National Safety Net Programme (NSNP)	Beneficiaries provided with cash assistance	No. of beneficiaries provided with cash assistance	1,733,000	1,739,919	Target met
	Social protection MIS linked to relevant Government information systems	No. of social protection information systems linked with Government information systems	-	1	Linking Inua Jamii beneficiaries to NHIF is ongoing
	Social Assistance Fund enacted and operationalized	Functional Social Assistance Fund	1	0	Target not achieved
	Single registry upgraded	Upgraded single registry	1	1	This is a continuous activity
	Graduation for the vulnerable groups	% of beneficiaries graduated	100	50	Cohort EIP to be enrolled in quarter
	Presidential Secondary School Bursary for Orphans and Vulnerable Children implemented	No. of beneficiaries	22,300	22,300	Target Achieved.
	Prevention and response to violence against children	No. of children provided with protective services	180,000	114,093	This a demand-driven service
	Childcare protection services provided	No. of children supported through Child Helpline 116	38,000	16,909	Target not achieved
National positive parenting	Framework for the design, implementation, and monitoring of evidence-based parenting programmes developed	No. of operational frameworks	4	1	Target not achieved

Priority Project(s)	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Families empowered on positive parenting	No. of parents and caregivers empowered on positive parenting	100	232	Target achieved
		No. of ToTs trained on positive parenting	150	152	Target achieved
Kenya Social Economic Inclusion Programme	Beneficiaries provided with cash top-up and nutritional counselling	No. of beneficiaries	17,000	23,500	Target achieved
	Households provided with asset transfer (seed capital) for business start-ups (Ksh. 30,000)	No. of households provided with asset transfer	15,000	15,000	Target achieved
Inclusion of Person with Disabilities in National Development	The National Fund for the disabled of Kenya (NFDK) and National Council for Persons with Disabilities (NCPWD) merged	Operational Merged Fund	1	0	Guideline/ legislative frameworks yet to be put in place
	Person with disabilities registered	No. of PWDs registered	65,200	118,334	Target achieved
	Market-oriented skills for self-reliance provided	No. of PWDs trained	290	922	Enrolment is once per year
	Albinism and autism programmes implemented	No. of persons with Albinism supported	5,000	3,840	This is a demand-driven service
		No. of persons with Autism supported	10,000	10,860	This is a demand-driven service
Community mobilization, development and empowerment	Community groups registered, capacity built and linked to micro finance institutions	No. of community groups registered, trained	30,000	60,480	Target achieved
		No. of community groups registered, capacity built and linked to MFIs	30,000	60,480	Target achieved
	Community Group Registration Act 2022 operationalized	Community Group Registration Act, 2022	1	1	Target achieved

Priority Project(s)	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Community Development Management Information System (CD-MIS) established and operationalized	Functional CD-MIS	1	1	Target achieved
	County and Sub-County Social development committees established	No. of operational SDCs (County and Sub-County)	317	47	County Social development committees established in all counties.  Sub Counties Committees will be established in FY 2024/2024
	Social impact assessment	No. of reports	6	6	Target Achieved
Street families rehabilitation	Model National Street Families Rehabilitation Centre established	National Street Families Rehabilitation Centre	1	0	Target not achieved due to lack of funds allocation to the project
	Street families MIS developed	Operational street families MIS	1	0	A technical working committee on the development of MIS is in place

Source: State Department for Social Protection Reports, FY 2023/24

## Social Protection – Outcome Results for FY 2023/24

Table 64: Social protection outcome implementation status for FY 2023/24

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Improved well-being of vulnerable groups	No. of older persons in households/beneficiaries supported	1,185,455	1,251,721	Additional older persons brought on board
	No. of orphans and vulnerable children in households/beneficiaries supported	482,393	259,043	Natural attrition and case management

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	No. of persons with disability in households/ beneficiaries supported	65,281	44,954	Natural attrition and case management
	No. of PWDs registered	120,0000	118,334	Need-driven service
Enhanced real time child protection care and support services	% proportion of rescue, rehabilitation and reintegration of children	100%	100	Target achieved

Source of Data: SDSPSCA Reports, FY 2023/2024

Cash assistance was provided to 1,044,194 beneficiaries, compared to the targeted 1,733,000 beneficiaries within the period under review. The Social Protection Management Information System (MIS) was linked to relevant Government information systems to ensure that the Social Assistance Fund is enacted and Operationalized. The social protections single registry was upgraded. The Presidential Secondary School Bursary for Orphans and Vulnerable Children was advanced to all the targeted beneficiaries, besides the prevention and response to violence against children, and the provision of childcare protection services, which were all over-achieved.

The State Department for Social Protection and Senior Citizen Affairs developed the Framework for the design, implementation, and monitoring of evidence-based parenting programme, which is at 25 percent completion. Further, the State Department also rolled out training to empower parents, caregivers and trainers of families on positive parenting. This was also over-achieved. Additionally, the State Department advanced cash top-ups and provided nutritional counselling to 17,000 beneficiaries, against the targeted 23,500 beneficiaries under the Kenya Social Economic Inclusion Programme. It also ensured the provision of asset transfer (seed capital) for business start-ups (Ksh. 30,000) to the targeted households.

### 6.10.2 Policy, institutional and legal frameworks

#### a) Legislations

- (i) Counter-Trafficking in Persons Act No. 8 of 2010

#### b) Policies

- (i) National Policy on Family Promotion and Protection, 2023
- (ii) National Policy on Rehabilitation of Street Families, 2023
- (iii) Draft Integrated Early Childhood Development Policy, 2023
- (iv) Persons with Disabilities National Policy, 2024
- (v) Kenya Social Protection Policy, 2023

### **c) Regulations**

- (i) The Children (Kafaalah) Regulations, 2023
- (ii) The Children (Care and Protection) Regulations, 2023
- (iii) The Children (Foster Care Placement) Regulations, 2023
- (iv) The Children (Charitable Children's Institutions) Regulations, 2023
- (v) The Children (Child Welfare Programmes) Regulations, 2023
- (vi) The Children (The National Council for Children's Services) Regulations, 2023

### **6.10.3 Challenges**

- (i) Slow pace in development and finalization of the legal and policy framework in the vulnerable groups sub-sector
- (ii) Low levels of coordination and synergy among the sector players due to lack of a comprehensive specific social protection legislation
- (iii) Inadequate financial and human resources to actualize the implementation of the Children's Act and the Community Group Registration Act and to address the rising cases of social protection among the vulnerable groups
- (iv) Inadequate and unreliable disaggregated data for all vulnerable groups
- (v) Challenges in the land registration process have hindered acquisition of title deeds and securing of land among the vulnerable group sub-sector
- (vi) Inadequate funds to construct or refurbish government-run shelters for victims of trafficking in persons, street families, older persons and other vulnerable persons at risk
- (vii) Inadequate capacity of groups of communities to initiate, implement and manage community-based programmes/projects
- (viii) Neglect and concealment of persons with disabilities, discrimination and stigmatization of street families due to cultural barriers
- (ix) Discrimination and stigmatization of vulnerable persons by the members of society
- (x) The process of registration and categorization of PWDs is challenging due to the lengthy process

### **6.10.4 Recommendations**

- (i) Increase funding for the National Council for Children's Services to enable the implementation of the Children's Act 2022 to enhance child rights and welfare in the country
- (ii) Fast-track the approval of the key policies and legislations already in Parliament and Cabinet
- (iii) To ensure the sustainability of programmes and projects, the Government needs to increase budgetary allocations to fill the financing gap left by development partners



- (iv) Secure sub-sector's parcels of land through involvement of top leadership in relevant agencies to fast-track registration and acquisition of title deeds
- (v) Endeavor to have all MDACs register with NCPWDs career portal via ncpwd@fuzu.com to link PWDs to employment opportunities
- (vi) MDACs should mainstream disability in planning and budgeting processes



*The Principal Secretary, State Department for Social Protection and Senior Citizen Affairs, Mr Joseph M. Motari, MBS, during sensitization meeting on 2nd International Conference on Child Protection (ICCP) day in Africa, 2023*

## 6.11 Sports Sub sector

The sports sub-sector plays a significant role in the overall development of the Kenyan economy and the well-being of its people. This is achieved through recognition and nurturing of talents, development and promotion of clean sports, sports training, management of sports and recreation infrastructure, among other programmes.

The sub-sector has evolved over the years as an integral part of government structure and planning from being a Directorate in various Ministries to a State Department. The Directorate of Sports has been placed in various Ministries over time, including: the Ministry of Labour and Community Development in 1963; the Ministry of Co-operatives Development in 1966; the Ministry of Culture and Social Services 1979; the Ministry of Home Affairs, National Heritage, Culture and Social Services in 1988; the Ministry of Home Affairs, Heritage and Sports in the year 2000; and the Ministry of Sports, Culture and Arts in 2013.

Executive Order No. 2 of 2023 places the State Department for Sports under the Ministry of Youth Affairs, Creative Economy and Sports. It consists of three Directorates, namely: Sports Directorate, Office of the Sports Registrar and Directorate on General Administration. In addition, the State Department for Sports has four Semi-Autonomous Government Agencies, namely:

Sports Kenya, Kenya Academy of Sports, Anti-Doping Agency of Kenya, and the Sports, Arts and Social Development Fund.

### 6.11.1 Mandate of the Sub-Sector

The mandate of the State Department for Sports is as follows:

- (i) Development, management and implementation of the sports policy;
- (ii) Enforcement and implementation of the world anti-doping code and convention against doping;
- (iii) Promotion and coordination of sports training and education;
- (iv) Regulation of sports;
- (v) Expansion of sports industry for sustainable livelihood;
- (vi) Development and management of sports facilities; and
- (vii) Establishment and management of sports academies to nurture talent.

The main sports output during FY 2023/24 were mainly on five priority areas, namely: sports events, sports infrastructure, talent development, promotion of clean sports and regulatory frameworks.

*Table 65: Sports output implementation status for FY 2023/24*

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Talanta Hela Initiative	Management structure established	Talanta Hela Council	1	-	Awaits an enabling legal framework
	Talents identified, nurtured and commercialized	No. of youth talents identified and nurtured	10,000	3,983	A total of 3,983 sports persons were identified and nurtured through the Kenya Academy of Sports (KAS)
		No. of youth talents commercialized	4,700	4,000	Target not achieved due to budgetary constraints
Sports and arts infrastructure development	Kenya Academy of Sports (KAS) Complex (Phase II)	Functional KAS Complex (Phase II)	30	0	The project had no budget in FY 2023/24

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Moi International Sports Centre Stadium upgraded	% of works completed	20	22	Project is ongoing and on schedule as a priority for CHAN 2025 and AFCON-2027. The project was supported by SASDF and attained completion level of 22 percent
	Nyayo National Stadium upgraded	% of works completed	20	15	Project is ongoing and on schedule as priority for CHAN-2025 at 15 percent coverage of the scope of works
	Kipchoge Keino stadium upgraded	% of works completed	20	0	The project is at commencement stage as a priority for AFCON-2027
	Talanta Sports City in Nairobi constructed	% of works completed	20	15	The project is ongoing and on schedule as a priority for AFCON-2027 at scope coverage of 15 percent
	Wote Stadium completed	% of works completed	40	69	Project is ongoing at completion level of 69 percent.  The scope of works involves construction of 1,500 sitter stadium, standard football field and 8-lane track
	Karatu Stadium completed	% of works completed	40	83	Project is ongoing at completion level of 83 percent on construction of 1,500 sitter pavilion, standard and 6-lane track
	Ruring'u Stadium completed	% of works completed	40	0	Contract was terminated at 85 percent completion level for re-tendering of expanded scope of works

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Marsabit Stadium completed	% of works completed	40	98	Project scope was completed at 98 percent
	Kirigiti Stadium completed	% of works completed	40	0	Project scope was completed in FY 2022/23. Awaits recommended additional works as a training ground for CHAN 2025 and AFCON 2027
	Bomet Stadium completed	% of works completed	40	0	The project had no budget in FY 2023/24
	Constituency academies of sports established	No. of academies established	3	0	At tendering stage for 30 academies to be implemented in FY 2024/25
Promoting tourism through sports and arts (sports tourism)	Six (6) international sporting events hosted	No. of international sporting events hosted	6	11	Targets realized due to collaboration of the Government, sports organizations, the private corporations
Anti-doping promotion	Athletes trained on anti-doping and tested	No. of intelligent-based tests conducted	950	1,285	Targets surpassed attributed to the Olympics 2024 team
		No. of persons reached through anti-doping education	13,340	17,085	Target surpassed due increased participants in outreach programmes and adoption of online trainings
		No. of Anti-Doping Educators trained	35	35	Target achieved
Sports Registrar's services	Regional offices established	No. of regional offices established	1	0	Target not realized due to inadequate personnel in the Office of the Registrar of Sports
Records Management Unit	Digitization of public records	Digitized public records	1,000	0	Digitization of public records not done due budgetary constraints

Source: State Department for Sports Reports, FY 2023/24

The main sports outcomes during the FY 2023/24 were mainly on three priority areas, namely: hosting of international sports events, participation of national teams in international sports competitions and promotion of sports talents. The achievements are detailed in Table 66 that follows.

*Table 66: Sports outcome implementation status for FY 2023/24*

MTP IV Outcome	MTP IV Outcome Indicator	MTP IV Outcome Target	Actual Achievement	Remarks on Achievements/Variance
Enhanced performance in elite sports at national and international level	International sports competitions hosted	7	11	Targets realized due to collaboration of the Government, sports organizations, and private corporations
	Teams funded for international competitions	30	35	Targets realized due to collaboration of the Government, sports organizations, and SASDF. There were more qualifier teams for Olympics 2024
	Youths recruited in various sports disciplines	3,200	3,983	A total of 3,983 sports persons were identified and nurtured through the Kenya Academy of Sports (KAS)

*Source of Data: State Department for Sports Reports, FY 2023/2024*

### 6.11.2 Sub-sector performance

A total of 2,700 against the targeted 4,700 talents were identified, nurtured and commercialized. The sports and arts infrastructure that was targeted include: Phase II of the Kenya Academy of Sports (KAS); upgrade of the Moi International Sports Centre Stadium, Nyayo National Stadium, and Kipchoge Keino Stadium; Construction of the Talanta Sports City in Nairobi; Completion of the Wote, Karatu, Ruring'u, Marsabit; Kirigiti, and Bomet stadiums; and establishment of Constituency Academies of Sports. Promoting tourism through sports and arts (sports tourism) was done by hosting 1 out of the 6 targeted international sporting events. Anti-doping promotion was enhanced by conducting intelligent based-tests and the roll-out of anti-doping education.

### 6.11.3 Policy, institutional and legal frameworks

The policy, legal and institutional frameworks realized during the FY 2023/2024 are detailed as follows:

- (i) Sports Policy No. 3 of 2005 has been initiated and is currently at stakeholders' input gathering stage. A review is ongoing, and the review roadmap is on schedule.
- (ii) Public Finance Management Regulations 2018 (Sports Arts and Social Development Fund). Approval was granted for the operational budget of 2 percent to SASDF. To strengthen the funding ceilings for sports programmes, projects, interventions and operations, submissions, proposals, and recommendations were made to the National Treasury.

- (iii) The Records Management Classification Scheme was operationalized. However, there is still a deficiency in personnel, equipment and budgetary support for regular reviews.
- (iv) The development of the Records Management Policy commenced, and there is need to customize the national legal frameworks on public archives, information access, records and documentation services in the State Department.

#### 6.11.4 Challenges

The challenges encountered by the State Department for Economic Planning while implementing the planned projects in the period under review include:

- (i) The implementation of sports infrastructure was affected by reduced budget allocations, and therefore some activities delayed at design and commencement levels
- (ii) Implementation of the projects also faced change of scope and designs to accommodate the recommendations from the international sports organizations such as Confederation for African Football (CAF) and World Athletics (WA)
- (iii) The establishment of regional offices for Registrar of Sports were constrained by inadequate personnel to deploy to field services
- (iv) There were incidences of doping arising from sophisticated technological applications
- (v) Delays in the release of exchequer hampered implementation of activities

#### 6.11.5 Recommendations

The following recommendations are provided towards addressing the various challenges faced:

- (i) Establishing clear domestic and foreign financing mechanisms towards completion of ongoing projects and other priority projects
- (ii) Incorporate stadia scheduled to host national celebrations as part of the priority projects
- (iii) Collaboration with the County Governments and related Economic Blocs for implementation of county and regional stadia
- (iv) Development of memorandum of understanding between the National Government and the County Governments for sustainability in management of stadia
- (v) Pursue enhanced personnel budgetary provisions for the recruitment of regional officers for Registrar of Sports
- (vi) Adopt advanced testing methods to curb doping through technology

### 6.12 Youth Affairs and Creative Economy Sub sector

The sub sector is a catalytic pillar of the Kenyan economy on youth empowerment and employment creation and spearheads the management of the youth policy and legislations and promotion of the creative industry. Further, it coordinates youth mainstreaming, research, volunteerism, harnessing and development of youth innovations and talents.



The implementation status of the key outputs and BETA priorities by sub sector were cantered on the State Department's 'Vuka na Afya project, promotion and development of creative and film industry, Presidential Challenge and Innovation Awards, skills development for young people, among others.

The sub-sector performance regarding the implementation of MTP IV outputs and BETA priorities for FY 2023/24 is as follows.

- *Increased youth skilling, employment and wealth creation:* This forms a key component of the State Department's output that significantly contributes to youth unemployment rate, and the Kenya Youth Development Index (KYDI) that is being developed for the country.
- *Vijana Vuka na Afya programme:* Youth (15-24 years) were targeted for training on sexual reproductive health (SRH) services and development of socio-economic skills. 157 youth peer educators were trained against the targeted 7,250 educators. 28,407 youth were consequently trained on appropriate SRH against the targeted 26,000. Consequently, 31,670 youth were able to access SRH.
- *Promotion and development of creative and film industry:* Establishing one (1) incentive framework; hosting one (1) international art and creatives festival exhibition; engaging the targeted 50 artists in mentorships and apprenticeship programmes; and issuing licenses to 89 percent of the targeted exhibitors, distributors and new film makers.
- *Presidential Challenge and Innovation Awards:* This focused on Youth Empowerment Centres (YECs) transformed into digital innovation hubs measured by the number of YECs refurbished. Precisely, it focussed on the number of YECs constructed, the number of innovation hubs established, the number of youth accessing innovation hubs, the number of youth accessing youth friendly services, and the number of youth talents and innovations incubated.
- *Skills development/youth skilling employment and wealth creation:* Youth were trained on life skills and entrepreneurial skills. Conversely, youth entrepreneurs were engaged in green jobs and cloud sourcing/online job. 11 out of the targeted 19 community youth SACCOs were operationalized. Further, an impact evaluation of the affirmative funds was conducted; business grants for start-ups were issued; and community-based youth-savings and investment (CYSI) groups were slated for establishment.
- *Knowledge sharing on youth's socio-economic transformation:* This programme entails the transformation, development of youth leadership and governance structures, and hosting Youth Connekt forums.
- *Youth Enterprise Development Fund (YEDF):* This is a programme to advance a sum of Ksh. 4.3 billion to youth enterprises. As a result, youth entrepreneurs benefited from YEDF loans for Business Development Services.

#### 6.12.1 Sub-sector performance

To enhance youth skilling for employment and wealth creation, 28,407 youth were trained on Sexual Reproductive Health (SRH) and further facilitated 31,670 youth to access SRH services.



Further, 24,138 youths were trained in life skills and entrepreneurial skills. This is in addition to 975 youth being engaged in cloud sourcing and online jobs. Additionally, the State Department facilitated 11 community youth SACCOs to be operational. To promote the film industry, the State Department hosted the international art and creatives festival exhibition, where a total of 69 local and international organizations exhibited at the event. Additionally, the State Department issued 4,762 licenses to exhibitors, distributors and new film makers.

To access youth friendly services, the State Department constructed 3 Youth Empowerment Centres (YECs) and renovated an additional 12 YECs. Further, 14 YECs were supplied with assorted furniture while 25 YECs were equipped with ICT equipment. This allowed 216,000 youth to access youth friendly services across the country. To promote innovation among youth, 35 innovators were profiled and incubated. To increase knowledge sharing for the youth's socio-economic transformation, the State Department developed a Youth Connekt framework and hosted a Youth Connekt Summit, which brought together 25,000 youths. Under the Youth Enterprise Development Fund, Ksh. 324.1 million was disbursed to youth entrepreneurs in key value chains as loans, benefiting 25,360 youth across the country. Further, 107,034 youth were provided with business development services. The State Department is in the initial stages in development of the Kenya Youth Development Index (KYDI).

### 6.12.2 Policy, institutional and legal frameworks

The following were developed during the review period:

- (i) Framework for establishing the Kenya Youth Association for Youth Centres
- (ii) Draft National Creative Policy and Creatives Industries Bill
- (iii) Draft Kenya Youth Development Bill
- (iv) Draft Framework for Coordination of Innovation and Talent Hubs
- (v) Draft Framework for Commercialization of Innovations and Talents
- (vi) Presidential Innovations Award Framework

### 6.12.3 Challenges

During the period, the following challenges were experienced by the State Department:

- (i) Inadequate funding for implementation of programmes and projects: Despite the numerous contributions of the State Department to the Gross Domestic Product (GDP) over the years, the sub-sector has experienced low budgetary allocation and budget cuts, thus affecting logistics, office space, staff, ICT equipment, transport, furniture and Internet connectivity. This has led to under-performance of planned programmes, projects, initiatives and activities.
- (ii) Inadequate infrastructure: The sub-sector's physical facilities are overstretched; inadequate ICT equipment and lack of connectivity that affects the implementation of programmes and service delivery. In addition, the State Department suffers encroachment and vandalism of the existing facilities causing high cost of maintenance.

- (iii) Employment creation challenges: The youth face unemployment, underemployment, lack employable skills, poor health, and insufficient socio-economic support for empowerment.
- (iv) Youth vulnerability: The youth are increasingly becoming vulnerable due to high unemployment rate, globalization and technological advancement exposing them to exploitation, crime, and thus hampering their meaningful engagement in social economic development. There is thus the need for the State Department to continuously redesign interventions and strategies to suit the emerging needs of the youth.
- (v) Inadequate policy. Legal and regulatory frameworks: The emerging social and new media that is responsible for moral decadence of the youth and hence the need for policy, legal and regulatory frameworks regulate the creative economy.
- (vi) Inadequate mechanism for talent identification, nurturing and development: Due to inadequate resources, the fragmented mandates on talent and innovation development and the lack information on monetization of talents.
- (vii) Minimal youth inclusion and representation in leadership: There are few youths in leadership decision-making table despite accounting for 29.1 percent of Kenya's population

#### 6.12.4 Recommendations

The State Department has identified and recommended the following measures for the effective implementation of quality programmes, projects and initiatives to enhance the delivery of its mandate on youth development and creative economy. The recommendations are as follows:

- (i) Need for enhanced funding: The State Department seeks additional funding for construction/leasing of adequate office space to hire staff, and procure ICT equipment, transport, furniture, and get Internet connectivity. There is thus a need to increase the current funding level to the State Department progressively.
- (ii) Enhancement of infrastructure: There is a need to expand the capacity of the physical infrastructure through increased investment and seeking for partnerships and collaboration with development partners, private sector and other stakeholders to compliment government efforts.
- (iii) Need to address unemployment challenge: There is a need to promote alternative forms of livelihoods through arts and film to reduce pressure on available white-collar jobs. This will be realized through the various youth empowerment programmes to address their vulnerability.
- (iv) Enhance policy, legal and regulatory frameworks: There is need for harmonization of policy, legal and regulatory frameworks between the National and County Governments for unified regulation of the film and art industries.
- (v) Enhance talent identification, nurturing and development through capacity building and development of programmes, projects and initiatives to assist in the identification, nurturing and monetization of talents and innovations.



*Renovated Youth Empowerment Centre at Laikipia West Constituency*

The performance of the State Department for Youth and Creative economy towards the implementation of MTP IV outputs and BETA priorities is summarized in Table 67.

