



**REPUBLIC OF KENYA  
THE NATIONAL TREASURY  
STATE DEPARTMENT FOR ECONOMIC PLANNING**

**SECOND ANNUAL PROGRESS REPORT (FY2024-2025)  
ON THE IMPLEMENTATION OF THE FOURTH MEDIUM TERM OF THE  
KENYA VISION 2030**

**AUGUST, 2025**



# TABLE OF CONTENTS

ABBREVIATION AND ACRONYMS .....	vii
<b>FOREWORD</b> .....	xv
ACKNOWLEDGEMENTS.....	xvi
<b>CHAPTER ONE</b> .....	17
<b>INTRODUCTION</b> .....	17
1.1. Overview of the Kenya Vision 2030.....	17
1.2. Overview of the Fourth Medium-Term Plan.....	17
1.3. Overview of BETA Priority .....	20
CHAPTER TWO.....	22
BOTTOM-UP ECONOMIC TRANSFORMATION AGENDA (BETA) STATUS .....	22
2.0. Overview .....	22
2.1. Key Achievements on Realization of BETA Objectives.....	22
2.2. Key Achievements of the BETA Pillars.....	23
2.3. Key Achievements of the <b>BETA Enablers</b> .....	25
CHAPTER THREE .....	31
MACROECONOMIC FRAMEWORK .....	31
3.0 Overview .....	31
3.1 Overall Economic Performance .....	31
3.2 Sectoral Performance .....	31
3.3 Performance of Key Macroeconomic Indicators.....	33
3.4 County Governments Fiscal Performance.....	40
3.5 Structural Reforms .....	40
CHAPTER FOUR .....	43
FINANCE AND PRODUCTION SECTOR .....	43
4.0. Overview .....	43
4.1. Agriculture Sub-Sector.....	43
4.2. Livestock Sub-Sector .....	51
4.3. Investment Promotion Sub- Sector .....	64
4.4. Trade Sub-Sector.....	68
4.5. Industry Sub-Sector.....	81
4.6. Micro, Small and Medium Enterprises (MSME) Development Sub Sector.....	94
4.7. Cooperatives Sub-Sector.....	104
4.8. Financial Services Sub-Sector.....	110
4.9. Economic Planning .....	115
CHAPTER FIVE .....	120
INFRASTRUCTURE SECTOR.....	120
5.0 Overview .....	120
5.1 Roads.....	120
5.2 Transport.....	125

5.3	ICT and Digital Economy .....	132
5.4	Broadcasting and Telecommunications.....	140
5.5	Lands and Physical Planning.....	143
5.6	Public Works.....	150
5.7	Housing and Urban Development .....	153
5.8	Energy .....	160
5.9	Petroleum .....	168
5.10	Water and Sanitation .....	175
5.11	Irrigation .....	186
CHAPTER SIX .....		197
SOCIAL SECTOR .....		197
6.0.	Overview .....	197
6.1.	Public Health and Professional Standards Sub sector .....	197
6.2.	Medical Services Subsector .....	200
6.3.	Labour and Skills Development Sub sector .....	205
6.4.	Public Service and Human Capital Development Sub sector.....	216
6.5.	Gender and Affirmative Action Sub sector .....	221
6.6.	Culture, the Arts and Heritage Sub sector .....	229
6.7.	Basic Education Sub sector .....	235
6.8.	Social Protection and Senior Citizens' Affairs Sub sector .....	247
6.9.	Sports Sub sector.....	253
6.10.	Youth Affairs and Creative Economy Sub sector .....	258
6.11.	Higher Education and Research Sub sector .....	263
6.12.	Technical, Vocational Education and Training Sub sector .....	269
6.13.	Performance and Delivery Management Sub sector .....	273
CHAPTER SEVEN .....		277
ENVIRONMENT AND NATURAL RESOURCES SECTOR .....		277
7.0.	Overview .....	277
7.1.	Environment and Climate Change Sub sector.....	277
7.2.	Forestry Subsector.....	281
7.3.	Tourism Sub sector .....	286
7.4.	Wildlife Sub Sector .....	293
7.5.	Mining Sub sector .....	298
7.6.	Shipping and Maritime Affairs Sub sector .....	301
7.7.	Blue Economy and Fisheries Sub sector .....	310
CHAPTER EIGHT .....		318
GOVERNANCE AND PUBLIC ADMINISTRATION SECTOR .....		318
8.0	Overview .....	318
8.1	Cabinet Affairs Sub-Sector .....	318
8.2	Immigration and Citizen Service Sub-sector.....	320

8.3	Correctional Services Sub sector.....	325
8.4	Internal Security and National Administration Sub sector .....	330
8.5	Devolution Sub sector .....	337
8.6	Diaspora Affairs Sub sector .....	340
8.7	East African Community Affairs Sub-sector .....	345
8.8	Parliamentary Affairs Sub sector .....	349
8.9	State Law Office and Department of Justice sub sector .....	352
8.10	Foreign Affairs Sub sector .....	359
8.11	Office of Chief of Staff & Head of the Public Service Sub sector .....	366
8.12	Office of the Deputy President.....	367
CHAPTER NINE .....		370
MONITORING AND EVALUATION ECOSYSTEM IN THE PUBLIC SECTOR .....		370
9.0	Overview .....	370
9.1	Monitoring and Evaluation Activities in the Public Sector .....	370
9.2	Monitoring, Evaluation and Public Investment Management (MEPIM) Directorate.....	370
9.3	Public Investment Management Unit -TNT .....	371
9.4	Vision 2030 Delivery Secretariat (VDS).....	371
9.5	Sustainable Development Goals (SDGs) Coordination Directorate.....	371
9.6	Ministries, Departments, and Agencies (MDAs) .....	371
9.7	NEPAD/APRM Kenya Secretariat.....	371
9.8	County Governments .....	371
9.9	Challenges Facing Institutionalization of M&E.....	371
9.10	Lessons Learned.....	372
CHAPTER TEN .....		373
GENERAL CHALLENGES, LESSONS LEARNT, AND RECOMMENDATIONS .....		373
10.0	Overview .....	373
10.1	Challenges .....	373
10.2	Lessons Learnt .....	374
10.3	Recommendations .....	374



## LIST OF FIGURES

Figure 3.1: Fiscal Deficit as a Percentage of GDP.....	36
Figure 3.2: Composition of Public and Publicly Guaranteed Debt as at 31 <sup>st</sup> January 2025 (%) .....	37
Figure 3.3: Composition of Total Debt stock as at 31 <sup>st</sup> Jan 2025 (%) .....	38

## LIST OF TABLES

Table 2.1: Status of BETA Objectives.....	22
Table 2.2: Key Achievements of the BETA Pillars .....	23
Table 2.3: Key Achievements of the BETA Enablers .....	25
Table 3.1: Key Macroeconomic Indicators.....	33
Table 3.2: Human Development Performance.....	40
Table 4.1: Agriculture output implementation status for FY 2024/25.....	45
Table 4.2: Agriculture Subsector Outcome Results FY 2024/2025.....	48
Table 4.3: Livestock output implementation status for FY 2024/25 .....	53
Table 4.4: Livestock outcome implementation status for FY 2024/2025 .....	61
Table 4.5: Investment promotion output implementation status for FY2024/25 .....	65
Table 4.6: Investment promotion outcome implementation status for FY 2024/2025 .....	67
Table 4.7: Trade output Implementation status for FY 2024/25.....	71
Table 4.8: Trade outcome implementation status for FY 2024/25 .....	77
Table 4.9: Industry output implementation status FY 2024/25.....	83
Table 4.10: Industry outcome implementation status for FY2024/2025 .....	92
Table 4.11: MSME output implementation status for FY 2024/25 .....	97
Table 4.12: Cooperatives output implementation status for FY 2024/25 .....	106
Table 4.13: Cooperatives outcome implementation status for FY 2024/25.....	108
Table 4.14: Financial services output implementation status for FY 2024/25.....	111
Table 4.15: Financial outcome implementation status for FY 2024/25.....	113
Table 4.16: SDEP output implementation status for FY 2024/25 .....	116
Table 6.1: Public Health Output Results for FY 2024/25 .....	198
Table 6.2: Medical Services Subsector BETA Output Results for FY 2024/25 .....	201
Table 6.3: Medical Services Subsector Outcome Results for FY 2024/2025.....	203
Table 6.4: Labour and Skills Devt Subsector Outcome Results for FY 2024/25 .....	210
Table 6.5: Labour and skills Devt outcome implementation status for FY 2024/25 .....	213
Table 6.6: Public Service & Human Capital Development Output Results for FY 2024/25.....	217
Table 6.7: Public Service & Human Development Outcome Result for FY 2024/25 .....	220
Table 6.8: Gender and Affirmative Action Subsector Outputs Results for FY 2024/25 .....	223
Table 6.9: Gender and Affirmative Action Outcome Results for FY 2024/25 .....	227
Table 6.10: Culture, the arts and heritage Outputs Results for FY 2024/2025.....	230
Table 6.11: Culture, the arts and heritage Outcome Results for FY 2024-2025.....	233
Table 6.12: Basic education Outputs Results for FY 2024/25.....	237
Table 6.13: Basic Education Subsector Outcome Results for FY 2024/25 .....	243
Table 6.14: Social Protection and Senior Citizen Affairs Outputs Results for FY 2024/25 .....	248
Table 6.15: Social Protection & Senior Citizen Affairs Outcome Results for FY 2024/25.....	251
Table 6.16: Sports Output Results for FY 2024/25.....	254
Table 6.17: Sports outcome implementation status for FY 2023/24 .....	257
Table 6.18 Youth Affairs and Creative Economy Output Results for FY 2024/25 .....	259
Table 6.19: Youth Affairs and Creative Economy Outcome results for FY 2024/2025.....	261

Table 6.20: Higher education and Research Output Results for FY 2024/25.....	264
Table 6.21: Higher Education and Research Outcome Results for FY 2024/2025.....	268
Table 6.22: Technical, Vocational Education Training Subsector Outputs Results for FY 2024/25 .....	270
Table 6.23: Performance and Delivery Management Subsector Output Results for FY 2024/25 .....	273
Table 7. 1: Environment and climate change outputs implementation for FY 2024/25 .....	278
Table 7.2: Environment and Climate Change Sub-Sector Outcome Status for FY 2024/25 .....	279
Table 7.3: Forestry outputs implementation for FY 2024/25 .....	282
Table 7.4: Forestry outcome implementation status for FY 2024/25 .....	284
Table 7.5: Tourism Sub sector outputs implementation for FY 2024/25.....	287
Table 7.6: Tourism Sub sector Outcome Results for FY 2024/25 .....	291
Table 7.7: Wildlife Subsector Output Results for FY 2024/25.....	293
Table 7.8: Wildlife Subsector Outcome Results for the FY2024/25 .....	296
Table 7.9: Mining Subsector BETA Output Results for FY2024/2025 .....	299
Table 7.10: Mining Subsector Outcome Results for FY2024/2025.....	300
Table 7.11: Shipping and Maritime Sector BETA Output Results for FY2024/2025 .....	303
Table 7.12: Shipping and Maritime Sector BETA Outcome Results for FY2024/2025.....	307
Table 7.13: Blue Economy& BETA Output Annual Progress Results for FY 2024/25 .....	311
Table 7.14: Blue Economy Outcome Results Matrix for FY 2024/25 .....	313
Table 8.1: Cabinet Affairs Subsector Output Results FY 2024/2025.....	318
Table 8.2: Immigration Subsector Output Results FY2024/2025.....	322
Table 8.3: Correctional Services Subsector Output Results FY 2024/2025 .....	327
Table 8.4: Internal Security Subsector Output Results FY 2024/2025 .....	333
Table 8.5: Devolution Subsector Output Results FY 2024/2025.....	337
Table 8.6: Diaspora Affairs Subsector Output Results FY 2024/2025 .....	341
Table 8.7: EAC Subsector Output Results FY 2024/2025.....	346
Table 8.8: SDPA Subsector BETA output results for FY 2024/25.....	350
Table 8.9: State Law office BETA Output Results for FY 2024/25 .....	354
Table 8.10: SDFA Subsector BETA output results for FY 2024/25.....	362
Table 8.11: Head of Public Service Output Results FY 2024/2025.....	367
Table 8.12: ODP Output Results FY 2024/2025 .....	368

## ABBREVIATION AND ACRONYMS

ABDP	Aquaculture Business Development Programme
ADR	Alternative Dispute Resolution
AfCFTA	African Continental Free Trade Area
AFCON	African Cup of Nations
AfCTA	African Continental Free Trade Area
AGA	Autonomous Government Agencies
AGPO	Access to Government Procurement Opportunities
<b>AHP</b>	<b>Affordable Housing Programme</b>
AI	Artificial Insemination
<b>AIR</b>	<b>African Institute of Remittances</b>
ALB	Auctioneers Licensing Board
AMR	Antimicrobial Resistance
ANC	Antenatal Coverage
ANS	Air Navigation Services
API	Advanced Passenger Information
APR	Annual Progress Report
APRM	Africa Peer Review Mechanism
ARA	Assets Recovery Agency
ASAL	Arid and Semi-Arid Lands
ASK	Agricultural Society of Kenya
ASM	Artisanal Small-scale Mining
ATDC	Agriculture Technology Development Centre
AU	African Union
AU-CEWS	Africa Union Continental Early Warning System
AUDA	African Union Development Agency
BDS	Business Development Service
BEPS	Business Environment and Private Sector Development
BETA	Bottom-Up Economic Transformation Agenda
BFCI	Baby Friend Community Initiative
BLA	Bilateral Labour Agreements
BOP	Balance of Payment
BRS	Business Registration Services
BRT	Bus Rapid Transit
BSL 3	Biosafety Level 3
CAIP	County Aggregation and Industrial Parks
CAIPs	County Aggregation and Industrial Parks
CBET	Competency-Based Education and Training
CBK	Central Bank of Kenya
CBTAs	Cross Border Trade Agreements
CCAEWG	County Conflict Analysis and Early Warning Group
CCG	Clean Cooking Gas
CCI	Cultural and Creative Industry
CCTP	MIS: Consolidated Cash Transfer Management Information System
CEPA	Comprehensive Economic Partnership Agreement
CET	Common External Tariff
<b>CETP [SDI]</b>	
CEWARN	Continental Early Warning System
CGAA	County Government Additional Allocation
CGS	Credit Guarantee Scheme
CHAN	African Nations Championships
CHAs	Community Health Assistants

CHPs	Community Health Promoters
CHUs	Community Health Units
CIDCs	Constituency Industrial Development Centers
CIGs	Common Interest Groups
CIMES	County Integrated Monitoring and Evaluation System
CIMIC	Civil and Military Activities
CLE	Council of Legal Education
CMA	Capital Markets Authority
CMIS	Cooperative Management Information System
CoG	Council of Governors
CoG	Council of Governors
COMESA	Common Market for Eastern and Southern Africa
CPF	County Peace Forum
CPMR	Conflict Prevention, Management and Resolution
CPPMDs	Central Planning and Projects Monitoring Directorates
CPRM	Country Peer Review Mechanism
CRR	Country Review Report
CTBAs	Cross Border Trade Associations
CTIP	Counter Trafficking In Persons
CTOVC	Cash Transfer for Orphans and Vulnerable Children
DBRT	Department of Business Reforms Transformation
DIIMS	Diaspora Integrated Information Management System
DISO	Diaspora Investment Support Office
DPA	Diaspora Placement Agency
DRC	Democratic Republic of Congo
DRC	Democratic Republic of Congo
DRIVE	De-Risking, Inclusion and Value Enhancements
DWT	Dead Weight Tonnes
EAC	East African Community
EAC	East African Community
EALA (K)	East African Legislative Assembly – Kenya Chapter
eCHIS	Electronic Community Health Information System
e-CIMES	Electronic County Integrated Monitoring and Evaluation System
EDMS	Electronic Document Management System
ELRC	Employment and Labour Relations Court
e-NIMES	Electronic National Integrated Monitoring and Evaluation System
e-NRS	Electronic-National Reporting System Committee
EOP	Executive Office of the President
EPA	Economic Partnership Agreement
EPRA	Energy Petroleum and Regulatory Authority
EPZ	Export Processing Zone
EPZA	Export Processing Zones Authority
ESIA	Environmental and Social Impact Assessment
ETA	Electronic Travel Authorization
EU	European Union
FAW	Fall Army Worm
FCDC	The Frontier Counties Development Council
FDI	Foreign Direct Investments
FDP	Field Development Plan
FLLoCA	Financing Locally-Led Climate Action
FMD	Foot and Mouth Disease
FPIC	Free, Prior, and Informed Consent

FRS	Facial Recognition System
FSR	Federal Somalia Republic
FTA	Free Trade Area
FY	Financial Year
GBV	Gender-Based Violence
GCI	Global Competitive Index
GDP	Gross Domestic Product
GHRIS	Government Human Resource Information System
GLA	Government Legislative Agenda
GMP	Good Manufacturing Practice
GoK	Government of Kenya
GPA	Group Personal Accident
GPI	Global Peace Index
GPRS	Government Performance Reporting System
GRM	Grievance Redress Mechanism
Ha	Hectares
HDI	Human Development Index
HMIS	Health Management Information System
HOPS	Head Of Public Service
HPT	Health Products and Technologies
HRH	Human resource for health
HVAC	Heating, Ventilation, and Air Conditioning
<b>IBEC</b>	<b>Inter-Governmental Budget and Economic Council</b>
IBMS	Integrated Border Management System
IC3	Integrated Command and Control Centre
ICT	Information Communication Technology
IEBC	Independent Electoral and Boundaries Commission
IFAD	International Fund for Agricultural Development
IGRTC	Intergovernmental Relations Technical Committee
IHDI	Inequality-adjusted Human Development Index
IHMIS	Integrated Health Management Information System
IMAM	Integrated Management of Acute Malnutrition
IPCRM	Integrated Public Complaints Referral Mechanism
IPR	Industrial Property Rights
IPRIMS	Integrated Public Records and Information Management System
IPRs	Intellectual Property Rights
IPRS	Integrated Population Registration System
IPRS	Integrated Population Registration Systems
ITAP	Industrial Training and Attachment Portal
ITIMS	Integrated Transport Information Management System
ITS	Intelligent Transport Systems
JCC	Joint Commission Cooperation
JCTI	Joint Committee in Trade & Investment
JOCs	Joint Operation Centers
JTC	Joint Trade Committee
KAGRC	Kenya Animal Genetic Resource Center
KAIST	Kenya Advanced Institute of Science and Technology
KCC	Kenya Cultural Centre
KCGS	Kenya Coast Guard Service
KDB	Kenya Dairy Board
KDC	Kenya Development Corporation
KDEAP	Kenya Digital Economy Acceleration Project

KDHS	Kenya Demographic and Health Survey
KDHS	Kenya Demographic Health Survey
KEBS	Kenya Bureau of Standards
KeFS	Kenya Forest Service
KELCOP	Kenya Livestock Commercialization Project
KEMFSED	Kenya Marine Fisheries and Socio-Economic Development
KEMRI	Kenya Medical Research Institute
KenInvest	Kenya Investment Authority
KEPROBA	Kenya Export Promotion and Branding Agency
KESCO	Kenya Standards of Classification of Occupations
KESIC	Kenya Standards of Industrial Classification
KETRA	Kenya Trade Remedies Agency
KEVEVAPI	Kenya Veterinary Vaccines Production Institute
KHHRAC	Kenya Health Human Resource Advisory Committee
KHIS	Kenya Health Information System
KICC	Kenyatta International Conference Centre
KIEP	Kenya Industry and Entrepreneurship Project
KIHBS	Kenya Integrated Household Budget Survey
KIHBT	Kenya Institute of Highways and Building Technology
KIMC	Kenya Institute of Mass Communication
KIPRA	Kenya Institute for Public Policy Research and Analysis
KIRDI	Kenya Industrial Research Development Institute
KISIP	Kenya Informal Settlement Improvement Project
KITI	Kenya Industrial Training Institute
KLDC	Kenya Leather Development Council
KLIP	Kenya Leather Industrial Park
KLMIS	Kenya Labour Market Information System
KLRC	Kenya Law Reform Commission
KLVMCT	Kenya Lake Victoria Maritime Communication and Transport project
KMA	Kenya Maritime Authority
KMTC	Kenya Medical Training College
KMWWF	Kenya Migrant Workers Welfare Fund
KNBS	Kenya National Bureau of Statistics
KNFJKA	Kenya National Federation of Jua Kali Associations
KNSL	Kenya National Shipping Line
KNT	Kenya National Theatre
KOMEX	Kenya National Multi-Commodities Exchange Limited
KPS	Kenya Prisons Service
KSH	Kenya Shilling
KSL	Kenya School of Law
KTDA	Kenya Tea Development Agency
KTMM	KIPRA Treasury Macro-Model
KUSP	Kenya Urban Support Program
KWECOS	Kilifi Women Empowerment Cooperative Society
LCI	Land Commercialization Initiative
LEZ	Livestock Export Zone
LITS	Livestock Identification and Traceability System
LMIS	Labour Market Information System
LMOs	Liability management operations
LMRA	Labour Market Research and Analysis
LPG	Liquefied Petroleum Gas
M&E	Monitoring and Evaluation

MDA	Ministries, Departments & Agency
MDACs	Ministries Departments, Agencies and Counties
MDACs	Ministries Departments Agencies and Counties
MES	Managed Equipment Services
MIS	Management Information System
MNCH	Maternal Neonatal Child Health
MoCMSMEs	Ministry of Cooperatives, Micro Small and Medium Enterprises
MoU	Memorandum of Understanding
MRF	Material Recovery facility
MSC	Maritime Shipping Company
MSCI	Morgan Stanley Competitive Index
MSEA	Micro and Small Enterprise Authority
MSEs	Micro and Small Enterprises
MSME	Micro, Small and Medium Enterprises
MT	Metric Tonne
MTEF	Medium Term Expenditure Framework
MTP IV	Medium Term Plan IV
MTP	Medium Term Plan
MTP	Medium Term Plan
MTP	Medium-Term Plan
MTPs	Medium Term Plans
NAEA	National Arts Excellence Award
NAICEC	Nairobi International Convention and Exhibition Centre (renamed to BICC - Bomas International Convention Center)
NAMARET	National Mariculture Resource and Training Centre
NCD	Non-Communicable Disease
NCEC	National Creatives Economy Council
NCIA	Nairobi Centre for International Arbitration
NCIP	Northern corridor integration project
NCLR	National Council for Law Reporting
NCPD	National Council for Population and Development
NCPWD	National Council for Persons with Disabilities
NDIC	National Development Implementation Committee
NEA	National Employment Authority
NEAP	National Ethics and Anti-Corruption Policy
NEMA	National Environment Management Authority
NEPAD	New Partnership for Africa's Development
NESP	National Equipment Services Program
New KCC	New Kenya Cooperative Creameries
New KPCU	New Kenya Planters Cooperative Union
NFDK	National Fund for the Disabled of Kenya
NGA	National Government Administration
NGAO	National Government Administrative Officer
NIC	National Investment Council
NICHE	Nutrition Improvements through Cash and Health Education
NIFC	Nairobi International Financial Centre
NIMES	National Integrated Monitoring and Evaluation System
NITA	National Industrial Training Authority
NLAS	National Legal Aid Service
NLUP	National Land Use Policy
NMA	Nairobi Metropolitan Area
NMC	Numerical Machining Complex

NMK	National Museums of Kenya
No	Number
NPCC	National Productivity & Competitiveness Centre
NPHI	National Public Health Institute
NPS	National Police Service
NQCL	National Quality Control Laboratory
NSCC	National System Control Centres
NSNP	National Safety Net Programme
NSP	National Spatial Plan
NSSF	National Social Security Fund
NSSF	National Social Security Fund
NT	National Theatre
NTBs	Non-Tariff Barriers
NTBs	Non-tariff Barriers
NTBs	Non-Tariff Barriers
NTNC	National Trade Negotiations Council
NYOTA	National Youth Opportunities Towards Advancement
NYS	National Youth Service
OACPS-EU	Organization of the African, Caribbean and Pacific States – European Union
OAG&DOJ	Office of the Attorney General & Department of Justice
OB	Occurrence Book
OCOS	Office of the Chief of Staff
ODeL	Open Distance and eLearning
ODP	Office of the Deputy President
ODPC	Office of the Data Protection Commissioner
OPCT	Older Persons Cash Transfer
OSBPs	One Stop Border Posts
OSH	Occupational Safety and Health
PACS	Probation and Aftercare Service
PASHA	Public Access System for Handling and Administration
PCEA	Presbyterian Church of East Africa
PCNs	Primary Healthcare Networks
PDTP	Presidential Digital Talent Programme
PEA	Private Employment Agencies
PFM	Public Finance Management
PLEAD	Programme for Legal Empowerment and Aid Delivery
PNR	
PoEs	Ports of Entry & Exit
PPA	Participatory Poverty Assessment
PPAs	Power Purchase Agreements
PPP	Public-Private Partnership
PPPs	Private Public Partnerships
PPR	Peste Des Petits Ruminants
PSC	Public Service Commission
PSOs	Peace Support Operations
PWDs	Persons With Disabilities
PWSDCT	Persons With Severe Disabilities Cash Transfer
QAI	Qualifications Awarding Institution
QEBR	Quarterly Economic & Budgetary Review
RAP	Resettlement Action Plan
RCGS	Rural Credit Guarantee Scheme
RECs	Regional Economic Communities



RECSA	Regional Centre on Small Arms
RFCs	Regional Forest Conservancies
RFP	Request for Proposals
RIA	Regulatory Impact Assessment
RK-FINFA	Rural Kenya Financial Inclusion Facility
RMLF	Road Maintenance Levy Fund
RPL	Recognition of Prior Learning
RSA	Resource Sharing Agreement
RSS	Road-side Stations
SACCO	Savings and Credit Cooperative
SAFER	Supporting Access to Finance and Enterprise Recovery
SAGA	Semi-Autonomous Government Agency
SAGAs	Semi-Autonomous Government Agencies
SARs	Search and Rescue Centers
SASDF	Sports, Arts and Social Development Fund
SASRA	Sacco Societies Regulatory Authority
SASRA	Sacco Societies Regulatory Authority
SCAC	State Corporation Advisory Corporation
SCMP	Sub-Catchment Management Plan
SCTIFI	Sectoral Council on Trade, Industry, Finance and Investment
SD	State Department
SDCAH	State Department for Culture, the Arts and Heritage
SDCs	Social Development Committees
SDCS	State Department for Correctional Services
SDD	State Department for Devolution
SDEACA	State Department for East African Community Affairs
SDEP	State Department for Economic Planning
SDGAA	State Department for Gender and Affirmative Action
SDGs	Sustainable Development Goals
SDI	State Department for Industry
SDIP	State Department for Investment Promotion
SDISNA	State Department for Internal Security and National Administration
SDL&SD	State Department for Labour and Skills Development
SDLD	State Department for Livestock Development
SDMS	State Department for Medical Services
SDPA	State Department for Parliamentary Affairs
SDPDM	State Department for Performance and Delivery Management
SDPH&PS	State Department for Public Health and Professional Standards
SDPS	State Department for Public Service
SDSPSCA	State Department for Social Protection and Senior Citizens Affairs
SDT	State Department for Trade
SDTVET	State Department for Technical, Vocational Education and Training
SDYACE	State Department for Youth Affairs and Creative Economy
SEZ	Special Economic Zone
SEZA	Special Economic Zones Authority
SHI	Social Health Insurance
SHIF	Social Health Insurance Fund
SLO	State Law Office
SMEs	Small, Medium Enterprises
SNE	Special Needs Education
SPS	Sanitary and Phytosanitary Measures
SRH	Sexual Reproductive Health

STCW	Standard of Training Certification and Watchkeepers for Seafarers
STEM	Science, Technology, Engineering, and Mathematics
STR	Simplified Trade Regime
TFTA	Tripartite Free Trade Area
TICAD	Tokyo International Conference on African Development
TIMPS	Technologies, Innovations, Management Practices
TLU	Tropical Livestock Unit
TNT	The National Treasury
ToTs	Trainer of Trainers
TTIB	Technical Training Institute for the Blind
TTID	Technical Training Institute for the Deaf
TVC	Technical Vocational College
TVET	Technical and Vocational Education and Training
TVET	Technical, Vocational Education and Training
TWENDE	Towards Ending Drought Emergencies
UAE	United Arab Emirates
UHC	Universal Health Coverage
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNECOSOC	United Nations Economic and Social Council
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Fund for Population Activities
UPI	Unique Personal Identifier
USD	United States Dollar
WADA	World Anti-Doping Agency
WPA	Witness Protection Board
WRC	World Rally Championship
WRSC	Warehouse Receipt System Council
WRUA	Water Resources Users Association
WSPU-(K)	World Scout Parliamentary Union (Kenya Chapter)
WTO	World Trade Organization
YECs	Youth Empowerment Centres

## 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 2024. 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.

**Hon. FCPA John Mbadi Ng'ongo, EGH**  
**Cabinet Secretary, The National Treasury and Economic Planning**

## ACKNOWLEDGEMENTS

Monitoring and Evaluation is a critical component of effective development planning. It provides the necessary feedback to assess progress, identify gaps, and inform evidence-based decision-making. The State Department for Economic Planning, through the Monitoring, Evaluation and Public Investment Management Directorate, continues to provide leadership in tracking the implementation of national development priorities.

During the Second year of implementing the Fourth Medium Term Plan (2023 – 2027), the State Department for Economic Planning maintained a focus on the '*Bottom-Up Economic Transformation Agenda for Inclusive Growth*'. The Bottom-Up Economic Transformation Agenda (BETA) is anchored on five (5) core pillars: Agriculture, MSMEs, Housing and Settlement, Healthcare, and the Digital Superhighway.

This Second Annual MTP IV Progress Report is an important component of the State Department for Economic Planning Monitoring and Evaluation framework, that is designed to implement the Fourth Medium Term Plan across the five Sectors, which are: Finance and Production; Infrastructure; Social; Environment and Natural Resources; and Governance and Public Administration.

The Report not only captures the performance within the review period but also lays a foundation for the impending MTP IV Mid-Term Review (MTR), as well as the Evaluation of Kenya Vision 2030. Further, the Report is a key ingredient in informing the Medium-Term Expenditure Framework.

I extend my deep appreciation to the Cabinet Secretary for the National Treasury for creating and sustaining an enabling policy and institutional environment that allows for the effective tracking of national development outcomes. This leadership continues to be instrumental in advancing the goals of MTP IV under the Bottom-Up Economic Transformation Agenda.

Special recognition go to the Ag. Economic Planning Secretary, Monitoring, Evaluation and PIM Directorate, Mr. James Maina, for his oversight and coordination of the technical teams involved in compiling and analyzing performance data. His guidance provided clarity and direction throughout the reporting process.

The preparation of this report would not have been possible without the sustained collaboration of technical officers from various Ministries, Departments, and Agencies (MDAs). Their contribution to this Report is indeed invaluable.

This Second Annual Progress Report of the Fourth Medium Term Plan is available through the State Department for Economic Planning official website: [www.planning.go.ke](http://www.planning.go.ke).

**Dr. Boniface B. Makokha**  
**Principal Secretary**  
**State Department for Economic Planning**

## **CHAPTER ONE**

### **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 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 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’.

#### **1.2. 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. Key outcomes included the identification of flagship programs like the Credit Guarantee Scheme, Inua Jamii cash transfer, and locally-led climate action initiatives, as well as County-specific programmes and projects which are critical to achieving the Bottom-Up Economic Transformation Agenda (BETA). The implementation of these and other programmes outlined in MTP IV will be monitored and reported annually through Annual Progress Reports (APRs).



*President William Ruto, former 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 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 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 Fourth Medium-Term Plan (MTP IV) of the Kenya Vision 2030 focuses on a "Bottom-up Economic transformation Agenda (BETA) for inclusive growth". It 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) priorities, namely: Agriculture; Micro, Small and Medium Enterprise (MSME) Economy; Housing and Settlement; Healthcare; and the Digital Superhighway and Creative Economy. These priorities 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 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.

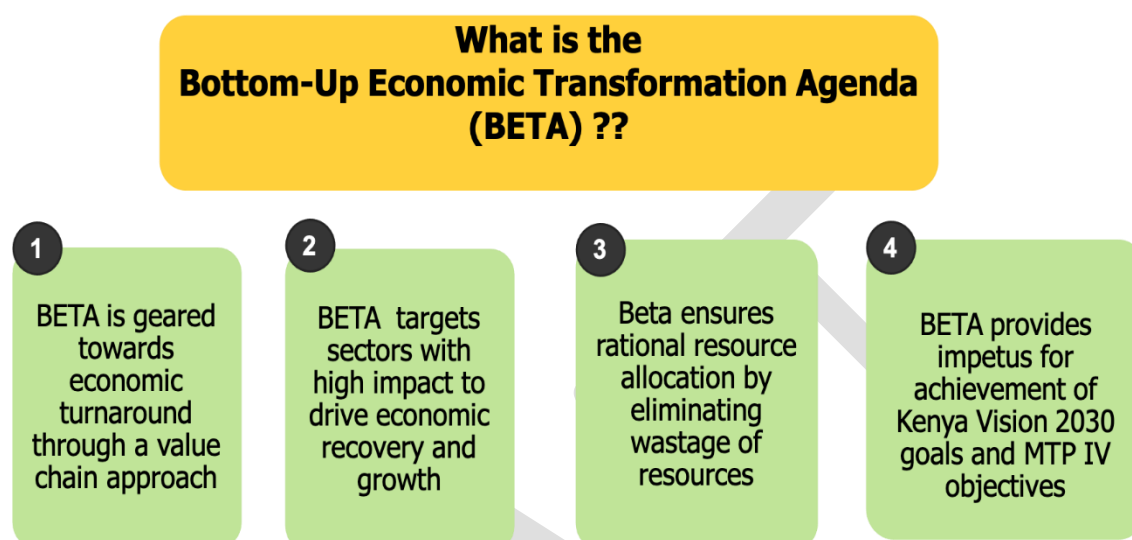
To enhance productivity and overall competitiveness, the Government will increase investment in the digital superhighway and the creative economy by scaling-up broadband connectivity and fully implementing the Last Mile Electricity Connectivity programme to improve the business environment. In addition, 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.

### 1.3. 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 grassroot 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



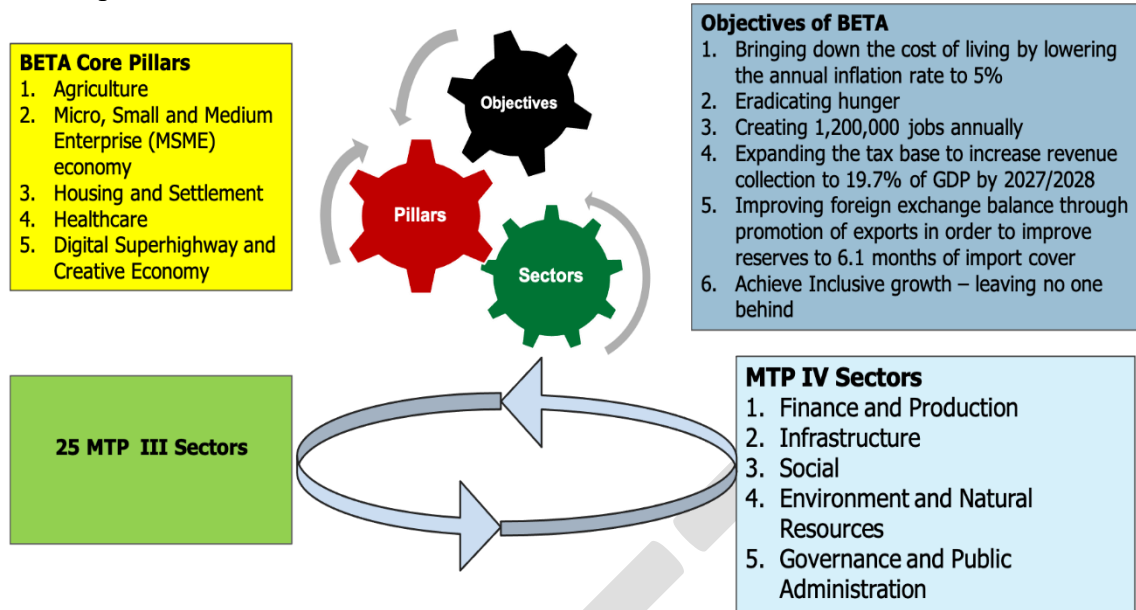


Figure 2: Linkage between MTP IV sectors and BETA

## CHAPTER TWO

### BOTTOM-UP ECONOMIC TRANSFORMATION AGENDA (BETA) STATUS

#### 2.0. Overview

This chapter focuses on the **BETA Pillars**, which are: Agricultural Transformation; Housing and Settlement; and Digital Superhighway and Creative Industry. These pillars were prioritized owing to their significance the realization of **BETA objectives** that are geared towards bringing down the cost of living, eradicating hunger, creating jobs, expanding the tax base, improving our 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.

#### 2.1. Key Achievements on Realization of BETA Objectives

Marginal gains have been realized in all six(6) BETA objectives in FY2024/25 in comparison to FY2022/23, though only one(1) objective on reducing the cost of living has been attained (inflation of xx% in June 2025 against a target of 5%). However, much effort needs to be done towards eradicating hunger (attained SSR-90% against a target of 100% ), creating jobs (848,200 jobs created against a target of 1.2 million annually), and achieving inclusive growth (5.6% GDP growth against a target of 7% annually).

**Table 2.1: Status of BETA Objectives**

Sno.	BETA Objective	Baseline FY2022/23	MTP IV Target by FY2027/28	Achievement FY2023/24	Achievement FY2024/25*
1	Bringing down the cost of living (inflation rate/CPI)	9.1%	5%	4.4% in August 2024	3.6% in March 2025
2	Creating jobs (annually)	816,600	1,200,000	848,200 in December 2023 (122,800- formal 720,900-informal)	TBD
3	Expanding the tax base (total revenue from taxes and other sources as % of GDP)	16.5	19.7%	17.1% (KSh.2,702.7b end of June 2024)	TBD
4	Improving the Foreign exchange balance (import cover)	4.13 months in December 2022*	6.1 months	5.8 months	TBD
5	Achieve inclusive growth (% GDP)	4.9% in 2022	7.2%	5.6% in 2023	4.0% in Q3 of 2024
6	Eradicating hunger (Self-Sufficiency Ratio & Import Deficiency Ratio)	SSR- 87.5% IDR – 14.5% in December 2022	SSR – 100% IDR – 0%	SSR – 90.1% IDR – 17.3% in December 2023	TBD

Source: Economic Survey

\*Source: Central Bank of Kenya

\*\*Source: National Treasury

TBD- To Be determined.

## 2.2. Key Achievements of the BETA Pillars

The following is a summary of the BETA Pillars performance specifying the achievements made within the FY 2024/2025 implementation period.

**Table 2.2: Key Achievements of the BETA Pillars**

Project	Key Interventions and Achievements
<b>Agricultural Transformation</b>	
Dairy Value Chain	
Leather and leather products Value Chain	
Meat Value Chain	<p>Provided livestock insurance cover for 406,023 TLU, enabling 757,722 pastoralists to access financial services.</p> <p>Administered 574,000 Food and Mouth Disease (FMD) and 3.125M Peste Des Petits Ruminants (PPR) vaccines in ongoing national vaccination campaigns.</p>
Edible Oils Value Chain	Distributed 556 MT of sunflower, 23 MT canola, 13 MT soybean seeds, and 13,000 coconut seedlings to 111,200 farmers
Rice Value Chain	Produced 3,150 MT of basic seeds (rice, cereals, potatoes, grain legumes)
Tea Value Chain	Diversified 8 specialty teas and increased tea production by 4.9% (from 570,400 MT in 2023 to 598,500 MT in 2024).
Production of Niche Products and Pharmaceuticals using indigenous Knowledge	Developed an entire value chain of Black Nightshade, Amaranthus, Pinder Plant, Ethiopian Kales, Cow Peas, and nightshade in collaboration with KEBS in Kirinyaga and Vihiga counties.
Climate-smart Agriculture	97 women trained on gender issues in climate-smart agriculture
<b>Micro, Small, and Medium Enterprises (MSME)</b>	
Access Government Procurement Opportunities (AGPO)	594 women trained to access government procurement opportunities
Affordable Housing Programme	Linked 495 MSMEs to supply contracts in Bomet, Nyandarua, and Samburu.
	Trained 275 Jua Kali associations in the construction value chain on product certification.
	Trained 250 MSMEs on entrepreneurship/value addition (cumulative 553 MSMEs)
<b>Healthcare</b>	
Natural Products	Pharmaceutical product formulated at Masinde Muliro. The product is for fighting Jiggers with Science: Commercializing a Topical Treatment for Tungiasis (CoToTT).
Healthcare workforce	100,000 Community Health Promoters (CHPs) were paid stipends quarterly according to the names provided by the counties.
	3,947 medical interns were posted to internship training centres and included 884 medical officers, 1271 clinical officers (diploma), 145 clinical officers (degree), 290 pharmacists, 1284 nursing officers, and 73 dentists.
	227 out of 315 Primary Care Networks (PCNs) have been established

Project	Key Interventions and Achievements
Community Health High Impact Interventions	225 Community Health Units (CHUs) were operationalized across the country
	12,366 CHPs were trained on the basic modules for community health
Civil servants and serving CSs, PSs & senior officials were provided with the Comprehensive Medical Insurance Scheme cover	124,211 civil servants and 162 serving Cabinet Secretaries, PS & Senior officials were provided with the Comprehensive Medical Insurance Scheme cover.
Training of Mental Health Champions across MDACs	327 Mental Health Champions across MDACs were trained to support in identification of Mental health cases at the workplace. Sensitizations on Workplace stress and building of resilience were undertaken in 25 State Departments,
	8,100 Civil Servants were provided with Psychological Counselling Services.
Dignity kits/Sanitary Towels	3,000 dignity kits were issued to women and girls in GBV protection centres
National Police and Magereza Hospitals	116 additional medical personnel for the Magereza level four hospital were recruited.
Police and Prisons Welfare	111,469 security officers were covered by the insurance cover for loss of life.
<b>Housing and Settlement</b>	
Housing Units	1,140 housing units were completed against the government's target of 200,000 housing units during the period under review.
Mortgages	130 civil servants were facilitated with mortgages worth KSh.857,739,851, and four (4) markets were constructed to completion.
Growth of Diaspora Remittances	Mobilized KSh 660.9 billion in diaspora direct investment for affordable housing.
Legal, Institutional and Policy Reforms	Reviewed the National Housing Policy 2016 and the National Urban Development Policy.
	Developed the Housing Bill, 2022, Landlord and Tenant Bill, 2021, and Building Maintenance Bill.
	Reviewed the Urban Areas and Cities Act 2011 and Housing Act, CAP 117
<b>Digital Superhighway and Creative Industry</b>	
Universal Broadband Connectivity	5,910 km of fiber optic cable was laid nationwide
Last Mile County Internet Connectivity Project Phase IV and V	107 government institutions, including hospitals and administrative offices, across counties and sub-counties.
ICT capacity development	779,232 citizens were equipped with basic ICT skills to enable their participation in the Digital Economy and facilitate access to digitalized government services.
	9,357 public officers received training in ICT and cybersecurity to enhance their competencies and remain aligned with the evolving ICT landscape.
Digital access and the Creative economy	400 interns were recruited, inducted, and deployed to MCDAs, and 237,007 youths were trained through Ajira Youth empowerment centres in partnership with universities, TVETs, and other stakeholders.
	44,479 youths were empowered with market-relevant digital skills such as Artificial Intelligence, cybersecurity, content writing, software development among others.
	65,953 youths were linked to global online work platforms such as Upwork, Rev and Suvero, among others.
	118 institutions (52 TVETs, 10 ICT Hubs, 2 Universities, 1 KMTC, 40 Schools, and 13 MDAs) were equipped with 4,423 Virtual Desktop Devices (VDIs)

Project	Key Interventions and Achievements
Promotion and development of Creatives and Film Industry	2,620 Licenses were issued to exhibitors, distributors, and new filmmakers
Presidential Challenge and Innovation Awards	15 youth-led innovations were successfully patented
Talanta Hela	120 youth talents were identified, nurtured, and commercialized
Women Enterprise Fund (WEF)	Remodelled WEF to use a digital platform in lending to women and issued 12,538 women with affordable credit through a digital platform <b>High-speed Internet connectivity to Tertiary educational institutions</b>
Government Human Resource Information System (GHRIS) has been replaced by Human Resource Information Services Kenya (HRIS-Ke)	Government Human Resource Information System (GHRIS) has been replaced by Human Resource Information Services Kenya (HRIS-Ke) and on the new system, payroll and establishment modules have been finalized and rolled out. The system has been Integrated with other systems (IFMIS, iTAX and CBK). New re-engineered payroll module within the HRIS-Ke System is complete. Training has taken place for TOTs and End-Users for all Ministries, Departments, and Counties (Executive and Assemblies) & State Agencies under IPPD.

### 2.3. Key Achievements of the BETA Enablers

The following is a summary of the key BETA Enablers performance, specifying the achievements made within the FY 2024/2025 implementation period

**Table 2.3: Key Achievements of the BETA Enablers**

Project	Key Interventions and Achievements
<b>Infrastructure</b>	
Road construction and maintenance	799.66 km of newly constructed classified roads
	22,830.90km of xx roads were and xxx maintained
Petroleum	10,000 metric tons of LPG storage and handling facility (made of four storage spheres) in Vipingo, Kilifi County, was constructed and commissioned by Lake Gas Ltd
	1,080 housing units at Meteorological Site Nairobi for Lots 1, 2, & 3 (Mukuru Kwa Njenga) were connected to the reticulation system, and installation of tank firms at 85% completion.
Water	A total of 1,545 household water pans and 76 community water pans with a cumulative volume of 7,374.092 cubic meters were excavated
	Area under irrigation increased by 29,699.06 acres to 762,767 acres from 733,068 acres.
	Paddy rice production increased to 289,577 tonnes due to the expansion of the Irrigation Scheme from 282,152 tonnes
Conservation of Culture and Heritage	Four (4) insect farms were established, and over 432 farmers were trained on apiculture.
University infrastructure improvement	30 universities rehabilitated and equipped
Research & Innovation	Konza Technopolis Innovation Park was constructed
Strengthening Linkages between Industry and Training institutions	6 Universities had their laboratories upgraded and were equipped .

Project	Key Interventions and Achievements
Stadia Development	<ul style="list-style-type: none"> <li>➤ The State Department for Sports upgraded Moi International Sports Centre Kasarani and Nyayo National Stadia to 99% and 85% completion respectively to international standards requirements.</li> <li>➤ Constructed Talanta Sports City Stadium with a completion rate of 45%. This was in preparation for hosting the 2024 African Nations Championship (CHAN).</li> </ul>
	Construction of 10 County Aggregation and Industrial Parks (CAIPs) advanced to an average 75% completion to boost agro-processing, value addition and market access.
	Flagship EPZ hubs in Uasin Gishu, Kirinyaga, Murang'a and Busia reached 63% completion, targeting creation of 50,000 direct and 250,000 indirect jobs upon completion.
<b>Micro, Small and Medium Enterprises</b>	
Partnership between TVET institutions and Affordable Housing Programme	<p>Partnerships established between TVET institutions and Affordable Housing Programme (AHP), County Aggregation and Industrial Parks (CAIPs), and market sites, providing over 2,000 trainees with practical experience at active project locations.</p> <p>MoU signed between the Kenya National Federation of Jua Kali Associations (KNFJKA) and the State Department for TVET to support collaboration under the Affordable Housing Programme (AHP).</p> <p>Successful pilot underway at Nairobi National Polytechnic, where Jua Kali contractors are fabricating windows and doors for AHP projects.</p>
Recognition of Prior Learning (RPL)	TVET CDACC and QAI developed the Recognition of Prior Learning (RPL) framework; guidelines now in use across institutions and over 1,000 artisans certified in various trades through the RPL program
<b>Manufacturing Sector</b>	
	Supported 142 Medium and Large industries through KIEP performance improvement grants (more than KSh 556M), catalysing innovation and productivity.
	Supported development of 139 innovations (69 women-led; 70 men-led SMEs)
	Trained 552 tech students (238 female, 314 male, 12 PLWDs) in Data Science, AI, Cybersecurity, Software Engineering, Animation & Soft Skills
<b>Blue Economy</b>	
Water Sports	The State Department successfully held Boat Riding event in Busia(L.Victoria).
	Registered 8,400 artisanal fishers into cooperatives for improved access to markets and infrastructure
<b>The Services Economy</b>	
	Developed 10 legal reforms under the Business Laws (Amendment) Act 2024
	Gazetted County Licensing Regulations (2025) to standardize licensing across 47 counties and lower cost of doing business
Diaspora Service Delivery	A 24-hr emergency response centre was fully established and operational
Transformation, decentralization, and Digitization of State Law Office	70,000 Legal services manual records were digitized, 3 external advocates/law firms were engaged to help with specialized legal services and 2 smart boardrooms established.
<b>Environment and Climate Change</b>	
	Distributed 13,000 coconut seedlings and implemented edible oil crops programme to boost climate-resilient farming
	Ongoing livestock vaccination and DRIVE insurance project – de-risking pastoral economies against climate shocks
<b>Education and Training</b>	
Capitation grant awarded under the Variable Scholarships Loans & Funding	620,003 Government Sponsored Students (GSS)
Loans and Bursaries Variable Scholarships	478,660 Students benefited from loans and bursaries

Project	Key Interventions and Achievements
Loans & Funding (VSLF)	
Strengthening Linkages between Industry and Training institutions	4000 Students and Lecturers placed in industrial attachment 6 universities reviewed their curricular and upgraded them to fit the market needs.
Anti-Doping Promotion	The State Department conducted a total of 1,963 intelligent based tests against the target of 1,000 and at the same time reached out to 16,096 persons through Anti-Doping Education under Enhanced Athletics Anti-Doping Programme (EAAP) to uphold clean sport and fair play.
Construction of new TVET institutions	Completed construction of six (6) new TVET institutions; Kacheliba, Saku, Gichugu, Lamu West (Mpeketoni), Magarini, and Matuga which were initiated in earlier phases.
Workshop construction	Completed workshop construction which were initiated under previous phases at Machakos TTIB, Sikri TTIBD, St. Joseph's Nyangoma TTID, Siaya TTI, Aldai TTI, Kapchekor TVC, Mukurwe-ini TTI, Nyeri National Polytechnic, and Wajir TTI.
Recruitment and deployment of technical trainers	A total of <b>2,000 technical trainers</b> were recruited and deployed
Policy reforms	Major policy rollouts included the CBET Policy Framework, Dual Training Policy, National Skills Development Policy, and Recognition of Prior Learning (RPL) Policy.
Paramilitary training	A total of 34,100 youths were trained in paramilitary skills These comprised of 24,342 males and 9,758 females, inclusive of 42 PWDs (29 males and 13 females). In addition, a total of 14,602 of youths were engaged in tasks of national importance. The cohort deployed in quarter two comprising of 10,083 males and 4,519 females continued their engagement.
	Trained 250 MSMs, 275 Jua Kali associations, 552 tech trainees, 142 firms, and multiple county cooperatives are under ongoing capacity-building interventions
Rehabilitation and reintegration of Offender	A total of 24,450 offenders trained and 3000 prison officers recruited and trained
EAC Uptake Enhancement	Namanga and Loitotok EAC Cross Border Trade Agreements (CBTAs) were revived and trained on Simplified Trade Regime (STR).
<b>Women Agenda</b>	
Promotion of women in sports	A total of 15 women team facilitated to participate in various international championships(Volley women team participated in Africa Volleyball Women Championship in Cameroon, Women Catch ball team,etc).
Women economic empowerment	109,246 women entrepreneurs trained; 12,538 issued with affordable loans; 11,910 women trained on digital literacy;
Reduce prevalence of gender-based violence and femicide	1,140 male champions trained on reduction of GBV; 95 survivors of GBV provided with essential GBV services; 32 campaigns against GBV conducted; 325 service providers sensitized on GBVRC guidelines; and 700 duty bearers sensitized on GBV elimination.
Reduce prevalence of FGM	19 Anti-FGM County Steering committees on coordination of elimination of FGM; 41.5 million persons reached with anti-FGM messages;
Women in leadership	Conducted an audit of women in leadership in appointive and nomination position Empowered 69 women-led SMEs with innovation grants under KIEP Trained female traders and provided market linkages under MSME programmes
<b>Social Protection</b>	
National Safety Net programme	A total number of 1,749,646 beneficiaries were paid during the plan period.( 1,253,045 OP-CT, 433,044 OVC, 63,607 PWD-CT)
Presidential Secondary School Bursary Programme	A total of 22,300 Orphans and vulnerable children were supported through the programme during the plan period.



Project	Key Interventions and Achievements
Kenya Social Economic Inclusion Programme (KSEIP)	A total of 31,283 beneficiaries were provided with nutritional counselling.
Inclusion of Person with Disabilities in National Development	A total of 88,575 Persons with Disabilities were registered during the plan period.
Community Mobilization, Development and Empowerment	The State Department registered 107,022 community groups during the financial year.
	14,789 youth accessed Sexual Reproductive Health (SRH) services under the Vijana Vuka na Afya programme.
	Livestock insurance cover extended to 406,023 TLUs, cushioning vulnerable pastoralists against drought-related losses.
<b>Sports, Culture and Arts</b>	
Conservation of Culture and Heritage	Four (4) insect farms were established and over 432 farmers were trained on apiculture.
Production of under-utilized indigenous food crop revitalized	More than 600 farmers were trained and supported.
Indigenous Knowledge Management System developed	An Indigenous Knowledge Management System was developed and operationalized with 14 Digital repositories established across counties.
Promotion of culture and heritage tourism	Completed construction of Malindi Gede Ruins Complex.
Promotion of culture and heritage tourism	4 cultural festivals were held across the country.
Sports Tourism	The State Department for Sports hosted a total of 8 sports international sporting events against the target of 6. This achievement is a direct result of strategic planning and strong collaboration with international federations.
<b>Youth Empowerment and Development Agenda</b>	
Loans disbursed to Youth entrepreneurs	Ksh. 410 million worth of loans were disbursed to 23,960 Youth entrepreneurs in key value chains, and 64,016 youth were provided with Business Development Services
Access to Youth-friendly services	118,000 youth accessed youth-friendly services in Youth Empowerment Centres (YECs)
Youth engagement in leadership and Governance	37,000 youth were engaged in leadership and governance
entrepreneurial skills development	8,684 youth received training in entrepreneurial skills, 104 Community Youth SACCOs were operationalized, 5,685 youth were engaged in green jobs, and 3,613 youth accessed online jobs/cloud sourcing platforms
Establishment and operationalization of digital labs	A total of 160 digital laboratories were established and made operational in TVET institutions to meet the rising demand for digital competencies among youth. Through this initiative, 24,206 young people received training in various digital skills.
	Technical and entrepreneurial skills was provided to 552 youth through tech programmes (Data Science, AI, Software etc)
	Supported youth-led MSMEs through linkages with Affordable Housing
<b>Governance</b>	
Legal and Policy Reforms	The <b>TVET Bill 2024</b> was developed to establish clear governance structures, define national vs. county roles, and streamline institutional management.
	Fully operationalised e-Citizen with single Paybill <b>222222</b> , improving transparency and service delivery.
Cabinet Decisions Implementation Coordination	The Collaboration framework on the implementation of Cabinet Decisions and the Presidential directives was fully developed and implemented and 100% research reports and analytical briefs of the cabinet committee agenda were completed.
Public Sector reforms coordination	A Mapping report on the existing public sector reform policies, frameworks and programmes was submitted
Modernization of integrated population	Hardware and Software for data backup offsite were installed



Project	Key Interventions and Achievements
Registration System(IPRS)	
Integrated Border Management System(IBMS)	All borders have gazetted border points that have operational Joint Operation Centers and BMCs
Rehabilitation and reintegration of Offender	297,779 offenders were supervised and provided with psychosocial support.
Government projects and programmes Coordination	All National government projects and programmes were coordinated.
Elevate Kenya's Anchor State Status	A total of 15 community outreach programmes for peace building initiative and mechanisms were coordinated
Management of Devolution Affairs	A harmonized result framework was achieved as all 47 counties were capacity built and 1 County Public Service norms and standards for all cadres of staff across counties was developed. IBEC held 4 summit meetings with COG to address sectoral challenges.
Diaspora Service Delivery	SDD successfully developed a framework for technology and skills transfers through an updated Kenyan Diaspora Skills and Technology Database. Engagement with the diaspora community was notably vibrant, with eleven high-level engagements conducted across countries, including Germany, the USA, India, Qatar, and the UK,
Growth of Diaspora Remittances	The SDD promoted the establishment of 5 diaspora SACCOs which are recognized by SASRA. 7 bi-laterals and multilateral engagements were held and 3 Strategic Partnerships on labour migration and mobility were signed with Germany (2) and Austria (1). Other negotiations are ongoing with Qatar, Saudi Arabia, Japan, Canada, and HOPs Labor Solution
Diaspora rights and welfare	A comprehensive Diaspora Evacuation and Repatriation guideline was developed in alignment with the National Evacuation Strategy. The department(SDD) facilitated the repatriation of human remains in 100% of requests, with 97 cases successfully managed during the review period. Similarly, 255 distressed Kenyans were safely evacuated from various countries. Reintegration of returnees was supported through counselling and capacity-building services delivered to 843 individuals. Migrant rights advocacy was advanced through four county-based welfare forums.
EAC Uptake Enhancement	Joint mobilization of MSMEs was conducted with the relevant MDAs and 356 Kenyan MSMEs were successfully exhibited over 700 products
Leadership, Accountability and Legislative Agenda	All Proposed policies and legislation received by the State Department were vetted. Existing legislation and policies were analyzed and reviewed. This bore four advisory briefs on youth bulge, femicide, Kenya National Academy of Sciences and Childcare.
	The quarterly GLA implementation reports were prepared and submitted. With regards to the target on Legislation/Policy Tracking Information Systems (LATIS) establishment, both Policy and Bills Modules were piloted within the Governance and Public Administration sector MDAs. Ministries, Departments and Agencies MDAs were trained on the Policy Module
Leadership Ethic and Integrity	1 Whistle Blowers protection bill to promote open governance was passed and an implementation report on fulfilment of Kenya's international and regional obligations on governance, ethics and integrity
Leadership, Accountability and Legislative Agenda	The OCOS&HOPS coordinated and convened the Principle Secretaries Committees, coordinated the preparation and transmission of various Executive Directives/Orders on Leadership and Organization of Government for effective implementation of MDAs mandates.

Project	Key Interventions and Achievements
Management of Devolution Affairs	The Office of the Deputy President convened four (4) Intergovernmental Budget Economic Council (IBEC) to address sectoral challenges. The forum provided mechanisms and procedures to facilitate matters relating to budgeting, the economy, and financial management, and integrated development at the national and county levels.
<b>Foreign Policy and Regional Integration</b>	
Foreign Policy reforms.	Through the <b>Kenya National Qualifications Framework Regulations (2025)</b> , the sub sector promotes standardization, skills recognition, and mobility across regions.
	Continued partnership with World Bank & donors such as DRIVE, SAFER; livestock insurance and seed distribution programmes supported under regional/global cooperation frameworks
Elevate Kenya's Anchor State Status	A total of 33 inbound and outbound high-level visits were facilitated. These visits enhanced bilateral relations and elevated Kenya's global profile.
	The SFA concluded 63 bilateral cooperation frameworks against a target of 50, contributing to the deepening of Kenya's strategic partnerships. Nairobi hosted 25 international meetings and conferences, significantly reinforcing its role as a premier multilateral hub.
Modernization and improvement of diplomatic infrastructure	1 Foreign policy was revised and reviewed.

## **CHAPTER THREE**

### **MACROECONOMIC FRAMEWORK**

#### **3.0 Overview**

This chapter highlights macroeconomic performance, sectoral performance, and the status in implementation of various structural reforms in the economy.

#### **3.1 Overall Economic Performance**

In the FY 2024/25, Kenya's economy demonstrated resilience and moderate recovery in the face of persistent domestic and external challenges. These challenges included: inflationary pressures, adverse effects of floods in the second quarter, subdued business sentiment following the 2024 anti-Finance Bill protests, and reduced public spending amid ongoing fiscal consolidation efforts. Consequently, economic performance slowed down in 2024 compared to the previous year. Real Gross Domestic Product (GDP) grew by 4.7% in 2024 compared to 5.7% in 2023. The economy remained buoyant in the first quarter of 2025, supported by a strong performance of agriculture and recovery in industrial activity. It is estimated to have expanded by 4.9% in 2025, a similar growth compared to the corresponding quarter of 2024.

The GDP is estimated to have expanded by 5.2% in FY 2024/25, up from 4.8% in FY 2023/24. This growth was largely supported by a strong rebound in agriculture following improved rainfall, policy reforms, as well as continued expansion in key service sectors such as transport, ICT, and hospitality. The manufacturing and construction sectors also posted modest gains, underpinned by public infrastructure projects and increased private sector credit.

Kenya's economic outlook is projected to recover and remain above 5.3% in FY 2025/26 and over the medium term. The growth outlook will be driven mainly by easing inflation, favourable weather conditions, continued policy reforms, and a pickup in credit growth that should support household and business incomes, driving private consumption and investment. Growth outlook will be reinforced by implementation of policies and programs in the Bottom-Up Economic Transformation Agenda (BETA) as prioritized in the Fourth Medium Term Plan (MTP). However, the outlook remains subject to downside risks, including global commodity price fluctuations, climate-related shocks, and debt servicing pressures.

#### **3.2 Sectoral Performance**

In the FY 2024/25, the economy posted an estimated real GDP growth rate of 5.2%, reflecting a moderate recovery from 4.8% in the previous year. This growth was underpinned by improved performance in agriculture, robust expansion in services sector, and stable activity in the industrial sector.

##### **3.2.1 Services Sector**

The services sector remained the dominant contributor to GDP, expanding by 6.1%, led by strong performance in ICT, transport, trade, hospitality, and financial services. The recorded strong and diverse growth in FY 2024/25, with key sub-sectors like ICT, hospitality, and transport outperforming expectations. Digitalization, infrastructure development, and increased regional and international connectivity were central to this performance. Despite challenges from inflation, anti-Finance Bill protests, and high interest rates, the sector continued to anchor Kenya's economic activity and employment. Continued investments in services particularly in digital, financial, and public service delivery will be critical for sustaining this momentum in FY 2025/26 and beyond.

The Information and Communication Technology (ICT) sub-sector registered a strong growth of 8.6%, making it one of the fastest-growing components of the services sector. This growth was driven by increased mobile and internet penetration, uptake of mobile money services, and public sector digitization, including the widespread rollout of the Electronic Tax Invoice Management System (eTIMS). Private sector investments in fintech and data services also expanded significantly.

Transport and storage sub-sector grew by 7.1%, benefiting from increased movement of goods and passengers, improved road infrastructure, and a recovery in the aviation sector. The Standard Gauge Railway (SGR) saw an increase in freight volumes, while passenger numbers on commuter rails rose due to improved connectivity. The aviation sector's rebound was aided by higher international travel and the return of business and leisure tourism.

Wholesale and retail trade sub-sector expanded at a rate of 5.4%, supported by higher agricultural output and sustained activity in informal markets. However, this growth was moderated by inflationary pressures and reduced consumer purchasing power following the implementation of tax changes under the Finance Act 2024, which affected demand for fast-moving consumer goods.

Financial and insurance services sub-sector recorded a growth of 6.2%, reflecting increased digital banking adoption, mobile financial services expansion, and moderate credit growth to productive sectors such as trade, manufacturing, and construction. While lending activity improved, high interest rates driven by the Government's tight monetary policy stance constrained borrowing for Micro, Small and Medium Enterprises. The insurance industry also posted modest growth, with a gradual rise in coverage levels and innovation in micro-insurance products.

The Accommodation and food services sector posted a robust growth of 9.4%, driven by rising international tourist arrivals and increased domestic travel. Improved global mobility, enhanced destination marketing, and the return of international conferences and events all contributed to the sector's recovery. However, high operating costs—especially for energy and imported inputs—remained a concern for hotel operators and food service providers.

Public administration, education, and health services collectively grew by 4.3%. Growth in education was supported by higher enrollment rates and continued investment in infrastructure, teacher recruitment, and digital learning. Health services expanded under the Government's Universal Health Coverage (UHC) program, with increased access to primary health care and improvements in health infrastructure across counties.

### **3.2.2 The Agriculture Sector**

The Agriculture, Forestry and Fishing sector expanded by 4.6 per cent in 2024, compared to a growth of 6.6 per cent in 2023. The growth was largely a resultant of varied weather patterns during the year; with long rains being above-average while the short rains were below average, leading to mixed performance of the various crops. Production of maize, potatoes and millet declined while that of beans and sorghum increased. Maize production contracted by 6.1 per cent to 44.7 million bags in 2024 while potato production declined from 2.3 million tonnes to 2.2 million tonnes in 2024. On the other hand, beans production increased from 9.6 million bags in 2023 to 10.0 million bags in 2024.

### 3.2.3 The Industry Sector

The manufacturing sector expanded by 2.8 per cent in 2024 compared to 2.2 per cent growth in 2023. The growth was driven by a 4.6 per cent rise in the manufacture of food products, while manufacture of non-food products grew by 0.8 per cent. Growth in the food sub-sector was supported by increased processing of milk, which rose from 552.9 million litres in 2023 to 618.1 million litres in 2024. Sugar production increased from 472.8 thousand tonnes in 2023 to 815.5 thousand tonnes in 2024.

Growth in beverage production was reinforced by a 15.6 per cent rise in soft drink production to 671.1 million litres in 2024 compared to 580.5 million litres in 2023. Processing of coffee and tea during the year grew by 7.8 and 4.9 per cent, respectively, in 2024. 2.8. In the non-food sub-sector, mixed performance was recorded across key activities. Production of galvanized sheets increased from 272.5 thousand tonnes in 2023 to 281.3 thousand tonnes in 2024.

Production of textile and clothing, paper and paper products, pharmaceutical products and preparations and rubber and plastics products increased in the year under review. On the other hand, cement production declined from 9,616.1 thousand tonnes in 2023 to 8,852.6 thousand tonnes in 2024. The number of assembled motor vehicles decreased by 14.6 per cent, from 13,527 in 2023 to 11,555 in 2024.

### 3.3 Performance of Key Macroeconomic Indicators

The macroeconomic indicators improved in the FY 2024/25 reflecting the impact of sound and deliberate policies as well as the resilience of Kenya's diversified economy. Table 3.1 gives summary of the performance of Key Macroeconomic indicators

**Table 3.1: Key Macroeconomic Indicators**

MTPIV Outcome	MTPIV Outcome Indicator	MTPIV Outcome Target	Actual Achievement	Remarks on Achievement Variance
Accelerated Economic Growth	Annual GDP Growth Rate (%)	6.3	5.2	Below target performance in GDP growth was mainly due to adverse effects of floods in the second quarter and the anti-Finance Bill protests in the third Quarter of 2024 that disrupted economic activities.
	Gross National Savings to GDP (%)	17.0	14.5	Gross national savings constrained by high consumption, low incomes, informality, and high debt service.
	Investment to GDP (%)	22.7	22.1	Strong investment reflecting ongoing investment in public infrastructure, energy, housing, and transport.
Price Stability	Overall Inflation Rate (CPI Index Average) (%)	5.0	3.8	Inflation within the range of $\pm 2.5$ . Easing inflation has been supported by abundant

MTP IV Outcome	MTP IV Outcome Indicator	MTP IV Outcome Target	Actual Achievement	Remarks on Achievement Variance
				supply of food arising from favourable weather conditions, lower fuel inflation attributed to appreciation of the exchange rate and lower international oil prices.
Sustainable Fiscal Deficit	Overall Fiscal Balance to GDP (Inclusive of Grants) (%)	-4.4	-5.8	The fiscal balance (including grants) was below target due to revenue underperformance and additional expenditure pressures.
	Overall Fiscal Balance to GDP (Exclusive of Grants) (%)	-4.7	-6.0	The fiscal balance (excluding grants) was below target due to revenue underperformance and additional expenditure pressures.
	Total Revenue to GDP (%)	18.8	16.7	Total revenue by end of FY 2024/25 was below target largely due to withdrawal of the Finance Bill, 2024 and the civil unrest that affected economic activities.
	Total Expenditure and Net Lending to GDP (%)	23.5	22.7	Total expenditure and net lending performed above target mainly due to implementation of fiscal consolidation plan with emphasis on revenue mobilization and expenditure rationalization.
Sustainable level of Public Sector Debt	Public Debt (Nominal Central Debt Net) (%)	62.7	63.8	Gross public debt-to-GDP ratio declined to 63.8% in June 2025 from 65.7% in June 2024 and 72.9% in June 2023, reflecting effectiveness of fiscal consolidation efforts.
Sustainable External Balance	Current Account, inclusive of Official Transfers to GDP (%)	-5.7	-3.8	Over-achieved. Kenya's current account deficit narrowed, reflecting improved exports, easing import pressures, and strong remittance inflows.
	Gross Reserves in Months of this	5.9	4.0	Foreign exchange reserves remains strong and continue to provide

MTPIV Outcome	MTPIV Outcome Indicator	MTPIV Outcome Target	Actual Achievement	Remarks on Achievement Variance
	year's imports (Months)			adequate cover and a buffer against any short-term shocks in the foreign exchange market.

Source: The National Treasury

### 3.3.1 National Accounts and Inflation

Inflation declined from 7.7% in 2023 to 4.5 % in 2024, mainly due to relatively lower food prices. The Government's target range of  $5\% \pm 2.5\%$ , averaging 6.5% for the year was maintained. The overall year-on year inflation remained within the Government target range of  $5 \pm 2.5\%$ . Inflation declined to 3.8% in June 2025 from 4.6% in June 2024. Easing inflation was supported by abundant supply of food arising from favorable weather conditions, lower fuel inflation attributed to appreciation of the exchange rate and lower international oil prices, and the decline in non-food non-fuel (NFnF) inflation reflecting impact of previous monetary policy tightening. Core inflation, which excludes food and fuel, remained relatively stable, indicating that underlying demand pressures were contained. The Central Bank of Kenya (CBK) maintained a tight monetary policy stance, keeping the Central Bank Rate (CBR) at 13.0% throughout most of the fiscal year. This policy helped anchor inflation expectations while supporting exchange rate stability.

On expenditure side, Gross Fixed Capital Formation (Investment) stood at 22.1% of GDP, reflecting ongoing investment in public infrastructure, energy, housing, and transport, as well as a gradual recovery in private investment. On the other hand, national savings as a share of GDP remained relatively low at 14.5%, reflecting structural weaknesses in household and public saving capacity. Public consumption grew more modestly due to fiscal consolidation efforts. Net exports made a modest positive contribution to GDP, supported by improved export earnings and a decline in import volumes, especially of petroleum products.

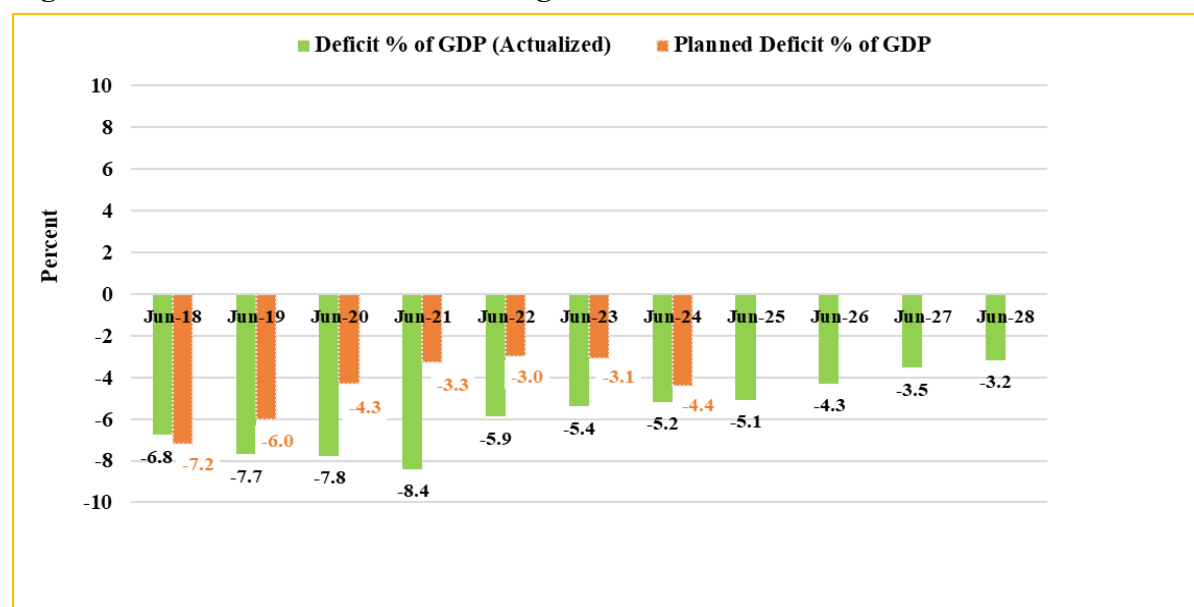
### 3.3.2 Central Government Budget

Budget execution in the FY 2024/25, was hampered by the withdrawal of Finance Bill 2024, that was expected to raise an additional revenue amounting to Ksh 344.3 billion. By the end of June 2025, total revenue collected including A-I-A amounted to Ksh 2,918.6 billion (16.7 percent of GDP) against a revised target of Ksh 2,985.6 billion (17.1 percent of GDP). The shortfall of Ksh 67.0 billion was on account of below target ordinary revenue collection by Ksh 76.0 billion while collection of the ministerial A-I-A was above the target by Ksh 9.1 billion. This revenue performance represented an improved growth of 8.0 percent compared to a growth of 14.5 percent recorded in a similar period in the FY 2023/24. This facilitated by enhanced domestic revenue mobilization efforts, particularly through the rollout of the Electronic Tax Invoice Management System (eTIMS) and the implementation of new tax measures under the Medium-Term Revenue Strategy, contributed to moderate fiscal performance. These measures broadened the tax base to include digital services and raised excise taxes on select goods.

The total expenditure and net lending in FY 2024/25 amounted to Ksh 3,963.1 billion against a revised target of Ksh 4,045.1 billion, resulting in an under-expenditure of Ksh 81.9 billion. This deviation was primarily driven by lower absorption in both recurrent and development expenditures by the National Government, as well as below target equitable share transfers to

County Governments. Recurrent expenditure by the National Government stood at Ksh 2,937.2 billion, falling short of the revised target of Ksh 2,989.1 billion t by KSH 51.9 billion. Development expenditure amounted to Ksh 581.1 billion against a revised target of Ksh 602.1 billion, translating to an under-execution of Ksh 20.9 billion. This variance was largely driven by lower-than-projected disbursements to foreign-financed projects. The national fiscal deficit is shown in figure 3.1

**Figure 3.1: Fiscal Deficit as a Percentage of GDP**



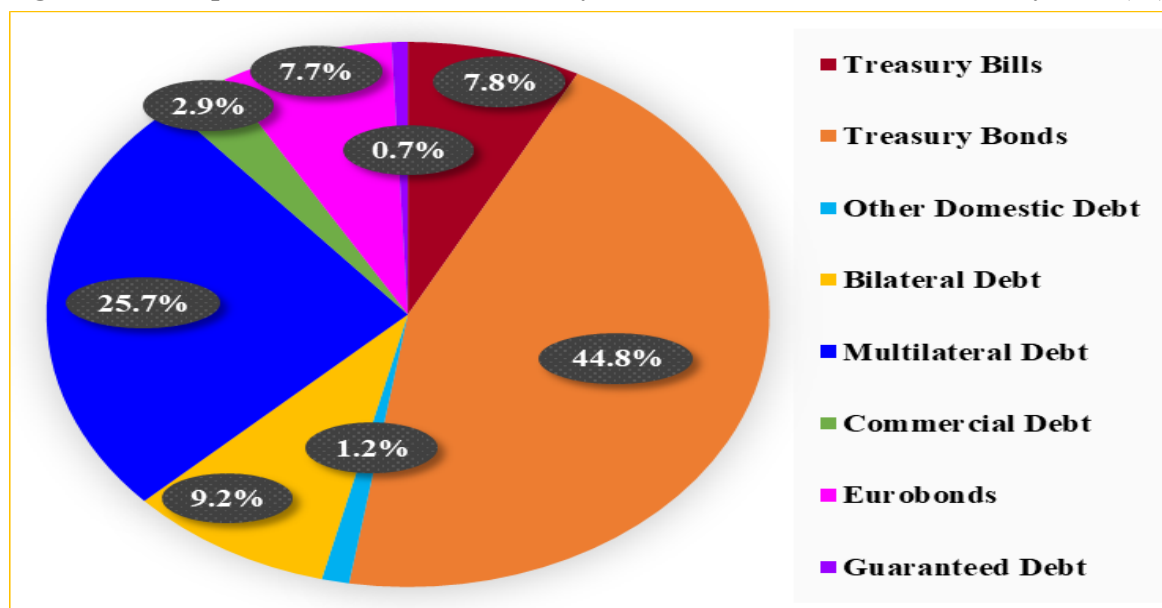
In line with the performance in expenditure and revenues, the fiscal deficit (including grants, on a cash basis), amounted to Ksh 1,011.2 billion (5.8 percent of GDP) against a revised target of Ksh 1,012.3 billion (7.6 percent of GDP). On the other hand, fiscal deficit (excluding grants, on a cash basis), amounted to Ksh 1,044.5 billion (6.0 percent of GDP) against a revised target of Ksh 1,059.5 billion (6.1 percent of GDP).

Public debt as a share of GDP declined slightly to 63.8% in FY 2024/25, indicating initial gains from the Government's fiscal consolidation and liability management strategies. Nonetheless, Kenya's debt remains at moderate risk of distress, with key vulnerabilities stemming from elevated debt service obligations and exchange rate fluctuations affecting the external debt component. The Government continued to engage in debt restructuring initiatives and explored concessional financing to ease the pressure on fiscal space. The total Public and Publicly Guaranteed Debt was **Ksh 11.01 trillion (65.7 percent of GDP<sup>1</sup>)** as at end January 2025 as shown in **Figure 3.2**.

<sup>1</sup> Extrapolated Nominal GDP used was Ksh 16.8 trillion



**Figure 3.2: Composition of Public and Publicly Guaranteed Debt as at 31<sup>st</sup> January 2025 (%)**



### 3.3.3 Money Supply and Domestic Retail Money Sector

During the 2024, broad money supply (M3) expanded by 1.0 per cent to stand at KSh 6,105.5 billion as at the end of December 2024, compared to a growth of 19.9 per cent as at end of December 2023. The Central Bank Rate (CBR) was reviewed upwards from 12.50 per cent in December 2023 to 13.00 per cent in March 2024 and later downwards to 12.75 per cent and 11.25 per cent in September and December 2024, respectively. During the FY 2024/25, growth in money supply was influenced by monetary tightening in the first half of the year and a gradual easing thereafter. Broad money supply (M3) expanded by 8.9% year-on-year by June 2025, compared to 6.1% growth in June 2024. This growth was supported by the recovery in net domestic assets, particularly increased credit to the private sector and Government. Reserve money (the base of the money supply) grew by 6.5% as the CBK gradually eased liquidity conditions in response to slowing inflation and improved exchange rate stability. The net foreign assets of the banking system also improved modestly due to stronger foreign exchange inflows, supporting reserve build-up.

The 91-day Treasury bills rates have declined to an average of 8.3% in June 2025 from 15.9% in June 2024. In addition, the average commercial bank lending rates that peaked at 17.2% in November 2024 have since declined to 15.7% in June 2025 and are expected to decline further. Private sector credit grew moderately at an annual average of between 8% and 10% in the FY 2024/25, directed primarily to sectors such as trade, manufacturing, and construction. The exchange rate against the US dollar has appreciated from Ksh 159.7 in January 2024 to stabilize at Ksh 129.3 by June 2025 and as a result the economic conditions improved as the exchange rate stabilized, and reserves increased. On the other hand, retail money sector anchored by mobile money, agency banking, and digital financial services continued to grow robustly in FY 2024/25, underpinned by widespread mobile penetration, digital innovation, and regulatory support. The CBK's ongoing efforts to integrate digital credit providers into the regulatory framework helped enhance consumer protection and trust.