*Table 67: Youth and creative economy output implementation status for FY 2023/24*

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Increased youth skilling, employment and wealth creation	Kenya Youth Development Index (KYDI)	Index	0.621	-	Survey tool developed and validated, other processes to be done in year 2
	Youth unemployment rate	%	11.6	20.1	The mismatch between the aspirations of young people and available opportunities
Vijana Vuka na Afya	Youth (15-24 years) trained on Sexual Re- productive Health (SRH) services and socio-economic skills	No. of youth peer educators trained	7,250	157	The target was unrealistic
		No. of youth trained on appropriate SRH	26,000	28,407	Target achieved
		No. of youth accessing SRH	25,000	31,670	Target achieved
Promotion and development of creative and film industry	Incentives framework established	Incentives framework	1	0	In progress. At technical development stage

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	International art and creatives festival exhibitions hosted	No. of exhibitions	1	2	Kalasha International Film and TV market was held on from 27-29 March 2024 in which 69 local and international organizations exhibited at the event. Kalasha International Film and TV Awards was held on 30th March 2024 in which 225 films and 1,563 entries were received and 39 winners were feted during the event
	Artists engaged in mentorships and apprenticeships programmes	No. of Artists mentored and engaged in apprenticeships	50	50	Target Achieved
	Licenses issued to exhibitors, distributors and new film makers	Proportion of licenses issued to exhibitors, distributors and new film makers	100	89	4,762 licenses were issued to exhibitors, distributors and new film makers
	National Creatives Economy Council (NCEC) established	Functional National Creatives Economy Council	1	0	The target not achieved but the establishment of the Council is in progress
Presidential Challenge and Innovation Awards	YECs transformed into digital innovation hubs	No. of YECs refurbished	20	12	12 YECs were renovated. Additionally, 14 YECs were supplied with assorted furniture while 25 YECs were equipped with ICT equipment

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
		No. of YECs constructed	4	3	Budgetary constraint led to delays in implementation of planned activities. 3 YECs (Mwea, Chepalungu and Dagoretti North are Complete) while 1YEC (Mandera South is 50 percent complete
		No. of innovation hubs established	47	0	Budgetary constraint led to delays in implementation of planned activities
		No. of youth accessing innovation hubs	290,000	3,705	Budgetary constraint led failure to meet the set target
		No. of youth accessing youth friendly services	300,000	216,000	Achievement on course
		No. of youth talents and innovations incubated	5,000	35	35 innovators were profiled and incubated. The target number could not be attained due to budgetary cuts
	Framework for Presidential Challenge Innovation and Award developed	Framework developed	1	1	Set target was met
	Programmes for protection of intellectual property and other rights developed	No. of Youth led Innovations patented	10	0	Activity delayed by lack of funds
	National Arts Excellence Awards (NAEA) scheme established	No. of youth conferred with annual national honours NAEA scheme	1	0	Activity delayed by lack of funds

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Skills development/ Youth Skilling employment and wealth creation	Youth trained on life skills	No. of youth trained	26,000	24,138	Achievement on course
	Youth trained on entrepreneurial skills	No. of youth trained	26,000	24,138	Achievement on course
	Youth entrepreneurs engaged in green jobs	No. of youth engaged	5,000	690	Budgetary constraint led to failure to meet the set target
	Youth engaged on cloud sourcing/ online jobs	No. of youth engaged	5,000	975	Budgetary constraint led to failure to meet the set target
	Youth entrepreneurs mentored and coached	No. of youth mentored and coached	100,000	0	Realization of target affected by delay in signing of NYOTA Project Financing Agreement
	Community youth SACCOs operationalized	No. of youth SACCOs operationalized	94	11	11 community youth SACCOs were operationalized. The realization of set target relies on rolling up of the NYOTA project
	Youth engaged in internships and attachments/ employment	No. of youth engaged	3,000	0	Target was not met due to delay in operationalization of National Youth Opportunities Towards Advancement (NYOTA) project
	Impact evaluation of the Affirmative funds conducted	Impact evaluation	1	1	Target Achieved
	Business grants and start-up kits issued	No. of grants disbursed / No. of youth issued with start-up kits	50	0	Awaiting operationalization of National Youth Opportunities Towards Advancement (NYOTA) project

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Community-based Youth-Savings and In- vestments (CYSI) groups established	No. of CYSI groups established	7,250	0	Awaiting operationalization of National Youth Opportunities Towards Advancement (NYOTA) project
Knowledge sharing on youth's socio-economic transformation	Framework for Youth Connekt developed	Youth Connekt framework	1	1	Youth Connekt framework developed
	Youth leadership and governance developed	No. of Youth engaged in leadership and governance	4,000	0	Actual report is yet to be produced
	Youth Connekt hosted/ Youth engaged in connekt	No. of youth Connekt forums	1	1	Youth Connekt Summit hosted from 7th-13th December 2023, which brought together 25,000 youth
Youth Enterprise Development Fund	KSh 4.3 billion financed to youth enterprises	Amount of loans disbursed to youth entrepreneurs in key value chains (Ksh. millions)	475	324.1	Target not met due to limited funds available to disburse loans to the youth
	Youth entrepreneurs benefited from YEDF loans	No. of youth entrepreneurs financed	37,172	25,360	Target not achieved due to limited funds available for loan disbursement
	Youth provided with Business Development Services	No. of Youth provided with business development services	95,700	107,034	Target was achieved

Source: State Department for Sports Reports, FY 2023/24



The MTP IV outcome results by the State Department for Youth Affairs and Creative Economy for FY 2023/2024 is presented in the following table.

*Table 68: Youth affairs and creative economy outcome implementation status for FY 2023/2024*

MTP IV Outcome	MTP IV Outcome Indicators	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Increased youth skilling, employment and wealth creation	Kenya Youth Development Index (KYDI)	0.621	0	Target not achieved but tools have been developed to undertake the survey, which will be done in year II of the MTP IV
	Youth unemployment rate (%)	11.6	20	Target not achieved

*Source of Data: State Department for Youth Affairs and Creative Economy Reports, FY 2023/2024*

## 6.13 Higher Education and Research Sub sector

The sub sector programmes ensures coordination of learning programmes in universities and tertiary institutions of learning. It also coordinates research in the country through the National Commission for Science, Technology and Innovation (NACOSTI) and the National Research Fund for research-led development in the country.

### 6.13.1 Sub-sector performance

The sub-sector performance is as follows.

- (i) *Open University of Kenya and Open distance and eLearning (ODEL):* All the eight (8) targeted higher education and research programmes were developed. The State Department also showed commitment towards the establishment of digital labs, whose construction was curtailed by budgetary constraints. High-speed Internet connectivity to tertiary educational institutions and a Learning Management System were also set up and developed, respectively.
- (ii) *Education reforms:* Recommendations from the Presidential Working Party on Education Reforms were fully implemented. The implementation of University Competency-Based Curriculum Framework (UCBCF) was at 40 percent by the end of Q3, towards the implementation of Competency Based Assessment (CBA).
- (iii) *Inclusion in education and training:* The targeted nine (9) PWD-friendly infrastructure were constructed in universities to enhance inclusivity.
- (iv) *University infrastructure improvement:* The critical university infrastructure was rehabilitated and equipped. Students also benefited from loans and bursaries.
- (v) *Strengthening of Science, Technology, Engineering and Mathematics:* The capacity of seven (7) universities and two (2) research institutes were strengthened to be centres of excellence. These include Egerton, Moi and Jaramogi Oginga Odinga University of Science and Technology (JOUST) centres of excellence supported through World

Bank ACE II project. Thirty (30) out of the 90 Kenyan node of the National Science, Technology and Innovation Observatory were also established.

The table below presents the implementation status of the key outputs and BETA priorities by the State Department for Higher Education and Research for FY 2023/24.

*Table 69: Higher Education and Research output implementation status for FY 2023/24*

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Open University of Kenya and Open distance and eLearning (ODEL)	Programmes developed	No. of programmes	8	8	Target Achieved
	Students admitted	Number of students admitted	2000	2,000	Target Achieved
	Digital lab established	No. of operational digital labs	1	0	No budget provision
	High-speed Internet connectivity to tertiary educational institutions	No. of institutions	2	0	Connection carried out by State Department for ICT
	Learning management system developed	No. of systems developed	5	8	Universities with learning management systems during FY were: Mt Kenya University, KU, St Paul Kiriri, Lukenya University, Kenya Methodist University, Murang'a and Meru universities
Education reforms	Presidential Working Party on Education Reforms recommendations implemented	% of recommendations implemented	50	50	A Sessional Paper and 13 bills to guide implementation of the recommendations have been drafted and ready for tabling in Cabinet
	Implement Competency Based Assessment (CBA)	% completion of University Competency-Based Curriculum Framework (UC-BCF)	100	40	Lack of budget provision to support the activity
Inclusion in education and training	PWD friendly infrastructure constructed in universities	No. of universities with PWD facilities constructed	9	9	This is an ongoing activity and is part of Performance Contract (PC) for all universities

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
University infrastructure improvement	Critical university infrastructure rehabilitated and equipped	No. of universities rehabilitated and equipped	40	0	No development vote was provided to the universities during the FY
	Capitation grant awarded	No. of Government sponsored students (GSS)	366,900	369,029	A total of Ksh.s.31,286,017,477 disbursed to approximately 91.67% of the total budget
	Students benefited from loans and bursaries	No. of students provided with loans and bursaries	340,400	377,415	University Loans: 112,741 students issued Ksh. 12.6 billion  University Scholarship: 112,741 students issued with 12.4 billion  TVET Loans: 151,933 trainees issued with Ksh.5.59 billion
Strengthening of Science, Technology, Engineering and Mathematics	Capacity of 7 universities and 2 research institutes strengthened to be centres of excellence	No. of universities/ research institutes	2	3	Egerton, Moi and JOOUST universities centres of excellence supported through World Bank ACE II project
	Universities supported under HEST II	No. of universities	3	0	Development of HEST II project ongoing and expected to be concluded in Q2 of FY 2024/25
	Database on national STI human resource capacity and skills established	Functional database on national STI human resource capacity and skills	1	0	Activity delayed due to lack of funds
	Kenyan node of the National Science, Technology and Innovation Observatory established	% of establishment	90	30	Benchmarking exercise carried out in Egypt, followed by a stakeholder workshop

Source of Data: State Department for Higher Education and Research Reports, FY 2023/24

The outcome results for the State Department for Higher Education and Research are presented in the following table.

*Table 70: Higher Education and Research outcome implementation status for FY 2023/2024*

MTP IV outcome	MTP IV outcome indicator	MTP IV outcome target	Actual Achievement	Remarks on Achievement Variance
Improved access to university education by eligible students	Enrolment rate (%)	88	81	Some students who qualified to join university opted for TVET programmes

*Source of Data: State Department for Higher Education and Research Reports, FY 2023/2024*

Towards establishing the Open University of Kenya and Open Distance and eLearning (ODEL) digital labs could not be established and operationalized because there was no budgetary provision. The high-speed Internet connectivity to tertiary educational institutions could not be carried out because it falls under the mandate of the State Department for ICT. Learning management systems were developed in a number of universities. These include Mt. Kenya University, KU, St Paul Kiriri, Lukenya University, Kenya Methodist University, and Murang'a and Meru universities.

In order to ensure inclusion in education and training, PWD friendly infrastructure was constructed in universities as part of an ongoing activity that is part of the Performance contract (PC) for all universities. Additionally, a significant number of Government sponsored students (GSS) were given capitation grant, loans and bursaries.

### 6.13.2 Policy, institutional and legal frameworks

The policies, institutional and legal frameworks developed by the State Department for Higher Education and Research during the period under review include:

- (i) Sessional Paper on implementation of the report of the Presidential Working Party on Education Reform, drafted and submitted to the Cabinet
- (ii) Technical and Vocational Education and Training Bill, 2024
- (iii) Universities Bill, 2024
- (iv) Science, Technology and Innovation (Amendment) Bill, 2024
- (v) Education Appeals Tribunal Bill, 2024

### 6.13.3 Challenges

- (i) Lack of allocation for M&E hampered accurate reporting of the targets, since most implementing institutions lack the necessary capacity
- (ii) Implementation of priority projects was hampered by lack of budgetary provision
- (iii) Some outputs were moved to ICT, occasioning delays

#### 6.13.4 Recommendations

- (i) Timely disbursement of funds to avoid delays in implementation of key activities
- (ii) Adequate budget allocation, especially those related to training and operational support

### 6.14 Technical, Vocational Education and Training Sub sector

The sub-sector focuses on access, equity, quality, governance and accountability of technical education and training in the country. This is to ensure the country is provided with trained manpower with globally benchmarked industry skills to pave way for industrialization as outlined in the Kenya Vision 2030 Economic Blueprint.

#### 6.14.1 Sub-sector performance

The sub-sector performance for the State Department for Technical, Vocational Education and Training is as follows:

- (i) *Automation and skills development (digital labs):* 126 against the targeted 50 digital labs were installed and operationalized. To enhance relevance and effectiveness of the labs, 27,632 out of the targeted 50,000 youth were trained.
- (ii) *Expansion of technical, vocational education and training:* The SD-TVET focused on the construction and equipping 15 out of the targeted 26 TVET institutions in 52 constituencies, equipping 36 TVET institutions (26 have been equipped), recruitment of 1,000 technical trainers and instructors (which has been surpassed by 1,000), establishment of 1,000 incubation in every TVET institution, and facilitating online learning in TVETs.
- (iii) *Education reforms:* This entails the implementation of recommendations from the Presidential Working Party on Education Reforms. The targeted 50 percent implementation was met.
- (iv) *Automation of basic education system:* The targeted 50 percent of the National Skills Management Information System was developed and operationalized.

The following table presents the implementation status of the key outputs and BETA priorities by the State Department for Technical, Vocational Education and Training for FY 2023/24.

Table 71: Technical, vocational education and training output implementation status for FY 2023/24

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Automation and skills development (digital labs)	Digital labs installed and operationalized	No. of operational digital labs	50	126	Target surpassed
	Youth trained	No. of youth trained	50,000	27,632	Budget constraint

<i>Priority Project/ Priority</i>	<i>Output</i>	<i>Indicator</i>	<i>Annual Target FY 2023/24</i>	<i>Actual Achievement FY 2023/24</i>	<i>Remarks on performance</i>
Technical Vocational Education and Training Expansion	TVET institutions constructed and equipped in 52 constituencies	No. of new TVET institutions constructed and equipped in constituencies	26	15	At the procurement stage
	Existing TVET institutions equipped	No. of existing TVET institutions equipped	36	26	To be equipped after construction
		No. of technical trainers and instructors recruited	1000	2,000	Target surpassed
	Incubation centres established in every TVET institution	No. of incubation centres established	100	3	Establishing in progress
	Online learning conducted in TVETs	No. of programmes / courses offering online content	8	8	Target achieved
		No. of TVET institutions offering online content	25	25	Target achieved
Education Reforms	Presidential Working Party on Education Reforms recommendations implemented	% of recommendations implement	50	50	Target achieved
Automation of basic education system	National Skills Management Information System developed and operationalized	% completion of the National Skills Management Information System	50	50	Target achieved

Source of Data: State Department for Technical, Vocational Education and Training Reports, FY 2023/24

The outcome results for the State Department for Technical, Vocational Education and Training is presented in the following table.

*Table 72: Technical, vocational education and training outcome implementation for FY 2023/2024*

<i>MTP IV Outcome</i>	<i>MTP IV Outcome Indicator</i>	<i>Annual Target FY 2023/24</i>	<i>Actual Achievement FY 2023/24</i>	<i>Remarks on performance</i>
Increased access to TVET	TVET Gross Enrolment (Total)	640,326	406,598	Enrolment in public TVET institutions under MoE (NP, TTIs, TVCs)
Improved gender equity in TVET	Gender Parity Index	0.8	0.824	Male - 222,898 Female - 183,700

*Source of Data: State Department for Technical, Vocational Education and Training Reports, FY 2023/2024*

During the FY 2023/24, the TVET sub-sector achieved a gross enrollment of 406,598 trainees (222,898 male and 183,700 female) against a target of 640,326 trainees. There is a variance where the actual achievement falls short of the target. To achieve the target, the State Department shall implement the following strategies:

- (i) Expand infrastructure and facilities at TVET institutions
- (ii) Increase awareness and outreach programmes to promote TVET opportunities
- (iii) Collaborate with industries to create demand-driven TVET courses
- (iv) The Gender Parity Index of 0.824 indicates a slight over-achievement compared to the target of 0.8, suggesting an improvement in gender equity within TVET enrollment. This was necessitated by:
  - (v) Implementation of policies that encouraged more females to enroll in traditionally male-dominated fields within TVET
  - (vi) Provision of mentorship and support programmes for female TVET students
  - (vii) Addressing of socio-economic barriers that might deter female participation in TVET
  - (viii) Conducted awareness campaigns to change societal perceptions about gender roles in vocational education

#### **6.14.2 Policy, institutional and legal frameworks**

During the review period, the sub-sector developed/reviewed the following policies and guidelines:

- (i) National Education Sector Strategic Plan (2023-2027)
- (ii) Recognition of Prior Learning (RPL) Policy
- (iii) TVET Act, No. 29 of 2013
- (iv) Credit Accumulation and Transfer System (CATS) for mobility of learners
- (v) Kenya National Qualifications Classification Standard (KNQCS)



- (vi) Kenya National Qualifications Framework Act, 2024
- (vii) Competence-Based Education, Training and Assessment (CBETA) 2023
- (viii) Recognition of Prior Learning (RPL) 2023
- (ix) Open, Distance and E-Learning (ODEL) — Requirements and Guidelines 2023
- (x) CBET Assessment Centre Standards 2022
- (xi) Competency-Based Assessment (CBA) Tools Standard 2022
- (xii) Recognition and Equation of TVET Qualifications Standard 2023
- (xiii) Industrial Attachment Standard 2023

### 6.14.3 Challenges

Despite the efforts put in place, the following challenges still exist:

- (i) Budgetary constraints have deterred SDTVET from allocating enough funds to enable the recruitment of more staff, especially in the expanding infrastructure and training.
- (ii) NGCDF delayed the disbursement of Ksh.10,000,000 counterpart funding, which led to delays in completion of new TVCs in some constituencies.
- (iii) Weak linkage between TVET training and industry
- (iv) Inadequate staffing and CBET pedagogy
- (v) Late disbursement of quarterly capitation, and therefore the institutions operated at a deficit in the quarters
- (vi) Growth of enrolment outstrips the growth of budgetary allocation to the SDTVET sub-sector

### 6.14.4 Recommendations

- (i) Lobby exchequer during the sector working group to allocate more funds in support of the growing enrolment in TVET institutions
- (ii) Enhanced partnerships and collaborations with all stakeholders in the delivery of services

## 6.15 Performance and Delivery Management Sub sector

During the reporting period, the sub sector planned to coordinate performance contracting by MDAs; enhance the performance contracting system; capacity build the MDACs; maintain and upgrade Government Performance Reporting System (GPRS) for projects; and hold National Development Implementation Committee (NDIC) meetings to discuss the progress of implementation of the priority programmes and projects.

### 6.15.1 Sub-sector performance

The sub sector's performance regarding the implementation of MTP IV outputs and key BETA priorities for FY 2023/2024 is as follows:

- (i) Performance and service delivery management stands as a pivotal initiative aimed at enhancing accountability and efficiency in public service delivery. This priority project seeks to streamline performance management practices across government entities, ensuring that objectives are met, and resources are used effectively. The key outputs associated with this initiative include:
- (ii) The enhancement of the performance contracting system
- (iii) Capacity building for MDACs to strengthen their operational effectiveness
- (iv) Maintenance and upgrading of the Government Performance Reporting System (GPRS) for monitoring project outcomes; and
- (v) Facilitation of regular meetings of the National Development Implementation Committee (NDIC) to ensure alignment and oversight.

These efforts are designed to foster a culture of transparency and continuous improvement within the public sector. The implementation status of the key MTP IV outputs and BETA priorities by the State Department for Performance and Delivery Management for FY 2023/24 is presented as follows:

*Table 73: Performance and delivery management output implementation status for FY 2023/24*

Priority project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Performance and service delivery management	Performance contracting by MDAs coordinated	No. of MDAs and counties on performance contract	439	453	Additional State Corporations were on-boarded on PC
	Enhance the performance contracting system	% level of automation of the PC processes	75	68.75	Automation of PC processes was undertaken in Q4
	MDACs capacity build	No. of MDACs capacity built	439	0	Achievement was affected by budget cuts
	Government Performance Reporting System (GPRS) for projects maintained and upgraded	No. of monthly reports channelled through GPRS	12	12	Monthly reports submitted cumulatively through GPRS by the end of Q4
	National Development Implementation Committee (NDIC) held	No. of high-level stock-take meetings held	64	62	62 stock-take meetings were held cumulatively by the end of Q4

Source of Data: State Department for Performance Delivery and Management Reports, FY 2023/24

453 Ministries, Departments, Agencies and Counties (MDACs) were placed on performance contract against the targeted 439, the overachievement being the additional State Corporations that were on-boarded. The State Department realized 68.75 percent of automation of the performance contracting process in enhancing the Performance Contracting system. The underperformance was due to budgetary constraints. Twelve monthly reports detailing the implementation progress of the priority government programmes and projects were channeled through GPRS, and sixty-four (64) high level stock take meetings were held during the reporting period.

### 6.15.2 Policy, institutional and legal frameworks

During the review period, the State Department developed a draft Public Service performance management bill to anchor performance management into law.

### 6.15.3 Challenges

- (i) Budget constraints and government-wide austerity measures led to partial or non-implementation of planned programmes and activities.
- (ii) Inadequate numbers of professional/technical officers and limited human resource development opportunities.
- (iii) The necessary policy and legal framework to guide performance and delivery management is not in place, leading to ineffective execution of the institutional mandates.

### 6.15.4 Recommendations

- (i) The State Department should embrace resource mobilization strategies to fill the financial gaps
- (ii) Develop the necessary policy and legal framework to guide the performance and delivery management for effective execution of the institutional mandates
- (iii) Enhancing human resource management and development within the public service to address capacity gaps, for the successful implementation of the programmes and activities.
- (iv) Inter-agency and inter-ministerial coordination are fundamental in realizing the implementation of the annual targets
- (v) The successful implementation of the annual targets requires collaboration, monitoring and embracing ICT through automation of business processes
- (vi) Teamwork is key to the successful realization of the annual targets

# CHAPTER SEVEN

## 7.0 ENVIRONMENT AND NATURAL RESOURCES SECTOR

### 7.1 Overview

The environment and natural resources sector comprises nine (8) sub-sectors, namely: Environment and Climate Change; Forestry; Tourism; Wildlife; Arid and Semi-Arid Lands and Regional Development; Mining; Blue Economy and Fisheries; and Shipping and Maritime Affairs.

The sector focuses on natural resource conservation, restoration and management; sustainable waste management and pollution control; sustainable exploitation of natural resources and blue economy; and tourism promotion and marketing.

### 7.2 Environment and Climate Change Sub sector

The sub sector undertook several ongoing projects related to environmental protection, climate change mitigation and adaptation, and sustainable forestry management.

#### 7.2.1 Sub-sector performance

A total of 5 wetland areas were rehabilitated and restored including: Enkong'u Enkare in Narok; Ondwago in Homabay; Gatituri in Embu; Motorok in Narok; and Kalacha in Marsabit. Kangoki dump. Further, screening of landfill disposal site was conducted at Kang'oki dumpsite in Thika.



*CS Environment and Climate Change, Soipan Tuya planting a tree at the Masai Technical Institute during the dissemination of the Fourth Medium Term Plan (IV) in Kajiado County*

NEMA expanded from a minimum of ten points to Material Recovery Facilities (MRFs) and established six (6) operational MRFs in four (4) Counties. 152 waste providers were established and capacity built on waste service management

### 7.2.2 Policy, Institutional and legal framework

During the FY 2023/24, the sub-sector developed a Meteorology Policy, 2023 and a draft Meteorology Bill, 2023. In addition, the sub-sector amended the Climate Change Act, 2016 to provide for carbon markets, and developed Carbon Markets Regulations, 2024. In addition, NEMA was gazetted as the Designated National Authority (DNA) for market mechanisms and any other mechanisms derived from Article 6 of the Paris Agreement via Gazette Notice No. 7621 dated 18<sup>th</sup> June 2024. The sub-sector also ratified and domesticated four (4) Multi-Lateral Environment Agreements, namely: Minamata, Kigali, Bamako and Nairobi Conventions.

### 7.2.3 Implementation challenges

The Ministry of Environment, Climate Change and Forestry encountered some challenges when undertaking its activities during the FY 2022/2023 that include:

- (i) Inadequate data within the sector: The existing systems for data collection within the sector have not integrated all the indicators as expected. In addition, the sector has not developed a standard indicator handbook to guide data collection, analysis and reporting. This has led to unclear monitoring and evaluation systems in the sector
- (ii) Shortcomings or contradictions in basic requirements for enterprise environmental monitoring and reporting in legislation
- (iii) Weak coordination and communication between various environmental, health and statistics authorities at different levels in handling and exchanging environmental data that are collected and reported by enterprises
- (iv) Lack of trust between public authorities and enterprises
- (v) Lack of a commitment by the general management of industries to environmental issues and a tendency to delegate these to an environmental department or an individual in the company
- (vi) Inadequate human resources and lack of on job continuous training, which may affect the Ministry's capacity to effectively implement its programmes and policies
- (vii) Inadequacy in financial resources attributed to budget cuts that occur after budgets and work plans have been approved, thus affecting implementation of policies and programmes in the sector. In addition, delays in the release of development funds further delayed timely project implementation
- (viii) Environmental degradation continued unabated, driven by illegal activities, competing land uses, population pressure and inadequate enforcement of conservation laws. Deforestation and land degradation were persistent issues, alongside significant biodiversity loss resulting from habitat destruction and over-exploitation of natural resources

- (ix) The impacts of climate change further complicated conservation efforts. The increased frequency and severity of extreme weather events, such as droughts and floods, made resource management more difficult. Additionally, there was reduced capacity to implement effective climate change adaptation strategies at the local level
- (x) Gaps in coordination among state and non-state actors in programmes and projects implementation leading to duplication and overconcentration to some ecosystems, thereby leading to wastage in some cases

#### 7.2.4 Recommendations

- (i) Explore mechanisms of mobilizing both financial and non-financial resources from environmental stakeholders, including activating the environment trust fund envisioned in the Environment Coordination and Management Act, (EMCA) 1999
- (ii) Adequate and timely budgetary allocation to implement the initiatives through whole of government, whole of society approaches
- (iii) Establishment of a carbon registry and implementation of benefit sharing from carbon projects to host communities as provided for by the Climate Change Act 2016 (Amendment 2023)
- (iv) Provision of adequate human resources through internships and training of organized environment groups to tackle environmental issues in communities in liaison with NEMA and relevant authorities
- (v) Promote the adoption of sound environmental stewardship, including forging closer working relationships with the private sector and non-governmental entities
- (vi) Promote measures for collection, compilation and dissemination of quality environment data collection within the sector, specifically through the formulation of an indicator handbook for the sector to provide guidance on methods and sources of data and information management
- (vii) Develop and update legal and regulatory framework to streamline the requirements for environmental management
- (viii) Collaborate with environmental stakeholders and partners to establish initiatives that will encourage the sustainable use of natural resources
- (ix) Use the whole of government and whole of community approach in advancing environmental goals and promoting resilience
- (x) Schedule national and county level activities, including exhibitions, to show case greening and sustainable initiatives
- (xi) Formulate a green innovation framework to support efforts towards sustainable green transition.



Table 74: Environment and climate change output implementation status for FY 2023/24

Priority Projects	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Waste management infrastructure	Waste collector's associations/ cooperatives registered	No. of Waste service provider associations established	30	168	<ul style="list-style-type: none"> <li>Target surpassed as follows: Nairobi Region - 38 Coast Region - 20 Rift (Nakuru) - 5 North Eastern (Garissa) - 16 Central (Nyeri) - 20</li> <li>Eastern (Machakos) -10 Nyanza (Kisumu)-20 Western (Kakamega) - 20</li> </ul>
	Waste material recovery facilities constructed in all counties	No. of waste material recovery facilities (MRF)	5	6	Target achieved. The MRF constructed in Tharaka Nithi, Takataka Kiambu, Whitmund Kiambu, JunkyBins Kiambu, TaitaTaveta and Kisumu
	Community-based/ owned plastic recycling value chain established/ trained	No. of plastic recycling value chains service producers trained	200	168	All waste category service providers were trained under the Material Recovery Facility approach
Pollution management	Waste service providers trained on waste recovery	No. of service providers trained	10	6	Established and trained stakeholders in 6 MRFs
	Air quality in 6 urban areas monitored	No. of air quality reports	5	1	Inadequate resources hampered target attainment
Thwake River upstream clean up pollution control and catchment management	Effluent discharges and solid waste flow in the Athi-Galana-Sabaki river system reduced	Percent of illegal dump sites along the river removed	20	5	Capacity development of host communities is on-going
	Length of riparian area of areas of Athi-Galana-Sabaki River system rehabilitated	Km of riparian areas rehabilitated	100	20	Capacity development of host communities is on-going



Priority Projects	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Climate change finance	Carbon market frameworks and regulations developed	Framework and regulations	1	1	Target achieved -Carbon market frameworks and regulations developed
	Amount of revenue raised from carbon market	Ksh. billions	1	0	Ministry is in the process of establishing carbon registries
	Amount raised from green and blue bonds	Ksh. billions	1	5.4	Green bond in the green building techniques
Green and blue jobs initiatives	Youth trained on climate adaptation under the Kenya Green Army	No. of youth trained	200,000	30,000	Slow roll-out of programme affected targets

Source: State Department for Environment and Climate Change Reports, FY 2023/24

The outcome results matrix for SDECC performance is presented in Table 73.

Table 75: Environment and climate change outcome implementation status for FY 2023/24

MTP IV Outcome	MTP IV Outcome Indicator	MTP IV Outcome Target FY 2023/24	Actual Achievement	Remarks on Achievement Variance
Reduced GHG Emissions	GHG Emission per year	97	113,366 GgCO <sub>2</sub> eq	According to Kenya's First Biennial Transparency Report (BTR), Kenya's total greenhouse gas emissions were equivalent to 113,366 GgCO <sub>2</sub> eq, including the LULUCF Sector in 2022.
Improved sustainability of environmental Ecosystems	Area of mountain ecosystems sustainably conserved and managed	940,576	-	KFS (To be reported by KFS) under State Department for Forestry
	Area of inland freshwater ecosystems and wetlands protected	10	5 wetlands	NEMA rehabilitated and restored Enkong'u Enkare in Narok, Ondwago in Homabay, Gatituri in Embu, Motorok in Narok and Kalacha in Marsabit
	Area of land reclaimed	18,000	17,101	Target not achieved due to Late release/disbursements of funds
	Area of water towers rehabilitated/ protected	142,601	142,601	The target was achieved

<i>MTP IV Outcome</i>	<i>MTP IV Outcome Indicator</i>	<i>MTP IV Outcome Target FY 2023/24</i>	<i>Actual Achievement</i>	<i>Remarks on Achievement Variance</i>
	Proportion of degraded land scapes restored (2.6 Million Ha)	4	-	KFS (To be reported by KFS under State Department for Forestry)
Riparian rehabilitated and protected	Length of riparian reserves rehabilitated	100	23 Acres	<p>We quantified the riparian reserves in acreage and not length as follows:</p> <ul style="list-style-type: none"> <li>• Enkong'u Enkare (5 acres)</li> <li>• Ondwago (5 acres)</li> <li>• Gatituri (5 acres)</li> <li>• Motorok (5 acres)</li> <li>• Kalacha (3 acres)</li> </ul>
Improved solid waste management countrywide	County dumpsites with ten minimum points established	4	6	<p>NEMA has moved from ten minimum points to Material Recovery facilities (MRFs) since the gazettment of Sustainable Waste Management Act, 2022 and established six MRFs. 6 MRFs were established and operationalized in Tharaka Nthi, Takataka, Junky and Whitmund in Kiambu, Taita Taveta County and Kisumu County.</p> <p>NEMA Established and capacity build waste service providers as follows: Nairobi -34; Mombasa-20; Nakuru-20; Garissa-18; Nyeri -20; Machakos-20; Kisumu- 20; and Kakamega -20</p>
	Landfill/wastes disposal sites screened for climate change impacts	1	1	Kang'oki dumpsite screened in Thika

Source: National Environment Management Authority (NEMA) and State Department for Environment and Climate Change Annual Progress Reports FY2023/24.

## 7.3 Forestry Sub sector

The forestry sub-sector targets to increase tree cover from 12.1 percent in 2022 to 21 percent by 2027, and forest cover from 8.8 percent in 2022 to 17 percent by 2027 through tree growing and restoration campaigns.

The forestry sub-sector is one of the sub-sectors of the environment and natural resources sector. The sub-sector contributes to national, regional and international development agenda. The sub-sector conforms to the Constitutional of Kenya by ensuring sustainable exploitation, utilization management and conservation of the forest resources, works to achieve and maintain a tree cover of at least 10 Percent of the land area of Kenya, protects genetic resources and biodiversity, and utilizes the forest resources for the benefit of the people of Kenya. In the Kenya Vision 2030 social pillar, the sub-sector is earmarked to play a critical role in forest conservation by increasing current forest cover by 30 percent by promoting farm forestry and promoting the use of biotechnology.

In the Medium-Term Plan IV, the focus of the sub-sector is on forest conservation, management, protection and restoration while the Bottom-up Economic Transformation Agenda (BETA) key priority area is landscape and ecosystems restoration, an anchor for the strategy to grow 15 billion trees and thus increase national tree cover to at least 30 Percent by 2032. The forestry sub-sector contributes to Sustainable Development Goals (SDGs) No. 13 on climate action and 15 on protection, restore and promote sustainable use of terrestrial ecosystems, sustainable manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss.

To contribute to high and sustainable socio- economic development as espoused in the Kenya Vision 2030 MTP IV, the State Department for Forestry (SDF) implemented forest conservation and management programmes and four sub-programmes, namely: enhance forest conservation and management; strengthen and promote forest research and development; develop agroforestry and commercial forestry; and strengthen policy, legal and institutional framework.

### 7.3.1 Sub-sector performance

The sub-sector targets to increase tree cover from 12.1 percent in 2022 to 21 Percent by 2027 and forest cover from 8.8 Percent in 2022 to 17 percent by 2027 through tree growing and restoration campaigns.

*National tree growing and restoration programme:* The sub-sector collected and produced 70,000 kgs of tree seeds in all eco-regions. The seeds were distributed to both State and Non- State actors for propagation of tree seedlings. In the period under review, a total of 1.1 billion tree seedlings of different species were produced. Additionally, 0.4 billion trees were grown and reported in the JazaMiti App, which is the national reporting tool for tree growing.

*Agroforestry woodlots in ASALs:* 28,000 Ha of agroforestry was developed in ASALs in partnership with development partners. This included growing of fruit trees in schools and farms.

*Sustainable “green” charcoal value chain and alternative domestic energy:* Training sessions for six (6) youth groups on charcoal briquette production were held in five counties: Narok, Olenguruone in Nakuru, Kiritiri in Embu, Malakisi in Bungoma, Bura in Tana River, and Kasigau in Taita Taveta.

*Modernization and commercialization of the charcoal value chain Green and Blue Jobs initiatives:* Gasifiers were adopted in Ndhiwa, Homa Bay County and Butula – Busia County

During the review period, the sub-sector achieved management of 2,840 Ha of Area of land covered by invasive species against a target of 2000 Ha.

### 7.3.2 Policy, institutional and legal frameworks

In the period under review, the sub-sector finalized the National Forest Policy, 2023. Additionally, the sub-sector initiated the review of the Forest Conservation and Management Act, 2016, and finalized the publication of the following Regulations:

- (i) Gums and Resins Regulations
- (ii) Participation in Sustainable Forest Management Regulations
- (iii) Registration of Private Forests Regulations
- (iv) Charcoal Regulations
- (v) Benefit Sharing Regulations

### 7.3.3 Implementation challenges

- (i) Inadequate resources (financial and human) to implement the plan
- (ii) Increased incidences of insecurity in forested areas
- (iii) Increased human populations, settlement, and infrastructural development in forest areas
- (iv) Climate change and unpredictable weather patterns
- (v) Increased reliance on forest resources by the rural communities

### 7.3.4 Recommendations

- (i) Increased budgetary allocation
- (ii) Increased staffing level
- (iii) Enhancing climate adaptation and mitigation
- (iv) Strengthening institution and legal frameworks
- (v) Strengthening community engagement frameworks
- (vi) Strengthening resource mobilization mechanisms

Below is the annual implementation status of the key outputs and BETA priorities for FY 2023/24

*Table 76: Forestry outputs implementation for FY 2023/24*

<i>Priority Projects</i>	<i>Output</i>	<i>Indicator</i>	<i>Annual Target FY 2023/24</i>	<i>Actual Achievement FY 2023/24</i>	<i>Remarks on performance</i>
National Tree Growing and Restoration Programme	500 tonnes of tree seeds collected, processed and distributed	Quantity of seeds (tonnes)	100	70	Delay in the disbursement of funds for tree seed collection from the National Treasury led to low achievement
	7.5 billion tree seedlings produced	No. of tree seedlings (billions)	0.6	1.1	The seedlings production based on quantity seeds distributed to MDAs and non-State actors through a whole government whole society approach
	5.03 million Ha of degraded forests areas and landscape, rehabilitated through protection of natural regenerations and planting (7.5 billion seedlings)	Area rehabilitated (million Ha)	0.3	0.1	Budgetary constraints lead to delay in implementation of planned activities
	Trees planted	No. of trees (billions)	1.5	0.4	The implementation of the Presidential directive on tree growing is implemented by all MDAs and non-state actors during the two rainy seasons. There were also two tree growing holidays on 13th November 2023 and 10th May 2024. Inadequate funding and capacity challenges led to non- achievement of planned target
Agroforestry woodlots in ASALs	1 million Ha of Agroforestry developed in 23 ASAL Counties: (Melia woodlots, gums & resins, sandalwood etc)	Area (Ha) rehabilitated	50 000	28,000	Achieved through the partnership with development partners

Priority Projects	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Sustainable “green” charcoal value chain and alternative domestic energy	Draft charcoal regulations gazetted and operationalized	No. of regulation gazetted	1	0	Target not achieved but draft charcoal regulations developed. Regulation pending Gazettement
	Sensitization regional meetings for law enforcement agencies on implementation of charcoal regulations to decriminalize production and trade in charcoal and charcoal products, conducted.	No. of regional sensitization meetings conducted	1	0	Target achieved but draft Regulation pending Gazettement
	300 Charcoal Producers Associations (CPAs), established and supported, on adoption of efficient technology, branding and marketing	No. of CPAs established and strengthened	300	26	The registration processes pending Gazettement of the revised rules and review of moratorium. However, a situational assessment was undertaken, and producer groups have adopted other alternative conservation enterprises promoted under drylands forestry
	500 youth groups supported and mentored in briquette charcoal production enterprise	No. of youth groups supported & mentored	50	6	Charcoal briquettes training in Narok, Olenguruone - Nakuru, Kiritiri, Embu, Malakisi -Bungoma, Bura, Tana River and Kasigau- Taita Taveta
Improved sustainability of environmental ecosystem	Area of mountain ecosystems sustainably conserved and managed	Hectares	940,576	940,576	Targeted area of mountain ecosystem was sustainably conserved and Managed

Priority Projects	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Proportion of degraded landscapes restored	%	4	0	Target not achieved
Modernization and commercialization of the charcoal value chain green and blue jobs initiatives	Clean cooking technologies adopted	No. of clean cooking technologies adopted	2	1	Gasifiers adopted in Ndhiwa – Homa Bay; cooperative group in Butula - Busia
Green and blue jobs initiatives	Community forest guards recruited	No. of community forest guards recruited	2,800	0	Target not achieved due to inadequate funding that hindered the process of recruitment
	Charcoal associations registered	No. of charcoal associations registered	2,000	0	Target not achieved pending regulation Gazettement hindered association registration

Source: Kenya Forest Service (KFS); Kenya Forestry Research Institute (KEFRI) Reports FY 2023/24

Table 77: Forestry outcome implementation status for FY 2023/2024

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Improved sustainability of forest related ecosystems	Tree cover (%)	12.92	12.13	The forest cover and tree cover survey not yet done
	Forest cover (%)	10	8.83	
	Area of land covered by invasive species managed (Ha)	2,000	2,840	Target achieved
	Development of forest and allied natural resources technologies	40	40	Target achieved

Sources: Kenya Forest Service, Kenya Forestry Research Institute Reports FY 2023/24

## 7.4 Tourism Sub sector

The sub sector mandate includes; Tourism Policy and Standards, Development and Promotion of Tourism, Training on Tourism Services, Tourism Finance, Tourism Research and Monitoring, Protection of Tourism and Regulation and Positioning and Marketing of Kenya to local and international tourists.



The tourism sector is critical in supporting the growth and stability of the country's economy through various multiplier effects across all sectors. The sector supports the realization of the BETA agenda through creation of employment (direct and indirect), expanding tax revenue base (development of niche products, registration of tourism facilities) and earning foreign exchange.

In the annual year 2023, Kenya recorded 2,098 million international tourists, which has increased to 2,129 million for the FY 2023/24, with inbound earnings being Ksh. 352 billion and direct job contribution of 1.1 million persons with a total of indirect jobs accounting for 9 percent of total employment in the country. The sector contributes to 11 percent of the country's GDP. The ministry envisages to grow the inbound arrivals to 5 million by the year 2027 and tourism inbound earnings to grown to Ksh. 824 billion by the same period.

#### 7.4.1 Sub-sector performance

The tourism growth initiatives led to increased tourist arrivals to 2,129 million, with the inbound earnings increasing by 31.5 percent to Ksh. 352 billion. The wildlife protection efforts included habitat restoration, anti-poaching measures, and infrastructure improvements to mitigate human-wildlife conflicts. Construction of Ronald Ngala Utalii College at 98 percent completion level



*Construction of Ronald Ngala Utalii College at 98 percent completion level*

#### 7.4.2 Policy, institutional and legal frameworks

In the FY 2023/24, the State Department initiated the review of the National Tourism Policy, 2010. The review is geared towards aligning the policy with the provisions of the Constitution of Kenya, 2010, which brought about a new constitutional dispensation with a different architecture of governance and shared responsibility for tourism between the National and County Governments. The reviewed policy will also take into consideration key development blueprints such as the National Tourism Blueprint 2030, Bottom-up Economic Transformation Agenda, and other emerging issues such as technology and climate change.

#### 7.4.3 Implementation Challenges

In the year under review, the State Department faced various challenges that hindered the effective implementation of envisaged programmes and projects. These include:

- (i) Insufficient funding: Development of tourism products and infrastructure facilities

marketing, classification, grading process, and capacity development is capital intensive. The funding to the sector has been low negatively affecting implementation of key programmes in the sector

- (ii) Inadequate infrastructure to support tourism sector: The inadequate infrastructure ranging from poor road network, lack of essential sanitation facilities in tourist attraction sites have hindered effective growth of the tourism sector
- (iii) Legal and policy framework: Due to the emerging trends, the sector policy and regulatory framework has been inadequate to strengthen and support the growth of the sector
- (iv) Low uptake of modern technology: Uptake of technology in line with the emerging technologies in the sector has been slow
- (v) Security: Kenya has faced various security threats, both internal and external, that has led the country to be perceived as an insecure destination. This has led to various key source countries giving travel advisories negatively affecting the flow of international visitors from these countries
- (vi) Weak linkage across the sector stakeholders: The sector has many stakeholders whose linkage has been a challenge. This has led to uncoordinated marketing efforts and duplication of efforts
- (vii) Huge pending bills: Some of the agencies (e.g. KICC) have huge pending bills from government agencies that have negatively affected the cash flow and hence the operations
- (viii) Government directives: Government directives on international travel have adversely affected the marketing and promotion of the sector internationally. This has also affected the bidding of international events

#### 7.4.4 Recommendations

- (i) Diversify tourism products and services
- (ii) Enhance marketing strategies towards attracting more tourists both locally and internationally
- (iii) Digitize the sector; adopt latest technology in the sector
- (iv) Enhance collaboration within the sector
- (v) Fast-tracking handing over of projects undertaken by the Kenya Defence Force
- (vi) Exemption of key directives on promotion and marketing locally and internationally
- (vii) Payment of pending bills
- (viii) Enhance funding in the sector
- (ix) Strengthen the tourism policy and regulatory framework

The State Department for Tourism and its agencies identified various strategies geared towards achieving the agenda for Bottom-Up Economic Transformation Agenda for inclusive growth. The status of implementation of key outputs in the Medium-Term Plan IV is as follows.

Table 78: Tourism output implementation status for FY 2023/24

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Tourism and wildlife training and research	KUC upgraded and modernized	% completion	20	83	On target
	Ronald Ngala Utalii College constructed	% completion	90	83	The project is expected to be finalized by October 2024
	Kisumu Hospitality and Tourism Training College established	% completion	20	0	Target not achieved since the project is yet to commence
Tourism niche experiences	Sports Safari events held	No. of Sports Safari events held	7	4	Safari rally, Camel derby, Kipkeino Classic, Continental Tour and Billie Jean King Cup-Tennis held
	Forest tourism products developed (adventure, camping and bird watching)	No. of circuits developed	1	2	On target
Business and conference tourism	Number of local conferences	Number of local conferences and events held	10,628	10,725	Target not achieved due to cancellation of bookings at KICC to pave way for renovation however, the targets have performed relatively well due to high level conferences: Climate Summit, the Africa Youth Connect, AFDB conference and IDA for Africa Heads of State Summit
	International conferences	Number of international conferences	986	977	
	Delegates hosted	Number of international delegates	25,416	34,814	

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
		Number of local delegates	686,710	676,910	Target not achieved due to cancellation of bookings at KICC to pave way for renovation however, there was also a significant increase in the numbers of delegates. This can also be attributed to the sector's aggressive MICE marketing leading to hosting of high-profile events
	KICC refurbished and modernized	% completion	64.14	64.14	Target was achieved
	MICC constructed	Operational MICC	1	0	The projects are yet to commence
	Great Rift Convention Centre constructed	Operational Great Rift Convention Centre	1	0	The projects are yet to commence
Resort cities	Land acquired	Hectares of land acquired	400	0	Target not achieved. Discussions with County Governments ongoing
Tourism revenue promotion	Desert and pastoral tourism circuits promoted and commercialized	No. of tourism circuits	8	4	Target not achieved due to financial constraints, However the State Department was able to promote and support the Camel Derby
	Targeted consumer engagement programmes developed	No. of programmes	4	1	Programmes to be enhanced in FY 2024/25

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Key and emerging source markets reactivated	No. of new markets	2	2	Target achieved. Europe and African countries include Nigeria and Ghana
Tourism promotion and marketing	Brand awareness created	Brand awareness Index	100	89	Target not achieved. There is need for increased investment on brand awareness
	Priority markets reached	No. of priority markets reached	2	2	Target achieved. This includes Europe, North America and Asia
	African markets source diversified	No. of tourism markets from the African region	20	3	The Africa countries include Nigeria and Ghana
	Marketing and promotional media contents developed	No. of Marketing and promotional media contents developed	2	1	Content developed for the county editions through the destination marketing series
Tourism quality assurance and service excellence	Accommodation and catering facilities classified	No. of accommodation and catering facilities star-rated/ classified	500	0	Target not achieved due to financial constraints
	Safety and hygiene accreditation standards for tourism enterprises developed	No. of standards developed	5	2	(i) Standards for universal access for tourism enterprises; (ii) Minimum standards for destination management were developed to completion. Three standards

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Tourism enterprises assessed and accredited	No. of tourism enterprises accredited	750	632	Accreditation was conducted in 29 counties covering Mt Kenya region, North and South Rift and Western and Nyanza region with a total of 632 accommodation facilities accredited and awarded Gold, Silver and Bronze Quality Mark Certificates and plaques

Table 79: Tourism outcome implementation status for FY 2023/24

MTP IV Outcome	MTP IV Outcome Indicator	MTP IV Outcome Target	Actual Achievement	Remarks on Achievement Variance
Increased tourism earnings	Tourism earnings (billions)	359.1	384.35	Target achieved
Increased domestic tourism	Bed-nights by Kenyans (No. in millions)	6.04	4.813	The reporting for the bed-nights is affected by lack of data on Airbnb, since most of facilities are not registered
Increased tourist arrivals	Visitor arrivals (Millions)	1.987	2.129	Target achieved
Increased job creation in the tourism sector	Jobs created	11,200	14,235	The SDT is working on modalities of enhancing reporting of this indicator in conjunction with KNBS and TRI

Source: State Department for Tourism Kenya Forest Service and Kenya Forestry Research Institute reports FY 2023/24

## 7.5 Wildlife Sub sector

Wildlife is a natural resource endowment, which provides a solid foundation for the growth of the country's thriving tourism sector. It comprises programmes under Tourism and Wildlife.