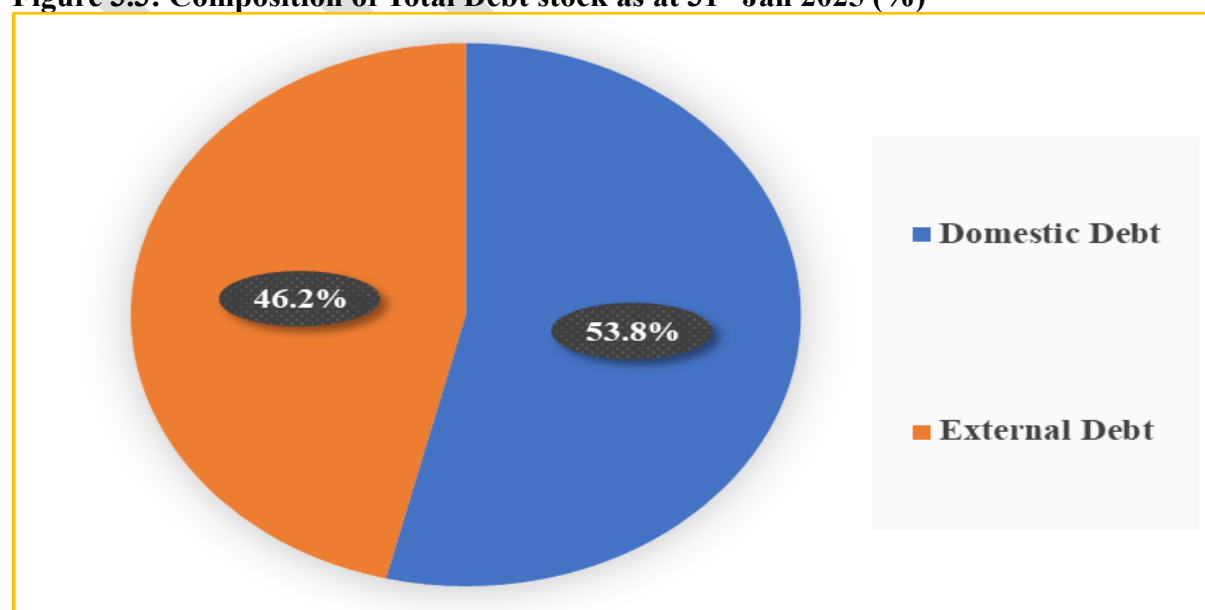
### 3.3.4 External sector

The external sector improved as the current account deficit narrowed to 3.8% of GDP in FY 2024/25, down from 4.4% of GDP in FY 2023/24. This was attributed to stronger export performance particularly from tea, horticulture, and manufactured goods, as well as a reduced import bill due to lower fuel imports and higher domestic food output. As a result of the improved external position, foreign exchange reserves remained stable and stood at 4.0 months of import cover in FY 2024/25, which is within the statutory threshold, supported in part by robust diaspora remittances, which continued to provide a crucial source of foreign exchange and household income. The foreign exchange reserves helped stabilize the exchange rate. The Kenyan Shilling stabilized in the second half of the FY 2024/25, trading at an average of Ksh 129.3 per USD in June 2025, after facing pressure in early 2024.

Foreign exchange market remained stable supported by a narrowing in the current account deficit, and improved investor sentiment and confidence in the economy. The current account deficit narrowed to 3.8% of GDP in FY 2024/25 from 4.4% of GDP in FY 2023/24 supported by exports of goods, resilient tourism and remittance inflows, and a contraction in food imports. As a result, official foreign exchange reserves stood at USD 7.3 billion (4.0 months of import cover) in June 2025, and continue to provide adequate cover and a buffer against any short-term shocks in the foreign exchange market. On the other hand, the usable foreign exchange reserves remained adequate at USD 11.1 billion (4.9 months of import cover) as of June 2025. This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover.

The external debt amounted **Ksh 5.08 trillion (30.3 percent of GDP)** and domestic debt was **Ksh 5.93 trillion (35.4 percent of GDP)** during the same period. Treasury bonds account for 44.8 percent of total public debt indicating reliance on long-term domestic borrowing. This strategy reduces short-term refinancing risks but can increase interest costs if rates are high. Multilateral debt accounts for 25.7 percent and these loans often have lower interest rates and longer repayment periods, which is beneficial for debt sustainability. The external debt stock accounted for 46.2 percent of total debt stock (**Figure 3.3**).

**Figure 3.3: Composition of Total Debt stock as at 31<sup>st</sup> Jan 2025 (%)**



### **3.3.5 Balance of Payments**

In the FY 2024/25, the Balance of Payments (BoP) recorded a modest improvement, registering an overall surplus of approximately USD 360 million. This positive outturn was primarily driven by a narrowing current account deficit, strong remittance inflows, and improved export performance. The current account deficit narrowed to 3.8% of GDP in FY 2024/25, down from 4.4% in FY 2023/24. The improvement reflected a better trade balance and sustained growth in secondary income flows, particularly diaspora remittances.

The capital and financial account registered a surplus, reflecting increased inflows from concessional borrowing, budget support, and recovery in Foreign Direct Investment (FDI). Disbursements from multilateral institutions like the IMF, World Bank, and AfDB supported fiscal and balance of payments needs, while the issuance of a partial Eurobond (tap sale) also helped stabilize foreign exchange reserves and the exchange rate. FDI improved modestly, especially in manufacturing, renewable energy, and ICT sectors, as investor confidence gradually recovered. Portfolio inflows remained volatile, but external borrowing filled the financing gap.

### **3.3.6 Employment**

In the labour market, formal employment grew by an estimated 3.2% in FY 2024/25, with job gains in the construction, hospitality, and transport sectors. However, most workers remained in the informal sector, which remained vulnerable to economic shocks and inflation. The rising cost of living, partly attributed to fuel price volatility and impact of domestic and external shocks continued to exert pressure on household welfare, especially in urban areas.

Employment in the informal sector has been on upward trend in the last five years. The manufacturing sector accounted for 11.5 per cent of total employment in the formal sector with the total number of persons employed in the formal manufacturing sector raising by 1.9 per cent to 369.2 thousand in 2024. This increase was attributed to an 18.9 per cent rise in employment within EPZs, which grew to 89.9 thousand in 2024. Private sector employment in construction declined from 226.3 thousand employees in 2023 to 223.4 employees in 2024. On the contrary the public employment in the construction sector increased from 9.7 thousand employees in 2023 to 9.9 thousand employees in 2024.

### **3.3.7 Human Development Index**

The Human Development report 2025 Human Development Report examines what distinguishes this new era of AI from previous digital transformations and what those differences could mean for human development. This including how AI can enhance or subvert human agency and whether people are already interacting with AI in different ways at different stages of life, in effect scoping out possibilities good and bad and underscoring how context and choices can make all the difference. The HDI report of 2025 placed Kenya at Medium HDI of 0.628. 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 at 0.456.

**Table 3.2: Human Development Performance**

Category	Human Development Index	Inequality-Adjusted Human Development Index
Very High	0.914	0.821
High	0.777	0.640
Developing Countries	0.712	0.539
Medium	0.698	0.478
Kenya	0.628	0.456
Least Developing Countries	0.560	0.374
Low	0.515	0.336

*Source: UNDP Human Development Report 2025*

### 3.4 County Governments Fiscal Performance

The county Governments' revenue is expected to grow by 3.4 per cent to KSh 521.8 billion in 2024/25. This includes KSh 387.4 billion from the equitable share of revenue raised nationally, KSh 49.0 billion from conditional grants and KSh 7.4 million from unconditional grants. Counties also expect to raise KSh 85.4 billion in own source revenue. The County Governments' revenue by source in is expected to increase from KSh 504.4 billion in 2023/24 to KSh 521.8 billion in 2024/25. The increase is attributed to additional conditional grants from KSh 39.2 billion in 2023/24 to KSh 49.0 billion in 2024/25. Own source revenue is expected to increase from KSh 79.7 billion in 2023/24 to KSh 85.4 billion in 2024/25. Unconditional grant to county governments amounts to KSh 7.4 million in 2024/25. Additionally, KSh 4.9 billion is allocated in 2023/24 towards the Financing of Locally Led Climate Action (FLLoCA) to mitigate against climate change risks.

The total County Government Expenditure is expected to increase by 12.6 per cent to KSh 551.4 billion in 2024/25. Compensation of employees is expected to increase from KSh 193.9 billion to KSh 217.9 billion in 2024/25 while expenditure on subsidies is expected to more than double to KSh 683.1 million in 2024/24. Expenditure on use of goods and services is projected to increase by 11.1 per cent to KSh 108.8 billion in 2024/25 while expenditure on social benefits is expected to increase by 27.4 per cent to KSh 4.2 billion in 2024/25. Acquisition of non-financial assets is expected to expand by 33.2 per cent to KSh 123.7 billion in 2024/25 on account of projected increase in expenditure on the building and structures subcategory.

The County Governments' expenditure by functions of Government increases over the review period. The expenditure on General Public Services is expected to decrease by 7.9 per cent to KSh 178.6 billion in 2024/25. Expenditure on agriculture is projected to increase to KSh 30.6 billion in 2024/25 from KSh 22.0 billion in 2023/24. The expenditure on housing and community amenities is expected to increase by 34.8 per cent to KSh 61.2 billion. Expenditure on health is projected to increase by 16.8 per cent to KSh 123.7 billion in 2024/25. Similarly, expenditure on education is expected to increase by 28.2 per cent to KSh 44.7 billion in 2024/25.

### 3.5 Structural Reforms

#### 3.5.1 Tax Reforms

In the FY 2024/25, the Government of Kenya pursued major tax policy reforms aimed at broadening the tax base and enhancing compliance, improving equity, reducing tax expenditures, streamlining the tax structure to encourage domestic production, attract investment, and stimulate economic activity, and enhancing revenue mobilization in support of

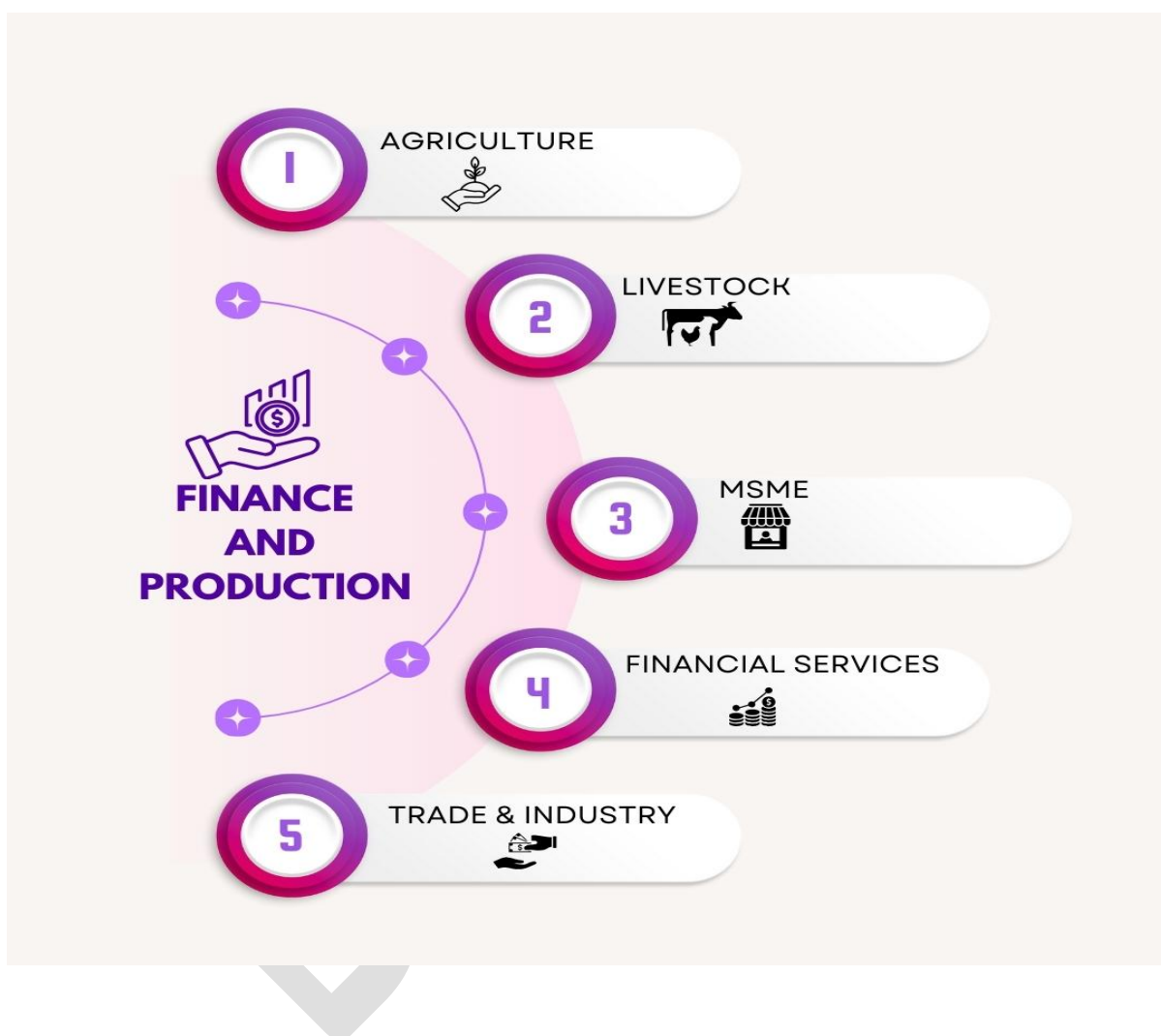
fiscal consolidation and economic growth. These reforms were anchored in the National Tax Policy and Medium-Term Revenue Strategy, and aligned with international best practices. To improve tax administration, the Government intensified its digitalization strategy, expanding the use of data analytics, e-invoicing, and third-party data integration to enhance compliance and reduce leakages, as well as launching the Kenya Revenue Authority (KRA) Digital Services Tax Hub, that improve taxpayer services and voluntary compliance for online businesses. To further broaden tax base and modernize revenue administration, the Government enacted three key legislative reforms in Kenya: The Tax Laws (Amendment) Act, 2024, the Tax Procedures (Amendment) Act, 2024, and the Business Laws (Amendment) Act, 2024.

### **3.5.2 Review of PFF Regulations**

The African Legal Support Facility (ALSF) is providing technical support in the review of the templates which are to form part of the schedules of the Regulations. Once done a notice is to be published in the daily newspaper informing members of the public on the Regulatory Impact Statement and the regulations and requesting for their comments on the Regulations.

### **3.5.3 Finalization of the Public-Private Partnership Framework:**

Towards revitalizing the Public Private Partnership framework, the following milestones have been achieved: Re-drafting of the PPP Rone set of regulations was done and the same was circulated for internal validation before sharing with the National Treasury, the other set of Regulations is yet to be received from the Office of the Attorney General.



## CHAPTER FOUR FINANCE AND PRODUCTION SECTOR

### 4.0. Overview

The finance and production sector comprises of the following sub-sectors: The National Treasury and Economic Planning; Agriculture and Livestock; Cooperatives and Micro, Small, and Medium Enterprises (MSMEs); Investment, Trade and Industry; and East African 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. The 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.

### 4.1. Agriculture Sub-Sector

Agriculture is the most important sub-sector in Kenya's economy, contributing significantly to GDP, employment, foreign exchange, raw materials for manufacturing, and environmental sustainability. In 2025, the sector grew by 4.4% to Ksh.1.705 billion, accounting for 22.5% of GDP. Under the Bottom-Up Economic Transformation Agenda (BETA), agriculture is a priority pillar focusing on food security, reducing imports, and boosting exports through key value chains. The sub-sector has prioritized tea, edible oils, rice, and cotton (textile and apparel) for implementation.

#### 4.1.1. Sub-sector Performance

1. **Edible oils value chain:** During the period, 556 MT of sunflower seeds, 23 MT of canola seeds, 13 MT of soya bean seeds and 13,000 coconut seedlings were procured and distributed to 111,200 farmers.
2. **E-Voucher Input System:** During the period under review, 6,476,680 (50 kg bags) i.e. 323,835MT of assorted fertilizers were distributed to support 1,295,339 farmers under the National Fertilizer Program (NFSP). The National Value Chain Support Project (NVCSP) did not receive funds and therefore other inputs (agrochemicals, seeds and lime) were not availed to farmers.
3. **Development of Agriculture Technology Innovation Centres:** During the period, 120 SMEs were incubated on fifteen technologies (sesame planter and winnower, motorized pulse (combined) thresher, rice mill thresher, motorized grain grader, mobile pyrethrum solar dryer, manual sunflower thresher, motorized cassava peeling and chipping machine, food mixer, Aflatoxin lab, Raspberry wine, Avocado oil, reversible plough for walking tractor, vegetable solar drier and improved beehive.
4. **Agro-Processing:** During the period, the State Department completed construction of Kibuline, Mundika, Mogosiek and Mbeu aggregation centers.





*Figure 3: Grain drying facility at Mundika aggregation centre*

5. **National value chain support for Rice Production:** The State Department distributed 2,000 litres of avicides for the control of Quelea birds and 3,150 MT basic seeds (cereals, potatoes and grain legumes) were produced.
6. **Agricultural Research:** 430 TIMPS were developed and disseminated by KALRO for farmers adoption.
7. **Coffee revitalization:** The state department availed a total of 584,710 coffee seedlings to farmers.
8. **Building Resilience in Food and Nutrition in the Horn of Africa (BREFONS):** Procurement process for construction of water pans, drilling of boreholes and construction of hay sheds is ongoing.
9. **Food Security Subsidy and Crop Diversification:** The total area under maize in 2024 decreased to 2,552,931 ha from 2,414,736 ha in 2023 due to erratic short rains that hindered the expansion of the area under production. Rice production increased from 244,058 MT in 2024 to 290,447 MT in 2025 due to the expansion of acreage from 25,598 ha to 52,448 ha.



*Maize Production in Galana Kulalu*



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

**Table 4.1: Agriculture output implementation status for FY 2024/25**

Priority Project	Output	Indicator	Annual Target 2024/25	Annual Achievement FY2024/25	Remarks on Variance
Rice value chain	Rice seeds availed to farmers	Quantity of rice seeds availed to farmers (MT)	1,000	0	Target not achieved. Funds were not available for the distribution of seeds.
	Basic seed availed to farmers	Quantity of basic seeds produced (MT)	6,001	3,150	Target not achieved. The production is demand driven.
	Volume of avicides availed to farmers	Volume of avicides availed to farmers (litres)	5,000	2,000	Target not achieved. Funds were not insufficient.
	Basic seed produced for irrigated and rain fed lands	Quantity of seed produced and distributed for irrigated lands (MT)	3	0	Target not achieved. The target is demand driven
		Quantity of seed produced and distributed for rain fed land (MT)	3	0	
Tea value chain	Speciality teas diversified	No. of speciality teas diversified	3	8	Target achieved
		No. of farmers trained on speciality teas production and value addition	50	67	Target achieved
	Tea research development plant	% completion of the tea research development plant	79	0	Target not achieved. Funds were not allocated for FY 2024/25
Edible oils value chain	Farmers to access 300MT of certified oil (canola, coconut and soya beans) seeds and seedlings	No. of farmers supported	3,000	111,200	Target surpassed. The demand for the seeds was high. 23 MT of canola seeds and 13 MT soya bean seeds were procured and distributed to farmers
	Palm oil seedlings produced	No. of oil palm seedlings produced	500,000	40,000	Target not achieved. The achievement is demand driven
	Sunflower seeds availed to farmers	Quantity of sunflower seeds availed to farmers (MT)	1,200	556	Target not achieved. The funds available were insufficient,
Textile and apparels value chain	Certified cotton seeds (BT cotton & hybrid) distributed	Quantity of certified cotton seed distributed (MT)	200	0	Target not achieved. Funds were not allocated in the FY2024/25.

	BT cotton distributed for 200,000 acres in 24 Counties	No. of acres under BT cotton	80,000	0	The achievement is aggregated under the e-voucher project.  Target not achieved. The target was scheduled for FY 2025/26.
	Farmers supplied with subsidized fertilizer	No. of cotton farmers	10,000	0	
	Modern ginneries established	No. of modern ginneries established (Homabay, Siaya and Meru)	1	0	
Food Security subsidy and Crop Diversification	Land under crop production (maize, potatoes, rice)	Area under Maize production (Ha)	2,198,603	2,407,245	Target achieved
		Area under potatoes production (Ha)	214,650	225,976	Target achieved
		Area under rice production (Ha)	25,598	52,448	Target achieved
	Subsidized fertilizer distributed	Quantity of fertilizer distributed (MT)	282,700	0	The achievement is aggregated under the e-voucher project.
	Drought tolerant crop seeds distributed	Quantity of drought tolerant crop seeds distributed (MT)	300	0	Target not achieved. The seeds were not distributed due to budget cuts
Agricultural insurance	Farmers provided with subsidized crop insurance products	No. of farmers insured	650,000	0	Target not achieved. Funds were not allocated in the FY 2024/25
E-Voucher Input System	Farmers accessing assorted quality farm inputs	No. of farmers accessing farm inputs	1,149,235	1,295,339	Target achieved
	Quantity of fertilizer distributed	Quantity of fertilizer distributed (MT)	31,600	323,835	Target surpassed This is due to increased budget allocation.
	Certified seeds accessed by farmers	Quantity of certified seeds accessed by farmers (MT)	400	0	Target not achieved. Funds not available
	Quantity of agricultural lime distributed	Quantity of agricultural lime distributed (MT)	3025	0	
Agro-Processing	Agrochemicals accessed by farmers	Litres of agrochemicals	39,432	0	Target not achieved. Funds not available.
	Aggregation centers established	No. of aggregation centres established	10	4	Target not achieved Kibuline, Mundika, Mogosiek and Mbeu aggregation centres completed as per the available funds.

Coffee Revitalization	Seedlings provided to farmers	No. of seedlings provided to farmers	12,000	584,710	Target surpassed. This was due to the increased support of the Presidential Directive on planting and growing 15 billion trees by 2030
National Wheat Promotion programme	Wheat seeds availed	Quantity of wheat seeds availed (MT)	550,000	0	Target not achieved. The programme was not conceptualized
	Wheat flour blends formulated	No. of wheat flour blends formulated (MT)	4	0	
	Fertilizer availed	Quantity of fertilizer availed (MT)	500,000	0	
Strengthening Agricultural Mechanization	Pilot Mechanization hubs established	No. of pilot mechanization hubs established	1	0	Target not achieved. Funds were not allocated in the FY 2024/25
Development of Agriculture Technology Innovation Centres	Incubation facilities at constructed and equipped ATDCs	No. of incubation facilities constructed and equipped	1	1	Target achieved. Construction of Homabay ATDC is completed
	Agricultural Mechanization Technologies acquired, fabricated and tested	No. of technologies acquired, fabricated and tested	10	24	Target achieved
	SMEs incubated	No. of SMEs incubated	100	140	Target achieved
Pest and Disease Management	FAW pesticides availed	Volume of pesticides availed (Litres)	105,000	0	Target not achieved. Funds not allocated in the FY 2024/25
	Aflasafe availed	Quantity of Aflasafe availed (MT)	10	0	Target not achieved. Funds were not allocated in the FY 2024/25
	Pesticides Residue laboratories completed and equipped	% of completion	100	0	Target not achieved. Funds not allocated in the FY 2024/25
Agriculture Research	Crop TIMPs (e.g. varieties, seeds, seedlings) developed	No. of crops TIMPS Developed	50	430	Target surpassed. This was due collaboration between KALRO and NAVCDP
	Crops research facilities improved	No. of crops research facilities improved	10	0	Target not achieved. Funds were not allocated for the construction of Tea research factory at Kericho

Building Resilience in Food and Nutrition Security in the Horn of Africa (BREFONS)	Area Under Irrigation	Area Under Irrigation (Ha)	300	0	Target not achieved. Procurement process ongoing
	Boreholes drilled	No. of boreholes drilled	10	0	
	Water pans constructed	No. of water pans	10	0	
	Hay Sheds	No. of Hay Sheds	13	0	

Source: State Department for Agriculture Departmental Reports FY 2023/24

#### b) MTP IV outcome achievements for FY 2024/2025

Table 4.2: Agriculture Subsector Outcome Results FY 2024/2025

MTP IV Outcome	Outcome Indicator	Baseline Value 2023/24	Target FY2024/5	Actual Achievement	Remarks on Achievement Variance
Increased crop contribution to GDP	Share of crops contribution to GDP	15.2	17.3	15.3	The contribution of crops to the GDP increased from 15.2% in 2023/24 to 15.3%
Increased maize production and productivity	Quantity of maize produced annually (90 kg bags (millions))	47.6	41.0	44.7	Quantity of maize reduced by 6.1% from 47.6 million bags to 44.7 million bags
	Quantity of maize produced per acre (bags per acre)	19	17.5	7.5	Target not achieved. Production in the Eastern and Coastal regions was low in both the long rains and short rains seasons
Increased Rice Production	Quantity of rice produced annually (MT)	244,058	280,000	290,447	Target achieved. This is due to expansion of the acreage
Enhanced Irish potato production	Quantity of Irish potato produced annually	2,309,900	2,800,000	2,200,000	Target Not Achieved. This is due the decrease in the area under potato production from 239,325 ha to 225,976 ha.
Increased production of edible oils	Quantity of edible oils produced (Sesame, Canola, Sunflower, Castor Bean, Oil Palm (MT)	28,852	200,000		Data not available
Increased coffee production	Quantity of clean coffee produced (MT)	48,700	90,000	49,500	Target not Achieved. The increase is attributed to favorable weather conditions in the coffee growing areas and improved coffee management practices
Increased tea production	Quantity of tea produced(MT)	619,920	580,000	598,500	Target Achieved. due to favorable weather conditions with above-average rainfall and increased application of fertilizer in 2024

MTP IV Outcome	Outcome Indicator	Baseline Value 2023/24	Target FY2024/5	Actual Achievement	Remarks on Achievement Variance
Increased cotton production	Quantity of cotton produced (MT)	3,762	50,000	3,863	Target not Achieved. The total quantity of seed cotton increased to 3,863 MT in 2024 from 3,762 MT recorded in 2023. The increase in production was as a result of efforts made by the government to revitalize the cotton industry
Reduced post-harvest losses of maize	Percentage change in post-harvest losses of maize	25	17	21	Target Achieved. There was a significant reduction in the post-harvest losses due to distribution of mobile driers

*Source: State Department for Agriculture Departmental Reports, Economic Survey of 2024*

**Increased crop contribution to GDP:** The contribution of crops to the GDP increased from 15.2 % in 2023/24 to 15.3 % in 2024/25.

**Increased maize production and productivity:** The quantity of maize reduced by 6.1 percent from 47.6 million bags in 2023/24 to 44.7 million bags 2024/25. This is because production in the Eastern and Coastal regions was low in both the long rains and short rains seasons.

**Increased Rice Production:** Rice production increased from 244,058 MT in 2024 to 290,447 MT in 2025 due to the expansion of acreage from 25,598 ha to 52,448 ha.

#### 4.1.2. Policy, legal and institutional reforms

##### Finalized Policies

- i. Food Safety Policy 2024
- ii. National Coffee Industry Policy 2024
- iii. Sugar Industry Revitalization Policy 2024

##### Draft Policies

- i. Sustainable agri-financing and Subsidy Management
- ii. Amendments to Crops Act of 2013

##### Finalized Bills;

- i. Pest Control Products Bill 2024
- ii. Plant Protection Bill 2024

##### 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

### **Drafted Regulations**

- i. Crops (Pyrethrum) Regulations
- ii. Seeds and Plant Varieties (Vegetative Propagation Material) Regulations
- iii. Seeds and Plant Varieties (Forest Tress Seed) Regulations
- iv. Seeds and Plant Varieties (Conservation, Access and Benefits Sharing for Plant Genetic Resources for Food and Agriculture) Regulations

### **4.1.3. Challenges, Lessons Learnt, Recommendation**

#### **a) Challenges**

- i. Weak enforcement of policies, legal and regulatory frameworks
- ii. Delays in piloting and testing data governance framework hence the ministry is yet to start sharing farmers registration data with counties.
- iii. Funding constraints restricted the state department from holding all consultative meetings and affected agriculture research institutions to the achieve their goals, sensitization of County Government on policies and strategies, Agricultural insurance programme and the national wheat promotion program.
- iv. Kenya Integrated Agriculture Management Information System (KIAMIS) institutionalization within the Ministry structure and counties not yet completed.
- v. 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.

#### **b) Lessons Learnt**

- i. A multi-stakeholder and multi-agency approach is vital for enforcing agricultural policies and controlling cross-border pests and diseases.
- ii. Strong monitoring and evaluation ensures efficient resource use and timely decision-making.
- iii. Collaboration between national and county governments on data generation and utilization is key for effective implementation.
- iv. Value chain suitability maps improve crop productivity and profitability.
- v. Incentivizing medium and large-scale farming and investing in agro-processing hubs helps bridge food deficits and create markets.

#### **c) Recommendations**

- i. Funding of crop insurance and facilitation of yield loss estimates for farmers' compensation.
- ii. Fast-tracking the institutionalization of the Kenya Integrated Agriculture Management Information System (KIAMIS) within the Ministry structure to ensure complete ownership of KIAMIS.
- iii. Enhance extension services; including E-extension
- iv. Improve postharvest loss management
- v. Implementation of the Soil Health Management for Land Productivity & Access to

Renewable Energy project is being guided by the recommendations made in the feasibility study

- vi. Promote the adoption of science & superior genetic and technologies in crop production and enhance pest surveillance and response program.
- vii. Provide adequate budgetary allocation for the target programmes to enable timely achievement of the Food Nutrition Security pillar.

## **4.2. Livestock Sub-Sector**

During the Financial Year 2024/25, the Livestock Sub-Sector implemented the Livestock Resources Management and Development Programme which has five (5) key priority areas namely; Livestock Policy Development and Capacity Building; Livestock Production and Management; Livestock Products Value Addition and Marketing; Food Safety and Animal Products Development; and Livestock Diseases Management and Control. The key Bottom-Up Economic Transformation Agenda (BETA) priority value chains in the livestock sub-sector are dairy, leather and meat. The State Department is focusing on four key enablers to support the realization of the identified targets in each of these value chains. The enablers are policy and institutional frameworks; adequate and quality feed for livestock; quality breeds; and livestock disease control.

### **4.2.1. Sub-sector performance**

1. **Leather and Leather Products Value Chain:** The plan to establish hides and skins aggregation and collection centres was not implemented due to budget cuts. There were also no funds provided for establishment of leather aggregation centres in Narok, Laikipia, Marsabit and Garissa; completion of Bachuma Livestock Export Zone and Biosafety Level 3; construction of Lamu LEZ and Leather Science Institute; and refurbishment of Regional Veterinary Laboratories. There were no funds allocated for upgrading of facilities at the Animal Health Industry Training Institutes. There was however increased demand for the courses resulting in surpassing of the number of trainees graduating with certificate and diploma qualifications with 1,168 students graduating against a target of 1,070 surpassing by 9 percent. In addition, there was high demand for short courses which support the livestock value chains with 824 stakeholders attending the courses against the target of 670. A total of three (3) model feedlots were constructed in Chemogoch in Baringo, Kiburu in Meru and Hadado in Wajir County and completed in FY 2024/25.

2. **Dairy Value Chain:** A total of 230 milk coolers were procured during the financial year 2024/25 and shipment of the same commenced. A total of 72 milk coolers were shipped into the country of which 6 had been delivered and installed by June 30, 2025. The remaining 158 milk coolers are projected to be in the Country by mid-August 2025. The volume of milk processed between July 2024 and June 2025 was 987.4 million litres surpassing the target of 825 million litres by 162.4 million (19.7 percent) due to favourable weather, enhanced compliance with dairy regulations and investments in milk collection and processing. Targets relating to animal genetics were affected by breakdown in the liquid nitrogen plants in Kirinyaga and Kabete, breakdown of the semen filling machine and delay in delivery of imported straw printing ink.



*Official flagging of Bulk Milk coolers by the President H.E William Ruto in Meru County on 21<sup>st</sup> June 2025.*

3. **De-Risking, Inclusion and Value Enhancements of Pastoral Economies (DRIVE):** The target of insuring 200,000 Tropical Livestock Units (TLUs) was surpassed by 206,023 (103 percent) due to poor performance of the short rains in 2024. By January 2025 most of the ASAL counties were experiencing drought conditions thus, as a drought risk mitigation measure there was an increase in the number of livestock insured under Index-Based Livestock Insurance (IBLI) surpassing the yearly targets for TLUs insured and the pastoralists accessing financial services. The project enhanced implementation of the market linkage strategy linking livestock production groups to markets and financial institutions thus surpassed the target of 300 pastoralists groups linked to markets and savings institutions with an achievement of 403 groups against the annual target of 300. Budget cuts however affected the target of amount of private capital mobilized through the facility to de-risk private investment, adversely affecting Kenya Development Corporation (KDC) capacity to fund private investors thus there was a challenge in meeting the yearly target. However, KDC disbursed Ksh 546,246,710 to 21 private investors who mobilized Ksh 711,406,273 private investments against a target of Ksh 800 million.
4. **Livestock Genetic Improvement:** The target on production of semen was not achieved due to breakdown of semen filling machine resulting in 633,651 doses produced against the target of 2.2 million. Spare parts were ordered; however, due to the machine's age, the parts were not readily available and needed to be produced upon order. The semen sexing



facility is yet to be established. Imported semen was therefore sourced and distributed to farmers (9,728 doses) at a subsidized price as a mitigation measure to implement the Presidential directive. The liquid nitrogen produced was 231,144 Litres against a target of 350,000 Litres (66 percent). The target was not achieved due to breakdown of Kabete and Kirinyaga plants.

5. **Large Scale Commercialization of Livestock Feeds Production and Conservation:** Production of feeds under the land commercialization initiative (LCI) was yet to be operationalized thus the targets were not achieved.
6. **Kenya Livestock Commercialization Project (KeLCoP):** The project reached 83,963 beneficiary households with 377,834 individual members representing 76.3 percent of the target of 110,000 households by 2027. The variance was attributed to on-boarding of beneficiaries so that they could access the projects interventions within reasonable time before project closure. A total of 495,000 household members are targeted to benefit from the project by 2027. The project supported a total of 72 feed production farmer groups to produce pasture and fodder during the year under review.
7. **Livestock Disease Management:** Budget cuts affected completion of most of the planned activities. However, Foot and Mouth Disease (FMD) and Peste des Petits Ruminants (PPR) vaccinations were launched and carried out in a few counties including Laikipia, Wajir, Garissa, West Pokot, Uasin Gishu and Elgeyo Marakwet where 574,000 FMD and 3,125,000 PPR vaccines were administered.
8. **Towards Ending Drought Emergencies in Kenya (TWEENDE):** The target of area of rangeland restored or protected was surpassed by 1,734 hectares (1.7 percent). This was attributed to the adoption of advanced restoration techniques such as innovative soil management practices and use of bunds. Adequate rainfall and timely procurement of grass seeds and tree seedlings were the enabling factors. Better involvement of schools and community groups also enhanced this achievement.
9. **Livestock Identification and Traceability System (LITS):** The system was at piloting stage and is yet to be rolled out thus the non-achievement of target for operationalization and registration of animals for traceability. The process is awaiting server installation.
10. **Food Safety and Quality Assurance:** Export facilities dealing with foods of animal origin were inspected for compliance by the Directorate of Veterinary Services and those that met the requirements were licensed. Facilities handling foods of animal origin for local consumption were inspected by counties.

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

**Table 4.3: Livestock output implementation status for FY 2024/25**

Priority Project	Output	Indicator	Annual Target FY2024/25	Actual achievement FY2024/25	Remarks on Achievement Variance
Leather and Leather Products Value Chain	Collection centres established	No. of collection centres	6	0	Target not achieved. Project not funded in the financial

Priority Project	Output	Indicator	Annual Target FY2024/25	Actual achievement FY2024/25	Remarks on Achievement Variance
					year under review.
	Hides and skins delivered to tanneries	Quantity of hides delivered to tanneries (MT)	1,500	395.2	Target not achieved. Production was stopped to facilitate the expansion of the tannery.
		Quantity of skins delivered to tanneries (MT)	12,000	0	
	Feed production farmer groups supported	No. of farmer groups supported	30	115	Target surpassed due to support from KELCOP and TWENDE projects
	Subsidized animal feeds provided to farmers	Quantity of subsidized animal feeds provided to farmers (MT)	2,000	0	Target not achieved. No funding.
	Feedlots and feed production zones established	No. of zones established	-	3	3 model feedlots were completed during the reporting period.
	Leather aggregation centres established in Narok, Laikipia, Marsabit, and Garissa counties (collection and preservation)	No. of aggregation centres established	1	0	Target not achieved. No budgetary allocation in FY 2024/25
	Bachuma Livestock Export Zone (LEZ) completed	% of completion	65	0	Target not achieved. Affected by budget cuts
	Lamu LEZ constructed and operationalized	% of completion	20	0	Target not achieved. Affected by budget cuts
	Biosafety Level 3 (BSL 3) Lab completed in Kabete	% of completion	75	0	Target not achieved. Affected by budget cuts
	Regional Veterinary Laboratories refurbished	No. of Regional Veterinary Laboratories refurbished	8	0	Target not achieved. No budgetary allocation in FY 2024/25
	Leather Science Institute established at Ngong	% of completion	60	0	Target not achieved. No funds allocated
	Livestock Industry Training	No. of institutions upgraded	9	0	Target not achieved. No budgetary

Priority Project	Output	Indicator	Annual Target FY2024/25	Actual achievement FY2024/25	Remarks on Achievement Variance
	Institutes (AHITIs)				allocation in FY 2024/25
		No. of trainees graduated	1,070	1,168	Target surpassed. There was high demand for the courses
	Livestock Training Institute at Mogotio established	% of completion	50	10	Target not achieved due to inadequate budgetary provision
	Livestock feed production improved	Quantity of livestock pasture feeds produced (Million MT)	4.1	0	Target not achieved. No funds allocated in FY 2024/25 for large scale production. Through support from KELCOP farmers were assisted to produce 1,400 acres and 80,000 bales.
	Livestock insurance programme	No. of livestock saved/ insured (TLU)	125,000	406,023	Target achieved. The performance of the short rains 2024 was poor and by January 2025 most of the ASAL counties were experiencing drought conditions thus an increase in the number of livestock insured
	Tanneries and Common Effluent Treatment (CET) plants established in Eldoret, Isiolo and Mombasa	No. of Common Effluent Treatment (CET) plants established	1	0	Target not achieved. No funds allocated for the establishment
	Common manufacturing facilities constructed	No. of manufacturing facilities constructed	1	0	Target not achieved. No funds allocated for the construction
Dairy Chain Value	Animal genetics (AI) services and research established	No. of doses of dairy goat semen produced and distributed	110,000	23,452	Target wasn't achieved due to delay in delivery of imported straw printing ink.
		No. of doses of bull semen	1,500,000	633,651	Target was not achieved due to

Priority Project	Output	Indicator	Annual Target FY2024/25	Actual achievement FY2024/25	Remarks on Achievement Variance
		produced and availed to dairy farmers			breakdown mx4 semen processing machine
		No. of doses of sexed semen produced and availed to dairy farmers	500,000	9,728	Target not achieved. Semen sexing machine not procured due to cuts on development budget. Importation of sexed semen was done as a mitigation measure to implement Presidential directive
		No. of embryo transfer undertaken	10,000	0	Target not achieved. Construction of the embryo transfer laboratory is ongoing. Delay was occasioned by cuts in development budget
	Processed camel milk	Quantity of camel milk processed (million litres)	143	-	Camel milk processing factory, collection and cooling centres are to be established by the State Department for ASALs and Regional Development
	Milk coolers installed	No. of coolers installed	220	6	Target achieved on procurement of 230 milk coolers during the reporting period.
	Amount of milk processed	Volume of milk processed (Million Litres)	825	987.4	Target surpassed by 162 million litres. This was attributed to the favourable rainfall distribution across all counties. Milk processors and dairy

Priority Project	Output	Indicator	Annual Target FY2024/25	Actual achievement FY2024/25	Remarks on Achievement Variance
					cooperatives continued to invest in milk collection and processing.
	Safe, affordable and efficacious livestock vaccines produced	No. of vaccines doses produced (Millions)	42	38.3	Target not achieved. Variance due to renovations of laboratory that affected production.
De-Risking, Inclusion and Value Enhancements of Pastoral Economies (DRIVE)	Tropical Livestock Units (TLUs) in 8 ASAL Counties Insured	No. of TLUs insured	200,000	406,023	Target surpassed. Poor short rains in 2024 resulted in drought conditions in ASAL counties thus, an increase in the number of livestock insured to mitigate loss
	Pastoralists groups and pastoralists supported under the DRIVE project	No. of pastoralists accessing financial services	160,000	757,722	Target surpassed. Poor short rains in 2024 and drought conditions prompted increased uptake of livestock insurance and financial services by the pastoralists.
		No. of pastoralists groups linked to markets and savings institutions	300	403	Target achieved. Achievement due to implementation of market linkage strategy linking livestock productive groups to livestock markets and financial institutions for access to finance
		Amount of Private Capital Mobilized through the facility to de-risk private investment (Millions)	800	711.4	Target not achieved. Variance due to budget cuts which affected Kenya Development Corporation (KDC) capacity to fund private investors thus

Priority Project	Output	Indicator	Annual Target FY2024/25	Actual achievement FY2024/25	Remarks on Achievement Variance
					challenge in meeting the yearly target.
Livestock Genetic Improvement	Doses of semen produced and distributed	No. of doses of semen produced and distributed	2,200,000	633,651	Target was not achieved due to breakdown mx4 semen processing machine
	Liquid nitrogen produced	Litres of liquid nitrogen produced and distributed	350,000	231,144	Target not achieved due to breakdown of liquid nitrogen plants
	Doses of goat semen produced and distributed	No. of goat semen doses produced and distributed	75,000	23,452	Target not achieved due to delay in delivery of imported straw printing ink.
	Sexed semen produced and distributed to dairy farmers	No. of doses of sexed semen produced and distributed	350,000	9,728	Target not achieved. Semen sexing machine not procured due to cuts on development budget. Importation of sexed semen was done as a mitigation measure to implement Presidential directive
	Livestock genetic conservation centres modernised	No. of livestock genetic conservation centres	3	3	Target achieved. Three stations – Marindas, Kimose and Naivasha sank boreholes and established paddocks through support from KELCOP
	Veterinary pharmaceutical efficacy trial	No. of veterinary pharmaceutical efficacy trial centres modernized	1	0	Target not achieved due to unavailability of funds
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	-	Target not achieved. Production of feeds under the land
	TLUs provided with livestock feeds	No. of TLUs provided with livestock feeds	200,000	-	commercialization initiative (LCI) is yet to be

Priority Project	Output	Indicator	Annual Target FY2024/25	Actual achievement FY2024/25	Remarks on Achievement Variance
					operationalized. Through support from KELCOP farmers were assisted to produce 1,400 acres and 80,000 bales.
Kenya Livestock Commercialization Project (KeLCoP)	Households empowered to participate in livestock commercialization	No. of households empowered	33,000	83,963	Target surpassed. Outreach was fast-tracked to enable beneficiaries to access project interventions.
Livestock Disease Management	KEVEVAPI modernized	% of modernization	50	0	Target not achieved due to lack of funding
	Vaccine doses produced annually	No. of vaccine doses produced annually (million)	40	38.3	Variance due to renovations of laboratory that affected production.
	Veterinary investigation laboratories equipped	No. of Veterinary laboratories equipped	2	8	Target surpassed. Laboratories (microbiology sections) carrying out AMR surveillance were renovated by Fleming Fund Grant
	Tsetse control belts covered	No. of Tsetse control belts covered	6	7	Target achieved. Targeted areas in the 7 belts were covered
	Surveillance conducted	No. of surveillances conducted	4	8	Target surpassed. There was intensified surveillance due to disease outbreak.
	Vaccines administered	No. of vaccines administered (million doses)	40	38.3	Target not achieved.
	PPR and FMD incidences reduced	% reduction in PPR and FMD incidences	10	1	Target not achieved. Counties are at various vaccination level coverage on FMD and PPR. The new cooperative model involving private veterinarians is

Priority Project	Output	Indicator	Annual Target FY2024/25	Actual achievement FY2024/25	Remarks on Achievement Variance
					expected to increase the vaccination rates
Towards Ending Drought Emergencies in Kenya (TWEENDE)	Rangelands protected	Area of rangeland restored or protected (HA)	100,000	101,734	Target surpassed by 1,734 hectares (1.7%). Achievement attributed to adoption of advanced restoration techniques adequate rainfall, timely procurement of grass seeds and tree seedlings and better involvement of schools and community groups.
	Households benefitting from the project	No. of households benefitting	21,000	24,490	Target surpassed. Strong community involvement, effective communication and upscaling of activities in all the 39 wards led to the favourable results.
Livestock Identification and Traceability System Project (LITS)	LITS operationalized in 47 Counties	% of Operationalization	100	5	Target not achieved. The system was piloted awaiting server installation.
		No. of animal registered for traceability	1,000,000	84	Target not achieved. System was at piloting stage. 84 animals tagged during the pilot.
Food Safety and Quality Assurance	Compliance with safety and quality of food of animal origin	% of compliance	100	100	Target achieved. Inspections at all animal-source food producing facilities carried out. Only facilities that met the requirements were licensed



Priority Project	Output	Indicator	Annual Target FY2024/25	Actual achievement FY2024/25	Remarks on Achievement Variance
Honey processing plants	Honey processing plants established	No. of honey processing plants completed	1	1	Target achieved. Honey processing plant established but not automated due to lack of funds
Agro-processing	Fruit and vegetable processing plants constructed	No. of processing plants constructed	4	1	Mango processing plant established and operational
Accelerated Range land development	Rangeland ecosystem infrastructure developed (trees, bamboo, water pans, boreholes and dams)	No. of Infrastructure developed	55	70	Target not achieved
	Social and cultural integration of communities	No. of communities integrated	9	6	Target not achieved. Samburu and Laikipia communities

Sources: State Department for Livestock Development reports, KDB, KAGRC, KEVEVAPI, projects reports FY 2023/24

#### b) MTPIV outcome achievements for FY 2024/25

**Table 4.4: Livestock outcome implementation status for FY 2024/2025**

MTP IV Outcome	MTP IV Outcome Indicator	Baseline FY 2023/24	Outcome Target FY 2024/25	Actual Achievement FY 2024/25	Remarks on Achievement Variance
Increased livestock production	Share of livestock contribution to GDP (%)	3.8	4.00	4.2	Target achieved. There was favourable weather that supported livestock production as well as increased value of marketed livestock and livestock products.
	Average milk yield per cow day (Litres)	3.77	4.5	4.5	The target was achieved.
	Amount of milk produced (Million litres)	4,568.6	5,821	5,334.8	Target not achieved. High cost of commercial feeds contributed to lower production than the target.
	Percentage change in post-harvest losses in milk (%)	5.0	5.0	1.0	Target not achieved. There was a delay in the procurement and installation of bulk milk coolers.

MTP IV Outcome	MTP IV Outcome Indicator	Baseline FY 2023/24	Outcome Target FY 2024/25	Actual Achievement FY 2024/25	Remarks on Achievement Variance
	Quantity of leather produced (MT)	8152	10,800	missing	
	Jobs created in the leather value chain	1,303	50,000	35,830	The Kenya Leather Industrial Park is yet to be operationalized thus the low number of jobs
	Average carcass weight per cow (Kgs)	127	130	125	Target not achieved. The outcomes of breeding technologies are yet to be realized.
	Amount of meat produced (MT) ('000')	870	789	555	Target not achieved. Breeding, feeding and other interventions are yet to realize the desired goals.
	Amount of honey produced (MT) ('000')	21.754	30	19.5	Target not achieved due to lack of funding for interventions in the apiculture value chain coupled with other factors such as climate change, use of pesticides, emerging bee diseases and environmental issues affecting bee population and habitats.

Source: KNBS Economic Survey 2025, Departmental reports FY 2023/24

**Increased livestock production:** The share of livestock contribution to GDP increased from 3.8 percent in 2023/24 to 4.2 percent in 2024/25. This was mainly due to favorable weather conditions that supported livestock production and increased value of marketed livestock and livestock products. The amount of milk produced increased from 4,568.6 Million litres in 2023/24 to 5,334.8 Million litres in 2024/25 despite the fact that the target was not met. The Jobs created in the leather value chain increased from 1303 in 2023/24 to 35,830 in 2024/25. The quantity of meat produced decreased from 870,000 MT IN 2023/24 to 555,000MT in 2024/25.

#### 4.2.2. Policy, legal and institutional reforms

##### Policies

- i. The Kenya Leather Development Policy was completed and launched in December 2024.

##### Bills

- ii. **Livestock Bill:** The Bill is in Parliament. There was further consultation with stakeholders to address concerns raised after the initial submission.
- iii. **Animal Health Bill:** The final draft was submitted to the Attorney General (AG) to process in readiness for Cabinet consideration.

##### Institutional Reforms

- i. Establishment of a Livestock Training Institute at Mogotio, Baringo commenced. The construction was at 10% completion level.

### 4.2.3. Challenges, Lessons Learnt and Recommendations

#### a) Challenges

- i. **Inadequate Budgetary Allocation:** The implementation of key projects has been hampered by limited budgetary allocations, austerity measures, and complex procurement requirements.
- ii. **Weak Collaboration Between National and County Governments:** The lack of strong collaboration, particularly in the sharing and use of data for decision-making, has affected effective implementation of programmes.
- iii. **High Cost of Livestock Inputs:** The cost of inputs, particularly commercial livestock feeds, remains high, limiting productivity.
- iv. **Low Production and Productivity:** Livestock production is constrained by limited access to improved breeds, low uptake of technology, and inadequate disease control.
- v. **Impacts of Climate Change:** Extreme and unpredictable weather patterns continue to negatively impact livestock productivity.
- vi. **Inadequate Markets and Marketing Infrastructure:** Limited access to markets and poor marketing infrastructure impede commercialization efforts in the sector.
- vii. **Lengthy Policy Formulation Timelines and Budget Constraints:** Slow progress in policy development, compounded by inadequate funding, hinders timely policy implementation.
- viii. **Shortage of Trainers and Training Facilities:** Despite high demand for livestock-related courses, there is a shortage of lecturers and adequate training infrastructure.
- ix. **Limited Adoption of Technology:** The sector continues to lag in digital innovation and application of technology in service delivery.
- x. **Inadequate Human Resources:** Staff shortages at various operational levels negatively impact the implementation of programmes and projects.

#### b) Lessons Learnt

- i. A collaborative framework among national, county governments, and stakeholders is vital for livestock productivity and project success.
- ii. Cost-sharing with beneficiaries enhances implementation, ownership, and sustainability.
- iii. Joint monitoring and evaluation improves resource utilization, results delivery, and information sharing.

#### c) Recommendations

- i. There is need to ensure adequate budgetary allocation for targeted programmes, policy formulation and broad stakeholder engagement. Additionally, the government should consider alternative financing mechanisms such as Public-Private Partnerships (PPPs) to bridge the resource gap.
- ii. Strengthen linkages and partnerships among stakeholders, especially between the National and County Governments, to enhance sustainable food security and efficient service delivery.
- iii. Reduce or eliminate taxes and duties on livestock value chain inputs to make them more

- affordable for farmers.
- iv. There is a need to encourage investment in livestock research and dissemination of findings, promote adoption of improved breeds and superior technologies, and strengthen disease and pest surveillance and response systems.
  - v. Promote and adopt climate-smart technologies to mitigate the adverse effects of climate change and other emerging threats.
  - vi. Collaborate with County Governments to address infrastructure gaps and provide incentives for investment in agro-processing hubs to boost value addition.
  - vii. Modernize and equip Livestock Training Institutes to enhance skills development in areas such as food security, value addition, and commercialization.
  - viii. Increase the use of ICT tools such as e-extension platforms, digital subsidies, food balance sheet systems, and early warning systems to improve service delivery and responsiveness.
  - ix. Fill staffing gaps across all relevant departments to ensure adequate human capacity for effective service delivery.

### 4.3. Investment Promotion Sub- Sector

Investment promotion in Kenya is a strategic priority for the government, aimed at attracting both domestic and foreign investments to spur economic growth, create jobs, and enhance the country's global competitiveness. The government has established several institutions, policies, and legal frameworks to facilitate investment promotion and create a conducive environment for investors. Its specific intent is to increase the level of private investments from the current GDP level of 15 percent to 20 percent of GDP by 2027 (investments valued at USD 10B) and by 24 percent of GDP by 2030.

#### 4.3.1. Sub-sector performance

1. **Textile and Apparel Value Chain:** The Authority has engaged a consultant to undertake feasibility study and detailed design for the construction the railway siding. Currently, the feasibility, design and documentation part of the project is complete.
2. **Business and Investment climate Improvement:** For Harmonized County licenses and Permits, sensitization of key stakeholders and select County Executive Committee Members was carried out, and feedback from Counties received. The draft County licensing (Uniform procedures) regulations 2025 have been developed, gazetted and forwarded to parliament; A draft County competitive index has been developed; 10 reforms have been addressed in the Business Amendment Laws 2024.
3. **Investment attraction, Retention, facilitation and Enablement:** Many investors have interest in setting up in Kenya which is why the target for developed bankable projects was surpassed to cater for this huge number of potential investors. Development of Common Effluent Treatment Plant: Civil and Structural works are complete, mechanical works are complete and electrical installation works are complete. Investments de-risked target was surpassed because of the SAFER (Supporting Access to Finance and Enterprise Recovery) program which is an initiative launched to catalyze financial access and support enterprise

recovery following the economic shocks of the COVID-19 pandemic. There is also the DRIVE project being implemented by KDC. The project aim is to support climate-smart, community driven development across the entire livestock value chain. Both projects are being supported by World Bank. The flagship project in Kabati, Murang'a is at 55 percent, Uasin Gishu EPZ flagship is at 70 percent , Busia County EPZ flagship is at 72 percent and Kirinyaga County flagship project is at 55 percent.



*Construction of an industrial shed in the Flagship EPZ in Busia County*

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

**Table 4.5: Investment promotion output implementation status for FY2024/25**

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY2024/25	Remarks on achievements or variance
Textile and Apparels Value Chain	Large industrial sheds constructed	No. of industrial sheds	2	4	Target achieved
	Railway sliding and related infrastructure at EPZ Athi River developed	No. of railway sliding and related infrastructure	3	3	This target needs to be changed to percentage of completion which is at 3%.
Business and Investment climate Improvement	Harmonized County Licenses and Permits	Proportion of Counties implementing Harmonized County Licenses and Permits (%)	10	0	Target not achieved but County licensing (Uniform procedures) regulations 2025 published. The regulations have been gazetted and forwarded to parliament.

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY2024/25	Remarks on achievements or variance
	County Competitiveness Index	County Competitiveness Index (CCI)	1	0	Target not achieved but a draft CCI has been developed
	County Regulatory Tool Kit	No. of Counties covered by County Regulatory Tool kits	25	0	Target not achieved. This target was replaced with Business Environment Regulatory Management System
	Policy Legal and administrative reforms on business climate	No. of reforms undertaken	10	10	Target Achieved
Industrial Infrastructure Development Project	Athi River Engineering Park Established	% of completion	67.17	66	Target not achieved. The project has not been allocated any funds for this FY
	Naivasha 2023/24 Admin Block and Horizontal Infrastructure Completed	% of completion	9.4	9	Target not achieved. The project has not been allocated any funds for this FY
Investment Attraction, Retention, Facilitation and Enablement	Central Repository & complaint handling single window-PASHA	% of Completion of PASHA	65	15	Target not achieved. The project has not been allocated any funds for this FY
	Investments opportunities and bankable investment projects promoted locally and internationally	No. of bankable investment projects identified	12	25	Target achieved
	One Start, One Stop Centre established at KENINVEST	% of completion of one start, one stop center established at KENINVEST	60	38	Target not achieved. The project has not been allocated any funds for this FY
	Public SEZs developed in Dongo Kundu and Naivasha	% of Completion in Dongo Kundu	50	8	Target not achieved. Dongo Kundu was handed over to KPA at 8% completion.
		% of Completion of SEZs in Naivasha	60	8	Target not achieved. The project has not been allocated any funds for this FY
	Public EPZs developed in Athi River, Kenanie, Uasin Gishu, Kirinyaga, Nakuru, Muranga, Busia and Kwale	% of Completion of Athi River Textile Hub	85	66	Target not achieved. The project has not been allocated any funds for this FY
		% of Completion of Railway Siding and Related Infrastructure at Athi River EPZ	52	3	Target not achieved. The project has not been allocated any funds for this FY

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY2024/25	Remarks on achievements or variance
		% completion of investor sheds at Athi River EPZ	54	36	Target not achieved. The project has not been allocated any funds for this FY
		% of Completion of Effluent Treatment Plant at Kenanie Leather Park	85	90	Target achieved
		% of Completion of Flagship EPZ Hubs in Uasin Gishu, Kirinyaga, Nakuru, Muranga, Busia and Kwale (Phase 1 of each)	40	63	Target achieved.
	Investments De-risked	Value of Co-Investments (Ksh. Billions)	1	3.5	Target achieved

Source: State department for Investment Promotion Reports

#### b) MTPIV outcome achievements for FY 2024/25

**Table 4.6: Investment promotion outcome implementation status for FY 2024/2025**

MTP IV Outcome	MTP IV Outcome Indicator	Baseline Value FY 2023/24	Outcome Target	Actual Achievement	Remarks on Achievement Variance
Increased Investments	Total Foreign Direct Investment (FDI) (USD Millions)	1,517	12,000	1,503	Target not achieved. 8 MOUs were signed but the actualization of investments has taken time
	Total Domestic Direct Investment (DDI) (USD Millions)	480	3,600	11,023	Target was achieved because our SAGAs onboarded many enterprises to their zones
	Investment Contribution to GDP %	14.6	26	15	Target not met. SEZA and EPZA have onboarded a lot of enterprises in their zones but not all enterprises are capital intensive
Improved Business Environment	Global Competitive Index (GCI) - Rank	-	87	-	Target not met. These two indicators to be replaced by World Bank's B-READY going forward
	Morgan Stanley Competitive Index (MSCI) - Rating	-	stable	-	

Source: State Department for Investment Promotion Reports 2023/24, World Investment Report 2025 and Economic Survey 2025

**Increased Investments:** The total foreign direct investment decreased from 1517 USD Million in 2023/24 to 1503 USD Million in 2024/25 while the total domestic direct investments

increased from 480 USD Million in 2023/24 to 11,023 USD Million in 2024/25.

#### **4.3.2. Policy, legal and institutional reforms**

- i. A draft National Investment Promotion Strategy has been developed
- ii. Business Laws (Amendment) Bill, 2024 enacted
- iii. Investment Promotion Act, 2004: Was amended through Business Laws (Amendment) Act, 2024
- iv. SEZ Act, 2015: Was amended through Business Laws (Amendment) Act, 2024
- v. Restructuring of KDC: review of KDC business model to align with the National development priorities was approved in June, 2024 and is currently under phased implementation.

#### **4.3.3. Challenges, Lessons Learnt and Recommendations**

##### **a) Challenges**

- i. Exchequer delays, non-remittance of resources or no budget causing some projects to stall or delay.
- ii. Some MTP IV priority projects were not funded hence no change in completion status.

##### **b) Lessons Learnt**

- i. Public Private partnerships in completion of projects is more effective than GOK funding
- ii. The one stop centre provides an attractive investor facilitation facility than traditional regulator-based approach

##### **c) Recommendations**

- i. Explore other sources of funding including Public Private Partnerships and resource mobilization.
- ii. Dongo Kundu SEZ was transferred to Kenya Port Authority. The reporting indicator to be removed from SDIP.
- iii. Railway siding and related infrastructure at EPZ Athi River could be handed over to Kenya Railways for it to progress better.
- iv. The two indicators, GCI & MSCI are no longer measured. To be replaced by World Bank's Business Ready (B-READY) Tool that will give a more suitable measure.
- v. A review to phase out, reassign or modify some indicators to be carried out.

#### **4.4. Trade Sub-Sector**

The Trade Sub Sector plays a crucial role in value chains by enabling the Country to participate in the global markets access. This is done through exporting primary goods and increasingly processed products, creating jobs, boosting economic growth, and facilitating the integration of different actors within the production process across various sectors. Kenya's primary export value chains include tea, coffee, horticulture (flowers), and livestock products. The State Department contributes towards achieving the National Aspirations under BETA goals through export development of BETA priority value chains for increased market access for Kenyan goods and services.

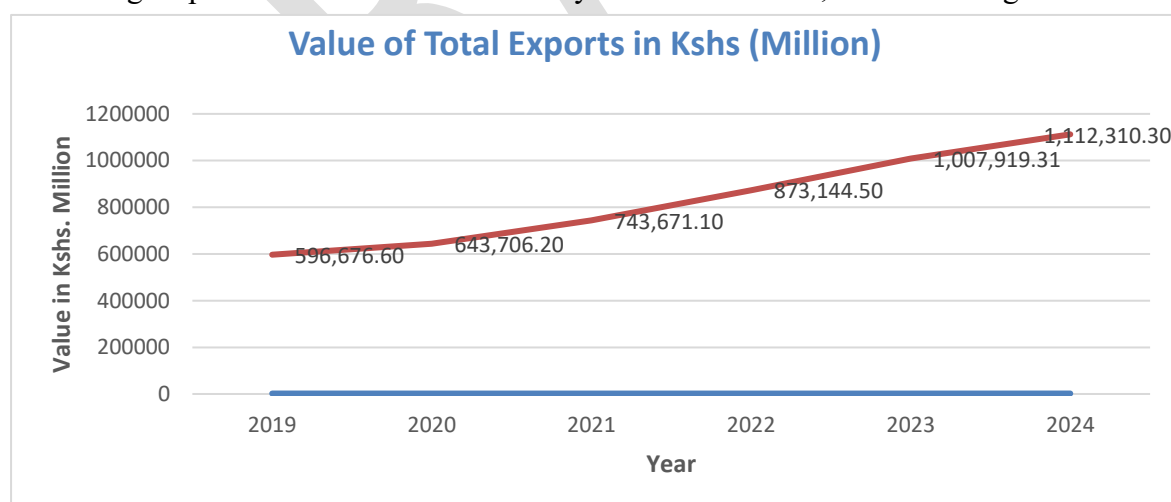


#### 4.4.1. Sub-sector performance

1. **Leather Value Chain/Marketing:** One hundred and forty four (144) exporters were sensitized on the export opportunities for leather and leather products in Kenya's key markets during a webinar held on 6<sup>th</sup> December 2024. Cumulatively, 13 markets were identified for semi-processed and finished leather products. These include; Africa (under AfCFTA), EAC (Burundi, Rwanda, Tanzania, South Sudan, Uganda), Pakistan, US (AGOA), UK, EU, Brazil, China, Thailand, India and HongKong.
2. **Dairy Value Chain/Marketing:** A strategy for marketing Kenya's dairy products was developed. The agency lacked funds for undertaking of promotion activities for dairy products. However, 14,000 exporters were sensitized through trade alerts and two (2) other exporters were sensitized on export opportunities for dairy and dairy products in a training that was conducted virtually. Seven (7) markets were identified for promotion of Kenya's dairy products.
3. **Textile and Apparels Value Chain/Marketing:** During the reporting period, the sub sector disseminated a trade alert to 7000 exporters on the 2025 African Fashion Sourcing Week (AFSW) which was held between 24<sup>th</sup> and 26<sup>th</sup> April 2025 at the Sarit Expo Centre, Nairobi. The new markets identified include the following: USA, UK, EU (Netherlands, Germany); AfCFTA (Nigeria).
4. **Edible Oils Value Chain/Marketing:** Sixty-nine (69) exporters were sensitized on the export opportunities of Kenya's edible oils through a webinar. The global price of palm oil, the most widely used edible oil, has been on the rise, impacting local prices this affected the ability to stabilize the prices of edible oil.
5. **Tea Value Chain/Marketing:** During the branding of Kenya Pavilion in the Coffee Cupping and Tea Tasting Events held in Belgium between 25<sup>th</sup> to 27<sup>th</sup> March 2025, two (2) South African buyers namely Waymaker Trade and UniFloRoses were engaged, leading to twenty-two (22) Kenyan tea and flower companies gaining access to the South African market.
6. **Construction/ Building Materials Value Chain /Marketing:** No construction products were tested (cement, construction metals) during the financial year due to unavailability of budget.
7. **Kenya Multi-Commodity Exchange (KOMEX):** There were delays in acquisition of technology, infrastructure and staffing due to inadequate budget. However, expression of interest was floated to potential investors where six (6) investors have shown interest to invest. Further, 5 institutional members registered/approved by the Exchange; 10 Schools in Nandi South Sub-County on boarded for piloting with initial commitment of KShs. 17 million for food supplies through KOMEX. Eight (8) rice farmers' cooperatives were mapped and 100 members selected and trained for piloting in Kisumu, Homa Bay, Siaya and Busia Counties; forty large scale maize farmers/Cooperatives mapped and sensitized on KOMEX in Uasin Gishu, Trans Nzoia and Nakuru Counties; and 24 No. Farmers' Cooperatives in Coffee and Pulses value chains mapped and sensitized in Machakos, Makueni and Kitui Counties.
8. **Warehouse Receipt System:** The Warehouse Receipt System Council (WRSC) completed the development of the e-WRS – Central Registry and manual. In addition, during the review period, Mauka Cooperative warehouse in Nakuru County was certified; awarded

certificates to Hello Tractor staff in recognition of their successful completion of capacity-building program for professional commodity management; engaged United Grain Millers Association on a potential partnership to enhance access to finance via WRS.

9. **Exports Market Access and Diversification:** Bilateral meetings were conducted virtually and some jointly with the Ministry of Foreign and Diaspora Affairs. Twenty (20) Commercial attaches were trained on strategies for expanding Kenya's market presence for leather and leather products and other value chains across their Countries of Jurisdiction. The Commercial attaches trained include those posted to the following Countries: Uganda, DRC, South Africa, Egypt, Ethiopia, Indonesia, UAE, India, China, Pakistan, USA (with accreditation to Costa Rica, El Salvador, Honduras, Mexico and Nicaragua), Brazil (with accreditation to Argentina, Chile, Peru, Bolivia, Paraguay and Uruguay), UK and Germany.
10. **Operationalization of Kenya Trade Remedies Agency (KETRA):** Kenya Trade Remedies Agency in collaboration with TradeMark held a capacity building session for KETRA staff to enable them to effectively execute their mandate. Additionally, the process of implementation of HR instruments was initiated.
11. **Development of e-commerce in the promotion of trade:** The draft Kenya E-Commerce Policy was developed and approved to and is awaiting public participation.
12. **Global integrated marketing campaigns:** Kenya emerged as the **number one most admired country** contributing to a better Africa. This was according to the independent Brand Africa study conducted across 31 countries. The award was presented to the KEPROBA during the 15<sup>th</sup> Brand Africa 100. Further, the State Department through KEPROBA participated in the 49<sup>th</sup> Dar es Salaam International Trade Fair (DITF) where the agency showcased Kenya's commitment in promoting its Made in Kenya brand, connecting exporters with international buyers and investors, and fostering economic



growth.

Source: Economic Survey, 2025.

During the review period, the total value of Kenya's exports increased from KShs. 1,007.9 billion in 2023 to KShs. 1,112.3 billion in 2024, with the value of exports to the African continent accounting for 38.3 percent of the total export earnings. Revenue from exports to Asia rose by 22.3 percent from KShs. 259.7 billion in 2023 to KShs. 317.5 billion in 2024. The increase was mainly due to growth in exports

to United Arab Emirates (UAE) and India. The value of exports to the European Union (EU) increased by 4.5 percent from KShs. 150.1 billion in 2023 to KShs. 156.9 billion in 2024. This growth is attributed to increased domestic exports of beans, pineapples, cut flowers, and coffee to Germany and domestic exports of maize (corn) oil and cotton seed oil to Italy.

a) Implementation status of key outputs and BETA priorities

**Table 4.7: Trade output Implementation status for FY 2024/25**

Priority Project	Output	Indicator	Annual Target FY 2024/25	Cumulative Achievement FY 2024/25	Remarks on the variance
Leather Value Chain/Marketing	Exporters sensitized on market requirements and opportunities for leather and leather products	No. of exporters sensitized	10	144	Target surpassed. This is due to change in strategy from physical sensitization to virtual sensitization.
	Export market development and promotion undertaken	No. of new markets identified	1	14	Target surpassed. This is due to change in strategy from physical sensitization to virtual sensitization.
	Commercial representation strengthened	No. of commercial offices established	1	0	Target not achieved due to budget constraint.
		No. of commercial attaches capacity built on leather industry development	3	20	Target surpassed. This is due to increased capacity building to Commercial attaches on strategies for expanding Kenya's market presence
	Unfair import trade practices threatening leather industry identified and remedied	No. of trade remedy measures applied	3	0	Target not achieved due to budget constraint.
	Sensitization of manufacturers on unfair import trade practices	No. of manufacturers sensitized annually on unfair trade practices	4	4	Target achieved

Priority Project	Output	Indicator	Annual Target FY 2024/25	Cumulative Achievement FY 2024/25	Remarks on the variance
Dairy Value Chain/Markets	Local and export markets promoted and diversified	No. of new markets promoted	1	0	Target not achieved due to budget constraint.
	Exporters sensitized on market requirements and opportunities	No. of exporters sensitized	10	14,002	Target surpassed. This is due to change in strategy from physical sensitization to virtual sensitization
	Made in Kenya global campaigns conducted	No. of Made in Kenya global campaigns conducted annually	2	8	Target surpassed. This is due to change in strategy from physical sensitization to virtual sensitization (social media drive)
	Export market and products developed	No. of new markets identified and linked to exporter	1	7	Target surpassed.  This is due to change in strategy from physical sensitization to virtual sensitization (social media drive)
	Export warehouses established in DRC and South Sudan	Export warehouses established in DRC and South Sudan	1	0	Target not achieved due to budget constraint.
	Unfair import trade practices threatening dairy value chain identified and remedied	No. of trade remedy measures (safe guards, anti-dumping, anti-countervailing) applied	3	0	Target not achieved due to budget constraint.
	Manufacturer sensitized on unfair import trade practices	No. of manufacturers sensitized on unfair import trade practices	4	4	Target achieved
Textile and Apparels Value Chain/Marketing	Exporters sensitized on market requirements and	No. of exporters sensitized	10	7,208	Target surpassed.

Priority Project	Output	Indicator	Annual Target FY 2024/25	Cumulative Achievement FY 2024/25	Remarks on the variance
	opportunities				This is due to change in strategy from physical sensitization to virtual sensitization.
	Commercial attachees capacity built on textile and apparels development	No. of commercial attachees capacity built	3	20	Target surpassed. This is due to change in strategy from physical sensitization to virtual sensitization
	Export market development and promotion undertaken	No. of new markets identified	1	6	Target achieved.
	Made in Kenya Global Campaigns conducted	No. of Made in Kenya Global Campaigns	4	6	Target surpassed. This due to increased Digital campaigns
	Unfair import trade practices threatening textile and apparels industry identified and remedied	No. of trade remedy measures applied	3	0	Target not achieved due to budget constraint.
	Manufacturers sensitized on unfair import trade practices sensitized	No. of manufacturers sensitized	4	4	Target achieved.
Edible Oils Value Chain/Marketing	Edible oil market price stabilized	Absolute price of edible oil per litre (Ksh)	210	(117.17)	Target not achieved. The global price of palm oil, the most widely used edible oil, has been on the rise, impacting local prices.
	Exporters sensitized on market requirements and opportunities	No. of exporters sensitized	10	70	Target surpassed. This is due to change in strategy from physical sensitization to virtual sensitization
	Commercial representation in	No. of commercial	3	20	Target surpassed.

Priority Project	Output	Indicator	Annual Target FY 2024/25	Cumulative Achievement FY 2024/25	Remarks on the variance
	industry development strengthened	attachees capacity built			This is due to change in strategy from physical sensitization to virtual sensitization
	Product and export market development and promotion including market diversification undertaken	No. of new markets identified	1	9	Target achieved.
	Unfair import trade practices threatening leather industry identified and remedied	No. of trade remedy measures applied	3	1	Target not achieved due to Budgetary constraints
	Unfair import trade practices threatening edible oil value chain identified and remedied	No. of trade remedy measures applied	3	-	Target not achieved due to Budgetary constraints
	Unfair trade practices threatening construction/building materials identified and remedied	No. of trade remedy measures (safeguards, anti-dumping, anti-countervailing) applied	4	-	Target not achieved due to Budgetary constraints
	Sensitization of manufacturers on unfair trade practices under construction/building industry	No. of manufacturers sensitized	4	4	Target achieved
	Sensitization of manufacturers on unfair import trade practices	No. of manufacturers sensitized annually on unfair trade practices	3	3	Target 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	3	6	Target surpassed due to additional funds.
		No. of market intelligence reports generated	3	5	Target surpassed. This is due to Desktop market intelligence report generated for Tea value chain.

Priority Project	Output	Indicator	Annual Target FY 2024/25	Cumulative Achievement FY 2024/25	Remarks on the variance
	Exporters sensitized on market requirements and opportunities	No. of exporters sensitized	10	7,135	Target surpassed. This is due to change in strategy from physical sensitization to virtual sensitization.
	Product and export market developed	No. of new markets identified and linked to exporters	10	16	Target surpassed. This is due to change in strategy from physical sensitization to virtual sensitization
	Commercial representation strengthened	No. of commercial attaches capacity built	3	20	Target surpassed. This is due to change in strategy from physical sensitization to virtual sensitization
<b>Construction/ Building Materials Value Chain /Marketing</b>	Compliance with legal metrology and MSMEs standards in the building and construction sector	No. of construction products tested (cement, construction metals etc.	200	-	Target not achieved due to Budgetary constraints
	Unfair trade practices threatening construction/building materials identified and remedied	No. of trade remedy measures (safeguards, anti-dumping, anti-countervailing) applied	3	-	Target not achieved due to Budgetary constraints
	Sensitization of manufacturers on unfair trade practices under construction/building industry	No. of manufacturers sensitized	4	4	Target achieved
<b>Markets</b>					
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	-	Target not achieved due to Budgetary constraints
Kenya Multi-Commodity Exchange (KOMEX)	KOMEX Operationalized	Operational KOMEX (%)	100	40	Target not achieved due to Budgetary constraints
Warehouse	Central Registry e-	% of completion	100	100	Target

Priority Project	Output	Indicator	Annual Target FY 2024/25	Cumulative Achievement FY 2024/25	Remarks on the variance
Receipt System	suite established and linked to 47 County level registries				achieved.
	Smallholders, traders and other value chain actors on Warehouse Receipt System	No. of certified warehouse operators	15	8	Target not achieved due to Budgetary constraints
Development of E-Commerce in the promotion of trade	E-Commerce Strategy and Policy developed	E-Commerce Strategy and Policy developed	1	1	Target achieved.
		% of completion of E-Commerce training Manual for County Trade officials	50	-	Target not achieved due to Budgetary constraints
		No. of capacity building of County Trade officials undertaken	50	1	Target not achieved due to Budgetary constraints
Commercial Centres	Commercial Canters established	No. of Commercial Centres established	1	-	Target not achieved due to Budgetary constraints
Exports Market Access and Diversification	Bilateral & Multilateral Trade agreements coordinated, negotiated and concluded	No. of Regional, Bilateral & Multilateral Trade agreements coordinated, negotiated and concluded	15	15	Target achieved
	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	2	Target not achieved due to Budgetary constraints
	Protocols implemented and strategies negotiated/developed	% of implementation of RECs protocols, SPS (Sanitary and Phytosanitary Measures) protocols, AfCFTA (African Continental Free Trade Area) strategy and Kenya UK EPA	100	20	Target not achieved due to Budgetary constraints
	National Trade	% level of	100	10	Target not



Priority Project	Output	Indicator	Annual Target FY 2024/25	Cumulative Achievement FY 2024/25	Remarks on the variance
	Negotiations Council (NTNC) operationalized	operationalization of NTNC			achieved due to Budgetary constraints
	Existing commercial offices strengthened and 16 new offices established	No. of commercial offices strengthened and established	3	0	Target not achieved due to Budgetary constraints
Logistics Bases and Distribution Hubs	Logistics bases and distribution hubs constructed and operationalized	No. of logistics bases and distribution hubs operationalized	1	0	Target not achieved due to Budgetary constraints.
Warehouse and Distribution Centers	Warehouses refurbished and modernized in Mombasa, Kisumu, Nakuru, Eldoret, Nyeri and Nairobi	No. Of Warehouse modernized	2	-	Target not achieved due to Budgetary constraints
	Warehouses established	No. of warehouses established	2	0	Target not achieved due to Budgetary constraints
Global Integrated Marketing Campaign	Global Integrated Market Campaigns conducted	No. of Global integrated market campaigns conducted	4	4	Target achieved.
National Legal Metrology Laboratories	National Legal Metrology Laboratory modernized	No. of Laboratories	1	0	Target not achieved due to Budgetary constraints
Operationalization of Kenya Trade Remedies Agency (KETRA)	KETRA operationalized	% of completion	100	2	Target not achieved due to Budgetary constraints

*Source: SDT Departmental Quarterly Reports, 2024/25*

#### b) MTPIV outcome achievements for FY 2024/25

**Table 4.8: Trade outcome implementation status for FY 2024/25**

MTP IV Outcome	Outcome Indicator(s)	Baseline Value 2023/24	Annual Target FY 2024/25	Actual Achievement FY 2024/25	Remarks on performance
Increased value of domestic trade	Value of wholesale and retail trade (Ksh. million)	1,134.25	1,165	1,219.71	Target achieved due to conducive business environment

MTP IV Outcome	Outcome Indicator(s)	Baseline Value 2023/24	Annual Target FY 2024/25	Actual Achievement FY 2024/25	Remarks on performance
	Jobs created in wholesale and retail trade (No. 000)	5,652.79	382	276.10	Target not achieved.
Capitalization of the KOMEX Exchange System	Smallholder farmers integrated to the WRS (No.)	0	1000	0	Target not achieved. Target to be realized in the FY 2025/26 once capitalization of KOMEX is completed
Increased Kenyan Exports	Total value of exports (Ksh. billion)	1,009.1	963	1,112.3	Target achieved. Aggressive marketing campaigns, product market diversification and favourable exchange rate to the US Dollar
	Total value of exports to the EAC (Ksh. billion)	305.88	250	321.35	Target achieved. Enhanced promotion activities and resolution of NTBs.
	Total export value of leather and leather products (Ksh. million)	2,190.6	2,196	2,133.60	Target not achieved.
	Total export value of edible oils (Animal and Vegetable oils) (Ksh. million)	23,052.3	29,710	30,346.9	Target achieved. Unfavourable weather conditions led to low levels of production.
	Total export value of tea (Ksh. million)	188,737.9	180,014	189,120.40	Target achieved. The increased volume of exports was attributed to favourable exchange rate to the US Dollar, and stable prices.
	Total export value of apparel and textile (Ksh. million)	49,493.7	52,161	56,826.70	Target achieved. This was as a result of a surge in demand for sustainable and ethically produced clothing.

MTP IV Outcome	Outcome Indicator(s)	Baseline Value 2023/24	Annual Target FY 2024/25	Actual Achievement FY 2024/25	Remarks on performance
	Total export value of horticulture (Ksh. million)	187,409	167,878	203,638	Target achieved. 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.

Source: SDT Departmental Quarterly Reports, 2024/25, Economic survey 2025

**Increased value of domestic trade:** In 2024, the wholesale and retail trade sector in Kenya experienced significant growth in employment, with a substantial number of jobs created, particularly within the informal sector. This growth is attributed to several factors, including the sector's role as a key driver of Micro, Small, and Medium Enterprises (MSMEs), its contribution to Kenya's digital transformation agenda, and the relatively low formal retail penetration rate.

**Increased Kenyan Exports:** The total value of exports increased from 1009.1 Ksh. Billion in 2023/24 to 1,112.3 Ksh. Billion in 2024/25 due to aggressive marketing compans and product market diversification.

vbbbbnnnnnsdiiddcynnnncncnnnnnnnnww4.4.2 Policy, Legal and Institutional Reforms

- i. Legal Metrology and Trade Descriptions Draft Bills: Having been cleared by both AG's office and National Treasury, the Bills were submitted to the Cabinet Committee awaiting approval of the Cabinet and thereafter to the AG for onward transmission Parliament.
- ii. Warehouse Receipt System Amendment Bill 2024: This was revised incorporating inputs from the Office of the Attorney General and is at the National Treasury.
- iii. Draft Trade Development Bill 2022: Was reviewed with inputs from internal stakeholders. The Bill is aimed at establishing a comprehensive legal, institutional and regulatory framework for domestic and international trade in Kenya.
- iv. Draft National Consumer Protection Policy: The draft was refined and subjected to inputs from stakeholders (SDT HoDs & SAGAs, MDAs). During the same period, Draft financial Regulations were developed to enhance the implementation of the Consumer Protection Act No.46 of 2012.
- v. E-Commerce Policy and Strategy: E-Commerce Policy was developed and approved to proceed with public participation to seek input from the public.

#### 4.4.2. Challenges, Lessons Learnt, Recommendation

##### a) Challenges

- i. The challenges reported in the previous period are still unresolved. They include: Inadequate funding; Inadequate policy and legal framework; Existence of Non-Tariff Barriers; External factors (Geopolitical tensions India and Pakistan, United States Trade policy shifts, Political tension in the region-DRC, Southern Sudan, Supply chain disruptions); transport and logistics among others.
- ii. **Israel-Iran conflict:** Further during the reporting period, broke out. Iran remains Kenya's key market for tea (black tea) and livestock products. The ongoing conflict could derail discussions between Kenya and Iran to increase trade opportunities
- iii. **Economic Slowdown:** Weakening global growth prospects and a potential recession in some regions created a challenging environment for trade expansion.
- iv. **African Growth and Opportunity Act (AGOA) uncertainty:** The future of AGOA, which provides duty-free access to the US market is unclear with the agreement set to expire in September 2025.
- v. No warehouses were modernized due inadequate budgetary allocation this affected the ability to facilitate the distribution of locally produced rice and imported commodities.

##### b) Lessons Learnt

- i. Strong multi-stakeholder collaboration is critical for successful trade strategy implementation.
- ii. Prolonged conflicts (e.g., with Iran) can drive up oil prices and create market volatility.
- iii. Geopolitical tensions significantly influence trade flows.
- iv. Technology is key to modernizing trade and enhancing efficiency through tools like e-commerce and big data.
- v. Sustainability must be integrated into trade policies, promoting fair labor, gender equality, and environmentally friendly practices.