The specific outcomes and achievements on these key targets are shown in Table 80.

Table 80: Wildlife output implementation status for FY 2023/2024

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Wildlife conservation and management	Anti-poaching of illegal trade in wildlife enhanced	No. of threatened and endangered species protected	25	25	KWS protects all threatened and endangered species in protected areas
	Area of wildlife habitats restored	Ha. of habitats restored	25	2,150	Tree planting of 1,875,125 seedlings done in various ecosystems. Target was understated in the MTP.
	Modern security equipment technologies, mobile service equipment acquired	No. of new technologies/ modern equipment and mobile vehicles acquired	381	94	Acquired 94 assorted security equipment.  Earth Ranger System operationalized in Marsabit National Reserve, Kitale Station and Shimba Hills National Reserve  Deployed 91 satellite-linked collars to 4 species for monitoring (lions, elephants, giraffes and rhinos)
	Government parks and reserves fences constructed/ rehabilitated/ maintained	Km of fences constructed / rehabilitated/ maintained	730	2019	1,989 Km maintained, 20Km rehabilitated and 10Km constructed in various parks
	Human wildlife conflict claims disbursed	% of verified human wildlife compensation claims settled	100	100	In FY 2023/24, the National Treasury released KSh. 480 million for settlement of HWC claims. This amount represents only 50 percent of the amount requested (KSh 960 million). The entire KSh. 480 million was disbursed representing 100% of the amount received
	Human-wildlife conflict insurance scheme operationalized	HWC Insurance scheme	1	0	HWC Compensation Administration Scheme was launched by H.E. the President on 12th April 2024, at Rumuruti in Laikipia County



<i>Priority Project/ Priority</i>	<i>Output</i>	<i>Indicator</i>	<i>Annual Target FY 2023/24</i>	<i>Actual Achievement FY 2023/24</i>	<i>Remarks on performance</i>
Wildlife revenue	Revenue management systems digitized in all parks	% of operationalization	100	100	100% of the revenue digitized under E-citizen platform
	Guest houses, Banda's and tented camps leased	No. of guest houses, Bandas and private camps leased.	5	14	Rehabilitation at 100% completion for 9 guesthouses in 5 parks
Green and blue jobs initiatives	No. of rangers recruited	1,500	1,500	1,350	Recruitment of 1,350 rangers completed and Cadet's recruitment pushed to 2024/25FY
	People employed to plant and grow trees	No. of people employed	800	+46	In various sites including schools, parks, wetlands, conservancies, institutions, among others
Wildlife training and research	Wildlife Research and Training Institute infrastructure developed	% completion	48	15	Four centres were earmarked for construction, namely: Malindi; Tsavo; Nyeri and Naivasha at an estimated cost of Ksh. 1.1 billion.  Ksh. 100 million was allocated in FY 2023/24. The funds allocated were channelled towards construction of the Malindi Marine Research Centre
	Wildlife Research and Training Institute infrastructure Developed	% completion	48	25	The progress of construction of the Malindi Centre is currently at 25 percent
	Wildlife research centres constructed and equipped	No. of wildlife research centres constructed and equipped	0	+1	The annual target for FY 2023/24 is indicated as zero (0) in the National Reporting Handbook. However, one (1) centre, namely the Malindi Marine Research Centre received the Ksh. 100 million in FY 2023/24. The Centre is 25 percent complete

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	National Integrated Wildlife Database Developed	Operational wildlife database	1	0	The progress of establishing the database is currently at 20 percent. Procurement of a consultant delayed, this being a specialized activity. The consultant to develop the database has been awarded the contract. Awaiting inception workshop to start the work. Procurement of server, computers and remote sensing software has been done
Wildlife (Safari) products	Signature parks revamped	No. of signature parks revamped	1	2	Revamping of Nairobi and Amboseli in terms of product at 80 percent completion  Includes introduction of Night game  Drive, Guest house refurbishment and picnic improvement in Amboseli and Lake Nakuru and construction of washrooms
	Marine parks ecosystem and infrastructure rehabilitated	No. of marine parks rehabilitated	1	2	439 clean up exercises were conducted in Mombasa Marine and Watamu Marine PA and litter weighing 42.5 tonnes was collected and disposed.  Developed draft guidelines for water sports, which was shared with stakeholders for their input.
	Parks repositioned and themed	No. of parks repositioned and themed	2	3	Undertaken partnerships and collaborations to position and market Lake Nakuru National Park Nairobi National Park and Amboseli with key partners

Source: Kenya Wildlife Service and Wildlife Research Training Institute Reports, FY 2023/2024.

The outcome results for FY2023/24 are summarized in Table 81 below.

*Table 81: Wildlife outcome implementation status for the FY 2023/2024*

MTPIV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Increase wildlife tourism	International visitors to national parks and reserves (No. in (000s)	488	818.6	Attributed to tourism sector performance recovery. In addition, aided by marketing campaigns in partnership with tourism stakeholders, maintenance of 550 km roads and 4 airstrips to improve access to parks, park clean-ups for marine parks, rehabilitation of 9 guesthouses and improved waste management through construction of 5 washrooms
	Citizens and residents visiting national parks and reserves (No. of jobs in millions)	2.84	2.63	
Reduced human-wildlife conflict	Human wildlife conflict cases reported (No.)	6,709	13,024	The funding for mitigation measures could not meet the escalating needs to keep lower the cases, the main measures being provision of eater in parks and construction of wildlife fences
Increased space for wildlife	New wildlife conservancies established (No.)	2	4	4 new conservancies established (Savannah in Kajiado, Sokoke in Kilifi, Enkereyian in Kajiado and Dukana/Buluk in Marsabit)
Improved management of wildlife data	National Integrated Wildlife Database established, and data Centre equipped at WRTI Naivasha (% completion rate)	20	25	The target has been achieved and surpassed. Efficient supervision and monitoring and evaluation of the project were partly attributable to over-achievement of the target

*Source: Kenya Wildlife Service and Wildlife Research Training Institute Reports, FY 2023/2024.*

### 7.5.1 Sub-sector performance

A total of 1,875,125 seedlings were planted in various ecosystems across the country. Clean up exercises were conducted in 339 sites and litter weighing 42.5 tonnes was collected and disposed in marine parks. Nairobi and Amboseli park revamping in terms of product was at 80 Percent completion rate. The rehabilitation of 9 guesthouses in 5 parks (Amboseli, Meru, Mt Elgon, Simba Hills and Ruma) was at 100 percent completion. Mitigation of conflict cases involved construction of 10 km of fences, rehabilitation of 20 km and maintenance of 1989 km

fences across parks, de-silting of 4 water pans and sinking of 4 boreholes sunk to provide water to wildlife and forage supplementation within parks.

Anti-poaching of illegal trade in wildlife enhanced: 25 endangered species were protected against poaching; the area of wildlife habitats restored was a total of 1,775,123; tree planting was undertaken in various ecosystems; modern security equipment technologies, mobile service equipment acquired; 94 assorted security equipment were acquired; and 86 satellite-linked collars were deployed to a four (4) species for monitoring (lions, elephants, giraffes and rhinos).

Human wildlife conflict compensation claims disbursed: In the FY 2023/24, the National Treasury released Ksh. 480 million for settlement of human-wildlife conflict (HWC) claims. This amount represents only 50 percent of the amount requested (Ksh. 960 million). The entire Ksh. 480 million was disbursed, representing 100 percent of the amount received. The National Integrated Wildlife Database was established and data Centre equipped at Wildlife Research Training Institute at Naivasha is at 25 percent completion level.

### 7.5.2 Policy, institutional and legal frameworks

The Sessional Paper No. 1 of 2020 on Wildlife Policy provides policy guidance on implementation of wildlife sub-sector conservation management while the Wildlife Conservation Management Act, 2013 (currently under review) spells out the sub-sector's legal framework. The Wildlife sub-sector and other stakeholders are developing an "Integrated Natural Resources Management Policy" to be an overarching policy governing natural resources management. The State Department for Wildlife is responsible for administration and coordination legal and policy framework on wildlife conservation and management. Other affiliated institutions include: Kenya Wildlife Service (KWS); Wildlife Research Training Institute (WRTI); Wildlife Clubs of Kenya (WCK) and Wildlife Conservation Trust Fund (WCTF). The Kenya Wildlife Service is responsible for provision of wildlife security, management of National Parks and National Reserves, among others. WRTI is responsible for wildlife research and training, among others. The Wildlife Clubs of Kenya is responsible wildlife education and awareness creation for learners and communities. The Wildlife Conservation Trust Fund is responsible for mobilization of resources for conservation initiatives in the sector involving development partners and other stakeholders.

### 7.5.3 Implementation challenges

- (i) Insufficient funding: Development of tourism products and infrastructure facilities marketing and capacity development is capital-intensive. The funding to the sector has been low, thus negatively affecting the implementation of key programmes in the sector.
- (ii) Inadequate resource allocation by The National Treasury for compensation of Human Wildlife Conflict (HWC) victims.
- (iii) Inadequate resources for climate change mitigation measures, including provision of water and forage for wildlife to deter escalation of HWC cases.
- (iv) Inadequate infrastructure to support tourism sector: The inadequate infrastructure ranging from poor road network, lack of essential sanitation facilities in tourist attraction sites have hindered effective growth of the tourism sector

- (v) Low uptake of modern technology
- (vi) Security: Kenya has faced various security threats both internal and external that has led the country to be perceived as an insecure destination
- (vii) Weak linkage across the sector stakeholders: The sector has many stakeholders whose linkage has been a challenge.
- (viii) Huge pending bills
- (ix) Government directives on international travel have adversely affected marketing and promotion of the sector internationally. This has also affected the bidding of international events
- (x) Increased litigation and compensation claim
- (xi) Adverse climate and weather patterns

#### 7.5.4 Recommendations

- (i) Diversify tourism products and services
- (ii) Enhance marketing strategies towards attracting more tourists both locally and internationally
- (iii) Digitize the sector; adopt the latest technology in the sector
- (iv) Enhance collaboration within the sector
- (v) Fast-tracking handing over of projects undertaken by the Kenya Defense Forces
- (vi) Exemption of key directives on promotion and marketing locally and internationally
- (vii) Payment of pending bills
- (viii) Enhance funding in the sector
- (ix) Strengthen the tourism policy and regulatory framework

## 7.6 Arid, Semi Arid Lands and Regional Development Sub sector

The sub sector programmes are geared towards integrating regional development and unlocking the potential of ASALs for accelerated national development. To achieve this objective, the sub-sector aims to: coordinate formulation and implementation of policies, plans and strategies for the development of the ASALs and basin-based regions; build resilience through integrated economic and social interventions; spur socio-economic development across the regions; reduce environmental degradation and climate change impacts in the region; save lives and protect livelihoods during humanitarian emergencies; facilitate socio cultural integration of communities and cross border areas; and enhance good governance and strengthen institutional capacity.

The implementation status of key outputs and BETA priorities for 2023/24 is presented in 2.

Table 82:ASALs and regional development output implementation status for FY 2023/24

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Leather and leather products value chain	Collection centres established	No. of collection centres	5	0	Project not funded in the financial year under review
	Hides and skins delivered to tanneries	Quantity of hides delivered to tanneries (MT)	1000	1,234	Target achieved due to mopping up of skins and hides.
	Ewaso Ng'iro tannery optimized to produce finished leather products	No. of square feet of finished leather produced	850,000	426,592.8	The tannery operations were still closed due to the ongoing expansion works
Meat processing factories and abattoirs	Abattoirs established	No. of abattoirs established	4	0	Target not achieved
Honey processing plants	Honey processing plants established	No. of honey processing plants completed	1	1	Honey processing plant established, and target achieved
Agro-processing	Fruit and vegetable processing plants constructed	No. of processing plants constructed	1	1	Mango processing plant established and operational
Construction of small dams and water pans	Small dams and water pans constructed	No. of dams constructed	40	7	Target not achieved in Q4 due to delay in disbursement of funds
		No. of water pans constructed	100	19	Delayed disbursement of allocated funds
Water harvesting for irrigation and domestic use	Water harvesting projects for irrigation in 23 ASAL counties with a capacity of 517.5 million cubic metres (climate financing)	No. of water projects	24	33	Target achieved
		Volume of water in cubic metres	10,800,000	915,000	Target achieved and water being used for consumption and irrigation
Integrated regional development dams	Arror Multipurpose Dam completed	% completion	5	5	Project stalled and negotiation for resumption ongoing

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	22.3 million cubic metres Kimwarer Multi-purpose Dam completed	% completion	5	5	Project stalled and negotiation for resumption ongoing
	5.5 billion cubic meter High Grand Falls Multipurpose Dam constructed	% completion	10	0	The project had zero budget allocation during the FY
	Munyu Multipurpose Dam completed	% completion	5	0	The project had no budget allocation during the FY
	Oloshoibor Multipurpose Dam constructed	% completion	100	100	Target achieved
	Area under irrigation and weirs constructed at Lower Murang'a Integrated Project	No. of weirs constructed	2	1	A weir constructed
	Dams constructed at Kieni Integrated Irrigation Project	% completion	13.5	13.5	Planned works completed
	A fruit and vegetable processing plant constructed at Kimira Oluch Smallholder Farm Improvement Project Phase II (KOSFIP II)	% completion	89	0	Project not funded in the financial year under review
	Sugar mill constructed at Tana Delta Irrigation Project (TISP)	% completion	30	0	The project had no budget allocation
Tana Delta Irrigation Project	Acres of land irrigated	Acreage under irrigation	7,400	1,250	A total of 1,250 acres of land opened for production in 2023/25
Turkana Irrigation Project	Acres of land irrigated	Acreage under irrigation	1,200	0	No funds for project



Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Hunger Safety Net Programme	Vulnerable households provided with cash transfers	No. of beneficiaries' households	70,000	0	No drought experienced during the reporting period – hence drought response not triggered
		No. of households regular receiving cash transfers	133,800	129,000	Some accounts were inactive while some household heads were lost, therefore requiring change of account holders. This made it hard to achieve 100 percent payments
Relief assistance	Relief food and cash transfer provided to targeted beneficiaries	No. of beneficiaries (in million)	2.0	2.3	The long rains effects increased the no. of beneficiaries.
Tourism revenue promotion	Desert and pastoral tourism circuits promoted and commercialized	No. of tourism circuits	8	8	Pastoral and desert tourism circuits have been promoted.
Accelerated range land development	Rangeland ecosystem infrastructure developed (trees, bamboo, water pans, boreholes and dams)	No. of infrastructure developed	285	85	Funds received in the third and fourth quarter
	Social and cultural integration of communities	No. of communities integrated	9	9	Kuria, Maasai and Kipsigis communities
Fisheries resources development and utilization	Kalokol fish processing plant constructed	% of completion	20	0	Lack of project funds
Integrated fish resource development	Acres of mangrove cover restored	Acres of mangrove cover	500	0	Lack of allocation of funds
	Acres coral reef con served	Acres of coral reef	30	0	Lack of allocation of funds

Source: State Department of ASALs and Regional Development Reports, FY 2023/24

The outcome implementation status for the State Department for ASALs and Regional Development reports for FY 2023/24 is presented in Table 81.

*Table 81: ASALs and regional development outcome implementation status for FY 2023/24*

<i>MTP IV Outcome</i>	<i>MTP IV Outcome Indicator</i>	<i>Annual Target FY 2023/24</i>	<i>Actual Achievement FY 2023/24</i>	<i>Remarks on performance</i>
<b>ASALs and Regional Development</b>				
Enhanced community resilience to disasters	No. Of People requiring relief food assistance because of drought	3,200,000	2,000,000	An average of 2 million people in the ASAL Counties affected by drought received relief assistance
	No. of People requiring relief food assistance as a result of other disasters	1,350,000	1,125,322	Relief assistance was provided to 545,595 people affected by the El Nino floods whereas 579,727 people were affected by the long rains
Reduced resource-based conflicts among communities	No. of Peace dividend projects implemented	2	2	Target achieved. Two dividend projects completed, one in Nasal West Pokot and one in Orum in Turkana

*Source of Data: State Department of ASALs and Regional Development Reports, FY 2023/24*

### *7.6.1 Sub-sector performance*

Relief assistance was provided to 545,595 beneficiaries affected by the El Nino floods and 579,727 people affected in the Tana Delta Irrigation scheme.

*Leather and leather products value chain:* A total of 439.7 tonnes of hides and skins were delivered to tanneries for processing. The Ewaso Ng'iro tannery to produce a total of finished leather product.

*Water harvesting for irrigation and domestic:* A total of 915,000 cubic litres were harvested in the 23 ASAL counties.

### *7.6.2 Policy, institutional and legal frameworks*

- (i) *National Disaster Risk Management Bill, 2023:* The Bill is pending at second reading at the National Assembly. Once enacted, this law will establish a legislative and institutional framework for disaster risk management (DRM) at national, county, and local levels, enhancing coordination and support for vulnerable communities.
- (ii) *Regional Development Authorities Bill, 2023:* The Bill is pending at the second reading at the National Assembly. The law seeks to consolidate the laws of Regional Development Authorities (RDAs) and to provide for the established powers and functions of the six (6) existing Regional Development Authorities. It also seeks to standardize the functions of Regional Development Authorities subject to the unique areas of operation of each Authority.

- (iii) *National Relief Assistance Policy, 2024*: This Policy has undergone public participation and is pending Cabinet approval. The policy is designed to foster an integrated approach to relief assistance, emphasizing partnership, resource mobilization, and accountability.
- (iv) *Resilience Programming Framework for ASALs*: This framework is at the developmental stages and is pending Cabinet approval. This is a proactive initiative developed by SDARD as a key element for guiding resilience programming in the ASALs and measuring the impact of programmes. It further aims at aligning and coordinating resilience-building activities across the ASALs.
- (v) *Partnership Coordination Framework for ASALs*: This framework is in the developmental stages and is pending Cabinet approval. It is an overarching mutual accountability framework between the national and county governments and all partners. It aims at coordinating and harmonizing programmes and activities and creating synergies among partners in the ASALs, including development partners, NGOs, and other non-state actors.
- (vi) *National Policy for the Sustainable Development of Northern Kenya and Other Arid Lands, Sessional Paper No. 8 of 2012*: This review aims at aligning the policy to the existing legal and policy provisions, and existing opportunities and address emerging challenges.

### 7.6.3 Challenges

- (i) Budgetary constraints occasioned by inadequate funding compounded by austerity measures have hampered the implementation of planned programmes and projects.
- (ii) Delays in exchequer releases affect the timely implementation of set plans and activities.

### 7.6.4 Recommendations

- (i) Adequate budgetary allocation to enable the sub-sector to complete its on-going programmes/projects, especially those affected by budget cuts
- (ii) Enhanced funding for climate change mitigation and adaptation measures to enable implementation of initiatives to address the effects of climate change on natural resources and the communities
- (iii) The National Treasury and Planning should support and fast-track the approval process of the Public Private Partnership (PPP) projects as a means of joint resource mobilization, with the respective agencies to ensure that these projects are implemented to realize the Government agenda
- (iv) Enhance environmental conservation programmes, such as planting of trees, erosion control and soil conservation
- (v) Enhance security in the areas where project/programmes are being implemented

## 7.7 Mining Sub sector

The mineral resources sector is one of the priority sectors under the Economic Pillar of the Kenya Vision 2030, the Bottom-up Economic Transformation Agenda “BETA” and Kenya’s frontier for Foreign Direct Investment (FDI). Among the 10 Priority Value Chains under the BETA Plan, the Mining sector is mandated to spearhead two namely; Minerals and Construction and Industrial Minerals. The mandate are; to Developent of policy on Extractive Industry; Conducting mineral exploration & develop mining policy management; Prepare inventory and mapping of mineral resources; Coordinate mining and minerals development policy; Maintain geological data (research, collection, collation, analysis); Develop policies on the management of quarrying of rocks and industrial minerals; Ensure management of health conditions and health and safety in mines and Conduct mining capacity development and value addition.

The Cabinet Declared fourteen (14) minerals as Strategic Minerals hence necessitating an accelerated exploration program for the minerals. These minerals have the potential to change the fortunes of Kenya’s economic growth and the Department is sharply focused on spearheading their sustainable exploitation as directed by the Cabinet.

### 7.7.1 Sub-sector performance

Formalization of Artisanal miners was given a priority as it is in tandem with the Bottom-Up Economic Transformation Agenda (BETA) towards uplifting livelihoods at grassroots level. On mineral value addition, the State Department has targeted on entering to PPPs and joint ventures with private investors since its projects are capital intensive.

The sub sector some key output milestones as shown on Table 83

*Table 83: Mining Subsector BETA Output Results for FY2023/2024*

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Formalization of Artisanal Mining Operations	ASM SACCOS established	No. of SACCOS established	100	228	The overachievement was due to extensive sensitization to miners on the importance of cooperatives formation
Mineral Value Addition and processing	Mineral Value Addition Centres	No. of Mineral Value Addition Centres established	2	3	Fluorspar, gold refinery and Granite investors have been identified.

*Source: State Department for Mining Report, FY 2023/2024*

Table 84: Mining Subsector Outcome Results for FY2023/2024

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Increased production of minerals	Ground truthing of mineral occurrences (anomalies KM2)	1,010	Ground truthing undertaken in 24 out of 47 counties.	Number of Counties where ground truthing has been done could be the ideal measure of this indicator.
	Quantity of Titanium (MT)	440,000	0	Base Titanium had already seized its operation before the start of the FY 2023/24
	Quantity of Soda Ash (MT)	275,000	247,592.25	Extended and heavy rainfall affected productivity.
	Quantity of Gemstone (Carats)	1,500	194.93	Extended and heavy rainfall affected productivity as accessing mining sites became a challenge
	Quantity of Base Metals (MT)	150,000	52,000.07	Extended and heavy rainfall affected productivity.
	Quantity of Gold (Kg)	800	417.81	Extended and heavy rainfall affected productivity as accessing mining sites became a challenge
	Quantity of cement (Tonnes)	8,400,000	76,223.46	Activities in the construction industry have slowed down, leading to low cement demands
	Value of minerals Produced (USD, Millions)	530	296,876,373.89	The low production led to the low incomes fetched from mineral trades
	Mineral Revenue Collected by Government (Royalties) Kshs. Billion	35	3,286,243,025.00	The low production led to the low revenues fetched from mineral earnings

Source: State Department for Mining Report, FY 2023/2024

### 7.7.2 Policy, Institutional and Legal Framework

#### (a) Policy Reforms

Mining and Minerals Policy Review Sessional Paper No.7 of 2016, Mineral Processing and Value Addition Policy, State Department for Mining Artisanal and Small-Scale Mining Strategy and State Department for Mining and Gender strategy have been developed and awaiting Public Participation.

#### (b) Legal Reforms

The Mining (Mineral Royalty Sharing) Regulations, 2023, The Mining (License and Permit Amendment) Regulations, 2023, The Mining (Dealings in Minerals) (Amendment)

Regulations, 2023 and The Mining (Mine Support Services) (Amendment) Regulations, 2023 have all been Acceded to by Parliament in June 2024.

The Mining (Mine Health & Safety) Regulations, 2023, and The Mining (Royalty Collection and Management) Regulations, 2023, are at the final stages of their development.

### *7.7.3 Implementation challenges*

The Recurrent nature of exploration activities posed a challenge of access to finances from the Exchequer. This hampered implementation and slowed down the pace thus leading to delays in implementation.

The limited number of Geologists and other technical cadres in the Ministry also hampered the implementation of some planned programs.

### *7.7.4 Lessons Learnt*

A multi-sectoral approach and strengthened collaboration between the two levels of government is essential for successful implementation of the mining sector programmes and projects;

Enhanced strategic partnerships with key MDAs is essential for project financing, execution and skills transfer;

There is need to improve visibility of the mining sector through highlighting and promoting key mining projects;

Integration of monitoring and evaluation activities is crucial in project implementation.

### *7.7.5 Recommendations*

There is a need for a whole of Government approach in attending to peculiar scenarios and this calls for patience and understanding by respective MDAs involved in the chain. This will assist in avoiding delays that were experienced with approval processes within government agencies.

There is also an urgent need for consideration of additional staffing the State Department taking into cognizant its expanded mandate of spearheading reforms in the Mining sector and attracting investments through mining investments de-risking.

## **7.8 Blue Economy and Fisheries Sub sector**

The Blue Economy, and Maritime Affairs sub sector roles are to provide leadership in the management of the mining, blue economy, fisheries and maritime sub-sectors of the economy. The sub sector undertakes programmes under; Mining, Blue Economy and Fisheries, and Maritime Affairs.

### *7.8.1 Sub-sector performance*

During the reporting period, the sub-sector completed the development of fish landing sites at Sori, Luanda K'Otieno, Vanga, Gazi, Kibuyuni, Kichwa Cha Kati, and Ngomeni, and fish markets at Malindi and Likoni. Further, 323 deep-sea fishers were trained and issued with coxswain certificates; 16 fishing vessels were reflagged for deep-sea fishing; 186 Beach Management Units (BMUs) were transformed into cooperatives and registered by the Ministry of Cooperatives and Micro, Small, and Medium Enterprises (MSME) Development; 622 Common Interest Groups

(CIGs) were supported and 19,395 beneficiaries were provided with grants worth Ksh. 1.5 billion. Capacity was built for 565 seaweed farmers in mariculture production; and six (6) patrol boats commissioned to support surveillance for both marine and inland waters. The Monitoring, Control, and Surveillance (MCS) centre in Mombasa was modernized to deter, prevent, and eliminate Illegal, Unregulated, and Unreported (IUU) fishing by installing a satellite-based Vessel Monitoring System (VMS).

In addition, the quantity of fish landed increased from 174,027 metric tonnes to 191,439 metric tonnes. Fish production from freshwater sources rose from 108,203 metric tonnes to 119,032 metric tonnes, while fish production from marine sources also increased from 37,992 metric tonnes to 41,791 metric tonnes. The total value of fish produced was Ksh. 40.6 billion.

*Fisheries resources development and utilization:* A total of 12,760 inland fishing landing sites were developed and rehabilitated.

*Blue economy investment and development programme:* The development of ultra-modern tuna fish hub at Liwatoni with capacity for 1,000 metric tonnes cold storage was completed and the installation of water supply to the jetty was done.

*Table 85: Blue economy and fisheries output implementation status for FY 2023/24*

Priority/Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Fisheries management and conservation	Specific fisheries management plans for marine and inland fisheries developed	No. of plans	1	1	On course
	Fisheries critical habitats identified, mapped and gazette	No. of fisheries critical habitats	10	2	Two habitants were mapped and gazetted at Lake Turkana and Lake Baringo. Under-achievement was due to budget cuts
	Created awareness on Eat more fish campaign	Level of awareness created (%)	5	0	Target affected by budget cuts
Blue economy investment and development	Developed ultra-modern tuna fish hub at Liwatoni	Level of development of ultra-modern tuna fish hub at Liwatoni	50	41	Completed works include construction of fresh and frozen fish factory; and construction of tannery factory



Priority/Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Kabonyo Fisheries and Aquaculture Service and Training Centre of Excellence (KFASTCE) developed	% level of completion	5	5	Preconstruction milestones include Development partner secured from the Hungarian Government; groundbreaking by the President in October 2023; Site handed over to contractor
	Kenya Marine Fisheries and Socio-Economic Development (KEMFSED) implemented	% completion	50	49.4	Completed works include Construction of Uvuvi house – at 23%; Provision of grants amounting to Ksh. 1.5 billion to 622 Common Interest Groups in 5 counties, namely Mombasa, Kwale, Lamu, Kilifi and Tana River; Construction of National Mariculture Resource and Training Centre (NAMARET), at 9%; Upgrading of fisheries infrastructure in Mombasa and Kipipini fisheries office
	Rural households engaged in aquaculture farming and provided with fish production materials	No. of rural households engaged	3,000	12,760	Target surpassed due to provision of support funds by IFAD through Aquaculture Business Development Programme
Fisheries resources development and utilization	Developed and rehabilitated inland fish landing sites	No. of fish landing sites	14	0	Target not achieved
	Seaweed drying sheds and storage constructed	No. of drying sheds and storage facilities	-	2	Mulukhoba and Luanda K'Otieno landing sites in Busia and Siaya counties completed

Priority/Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Marine fisheries infra structure developed/ rehabilitated	No. of marine fisheries infrastructure	2	7	Finalized fisheries infrastructure include Completion of fish landing sites at Vanga, Gazi, Kibuyuni, Kichwa Cha Kati, and Ngomeni, and as well as fish Market in Malindi and Likoni.
	Deep-sea industrial fishing developed	No. of acquired/ reflagged national fishing and merchant vessels / boats	30	16	Fishing vessels for deep-sea fishing reflagged; Shortfall of annual target was due to budget cuts
	Marine stock assessment surveys conducted	No. of assessment surveys	1	1	The survey was done in the Indian Ocean
	Youth capacity built on fisheries and aquaculture skills	No. of youth capacity built	500	1,500	Youths trained during 2-weeks training programme. Target surpassed due to provision of more training funds by IFAD.
	Support Common Interest Groups (CIG)	No. of CIGs supported	1,600	622	CIGs with 19,395 members supported in Mombasa, Kwale, Lamu, Kilifi and Tana River counties with support from the World Bank

Source: State Department of Blue Economy Reports for FY 2023/2024

Table 86:Blue economy outcome implementation status for FY 2023/24

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Increased contribution of fishing and aquaculture to GDP	Share of fishing and aquaculture contribution to GDP (%)	0.6	0.6	On course

Increased exports of Fish and fish products	Value of fish and fish products exported (Ksh. billions)	4.8	6.7	Over-achievement due to sardines export to China
Increased fish production	Quantity of fish landed (MT)	168,920	191,439	Target surpassed due to development of modern infrastructure
	Value of fish landed (KSh billions)	36.5	40.6	
Increased fish consumption	Per capita fish consumption (Kg/person year)	5.0	5.0	On course
Reduced fish post-harvest losses	Proportion of fish post-harvest losses (%)	16	16	Target achieved
Increased capacity building and job creation in the Blue economy	Fishing crew trained (No.)	2,800	373	Target affected by budget cuts for training However, a total of 373 fishing crew trained (350 male and 23 females)

*Source: State Department for Blue Economy Reports for FY 2023/2024*

### 7.8.2 Policy, institutional and legal frameworks

During the period under review, the sub-sector:

- (i) Finalized the Kenya Fisheries Policy, 2023, and submitted to the Cabinet for approval
- (ii) Initiated and developed the Aquaculture Policy to 40 percent completion as at the end of FY 2023/24
- (iii) Submitted to the Senate for consideration the Marine Fisheries Regulations, and Recreational Regulations, 2024
- (iv) Submitted to the Senate for consideration the General Fisheries Regulations, Fish Safety and Quantity Assurance Regulations, 2024
- (v) Submitted to the National Assembly for consideration the Fisheries Management and Development Bill, 2023

### 7.8.3 Implementation challenges

- (i) Climate change, biodiversity loss, environmental degradation and pollution of the aquatic resources
- (ii) Low aquaculture development caused by high cost of inputs
- (iii) Limited awareness on the available innovative technologies and limited access to financing mechanisms

- (iv) Low investment in the blue economy, fisheries and aquaculture sub-sectors due to perceived high risks and limited information on the economic value of the blue economy and fisheries resources
- (v) Low uptake of fish value addition technologies and uncoordinated marketing systems for small scale fishers
- (vi) Inadequate funding, unexpected budget cuts and delays in exchequer releases negatively affected the implementation of planned programmes and projects
- (vii) Weak linkages and conflicting interests between national and county Governments in management and conservation of fisheries resources

## 7.9 Shipping and Maritime Affairs Sub-sector

The sub sector is one of the nine (9) sub-sectors of the Environment and Natural Resources Sector. The aim of the Shipping and Maritime sub-sector is to promote the shipping and maritime industry in Kenya. The sub-sector has a huge potential which, if well harnessed, can transform the socio-economic development of the country. The sector plays an important role in the BETA in reduction of the cost of living, creating jobs, ending poverty, expanding the tax base, improving foreign exchange, and ensuring inclusive growth in line with BETA.

Table 87: Shipping and maritime affairs output implementation status for FY 2023/24

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Green and Blue Jobs Initiative	Youth re-skilled on Standards of Training, Certification, and Watchkeeping for Seafarers (STCW) courses and placed on international ships	No. of youths re-skilled	600	2,233	Target not achieved. A total of 2,233 and 1,500 seafarers trained and recruited to international shipping companies, respectively
Marine pollution project	Regulations for implementation of the International Maritime Organization (IMO) Conventions on prevention and control of marine pollution developed	No. of developed regulations for full implementation of the IMO's Conventions on prevention and control of marine pollution	6	11	The following was undertaken under International Convention for the Prevention of Pollution from Ships (MARPOL) regulations: 11 regulations were developed;

<i>Priority Project/ Priority</i>	<i>Output</i>	<i>Indicator</i>	<i>Annual Target FY 2023/24</i>	<i>Actual Achievement FY 2023/24</i>	<i>Remarks on performance</i>
					Stakeholder and public participation were undertaken in February and April 2024; Regulations were finalized and are ready to be forwarded to the Attorney General for consideration and clearance for publication
	Shipping vessels chartered	No. of vessels chartered	4	0	Target not achieved. This was caused by non-implementation of the restructuring of KNSL, due to a litigation case and a policy decision on the agreement between KNSL and MSC; Lack of budget allocation
Kisumu modern shipyard	Acres of land acquired	Acres of land acquired	200	0	The State Department prepared a Project Concept Note, Terms of Reference for undertaking the feasibility study and a Tender Advertisement to procure a consultant to undertake the study was advertised on 23rd January 2024. However, it was agreed that the Kenya Shipyards Ltd under the Ministry of Defence undertakes the project since they had a similar project and hence the advert was cancelled

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Warehouses and workshops constructed	No. of warehouses constructed	2	0	
		No. of workshops constructed	3	0	
	Slipways constructed	No. of slipways constructed	4	0	
	Dry dock constructed and floating dock acquired	Operational dry dock	1	0	
		Floating dock acquired	1	0	
	Berths constructed	No. of berths constructed	2	0	
	Fabrication shelters constructed	No. of fabrication shelters constructed	2	0	
	Shipyard equipment acquired	No. of mobile cranes acquired	8	0	
Trade facilitation project	Regulations for maritime transport operators developed	No. of regulations for maritime transport operators developed	6	6	Target was not achieved in Q3 but was completed in Q4. The Regulations were developed and published/ gazetted by the Government Printer on 29th May 2024 and are now operational
	Charter for Mombasa Port and Northern Corridor Community reviewed	Level of reviewed Charter for Mombasa Port and Northern Corridor Community	100	100	Target achieved

<i>Priority Project/ Priority</i>	<i>Output</i>	<i>Indicator</i>	<i>Annual Target FY 2023/24</i>	<i>Actual Achievement FY 2023/24</i>	<i>Remarks on performance</i>
	Merchant Shipping and KMA Acts amended	Level of amended Merchant Shipping and KMA Acts	100	50	The following was undertaken on Merchant Shipping Act, 2009 and KMA Act, 2006: Draft Bills were developed and consolidated by the Office of the Attorney General into one Bill termed as the Maritime Laws Amendment Bill, 2024; The Bills are scheduled for presentation to the National Assembly Transport and Infrastructure Committee in August 2024
	Maritime single window system established	Duration/ time of port entry/ exit	10	3	Target achieved
Maritime investment project	Maritime investment policy developed	Level of developed maritime investment policy	100	90	The draft investment policy was finalized in Q4, and it is awaiting validation
	Centralized maritime information/ data system established	Level of maritime information data system established	10	10	Target achieved. A consultant was procured in March 2024 to undertake business analysis of the Kenya Maritime Databank Project. A consultant was on-boarded, and the Project Implementation Committee established to oversee implementation of the project. The work to be completed in Q4



<i>Priority Project/ Priority</i>	<i>Output</i>	<i>Indicator</i>	<i>Annual Target FY 2023/24</i>	<i>Actual Achievement FY 2023/24</i>	<i>Remarks on performance</i>
	Multiagency coordination framework developed	Level of developed multiagency coordination framework	100	100	Target achieved. The FCDC Multi-Agency Coordination Framework was developed and subjected to stakeholder participation where proposed changes were incorporated
	Public sensitized on proper use of incoterms	No. of sensitization and awareness campaigns on proper use of incoterms	4	4	Target achieved. Public participation in Lamu, Turkana and Marsabit counties were undertaken on 5th June 13th June and 20th June 2024, respectively, and Tana River County in November 2023
Shipping and maritime revenue	KNSL licensed as a recruitment agency	Licensed KNSL	1,500	484	Target not achieved
	Life jackets for boat operators and passengers produced locally	No. of life jackets produced	100	0	Target not achieved. KMA and NITA still undertaking training of 180 youths from the five counties, including Turkana County.
	Unique water vessel identification developed for licensing	No. of water vessels licensed	6,000	27	Target not achieved. Inadequate funding affected the implementation of the project
Development of a National Maritime Spatial Plan	Maritime Spatial Plan developed	% of completion	10	10	The State Department constituted an Inter-Ministerial Committee that prepared the Project Concept Note. The concept was forwarded to The National Treasury in April 2024 for approval

<i>Priority Project/ Priority</i>	<i>Output</i>	<i>Indicator</i>	<i>Annual Target FY 2023/24</i>	<i>Actual Achievement FY 2023/24</i>	<i>Remarks on performance</i>
	Survival centre constructed	% completion	25	8.6	The Tender for the Construction of Maritime Survival Training Certification Centre was awarded on 17th May 2024, and the ground breaking for the project was conducted on 14th June 2024. The actual construction was set to begin on 1st July 2024. The contractor is on site.
Vijana Baharia Programme	Youths trained on mandatory courses	No. of youths trained on mandatory courses	4,500	2233	Target not achieved.
	Recognition agreements negotiated and signed	No. of agreements signed	4	3	Target achieved. Memorandums of Understanding (MoUs) on recognition of certificates were negotiated and signed with Egypt, Angola and South Korea. The MoU between Kenya and the United States of America were prepared and shared with the country
	Youth placed/ recruited	No. of youths working in international shipping companies	3,000	1,500	Target not achieved due to lack of funding for the KNSL to charter vessels to undertake shipping. In addition, the Service Level Framework Agreement with MSC is yet to be executed due to litigation cases

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Maritime safety and security project	International instruments on safety and security complied	No. of regulations aligned with international instruments	12	12	Target achieved. All the regulations prepared and shared with the Office of Attorney General
		No. of Port State Control inspections done	2,000	127	Target not achieved. 127 eligible ships inspected
		No. of International Ship and Port Facilities Security (ISPS) Code audits undertaken	3	3	Target achieved
	Response time in search and rescue operations reduced	Time taken to respond in search and rescue operations	-	0	Target not achieved
	Maritime communication network coverage expanded	Area covered in expanded maritime communication network coverage	-	0	Target not achieved
	Small vessel operators trained and certified	No. of operators certified	-	0	Target not achieved
		No. of compliant vessels	2,500	0	Target not achieved
		No. of boats inspected	2,500	967	Target not achieved

Source: State Department for Shipping and Maritime Affairs Reports, FY 2023/2024

### 7.9.1 Sub-sector performance

Most of the targets were not achieved mainly due to inadequate funding. The revision of the budget led to the State Department losing about Ksh. 100 million, thus affecting implementation of activities during the financial year. The other reasons that led to poor performance were lack of restructuring of KNSL as per the framework agreements, inadequate training facilities, trainers and equipment to offer mandatory training.

A total of 2,233 students have so far been trained on various maritime courses. The Kenya Maritime Authority trained a total of 6,170 coxswains against a target of 2,000 coxswains. 2,233 seafarers trained on Standards of Training and Certification of Watchkeeping (STCW) courses. A total of 127 ships were inspected at the port of Mombasa.

*Table 88: Shipping and maritime outcome implementation status for FY 2023/2024*

<i>MTP IV Outcome</i>	<i>MTP IV Outcome Indicator</i>	<i>Annual Target FY 2023/24</i>	<i>Actual Achievement FY 2023/24</i>	<i>Remarks on performance</i>
Increased capacity building and job creation in the blue economy	Seafarers placed on-board foreign ship	2,000	1,500	Target not achieved. A total of 1,500 seafarers recruited
	Youth reskilled on STCW courses and placed on international ships	4,500	2,233	Target not achieved. A total of 2,233 seafarers trained on STCW courses
Increased cargo capacity	Shipping vessels chartered	4	0	Target not achieved; this was caused by: Non-implementation of the restructuring of KNSL due to a litigation case and a policy decision on the agreement between KNSL and MSC; Lack of budget allocation
Established effective trade collaboration framework	Regulations for maritime transport operations developed	6	6	Target achieved in Q4
	Level of reviewed Charter for Mombasa Port and Northern Corridor Community	100	0	Target not achieved. The Mombasa Port and Northern Corridor Community Charter is in its second phase of implementation. The period of implementation was 2018-2024. Inadequate funds led to lack of review of the charter. Currently, the M&E subcommittee of the implementation of the charter is carrying out an impact assessment study, which will inform the various areas of review of the charter. Review of the charter needs to be undertaken before December 2024 subject to availability of funds
Maritime investment policy developed	Level of developed maritime investment policy (%)	100	80	The draft investment policy was finalized in Q4 and it is awaiting validation

<i>MTP IV Outcome</i>	<i>MTP IV Outcome Indicator</i>	<i>Annual Target FY 2023/24</i>	<i>Actual Achievement FY 2023/24</i>	<i>Remarks on performance</i>
	Level of maritime information data system established (%)	100	4	Target not achieved. A consultant was procured in March 2024 to undertake business analysis of the Kenya Maritime Databank Project. The consultant was on-boarded, and the Project Implementation Committee was established to oversee implementation of the project. The work was completed in Q4
	Level of developed multiagency coordination framework(%)	100	50	The FCDC Multi-Agency Coordination Framework was developed and subjected to stakeholder participation where proposed changes were incorporated
Increased shipping and maritime revenue	Number of seafarers recruited	1,500	278	Target was not achieved since the Service Level Framework Agreement between KNSL and MSC is yet to be executed
	Life jackets for boat operators and passengers produced locally	100	0	KMA is in the process of training 500 youths from five counties. Currently, 180 youths are being trained in NITA
	Enhanced compliance	6,000	27	Target not achieved
Maritime education and training developed	Survival centre constructed (%)	25	8.6	Target was not achieved due to delay in implementation of the project and the procurement process. However, significant project activities were undertaken in Q4

Source: State Department for Shipping and Maritime Affairs Reports, FY 2023/2024

### 7.9.2 Policy, institutional and legal framework

During the review period, the following regulations were forwarded to the National Assembly for enactment:

- (i) Draft Merchant Shipping (Collision Prevention) Regulations, 2024
- (ii) Draft Merchant Shipping (Load Line) Regulations, 2024
- (iii) Draft Merchant Shipping (Tonnage Measurement) Regulations, 2024
- (iv) Draft Merchant Shipping (Recognized Organizations) Regulations, 2024
- (v) Draft Merchant Shipping (Maritime Labour) Regulations, 2024

- (vi) Draft Merchant Shipping (Maritime Transport Operators) Regulations, 2024
- (vii) Safety of Life at Sea (SOLAS) Convention Regulations, 2024 - 11 Regulations

### 7.9.3 Implementation challenges

- (i) Low awareness and understanding of the maritime industry
- (ii) Increased demands for seafarers both locally and internationally
- (iii) High cost of maritime courses
- (iv) Low awareness and understanding of the maritime industry, opportunities and dynamics
- (v) Inadequate human resource capacity for maritime skills and competence development
- (vi) Inadequate budgetary allocation to support and actualize the sector's programmes
- (vii) Inadequate training facilities, trainers and equipment to offer mandatory training for qualification and certification under the International Convention on Standards of Training Certification and Watch-keeping (STCW '78)
- (viii) Lack of restructuring of KNSL as per the framework agreements due to inadequate policy guidance and unresolved case on implementation of the KNSL framework agreements
- (ix) Lack of ready curricular for some courses that are urgently required by seafarers
- (x) Low participation of Kenya in the shipping industry

### 7.9.4 Recommendations

- (i) Awareness creation to promote shipping and maritime industry
- (ii) Partnerships and collaboration with international institutions to enhance the place of youths and on-board training/job opportunities
- (iii) Develop and implement the Maritime security strategy to ensure safety and security of the sector
- (iv) Implement the Bandari Maritime Academy Masterplan to enhance the capacity of the country to supply the required professionals in the global market
- (v) Revive the Kenya National Shipping Line to play its critical role in maritime industry as a national carrier and enable the country to participate in the multi-dollar shipping industry
- (vi) Develop and implement the Maritime Spatial Plan to guide in the planning, exploitation and investment in the maritime resources
- (vii) Build capacity nationally by increasing the number of trained seafarers
- (viii) Provide adequate funds to spur the sub-sector

# CHAPTER EIGHT

## 8.0 GOVERNANCE AND PUBLIC ADMINISTRATION SECTOR

### 8.1 Overview

The sector comprises the State Departments for Defence, Interior and National Administration, Correctional Services, Immigration and Citizen Services, Devolution, Cabinet affairs, Foreign Affairs, Diaspora Affairs, East African Community, Parliamentary Affairs and their state agencies, State Law Office and the Judiciary. This chapter enumerates the sector performance, challenges encountered in the implementation during the review period, lessons learned, and sector-specific recommendations.

### 8.2 Cabinet Affairs Sub sector

The focus of the Cabinet Affairs (SDCA) is on Coordination and Oversight; Public Sector Reforms; Special Government Initiatives; Partnerships/ Collaborations and Linkages; and Institutional Capacity Strengthening.

There has been good achievement in FY 2023/24 as summarized in the output's results matrix in Table 88, which shows the Implementation status on the key outputs and BETA priorities for FY 2023/24 by SDCA.

*Table 89: Cabinet affairs output implementation status for FY 2023/24*

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Public sector reforms	Coordinate implementation of public sector reforms	No of Reports done	1	1	Achieved
Partnerships/ collaborations and linkages	Stakeholder engagement framework	No of Frameworks established	1	1	Achieved
Institutional capacity strengthening	Technical and secretariat services to Cabinet committees	Percentage of support (%) (briefs and report)	100	100	Achieved



Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Institutional capacity strengthening	Risk management framework	Approved risk management framework	1	1	Achieved
	Resource mobilization strategy developed and implemented	No of Strategy Frameworks developed	1	1	Implementation is on course
	Strategic plan printed and shared	No of approved strategic plans	1	1	Implementation is ongoing and on course
	M&E Framework	No of approved SDCA M&E frameworks	1	1	Achieved
	Mandatory documents for 2024/2025	No. of documents (Work Plan; PC; Cash Flow and Procurement Plan)	4	4	Achieved and implementation is on going

Source of Data: State Department for Cabinet Affairs Reports, FY 2023/24

### 8.2.1 Sub-sector performance

Institutional capacity strengthening: Technical and secretariat services were fully provided to Cabinet committees. The State Department for Cabinet Affairs was in full adherence and compliance to the laid down monitoring and evaluation framework.

### 8.2.2 Policy, institutional and legal framework

- (i) Developed Risk Management Policy Framework and a departmental risk register
- (ii) Workplace road safety mainstreaming policy was developed and implemented

### 8.2.3 Implementation challenges

- (i) Inadequate working space, tools and equipment
- (ii) Inadequate staff
- (iii) Delay in submission of implementation status reports by relevant agencies
- (iv) Budget cuts

### 8.2.4 Recommendations

- (i) Continue embracing 'Whole of Government Approach' to enable fast-tracking on implementation of planned programmes and projects
- (ii) Government should continue supporting digitalization of services as it improves service delivery
- (iii) Promote strong collaboration and partnerships with stakeholders to bring about effectiveness and efficiency in service delivery

## 8.3 Immigration and Citizen Services Sub sector

The mandate and functions of the sub sector are: Registration of Births and Deaths; Registrations of Persons; Policy on the National Integrated Identity Management System (NIIMS); Oversight over and Coordination of the Management of the National Primary Data Registers for Citizens and Foreign Nationals; Collaboration with other MDAs Regarding the Collection of Relevant Primary Data; Oversight of the Integrated Population Registration Systems (IPRS); Implementation of Citizenship and Immigration Policy; and Implementation of Refugees' and Asylum seekers' Policies and Coordination of e-Citizen Services.