##### c) Recommendations

- i. Continuous engagement of various stakeholders including not limited to the National Treasury, Parliament (National Assembly and Senate), Development Partners, Private Sector, County Governments, Trading Partners among others.
- ii. There is need for the Country to fully exploit opportunities provided by various Regional Economic Communities (RECs) such as the East African Community (EAC), Common Market for Eastern and Southern Africa (COMESA), Africa Continental Free Trade Area (AfCFTA), Tripartite Free Trade Area (TFTA) and existing agreements like Kenya-EU EPA, Kenya-UK EPA.
- iii. There is need to actively seek to diversify our trade partners and markets to reduce dependence on any single country or region.

#### 4.5. Industry Sub-Sector

The State Department drives the Manufacturing Sub-Sector of the MTP IV under the Finance and Production Sector. This is through the formulation and implementation of policies to promote manufacturing, agro-processing, 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 Gross Domestic Product (GDP) to 15 per cent by 2027; increase the competitiveness of Kenyan manufactured products; increase the volume of Kenyan manufactured exports; and creating over one (1) million additional jobs annually.

##### 4.5.1. Sub-sector performance

1. **Leather and Leather Products Value Chain:** Under this, there were twenty-two (22) leather cottage industries capacity built on leather tanning, finishing and leather goods production. Further, Kariakor manufacturing facility reached 40 percent level of completion. The Development of Kenya Leather Industrial Park at Kenanie progressed with CETP (Common Effluent Treatment Plant) reaching 85 percent and warehouses 80 percent level of completion respectively.
2. **Dairy Value Chain:** Due to unavailability of budget allocation to develop prototypes and fabricate equipment, KIRDI relied on client requests, however, there were no client requests received during the year. The number of enterprises trained were ten (10) and these were client funded.
3. **Tea Value Chain:** Under the promotion of cottage industries, Kenya Industrial Research Development Institute (KIRDI) supported two (2) client funded requests in tea products diversification. The Institute had no budget allocation to support cottage industries in adopting value addition technologies additionally, there were no incentives provided for tea value addition due to lack of funds.
4. **Edible Oils Value Chain:** KIRDI developed fabrication capacity in collaboration with Numerical Machining Complex (NMC) with One (1) edible oil extractor manufactured and supplied to Agriculture Food Authority (AFA).
5. **Textile and Apparels Value Chain:** KIRDI in collaboration with State Department for Industry developed alternative textile technologies. Currently, market testing is being undertaken with piloted SMEs. Further, in order to enhance textile and apparel value chain, 14,500 kilograms of BT cotton were distributed and this lies on 9,667 acres of land. In addition to this, the establishment of Nyando textile value addition centre reached 93 percent level of completion while Kieni textile value addition centre was completed.
6. **Construction/ Building Materials Value Chain:** During the period under review, 575,476 MT of cement was produced. Production has increased following plant refurbishment initiatives. Further, the level of modernization of East African Portland Cement (EAPC) plant reached 30 percent. Modernization of this plant is ongoing including replacement of parts of the kiln shell as well as Mill 4 and packing plant refurbishment. However, there was an under achievement under this priority area due to budget constraints in this FY to undertake the planned activities.
7. **Small, Medium and Large Industries Development** 1 673 enterprises were trained on

assorted value addition technologies. This included 187 enterprises that were supported under the KIRDI-Kenya Industry and Entrepreneurship Project (KIEP) training component. Further, 95 Intellectual Property Rights were registered by firms and enterprises. This was an under achievement due to the AiMS system outage and the low uptake of IPRs registration by SMEs. Additionally, 21 firms and enterprises were supported to access local, regional and international markets. This overachievement was as a result of an increase in the number of manufacturers applying for African Growth and Opportunity Act (AGOA) certification to access the regional and international market.

8. **County Aggregation and Industrial Parks (CAIPs):** Construction of the ten (10) CAIPs is ongoing with an average completion rate of 75 percent. The CAIPs are boost agro-processing, value addition, industrialization, job creation, and market access by leveraging county-level resources and decentralizing industrial development.



*Kirinyaga County Aggregation and Industrial Park.*

9. **Manufacture of Machinery, Automotive, Equipment and Parts:** To promote manufacture of industrial machinery, automotive, equipment and parts, 97.57 tonnes of castings were produced. Additionally, 139,262 pieces of transmission, industrial and automotive parts were manufactured. Further, 18 firms were facilitated to assemble vehicles locally while 20 firms were attracted to assemble electric vehicles and motorcycles locally. This target achievement was due to an upsurge adoption of Electric Vehicle in COP 27. Further, 2,746 industrial machineries, equipment, tools and parts were manufactured. However, the sales team is working together in coordination with production planning at NMC to ensure the company has secured work orders regarding the stated product. In addition to this, NMC manufactured 31 agro-machinery, equipment, tools and parts.
10. **Manufacture of Electrical and Electronic Products:** Seven (7) local firms produced electronics/electrical products. Target was surpassed due to upsurge adoption of Electric Vehicle (EV) resolutions in the Conference of Parties (COP 27).
11. **Integrated iron and steel mill plant, scrap metal and mineral value addition:** The installation of integrated iron and steel mill plant was not achieved due to lack of budget

allocation.

12. **Industrial Research, Technology and Innovation:** In order to promote industrial research, technology and innovation, 70 new Industrial Technology Prototypes were developed and transferred to industries. However, the planned operationalization of the research lab did not happen because the lab is at 80% level of completion.
13. **Skills Enhancement for Industrialization:** A total of 4,924 students/Startup/ MSMEs were enrolled in various programs on industrial and entrepreneurship skills training. Cumulatively, twenty-eight (28) industrial partnerships for reskilling and upskilling of workers have been undertaken. Further, completion of infrastructural facilities at the Kenya Industrial Training Institute (KITI) including the Information Communication Technology (ICT) facilities is at 46.9% against a target of 60% for the FY 2024/2025. The completion of the competency-based assessment centre is at 50% level of completion.
14. **Green Manufacturing:** Green manufacturing technologies were transferred to forty-one (41) enterprises. The technologies were transferred to enterprises in energy efficiency, biogas production, circular economy processes and clean cooking technologies.
15. **Accreditation and Standards:** To promote Accreditation and Standards, 34 new Conformity Assessment Bodies (CABs) were accredited within and outside the East African Community (EAC) region. 25,959 products were certified while 537 new standards were developed. Additionally, there were four (4) new accreditation schemes and scopes developed and rolled out. The schemes include the following: Global GAP; Anti-doping Laboratories Scheme; Forensics Testing scope; and Non-Destructive Testing scope.
16. **Industrial Property Rights Protection:** In order to enhance Industrial Property Rights Protection, 602 Industrial Property Rights were registered. 95 Intellectual Property Rights and Import Permit were recorded. The process of operationalizing the online IPR system is ongoing at 80% completion level and will be completed by the end of the FY 2025/26. The process of establishing Technology and Innovation Support Center (TISC) is ongoing at 39 completion level.

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

**Table 4.9: Industry output implementation status FY 2024/25**

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY 2024/25	Remarks
Leather and Leather Products Value Chain	Kariakor manufacturing facility established and operationalized	% of completion	80	40	Target was not achieved due to budget constraints
	Leather cottage industries promoted and established	No. of leather cottage industries promoted and established	10	22	Target surpassed due to enhanced effort on promoting leather cottages

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY 2024/25	Remarks
Dairy Value Chain	Machinery and equipment for dairy fabricated	No. of machinery and equipment for dairy fabricated	15	0	Target was not achieved due to budget constraints
	Capacity building of enterprises conducted	No. of enterprises trained annually on dairy value addition	15,000	10,000	The intervention was not achieved due to budget constraints
Tea Value Chain	Tea Cottage industries promoted	No. of cottage industries promoted	5	2	The intervention was not achieved due to budget constraints
	Incentives for tea value addition by the private sector developed and implemented	No. of incentives provided	1	0	Not achieved due to budget constraints
Edible Oils Value Chain	Cottage oil industries promoted (capacity building incubation & standards)	No. of cottage industries promoted	5	1	Target not achieved due to budget constraint
	Small industries provided with processing machinery	No. of small industries	10	0	Target not achieved due to budget constraint
	Oil crop Small Medium Enterprises (SMEs) strengthened and trained on cottage level processing	No. of oil crops SMEs trained	30	4	Target not achieved due to budget constraint
	Machinery and equipment for edible oils fabricated	No. of machinery and equipment for edible oils fabricated	5	1	Target not achieved due to budget constraint
Textile and Apparels Value Chain	BT cotton distributed for 200,000 acres in 24 Counties	No. of acres under BT cotton	80,000	9,667	Target not achieved due to budget reduction under SDFI & RIVATEX



Priority Project	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY 2024/25	Remarks
	Use of alternative fibre (natural and artificial) promoted	No. of alternative fibre in use	1	3	KIRDI conducted research on alternative fibers and roll out.
	Fabric Value Addition Centres established in Nyando and Kieni and Lusigetti	No. of Fabric Value Addition Centres	2	0	Target not achieved due to budget constraints.
	Capacity building on fashion and design of clothing and textile products conducted	No. of enterprises capacity built	2,500	0	Target not achieved due to budget constraints.
	Textile value addition centres constructed and equipped (Nyando and Kieni)	% Completion Rate (Nyando)	85	93	Target achieved. Fast-tracked the construction process.
		% Completion Rate (Kieni)	75	100	Target achieved. The project is completed awaiting commissioning.
Rice value chain/ value addition	Small industries provided with rice miller machinery	No. of small industries provided with rice miller machinery	7	0	Target not achieved due to budget constraints.
	Common user facilities for milling and packaging established	No. of common user facilities for milling and packaging established	1	0	Target not achieved due to budget constraints.
Agro-processing	Fruit and vegetable processing plants constructed	No. of processing plants constructed	4	0	Target not achieved due to budget constraints.
	Aggregation centres established	No. of Aggregation	10	0	Target not achieved due

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY 2024/25	Remarks
		Centres established			to budget constraints.
Construction/ Building Materials Value Chain	Standards for affordable and Green construction materials developed	No. of new standards for construction materials developed	30	0	Target not achieved due to slow uptake by SMIs
	Cement (affordable construction materials) produced	Quantity of Cement produced (MT)	770,000	575,476	Target not achieved due to delayed completion of plant modernization.
	Industrial parks for construction materials constructed	No. of industrial parks	1	0	Target not achieved There was no allocation in FY.
	East Africa Portland Cement (EAPC) Plant optimized and restructured	% level of Modernization of EAPC plant	40	30	Target not achieved due to budget allocation constraints
	East Africa Portland Cement building materials industrial park developed	% of completion of Building materials industrial park	40	0	Target not achieved due to budget allocation constraints
	Use of Alternative Building Technologies (ABTs) promoted	No. of ABTs promoted	30	0	Target not achieved due to budget allocation constraints

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY 2024/25	Remarks
	Cottage construction industries promoted	No. of cottage construction industries	5	0	Target not achieved due to budget allocation constraints
	Waste recycling plant for power generation established	% of completion	30	0	Target not achieved due to budget allocation constraints
Small, Medium and Large Industries Development	Industries trained on entrepreneurship and value addition	No. of Industries trained	2,500	673	Target not achieved due to budget allocation constraints
	Intellectual Property Rights (IPRs) registered by firms and enterprises	No. of IPRs registered/re corded	800	95	Target not achieved due to slow uptake by SMIs/firms
	Manufactured Products certified	No. of products certified	15,000	25,959	Target achieved. KEBS enhanced efforts to certify manufactured productions
	Firms and enterprises facilitated to access local, regional and international market	No. of firms and enterprises accessing local, regional and international markets	10	21	Target achieved. SMEs/Firms facilitated to access EAC market.
County Aggregation and Industrial Parks (CAIPs)	County Aggregation and Industrial Parks (CAIPs)	No. of CAIPs Established	10	10	Target achieved. Construction of Phase I CAIPs reached 75% level of completion.
Manufacture of Machinery, Automotiv	Agro-machinery, equipment, tools and parts manufactured	No. of agro-machinery, equipment, tools and	10	31	Target achieved. NMC received an

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY 2024/25	Remarks
e, Equipment and Parts		parts manufactured			enhanced order for delivery.
	Industrial machinery, equipment and tools manufactured	No. of industrial machinery, equipment, tools and parts manufactured	350,000	2,746	Target not achieved. NMC receive reduced orders from its clients.
	Industrial parts produced	Volume of castings produced (in tonnes)	250	97.57	Target not achieved. NMC receive reduced orders from its clients.
	Transmission parts manufactured	No. of transmission parts produced	350,000	139,262	Target not achieved. NMC receive reduced orders from its clients.
	Foundry plant and workshops modernized	% completion of foundry plant and workshops modernized	76.72	37.01	Target not achieved due to budget cuts
	Automotive, motor cycles, aerospace and ship equipment, agro-machinery, electric bicycles/motorcycles/ motor vehicles locally	No. of firms facilitated to assemble vehicles locally	4	18	Target achieved. Enhanced government policy, incentives, and partnerships.
		No. of firms attracted to assemble electric vehicles and motorcycles locally	3	20	Target achieved. Enhanced government policy, incentives, and partnerships.
		No. of firms attracted to convert internal	2	5	Target achieved. Enhanced government

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY 2024/25	Remarks
		combustion engine to electric			policy, incentives, and partnerships
Manufacture of Electrical and Electronic Products	Computer parts, Electronics/Electrical and IT related components manufactured	No. of firms manufacturing electronics/electrical	3	7	Target achieved. Enhanced government policy, incentives, and partnerships
Integrated iron and steel mill plant, scrap metal and mineral value addition	Integrated iron and steel mill plant installed and commissioned	% of completion level	10	0	Target not achieved due to lack of budget provision in FY 2024/25
Industrial Research, Technology and Innovation	Academia, industry and Government linkage established	No. of prototypes developed	10	70	Target surpassed as KIRDI partnered with SMEs in developing the products prototypes jointly.
	Research laboratory equipped and operationalized at South B	% of completion level	90	80	Target not achieved. There was no budget allocation during the financial year for this activity
Skills Enhancement for Industrialization	Students/Startup/ Micro Small and Medium Enterprises (MSMEs) trained on industrial skills	No. of students/Startup/ MSMEs trained on industrial skills;	4,200	4,924	Target achieved. KITI enhanced promotional efforts to attract more students.
		No. of industrial partnership	2	28	Target achieved. KITI

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY 2024/25	Remarks
		for reskilling and upskilling of workers undertaken			enhanced promotional efforts to collaborate with more industries in Nakuru City.
	Training infrastructure and facilities developed and equipped	% completion of KITI infrastructural facilities	60	46.9	Target was not achieved. There was no budget allocation for this during the FY.
	Competency based assessment center established	% of completion	100	50	Target not achieved due to budget allocation constraints.
Green Manufacturing	Green Manufacturing concept in production adopted	No. of MSMEs adopting green manufacturing technologies	40	41	Target achieved due to enhance sensitization to SMEs on adoption of green manufacturing technologies.
Accreditation and Standards	Conformity Assessment Bodies(CABs) accredited	No. of Conformity Assessment Bodies (CABs) accredited	200	34	Target not achieved due to slow uptake of accreditation services.
		No. of new accreditation schemes & scopes developed and rolled out	3	4	Target achieved as new schemes developed were full rolled out.
		No of assessment and accreditation infrastructure developed	2	1	Target not achieved due to budget allocation constraints.

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY 2024/25	Remarks
	Products for SMEs and large firms certified	No. of products certified	20,000	25,959	Target surpassed due to simplified process of certifying.
	Standards developed	No. of new standards developed	800	537	Target not achieved due to slow uptake by SMEs/firms.
	Inspection centres established in Mombasa, Nairobi, Lamu and Naivasha	No. of inspection centres established	2	0	Target not achieved due to budget allocation constraints.
	Infrastructure Standards (Nairobi, Nakuru, Nyeri, Meru, Konza) upgraded	No. of infrastructural standards upgraded	2	0	Target not achieved due to budget allocation constraints.
	Modern testing and calibration laboratories established (Nairobi, Nakuru, Nyeri, Meru, Konza)	No. of modern testing and calibration laboratories established	2	0	Target not achieved due to budget allocation constraints.
Industrial Property Rights Protection	IPR registration system operationalized	% of completion	100	80	Target not achieved due to budget allocation constraints.
	Technology and Innovation Support Centre (TISC) established	% of completion	50	39	Target not achieved due to budget allocation constraints.
	Industrial Property Rights (IPRS) registered	No. of IPRs registered (Patents, Utility Models and Industrial Designs)	1,100	602	Target not achieved due to budget allocation constraints.
	Intellectual Property Rights recordation	No. of Intellectual Property Rights and Import	350	95	Target not achieved due to budget allocation constraints.

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY 2024/25	Remarks
		Permit recordation			
	Anti-Counterfeit Training Academy (ACTA) established	% of completion	50	20	Target not achieved due to budget allocation constraints.

Source: SDI 2023/24 Implementation Report

#### b) MTPIV outcome achievements for FY 2024/2025

The sub-sector's contribution to GDP declined from 7.6% in 2023 to 7.3 percent in 2024. This decline was as a result of a decline in cement production as well as the number of assembled motor vehicles. Although the targeted growth in the sub-sector was not attained, there was significant growth which was as a result of a 4.6% rise in the manufacture of food products, while manufacture of non-food products grew by 0.8%. Growth in the food sub-sector was as a result of: increased processing of milk; increased sugar production; increased beverage production; as well as increased processing of coffee and tea. Growth in the non-food sector was as a result of increase in production of the following: galvanized sheets; textile and clothing; paper and paper products; pharmaceutical products; rubber and plastic products. In the year 2024, the manufacturing sector expanded by 2.8% compared to 2.2% recorded in 2023.

The number of persons employed in the formal manufacturing sector rose by 1.9% in 2024. Total persons employed in the sector during the period under review stood at 369.3 thousand compared to 362.3 thousand recorded in 2023. This increase was partly attributed to a rise in employment within Export Processing Zones (EPZs). This accounted for 11.5% of the share of formal employment.

**Table 4.10: Industry outcome implementation status for FY2024/2025**

MTP IV Outcome	MTP IV Outcome Indicator	Baseline Value FY 2023/24	MTP IV Outcome Target FY 2024/25	Actual Achievement FY 2024/25	Remarks on achievement variance
Increased contribution of manufacturing sector to GDP	Share of manufacturing to GDP	7.6	10.7	7.3	Underachievement is due to a decline in production in some subsectors.
Increased growth in manufacturing	Percentage growth in manufacturing	13.09	12.9	2.8	Underachievement is due to a decline in production in some subsectors.
Increased job	Jobs created in	362.3	2,211.6	369.3	Target not achieved due to a



creation in the manufacturing sector	manufacturing sub sector (000)(Formal)				decline in some subsectors.
	Informal (000)	3,138.5	7,908.6	-	While the informal sector remains dominated by manufacturing, specific data for informal job creation for the manufacturing sector in 2024 was not disaggregated in the Economic Survey Report.

*Source: KNBS Economic Survey 2024*

#### **4.5.2. Policy, legal and institutional reforms**

The following frameworks were developed in the reporting period:

- i. The Cotton, Textile and Apparel Policy developed and submitted to the cabinet for approval.
- ii. The Kenya Quality Policy developed awaiting submission to Cabinet for Approval.
- iii. The Industrial Sub-Contracting Strategy Finalized.

#### **4.5.3. Challenges, Lessons Learnt, Recommendation**

##### **a) Challenges**

- i. Inadequate and Unconducive Infrastructure for Industrialization: High costs of developing essential infrastructure—such as industrial spaces, reliable energy, transport, and water—continue to limit program delivery and reduce Kenya’s appeal to potential investors.
- ii. Weak Awareness and Protection of Industrial Property Rights (IPR): Limited understanding of IPR benefits, high registration costs, and inadequate enforcement.
- iii. Inadequate Financial Resources: Budgetary constraints hindered the full implementation of planned programmes and activities, delaying impact realization.
- iv. Limited Access to Industrial Financing: Stringent borrowing requirements, lack of affordable and low-cost credit, and insufficient long-term financing products restricted manufacturers’ ability to expand and modernize their production technologies.
- v. Proliferation of Counterfeits and Substandard Goods: The presence of counterfeit and illicit products in the market undermines local manufacturing by infringing IPRs, eroding consumer trust, damaging brand reputation, and reducing market demand.

##### **b) Lessons Learnt**

- i. Phased implementation of projects and programmes enhances effectiveness
- ii. Anchoring programmes on policy and legal frameworks ensures sustainability
- iii. Compliance with standards promotes fair competition and global competitiveness
- iv. Strengthened monitoring and evaluation supports successful implementation

- v. Alignment of planning with budgeting improves programme delivery
- vi. Active stakeholder engagement leads to more impactful interventions

### c) Recommendations

- i. Enhance Industrial Infrastructure development: Prioritize investment in industrial spaces like CAIPS, energy reliability, transport networks, water supply, and ICT infrastructure through public–private partnerships (PPPs) to lower production costs and attract investors.
- ii. Strengthen Industrial Property Rights (IPR) Awareness and Protection: by conduct more targeted awareness campaigns for SMEs and innovators on IPR benefits; streamline and consider subsidizing registration processes to make them more affordable; and strengthen enforcement mechanisms to protect indigenous knowledge, IPRs and innovations.
- iii. Increase Budgetary Allocations and Resource Mobilization: Advocate for higher national and county budget allocations to industrial development programs; and leverage on donor funding and private investment to supplement government resources.
- iv. Improve Access to Affordable and Low-Cost Industrial Financing: develop dedicated low-interest, long-term financing products tailored to manufacturing and innovation needs; and enhance partnerships with development finance institutions (DFIs) and commercial banks to reduce collateral requirements.
- v. Combat Counterfeits and Substandard Goods: Intensify market surveillance, border controls, and enforcement against illicit trade; strengthen consumer awareness campaigns to discourage counterfeit consumption; and support local manufacturers in adopting authentication technologies for their products

## 4.6. Micro, Small and Medium Enterprises (MSME) Development Sub Sector

The Micro, Small and Medium Enterprises (MSMEs) are a backbone of Kenya’s economy, employing over 15 million people, contributing 30% to GDP, and accounting for 98% of all businesses. They provide opportunities for youth, women, and other economically excluded groups. Under the Bottom-Up Economic Transformation Agenda (BETA), the government has prioritized MSMEs to drive job creation, income growth, inclusivity, lower living costs, and improved balance of payments. The Sub Sector is focusing on nine priority value chains—leather, dairy, edible oils, textiles, tea, coffee, construction materials, rice, and the blue economy—to accelerate sector growth and impact.

### 4.6.1. Sub-sector performance

1. **Leather and Leather Products Value Chain:** The State Department managed to sensitize 17 MSES in the leather value chain due to inadequate resources to facilitate sensitization of more MSEs. Cumulatively 13 CIDs equipped with machines in the textile, construction and dairy value chain since the July 2024, the 13 CIDs equipped are: **Textile** - Kisii CID, Saboti CID, Moiben CID, Kawangware CID, Homa bay CID, Kabujoi CID; **Construction-** Homabay CID, Timau CID, Kimana CID, Funyula CID , Kwhisero CID; **Dairy** - Garrisa town CID, Londiani CID. During the review period on MSMEs linkage with large enterprises, schools, and Government institution, 56 MSEs

Linked to Ksh. 94,000 worth of subcontracts in Tharaka Nithi County, 17 MSEs were engaged in a sub-contract with Rockwell Limited, and 495 MSEs were sub-contracted under the Government's Affordable Housing Programme in: Bomet Affordable Housing- 150 MSEs, Nyandarua Affordable Housing- 245 MSEs, Samburu affordable housing-100 MSEs..In support of local MSMEs, The Authority managed to procure locally produced goods and services worth Ksh. 91,278,450 which translates to 35 percent of total goods and services procured under promotion of local content.

2. **Dairy Value Chain:** 2 CIDCs equipped to support the dairy value chain; Garissa CIDC and Londiani CIDC. Further, during the period under review, 216 MSEs engaged in dairy and animal feeds were sensitized on opportunities in the dairy value chain and 6 MSMEs were in the dairy value chain were also financed with KSh. 30.2 Million.
3. **Edible oil value chain:** During the period under review 254 MSEs groups and association were formed (Please note MSMEs do not form Cooperatives but Form Groups) and 16 MSEs sensitized on edible oils value chain. Furthermore, 37 MSEs linked with oil producers that is (21 MSEs Linked with Halwa Edible Oil Group with Nsambweni Farmers and 16 MSEs/ farmers Linked with soya been producing company). Lastly, one SME in the edible oil value chain was financed with KSh. 4 million.
4. **Textile and apparel value chain:** Trained and sensitized 7 MSMEs in the Textile Value Chain and 4 CIDCs were equipped with common user Tailoring facilities in the previous quarters, they include: Kisii, Saboti, Moiben, Kawangware and Homa Bay. During the period under review 191 MSEs were also capacity-built on tailoring and dress making.

#### **Other Crop Production Interventions**

5. **Food Security and Crop Diversification:** The SD has completed three cold storage facilities in Meru, Kisii and Nyandarua Counties that will support agribusiness sector in the economy. The cold storage facilities are meant to assist potato and banana farmers in the region by providing them with a common user facility to preserve their produce. The facilities will approximately serve 5000 farmers in the aforementioned regions. The construction and equipping of these facilities is complete and The SD through MSEA has formalized a broad-based operationalization partnership with Kenya Development Corporation (KDC), House of Procurement/CropSoko, Kenya Commercial Bank and Africa Mega Agricorp in a significant step towards enhancing cold storage facilities for small-scale farmers. The collaboration aims to support aggregation, improve market access, reduce post-harvest losses, and provide financial support for operationalization of the 3 cold storages facilities.



*Ngusishi Cold Storage Facility in Meru County*

6. **Construction and Building Value Chain:** During the review period, 275 MSEs Associations in the building and construction value chain capacity built on product certification; 495 MSEs were linked and sub-contracted to the Government Affordable Housing Programme; Three (3) CIDCs were equipped and operationalized to support Cottage construction industries. i.e., Homabay, Timau, and Kimana CIDC and 34 MSMEs in the Cottage Construction industry were financed with Kshs 189.5 million. Cumulatively for the year 103 SMEs were financed with Kshs 508.9 million. Three (3) CIDCs refurbished to provide decent workspaces and common user facilities in Muranga, Kimana, Marimanti, and Funyula, Mitungu. Lastly On MSMEs capacity strengthened to venture into economic activities in building and construction 661 MSEs were sensitized and linked to the Government Affordable Housing.



*Uriri CIDC in Migori County*

7. **Decriminalization of MSMEs in the Informal Sector:** During the period under review the SD through MSEA, developed worksites regulations which gave a framework on how Counties would work with the Authority and have a collaborative approach in ensuring decent workspaces are offered to MSMEs.
8. **Industrial Infrastructure Development Project:** During the period under review in the industrial infrastructure development projects, 3 cold storage facilities were operationalized. 250 MSMEs were trained on entrepreneurship and value addition through MSE engagement support initiatives. 223 MSMEs were facilitated to attend various trade fairs and exhibitions.
9. **Hustler Fund:** The Hustler Fund has significantly advanced financial inclusion and improved credit behaviour in Kenya, with over 9 million regular borrowers and more than 5 million repaying on time. Borrowers can access up to Kshs. 150,000 based on their credit scores. The Fund disburses Kshs. 68 million daily in personal loans and Kshs. 27 million in bridge loans, with total disbursements reaching Kshs. 72 billion and repayments at Kshs. 60 billion. It has mobilised over Kshs. 5 billion in savings through a mandatory savings component. The Hustler Fund has a behavioral credit rating system ranging from A1, A2, A3, B1, B2, B3, C1, C2, C3, with A-scores being excellent while C-scores being very poor. This behavioral credit rating system is being institutionalized to encourage market-wide adoption.

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

**Table 4.11: MSME output implementation status for FY 2024/25**

Priority Project	Output	Indicator	Annual target FY2024/25	Cumulative Achievement FY2024/25	Remarks on Variance
Leather and Leather Products Value Chain	MSMEs mapped sensitized on leather value chains	No of MSMEs sensitized	2,000	116	Target not achieved due to Inadequate resources to facilitate more sensitization
	CIDCs equipped with common user facilities	No. of CIDCs equipped with common user facilities and operationalized	30	13	Target not achieved due to inadequate budget.
	MSMEs linked with large enterprises, schools, and Government institution	No. of counties with supply agreements/contracts signed between MSMEs and large enterprises	15	1478	Target Surpassed this was due to collaboration with the ministry of Housing Facilitating MSME subcontract with the Affordable housing

Priority Project	Output	Indicator	Annual target FY2024/25	Cumulative Achievement FY2024/25	Remarks on Variance
	Local market demand enhanced through enforcement of AGPO and the 40% of preferential	% Of procurement budget set aside by MDAs for locally produced goods and services	45	35	Target Surpassed as the SD and its Agencies procured more local goods
Dairy Value Chain	Dairy Cottage industries for animal feeds established	No. of dairy cottage industries established	50	2	Target not achieved. No Cottage Industries were Established
	Production clusters mapped out and MSMEs sensitized on opportunities in animal feeds	No. of production clusters mapped out	7	0	Target not achieved Inadequate budget
		No. of MSMEs sensitized annually	500	216	Target Surpassed Provision of adequate finance within the Quarter
Edible Oil Value chains	Counties supported to mobilize and register farmers to cooperatives, Groups and chamas	No. of cooperative/ groups formed.	10	3653	Target Surpassed due to continuous sensitization on Formalization. The 3653 were MSME Groups
	Farmers sensitized on opportunities available in the edible oil value chain	No. of farmers sensitized in the production clusters	2,000	16	Target not Achieved due to in adequate budget
	Cottage oil industries promoted (capacity building incubation & standards)	No of cottage industries promoted	5	0	Target not achieved due to Inadequate Budget
	Farmers in the production clusters linked with oil processors through contract farming	No. of oil production clusters linked	2	37	Target Surpassed due to linkages with large private sector enterprises

Priority Project	Output	Indicator	Annual target FY2024/25	Cumulative Achievement FY2024/25	Remarks on Variance
Textile and Apparels Value Chain	Aggregation centers in Constituency Industrial Development Centers (CIDs) established	No. of aggregation centers	3	0	Target Not met due to lack of Budget
	MSMEs within cotton catchment areas mobilized and sensitized	No. of farmer MSME sensitized	2000	87	Target not achieved due to budgetary constraints
	Common user tailoring facilities developed and equipped in CIDs	No. of common user tailoring facilities developed and equipped	3	4	Target achieved
	Capacity building on fashion and design of clothing and textile products conducted	No. of enterprises capacity built	2500	191	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 Inadequate budget
Food Security and Crop Diversification	Farmers linked to large enterprises through sub-contracting	No. of value chain contracts signed	2	0	Target not achieved because the Process to Link Farmers to Large Enterprises is Ongoing
	Cold storage facilities Constructed and operationalized	No. of cold storage facilities operationalized in the potato production areas	3	3	Target achieved, 3 cold storage facilities operationalized in Meru, Kisii and Nyandarua
	Farmers linked to large enterprises through sub-contracting	No. of contracts honored	3	0	Target not achieved due to Inadequate budget

Priority Project	Output	Indicator	Annual target FY2024/25	Cumulative Achievement FY2024/25	Remarks on Variance
Construction/ Building Materials Value Chain	Jua kali County Associations Capacity built	No. of Jua kali County Associations capacity built on Product Certification	15	275	Target Surpassed due to collaboration with KEBS
	Production corridors/clusters established	No. of corridors/clusters established	15	0	Target not achieved due to Inadequate budget
	MSMEs mobilized and aggregated into cooperatives around specific value chains opportunities (labour & material supplies)	No. of cooperatives formed and sensitized	50	0	Target not achieved due to Inadequate budget
	MSME Groups linked with Government Projects	No. of MSME Groups linked with Government Projects	50	495	Target surpassed due to budgetary constraints and Annual Target Surpassed
	Cottage construction industries promoted	No. of cottage construction industries	5	0	Target not Achieved due to budgetary constraints but 103 MSMEs in the construction value chain were financed with 508.9 million
	MSMEs industrial parks and business incubation centers established in every TVET	No. of MSMEs industrial parks and business incubation centers established	2	0	Target Not Achieved due to Budgetary Constraints
	MSMEs business development centers established in all wards	No. of MSMEs business development centers established	5	0	Target not Achieved due to Budgetary Constraints
	Standards for MSMEs products developed	No. of standards developed-	2	0	Target not achieved because No Standards Developed
	CIDCs modernized and	No. of modernized CIDCs linked to	20	8	Target not achieved due to Budgetary



Priority Project	Output	Indicator	Annual target FY2024/25	Cumulative Achievement FY2024/25	Remarks on Variance
	linked to TVET	TVET			Constraints
	MSMEs capacity strengthened to venture into economic activities in building and construction	No. of MSMEs engaged in building and construction	2,000	661	Target not achieved due to Budgetary Constraints
	Low-cost housing components ring-fenced to MSMEs	No. of MSMEs groups linked with National and County projects	100	661	Target surpassed. MSEs sensitized and linked to the Government Affordable Housing programme for the year.
Decriminalization of MSMEs in the Informal Sector	Licensing regime (licenses, Fees & CESS) streamlined	No. of Counties	47	0	Target not achieved because the process is ongoing (The SD Held a meeting with the Counties and agreed on Areas to be streamlined)
	Working spaces secured in counties	No. of Counties With streets / spaces set aside for MSMEs	15	0	Target not achieved because the process to secure the working spaces is ongoing
	MSMEs favorable policies and regulatory frameworks formulated	Reviewed MSMEs policy	1	0	Target not achieved. The Policy review is complete and the Draft policy is set to be forwarded to Cabinet for Approval
Industrial Infrastructure Development Project	MSMEs/ Industrial Parks established;	No. of MSMEs/Industrial parks established			Target not achieved but three cold storage facilities operationalized
MSMEs Development	MSMEs trained on entrepreneurship and value addition	No. of MSMEs trained on entrepreneurship and value addition	300	553	Target Surpassed due to MSE engagement support initiatives

Priority Project	Output	Indicator	Annual target FY2024/25	Cumulative Achievement FY2024/25	Remarks on Variance
	MSME Business Development Centre established	No. of MSME Business Development Centre established	5	0	Target not achieved because Business Development Centers were not established due to budgetary/financial constraints.
	MSMEs facilitated to access local, regional and international market	No. of MSMEs facilitated to access local, regional and international market	2000	1124	Target not achieved due to insufficient Budget
Hustler Fund	Hustler Fund for MSME operationalized	Amount of industrial credit issued (KSh. Billion)	30		Target not achieved because there was no credit from Exchequer to be issued in the fourth quarter, the whole amount was offered in quarters 1 and 2
		No. of enterprises Financed (M)			Target surpassed because, the number of active borrowers is low compared to 26M Loan book due to non-repayment
	MSME Savings	Amount of GOK counterpart savings for borrowers (KSh Billion)	3.75	0	Target not Achieved because Government counterpart savings was executed once in 2023/2024 FY and there is no funding to do savings marching.
		Amount of money saved by MSMEs (KSh Billion)	1.875	1.332	Target not achieved because there were no funds to lend to stimulate more savings
	MSMEs Trained and mentored	No. of enterprises trained on BDS and mentored	1000	0	Target not achieved because Hustler fund is in the process of developing training materials thus, training has not commenced.

Priority Project	Output	Indicator	Annual target FY2024/25	Cumulative Achievement FY2024/25	Remarks on Variance
Development of E-commerce in the promotion of trade	Commercial infrastructure for digital commerce rolled out	No. of MSMEs marketing their products through the digital platform (Million)	5,000	0	Target not achieved because The Development of e-commerce in the promotion of trade is under development by E-Citizen
	MSMEs linked through sub-contracting and franchising	No. of MSMEs linked through sub-contracting and franchising	2	0	Target not achieved due to Inadequate Budget

Source: Quarterly Performance Contract Reports and Quarterly Progress Reports FY 2023/24

#### 4.6.2. Policy, legal and institutional reforms

- i. The MSE Act 2012 Review -The MSE act has been reviewed and undergone public participation and is awaiting to be forwarded to the Senate for consideration and approval
- ii. Draft MSME Policy 2025 - The draft MSME policy 2025 has also been reviewed and undergone public participation and is also at the Senate stage for consideration and approval
- iii. Draft Credit Guarantee Policy
- iv. Micro, Small, and Medium Enterprises Bill 2025 and
- v. The MSME Start-up Bill 2024

#### 4.6.3. Challenges, Lessons Learnt and Recommendations

##### a) Challenges

- i. Delay in disbursement of funds from the exchequer slowing down the implementation of programmes/projects
- ii. Budgetary constraints limiting the implementation of some programmes/projects
- iii. Inadequate funds to sensitize and train beneficiaries under the Hustler Fund.

##### b) Lessons Learnt

- i. Adequate and timely financing is essential for achieving MSME programme and targets.
- ii. Strong collaboration with counties, and private sector partners is needed to enhance MSME opportunities both locally, regionally and internationally.
- iii. Continuous capacity building and sensitization is required to empower MSMEs to effectively utilize opportunities and improve productivity.

##### c) Recommendations

- i. Timely disbursement of funds from the exchequer to ensure timely and effective

- implementation of programmes/projects
- ii. Increase in resource allocation to the State Department to ensure implementation of all relevant programmes/projects
- iii. Increase in resource allocation to the Hustler Fund.

#### 4.7. Cooperatives Sub-Sector

State Department for Co-operatives' mandate and functions are Co-operative Policy, Standards and Implementation; promotion of co-operative ventures; co-operative production and marketing; supervision and oversight over co-operative Societies; co-operative savings, credit and other financial services policy; co-operative legislation and support services; co-operative education and training; co-operative audit services and co-operative financing policy.

##### 4.7.1. Sub-sector performance

1. **Tea value chain:** Even with mobilization and training, most tea farmers in Kenya operate under the Kenya Tea Development Agency, which provides all the facilities of a co-operative including value addition
2. **Dairy Value chain:** The over-achievement on the number of co-operatives registered is due to splitting up of larger co-operatives into new (and smaller ones), especially during the excessive rain season. This is also attributed to increased sensitization of dairy farmers that raised the desire to form new cooperatives. Limited budget for value chain activities has also hindered mobilization of dairy farmers in areas with traditionally fewer cooperatives like Northern Kenya.
3. **The New KCC factory modernization:** The project is 85 percent complete and it involves refurbishment and new installations in existing factories with an aim of expanding the processing capacity. There was delay in procurement procedures and the additional processing capacity was not installed in the financial year 24/25. New KCC milk powder initiative offers uptake of excess milk produced by farmers during glut periods. The targets were surpassed achieving a total of 522 and 1,289 metric tons of powdered milk, respectively. The overshooting of the target is attributed to elevated precipitation in the short and long rains season of FY 24/25. The increase in milk production is also partly attributed to government subsidy in the dairy sector that enables off-taking of excess milk produced in rainy season, thereby encouraging farmers to sustain dairy farming.
4. **Textiles and Apparel value chain:** Annually the target of 20,000 farmers was not achieved and the total aggregated cotton farmers in the year amounted to 2,200. The shortfall is attributed to both over-estimation of the target and limited budget to mobilize farmers and revive dormant cooperatives. The *Pamba na Viazi* (PAVI) cotton farmers co-operative ginnery project aims to provide value addition (ginning) facilities to farmers of cotton in Kwale County: Phase 1 (construction of the gin house and receiving store) of the PAVI cotton farmers co-operative ginnery was completed.



*Cotton farmers being recruited into a cooperative society in Homa Bay County*

5. **Rice Value chain:** Three (3) rice farmer co-operatives were registered. The membership achieved in the quarter and in the year was below the target (120 against 18750 and 180 against a target of 75,000, respectively) as there was no new irrigation scheme established during the period.
6. **Food security subsidy and crop diversification:** 600 maize farmers were recruited into cooperatives during the year. 60 farmers joined a potato farming cooperative.
7. **Miraa Industry revitalization:** There were no Miraa farmer cooperatives registered in the year. No data on Miraa cooperatives has been availed to the State Department from the two main counties with Miraa farming activities.
8. **Construction and building materials:** A total of 255 MSMEs in this value chain were registered. The overshoot is attributed to greater reach to MSMEs in the sub-sector through partnerships with non-governmental organizations that facilitated conversion of groups into co-operatives. The annual target was also surpassed cumulating to 1,080 MSMEs. Opportunities in the government affordable housing project required individuals to form cooperatives to be able to access the same, and this could explain the overshoot in the targets.
9. **Formalization of artisanal mining operations:** A total of 13 cooperatives were registered. This is a new value chain where actors have not been aggregated. Partnerships with the State Department for mining also led to reaching of miner groups that were converted into cooperatives, leading to an overshoot in the annual target (122 cooperatives against a target of 100).
10. **Formalization of artisanal fisheries:** A total of 4,800 fishermen were aggregated into cooperatives. There was a directive requiring conversion of all beach management units into cooperatives and this could partly have improved the recruitment.

a) Implementation status of key outputs and BETA priorities

**Table 4.12: Cooperatives output implementation status for FY 2024/25**

Priority Project	Output	Indicator	Annual target FY 2024/25	Cumulative Achievement FY 24/25	Remarks on Variance
Leather and Leather products Value Chain	Livestock co-operatives mobilized to provide hides and skins	No. of Livestock farmers in co-operatives	20,000	2,100	Target not achieved. The number of farmers registering per co-operative is less predicted
Dairy Value Chain	Dairy Co-operatives established/strengthened	No. of dairy co-operatives established/strengthened	14	70	Target achieved.
		No. of Dairy farmers enrolled into co-operatives	319,776	3,500	The number per cooperative is less than anticipated.
	New KCC plants modernized	% completion	85	85	Procurement process was not completed
		Quantity of powdered milk produced (MT)	750	1,289	Target Surpassed The target was under-estimated as we have had two heavy rainfall seasons in FY 24/25 that raised milk glut
		No. of modernized new KCC plants	3	0	Target not achieved Procurement process was not completed.
Tea Value Chain	Tea co-operatives established/strengthened	No. of co-operatives established/strengthened	9	0	Target not achieved Most farmers are under KTDA, which serves as a co-operative
	Tea farmers mobilized into co-operatives	No. of tea farmers mobilized into co-operatives	10000	0	Target not achieved Most farmers are under KTDA, which serves as a co-operative
Edible oil value chain	Counties supported to mobilize and register	No. of co-operatives formed	10	1	Target not achieved due to

Priority Project	Output	Indicator	Annual target FY 2024/25	Cumulative Achievement FY 24/25	Remarks on Variance
	farmers into co-operatives, Groups and chamas				budget cuts that affected mobilization activities in oil growing counties
	Edible oil crop farmers mobilized into co-operatives	No. of oil crop farmers mobilized into co-operatives	10,000	300	Target not achieved due to budget cuts that affected mobilization activities
Textile and Apparels Value chain	Cotton farmers mobilized into co-operatives	No. of cotton farmers mobilized into co-operatives	20,000	2,200	Target not achieved due to budget cuts that affected mobilization activities
Rice Value chain	Rice farmers mobilized into co-operatives	No. of rice farmers mobilized into co-operatives	75,000	180	Target not achieved. There were no new irrigation schemes new farmers registered came from splitting up of large and existing cooperatives.
		No of farmer co-operatives	2	3	Target achieved. Splitting of larger cooperatives into smaller ones
	Common user facilities for milling and packaging established	No of common user facilities for milling and packaging established	1	0	No budget provided for the period
	Small industries provided with rice miller machinery	No. of small industries provided with rice miller machinery	7	0	No budget provided for the period
Food Security subsidy and crop diversification	Co-operatives mobilized to produce maize and potatoes	No of farmers in maize cooperatives	650,000	600	Target not achieved due to budget cuts.
		No of farmers in Potato Co-operatives	150,000	60	Target not achieved due to budget cuts.
Coffee Revitalization	Coffee co-operative factories modernized	No. of coffee co-operative factories	200	0	Target not achieved. No budget for coffee revitalization

Priority Project	Output	Indicator	Annual target FY 2024/25	Cumulative Achievement FY 24/25	Remarks on Variance
					project.
Miraa Industry Revitalization	Miraa Umbrella Co-operatives strengthened	No. of farmers in co-operatives	1,000	0	Target not achieved due to budget cuts countries where Miraa is grown do not share registration/activity data with the SDC.
		No. of co-operatives capacity build	1	0	
Construction and building materials	MSMEs mobilized into co-operatives	No. of MSMEs mobilized into co-operatives	200	1,080	Target Surpassed Support from Global Community.
Industrial property rights protection	Co-operative Management Information System (CIMS) developed	Operational CIMS modules	10	0	Target not achieved. No Budget allocated to the project for FY 24/25
Formalization of artisanal mining operations	ASM co-operatives registered	No. of co-operatives	100	122	Target achieved. This was due to mobilization activities. GoK also gave a directive for all miners to operate under a cooperative
Formalization of artisanal fisheries	Artisanal fishermen mobilized into co-operatives	No of Artisanal Fishermen	15,000	8,400	Target not achieved. The annual target was over-estimated as there had not been any mapping/analysis done before

Source of data: State Department co-operatives registry; quarterly monitoring reports.

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

**Table 4.13: Cooperatives outcome implementation status for FY 2024/25**

MTP IV Outcome	MTP IV Outcome Indicator	Baseline FY 2023/24	MTP IV Outcome Target	Actual Achievement FY 2024/25	Remarks on Achievement
Improved cooperative governance	Proportion of cooperatives complying with the Act (%)	45	43	36	Majority of societies do not prioritize audit and other statutory



					obligations as they prioritize paying farmers the 80%
--	--	--	--	--	---

Source: State Department quarterly monitoring reports.

#### 4.7.2. Policy, legal and institutional reforms

The Cooperative Societies Bill was approved by Parliament and it is at the Senate. Drafting of the regulations and rules to implement the Bill will commence upon enactment of the Bill.

#### 4.7.3. Challenges, Lessons Learnt, Recommendation

##### a) Challenges

- i. Inadequate budget: there was no allocation for the State Department's development activities. The budget for value chain activities was reduced under supplementary budgets.
- ii. There was an overestimation of the targets at the time of drafting the MTP, as no mapping of potential cooperative activities had been conducted. Data challenges across the sectors spanning the priority value chains and lack of data sharing by counties impede target setting.
- iii. Political and administrative difficulties occasioned by lack of legal framework that aligns devolved and national government responsibilities as far as registration of co-operatives is concerned.

##### b) Lessons Learnt

- i. It is important to seek partnerships with development partners to mobilize resources and partnerships for value chain activities.
- ii. Developing, maintaining databases on cooperative activity across sectors and intensive use of the same in targeting within programs is crucial as the sub-sector changes constantly over time.
- iii. Fast tracking enactment of the cooperative bill is crucial to unlocking activities that are still contested by the two levels of government.

##### c) Recommendations

- i. Increased budgetary allocation to SDC BETA value chain activities. Budget cuts are implemented upfront, thereby affecting planned implementation of activities and projects that support aggregation activities.
- ii. Developing, maintaining databases on cooperative activity across sectors and intensive use of the same in targeting within programs is crucial as the sub-sector changes constantly over time.
- iii. Fast-track enactment of the Co-operatives Bill to provide legal background for registration and data for co-operatives at national levels. This will give way to more accurate data if all the registrations done at the county level are submitted to the Commissioner for co-operatives.
- iv. Implementation of projects in other sectors is essential as that lays a foundation for aggregation of final users into cooperatives. Monitoring and evaluation budgets should be reinstated to planning units to enable verification of outputs.

## 4.8. Financial Services Sub-Sector

The Financial Services sub sector goal as envisioned in the Kenya Vision 2030 is to create a vibrant and globally competitive financial sector that will promote high level of savings to finance Kenya's investment needs. During the period under review, the National Treasury tracked implementation of key priority areas as outlined below:

### 4.8.1. Sub-sector performance

1. **Nairobi International Financial Centre (NIFC)'s:** During the period under review, the center'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 eight sectors which are necessary to attract more investment into the economy and supporting innovation, especially into sectors outlined in the Government's BETA Transformation Agenda.
2. **Payment ecosystems interoperability:** 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, reduced corruption from long physical cues while the public are looking for services and timelines and cost effectiveness since services can be accessed online on a 24-hour basis anywhere in the globe as long as there is internet connectivity.
3. **Green financing:** During FY 2024/25, three (3) Green Finance service providers were accredited, 149 Green finance professionals trained and Ksh. 10,507 Billion disbursed to the Counties and the County Climate Change Funds to manage climate risks
4. **Digital finance:** During the period under review, services provided digitally through 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 e-Citizen Platform increased rapidly.



*Launch of Rural Kenya Financial Inclusion Facility (RK-FINFA) project aimed at supporting transformation of rural & smallholder agriculture sector in the country.*

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

**Table 4.14: Financial services output implementation status for FY 2024/25**

Priority Project	Output	Indicator	Annual Target FY2024/25	Annual Achievement FY2024/25	Remarks on Variance
Rural Kenya Financial Inclusion Facility (RK-FINFA)	Rural Credit Guarantee Scheme (RCGS) operationalized	No. of commercial banks participating in RCGS	5	0	Target not achieved.
		Volume of credit disbursed under RCGS (millions, USD)	16	0	Onboarding of PFIs not yet done though evaluation has been completed and report sent to IFAD for no objection.
		No. of farmers rural areas accessing financial services under RCGS	9,400	0	The project is therefore waiting for No Objection report from IFAD to be able to execute the other targets
Green Financing	Green Finance service providers accredited	No. of accredited local green finance service providers	1	1	Target achieved. AAGRA was accredited
	Green finance professionals trained	No. of green finance professional Trained	50	55	Target achieved Trainings for The National Treasury, MDAs and Counties on climate finance, ESG undertaken.
	National and County Government capacity to manage climate risks strengthened	No. of wards benefitting from Program-funded resilience investment (FLLoCA)	210	1,335	Target Surpassed. All the Counties except Nairobi and Mombasa are implementing the FLLoCA investment grant
		Capitalization of Climate Change Funds	1,500	4,000	Target surpassed. All the Counties except Nairobi

Priority Project	Output	Indicator	Annual Target FY2024/25	Annual Achievement FY2024/25	Remarks on Variance
		(Amount Ksh Millions)			and Mombasa are implementing the FLLoCA investment grant
Credit Guarantee Scheme	MSMEs provided with business development Services	No. of MSEs provided with business development services	20,000	4,315	Target not achieved
	Kenya Credit Guarantee Company Established	% Completion	100	95	Target not achieved. The Company is in the final stage of establishment awaiting the final approval.
	Sector specific credit guarantee product developed	No. of Sector specific credit guarantee products developed	3	3	Target achieved. The products include: Direct lending to farmers, value chain lending and wholesale lending
	CGS Capital Mobilized	Amount of CGS Sector specific credit guarantee developed capital mobilized from the private sector (Ksh. Millions)	2,000	0	This will be carried out once the company has been incorporated.
Payments Ecosystems Interoperability	Interoperable payments system developed	% of completion	75	100	Target achieved due to the migration of all state transactions to an online payment portal and using the universal Playbill number, 222222.

Priority Project	Output	Indicator	Annual Target FY2024/25	Annual Achievement FY2024/25	Remarks on Variance
	Government payment platforms automated	No. of Government Payment Services Automated	15,000	21,000	Target surpassed due to the Presidential Directive of on-boarding all government services onto the e-Citizen Portal.
NIFCA	Incentive Package to attract capital investments developed	No. of incentives package developed	3	3	Target achieved.
	Investment vehicles established	No. of investment vehicles established	2	0	Target not achieved
	Fintech and technology ecosystem in place	No. of Fintech firms in the NIFC	2	0	Target not achieved

Source: TNT Reports

#### b) MTP IV outcome achievements for FY 2024/25

**Table 4.15: Financial outcome implementation status for FY 2024/25**

Outcomes	Indicators	Baseline Vaues FY 2023/24	MTPIV Target 2024/25	Actual Achievement	Remarks on Achievement Variance
Increased access to financial services	Proportion of population using formal financial services	83.7	87.3	84.8	Target not Achieved
Increased financial services contribution to GDP	Share of financial services contribution to GDP	5.7	8.7	7.9*	Target not Achieved
Increased Gross National Savings	Gross National Saving as % of GDP	11.9	17.00	16.3	Target not Achieved

Source: The National Treasury QEBR, BROP and Economic Survey, 2025 by KNBS

\* Preliminary figures

**Increased access to financial services:** The Proportion of population using formal financial services increased from 83.7 percent in 2023/24 to 84.8% in 2024/25, while the share of financial services contribution to GDP increased from 5.7% in 2023/24 to 7.9 percent in 2024/25.

#### **4.8.2. Policy, legal and institutional reforms**

- i. Finance Bill 2025 submitted to the National Assembly.
- ii. Green Climate Fund Country Programme developed
- iii. National Climate Finance Strategy developed.

#### **4.8.3. Challenges, Lessons Learnt and Recommendations**

##### **a) Challenges**

- i. Resource Constraint persisted and affected implementation of budgets.
- ii. The rationalization of the budget, occasioned by underperformance of revenue collection and emerging government priorities affected the implementation of programmes. In the FY 2024/25, the National Treasury faced a total revenue collection shortfall of KSh 424.6 billion on account of shortfalls in both ordinary revenue.
- iii. The operationalization of RCGS has been delayed due to the ongoing conversion of Credit Guarantee Scheme into the Kenya Credit Guarantee Company (KCGC).
- iv. Unsustainable model. CGS needs an independent legal entity to carry out its mandate effectively. It is in this regard that the National Treasury is in an advanced stage of establishing the Kenya Credit Guarantee Company to enhance sustainability of the framework.
- v. Informality of MSMEs. Most MSMEs are not registered and do not have tax compliance certificates as required by Regulation 10 of the CGS Regulations. This reduces the uptake of credit guarantees by banks.
- vi. Most of the enterprises do not fully fulfill the definition criteria set out in the PFM Act, 2012 and the MSEA Act, 2012. Consequently, an enterprise could be micro by number of employees while according to turnover it could be classified as small or medium enterprise.
- vii. The definition of economic sectors in the banking industry may be contributing to misclassification of some MSMEs and the difficulty of the CGS to track impact in certain sectors of interest e.g. creative arts and ICT. For instance, some enterprises involved in health care services, education and agricultural value chains are being classified as trade.
- viii. Moral hazard. The challenge to create awareness on the credit guarantee while safeguarding the CGS from the risk of moral hazard.

##### **b) Lessons Learnt**

- i. Adequate and timely allocation of resources is crucial for successful implementation of priority projects and programmes envisioned in the Kenya Vision 2030;
- ii. The CGS's operational experience has provided valuable insights into enhancing its sustainability, product design, market reach, eligibility criteria, and use of technology. These lessons highlight areas for improvement and strategic focus to maximize the scheme's impact on MSME financing in Kenya;
- iii. Climate finance is a unifying factor as FLLoCA is already enhancing coordination within GoK with closer working between National Treasury, Ministry of Environment,

County Governments, MDAs and amongst development partners as more coalesce around the program and government leadership. Further, with the knowledge about climate finance, many counties have allocated their own funds towards their county FLLoCA programs.

**c) Recommendations**

- i. Mobilization of adequate resources by exploring various funding sources, both domestic and international, and ensuring that resources are channeled to priority projects.
- ii. Capacity building at both national and county levels is essential for effective implementation. This includes training and development of human resources, strengthening institutional frameworks, and promoting good governance.
- iii. Implementation of an effective robust monitoring and evaluation (M&E) system for tracking progress, identifying challenges, and making necessary adjustments. This system should provide regular feedback on project performance and ensure that resources are used effectively.

**4.9. Economic Planning**

State Department for Economic Planning is implemented through five (5) programmes, and 13 sub-programmes. The programmes are: Macro-economic Policy, National Planning and Research; Sectoral and Intergovernmental Development Planning; National Statistical Information Services; Monitoring and Evaluation Services; and General Administration, Planning and Support Services. It is committed to coordinating and tracking the implementation of the MTP IV through regular monitoring, evaluation and reporting to track whether the resources allocated to programmes and projects yield the desired results and outcomes.

**4.9.1. Sub-sector performance**

1. **Macroeconomic Research, Modelling and Forecasting:** 118 officers from the State Department for Economic Planning were capacity built on Macro-economic modelling & forecasting using the upgraded KIPPRA Treasury Macro Model (KTMM) through group trainings conducted in two (2) cohorts.
2. **Establishment of Comprehensive Monitoring & Evaluation System:** An Electronic-National Reporting System Committee (e-NRS) was constituted to spearhead the process. The e-NRS committee prepared a systems requirement report detailing: system overview; function requirements; data requirements; user roles and access levels; and integration and interoperability. The draft Terms of Reference (TORs) for procurement of a consultant for system development is in place. Budget constraints have hampered development and deployment of the system within the financial year.
3. **Provision of technical support to MDACs on Monitoring and Evaluation:** 30 officers from SDEP and 45 officers from 21 Central Planning and Project Monitoring Departments (CPPMDs) in line ministries were trained on Project Evaluations. Training on e-NIMES/CIMES was conducted for 6 counties with support from UNFPA. 30 officers from SDEP were trained on the following thematic areas: PFM (Public Investments

Management) Regulations 2022; Roles and Responsibilities of monitoring and evaluation teams; Result-based Monitoring and Evaluation – Policy, Legal and Regulatory frameworks.

4. **Preparation of Status of the Economy reports:** Four (4) Quarterly Status of the Economy Reports were prepared to track performance of BETA economic indicators and inform policy and decision making. The following Status of Kenya Economy reports were developed: Quarter 4-FY 2023/24; Quarter 1 -FY 2024/25; Quarter 2 – FY 2024/25; Quarter 3-2024/25 report.
5. **Provision of technical support to County Governments in County Peer Review Mechanism:** NEPAD/APRM provided technical support to 18 counties: West Pokot, Turkana, Uasin Gishu, Taita Taveta, Kwale, Lamu, Bomet. Kericho, Homabay, Nakuru, Baringo, Embu, Kiambu, Kirinyaga, Laikipia, Murang'a, Nyandarua, Tharaka Nithi. Ten (10) County Self-Assessment Reports were developed.

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

**Table 4.16: SDEP output implementation status for FY 2024/25**

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks on Achievement Variance
Macroeconomic Research, Modelling and Forecasting.	Technical officers' capacity built on the KTMM	No. of officer's capacity build	45	118	Target surpassed. 118 officers were capacity built on Macro-economic modelling and the KIPPRA Treasury Macro Model (KTMM) through group trainings conducted in two (2) cohorts in Quarter 1.
	Quarterly Status of the Economy reports prepared	No.	4	3	Target achieved.
	One-stop shop for effective statistics management	%	50	50	Target achieved. Framework to support KNBS to provide a one-stop-shop for official statistical information in place.
Strengthening the Monitoring and Evaluation system for tracking implementation of government policies, programmes projects	Comprehensive monitoring and evaluation system established	% level of establishment	100	0	Target not achieved due to budgetary constraints.
		Proportion of MDACs using the system	-	-	MDACs to start using system after completion and deployment.
	Technical support provided to MDACs on Monitoring and Evaluation	%	100	100	Target achieved. Technical support is offered to MDACs on demand basis.



Priority Project	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks on Achievement Variance
	Progress Reports prepared	No.	5	5	Target achieved. First Annual Progress Report prepared. Quarterly targets achieved. Q1, Q2, Q3 and Q4 progress reports for MTP IV prepared.
	Technical support in County Peer Review Mechanisms to County Governments provided	No.	20	18	Target not achieved. 18 counties supported in County Peer Review Mechanism.
	Participatory Poverty Assessment Conducted	No.	1	0	Target not achieved due to budgetary constraints
Strengthen National Planning at the County level	Technical support to MDACs on development planning provided	%	100	100	Target achieved. Technical support is offered to MDACs on demand basis.

Source: State Department for Economic Planning Reports FY 2023/24

#### 4.9.2. Policy, legal and institutional framework

The State Department for Economic Planning is in the process of finalizing the draft Kenya Economic Planning Policy and Bill to anchor the economic planning function in a policy and legal framework.

#### 4.9.3. Challenges, Lessons Learnt and Recommendations

##### a) Challenges

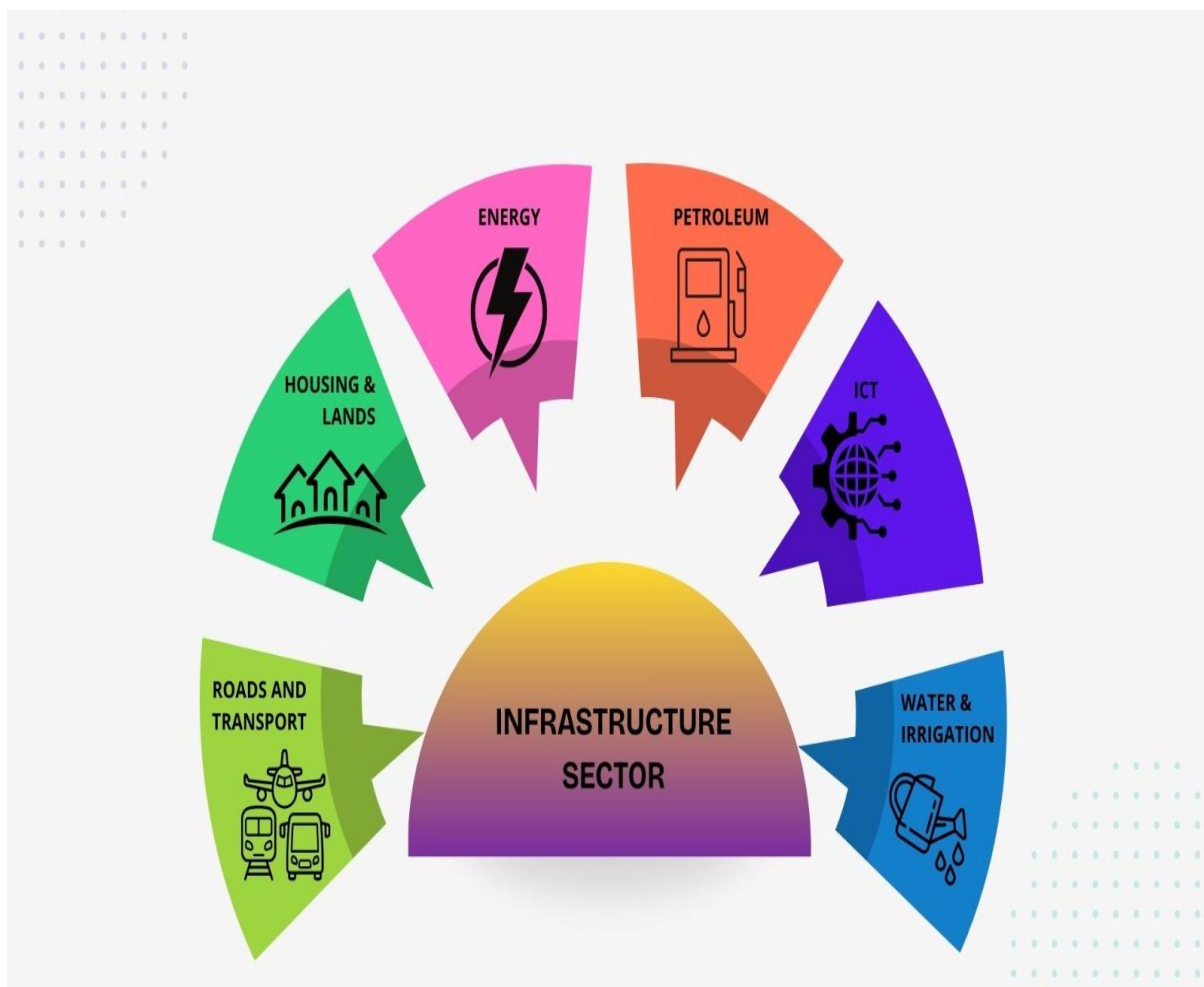
- i. Budgetary constraints: The State Department experienced budgetary constraints occasioned by inadequate funding compounded by austerity measures which hampered implementation of planned programmes and projects. In addition, allocations to SAGAs have either been reduced or maintained at baseline for the whole MTEF period hindering the effective delivery of their 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. Institutional Framework: Weak policy and legal framework to anchor the economic planning function and expiring of legal notices establishing SAGAs. This poses a threat to effective implementation of mandates across both levels of governments.

##### b) Lessons Learnt

- i. Strategic and well-coordinated resource mobilization is necessary to overcome budgetary constraints in project implementation.
- ii. Peer Review Mechanisms are vital for citizen dialogue, governance, cross-learning, and constructive criticism among counties.
- iii. Continuous and targeted capacity building is essential for institutional strengthening, staff development, and effective service delivery.

**c) 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. Formulation and implementation of resource mobilization strategies to expand the resource base;
- iii. Ensure effective succession management and adequate human resource in collaboration with Public Service Commission and also identify skills gap and provide the necessary capacity building for efficient service delivery; and
- iv. Strengthen legal and institutional frameworks to support the implementation of the mandate of the State Department for Economic Planning.



## CHAPTER FIVE

### INFRASTRUCTURE SECTOR

#### 5.0 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.

#### 5.1 Roads

Under the Kenya Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA), the roads sub-sector has been identified as an enabler of the key productive sectors of the economy, which are critical to the realization of economic transformation. The sub-sector is key to improving Kenya's global competitiveness through road development, maintenance, and effective management.

##### 5.1.1. Sub-Sector Performance

1. **Construction and Rehabilitation of Roads:** A total of 799.66 km of new roads were constructed/rehabilitated against a target of 1,200 km, representing a 66.6% achievement. The shortfall is attributed to inadequate budgetary allocation, which adversely impacted implementation timelines and contractor performance.

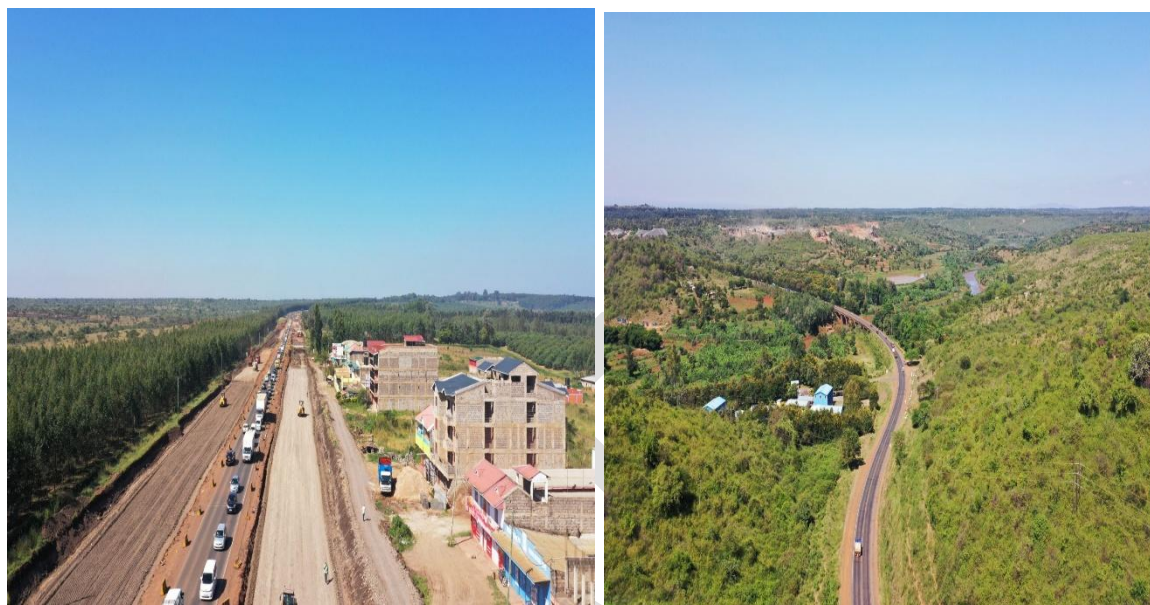


*Mombasa – Mariakani (A109) Highway project Lot 1: Dualling of the Mombasa – Kwa Jomvu (A109) Section.*

2. **Rural Roads Maintenance:** A total of 22,830.90km of rural roads were maintained/upgraded against a target of 21,755 km, representing a 104.9% achievement. The overachievement is attributed to the spillover of works contracted in the previous year (FY2023/24) but delivered in the FY 2024/25, as well as the continued proper utilization

of the Road Maintenance Levy Fund (RMLF). This reflects the sub-sector's strong performance in sustaining road assets through routine and periodic maintenance

3. **Urban and Highway Roads Maintenance:** A total of 33,261.60 km of highways and urban roads were maintained, surpassing the annual target of 21,000 km. This reflects enhanced contract execution and effective supervision mechanisms by implementing agencies.



*Kenol – Sagana – Marua Highway Improvement Project*

4. **Decongestion of Cities and Municipalities:** Under this component, 57.68 km of arterials and collectors were constructed against a target of 155.5 km, translating to 37.1% achievement. No progress was made on the construction of bypasses or missing links. The low performance is attributed to funding constraints and delays in procurement processes.
5. **Footbridges Construction:** Works and designs for 12 footbridges are currently ongoing and at different levels of completion. Notable progress includes the Green Park Underpass, which is 91% complete, and the Juja Highpoint (Centurion) Footbridge on the Thika Superhighway, currently at 92% completion. Additionally, the construction of three (3) pedestrian overpasses along the Athi River–Museum Hill–James Gichuru Junction section of the A8 Road has reached 65% completion. The footbridges are expected to significantly enhance pedestrian safety and mobility once completed.
6. **Development of Roadside Stations (RSS):** Designs for eight (8) Roadside Stations were completed in various locations, including Kibwezi, Sultan Hamud, Lokichar, and Lodwar. Implementation of these stations is scheduled for subsequent financial years.
7. **Traffic and Speed Cameras:** No new speed cameras were installed against a target of 20, due to procurement and budgetary delays. Implementation has been deferred to FY2025/26.
8. **Intelligent Transport Systems (ITS) and Traffic Management Infrastructure:** There was no installation of ITS infrastructure during the period under review. In FY 2024/25, KURA focused on maintaining existing junctions. Plans are underway for the construction

of additional junctions in FY 2025/26. Additionally, the design for Traffic Management Centres is already in place, with implementation scheduled for FY 2025/26.

**a) Implementation Status of Key Outputs and BETA Priorities**

Table 5.1.1 presents the performance of key outputs during FY2024/25. The sub-sector posted mixed results, with several targets achieved or surpassed, while others lagged due to resource constraints and delayed implementation.

**Table 5.1.1 Roads Output Results for FY2024/2025**

Priority Project	Output	Indicator	Annual target FY2024/25	Cumulative Achievement FY2024/25	Remarks on the variance
Construction of Km roads	Km of roads constructed/ rehabilitated	Km of roads constructed/ rehabilitated	1,200	799.66	Inadequate funding slowed down the work progress
Rural Roads Maintenance	Rural roads improved to gravel standard/ maintained	Km of roads improved	21,755	22,830.90	Target exceeded due to the spillover of work contracted in FY2023/24, but delivered FY2024/25
Urban and Highway Roads Maintenance	Highways and urban roads are maintained	Km of roads maintained	21,000	33,261.60	Target achieved
Decongestion of Cities, Urban Areas, and Municipalities	Length of Arterials and Collectors constructed	Km of roads constructed	155.5	57.68	Target not achieved due to inadequate allocation of funds.
Construction of footbridges	Footbridges constructed	No. of footbridges constructed	7	0	Works and designs are ongoing for 12 footbridges at different completion levels.
Development of Roadside Stations	Roadside Stations developed	No. of RSS developed	1	0	Kibwezi, Sultan Hamud, Lokichar, and Lodwar RSS designs developed.
Implementation of the Integrated National Transport Information Management System and Dashboard	Traffic and speed cameras are installed along main highways	No. of speed cameras installed	20	0	No speed cameras were installed during the period under review.
Decongestion of Cities, Urban	Length of Bypasses constructed	No. of Km Constructed	38.4	0	No Bypasses were constructed during the period under review

Priority Project	Output	Indicator	Annual target FY2024/25	Cumulative Achievement FY2024/25	Remarks on the variance
Areas and Municipalities	Length of Missing Links constructed	No. of Km Constructed	4	0	No Missing Links were constructed during the period under review
	Length of Arterials and collectors constructed	No. of Km Constructed	155.5	57.68	Target achieved not due to budgetary cuts.
	ITS Infrastructure is installed in Nairobi, Mombasa, Kisumu, Nakuru, Eldoret, and Thika junctions	No. of Junctions installed with ITS	85	0	No new installations; existing ITS junctions were maintained
	Traffic Management Centres constructed	No. of Traffic Management Centres constructed	1	0	Design for TMC is complete; Construction is scheduled for FY25/26

Source: KeNHA, KURA & KeRRA Reports FY2024/25

**b) MTPIV Outcome achievements for FY2024/25**

The sub-sector's performance at the outcome level is summarised in Table 5.1.2 below.

**Table 5.1.2 Roads Outcome Results for FY2024/2025**

MTP IV Outcome	Outcome Indicator	Baseline FY2022/23	Actual Achievement FY2023/24	Outcome Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
Improved road accessibility	Classified roads constructed (Km)	2,000	673.36	1,200	799.66	Inadequate funds slowed down the work progress
	Classified Roads Maintained and Rehabilitated (Km)	46,000	32,216.9	45,351	56,092.5	Target achieved

Source: KeNHA, KURA & KeRRA Reports FY2024/25



### **5.1.2. Policy, Legal, and Institutional Reforms**

- i. Draft Bill prepared for the Comprehensive Road Asset and Corridor Management Policy
- ii. Drafting of the Bill for the creation of the Mechanical and Materials Divisions to the Semi-Autonomous Government Agency (SAGA) and the Bill to transform the Kenya Institute of Highways and Building Technology (KIHBT) to a SAGA is ongoing
- iii. A review of Section 47 of the Kenya Roads Act, 2007 was undertaken to facilitate the classification of roads as per the fourth schedule of the Constitution, and a draft Bill was submitted to Parliament
- iv. A review of Section 6 of the Kenya Roads Board Act, Cap 408A Laws of Kenya, is ongoing to provide for county roads
- v. Initiated the review of the Roads Maintenance Levy Fund Act, Cap 427 Laws of Kenya that provides for securitization and its attendant regulation, namely Public Finance Management (Road Annuity Fund) Regulations, 2015
- vi. Establishment of the Infrastructure Fund is still at the formative stages

### **5.1.3. Challenges, Lessons Learnt and Recommendations**

#### **a) Challenges**

- i. Budget shortfalls and delays in the release of development funds affected the timely execution of projects;
- ii. Delays in securing the right of way and resolving compensation claims stalled several infrastructure projects, particularly in urban and peri-urban areas;
- iii. Unpredictable rainfall patterns disrupted ongoing works, especially in rural road maintenance; and
- iv. Some contractors lacked adequate equipment, personnel, and technical capacity, resulting in slow progress and poor-quality outputs.

#### **b) Lessons Learnt**

- i. Timely consultation with communities and stakeholders improved project acceptance and helped resolve land disputes more efficiently; and
- ii. Regular supervision and reporting by road agencies contributed to better maintenance outcomes and adherence to timelines.

#### **c) Recommendations**

- i. Mobilization of additional funding through public-private partnerships and development partner support;
- ii. Improved inter-agency coordination for efficient land acquisition, compensation and infrastructure rollout;
- iii. Adoption of climate-resilient and smart infrastructure through integrating resilient designs and accelerating the implementation of intelligent transport systems;
- iv. Enforcement of stringent contractor prequalification criteria and supervision to ensure quality and timely delivery of works; and



- v. Capacity building for contractors and supervising engineers to enhance delivery.

## 5.2 Transport

The sub-sector facilitates the movement of people and goods through road, rail, water/maritime and air. The sub-sector is important in connecting people to essential services, fostering the growth of cities and urban areas, and enhancing access to markets. Subsequently, the sub-sector seeks to provide affordable, safe, efficient, and integrated road and transport systems, and services for sustainable development.

### 5.2.1. Sub-Sector Performance

1. **Industrial Infrastructure Development project:** The tender evaluation for Consultancy and Transaction Advisory Services for Development and Operations of Lamu SEZ Port Assets through Public Private Partnerships (PPP) was completed, tender awarded, and is awaiting contract signing. The Special Economic Zone will be critical in supporting the leather and leather products value chain under the Finance and Production sector upon completion.
2. **Investment attraction, retention, facilitation, and enablement:** The programme seeks to attract and retain local and foreign private investments across the BETA key value chains through the establishment of Special Economic Zone in Dongo Kundu. The contractor for civil works commenced initial site works, including geotechnical investigations.
3. **Development of 50-year Transport Master Plan:** The development is yet to commence, but the Request for Proposals (RFP) has been issued. The master plan will be linked to the National Spatial Plan, and it will aid in ensuring optimal transport infrastructure investment upon completion.
4. **Road Safety Project:** The development of the Integrated Transport Information Management System (ITIMS) is currently 30% complete, and the construction of the model motor vehicle inspection and driver testing unit with simulators at Thika is 30% complete. In addition, 30 Road Safety Audits against the target of 20 audits were undertaken in the year. The overachievement is attributed to increased requests to undertake road safety audits and support from EU *Usalama Barabarani* funding.
5. **Decongestion of Nairobi Metropolitan Area (NMA):** The project entails the construction of five (5) Bus Rapid Transit (BRT) lines to enhance mobility and reduce travel time. Currently, construction of 28Km of the Simba Line: Rongai-Bomas (Langata Rd)- CBD-Ruiru-Thika-Kenol Road is yet to commence since funds were reallocated to reduce pending bills. The designs for the other 4 BRT lines, namely Ndovu, Chui, Kifaru, and Nyati, were reviewed pending financing through PPP.
6. **Construction and rehabilitation of Railways:** During the period, the Nairobi City Railway City early works, including the construction of a pedestrian footbridge and a maintenance depot in Makadara were undertaken and are 80% complete. The corridor pegging for SGR Phase 2B and 2C was completed, and a schematic study was done for the Embakasi village-Ruai commuter line. The Longonot - Malaba MGR (Phase II) rehabilitation was undertaken, which involved the installation of Railway Superstructure materials (Rails, sleepers, track, and fittings), but the construction of the 12Km

Riruta/Lenana – Ngong Commuter MGR Line (with 3 commuter stations) was stopped awaiting a court ruling. Additionally, three (3) MGR locomotives were rehabilitated and are 95.5% complete. Notably, minimal progress was realized toward the development of the Eldoret Railway City, SGR/MGR transshipment facility at Konza, and modernization of the workshops and depots.

7. **Civil aviation development and management:** The construction of the Kisumu airport control towers is currently at 86% completion, and the average availability of ANS equipment and systems was maintained at 98% above the ICAO-recommended level of 97%.



*Upgraded Nanyuki airstrip with an extended runway, new apron and taxiway 100% complete*

8. **Development and Operationalization of Ports:** During the financial year, a contractor for the development of Berth 1 of Dongo Kundu has mobilized equipment and commenced initial site works, and a contractor for the development of Berth 19 of Mombasa port was handed over the site. In addition, a prefeasibility study for strengthening, straightening, and deepening of existing berths 1-10 of Mombasa port has commenced.
9. **E-Mobility:** The e-Mobility Policy was developed, and an executive approval was given in March 2025. The Policy will promote the development of e-mobility to reduce greenhouse gas emissions and air pollution.
10. **Develop a Cool Logistics Corridor for Kenya:** A letter of intent was signed on cooperation between Kenya and the Netherlands on improving the cool logistics in rail and port that will help in increasing the freight handled.
11. **Development of Roadside Stations (RSS):** The RSS Regulations were prepared, awaiting Regulatory Impact Assessment. The Regulations will provide a framework for developing

three (3) roadside stations to improve on-road user convenience and support local economies

#### a) Implementation Status of Key Outputs and BETA Priorities

Table 5.2.1 presents the performance of key outputs during FY2024/25.

**Table 5.2.1 Transport Output Results for FY2024/25**

Priority Project	Output	Indicator	Annual target FY2024/25	Cumulative Achievement FY2024/25	Remarks on the variance
<b>Enablers of the Finance and Production Sector</b>					
Industrial Infrastructure Development Project	Lamu SEZ established	% of completion	-	-	Tender evaluation for Consultancy Services has been completed, and the tender has been awarded. We are now awaiting contract signing.
Investment attraction, retention, facilitation, and enablement	Public SEZs developed in Dongo Kundu, and Naivasha	% of Completion of SEZ in Dongo Kundu	50	0%	The contractor for Civil Works commenced initial site works, including geotechnical investigations.
<b>Inclusive Growth (People Centered)</b>					
Development of 50-year Transport Master Plan	Master Plans developed	% completion	100	0	At the Request for Proposals (RFP) stage.
Road Safety Project	Integrated Transport Information Management System	% of Integrated Transport Management System completed	70	30	The contract has been awarded and is currently under implementation
	Model motor vehicle inspection and driver testing unit with simulators	%completion of model motor vehicle inspection and driver testing unit with simulators	52	30	Construction work at Thika stands at 30%.
	Upgrading manual motor vehicle inspection centres	No. of Inspection centres upgraded	30	2	The Likoni Nrb and Miritini Msa MVI centres are automated from manual centres. The Thika MVI centre is under construction.
	Road Safety Audits and accident investigations/ Inspections undertaken	No. of road safety Audits undertaken	12	30	30 Audits undertaken: Q1- 7 audits, Q2 - 5 Audits, Q4- 6 Audits, Q4- 12 Audits.
Decongestion of Nairobi Metropolitan Area (NMA)	28 Km of Line 2 Simba: Rongai - Bomas (Langata Rd) – CBD - Ruiru - Thika – Kenol	Km constructed	40	-	Allocated funds were reallocated to reduce pending bills.

Priority Project	Output	Indicator	Annual target FY2024/25	Cumulative Achievement FY2024/25	Remarks on the variance
	constructed				
Construction and rehabilitation of Railways	Nairobi Railway City early works developed	% completion	100	80	Overall project is 80% complete for the Early works
	Eldoret Railway City developed	% completion	20	-	
	Embakasi village-Ruai commuter line completed	% Completion	10	-	A schematic study was done and reviewed
	SGR /MGR Transshipment facility at Konza constructed	% Completion	-	-	At the initiation stage (conception stage)
	SGR Phase 2B and 2C	% Completion	25	5	Corridor pegging for Phase 2B and C is completed.
	Central Workshop, Mombasa Depot, El-Eldoret Depot, and Nakuru Depot. Modernized and equipped	% Completion	40	10	Contract for project civil works awarded on 26 <sup>th</sup> June, 2025
	Locomotives and wagons purchased, rehabilitated, and overhauled	No. of locomotives rehabilitated	3	3	Rehabilitation of 9303, 9316, and 9318 is at a total average of 95.5%.
		No of MGR locomotives remanufactured	4	0	Remanufacture of MGR locomotives is delayed by long lead times on the delivery of the main component
		No. of wagons rehabilitated	150	0	Inadequate funds
Expand Revenue Base					
Civil aviation development and management	Terminal at JKIA constructed with an additional capacity of 20 million passengers	% Completion	50	0	The proposed partnership with India’s Adani Group was cancelled.
	JKIA Terminal 1E upgraded to a permanent facility.	% Completion	47	0	A demolition plan and methodology have been established.
	Kisumu Airport Control Tower constructed	% completion	100	86	Project at 86% completion rate as at the end of FY 2024/25.
	Diani Airport Control Tower constructed	% completion	20	0	There was no budget allocation for the project within FY 2024/25.
	Air Navigation Services (ANS) systems and equipment installed	No. of assorted equipment installed	521	-	The indicator was revised to Average availability of ANS equipment and systems captured below

Priority Project	Output	Indicator	Annual target FY2024/25	Cumulative Achievement FY2024/25	Remarks on the variance
	Average availability of ANS equipment and systems	%	98.00	98.14%	Average availability for the whole FY was 98.14%, above ICAO ICAO-recommended level of 97.00%.
Development and Operationalization of Ports	Berth I of Dongo Kundu developed and equipped	% Completion	20	0%	Contractor for Civil Works has mobilized equipment and commenced initial site works.
	Preliminary studies for Strengthening, Straightening and Deepening of existing Berths 1-10	% Completion for preliminary studies	-	-	Feasibility studies have commenced.
	Preliminary studies for Phase 3 of the Container Terminal 2	% Completion for preliminary studies	-	100	Feasibility study concluded.
	Berth 19 completed	% Completion	20	0	Site handed over to the Contractor.
<b>Alternative Financing</b>					
E-mobility	E-mobility Policy developed	E-mobility Policy	1	1	E-Mobility Policy developed, Executive Approval given in March 2025, awaiting to be launched on 27th August 2025.
	Adoption of Electric vehicles uptake promoted	No. of forums promoting uptake of E-mobility	TBD	-	Institutional Implementation Framework for the E-Mobility Policy finalized.
	E-mobility charging infrastructure developed	No. of charging infrastructure developed	TBD	-	EPPRA guidelines on charging infrastructure have been developed and published.
Develop Cool Logistics Corridor for Kenya	Improved the existing cool logistics facility in rail and port	% of Cool logistics corridor facility improved	40	0	Cooperation between Kenya and the Netherlands letter of intent signed.
Development of Roadside Stations (RSS)	Road Side Stations developed	No. of RSS developed	-	-	RSS Regulations: Pre-Publication Scrutiny done, awaiting Regulatory Impact Assessment.
Decongestion of Nairobi Metropolitan Area (NMA)	Line 1 Ndovu: Limuru Kangemi - CBD - Imara Daima - Athi River – Kitengela (18Km)	% completion	-	-	Reviews of designs were done throughout the financial year.
	Line 3 Chui: Tala - Njiru– Dandora /Juja Rd - CBD – Showground/ Ngong Rd – Ngong (13Km)	% completion	50	-	Reviews of designs were done throughout the financial year.



Priority Project	Output	Indicator	Annual target FY2024/25	Cumulative Achievement FY2024/25	Remarks on the variance
	Line 4 Kifaru: Mama Lucy Hospital - Donolm (Jogoo Rd) - CBD-T Mall - Bomas - Karen – Kikuyu (30.8Km)	% completion of BRT works	-	-	Reviews of designs were done throughout the financial year.
	Line 5 Nyati: Ridgeways (Kiambu Rd) - Balozi (Allsops) - Imara Daima (13Km)	% completion of BRT works	10	-	Review of designs were done throughout the financial year.
Construction and Rehabilitation of Railways	12Km Riruta/Lenana – Ngong Commuter MGR Line (with 3 commuter stations) constructed	% completed	100	10	There is a stop order awaiting ruling on November 7, 2024.
	Longonot - Malaba MGR rehabilitated (Phase II)	% completed	100	17.5	Railway Superstructure materials (Rails, sleepers, track and fittings) are being installed
	No. relocation units constructed to implement Kibra/Mukuru Relocation Action Plan	No. of relocation units	42	0	Project stalled due to lack of budgetary allocation from GoK.
Construction and Rehabilitation of Ports	Straightening and deepening of existing Berths 11-14	% completion	-	-	Feasibility study to be undertaken

Source: State Department for Transport Reports FY2024/25

#### b) MTPIV Outcome achievements for FY2024/25

The Transport sub-sector's performance at the outcome level is summarised in Table 6.2.2 below.

**Table 5.2.2 Transport Outcome Results for FY2024/2025**

MTP IV Outcome	Outcome Indicator	Baseline FY2022/23	Actual Achievement FY2023/24	Outcome Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
Increased access to Aviation Services	No of international & Domestic Air passengers handled per year (Millions)	11.20	12.84	12.58	12.95	Target surpassed due to increased international connectivity
	Volume of Air cargo handled per year (Total freight, Kg Millions)	384.5	394.9	423.9	403.9	
	Number of aircraft movements per year ('000)	285.7	294.2	303.1	305.192	There is rising international

MTP IV Outcome	Outcome Indicator	Baseline FY2022/23	Actual Achievement FY2023/24	Outcome Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
						traffic at JKIA
Improved access to Shipping and Maritime Services	Cargo throughput in Dead Weight Tonnes per year (Millions)	34.1	37.5	35.6	42.59	Increased handling of transshipment business
	Containers handled in Twenty-foot Equivalent Units ('000)	1,505	1,789	1,638	2,070	Increased handling of transshipment business
Improved access to Rail Services	Rail Passengers handled per year ('000)	7,540	5,636.9	8,306	8,155.77	Improved operational efficiency
	Rail Cargo handled per year ( MT '000)	5,420	7,393.95	9,526	5,060.56	Affected by the cancellation of services caused by socio-political unrest.

*Source: State Department for Transport, FY2024/25*

**Increased access to aviation services:** The number of international and domestic Air passengers handled increased from 11.20 million in FY2022/23 to 12.95 million in FY2024/25. The increased number of passengers is attributed to increased international connectivity, as more airlines resumed or launched flights, e.g., Brussels Airlines and Etihad Airways. There was an increase in cargo handled to 403.9 million kg compared to 384.5 million kg in the baseline year, due to the resumption of cargo operations by Astral Aviation and Ethiopian Airlines at Eldoret International Airport. As a result, the number of aircraft movements per year increased to 305,192 in the same year compared to 285,700 in the baseline year.

**Improved access to Shipping and Maritime Services:** There was improved performance reflected by an increase in cargo handled in Dead Weight Tonnes (DWT) from 34.1million in FY2022/23 to 42.59million in FY2024/25, mainly due to increased handling of transshipment business.

**Improved access to Rail Services:** There was mixed performance in the rail services, where rail passengers increased from 7,540,000 in FY2022/23 to 8,155,771 in FY2024/25 due to improved operational efficiency through additional assets and rehabilitation works across the networks, while the rail cargo handled reduced slightly from 5,420,000 to 5,060,562 during the same period. The Performance of passenger services was primarily affected by the cancellation of services caused by socio-political unrest.

## 5.2.2. Policy, Legal, and Institutional Reforms

- i. **Sessional Paper** for the National Aviation Policy was developed

- ii. **Civil Aviation Bill** was subjected to public Participation and is awaiting finalization.
- iii. Public participation and Regulatory Impact Assessment (RIA) done for the: The National Transport and Safety Authority (Operation of Commercial Service Vehicles) Regulations, 2025; Traffic (School Transport) rules, 2025; Traffic (Drink-Driving) Rules, 2025; and Traffic (Motor Vehicle Inspection) Rules, 2025 awaiting publication by the Attorney General.
- iv. **Review of Traffic Act:** Consultancy advertised and Evaluation conducted to proceed to Request for Proposal (RFP).
- v. **E-Mobility Policy:** Policy developed, Cabinet approval given in March 2025, awaiting launch on 27th August 2025.
- vi. **Roadside Stations (RSS) Regulations:** Pre-Publication Scrutiny done, awaiting RIA.
- vii. **Review of Kenya Railways Act Cap 397:** Public participation done on Railways Bill and report developed, awaiting validation.

### 5.2.3. Challenges, Lessons Learnt and Recommendations

#### a) Challenges

- i. Late disbursement of project funds and lack of budgetary allocation from the Government.
- ii. Ratification processes of Agreements and Legislative processes for approval of policies and regulations are not in the control of the State Department.

#### b) Lessons Learnt

- i.. Timely and adequate funding is essential for effective project implementation.
- ii. Early planning and stakeholder alignment are critical for successful PPP delivery.
- iii. Front-loading technical designs and studies expedites project execution.
- iv. Streamlined policy and regulatory approval processes reduce implementation delays.
- v. Regular preventive maintenance enhances infrastructure reliability and service continuity

#### c) Recommendations

- i. Budgetary allocation and timely disbursement of funds are key to the effective implementation of projects.
- ii. Set achievable timelines for legislative processes.

## 5.3 ICT and Digital Economy

The sub-sector is one of the BETA pillars which seeks to expand broadband connectivity, promote digital skills development, and enhance e-government services. Consequently, it is expected to foster digital transformation and ICT development for driving economic growth, improving service delivery, and enhancing overall global competitiveness.



### 5.3.1. Sub-Sector performance

#### A. *Inclusive Growth (People-Centered):*

1. **Digital access and creative economy:** During the review period, 400 interns were recruited, inducted, and deployed to MCDAs, and 237,007 youths were trained through Ajira Youth empowerment centres in partnership with universities, TVETs, and other stakeholders. An additional 44,479 youths were empowered with market-relevant digital skills such as Artificial Intelligence, cybersecurity, content writing, software development among others, and 65,953 youths were linked to global online work platforms such as Upwork, Rev and Suvero, among others. Further, 118 institutions (52 TVETs, 10 ICT Hubs, 2 Universities, 1 KMTC, 40 Schools, and 13 MDAs) were equipped with 4,423 Virtual Desktop Devices (VDIs).
2. **Last Mile County Internet Connectivity Project Phase IV and V:** This project aims to provide broadband internet connectivity to government institutions, including hospitals and administrative offices, across counties and sub-counties. Out of the targeted 562 sites, only 107 have been connected so far. The shortfall in implementation is primarily due to an ongoing tax dispute, which is currently being resolved.
3. **Manufacture of affordable smart devices:** The sub-sector continues to engage with the private sector to facilitate the establishment of manufacturing plants. The process will be fast-tracked in the FY2025/26.
4. **ICT capacity development:** A total of 779,232 citizens were equipped with basic ICT skills to enable their participation in the Digital Economy and facilitate access to digitalized government services. Additionally, 9,357 public officers received training in ICT and cybersecurity to enhance their competencies and remain aligned with the evolving ICT landscape.
5. **ICT Green Initiative Programme:** One waste collection center was established in Nairobi, and a total of 1,430 devices were collected for recycling and disposal. The remaining target of 39 centers will be targeted in the next Financial Year

#### B. *Digitalization:*

6. **Digitalization of Government services and records:** The target of digitalizing an additional 1,000 government services was not achieved due to procurement challenges occasioned by the non-provision of a budgets that will be resolved in the next Financial Year to fast-track the achievement of the target

#### C. *Expand Revenue Base:*

7. **Promote Konza Technopolis as a Silicon Savanna:** Significant milestones were realized which include: completion of Horizontal infrastructure projects; completion of supervision of streetscape; completion of the water treatment plant and waste water treatment facility; completion of Konza Technopolis smart facilities and services; commissioning of the second power distribution substation; commissioning of the automatic solid waste facility; commissioning of furnished apartments; and conceptualization of Konza complex Hotel under PPP arrangement.



*Kenya Advanced Institute of Science & Technology (KAIST)*



*Horizontal infrastructure projects and Street Scape -100% complete*

8. **Konza Data Centre:** A total of 71 service contracts were issued to data center customers, out of which 51 were new customers, while 20 were renewals for existing customers.
9. **Data Protection and Cybersecurity:** Procured and deployed a Security Operation Center tool called Extended Detection and Response (XDR) with 10,000 licenses for endpoints in MDAs. Currently, the XDR licenses have been deployed to 70% of the MDAs to streamline cyber threat detection, analysis, and response.

#### **D. Alternative Financing:**

10. **Universal Broadband Connectivity:** The project aims to expand high-speed internet connectivity across the country to enhance access to online government services and support the growth of the Digital Economy. A total of 5,910 km of fiber optic cable was laid nationwide. In the next Financial Year, implementation will be fast-tracked by addressing procurement challenges, with a focus on ensuring the overall target of 52,000 km is achieved by the end of the project term.
11. **Regional Smart Hub:** This output is planned for the FY 2025/26. Key measures put in place to ensure the realization of the set priorities include: Securing alternative financing for bankable projects through PPP; engagement with partners to support implementation of *Jitume* Enablement Programme; collaborating with partners in the establishment of digital hubs and youth trainings; and development of a robust resource mobilization strategy to support Konza Technopolis Development Authority.

#### **a) Implementation Status of Key Outputs and BETA Priorities**

Table 5.3.1 presents the performance of key outputs during FY2024/25.

**Table 5.3.1 ICT and Digital Economy Output Results for FY2024/25**

Priority project/ Priority	Output	indicator	Annual Target FY2024/25	Cumulative Achievement FY 2024/25	Remarks on the performance variance
<b>Inclusive Growth (People Centered)</b>					
Digital Access and Creative Economy	Free Public Wi-Fi across the Country ( <i>JiKonnnect</i> Hotspots) installed	No. of Hotspots installed	5,000	624	Lack of budgetary provision following budget rationalization.
	Training/Innovation Hubs (Digital Hubs) connected to Hotspot	No. of Hubs connected	390	36	Lack of budgetary provision following budget rationalization.
	Youths trained annually through Ajira Youth Empowerment Centres and ICT graduates are trained annually through the Presidential Digital Talent Programme (PDTP)	No. of youth trained	20,000	237,007	Increased demand for digital skills, enhanced mobilization efforts, and strategic partnerships with stakeholders
		No. of ICT graduates trained	400	400	Currently, the interns are undergoing specialized certification training.
	TVET institutions equipped with creative Economy facilities (23,000 VDIs)	No. of TVETs equipped	105	52	52 TVETs, 10 ICT Hubs, 2 Universities, 1 KMTC, 40 Schools, and 13 MDAs were equipped with 4,423 VDIs.
	Youths connected to online jobs (ITES/BPOs)	No. of youths connected	100,000	65,953	<i>Jitume</i> project empowered 44,479 youths with market-relevant digital skills; 65,953 youths were linked to job opportunities
	Coding, digital skills learning and software development in primary schools undertaken	% of implementation	40	-	Target not achieved due to lack of a budgetary provision
Last Mile County Internet Connectivity Programme (Phase IV and V)	Public institutions in Counties and sub-counties connected	No. of institutions connected	562	107	The project has faced contractual issues due to a tax dispute that is being resolved.
Manufacture of Affordable Smart Devices	Availability of smart devices with a price range of \$40	No. of smart devices manufacturing	2	-	Engagements with the Private Sector are ongoing to facilitate the establishment of

Priority project/ Priority	Output	indicator	Annual Target FY2024/25	Cumulative Achievement FY 2024/25	Remarks on the performance variance
through Private Sector initiative		plants established			manufacturing plants.
ICT Capacity Development	Software and electronic manufacturing industry established with 5,000 software engineers producing 1.2 million devices	No. of manufacturing plants established	1	-	
		No. of software engineers	1,500	-	
	Citizens trained on digital literacy skills.	No. of citizens trained	4,000,000	779,232	Inadequate budgetary provision.
	Officers in Public Service trained in High-End Specialized ICT areas.	No. of Public Service officers trained	151,000	9,357	Inadequate budgetary provision.
ICT green initiative Programme	E-waste management Centre established	% Completion of E-waste management centre	40	-	The target changed to the number of devices collected from MCDAs. One (1) Collection centre was established in Nairobi. and 1,430 devices were collected
<b>Digitalization</b>					
Digitalization of Government services and records	Government services digitalized	No. of services digitalized	1,000	0	Lack of budgetary provision following
	Government operational systems and records digitized (Paperless and fully Digital Government)	% of Government Operational Services and records Digitized	50	0	Delayed procurement of ICT Systems under the Kenya Digital Economy Acceleration Project (KDEAP).
<b>Expand Revenue Base</b>					
Promote Konza Technopolis as a Silicon Savanna	Konza Complex Phase 1B (Conference Facility)	% Completion	70	75.67	The annual Target was achieved due to funds rolled over from previous FY.
	Konza Complex Phase 1C (Hotel Block)	% Completion	-	-	Project Concept note prepared and submitted to PPP Directorate, The National Treasury and Economic Planning for review and guidance.
	Konza Masterplan Consultancy Master	% Completion	47	100	The project is complete.

Priority project/ Priority	Output	indicator	Annual Target FY2024/25	Cumulative Achievement FY 2024/25	Remarks on the performance variance
	Development Partner (MDP)2				
	Supervision of Streetscape and Wastewater	% Completion	100	100	The Project is complete and operational.
	Completion of Horizontal Infrastructure (EPC-F)	% Completion	100	100	This includes the Water Treatment Plant, the Wastewater Treatment Facility, Power Distribution Substation 2, Automatic Solid Waste Facility, and Furnished Apartments.
	Konza Smart City Facilities and services	% Completion	100	100	Complete and operational
	Establishment of Konza Digital Media	% Completion	22	5.5	Pre-feasibility study was finalized and the loan financing agreement between the government of Kenya and the Exim Bank of Korea signed. The project is at the tendering stage for a consultant
Konza Data Centre	Onboarding Government services in the Konza data centre	% of services onboarded	60	42	KPI was changed to the number of institutions onboarding services in the Data Centre. 6 MDACs onboarded their services
		% completion of Disaster Recovery Centre	100	96	Complete pending activation of the internet link.
Data Protection and Cybersecurity	Government ICT security operation centre operationalized	% Completion	30	30	Procured and deployed the Extended Detection and Response (XDR) tool with 10,000 licenses for endpoints in MDAs.
	13 Regional Offices for the Data Protection Commissioner operationalized	No. of offices operationalized	5	-	Lack of budgetary provision following budget rationalization.
<b>Alternative Financing</b>					
Universal Broadband	100,000 Km (52,000 Km by the	Km of fibre optic installed	20,000	5,910	Underperformance is due to the delayed

Priority project/ Priority	Output	indicator	Annual Target FY2024/25	Cumulative Achievement FY 2024/25	Remarks on the performance variance
Connectivity	Government and 48,000 Km by the private sector) of Fibre optic cable installed				onboarding of contractors to undertake the last-mile connectivity.
Regional Smart Hub	Enhanced connectivity in the Region	No. of Regional Smart Hubs	1	0	This output is planned for FY 2025/2026

Source: State Department for ICT and Digital Economy Report, FY2024/25

#### b) MTPIV Outcome achievements for FY2024/25

ICT and Digital Economy sub-sector's performance at the outcome level is summarised in Table 5.3.2 below.

**Table 5.3.2 ICT and Digital Economy Outcome Results for FY2024/25**

MTPIV Outcome	Outcome indicator	Baseline FY2022/23	Actual Achievement FY2023/24	Outcome Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
Universal Access to Information	Proportion of the population With 4G Internet Connectivity	95	97	100%	97%	97% of the Kenyan population is covered by mobile broadband networks, inclusive of 4G and 5G
	No. of public institutions connected to broadband network	2280	400	200	107	Those affected by contractual issues
Increased employment opportunities for the youth through ICT	No. of youths connected to online jobs (ITES/BPO)	145,719	102,400	200,000	65,953	Youths were linked to job opportunities on global online work platforms
	No. of University Graduates trained through the Presidential Digital Talent Programme (PDTP)	2,400	400	400	400	Target achieved.

Source: State Department for ICT and Digital Economy Report, FY2024/25

### 5.3.2. Policy, Legal, and Institutional Reforms

- i. **National Cloud Policy:** The Policy was developed and Gazetted on 2nd May, 2025
- ii. **ICT Authority Bill:** The Bill has been developed and submitted to the cabinet for approval. The Bill seeks to provide an overarching legal framework to facilitate the secure, efficient, and effective use and operation of digital infrastructure
- iii. **National Artificial Intelligence Strategy:** The strategy was developed and finally launched in March 2025. The strategy aims to position Kenya as the preferred regional hub for AI research, model development, and scalable innovation

### 5.3.3. Challenges, Lessons Learnt and Recommendations

#### a) Challenges

- i. Delay in deployment of the Extended Detection and Response (XDR) cybersecurity tool to the MDAs due to the unavailability of endpoints in their offices.
- ii. Inadequate budget to undertake completion of key infrastructure project, such as Konza Complex conference facility.
- iii. High Capital Requirements for the development of complex infrastructure projects posed a challenge in securing adequate funding for timely execution.
- iv. Lengthy procedure for initiating Public-Private Partnership and development partners-funded projects.
- v. Delays in the provision of necessary utilities such as water and electricity to support testing and commissioning of key infrastructure projects.

#### b) Lessons Learnt

- i. Partnership and collaboration are critical in accelerating the implementation of programmes and projects through financing and/or co-financing project components.
- ii. Adopting innovative funding mechanisms is critical in ensuring sustainability in project financing.
- iii. Addressing the complexities of coordinating and integrating various infrastructure design components requires comprehensive planning, careful alignment of contractor schedules, and rigorous monitoring to ensure successful project implementation
- iv. Monitoring and evaluation are important in tracking programme and project implementation progress by ensuring enhanced transparency and accountability through reporting and identification of challenges and provision of feasible recommendations.

#### c) Recommendations

- i. Adopt alternative financing mechanisms such as PPP arrangements and development partners to support the implementation of key infrastructure projects.
- ii. Enhance capacity building on PPP project management and development partners' engagement mechanisms.
- iii. Strengthen partnerships and stakeholders' engagement mechanisms to support project implementation.



## 5.4 Broadcasting and Telecommunications

The broadcasting and telecommunications sub-sector are a critical driver of Kenya's economic growth and a key enabler of the Government's Bottom-Up Economic Transformation Agenda (BETA). It promotes innovation, enhances communication, and supports social and economic development. The sub-sector contributes significantly to GDP through revenues from mobile services, internet data, broadcasting, and media advertising. It attracts both domestic and international investment, creates business opportunities, and fosters market competitiveness. It also generates employment in areas such as telecommunications, media production, content creation, and infrastructure development, helping to reduce youth unemployment.

### 5.4.1. Sub-Sector Performance

1. **Upgrading and expansion of communication and broadcasting systems:** The structural reforms of the Kenya News Agency to be the one-stop source of Government information for the Media industry; as well as modernization of KBC operations and roll out of broadcasting infrastructure to unserved and underserved areas were not carried out due to a lack of budget provision. A total of 4,447 journalists were trained on reporting on various thematic issues, and eight (8) reporting standards and curricula were approved.
2. **Digital Access and Creative Economy:** A total of 550 mass media practitioners were trained at the Kenya Institute of Mass Communication (KIMC) and equipped with the essential skills necessary for a career in mass media. However, the development and equipping of the Kenya Institute of Mass Communication, Eldoret Campus, and the construction of studios *mashinani* were not undertaken due lack of budgetary allocation.
3. **Cellular Mobile Network Infrastructure and Services Development Phase II, III, and IV:** The sub-sector rolled out eighty (80) cellular network infrastructure - against a target of 97 - comprising of passive infrastructure for 59 sub-locations and active infrastructure for 21 sub-locations.
4. **ICT Green Initiative Programme:** The installation of a solar system at 42 KBC transmission stations, aiming to reduce operational costs associated with high electricity consumption, was not undertaken due to a lack of budgetary provision.

#### a) Implementation Status of Key Outputs and BETA Priorities

Table 5.4.1 presents the performance of key outputs during FY2024/25.

**Table 5.4.1 Broadcasting and Telecommunications Output Results for FY2024/25**

Priority Project	Output	Indicator	Annual Targets FY 2024/25	Comm. Achievement	Remarks on the variance
Upgrading and expansion of communication and broadcasting systems	Kenya Broadcasting Corporation Broadcast House and ICT infrastructure Automated and Upgraded	% Completion	50	0	Target not achieved. No budgetary allocation
	KBC Broadcast infrastructure rolled out to	% Coverage of digital TV signal	65	0	Target not achieved. No



Priority Project	Output	Indicator	Annual Targets FY 2024/25	Comm. Achievement	Remarks on the variance
	unserved and underserved areas				budgetary allocation
	Kenya News Agency Digitized to be the one-stop source of Government information for the Media industry	% of digitization	50	0	Target not achieved. No budgetary allocation
	Journalists trained on reporting on various thematic issues	No. of media practitioners trained annually	500	4,447	Target achieved
	Approved standards and curriculum for reporting	Number of reporting standards and curriculum approved	8	8	Target achieved.
	Communications masts installed	No. of masts installed	10	0	Target not achieved as it has yet to get funding.
Digital Access and Creative Economy	Additional Studio Mashinani established	No. of Studios established	3	0	Target not achieved. No budgetary allocation
	Mass Media Practitioners trained	No. of practitioners trained	770	550	Target not achieved due to lack of budgetary allocation
	Kenya Institute of Mass Communication, Eldoret Campus, constructed and equipped	% Completion	100	0	Target not achieved due to lack of budgetary allocation
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	97	80	Target not achieved. No budgetary allocation
ICT Green Initiative Programme	KBC solar power system installed in the transmitting stations	Number of solar power systems installed	42	0	Target not achieved. No budgetary allocation

Source: State Department for Broadcasting and Telecommunications

b) **MTP IV Outcome achievements for FY2024/25**

The sub-sector's performance at the outcome level is summarised in Table 5.4.2 below.

**Table 5.4.2 Broadcasting and Telecommunications Outcome Results for FY2024/2025**

MTP IV Outcome	Outcome Indicator	Baseline FY2022/23	Actual Achievement FY2023/24	Outcome Target FY2024/25	Actual Achievement FY2024/25	Remarks on the Achievement Variance
Universal Access to Information	Mobile Network Coverage in the country	98	97	100	98	Near-universal mobile network coverage
	Proportion of the country covered by digital TV Signal	92	92.13	96	92.01	Target not achieved
	Proportion of Households With access to Radio	96	65.8	100	65.8	Lack of updated data from KDHS

*Data Source: KDHS (2022), Communications Authority of Kenya Reports*

As of 2024, Kenya had achieved near-universal **mobile network coverage**, with approximately 98.0 percent of the population within range of a mobile signal. Notably, 4G/LTE networks covered about 97.0 percent of the population, reflecting the country's substantial investment in mobile broadband infrastructure. However, 5G coverage remained limited, reaching only about 1.2 percent of the population. highlighting the early stage of 5G deployment across the country.

The **proportion of the Country Covered by National Digital TV** signal coverage increased from 91.2% in 2023 to 92.13% in 20234 due to the continued rollout of digital TV broadcast infrastructure by both public and private operators. This has improved the household's access to the digital broadcast signals, especially in unserved and underserved areas. The government has continued to implement the public Digital broadcast infrastructure under the signet by filling in the identified gaps.

The sector continued to expand access to radio broadcasting by licensing and assigning frequencies to community broadcasters. The number of Free-to-Air (FTA) radio stations also increased from 233 in 2023 to 252 in 2024. This growth encompasses both national stations broadcasting in Kiswahili and English, as well as community radio stations broadcasting in various vernacular languages. The latest available data, from the 2022 Kenya Demographic and Health Survey (KDHS), indicate that **65.8 percent of households had access to a radio**, with 71.2 percent in urban areas and 62.1 percent in rural areas, an increase from 58.5 percent in 2019. While KNBS launched the 2025/26 Kenya Integrated Household Budget Survey (KIHBS) in July 2025, the survey will span 12 months, with results expected in mid-2026.

### **5.4.2. Policy, Legal, and Institutional Reforms**

- i. **National Addressing System of Kenya Bill:** The process of reviewing the Bill through public participation was undertaken, and the comments were incorporated in the Bill. A Cab memo was developed to submit the bill to the cabinet

### **5.4.3. Implementation Challenges and Emerging Issues**

#### **a. Challenges**

- i. Inadequate funding;
- ii. Infrastructure gaps - Limited broadband internet and broadcasting signals coverage in rural and remote areas;
- iii. Cyberattacks and data privacy breaches;
- iv. Community opposition due to social and environmental concerns;
- v. High cost of imported equipment and technology, combined with fluctuating exchange rates; and
- vi. Vandalism of infrastructure.

#### **b. Lessons Learnt**

- i. Accelerating the development, approval, and implementation of the various policy, legal, and institutional reforms is key to the achievement of the projects.
- ii. Enabling access to cellular mobile network infrastructure in the unserved and underserved areas in the country will lessen the existing digital divide between the rural and urban areas.
- iii. Collaboration between Ministries, Counties, Departments, and Agencies (MCDAs) is key in the successful and timely delivery of projects and programs.

#### **c. Recommendations**

- i. Adequate resource allocation and resource mobilization from development partners.
- ii. Collaboration with private telecom and broadcasting companies to invest in infrastructure expansion, particularly in underserved rural and remote areas.
- iii. Collaborate with industry stakeholders to develop a national cybersecurity strategy that prioritizes the protection of telecom and broadcasting infrastructure.
- iv. Conduct thorough environmental and social impact assessments to address potential concerns from communities before deploying new infrastructure.
- v. Enhanced legislation and enforcement to effectively combat the vandalism of infrastructure.

## **5.5 Lands and Physical Planning**

The sub-sector is a key enabler in advancing the national development agenda by supporting and implementing the Housing and Settlement Pillars of the Bottom-Up Economic Transformation Agenda (BETA) by securing land rights for projects under the Affordable Housing Programme, settlement of landless, and land use planning.

### 5.5.1. Sub-Sector Performance

- 1 **Processing and Registration of Title Deeds:** The subsector processed and registered a total of 436,212 title deeds from subdivision, adjudication sections, settlement schemes, and leases to guarantee security of land tenure and land rights to land owners.

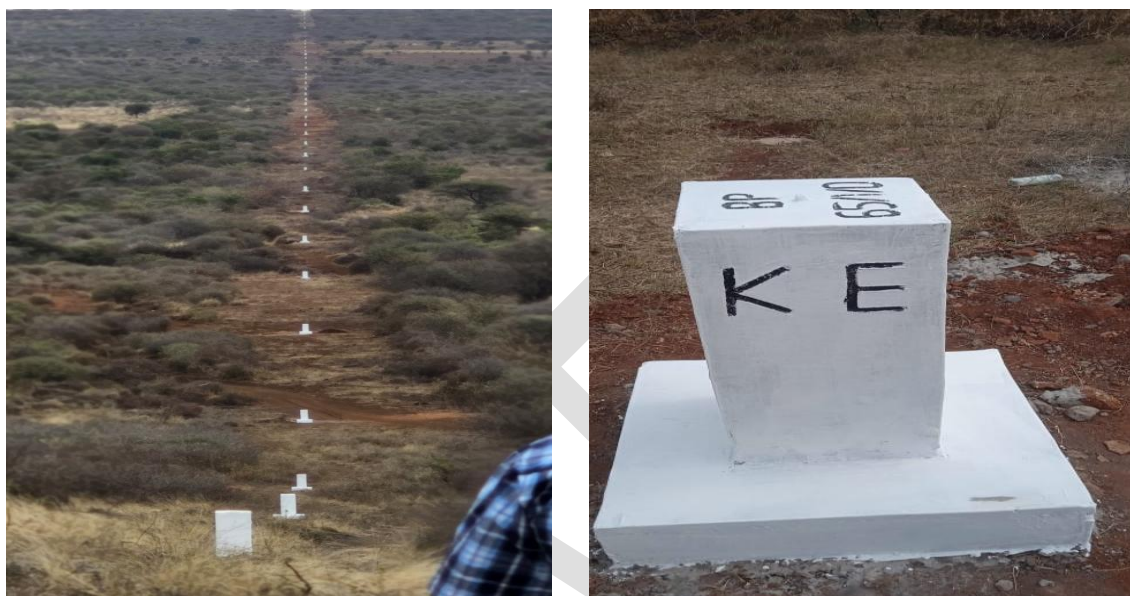


*Hon Alice Wahome, Cabinet Secretary for Lands, Public Works, Housing and Urban Development, issuing title deeds to Oloosokon Adjudication Section in Narok County on 16th August 2024.*

- 2 **Development of Land Value Index:** The subsector developed the Land Value Index for Migori, Lamu, and Homabay Counties to guide compensation for infrastructure projects, guide investment, and curb speculation on land. The target was affected by budget cuts.
- 3 **Geo-referenced land parcels:** The sector established 323 geodetic controls and georeferenced 247,702 land parcels to produce cadastral maps and plans. The target aims to minimize land disputes and overlaps and support land administration and management.
- 4 **Implementation of National Spatial Plan (NSP) and National Land Use Policy (NLUP):** The subsector prepared four (4) Physical and Land Use Development Plans for L.R. No. 12157/8 and L.R. No.12157/11 in Murang'a County, Kitui Industrial Park, and Turkwel-lokirima Corridor and sensitized county staff in West Pokot, Taita Taveta, Murang'a, Machakos, Kitui, Turkana, Nakuru, and Mombasa counties on Spatial Planning.
- 5 **Settlement of landless households:** The sector settled 13,270 landless households in Taita Taveta (2,417), Trans-Nzoia (126), Kilifi (7,045), Kwale (1,804), Mombasa (1,796), Nandi (66) and Nakuru (2) Counties and acquisition of 11,000 acres of land for settlement of landless households in Kedong Ranch, Nakuru County in progress. Planning,

demarcation, and surveying of plots for the settlement of landless ongoing. surveyed 119,142 land parcels

- 6 **Survey and Maintenance of National and International Boundaries:** The subsector established 79 international boundary pillars, cleared a 10-meter vista corridor, surveyed and maintained 110 kilometers (BP43 Namanga to BP56 Rombo) along the Kenya-Tanzania International Boundary to ensure peaceful coexistence and promote trade. This is in line with the African Union Border Programme (AUBP) initiative.



*Survey and Maintenance of the Kenya-Tanzania International boundary along Namanga to Rombo section*

- 7 **Development of hydrographic database:** The subsector developed 9 bathymetric/ nautical charts to support the blue economy through exploration and sustainable exploitation of resources, as well as guide safe navigation in national and international waters.
- 8 **Digitization of land services:** The Subsector digitalized Land records in Isiolo and Mombasa Island; scanned land records for Marsabit and Mombasa Mainland, and information stored in the Electronic Document Management System (EDMS) and re-organized Koibatek land records. The target aims at achieving online land transactions for improved, efficient, and effective service delivery.



**a) Implementation Status of Key Outputs and BETA Priorities**

Table 5.5.1 presents the performance of key outputs during FY2024/25.

**Table 5.5.1 Lands and Physical Planning Output Results for FY2024/2025**

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumulative achievement FY2024/25	Remarks on Variance
Processing and Registration of Title Deeds	Title deeds issued	No. of title deeds issued	460,000	436,212	Inadequate budget provision.
National Land Value Index	National Land Value Index developed in 25 Counties	No. of Counties with National Land Value Index	6	3	Inadequate budget provision.
Geo-referencing of Land Parcels	Parcels of land geo-referenced to produce cadastral plans and maps.	No. of land parcels geo-referenced.	60,000	247,702	Target over achieved due to enhanced funding.
Implementation of 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	4	Target achieved due to co-operation and collaboration with counties.
	Staff in the Counties were sensitized on the development of physical and land use development plans	No. of Counties Sensitized	10	8	West Pokot, Taita Taveta, Murang'a, Machakos, Kitui, Turkana, Nakuru, and Mombasa County staff sensitized on County Spatial Planning.
Settlement of landless	Land acquired for settlement	Area of land Acquired (Ha.)	60,000	0	Acquisition of 11,000 acres of land for settlement of landless at Kedong Ranch in progress.
	Landless households Settled	No. of households settled	20,000	13,270	Target affected by budget constraint
	Surveyed and mapped land parcels	No. of parcels surveyed	100,000	119,142	Target surpassed due to increased demand for land services.
Survey and Maintenance of National	Kilometres along the National and international	Km surveyed and maintained	1,200	110	Target was affected by budget cuts.

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumulative achievement FY2024/25	Remarks on Variance
and International Boundaries	boundaries surveyed and maintained				
	Boundary mark /pillars established	No. of pillars Established	250	79	Target was affected by budget cuts.
	Delimitation, demarcation and reaffirmation of the international boundaries between Kenya/South Sudan, Kenya/ Uganda and Kenya/Tanzania undertaken	Km Surveyed and maintained	170	0	Target was affected by budget cuts.
Development of hydrographic database	Nautical charts and bathymetric maps produce	No. of Maps and charts produced	4	9	Target affected by budget cut.
Digitization of land services	Land records in the Counties digitized	No. of Counties Digitized	10	2	Mombasa island and Isiolo land services digitalized.

Source: State Department for Lands and Physical Planning Reports

#### b) MTPIV Outcome achievements for FY2024/25

The sub-sector's performance at the outcome level is summarised in Table 5.5.2 below.

**Table 5.5.2: Lands and Physical Planning Outcome Results for FY2024/2025**

MTP IV Outcome	Outcome Indicator	Baseline FY2022/23	Actual Achievement FY2023/24	Outcome Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
Improved land tenure security	Title deeds registered and issued	360,000	422,313	400,000	436,212	Target surpassed due to improved service delivery and increased demand for land services as a result of enlightened citizens.
	Public institutions issued with title deeds	3,500	214	4,000	304	Lack of sufficient supporting documentation on requests received; Conflict on who to be issued with the title deed where land is being shared by more than one institution; and Delay in exchequer release.

	Land parcels geo-referenced	50,000	44,733	60,000	29,144	Under-achievement due to inadequate survey equipment and software as well as delay in exchequer release.
--	-----------------------------	--------	--------	--------	--------	--

*Source: State Department for Lands and Physical Planning*

The sub-sector processed 436,212 titled deeds, out of which 304 were for public institutions, and georeferenced 29,144 land parcels to produce cadastre maps and plans. The results were achieved due to capacity building, collaboration, and cooperation among Lands Departments and agencies, ensuring efficient workflow for land title processing and geo-referencing, reducing bureaucratic delays, and improving turnaround time. Further, the digitization of land records facilitated quicker processing and registration of title deeds and internal tracking systems that recorded each stage of the title deed registration and georeferencing of land parcels.



*Hon Alice Wahome, Cabinet Secretary for Lands, Public Works, Housing and Urban Development issuing the title deed to Lavington Primary School on 11<sup>th</sup> June 2025.*

### **5.5.2. Policy, Legal, and Institutional Reforms**

- i. **Land Laws (Amendment) Bill, 2024.** A draft bill was prepared to harmonize the Land Registration Act of 2012 and the Land Act of 2012, focusing on land ownership laws in Kenya. The bill is awaiting public participation.
- ii. **Review of Survey Act (Cap 299):** The review of the Survey Act (Cap 299) resulted in three (3) Draft Instruments: Draft National Land Surveying and Mapping Policy, 2024; Draft Land Surveying and Mapping Bill, 2024; and Draft Land Surveyors Registration



- Bill, 2024. The three (3) bills are awaiting public participation and onward submission to parliament.
- iii. **Review of Physical Planners Registration Act (Cap 536):** Draft Physical Planners Registration Bill, 2024, awaiting public participation after professional drafting by the Office of the Attorney General and Department of Justice (OAG&DJ).
  - iv. **Review of National Land Policy, 2009:** A draft National Land Policy, 2024 prepared, awaiting public participation, and has been forwarded to Parliament.
  - v. **Review of the Valuers Act (Cap 532):** A draft has been prepared, awaiting public participation and forwarded to Parliament.
  - vi. **Review of the Land Adjudication Act (Cap 284) and Community Land Act 2016:** A proposal has been prepared to guide the review process. The bills aim to harmonize the process of transforming land tenure from customary systems to individual and community land tenure.

### 5.5.3. Challenges, Lessons Learnt and Recommendations

#### a) Challenges.

- i. Inadequate and budgetary cuts hence affecting timely implementation of projects;
- ii. Manual land records which hinder its efforts towards expeditious land transactions;
- iii. High number of litigation cases 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.

#### b) Lessons learnt

- i. Multi-sectoral approach is critical for the implementation of projects and programmes.
- ii. Strong political will is important in achieving land reforms;
- iii. Digitization of land transactions and processes has enhanced public access to information and ease of doing business, hence critical in improving access to services; and
- iv. Decentralization of services and modernization of land offices have contributed to improved access to land services and ease of doing business.

#### c) Recommendations

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

- vi. Adequate funding to procure specialized Survey and Mapping equipment/software.

## 5.6 Public Works

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

### 5.6.1. Sub-Sector Performance

1. **Construction of footbridges:** In order to enhance accessibility between human settlements and areas with difficult terrain, nine (9) footbridges were constructed in FY 2024/25. Additionally, feasibility studies, design, documentation, and tendering processes were carried out for eight (8) other footbridges whose construction works are ongoing at various levels of completion, which include: Handaraku (5%); Adole (12%); Gatono Nazareth (8%); Athena-Maraba (25%); Kokwa-Island (7%); Indoli- Mwichina (35%); Ololulunga - Olepolos (20%); and Erimet (8%).
2. **Construction and maintenance of Jetties:** This project priority seeks to improve movement into and out of the waters. However, due to lack of budget allocation, none of the four (4) targeted jetties were constructed in the FY2024/25
3. **Construction and maintenance of seawalls:** In FY 2024/25, an additional 700m of the Ndau Sewall was constructed against a target of 4,414m. As such, the Sewall length has increased to 1,000 metres from 300 metres in FY2023/24. However, the construction of the seawall has since stalled due to budget cuts.
4. **Construction of river protection and training works:** The construction of 500meters of riverbank wall to protect land and property from erosion from rivers was not undertaken due lack of funds.
5. **Completion of stalled and ongoing Government projects:** A total of five (5) County Government headquarters which had stalled namely Isiolo (60%), Tharaka Nithi (82%), Nyandarua (68%), Tana River (72%) and Lamu (60%) were handed over to their respective County Governments for completion. Additionally, the construction of Voi Pool Housing – Phase I & II and Kericho Pool Housing have stalled at 72% and 86% respectively due to non-funding.



*Nyandarua County Headquarters, 68% complete*



*Tana River County Headquarters, 72% complete*

#### a) Implementation Status of Key Outputs and BETA Priorities

Table 5.6.1 presents the performance of key outputs during FY2024/25.

**Table 5.6.1 Public Works Output Results for FY2024/25**

Priority Project	Output	Indicator	Annual Target FY 2024/25	Cumm. Achievement FY 2024/25	Remarks on the variance
Construction of footbridges	Footbridges constructed	No. of footbridges constructed	50	9	9 footbridges were completed, and an additional 8 footbridges are under construction
Construction and maintenance of jetties	Jetties constructed	No. of jetties constructed	4	0	Not financed
Construction and maintenance of seawalls	Length of various seawalls constructed	Metres of sea wall constructed	4,414	700	700m of Ndau seawall have been completed. The Project has stalled due to budget cut
Construction of river protection and training works	Length of riverbank	Metres of river bank	500	0	The target was not achieved due to lack of budgetary provision.
Completion of stalled and ongoing	Isiolo County HQ completed	% completion	75	60	The Project was handed over to County Government for completion.

Priority Project	Output	Indicator	Annual Target FY 2024/25	Cumm. Achievement FY 2024/25	Remarks on the variance
Government projects	Tharaka Nithi County HQ completed	% completion	75	82	The Project was handed over to the County Government for completion.
	Nyandarua County HQ completed	% completion	75	68	The Project was handed over to the County Government for completion.
	Tana River County HQ Completed	% completion	75	72	The Project was handed over to the County Government for completion.
	Lamu County HQ completed	% completion	75	60	The target was not achieved due to a lack of budgetary provision.
	Completion of Voi Pool Housing – Phase I and II	% completion	82	72	The project stalled at 72% due to budget cut.
	Migori District HQ phase I completed	% completion	82	86	The project stalled at 86% due to lack of funding.
	Kericho Pool Housing completed	% completion	82	35	The project stalled at 35% due to lack of funding

Source: State Department for Public Works Report, FY2024/25

#### b) MTPIV Outcome achievements for FY2024/25

The sub-sector's performance at the outcome level is summarised in Table 5.6.2 below.

**Table 5.6.2 Public Works Outcome Results for FY2024/25**

MTP IV Outcome	Outcome Indicator	Baseline FY2022/23	Actual Achievement FY2023/24	Outcome Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
Enhanced pedestrian safety and access to service	No of footbridges constructed	18	7	40	9	9 footbridges were completed, and an additional 8 footbridges are under construction
	No of Jetties constructed	2	1	2	0	Lack of budgetary allocation
Enhanced protection of human property from sea wave action	Length of sea wall constructed (Meters)	-	300	1,200	700	700 meters of the Ndau seawall was constructed.

Source: State Department for Public Works Report, FY2024/25

### 5.6.2. Policy, Legal, and Institutional Reforms

- i. **Public Works Management Policy, 2024:** Draft policy was developed and is currently at the Attorney General's office for review. The policy will facilitate and coordinate sustainable design, documentation, supervision, and development of buildings and other social infrastructure once approved.
- ii. **Designers Registration Bill, 2020:** A Draft bill was developed that provides a legal framework for the development, protection, and promotion of the growth of Creative Design disciplines. The bill was submitted to the Attorney General for review.
- iii. **Building Standards and Control Bill, 2024:** A Draft bill was developed that provides for building performance standards, promotes accountability, and a sustainable built environment. The is undergoing public participation.
- iv. **Local Furniture Design and Development Policy for Public Offices in Kenya, 2024:** It is currently at the drafting stage, and it seeks to provide the standards, procedures, principles, rules, and procedures regarding the selection, acquisition, installation, and use of local furniture for office fit-outs and fittings in public buildings
- v. **Climate Change (Green & resilient buildings Regulations), 2024:** The proposed regulations seek to guide and support the Kenya Green Economy Agenda by mainstreaming the principles of the Climate Change Act of 2016 into the built environment. The Bill was submitted to the Ministry of Environment, Climate Change, and Forestry for review:

### 5.6.3. Challenges, Lessons Learnt and Recommendations

#### a) Challenges

- i. Austerity measures, which frequently result in budget cuts
- ii. Non-funding of ongoing projects

#### b) Lessons Learnt

- iii. Resource mobilization is critical to avoid overdependence on the exchequer funding

#### c) Recommendations

- i. Explore the possibility of accessing alternative funding models from development partners.
- ii. Government funding should prioritize on ongoing projects

## 5.7 Housing and Urban Development

The sub-sector is a critical pillar of the Bottom-Up Economic Transformation Agenda (BETA) and has prioritized the implementation of the Affordable Housing Program (AHP) which aims to improve the living conditions for people of Kenya. The government is committed to progressively invest in the construction of 200,000 affordable housing units annually and associated infrastructure through the Housing Levy.



### 5.7.1. Sub-Sector Performance

1. **Affordable Housing:** 1,140 units completed which comprise 1,080 social housing units in Mukuru Meteorological site and 60 institutional housing at Eldas Police station. Housing units in various categories are ongoing which include; Affordable housing; Ruiru 1,050 units (75%), Mavoko 5,430 units (20%), Shauri Moyo A 2,456 units (29%), Shauri Moyo B 3,006 units (13%), Starehe 1,710 units (5%) and Thika 975 units (48%) completion levels. Further 61,137 Constituency affordable housing units ongoing at an average of 34% completion level. In the category of Social Housing, ongoing sites include 12,168 units in Mukuru Meteorological Site (46%) 4,054 housing units in Kibera Zone B (79%), 2,690 housing units in Mariguini (0%), 10,000 housing units in Kiambu (0%). The state department also implemented institutional Housing where 420 police and prisons housing units are ongoing at various completion levels as follows; (Ndaragwa (60 units)-78%, Bondo (60 units) - 95%, Kisii (60 units)-70%, Sondu (60 units)-40%, Langas (60 units)-95%, Kathiani (60 units) - 73% and Banisa (60 units)-65%).



*Ruiru Affordable Housing, 1050 Units, 75% complete*



*Kibera Soweto Zone Social Housing, 4054 Units, 79% complete*

2. **Market development:** Four (4) markets were completed (Homabay Fish market, Kahawa, Esise and Giaki ) while 17 other modern markets ongoing in various sites as follows; Mathare North (98%); Ruai wholesale (29%); South B (4%), Maji Mazuri (23%), Kangari (90%); Muthithi (90%); Gikomba Phase II (87%); Eldoret 64Utra (31%); Embu (57%); Chuka (47%); Nanyuki (34%); Engineer (4%); Uhuru (60%), Kilgoris(5%); Siaya Intergrated(45%); Gikambura((67%) and Githunguri(12%) .Further 185 ESP markets are ongoing at average completion level of 43.5%.



*Ndunyu Chege ESP Market*

3. **Kenya Urban Support Program (KUSP II)**- Ksh 32,309,327.35 was disbursed to each of the 45 participating counties as Urban Institutional Grant to support the strengthening of urban institutions. The actual implementation of planned activities to commence in FY 2025/26.
4. **Kenya Informal Settlement Improvement Project (KISIP II)** -Physical and social infrastructure, which includes security lights, streetlights, improving access roads, storm water drainage, and walkways constructed /installed in various informal settlements and 3,000 households connected to water supply. Further 31 Socio-economic inclusion plans were prepared for Kisumu, Kakamega, Nairobi, Nakuru, Kilifi, Mombasa, Kiambu and Uasin Gishu counties. The plans contain a long list of interventions prioritized by communities and various implementing actors based on the mandates and responsibilities.

**a) Implementation Status of Key Outputs and BETA Priorities**

Table 5.7.1 presents the performance of key outputs during FY2024/25.

**Table 5.7.1 Housing and Urban Development Output Results for FY2024/25**

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks on the variance
Affordable Housing	200,000 units constructed	No. of housing units constructed annually	200,000	1,140	Completed units include 1,080 social housing units in Mukuru and 60 institutional housing at Eldas Police station; and  Construction of 162,131 housing units in different categories is ongoing at various levels of construction
Low-cost mortgage	1 million affordable home financing mortgages issued (low-cost mortgages, TPS, affordable construction loans)	No. of low-cost mortgage issued	250	130	Cumulatively 130 beneficiaries facilitated with mortgage worth Ksh. 857,739,851
Markets development	Markets Constructed	No. of Markets Developed	100	4	Completed Homabay fish market, Kahawa, Esise and Giaki Markets; 17 modern Markets ongoing at various completion levels; and 185 ESP markets are ongoing at an average of 43.5% completion level.
Kenya Urban Support Program (KUSP II)	Urban areas with improved resilient urban infrastructure and services	No. of strengthened institutions for urban service delivery	79	-	Ksh 32,309,327.35 was disbursed to each of the 45 participating counties.
Kenya Informal Settlement Improvement Project (KISIP II)	New security lights constructed	No. of new security lights constructed	50	86	Targets achieved
	New streetlights constructed	No. of new street lights constructed	100	177	
	Kms of access roads improved	Km of access roads improved	25	35	
	Storm water drainage constructed	Km of storm water drainage constructed	25	45	



Priority Project	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks on the variance
	Kms of walkways constructed	Km of walkways constructed	10	35	
	Households connected to water supply	No. of households connected to water supply	1200	3,000	
	Allotment letters/title deeds/leases prepared and issued	No. of allotment letters/title deeds issued	7,000	-	Lengthy time taken by County Assemblies in approving the Local Physical Development Plans prior to processing of Allotment letters/title deeds/leases
	Socio-economic inclusion plans prepared.	No. of socio-economic inclusion plans.	20	31	Socio-economic inclusion prepared for Kisumu, Kakamega, Nairobi, Nakuru, Kilifi, Mombasa, Kiambu and Uasin Gishu counties.

Source: State Department for Housing and Urban Development

#### b) MTPIV Outcome achievements for FY2024/25

The sub-sector's performance at the outcome level is summarised in Table 5.7.2 below.

**Table 5.7.2 Housing and Urban Development Outcome Results for FY2024/25**

MTP IV Outcome	Outcome Indicator	Baseline Value	Actual Achievement FY2023/24	Outcome Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
Improved access to affordable housing	No. of Affordable Housing Units constructed	-	815	200,000	1,140	Completed 1,080 Social Housing units; Completed 60 units at Eldas police station; and 162,131 housing units are ongoing at various completion levels.
	No. of Civil Servants Accessing Mortgage	200	251	250	130	130 Civil Servants were facilitated with mortgage worth Kshs. 857,739,851
Improved Markets Development	No. of markets developed	0	7	100	4	4 markets were completed- Homa Bay Fish market, Kahawa, Esise

MTP IV Outcome	Outcome Indicator	Baseline Value	Actual Achievement FY2023/24	Outcome Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
						and Giaki Markets; 17 Modern markets are ongoing at an average of 46% completion rate; and 185 ESP Markets are under construction at an average of 43.5% completion rate

### 5.7.2. Policy, Legal, and Institutional Reforms

- i. **The Affordable Housing Bill, 2024:** The Bill was assented to the law on 19<sup>th</sup> March 2024. The Act allows the government to collect Housing Levy and establishment of 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.
- ii. **Proposed Policies.**
  - a. Review of National Housing Policy 2016. *Internal review ongoing.*
  - b. Review of National Urban Development Policy 2016. *Drafting process ongoing*
  - c. Development of Public Office Accommodation Policy. *Pending finalization of the Concept Note and the initial draft.*
  - d. Development of Metropolitan Development Policy- *being onboarded in the ongoing review of Urban Development Policy, 2016.*
- iii. **Proposed legislations.**
  - a. Amendments to Urban Areas and Cities Act 2011- *Draft proposals developed.*
  - b. Housing Bill, 2022. *Consideration and incorporation of the comments raised by the Office of the AG.*
  - c. Landlord and Tenant Bill, 2021 (NA Bill No. 3 of 2021) - *resubmission process for the Bill, a Cabinet Memorandum to be prepared*
  - d. Amendments to the Estates Agents Act, 1987. *Ongoing*
  - e. Proposed Amendments to Housing Act, CAP 117. *Proposed amendments developed.*
  - f. Building Maintenance Bill. *Drafting to commence*
  - g. Housing Developers Regulatory Bill under drafting. *Proposed bill will be incorporated into the Housing Bill*
- iv. **Proposed statutory instruments**
  - a. Estates Agents (Categorization of Estates Agents) Regulations 2023. *Process on course.*
  - b. Urban Area and Cities (General) Regulations: *Legal drafting by the Office of the Attorney General ongoing.*

- c. Reviewed Civil Servants Housing Schemes Fund: *regulations awaiting public participation.*
- d. Affordable Housing Regulations 2024-The draft is in place at AGs for clearance

### **5.7.3. Challenges, Lessons Learnt and Recommendations**

#### **a) Challenges**

- i. Inadequate serviceable and suitable land for development of projects and lack of land bank;
- ii. Lengthy litigation that delays implementation of projects;
- iii. Non-compliance by some counties to commitments on their obligations as per the signed participation agreements for KISIP2 projects;
- iv. Lengthy time taken by County Assemblies in approving the Local Physical Development Plans under KISIP2 ; and
- v. Delays in approval of County Government Additional Allocation (CGAA) Act limiting disburseable amounts to counties posing cash flow challenges for the works.

#### **b) Lessons Learnt**

- i. Deliberate effort of investment in housing and urban infrastructure enhances sustainable socio-economic development.
- ii. Approval of relevant policies, bills, and legislations on time leads to effective implementation of the sub-sector mandate.
- iii. Involving key stakeholders (at both the National and County level) at all phases of the project ensures smooth implementation, ownership of projects, and minimizes disputes that delay project implementation.

#### **c) Recommendations**

- i. Deliberate investment in housing and urban infrastructure by the National and county governments and establishment of a land bank.
- ii. Fast-tracking of relevant policies, bills and legislations for effective implementation of the sub-sector mandate.
- iii. Enhance Public participation and stakeholders' involvement (at both National and County level) at all phases of project to ensure smooth implementation and ownership of projects.
- iv. Council of Governors (CoG) to support respective Counties Fast track approvals of Local Physical Development Plans by County Assemblies.
- v. The Counties need to allocate counterpart budgets to support various Project implementation aspects such as those related to Safeguards instruments implementation (ESIAs & RAPs).

## 5.8 Energy

The sub-sector plays a critical role in fostering Kenya's overall economic growth through the development, generation, transmission, and distribution of energy, with a strong emphasis on increasing investments in green energy sources such as geothermal, wind, solar, and hydro. Furthermore, it is positioned as a key driver of inclusive development by promoting access to reliable and competitively priced energy services, achieved through the sustainable exploitation and management of energy resources

### 5.8.1. Sub-Sector Performance

1. **Green Energy Industrial Parks and Other Geothermal Resources Direct Use:** The establishment of the Green Industrial Park in Olkaria advanced to 10% completion with of the design for Paka completed and the gazettement of Olkaria land as a Special Economic Zone (SEZ) done.
2. **Power generation:** The country's installed capacity stood at 3,236MW, with the renewable energy share of the installed capacity comprising 82% and the proportion of renewables in the national generation mix of 92%. This follows the consistent retirement of thermal plants upon expiry of Power Purchase Agreements (PPAs) and continued investment in renewable energy generation. So far, Olkaria I, II, and III units are being upgraded, while 35MW Globeleg power plant (60%); 35MW Orpower power plant(57%); 8.6MW Gogo Hydro power plant (5%); Solar Power Plant (8%); and Wind plant (1.5%) are in progress. To enhance the country's preparedness for Nuclear Power Generation, 80 people were trained on nuclear power; the establishment of the nuclear research reactor was advanced to 28%; the Energy Research Centre was advanced to 5%; the establishment of infrastructure for the nuclear power programme advanced to 24%; among other initiatives.

*Olkaria I Unit 3 turbine and generator erection at 60% level of completion.*





3. **Power Distribution:** Towards expanding the electricity access rate, 385,898 new customers were connected to electricity, including 481 public facilities. This has grown the cumulative number of customers connected to electricity to 10,045,777 and the electricity access rate to 75%. This has been achieved through the installation of 3 new solar mini-grids in off-grid areas, maximizing 408 transformers among other initiatives. To support the 24-hour economy, 5,855 new street light lanterns were installed, growing the cumulative number of street light lanterns installed to 205,295.



*H.E. the President flagging off the electrification of public institutions and households under the Last Mile Electrification Program in Narok County, May 2025.*

4. **The Power transmission:** The national grid was enhanced with 406.1km (circuit length) of transmission lines completed and energized, including the 192km of the 400KV Kenya-Tanzania -Interconnector. Further, three (3) high-voltage substations were completed and energized in Loitoktok, Kitale, and Esabania. The completion of the National System Control Centre advanced to 13.8%.



*Kabianga Power Distribution substation completed on 30th June 2025*

5. **Alternative Energy Technologies:** The adoption and investment in the alternative energy technologies were enhanced with one more energy centre established in Maralal, 260 domestic and 4 institutional biogas plants installed across the country, 33 domestic charcoal kilns (biomass data loggers) installed, and four e-mobility stations installed.

**a) Implementation Status of Key Outputs and BETA Priorities**

Table 5.8.1 presents the performance of key outputs during FY2024/25.

**Table 5.8.1 Energy Output Results for FY2024/2025**

Priority Project/ Priority	Output	Indicator	Annual Target FY 2024/25	Cumm. Achievement FY 2024/25	Remarks on Achievement Variance
<b>Inclusive Growth (People Centred)</b>					
Green Energy Industrial Parks and Other Geothermal Resources Direct Use	Green Energy Industrial Park-Phase I in Olkaria	% completion	15	10	The Detailed design for the Energy Park infrastructure completed and report submitted; Gazetted the Olkaria Land as Special Economic Zone (SEZ) in March 2025.
Power Distribution	Public facilities connected to power grid	No. of public facilities connected	6,000	481	Lack of materials delayed project implementation.
	Transformers installed and maximized	No. of transformers installed and maximized	18,000	408	Lack of materials delayed project implementation.
	New customers connected to electricity	No. of new customers connected	650,000	385,898	
	Street lighting lanterns Installed	No. of lanterns Installed	15,000	5,855	Quarterly target achieved as per the allocated budget.
	Solar mini-grids constructed	No. of Solar Mini grids constructed	50	3	KEMP Mini-grids – commissioned; Mageta Island Hybrid Mini-Grid Station in Siaya County; and Ngothe and Takawiri in Homa Bay County
Alternative Energy Technologies	Alternative clean energy sources developed	No. of PV solar systems installed	1,000	-	Project identification, planning and budgeting completed; Initial tender unresponsive. Re-tendered - evaluation in progress to electrify 5 New public secondary schools through solar in the 2024/25FY

Priority Project/ Priority	Output	Indicator	Annual Target FY 2024/25	Cumm. Achievement FY 2024/25	Remarks on Achievement Variance
		No. of Stand-alone solar systems installed	165	-	Contractor is engaged and mobilizing to move to the site. The contractor will install a 20kVA solar PV system with storage at Mweiga and Kisumu offices/stores energy center
		No. of energy centres established	1	1	One (1) new Energy Centre - Maralal Operationalized by Staffing. A second - Bumula - Land transfer to REREC completed. Perimeter wall awarded and constructed. Workshop design in progress. Discussions in progress with Makueni County on establishment of a Centre.
		No. of biogas digesters installed.	300	260	Target achieved as per allocated budget.
		No. of small Hydro plants Installed	2	-	Identified 19 sites awaiting funding.
		No. of bio-fuel plants installed	1	-	Lack of funds
		No. of wind masts and data loggers installed	16	-	Lack of funds
		No. of (Biomass charcoal kilns) biomass data loggers installed	40	33	REREC is giving technical support/training in development of 33 Charcoal Kilns to Caritas SACCO.
		No. of e-mobility stations installed	100	4	4 Solar-powered Electric Vehicle Charging Stations in 4 Energy Centres at Jamhuri (Nairobi), Mtwapa (Kilifi), Kericho, and Busia
		No. of clean cooking solutions installed	1	0	5 schools identified for the construction of biogas systems integrated with solar water heating systems (10cm biogas system and 1,500 solar water heating systems). The budgeting and design

Priority Project/ Priority	Output	Indicator	Annual Target FY 2024/25	Cumm. Achievement FY 2024/25	Remarks on Achievement Variance
					done. The initial tender was unresponsive. Retendered and evaluation in progress.
		% completion of green hydrogen powerplant	30	-	Not funded
Power Transmission	Length of high voltage transmission lines constructed	Kms of transmission lines Constructed	338	406.1	Annual target achieved in the Q1 AND Q2. 28.6Km 132/33kV Isebania Substation and Transmission Line was energized in Q4
	Power Transmission substations constructed	No. of substations constructed	3	3	One substation 132/33kV Isebania Substation was energized in Q4. Target achieved.
	National System Control Centres (NSCC) operationalized	% operationalization of NSCC	60	13.8	Contractor procured, site handover undertaken, advance payment paid, final evaluation report granted by AFD, currently in the process of procuring supervision consultant.
	Makindu 400/132Kv 2*150MVA	% completion	30	0	Contractor procurement process ongoing at 80%
<b>Expand Revenue Base</b>					
Geothermal exploration and steam development	Geothermal wells drilled in Menengai, Baringo-Silale and Suswa fields	No. of wells Drilled	26	6	Drilling of 6 wells, namely SW02 in Silali, PW01C, and PW11A in Paka and MW36 and MW37A and MW-38 in Menagai have been completed.  Delays in the disbursement of funds and Difficult drilling conditions. affected implementations
	Cumulative MW of power installed	MW of power Installed	35	0	Construction of the Globeleq 35MW power plant is ongoing and is currently 60% complete; Construction of the Orpower 22 35 MW power plant is ongoing and is currently 57% complete
Power Plants	Geothermal power	Additional MW of power	35	-	Construction of the Globeleq 35MW power



Priority Project/ Priority	Output	Indicator	Annual Target FY 2024/25	Cumm. Achievement FY 2024/25	Remarks on Achievement Variance
And Resource Development	Installed				plant is ongoing and is currently 60% complete; Olkaria I ( Units I,II and III) is currently 74% complete; Construction of the Orpower 22 35 MW power plant is ongoing and is currently 57% complete.
	Wind power plant Installed	% completion	20	1.5	ESIA, FPIC, Birds & Bats study commenced in March 25 after resolution of the security concerns. Target for FY24/25 revised to 2%.
	Solar power plant Installed	% completion	20	8	Consultancy Contract signed. EPC Contractor procurement is ongoing. PQ advertised on 27 May and to close on 28 Aug 2025. Target for FY24/25 revised to 8%.
	Liquefied Natural Gas (LNG) power plant Installed	% completion	20	0	Feasibility study was completed in June 2023 and report submitted to MoEP for Approval & further guidance. Response awaited. Project put on hold awaiting guidance from MoEP
	8.6 MW Gogo Western Region Hydro Plant Completed	% completion	10	5	Procurement of the Implementing Consultant is ongoing. Pre-Contract Negotiations with the winning Bidder completed; Preparation of the Contract is ongoing.
	Raising of Masinga Project	% completion	20	1	Feasibility Study completed and internal approval granted. Request for approval on Implementation sent to MoEP. Awaiting approval of the same. Target for FY24/25 revised to 2%.
Nuclear power development	Nuclear Research	% implementation of Nuclear	15	28	Finalized the development of functional and technical

Priority Project/ Priority	Output	Indicator	Annual Target FY 2024/25	Cumm. Achievement FY 2024/25	Remarks on Achievement Variance
	Reactor established	Research Reactor Project			requirements for Kenya nuclear research centre and the Kenya Nuclear Research Reactor Site Studies.
	Infrastructure for generation of electricity from nuclear sources developed	% completion	45	24	Completed the Flood Mapping Report for Konza City, and developed Request for information (RFI) document for the potential reactor technology.
	Nuclear Energy Skills	No. of persons trained on nuclear energy	100	80	Trained 40 Kenyans in various workshops both domestically and internationally on various Nuclear Science and Technology domains.
	Nuclear Energy Policy	% completion of National Nuclear policy	60	83	Finalized the draft Nuclear Policy and submitted to the Ministry of Energy and Petroleum for adoption.
	Nuclear Energy Position Paper	Position Paper	1	0	The draft white paper on nuclear energy was finalized and is undergoing further review and consultations with relevant stakeholders.
	Energy Research Centre Established	% completion	40	3	The project did not receive any financial support to enhance its implementation.
	Framework for Research and Development for the Energy sector	Research and Development Framework	1	0	The ERD & HRCB Frameworks have been completed published

Source: State Department for Energy Reports, FY2024/25

#### b) MTPIV Outcome achievements for FY2024/25

The sub-sector's performance at the outcome level is summarised in Table 5.8.2 below.

**Table 5.8.2 Energy Outcome for FY2024/2025**

MTP IV Outcome	Outcome Indicator	Baseline FY2022/23	Actual Achievement FY2024/25	Outcome Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
Increased Power Generation	National Power Generation Capacity			3,410	3,236	This is the current output from the current commissioned and operational plants. The Muhoroni power station became operational in November 2024; however, due to its depreciation, it has reduced its output capacity.
	Proportion of National Power Generation Capacity from Clean Sources			87	92.18	The rise in wind output from 8.82% to 13.36% resulted in a decline in thermal generation from 10.5% to 7.82%. There was a marginal increase in geothermal production to address the solar output gap.
Increased access to electricity	Number of households connected to electricity			10,419,440	10,045,775	Budget reviews affected the achievement of planned targets.
Improved clean cooking	Number of public institutions using cleaner forms of cooking energy			7,500	-	Requires support from KNBS to get this data through a survey.
	Percentage transition of Rural households to clean cooking			20	-	Requires support from KNBS to get this data through a survey.
	Percentage transition of Urban households to clean cooking			50	-	Requires support from KNBS to get this data through a survey.
	Percentage transition of MSMEs to clean cooking			40	-	Requires support from KNBS to get this data through a survey.

Source: State Department for Energy Reports, FY2024/25

### 5.8.2. Policy, Legal, and Institutional Reforms

- i. Review of the National Energy Policy 2018 was completed and submitted to Cabinet for further action, following approvals by the National Treasury and the State Law Office
- ii. A draft National Nuclear Energy Policy has been developed and submitted to the Ministry of Energy and Petroleum for adoption
- iii. The Energy (Integrated National Energy Plan) Regulations, 2025 and the Energy (Retail Facility Construction and Licensing) (Revocation) Regulations, 2025 were finalized and gazetted during the period under review to operationalize the Energy Act, Cap 314.

- iv. Review of the Energy Act, Cap 314, has not started, but will be informed by the reviewed Energy Policy.
- v. The new proposed structure of EPRA has been developed and submitted to SCAC for approval during the period under review.

### **5.8.3. Challenges, Lessons Learnt and Recommendations**

#### **a) Challenges**

- i. Insufficient budget allocation and delays in fund disbursement
- ii. Devaluation of the Kenyan shilling increases project costs
- iii. Difficulties in the acquisition of land and right-of-way
- iv. Delayed project and statutory approvals
- v. Insecurity at some project locations.
- vi. Difficult drilling and construction conditions

#### **b) Lessons Learnt**

- i. Engagement of local authorities and stakeholders in project planning is crucial in mitigating security risks during implementation
- ii. Interagency communication helps to fast-track project approvals and financial closures

#### **c) Recommendations**

- i. Ensure adequate budget allocations and timely disbursement to support optimal project implementation.
- ii. Mitigate currency risks by including fluctuation buffers and risk-sharing mechanisms in budgets
- iii. Implement the Resettlement Policy Framework in collaboration with the Ministry of Lands and the National Land Commission.
- iv. Enhance community engagement and compensation processes to fast-track right-of-way acquisition.
- v. Enhance community engagement and compensation processes to fast-track right-of-way acquisition.
- vi. Strengthen inter-agency coordination to fast-track legal and statutory approvals
- vii. Address site-specific security concerns by working with security agencies to protect high-risk areas
- viii. Involve communities early using Free, Prior, and Informed Consent (FPIC), to promote project ownership

## **5.9 Petroleum**

The petroleum sub-sector plays a critical role in overseeing the country's oil and gas sector, ensuring energy security, economic growth, and sustainable resource management. The sector is vital for transport, manufacturing, and electricity generation, and contributes significantly to foreign exchange earnings, employment, and tax revenues for many countries

### 5.9.1. Sub-Sector Performance

1. **Development of liquefied petroleum gas (LPG) infrastructure:** A presidential directive was issued to change the implementation modalities to a Private Sector-led framework. This entails working closely with key private stakeholders, including Lake Gas Ltd and African Oil Gas and Oil Company, to streamline LPG infrastructure through shared facilities. The common facilities will significantly reduce the price of gas and make it more accessible and affordable to Kenyans. During the review period, Lake Gas Ltd completed construction and commissioning of a 10,000 metric tons of LPG storage and handling facility (made of four storage spheres) in Vipingo, Kilifi County.
2. **National Liquefied Petroleum Gas Enhancement:** The intervention seeks to enhance LPG penetration from 30 per cent in 2021 to 70 per cent in 2028. It will involve the purchase and distribution of 6kg LPG cylinders to selected low-income households across the country. Towards this, Beneficiary Identification and Distribution Plans to selected low-income households were developed in preparation for the roll-out of the Wananchi LPG project. A total of 24,000 (6kg) cylinders fitted with grills and burners are planned to be distributed to the registered beneficiaries at Kshs. 1,500 in the pilot Constituencies within Kitui County from December 2025. The development of LPG infrastructure (LPG gas bullets, piping, and burners) for 5,000 public boarding learning institutions was halted by a Presidential directive that proposed a change in the model of implementation to private-led. Before the directive, the installation of the LPG infrastructure in 19 institutions had been completed, and the schools were already using LPG for cooking. In addition, LPG infrastructure was installed in 201 institutions of learning through the support of Kenya Commercial Bank and Equity Bank.



*Installed LPG infrastructure: EOR-EKULE Secondary School, Narok County*

The government has continued to enhance LPG use through reticulating the Affordable Housing Projects. For instance, all the 1080 units at Meteorological Site Nairobi for Lots 1, 2, & 3 (Mukuru Kwa Njenga) have been connected to the reticulation system and installation of tank firms at 85% completion (pending civil works for tank firms, caging and filling of seed gas).





*LPG Reticulation Infrastructure installed at Mukuru Affordable Housing*

3. **Expansion of Petroleum Products Supply Infrastructure:** The engineering designs for 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. In addition, the initial groundwork, including right-of-way surveys and land acquisition, is ongoing. However, the construction has not yet commenced due to delayed procurement and financing. The conversion of KPRL crude oil storage tanks in Mombasa to white oil storage tanks was completed and the capacity for handling refined products was increase to 220,000 cubic meters (i.e. 120,000m<sup>3</sup> at KPRL Changamwe and 100,000m<sup>3</sup> at KPRL Port Reitz).



*KPRL crude oil storage tanks in Mombasa converted to white oil storage tanks*



4. **Exploration and Commercialization of Oil and Gas Resources:** The intervention involves exploration and implementation of the approved South Lokichar Field Development Plan (FDP). During the review period, the oil and gas Basin Blocks were reconstituted from three (3) to ten (10) blocks and renamed. The licensing of blocks to technically and financially robust companies is scheduled to be launched in September 2025. To enhance the process of the development of the Lokichar Oil field, Gulf energy through its affiliate Auron Energy has signed an agreement with Tullow Oil that will see it acquire 100% of Tullow interest in Kenya for a cash consideration of Ksh.15.5 billion. Further, Geoscientific data acquisition on Block L20 was undertaken in Zone 1 Sub-Zone A, covering a total area of 1025km<sup>2</sup>. The data has been processed and report prepared. The variance of 475km<sup>2</sup> in the area coverage was due to delays in approval of scheme of service for the Directorate of Petroleum led to delays in recruitment of additional technical staff.



*Geoscientific data acquisition in Block L20 of Lamu Basin*

5. **Lokichar-Lamu Crude Oil Pipeline:** A survey for the whole 824Km 20-inch crude oil pipeline from South Lokichar oil fields to Lamu Port was conducted and land acquisition plan was undertaken for Meru and Samburu Counties. In addition, the procurement process for the consultancies for development of land acquisition, resettlement and livelihood framework and for the development for grievances redress framework are being finalized.
6. **Geochemical and Petro-physical Laboratory:** All laboratory equipment were acquired and delivered to NOCK at KAWI house and the preparation of the laboratory space was 95% complete. Currently, the contractor is working on the remaining 5%, which is mainly fixing the Heating, Ventilation, and Air Conditioning (HVAC) system.
7. **Quality Assurance of Petroleum Products:** A total of three (3) random visits covering all the 47 counties were conducted in every quarter. Additionally, joint monitoring of retail

sites with the Kenya Revenue Authority, the Kenya Bureau of Standards and the Fuel Marking and Monitoring contractor was undertaken to determine if an offence of export dumping or fuel adulteration has occurred. Consequently 23,946 samples were tested at 5,297 petroleum retail sites across the country out of which 98.92% of the sites were compliant (5,240 sites). The names of 57 petroleum retail stations (1.08% non-compliant retail sites), illegal sites and transportation trucks identified to be adulterated, and export-bound fuels were published in the local newspapers. In addition, 3,985,608,516 litres of export/duty-free motor fuels and 48,649,287 litres of illuminating kerosene at all designated depots were marked.

**a) Implementation Status of Key Outputs and BETA Priorities**

The sub-sector's performance at the output level is summarised in Table 5.9.1 below.

**Table 5.9.1 Petroleum Output Results for FY2024/2025**

Priority Project	Output	Indicator	Annual Target 2024/25	Cumm. Achievement 2024/25	Remarks on Achievement Variance
Development of LPG Infrastructure	LPG bulk import handling and storage facilities constructed in Mombasa (30,000MT)	% completion of storage facility	100	0	Implementation Framework changed to Private Sector-led as directed by the government
	LPG bulk storage facility constructed in Nairobi (10,000MT)	% completion of storage facility	100	0	In the planning stage
National Liquefied Petroleum Gas Enhancement	6kg LPG cylinders and accessories supplied to low-income households	No. of cylinders distributed	100,000	0	To be rolled out in pilot Constituencies within Kitui County from December 2025
	5,000 public boarding learning institutions provided with clean cooking gas (CCG) infrastructure	No. of public schools provided with CCG	500	19	Change in the model of implementation to private sector-led
Expansion of Petroleum Products Supply Infrastructure	New 20-inch 450 Km (Mombasa to Nairobi) Pipeline (Line 7) constructed	% Completion	40	-	Target not achieved
	Crude oil tanks in Mombasa were converted to white oil storage to provide 200,000	% Completion	72	110	Surpassed with an additional 20,000m3 storage capacity



	M3 additional capacity				
Exploration and Commercialization of Oil and Gas Resources	Petroleum blocks marketed	No. of petroleum blocks marketed	3	10	Target surpassed
	Block 9 Natural gas prospects evaluated	Completion level (%) of Block 9 Evaluation	50	50	Target Achieved
	Geological and geophysical data generated	Area in sq. km for which geoscientific data has been acquired	1,500	1,025	Annual target not achieved
Lokichar-Lamu Crude Oil Pipeline	824km 20-inch Lokichar-Lamu Crude Oil Pipeline constructed	% completion of preliminary activities	60	55	Target not achieved
Geochemical and Petro-physical Laboratory	Geochemical and Petro-physical laboratory	% completion of a geochemical and petro-physical laboratory	70	75	Target achieved
Quality Assurance of Petroleum Products	Quality and secure petroleum products marketed nationally and regionally	No. of monthly random test visits conducted at petroleum dispensing sites	12	12	Target Achieved

Source: State Department for Petroleum Reports, FY2024/25

#### b) MTPIV Outcome achievements for FY2024/25

The sub-sector's performance at the outcome level is summarised in Table 4.9.2 below.

**Table 5.9.2 Petroleum Outcome for FY2024/2025**

MTP IV Outcome	MTP IV Outcome Indicator	Baseline FY2022/23	Actual Achievement FY2023/24	MTP IV Outcome Target FY2024/25	Actual Achievement FY2024/25	Remarks
Enhanced use of LPG	Proportion (%) of households using LPG	30	30	32	32.8	According to KDHS 2022
	Average LPG consumption per capita No. (Kg per person /yr) -	2	7	2	7	According to the EPRA Energy and Petroleum Statistics Report 2023/24

MTP IV Outcome	MTP IV Outcome Indicator	Baseline FY2022/23	Actual Achievement FY2023/24	MTP IV Outcome Target FY2024/25	Actual Achievement FY2024/25	Remarks
	Proportion (%) of public learning institutions using LPG (Public Boarding Primary and Secondary Schools, and Tertiary Institutions)	8	8	20	13.6	Achievement consists of installation of 20, 101 & 100 LPG infrastructure by Government, Equity Bank and KCB Bank respectively
Stable supply of refined petroleum products	Quantity of petroleum products imported (MT millions)	6,433	7,140	6,960	5,831	Slow in product movement/transit (clashes in Southern Sudan and Congo affecting the transit of the market)
Increased oil and gas production	Amount invested in petroleum blocks (USD (Millions))	3.2	3.2	3.2	3.2	Achieved

Source: 2022 Kenya Demographic and Health Survey, EPRA Statistics Report and State Department for Petroleum Reports, FY2024/25

### 5.9.2. Policy, Legal, and Institutional Reforms

- i. **Draft National Petroleum Policy, 2025:** A Cabinet memo on the draft National Petroleum Policy was developed and submitted to the Office of the Attorney General for countersigning to pave the way for submission to Parliament.
- ii. A matrix of amendments was prepared for Review of the Petroleum Act, 2019:
- iii. **Petroleum (Upstream, Midstream and Downstream) Regulations:** Seven (7) downstream regulations were developed and finalized. In addition, seven (7) upstream and midstream regulations were drafted and published for public comments.
- iv. **Restructuring of NOCK:** The Kenyan government has approved plans to partially privatize and commercialize NOCK (via an IPO or strategic investor) to improve efficiency and reduce fiscal burden. A new business model is being developed to shift NOCK from a state-run entity to a competitive commercial player in fuel distribution and exploration.
- v. **Restructuring of KPRL:** KPRL was restructured and taken over by the Kenya Pipeline Company Ltd (KPC). The Petroleum Act (2019) mandates KPC to manage Kenya's strategic petroleum assets. Its functions include: Petroleum importation & storage (replacing KPRL's refining role); Maintenance of Mombasa Refinery infrastructure (converted to a storage terminal); and Supporting Kenya's fuel stabilization fund (to cushion price volatility)

### 5.9.3. Challenges, Lessons Learnt and Recommendations

#### a) Challenges

- i. Inadequate Local Technical and Financial Capacity
- ii. High Capital Investment in Exploration and Development
- iii. Inadequate Data on Exploration Potential
- iv. Lacks of a robust data management and reporting framework on petroleum
- v. Unstable Geo Political Environment and its attendant effects on global crude oil prices

#### b) Lessons Learnt

- i. Effective inter-agency collaboration is critical for timely issuance of permits, approvals, and licenses
- ii. Robust Planning is key for identifying bottlenecks and early corrective measures
- iii. A Strong Monitoring, Evaluation, and Reporting (MER) System is necessary
- iv. Policy shifts require adaptive implementation models

#### c) Recommendation

- i. Enhance the resource mobilization for investment in Oil and Gas exploitation. I
- ii. Undertake capacity-building initiatives and investment in education and training
- iii. Enhance investment in geoscientific data acquisition on all 63 Petroleum Blocks.
- iv. Enhance adaptiveness to the geopolitical and economic dynamics of competing interests, especially from renewables at the global level.