As presented in Table 89, SDICS has made significant strides towards the implementation of BETA priorities, as shown by the respective output indicators for FY 2023/24.

*Table 90: Immigration and citizen services output implementation status for FY 2023/2024*

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Production and issuance of digital national ID	3rd generation national ID produced and issued	No. of digital national ID cards issued (millions)	2.5	0.6	Target not met as Court cases delayed issuance of IDs
Unique Personal Identifier (UPI)/ Maisha Number	Maisha number/UPI issued at birth	No. of UPI issued (millions)	1.5	0	UPI not issued due to Court cases
Modernization of Integrated Population Registration System (IPRS)	Data backup offsite created	% completion	100	15	IPRS system upgrade is ongoing
	All MDACs and private entities linked to IPRS	No. of MDACs and private entities linked to IPRS	50	34	Upgrading of the IPRS affected the linkage by MDACs
Integrated border control and automated systems	Advanced Passenger Information (API) system, Electronic Gates, E-visa, E-passport and Facial Recognition system integrated as a system	No. of borders installed with Integrated Border Management System	5	4	This project was delayed by the development of the Electronic Travel Authorization
Development of Refugee Master Plan	To enhance peaceful co-existence among host communities	No of Refugee Master Plans developed	1	0	Draft prepared and awaiting validation

Source: State Department for Immigration and Citizen Service Reports, FY 2023/24

### 8.3.1 Sub-sector performance

Modernization of Integrated Population Registration System (IPRS): Upgrading of the IPRS system is ongoing to increase the capacity to link MDACs with IPRS.

### 8.3.2 Policy, institutional and legal framework

- (i) Kenya National Immigration Policy
- (ii) National Coordination Mechanism on Migration Bill, 2023
- (iii) E-Citizen Bill, 2023
- (iv) Refugees (General) Regulations, 2023

### 8.3.3 Implementation challenges

- (i) Inadequate supply of passport and registration materials, forms and certificates
- (ii) Un-integrated systems
- (iii) Court cases
- (iv) Inadequate budgetary allocation

### 8.3.4 Recommendations

- (i) Adequate supply of passport and registration materials, forms and certificates
- (ii) Integrate the systems
- (iii) Resolution of court cases
- (iv) Provision of adequate budgetary allocation

## 8.4 Correctional Services Sub sector

The sub sector plays a crucial role in Kenya's devolved system of government, established by the 2010 Constitution. The major responsibility is overseeing two key entities: the Kenya Prisons Service (KPS), and the Probation and Aftercare Service (PACS).

The KPS ensures safe custody of convicted offenders, upholding public safety and security. The Service manages prisons across the country, implementing rehabilitation programmes to prepare inmates for reintegration upon release. This focus on rehabilitation aligns with the devolved system's emphasis on social development at the county level. By equipping inmates with skills and fostering positive behaviour, the SDSCS, through KPS, contributes to a more stable and productive citizenry, a cornerstone of a successful devolved system.

The PACS, the other arm of the SDSCS, operates within the devolved context even more directly. Probation officers work closely with county governments and communities to supervise offenders serving non-custodial sentences. They provide vital support services, including counselling and reintegration programmes, to reduce recidivism rates. This collaborative approach between SDSCS and county governments exemplifies the devolved system's core principle of shared responsibility for social well-being.

The SDSCS, therefore, plays a critical role in Kenya's devolved system by ensuring public safety, fostering offender rehabilitation, and promoting community reintegration. Through its work with KPS and PACS, the SDSCS contributes to a more just and secure society, aligning perfectly with the devolved system's goals of social development and shared governance.

Aligned to the BETA, the SDCS made progress in the achievement of its mandate during FY 2023/24 as shown in Table 91.

*Table 91: Correctional services output implementation status for FY2023/2024*

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Rehabilitation and reintegration of offender	Improved management of correctional services	Percentage of offenders who needed rehabilitation and reintegration to the community	100	100	Achieved
		Percentage of offenders contained and supervised	100	100	Achieved
	Offender supervision, psychosocial support, educational and technical training opportunities	No. of offenders supervised	240,000	252,000	Achieved
		No. of offenders provided with psychosocial support	240,000	252,000	Achieved
		No. of offenders trained	8,500	23,158	Achieved
Security and National Government Administration Officers (NGAOs) recruitment and trained	Prison officers recruited and trained	No. of prison officers recruited and trained	3,000	0	Recruitment not done
Development and expansion of prison infrastructure	Perimeter walls constructed in prisons	No. of prisons	10	13	Achieved
	Watchtowers constructed	No. of watchtowers constructed	5	2	Development budget was rationalized
	Guardrooms constructed	No. of guardrooms constructed	13	3	Development budget was rationalized

<i>Priority Project</i>	<i>Output</i>	<i>Indicator</i>	<i>Annual Target FY 2023/24</i>	<i>Actual Achievement FY 2023/24</i>	<i>Remarks on performance</i>
Modernization of Police, Prison and NGA facilities	Security equipment for police and prisons maintained	% level of maintenance	100	0	Development budget was rationalized
	Prison telecommunication infrastructure	% completion	10	0	Development budget was rationalized
	Motor vehicles for the NGA officers, National Police Officers, Prisons and Probation acquired	No. of vehicles acquired	977	1	Development budget was rationalized
Security enterprises revenue generation	Revenue generated	Revenue generated (Ksh. million)	0	4,682,085	Achieved
	Prisons farms mechanized	No. of prisons farms mechanized	3	0	Development budget was rationalized
	Irrigation projects established	No. of irrigation projects	2	0	Development budget was rationalized
	Livestock acquired	No. of livestock acquired	550	0	Development budget was rationalized
	Farm stores constructed	No. of farm stores constructed	2	0	Development budget was rationalized
	Assorted equipment acquired	No. of assorted equipment acquired	10	0	Development budget was rationalized
	Workshops/ stores and showrooms constructed	No. of workshops/ stores and showrooms constructed	10	0	Development budget was rationalized

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Police and prisons welfare	Contributory Benevolent Fund established and operationalized	% of operationalization of Contributory Benevolent Fund	30	0	Development budget was rationalized
	Insurance cover for loss of life for officers on duty provided	No. of officers covered	106,469	126,733	Achieved
National Police and Magereza hospitals	National Police Hospitals equipped and operationalized	% completion	100	0	Development budget was rationalized
Digitization of correctional services	Case management system developed and operationalized	% development of Case Management system	20	0	Development budget was rationalized
	Prison services digitized/ Offender surveillance in place	% level of digitization	30	0	Development budget was rationalized

Source: State Department for Correctional Services Reports, FY 2023/24

#### 8.4.1 Sub-sector performance

*Rehabilitation and reintegration of offenders:* The State Department surpassed its target of offender supervision, providing psychological support, educational and technical training opportunities to offenders as depicted by the number of offenders supervised and the number of offenders provided with psychological support.

*Security enterprises revenue generation:* The targets for revenue generation were exceeded. However, the State Department did not achieve its targets on mechanization of prison farms, establishment of irrigation farms, acquiring livestock, constructing farm stores, acquiring assorted equipment and construction of workshops/stores and showrooms.

#### 8.4.2 Policy, institutional and legal framework

In the period under review, the Department targeted to develop the National Correctional Policy. Consequently, a technical committee on the development of the policy and legal framework for correctional services was established through Gazette Notice No. 5621 to develop the National Correctional Services Policy and Bill. A draft legal framework was developed for the policy and the Bill.

Further, the department developed the childcare policy for children accompanying their mothers to prisons, set up the Kahawa Court at Kamiti Maximum Prison, acquired 114 assorted vehicles,

and obtained title deeds for the Kamiti Command, Makueni Command, Murang'a prison and Nyahururu prisons.

#### 8.4.3 Implementation challenges

The following are the challenges encountered during the implementation of the BETA priorities in the State Department:

- (i) The increasing inmates' population strained both human and infrastructural resources in penal institutions
- (ii) Inadequate budgetary allocation to the State Department
- (iii) Pending bills for both recurrent and development expenditure
- (iv) Frequent financial austerity measures
- (v) Limited resources to undertake comprehensive training for officers to build competencies to address emerging demands in offender management
- (vi) Lack of an integrated case management system within the criminal justice system
- (vii) Inadequate ICT equipment to support service delivery

#### 8.4.4 Recommendations

The State Department for Correctional Services recommends the following to hasten implementation of the BETA priorities towards realization of the annual targets of the priorities:

- (i) There is a need to embrace PPP in implementation of development projects
- (ii) There is a need to train officers on emerging crimes
- (iii) There is a need to use modern technology to support service delivery
- (iv) Improve enforcement of the implementation of all policies, guidelines and initiatives that have been developed
- (v) There is need to adopt a unified offender data and case management system
- (vi) Harmonization of policy and legislative frameworks relating to peace and security

### 8.5 Internal Security and National Administration Sub sector

The functions and programmes are drawn from: Coordination of National Government Functions in Counties; Policy on Internal Security; Oversight Over Internal Security Affairs; Policy on National Cohesion and Integration; Coordinate National Security Organs in matters relating to Computer and Cybercrimes and Management of Cyber Threats; Policy on Training of Security Personnel; Border Management (Marine and Terrestrial); Disaster and Emergency Response Coordination; Support in Coordination and Distribution of Relief Food; Policy on National Crime Research and Management; Public Benefits Organizations; State Functions and Government Receptionist; Proclamation of Public Holidays; Security Roads and Airstrips; Small Arms and Light Weapons Management; and Control of Drug and Narcotic Substances.

The sub sector is a critical enabler of BETA priorities by providing security, enforcing regulations, preventing crime, promoting public safety, supporting governance initiatives, and engaging



with communities. It also disseminates and sensitizes the public on all Government policies through barazas. These efforts collectively contribute to creating an enabling environment where businesses can thrive, and BETA priorities can be realized. A number of programmes under BETA priority are being implemented. These are: Security Sector Equipment Modernization; Security Sector Institutional Reforms; and Improve Border Management.



*Ministry of Interior and Coordination of National Government Cabinet Secretary, Prof. Kithure Kindiki, commissions a modern security equipment at the GSU Headquarters, Nairobi, in March 2024*

Table 92 presents a summary of the implementation status of the key outputs and BETA priorities by SDIS&NA for FY 2023/24.

*Table 92: Internal security and national administration output implementation status for FY 2023/24*

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Security and National Government Administration Officers (NGAOs) recruitment and trained	Police officers recruited and trained	No. of police officers recruited and trained	5,000	0	No police officers were recruited or trained due to lack of budgetary allocation
	NGAOs recruited and trained	No. of NGAOs recruited and trained	-	0	No NGAOs were recruited however 321 NGAOs trained

<i>Priority Project</i>	<i>Output</i>	<i>Indicator</i>	<i>Annual Target FY 2023/24</i>	<i>Actual Achievement FY 2023/24</i>	<i>Remarks on performance</i>
Police stations and National Government Administration (NGA) field offices	Police stations constructed and operationalized	No. of police stations constructed and operationalized	146	2	Only two (2) police stations were constructed due to inadequate funding
	Gazette administrative units operationalized	No. of gazette administrative units operationalized	49	737	11 Sub-counties, 36 Divisions, 237 locations and 453 sublocations gazetted in Q3
	NGA field offices constructed and operationalized	No. of NGA field offices constructed and operationalized	-	41	The State Department received funding for construction of 41 field offices
	Field offices refurbished	No. of NGA field offices refurbished	-	6	6 offices refurbished
National Police Forensic Laboratory	National Police Forensic Laboratory equipped and operationalized	% completion	59	52	Target not achieved due to inadequate funding
	Forensic officers trained	No. of officers trained	50	311	Target achieved
Modernization of police, and NGA facilities	Modern assorted security equipment acquired	% of acquisition	35	29.6	Target not achieved due to inadequate budgetary allocation
	Security equipment for police maintained	% level of maintenance	100	90	Target not achieved due to inadequate funding
	Integrated Command and Control Centre (IC3) expanded to all cities, major towns and highways	% completion	35	0	Target not achieved due to no budgetary allocation
	Motor vehicles for the NGA officers and National Police Officers acquired	No. of vehicles acquired	977	0	No motor vehicles were acquired due to no budgetary allocation

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Motorcycles for Chiefs/Assistant Chiefs acquired	No. of motorcycles acquired	-	20	Motorcycles were distributed to Kajiado, Kiambu, Nairobi and Machakos to pilot the electric motorcycle
Police welfare	Contributory Benevolent Fund established and operationalized	% of operationalization Contributory Benevolent Fund	30	0	Necessary legislation has not been put in place
	Insurance cover for loss of life for officers on duty provided	No. of officers covered	106,469	106,469	All officers are covered for loss of life
	Affordable housing mortgage for 5,000 security officers provided	No. of officers enlisted	1,000	0	Framework for acquiring the affordable houses has not been finalized
Miritini Treatment and Rehabilitation Centre	Miritini Treatment and Rehabilitation Centre completed and operationalized	% completion	20	17	Target not achieved due to development budget cuts
Digitization of police stations and services	Police stations networked	No. of police stations networked	249	0	No funds allocated to undertake the exercise
	Occurrence Books digitized	No. of police stations with digitized OB	249	76	No funds allocated for the project
	NGA services digitized	% of services digitized	25	25	Target achieved
Modernization of Government Chemist laboratories	Government Chemist laboratories constructed	No. of laboratories constructed	-	-	Construction of Government Chemist laboratories to be done in FY 2024/25
Government projects and programmes coordination	Government projects and programmes coordinated	% of National Government projects and programmes coordinated	100	100	Government projects and programmes coordinated

Source: Internal Security and National Administration Reports, FY 2023/24

### 8.5.1 Sub-sector performance

- *National Police Forensic Laboratory:* Officers from the Directorate of Criminal Investigations

received forensic training support from various development partners.

- *Police welfare:* The insurance cover for loss of life for officers on duty is provided for all officers.

## 8.5.2 Policy, institutional and legal framework

### *Policy reforms*

National Government village administration policy

### *Legal reforms*

The Computer Misuse and Cybercrime (Critical Information Infrastructure and Cybercrime Management) Regulations, 2024

### *Institutional reforms*

Security sector institutional reforms: To implement the Police, Prison and NYS Reform Taskforce recommendations

## 8.5.3 Implementation challenges

- (i) High unemployment and poverty levels, especially among the youth, making them highly vulnerable to engage in criminal activities
- (ii) Inadequate funding, leading to minimal project milestones
- (iii) Emerging and changing trends in crime
- (iv) Fluid international political landscapes and a dynamic security environment that limits the predictability of the level of success of planned programmes
- (v) Weak collaboration framework between the security agents and members of the public

## 8.5.4 Recommendations

- (i) Install appropriate ICT infrastructure covering all security agencies and ensure integration among the systems
- (ii) Develop a secure inter-agency web-based communication system that can be used on a real-time basis in responding to crime incidence
- (iii) There is need to provide adequate financial resources for projects/programmes, especially for the construction of police stations and NGA offices
- (iv) There is need for the exchequer to release funds in time for efficient implementation of planned programs
- (v) Enhanced capacity building for effective and efficient provision of security and policing services

## 8.6 Devolution Sub sector

The devolution sub sector mandate is to provide policy direction for the devolved system of Government, promote harmonious intergovernmental relations, build capacity and provide technical assistance to county governments for effective service delivery. The sub sector bears the responsibility of managing devolution affairs and policy on devolved system of government, coordinating inter-governmental relations, providing support to County Governments to perform their functions, assessing the performance of County Governments for continuous improvement of service delivery, providing capacity building and technical assistance to County Governments in all devolved functions, managing the national civic education and public participation policy and monitoring, evaluation and reporting on devolution.

The 2023/24 achievements by SDD are illustrated in Table 93.

*Table 93: Devolution output implementation status for FY 2023/24*

Priority Programme/ Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Management of devolution affairs	A harmonized result framework	No. of Devolution Result Frameworks developed	1	0	Draft Framework developed
	National Capacity Building Framework II developed and implemented	No. of National Capacity Building Framework II developed	1	0	Final draft National Capacity Building Framework II Awaiting Cabinet approval
	LED Framework developed	No. of LED Frameworks developed	1	0	Draft LED Framework Awaiting Cabinet approval
	Intergovernmental sector forums for devolved functions convened	No. of sector reports prepared	5	1	Target not achieved
		% of disputes resolved	100	80	Resolved ongoing disputes
		% of cases resolved using GRM	100	80	Resolved Ongoing disputes
	IBEC, Summit and Consultative meetings with COG to address sectoral challenges	No. of Summit meetings held	4	1	Summit is dependent on availability of the President

Source: State Department for Devolution Reports, FY 2023/2024

### 8.7.1 Sub-sector performance

A Multi-Agency Committee was established, data collected on all devolved functions and draft Result Framework was developed, hence this target was achieved. This framework is important

to provide a standardized approach in the assessment of devolved functions to determine the support required.

The draft National Capacity Building Framework II and Draft LED Framework was submitted to the Cabinet for approval.

### **8.6.2 Policy, institutional and legal framework**

- (i) County Government Act, 2012 and Intergovernmental Relations Act, 2012 reviewed
- (ii) Regulations for County Governments Act, 2012 and Intergovernmental Relations Act, 2012 developed
- (iii) Regulations for Intergovernmental Sectoral Forums developed

### **8.6.3 Implementation challenges**

The following challenge was reported during the implementation of 2023/24 targets:

- (i) Delay in Cabinet approvals

### **8.6.4 Recommendations**

- (i) Embrace 'Whole of Government Approach' by key stakeholders in the implementation of planned activities
- (ii) Review of the Intergovernmental Relations Act, 2012 to guide on how sector forums should be held

## **8.7 Diaspora Affairs Sub sector**

The sub sector was established in recognition of the indispensable role of the diaspora in the country's development. It is responsible for liaison with other stakeholders to promote the participation of Kenya's diaspora in democratic processes within the country. It also collaborates with the Labour sub sector to implement the labour migration policy and the global labour strategy. This entails promotion of continuous dialogue with Kenyans abroad, development of incentives framework for diaspora remittances, and securing the placement of Kenyans abroad in conjunction with the Ministry of Labour. Other functions include supporting Kenyans in the diaspora in harnessing more opportunities for employment and enterprise development, and harnessing diaspora savings facilities, direct investments and technology transfers.

The achievements by SDDA for FY 2023/24 is presented in Table 94.

Table 94: Diaspora affairs output status for FY 2023/24

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Diaspora service delivery	Diaspora Integrated Information Management System (DIIMS) developed and implemented	% of DIIMS operational	100	100	SDDA developed the Diaspora Integrated Information Management System to centralize and enhance access to services by the diaspora
	A 24-hr emergency response centre and Honorary Consuls offices established	No. of emergency response centres	1	0	Initiated establishment of a 24-hr Emergency Response Centre
	A framework for technology and skills transfer and cooperation among Diaspora created	No. of Frameworks created	1	0	Prepared a Concept Note
	Diaspora offices established and operationalized in Mission	No. of Diaspora offices	10	0	Target not achieved but baseline survey conducted on 26 missions abroad
	Diaspora engagements strengthened	No. of high-level diaspora engagements	5	19	High-level engagements were held in: Italy, Philippines, Canada (Nova Scotia), Canada (New Brunswick), Canada (Toronto), United Kingdom, Belgium, Ireland, Germany, Mozambique, Japan, Germany, Tanzania, Thailand, Ghana, Rwanda, USA (Atlanta), USA (Minnesota), USA (Nebraska). The target was exceeded



Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Growth of diaspora remittances	Diaspora bonds and investment in affordable housing established	Value of diaspora direct investment (US\$ millions)	479	580.7	By 31st May 2024, remittances had reached Ksh. 580.7 billion. It is expected that once figures for June 2024 are availed, the target will have been met
	Strategy to reduce remittance transaction costs developed	% reduction in remittance costs	5	6.2	Remittance cost is still high as compared to the SDGs target of 3% and SDDA's target of 5%
	Bilateral and multilateral engagements to identify new opportunities for international employment and investment held	No. of engagements	4	1	
	Diaspora excellence awards gala hosted	No. of diaspora excellence awards gala	1	1	Launched the diaspora excellence awards during the Diaspora Investment Expo held in Nairobi from 13th – 15th December 2023
	County investment profiles identified and disseminated to diaspora	No. of county investment profiles developed and disseminated to diaspora	9	47	The SDDA collaborated with the Council of Governors in sourcing and disseminating county-specific bankable investments from the 47 counties during the Diaspora Investment Conference 2023.
	County investments fora held	No. of county investments fora held for the diaspora	20	2	Collaborated with Homa Bay and Kakamega counties in hosting international investment conferences in the two counties

<i>Priority Project</i>	<i>Output</i>	<i>Indicator</i>	<i>Annual Target FY 2023/24</i>	<i>Actual Achievement FY 2023/24</i>	<i>Remarks on performance</i>
Diaspora rights and welfare	Diaspora evacuation plan developed and implemented	No. of Evaluation plans developed	1	1	Developed the diaspora evacuation and repatriation guidelines
	Diaspora emergency and welfare facility developed and implemented	No. of emergency and welfare programmes	-	0	Funds for evacuation and repatriation were availed by the National Treasury as and when need arose. It is not possible to set a target here given the unpredictable nature of distress situations that warrant evacuation/ repatriation
	Human remains of deceased Kenyans repatriated	% human remains repatriation requests facilitated	100	100	One hundred and seventy (170) deceased Diasporans were repatriated from various countries, including Spain, UK, Zanzibar, UAE, South Africa, Australia, Egypt, Qatar, Saudi Arabia, Nigeria, Canada and Mexico
	Distressed Kenyans abroad safely evacuated	% distressed Kenyans evacuated	100	100	SDDA, in collaboration with other stakeholders, evacuated 1,170 distressed Kenyans from Sudan following the outbreak of a political crisis, with Kenya being the first country to get her citizens out of Sudan. Moreover, 3,526) distressed Kenyans were repatriated in various countries, including Saudi Arabia (3,332), Thailand and Laos (100), Malaysia (6) Lebanon (59), Kuwait (2),

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
					Israel (12), Türkiye (1), Libya (10), Burundi (1), Canada (1), France (1) and the Democratic Republic of Congo (1).
	Diaspora Returnees' Integration programme implemented	% of returnees counselled and capacity built	100	100	All diaspora returnees were offered counselling services and psychosocial support at the ports of entry. SDDA maintains contact with returnees who require support post-arrival
	Migrants 'rights and welfare fora held	No. of county fora	1	2	The State Department held job fairs in Meru and Embu counties in collaboration with other stakeholders to sensitize Kenyans on international jobs
	Establishment and operationalization of 10 Safe Houses for the Diaspora.	No. of Safe houses established	2	0	Target not achieved but the State Department prepared a Concept Note for the Safe Houses and undertook data collection to inform prefeasibility study

Sources: SDDA, CBK reports

Table 95: SDDA outcome implementation status for FY 2023/2024

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Enhanced foreign and diaspora remittances	Amount of remittances in Ksh.	582.8	580.7	Growth in remittances was in part due to SDDA enhanced engagements with the diaspora through in person and online platforms and continuous engagements with financial institutions with a view to reducing the cost of remittance and developing diaspora responsive savings and investment products

Data Sources: SDDA, CBK Reports

### 8.7.1 Sub-sector performance

Remittances increased from US\$ 4.02 billion in 2022 to US\$ 4.19 billion in 2023, with a projected increase to US\$ 5 billion in 2024. The increase is attributable to enhanced diaspora trust and confidence in Government. The Government, through the State Department, strengthened partnerships with the diaspora through a series of high-level engagements and innovative service delivery initiatives such as mobile consular services.

In addition, the State Department stepped up dissemination of investment opportunities to the diaspora and collaborated with financial institutions and real estate players to develop diaspora facing products such as bonds, private equity funds, venture capital and affordable housing, among others. The first ever Diaspora Investment Conference was held in December 2023 at the Kenyatta International Convention Centre (KICC) under the theme, “Tujenge Kenya: Bridging Borders, Building Futures.” It aimed to strengthen the bond between Kenya and its diaspora, fostering engagement, investment, and collaboration, and was attended by 2,809 participants both physically and virtually.