## 5.10 Water and Sanitation

The sub-sector is a key enabler supporting all value chains of the Bottom-Up Economic Transformation Agenda in enhancing access to water for domestic, agricultural, and industrial use. This will involve provision of reliable water and sewerage/sanitation services to all the BETA pillars.

### 5.10.1. Description of Results

- 1. Construction of small dams and water pans:** During the period under review, a total of 47 water pans and six small dams were completed against a target of 200 and 40 respectively. Some of the completed water pans include Chomo, Gafuru, Mtasara wa kwa Boho, Mnarani, Kishushe, Paranga, Kapetadie, Ngikoloi, Natapar, Kagumo ka-Mbwe, Kariani, Kiang'ombe, and Kamaoret. The underachievement was attributed to the delayed approval of the FY 2024/25 budget and late disbursement of funds.
- 2. Water Harvesting for Domestic Use:** The program entails providing reliable, safe, and clean water for domestic use in 23 ASAL counties through construction of water harvesting facilities. During the period under review, three small dams with a combined capacity of 750,000 m<sup>3</sup> namely the Endau Ilimukuyu Dam Project, Koromey Bokolow Banyoley Dam, and Nkutek Elmuget Water Supply Sand Dam were completed. Additionally, 11 water pans with a combined storage capacity of 900,000 m<sup>3</sup> were completed, namely Iresaboru Water Pan in Isiolo, Wella Jana Water Pan in Tana River, Wenje Water Pan in Tana River, Aljarire

Water Pan, Biliqo Water Pan, El Molo Water Pan, Konon Gas Water Pan in North Horr, Gubani Water Pan, Nakutio Water Pan, Lorus Water Pan, and Namadak Water Pan.

3. **Construction of climate-proof under-ground water reservoirs in ASALs:** The program entails the implementation of climate-proof water supply projects, comprising resilient infrastructure such as intake works, pipelines, treatment units, storage tanks, and water pans, supported by solar-powered systems, borehole equipping, and catchment rehabilitation to ensure reliable, efficient, and durable water access under changing climatic conditions. A total of 22 projects were implemented, serving an additional 411,887 people in ASAL areas. These include the Ol Arabal Water Project, Mashuru Water Project, Bamba Mnagoni Mdoina Ndharako Water Project, Nyangoro Maktau Water Project, Endau Ilimukuyu Dam Project, Muruny Chepareria Water Project, Garma Mugur Water Project, Koromey Bokolow Banyoley Water Project, Gongoni Marereni Water Project Phase I, Kishenyi Kishushe Water Project Phase I, Endau Ilimukuyu Phase II, Kacheliba Water Supply Project, Nkutek Elmuget Water Supply, Augmentation of Kabarnet Water Supply Project, Ol Arabal Water Supply Project – Additional Works, Falama El-Wak Water Project, Kaloleni Water Supply, Reticulation of Kajiado Town Water Supply, Kyuso Rock Water Supply, Mtempur Kitalakapel, Sao Lower Emining, and Takaba Water Project. These projects were completed under the Ending Drought Emergencies and Climate-Proofed Infrastructure for Improved Water Supply and Sanitation in ASAL Areas (EDE-CPIRA) programs

4. **National Transboundary Water Resources Management Programme:** During the period,
  - Twenty-one Sub-Catchment Management Plan (SCMP) were implemented resulting in the construction of 54.18 km of terraces and 1,208 meters of gabions across the country, 5No. of capacity 10000 litres installed in public institutions and 14 WRUA funding proposals were appraised.
  - 24No. hydrological stations and rainfall station were rehabilitated, with 12 Stations Upgrading rainfall station upgraded to telemetry.
  - Inception report and draft Terms of Reference (ToR) prepared for Mandera and Samburu counties groundwater mapping respectively,
  - Bilateral agreement between Kenya and Uganda, with Angololo dam construction now at the resource mobilization stage, Designs, Resettlement Action Plans (RAP), and Environmental and Social Impact Assessments (ESIA) for a dam completed
  - Mapping 34 point and 23 non-point pollution sources, and marking and pegging 111.5 km of riparian zones along Nairobi and Ngong Rivers were undertaken.
  - Construction of the Dandora Waste Water Treatment Plant (DEWWTP) Rehabilitation and Duplication Plant Inlet Works Project (LOT 1) was completed at 100%.
  - 40 km of sewer lines were upgraded and 25 ablution blocks implemented under Nairobi Rivers Basin Rehabilitation and Restoration Programme (Narsip II).



*Dandora Estate Sewerage Treatment Plant features the largest wastewater stabilisation pond in Africa, treating 80,000 m<sup>3</sup> of sewerage per day (80% of Nairobi's wastewater).*

5. **Completion of stalled domestic water projects:** During the period under review, the sub-sector planned to complete three stalled projects, namely the Makutano–Kapenguria Sewerage Project, the Kipkaren-Eldoret Water Supply Project, and the Rongo Water Supply Project. However, none was completed but works on these projects have resumed and are at different stages of completion.
6. **Sanitation/ Sewerage for urban centers:** Some of the projects completed includes; Eldoret Last mile connectivity project, Nandi Hills Water Supply and Sewerage Project, Kerugoya and Kutus Sewerage Project, Chuka Sewerage Project, Unguja – Ukwala – Sega Water Supply and Sewerage Project and Marsabit Sewerage Project were completed. In addition, Waste Water Treatment Plant under Affordable Housing projects are at different levels of implementation



*Completed Kerugoya Kutus Water and sewerage Project*

7. **Rural water and sanitation:** During the reporting period,
  - Completed the implementation of 58 projects targeting schools and communities, including Ikuminyi, Mwarondo, Mwazambo, Hamesa Village, Bura Anani, Mlungunipa, Lokichar, Lokichar IDP, Biretwo, Matuga, and Lunga Lunga Borehole community water projects. Additionally, eight schools Kongo Boys Secondary, Kwa Bulu Primary, Kaloleni Girls, Maandani Secondary School, Chemurgui, Cheptuon,



Rurigi, and Mwaligulu Primary School were connected to water supply. Other projects are at various stages of implementation, with hydrogeological surveys and contractor procurement completed. The initial target for community boreholes and water-for-school projects was reduced to 40 due to inadequate budgetary allocation.

- Two exploratory/monitoring boreholes were drilled in Kuto (Narok) and Esoit (Kajiado).
- Last-mile water connections were undertaken in underserved regions such as Chemususu, Eldoret, Murang'a, and Bomet including the installation of five kilometers of pipeline to provide last-mile connectivity to each of the water-for-school boreholes.
- Rainwater harvesting project under the NARSIP II program entailing the supply and installation of water tanks with capacities ranging from 6,000 to 10,000 liters is currently 72% complete.
- Four springs were protected: Kapchumvi, Kwa Jonah, and Kaplekwa in the Nessuit area of Njoro Sub-County, and the Kamasat Springs Water Project. Protection of kikuyu springs and Lamu dunes ongoing.
- Desilting of 3 No. of water pan; Tsavo East and Tsavo West National Parks and Sololo Ramata Water Pan in Moyale and one 100 m<sup>3</sup> Djabia at Ndau completed

Most of the projects were adversely affected by budget cuts and the delayed release of funds.

- 8. Provision of water and sanitation to underserved and unserved areas:** During the period under review, 37 projects were financed, reaching 179,820 people with water and sanitation services. The over-achievement is attributed to the completion of projects under the EDE-CPIRA initiative, which was concluding during the financial year.



*Moyale integrated project (Dabel school and community project)*

- 9. Reduction in non-revenue water:** The signing of Memoranda of Understanding (MOUs) between the National and County Governments on the management of Non-Revenue Water was suspended following the adoption of the Water Sector Inter-Governmental Consultation and Cooperation Framework (WSIGCCF), which incorporates this requirement within its binding provisions.

**10. Water Research, Training and Innovation:** Modernization of the Nairobi Campus, including the refurbishment of student hostels and the improvement of external paved areas leading to the proposed graduation square, was completed. Similarly, the irrigation block at Chiakariga Campus also completed. On innovations, a total of thirteen (13) innovation initiatives comprising products and services were undertaken to enhance sanitation technologies and build capacity. GTS technology was developed and implemented in urban and peri-urban areas. A greywater treatment system was developed, and the adoption of low-cost, safe toilet technologies for rural areas was promoted. Automatic biodigester systems were also introduced, and KEWIsanPoa was developed to support sanitation services. In terms of training and education, short course curricula were developed on Wastewater Management, Desalination, Climate Change, and Environmental Impact Assessment and Audit. Additionally, online modules were developed on Employability, Environmental Literacy, and Digital Literacy.

**11. Construction of 100 large dams:** During the period, six new feasibility studies including Lodwar Water Supply and Sabor Dam projects were undertaken. A total of 17 feasibility studies were reviewed to be implemented under PPP arrangements. Projects whose feasibility studies were reviewed include the expansion of Mukurumudzi Dam, Amaya and Bergei dam projects. Additionally, eight Public Investment Projects (PIP) are at various stages of procurement, with four at the approval stage and four in the project development phase. Implementation of Resettlement Action will be implemented upon completion of project development stages under the Public-Private Partnership (PPP) framework.

**a) Implementation Status of Key Outputs and BETA Priorities**

The sub-sector's performance at the output level is summarised in Table 5.10.1 below.

**Table 5.10.1 presents the performance of key outputs during FY2024/25**

Priority Project	Output	Indicator	Annual Target 2024/25	Cumm. Achievement 2024/25	Remarks on Achievement Variance
Construction of small dams and water pans	Small dams and water pans constructed	No. of dams constructed	40	6	Inadequate budget allocation
		No. of water pans constructed	200	41	
Water Harvesting for domestic Use	Water Harvesting projects for in 23 ASALs Counties with capacity of 517.5 million cubic meters	No. of water projects	306	14	Inadequate budget allocation
		Volume of Water Harvested in cubic meters	137,700,000	1,650,000	
	Water pans constructed to supply water in ASAL areas	No. of water pans constructed	700	14	Lack of budgetary allocation
Construction of climate proof underground water reservoirs in ASALs	Medium Sized Climate Proofed Water Projects	No. of Climate proofed projects implemented	70	22	Inadequate funding
		No. of additional people served	1,500,000	411,887	Inadequate funding

Priority Project	Output	Indicator	Annual Target 2024/25	Cumm. Achievement 2024/25	Remarks on Achievement Variance
National Transboundary Water resources Management Programme	Sub-Catchment Management Plans (SCMPs) implemented	No. of SCMPs implemented	40	21	Delayed disbursement of Counterpart Funds
	Water resources monitoring stations rehabilitated and upgraded to telemetry to relay real time data	No. of water monitoring stations rehabilitated and upgraded	80	36	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	Mapping for Mandera County is ongoing
	Transboundary multipurpose dams constructed	No. of multipurpose dams constructed	-	-	Feasibility and design were completed and MoU signed
	Athi River restored and managed	No. of new and upgraded sewerage plants constructed	2	1	Dandora Waste Water Treatment plant completed. Underachievement due to inadequate budget
		No. of Km of extended upgraded sewer lines	150	40	Late disbursement of funds
		No. of Km of river cleaned	30	1	River training works undertaken included riverbank protection using gabion boxes and the widening and deepening of the river.
		No. of water plants planted	50,000	33,400	More tree seedlings planted during the World Water Day in March
		No. of ablution blocks constructed in informal settlements	10	25	Achievement includes projects initiated in FY 2023/2024.
Completion of stalled domestic water projects	Ongoing/stalled projects completed	No. of projects completed	3	-	Resumption of works has commenced on the Makutano–Kapenguria Sewerage Project and the Kipkaren–Eldoret Water Supply Project.
Sanitation/ Sewerage for urban centers	Additional sanitation projects	No. of sanitation projects completed	9	10	The program was Fastrack



Priority Project	Output	Indicator	Annual Target 2024/25	Cumm. Achievement 2024/25	Remarks on Achievement Variance
	in urban areas across the country	No. of Sanitation schemes rehabilitated	1,213	15	These are ablution blocks in urban areas. Underachievement is due to funding challenges
Rural water and sanitation	Boreholes constructed	No. of boreholes	1,213	29	Inadequate budgetary allocation
	Public institution projects-CG	No. of projects in public institutions	1,398	29	
	Roof catchment structures drilled/rehabilitated and solarized	No. of roof catchment structures	1,287	300	
	Desilting pans/dams	No. of pans/dams desilted	350	3	
	Springs/Water catchment area protected	No. of springs protected	335	6	
	Dams/rock catchment structures supply/pipeline extension projects protected	No. of dams/rock catchment structures protected	171	1	
		No. of water supply/pipeline extension projects protected	400	30	
Provision of water and sanitation to underserved and unserved areas	Water and sanitation projects financed	No. of projects financed	30	37	Additional projects implemented from savings from already completed projects
	Population served with water and sanitation services	No of additional people served	400,000	179,820	Due to delayed completion of the preliminary stages of the project.
Reduction in non-revenue water	Inter-governmental Agreements signed	No. of inter-governmental agreements	10	1	Water Sector Inter-Governmental Consultation and Cooperation Framework (WSIGCCF) signed
Water Research, Training and Innovation	10 innovations (products/services) developed and adopted	No. of innovations	2	13	Due to collaboration with other stakeholders
	KEWI infrastructure in Nairobi, Kisumu, Chiakariga, and Kitui campuses modernized	No. of campuses	1	2	Modernization of Nairobi and Chiakariga Campus undertaken. Includes Nairobi campus which commenced in FY2023/24

Priority Project	Output	Indicator	Annual Target 2024/25	Cumm. Achievement 2024/25	Remarks on Achievement Variance
Construction of 100 large dams	Carry out new and review 45 feasibility studies for 55 new dams	No. of new feasibility studies done	11	6	Due to budgetary constraints.
		No. of new feasibility studies reviewed	20	17	
	Implement Resettlement Action Plans (RAPs) No. of RAPs implemented	Implement Resettlement Action Plans (RAPs) No. of RAPs implemented	15	0	To be undertaken upon completion of the project development stage.

Source: Ministry of water and sanitation administrative reports, FY2024/25

#### b) MTPIV Outcome achievements for FY2024/25

The sub-sector's performance at the outcome level is summarised in Table 5.10.2 below.

**Table 5.10.2 Water and Sanitation Outcome Results for FY2024/2025**

MTP IV Outcome	Outcome Indicator	Baseline FY2022/23	Actual Achievement FY2023/24	Outcome Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
Improved access to clean, reliable and safe water	Proportion of national population using improved water services	70	73	74	74	
	Urban population with access to clean and safe water	85	91	87	91	Attributed to completion of projects under projects under Kenya Towns, Kenya National Urban Water and sanitation Program
	Rural population with access to clean and safe water	61.5	65	64	65	
	Annual per capita water availability.	500	452	547	452	Underachievement due to increased demand.
	Proportion of	86	87.5	87.5	87.5	

MTP IV Outcome	Outcome Indicator	Baseline FY2022/23	Actual Achievement FY2023/24	Outcome Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
	water bodies with good ambient water quality					
	No. of ongoing/ stalled water projects completed	700	62	300	62	Budget cuts and delayed disbursement
Increased water harvesting and storage capacity for domestic use	Additional water capacity in Million Cubic Meters	748	0.95	50	1.65	Construction of large multi-purpose dams still ongoing.
Improved water use efficiency	Proportion of non-revenue water	45	43	38	44	Due to inefficiencies among Water Service Providers and dilapidated infrastructure
Increased access to sanitation services	Proportion of population using improved sanitation services	67	68	70	68	
	Urban population using improved sanitation services	90	93	92	93	
	Rural population using improved sanitation services	54	56	57	56	
	Proportion of Urban population	30	33	32	40.9	Attributed to completion of projects under

MTP IV Outcome	Outcome Indicator	Baseline FY2022/23	Actual Achievement FY2023/24	Outcome Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
	with access to safely managed sanitation					projects under Kenya Towns, Kenya National Urban Water and sanitation

Source: State Department for Water and Sanitation Administrative reports

**Improved access to clean, reliable and safe water :** The proportion of the national population with access to clean and safe water in adequate was at 74% as targeted. This is due to the completion of various water projects although the rate of population growth (demand) exceeded the volume of water produced during the year. The proportion of the urban population with access to clean and safe water was at 91% against a target of 89%. This is attributed to completion of projects under the Kenya Towns, Kenya National Urban Water and sanitation Program.

**Increased access to sanitation services :** The proportion of the population using improved sanitation services was at 68% against a target of 70%. The Urban sewerage coverage rose from 16% in 2023 to 18% in 2024. This is attributed to the completion of major sewerage projects under the Kenya Towns Programme.

**Improved water use efficiency :** Non-Revenue Water (NRW) levels was at 44% against a target of 32%. This is primarily due to inefficiencies among Water Service Providers and dilapidated infrastructure. However, ongoing interventions such as improved metering, pressure management, infrastructure upgrades, control of illegal connections, and enhanced community engagement are expected to significantly reduce NRW levels in the subsequent years. The Water Police Unit has been established and is currently operational.

**Increased water harvesting and storage capacity for domestic use :** An additional water storage capacity of 1.65 in Million Cubic was achieved against a target of 50. The construction of large multi-purpose dams is still ongoing and the targeted capacity will be realized once the construction is completed.

#### 5.10.2. Policy, Legal, and Institutional Reforms

- i. Water (Amendment) Act 2024 assented to
- ii. Water Harvesting and Storage Regulations (2025), Water Resources Regulations (2025), and Water Services Regulations (2025) published.
- iii. National Sanitation Management Policy received Cabinet approval and has been tabled in Parliament waiting final approval and gazettment
- iv. Development of Transboundary Policy ongoing
- v. KEWI Act, 2001 amendment Bill (KEWATRI Bill) is awaiting national validation and presentation to the Cabinet for consideration and approval.
- vi. The Hydrologist (Amendment) Bill 2023 has been developed, public participation has been done and approved by the Attorney General.

### 5.10.3. Challenges, Lessons Learnt and Recommendations

#### a) Challenges

- i. Inefficiency of WSPs leading to high Non-Revenue Water which is at an average of 44%, decrease in revenue collection, delayed payment of legacy debts and loans.
- ii. High Cost of Resettlement Action Plan (RAP); The rising cost of compensation for land presents a serious challenge to water and sewerage infrastructure development. Beside the escalating cost of land, there is the long timelines for acquisition of such land which potential results into delayed implementation of infrastructure development.
- iii. Slow project implementation due to inadequate funds, delayed disbursements, and inadequate counterpart funding has negatively impacted the implementation of some projects and pending bills.
- iv. Pollution of water resources: Contamination of water resources as a result of low sewerage coverage (16%), industrial effluent discharge in the water sources poses a major threat to water quality and public health.
- v. Encroachment or improper land use practices, especially along the riparian leads to reduced water resources quantities and quality as manifested in siltation of water reservoirs leading to reduced lifespan for the water storage structures, reduced water flows in rivers and springs, high turbidity in dams and rivers hence high cost in water treatment.
- vi. Coordination and Collaboration related complexities between national and county governments have led to undue delay in timely project implementation schedules including slow last mile water and sewerage connectivity as well as vandalism of critical water infrastructure.
- vii. Non-recovery of loans for infrastructures developed using donor funds; Water and Sewerage infrastructure are developed by the Water Works Development Agencies (WWDA) and transferred to the County governments for management and maintenance in line with the Water Act 2016. County governments have not been remitting these revenues to the National Treasury as expected and this has occasioned a fiscal deficit.
- viii. Prevailing demand for water and sanitation services due to increase in population and rapid urbanization far outweigh current investments levels in the sector.
- ix. Frequent delays in the passing and enactment of County Government Additional Allocation Bill (CGAAB) leading to low or non-absorption of donor funded programmes.
- x. High cost of energy in water production impeding the affordability of water.

#### b) Lessons Learnt

- i. Early land acquisition and land use planning for project sites/way leaves for large Incorporating capacity building in all projects and programmes targeting all stakeholders from decision makers to subsidiary implementers results in sustainability and resilience.
- ii. Effective and efficient water sector institutions are critical in the realization of the sector mandate.
- iii. Early land acquisition and land use planning for project sites/way leaves for large infrastructures reduces compensation claims and the timely inception of projects.
- iv. Sector financing strategy is critical to accelerate sustainable financing in the development and management of water and sanitation, including the use of an alternative model of financing projects (PPPs model).

- v. Water and sewerage projects completed and transferred in the last five years have had minimal impact due to low household connections. Thus, it is essential to incorporate last-mile connectivity during the planning stage.
- vi. Adoption of appropriate Technologies in water and Sanitation Management will accelerate access to water and sanitation services.
- vii. Strengthened collaboration and cooperation with other government institutions such as NLC, KFS, KENHA, NEMA, KPS facilitates project implementation and security of critical water and sanitation infrastructure.

### c) Recommendations

- i. Strengthen performance monitoring, build technical capacity, and promote adoption of smart metering and leak detection technologies in addressing inefficiency in WSPs and high NRW,
- ii. Conduct early land acquisition, standardize compensation frameworks, and promote land banking and alternative resettlement options to reduce the cost and delays in RAP implementation
- iii. Prioritize ready-to-implement projects, ensure timely disbursement of funds, and adopt blended financing models including PPPs to improve project implementation timelines
- iv. Expand sewerage infrastructure, enforce effluent discharge regulations, and promote decentralized wastewater treatment solutions to address water pollution
- v. Gazette and protect riparian zones, enforce land use regulations, and engage communities in catchment protection to curb encroachment and land degradation.
- vi. Operationalize sector forums, harmonize implementation protocols, and promote joint planning and infrastructure protection to improve intergovernmental coordination
- vii. Establish a clear revenue-sharing framework and ring-fence revenue for debt servicing at the county level to ensure loan recovery from donor-funded infrastructure
- viii. Align investments with demographic trends, promote decentralized systems, and increase private sector participation to meet growing demand for services.
- ix. Fast-track CGAAB approval through timely consultations and streamline disbursement mechanisms to avoid delays in donor-funded program absorption
- x. Invest in energy-efficient technologies and promote use of renewable energy in water production and treatment systems to reduce high energy costs.

## 5.11 Irrigation

The irrigation sub-sector is the single most important game changer in agriculture and a major contributor to the achievement of national food security and employment creation. This is realized through continuous increment of: area under irrigation; water harvesting and storage capacity; rice production; and area reclaimed

### 5.11.1. Sub-Sector Performance

- 1 **Water harvesting for irrigation & domestic use:** the sub-sector constructed 11 small dams in Kwamwaroro, Ikeremisho, Masilu, Kwa nyika, Matilu, Endau, Kaliani, Purko, Esoit Kwa kiketa, Oleigerumo and 85 water pans across the country.



*Kerita Dam in Uasin Gishu County*

- 2 **Water Harvesting from “Laggahs” and Exploitation of Ground Water for Irrigation in Arid Counties:** progressed the construction of the Griftu 600,000m<sup>3</sup> water pan in Wajir County to 30% completion; put 2.25 acres under solar-driven boreholes irrigation system; drilled and equipped 34 boreholes and installed 16 greenhouses under the micro-irrigation for schools program.
- 3 **Integrated Regional Development Dams:** the construction of the 5.5 billion cubic meter High Grand Falls was initiated, evaluation conducted, and a report submitted to the PPP Directorate for approval to proceed with negotiations.
- 4 **Land Reclamation:** A total of 1,154 acres were reclaimed in Mwache dam catchment area under the Kenya Water Security Climate Resilience Project II through interventions such as Terracing, Gabion installations, Vetiver, Bulking, Vetiver Cross, and Riparian. In addition, two(2) Land Degradation Assessment Reports for the Middle Tana and Mara (Talek) regions were finalized.
- 5 **Flood Control:** the sub-sector constructed 24.56Km of dykes in River Lumshi (Lamu county); Kapsitii (Kericho County); Lake Kanyaboli (Siaya County); Irsomburu (Isiolo County); River Kawalase (Turkana County); Mukaba / Kaptanga (Muranga County); River Kuja (Migori County); River Sabwani (Trans Nzoia County); and River Nyakitari Simbi (Kericho County). The Sub-sector also constructed three (3) check dams in: Osinoni (Narok County with approximately 65,000 beneficiaries); River Kapetwa (Elgeyo Marakwet County); and Kapsitii (Kericho County with approximately 3,000 beneficiaries). The sub-sector also maintained three (3) flood control infrastructure in Bundalangi, Homabay (Awache Tende River) and in Migori (River Kuja).
- 6 **Community Managed irrigation projects:** A total of 18 projects were established (17 National Expanded Irrigation Programme projects covering a total of 12,125 acres and one (1) community irrigation Project (1,200 acres) putting 13,325 acres of land under irrigation annually. An additional 2,174 acres were put under irrigation through the construction of 1,545 water pans under the Household Water Harvesting Programme.





*Household Water Pans in Moiben Constituency, Uasin Gishu County*

- 7 **Farmer Led Irrigation Development Initiative (FLID):** An additional 100 acres were put under irrigation through the initiative and 4,000 farmers were linked to financial institutions. Further, a Concept note for the establishment of the Irrigation De-risking Fund was submitted to the National Treasury for consideration, and a Draft Cabinet Memorandum was prepared.
- 8 **Expansion of existing irrigation schemes:** An additional 3,150 acres were put under irrigation through expansion of existing irrigation schemes in Bura (2,000 acres), Tana (450 acres), Bunyala (200 acres), and Ahero (500 acres).
- 9 **Irrigation Schemes Utilization and Productivity Improvement Programme:** the Sub-sector undertook two (2) surveys on best yield standards and management practices in Bura and Ahero Irrigation Schemes; and 13 performance audits assessments in Gacharaigu, Rwabura, Githuya, Riakomo, Kanini, Mweru Moja, Njoro Kubwa Canal, Masune, Kaigunji, Eldume, Waga Machame, Changa Chichi and Lower Kuja. The sub-sector also collaborated with OCP Africa to disseminate recommended paddy rice cultivation techniques that had been customized for Bunyala, Ahero and West Kano. Further, the sub-sector trained 24 Irrigation Water Users Association members in 24 irrigation schemes namely: Lower Nzoia, Anyiko, Okundi, Olopito, Baringo Cluster, Waga Machame, Mdachi, Challa Tuhire, Kasokoni, Laghale, Kaigunji, Tumutumumu, Kaihi, Kanyenyaini, Kamlenza and Balich, Chufa, Karo and Rahole.
- 10 **Large Scale Irrigation Projects:** An additional 11,050 acres was put under irrigation through the intervention in Lower Kuja (2,200 acres), Lower Nzoia (3,000 acres), Galana (5,000 acres) and Turkana (850 acres).
- 11 **Irrigation and Drainage Management Information System:** The development of the Management Information System was completed, and roll-out is targeted to be done in FY 2025/26.
- 12 **Construction of large dams:** , Two (2) feasibility studies were initiated for High Grand Falls and Galana Dam, which are still ongoing, and eight (8) feasibility studies were reviewed (Soin Koru Dam & Irrigation Project, Bura, Lower Turkwel, Bosto, Isiolo Dam

& Irrigation Project, Radat, Lowaat and Nyatike - Lower Kuja). In addition, the Resettlement Action Plan for Lower Kuja Irrigation Project was initiated and is ongoing.

- 13 **Galana Kulalu Food Security Project:** A private party (Selu Ltd.) commenced cropping on 1,000 acres of seed maize.
- 14 **Turkana Irrigation Project:** A total of 3,063 acres were put under irrigation in Lokubae and 1,743 acres in Katilu, with a total maize production of 6,323 tonnes (Katilu - 3,417 tonnes and Lokubae - 2,906 tonnes). The project also saw the construction of Nadato (2,000 acres) and Lokapel (1,000 acres) progress and a total of 850 acres (Lokapel -350 acres & Nadato – 500 acres) under irrigation

#### a) Implementation Status of Key Outputs and BETA Priorities

The sub-sector's performance at the output level is summarised in Table 5.11.1 below.

**Table 5.11.1 Irrigation Output Results for FY2024/2025**

Priority Project/ Priority	Output	Indicator	Annual Target FY2024/25	Actual Achievement FY2024/25	Remarks on the variance
<b>Inclusive Growth (People Centred)</b>					
Water Harvesting for Irrigation and Domestic Use	Small dams, water pans and boreholes constructed	No. of small dams constructed	83	11	Targets not achieved due to budget cuts
		No. of water pans constructed	150	85	
Water Harvesting from “Laggahs” and exploitation of Ground Water for Irrigation in Arid Counties	Water harvested and stored from 18 laggahs	Volume of water in million cubic meters	146.9	0	Progress delayed by Supplementary budget cuts
	Area under irrigation	No. of acres irrigated	15,000	0	Dependent on the completion of the Griftu water pan.
	Area under irrigation using solar-driven bore holes irrigation system	No. of acres irrigated	1,000	2.25	Supplementary budget cuts delayed the procurement of works.
	Drilling and Equipping of boreholes	No. of boreholes drilled	16	34	Target for boreholes surpassed due to collaborative efforts between the State Department and the National Irrigation Authority.
	Installation of greenhouses under the Micro Irrigation Programme	No. of greenhouses installed	32	16	
Integrated Regional Development Dams	5.5 billion cubic meter High Grand Falls Multipurpose Dam constructed	% completion	20	0	Project development phase initiated, evaluation conducted, and report submitted to the PPP Directorate for approval

Priority Project/ Priority	Output	Indicator	Annual Target FY2024/25	Actual Achievement FY2024/25	Remarks on the variance
Land Reclamation	Land Degradation Mapping and Assessment reports developed	No. of Assessment reports developed	4	2	Land Degradation Assessment reports for Middle Tana and Mara (Talek) regions finalized
	Acreage of land reclaimed, rehabilitated and restored	Acres of land reclaimed, rehabilitated and restored	1,350	1,154	Done in the Mwache dam Catchment Area under the KWSCR II Project funding.
Construction of flood mitigation structures	Length of dykes constructed	No. of km constructed	24	24.56	Constructed in the following Counties: Lamu; Kericho; Siaya; Isiolo; Turkana; Muranga; Migori; Trans Nzoia; and Kericho.
	Check Dams constructed	No. of check dams constructed	5	3	Osinoni in Narok, River Kapetwa in Elgeyo Marakwet County and Kapsitii in Kericho
	Flood control infrastructure maintained	No. of Infrastructure maintained	3	3	Target achieved.
Community-managed irrigation projects	Community-managed irrigation projects established	No. of projects established	46	18	17 National Expanded Irrigation Programme projects - 12,125 acres and one (1) community-based Irrigation Project - 1,200 acres
	An additional acre of land under irrigation annually	New acres of land under irrigation annually	34,000	15,499	Target not met due to budgetary constraints.
Farmer Led Irrigation Development Initiative (FLID)	Acres of land put under Irrigation	Acres under irrigation	10,000	100	Achievement of target affected by budget cuts.
	Irrigation de-risking fund established	Irrigation de-risking fund	1	0	The Concept Note was submitted to the National Treasury for consideration and Draft Cabinet Memorandum prepared.
	Farmers linked to financial institutions for Irrigation de-risking	No. of farmers linked	10,000	4,000	Linked by the National Irrigation Authority as a result of proactive stakeholder engagement. Target not achieved due to budget cuts.

Priority Project/ Priority	Output	Indicator	Annual Target FY2024/25	Actual Achievement FY2024/25	Remarks on the variance
Expansion of existing irrigation schemes	Additional acres under irrigation	New acres under irrigation	40,000	3,150	Target not met due to budget constraints and shift in focus towards operationalization of the existing schemes.
Irrigation Schemes Utilization and Productivity Improvement Programme	Surveys on best yield standards and management practices undertaken	Number of surveys undertaken	3	2	Surveys were done in Bura and Ahero Irrigation Schemes.
	Performance Audit Assessments undertaken	Number of Performance Audits undertaken	4	13	Target achieved.
	Irrigation technologies promoted	No. of technologies	1	1	Target achieved.
	IWUAs capacity built	No. of IWUAS	4	24	Target was surpassed as a result of collaboration between the headquarters and National Irrigation Authority.
Large-scale irrigation	Large irrigation projects established	No. of irrigation schemes	3	4	Target achieved.
		No. of acres of land irrigated	54,372	11,050	Target not met due to budget cuts.
Digitalization					
Development of an Irrigation and Drainage Management Information System	Irrigation and Drainage Management Information and Licensing System developed	No. of systems developed	-	MIS fully developed	Roll out of the system to be done in Q1 of FY2025/26
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	11	2	High Grand Falls and Galana Dam Feasibility Studies ongoing
		No. of feasibility studies reviewed	20	8	Feasibility studies for Soin Koru Dam & Irrigation Project, Bura, Lower Turkwel, Bosto, Isiolo Dam & Irrigation Project, Radat, Lowaat and Nyatike - Lower Kuja) under review.
	Implement Resettlement Action Plans (RAPs)	No. of RAPs implemented	15	0	Lower Kuja Irrigation Project (LKIP) RAPs is ongoing.
Galana-Kulalu Food Security	Acres of land under maize	Acreage under	10,000	1,000	The under-achievement was attributed to the

Priority Project/ Priority	Output	Indicator	Annual Target FY2024/25	Actual Achievement FY2024/25	Remarks on the variance
Project	production	production			lengthy PPP process to bring on board the private party (Selu Ltd).
	Acres of land irrigated	Acreage under irrigation	5,000	1,000	
Turkana Irrigation Project	Acres of land irrigated	Acreage under irrigation	1,430	3,063	1,320 acres in Lokubae and 1,743 acres in Katilu put under irrigation. Total maize production in Katilu is 3,417 tonnes and 2,906 tonnes in Lokubae.
	Expansion of Morulem, Elelea, and Lokubae schemes	No. of schemes expanded	-	2	This is targeted for implementation in FY2025/26.

Source: State Department for Irrigation FY2024/25

#### b) MTPIV Outcome achievements for FY2024/25

The sub-sector's performance at the outcome level is summarised in Table 5.11.2 below.

**Table 5.11.2 Irrigation Outcome Results for FY2024/2025**

MTP IV Outcome	Outcome Indicator	Baseline FY2022/23	Actual achievement FY2023/24	Outcome Target FY2024/25	Actual achievement FY2024/25	Remarks on Achievement Variance
Increased acreage under irrigation	Area of land under irrigation (acres)	664,000	21,136	268,797	29,699.06	The under-achievement was due to funding gaps; delayed completion of infrastructure works; land-related constraints-wayleaves issues; farmer readiness and uptake; and climate-related impacts
Increased water harvesting and storage capacity	Volume of water harvested and stored (MM <sup>3</sup> )	55.4	7.674	464.8	7.374	Target not met due to insufficient allocations and the lengthy PPP process
Increased irrigated production	Quantity of rice produced (tonnes)	192,299	276,012	250,000	289,577	Achievement was as a result of: improved water management and availability; adoption of certified seeds and agronomic best practices; enhanced

						mechanization and timely land preparation; favorable climatic conditions; strengthened farmer organization and input access-farmer cooperatives, and irrigation water user associations
--	--	--	--	--	--	---

Source: State Department for Irrigation FY2024/24

**Area under irrigation:** During the Financial Year 2024/2025, area under irrigation increased by 29,699.06 acres to 762,767 acres from 733,068 acres as recorded in FY 2023-24 through the implementation of:

- a) **National Expanded Irrigation Programme** (17 irrigation projects covering a total of 12,125 acres)
- b) **Supplemental Irrigation** (Household Water Harvesting – 2,174 acres)
- c) **Community-Based Irrigation** (Waga Machame – 1,200)
- d) **Expansion of existing schemes – 3,150 acres** (Bura - 2,000 acres, Tana - 450 acres, Ahero - 500 acres and Bunyala - 200 acres)
- e) **Large-scale Irrigation Projects expansion – 11,050 acres** (Lower Kuja Irrigation Project - 2,200 acres, Lower Nzoia -3,000 acres, Galana -5,000 acres, Turkana Development Irrigation Project - 850 acres).

**Increased water harvesting and storage capacity:** The sub-sector increased the capacity of water harvested and stored for irrigation by 7,374,092m<sup>3</sup> to 170,500,828m<sup>3</sup> through rehabilitation and construction of 76 community water pans with a total capacity of 5,200,015 m<sup>3</sup> and 1,545 Household water pans with a capacity of 2,174,077 m<sup>3</sup>.



**Increased irrigated production:** During the period under review, paddy rice production stood at 289,577 tonnes, a slight increase from 282,152 tonnes recorded in FY 2023-24. The production was as follows: Mwea - 160,297 tons, Bura - 8,713 tons, Tana - 10,557 tons, Ahero - 75,804 tons, West Kano - 2,660 tons, Bunyala - 8,741 tons, Lower Kuja - 10,548 tons, Taita cluster (Burma) - 12,495 tons.



*Bunyala Irrigation Scheme, produced 8,741 tons of rice in FY2024/25*

### 5.11.2. Policy, Legal, and Institutional Reforms

- i. **Land Reclamation Policy:** the sub-sector finalized Land Reclamation Policy and prepared a Cabinet Memorandum for presentation to the Cabinet.
- ii. **Land Reclamation Bill:** A draft Bill was prepared and presented to the Office of the Attorney General for review before subjecting it to public participation.
- iii. The Quality Assurance and Licensing Unit was established and staff deployed and commenced Licensing of irrigation schemes.
- iv. Further, Irrigation Scheme Management Committees and Irrigation Water Users Associations in public schemes were operationalized in seven (7) public schemes namely: Mwea, Ahero, Perkerra, Bunyala, West Kano, Bura and Lower Kuja

### 5.11.3. Challenges, Lessons Learnt and Recommendations

#### a) Challenges

- v. Inadequate budgetary allocations and delayed exchequer releases
- vi. Lack of budgetary Provision for Land Reclamation and Rehabilitation
- vii. Limited Number of Technical and Support Staff
- viii. Delays in Public-Private Partnership (PPP) projects identification, approval, and contracting



**b) Lessons Learnt**

- i. Increased supervision and follow-up on the contractor throughout the project implementation cycle is crucial to fast-track progress of work.
- ii. Improved coordination between planning and budget helps align financial resources with strategic priorities from the outset.
- iii. Strengthened financial forecasting and engagement with the National Treasury is vital for maintaining implementation momentum.
- iv. Creation of dedicated funding lines or integrating land restoration in core programs helps to ensure better visibility, planning, and execution
- v. Establishment of a clear, simplified, and well-communicated PPP framework improves uptake and accelerates investment in priority areas.
- vi. Flexibility in implementation, supported by a strong internal coordination and evidence-based decision-making, allows institutions to remain responsive and resilient.

**c) Recommendations**

- i. Engage the National Treasury for the timely release of funds, and Parliament to advocate for additional funding
- ii. Explore co-financing arrangements and partnerships with development partners, County Governments, and environmental agencies
- iii. Integrate land rehabilitation components within broader irrigation or resilience programs
- iv. Advocate for streamlined PPP processes through inter-agency coordination and collaborations



## **CHAPTER SIX**

### **SOCIAL SECTOR**

#### **6.0. Overview**

The social sector plays a pivotal role in Kenya's socio-economic development, serving as the foundation for building an inclusive, equitable, and cohesive society. It encompasses critical subsectors that bear the potential to enhance the well-being and productivity of the population. These are Medical Services; Public Health and Professional Standards; Basic Education; Technical and 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 the Creative Economy; Sports; Culture, the Arts and Heritage; and Performance and Delivery Management.

Recognizing the sector's transformative potential, the Government of Kenya remains steadfast in its commitment to investing in people as a central pillar of national development. Through progressive policies, strategic resource allocation, and targeted programmes, the Government seeks to ensure that every citizen, especially the most vulnerable, is equipped with the tools, opportunities, and protections needed to thrive.

The Chapter highlights the Sector's performance at both Output and Outcome level, Policy, Legal and Institutional Frameworks, Challenges experienced and Lessons learnt during the period under review. It also lays out recommendations that are essential for fostering human capital and aligned with Kenya's long-term development agenda and international commitments such as the Sustainable Development Goals (SDGs).

#### **6.1. Public Health and Professional Standards Sub sector**

The Subsector plays a fundamental role in advancing public health initiatives through the development, implementation and monitoring of comprehensive health policies. The policies encompass critical areas such as sanitation, preventive and promotive health services, professional standards, health education management, food quality, hygiene and nutrition, quarantine administration, radiation, tobacco control, and management of tuberculosis and malaria. In addition, the Subsector provides strategic leadership and support to health professional bodies, upholds professional standards and also fosters a culture of excellence in healthcare practice, ensuring that public health outcomes are consistently prioritized and improved.

##### **6.1.1. Subsector Performance**

1. **Human Resource for Health;** The Community Health Promoters (CHPs) are paid monthly according to the names provided by the counties. The medical-interns posted to internship training centres included 884 medical officers, 1271 clinical officers (diploma), 145 clinical officers (degree), 290 pharmacists, 1284 nursing officers and 73 dentists. The interns are on boarded at the beginning of each financial year for a period of 12 months. KHHRAC aimed to develop uniform norms and standards for a master register of health practitioners,

achieving only 40% completion due to funding delays. The draft tool is being reviewed to incorporate stakeholder's comments.

2. **Community Health High Impact Interventions;** Operationalization of the Primary Health Care Networks was rolled over from the FY 2023/24. This relies only on donor support which has been diminishing hence the underachievement. Operationalization of Community Health Units across the country has been hindered by inadequate funds. Kiambu county opened up twenty-five (25) extra CHUs during fourth quarter so as to increase their CHU coverage. The funding freeze from the US Government has affected the implementation of programmes and has caused financial strain and led to disruption of data systems such as KHIS which has also affected reporting. The data provided covers the 11 counties implementing the NICHE program of which there was inadequate implementation of reporting tools in 6 counties. The counties currently implementing BFCI are Kilifi, Kitui, Mandera, Samburu, Wajir, Garissa, Tana River, Isiolo, Turkana, West Pokot and Marsabit. There is need to scale up to the other 36 counties. The treatment commodities for severe or moderate acute malnutrition are robust and in all ASAL and urban counties but not so in non-ASAL counties.
3. **Health Infrastructure:** Six (6) KMTC campuses upgraded were upgraded against an annual target of two (2) due to Increased funding dedicated to upgrading infrastructure across campuses.

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

The Table 6.1 presents the implementation status of the key outputs and BETA priorities for the FY 2024/25.

**Table 6.1: Public Health Output Results for FY 2024/25**

Priority Project	Output	Indicator	Annual Target FY 2024/25	Cumm. Achievement 2024/25	Remarks on the variance
Human Resource for Health	Existing Community Health Promoters (CHPs) paid stipend	No. of CHPs	100,000	100,000	Target achieved.
	Medical-interns posted to internship training centres	No. of medical interns posted	1,000	3,947	Target surpassed. This was attributed to more admissions and graduands from the training institutions.
	Human resource for health recruited	No. recruited	11,700	0	Target not achieved. There was no budgetary allocation for recruitment of HRH.
	Specialised and sub-specialized healthcare workers trained	No. of specialized and sub-specialised healthcare workers trained	100	71	Target not achieved. There were no requests for specialized training received in the quarter.

Priority Project	Output	Indicator	Annual Target FY 2024/25	Cumm. Achievement 2024/25	Remarks on the variance
	Unregulated health work-force mapped, verified and certified	No. of unregulated health workforce	20	10	Target not achieved. There were funding constraints that affected planned activities.
	Master register developed and maintained	Operational master register	1	0	Target not achieved. The delay in development of the master register was due to insufficient funding.
	Health care workers exported	No. of health care workers exported	200	0	Target not achieved. Awaiting finalization of the Labour Migration Policy which is under the State Department for Labour
Community Health High Impact Interventions	Primary Health Care Networks (PCNs) operationalized	No. of PCNs operationalized	315	227	Target not achieved. This is attributed reliance on donor support which has been diminishing.
	Community Health Units operationalized across the country	No. of community health units established	450	225	Target not achieved. This is due to insufficient funding.
	Community Health Promoters (CHPs) trained	No. of CHPs trained	100,000	12,366	Target not achieved. There were inadequate funds to facilitate the training of all CHPs.
	Community Health Assistants (CHAs) trained, mentored and supervised on iCCM	No. of CHAs trained	1,800	0	Target not achieved. There were inadequate funds to facilitate training of CHAs.
	Baby Friend Community Initiative (BFCI) rolled out	No. of CHUs implementing BFCI	9,600	887	Target not achieved. The formation of the CHUs is systematic through steps of approval and the process is long.
	Integrated management of acute malnutrition (IMAM) scaled up	No. of children with severe or moderate acute malnutrition accessing IMAM services	737,100	311,407	Target not achieved. There was a scale down of outreaches by 16% as a result of limited financial resources.
Health Infrastructure	KMTC campuses upgraded	No. of KMTC campuses upgraded	2	6	Target surpassed. Increased funding dedicated to upgrading infrastructure across campuses.

Source: Ministry of Health Reports, FY2024/25

### **6.1.2. Policy, Legal and Institutional Reforms**

- i. Quality of Care and Patient Safety Bill 2025: The bill has been endorsed by the cabinet and submitted to National Assembly awaiting second public participation.
- ii. Draft Healthcare Professionals Policy: Draft Policy in place awaiting public participation, finalization and approval

### **6.1.3. Challenges, Lessons Learnt and Recommendations**

#### **a) Implementation challenges**

- i. Inadequate budgetary allocation led to underachievement of planned programmes and projects
- ii. Reduced donor funding and withdrawal of the US government aid affected the implementation of programmes which were earlier financed by donors
- iii. Sub-optimal collaboration between the national and the county government led to ineffective implementation of shared deliverables

#### **b) Lessons Learnt**

- i. A strengthened monitoring and evaluation is key to successful implementation of programmes and projects.
- ii. Harmonious relationship between county and national governments is critical for effective and efficient implementation of programmes and projects;
- iii. Active stakeholder engagement helps in formulation of interventions with great impacts.

#### **c) Recommendations**

- i. There is need to increase domestic resource mobilization and funding for planned programmes and projects through adoption of innovative financing mechanisms and harnessing public private collaborations.
- ii. Reporting and Health Information Systems should be strengthened by investing in technology, training healthcare workers on data collection and analysis to ensure effectiveness and efficiency

## **6.2. Medical Services Subsector**

The health sub-sector plays a critical role in ensuring that all Kenyans have access to quality and affordable healthcare services. Universal health coverage is among the key Bottom-Up Economic Transformation Agenda (BETA) priorities. The key focus areas for achieving UHC includes: Healthcare financing, Human resources for Health, Health Commodity Supply and Digitization of health services. These priorities aim at improving health care service delivery for all citizens, thereby supporting the broader goals of economic transformation. In addition, the priorities are also aligned with the Kenya Health Policy, Bottom-up economic Transformation Agenda, the UHC Policy and the various regional and international obligations including the Sustainable Development Goals (SDGs) and Africa Union Agenda 2063.

### 6.2.1. Subsector Performance

1. **Health Financing:** The Social Health Insurance Fund plays a critical role in the universal health coverage. On the percentage of household enrolled the target was 40% and the achievement was 49.9%. This is because of the government actively mobilizing and encouraging public participation in the registration and contribution process for SHIF. A key focus remains the inclusion of the informal sector which represents approximately 80% of the population. To support this the government has introduced the lipa pole platform, enabling flexible premium payment options through instalments plans.
2. **Health Commodity Security:** Commodity security is a critical focus and relates to ensuring the availability, accessibility, and affordability of essential health products and technologies (HPTs) like medicines, vaccines, and medical supplies. On the establishment of Plants for local manufacture of HPTs, the target was one (1) but the public works processes are at 86.3%. The project focused on completion of enabling works in the current FY. The status is as follows: Lot 1: Biokill; 80%; Components already imported, awaiting installation. Lot 2 ETP: 80%; Components already imported awaiting installation. Lot 3 Borehole: 98%; Survey done, Borehole drilled, water testing done. Lot 4 Water Treatment Plant: 80% delivered on site for installation. Lot 5: Builders work; 85%; Boundary wall, Gate and gate house almost complete, utility rooms done, water tank done. Lot 6: Design for Fill and Finish 95% Drawings done and reviewed. Awaiting submission. Cumulative average: 86.3%. On capacity development, five (5) employees were recruited and reported in Quarter 2, and 3; and all staff were trained in various administrative and technical areas.
3. **Health Infrastructure:** Kenya's health infrastructure is one of the building blocks in healthcare provision. MES project is in the process of being phased out to welcome National Equipment Service Program (NESP) program which is still at tendering process. It includes: capital infrastructure and equipment. There are several projects being undertaken and procurement of medical equipment and service through the NESP. On the construction of KEMRI research labs 50% done Work progressed from previous FY from foundation level to 1st floor slab for both the Research facilities at KEMRI Kwale and KEMRI CMR/CPHR block.

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

The table 6.2 below illustrates the implementation status of the Key outputs and BETA priorities for the fourth quarter.

**Table 6.2: Medical Services Subsector BETA Output Results for FY 2024/25**

Priority Project/ Priority	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks on the variance
Health Financing	85% of Kenyans enrolled in the Social Health Insurance Scheme (SHIS)	% of Households enrolled	40	49.9	Target Surpassed due to the government actively mobilizing and encouraging public participation in the registration



Priority Project/ Priority	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks on the variance
					and contribution process for the Social Health Insurance Fund (SHIF).
Health Commodity Security	Plants for local manufacture of HPTs established	No. of plants established	3	0	The target was not met due to delayed procurement processes for enabling works, production equipment and on boarding Good Manufacturing Practices (GMP)
Integrated Health Management Information System	Health facilities and services digitized	No. of health facilities digitized	2,121	1021	Target not achieved. The process was being supported by donor hence stopped.
	Integrated Health Management Information System (IHMS) established	Operational IHMS	1	1	Target Achieved Taifa Care established
	Afya Bora Mashinani dashboard developed	Real time Afya Bora Mashinani dashboard	1	1	Target Achieved Superset for eCHIS developed
	Public hospitals providing Telemedicine Services	No. of Public Hospitals providing telemedicine services	100	41	Target not achieved due to delayed setting up necessary infrastructure and partnerships
Health Infrastructure	Hospitals equipped through the expanded MES project	No. of Hospitals equipped	112	112	Target Achieved.
	Comprehensive cancer management centers (Nyeri, and Kisii) completed, and Kisumu regional cancer center equipped	No. of comprehensive cancer centers completed and equipped	1	0	Target Not Achieved due to inadequate budget allocation
	Radiotherapy bunkers established and equipped in Meru, Kakamega, Machakos and Embu Cancer Centres	No. of radiotherapy bunkers	1	0	Target Not Achieved due to inadequate budget allocation

Priority Project/ Priority	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks on the variance
	East Africa Kidney Institute equipped	Operational East Africa Kidney Institute	1	1	Target Achieved.
	All in one center of excellence for Ear, Nose and Throat (ENT), Eye and Oral Healthcare constructed	No. of operational “All in one” centers of excellence	2	-	Should be Implemented by COG.
	KEMRI research labs constructed/upgraded	No. of KEMRI research labs constructed/upgraded	2	0	Target not achieved due to funding gaps

Source: Ministry of Health Reports, FY2024/25

#### b) MTP IV Outcome Indicators

At outcome level, the sub-sector registered the achievements presented in table 6.3 that follows.

**Table 6.3: Medical Services Subsector Outcome Results for FY 2024/2025**

MTP Outcome	IV	Outcome Indicator	Outcome Target	Actual Achievement	Remarks on Achievement Variance
Increased access to universal healthcare		Proportion of population covered under SHI	40%	49.9%	Target surpassed. The government is actively mobilizing and encouraging public participation in the registration and contribution process for the Social Health Insurance Fund (SHIF).
Reduced child Mortality		Neonatal mortality rate	12	-	The indicator is survey-based target and achievement depends with the next KDHS.
		Infant Mortality Rate	18	-	The indicator is survey-based target and achievement depends with the next KDHS.
		Under 5 Mortality Rate	25	-	The indicator is survey-based target and achievement depends with the next KDHS.
		Proportion of under-1 year old children fully immunized	90	80.4	Target not Achieved. This is due to interruptions or delays in vaccine procurement and distribution.
Reduced Maternal Mortality		Maternal Mortality rate	70	102	Target not achieved. understaffing and increased turnover of experienced Health care providers with inadequate

MTP Outcome	IV	Outcome Indicator	Outcome Target	Actual Achievement	Remarks on Achievement Variance
					equipment and commodities in MNCH units continuously impacts maternal and newborn care in health facilities
Improved maternal and neonatal health		Proportion of births attended by skilled health personnel	75	-	The indicator is survey based target and achievement depends with the next KDHS
		4th ANC Coverage	72	46	Target not achieved. This is due to lack of awareness to the mothers on the importance of ANC visits
		Modern Contraceptive Prevalence Rate (MCP)	64%	-	The indicator is survey based target and achievement depends with the next KDHS
		Unmet need for family planning	10	-	The indicator is survey based target and achievement depends with the next KDHS

Source: Ministry of Health; NCPD Reports, FY2024/25

The 4th ANC coverage has shown a steady decline from 52% in Q1 to 46% in Q3 and Q4, indicating stagnation. The 8th ANC visit coverage also remains low, with minimal quarterly improvements from a 4% baseline in 2022 to just 6% by Q4 FY 2024/25. There is a pressing need for increased community awareness on early ANC initiation (by 12 weeks), improved access, and strengthened continuity of care across the maternal health spectrum.

### 6.2.2. Policy, Legal and Institutional Reforms

SHA Act 2024 was enacted in 2023, is being implemented in 2024 with the establishment of the Social Health Authority (SHA) and the introduction of three new health funds:

- i. The Primary Healthcare Fund (PHF),
- ii. The Social Health Insurance Fund (SHIF), and
- iii. The Chronic and Critical Illness Fund (ECCIF).

### 6.2.3. Challenges, Lessons Learnt and Recommendations

#### a) Implementation Challenges

- i. Inadequate budgetary allocation and donor receding component affecting planned programmes and projects
- ii. Drastic and sudden decrease in donor funding, this led to reduction in activities and programs, hence affecting the implementation of programmes and projects.
- iii. Limited knowledge on SHI benefit package and processes thus affecting service delivery
- iv. Stock outs of health commodities hence affecting health outcomes.

#### b) Lessons Learnt

Implementing social health insurance has come with several lessons, including:

- i. Importance of Awareness and Education: Extensive awareness campaigns are crucial to educate the public about the benefits of social health insurance and build trust in the system, encouraging more people to enroll.
- ii. Technology Integration: Leveraging advanced technology can improve service delivery, reduce administrative costs, and enhance the overall efficiency of the social health insurance system.
- iii. Flexible contribution methods and collaborating with local communities can help increase adoption rates among informal workers, who constitute a significant portion of the population.
- iv. Equity and Accessibility: Ensuring equity and accessibility in healthcare services is critical, with subsidies for the poor and vulnerable, and enhanced schemes for specific occupation groups.

**c) Recommendations**

- i. There is need to increase domestic resource mobilization and funding for healthcare, through adoption of innovative financing mechanisms, and harnessing public private collaborations
- ii. It is essential to balance local production, efficient distribution, and sustainable funding for supply chain of health commodities
- iii. There is a call to create awareness and understanding of the SHI benefit package and procedures through targeted communication, community engagement, and ongoing training for both beneficiaries and healthcare provider.

### **6.3. Labour and Skills Development Sub sector**

The Labour Subsector contributes significantly to the realization of the Kenya Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA) through fostering a skilled, productive and globally competitive workforce through strategic interventions in workforce development, productivity enhancement and structured labour mobility. The major set targets to achieve this included: promotion of harmonious industrial relations; labour migration management; regulation of trade unions; provision of occupational and health safety services; employment promotion; labour market research; industrial skills development; productivity improvement; and post training skills development.

### 6.3.1. Subsector Performance

1. **Social Security Coverage to the Informal Sector:** To ensure social security coverage to the informal sector, NSSF is implementing the National Youth Opportunities Towards Advancement (NYOTA) project under component three which envisions to onboard 190,000 youth to the NSSF haba haba savings platform. To achieve this, the Fund is in the process of integrating with Safaricom and onboarding a consultancy firm to support in the development of policies and procedures.



*Cabinet Secretary for Labour & Social Protection addressing participants during the 7th Annual General Meeting*

2. **Strengthening Linkages between Industry and Training Institutions:** To ensure a strong nexus between training institutions and industries, training institutions ought to produce learners who are ready for the job market. Towards this, NITA continues to reskill and upskill workers on new skills emerging in the labour market. The Authority placed 41,884 students and lecturers in industrial attachment and a further 4,405 were placed on internship. Further 30,583 workers in Textiles and Apparel within the EPZ were trained in relevant industrial skills. A further 120,180 from the housing and construction sectors were assessed in Government Trade Testing whereas 2,500 youth were trained and certified on industrial skills as 1,061 master craftsmen were upskilled. This was supported by the launch of the Recognition of Prior Learning Policy which led to an increase in the uptake of institutions offering the programme. Further, upgrading works were carried out at NITA-Kisumu (Construction of a modern gate) and three workshops were refurbished in NITA-Mombasa.





*Cabinet Secretary Inspection of the NITA Training Centre in Mombasa*

3. **Labour Migration:** The National Policy on Labour Migration was approved and awarded Sessional Paper No.5 of 2023 with the main objective to promote inclusive and sustainable development of the country through safe, orderly and productive labour migration and enhanced coordination of labour migration governance. The policy further addressed the issue of uncoordinated labour migration with a view to bringing harmony to the labour migration process. Towards this, Kenya signed two (2) BLAs, on Comprehensive Migration and Mobility Partnership with the Federal Republic of Germany in September 2024 and a Memorandum of understanding on Mobility and Migration with the Republic of Austria in September 2024. Additionally, 21 draft Agreements with various countries were at various stages of development. Labour market assessment of skills in demand was conducted for the German labour market. All 49,956 outbound migrant workers were processed at the labour migration desk. A total of 54,184 foreign contracts were attested for either renewal or extension. All distress migrant workers were attended to and repatriated within this period.



*Cabinet and Principal Secretary Flagging off Kenyans going to work in the Diaspora.*

4. **National Human Resource Planning & Development:** The Labour Market Information System (LMIS), aimed to provide up-to-date labour market statistics was developed and customized into the Kenya Labour Market Information System (KLMIS). Visualization tools were installed to facilitate generation of Labour Market Information (LMI) in pictorial/graphical form. The Survey of Training in Local Institutions (STLI), which aims to assess the alignment between the demand and supply of relevant technical courses in the labour market, was conducted in Technical and Vocational Training Centres. A total of 506,000 logins on KLMIS were recorded pointing out to an increased uptake. A further 15 Labour Market Information (LMI) packages were developed within this period. Personnel training on LMI production however was not conducted and will be prioritized in the subsequent period.



*Sensitization campaigns on the Kenya Labour Market Information System (KLMIS)*

5. **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. 910 public officers were trained on productivity improvement and a further 2,870 were trained on productivity measurement to help in reporting and tracking of productivity indicators in the subsequent periods. A total of 17 National and Sectoral productivity indices were developed to track productivity within this period. A total of 380 public sector organizations started productivity measurement, and this success was due to the MDAs funding the project fully.
6. **Promotion of Harmonious Industrial Relations:** 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; hence it is the preferred mode of dispute resolution. In addition, 12,317 labour and employment related disputes were processed, 11,752 labour inspections on wages, terms and conditions of employment were carried out and 3 wage councils namely General, Agricultural and Seafarers were operationalized. Additionally, the Mandera County Labour office was operationalized.



7. **Integrated Service Delivery Models:** A one-stop-shop center for labour migration services to enable seamless labour migration was established and operationalized. The center brought together various government agencies providing services that are essential to labour migration where all migrant workers get services under one roof.
8. **Management of Skills development and post-training:** Towards this, 5,544 youths were trained on online employment skills to enhance self-employment and allow youths to take advantage of available online opportunities as well as enhance the digital economy.

As a component of the National Skills Management Information System, the Ujuzi app, a mobile interphase for skills and the labour market, was developed for Android devices in the FY 2024/25. It will be launched once it has been updated for Apple devices. Another component, the skills Hub, was developed in the same period as a one stop shop for information on skilling opportunities. This involved the development of a national mobile skills app that was submitted to play store for production. A total of 12 sector skills committees were developed across various industries.

9. **Portability of knowledge, Skills, innovation and technical resources to Diaspora:** The signed BLA between Kenya and the UK & Saudi Arabia was currently under implementation. As of Oct 2024, 314 nurses have been recruited to work in the UK under the agreement since its signing. BLA negotiations between Kenya and Kuwait was under active negotiations and expected to be finalized in FY 2025/26.



*Cabinet Secretary meeting with the Minister of Labour Qatar on job opportunities for Kenyans in Qatar*

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

**Table 6.4: Labour and Skills Devt Subsector Outcome Results for FY 2024/25**

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks On Achievement Variance
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	50	25	Target not achieved. This was due to delay in the operationalization of NYOTA project.
	Informal sector Social Security guidelines developed	% of operationalization of auto debit process for MNOs guidelines	50	20	Target not achieved. This was due to delay in the operationalization of NYOTA project.
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	-	The reporting agency is SDPS not SDLSD
	Students and lecturers placed in Industrial Attachment	No. of students and lecturers placed on attachment	4,000	41,884	Target Surpassed. This was due to an increased uptake of institutions offering RPL.
	Teachers and students placed under Apprenticeship	No. of teachers placed on Apprenticeship	100	489	Target surpassed. This was due to extensive sensitization and awareness creation to employers.
	Industrial Training and Attachment Portal (ITAP) upgraded	% Of Upgraded ITAP	40	0	Target not achieved. The project did not get funding allocation.
	Industrial training centres upgraded	No. of centres upgraded	1	2	Target Surpassed. Kisumu and Mombasa Industrial Training Centres were refurbished.

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks On Achievement Variance
Labour Migration	BLAs	No. of BLAs	3	2	Target not achieved. Delay occasioned by lengthy negotiation procedures with the destination countries
	Kenyans placed in jobs	No. Kenyans placed in jobs	400,000	125,536	Target not achieved. This was due to reduced number of job orders following vigorous vetting of PRAs.
	Assessment of skills in demand in destination countries conducted	No. of country skills assessment	2	1	Target not achieved. This was due limited budget allocation to conduct assessments.
Strengthen Jua Kali Industry capacity	Accreditation, training, assessment, and certification Standards for Jua Kali workers in the construction sector reviewed	Accreditation, training, assessment, and certification Standards	20	46	Target surpassed. More accreditation centers were onboarded
	Assessment Centres for Jua Kali construction workers accredited	No. of Assessment centres	2	22	Target surpassed. Implementation of the RPL Policy led to the increase of accredited institutions.
	Jua Kali workers assessed through RPL	No. of Jua Kali workers	15,000	7,902	Target not achieved. Uptake of the program was low.
National Human Resource Planning and Development	Kenya Labour Market Information System upgraded	No. of KLMIS upgraded	15	15	Target achieved.
	Labour market surveys conducted	No. of surveys	1	1	Target achieved

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks On Achievement Variance
Productivity and Competitiveness	Productivity and competitiveness award programme established	Operational Productivity and Competitiveness award	1	0	Target not achieved, due to funding constraints.
	Labour productivity model produced and Productivity statistics produced	Annual national and sectoral productivity indices	20	20	Target achieved
Promotion of Harmonious Industrial Relations	Alternative Dispute Resolution (ADR) mechanism for labour and employment operationalized	% of labour and employment disputes resolved	80%	80%	Target achieved.
	County Labour Offices established and operationalized	No. of additional County Labour Offices	9	1	Target not achieved due to inadequate budget allocation.
	Wages Councils established and operationalized	No. of Wages Councils	6	3	Target not achieved due to inadequate budgetary 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 lacks of funds
Integrated Service Delivery Models	One-Stop-Centre for labour migration services established	% Of Completion	100	100	Target achieved.
Management of Skills development and post-Training	Enhanced access to work-based learning programs	No. of youth trained on online employment skills	12,000	5,544	Target not achieved. Budget cuts affected full realization of this activity as the State Department did not receive the envision funding support from the donor
		No. of youth trained on talent, innovation and entrepreneurship development	4,500		Due to constraints regarding the funding from the donor, the

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks On Achievement Variance
		No. of youth trained under the Agricultural Mentorship and skill share Programme	10,000		programme is no longer being pursued.
		No. of youth placed under National Apprenticeship and mentorship programme	1,200		
		No. of STEM graduates placed under the National volunteering program (G-united)	600		
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 Agreement	1	2	Target Achieved
Automation of Basic Education System	National Skills Management Information System developed and operationalized	% completion of the National Skills Management Information System	100	80	Target not Achieved due to the Information System awaiting update for Apple devices

Source: State Department of Labour & Skills Development

#### b) MTP IV Outcome Indicators

Table 6.5: Labour and skills Devt outcome implementation status for FY 2024/25

MTP IV Outcome	Outcome Indicator	Outcome Target	Actual Achievement	Remarks On Achievement Variance
Increased access to employment opportunities	No. of Jobs Created (No. '000)	945	782.3	According to KNBS, there were 782.3 jobs generated in the economy in 2024
	No. of Migrant workers placed in employment abroad ('000)	100	125.536	Target achieved.
	Unemployment Rate (%)	5.5	-	This is a survey-based target, last produced in 2022 Q4 Labour Force Survey as 4.9%.

MTP Outcome	IV Outcome Indicator	Outcome Target	Actual Achievement	Remarks On Achievement Variance
	No. of People Accessing the Labour Market information in the KLMIS (No. '000)	470	506	Target surpassed due to increased sensitization of the system to the youth.
Reduced distress cases of Kenya migrant workers	The proportion of distress cases of migrant workers (%)	4.0	80	A total of 83 distress cases were settled within the period of review.
Improved Labour Productivity	Country Competitiveness Index (Out of 141)	80	-	Data not available. The survey is based on international standards.
	Country Labour Productivity (%)	4.0	-	Performance of countries not ranked owing to missing raw data
Enhanced Human Capital Development	No. of persons assessed and certified under the recognition of prior learning	3,000	8,574	Target surpassed. Following increased uptake by institutions
	No. of persons assessed and certified in government trade testing	100,000	120,180	Target surpassed. Following increased uptake by individuals.
	No. of workers trained in relevant industrial skills including Textile and Apparels within EPZ	65,000	30,583	Target not achieved due to reduced number of trainees in the sector

Source: Economic Survey, 2025, Labour Force Survey 2023

**Increased access to employment opportunities:** The no. of jobs created for the period under review was 782,300 in both the formal and the informal sector as reported in the 2025 Economic Survey report released by KNBS. A total of 125,536 jobseekers were placed in jobs abroad in collaboration with the Private Employment Agencies (PEA). The key destination countries were in the Middle East such as Kingdom of Saudi Arabia and the State of Qatar. In the period under review, a total of 506,000 people accessed the KLMIS, a web-based system that provides timely, accurate and reliable labour market information and periodic labour market indicators. The overall unemployment rate target is 5.5% with the actual achievement at 4.9% following the Labour Force Survey conducted between October to December 2022.

**Reduced distress cases of Kenya migrant workers:** All 83 cases of distress reported to the Labour and Skill Development Subsector were resolved.

**Improved Labour Productivity:** Data on improved labour productivity is not attainable as the target is based on an internationally survey.

**Enhanced Human Capital Development:** A total of 8,574 workers were assessed and certified under recognition of prior learning by National Industrial Training Authority. The RPL seeks to identify, assess and certify knowledge and skills regardless of how, when or where learning occurred. In addition, 120,180 workers largely drawn from the housing and construction sectors were as assessed and certified under the Government Trade Testing by the National Industrial Training Authority. Further, a total of 30,583 workers were trained works

in Textile and Apparels Industries within EPZ. The Training were based on specific industrial skills which aims to contribute to decent employment.

### **6.3.2. Policy, Legal and Institutional Reforms**

- i. National Policy on Business Process Outsourcing is in draft stage
- ii. Three of 13 sector wage councils were operationalized within this period, i.e., the General Wages Councils and Agricultural Wages Councils in September 2024 and the Seafarers Wage Council in February 2025.
- iii. Key labour laws, namely; the Employment Act, 2007, Labour Relations Act, 2007 and the Labour Institutions Act, 2007 with a view to align them to the Constitution of Kenya, 2010 and to address emerging labour trends.

### **6.3.3. Challenges, Lessons Learnt and Recommendations**

#### **a) Challenges**

- i. Outdated laws are a major challenge especially in light of emerging employment opportunities.
- ii. Data gaps have been there where there is no data on areas of interest. The quarterly labour force surveys are not always published, and when they are available, they usually come late so that the data is not very relevant to the current status.
- iii. Unemployment remains a historical problem.
- iv. Low Human Resource Capacity has adversely affected the operations of the Subsector since the number of staff is inadequate to cover the whole country.
- v. Upsurges in Industrial Actions in the Public Sector points to weak frameworks for social dialogue and an ineffective industrial relations system.
- vi. Low Financial Resource Capacity has hindered effective implementation of the Subsector mandate since the Department 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.

#### **b) Lessons Learnt**

Alignment of key priorities to the budgetary provision is key in achieving set targets with ease. There is need for a continuous self-evaluation to ensure that set targets are attainable within the respective timeframe and possible unforeseen challenges are addressed in a timely manner.

#### **c) Recommendations**

- i. There is need to review the labour laws to align them top the Constitution of Kenya, 2010 and other international standards.
- ii. There is need to enhance human resource capacity to effective service delivery.



- iii. There is need to fast-track the realization of alternative disputes resolutions mechanism to forestall cases of industrial unrest.
- iv. There is need to lobby for adequate budgetary allocation to enable full realization of the set targets within any given review period.

#### 6.4. Public Service and Human Capital Development Sub sector

The Public Service Subsector has a vital role to play in the implementation of MTP IV and the Bottom-Up Economic Transformation Agenda (BETA) including: the automation of all its HR services and timely provision of services through Huduma Centres, Public Sector reforms to foster a citizen-focused and result-oriented public service, the institutionalization of Result-Based Management, Re-engineering of business processes and the establishment of Huduma Centres;

During the strategic plan period, the Subsector supported the Healthcare agenda through the administration of Medical Insurance and Welfare Programmes for the Civil Service. To support the Government's agenda on the development of the Digital Superhighway and Creative Economy, the Ministry adopted a multifaceted approach including Business Process Re-engineering, ICT infrastructure enhancement, digitization and digitalization, capacity building and fostering innovation.

##### 6.4.1. Subsector Performance

1. **Public Service Reforms:** Medical scheme covers all national Government civil servants and some staff in county governments. Once beneficiaries retire, they access the scheme until the end of the contract. All the serving 162 CS, PS & senior officials provided with medical cover. The target of 155,000 was based on a projection but during the period under review the total number of Civil Servants was 124,211 and all of them were provided with the cover.

The Subsector trained and certified 17,634 course participants: 13,793 from the National Government and 3,233 from County Governments 380 Private Sector and 228 Non-Governmental Organizations. A total of 16 new priority programmes were developed and 12 existing programmes were reviewed rolled out at the Kenya School of Government.

2. **Youth Skilling, Employment and wealth creation:** A total of 34,100 youths were trained in paramilitary skills These comprised of 24,342 males and 9,758 females, inclusive of 42 PWDs (29 males and 13 females). In addition, a total of 14,602 of youths were engaged in tasks of national importance. The cohort deployed in quarter two comprising of 10,083 males and 4,519 females continued their engagement.
3. **Public Service Wellness:** A total of 327 Mental Health Champions across MDACs were trained to support in identification of Mental health cases at the workplace. Sensitizations on Workplace stress and building of resilience was undertaken in 25 Subsector and a total of 8,100 Civil Servants were provided with Psychological Counselling Services.



*Sensitization at State Department for Industry on handling Work place stress and building resilience*

4. **Integrated Service Delivery Models:** Government Human Resource Information System (GHRIS) has been replaced by Human Resource Information Services Kenya (HRIS-Ke) and on the new system, payroll and establishment modules have been finalized and rolled out. The system has been integrated with other systems (IFMIS, iTAX and CBK). New re-engineered payroll module within the HRIS-Ke System is complete. Training has taken place for TOTs and End-Users for all Ministries, Departments, and Counties (Executive and Assemblies) & State Agencies under IPPD.A Circular Ref. No. OP.CAB.3/16 dated 9th December 2024 on ‘Official Rollout of the Human Resource Information System–Kenya (HRIS-Ke) in the Public Service’ was released to the Public Service and 198 public service payrolls have been already migrated.
5. **In the implementation of Huduma Service Delivery programme,** a total of 14,120,167 citizens were served through various service delivery platforms; Mombasa, Makadara, Migori, Lonhro house and Contact Centre were refurbished and construction/operationalization of Huduma Centres across Sub-Counties was done in collaboration with NG-CDF. Huduma Kenya has operationalized Laikipia East, Makutano, Kathwana, Gatundu North, Kamwangi, Kisumu West-Ojala, Maara and Marimanti Huduma Centres. The digitalization of government services has resulted in a reduced number of customers visiting Huduma Centres.

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

**Table 6.6: Public Service & Human Capital Development Output Results for FY 2024/25**

Priority Project	Output	Indicator	Annual Target 2023/24	Cumm. Achievement 2023/24	Remarks on Achievement Variance
Strengthening Linkages between Industry and	One-year paid national internship programme implemented	No. of Graduate Assistants placed on	3,000	-	This is a target currently being implemented by the Public Service

Priority Project	Output	Indicator	Annual Target 2023/24	Cumm. Achievement 2023/24	Remarks on Achievement Variance
Training Institutions		internship in various industries			Commission and not the Ministry.
Public Service Reforms	Career Progression Guidelines Frameworks for MDAs and Counties	No. of MDACs supported	25	17	The target was not achieved due to budget constraints.
	A strategy to harness and transfer knowledge, skills and competences in the public service developed and implemented	No. of strategies developed	1	1	Target achieved
	KSG capacity strengthened	No. of priority programmes developed	5	16	The over achievement was due to high demand for new programs since the target is demand driven.
		% Completion of the KSG centre for western region	50	4	Delayed in payments of debts by clients leading to challenges with availability of funds to finance the project since this project is financed through AIA.
	Access to Training Revolving Fund (TRF) enhanced	No. of public servants accessing the fund	900	192	Target not achieved, sensitization ongoing to create awareness so that uptake can improve.
	MDACs trained on Business Process Re-engineering	No. of MDACs trained on BPR	398	230	The target was not achieved due to budget constraints.
	County Public Service Transformation Framework and Sector Specific Transformation Plans Developed	No. of Framework and Sector Specific Transformation Plans Developed	15	2	Target not achieved. Consultations with the counties to develop Framework and Sector Specific Transformation Plans not finalized
	Civil servants provided with comprehensive Medical Insurance Scheme	No. of officers covered	155,000	124,211	All Civil servants were provided with comprehensive Medical Insurance Scheme; the variance is as a result of retirement and natural attritions.
		No. of CS, PS & senior officials provided with medical cover	320	162	All Cabinet Secretaries, Principal Secretaries & Senior officials provided with medical cover. The target of 320 was based on a projection

Priority Project	Output	Indicator	Annual Target 2023/24	Cumm. Achievement 2023/24	Remarks on Achievement Variance
	Comprehensive Health Insurance, and Post-retirement Medical Scheme established and Operationalized	No. of retirees covered	75,000	0	Post-retirement Medical Scheme not yet established. The cabinet memo to be submitted to the Cabinet for approval
	Comprehensive Scheme on Last Expense, Group Life, Group Personal Accident (GPA) and Work Injury Benefit strengthened	No. of beneficiaries	155,000	0	This target was not implemented since the functions are with the state department but the budget is with the National Treasury,
Youth Skilling, Employment and wealth creation	Youth trained in para-military, national service, technical and vocational skills annually	No. of youth trained in paramilitary skills	40,000	34,100	The target was not achieved due to budget constraints.
	Youth engaged in tasks of national importance	No. of youth engaged in tasks of national importance	42,500	14,602	The target was not achieved due to budget constraints.
	Youth engaged in NYS Commercial enterprises	No. of youths engaged in commercial enterprises	10,000	1,379	The target was not achieved due to budget constraints.
	NYS Classrooms, workshops, double span barracks constructed	% of NYS class-rooms, workshops, double span barracks constructed	20	0	There was no development budget during the Period under review
Public Service Wellness	Psychological Assessment Centre established	% of establishment	25	0	This target was not achieved due to lack of funding
		No. of Public Service Mental Health Champions in MDACs trained	300	327	The over achievement was attributed to a training request by Kenya Pipeline for 30 staff
	Counselling and Wellness services provided to public officers	No. of officers counselled	9,500	8,100	The underachievement was due to insufficient funds
	Framework and Sports programmes across MDACs developed	Framework developed	1	0	Not finalized due to lack of budget
Integrated Service	GHRIS infrastructure updated	% upgrade of	100	100	Fully achieved

Priority Project	Output	Indicator	Annual Target 2023/24	Cumm. Achievement 2023/24	Remarks on Achievement Variance
Delivery Models		Government Human Resources Information System (GHRIS)/U HR Infrastructure			
	Public Service Human Resource Data Consolidated	% of Public Service Human Resource Data Consolidated	100	100	Data Consolidation complete all MDAs.
	Customers served through huduma service delivery channels	No. of Customers served through huduma service delivery channels (millions)	15	14.12	The underachievement was due to lack of sufficient funds to undertake huduma Mashinani
	Huduma Centres Revamped	No. of Huduma Centres revamped	10	3	The under-achievement was due to lack of sufficient development funds
	Huduma Centres in the sub-counties established	No. of Huduma Centres in sub-counties	65	6	The under-achievement was due to lack of sufficient funds

Source: State Department for Public Service and Human Capital Development Report

#### b) MTP IV Outcome Indicators

Table 6.7: Public Service & Human Development Outcome Result for FY 2024/25

MTP IV Outcome	MTP IV Outcome Indicator	MTP IV Outcome Target	Actual Achievement	Remarks on Achievement Variance
<b>Human Capital Development</b>				
Improved Public Service delivery and productivity	No. of public officers certified through KSG	25,000	17,634	Budgetary cuts have affected the training function of the school
	No. of Public servants trained through GoK support and Training Revolving Fund (TRF)	1,000	1320	The target was surpassed because of the support received from development partners.
	No. of MDACs that have Re-engineered Business Processes	414	230	The target was not achieved due to budget constraints.
<b>Digitization</b>				
Enhanced access to service delivery	No. of customers Accessing services through Huduma integrated Service Delivery Platforms	15.5	14.12	The underachievement was due to lack of sufficient funds to undertake huduma Mashinani

*Source: State Department for Public Service and Human Capital Development Reports.*

#### **6.4.2. Policy, Legal and Institutional Reforms**

- i. Developed Payroll Management policy, 2025 for the Public Service
- ii. Developed Internship and Volunteer Policy and Guidelines for the Public Service
- iii. Reviewed Designated Hardship Areas awaiting gazettement.
- iv. Draft Human Resource Management and Development Bill has been developed pending consultation with the Public Service Commission as guided by the Attorney General.

#### **6.4.3. Challenges, Lessons Learnt and Recommendations**

##### **a) Implementation Challenges**

- i. Inadequate funding for most projects and programmes which undermined optimal service delivery
- ii. Inadequate office space in various buildings affected supervision and coordination of activities
- iii. Inadequate human resource capacity due to high staff turnover and poor succession management planning.

##### **b) Lessons Learnt**

- i. Adequate staffing levels is critical towards ensuring a more effective implementation of programmes and projects by the Subsector.
- ii. Capacity Building across civil service is essential for provision of quality service delivery and Re-engineering of Government Business.

##### **c) Recommendations**

- i. The Subsector needs to address understaffing through finalization and implementation of its human resource plan
- ii. There is need to adequately fund public service training and classify capacity development resources as development expenditure to guard against budget cuts
- iii. The Subsector should acquire adequate space to accommodate all staff in one building for better coordination.

#### **6.5. Gender and Affirmative Action Sub sector**

The Subsector plays a critical role in advancing gender equality and women's empowerment as a key pillar of the Bottom-Up Economic Transformation Agenda (BETA) and the Fourth Medium-Term Plan (MTP IV). By mainstreaming gender-responsive policies, implementing affirmative action programs, and promoting equity, the Subsector has ensured the full participation of women and other marginalized groups in national development. These efforts contributed to economic inclusion, poverty reduction, and sustainable development, in line with Kenya's Vision 2030 and global commitments to gender equality.

##### **6.5.1. Subsector Performance**

- 1. Prevention of and Response to Gender Based Violence:** 300 dignity kits against an annual target of 600 was purchased and distributed in safe houses. On the other hand, the Subsector ensured that girls are empowered through the distribution of **sanitary pads to schools**.





*Ms. Anne Wang'ombe, Principal Secretary State Department for Gender Affairs & Affirmative Action distributed sanitary towels to girls in Ngangarithi Primary School in Nyeri County*

2. **The National Government Affirmative Action Fund (NGAAF)** conducted 188 civic education forums, sensitizing 172,845 individuals on government programmes. As part of gender mainstreaming efforts, analysis showed that 106 MDACs complied with gender mainstreaming policies and Reporting on key international gender frameworks was also undertaken.
3. **Under the Women Enterprise Fund**, 12,538 women were issued with affordable loans, and 11,910 women were trained on digital literacy.
4. **In the prevention of and response to gender-based violence**, 95 survivors received essential GBV services, 325 service providers from Gender-Based Violence Rescue Centres (GBVRCs) were sensitized on GBVRC guidelines, and one POLICARE centre was supported in operationalization.



*Ms. Hanna Cheptumo, CS Ministry of Gender, Culture and Children Service being briefed by the Justice Nancy Barasa, Chair of the Presidential Technical Working Group on Gender-Based Violence (GBV) including Femicide*



5. **Further, under Socio Economic Empowerment,** 97 women were trained on gender issues in Climate Smart Agriculture and the Kenya National Care Policy was finalized and validated and is awaiting Cabinet consideration.

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

The Table 6.8 shows key BETA priority projects and outputs that is implemented in the Gender Affairs and Affirmative Action Subsector and the achievements.

**Table 6.8: Gender and Affirmative Action Subsector Outputs Results for FY 2024/25**

Priority Project	Output	Indicator	Annual Target 2024/25	Cumm. Achievement 2024/25	Remarks on Achievement Variance
Prevention of and Response to Gender Based Violence	Men and Boys engaged in the campaign against GBV	No. of male champions identified and engaged	1,500	1,140	Not achieved due to insufficient funds
	Survivors provided with GBV essential Services	% of survivors (reported cases) provided with GBV essential services	20	95	The overachievement support from development Partners
	Reduced GBV and FGM cases	No. of forums held in community dialogues to end all forms of GBV	100	32	Target not achieved due to insufficient funds.
	Dignity kits distributed	No. of dignity kits for GBV survivors Purchased and distributed in safe houses	6000	3000	Not achieved due to insufficient funds.
	GBV Rescue Centers/Safe Houses supported	No. of GBVRCs/ safe houses supported	1	1	Target achieved
	Safe houses refurbished/ equipped/ renovated for GBV survivor	No. of safe houses Supported	1	0	Target not achieved due to budgetary constraints
	GBV service providers sensitized on GBVRC guidelines	No. of GBVRC service providers sensitized	325	325	Target achieved
	POLICARE centers operationalized	No. of POLICARE centers supported in operationalization	1	1	Target achieved
	Police Gender desk/ officers' capacity built	No. of personnel capacity built at gender desks/ units in Counties	300	120	Target not achieved - due to budgetary constraints
	GBV duty bearers trained	No. of GBV duty bearers trained	20,000	700	Target not achieved due to insufficient funds

Priority Project	Output	Indicator	Annual Target 2024/25	Cumm. Achievement 2024/25	Remarks on Achievement Variance
	Sanitary towels distributed	No. of girls' supported in public schools	2,362,000	-	Target was moved to NGAAF
		No. of sanitary towels distributed in millions	21.26	-	Target was moved to NGAAF
Eradication of FGM	Accountability and co-ordination mechanisms on eradication of FGM Strengthened	No. of Anti-FGM County Steering Committees	50	19	Target not achieved due to reduced funding.
		No. of persons reached through electronic, print and social media (In millions)	25	41.5	Target surpassed: Citizen TV during prime time (7:00 PM – 9:30 PM), it attracts 27.56 according to the State of the Media survey, Radio Taifa
		No. of inter-Country ministerial sessions on Cross Border FGM	1	0	Target not achieved due to budgetary constraints
Access to Government Procurement Opportunities	Youth, Women and PWDs trained on AGPO	No. of Youth, Women and PWDs trained on AGPO;	1000	474	Target not achieved due to budgetary constraints
Women Enterprise Fund	Affordable loans disbursed	No. of women issued with affordable loans	2,500	12,538	Presidential directive to use digital platform in loan processing
	Women entrepreneurs Trained	No. of women entrepreneurs trained	140,000	109,246	Target not achieved- due to budgetary constraints
	Business infrastructures Developed	No. of women benefiting from business infrastructure	2000	0	Target not achieved due to budgetary constraints
	Women trained on digital Literacy	No. of women Trained	200	11,910	Target Achieved
National Government Affirmative Action Fund	Bursaries awarded to needy students	Amount of grants disbursed for bursaries in Millions	605	484.9	Target not achieved due to budgetary constraints
	Funds disbursed to 13,514 Affirmative Action Groups (AAGs)	Amount disbursed to AAGs in Millions	605	519.0	Target not achieved due to budget cuts

Priority Project	Output	Indicator	Annual Target 2024/25	Cumm. Achievement 2024/25	Remarks on Achievement Variance
	Funds disbursed for value addition activities	Amount disbursed for value addition activities in Millions	756.2	198.4	Target not achieved due to budget cuts
	Youth talents supported	No. of youths supported	1,300	1,157	Target not achieved- due to budget cuts
	Civic education on Government programmes conducted	No. of civic education forums on Government programmes	188	188	Target achieved
		No. of people sensitized	110,000	172,845	Target surpassed due high interaction between women and citizens
Gender mainstreaming	MDACs trained on Gender Responsive Budgeting	No. of MDACs trained	100	20	Target not achieved due to budgetary constraints
	MDACs analyzed on compliance with gender mainstreaming policies	No. of MDACs Analysed	100	106	Target Surpassed -29 MDAs and 47 County assemblies analyzed on compliance with 2/3 <sup>rd</sup> s
	Male engagement and inclusion in the thematic area operationalized in Counties	Number of counties operationalized	10	6	Target not achieved due to inadequate funds.
Compliance with International and Regional Gender Treaties and Obligations	Compliance with gender treaties, conventions and obligations monitored	No. of normative frameworks reported on	5	7	Target surpassed due donor support
Evidence based Gender Responsive Policy Environment	National Survey on Special needs undertaken	Special needs survey report	1	0	Target not achieved due to inadequate funds
	Sectoral policies for Gender Responsiveness Analysed	No. of Sectoral policies on Gender Responsiveness Analysed	5	8	Target Surpassed due enhanced collaboration with MDAs
	MoUs implemented and Monitored	No. of MoUs implemented	3	8	Target overachieved due to enhance bilateral collaborations

Priority Project	Output	Indicator	Annual Target 2024/25	Cumm. Achievement 2024/25	Remarks on Achievement Variance
					with other countries
	Women Leaders trained on Political Leadership skills	No. of women leaders trained	400	0	Target not achieved due to inadequate funds.
	Increased awareness on gender in MDACs on policies and programming	No. of focal persons trained	100	0	Target not achieved due to budget constraints
	Increased awareness on gender across MDACs on policies and programming	No. of MDACs capacity built	100	12	Target not achieved due to due to budget constraints
	Audits on inclusion of women in leadership conducted	No. of audits	1	1	Target achieved
Socio Economic Empowerment	Women engaged in Social Economic Empowerment programmes and Activities	No. of women trained on access and control of productive resources	200	0	Target Not achieved due to inadequate funds
		No. of women trained on the provisions of the Public Procurement and Disposable Act and AGPO	650	120	Target Not achieved due to inadequate funds
		No. of Young women entrepreneurs Coached and mentored.	10	0	Target Not achieved due to inadequate funds
		No. of women trained on gender issues in blue economy and investment opportunities	650	0	Target Not achieved due to inadequate funds
		No. of women trained on gender issues in Climate smart agriculture	10	97	Target Surpassed- Many women have interest in smart agriculture
		No. of women trained to access and utilize digital platforms	200	0	Target Not achieved due to inadequate funds
		No. of women trained on cross	800	0	Target Not achieved due

Priority Project	Output	Indicator	Annual Target 2024/25	Cumm. Achievement 2024/25	Remarks on Achievement Variance
		border and inter-county trade			to inadequate funds
Women Economic Empowerment	Women groups recruited into table banking groups	No. of women groups recruited into table banking	5,000	-	This is being implemented by the office of the first lady
		No. of women capacity built	75,000	-	Target being implemented by the office of the lady
	Kenya National Care Policy developed	Operational Kenya National Care Policy	1	1	Target achieved. The policy has been submitted to Cabinet for approval

Source: State Department for Gender Affairs and Affirmative Action Reports

#### b) MTP IV Outcome Indicators

The Table 6.9 indicates the Subsector's MTP outcome indicators and the achievement

**Table 6.9: Gender and Affirmative Action Outcome Results for FY 2024/25**

MTP Outcome	Outcome Indicator	Outcome Target FY2024/25	Actual achievement FY2024/25	Remarks on Achievement Variance
Reduced Prevalence of Gender Based Violence	Percentage 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 12months by form of violence and by age	28	-	The results will be provided by KDHS in the next survey expected to be conducted around 2027.
Reduced Prevalence of FGM	Percentage of girls and women age 15-49 who have undergone FGM.	15	-	The results will be provided by KDHS in the next survey expected to be conducted around 2027.
Reduced gender Disparities	Global Gender Gap Index	0.743	0.689	Target not Achieved- Persistent issues in education, labor market inequality, underrepresentation in leadership, and deep-rooted cultural norms continue to hinder progress toward gender parity. Addressing these challenges requires more forums and capacity-building initiatives,

MTP Outcome	IV Outcome Indicator	Outcome Target FY2024/25	Actual achievement FY2024/25	Remarks on Achievement Variance
				which were limited due to budget cuts.
	Percentage of women in the National Assembly	23	-	The results will be provided by KDHS in the next survey expected to be conducted around 2027.

Source: Global Gender Gap Report 2025

### 6.5.2. Policy, Legal and Institutional Reforms

- i. **Reviewed National Policy on Prevention and Response to GBV (2014)**- the revised Policy was submitted to Cabinet for approval.
- ii. **Developed Policy on Women Economic Empowerment**- The Policy was developed, and approved by Cabinet which is currently before Parliament as a draft sessional paper.
- iii. **Draft National Care Policy**: The policy was developed and validated now awaiting Cabinet consideration.
- iv. **Establishment of a Technical Working Group on GBV and Femicide** was formed by President to address the rising cases of violence including femicide against women and girls in Kenya.
- v. **Enhancing domestication of international commitments related to gender equality and women empowerment** such as CEDAW, BPFA, MAPUTO Protocol, African Union convention on elimination of discrimination against women and girls, solemn declaration among others.

### 6.5.3. Challenges, Lessons Learnt and Recommendations

#### a) Implementation challenges

- i. Significant budget cuts adversely impacted the implementation of key activities, particularly in training, capacity building, and socio-economic empowerment, prevention and response to GBV mitigations initiatives, gender mainstreaming and domestication of international treaties/protocols and conventions.
- ii. Delayed or late exchequer releases disrupted the timely execution of critical programs, including the distribution of sanitary towels and support to women groups.

#### b) Lessons Learnt

- i. Collaboration with development partners, counties, and the private sector has the potential to bridge funding gaps and enhance program impact.
- ii. Continuous capacity building is essential for the success of gender mainstreaming and digital literacy training, especially in light of the rising cases of femicide in Kenya.

#### c) Recommendations

- i. Increase and ring-fence budgetary allocations for training, operational support, and critical gender equality programs;

- ii. Ensure timely disbursement of funds to facilitate the uninterrupted implementation of planned activities;
- iii. Strengthen partnerships with development partners, private sector, and county governments to co-finance and scale gender equality initiatives;
- iv. Reinstate gender mainstreaming targets in institutional performance contracts to improve institutional accountability;
- v. Develop proposals for support from Tourism Fund and Sports Fund; and
- vi. Establish fund to promote gender equality and women empowerment.

## 6.6. Culture, the Arts and Heritage Sub sector

The Subsector for Culture, Arts, and Heritage plays a crucial role in advancing Kenya's Bottom-Up Economic Transformation Agenda (BETA) and Vision 2030. By harnessing the potential of cultural and creative industries, it contributes significantly to economic growth and diversification. This subsector creates employment opportunities, particularly for youth and women, by nurturing local talent and supporting creative enterprises. It also fosters national identity and unity by preserving and promoting Kenya's rich cultural heritage. Overall, it strengthens social cohesion while positioning Kenya as a vibrant hub for culture and innovation.

### Subsector Performance

1. **Conservation of Culture and Heritage** - In its efforts to disseminate the research findings for the benefit of humanity and promotion of livelihood in line with BETA, insect farming as a new source of livelihood was created by establishing four (4) insect farms in Siaya and Kakamega Counties. To promote meliponiculture, 432 farmers were trained and supported through provision of be-hives in Nakuru and Kilifi Counties as well as establishing two (2) meliponiculture farm in Nakuru. In addition, to empower the farmers, 600 were trained on underutilized and neglected foods and 20 mushroom farms were established.



*The Turkana Cultural Festival, also known as 'Tubongulore', showcasing the rich traditions, art, and heritage of the Turkana community held in October, 2024*





*President Ruto at the crals section during the Turkana Cultural Festival*

2. **Natural Product Industry Initiative** - To ensure Natural Product Industry Initiatives are achieved as envisioned in the MTP IV, Indigenous Knowledge Management System was developed, a national and 13 County digital repositories were established and the Innovation Bank of Kenya having data from 13 counties was established for the preservation, conservation and protection of Kenya's heritage. A total of 1,192 Stakeholders including 396 young-champions were capacity-built in Garissa, Kakamega, Kericho, Kilifi, Kisii, Makueni, Marsabit, Murang'a, Narok, Siaya, Tharaka Nithi, Turkana and Vihiga counties. The 396 youths were employed after the capacity building to serve as data enumerators in Documentation and Digitization of Indigenous Knowledge. Further, 848 Indigenous Knowledge assets were documented and digitized.

**a) BETA Priorities Projects Monitoring**

The following table shows key MTPIV outputs and BETA priorities that is implemented by the Subsector.

**Table 6.10: Culture, the arts and heritage Outputs Results for FY 2024/2025**

Priority Project/ Priority	Output	Indicator	Annual Target FY 2024/25	Cumulative Achievement FY2024/25	Remarks on Achievement Variance
Promotion and development of Creative and Film Industry	International Art and Creatives Festival Exhibitions hosted	No. of exhibitions	1	1	Target achieved.
Conservation of Culture and Heritage	Insect farming Promotion in ten (10) Counties	No. of insect farms established	1	4	Target surpassed. NMK collaborated with Jaramogi Oginga Odinga University to undertake this program
	Meliponiculture and apiculture farms established	No. of farmers trained and supported	200	432	Target surpassed due to collaboration with county of Kilifi to empower more bee farmers.

Priority Project/ Priority	Output	Indicator	Annual Target FY 2024/25	Cumulative Achievement FY2024/25	Remarks on Achievement Variance
		No. of meliponiculture and apiculture farms established	2	2	target achieved. Two meliponiculture farms were established in Nakuru and Kilifi Counties
	Mushroom farms established	No. of Mushroom farms established	2	20	Target surpassed. This is due to the collaboration with the county of Taita Taveta and University of Nairobi to promote neglected foods.
	Production of under-utilized indigenous food crop revitalized	No. of farmers trained and supported	600	600	Target achieved.
	Cultural practitioners trained	No. Cultural practitioners trained	20	507	Target surpassed. NPI enhanced collaborations with County Governments, Sports Fund and Traditional Health Practitioners.
	Cultural exchange programmes	No. of Cultural exchange programmes undertaken	2	4	Target surpassed due to high demand by institutions for cultural programmes.
	Indigenous languages Mapped and documented	No. of Indigenous languages Mapped and documented	1	0	Target not achieved due to budget cuts and delays in approval of the language policy.
	Integrated National Cultural and Creative Industries Information Management System established	% establishment	40	-	The target was moved to the State Department for Youths and Creative Economy.
	National Arts Gallery Established	% completion	75	0	Target not achieved due to budget cuts.
	Development of Sanaa App (Cultural e-commerce Platform	% completion	20	57	Target surpassed. Bomas of Kenya received extra funding from Tourism Promotion Board for development of Sanaa e-commerce..
	Patriotism, integration and cohesion promoted;	No. of artists participating in the festival	200	11,000	Target surpassed. There was an increase in demand for cultural festivals from county governments.
	Capacity Building & Production Tools for 10 Counties	No. of people capacity build	3,000	400	Target not achieved due to budgetary cuts.

Priority Project/ Priority	Output	Indicator	Annual Target FY 2024/25	Cumulative Achievement FY2024/25	Remarks on Achievement Variance
Underwater Natural Resources	Underutilized marine and freshwater aquaculture resources domesticated and commercialized	No. of oyster species (Pearl), snail and prawn farms established	2	0	Target not achieved due to lack of funds for planned activities.
		No. of aquaculture resources products commercialized	1	0	Target not achieved due to lack of funds for planned activities.
Natural Product Industry Initiative	Indigenous Knowledge Management System developed	% of operationalizati on	40	100	Target surpassed. Development of the system was completed due to extra funding from Sports Fund and rolling out in 13 counties.
	A national and 47 County digital repositories established	No. of Digital repositories established	5	14	Target surpassed due to enhanced partnership with Sports Fund and high demands from county government.
	The Innovation Bank of Kenya established	% of establishmen t Innovation Bank of Kenya	40	100	Target surpassed due to enhanced partnership with Sports Fund and high demands from county government.
	Cottage industries established	No. of cottage industries	1	0	The target was not achieved due to delay in completion of County Aggregation Industrial Park where Indigenous Knowledge based products will be based.
Promotion of culture and heritage tourism	Cradle of humankind Parks Developed	No. of Parks developed	3	0	Target not achieved due to lack of funds
	Best Monuments identified and developed.	No. of monuments identified and developed.	10	6	The target not achieved due to lack of funds
	Malindi Gede Ruins Complex reconstructed	% completion	40	95	Target surpassed due to the financial support received from Sports Fund.
	Old PC's office in Kisumu rehabilitated	% completion	100	-	Target does not belong to this State Department.
	Cultural festivals held.	No. of Cultural festivals held.	2	4	Target surpassed due to financial support received from Sports Fund and Tourism Promotion Fund
	Art and food ways exhibitions and national handcraft shows held	No. of Art and food ways exhibitions held.	4	3	Target not achieved due lack of funds.

Priority Project/ Priority	Output	Indicator	Annual Target FY 2024/25	Cumulative Achievement FY2024/25	Remarks on Achievement Variance
	NAICEC constructed	% completion	10	13.5	Target surpassed and renamed to <b>Bomas International Convention Center</b> (BICC). This is as result of financial support from Tourism Promotion Fund for the project.
	Integrated Public Records and Information Management System (IPRIMS)	% completion	40	0	Target not achieved due to lack of funds for planned activities.
National and County archival services and public records Man agreement	Archive materials Digitized	% of digitized archival materials	40	56	The annual surpassed due to collaborations with stakeholders.
		% of records digitized in the records management unit	42	33	Target not achieved due server hitches and operational system maintenance challenges.
	Migrated archives retrieved	% of migrated archives to Kenya	40	100	Target surpassed due bilateral cooperation from British government leading to return of migrated archives from United Kingdom

Source: State Department for Culture, Arts and Heritage Annual Reports

#### b) MTP IV Outcome indicators

Table 6.11: Culture, the arts and heritage Outcome Results for FY 2024-2025

MTP IV Outcome	Outcome Indicator	Outcome Target	Actual Achievement	Remarks on Achievement Variance
Enhanced production of Niche products and Pharmaceutical using indigenous Knowledge	New products subjected to value addition	1	1	Standards for African Indigenous Vegetables were developed to support value addition.
	Traditional herbal medicine practitioners promoted /pharmaceuticals produced	150	0	African Traditional medicine day not held due to lack of funds.
	Production of niche/unique products using local/indigenous knowledge	2	5	Developed entire value chain of Black Nightshade,, Amaranthus, Spinder Plant Ethiopian Kales and Cow Peas nightshade in collobation with KEBS in Kirinyaga and Vihiga counties.
Heritage facilities conserved	No. of new sites and monuments identified, gazetted and developed	2	11	NMK collaborated with county governments to identify, document and submit the sites for gazetteement.
Indigenous Culture	No. Cultural programs held and coordinated	5	5	Target achieved

MTP Outcome	IV Outcome Indicator	Outcome Target	Actual Achievement	Remarks on Achievement Variance
promoted and developed				
Women and girls empowered	No. of women and girls in 7 marginalized pastoral communities Capacity built	3500	420	Lack of sufficient budget had a huge negative impact on capacity building programs
Records preserved	No. of Records digitized	250,000	180,000	Server hitches and operational system maintenance affected the target
	No. of records appraised and restored	12000	13,425	More records appraised and restored due to enhance partnerships and collaborations from MDAs,

*Source: State Department for Culture, Arts and Heritage Annual Reports*

#### 6.6.1. Policy, Institutional and Legal Frameworks

- i. Finalization of the draft National Culture and Heritage Policy,
- ii. Initiation of a review of the Kenya National Music Policy (2006)
- iii. Development of a Creative Economy Framework
- iv. Review of the National Museums and Heritage Act (Cap 216)
- v. Development of Draft Regulations on Traditional Knowledge and Cultural Expressions

#### 6.6.2. Challenges, Lessons Learnt and Recommendations

##### a) Implementation challenges

- i. Lack of sufficient sector-specific policies touching on the Cultural and Creative Industry has affected the implementation of some of the planned programs and strategies and effective coordination of the Creative Economy.
- ii. Infrastructural Constraints: Currently, theatre facilities offered are not sufficient to cater to the growing number of performing artists and cultural practitioners. The existing spaces are equally small in size and can only accommodate small numbers of audiences. This translates to limited revenue generated by artists from the events they stage and, in most instances, they fail to break even and generate losses instead.
- iii. Inadequate funding for the sector priorities affected the implementation of the activities as the funds were not adequate to facilitate exercises.
- iv. Inadequate data and cultural statistics hinders effective formulation of policies and programmes and reporting on performance of projects.
- v. Balancing and preservation of indigenous culture and knowledge with exposure to global cultural trends remains a challenge.

##### b) Lessons Learnt

- i. A clear and robust policy framework is essential for the effective coordination and growth of the Cultural and Creative Industry (CCI); without it, program implementation faces significant hurdles.

- ii. Adequate infrastructure is critical to the success of cultural and artistic endeavors—limited, under-equipped venues restrict audience engagement and artists' earning potential.
- iii. Sustainable funding mechanisms are necessary to ensure consistent implementation of sector priorities and to reduce over-reliance on constrained public resources.
- iv. Reliable cultural data and statistics are key for informed decision-making, effective monitoring, and accurate performance reporting.
- v. Promoting indigenous culture requires a strategic balance between preserving traditional knowledge and embracing global cultural dynamics to ensure cultural sustainability and relevance.

### **c) Recommendations**

- i. Development of sector-specific policies, regulations and laws touching on the Cultural and Creative Industry to provide institutional and legal frameworks has affected the implementation of some of the planned programs and strategies and effective coordination of the Creative Economy.
- ii. There is a need to develop relevant information management systems including integration of the same to provide accurate and up to date data for effective planning, implementation and monitoring of projects.
- iii. There is need for the sector to continue undertaking programs on promotion of indigenous cultures in order to preserve these cultures in context of globalization.
- iv. There is need for enhanced partnerships with development partners to supplement the scarce available resources.
- v. There is a need to be deliberate on marketing Ushanga products internationally and help grow its market share. Also creating a budget line to cater for marketing activities will go a long way in helping Government achieve BETA priorities.

## **6.7. Basic Education Sub sector**

The Basic Education Subsector is responsible for universal primary and secondary education, teacher education, curriculum development and assessment and adult and continuing education. To achieve this, the Subsector works closely with the County Governments and the Teachers Service Commission to ensure universal pre-primary education and provision of adequate, professional and motivated human resources in basic education institutions.

### **6.7.1. Subsector Performance**

1. **Education Reforms** - Significant achievements were recorded, including the development of 154 curriculum designs for Grades 10 to 12, more than double the annual target. The dissemination of electronic and non-electronic curriculum support materials also surpassed targets, with over 1,600 materials provided. Furthermore, 75% of the recommendations by the Presidential Working Party on Education Reforms were implemented, marking an important milestone in policy execution.
2. **Universal Primary Education** - enrollment stood at 5.81 million learners in public primary schools, below the targeted 7.1 million. The shortfall was attributed to



underreporting of learners transitioning from pre-primary, as well as a significant number enrolling in private schools. Nevertheless, low-cost boarding schools outperformed their targets, enrolling over 158,000 pupils against a target of 147,500.

3. **Universal Secondary Education** - the subsector maintained strong enrollment levels, with 4.08 million learners benefiting from capitation, though still shy of the 4.52 million target. Infrastructure expansion at the secondary level was significantly constrained. While 18,467 classrooms were constructed—largely for Junior School—none of the planned laboratories, toilet blocks, or workshops were completed due to a lack of funding. Recruitment of secondary school teachers also underperformed; only 450 of the targeted 13,534 were recruited, mainly to address natural attrition.



*Completed Junior School Classrooms under the KPEEL Program at Ikumba Junior School in Central Maragoli, Vihiga County.*

4. **Inclusion in Education and Training**, particularly for learners with Special Needs and from Arid and Semi-Arid Lands (ASALs). The number of teachers trained in Special Needs Education (SNE) far exceeded targets, with 2,486 trained against a target of 150, largely due to additional training centers and increased visibility of the programme. Psychosocial support was provided to over 14,000 learners—again surpassing the target. However, infrastructure for SNE remained a major gap, with no compliant school facilities constructed or Education Resource Centres fully equipped. Only three of ten planned resource centers became operational.
5. In **Teacher Management and Development**, capacity building for in-service teachers under the CBC rollout exceeded expectations, with over 84,000 teachers retooled compared to the 50,000 target. Teacher training colleges (TTCs) also graduated more pre-service teachers than anticipated due to relaxed college entry requirements. However, data on the capacity building of teacher trainees and retooling of teacher educators was either missing or not captured. The Kenya Education Management Institute (KEMI) achieved 50% progress in its transformation into a premier management development institute, as planned.



6. **Automation of the Education System** - The Kenya National Education Management Information System (KEMIS) modules for school registration and capitation were fully upgraded. The system for examinations and the item bank reached its target of 50% operationalization. However, other digital initiatives lagged. The e-assessment system was only 20% complete, and no smart classrooms were established due to a lack of budgetary allocations. The Monitoring, Evaluation, Accountability, and Learning (MEAL) system was still in draft form, and data on teacher file digitization was unavailable.
7. **Strengthening of STEM Education** saw partial success. While 23,365 STEM teachers were trained, this was short of the 33,100 target due to resource limitations. Gender-responsive pedagogy training and the establishment of Centres of Excellence also fell below targets, with only 104 of the planned 600 centers set up. However, the reforms laid the groundwork for broader STEM adoption in Senior Schools.
8. **Co-curricular Development** - Learner participation in games and performing arts exceeded expectations, with 15,200 learners participating against a target of 14,800. However, indicators related to talent scholarships and exchange programmes were not achieved and were found to have been erroneously included in the national indicator handbook, as no responsible department currently implements those programmes.

**a) BETA Priorities Projects Monitoring**

The table below indicates the achievements of the various programmes during the fourth quarter.

**Table 6.12: Basic education Outputs Results for FY 2024/25**

Priority Project	Output	Indicator	Annual Target FY2024/25	Cum. Achievement FY2024/25	Remarks
Education Reforms	100% transition from Primary to Junior Secondary School	Rate of transition	100	97	Target not fully achieved. Natural attrition and inadequate reporting by private schools
	Curriculum designs and curriculum support materials for secondary developed and disseminated	Number of curriculum designs for Grade 10 to 12 developed	75	154	Target over Achieved The Over achievement was realised with additional support from development partners
		Number of electronic and non-electronic curriculum support materials provided	650	1,635	Target surpassed Additional support from KPEEL Project
		Number of digital items curated and disseminated	560	570	Target Achieved.
		Number of Curriculum	75	106	Target surpassed.

Priority Project	Output	Indicator	Annual Target FY2024/25	Cum. Achievement FY2024/25	Remarks
		Support Materials for Learners in Special Needs developed			Additional support from KPEEL Project
	Presidential Working Party on Education Reforms recommendations implemented	% of recommendations implemented	75	75	Target Achieved
Universal Primary Education	Capitation grants awarded	No. of pupils enrolled in public primary in millions	7.10	5.81	Target not achieved. Inadequate capturing of learners transitioning to primary from pre-primary schools. Some of the targeted learners were enrolled in private schools
		No. of pupils in public Low-cost boarding	147,500	158,455	Target surpassed Due to establishment of 10 additional LCB schools
		Enrolment of SNE Learners in public primary school	152,200	150,144	Target not Achieved
		No. of schools receiving minimum Essential Package (MEP)	9,409	0	Target Not Achieved Implementation awaiting finalisation of review of legal framework for education
	School Teachers recruited	No. of teachers recruited	9,665	6,000	Target not achieved. Reduced budgetary allocation due to prioritisation for Junior School teachers and reduction of primary education by 2 grades.
	Out of school children of primary age enrolled in Schools	No. of children enrolled in Pre-primary Education	80,000	50,625	Target not achieved. Allocated funds were used to provide meals to cater for learners mopped back to school
	Learners provided with day meals	No. of learners provided with school feeding programme in millions	6	2.65	Target not achieved. Inadequate budgetary allocation to provide meals to targeted learners for all school days
	School going girls at puberty stage provided with sanitary hygiene pack	No. of schoolgirls provided with sanitary hygiene pack in Millions	2.4	-	Target moved to State Dept for Gender & affirmative action

Priority Project	Output	Indicator	Annual Target FY2024/25	Cum. Achievement FY2024/25	Remarks
	Infrastructure facilities renovated/rehabilitated	No. of infrastructure facilities renovated/rehabilitated	23	0	Target not achieved Delayed exchequer release for public participation projects
	Classrooms constructed	No. of classrooms constructed	300	0	Target not achieved. Implementation strategy was revised to prioritise funding for projects identified through public participation
	Learning Resource centres constructed	No. of Resource Learning centres constructed	6,000	0	Target not achieved Lack of budgetary allocation
	Schools provided with WASH facilities	No. of schools with adequate sanitation facilities	49	0	Target not achieved Lack of budgetary allocation
	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
Universal Secondary Education	Secondary school teachers recruited	No. of teachers recruited	13,534	450	Target not achieved. Teachers recruited to mitigate natural attrition
	Education infrastructure expanded	No. of Classrooms constructed	24,710	18,467	Target not achieved. Includes Junior School classrooms. Projects under public participation were not initiated due to late exchequer release
		No. of Laboratories constructed	3,187	0	Target not achieved Lack of budgetary allocation
		No. of Toilet Blocks constructed	9,897	0	Target not achieved Lack of budgetary allocation
		No. of Workshops constructed	1,785	0	Target not achieved Lack of budgetary allocation
		No. of special needs education toilet blocks	33	0	Target not achieved Lack of budgetary allocation

Priority Project	Output	Indicator	Annual Target FY2024/25	Cum. Achievement FY2024/25	Remarks
		No. of Integrated resource centres constructed	4,089	0	Target not achieved Lack of budgetary allocation
		No. of Public secondary schools provided with computing packages	320	0	Target not achieved No budgetary allocation.
	Access to universal secondary education	No. of students receiving capitation in millions	4.52	4.08	Target not achieved. July-to December 2024 in public secondary schools was 4.08 million. 3.35 million students were enrolled during January-to-June 2025 due to transition to Junior School. Some targeted learners were enrolled in private schools
Inclusion in Education and Training	PWD friendly infrastructure constructed in schools	No. of school with SNE/PWD compliant infrastructure	10	0	Target not achieved Awaiting exchequer
	Learners provided with mentorship and psychosocial support	No. of beneficiary learners	10,000	14,376	Target surpassed. Increased awareness and Outreach programs and increased operations at National Psycho-Education Assessment Centre
	Teachers and trainer's capacity built on SNE	No. of teachers and trainer's capacity built on SNE	150	2486	Target surpassed due to additional training centers and improved visibility
	National Psycho-Education Assessment and Placement Centre equipped	% equipment of National Psycho-Education Assessment and Placement Centre	90	25	Target not achieved. Reduced budgetary allocation
	PE and sports integrated with special needs and disabilities	No. of schools with PE and sports integrated	459		This indicator was erroneously included in the National Indicator handbook. PE is a curriculum implemented in all the schools in Kenya thus cannot be an indicator to be targeted.

Priority Project	Output	Indicator	Annual Target FY2024/25	Cum. Achievement FY2024/25	Remarks
	Education and Resource Centres to identify and place learners with Special Needs	No. of Education Resources Centres	10	3	Target not achieved Kisumu, Nakuru and Kakamega EARCs are operational.
	Low-cost boarding schools in ASAL areas established, renovated and equipped (dormitories, dining halls, ablution constructed)	No. of low-cost boarding schools established, renovated and equipped	45	10	Target not achieved
	Model Green schools established	No. of green schools established	2	1	Target not achieved Nairobi school is the only model green school.
	Adults learners certified	No. of Adults learners certified	151,000	13,418	Target not achieved. The number certified is as per the enrolment which is done in Quarter 1
Teacher Management and Development	Capacity building teacher trainees	No. of teacher trainees capacity built	400	-	
	In-service teachers trained under the Government programme	No. of in-service teachers trained	50,000	84,165	Target surpassed. 60,642 and 23,523 JS teachers retooled in November/December 2024 and April 2025 respectively
	Teacher educators Retooled.	No. of Teacher educators retooled	20	-	
	Pre-Service Teacher Training in Competency Based Teacher Education	No. of teachers graduating from the 35 TTCs	5,500	6,000	Target surpassed. Increased enrolment due to review of minimum college entry requirements
	KEMI transformed to a premier Management Development Institute	% completion of KEMI	50	50	Target Achieved.
	Ultra-modern Education Resource Centre constructed and equipped	% establishment of Ultra-modern Education Resource Centre	27	0	Target not achieved.
Automation of Basic Education System	e-Assessment system developed	% completion of e-Assessment system	50	20	Target not achieved E-Assessment rolled out in School Based Assessments (SBAs) for Teacher Education since

Priority Project	Output	Indicator	Annual Target FY2024/25	Cum. Achievement FY2024/25	Remarks
					July 2023. The system utilized in an online live platform.
	Smart classrooms established	No. of smart classrooms established	564	0	Target not achieved. There was no budgetary allocation.
	System for examinations and item bank developed	% Operational System for examinations and item bank	50	50	Target Achieved.
	Teacher files digitized	% of teacher files digitized	40	-	Data not Available
	Monitoring, Evaluation, Accountability and Learning (MEAL) System developed	Operational MEAL System	1	1	Target not achieved. Draft MEAL framework developed but not finalised.
Kenya National Education Management System (KEMIS)	Capitation module and School registration module for junior secondary school upgraded	% of Capitation and school registration modules upgraded	100	100	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 teachers trained	No. of STEM teachers trained	33,100	23,365	Target not achieved. Lack of resources to train more teachers.
	Curriculum implementers trained on gender responsive pedagogy	No. of trained curriculum implementers	5,500	1,071	Target not achieved. Number trained were based on needs assessment in Mombasa, Nyandarua, and Kajiado counties
	STEM Centres of Excellence established in schools	No. of centres of excellence	600	104	Target not achieved. All Senior Schools are expected to offer STEM pathway
Co-curricular Development	Learners participating in games and performing arts	No. of Learners participating in games and performing arts	14,800	15,200	Target achieved.
	Talent scholarship provide to learners	No. of learners participating in	9000	-	These indicators were erroneously included in

Priority Project	Output	Indicator	Annual Target FY2024/25	Cum. Achievement FY2024/25	Remarks
		games and performing arts			the National Indicator handbook. No Department carry out such programmes.
	Talent exchange programmes held	No. of Talent exchange programme held	8	-	

*Source: SDBE Reports, FY2024/25*

#### b) MTP IV Outcome Indicators

Finally, under the **MTP IV outcome indicators**, progress was evident in several areas. Primary Net Enrolment Rate (NER) exceeded the target at 89.5%, and gender parity was achieved across both primary and secondary levels. However, the transition rates from pre-primary to primary and from primary to secondary were below target, and the retention rate in primary education remained a challenge, particularly in ASAL counties and urban informal settlements. Gross and Net Enrollment Rates at Junior Secondary were also affected by over-age learners and gender disparities, with boys showing higher participation.

**Table 6.13: Basic Education Subsector Outcome Results for FY 2024/25**

MTP IV Outcome	MTP IV Outcome Indicator	MTP IV Outcome Target	Actual Achievement	Remarks on Achievement Variance
Enhanced access to basic education	Pre-primary Gross enrolment (GER)	109.7	108.1	County Governments construction of ECDE centers and classrooms
	GER-Girls	106.0	105.7	
	GER-Boy	107.5	110.5	
	Pre-primary net enrolment (NER)	91.0	77.2	Target not achieved. there are many under-age children enrolled in pre-primary schools
	NER-Girls	91.0	77.1	
	NER-Boys	91.0	77.3	
	Gender parity index at pri-primary	0.98	GPI on GER: 0.9563 GPI on NER: 0.9970	Gender parity achieved of parents
	Transition rate from pre-primary to primary level	100	92	Inadequate capturing of learners transitioning to primary schools in NEMIS
	Primary level Gross enrolment (GER)	106.3	113.1	Target not achieved. The system has over-age learners enrolled
	GER-Girls	105.2	108.9	
	GER-Boys	107.3	117.3	



MTP IV Outcome	MTP IV Outcome Indicator	MTP IV Outcome Target	Actual Achievement	Remarks on Achievement Variance
	Retention rate from grade 1 to grade 6	96.7	92.1	Target not achieved Low retention in ASAL counties and for children from urban informal settlements
	Girls	96.7	93.4	
	Boys	96.7	90.8	
	Primary completion rate (Total)	88.2	87.8	Target achieved
	Primary net enrolment rate (NER)	79.5	89.5	
	NER-Girls	79.5	87.8	
	NER-Boys	79.5	91.2	
	Gender parity index in primary education	0.97	GPI on GER: 0.9284 GPI on NER: 0.9627	Gender parity achieved
	Primary to secondary transition rate (PSTR)	100	88.6	Target not achieved. Some learners who report to school drop out before end of school year
	JSS Gross enrolment rate(GER)	100	102.7	
	GER-Girls	100	99.0	
	GER-Boys	100	106.5	
	JSS net enrolment rate (NER)	100	58.7	Target not achieved. There were over-age learners enrolled
	NER-Girls		55.4	
	NER-Boys		62.1	
	JSS Gender parity index (GPI)	1	GPI on GER: 0.9299 GPI on NER: 0.8921	Target not achieved. There was gender disparity in favour of boys
	Secondary Gross enrolment rate	85.3	93.8	Target surpassed due to the 100% transition policy
	GER-Girls	86.6	93.9	
	GER-Boys	84.0	93.7	
	NER enrolment rate	54.5	66.3	
	NER-Girls	57.4	66.6	
	NER-Boys	51.4	66.0	

MTP IV Outcome	MTP IV Outcome Indicator	MTP IV Outcome Target	Actual Achievement	Remarks on Achievement Variance
	Gender parity in secondary education	1.0	GPI on GER: 1.0002 GPI on NER: 1.009	Gender parity achieved
Enhanced quality of basic education	Pupil-Teacher ratio at basic education level	42:1	31:1	
	Student-Teacher ratio at secondary education level	27:1	30:1	
	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	125,402	Target not achieved due to massive exit of ACE instructors without replacement.
	Female	63,645	79,157	Women are more receptive to ACE programs and there are more illiterate women compared to men, hence more female potential learners than male.
	Male	126,855	46,245	Men shy off from participating in ACE programmes

Source: State Department for Basic Education Reports FY2024/25

### 6.7.2. Policy, legal and institutional frameworks

- i. Development of STEM Education and Training Policy for Kenya - The Final Draft policy was formulated and validated by stakeholders. Further, a Sessional Paper was drafted and forwarded to the Office of the Attorney General for onward submission to Cabinet for approval.
- ii. Basic Education Bill, 2024;
- iii. Basis Education Bursaries and Scholarships Bill, 2024;
- iv. Kenya Literature Bureau (Amendment) Bill, 2024;
- v. Kenya Institute of Curriculum Development (Amendment) Bill, 2024;
- vi. Kenya National Examination Council (Amendment) Bill, 2024;
- vii. Teachers Service Commission (Amendment) Bill, 2024;
- viii. Education Appeals Tribunal Bill, 2024; and
- ix. Education and Training of Teachers and Managers of Basic Education Institutions Bill, 2024.

### **6.7.3. Challenges, Lessons Learnt and Recommendations**

#### **6.7.3.1. Implementation challenges**

- i. Despite government investments, learning institutions still face infrastructure gaps, with the 100% transition policy further straining limited classrooms and causing congestion.
- ii. Population growth, expansion of schools, and the 100% transition under CBC have caused severe teacher shortages, limiting the Subsector's ability to deliver on its mandate
- iii. Rising enrolment without matching budgetary allocations has created funding deficits, limiting effective delivery of education services.
- iv. Low funding, shortage of specialized staff, and inadequate equipment have hindered effective delivery of inclusive education (Special Needs Education).
- v. Insecurity and radicalization disrupted learning and teaching in affected areas.
- vi. A shortage of quality assurance officers limited the sector's ability to effectively assess learning institutions.

#### **6.7.3.2. Lessons Learnt**

- i. Increased capitation disbursement increases enrolment in all levels of Education.
- ii. Lack of budget allocation hinders the implementation of the targets majorly on infrastructure development.

#### **6.7.3.3. Recommendations**

- i. Increase targeted investments in schools and teacher training institutions to meet enrolment demands and support inclusivity.
- ii. Recruit adequate staff and strengthen continuous capacity building across all education levels.
- iii. Implement transparent and timely resource allocation mechanisms.
- iv. Strengthen Education Assessment Resource Centres (EARCs), enhance disability mainstreaming, and make assistive devices more affordable.
- v. Enhance security in institutions, promote community dialogue, and integrate peace education in the curriculum.
- vi. Review and strengthen the National Education Quality Assurance and Standards Framework NEQASF, develop missing standards (e.g., Special Needs Education, homeschooling, online schooling), and increase quality assurance officer.

## 6.8. Social Protection and Senior Citizens' Affairs Sub sector

Social protection subsector plays a critical role in enhancing the capacity and opportunities for the poor and the vulnerable to improve and sustain their livelihoods, hence, remains critical in the realization of Vision 2030. This impetus is drawn from Article 43 of the Constitution which entitles all Kenyans to social, economic and cultural rights. The Key identified programmes for implementation are; Social Development and Children Services; National Safety Net; General Administrative Planning and Support Services.

### 6.8.1. Subsector Performance

**1. National Safety Net Programme** - Beneficiaries provided with cash assistance -These were reached after the scale up that brought on board 535,062 OPCT, 157,062 CTOVC and 13,284 PWSDCT in July 2024, beneficiaries in the subsequent months more beneficiaries who were already in the system have continued to open accounts even though the targeted programs are yet to achieve the targets. The persistent inadequate budgetary allocation has led to the numbers remaining constant. The number of beneficiaries paid every quarter are the same beneficiaries. Further, the Social Assistance Fund was enacted and operationalized- The Social Assistance Act will pave way for the establishment of the Fund. The single registry was continuously updated.



*Principle Secretary State Department for Social Protection and Senior Citizen Affairs Mr. Joseph M. Motari assessing the Mpesa payment model for Inua Jamii beneficiaries across the country.*

**2. Implementation of the Children Act, 2022:** The Presidential Secondary School Bursary for Orphans and Vulnerable Children implemented- The target is cumulative and coincide with school calendar .Budget cuts affected the 2nd & 3rd quarter numbers. In addition, Regulations of the Counter Trafficking in Persons (CTIP) Act developed awaiting public participation before forwarding to AG's Office.

- 3. Inclusion of Person with Disabilities in National Development:** 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-Guideline/legislative frameworks yet to be put in place.



*Principal Secretary State Department for Social Protection and Senior Citizen Affairs Mr. Joseph M. Motari during the Celebration of Kenya's 20 Years disability Inclusion and diversity conference at KICD*

**a) BETA Priorities Projects Monitoring**

**Table 6.14: Social Protection and Senior Citizen Affairs Outputs Results for FY 2024/25**

Priority Project	Output	Indicator	Annual Target FY 2024/25	Cumm Achievement FY2024/25	Remarks on the variance
National Safety Net Programme (NSNP)	Beneficiaries provided with cash assistance	No. of beneficiaries provided with cash assistance	2,233,000	1,749,656	Target not achieved. Inadequate budgetary provision.
	Social Protection MIS linked to relevant Government information systems	No. of social protection information systems linked with Government information systems	2	4	Target surpassed due to support from partners.
	Social Assistance Fund enacted and operationalized	Functional Social Assistance Fund	1	0	Target not achieved. Legal provisions yet to be put in place.
	Single registry upgraded	Upgraded single registry	1	1	Target Achieved.
	Management Information	No. of CCTP MIS	2	2	Target Achieved.



Priority Project	Output	Indicator	Annual Target FY 2024/25	Cumm Achievement FY2024/25	Remarks on the variance
	System (CCTP-MIS) enhanced	modules enhanced and operationalized			
	Graduation for vulnerable groups	% of beneficiaries graduated	100	100	Target achieved.
Implementation of the Children Act, 2022	Child Welfare Fund Established and Operationalized	Operational Child Welfare Fund	1	0	Target not achieved due to inadequate budgetary allocation.
	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	200,000	127,436	Target not achieved. Variance was occasioned by lack of funds.
	Childcare protection services provided	No. of children supported through Child Helpline 116	40,000	71,894	Target surpassed. The key performance is demand driven.
	Regulations of the Counter Trafficking in Persons (CTIP) Act developed	CTIP general regulations	1	-	To be completed when CTIP amendment bill is passed by parliament
National Positive Parenting	Families empowered on positive parenting.	No. of parents and caregivers empowered on positive parenting	500	1,293	Target surpassed due to support from partners.
		No. of ToTs trained on positive parenting	200	79	Target not achieved due to inadequate budgetary allocation.
Kenya Social Economic Inclusion programme	Beneficiaries provided with cash top up and nutritional counselling	No. of beneficiaries	17,500	31,283	Target surpassed. Support from partners
	Households provided with asset transfer (seed capital) for business start-ups (Ksh 30,000)	No. of households provided with asset transfer	15,000	11,281	Target not achieved. EIP Programme Phase I Cohort 2 ended in December, 2024.
Inclusion of Person with Disabilities in National Development	The National fund for the disabled of Kenya (NFDK) and National	Operational Merged Fund	1	-	Target not achieved. Legal provisions not yet put in place.

Priority Project	Output	Indicator	Annual Target FY 2024/25	Cumm Achievement FY2024/25	Remarks on the variance
	Council for Persons with Disabilities(NC PWD) merged				
	Person with Disabilities registered	No. of PWDs registered	83,600	88,575	Target surpassed The target is demand driven.
	Market-oriented skills for self-reliance provided	No. of PWDs trained	580	922	Target surpassed. The target is demand driven.
	Albinism and autism programmes implemented	No. of persons With Albinism supported	8,000	3,800	Target not achieved due to inadequate budgetary allocation.
		No. of Persons with Autism supported	15,000	17,125	Target surpassed, it is demand driven.
Community Mobilization, Development and Em powerment	Community groups registered, capacity built and linked to Micro Finance Institutions	No. of community groups registered, trained	62,000	107,022	Target surpassed. Demand for group registration was high.
		No. of community groups registered, capacity built and linked to MFIs	42,000	35,537	Target not achieved. Inadequate budgetary allocation.
	Community Group Registration Act 2022 operationalized	Community Group Registration Act, 2022	1	1	Target achieved.
	County and Sub-County Social development committees established	No.of operational SDCs(County and sub County)	10	9	Target not achieved due to insufficient funds.
	Social Impact Assessment	No. of reports	10	10	Target achieved.

Source: State Department for Social Protection Reports

## b) MTP IV Outcome Indicators



**Table 6.15: Social Protection & Senior Citizen Affairs Outcome Results for FY 2024/25**

MTP IV OUTCOME	Outcome Indicator	Outcome Target	Actual Achievement	Remarks on Achievement Variance
Improved well- being of vulnerable groups	No. of Older Persons in households/ beneficiaries supported	1,537,781	1,253,045	Target not achieved. Nos. given are for the May payroll. No Budget for the June payroll and to reach CTOVC and PWDCT targets
	No. of Orphans & Vulnerable Children in households/ beneficiaries supported	611,786	433,004	
	No. of Persons With Disability in households/ Beneficiaries supported	83,562	63,607	
Enhanced Real Time Child Protection Care and Support Services	Proportion of Rescue, Rehabilitation and reintegration of children	100	100	Target achieved.

*Source: State Department for Social Protection Reports*

To continuously address its obligation, the Subsector focused on the improvement of livelihood of vulnerable groups specifically the Elderly, Persons with Disabilities (PWDs) and Orphaned and Vulnerable Children (OVC). It therefore played a pivotal role towards the realization of the country's transformation agenda as advocated in Kenya Vision 2030 under social pillar, which seeks to build a just and cohesive society, equity in a clean and secure environment, as social protection is key in achieving the goal of gender, youth and vulnerable Group Sector.



*Her Excellency Mama Rachael Ruto the First Lady of the Republic of Kenya and Principal Secretary State Department for Social Protection and Senior Citizen Affairs Mr. Joseph M. Motari during the National Commemoration of World Childrens Day held at Kaptembwa Comprehensive School in Nakuru County.*

### **6.8.2. Policy, Institutional and Legal Frameworks**

- i. Persons with Disabilities Act No.4 of 2025
- ii. Social Protection Policy, 2023
- iii. Persons with Disabilities National Policy, 2024.

### **6.8.3. Challenges, Lessons Learnt and Recommendations**

#### **a) Challenges**

- i. Inadequate budgetary allocations and austerity measures-This was exacerbated by the fact that the majority of the vulnerable group members of society have unique needs and will continually require commitment from state and non-state actors to assist them fully participate in socio-economic development greatly affecting the vulnerable thus leading economic burden on the dependents.
- ii. Delay of the release of funds from the exchequer affected the implementation of the programmes.
- iii. Slow pace in development and finalization of Legal and Policy frameworks in the vulnerable group affects institutionalization leading to delayed implementation of the projects that aid the vulnerable groups in the society.
- iv. Challenges in the land registration process have hindered acquisition of title deeds and securing of land among the vulnerable group sub-sector.

#### **b) Lessons Learnt**

- i. Adequate resource allocation is critical towards the implementation of the Subsector's programmes.

#### **c) Recommendations**

- ii. Budget allocations should be increased considering that the vulnerable require assistance to fully participate in socio-economic development.
- iii. Funds should be released timely to ensure that the programmes are well implemented to cushion the vulnerable from shocks and economic uncertainties.
- iv. Fast track the approval of the key policies and legislations of the vulnerable sector already in Parliament and Cabinet.
- v. Secure sub sector's parcels of land through involvement of top leadership in relevant agencies for fast tracking registration and acquisition of title deeds.

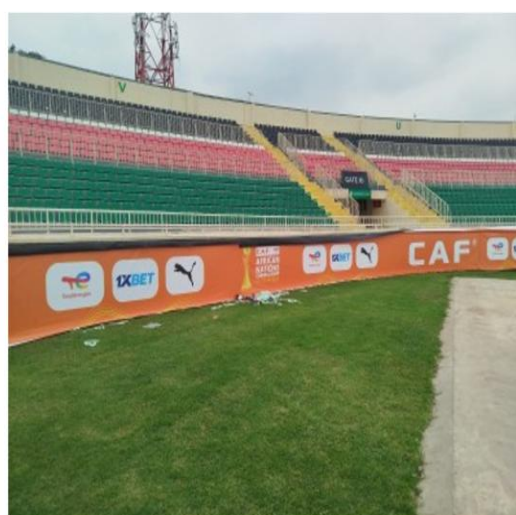
## 6.9. Sports Sub sector

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 various programmes including: identification and nurturing of sports talents; development and promotion of clean sports; regulation of sports organizations; and the management of sports and recreation infrastructure.

During the review period the Sports Subsector focused on initiatives which are critical for driving employment across various sectors as well as events management. Major events like the Magical Kenya Open boost tourism and hospitality, while sports overall cultivate national pride and social cohesion.

### 6.9.1. Subsector Performance

1. **The Talanta Hela Initiative** is a comprehensive program with established implementation guidelines. It's designed to identify, nurture, and monetize talent in the arts, creative industries, and sports. Led by the National Youth Council in collaboration with other Government agencies and the private sector, the initiative has already integrated 10 sports products into its application.
2. **Sports and Arts Infrastructure Development** in stadiums earmarked for the 2024 African Nations Championship (CHAN), planned for August 2025, progressed well. Equally, significant advancements were achieved in stadia identified to host the 2027 African Cup of Nations (AFCON). The development of **Kenya Academy of Sports Phase 1B** was at 70% completion. The Kenya Academy of Sports identified various community sports grounds and educational institutions as potential sites for establishing **Constituency academies of sports**. A total of 37 Constituency Sports Academies were prioritized. These academies represent a crucial intervention at the Constituency level with over 12 sites handed over to the contractors.



*Renovation and Upgrading of Moi International Sports Centre, Kasarani*



*Aerial view of the Renovated and Upgraded Moi International Sports Centre, Kasarani*

3. **Anti-Doping promotion** Upholds clean sport and fair play for Kenyan athletes on national, regional, and international stages as the core mission. ADAK promotes the programme through doping tests, education programmes, intelligence operations, that are indispensable elements in safeguarding the integrity of sport within Kenya.
4. **Sports Registrar Services** saw the recruitment of eight officers during the year to support sports registration. The Subsector, in collaboration with the Public Service Commission and other relevant Government Agencies, is continuing its efforts to optimize staffing levels to ensure the effective delivery of these services, particularly in regional offices.
5. **Tourism Niche Experiences** – Five (5) Sports Safaris held. Against a target of seven (7). The international sports calendar presented challenges leading to the cancellation of 2 sports events (Magical Kenya Ladies Open Golf, Nairobi City Marathon).
6. **Promoting tourism through sports and arts (sports tourism)** – Eight (8) international sporting This is due to strategic planning and collaboration with international federations.

#### a) BETA Priorities Projects Monitoring

**Table 6. 16: Sports Output Results for FY 2024/25**

Priority Project	Output	Output Indicators	Target FY2024/25	Cumm. Achievement FY2024/25	Remarks
Talanta Hela Initiative	Talanta Hela Management structure established	Operational Talanta Hela Council	1	-	Target was not achieved as establishment of the Council awaits a relevant legal framework
	Talents identified, nurtured and commercialized	No. of talented youths identified and nurtured	15,000	4,064	Target not achieved. Resource limitations made it difficult to reach a broad base of potential sports persons
		No. of youth talents commercialized	4,700	-	This indicator is reported under the State Department for Youth Affairs and Creative Economy



Priority Project	Output	Output Indicators	Target FY2024/25	Cumm. Achievement FY2024/25	Remarks
Sports and Arts Infrastructure Development	Kenya Academy of Sports (KAS) Complex (Phase 1B)	Functional KAS Complex (Phase 1B)	70	70	Target achieved
	Moi International Sports Centre Kasarani upgraded	% of upgrade works completed	60	99	Target surpassed The stadium was set to host the 2024 African Nations Championship (CHAN) in August 2025
	Kipchoge Keino Eldoret Stadium upgraded	% of upgrade works completed	60	15	Target not achieved The ongoing project faced delays at resource mobilization stage
	Nyayo National Stadium upgraded	% of upgrade works completed	60	85	Target surpassed The stadium was set to host the 2024 African Nations Championship (CHAN) in August 2025.
	Talanta Stadium in Jamhuri Grounds constructed	% of works completed	60	45	Target not achieved The phased development of the project, focusing on foundational works, structural elements, and utility installation, has led to a delay in overall completion
	Karatu Regional Stadium completed	% of works completed	100	95	Target not achieved The project is practically complete and at defect liability stage prior to handover and commissioning
	Kirigiti Regional Stadium completed	% of works completed	100	100	Target achieved. The project is complete and awaiting handing over and commissioning
	Wote Regional Stadium completed	% of works completed	100	75	Target not achieved The ongoing stadium's site presented ground stability challenges on the western side due to its topography
	Ruring'u Regional Stadium completed	% of works completed	100	80	Target not achieved. The revised design (2,000 to 15,000 seats) and the involvement of a new contractor supervised by KDF contributed to project delays.
	Marsabit Regional Stadium completed	% of works completed	100	99	Target not achieved The project scope was completed while remaining part falls under the responsibility County Government of Marsabit.

Priority Project	Output	Output Indicators	Target FY2024/25	Cumm. Achievement FY2024/25	Remarks
	Bomet Regional Stadium completed	% of works completed	100	0	Target not achieved The project had no budget in FY2024/25
	Constituency academies of sports established	No. of academies established	4	0	Target not achieved The number of projects were revised from 4 to 37 affecting the commencement of implementation.
Tourism Niche Experiences	Sports Safari events held	No. of Sports Safari events held	7	5	Target not achieved The international sports calendar presented challenges leading to the cancellation of 2 sports events (Magical Kenya Ladies Open Golf, Nairobi City Marathon)
Promoting tourism through sports and arts (sports tourism)	Six (6) international sporting events hosted	Six (6) international sporting events hosted	1	8	Target achieved This is due to strategic planning and collaboration with international federations
Anti-Doping Promotion	Athletes trained on anti-doping and tested	No. of intelligent based tests conducted	1,000	3,665	Target surpassed. This was due to the collaboration with SASDF through the Enhanced Athletics Anti-Doping Programme (EAAP).
		No. of persons reached through Anti-Doping Education	2,500	16,128	Target surpassed. This was due to the collaboration with SASDF through the Enhanced Athletics Anti-Doping Programme (EAAP).
		No. of Anti-Doping educators trained	45	0	Target not achieved due to budget cuts.
		No. of athletes tested	2,500	3,665	Target surpassed. This was due to the collaboration with SASDF through the Enhanced Athletics Anti-Doping Programme (EAAP).
Sports Registrar's services	Regional Offices Established	No. of Regional Offices established	1	0	Target not achieved due to inadequate personnel in the Office of the Registrar of Sports

**Source of Data: State Department for Sports, 2025.**

## b) MTP IV Outcome Indicators

**Table 6. 17: 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	9	13	Target surpassed This is attributed to the partnership between the Government, sports federations, world sports bodies, and relevant stakeholders.
	Teams funded for international competitions	32	45	Target surpassed The success stems from the sports federations meeting all funding requirements
	Youths recruited in various sports disciplines	3,600	3,215	Target not achieved Resource limitations made it difficult to reach a broad base of potential sportspersons

*Source of Data: State Department for Sports, 2025*

## 6.9.2. Policy, institutional and legal frameworks

- i. The Review of Sports Policy No.3 of 2005
- ii. Review Sports Act No.25 of 2013

The two frameworks were subjected to public participation culminating to the sports bill, 2025 and the Draft National Sports Policy.

## 6.9.3. Challenges, Lessons Learnt and Recommendations

### a) Challenges

- i. Inadequate personnel hindered the establishment of regional offices for the Registrar of Sports;
- ii. Budget rationalization affected the implementation of sports infrastructure, specifically delaying the KAS Phase II project and the establishment of Sports Registrar Regional Offices at the design and resource mobilization stages.
- iii. Changes in project scope and designs, necessitated by recommendations from international sports organizations like the Confederation of African Football (CAF) and World Athletics (WA), affected the implementation of projects at both Nyayo National Stadium and Kipchoge Keino Stadium);

### b) Lessons Learnt

- i. Resource mobilization and seeking alternative sources of funding is essential for supplementing Government funding on major infrastructure projects such as the Talanta Sports City.
- ii. Flexibility in project designs is key because it provides the necessary room for expansion and adaptation, which is often required to meet evolving international standards.



- iii. To sustain awareness of clean sports, consistent funding is required for continuous investment in anti-doping education and technology.

**c) Recommendations**

- i. There is a need to establish clear domestic and foreign financing mechanisms to ensure the completion of ongoing and other priority projects;
- ii. There to ensure that all stadia designated for national celebrations fully comply with relevant sports standards during their development and refurbishment;
- iii. There is need to enhance collaboration with County Governments to facilitate the effective implementation of county and regional stadia;
- iv. It is essential to develop a memorandum of understanding between the National and County Governments to ensure sustainability in the management of stadia,
- v. There is a need to pursue enhanced personnel budgetary provisions to allow for the recruitment of regional officers for the Registrar of Sports;
- vi. It is necessary to strengthen staff capacity in monitoring, evaluation, and reporting.

**6.10. Youth Affairs and Creative Economy Sub sector**

The Youth Affairs and Creative Economy Subsector is a catalytic pillar of the Kenyan economy on youth empowerment and employment creation, and spearheads the management of Youth policy, legislation and development of the creative industry. Further, it coordinates youth mainstreaming, research, volunteerism, and harnessing the development of youth innovations and talents.

**6.10.1. Subsector Performance**

1. **Talanta Hela Programme:** Aimed at promoting talents among the youths and revitalizing the creative economy through identifying, nurturing, and monetization of youth talents in the creative economy, digital space (AI) and streamlining the collection and distribution of royalties to artists
2. **Vijana Vuka na Afya (VIVA):** The project aimed to enhance equal access to reproductive health and socio-economic services to youth aged 15 - 24 years in informal settlements, using an IT-based platform. This entailed: training youth on appropriate Sexual Reproductive Health (SRH) training peer educators and tracking access to SRH services in real time.
3. **Skills Development:** The project sought to impart entrepreneurial and life skills and enhance the employability of youths aged 18-29 years to promote decent and sustainable livelihoods
4. **Youth Enterprise Development Fund (YEDF):** This entailed the disbursement of funds (KSh. 1.78 billion) to facilitate the economic empowerment of youths through credit, mentorship, and business incubation services. In addition, the Fund focused on supporting projects in the agricultural value chain and;

5. **Promotion and Development of Creatives and Film Industry:** It aimed at promoting the development of the creative and film industry through engaging artists in mentorships and apprenticeships programmes; issuing licenses to exhibitors, distributors, and new film-makers
6. **Presidential Challenge Innovation and Awards:** The objective was to empower youth to harness innovations to transform the economy.

**a) BETA Priorities Projects Monitoring**

**Table 6.18 Youth Affairs and Creative Economy Output Results for FY 2024/25**

Priority Project	Expected Outputs	Indicator	Target FY2024/2025	Cumulative achievement FY2024/25	Remarks
Vijana Vuka na Afya	Youth (15-24 years) trained on Sexual Reproductive Health (SRH) services and socio-economic skills	No. of peer educators trained	7,950	406	Target was not achieved due to unavailability of counterpart funding to support the implementation of planned activities.
		No. of youth trained on appropriate SRH	28,000	11,944	
		No. of youth accessing SRH	28,000	14,789	
Talanta Hela	Talents identified, nurtured, and commercialized	No. of youths' talents identified and nurtured	15,000	120	Target not achieved due to inadequate funds
		No. of youth talents Commercialized	4,700	120	
Promotion and development of Creatives and Film Industry	International art and creative festival exhibitions hosted	No. of exhibitions hosted	1	-	Target moved to the State Department for Culture and Heritage
	Artists engaged in mentorships and apprenticeship programmes	No. of artists mentored and engaged in apprenticeships	50	0	Target not achieved due to inadequate funds.
	Licenses issued to exhibitors, distributors, and new filmmakers	Proportion of licenses issued to exhibitors, distributors, and new filmmakers	100	100	Target Achieved. Performance was driven by partnerships and collaborations
Presidential Challenge and Innovation Awards	YECs transformed into digital innovation hubs	No. of YECs Refurbished	25	0	Target not achieved due to zero allocation in the development budget
		No. of YECs Constructed	6	0	
		No. Innovation hubs established	290	0	Target not achieved due to inadequate funds however, 25 YECs have been mapped to be innovation hubs

Priority Project	Expected Outputs	Indicator	Target FY2024/2025	Cumulative achievement FY2024/25	Remarks
		No. of youth accessing innovation hubs	380,000	3,000	Target not achieved due to inadequate funds
		No. of youth accessing youth-friendly services	300,000	118,000	
		No. of youth talents and innovations incubated	8,000	12	
	Programmes for protection of intellectual property and other rights developed	No. of youth-led innovations patented	15	15	Target achieved through collaborations and partnerships.
Skills development/Youth Skilling Employment and Wealth Creation	Youth trained on life skills	No. of youth trained	40,000	3,900	Target not achieved due to inadequate funds
	Youth trained on entrepreneurial skills	No. of youth trained	25,000	8,684	
	Youth entrepreneurs engaged in green jobs	No. of youth engaged	10,000	5,685	Target not achieved due to inadequate funds
	Youth engaged on cloud sourcing /online jobs	No. of youth engaged	6,000	3,613	
	Youth entrepreneurs mentored and coached	No. youth mentored and coached	200,000	5,685	Target not achieved due to inadequate funds
	Community youth SACCOs operationalized	No. of youth SACCOs operationalized	143	104	
	Youth engaged in Internships and attachments/ Employment	No. youth engaged	3,500	0	Target not achieved due to a delay in the rollout of the NYOTA project, but a call for applications has been made for youth to apply
	Business grants and start-up kits issued	No. of grants/ kits disbursed/ No. of youth issued with grants/ kits	100	0	
	Community-based Youth-Savings and Investments (CYSI) groups established	No. of CYSI groups established	10,000	0	

Priority Project	Expected Outputs	Indicator	Target FY2024/2025	Cumulative achievement FY2024/25	Remarks
Knowledge sharing on youth's socio-economic transformation	Youth Leadership and governance developed	No. Youth engaged in leadership and governance	4,500	37,000	Target surpassed due to partnerships and collaborations.
Youth Enterprise Development Fund	Kshs. 4.3 billion financed to youth enterprises	Amount of loans disbursed to Youth entrepreneurs in key value chains (Ksh millions)	648.2	410	Target not achieved due to inadequate funds to provide loans to youth entrepreneurs.
	Youth entrepreneurs benefited from YEDF loans	No. of Youth entrepreneurs financed	50,726	23,960	Target not achieved due to the fact that the Fund was allocated zero budget to support business loans among the youth.
	Youth provided with Business Development Services	No. of Youth provided with business development services	106,293	64,016	Target not achieved due to inadequate funds.

Source : State Department of Youth Affairs and Creative Economy reports

#### b) MTP IV Outcome Indicators

**Table 6.19: Youth Affairs and Creative Economy Outcome results for FY 2024/2025**

MTP IV Outcome	MTP IV Outcome Indicator	MTP IV Outcome Target	Actual Achievement	Remarks on Achievement Variance
Increased Youth Skilling, Employment and Wealth Creation	Kenya Youth Development Index (KYDI)	0.644	-	Target not achieved. The Index is yet to be developed
	Youth unemployment rate	11.1	11.93	Target not achieved. Youth unemployment rate has increased due to slow economic growth

Source: State Department of Youth Affairs and Creative Economy reports and documents, and KNBS reports

The youth unemployment rate increased from 11.6% to 11.93%, representing a rise of 0.33. This indicates a worsening employment situation for the youth population during the review period. The rise is largely attributed to slow economic growth in key sectors such as agriculture, manufacturing, and construction. Additionally, youth entrepreneurs continue to face challenges in accessing affordable credit and financing to start or expand their businesses. Other contributing factors include a mismatch between skills and market demands, limited job creation opportunities, weak implementation of youth employment programs, and economic shocks that have affected business operations and hiring capacity.

### **6.10.2. Policy, institutional and legal frameworks**

Submission of the Kenya Youth Development Bill and the development of a corresponding Cabinet Memo is ongoing

### **6.10.3. Challenges, Lessons Learnt and Recommendations**

#### **a) Implementation Challenges**

- i. The sub-sector has experienced low budgetary allocation and budget cuts, thus affecting the performance of planned programmes, projects, initiatives and activities.
- ii. The Sub-sector's physical facilities, particularly Youth Empowerment Centres, were poorly equipped and insufficient, hindering the effective delivery of youth-friendly services.
- iii. The effective execution of some Subsector's mandate, especially in the creative economy, has been constrained by the absence of comprehensive policy, legal, and regulatory frameworks.

#### **b) Recommendations**

- i. The Subsector requires additional funding to be able to perform its functions.
- ii. There is a need for the development of various legal, policy, and regulatory frameworks to enable the Subsector to adequately perform its functions.

#### **c) Lessons Learnt**

- i. Effective implementation of youth development and creative economy programmes requires sustained and predictable funding. Budget constraints directly impact service delivery, project continuity, and achievement of intended outcomes.
- ii. Well-equipped and accessible physical infrastructure such as Youth Empowerment Centres significantly improves the reach and quality of youth services. Investing in infrastructure is essential for scaling up impactful interventions.
- iii. Clear, up-to-date policies and legal frameworks provide the foundation for effective programme design, implementation, monitoring, and accountability. Their absence limits institutional effectiveness.
- iv. Involving youth, community members, private sector, and development partners in programme design and delivery ensures that interventions are responsive to actual needs and promote ownership.
- v. Linking education, employment, entrepreneurship, and innovation—produces more sustainable outcomes for youth development and the creative economy.
- vi. Timely and accurate data collection and analysis support better planning, targeting of resources, and performance monitoring.
- vii. Strengthening institutional and staff capacity ensures more effective service delivery, innovation, and adaptability in programme implementation.

## 6.11. Higher Education and Research Sub sector

The Higher Education and Research subsector plays a pivotal role in Kenya's socio-economic transformation through human capital development necessary to spur economic growth. Education supplies skilled manpower to other economic sectors and contributes towards sustainable population growth, long life, better health outcomes, low crime rates, national integration and political stability.

### 6.11.1. Subsector Performance

1. **Education Reforms** - Kenya's education is undergoing major reform as outlined in the report of the Presidential Working Party on Education Reform. Kenya transitioned to the Competency Based Curriculum (CBC) in 2018, with the first cohort of students expected to join university in 2029. Thus, the focus of university education and research is to prepare the sub-sector in readiness of the implementation of the Competency Based Education and Training in universities.
2. **Open University and Open Distance e-Learning (ODEL)**: This area recorded strong performance, with the number of ODeL programmes exceeding targets due to high demand. Two digital labs were established to support programmes in cybersecurity and technology education. Additionally, key standards and guidelines for ODeL were reviewed, and the national ODeL policy was finalized. High-speed internet was provided to 10 tertiary institutions—double the target—and all planned Learning Management Systems were successfully developed.
3. **Education Reforms and CBET Readiness**: The subsector achieved full implementation of the University Competency-Based Curriculum Framework and retooled 2,000 academic staff as planned. However, only 30% of the recommendations from the Presidential Working Party on Education Reform were implemented, falling short of the 75% target due to delays in finalizing key policy documents like the sessional paper.
4. **University Infrastructure and Student Financing**: The government met its infrastructure targets by rehabilitating and equipping 30 universities. Student financing also exceeded targets, with over 620,000 students receiving capitation grants and nearly 479,000 benefiting from loans and bursaries. This was driven by a higher number of KCSE candidates qualifying for university admission.
5. **STEM Strengthening**: Significant progress was made in building STEM capacity, including the establishment of an Institute of Applied Sciences and support for five universities and research institutes as Centres of Excellence—surpassing the set targets. Ten universities were supported under the HEST II project. However, the establishment of KAIST and the Kenya STI Observatory did not materialize due to funding constraints.
6. **Industry Linkages and Apprenticeship**: Targets were fully achieved in placing 4,000 students and lecturers in industrial attachments and involving 100 participants in apprenticeship programmes. These initiatives enhanced practical training and supported CBET implementation.
7. **Science, Technology and Innovation (STI) Funding**: The sector significantly exceeded targets in mobilizing research funds, raising Ksh. 50 million against a target of Ksh. 15

million. Additionally, nearly 10,000 research activities were conducted, largely facilitated through NACOSTI licensing.

8. **Innovation Commercialization:** The innovation park at Konza Technopolis was completed, and construction of the DeKUT innovation park is underway, supporting the commercialization of research and incubation of start-ups.
9. **Biotechnology and Biosciences:** A Centre of Excellence in Biotechnology Research was established at Kenyatta University, while Egerton University began construction of a second centre in collaboration with international partners.
10. **Natural Products and Manufacturing Technologies:** Targets were achieved in developing a pharmaceutical product and a manufacturing technology for niche products, contributing to industrial innovation and health research.
11. **Nano-Sciences and New Production Technologies:** This area faced setbacks, with no progress made in establishing the National Physical Science Research Laboratory or the Centre for Nanotechnology Research due to austerity measures and limited funding.
12. **Overall Performance:** The subsector performed well in programme development, digital infrastructure, research capacity, and access to higher education. However, challenges remained in policy implementation, innovation infrastructure funding, and data coordination. Notably, the university enrolment rate fell short of the MTP IV target, and investment in research and development remained below the 1.2% of GDP target, affecting Kenya's ranking on the Global Innovation Index.

#### a) BETA Priorities Projects Monitoring

**Table 6.20: Higher education and Research Output Results for FY 2024/25**

Priority Project	Output	Indicator	Annual Target 2024/25	Communicative Achievement FY2024/25	Remarks on variance
Open University of Kenya and Open distance and eLearning (ODEL)	Programmes developed	No. of programmes	8	12	Surpassed target by 4 due to high demand for programmes which necessitated additional programmes
	Digital Lab established	No. of operational digital labs	1	2	Annual target surpassed Digital labs for Cyber security and BSc in Technology Education established and operationalized due to the need
	Standards and guidelines reviewed	Reviewed standards and guidelines	1	2	Target surpassed due to development of guidelines and standards ODEL learning
	National policy framework on Open distance and eLearning (ODEL) developed	National Policy	1	1	Target Achieved



Priority Project	Output	Indicator	Annual Target 2024/25	Communicative Achievement FY2024/25	Remarks on variance
	High-speed Internet connectivity to Tertiary educational institutions	No. of institutions	5	10	Target surpassed due to the need for internet connectivity aimed at improving e-learning
	Learning System developed	No. of Learning management systems (LMS)	5	5	Target Achieved
Education Reforms	Framework for institutionalizing university and industry linkages developed	Operational framework	1	1	Target Achieved
	Presidential Working Party on Education Reform recommendations implemented	% of recommendations implemented	75	30	Target not achieved Because it was dependent on finalization of the sessional paper and other factors.
		No. of academic staff retooled to implement the CBET	2000	2000	Target Achieved
	Implement Competency Based Assessment (CBA	% completion of University Competency-Based Curriculum Framework (UCBCF)	100	100	Target Achieved
		% Level of implementation of CBA	100	100	Target Achieved
University infrastructure improvement	Critical University Infrastructure rehabilitated and equipped	No. of universities rehabilitated and equipped	30	30	Target Achieved
	Capitation grant awarded	No. of Government Sponsored Students (GSS)	377,900	620,003	Target surpassed due to increased number of KCSE candidates who attained C+ and above in 2024/25 Cohort
	Students benefited from loans and bursaries	No. of Students provided with loans and bursaries	445,500	478,660	Target surpassed due to increased number of KCSE candidates who attained C+ and above in 2024/25 Cohort

Priority Project	Output	Indicator	Annual Target 2024/25	Communicative Achievement FY2024/25	Remarks on variance
Strengthening of Science, Technology, Engineering and Mathematics	Kenya Advanced Institute of Science and Technology (KAIST) constructed and equipped	% establishment	100	-	This indicators was moved to ICT and digital economySubsector.
	Institute of Applied Sciences established in an existing university	% establishment	30	30	Target Achieved
	Capacity of 7 universities and 2 Research Institutes strengthened to be Centers of Excellence	No. of Universities/Research Institutes	4	5	Target Surpassed Capacity training conducted for Moi, JOOUST, Egerton, Masinde Muliro, TUM
	Universities supported by HEST II	No. of Universities	4	10	Target Surpassed 6 universities were included in the HEST II project in response to demand from universities
	Kenya National Science, Technology and innovation Observatory established	% Establishment	100	0	Target not Achieved due to insufficient funds
Strengthening Linkages between Industry and Training institutions	Students and Lecturers placed in industrial attachment	No. of Students and Lecturers placed in industrial attachment	4000	4000	Target Achieved
	Teachers and students under Apprenticeship	No. of Teachers and students under Apprenticeship	100	100	Target Achieved
Science Technology and Innovation Funding	Research resources Mobilized	Amount mobilized for research (Ksh. Millions)	15	50	Target Surpassed The figure includes all resources in Universities and other research institutions both local and external
	Research across sectors conducted	No. of Research conducted	170	9,844	Target Surpassed Based on NACOSTI licenses

Priority Project	Output	Indicator	Annual Target 2024/25	Communicative Achievement FY2024/25	Remarks on variance
Nano-Sciences, Material Science and New Production Technologies	National Physical Science Research Laboratory (NPSRL) established	No. of labs	3	0	Target not Achieved due to insufficient funds
	Centre for Nanotechnology Research (CNR) established And equipped	No. of functional CNR	1	-	Target not Achieved due to austerity measures in place.
Technology and Innovation Commercialization	Konza Technopolis and Dedan Kimathi University of Technology Innovation Parks constructed	No. of National Science, Technology and Innovation Parks established	1	1	Target Achieved Konza technopolis established, Construction of the Dekut innovation park ongoing
Biotechnology / and Bioscience	Centres of Excellence in Biotechnology Research established in 3 Research institutions	No. of Centres of Excellence in Biotechnology Research established	1	1	Target Achieved KU Centre of excellence established, Construction of Egerton university Centre of excellence in bio-technology in partnership with International Centre for genetic engineering ongoing
Natural Products	Pharmaceutical product formulated	No. of Pharmaceutical product formulated	1	1	Target Achieved
	Technologies for the manufacture Of niche products developed	No. of technologies	1	1	Target Achieved

Source: State Department for Higher Education Reports

## b) MTP IV Outcome Indicators

**Table 6.21: Higher Education and Research Outcome Results for FY 2024/2025**

MTP IV Outcome	Outcome Indicator	Outcome Target	Actual Achievement	Remarks on Achievement variance
Improved access to university Education by eligible students	Enrolment Rate	89	80.1	Target not achieved because the captured data is based on KUCCPS placement of students to public universities only.
Improved Research and development	Research fund as a share of GDP	1.2	0.8	Low public investment in R&D coupled with changes in global research funding in the year affected performance
	Global Innovation Index	81	96	Target not met due to weak coordination in reporting

*Source: State Department for Higher Education Reports*

### 6.11.2. Policy, Institutional and Legal Frameworks

#### 6.11.2.1. Policy Initiatives

The following policies were developed in FY 2024/2025, have undergone stakeholder validation and the Cabinet Memos developed. They are awaiting Cabinet Approval:

- Sessional paper on education reform on ‘Transforming education, training and research for sustainable development in Kenya’.
- National Research & Development Draft Policy, 2025.
- Science Technology & Innovation Draft Policy, 2025.

#### 6.11.2.2. Legislative initiatives

The following bills were developed in FY 2024/2025, have undergone stakeholder validation and the Cabinet memos developed. They are awaiting Cabinet Approval:

- Tertiary education placement and funding draft bill, 2025
- The universities bill, 2025
- The science technology and innovation (amendment) draft bill, 2025
- Education appeals tribunal draft bill, 2025

### 6.11.3. Challenges, Lessons Learnt and Recommendations

#### 6.11.3.1. Implementation Challenges

- The New Funding Model lacked sufficient allocation, leaving universities unable to meet operational needs.
- Underfunding below the Differentiated Unit Cost led to unpaid statutory deductions and mounting debts.
- Frequent strikes by university unions disrupted learning and academic calendars.

- iv. Court petitions against the new model stalled financing for first- and second-year students.
- v. Declining allocations reduced Research and Development expenditure to 0.8% of GDP, below the 2% target, limiting research capacity.
- vi. Education reform recommendations were delayed by slow adoption of required policies and laws.

#### **6.11.3.2. Lessons Learnt**

- i. There is need for Institutions of Higher Learning to diversify their revenue streams to reduce over reliance on Exchequer.
- ii. There is need for the Ministry of Education to develop an integrated data management in education.
- iii. The Ministry of Education should continuously review the implementation of the New Funding Model to address any challenges.
- iv. The National Research Fund needs to coordinate the development of a mechanism to track research funding.
- v. It is important for the Ministry to expedite the finalization of the Sessional Paper and attendant laws to guide reform in higher education.
- vi. There is need for Commission of University Education to prioritize the development of the University Competency-Based Education and Framework to enable universities realign their programs.

#### **6.11.3.3. Recommendations**

- i. The Institutions of Higher Learning should diversify their revenue streams to reduce over reliance on Exchequer.
- ii. The Ministry of Education should develop an integrated data management in education.
- iii. The Ministry of Education should continuously review the implementation of the New Funding Model to address any challenges.
- iv. The National Research Fund should coordinate the development of a mechanism to track research funding.
- v. The Ministry of Education should expedite the finalization of the Sessional Paper and attendant laws to guide reform in higher education.
- vi. The CUE should prioritize the development of the University Competency-Based Education and Framework to enable universities realign their programs

### **6.12. Technical, Vocational Education and Training Sub sector**

The Technical, Vocational Education and Training (TVET) 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 the way for industrialization as outlined in the Kenya Vision 2030 Economic Blueprint.