Bilateral and multilateral engagements were held with various countries to identify the international employment and investment opportunities for Kenyans. In this regard, a non-quota based Comprehensive Migration and Mobility Agreement was concluded with the Federal Republic of Germany. The Agreement provides a framework for cooperation and information exchange on labour mobility, apprenticeship, student training, labour market needs, employment and welfare of workers, re-admission and return. It creates a dynamic framework for immigration by aligning the skills and talents of Kenyan professionals with labour market needs of employers in Germany. Additionally, negotiations were initiated with other countries, namely Canada, Austria, the Kingdom of Saudi Arabia and the State of Qatar.

Jamhuri Diaspora Awards were launched during the Diaspora Investment Conference. The aim of the Jamhuri Awards is to recognize and celebrate talented individuals and build a strong and more cohesive diaspora community that contributes to the preservation, promotion of cultural diversity and rich heritage of Kenya. The awards will categorize and recognize individuals drawn from different sectors based on recommendations by the diaspora community. These sectors include: the business and entrepreneurship sector, pointing out the significant contribution to social causes, community development engagements and grass root initiatives benefiting the diaspora; scientific research, technology innovation and technology transfer; leadership and patriotism recognizing individuals supporting, promoting and portraying exemplary patriotism, championing and fighting for rights of Kenyans abroad. In addition, the awards will also target journalism and media production with outstanding awareness in diaspora issues; environmental sustainability, conservation efforts and raising awareness on environmental matters; the education sector, recognizing individuals who have made outstanding contribution in education, teaching and mentorship.

The State Department developed the Diaspora Evacuation and Repatriation Guidelines to facilitate evacuation and repatriation of Kenyans in distress abroad. SDDA, in collaboration with other stakeholders, evacuated 1,170 distressed Kenyans from Sudan following the outbreak of a political crisis on 15<sup>th</sup> April 2023. Additionally, over 99 victims of human trafficking were rescued from Southeast Asia (Laos, Myanmar, Thailand, Malaysia). Another 72 distressed Kenyans were evacuated from various countries, including Lebanon, the UAE, Tanzania, Qatar, South Africa, India, Switzerland, Sierra Leone, and the Kingdom of Jordan.

The State Department facilitated medical evacuations from Albania and Türkiye and helped rescue two Kenyans abducted in Ethiopia. On a sad note, 18 deceased diasporans were repatriated from various countries, including Spain, UK, Zanzibar, UAE, South Africa, Australia, Egypt, Qatar, and Saudi Arabia.

The SDDA spearheaded and facilitated the provision of mobile consular services to 13,300 Kenyans in over 150 cities across 46 countries, namely: Zambia, Botswana, Mozambique, South Africa, Djibouti, Egypt, Ethiopia, Tanzania, Rwanda, Uganda, DRC, Sweden, Norway, Denmark, Finland, USA, Turkey, Italy, Greece, Spain, Austria, Hungary, Netherlands, Nigeria, Senegal, Canada, Brazil, Jamaica, Oman, Yemen, China, Hong Kong, Indonesia, Australia, Ireland, New Zealand, Qatar, Germany, France, Belgium, Japan, Malaysia, South Korea, Philippines, Singapore, Saudi Arabia, and Kuwait. The services offered included issuance of IDs, passports, certificates of good conduct, birth certificates, documents attestation, dual citizenship, emergency travel documents and regaining of citizenship.

The MCS programme brought Government services closer to the diasporians, majority of whom could not access services due to long distances to embassy/consulate offices, lack of vital documents, unstable political situations in some countries abroad, logistical and linguistic hurdles that make it impossible for Missions to cover regions of their jurisdiction, thus requiring a boost from the capital. The MCS not only enhanced service delivery to Kenyans in the diaspora, but also helped build their trust and confidence in Government.

The Diaspora Integrated Information Management System (DIIMS) was developed to centralize and enhance access to services by the diaspora. The system already has nine (9) government services that are also accessible through the E-Citizen platform, including: registration of Kenyans in diaspora; registration of diaspora associations; diaspora in conflict with the law; requests by distressed persons; reporting of missing person; counselling services; reporting death; crisis mapping and remittances.

Further, the SDDA initiated establishment of a 24-hr Emergency Response Centre to enhance response to distress cases and provide timely feedback to Kenyans in the diaspora. Diaspora engagements were strengthened through high-level engagements that were held in: Italy, Philippines, Canada (Nova Scotia, New Brunswick and Toronto), United Kingdom, Belgium, Ireland, Germany, Mozambique, Japan, Tanzania, Thailand, Ghana, Rwanda and USA (Atlanta, Minnesota and Nebraska).

### 8.7.2 Policy, institutional and legal frameworks

The State Department developed the draft Kenya Diaspora Policy 2024. The Policy underscores the Government's commitment to understand and address the challenges that are encountered by Kenyans living abroad. The goal of the Policy is a protected, well engaged, empowered and prosperous Kenyan diaspora.

### 8.7.3 Implementation challenges

- (i) High transaction cost on remittances, estimated at 6.20 percent of the amount sent
- (ii) Inadequate incentive framework for remittances and diaspora investments
- (iii) Low awareness on available investment opportunities for Kenyans in Diaspora due to weak structures and inadequate coordination among Kenyans abroad

- (iv) Weak structures and uncoordinated mechanisms to create awareness for Kenyans abroad on the investment opportunities available in Kenya, coupled with lack of an incentive framework to promote diaspora investments
- (v) Integration of diaspora returnees facing challenges occasioned by bottlenecks of Association Rules that discriminate against professional returnees. Examples of such rules are those imposed by various licensing associations, such as the Kenya Engineering License Board and others that frustrate the returnees from practicing their trade, while their counterparts from similar institutions abroad are hired at exorbitant salaries as “expatriates”
- (vi) Inadequate human resource capacity in the Kenya missions abroad to offer effective and efficient consular services, especially in areas with high concentration of Kenyans
- (vii) Inadequate policy, legal and institutional frameworks
- (viii) Low registration by Kenyans abroad with the Kenya Missions, which hampers the protection of welfare and rights and constraints effective delivery of consular services
- (ix) Inadequate and fragmented data on Kenyan diaspora
- (x) Inadequate framework on transferability and portability of social security benefits
- (xi) Increased mental health issues

#### 8.7.4 Recommendations

- (i) There is a need for electoral reforms for diaspora voting to consider issues such as period of voting, gazetted polling stations, and use of electronic equipment or platforms to allow more Kenyans abroad to participate at the elections. Participation in political processes should be open to dual citizens, such as in the UK, where only the executive position should be exempt from vying as a dual national
- (ii) The Government and Parliament should promulgate laws, rules and regulations to ensure that professional Kenyan returnees are regarded and treated the same way as expatriates are treated in employment and remuneration. Such a move would attract talent. There is also a need for local professional bodies to embrace the returnees by recognizing their qualification and expertise
- (iii) Existing Bilateral Labour Agreements (BLAs)/MoUs should be reviewed and new instruments signed with foreign governments to facilitate effective protection of Kenyan nationals seeking employment abroad
- (iv) There is need to address the high transaction costs of remittances, which is currently at an average of 6 percent (AIR, 2023) and reduce to 3 percent or less by 2030 as per the SDG 10(c)

#### 8.7.5 Conclusion and way forward

The State Department has prioritized mapping of Kenyans in the diaspora and incorporating them in the national development agenda; strategic partnerships on jobs abroad; diaspora savings, investments and remittances; and strengthened engagements and partnerships with Kenyans

abroad for shared prosperity. In this regard, the Department prioritizes the completion of various projects for FY 2024/25 including: the Diaspora Integrated Information Management System (DIIMS); 24 hour Diaspora Response Centre; and finalization, approval and implementation of the draft Kenya Diaspora Policy 2024. The State Department will also prioritize the development and enactment of the Diaspora Bill to anchor diaspora issues in law, while continuing with implementation of key priorities that were not achieved in the FY 2023/24.

## 8.8 East Africa Community Affairs Sub sector

The State Department for East African Community Affairs (SDEACA) was established under the Ministry of East African Community (EAC), the ASALs and Regional Development as espoused in the Executive Order No. 2 of 2023. The mandate of the State Department includes: Policy on East African Community; Implementation of the Treaty for the Establishment of the East African Community; Negotiation and Implementation of EAC Protocols; Develop and Implement Policies and Programmes to Fast-track Regional Integration; Coordination of Implementation of EAC Regional Programmes and Projects; Coordination of Government's Participation in the East African Community Affairs; Domestication of Regional Agreements in all Areas; Monitor Implementation of Summit and Council Directives/Decisions; Sustainable Development of Lake Victoria Basin and other Shared Resources; East African Community Organs and Institutions; and Create Awareness on the Aspiration of the East African Community Integration; among others.

According to Table 95, SDEACA is responsible for the achievement of a number of MTP IV outputs, BETA priorities and outcomes towards the achievements of the First Year MTP IV Implementation period (FY 2023/24).

Table 96: East African Community affairs output implementation status for FY 2023/24

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
MSMEs development	MSMEs facilitated to access local, regional and international markets	No. of MSMEs facilitated to access local, regional and international markets	2,000	302	A Trade fair was held in Q2. The target of 2,000 is for all the implementing agencies and EAC is only contributing to the target
EAC uptake enhancement	National outreach and stakeholder engagements undertaken	No. of national outreach and stakeholder engagements held	10	3	Not achieved
	Kenya's participation in EAC Trade Fairs enhanced	No. of trade fairs held	1	1	Trade fair was held in Q2 in the Republic of Burundi



Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
		No. of Kenya's MSMEs products showcased in trade fairs	300	700	Trade fair was held in Q2 in the Republic of Burundi
	EAC trade and investment regulations and procedures developed and disseminated	No. of dissemination reports	1	1	Target achieved. Dissemination was conducted in 10 cross-border and other towns
	Women and other small-scale traders trained	No. of women and other small-scale traders trained	50	12,000	Over-achievement is attributed to support by TradeMark Africa
	EAC Cross Border Trade Associations (CBTAs) revived and trained	No. of CBTAs revived and trained	2	2	Target achieved

Source: State Department for East African Community Affairs Report FY 2023/2024

### 8.8.1 Description of the results

Joint mobilization was conducted whereby relevant MDAs, and 348 Kenyan MSMEs successfully exhibited their products during the EAC MSMEs Trade Fair, which was held in the Republic of Burundi on 23<sup>rd</sup> December 2023. The target of 2000 is for all the implementing agencies, and the EAC is only contributing to the target.

To enhance EAC uptake, there was a collaboration between the National and County Governments. Stakeholder engagements were held in Kajiado, Migori, Bungoma, Trans Nzoia, Isiolo, Marsabit, and Taita Taveta counties. This was to assess progress in those counties regarding the implementation of the EAC integration projects and programmes and strengthen the capacities of MSMEs in the counties to trade in the EAC region. The achievement is attributed to support from TradeMark Africa (TMA).

In addition, a total of 1,200 youth, women and PWD traders were trained on Simplified Trade Regime (STR) to enhance their knowledge/awareness on border laws and regulations; elevate traders from small scale to own cooperatives and empowerment on value chains in STR; and reduce cases of smuggling across the border. Further, the Namanga and Loitotok EAC Cross Border Trade Associations (CBTAs) were revived and trained on STR.

### 8.8.2 Policy, institutional and legal framework

The sub-sector does not have national policies but implements regional policies that have been ratified by the Community.

### 8.8.3 Implementation challenges

- (i) Inconsistent application of the Common External Tariff (CET), re-occurrence and emergence of new NTBs and restrictive use of rules of origin, which continue to be detrimental to the free flow of trade
- (ii) The ongoing peace and security situation in the Eastern DRC and its effects on the integration agenda
- (iii) Inadequate budget and budget cuts, which affect the implementation of the set targets
- (iv) Long-standing, recurring and new non-tariff barriers, which continued to be detrimental to the free flow of trade
- (v) Multiple fees charged by County governments on transit trucks along the Northern Corridor, making the cost of doing business in Kenya uncompetitive hence derailing the integration agenda
- (vi) Slow progression on implementation of activities under the EAC pillars of customs union, common market and political federation

### 8.8.4 Recommendations

- (i) Spur regional agribusiness by linking the Kenya Commodity Exchange with that of the Northern Corridor Integration Project (NCIP) partner States to facilitate intra-trade in the EAC through warehouse receipt systems
- (ii) Revision of the EAC Simplified Trade Regime to enhance the list of commonly traded products by the MSMEs across the borders
- (iii) Resolution of reported non-tariff barriers to trade, such as construction materials such as clinker, ceramic tiles and timber, among others
- (iv) Enhance awareness creation on opportunities obtaining from the EAC integration process
- (v) Fast-tracking the conclusion of the EAC Social Security mechanism to facilitate the portability of health benefits and the framework for EAC pooled bulk procurement of medicines to ensure access and affordability of medicines
- (vi) Facilitating participation of at least 300 Kenyan MSMEs at the 24<sup>th</sup> MSMEs Trade Fair in 2024 in Juba, South Sudan, to showcase Kenyan-made products and services
- (vii) Full operationalization of the EAC NTBs elimination mobile application
- (viii) Interfacing the Central and Northern Corridor cargo tracking systems
- (ix) Exploiting the economies of scale emanating from emerging and third-party markets

## 8.9 Parliamentary Affairs Sub sector

The State Department for Parliamentary Affairs (SDPA) was first established as a key Department under the Office of the Prime Cabinet Secretary through Executive order No. 1 of 2022. The State Department has since then been redefined by subsequent Executive Orders. The Executive

Order No. 2 of 2023 on Organization of the Government of the Republic of Kenya redefined and elaborated on the functions of the State Department. The mandate as per the Executive Order No. 2 of 2023 is to coordinate the implementation of the National Government's legislative agenda across all Ministries and State Departments in consultation with, and for transmission to the Party/Coalition Leadership in Parliament.

The key priorities for the review period FY 2023/24 are to: Operationalize the Steering Committee on the GLA and Parliamentary Liaison to ensure Effective GLA Implementation; Develop and Operationalize Legislative Agenda Tracking Information System to facilitate effective and efficient tracking of the government legislative agenda (policies and legislation) across MDAs; Vet 100 percent of the proposed policies and legislation across MDAs to ensure they are compliant and are aligned with the National Development Agenda; Finalize Three Priority Bills (the Nairobi Centre of International Commercial Arbitration, Transitional of Executive Authority and Public Participation Bills to Support the Effort on Strengthening the Legal Framework in Kenya; and Roll-out of the Implementation of the Public Policy Handbook for Kenya. This will ensure standardization and uniformity in policy development across MDAs.

Table 97, presents the SDPA's implementation status of key MTP IV outputs, BETA priorities and outcomes, for FY 2023/24.

*Table 97: Parliamentary affairs output implementation status for FY 2023/2024*

<i>MTP IV Outcome</i>	<i>MTP IV Outcome Indicator</i>	<i>Annual Target FY 2023/24</i>	<i>Actual Achievement FY 2023/24</i>	<i>Remarks on performance</i>
Improved alignment of Government legislative proposals and policies with national development agenda	Proportion of policies and legislations audited/ reviewed	20	100	All the proposed policies, legislation and statutory instruments were reviewed during preparation of the Government Legislative Agenda report

*Source: State Department for Parliamentary Affairs Report, FY 2023/2024*

The following outputs are all geared towards ensuring all policies, legislation and statutory instruments are aligned to the national development agenda.

### 8.9.1 Sub-sector performance

*Leadership, accountability, and legislative agenda:* The Government Legislative Agenda (GLA) framework was prepared towards the coordination of policies, and legislations.

### 8.9.2 Policy, institutional and legal framework

To institutionalize the parliamentary liaison service and cooperation between the National Executive and Parliament, the State Department initiated and produced a draft of the Parliamentary Liaison Framework. The framework outlines the scope of cooperation between the two arms of government for dispatch of Government business in Parliament, including the handling of bills, statutory instruments, parliamentary questions, resolutions and the Executive's undertakings to Parliament.

### 8.9.3 Implementation challenges

The following challenges were impediments towards achieving the State Department mandate:

- (i) Inadequate human resources specifically in the technical directorates
- (ii) Budgetary cuts or inadequate budgetary provision for the planned programmes/activities

### 8.9.4 Recommendations

The Public Service Commission could fast-track and prioritize the recruitment of staff to the State Department for Parliamentary Affairs.

## 8.10 Office of the Attorney General and Department of Justice

The mandate of the Office of the Attorney General and the Department of Justice (OAG&DOJ) as outlined in Article 156 of the Constitution, the Office of the Attorney General Act, 2012, and Executive Order No. 2 of 2022, which includes advising government bodies on legal matters, including constitutional and international law, human rights, consumer protection, and anti-corruption policies. The office provides legal aid, negotiates and vets documents on behalf of the government, coordinates Kenya's reporting obligations to international human rights and anti-corruption bodies, drafts legislative proposals, and oversees the registration of entities such as companies and marriages. Additionally, the OAG&DOJ represents the National Government in civil and constitutional matters and in foreign courts.

During the period under review, the Office of the Attorney General and the Department of Justice (OAG&DOJ) made milestones towards the realization of the Medium-Term Plan IV of the Kenya Vision 2030. The achievements are illustrated in the following table:

Table 98: OAG&DOJ output implementation status for FY 2023/2024

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Transformation, decentralization, and digitization of State Law Office	State Law Office headquarter and 9 regional offices constructed and equipped	No. of offices constructed and equipped	2	1	Target not fully achieved due to insufficient funds
	State Counsels recruited	No. of State Counsels recruited	100	0	No appointments from PSC were made due to financial constrains
	State Counsels and other paralegal trained	No. of State Counsel and other Paralegal trained	100	142	Target surpassed due to availability of scholarship and internal funding

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	Legal services and business processes automated and digitized	No. of legal services and business processes digitized	25	25	Target achieved. Registrar General and Public Trustee processes automated
		No. of legal services manual records digitized	5,000	0	Target not achieved due to insufficient funds
	Virtual and smart boardrooms at the headquarters and regional offices established	No. of virtual courts established	3	3	Target achieved. Virtual courts established in the headquarters
		No. of smart boardrooms established	2	0	Target not achieved due to insufficient funds
	Legal resource centre refurbished and equipped	% completion	50	0	Target not achieved due to insufficient funds
	Specialized legal services outsourced	No. of external advocates/law firms engaged	6	6	Target achieved
	Business entities registered	No. of business entities registered	132,676	136,209	Target surpassed due to automation of business registration processes
Legal aid and awareness	Legal aid offices established in 16 additional counties	No. of additional legal aid offices established	3	4	Target achieved. Offices established in Wajir, Mandera, Tana River and Marsabit
	Indigent, marginalized and vulnerable persons offered direct legal aid	No. of indigent, marginalized and vulnerable persons offered direct legal aid	30,000	32,789	Target surpassed due to donor support
Promotion of human rights	Awareness fora on Victim Protection Act conducted	No. of awareness county fora held	12	12	Target achieved
	Treaty reports on human rights prepared and defended	No. of treaty reports on human rights prepared and defended	1	1	Target achieved

<i>Priority Project</i>	<i>Output</i>	<i>Indicator</i>	<i>Annual Target FY 2023/24</i>	<i>Actual Achievement FY 2023/24</i>	<i>Remarks on performance</i>
Leadership ethics and integrity	Sessional Paper No. 2. of 2018 on National Ethics and Anti-Corruption Policy (NEAP) implemented	Report on implementation of the NEAP Policy	1	1	Target achieved in previous quarters.
	Recommendations of country review reports on fulfilment of Kenya's international and regional obligations on governance, ethics and integrity implemented	No. of Implementation reports (AU and UN)	1	1	Target achieved in previous quarters.
	Proceeds/ assets seized, preserved, forfeited/ confiscated	% proportion of proceeds/assets seized, preserved, forfeited/ confiscated	100	100	Target achieved
Constitution and legal reforms	Laws and subsidiary legislation developed, reviewed or harmonized	% of laws and subsidiary legislation developed, reviewed, or harmonized	100	100	50 subsidiary legislation drafted
	Legal and civic education on the Constitution conducted	No. of legal and civic education fora/ sessions	14	14	Target achieved
	Legal research and comparative studies on policies, laws, regulations undertaken	No. of legal research and comparative studies undertaken	2	3	Target achieved
Legal education and training	Regional campuses established	No. of regional campuses established	1	0	Feasibility study done and report awaiting board approval
	ATP examination centres established	No. of ATP examination centres established	2	1	Target not achieved due to budget constraints

Source: Office of Attorney General and Department of Justice FY 2023/24

Table 99: OAG&DOJ outcome implementation status for FY 2023/2024

MTP IV Outcome	MTP IV Outcome Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Enhanced access to legal services	No. of cases concluded	1,300	2,344	Target surpassed due to additional State Counsels hired
	No. of days taken to draft subsidiary legislation	40	30	Target surpassed due to additional State Counsels hired
	No. of days taken to offer legal advice to MDAs	10	7	Target surpassed due to additional State Counsels hired
	Proportion of private companies with declared business ownership status	36	46.2	Target surpassed due to an increase of private companies declaring their business ownership status
	Average time taken to process registration applications for marriages	45	45	Target achieved. No. of days sustained
Improved resolution of public complaints	Percentage of public complaints resolved through Integrated Public Complaints Referral mechanism (IPCRM)	100	0	Target not achieved due to lack of budgetary allocation required to develop IPCRM
Improved access to legal education	No. of student enrolled	1,700	1,748	Target achieved. All qualified students admitted
	Number of ATP examination centres established	2	1	Target not fully achieved due to budget constraints

Office of the Attorney General and Department for Justice Report, FY 2023/2024

### 8.10.1 Sub-sector performance

During the period under review, the office under NLAS established and operationalized four (4) additional legal aid offices and offered direct legal aid services to 32,789 persons. The office also enhanced dispensation of justice by concluding 2,344 cases filed against the Government. Through the Kenya Law Reform Commission (KLRC) and Legislative Drafting Department, the office developed 50 bills to harmonize the existing laws with the Constitution and drafted 297 other subsidiary legislation.

Under the transformation of the office programme, four public facing services (*Marriages, Societies, public Trustee and College of Arms*) were digitalized and onboarded into the e-citizen portal. In addition, the societies section database was developed and cleaned, while the public trustee accounts payment system and ministers of faith license system was developed and implemented.

Through the Department of Justice, the office developed the report on replies to the list of issues to the 6<sup>th</sup> periodic report on the international covenant on economic, social and cultural rights.



In addition, the office managed to attend and report to COSP and to the resumed 14<sup>th</sup> session of the implementation review group and 12<sup>th</sup> open-ended intergovernmental expert meeting to enhance international cooperation under UNCAC.

Under the Assets Recovery Agency, the office verified all intelligence gathered and developed actionable intelligence reports. Further, the Agency identified and traced suspected proceeds of crime in respect to 111 cases. The approximated value of the suspected proceeds of crime investigated was Ksh. 30,177,256,839.75 and Ksh. 399,899,087 in cash restricted in banks.

Through the Business Registration Service, the office did a number of initiatives to increase the number of businesses registered, such as re-engineering of the business registration system to a new system, automation of processes and undertaking business registrations drives such as collaboration with Nairobi Agricultural Shows and registration campaigns. As a result, the Service registered a total of 136,209 business entities comprising 75,978 business names, 58,676 private companies, 67 public companies, 192 foreign companies, 674 Companies Limited by Guarantee (CLGs), 606 Limited Liability Partnerships (LLPs) and 16 Limited Partnerships. In addition, the Service increased the proportion of complaint private companies from 43.5 percent at the start of the year to 48.6 during the period under review.

### 8.10.2 Institutional and legal frameworks

#### *Legal reforms*

- (i) To be able to establish and manage the Legal Aid Fund, the office thorough NLAS and PLEAD technical support embarked on the drafting of the legal aid fund regulations
- (ii) The Office of the Attorney General and Department of Justice developed a Library Policy to ensure the library as a legal resource meets its mandate by recruiting qualified staff, and providing infrastructure and funding
- (iii) Article 156 of the Constitution, the Office of the Attorney General Act, 2012 has been reviewed to change the mandate of the Office of the Attorney General and the Department of Justice (OAG&DOJ) to give the office autonomy.