### 6.12.1. Subsector Performance

In the financial year 2024/25, the Technical and Vocational Education and Training (TVET) sub-sector recorded a gross enrolment of 585,054 trainees, which was below the projected target of 713,326. In response to this shortfall, the Subsector has outlined several strategic measures aimed at achieving the enrolment target. These include enhancing infrastructure and upgrading facilities across TVET institutions, increasing public awareness and visibility through intensified outreach campaigns, and fostering partnerships with industry stakeholders to develop training programs that are aligned with current market demands.

#### a) BETA Priorities Projects Monitoring

The implementation Status for the Key Outputs and BETA Priorities for the FY 2024/2025 is provided in **table 6.22**. It indicates the target, achievements and explanation of the achievement of the target.

**Table 6.22: Technical, Vocational Education Training Subsector Outputs Results for FY 2024/25**

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks on the Variance
Automation and Skills Development (Digital Labs)	Digital labs installed and operationalized	No. of operational digital labs	50	160	Target surpassed due to increasing demand for digital skills among youths has led many Technical and Vocational Education and Training (TVET) institutions to establish digital labs.
	Youth trained	No. of youth trained	50,000	24,206	Target not Achieved due to data variations which occur due to delays in receiving information from the digital labs which are spearheaded by the Ministry of ICT.
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	0	Target not achieved due to budgetary constraints have led to delays in implementation
	Existing TVET institutions equipped	No. of existing TVET institutions equipped	36	0	Target not Achieved due to delays in implementation of Kenya – China phase III project
	Technical trainers and instructors recruited	No. of technical trainers and instructors recruited	1,000	2,000	Target surpassed as a total target of 2,000 trainers recruited in FY 2023/24 were deployed in Q1
	Incubation centers	No. of incubation	100	3	Target not Achieved due to budgetary constraints

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks on the Variance
	established in every TVET institution	Centres established			
	Online learning conducted in TVETs	No. of programmes/ courses offering online content	8	157	Target surpassed owing to increased demand for digital learning in TVET
		No. of TVET institutions offering online content	50	65	Target surpassed owing to increased demand for digital learning in TVET
Education Reforms	Presidential Working Party on Education Reforms recommendations implemented	% of recommendations implement	75	75	Target Achieved
Automation of Basic Education System	National Skills Management Information System developed and operationalized	% completion of the National Skills Management Information System	100	-	The State Department responsible (Post-Training and Skills Development) was moved to the for Labour and Skills Development) as a Technical Department Subsector.

Source: State Department for TVET Reports

#### b) MTP IV Outcome Indicators

**Table 6.23: Technical, Vocational Education and Training Outcome Results for FY 2024/2025**

MTP IV Outcome	MTP IV Outcome Indicator	MTP IV Outcome Target	Actual Achievement	Remarks on Achievement Variance
Increased Access to TVET	TVET Gross Enrolment (Total)	713,326	585,054	The target was under achieved due to low uptake of TVET courses due to low TVET infrastructural expansion
	Male	374,496	306,291	
	Female	338,830	278,763	
Improved gender equity in TVET	Gender Parity Index (Ratio)	0.9	0.91	Target Achieved

Source: State Department for TVET Reports



### **6.12.2. Policy, Institutional and Legal Frameworks**

- i. Competency-Based Education and Training (CBET) Policy Framework. Modular training approach introduced, allowing learners to earn partial or full qualifications at their own pace
- ii. Dual Training Policy was approved by Cabinet in January 2025
- iii. National Skills Development Policy (2023)
- iv. Recognition of Prior Learning (RPL) Policy Framework
- v. Technical and Vocational Education and Training Bill, 2024
- vi. Kenya National Qualifications Framework (General) Regulations, 2025

### **6.12.3. Challenges, Lessons Learnt and Recommendations**

- i. Inadequate funding allocations restricted the Sub sector's ability to recruit sufficient trainers and invest in infrastructure development, thereby undermining efforts to meet growing demand and improve training quality.
- ii. Limited collaboration between TVET institutions and industry players results in misalignment between training curricula and labor market needs, reducing graduate employability and sector responsiveness.
- iii. Many institutions lack adequate personnel trained in Competency-Based Education and Training (CBET), compromising the delivery of practical, outcome-oriented learning and slowing the transition to modern training approaches.
- iv. Late release of funding forces institutions to operate under financial strain, affecting procurement of training materials, service delivery and continuity of learning activities.
- v. Rapid increases in student enrolment are not matched by proportional budgetary allocations, leading to overcrowded facilities, strained resources and diminished training quality.

#### **a) Lessons Learnt**

- i. Responsive budgeting is essential to support institutional growth and maintain training quality.
- ii. Industry collaboration is critical for aligning curricula with labor market needs and improving graduate employability.
- iii. Trainer capacity development must be continuous to ensure effective delivery of CBET and foster innovation.
- iv. Timely fund disbursement underpins operational stability and uninterrupted learning.
- v. Enrollment-driven financial planning is necessary to prevent resource strain and uphold service standards.

#### **b) Recommendations**

- i. There is need for more budgetary allocations to support the recruitment of more trainers and the expansion of infrastructure.
- ii. There is need for partnerships with industry stakeholders to ensure that TVET training aligns with industry needs. This could include setting up apprenticeship and internship programs.

- iii. The sub-sector should prioritize continuous professional development in Competency-Based Education and Training (CBET) to enhance instructional effectiveness and elevate training standards.
- iv. There is need for timely disbursement of capitation and scholarship funds to prevent institutions from operating at a deficit.
- v. There is need for adjusting budget allocations regularly to match the growth in enrollment, ensuring adequate resources for all students.

### 6.13. Performance and Delivery Management Sub sector

The Subsector made notable contributions to the national economy in the review period by enhancing efficiency, accountability, and performance in public service delivery. Through the vetting of MDAs and the tracking of flagship projects under the Medium-Term Plan IV (MTP IV) and BETA priorities, the subsector supported the effective implementation of economic initiatives. Its focus on infrastructure development, healthcare, and social welfare directly contributed to job creation, improved service access, and enhanced productivity—key drivers of inclusive economic growth.

#### 6.13.1. Subsector Performance

**Performance and service delivery management:** Evaluation of MDAs was finalized with 462 MDAs already evaluated and reports prepared. Through collaboration, innovation, and a steadfast commitment to its mandate, the Subsector continues to contribute to Kenya's socio-economic growth and the effective delivery of government services.

#### a) BETA Priorities Projects Monitoring

Table 6.23 provides the output results for Performance and Delivery Management subsector for the FY 2024/25 as they appear in the MTP IV National Indicator Handbook 2023-2027.

**Table 6.24: Performance and Delivery Management Subsector Output Results for FY 2024/25**

Priority project	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY2024/25	Remarks on the Variance
Performance and service delivery management	Performance Contracting by MDAs Coordinated	No. of MDAs and Counties on Performance Contract	439	499	Target surpassed. The annual target is surpassed due to the additional State Corporations and Tertiary Institutions that were on-boarded on PC.
	Enhance the Performance Contracting system	No. of additional Modules developed	90	0	Target not achieved. The Management Reports module of the GPCIS was not developed due to lack of budgetary allocation
	MDACs capacity build	No. of MDACs capacity built	439	27	Target not Achieved due to insufficient funds.

Priority project	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY2024/25	Remarks on the Variance
	Government Performance Reporting System (GPRS) for projects maintained and upgraded	No. of monthly reports channeled through GPRS	12	12	Target achieved
	National Development Implementation Committee (NDIC) held	No. of high-level stock-take meetings held	80	93	Target surpassed due to numerous presidential visits in different regions in the country
	Management audits and routine inspections of the state corporations conducted	No. of audits/inspections undertaken	8	-	Under executive order No. 2 the institution was moved to Executive Office of the President
	Management audits and routine inspections of the state corporations conducted	No. of audits/inspections undertaken	8	-	Under executive order No. 2 the institution was moved to Executive Office of the President

Source: Public Service Performance Management Unit (PSPMU) and Government Delivery Unit (GDU)

### 6.13.2. Policy, Institutional and Legal Frameworks

- i. Developed a draft Public Service performance management bill to anchor performance management into law.

### 6.13.3. Challenges, Lessons Learnt and Recommendations

#### a) Challenges

- ii. Budget constraints and government-wide austerity measures led to partial or non-implementation of planned programmes and activities.
- iii. Inadequate numbers of professional/technical officers affected the delivery of programmes.
- iv. Necessary policy and legal framework to guide performance and delivery management is not in place leading to ineffective execution of the institutional mandates.

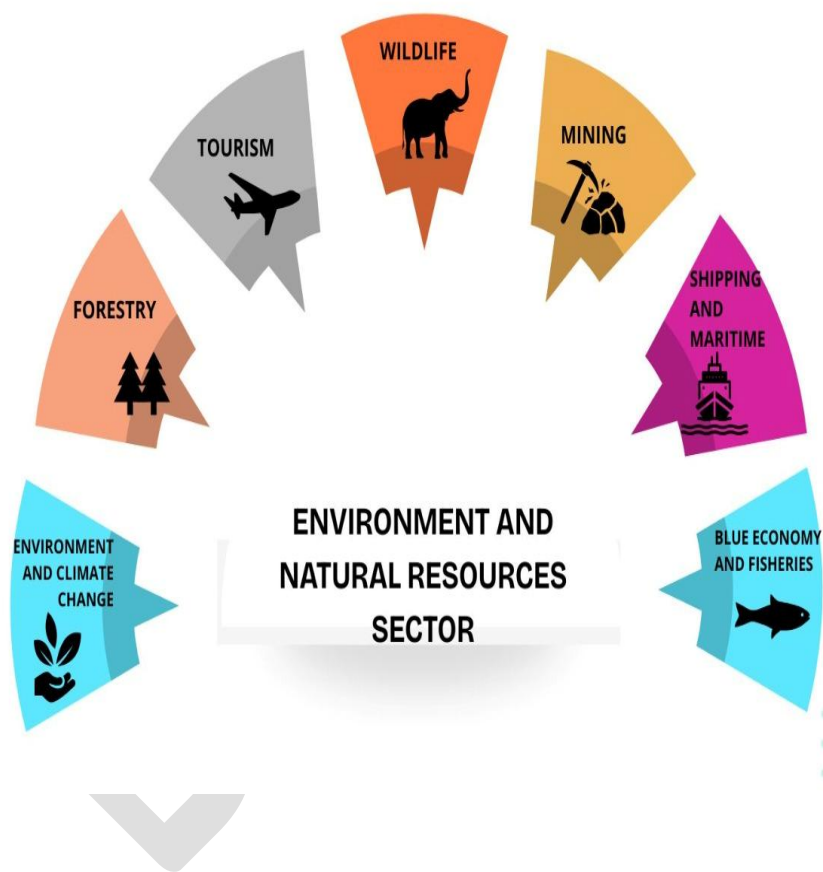
#### b) Lessons learnt

- i. Inter-agency and inter-ministerial coordination are fundamental in realizing the implementation of the annual targets.

- ii. The successful implementation of the annual targets require collaboration, monitoring and embracing ICT through automation of business processes.
- iii. Teamwork is key to the successful realization of the annual targets.

**c) Recommendations**

- i. The Subsector should embrace resource mobilization strategies to fill the financial gaps.
- ii. There is need to develop the necessary policy and legal framework to guide performance and delivery management to ineffective execution of the institutional mandates.
- iii. There is need to enhance human resource management and development within the public service to address capacity gaps is key for the successful implementation of the programmes and activities.



## CHAPTER SEVEN

### ENVIRONMENT AND NATURAL RESOURCES SECTOR

#### 7.0. 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.

#### 7.1. 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. In the period under review, the subsector achieved the following

##### 7.1.1. Subsector Performance

1. **Waste Management Infrastructure-** Training was conducted for 65 registered waste service providers across six regions: Nairobi, Western, Nyanza, Eastern, Central, and Coastal. The overachievement was attributed to strong collaboration with the Nairobi



County Government. *e-waste collection and mini demo center at the NEMA Headquarters in Nairobi*

2. **Pollution Management-** The Sub sector continued to strengthen environmental governance and service delivery across the country where air quality monitoring was undertaken in **four (4)** key urban centers including Nairobi, Kisumu, Mombasa, and Athi River as part of ongoing efforts to address urban air pollution and safeguard public health.
3. **Thwake River Upstream Clean-up, Pollution Control, and Catchment Management-** 30.3 % (606 illegal discharge points) were identified and eliminated along the Athi-Galana-Sabaki river system, achieving the 30% reduction target. Additionally, 45 kilometers of riparian zones along Nairobi, Mathare, and Ngong rivers were rehabilitated. The efforts are

geared towards clean up upstream of Thwake Dam to ensure water flowing into the dam is free from pollutants and the dam is viable to provide portable water fit for human consumption, Agriculture and other uses.

4. **Climate Finance-** The Sub sector amended and launched Climate Change Act 2016, to provide for Carbon Market Legal Framework and Regulations. The Carbon Market Framework was finalized to unlock climate Finance A total of Kshs. 1,489,810 was raised from the carbon market during the review period, against the set target of Kshs. 1B. The under achievement was due to the long process of finalizing and operationalization of the Carbon Market Framework.

Below is the annual implementation status of the key outputs and BETA priorities for FY 2024/25

**Table 7. 1: Environment and climate change outputs implementation for FY 2024/25**

Priority	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY 2024/25	Remarks on the Variance
Waste Management Infrastructure	Waste Collectors cooperatives registered	No. of Waste Cooperatives	20	65 groups trained	Training of registered waste service providers done across 6 regions: Nairobi, Western, Nyanza, Eastern, Central and Coastal Regions. Over achievement was due to collaboration with County Government of Nairobi.
	Waste Material Recovery Facilities Constructed in all counties	No. of waste Material Recovery Facilities	20	-	Activity not undertaken due to financial constraints
	Community-Based plastic recycling value chain established	No. of plastic recycling value chains	200	-	The activity was not undertaken due to financial constraints
Pollution Management	Waste service providers trained on waste recovery	No. of service providers trained	10	A total of <b>65 waste</b> handles groups trained.	The over achievement was due to collaboration with county governments.
	Air quality in 6 urban areas monitored	No. of air quality reports	5	4	Target under achieved (Air quality monitoring was undertaken in four urban areas Nairobi, Kisumu, Mombasa and Athi-River). Air quality in Nakuru not undertaken due to budget constraint.
Thwake River Upstream Clean up Pollution Control and Catchment Management	Effluent discharges and solid waste flow in the Athi-Galana-Sabaki river system reduced.	% of illegal dump sites along the river removed	30	<b>30.3%</b> (illegal discharges identified and stopped Along the Athi-Galana-	Target Achieved. Over achievement was due to intensive inspections and issuance of improvement orders



Priority	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY 2024/25	Remarks on the Variance
				Sabaki river system)	
	Length of riparian area of Athi-Galana-Sabaki river system rehabilitated	KM of riparian areas rehabilitated	100	45kms of the Nairobi, Mathare and Ngong rivers riparian zones were rehabilitated.	Target was under achieved due to budget constraints.
Climate Change Finance	Amount of revenue raised from carbon market	Kshs. Billions	1	<b>1,489,810</b>	Under achievement due to the long process in the implementation of Carbon Market Framework Regulations

Source: National Environment Management Authority & State Department for Environment and climate change Reports, FY 2024/25

**Table 7.2: Environment and Climate Change Sub-Sector Outcome Status for FY 2024/25**

MTP IV Outcome	Outcome Indicator	Outcome Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
Reduced GHG Emissions	GHG Emission per Year (CO <sub>2</sub> eMt)	95	113,366	According to Kenya's First Biennial Transparency Report (BTR), Kenya's total greenhouse gas emissions were equivalent to <b>113,366</b> GgCO <sub>2</sub> eq, including the LULUCF Sector in 2022. The next Emissions level to be taken in <b>2026</b> .
Improved sustainability of environmental Ecosystems	Area of inland freshwater ecosystems and wetlands protected	10	49	wetlands restored (2,456 acres) The efforts to restore wetlands exceeded the set target by 39 wetlands. This is attributed to enhanced mobilization and collaboration with stakeholders in wetlands restoration and conservation under the 15 billion tree growing programme.
Riparian areas rehabilitated and protected	Length of riparian reserves rehabilitated	100	45	Inadequacy of financial resources hindered achievement of the set targets. (45kms of the Nairobi, Mathare and Ngong rivers riparian zones were rehabilitated)
Improved solid waste management countrywide	Quantity of solid waste collected	30	-	The activity was not undertaken due to financial constraints
	County dumpsites with minimum points established	6	4	This activity is not being undertaken anymore since the gazettment of Sustainable Waste Management Act of 2022, where County Governments are supposed to establish Material Recovery Facilities (MRFs), however

MTP IV Outcome	Outcome Indicator	Outcome Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
	Landfill/wastes disposal sites screened for climate change impacts	1	-	NEMA is supposed to licenses, capacity build and enforce the same The activity was not undertaken due to financial constraints.

*Source: National Environment Management Authority & State Department for Environment and Climate Change. Reports, FY 2024/2025.*

**Improved sustainability of environmental Ecosystems:** a total of 2,456 acre of wetlands were restored (2,456 acres) in 49 wetlands area against a target of 10 representing an overachievement of 79 percent against the target. The overachievement was attributed to enhanced mobilization and collaboration with stakeholders in wetlands restoration and conservation under the 15 billion tree growing programme. In addition, four (4) counties established dumpsites with ten minimum points against a target of 6 counties.

#### 7.1.2. Policy, Legal and Institutional Reforms

- The Climate Change (Carbon Market) regulations, the Climate Change (Carbon Trading, Non-Market Approaches and Carbon Registry) Regulations, 2025
- and the draft Air Quality Regulations under the EMCA Regulations. F the subsector published ( the statement is not clear seems some information is missing]
- Six Regulations under the Environmental Management and Coordination Act, Cap. 387. were published.

#### 7.1.3. Challenges, Lesson learnt and Recommendations

##### a) Implementation Challenges

- Budgetary Constraints:** Key planned activities such as air quality monitoring in Nakuru and establishment of landfill screening for climate impacts were not implemented due to ack of funds.
- Incomplete Devolution Support:** The gazettelement of the Sustainable Waste Management Act 2022 placed the responsibility of constructing Material Recovery Facilities (MRFs) on counties. However, counties face challenges in operationalizing these mandates due to capacity and resource gaps.
- Stakeholder Coordination:** Despite various restoration initiatives, inconsistent stakeholder involvement and coordination affected uniform progress in ecosystem rehabilitation and plastic recycling value chain development.

##### b) Lesson Learnt

- Effective Policy and Legal Frameworks Enhance Performance:** Implementation of acts like the Sustainable Waste Management Act 2022 and revision of the Climate Change Act has strengthened regulatory compliance and performance tracking.
- Stakeholder Collaboration is Key:** The success in wetlands restoration across various counties highlighted the importance of joint actions between NEMA, county governments, local communities, and other stakeholders.

- iii. **Targeted Training Improves Capacity:** Training of 65 waste handler groups led to an increase in awareness and capacity to manage waste sustainably.
- iv. **Enforcement Yields Results:** Enforcement-led initiatives led to the identification and elimination of 509 illegal discharge points, indicating the value of strong compliance mechanisms.

**c) Recommendations**

- i. **Increase Budget Allocation:** The National Treasury should increase funding for environmental monitoring, climate mitigation, and solid waste management to meet set targets effectively.
- ii. **Strengthen County Capacities:** Support county governments through capacity building, technical assistance, and co-financing to implement their obligations under the Sustainable Waste Management Act.
- iii. **Scale Up Community Involvement and promote Public-Private Partnerships:** Replicate and scale up community-driven ecosystem restoration models seen in successful wetland restorations across the country. In addition, leverage partnerships with the private sector to expand carbon market initiatives and invest in climate-smart infrastructure such as MRFs.

## **7.2. Forestry Subsector**

The sub-sector plays a critical role in forest development, conservation, and management by increasing current tree cover. The subsector targets to increase tree cover from 12.1% in 2022 to 21% by 2027 and forest t cover from 8.8 % in 2022 to 17% by 2027 through tree growing and restoration campaigns. Its key priority area in the Bottom-Up Economic Transformation Agenda (BETA) is landscape and ecosystems restoration, which anchors the 15 Billion Trees Strategy aimed at increasing national tree cover to at least 30% by 2032 through tree growing on public, private, and community land, as well as promoting agroforestry, commercial forestry, and the use of biotechnology.

### **7.2.1. Subsector Performance**

1. **National Tree growing and Restoration Programme:** During the review period, 75,789 kg of high-quality tree seeds collected against a target of 100,000 kg and distributed 63,267 kg to both State and Non-State actors, with the variance attributed to delayed funds disbursement by the National Treasury, which affected seed collection and processing. It also coordinated the propagation of over 629 million seedlings out of a targeted 800 million, with the shortfall resulting from insufficient funds for labour and materials.



*Environment, Climate Change and Forestry Cabinet Secretary, Dr. Deborah Barasa is presiding over the national Environment Day celebrations themed "Ending Plastic Pollution," hosted by Tharaka Nithi Governor, H.E. Muthomi Njuki at Tharaka University in Tharaka Nithi County.*

2. **Agroforestry woodlots in ASALs:** In rehabilitation of degraded forests and landscapes, 389,685 hectares were restored through natural regeneration and tree planting against a target of 500,000 hectares, a gap caused by delayed and inadequate funding. 659 million seedlings were grown in the tree growing programme during the period under review against a target of 1.5 billion. The sub-sector also promoted the establishment of 40,900.94 hectares of agroforestry on farmlands and 13,426 hectares of commercial forest plantations in drylands, totalling 54,362 hectares against a planned 100,000 hectares, with performance hindered by inadequate funding, late disbursement, and erratic weather. Additionally, 21 forestry research technologies were developed, and 2,000 hectares of land previously infested with invasive species were reclaimed. On sustainable “green” charcoal value chains and alternative domestic energy, delays in finalizing the Charcoal Regulations hampered implementation of key activities. 12 youth groups were trained in briquette charcoal production and 2 clean energy technologies were developed. During the period under review, 2,664 forest guards were recruited to enhance surveillance in public forests.

### 3. Sustainable “green” charcoal value chain and alternative domestic energy:

### 4. Modernization and commercialization of the charcoal value chain

### 5. Green and Blue Jobs initiatives

Below is the annual implementation status of the key outputs and BETA priorities for FY 2024/25

**Table 7.3: Forestry outputs implementation for FY 2024/25**

Priority Projects	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY 2024/25	Remarks on performance
National Tree Growing and Restoration Programme	500 tonnes of tree seeds collected, processed and distributed	Quantity of seeds (Tonnes)	100	75.789	Delay in the disbursement of funds for tree seed collection from the National Treasury led to low achievement
	5 billion Tree seedlings produced	No. of tree seedlings (Billions)	0.8	0.629	Limited resources affected the seedlings production

Priority Projects	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY 2024/25	Remarks on performance
	3.5 million Ha of degraded forests areas and landscape, rehabilitated through protection of natural regenerations and planting (5.2 billion seedlings)	Area rehabilitated (Million Ha)	0.5	0.389	Budgetary constraints lead to delay in implementation of planned activities
	Trees planted	No. of Trees (Billions)	1.5	0.659	Budgetary constraints; erratic weather and non-reporting in the Jazamiti App
Agroforestry woodlots in ASALs	1 million Ha of Agroforestry developed in 23 ASAL Counties; (Melia woodlots, gums & resins, sandalwood etc)	Area (Ha) rehabilitated	100 000	54,362.95	Delays in funds disbursement and erratic weather patterns that derail planting
Sustainable “green” charcoal value chain and alternative domestic energy	Draft charcoal regulations gazetted and operationalized	No. of regulation gazetted	0	-	Draft charcoal regulations developed 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	2	-	Pending finalization and operationalization of the Charcoal regulations
	300 Charcoal Producers Associations (CPAs), established and supported, on adoption of efficient technology, branding and marketing	No. of CPAs established and strengthened	300	-	The registration processes pending Gazettement of the revised Rules
	500 youth groups supported and mentored in briquette charcoal production enterprise	No. of youth groups supported & mentored	100	12	Budgetary constraints
	2,500 public schools and Institutions transit to adoption and use LPG	No. of schools and Institutions	500	-	Budgetary constraints
Modernization and commercializ	Clean cooking technologies adopted	No. of clean cooking	2	2	Target realized

Priority Projects	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY 2024/25	Remarks on performance
ation of the charcoal value chain Green and Blue Jobs initiatives		technologies adopted			
Green and Blue jobs initiatives	Community Forest Guards recruited	No. of Community Forest Guards recruited	1260	0	Lack of funds
	Women and youth tree nursery associations registered	No. of youth and women associations	8,348	163	Lack of funds
	People employed to plant and grow trees	No. of people employed	800	0	Lack of funds
	Charcoal associations registered	No. of charcoal associations registered	2000	0	Pending finalization and operationalization of the Charcoal regulations

Source: Kenya Forest Service & Kenya Forestry Research Institute. (2025). Reports, FY 2024/2025.

**Table 7.4: Forestry outcome implementation status for FY 2024/25**

MTP Outcome	IV Outcome Indicator	Baseline Value FY2023/2024	Annual Target FY2024/25	Actual Achievement FY2024/25	Remarks on performance
Improved sustainability of forest related Ecosystems	Tree cover	12.13	13.7	12.13	The survey to determine increase in tree and forest cover is yet to be carried out
	Forest cover	10	12	8.83	
	Area of land covered by invasive species managed	2840	2,000	2,000	2,000 hectares of land in ten Regional Forest Conservancies (RFCs) covered by invasive species reclaimed and managed to improve sustainability of forest related ecosystems
	Development of forest and allied natural resources technologies	40	40	21	Affected by delay in funds disbursement
Improved sustainability of environmental Ecosystems	Area of mountain ecosystems sustainably conserved and managed		940,576	0	Lack of budgetary allocation



	Area of land reclaimed		18,500	0	Lack of budgetary allocation
	Area of water towers rehabilitated/protected		150,000	0	Lack of budgetary allocation
	Proportion of degraded landscapes restored (2.6 Million Ha)		8	0	Lack of budgetary allocation
Improved Social Inclusion and sustainable livelihoods	Green jobs created		20,000	0	Lack of budgetary allocation

Sources: Kenya Forest Service & Kenya Forestry Research Institute Annual Progress Reports, FY 2024/2025.

**Improved sustainability of forest related Ecosystems:** The sub-sector reclaimed and managed 2,000 hectares of land in ten (10) Regional Forest Conservancies (RFCs) covered by invasive species to improve sustainability of forest related ecosystems. during the period under review, a total of 629 million tree seedlings of different species were produced. Additionally, 659 million trees were grown and reported through the *JazaMiti* App.

54,362.95 Ha of agroforestry was developed in ASALs in partnership with development partners. This included growing of fruit trees in institutions, schools and farms. Further, a total of 163 tree nursery associations (Women and youth owned) were registered.

#### 7.2.2. Policy, Legal and Institutional Reforms

- Finalized the National Strategy for the Management and Control of *Prosopis Juliflora* (2023-2032) and the Agro- forestry strategy (2025-2035).
- The Forest Conservation and Management (Amendment) Bill, 2025; Charcoal Regulations, 2025; and The Grading and Valuation of Timber and other Forest Products Regulations, 2025 were submitted to parliament for approval;
- Public Participation was conducted for the Sustainable Forest Management Regulations, 2025 and Gums and Resins Regulations, 2025;
- Private Forests Registration Regulations, 2025 is at the public participation stage;
- Concessions on Public Forests Regulations, 2025 undergoing Regulatory Impact Assessment and;
- The Draft National Water Towers Bill 2025 was developed; and
- Private Forests Registration Regulations, 2025 is pending gazettelement.

#### 7.2.3. Challenges, Lessons learnt and Recommendations

##### a) Implementation Challenges

- Financial Constraints:** Limited availability of financial resources slowed tree planting, groforestry, and other forestry initiatives.
- Inadequate personnel:** Inadequate personnel, especially in tree nurseries, affected seedling production and distribution.
- Climate Change Impacts:** Droughts, irregular rainfall, and other adverse weather patterns disrupted planting schedules and seedling growth.
- Logistical Issues:** Difficulty in accessing remote areas, especially in ASAL regions, elayed seed collection, distribution, and achievement of targets.



- v. **Regulatory Delays:** Delayed gazettement of the Charcoal Regulations created a backlog in CPA registration and hindered the green charcoal value chain.

#### b) Lessons Learnt

- i. **Timely Tree Growing Calendar:** Align planting with rainfall onset through better scheduling.
- ii. **Tree Growing & Reporting Campaigns:** Promote reporting in the Jaza Miti App by sensitizing the public and institutions.
- iii. **Resource Mobilization:** Develop a strategy to secure alternative funding beyond exchequer allocations.

#### c) Recommendations

- i. Strengthen resource mobilization mechanisms to ensure continuous funding and avoid project delays.
- ii. Increase staffing levels to enhance departmental capacity for effective project implementation.
- iii. Prioritize climate adaptation and mitigation measures, particularly in vulnerable regions.
- iv. Improve community engagement and participation frameworks to support sustainable forest management and resource mobilization in remote areas.
- v. Finalize regulatory processes promptly to enable CPAs registration and operationalize the sustainable charcoal value chain.

### 7.3. Tourism Sub sector

The Tourism sub-Sector is a critical in supporting the growth and stability of the Country economy through various multiplier effects across all sectors. The sub-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.

#### 7.3.1. Sub sector Performance

1. **Tourism Revenue Promotion:** Tourism earning increase from Kshs 384.35 billion in FY2023/2024 to Kshs. 452.2billion in the FY2024/2025 translating to 15% growth. The increase is attributed to sustainable tourism promotion and high international tourists' arrivals. The Domestic tourism bed nights has posted a 23.3% growth in bed nights from 4.83 million in FY2022 /24 to 5.17 million in FY2024/25. During the period under review, tourist arrivals increased to 2.4million compared to 2.129Million in FY 2023/24.
2. **Tourism and Wildlife Training and Research:** The Kenya Utalii College infrastructure upgrade is 34% complete, while Ronald Ngala Utalii College's Phase 1 is 83.09% completion level. Phase 2 is at the feasibility stage, with the Kisumu Hospitality and Tourism Training College also under feasibility study.

3. **Tourism Niche Experiences:** All seven) Sports Safari events, including the WRC Safari Rally and Magical Kenya Open Golf, were successfully held. Three forest tourism circuits; adventure, camping, and bird watching were developed. Beach operators received capacity building, though Sacco formation is pending, while the Kisumu Lakefront, Mombasa Aquarium Theme Park, and Mama Ngina Waterfront Phase II are still in early development.



*Winners of the World Rally Championship Safari Rally Kenya and masai warriors dancers at Naivasha, Hellsgate.*

Accommodation regulations are 50% complete, and eight desert and pastoral tourism circuits have been launched. Kenya Safari TV was operationalized during the review period, while the *Tembea Kenya Initiative* has boosted destination awareness. Key markets in the US, UK, Germany, UAE, and India have been reactivated, with marketing materials translated into six (6) languages.

4. **Wildlife (Safari) Products:** Two new tourism products launched: Mountain and Trail Running Series.
5. **Business and Conference Tourism:** A total of 393 local conferences and 10 international conferences were hosted, with the slight drop in local events attributed to unrest. The KICC refurbishment stands at 64.4% completion pending funding for final upgrades, while land acquisition for resort cities awaits agreements with county governments.
6. **Marketing and Promotion:** Brand awareness has reached 81% of the target, with priority markets not only met but exceeded, reflecting strong marketing performance. Efforts to diversify the African market are underway, supported by visa-free entry and targeted promotions. In addition, 15 marketing media contents were developed, surpassing the set target. Meanwhile, discussions are ongoing to establish tourism desks in foreign missions to strengthen global outreach.
7. **Culture and Heritage Tourism:** Bomas International Convention Centre construction is ongoing at 13.25% completion level through a PPP arrangement.

## 8. Resort Cities

## 9. Tourism Quality Assurance and Service Excellence

**Table 7.5: Tourism Sub sector outputs implementation for FY 2024/25**

Priority Project	Output	Indicator	Annual Target	Cumulative achievement FY 2024/25	Remarks
Tourism and Wildlife Training and Research	KUC upgraded and modernized	% completion	50	34	Infrastructure upgrading and refurbishment of: Dining hall and training demo restaurant,

Priority Project	Output	Indicator	Annual Target	Cumulative achievement FY 2024/25	Remarks
					individual training kitchen, Retiling of Kitchen floor, PWD boardrooms and steam bath in health club
	Ronald Ngala Utalii College phase 1 completed	% completion	95	83.09	The project has not been completed due to budget constraint.
	Ronald Ngala Utalii College phase 2 completed	% completion	20	0	Project under feasibility study
	Kisumu Hospitality and Tourism Training College established	% completion	40	0	The project is under feasibility study
Tourism Niche Experiences	Sports Safari events held	No. of Sports Safari events held	7	7	All the planned Sports Safari events were held, featuring two major events WRC- Safari Rally and Magical Kenya Open Golf.
	Forest tourism products developed (Adventure, Camping and Bird Watching)	No. of Circuits developed	1	3	3 circuits were developed as part of the product diversification initiative: The are adventure, camping, and bird watching, with promotional events held.
Inclusive Nature Tourism Beaches	Beach operators Sacco established	No. of Saccos	5	0	Capacity building of beach operators has been held to sensitize the Beach operators on the benefits of Sacco formation.
	Kisumu Lake Front Redesigned and developed	% completion	20	5	The designing and feasibility studies of the projects are currently underway.
	Mombasa Aquarium Theme Park developed	% completion	20	5	
	Mama Ngina Waterfront Phase 1 completed	% completion	30	5	
Wildlife (Safari) Products	New tourism products developed	No of new products developed	2	2	Launched the Mountain and Trail Running Series.
Business and Conference Tourism	Number of local conferences	Number of local conferences and events held	360	393	The negative variance is due to cancellation of several events occasioned by unrests.

Priority Project	Output	Indicator	Annual Target	Cumulative achievement FY 2024/25	Remarks
	International conferences	Number of international conferences	20	10	
	Delegates hosted	Number of international delegates	6600	2,250	
		Number of local delegates	210,900	196,021	
	KICC refurbished and modernized	% completion	100	64.4	Fountains installed. Awaiting funding to finalise the other phase for, Solar installations, expansion of conference halls, ICT infrastructure development and development of courtyards and drive ways.
Resort Cities	Land acquired	Hectares of land acquired	506	0	The discussions with County Governments initiated for acquisition of prime locations for Cities establishment.
Tourism Revenue promotion	Affordable and secure accommodation regulated	% completion	50	50	Accommodation regulations successfully achieved, enhancing standards and compliance across the hospitality sector.
	Desert and pastoral tourism circuits promoted and commercialized	No. of tourism circuits	8	2	All 8 circuits launched and promoted. Key activities supported include; Tobong'u lore in Turkana County
	Kenya Safari TV Channel operationalized	Operational TV	1	1	Discussions initiated with the KU TV
	Targeted consumer engagement programmes developed	No. of programmes	4	4	Developed targeted consumer engagement programmes to boost destination awareness and drive visitor interest in key source markets through Tembea Kenya Initiative.
	Key and emerging source markets reactivated	No. of new markets	2	2	Key and emerging source markets, including the United States, United Kingdom, Germany, United Arab Emirates, and India, were successfully reactivated through targeted marketing and stakeholder engagement initiatives

Priority Project	Output	Indicator	Annual Target	Cumulative achievement FY 2024/25	Remarks
	Marketing materials developed and translated in six foreign languages	No. of marketing materials translated into foreign languages	2	2	Marketing Materials have been translated to 6 Languages: English, German, French, Italian, Spanish and Chinese
Tourism Promotion and Marketing	Brand awareness created	Brand awareness Index	100%	81	Ongoing Branding and Marketing Initiatives
	Priority markets reached	No. of Priority markets reached	5	8	Priority market targets were successfully reached and surpassed, with strong performance recorded in key markets such as the United States, United Kingdom, and Germany
	African markets source Diversified	No. of Tourism from African region	60	12	Government has developed Incentives such as free visa entry and is undertaking promotion and marketing in all African Countries.
	Tourism desk established in foreign missions	No. of tourism desk established	5	0	Engagement for the establishment of the desks initiated with Ministry of Foreign Affairs
	Marketing and promotional media contents developed	No. of Marketing and promotional media contents developed	3	15	Target achieved This is attributed to the digital campaigns, destination documentaries, influencer collaborations, virtual tours, and branded content for key source markets
Tourism Quality Assurance and Service Excellence	Accommodation and Catering facilities classified	No. of accommodation and catering facilities star rated/ classified	500	0	Training of Assessors completed and the Classification exercise did not kick off due to Budget constraints
	Safety and hygiene accreditation standards for tourism enterprises developed	No. of standards developed	2	2	Two standards i.e. the Minimum standards for Self-serviced accommodation enterprises and Minimum standards for Tourist service vehicles were developed to completion.
	Tourism enterprises assessed and accredited	No. of Tourism Enterprises accredited	550	986	The Authority completed the last phase of accreditation by assessing facilities in

Priority Project	Output	Indicator	Annual Target	Cumulative achievement FY 2024/25	Remarks
					Machakos, Garissa, Samburu, Mombasa, Kwale, Lamu, Turkana and West Pokot Counties.
	Quality Assurance Audits	No. of audits undertaken	9,000	7,557	Quality Assurance audits are ongoing Countrywide.
Promotion of culture and heritage tourism	Construction of Bomas International Convention Centre (BICC)	% completion	10	13.25	The Construction works ongoing through the PPP arrangement.

Source: State Department for Tourism annual Progress Reports, FY 2024/2025

**Table 7.6: Tourism Sub sector Outcome Results for FY 2024/25**

MTP IV Outcome	Outcome Indicator	Baseline Values 2023/24	Outcome Target	Actual Achievement	Remarks on Achievement Variance
Increased tourism earnings	Tourism earnings (Billions)	384.35	397.6	452.2	The significance increase is due to high international tourists arrivals.
Increased domestic tourism	Bed-nights by Kenyans (No Millions)	4.813	7.13	5.2	Target achieved The Domestic tourism bed nights has posted a <b>23.3%</b> growth in bed nights, from 4.19 million in 2022 to 5.17 million in 2024. However, the data on Airbnb's was not captured
Increased tourist arrivals	Visitor arrivals (Millions)	2.129	2.2	2.4	The improvement is mainly attributed to strategic Interventions adopted during the year.
Increased job creation in the tourism sector	Jobs created	14,235	11,500	5,900	Employment in accommodation and food service activities recorded the highest growth as compared to all other sectors at a rate of 27.8 per cent in 2023 and 6.1 in 2024

Source: State Department for Tourism Reports, FY 2024/2025

Tourism earning increase from Kshs 384.35 billion in FY2023/2024 to Kshs. 452.2Billion in the FY2024/2025 translating to 15 percent growth. The increase is attributed to sustainable tourism promotion and high international tourists' arrivals.

The Domestic tourism bed nights has posted a 23.3% growth in bed nights, from 4.83 million in FY2022 /24 to 5.17 million in FY2024/25. During the period under review, tourist arrivals increased to 2.4million in compared to 2.129Million in FY 2023/24.

### 7.3.2. Policy, Legal and Institutional Reforms

- i. National Tourism Policy and the Tourism Act 2011 was reviewed and subjected to public participation and awaiting the validation before submission to the Cabinet for approval.
- ii. The National Tourism Strategy 2025-2030 has been prepared and is currently under stakeholder's engagements.
- iii. The Draft Tourism Regulatory Authority (Tourism Enterprises) Regulations, 2024 is undergoing public participation.
- iv. The Draft Regulatory Impact Assessment (RIA) Report is published for the members of the public and Stakeholders to review and provide their views before gazettelement of the regulations.

### 7.3.3. Challenges, Lessons Learnt and Recommendations

#### a) Implementation challenges

- i. **Political Unrest and Demonstrations:** The recent Gen Z protests and other political uprising in Kenya have significant adverse effects on local and international travelers causing panic and uncertainty. Tourism businesses have suffered cancellations, resulting in revenue losses, due to constant negative media coverage portraying the destination as unsafe.
- ii. **Challenges in the US Resulting in a Decrease in Airline frequencies from US:** Tourists and companies have reduced spending amid raising economic uncertainty, forcing carriers to cut their profit forecasts. With demand slowing, airlines have started culling/ reducing flights to protect margins.
- iii. **Inadequate stakeholder engagement programs:** - Tourism Sector is Multi sectoral and multi-dimensional. There is lack of clear engagement and coordination framework which often leads to duplication of efforts.
- iv. **Inadequate Funds:** - The implementation of tourism programmes and projects is primarily reliant on resources from the Tourism Promotion Fund and the Tourism Fund, following a significant reduction in direct exchequer allocations. However, these funding sources are insufficient to support the full range of prioritized initiatives. In the year funding for various agencies were withdrawn affecting delivery of the set targets.
- v. **Inadequate Infrastructure Support:** Poor road networks and other critical facilitating infrastructure to support tourism growth has been inadequate resulting to diminishing overall visitor experience, thereby affecting the tourist experience and overall destination competitiveness.
- vi. **Low enforcement of Quality Standards in the Sector:** -Enforcement of tourism quality standards remains low, which negatively affects customer satisfaction and the overall visitor experience.
- vii. **Huge pending bills:** KICC and Kenya Utalii College has a huge debt from various Government agencies/ organizations/bodies which has really affected the smooth operations of the institution.

#### b) Lessons Learnt

- i.



### c) Recommendations

- i. To address the impact of political unrest on tourism, Kenya should strengthen crisis communication to reassure travelers and counter negative media, enhance coordination with security agencies, and deploy tourist police in key areas. Diversifying tourism to rural regions, implementing a tourism risk management plan, promoting stakeholder dialogue, and launching a reputation recovery campaign will help restore confidence and ensure sector resilience.
- ii. Kenya should adopt a diversified source market strategy by targeting emerging markets such as India, the Middle East, China, and regional African countries.
- iii. Establish a National Tourism Stakeholder Engagement and Coordination Framework that clearly defines roles, responsibilities, and collaboration mechanisms among Government agencies, private sector players, County Governments, and community-based organizations
- iv. The tourism sector should adopt a blended financing approach that combines public funding with private sector investment, public-private partnerships (PPPs), and donor support while strengthening financial accountability and demonstrating return on investment that will attract sustainable funding from both domestic and international partners.
- v. Adopt a multi-sectoral approach to jointly plan, fund, and implement infrastructure projects in key tourism areas that would enhance tourist experience and ease access to the destination.
- vi. Prioritize classification and grading of tourism facilities
- vii. Establish a debt recovery and management framework to prevent future accumulation, and strengthen financial oversight and budgeting processes within the institutions to enhance sustainability and operational efficiency.

### 7.4. Wildlife Sub Sector

Wildlife is a critical natural resource that significantly contributes to the country's economic development, forming a strong foundation for the expansion of its thriving tourism sector.

#### 7.4.1. Sub Sector Performance

A total of 320 km of fence were constructed/rehabilitated/maintained against the target of 300 km.. This achievement was attributed by funding support from Tourism Promotion Fund (TPF) and collaboration with KURA and KERRA who supported the engineering works. Anti-poaching and illegal trade in wildlife prevention was enhanced through protection 25 endangered species.

86 satellite-linked collars were deployed to a four 4 species for monitoring (lions, elephants, giraffes and rhinos and two (2) drones were acquired to expand tracking collars for security, ecological monitoring and human wildlife conflict mitigation.

A total of Ksh 960 million was disbursed to settle human wildlife conflict claims and HWC compensation administrative scheme operationalized in six counties including Taita Taveta, Baringo, Laikipia, Meru, Kajiado and Isiolo.

**Table 7.7: Wildlife Subsector Output Results for FY 2024/25.**

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks on the variance
Wildlife conservation and management	Anti-poaching of illegal trade in wildlife enhanced	No. of threatened and endangered species protected	35	35	Target Achieved. KWS protects all threatened and endangered species in protected Areas (35 species)
	Area of wildlife habitats restored	Ha of habitats restored	375	556.03	Habitat restoration through tree growing. This was attributed by tree planting and removal of invasive species.
	Modern security Equipment technologies, mobile service equipment acquired	No. of new technologies/modern equipment and mobile vehicle acquired	0	2	94 assorted security equipment were acquired. 86 satellite-linked collars were deployed to a four 4 species for monitoring (lions, elephants, giraffes and rhinos). Additionally, two (2) drones were acquired
	GoK parks and reserves fences constructed / rehabilitated/maintained	Km of Fences constructed /rehabilitated/ maintained	300	320	<ul style="list-style-type: none"> <li>Construction of 320 Km of fences commenced across Laikipia, Makueni, Taita Taveta, Kericho, Nyeri, Kitui counties</li> <li>122km completed, 71km rehabilitated and 1927 Km maintained in GOK parks and reserves and in strategic corridors and dispersal areas in community areas.</li> </ul>
	Human wildlife conflict claims disbursed	% of verified Human wildlife compensation claims settled	100	100	KShs 960 million disbursed for settlement of HWC claims.
	Human-wildlife conflict insurance scheme operationalized	HWC Insurance Scheme (Human Wildlife Compensation administrative)	2	100	Target achieved. All the Six (6) target counties were covered.
Wildlife Revenue	Revenue management systems digitized in all parks	% of operationalization	15	100	100% of the revenue digitized under E-citizen platform
	Guest houses, Banda's and tented camps leased	No. of guest houses, <i>Bandas</i> and private camps leased.	5	0	9 Guest houses rehabilitated; Leasing of 15 has commenced

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks on the variance
Green and Blue Jobs initiatives	Women and youth tree nursery associations registered	No. of youth and women associations	8,348	0	Target not achieved due to lack of budgetary provision
	Additional wildlife rangers recruited	No. of rangers recruited	1,500	150	1,500 Rangers and cadets Recruited Training and deployment of 1,274 new rangers completed awaiting cadets training to address human resource challenges
	Contracts for community wildlife scouts renewed	No. of community scouts	1,100	0	This target was withdrawn by the Government.
	People employed to plant and grow trees	No. of people employed	800	0	Target was not achieved because of lack of budgetary provision.
Wildlife Training and Research	Wildlife Research and Training Institute infrastructure developed	% completion	84	30	Target not achieved due to inadequate budget. Construction of Malindi Field Research Centre is complete
	Wildlife Research Centers constructed and equipped	No. of wildlife research centers constructed and equipped	2	1	Construction of one (1) (Malindi field research Centre) progress at 100%. It is substantially complete. The variance is attributable to insufficient funds for Equipping the Research Centre
	National Integrated Wildlife Database developed	Operational wildlife database	1	1.00	Target achieved. More
Wildlife (Safari) Products	Signature parks revamped	No. of signature parks revamped	1	0	Target not achieved due to insufficient resources.
	Marine parks ecosystem and infrastructure rehabilitated	No. of marine parks rehabilitated	1	3	Target surpassed. Mangrove restoration, invasive species management, beach clean-up and coral monitoring in 3 marine parks undertaken
	Parks repositioned and	No. of parks repositioned and	2	0	Planned repositioning of adventure and

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks on the variance
	Themed	themed			wilderness parks in the pipeline

**Source of Data: Kenya Wildlife Service & Wildlife Research Training Institute Reports, FY 2024/2025.**

The Outcome Results for FY2024/25 are summarized in table 7.8 below.

**Table 7.8: Wildlife Subsector Outcome Results for the FY2024/25**

MTPIV Outcome	Outcome Indicator	Outcome Target (2023/24)	Actual Achievement	Remarks on Achievement Variance
Increased wildlife tourism	International visitors to national parks and reserves (No. in (000s)	488	818.6	Target achieved
	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 WRTIHQ 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 overachievement of the target.

**Source of Data: Kenya Wildlife Service & Wildlife Research Training Institute Reports, FY 2024/2025**

**Increased wildlife tourism:** A total of 550 km roads and 4 airstrips were maintained to improve access to parks, park clean-ups for marine parks.

**Reduced human wildlife conflict:** Review of Wildlife Conservation and Management Act (WCMA), 2013 conducted with all the required processes observed. A total of Kshs 960 million disbursed for settlement of Human Wildlife Conflicts claims.

**Increased Space for Wildlife:** Four (4) new Conservancies established (Savannah and Enkereyan in Kajiado, Sokoke in Kilifi, and Dukana/Buluk in Marsabit).

**Wildlife Revenue management systems digitized:** Park revenue management systems digitized in all parks

**Improved management of Wildlife data:** National Integrated Wildlife Database established and data Centre equipped at Wildlife Research Training Institute at Naivasha is at 25 percent completion level.

#### **7.4.2. Policy, Legal and Institutional Reforms**

- i. The draft Wildlife Conservation and Management bill, 2025 was submitted to parliament awaiting committee approval.

#### **7.4.3. Challenges, Lessons learnt and Recommendations**

##### **a) Implementation Challenges**

- i. Human-wildlife conflicts escalation attributed to climate change and changes in land use resulting in occupation of corridors and dispersal areas
- ii. Overreliance on conservation partners' goodwill and support for project implementation such as technology deployment, training and establishment of endangered species sanctuaries
- iii. Insufficient funding; Development of tourism products and infrastructure facilities marketing and capacity development is capital intensive.
- iv. Widespread bush meat and poaching threats.
- v. Inadequate investment in new experiential products and tourism infrastructure that will form new attractions to generate more revenue.
- vi. Government directives; Government directive on international travels has adversely affected marketing and promotion of the sector internationally. This has also affected the bidding of international events.
- vii. Increased litigation and compensation claim

##### **b) Lessons Learnt**

- i.

##### **c) Recommendations**

- i. Diversify tourism products and services
- ii. Enhance marketing strategies towards attracting more tourists both locally and internationally
- iii. To improve service delivery, the sector needs to mobilize more resources from development partners, the private sector and civil society in order to complement budgetary allocations by the government.
- iv. There is need to secure wildlife corridors and dispersal areas to address the loss of wildlife habitats and ecosystem functions.



- v. Regulation of land use through integrated planning that reduced transformation of wildlife habitats into human settlements
- vi. Enhance collaboration within the sector
- vii. Fast tracking handing over of projects undertaken by Kenya Defense Force – KICC
- viii. Exemption of key directives on promotion and marketing locally and internationally

## **7.5. 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). The mining industry contributes approximately 1% to Kenyans GDP, with potential for growth through increased investment and resource mapping. Among the 10 Priority Value Chains under the BETA Plan, the Mining sector is mandated to spearhead two key value chains namely; Minerals and Construction and Industrial Minerals.

### **7.5.1. Sub Sector Performance**

During the financial year a total of, Kshs. 3,812,061,429.15 was collected in mineral revenue royalties. Exploration of four strategic mineral deposits took place in Migori, Turkana, Samburu, West Pokot, Kitui, and Kajiado counties.



*Mineral exploration of Copper in Kitui County*

A total of 115 artisanal mining cooperatives were established. Further, there was a significant increase in gemstone production, reaching 11,894.23 carats, attributed to the continued operationalization of the gemstone value addition and processing centre in Voi. The infrastructural development of Kakamega Gold Refinery is at 80% completion rate, and the expected completion date is by the end of August 2025.



*Kakamega Gold Refinery at 80% Sub-structure completion rate*

**Table 7.9: Mining Subsector BETA Output Results for FY2024/2025**

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY2024/25	Remarks on the variance
Formalization of Artisanal Mining Operations	ASM SACCOs established	No. of SACCOs established	100	115	Target achieved. registration of ASM Cooperatives due to the ongoing implementation of mining reforms.
	ASM Cooperative Registered	No. of ASM Cooperatives	100	35	The achievement was on County ASM committees operationalized out of 47 counties.
Mineral Value Addition and processing	Mineral Value Addition Centres	No. of Mineral Value Addition Centres established	2	3	Three Mineral Value Addition Centres establishment is ongoing and are at various stages of development. including Flourspar Mining in Elgeyo Marakwet, Kakamega Gold refinery, and the Vihiga Granite cutting plant
Mineral resource Development and Commercialization	Strategic minerals explored and commercialized	Quantity of minerals	3	4	Four Strategic Mineral Deposit (Copper, Chromite, Coltan and Nickel) explored.
Online Transactional Mining Cadastre System	An online transactional mining cadastre system upgraded	An operational online transactional	4	4	Four modules of the Online Transactional Mining Cadastre System were upgraded



Priority Project	Output	Indicator	Annual Target FY2024/25	Cumulative Achievement FY2024/25	Remarks on the variance
		mining cadastre system			

Source: State Department for Mining Annual Progress Report FY 2024/2025

**Table 7.10: Mining Subsector Outcome Results for FY2024/2025**

MTP IV Outcome	Outcome Indicator	Outcome Target	Actual Achievement	Remarks on Achievement Variance
Increased production of minerals	Ground truthing of mineral occurrences (anomalies)	855	0	The activity has been put on hold and replaced with mineral exploration undertaken in counties.
	Quantity of Titanium (MT)	400,000	124,923.93	The target was not achieved due to reduced volumes arising out of declining output on account of declining grades.
	Quantity of Soda Ash (MT)	280,000	232,764.7	The underachievement was due to siltation of lake Magadi that has compromised the quality of product affecting prices in the international markets.
	Quantity of Gemstone (Carats)	1,300	11,894.2364	The over achievement was attributed to increased user uptake of the Gemstone Processing Centre in Voi
	Quantity of Base Metals (MT)	160,000	31,105.247	The prices of base metals were a bit unstable resulting to low production over the period.
	Quantity of Gold (Kg)	1000	329.1041	The under achievement was attributed to one of the mines (Kilimapesa Gold) which ceased operations during the year.
	Mineral Revenue Collected by Government (Royalties) Kshs. Billion	5,500,000,000	3,812,061,429.15	Gradual reduction in production of Kwale Base Titanium Company affected the revenue collection.

Source: State Department for Mining Annual Progress Report FY 2024/25

**Increased production of minerals:** A total of Ksh. 3,812,061,429.15 was collected from mineral revenue this was below the targeted Ksh 5.5B attributed to the gradual reduction in production of Kwale Base Titanium.

#### 7.5.2. Policy, Legal and Institutional Reforms

- Draft Mining and Minerals Policy Review Sessional Paper No.7 of 2016, Mineral Processing and Value Addition Policy was developed
- Mining Artisanal and Small-Scale Mining Strategy and Mining and Gender strategy have undergone through Public Participation.

- iii. The Mining (Mine Health & Safety) Regulations, 2023, and The Mining (Royalty Collection and Management) Regulations, 2023, have been developed awaiting public participation.
- iv. 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 are still at Parliamentary Committee stages.

### **7.5.3. Challenges, Lessons learnt and Recommendations**

#### **a) Implementation Challenges,**

- i. 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.
- ii. High Community/Stakeholders expectations coupled with divergent interests which affects projects implementation pace.

#### **b) Lessons Learnt**

#### **c) Recommendations**

- i. 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.
- ii. There is need for development and implementation of a strategic framework for stakeholders'/communities' engagements at all levels of programmes and project development;

### **7.6. Shipping and Maritime Affairs Sub sector**

The sub-sector aims to promote the shipping and maritime industry in Kenya. It has a huge potential which, if well harnessed, can transform the socio-economic development of the country. The sub-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.

### 7.6.1. Sub-sector Performance

Kenya Lake Victoria Maritime Communication and Transport project (KLVMCT) attained a completion rate of 17% where; Project Concept Note was developed and Prefeasibility study undertaken, while The Maritime Survival Training and Certification Centre project commenced with 5 % completion rate.



*Construction site for Kisumu Maritime Rescue Coordination Centre which is a component of Kenya Lake Victoria Maritime Communication and Transport project*

The development of the Draft Maritime Investment Policy was at 80% while the centralized maritime data system met its cumulative target of 10% . Under the Vijana Baharia Programme, which is geared towards creation of job opportunities in the Maritime Sector, the youth placement attained an achievement of 2,023 youth placed on international shipping lines.

During the period under review, two (2) Trade Facilitation and Maritime Investment workshops were undertaken in Nairobi and Mombasa Counties where a total of 123 stakeholders were sensitized. Additionally, progress was made toward the development of a National Maritime Spatial Plan, with overall completion estimated at 30 percent where Project Concept Note was prepared and approved by The National Treasury.

1. **Maritime safety and security-** The project entails: development and implementation of a unique water vessel identification; compliance with international instruments on safety and security; reduction in response time to search and rescue operations through establishment of search and rescue units; expansion of maritime communication network coverage; certification of small vessel operators; construction of maritime rescue and coordination centres and search and rescue centres in both ocean and inland waters; and local production of life jackets locally for boat operators and passengers. Target achieved with 11 Regulations developed and forwarded to the Office of Attorney General for pre-publication scrutiny.
2. **Maritime spatial planning:** A project Concept Note was prepared and approved by The National Treasury who advised the subsector to proceed to the next step of undertaking the prefeasibility study.
3. **Ocean governance and maritime management project:** The project will entail ensuring sustainable use of marine ecosystem for socio-economic fabric and developing research

papers through relevant stakeholders' consultation to inform policy interventions on ocean governance and marine management.

4. **Kenya National Shipping line capacity cargo carrying capacity:** Kenya National Shipping Line developed a Business Plan for Project *Mashariki* which is a regional feeder service.
5. **Shipping and maritime revenue:** The project seeks to focus on restructuring and revitalizing KNSL. Targets not achieved since the Service Level Framework Agreement with MSC is yet to be executed.
6. **Green and blue jobs initiatives:** The sector aims at creating jobs through: recruitment of 3,000 seafarers in international shipping lines; signing of MoUs with international shipping lines. Target achieved, however, 2,274 youths were enrolled in Standards of Training, Certification, and Watchkeeping (STCW) reskilling or revalidation programs.



*The image of the Survival training and certification Centre upon completion and the completed site offices*

7. **Vijana baharia programme:** A total of 4,012 youths were placed on the mandatory training. The decline in number of youths trained for mandatory courses can be attributed to the inability of our trainees to access HELB funding.

#### **8. Marine Pollution Project**

#### **9. Trade Facilitation Project**

#### **10. Maritime Investment Project**

#### **11. Shipping and Maritime Revenue**

#### **12. Maritime Education and Training Development**

### **Implementation Status of the Key Outputs and BETA Priorities during the FY2024/25**

**Table 7.11: Shipping and Maritime Sector BETA Output Results for FY2024/2025**

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks
Green and Blue Jobs Initiative	Youth reskilled on STCW courses and placed on international ships	No. of youths reskilled	600	2,274	<b>Target achieved.</b> Lack of government funding through HELB and reduction of fee for the STCW has negatively affected Bandari Maritime Academy capability to offer the course and other maritime related courses.
Marine Pollution Project	Regulations for implementation of the IMO's 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	2	7	<b>Target achieved.</b> Seven (7) regulations developed
Kenya National Shipping Line Cargo Capacity Programme	Vessels acquired	No. vessels acquired	4	-	<b>Targets not achieved.</b> To be undertaken in 2025/26
Trade Facilitation Project	Regulations for Maritime Transport operators developed	No. of regulations for Maritime Transport operators developed	1	1	<b>Target achieved.</b> Merchant Shipping (Maritime Transport Operators) Regulations gazetted in May 2024
	Charter for Mombasa Port and Northern Corridor Community reviewed	Level of reviewed Charter for Mombasa Port and Northern Corridor Community	100	0	<b>The target was not achieved</b> due to a lack of funds to undertake the review.
	Merchant Shipping and KMA Acts amended	Level of amended Merchant Shipping and KMA Acts	100%	95%	<b>Target not Achieved.</b> The draft Maritime Law (Amendment) Bill, was submitted to AG for clearance
	Maritime single window system established	Duration/ time of port entry/ exit	Less than 10 days	1	<b>Target achieved.</b> User acceptance tests and training was conducted in June 2025. Pr documents has so far reduced from 3 days to 1 day.
Maritime Investment Project	Maritime investment policy	Level of developed maritime	100 %	18.75%	<b>Target not achieved</b> The Drafting of the Maritime Investment

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks
	developed	investment policy			Policy and Incentive Regime was finalized during the FY 2023/2024 awaiting stakeholder engagements.
	Centralized Maritime information/ data system established	Level of maritime information data system established (%)	10	10	<b>Target achieved</b> The project is ongoing. Review of Deliverables by the Project Implementation Team will be finalized by end of Q1 of 2025/2026.
	Multiagency coordination framework developed	Level of developed multiagency coordination framework	100	100	<b>Target achieved.</b> The Frontier Counties Development Council (FCDC) Blue Economy Multi-Agency Action plan was finalized and launched
	Public sensitized on proper use of incoterms	No. of sensitization and awareness campaigns on proper use of incoterms	4	2	<b>Target not achieved</b> Two (2) Trade Facilitation and Maritime Investment workshops were undertaken in Nairobi and Mombasa Counties.
Shipping and Maritime Revenue	KNSL licensed as a recruitment agency	Licensed KNSL	1,500	0	<b>Targets not achieved</b> since the Service Level Framework Agreement with MSC is yet to be executed
	Life jackets for boat operators and passengers produced locally	No. of life jackets produced	100	0	<b>Target not achieved.</b> The production of the life jackets has not started due to inadequate funding.
	Unique water vessel identification developed for licensing	No. of water vessels licensed	6000	0	<b>Target not achieved</b> due to limitations in the current design of the identification plate, which resulted in difficulties in readability, durability, or alignment with updated regulatory/operational requirements.
Development of a National Maritime Spatial Plan	Maritime Spatial Plan Developed	% of completion	30%	10%	<b>Target achieved</b> A Project Concept Note was prepared and approved by The National Treasury.

Priority Project	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks
Maritime Education and Training Development	Survival centre constructed	% completion	25	5	Target not achieved due to budgetary constraints
Vijana Baharia Programme	Youths trained on mandatory courses	No. of youths trained on mandatory courses	5,000	4,012	Target not achieved This was attributed to low intakes in the program and delayed HELB releases.
	Recognition Agreements negotiated and signed	No. of agreements signed	4	0	<b>Target not achieved.</b> This is due to lack of funding for the KNSL to charter vessels to undertake shipping.
	Youth placed/ recruited	No. of youths working in international shipping companies	3,000	2,023	<b>Target not achieved</b> This is due to lack of funding for the KNSL to charter vessels to undertake shipping.
Maritime Safety and Security Project	International instruments on safety and security complied	No. of regulations aligned with international instruments	12	12	<b>Target achieved.</b> 11 Regulations developed and forwarded to the Office of Attorney General for pre-publication scrutiny.
		No. of Port State Control inspections done	2,000	240	<b>Target not achieved</b> All the eligible Ships that docked the Port were inspected
		No. of International Ship and Port Facilities Security Code (ISPS) audits undertaken	3	4	<b>Target achieved.</b> Two audits carried out namely: Southern Engineering Co. Ltd and Mbaraki Wharf
	Response time in search and rescue operations reduced	Time taken to respond in search and rescue operations	-	-	<b>Target not achieved</b> The response time will be improved once the implementation of the Kenya Lake Victoria Maritime Communication and Transport Project is completed
	Maritime communication network coverage expanded	Area covered in expanded maritime communication network coverage	60	40	<b>Target not achieved.</b> The Coverage will improve once the implementation of the Kenya Lake Victoria Maritime Communication and Transport Project is completed
	Small vessel operators trained and certified	No. of operators certified	100	54	<b>Target not achieved.</b> During the FY 2024/25 KMA was not able to certify all the boat



Priority Project	Output	Indicator	Annual Target FY2024/25	Cumm. Achievement FY2024/25	Remarks
					operators' due inadequate personnel
		No. of compliant vessels	2,500	840	<b>Target not achieved.</b> Due to inadequate personnel that affected the activity.
		No. of boats inspected	2,500	1,545	<b>Target not achieved.</b>  The compliance level analysis could not be undertaken, as the census exercise is still in progress and has not yet been concluded.

Source: State Department for Shipping and Maritime Affairs, Bandari Maritime Academy, Kenya National Shipping line and Kenya Maritime Authority Reports FY 2024/2025

### Outcome Implementation Status

**Table 7.12: Shipping and Maritime Sector BETA Outcome Results for FY2024/2025**

MTP IV Outcome	MTP IV Outcome Indicator	MTP IV Outcome Target	Actual Achievement	Remarks on Achievement Variance
Increased capacity building and job creation in the Blue economy	Seafarers placed on- board foreign ship	2,000	2,023	<b>Target Achieved</b>
	Youth reskilled on STCW courses and placed on international ships)	4,500	2,031	<b>Target not achieved</b> This was due to low application for revalidation of STCW courses
Increased Cargo Capacity	Shipping vessels chartered	4	0	<b>Target not achieved</b> This was caused by non-implementation of the restructuring of KNSL, due to a litigation case between KNSL and MSC and lack of budget allocation.
Established Effective trade collaboration Framework	Regulations for Maritime Transport operators developed	1	1	<b>Target achieved.</b> Merchant Shipping (Maritime Transport Operators) Regulations gazetted in May 2024
	Level of reviewed Charter for Mombasa Port and Northern Corridor Community	100	0	<b>Target not achieved.</b> The target was not achieved due to a lack of funds to undertake the review.
Maritime investment policy developed	Level of developed maritime investment	100 %	80%	The Drafting of the Maritime Investment Policy and Incentive Regime was finalized

MTP IV Outcome	MTP IV Outcome Indicator	MTP IV Outcome Target	Actual Achievement	Remarks on Achievement Variance
	policy			awaiting stakeholder engagements/public participation.
	Level of maritime information data system established	100%	10%	<b>Target Achieved.</b> The project is ongoing. Review of Deliverables by the Project Implementation Team will be finalized by end of Q1 of 2025/2026.
	Level of developed multiagency coordination framework	100%	100%	<b>Target Achieved.</b> The Frontier Counties Development Council (FCDC) Blue Economy Multi-Agency Action plan was finalized and launched on 26 <sup>th</sup> June 2025.
Increased Shipping and Maritime Revenue	Number of seafarers recruited	2000	2,023	<b>Targets achieved</b>
	Life jackets for boat operators and passengers produced locally	10,000	0	<b>Target not achieved</b> Funds were not allocated for this activity
	Enhanced compliance	6,000	1545	<b>Target not achieved</b> The compliance level analysis could not be undertaken, as the census exercise is still in progress and has not yet been concluded.
Maritime education and training developed	Survival centre constructed	25%	5%	<b>Target was not achieved.</b> Target not achieved The project received zero allocation in the Supplementary I Budget of the Financial Year 2024/2025.

Source: State Department for Shipping and Maritime Affairs reports FY 2024/25

#### 7.6.2. Policy, Legal and Institutional Reforms

- i. The development of the National Maritime Transport Policy and Maritime Education and Training Policy was finalized and Cabinet Memos developed and forwarded to Cabinet for approval
- ii. The following Seven regulations were developed and finalized: -
  - a) Merchant Shipping (Prevention of Pollution by Oil from Ships) Regulations, 2025;
  - b) Merchant Shipping (Control of Pollution by Noxious Liquid Substances) Regulations, 2025;

- c) Merchant Shipping (Prevention of Pollution by Harmful Substances Carried by Sea in Packaged Form in Bulk) Regulations, 2025;
- d) Merchant Shipping (Prevention by Pollution by Sewage) Regulations, 2025;
- e) Merchant Shipping (Prevention of Pollution by Garbage) Regulations, 2025;
- f) Merchant Shipping (Prevention of Air Pollution by Ships) Regulations, 2025; and
- g) Merchant Shipping (Waste Reception Facilities) Regulations, 2025.
- iii. The draft Maritime Law (Amendment) Bill, which comprises Merchant Shipping Act, Cap 389 and Kenya Maritime Authority Act, Cap 370 awaiting submission to the Parliamentary Committee for consideration
- iv. The Merchant Shipping (Maritime Transport Operators) Regulations, were completed and subsequently gazetted in May 2024.

### 7.6.3. Challenges, Lessons Learnt and Recommendation

#### a) Implementation Challenges

- i. **Limited Public Awareness and Sub-Sector Visibility:** Low awareness and limited understanding among the public and stakeholders regarding the maritime industry's economic potential, available opportunities, and operational dynamics.
- ii. **Human Resource and Technical Capacity Constraints:** The Sub sector faces an acute shortage of qualified technical personnel and experts for oversight, compliance, training, and specialized maritime services.
- iii. **Inadequate Budgetary Support:** Inadequate funding is a major impediment in the implementation of critical programmes and projects.
- iv. **Insufficient Training Facilities and Equipment:** There remains a substantial gap in the availability of modern training infrastructure, qualified trainers, and certified equipment to deliver internationally compliant maritime education and training in accordance with the STCW Convention.
- v. **Gaps in Maritime Curriculum Development:** The absence of ready and approved curricula for several emerging and mandatory maritime courses continues to delay the rollout of much-needed training programmes for seafarers and maritime professionals.
- vi. **High Cost of Maritime Training:** The high cost of undertaking maritime courses, combined with limited financial support from government schemes or bursaries, restricts access to training opportunities, particularly for youth from underserved regions.
- vii. **Limited International Partnerships for Sea-Time Placement:** The placement of cadets for mandatory sea-time remains a major challenge due to a limited number of MoUs with flag states, slow progress in the development of Seafarer Identification Documents (SID), and low uptake of Kenyan cadets by international shipping companies.

#### b) Lessons Learnt

- i.

#### c) Recommendations

- i. **Awareness creation:** Promote shipping and maritime industry through sensitization within and outside Government, so as to increase awareness on latent potentials in the maritime industry.
- ii. **Recruitment of Staff:** The sector is currently experiencing a shortage of technical staff, largely due to retirements and attrition, which hampers its ability to effectively fulfill its mandate.
- iii. **Enhance Budgetary Support for the Maritime Sector:** Timely and adequate financial allocation is essential for completing key maritime infrastructure projects like the Maritime Survival Training and Certification Centre.
- iv. **Strengthen the Policy, Legal and Regulatory Framework:** Finalization of the National Maritime Transport Policy, Maritime Education and Training Policy and Maritime Investment Policy and Incentive Regime will go a long way supporting the Maritime Sector.
- v. **Invest in Training Infrastructure and Equipment:** Allocate sufficient resources for procuring essential training equipment such as Engine Room Simulators, Navigation and Communication tools (ARPA, ECDIS, RADAR, GMDSS), workshop machinery, and port handling equipment like reach stackers.
- vi. **Development of curriculum:** Development of adequate curriculum to provide training for both seagoing and shore-based personnel. This will ensure seafarers are trained locally and they save foreign exchange since they pay for being trained by foreign country
- vii. **Restructuring KNSL:** Fast-track and expedite restructuring of KNSL as the national sea carrier.

## 7.7. 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.

### 7.7.1. Sub-sector Performance

1. **Blue economy investment and development:** Through Aquaculture Business Development Program(ABDP) 1,635 households comprising of smallholder aquaculture farmers in five (5) riparian Counties were supported with 109 cages, 12,429 geomembrane pond liners and 5,659 predator control kits; 57 community dams were stocked with 1.2 million fingerlings; Smallholder aquaculture farmers in 9 counties supported with 6.8 million fingerlings valued at Kshs 100.6 million; 92 fish harvesting nets and 15 digital weighing balances distributed to farmers; 593 youth champions trained on Start Improve Your Business (SIYB) model; 55,240 bags of fish feeds valued at Ksh 207.56 million, procured and distributed to farmers; 6,200 portable weighing scales procured and distributed to farmers across the 15 beneficiary counties; disbursed funds to 285 Aquaculture Farmer Field Schools groups for practical training towards promoting innovation and strengthening group enterprise; 27 hatcheries supported in the multiplication of F9 tilapia broodstock; and 10 fresh fish markets constructed in 10 counties at a cost of approximately Kshs 70 million.

2. **Fisheries resources development and utilization:** The project aims to reduce fish post-harvest losses, enhance fish market access and increase income for the fisher folk. The sector developed fisheries infrastructure in both marine and inland regions. Ongoing construction of National Mariculture Resource and Training Centre (NAMARET) at Shimoni, Kwale County, at a cost of Kshs. 1.4 billion, 37.8% complete; construction of the NAMARET Hatchery in Kwale County at a cost of Kshs. 378.19 million, 31.43% complete. The procurement process for the construction of nine (9) fish landing sites in five riparian counties of Lake Victoria was initiated, with development of drawings and architectural designs in readiness for construction.

### 3. Fisheries Management and Conservation

**Table 7.13: Blue Economy& BETA Output Annual Progress Results for FY 2024/25**

Priority/ Project	Output	Indicator	Annual Targets FY2024/25	Actual Achievements FY 2024/25	Remarks
Fisheries Management and Conservation	Specific fisheries management plans for marine and inland fisheries developed	No. of plans	2	4	Target achieved Lake Victoria Spatial Plan was developed; Small Purse Seine fishery, Lobster fishery and Marine Aquarium specific management plans gazetted; -Prawn Draft Management Plan undergoing stakeholder Consultations and public participation.
	Fisheries critical habitats identified, mapped and gazette	No. of Fisheries critical habitats	10	10	Target achieved 10 critical habitats identified, mapped and gazetted in Lake Turkana
	Created awareness on Eat more fish campaign	Level of awareness created (No. of campaigns)	10	6	Target affected by budget cuts
Blue Economy Investment and Development	Developed ultra-modern tuna fish hub at Liwatoni	Level of development ultra modern tuna fish hub at Liwatoni	100	12.5	Target not achieved Contract for fresh and frozen fish processing plant was signed and awarded.
	Developed Lamu Fish Processing Plant	% level of iompletion	100	0	Target not achieved. Delayed issuance of title deed affected implementation of the target
	Kabonyo Fisheries and Aquaculture Service and Training Centre of Excellence (KFASTCE) developed	% level of completion	35	30.8	Target not achieved Key construction milestones were successfully completed, including the setting up of the building structure, road construction and fencing, as well as the installation of formwork and casting of columns.

	Kenya Marine Fisheries and Socio-Economic Development (KEMFSED) implemented	% completion	100	75	Grants amounting to Kshs. 1.9 billion were issued to support 641 Common Interest Groups (CIGs) and Community-Based Organizations (CBOs), funding initiatives such as fishing boats, fishing gear, coral reef restoration, and mariculture development.
	Rural households engaged in aquaculture farming and provided with fish production materials	No. of rural house-holds;	5,000	10,780	Target surpassed due to provision of support funds by IFAD through Aquaculture Business Development Programme
		No. of farmers/ beneficiaries	5,000	10,780	<i>The Advancing Resilient and Nutrition-Sensitive Smallholder Aquaculture (ARNSA)</i> initiative, complementing the ABDP projected target. The ARNSA Project implemented in Vihiga, Nyeri & Migori counties increased the households supported substantially.
Fisheries Resources Development and Utilization	Developed and rehabilitated inland fish landing sites	No. of fish landing sites	14	0	Architectural designs for <b>nine fish (9) landing sites</b> have been completed in preparation for construction across four counties. The landing sites include: Mainuga, Wakula, and Nyadhiwa in Homabay; Asat and Ogal in Kisumu; Wichlum and Asembo Bay in siaya; and Bumbe in Busisa County.
	Developed maritime spatial Plan	% of completion	30	30	Target achieved
	Seaweed drying sheds and storage constructed	No. of drying sheds and storage facilities	-	-	-
	Marine fisheries infra structure developed/ rehabilitated	No. of marine fisheries infrastructure	6	0	Target not achieved  Construction of <b>five (5) fish landing sites</b> is currently in progress across various coastal locations.
	Deep-sea industrial fishing developed	No. of acquired/ reflagged national fishing and mer chant	40	13	Not achieved  The target is dependent on flagging applications/requests

		vessels / boats			
	Marine Stock Assessment Surveys conducted	No. Assessment Surveys	1	1	The survey was undertaken in January 2025
	Youth capacity built on fisheries and aquaculture skills	No. of youth	1,000	1,313	Target achieved -144 Aquaculture Support Enterprise groups of 5 members each, received grants to establish and operationalize off-farm support enterprises along aquaculture value chain
	Support Common Interest Groups (CIG) members	No. of CIGs supported	1,720	641	Grants amounting to Kshs. 1.9 billion were issued to support 641 Common Interest Groups (CIGs) and Community-Based Organizations (CBOs), funding initiatives such as fishing boats, fishing gear, coral reef restoration, and mariculture development.

Source: State Department of Blue Economy Annual Progress Reports for FY 2024/2025

**Table 7.14: Blue Economy Outcome Results Matrix for FY 2024/25**

MTP IV Outcome	MTP IV Outcome Indicator	MTP IV Outcome Targets	Actual Achievements FY 2024/25	Remarks
Increased contribution of fishing and aquaculture to GDP	Share of fishing and aquaculture contribution to GDP (%)	0.7	0.7	Target achieved
Increased exports of Fish and fish products	Value of fish and fish products exported (Kshs Billions)	4.8	5.9	Target surpassed
Increased fish production	Quantity of fish landed (MT)	168,920	168,424	Target not achieved.
	Value of fish landed (Kshs Billions)	36.5	39.6	The shortfall resulted from overfishing in the inland capture fisheries
Increased fish consumption	Per Capita Fish consumption (Kg/person year)	5.0	3.3	Non-achievement was due to reduced “eat fish campaigns” due to budget cuts
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	0	Target not achieved due to budget cuts
--	-------------------------------	-------	---	--

*Source: State Department of Blue Economy annual Progress Reports for FY 2024/2025, Economic Survey 2025, Kenya Fisheries Service (KeFs) Statistical Bulletin 2024*



*The CS Hon. Hassan Ali Joho Commissioning National Marine Hatchery in Shimoni Kwale County on 23rd July 2025. Accompanied by Kwale County Governor H.E Achani and Ms. Betsy Njagi, Principal Secretary State Department for Blue Economy & Fisheries*

During the period under review, the total fish production was 168,424 Metric Tonnes (MT) worth 39.6 billion Kenya shillings. This was a 4.4% increase in production compared to 161,307 MT worth 35.9 billion Kenya shillings landed in 2023. Inland capture fisheries contributed 52% pe of Kenya's total fish production, with the principal catches coming from Lake Victoria.



*Cabinet Secretary Hon. Hassan Ali Joho breaking the ground for construction of Mokowe Fish Landing Site in Lamu County on 5<sup>th</sup> March 2025, accompanied by Ms. Betsy Njagi, Principal Secretary State Department for Blue Economy & Fisheries*



*His Excellency the President, Dr. William Ruto Launching Lake Victoria Spatial Plan at Homa Bay County on 30<sup>th</sup> May 2025. Accompanied by Right Honorable Raila Odinga, Hon. Hassan Ali Joho Cabinet Secretary Ministry of Mining, Blue Economy & Maritime Affairs and Ms. Betsy Njagi Principal Secretary State Department for Blue Economy & Fisheries*

#### **7.7.2. Policy, Legal and Institutional Reforms**

- i. Aquaculture Policy awaiting national validation, 2025 was developed;
- ii. Draft National Plan of Action for Sharks, 2025 was initiated;
- iii. National Blue Economy Strategy is in finalization stages; and
- iv. Lake Victoria Spatial Plan developed and launched in May 2025
- v. The following regulations were developed and gazetted in the period under review;
  - a) Fisheries Management & Development (Marine Fisheries) Regulations 2025;
  - b) Fisheries Management & Development (Inland Fisheries) Regulations 2025;
  - c) Fisheries Management & Development (Recreational Fisheries) Regulations 2025;
  - d) Fisheries Management & Development (General) Regulations 2025;
  - e) Fisheries Management & Development (Fish Safety and Quality Assurance) Regulations 2025;
  - f) Fisheries Management & Development (Beach Management Units) Regulations 2025;
  - g) Fisheries Management & Development (Aquaculture) Regulations 2025; and
  - h) Fisheries Management & Development (Fish Levy Trust Fund) Order 2025

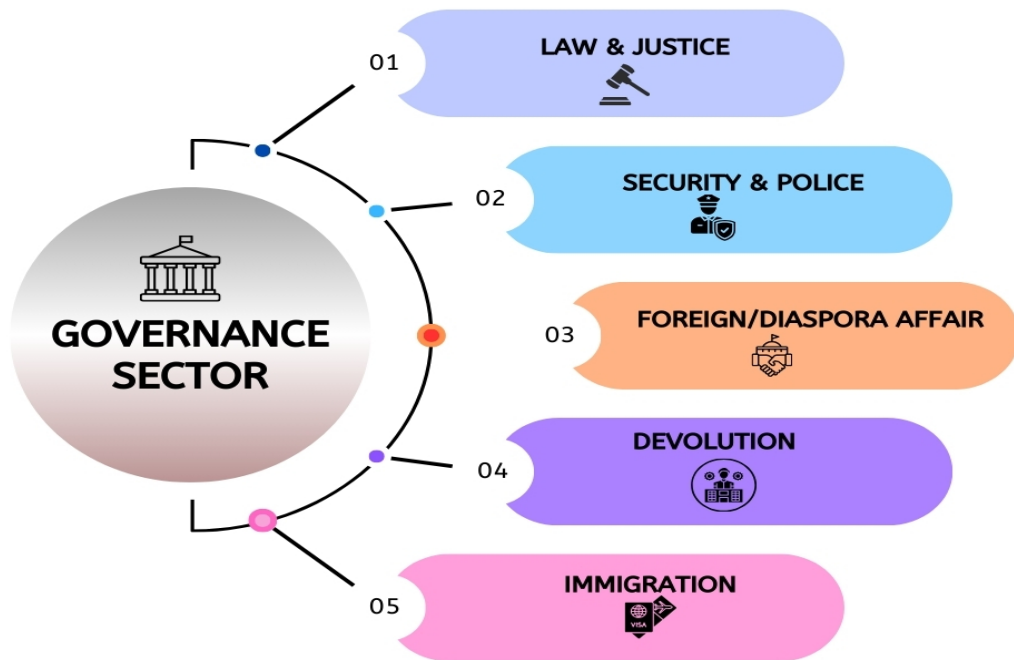
#### **7.7.3. Challenges, Lessons Learnt and Recommendations**

##### **a) Implementation Challenges**

- i. Inadequate funding, unexpected budget cuts and delays in exchequer releases negatively affected implementation of planned programmes and projects; and
- ii. Weak linkages and conflicting interests between national and county Governments in management and conservation of fisheries resources.