#### *Institutional reforms*

- (i) The Office developed the draft OAG & DOJ PPP Guidelines to delineate the role of the Office in the Public Private partnership (PPP) process and to aid Counsel to vet, review and advice on the PPP project documents.
- (ii) The Office developed MDA guidelines that sets out its services and guides all Government Ministries, Departments, Semi-autonomous Agencies, State Corporations, and State Agencies on the procedures to be followed when seeking legal services from the Attorney General.
- (iii) The Office developed a Policy on the Post-Pupillage Programme, in its endeavour to be the best trainer and employer, and to continue to review its training and capacity building programmes to attract and retain the best pupils and employees. The Post-Pupillage Policy, therefore, provides a framework for engagement and management of pupils once they complete their pupillage programme.

- (iv) The Office developed the Legal Audit and Compliance Guidelines, pursuant to the constitutional mandate of the Attorney-General as the Principal Legal Adviser to the Government. This is intended to facilitate an objective and comprehensive legal compliance audit among MDAs. The Guidelines cover an audit checklist on Governance; Negotiation, Execution and Administration of Memorandum of Understanding and Contracts; Conduct of Litigation by or against MDAs; and Management and Conduct of Legal Consultancy Services.

#### *Policy reforms*

- (i) ICT policy: The State Law Office has integrated technology into legal aid services through development of a website that contains linkages for legal information that is responsive to client needs and provision of IT equipment to its clients for virtual court sessions. Through these platforms, legal aid becomes more accessible and cost-effective.
- (ii) The OAG&DOJ Strategic Plan was developed.

#### **8.10.3 Challenges**

- (i) High turnover of skilled and competent staff, mostly due retirement of the senior and skilled drafters
- (ii) Inadequate budgetary allocation and financial support, which affects service delivery
- (iii) Severe shortage of experienced drafters
- (iv) A shortage of necessary equipment (computers, landlines, printers, photocopiers, scanners, etc
- (v) Inadequate office accommodation, leading to separation of the officers and working in shifts
- (vi) Inadequate finances to undertake the requisite training of staff
- (vii) Changing legal landscapes: Due to changes in laws, regulations, and court procedures, training is necessary to enable NLAS adapt, and this may require additional resources
- (viii) Language and cultural barriers: Providing legal services to diverse populations with language barriers and differing cultural norms requires extra effort and resources

#### **8.10.4 Recommendations**

- (i) Appropriate provision of the specified departmental budgetary allocation
- (ii) Procurement of additional equipment and office space
- (iii) Build capacity of staff through training and professional development opportunities for drafters to ensure drafters stay up to date with best practices and emerging issues in legislative drafting
- (iv) Partnerships and collaborations: Collaborating with other legal organizations, community groups, universities, and pro bono networks to share resources, knowledge, and expertise. Partnerships can help stretch the limited resources and expand the reach of services.

- (v) Conduct regular assessments of operational processes to identify areas where efficiency can be improved; implement cost-effective technologies, streamlined workflows, and best practices to optimize resource allocation
- (vi) Explore innovative service delivery models, such as online legal clinics, remote consultations, or self-help resources, to expand access to legal aid services while minimizing costs

## 8.11 Foreign Affairs Sub sector

The Foreign Affairs sub sector is responsible for executing Kenya's Foreign Policy and advising the Presidency on regional, continental, and global matters. Its key functions include managing Kenya's foreign policy, promoting and protecting the nation's interests globally, overseeing Kenya's missions, embassies, and high commissions, and coordinating regional peace initiatives. The department also manages Kenya's participation in international treaties and agreements, promotes Nairobi as a hub for multilateral diplomacy, lobbies for Kenya's candidatures in international governance, and handles diplomatic privileges, state visits, and consular services. Additionally, it manages bilateral and multilateral relations, official global communications, and maintains Kenya's relations with international organizations and foreign missions.

*Table 100: Foreign affairs output implementation status for FY 2023/24*

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achieve- ment FY 2023/24	Remarks on performance
Modern- ization and improvement of diplomatic infrastructures	Govern- ment-owned properties acquired, refur- bished, branded and modernized	No. of government properties ac- quired, refurbished, branded and mod- ernized	12	4	Target not achieved due to non-release of develop- ment funds
	Diplomatic en- clave developed	% level of estab- lishment	10	5	Draft master plan com- plete; Launched in August 2022; The Ministry sent Circular diplomatic Corps informing about the enclave; The Diplomatic Corps has been express- ing interest in allocation of land. The status has not changed
	Security and ICT in missions improved	% level of improve- ment	10	10	Upgraded communication with 66 Missions through the use of VPN. Security of web-based systems has also been enhanced by SSL Certificate.

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achieve- ment FY 2023/24	Remarks on performance
					Further, SDFA in collaboration with the National Treasury deployed necessary ICT infrastructure such as VPN, laptops and storage devices to enable roll-out of IFMIS in 25 Missions and are in the process of rolling-out to the remaining Missions
	Foreign Service Academy established and operationalized	% level of operationalization	20	20	Coordinated the process of selecting the inaugural FSA Council, which has now been gazetted. The Council is now in office
	Implement the Foreign Service Act 2021 and its regulations	% level of implementation	40	30	Implementation ongoing. FSA is still in the process of being established as provided for in the Act
	Foreign policy reviewed	No of Revised foreign policies	1	0	Review ongoing
	Treaty Integrated Monitoring System developed	Treaty Integrated Monitoring System developed	1	1	Developed in previous quarters
Transform Missions into economic hubs	Kenya missions abroad empowered to market Kenya as preferred destination of choice for trade investment and tourism	No. of trade and investment promotion activities and business forums	60	60	Coordinated and participated in 60 investment promotion activities/ Business forums
Elevate Kenya's Anchor State Status	Regional, continental and global peace and stability engagements strengthened	No. of engagements	16	16	Achieved

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achieve- ment FY 2023/24	Remarks on performance
	Joint Border Commissions (JBCs) agreed minutes im- plementation monitored and documented	Annual progress reports	1	1	Achieved
	State/official high-level visits facilitated	No. of outbound and inbound State/ official visits	40	58	Coordinated and facilitated 27 inbound and 31 out-bound State/ official visits
	Bilateral frame-works concluded	No. of bilateral cooperation frame-works	50	108	Bilateral cooperation frameworks on various areas of cooperation concluded
	New Missions, Consulates General, and liaison offices opened	No. of Missions Consulates General and Liaison	5	3	Opened and operational-ized the Kenya Mission to Rabat, Morocco
	Country position papers prepared	No. of high-level forums where Kenya's foreign policy is articulated	20	33	Country position papers prepared on matters climate change, peace and security, human rights and freedoms for presentation in various international organizations
	Country candi-dature papers prepared	No. of country positions lobbied/ secured	3	12	Lobbied and secured 12 country candidatures (5-UNWTO, 4-UNESCO, 1- IMO, 1- Committee on Social Development, and 1- UN Peacebuilding Commission)
	Individual candi-dature positions lobbied	No. of individual positions lobbied/ secured	5	5	Lobbied for 5 individual candidatures
	Kenya as a hub for operations of multilateral institutions promoted	No. of multilateral engagements held in Kenya	2	5	Target not achieved

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Actual Achieve- ment FY 2023/24	Remarks on performance
	Nairobi promoted as s premier destination of major international meetings, conferences and events	No. of international meetings, conferences and events held in Nairobi	2	50	Target achieved
	Humanitarian hubs in Nairobi, Naivasha, and Mombasa established	No. of humanitarian hubs established	3	0	Not achieved. However, land has been identified, site visits undertaken and land allocation for Naivasha completed

Source: SDFA Report, FY 2023/24

Table 101: Foreign affairs outcome implementation status for FY 2023/24

MTPIV Outcome	Outcome Indicator (s)	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
Enhanced foreign relations and diplomatic engagement	Kenya's country and individual candidatures in the international governance system lobbied	9	17	The over-achievement of this target was as a result of more positions opening up in the international governance system, which Kenya qualified for
	Bilateral agreements / MoU's signed	3	108	The State Department coordinated/ participated in and provided technical support for negotiations under the Joint Trade Committees (JTCs), Joint Economic Commissions (JECs), and Bilateral Trade Agreements, including a Special Status Agreement with targeted countries
	Annual Presidential report on fulfilment of Kenya's international obligations	1	1	The target was achieved
Strengthened Kenya's diplomatic representation globally	Foreign Missions and Consulates operationalized	5	3	Opened and operationalized the Kenya Mission to Rabat, Morocco while operationalization of Kenya Missions Jeddah, Saudi Arabia and Abidjan, Côte d'Ivoire are ongoing

MTPIV Outcome	Outcome Indicator (s)	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on performance
	No. of Honorary Consuls appointed	5	3	The State Department engaged Honorary Consulates spread across the globe

Source: SDFA Report, FY 2023/24

### 8.11.1 Sub-sector performance

The State Department enhanced Kenya's global presence, profile, and influence by strategically placing Kenyans in key international organizations. It successfully lobbied for Kenya's membership in critical decision-making organs and bodies of various intergovernmental organizations. The State Department articulated the country's position in its engagements in both bilateral and multilateral peace and security platforms, promoted economic cooperation and commercial diplomacy and provided consular services. The Department successfully coordinated a range of multilateral engagements and high-profile conferences between July 2023 and June 2024, including key meetings such as the AU Mid-Year Coordination Meeting, the Annual Board Meeting of the Eastern Southern African Trade and Development Bank, the Africa Climate Summit, and the Munich Security Conference Leaders Meeting. Additionally, Kenya hosted notable events such as the East Africa Regional Tourism Expo, Kenya Innovation Week, and the Youth Connect Africa Summit. Upcoming meetings include the UNESCO Eastern Africa Forum on Artificial Intelligence, the Global Peace Leadership Conference, and the United Nations Civil Society Conference, all aimed at strengthening regional and international cooperation across climate, economic, technological, and security issues.

### 8.11.2 Policy, institutional and legal framework

- (i) The review of the 2014 Kenya Foreign Policy is currently underway and is expected to be finalized by December 2024
- (ii) The development of a sessional paper on Kenya's foreign policy is in progress
- (iii) There are ongoing amendments to the Foreign Service Act of 2021, including the development of foreign service regulations to operationalize the Act
- (iv) The review of the scheme of service and the development of new career guidelines for foreign service officers are ongoing, following recommendations from the Foreign Service Operationalization Committee
- (v) A protocol manual has been developed to ensure the consistent application of diplomatic protocols and practices
- (vi) Three Council Members for the Foreign Service Academy have been competitively recruited, and the Council has been officially gazetted and inaugurated
- (vii) The review and harmonization of guidelines for Host Country Agreements are currently in progress
- (viii) A strategy to elevate Kenya's anchor status is under development



### 8.11.3 Challenges

- (i) Budgetary cuts/Austerity measures leading to non-implementation of planned State Department activities and ineffective representation in Missions with Multiple accreditation
- (ii) Foreign exchange losses occasioned by transfer of funds in multiple currencies on a quarterly basis, even though the mission's budget is prepared in Kenyan Shillings, leading to erosion of the allocated budget.
- (iii) Inadequate financial system in Missions abroad: Kenyan missions abroad are not connected to IFMIS, and therefore financial data is captured manually, thus affecting optimal budget absorption
- (iv) High rental/leasing costs in Kenyan Mission abroad, leading to high costs incurred in rental costs for diplomatic properties as leases and rent.
- (v) Delay or lack of feedback from the relevant MDAs regarding Kenya's position on major matters of national importance, which on some occasions resulted in inability for the State Department to articulate Kenya's position in the international fora.

### 8.11.4 Recommendations

- (i) Ringfencing and exempting the State Department budget allocation from negative effects of budgetary cuts/austerity measures
- (ii) Creation of a foreign exchange loss assumption facility to mitigate and cushion against the effects of foreign exchange losses and fluctuations on Mission's budgets
- (iii) Prioritize and fund the roll out of IFMIS in all the remaining Missions abroad to ensure timely reporting of financial reports
- (iv) Roll-out the asset acquisition plan where the State Department acquires "own" properties abroad in addition to adequately funding the maintenance and repairs of Government properties abroad to avoid dilapidation of the properties
- (v) Timely release of the exchequer to enable implementation of programmes within the planned timelines
- (vi) Timely response from the relevant MDAs regarding Kenya's position on major matters of national importance

# CHAPTER NINE

## 9.0 MONITORING AND EVALUATION ECO-SYSTEM IN THE PUBLIC SECTOR

### 9.1 Overview

This chapter explores the network of structures, systems, processes, and stakeholders involved in Monitoring and Evaluation (M&E) within Kenya's public sector. The M&E landscape in Kenya is fragmented, with multiple actors playing distinct roles. The State Department of Economic Planning is responsible for coordinating the national development plans, such as the Medium-Term Plans (MTPs), development of M&E guidelines, oversight of the M&E framework, and capacity building. In the State Department, the Ministerial Monitoring and Evaluation Committee oversees the implementation of M&E activities, ensuring that government policies and programmes align with national priorities and development goals.

The public sector M&E framework involves several key entities responsible for tracking and reporting the country's development agenda. These entities include the Monitoring, Evaluation, Learning, and Public Investment Management Directorate (MELPIM); the State Department for Performance Delivery; the Public Investment Management Unit; the Kenya Vision 2030 Delivery Secretariat (VDS); the Sustainable Development Goals (SDGs) Coordination Directorate; Ministries, Departments, and Agencies (MDAs) through the Central Planning and Project Monitoring Units (CPPMUs); the New Partnership for Africa's Development (NEPAD)/Africa Peer Review Mechanism (APRM); and County Governments.

### 9.2 Summary of Monitoring and Evaluation Activities in the Public Sector

Throughout the review period, various MDAs undertook M&E activities designed to enhance project implementation, promote learning, and support evidence-based decision-making. Each entity plays a distinct role, contributing to a comprehensive M&E ecosystem. Each State Department prepared quarterly and annual M&E reports for consolidation and preparation of the annual progress report of the MTP IV.

### 9.3 Monitoring, Evaluation, Learning, and Public Investment Management Directorate (MELPIM)

The Monitoring, Evaluation, Learning, and Public Investment Management Directorate (MELPIM) developed and launched the MTP IV Indicator Handbook, a critical tool for tracking progress

towards the objectives outlined in the Fourth Medium-Term Plan (MTP IV). It provides a set of indicators to systematically measure and assess the effectiveness of various programmes and projects. MELPIM also prepared the first Annual Progress Report for MTP IV, offering an overview of the government's achievements and challenges in implementing the MTP IV. Furthermore, MELPIM conducted capacity building initiatives aimed at enhancing the M&E capabilities of government staff, and collaborated with other agencies, civil society, and development partners to promote shared learning and accountability.

## **9.4 Public Investment Management Directorate**

The State Department for Economic Planning has restructured and established the Monitoring, Evaluation, Learning, and Public Investment Management Directorate (MELPIM) to implement public investment management functions according to the PIM Regulations 2022. The National Treasury reviewed feasibility studies, approved projects, rolled out the Public Investment Management Information System (PIMIS), and integrated climate change and disaster risk screening into the PIM Regulations.

## **9.5 Vision 2030 Delivery Secretariat (VDS)**

The Vision 2030 Delivery Secretariat coordinates the implementation of Kenya's Vision 2030 development blueprint. During the review period, the VDS diligently tracked progress towards the set goals, proactively addressing challenges to implementation and ensuring stakeholder awareness and engagement.

## **9.6 Sustainable Development Goals (SDGs) Coordination Directorate**

The SDGs Coordination Directorate prepared and presented the 2024 Voluntary National Review (VNR) at the High-Level Political Forum (HLPF). The directorate developed national strategies aimed at achieving the SDGs, and monitored progress to ensure targets were met effectively and on time.

## **9.7 Ministries, Departments, and Agencies (MDAs)**

The MDAs implemented various projects and programmes of MTP IV and the Big Four Agenda priorities. They consistently tracked performance and prepared reports contributing to the overall Annual Progress Report (APR). The MDAs play a crucial role in assessing the impact of policies and programmes at local and national levels.

## **9.8 NEPAD/APRM Kenya Secretariat**

The NEPAD/APRM Kenya Secretariat monitored and reported on the progress of critical infrastructure projects, particularly roads. The Secretariat also conducted self-assessments and peer reviews, promoting transparency, accountability, and regional cooperation in governance and development.

## **9.9 County Governments**

County Governments developed the third generation County Integrated Development Plans in all the 47 counties. They further monitored the implementation of county projects and programmes

in line with the County Integrated Monitoring and Evaluation System. The MELPIM trained four counties (Nandi, Migori, Turkana and Bungoma) on Electronic County Integrated Monitoring Evaluation System (e-Cimes).

## 9.10 Challenges Facing Institutionalization of M&E

The institutionalization of Monitoring and Evaluation (M&E) within Kenya's public sector faces several challenges:

- (i) Inadequate funding for M&E activities at both national and county levels restrict the depth of monitoring and evaluation
- (ii) Data availability and quality: Infrequent surveys and data gaps hinder the accurate tracking of progress and informed decision-making
- (iii) Misconception of M&E: M&E is often perceived as an auditing or policing tool, fostering resistance among implementers and less transparent reporting
- (iv) Inadequate technical capacity: The lack of skilled personnel leads to poorly designed frameworks and ineffective data collection and analysis
- (v) Coordination challenges: Fragmented roles across multiple entities result in duplication, inconsistencies, and difficulties in data aggregation
- (vi) Technological constraints: Inadequate infrastructure, limited digital literacy, and system interoperability issues impede the integration of technology in M&E.

## 9.11 Lessons Learned

The implementation of M&E in Kenya's public sector has yielded valuable insights:

- (i) Political Support is crucial: Strong political support ensures resources are secured, compliance is enforced, and findings are acted upon
- (ii) Collaboration is key: Effective collaboration between national and county governments fosters consistency and facilitates knowledge sharing
- (iii) Technology integration is critical: Leveraging technology, such as e-NIMES, enhances efficiency and accuracy in reporting
- (iv) Adaptability is necessary: The COVID-19 pandemic underscored the need for flexible M&E systems that adapt to changing circumstances

# CHAPTER TEN

## 10.0 GENERAL CHALLENGES, LESSONS LEARNT AND RECOMMENDATIONS

### 10.1 Overview

The implementation of the MTP IV has encountered various challenges across its various sectors during the first year of its implementation. Further, there have been numerous lessons learnt during the period. This section covers cross-cutting challenges, lessons and recommendations from all the sectors and provides recommendations to address these challenges and improve future implementation efforts.

### 10.2 Challenges

The general challenges faced during the implementation of MTP IV are as enumerated below:

- (i) *Resource allocation*: Limited financial and budgetary allocations have impeded project implementation. Delays in disbursement and access to funds from the exchequer have exacerbated implementation issues due to cash flow constraints, which in turn delay procurement, construction, and other essential activities. Such financial uncertainty leads to increased costs, potential project failures, and diminished overall efficiency and effectiveness.
- (ii) *Capacity and skills gaps*: Inadequate human resource planning, high staff turnover, and weak succession management have resulted in an aging workforce and a shortage of critical skills. Furthermore, budgetary constraints have hindered the training and capacity-building efforts for officers responsible for implementing the MTP IV.
- (iii) *Bureaucratic resistance*: Existing bureaucratic processes and resistance to change have slowed the implementation of crucial projects. The hesitancy to adopt new strategies and technologies necessary to achieve the priority areas of MTP IV remains a significant challenge.
- (iv) *Technological challenges*. Technological issues, including cyber threats and attacks due to malicious acts damage data credibility. Further, the uptake of technology in line with the emerging technologies in the sectors has been slow.
- (v) *Inadequate project infrastructure*. Some State Departments' physical facilities are overstretched. In addition, there is a lack of adequate ICT equipment and connectivity, affecting programme implementation and service delivery.
- (vi) *Unintegrated information, communication and technology systems*: The government has developed various systems, including GHRIS, PIMIS, e-NIMES, e-CIMES,

e-PROMIS, and IFMIS. These systems are not integrated, which leads to fragmented processes, inefficiencies, and difficulties in data sharing and communication. This can result in duplicated efforts, errors in data entry, and delays in decision-making.

- (vii) *Limited stakeholder engagement:* Many projects and policies under the MTP IV framework were designed with limited input from key stakeholders, such as local communities, private sector players, and civil society and development partners. This is due to limited financial resources to reach to a wider spectrum of the stakeholders. This lack of inclusivity led to project designs that were often misaligned with the needs or expectations of the affected communities.
- (viii) *Communication challenges:* Inadequate communication between government bodies and inter-agency collaboration has made it difficult to disseminate information on project goals, timelines and potential benefits. This results in siloed approaches to project implementation, which hinder multi-sectorial projects.
- (ix) *Weak monitoring and evaluation:* Establishing robust systems for tracking progress, measuring outputs and evaluating outcomes is often lacking in some projects. Without clear metrics, assessing the impact of MTP IV is challenging.

## 10.3 Lessons Learnt

The implementation of MTP IV has provided valuable lessons for future planning and execution. These lessons include:

- (i) *Provision of adequate budgets:* Better service delivery will be achieved through increased funding of implementation budgets for policies, programmes and projects,
- (ii) *Enhancing human and technical capabilities of the public service workforce:* Improving the technical capacity of human resources, particularly through training and education in specialized fields, is vital for the long-term success of MTP IV,
- (iii) *Integrating ICT systems:* Integrated ICT systems such as shared data platforms, Artificial Intelligence and standardized procedures are crucial for improving coordination, collaboration and data-driven decision-making. Further, simplifying bureaucratic procedures and adopting digital governance solutions can expedite project approvals and improve accountability, enabling faster and more efficient implementation of the MTP IV.
- (iv) *Strong M&E systems:* The importance of implementing strong M&E systems cannot be overstated, as continuous feedback loops enable better tracking of project milestones, more accurate reporting and timely interventions.
- (v) *Engagement of all stakeholders in all the processes:* Early, continuous and inclusive engagement of all relevant stakeholders is essential in ensuring successful project designs, execution and sustainability.

## 10.4 Recommendations

The following recommendations were proposed to enhance the performance and target achievement by addressing the challenges faced during the review period:

- (i) *Timely and adequate disbursement of funds:* Ensuring timely and adequate disbursement of funds is crucial for the seamless execution of projects and programmes. Delays in funding can lead to stalled projects, increased costs, and loss of stakeholder confidence.
- (ii) *Enhanced mobilization of funds, especially from development partners and Public Private Partnership:* To supplement government resources, resource mobilizing efforts need to be enhanced, especially from development partners, emerging foundations, and philanthropic entities. Further, there is a need to explore Public-Private Partnerships (PPPs) as a viable source of funds for financing public investments. A strategic approach to mobilization of resources should be developed, with embedded transparency mechanisms in fund utilization as a cornerstone of the resource mobilization strategy.
- (iii) *Human and institutional capacity building:* There is a need to provide retention incentives for staff in specialized areas and fields. Investing in human capital not only boosts performance but also contributes to organizational sustainability and productivity while at the same time contributing to reduced workforce turnover rates. It further ensures continuity in the delivery of public services.
- (iv) *Strengthen monitoring and evaluation frameworks for policies, programmes and project implementation:* There is a need for public sector-wide enhancement of M&E systems for efficient and effective service delivery. The position of M&E in public sector policies and programme implementation should be well resourced and capacitated to enable the provision of timely and accurate data on project progress and challenges and informs decision-making.
- (v) *Embrace new and emerging technologies:* The government should continue investing in technological innovation and infrastructure to enhance service quality and position the MDACs to adapt to rapidly changing environments. To successfully integrate these technologies, the government should invest in infrastructure, workforce training, and create an environment conducive to innovation and collaboration during the remaining plan period.
- (vi) *Fast-track the review/development and implementation of relevant policies, bills, and legislations for effective implementation of sector mandates:* The Government should fast-track the development/review of relevant policies, bills, and legislation. The legislative process should be streamlined to minimize bureaucratic delays and enable swift policy adaptation to emerging needs and challenges. Collaboration between legislative bodies, government agencies, and stakeholders will be very important to ensure that the policies are relevant, actionable, and aligned with national priorities.
- (vii) *Enhance public participation and stakeholder involvement at both national and county levels at all phases of projects to ensure the smooth implementation and ownership:* Engaging stakeholders at all phases from planning to execution promotes transparency, accountability, and trust. In doing so, MDAs align projects with local needs, enhance social acceptance, and build sustainable partnerships that contribute to long-term success.



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