##### **b) Recommendations**

- i. Timely release of funds by the National Treasury
- ii.



DRAFT



## CHAPTER EIGHT

### GOVERNANCE AND PUBLIC ADMINISTRATION SECTOR

#### 8.0 Overview

The sector comprises functions from Cabinet Affairs, Immigration and Citizen Services, Correctional Services, Internal Security and National Administration, Devolution, Diaspora Affairs, East African Community Affairs, Parliamentary Affairs, and their state agencies. Other functions are drawn from State Law Office, Office of the Attorney General and Department of Justice, Foreign Affairs, Executive Office of the President, and Office of the Deputy President

#### 8.1 Cabinet Affairs Sub-Sector

The sub-sector is responsible for Coordinating and Facilitate Cabinet Committees Meetings; Oversee and coordinate the Implementation of Cabinet Decisions and Presidential Directives across all Ministries and State Departments; Liaison with Constitutional Commissions and Independent Offices in matters that require intervention by the National Government including budgets, policy formulation and implementation of their recommendations; and Oversee and coordinate Public Sector Reforms.

##### 8.1.1. Sub-sector performance

1. **Cabinet Decision Implementation Coordination:** Led the development of the Second Annual Progress Report on Implementation of Cabinet Decisions by conceptualizing the Government Delivery Management Information System (GDMIS) as a centralized monitoring tool, coordinating and supporting MDAs in policy implementation, establishing a reporting framework, enhancing MDAs' capacity through sensitization, developing a collaboration framework, and producing research reports, agenda summaries, and analytical briefs for Cabinet Committees.
2. **Public Sector Reforms Coordination:** Mapping of the existing public sector reform policies, frameworks, and programmes was done.

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

**Table 8.1: Cabinet Affairs Subsector Output Results FY 2024/2025**

Priority Project	Output	Indicator	Annual Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
Cabinet Decisions Implementation Coordination	Guidelines on Cabinet Decisions and the Presidential Directives Implementation Reviewed	Implementation Guidelines reviewed	1	0	Target not achieved.
	Collaboration Framework on Directives Developed	Collaboration Framework developed and implemented	1	1	Target Achieved
	Research reports, Cabinet Committee Agenda Summaries and	% Cabinet Committee Agenda with	100	100	Target Achieved

Priority Project	Output	Indicator	Annual Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
	analytical Briefs prepared	summaries, research reports and analytical Briefs			
	MDAs in the policy development process and implementation of Cabinet Decisions and Presidential Directives Coordination and technically back-stopped	No. of MDAs sensitized, capacity built and coordinated	53	0	Target not achieved.
	Guidelines on Cab Memo development Reviewed	Guidelines	1	1	Target Achieved
	Second Annual Progress Report on Implementation of Cabinet Decisions Prepared	Draft APRICD Report	1	1	Target Achieved
Public Sector Reforms Coordination	mapping of existing public sector reform policies, frameworks and programmes undertaken	Mapping report	1	1	Target Achieved

Source: State Department for Cabinet Affairs reports, FY 2024/25

### 8.1.2. Policy, Legal and Institutional Reforms

The subsector did not have any policy, institutional and legal reforms during the reporting period.

### 8.1.3. Challenges, Lessons Learnt & Recommendations

#### a) Implementation Challenges

- i. Inadequate working space, tools, and equipment affected the undertaking of critical activities
- ii. Inadequate technical staff stagnated the delivery of core functions
- iii. Delay in submission of implementation statuses by relevant agencies led to the late finalization of the report
- iv. Budget cuts impacted on implementation of planned activities

#### b) Lessons Learnt

- i. Multisectoral formations enable Whole of Government Approach
- ii. Quality Cabinet Memoranda enhance collective responsibility and further improve implementation of Cabinet Decisions

#### c) Recommendations

- i. The SDCA should continue embracing the Whole of Government Approach to enable fast tracking on the implementation of planned programmes and projects.
- ii. The SDCA needs to continue supporting the digitization of services as it improves service delivery.

- iii. The SDCA should promote strong collaboration and partnerships with stakeholders to bring about effectiveness and efficiency in service delivery.

## 8.2 Immigration and Citizen Service Sub-sector

The sub-sector is crucial in ensuring Registration of Births, Deaths and Persons; Co-ordination of the Management of the National primary data registers for Citizens and foreign nationals; Oversight of the Integrated Population Registration Systems (IPRS); and implementation of Citizenship, Immigration, Refugees' and Asylum seekers' Policies.

### 8.2.1. Sub-sector performance

1. **Passport Services Modernization:** The sub-sector enhanced passport production capacity through the acquisition of two (2) high-capacity passport personalization machines during FY 2023/24, significantly improving processing efficiency and turnaround times.



*The former CS for Interior, Prof. Kithure Kindiki, during the inspection of the new Passport Machine.*

2. **Third Generation Digital National ID Production:** The sub-sector successfully produced and issued 2,176,309 third-generation digital national IDs during FY 2024/25, bringing the cumulative total to over four million citizens with modern digital identification documents.





*Maisha Card 3rd Generation registration ongoing*

3. **Unique Personal Identifier (Maisha Number) Implementation:** During FY 2024/25, the SDI&CS successfully rolled out the Maisha Number system, issuing 90,038 unique personal identifiers to establish a comprehensive national identification framework.



*Unique personal Identifier, Maisha Number #jitambulisho*

4. **National Population Register Modernization:** The SDI&CS expanded the Maisha Integrated Database connectivity by linking 48 additional government agencies during the reporting period, bringing the total number of connected agencies to over 400. This integration strengthens inter-agency data sharing and service delivery coordination.
5. **Integrated Border Management System Development:** The sub-sector has made significant progress in modernizing border management through multiple initiatives:
  - Electronic Travel Authorization (eTA): Successfully implemented and operational
  - API/PNR System: Currently in development phase
  - E-gates Technology: Site survey stage completed

- Facial Recognition System (FRS): Procurement process underway
6. **Refugee Management System:** During FY 2024/25, the sub-sector published and launched the new refugee management framework, with operationalization currently in progress to improve service delivery for refugee populations.
  7. **Government services onboarded on e-citizen Platform:** The sub-sector successfully onboarded 3,458 additional government services to the e-citizen platform during FY 2024/25, bringing the total number of digitally accessible government services to over 21,609, significantly enhancing citizen access to public services.

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

**Table 8.2: Immigration Subsector Output Results FY2024/2025**

Priority Project	Output	Indicator	Annual Target 2024/25	Actual Achievement 2024/25	Remarks on Achievement Variance
Modernization of passport services	High-capacity printers acquired	No of printers acquired	1	0	Target not achieved.
Production and issuance of Digital National ID (Maisha card and digital card)	3rd Generation ID produced and issued	No. Digital National ID issued (Maisha card and digital card)	5,500,000	2,176,309	Target not achieved. Full phase-out has not taken place.
Unique Personal Identifier (Maisha Number)	Maisha Number /UPI Issued at birth	No. of UPI Issued(millions)	1.6	0.09038	Target not achieved.
Modernization of integrated population Registration System (IPRS)	Business continuity plan prepared and implemented	Business continuity plan	1	1	Target achieved as the contract was awarded
	Data backup offsite created	% completion	100	100	Target achieved. Hardware and software installed
	All MDACs and private entities linked to IPRS	No. of MDACs and private entities linked to IPRS	100	48	Target not achieved
Integrated Border Management System (IBMS)	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	0	Target not achieved. API/PNR at the development stage, E-gates at the site survey stage, and FRS at the procurement stage

Priority Project	Output	Indicator	Annual Target 2024/25	Actual Achievement 2024/25	Remarks on Achievement Variance
	Joint Operation Centers (JOCs) at Ports of Entry & Exit (PoEs) rolled out	No. of JOCs rolled out	18	35	Target Achieved All borders have gazetted border points that have operational JOCs and BMCs
Development of Refugee Master Plan	To enhance peaceful co-existence among host communities	Refugee Master Plan Developed	0	1	Target achieved. The target was for FY 2023/24 and was carried forward to FY 2024/25; therefore, the Shirika Plan was developed and published.
		No. of Refugee settlements	2	1	Target not achieved, Implementation underway
Onboarding of all Government services	All Government services on-boarded to the e-citizen portal	No. of Government services onboarded on the e-Citizen platform	5,000	3,458	Target not achieved. 3,458 government services onboarded on the e-citizen platform, adding to a total of 21,609 government services onboarded on the e-Citizen platform cumulatively since the project began.
Digitization of Immigration and Citizen Services Records	Immigration services digitized	No of records of digitized (millions)	1	0	Target not achieved. The Digitization process is ongoing currently, and the select committee is at the tendering stage for immigration.
	National Registration digitized	No of records of digitized (millions)	10	4.05	Target not achieved.
	Civil Registration Services digitized	No of records of digitized (millions)	2	1.80	Target not achieved.
Passport Control Centers	Passport control centers established	No. of passport control centers established	3	1	Target not achieved. Garissa Immigration office was established.

*Source: State Department for Immigration and Citizen Services Reports FY2024/25*

### **8.2.2. Policy, Legal and Institutional Reforms**

#### *Policy reforms*

- i. Finalization of the Immigration Policy. The draft is currently being finalized before presentation to the cabinet secretary for transmission to the cabinet for approval.
- ii. Refugee Management Policy is at the inception stage
- iii. Civil Registration Policy is at the initiation stage.
- iv. Population Data Management Policy is at the stakeholder participation stage, and consultations are ongoing.

#### *Legal reforms*

- v. Refugee Regulations completed and approved by parliament.
- vi. Review of Cap 107 (National Registration) and Cap 149 (Civil Registration) is at the inception stage

#### *Institutional reforms*

- vii. Establishment of the e-Citizen Directorate is still ongoing.
- viii. Kenya Citizenship and Immigration Services Appeals is at the inception stage.

### **8.2.3. Challenges, Lessons Learnt & Recommendations**

#### **a) Implementation Challenges**

- i. Some BETA projects experienced delayed due to court cases, requiring additional legal resources.
- ii. Inadequate budgetary allocation limited the scale and effectiveness of initiatives.
- iii. Late release of exchequer funds from the National Treasury led to cash flow issues and service disruptions.
- iv. Insufficient personnel across departments hindered service delivery and implementation capacity.
- v. Limited office space and facilities affected operational efficiency and accessibility.
- vi. Poor internet access in field offices, especially in remote areas, slowed digital service delivery.
- vii. Reliance on semi-manual processes and record-keeping created service bottlenecks and delayed processing.

#### **b) Lessons Learnt**

- i. Early and sustained involvement of stakeholders is essential for project ownership and sustainability.
- ii. Leveraging technology enhances accessibility and efficiency in service delivery.
- iii. Finalizing ongoing projects yields greater impact than initiating new ones prematurely.

### c) Recommendations

- i. Maximize utilization of Appropriation-in-Aid to enhance financial efficiency.
- ii. Timely Fund Disbursement: Advocate for early and predictable release of exchequer funds.
- iii. Secure adequate funding from the National Treasury to support operations and expansion.
- iv. Fast-track implementation of the Unique Personal Identifier (UPI) system by the Civil Registration Services Directorate.
- v. Prioritize comprehensive digitization across Civil Registration, Immigration, and National Registration Bureau.
- vi. Improve internet access in remote field offices to support digital transformation.
- vii. Address staffing gaps through targeted recruitment and capacity building.

## 8.3 Correctional Services Sub sector

The subsector play a critical role as an enabler of BETA priorities by providing security and correctional services, enforcing regulations, preventing crime, revitalizing of leather industry in prisons, mechanization of prison farms, constructing affordable houses for staff, and promoting public safety. It further entails Policy for Reform of Penal Justice system; Administration of Borstal Institutions; and development of a rehabilitation programme for incarcerated minors; and probation services.

### 8.3.1. Sub-sector performance

1. **Rehabilitation and reintegration of offenders:** The project aims to enhance rehabilitation, supervision and reintegration of offenders. This entails provision of offender supervision, psychosocial support, educational and technical training opportunities. A total of 297,779 offenders were supervised and the same number provided with psychosocial support while 24,450 were provided with technical and vocational training. (Education and Vocational Training)
2. **Security and National Government Administration Officers (NGAOs) recruitment and training:** The project seeks to enhance the capacity of Security in prisons facilities. The sub-sector recruited an additional 3000 prison officers.
3. **Development and expansion of prison infrastructure:** The project targets to construct 29 perimeter walls, 5 watchtowers and 13 guardrooms in various penal institutions to enhance security. However, due to development budget rationalization, the sub-sector was unable to implement any of these projects.
4. **Decongestion of prison facilities:** The project aims to improve the living conditions of inmates by decongesting prison facilities through timely reporting to courts on pre-sentence, pre-trial, pre-bail and post-sentencing. During the period under review, the sub-sector decongested prison facilities by releasing 4,706 inmates.
5. **Modernization of prisons facilities:** The project targets to modernize security infrastructure and equipment to enhance responsiveness and efficiency of prison services. This entails acquisition of modern assorted security equipment, maintenance of security

equipment for prison and upgrading of prison telecommunication infrastructure. Further, to strengthen efficiency of security personnel 1500 motor vehicles for prisons and probation were to be acquired for the FY 2024/2025, this was not achieved due to lack of budgetary allocations.

6. **Security enterprises revenue generation:** The project targets to enhance efficiency in security enterprise operations and revenue generation by: transforming the prisons enterprises; mechanizing prisons farms; establishment of irrigation projects; acquisition of livestock; construction of farm stores; acquisition of assorted equipment; and construction of workshops/stores. During the period under review, the sub-sector generated 306,886,938 million.
7. **Police and prisons welfare:** The project targets to improve the welfare of prison officers and their families through provision of life insurance cover for officers on duty; and provision of affordable housing mortgage for the officers. Insurance cover was provided for 127,280 prison officers, 12 prison officers enlisted in the affordable housing mortgage programme to enhance officer's welfare and morale.
8. **National police and Magereza hospitals:** The project targets to provide high standards of health that are responsive to the needs and well-being of security personnel by equipping and operationalizing Magereza level four hospitals. During the 2024/2025FY, 116 additional medical personnel were recruited. However, the health facility has not been operationalized due to lack of recurrent budget and support staff.



*The Magereza Level IV Referral Hospital, Nairobi*

9. **Digitization of correctional services:** The project aims to support delivery of services through networking of all correctional institutions and acquisition of ICT equipment, development of Integrated Offender Records Management System (IRMS), installation of surveillance systems, expansion and upgrading of prison telecommunication infrastructure, and development of offender case management system.

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

**Table 8.3: Correctional Services Subsector Output Results FY 2024/2025**

Priority Project	Output	Indicator	Annual Target 2024/25	Actual Achievement 2024/25	Remarks on Achievement Variance
Rehabilitation and Reintegration of Offender	Offender supervision, psychosocial support, educational and technical training opportunity	No. of offenders supervised	85,150	297,779	Target achieved
		No. of offenders provided with psychosocial support	85,150	297,779	Target achieved
		No. of offenders trained	1,500	24,450	Target Achieved
Security and National Government Administration Officers (NGAOs) recruitment and trained	Prison officers recruited and trained	No. of Prison officers recruited and trained	3200	3000	Target achieved
Development and expansion of prison infrastructure	Perimeter walls constructed in prisons	No. of prisons	10	0	Target not achieved
	Watchtowers constructed	No. of watchtowers constructed	5	0	Target not achieved
	Guardrooms constructed	No. of guardrooms constructed	13	0	Target not achieved
Decongestion of prison facilities	Prison facilities decongested	No. Of offenders decongested	10,000	4,706	Target not achieved due to low referrals
Modernization of Police, Prison and NGA facilities	Security equipment for police and prisons maintained	% level of maintenance	100	0	Target not achieved
	Prison telecommunication infrastructure upgraded	% completion	30	0	Target not achieved due to no budgetary allocation
	Motor vehicles for the NGA officers, National Police Officers, Prisons and Probation acquired	No. of vehicles acquired	1500	0	Target not achieved. Request for leased vehicles sent to the National Treasury pending approval.
Security Enterprises	Revenue generated	Revenue generated (Ksh. Million)	1000	306.89	Target not achieved.



Priority Project	Output	Indicator	Annual Target 2024/25	Actual Achievement 2024/25	Remarks on Achievement Variance
Revenue Generation	Prisons farms mechanized	No. of prisons farms mechanized	1	0	Target not achieved.
	Irrigation projects established	No. of irrigation projects	1	0	Target not achieved.
	Livestock acquired	No. of livestock acquired	250	0	Target not achieved.
	Farm stores constructed	No. of farm stores constructed	2	0	Target not achieved.
	Assorted equipment acquired	No. of assorted equipment acquired	10	0	Target not achieved.
	Workshops/stores and showrooms constructed	No. of workshops/stores and showrooms constructed	10	0	Target not achieved.
Police and Prisons Welfare	Insurance cover for loss of life for officers on duty provided	No. of officers covered	111,469	127,280	Target achieved
	Affordable housing mortgage for 5000 security officers provided	No. of officers enlisted	1000	12	Target not achieved. The programme was voluntary
National Police and Magereza Hospitals	Hospitals equipped and operationalized	% completion	100	80	Target not achieved. It was carried forward from the previous FY 2023/24.
Digitization of Correctional services	Case Management system developed and operationalized Probation % development of Case Management system	% development of Case Management system	50	0	Target not achieved.
	Prison Services digitized/ Offender surveillance in place	% level of digitization	50	0	Target not achieved.

Source: State Department for Correctional Services progress reports

### 8.3.2. Policy, Legal and Institutional Reforms

*Policy Reforms:*

- i. Developed the draft National Correctional Services Policy: draft policy developed and forwarded to the office of the Attorney General for consideration
- ii. Development of Power of Mercy Policy: policy development is a prerogative of Power of Mercy Advisory Committee; the SDCS is member of the Technical Advisory Group
- iii. Development of Offender Rehabilitation and Counselling Policy: Incorporated in the Draft Kenya Correctional Services Bill, 2025
- iv. Development of Comprehensive Policy on Payment of Prisoner: Included in the Kenya Correctional Services Policy, 2025.
- v. Finalization of Aftercare Policy: Included in the Draft Kenya Correctional Services Policy, 2025.

*Legal Reforms:*

- vi. Development of Security Sector Institutional Reforms for Police, Prison and NYS: Implemented security sector institutional reforms for Police, Prison and NYS.
- vii. Development of Aftercare Bill, and Development of Power of Mercy Bill: Included as a section in the Draft Kenya Correctional Services Bill, 2025
- viii. Review of Probation of Offenders Act, Cap 64, Review of Prisons Act, Cap 90, and Review of Borstal Institutions Act, Cap 92: Proposed repeal of the Act and incorporated legal framework in the Draft Kenya Correctional Services Bill, 2025
- ix. Review of the Prison Farms Revolving Fund Legal Notice (Exchequer and Audit Act (Cap 412) Legal Notice No. 87 of 1993, and Review of the Prison Industries Revolving Fund Legal Notice No. 314 of 1988 ((Exchequer and Audit Act (Cap 412): The National Treasury is the lead Ministry steering development of The Public Finance Management (Prisons Enterprise Fund) Regulations, 2024. Draft Regulations are at final stages of approval before public participation
- x. Review of Various Legal Notices related to Prisons and Probation (e.g., Prison Rules 1963, Probation Rules: Incorporated in the Kenya Correctional Services Bill, 2025
- xi. The SDCS has developed the National Correctional Services Policy, which will be the overarching framework for correctional services. Consequently, the Development of Offender Rehabilitation and Counselling Policy and the Aftercare Policy has been shelved.
- xii. Relevant Rules, Regulations, and Standing orders will be reviewed/formulated once the substantive Kenya Correctional Services Act is in place.

### **8.3.3. Challenges, Lessons Learnt & Recommendations**

#### **a) Implementation Challenges**

- i. The increasing inmates' population strained both human and infrastructural resources in penal institutions;
- ii. Inadequate budgetary allocation and budget cuts;
- iii. Pending bills for both recurrent and development expenditures;
- iv. Inadequate accommodation for inmates and staffs.
- v. Inadequate capacity building for Officers to enhance competencies to address emerging demands in offender management;
- vi. Lack of an integrated case management system within the criminal justice system; and

- vii. Inadequate ICT equipment to support service delivery.
- viii. Inadequate legal and policy framework

#### **b) Lessons Learnt**

- i. Public participation plays a vital role in management of correctional services.
- ii. Stakeholder engagement during project planning and implementation fosters ownership, transparency, and long-term sustainability.
- iii. Digitization of services has proven effective in preventing, detecting, and combating crime.
- iv. Public-Private Partnerships (PPPs) offer a viable approach to bridge resource gaps, particularly in financing capital-intensive projects.
- v. Prioritizing completion of ongoing projects ensures optimal use of public resources and maximizes return on investment.
- vi. The government motor vehicle leasing program enhances operational efficiency and improves the delivery of public services.

#### **c) Recommendations**

- i. Construction of additional inmates' accommodation and embracing alternative sentences to imprisonment;
- ii. Provision of adequate funding
- iii. Adequate and timely release of exchequer
- iv. There is a need to embrace Public Private Partnership (PPP) in implementation of development projects;
- v. There is a need to train officers on emerging crimes;
- vi. There is a need to use modern technology to support service delivery;
- vii. There is need to adopt a unified offender data and case management system; and
- viii. Acquisition and installation of modern ICT equipment
- ix. Harmonization of policy and legislative frameworks relating to peace and security.

### **8.4 Internal Security and National Administration Sub sector**

The Subsector contributes to the implementation of MTP VI (2023–2027) under the Governance, Security, and Rule of Law pillar by enhancing national security, public safety, and promoting peace and stability to support socio-economic development. Key interventions include strengthening community policing and Nyumba Kumi initiatives, expanding and modernizing police and administrative infrastructure, and deploying multi-agency approaches to address emerging threats such as terrorism, cybercrime, and cross-border insecurity.

#### **8.4.1. Sub-sector performance**

1. **Security and NGAOs Recruitment and Training:** The project seeks to enhance the capacity of security and National Government Administration officers. The planned recruitment and training of 5,000 police officers and 500 NGAOs were not achieved due to a lack of budgetary allocation.

2. **Police Stations and NGA Field Offices:** The construction and operationalization of 146 police stations and 150 NGA field offices were not achieved, with only minimal progress reported—20 field offices constructed and 39 gazetted administrative units operationalized. Refurbishment of existing offices also fell short.



*Construction of Turbo Sub County Headquarters'*

3. **National Police Forensic Laboratory:** The equipping and operationalization of the forensic lab only reached 52% completion. However, the number of forensic officers trained exceeded the target due to support from development partners. While the infrastructure target under MTPIV was missed, human capital development in forensic services made notable progress.
4. **Modernization of Police and NGA Facilities:** Modernization efforts, including the acquisition of vehicles, equipment, and the expansion of the Integrated Command and control Centre (IC3). However, security equipment maintenance targets were fully met.
5. **Police and Prisons Welfare:** Key welfare projects such as the Contributory Benevolent Fund and affordable housing for officers were not implemented due to legislative and policy delays. However, insurance cover for over police officers was successfully provided, aligning partially with MTP VI's focus on improving the welfare of security personnel.

6. **National Police and Magereza Hospitals:** Equipping and operationalizing National Police hospitals achieved only 35% completion due to delays in project handover.



*National Police Service Hospital*

7. **Miritini Treatment and Rehabilitation Centre:** The completion and operationalization of the Miritini Centre only reached 17.15%. This delayed the delivery of drug rehabilitation and reintegration services.
8. **Elevate Kenya's Anchor State Status:** Despite limited funding, the department surpassed its target on community outreach programmes with the help of development partners. This aligns strongly with MTP VI's emphasis on national cohesion, conflict prevention, and peacebuilding.
9. **Government Projects and Programmes Coordination:** This was one of the few areas where full targets were met. The coordination of national government projects and programmes reached 100% coverage, contributing to improved inter-agency collaboration and policy implementation as prioritized in MTP VI.





*Jukwaa la usalama, Baringo County.*

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

**Table 8.4: Internal Security Subsector Output Results FY 2024/2025**

Priority Project	Output	Indicator	Annual Target 2024/25	Actual Achievement 2024/25	Remarks on Achievement Variance
Security and National Government Administration Officers (NGAOs) recruitment and trained	Police officers and trained	No. of police officers recruited and trained	5,000	0	Target not achieved
	NGAOs recruited and trained	No. of NGAOs recruited and trained	500	0	Target not achieved
Police stations and National Government Administration (NGA) field offices	Police stations constructed and operationalized	No. of police stations constructed and operationalized	146	0	Target not achieved
	Gazetted administrative units operationalized	No. of gazetted administrative units operationalized	411	39	Target not achieved
	NGA field offices constructed and operationalized	No. of NGA field offices constructed and operationalized	150	20	Target not achieved
	Field offices refurbished	No. of NGA field offices refurbished	500	2	Target not achieved
National Police Forensic Laboratory	National Police forensic laboratory equipped and operationalized	% completion	88	52	Target not achieved

Priority Project	Output	Indicator	Annual Target 2024/25	Actual Achievement 2024/25	Remarks on Achievement Variance
	Forensic officers trained	No. of officers trained	50	113	The Target surpassed due to support from Development partners
Modernization of Police, and NGA facilities	Modern assorted security equipment acquired	% of acquisition	50	29	Target not achieved
	Security equipment for police maintained	% level of maintenance)	100	100	Target achieved
	Integrated Command and Control Centre (IC3) expanded to all cities, major towns and highways	% completion	50	0	Target not achieved
	Motor vehicles for the NGA officers, National Police Officers, Prisons and Probation acquired	No. of vehicles acquired	1500	0	Target not achieved
	Motorcycles for Chiefs/Assistant Chiefs acquired	No. of motorcycles acquired	2500	0	Target not achieved
Modernization of the Kenya Coast Guard	Kenya Coast Guard headquarters constructed	% completion	30	0	Target not achieved
	Modern ships acquired	No. of ships acquired	1	0	Target not achieved
	Boats acquired	No. of boats acquired	4	0	Target not achieved
Police and Prisons Welfare	Contributory Benevolent Fund established and operationalized	% of operationalization Contributory Benevolent Fund	45	0	Target not achieved. The necessary legislation has not been put in place.
	Insurance cover for loss of life for officers on duty provided	No. of officers covered	111,469	111,469	Target achieved
	Affordable housing mortgage for 5,000 security officers provided	No. of officers enlisted	1,000	0	Target not achieved because the Framework for acquiring the affordable



Priority Project	Output	Indicator	Annual Target 2024/25	Actual Achievement 2024/25	Remarks on Achievement Variance
					houses has not been finalized.
National Police and Magereza Hospitals	National Police Hospitals equipped and operationalized	% completion	40	35	Target not achieved due to delay in handover of the hospital to NPS and inadequate budget for operationalised
Miritini Treatment and Rehabilitation Centre	Miritini Treatment and Rehabilitation Centre completed and operationalized	% completion	40	17.15	Target not achieved
Digitization of police stations and services	Police stations networked	No. of police stations networked	249	0	Target not achieved
	Occurrence Books digitized	No. of police stations with digitized OB	249	0	Target not achieved
	NGA services digitized	% of services digitized	50	0	Target not achieved
Elevate Kenya's Anchor State Status	Peace building initiatives and mechanisms coordinated	No. of community outreach programmes	4	15	The Target surpassed due to support from Development partners
		No. of County Conflict Analysis and Early Warning Groups (CCAEWG) and County Peace Forums (CPF) revitalized	47	18	Target not achieved
Modernization of Government Chemist Laboratories	Government Chemist laboratories constructed	No. of laboratories constructed	1	0	Target not achieved
Government Projects and Programmes Coordination	Government projects and programmes coordinated	% of National Government projects and programmes coordinated	100	100	Target Achieved

Source of data: Departmental for Internal Security & National Administration reports

#### **8.4.2. Policy, Legal and Institutional**

##### *Policy Reforms*

- i. Developed the National Government village administration policy

##### *Legal Reforms*

- ii. Amendment of: Public Benefits Organizations Act, 2013
- iii. National Police Service Act 2011 is under review.

#### **8.4.3. Challenges, Lessons Learnt & Recommendations**

##### **a) Implementation Challenges**

- i. High youth unemployment and poverty, which increase vulnerability to crime and radicalisation.
- ii. Inadequate funding, leading to delayed implementation and limited achievement of project milestones.
- iii. Emerging and evolving crime trends, including cybercrime, organised crime, and transnational threats.
- iv. Unpredictable international political and security dynamics, which hinder the planning and execution of long-term security programs.
- v. Weak collaboration frameworks between security agencies and the public, undermining community policing and intelligence gathering.

##### **b) Lessons Learnt**

- i. Public participation plays a vital role in enhancing security and promoting community ownership of safety initiatives.
- ii. Stakeholder engagement during project planning and implementation fosters ownership, transparency, and long-term sustainability.
- iii. Community involvement in conflict resolution contributes to sustainable peace, cohesion, and stability.
- iv. Adoption of technology has proven effective in preventing, detecting, and combating crime.
- v. Public-Private Partnerships (PPPs) offer a viable approach to bridge resource gaps, particularly in financing capital-intensive projects.
- vi. Prioritising completion of ongoing projects ensures optimal use of public resources and maximises return on investment.
- vii. The government motor vehicle leasing program enhances operational efficiency and improves the delivery of public services.
- viii. Enacting appropriate legislation is essential to support the effective implementation of policies and institutional mandates.

##### **c) Recommendations**

- i. Allocate adequate financial resources and ensure timely exchequer releases to support the effective implementation of security projects and programmes, particularly the construction of police stations and National Government Administration (NGA) offices.

- ii. Invest in appropriate ICT infrastructure across all security agencies and promote system integration to enhance coordination, data sharing, and operational efficiency.
- iii. Develop a secure, inter-agency, web-based communication platform to enable real-time response to crime incidents and improve intelligence sharing.
- iv. Strengthen institutional and human resource capacity to ensure the effective and efficient delivery of security and policing services nationwide.
- v. Establish an engagement framework between security agencies and the public to promote community policing.

## 8.5 Devolution Sub sector

This Sub sector plays a central role in the implementation of the MTP IV and BETA, both of which prioritize strengthening devolution as a means of accelerating inclusive growth and equitable development across the country. MTP IV emphasizes deepening the devolved system of government by enhancing service delivery, governance, citizen participation, and capacity development at the county level. In alignment with BETA, the SDD is instrumental in facilitating grassroots transformation through effective intergovernmental coordination and support to county governments.

### 8.5.1. Sub-sector performance

1. **Management of Devolution Affairs:** This project achieved key milestones, including the successful capacity building of all 47 counties on the Harmonized Result Framework and the development of a framework for uniform norms and standards for county public service staff. High-level coordination was demonstrated through the achievement of the target to hold four Summit meetings under IBEC and other consultative platforms. Additionally, significant progress was made in dispute resolution, with 88.2% of active disputes resolved and 80% of cases addressed through the Grievance Redress Mechanism (GRM).

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

**Table 8.5: Devolution Subsector Output Results FY 2024/2025**

Priority Project	Output	Indicator	Annual Target FY2024/25	Actual Achievement FY 2024/25	Remarks on Achievement Variance
Management of Devolution Affairs	A harmonized result framework	No. of Counties Capacity Built on the Result Framework	47	47	Target Achieved
		Annual State of Devolution Report	1	0	Target not Achieved
	Framework establishing uniform norms	County Public Service norms and standards	1	1	Target Achieved

Priority Project	Output	Indicator	Annual Target FY2024/25	Actual Achievement FY 2024/25	Remarks on Achievement Variance
	and standards for all cadres of staff across countries developed				
	National Civic education Framework and public participation guidelines in Counties implemented	No. of Counties sensitized on Civic education framework and reviewed public participation guideline	47	0	Target not achieved. Awaiting Cabinet approval
		No of Counties implementing the public participation guidelines	8	0	Target not achieved. To be implemented upon approval of the framework by the Cabinet
	National Capacity Building Framework II developed and implemented	No of implementation reports	1	1	Target Achieved.
	Intergovernmental sector forums for devolved functions convened	No. of sector reports prepared	6	2	Target not achieved.
		% of Disputes Resolved	100	88.2	Target not achieved. 15 cases out of 17 have been resolved. Parties not embracing ADR
		% of cases resolved using GRM	100	95	Target not achieved. Resolved Ongoing disputes. Delay is being

Priority Project	Output	Indicator	Annual Target FY2024/25	Actual Achievement FY 2024/25	Remarks on Achievement Variance
					occasioned by parties in dispute not embracing ADR.
	IBEC, Summit & Consultative meetings With COG to address sectoral challenges held	No. of Summit meetings held	4	4	Target achieved.

*Source Data: State Department for Devolution Report* **Policy, Legal and institutional Reforms**

The following were reviewed and developed in the reporting period and are under approval stage:

- i. County Assemblies Service Act, 2017 reviewed,
- ii. Policy on the Devolved system of Government reviewed
- iii. Devolution Results Management Framework

### 8.5.2. Challenges, Lessons Learnt & Recommendations

#### a) Implementation Challenges

- i. Inadequate budgetary allocation has prevented the achievement of planned sector forums and severely limited the stakeholder engagement activities.
- ii. The Devolution Results Management Framework, Local Economic Development Initiatives, and the reviewed Policy on the Devolved System of Government have not been implemented due to delays in finalizing stakeholder inputs and awaiting Cabinet approval.
- iii. Counties have failed to implement devolution frameworks and initiatives, primarily due to policies remaining in draft form or awaiting approval, resulting in no tangible progress and significantly undermining devolution-strengthening efforts.
- iv. Significant timeline slippages resulted in key framework implementations being deferred to FY 2025/26.

#### b) Lessons Learnt

- i. Adequate budgets enable the program's success, not just funding the activities.
- ii. Policy approvals are very crucial to projects' timelines in terms of implementation at the start of the project.

- iii. Framework development must be accompanied by concurrent county capacity building and stakeholder engagement to ensure counties are adequately prepared for immediate implementation upon approval.
- iv. Future planning must incorporate realistic timelines for high-level approvals, that is, cabinet approvals, and establish contingency measures.

### **c) Recommendations**

- i. Conduct an Immediate Budget review and reallocation to ensure full execution of critical activities and develop budget proposals for the next fiscal year that address the current period shortfalls and resource gaps directly.
- ii. Establish a dedicated task force to liaise with the Cabinet and other relevant stakeholders to fast-track the finalization and approval of all pending frameworks and policies.
- iii. Commence preparatory engagement with counties while frameworks await final approval. This should include awareness campaigns, organizing technical workshops, and establishing pilot groups to ensure counties achieve implementation readiness for FY 2025/26.
- iv. Enhance collaboration mechanisms between the various departments and stakeholders involved in the policy and legal review processes to minimize internal delays and ensure a unified approach to seeking approvals.
- v. Build on the success of the ADR mechanisms, document best practices, and expand their use to preemptively address potential disputes and promote a collaborative problem-solving culture.

## **8.6 Diaspora Affairs Sub sector**

The sub sector aims to champion the Protection of the rights and promotion of the welfare and interests of Kenyans in the Diaspora while facilitating their active participation in national development. This involves creating and implementing policies that promote structured and safe international labor migration, fostering strong partnerships with diaspora communities, supporting diaspora investment and remittances, and ensuring effective delivery of consular and support services.

### **8.6.1. Sub Sector performance**

- 1. Diaspora Service Delivery:** The Diaspora Integrated Information Management System (DIIMS), which serves as the backbone for centralized data and service delivery, reached 90% operationalization. Although short of the 100% target, major components were achieved, including integration with the e-Citizen platform, user training, social media integration, and pilot deployment in response to crises in Israel and Iran. Additionally, the establishment of a fully operational 24-hour emergency response centre marked a critical milestone in timely diaspora crisis management. Further, a framework for technology and skills transfers through an updated Kenyan Diaspora Skills and Technology Database was developed.. However, the operationalization of diaspora offices in ten missions was deferred due to budgetary limitations, with plans pushed to the next financial year.

Engagement with the diaspora community was notably vibrant, with eleven high-level engagements conducted across countries, including Germany, the USA, India, Qatar, and the UK, exceeding the annual target.

2. **Growth of Diaspora Remittances:** Efforts to facilitate investment and reduce the cost of money transfers yielded tangible outcomes. Mobilized KSh 660.9 billion in diaspora direct investment, surpassing the projected value of KSh 610 billion. Advocacy for reduced remittance transaction costs were carried out despite not reaching the intended target of 4.5%. Additionally, diaspora financial inclusion was strengthened through the promotion of five diaspora SACCOs, all recognized by the Sacco Societies Regulatory Authority (SASRA). Strategic bilateral and multilateral engagements led to seven international cooperation arrangements, including signed labour migration agreements with Germany and Austria, and ongoing discussions with countries such as Japan and Canada. The department also hosted the inaugural Jamhuri Diaspora Excellence Awards, celebrating diaspora achievements. Further, investment profiles for counties were disseminated via virtual engagements and job fairs in Vihiga, Meru, and Nairobi counties, and five county investment fora attended. However, the creation of county-specific diaspora investment products remains in progress, with negotiations ongoing among relevant stakeholders.
3. **Diaspora Rights and Welfare:** Under this objective, a comprehensive Diaspora Evacuation and Repatriation guideline was developed in alignment with the National Evacuation Strategy. Financial provisions for emergency welfare were also ring-fenced, enhancing responsiveness to urgent diaspora needs. The government facilitated the repatriation of human remains in 100% of requests, with 97 cases successfully managed during the review period. Similarly, 255 distressed Kenyans were safely evacuated from various countries. Reintegration of returnees was supported through counselling and capacity-building services delivered to 843 individuals. Migrant rights advocacy was advanced through four county-based welfare forums, exceeding the annual target. However, the establishment of safe houses for vulnerable Kenyans abroad remains pending, with the planned facilities in Thailand and Qatar scheduled for completion in FY 2025/26.

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

**Table 8.6: Diaspora Affairs Subsector Output Results FY 2024/2025**

Priority Project	Output	Indicator	Annual Target 2024/25	Actual Achievement 2024/25	Remarks on Achievement Variance
Diaspora service delivery	Diaspora Integrated Information Management System (DIIMS) developed and implemented	% of DIIMS operational	100	90	Target not achieved. Operationalization of DIIMS at 90%. Integrated with e-citizen, Trained users, Portal testing done, integrated with social media, and piloted with the Israel & Iran crisis



Priority Project	Output	Indicator	Annual Target 2024/25	Actual Achievement 2024/25	Remarks on Achievement Variance
	A 24-hr emergency response centre and Honorary Consuls offices established	No. of emergency response centres	1	1	Target achieved. 24-hr emergency response centre fully established and operational.
	A framework for technology and skills transfers and cooperation among Diaspora created	framework created	1	1	Target achieved. Kenyan Diaspora Skills and Technology Database updated
	Diaspora offices established and operationalized in Mission	No. of Diaspora offices	10	0	Target not achieved. 10 Diaspora offices scheduled for operationalization in the 2025/26 FY
	Diaspora engagements strengthened	No. of High-level Diaspora engagements	5	11	Target achieved. Germany, China, USA, Switzerland, India, Egypt, UAE, Qatar, Brazil, UK, Italy
Growth of diaspora remittances	Diaspora bonds and investment in affordable housing established	Value of Diaspora Direct Investment (KSH Billions)	610	660.9	Target achieved.
	Strategy to reduce remittance transaction costs developed	% Reduction in remittance costs	4.5	6.2	Target achieved. Advocated for reduction of remittance transaction costs in multilateral forums and during engagements with financial institutions.
	Diaspora SACCOs promoted	No. of Diaspora SACCOs promoted	1	5	Target achieved. Promoted the establishment of diaspora SACCOs which are recognized by SASRA.
	Bi-laterals & Multilateral engagements to identify new opportunities for international employment and investment held	No. of engagements	4	7	Target achieved. Three (3) Strategic Partnerships on labour migration and mobility were signed with Germany (2) and Austria (1). Other negotiations are ongoing with Qatar, Saudi Arabia, Japan, Canada, and HOPs Labor Solution

Priority Project	Output	Indicator	Annual Target 2024/25	Actual Achievement 2024/25	Remarks on Achievement Variance
	Diaspora excellence awards gala hosted	No. of Diaspora excellence awards gala	1	1	Target achieved. The inaugural Jamhuri Diaspora Awards were held on 13th December 2024.
	County Investment Profiles identified and disseminated to diaspora	No. of County Investment Profiles developed and disseminated to diaspora	9	5	Target not achieved. Investment opportunities in counties were disseminated during virtual engagements and job fairs in 5 counties - Vihiga, Meru, and Nairobi Counties (Kenya - Germany Job Fair, Jamhuri National Job Fair, Dagoretti Job Fair).
	County Investment Fora Held	No. of county investment fora held for the diaspora	20	2	Target not achieved - The participated in five County investment forums in Vihiga, Meru, and Nairobi (3) Counties.
	County investment products from diaspora established	No. of county investment products	1	0	Target not achieved. Negotiations ongoing with state and non-state stakeholders.
Diaspora rights and welfare	Diaspora Evacuation Plan developed and implemented	Evacuation Plan	1	1	Target achieved. Diaspora evacuation and repatriation guidelines were developed in line with the National Evacuation plan.
	Diaspora Emergency and Welfare Facility developed and implemented	No. of Emergency and Welfare programmes	1	1	Target achieved. The Department has funds ring-fenced for evacuation/repatriation.
	Human remains of deceased Kenyans repatriated	% human remains repatriation requests facilitated	100	100	Target achieved. Successfully repatriated 97 remains of Kenyans from various countries in the review period
	Distressed Kenyans abroad safely evacuated	% Distressed Kenyans evacuated	100	100	Target achieved. Successfully evacuated 255 Kenyans in distress from various countries.
	Diaspora Returnees' Integration programme implemented	% of returnees counselled and capacity built	100	100	Target achieved. Counselling services were offered to 843 diaspora returnees in the review period.

Priority Project	Output	Indicator	Annual Target 2024/25	Actual Achievement 2024/25	Remarks on Achievement Variance
	Migrants 'rights and welfare fora held	No. of County fora	1	4	Target achieved. Four (4) County forums done.
	10 safe houses for diaspora established and operational	Safe houses established	2	0	Target not achieved. Establishment of safe houses in Thailand and Qatar to be finalized in FY 2025/26

Source: CBK, Annual Progress report

### 8.6.2. Policy, Legal and Institutional Reforms

- i. The Kenya Diaspora Policy (2014) was reviewed and developed the Kenya Diaspora Policy 2024
- ii. The Kenya Diaspora Bill is in its initial stages.
- iii. Diaspora Emergency and Welfare Facility established
- iv. Placement Agency (DPA) and Diaspora Investment Support Office (DISO), which are newly established SAGAs, are being operationalized

### 8.6.3. Challenges, Lessons Learnt & Recommendations

#### a) Implementation Challenges

- i. Inadequate budgetary allocation, which impact diaspora service delivery and timely budget implementation of planned activities;
- ii. Increased incidences of human trafficking and transnational crimes targeting the Kenyan Diaspora;
- iii. Lack of accurate data of Kenyans in the Diaspora, coupled with low registration of Kenyans with missions abroad, affects planning and decision-making;
- iv. International labour migration, evolving global conflicts and volatility of peace and security, which affected Kenyans in the Diaspora; and
- v. Expanded mandate without requisite funding for the formation of the Diaspora Placement Agency (DPA) and the Diaspora Investment Support Office,

#### b) Lessons Learnt

- i. Integrated data management is imperative in enhancing service delivery to Kenyans in the diaspora.
- ii. Hosting of webinars on various national development topical issues is a critical means of promoting dialogue with Kenyans in the Diaspora;
- iii. The presence of the Kenyan diaspora associations provides a platform for engagement and mobilization of Kenyans in diaspora.
- iv. Dissemination of information on labour migration remains critical during pre-departure orientation to equip Kenyans moving abroad with skills to cope well

- v. High transaction costs for remitting money through existing formal channels has exacerbated use of informal channels by the Kenyan diaspora: There is a need to address the high transaction costs of remittances, which is currently at an average of 6% (AIR, 2023) and reduce to 3% or less by 2030 as per SDG 10(c)

### c) Recommendations

- i. It is critical that the budgeting process incorporates foreign exchange losses that emerge as a component, reducing the funds sent to the Kenya Missions for diaspora-related activities.
- ii. To mitigate the challenge occasioned by human trafficking, the SDDA proposes sensitization of prospective migrants, deployment of Diaspora officers in selected missions, as well as regular consular visitations to the most affected countries to address the plight of migrant workers.
- iii. Fast-tracking the finalization of the Diaspora Integrated Information Management System and deployment to Kenya missions will assist in capturing diaspora information as they leave and develop a database.
- iv. The SDDA to continuously monitor the state of affairs across the globe and give real-time advisory to the diaspora.
- v. To remedy the challenge of an expanded mandate without requisite funds, the SDDA proposes that the National Treasury allocate more funding towards the realization of the Department's mandate.

## 8.7 East African Community Affairs Sub-sector

This sub sector is mandated to oversee EAC integration policy, coordinate treaty and protocol implementation, negotiate regional agreements, and promote public awareness and participation. It also monitors regional directives, manages shared resources like Lake Victoria, supports regional institutions, and provides secretariat services for EAC summits.

### 8.7.1. Sub-sector performance

1. **MSMEs Development:** Joint mobilization was conducted with the relevant MDAs and 356 Kenyan MSMEs successfully exhibited their products during 24<sup>th</sup> EAC MSMEs Trade Fair held in the Juba, South Sudan. The target of 2,000 is for all the implementing agencies and SDEACA is only contributing to the target.
2. **Elevate Kenya's Anchor State Status:** During the review period, peace initiatives included sensitization on the EAC Transboundary Security Framework, high-level Defence and interstate security meetings, review of the Early Warning System, and the RECSA Council of Ministers in Nairobi. Partner States also developed TORs for a Peace and Security Study, conducted a benchmarking visit to AU-CEWS in Addis Ababa, held a Border Governance meeting in Dar es Salaam, and carried out the 5th EAC Armed Forces CIMIC exercise in Rwanda.

3. **Effective Management of Transboundary Resources:** Key initiatives included joint meetings on the management of the shared Lakes Chala-Jipe and Uмба River Ecosystem, the transboundary Mara River Ecosystem, and small fish in Lake Victoria, as well as the development of the EAC Blue Economy Strategy and Action Plan 2025–2034.



4. **EAC Uptake Enhancement:** Kenya strengthened its role in the EAC through public forums, trade fairs, and peace initiatives. The 24th MSMEs Trade Fair in Juba saw 356 Kenyan enterprises exhibit over 700 products, contributing to exports worth Kshs. 321.35 billion, boosted by the entry of DRC and Somalia into the bloc. Capacity-building forums in seven counties trained 580 traders on the Simplified Trade Regime, while cross-border trade agreements at Namanga and Loitokitok were revived. On peace and security, Kenya participated in community sensitization meetings in Kenya, Uganda, and South Sudan, and reviewed the 2019 MoU with Uganda, leading to a Resource Sharing Agreement to promote sustainable peace.

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

**Table 8.7: EAC Subsector Output Results FY 2024/2025**

Priority Project	Output	Indicator	Annual Target FY 2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
MSMEs Development	MSMEs facilitated to access local, regional and international market	No. of MSMEs facilitated to access local, regional and international market	2,000	356	Target not achieved because the EAC Tared Fair was held in Juba and the cost of logistics was high
Elevate Kenya's Anchor State Status	EAC Regional peace and security initiatives coordinated	No. of Peace initiatives coordinated	50	9	Target not achieved.
	Management of trans-boundary resources effectively coordinated	No. of reports on management of shared resources	20	4	Target not achieved.
Electoral and Political Processes	Kenyan awareness on the status of the EAC Political Confederation Process enhanced	No. of stakeholder engagements on the EAC Political Confederation Process	40	0	Target not achieved. Due to the adverse security situation in some of the Partner States.
EAC Uptake Enhancement	National outreach and stakeholder engagements undertaken	No. of national outreach and stakeholder engagements held	10	2	Target not achieved
	Kenya's participation in EAC Trade Fairs Enhanced	No. of trade fairs held	1	1	Target achieved
		No. of Kenya's MSMEs products showcased in trade fairs	300	700	Target achieved. Attributed to support from Trade Mark Africa
	EAC trade and investment regulations and procedures developed and disseminated	No. of dissemination reports	1	0	Target not achieved due to the lengthly of negotiation and lobbying process with the Partner States

	Trade information Desks established in all borders	No. of information desks established	1	0	Target not achieved due to inadequate resources to deploy officers to the Border Posts
	Women and other small-scale traders trained	No. of women and other small-scale traders trained	100	580	Target achieved. Attributed to support by Trade Mark Africa.
	EAC Cross Border Trade Associations (CBTAs) revived and trained	No. of CBTAs revived and trained	2	2	Target Achieved
	Integrated strategy on Northern Corridor Integrated Projects developed and implemented	Implementation reports	1	0	Target not achieved.

*Data Sources: Economic Survey 2025; EAC Administrative data; and EAC M&E System*

### **8.7.2. Policy, institutional and legal framework**

- i. Developed EAC Regulations for the EAC Special Economic Zones Policy and 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 43rd SCTIFI in February 2024.
- iii. Harmonized two (2) EAC Regional Policies and Standards on transport (Air, Rail/marine/Water way and Road) and the Communication Sector.

### **8.7.3. Challenges, Lessons Learnt & Recommendation**

#### **a) Implementation Challenges**

- i. Disruptions of supply chains due to geo-politics, the Russia-Ukraine war, the Israel-Palestine war, and insecurity in the high seas;
- ii. Inconsistent application of the Common External Tariff (CET), recurrence and emergence of new NTBs, and restrictive use of rules of origin continue to be detrimental to the free flow of trade;
- iii. The ongoing Peace and Security situation in Eastern DRC and its effects on the integration agenda;
- iv. Inadequate budget and budget cuts, which affect the implementation of the set targets; and
- v. Slow progression to the EAC pillars of customs union, common market, and political federation.



## **b) Lessons Learnt**

The Non-Tariff Barriers (NTBs) Monitoring Mechanism was developed as a joint initiative of the East African Business Council and the East African Community Secretariats. Its objective is to facilitate the process of identifying, reporting, and monitoring the elimination of current and future NTBs within the EAC Partner States, to consolidate the economic integration process under the EAC Customs Union. The establishment of the online NTB monitoring system enables traders to timely report trade barriers for speedy resolution by the EAC NTBs National and Regional monitoring committees.

- County governments provide conducive avenues for effective engagement and collaborations with stakeholders, as well as avenues for facilitating MSME Cross-Border Trade.
- The EAC integration process is continuous, and there is a need to earmark adequate budget to support new and ongoing projects and programmes.

## **c) Recommendations**

- Revision of the EAC Simplified Trade Regime to enhance the list of commonly traded products by the MSMEs across the borders;
- 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;
- Timely resolution of reported non-tariff barriers to trade;
- Enhance awareness creation on opportunities obtained from the EAC integration process;
- Full operationalization of the EAC NTBs Elimination Mobile Application;
- Exploiting the economies of scale emanating from emerging and third-party markets.

## **8.8 Parliamentary Affairs Sub sector**

The sub sector is responsible for coordinating the National Government's Legislative Agenda across Ministries, State Departments, and Agencies in consultation with Party and Coalition leadership in Parliament. It also fosters an enabling policy and regulatory environment to support the National Development Agenda, including the Bottom-Up Economic Transformation Agenda (BETA), while promoting a Whole-of-Government approach in service delivery and implementation of national priorities.

### **8.8.1. Sub-sector performance**

1. **Leadership, Accountability and Legislative Agenda:** In the fourth quarter, all proposed policies and legislation were vetted, reviewed existing ones, and issued four advisory briefs on youth bulge, femicide, the Kenya National Academy of Sciences, and childcare. The Government Legislative Agenda (GLA) schedule, approved by Cabinet in July 2024, was updated weekly, and quarterly implementation reports were submitted, meeting the set

target. Additionally, the Legislation/Policy Tracking Information System (LATIS) was piloted, with MDAs trained on the Policy Module, while training for other clusters is planned for FY 2025/26.

*Participants at the LATIS training at the Sawela Lodge, Naivasha, on 5th March 2025*



The development of the Liaison Framework between the Executive and Parliament, targeted for completion in FY 2023/24, was not fully achieved due to inadequate funding and staffing delays. Consequently, the planned capacity building of Parliamentary Liaison Focal Officers was also not realized. A draft framework has been developed and is awaiting stakeholder validation, though some aspects are already under implementation and review.

*Parliamentary Liaison Framework Stakeholder's Engagement held at Lake Naivasha Resort from 4th-9th May 2025.*

The target on Parliamentary Liaison Services being digitized was not achieved and has been slated to be done in the next financial year 2025/26.

**Table 8.8: SDPA Subsector BETA output results for FY 2024/25**

Priority Project	Output	Indicator	Annual Target FY 2024/25	Actual Achievement FY 2024/25	Remarks on Achievement Variance
Leadership, Accountability	Proposed policies and	% of Policies and	100	100	Target achieved

and Legislative Agenda	legislation vetted	legislations vetted			
	Existing legislation and policies analyzed and reviewed	No. of reports	4	4	Target achieved. Managed to do four advisory briefs: Youth bulge, Femicide, Kenya National Academy of Sciences and Childcare Policy
	Legislation/ Policy Tracking Information Systems (LATIS) established	Operational tracking information system	80	80	Target Achieved. Both Policy and bills modules were piloted in the Governance and Public Administration sector. MDAs trained on the Policy Module. Training of other clusters scheduled for FY 2025/26
		Legislative drafting tool	100	100	Target Achieved. Bills Module piloted awaiting roll-out in FY 2025/26
	Parliamentary liaison offices established in MDAs and MDAs capacity built on Policy, legislative development	No. of Parliamentary liaison focal officers' capacity built	104	0	Target Not Achieved. To be undertaken after the Parliamentary Liaison Framework has been finalized
		No. of MDAs capacity built on Policy and legislative process	104	104	Target Achieved.

	Parliamentary liaison services digitized	% of services digitized	80	0	Target Achieved. Awaiting finalization of the Parliamentary Liaison Framework	Not of
--	--	-------------------------	----	---	---	--------

Source: State Department for Parliamentary Affairs

### 8.8.2. Policy, institutional and legal framework

#### *Legal Framework*

Parliamentary Liaison Framework and the Stakeholder Engagement Framework development initiated

Preparation of the Public Participation Bill commenced.

### 8.8.3. Challenges, Lessons Learnt & Recommendations

#### **A. Implementation Challenges**

- Inadequate budget and budget cuts experienced implied that originally planned activities failed to take off while others could not be completed as planned
- Inadequate working office space to facilitate officers to work in a conducive working environment.
- A significant number of officers within the technical directorates were newly hired, and it took time to induct them and eventually engage them in the planned activities

#### **B. Lessons Learnt**

- Resource mobilization strategies should be fast tracked as per the sub-sectors Strategic Plan in order to bridge funding gaps
- There is need to establish comprehensive induction and continuous training and sensitization programmes on GLA coordination for staff and MDAs.

#### **C. Recommendations**

- More financial resources to be allocated to the SDPA to facilitate the implementation of programmes and the achievement of set targets, and
- Acquisition of enough office space to improve the working environment for staff.

### 8.9 State Law Office and Department of Justice sub sector

The sub sector serves as the government's principal legal adviser. Its mandate includes advising on constitutional and international law matters, representing the state in civil and constitutional cases, drafting and vetting agreements, coordinating treaty reporting, and drafting legislation. It further oversees legal matters relating to estates, trusts, registration of entities, and regulation of the legal profession, while promoting the rule of law and public interest. Additional functions assigned by the President include managing legal policy, anti-corruption, legal aid, constitutional implementation, and political parties policy.



### 8.9.1. Sub-sector performance

During the reporting period, direct legal aid to 46,250 indigent individuals was provided and operationalization of legal aid offices in 4 additional Counties.



*Prisoners are being offered legal aid by the National Legal Aid Service in Embu Male Prison*

Significant progress was made in digitizing services: Public Trustee system and marriages database were finalized, and over 70,000 manual records were digitized. The Office also established 2 smart boardrooms. Enhanced the dispensation of justice by concluding 2,364 cases filed against the Government. In addition, the office successfully outsourced specialized legal services by engaging 3 external law firms. Through the Kenya Law Reform Commission (KLRC) and Legislative Developed 20 bills to harmonize existing laws with the Constitution and drafted 198 other subsidiary Legislation. A total of 14 legal and civic education forums on the Constitution were successfully conducted, promoting public legal awareness. Additionally, 3 legal research and comparative studies were undertaken.

Developed the Whistle Blowers Protection Bill, implemented recommendations of country review reports on fulfilment of Kenya's international and regional obligations on governance, ethics and implemented integrity and Sessional Paper No. 2 of 2018 on National Ethics and Anti-Corruption Policy (NEAP). In addition, the Office submitted Kenya's 4th National Report under the Universal Periodic Review Mechanism and conducted awareness fora on the Victim Protection Act in eight counties.



*Mr. Volker Turk, United Nations High Commissioner for Human Rights (Center), with the Kenyan delegation led by Hon. Attorney General Dorcas A. Oduor SC, OGW, EBS, during the review of the 8th & 9th State Report on the International Convention on the El*

Verified all gathered intelligence relating to proceeds of crime and developed actionable reports. The Agency identified and traced suspected proceeds of crime in respect of 110 cases. Valued at Kshs. 9,356,364,194.00. Additionally, 29 Forfeiture applications were filed in respect of the following assets: 44 Motor vehicles, 4 Apartments, 3 Residential flats, 28 Parcels of Land, Cash consisted of USD 3,719,872.56 and KSh41,159,501.7.

Secured preservation orders in four applications relating to: 2 motor vehicles; 3 apartments; 1 residential house; USD 19,900 and Ksh 198,639.85 in cash. Achieved success in cases filed during the period, securing preservation orders for 29 Preservation applications consisting of: 44 Motor Vehicles, 13 Parcels of land, 1 Trailer, 3 motorcycles, 3 apartments, 1 residential house, and 2 Plots. Cash preserved consisted of USD 1,031,887.31; Ksh 42,372,061.3; 1000 Sudanese Pound; 2000 Ethiopian Birr.

Initiated reforms 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 registration drives, such as collaboration with the Nairobi Agricultural shows and registration campaigns. As a result, the Service registered a total of 138,000 business entities comprising 76,204 business names, 59,672 private companies, 67 public companies, 292 foreign companies, 674 Companies Limited by Guarantee (CLGs), 1075 Limited Liability Partnerships (LLPs), and 16 Limited Partnerships. In addition, the Service increased the proportion of Bo complaint private companies from 43.5% at the start of the Year to 48.6% during the period under review.

The office was unable to achieve some of its targets due to budgetary constraints.

**Table 8.9: State Law office BETA Output Results for FY 2024/25**

Priority Project	Output	Indicator	Annual Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
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	0	Target not achieved
	State Counsels recruited	No. of State Counsels recruited	100	89	Target not achieved
	State Counsels and other Paralegal trained	No. of State Counsel and other Paralegal trained	100	75	Target not achieved
	Legal services and business processes automated and digitized	No. of legal services and business processes digitized	50	6	Target not achieved due to shortage of necessary equipment
		No. of legal services manual records digitized	20,000	70,000	Target achieved
	Virtual courts and smart boardrooms at the headquarters and regional offices established	No. of smart boardrooms established	2	2	Target achieved
	Legal resource center refurbished and equipped	% completion	100	0	Target not achieved
	Specialized legal services outsourced	No. of external advocates/law firms engaged	3	3	Target achieved
	Business entities registered	No. of business entities registered	137,900	138,000	Target achieved
Legal Aid and Awareness	Arbitral Court operationalized	Operational Arbitral Court	1	0	Target not achieved but recruitment ongoing
	Legal aid offices established in 16 additional counties	No. of additional legal aid offices established	3	4	Target achieved
	Indigent, marginalized and vulnerable persons offered direct legal aid	No. of indigent, marginalized and vulnerable persons offered direct legal aid	37,500	46,250	Target achieved



Priority Project	Output	Indicator	Annual Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
Promotion of Human Right	Awareness fora on Victim Protection Act conducted	No. of awareness county fora held	12	8	Target not fully achieved
	National victim's protection database developed	% of Victim protection database developed	40	20	Target not achieved. Process ongoing
	Treaty reports on human rights prepared and defended	No. of treaty reports on human rights prepared and defended	1	1	Target achieved
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
	Legal whistle blowers' protection framework to promote open governance	Whistle Blowers Protection Bill	1	1	Target achieved
	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
	Integrated Public Complaints Referral Mechanism (IPCRM) system established and rolled out	% of IPCRM system developed	60	30	Target not fully achieved
	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	% of laws and subsidiary legislation developed	100	100	Target achieved
	Legal and civic education on the Constitution conducted	No. of legal and civic education fora/ sessions	14	14	Target achieved

Priority Project	Output	Indicator	Annual Target FY2024/25	Actual Achievement FY2024/25	Remarks on Achievement Variance
	Legal research and comparative studies undertaken	No. of legal research and comparative studies on policies, laws, regulations undertaken	2	3	Target achieved

*Source of Data: State Law Office & its SAGAs*

## 8.9.2. Policy, Legal and Institutional Reforms

### *Policy Reforms*

- i. The National Alternative Dispute Resolution (ADR) Policy was approved by the Cabinet. The Policy was subsequently transmitted to Parliament, where it was designated as Sessional Paper No. 4 of 2024, and is currently awaiting tabling before the House for debate and approval.
- ii. The National Policy on Legal Education and Training draft developed
- iii. ICT policy developed.
- iv. OAG&DOJ Strategic Plan developed.

### *Legal Reforms*

- v. The Office of the Attorney General and the Department of Justice developed the following Bills;
  - Kenya School of Law Amendment Act Bill
  - Legal Education Amendment Bill
  - The Advocates Amendment Bill
  - Public Participation Bill
- vi. The legal aid fund regulations draft
- vii. The Library Policy developed
- viii. Article 156 of the Constitution, the Office of the Attorney General Act, 2012 reviewed

### *Institutional Reforms*

- ix. The draft OAG & DOJ PPP Guidelines developed.
- x. The MDA Guidelines developed
- xi. The Post-Pupillage Programme Policy developed
- xii. The Legal Audit and Compliance Guidelines developed.

## 8.9.3. Challenges, Lessons Learnt & Recommendations

### **a) Implementation Challenges**

- i. High turnover of skilled and competent staff, mostly due to the retirement of the senior and skilled technical officers.
- ii. Inadequate budgetary allocation and financial support, which affect 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 the 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 to 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

#### **b) Lessons Learnt**

- i. Advancement in technology has enabled the department to access existing law electronically, which helps with consistency, cross-referencing, and law revision exercises.
- ii. Alignment of the departmental work plans, budget, and procurement plan to the Strategic Plan enhances implementation.
- iii. An effective monitoring, evaluation, and reporting framework enhances implementation
- iv. Training and Professional Development: Invest in continuous training and professional development for staff and volunteers to ensure they are equipped with the necessary skills and knowledge.
- v. Partnerships and Collaboration: Foster collaborations with other social service providers, community organizations, and pro bono lawyers to enhance the range and effectiveness of services.
- vi. Client-centered Approach: Adopt a client-centered approach that prioritizes the needs and preferences of clients and respects their autonomy.
- vii. Public Awareness Campaigns: Conduct public awareness campaigns to inform the public about the organization's services and the importance of access to justice for all.

#### **c) Recommendations**

- i. Develop and implement a structured succession planning framework to address the high turnover of skilled and competent staff.
- ii. Appropriate provision of the specified departmental budgetary allocation.
- iii. Procurement of additional equipment and office space.
- iv. Build the Capacity of staff through training and professional development opportunities to ensure officers stay up-to-date with best practices and emerging issues in the legal profession.
- v. 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 limited resources and expand the reach of services.
- vi. 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.

- vii. 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.
- viii. 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.

## 8.10 Foreign Affairs Sub sector

This sub sector role is to advance Kenya's foreign policy and strategic interests globally. The sub sector plays a pivotal role in advising the Presidency on international affairs, coordinating diplomatic engagements, fostering economic cooperation, and promoting Kenya's presence on the global stage. Guided by the principles of the Bottom-Up Economic Transformation Agenda, it seeks to advance the country's strategic interests through forward-looking diplomacy. It is committed to shaping a just, peaceful, and inclusive global order by reinforcing regional leadership, advocating for Africa's development agenda, expanding strategic partnerships, and addressing emerging global challenges.

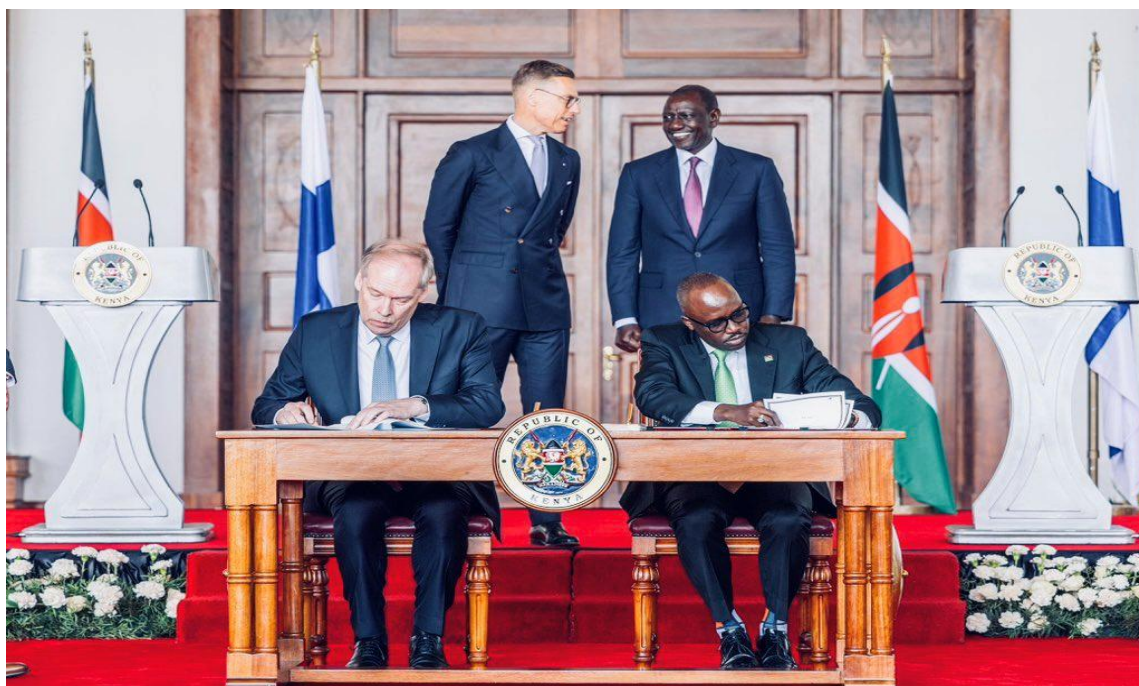
### 8.10.1. Sub-sector performance

1. **State and Official Visits:** A total of 33 inbound and outbound high-level visits were facilitated, surpassing the annual target of 20. These visits enhanced bilateral relations and elevated Kenya's global profile.



*Kenya's President H.E. Dr. William Ruto receives an honorary gift during his address at Peking University in Beijing, China, as part of his official state visit.*

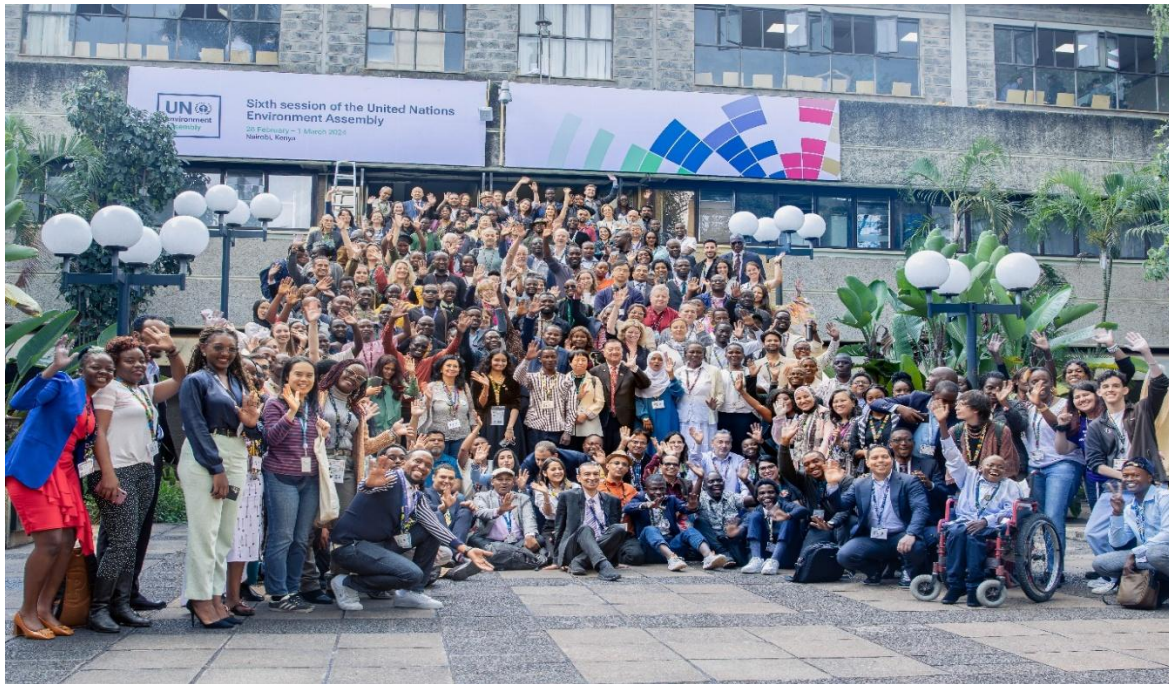
2. **Bilateral Frameworks:** Coordinated conclusion of 63 bilateral cooperation frameworks against a target of 50, contributing to the deepening of Kenya's strategic partnerships i.e
  - Bilateral Labour Mobility Agreement between Kenya and Germany
  - Bilateral Labour Agreement between Kenya and Austria



*Signing of bilateral agreements at State House Nairobi, witnessed by President William Ruto and the President of Finland, Alexander Stubb, during his official visit to Kenya.*

3. **Trade and Investment Promotion:** The Kenya Missions abroad Facilitated, coordinated and participated in 47 business fora, trade fairs, exhibitions, investment promotion activities and business forums, out of an annual target of 60, enhancing Kenya's economic diplomacy.
  - **Malaysia-** Business Mission and Exhibition in Kuala Lumpur, Malaysia facilitated. Malaysia Business meeting between CEO of Air Asia and Kenyan executives
  - **Turkey-**World Chambers Federation's Europe and Asia Regional Summit held October, 2024 in Istanbul Turkey
4. **International Conferences and Events:** Nairobi hosted 25 international meetings and conferences, significantly reinforcing its role as a premier multilateral hub i.e
  - 7<sup>th</sup> edition of the 2024 Transform Africa Summit (TAS).
  - 37th IATA Ground Handling Conference (IGHC)





*Continental Delegates of UNEA 6 pose for a photo at UN headquarters in November 2024.*

5. **Multilateral Engagements:** Kenya held 16 multilateral engagements during the year, achieving eight times the target of 2, thereby strengthening regional and global cooperation.
6. **Candidature Support:** Three country-level and seven individual candidatures were successfully lobbied and secured, surpassing both respective annual targets (3 and 5).
  - a) In October 2024, Kenya was elected to the UN Human Rights Council (HRC) for the Period 2025-2027.
  - b) In November 2024, Kenya was elected to the UN Committee for Programme Coordination (CPC) for the period 2025-2027
7. **Expansion of Diplomatic Footprint:** Kenya expanded its global representation by opening two new diplomatic missions in Haiti and Guangzhou, and appointing an Honorary Consul in Austria, underscoring the country's commitment to strengthening diplomatic relations worldwide.
8. **Peace and Security Diplomacy:** A total of 18 regional, continental, and global peace and stability engagements were undertaken, exceeding the annual target of 16. i.e Facilitated South Sudan Peace Talks through Tumaini Initiative Mediation.
9. **Foreign Policy Articulation:** Kenya's foreign policy was articulated in 12 high-level international forums, out of a target of 20. The forums included: The 79<sup>th</sup> Session of the UN High Level General Debate; African Union Summit; IGAD Ministerial Meeting; EAC Heads of State Summit; Forum on China-Africa Cooperation (FOCAC); TICAD; and the Summit of the Future.

**Table 8.10: SDFA Subsector BETA output results for FY 2024/25**

Priority Project	Output	Indicator	Annual Target 2024/25	Actual Achievement 2024/25	Remarks on Achievement Variance
Transform Missions into Economic Hubs	Kenya Missions abroad empowered to market Kenya as a preferred destination of choice for trade, investment and tourism	No. of trade and investment promotion activities and business forums	60	47	Target not achieved. The variance is a result of the cancellation of forums from other countries/parties e.g. the Kenya-Coffee Safari that was scheduled for November 2024 in Nairobi.
Elevate Kenya's Anchor State Status	Regional, continental and global peace and stability engagements strengthened	No. of Engagements	16	18	Target Achieved. The political instability around the region has called for an increase in number of engagements
	Joint Border Commissions' (JBCs) agreed Minutes implementation monitored and documented	Annual Progress Reports	1	1	Target achieved
	State/ Official high-level exchange visits facilitated	No. of outbound and inbound state/ official visits	20	33	Target achieved. The good relations between Kenya and other countries called for an increase in the number of engagements, hence the high number of exchange visits
	Bilateral frameworks concluded.	No. of bilateral cooperation frameworks	50	63	Target achieved. As a reflection of the over-achievement on State and Official visits, this increased the number and rate of conclusion of bilateral cooperation frameworks.



Priority Project	Output	Indicator	Annual Target 2024/25	Actual Achievement 2024/25	Remarks on Achievement Variance
	New Missions, Consulates General, and Liaison Offices opened	No. of Missions, Consulates General, and Liaison Offices	7	2	Target not achieved.
	Country position papers prepared	No. of High-Level forums where Kenya's Foreign Policy is Articulated	20	12	Target not achieved.
	Country Candidature Positions lobbied	No. of country positions lobbied/secured	3	3	Target Achieved
	Individual Candidature Positions lobbied	No. of individual positions lobbied/secured	5	7	Target achieved. The over-achievement was realized in quarters 2 & 3 as most of campaigns and elections are done during that period
	Kenya as a hub for operations of Multilateral Institutions promoted	No. of Multilateral engagements held in Kenya	2	16	Target achieved. Kenya, being host to many regional headquarters for international organizations attracted and continues to attract many conferences and events i.e IDA21 Africa Head of State Summit, FDB Annual Summit, UNEA 6 e.t.c.
	Nairobi promoted as premier destination of major international meetings, conferences and event	No. of international meetings, conferences and events held in Nairobi	2	25	
Modernization and improvement of diplomatic infrastructure	Government-owned properties acquired, redeveloped, refurbished, branded and modernized	No. of government properties acquired, redeveloped, refurbished, branded and modernized	15	4	Target not achieved. Zero budgetary allocation on development halted implementation of the target. The 4 is from the continuation of projects from previous year.

Priority Project	Output	Indicator	Annual Target 2024/25	Actual Achievement 2024/25	Remarks on Achievement Variance
	Diplomatic Enclave developed	% level of establishment	25	0	Target not achieved. As a result of change in Government policy during transition, the set-aside property was repossessed, taking the target back
	Security and ICT Missions improved	% level of improvement	25	0	Target not achieved.
	The Foreign Service Academy established and operationalized	% level of operationalization	40	70	Target achieved. Target over-achieved due to the appointment of Foreign Service Academy Council as a major milestone in implementation of the Academy's activities.
	Implement the Foreign Service Act 2021 and its Regulations	% level of implementation	100	40	Target not achieved. The draft instruments are undergoing internal consultations before presentation to the National Assembly.
	Foreign Policy Reviewed	Revised Foreign Policy	1	1	Target Achieved

Source: State Department for Foreign Affairs

### 8.10.2. Policy, Legal and institutional Reforms

- i. Finalized the review of Foreign Service Policy 2024 and its Sessional Paper No. 1 of 2025.
- ii. The Foreign Service Academy was operationalized on 6<sup>th</sup> December 2024 as a Semi-Autonomous Government Agency (SAGA). The Council of the Academy was appointed in August 2024 and gazetted
- iii. A Sub-Committee was formed in July 2024 to review the Foreign Service Act, 2021 and develop corresponding Regulations by addressing legal gaps, aligning the Act with Kenya's Foreign Policy and drafting an Amendment Bill. Drafting instructions were submitted to the Office of the Attorney General and the draft pieces of legislation were circulated internally and externally for comments. Feedback has been received from the

relevant key stakeholders, the ministry staff and our missions abroad.



*Prime Cabinet Secretary together with PS Foreign Affairs on his left, PS Diaspora Affairs on his right, and Amb. Lucy Kiruthu on his far left, during the launch of the reviewed Foreign Policy 2024 and the State Department's Strategic Plan 2023-2027.*

### 8.10.3. Challenges, Lessons Learnt & Recommendations

#### a) Implementation Challenges

- i. **Development Budget Constraints:** Key infrastructure projects, including modernization of diplomatic properties and ICT upgrades in missions, were delayed due to budgetary shortfalls.
- ii. **Under-resourced Missions:** Missions with multiple accreditations continued to operate with limited personnel and logistical capacity, affecting service delivery.
- iii. **Inter-agency Coordination Gaps:** Delays in feedback and weak coordination on foreign policy issues impeded timely decision-making and implementation.
- iv. **Policy Transition Effects:** The repossession of property initially earmarked for the Diplomatic Enclave due to a change in government policy halted progress in this flagship initiative.
- v. **Infrastructural Limitations:** While digital systems were improved, physical security and ICT infrastructure in missions remained inadequate due to stalled implementation.

#### b) Recommendations

- i. **Increase Development Funding:** Prioritize budgetary allocation to support modernization of diplomatic infrastructure, ICT systems, and other strategic capital investments.
- ii. **Enhance Human and Technical Capacity in Missions:** Deploy additional staff and provide logistical support to under-resourced missions, especially those serving multiple jurisdictions.

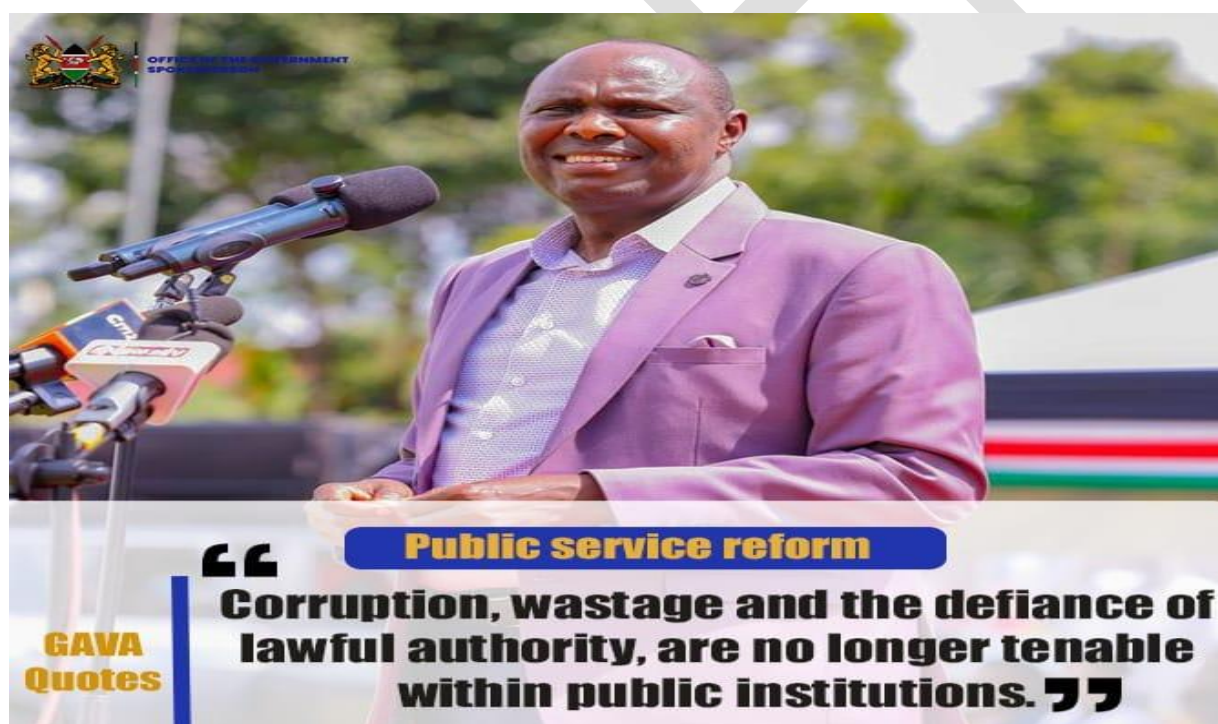
- iii. **Strengthen Inter-agency Collaboration:** Establish structured coordination mechanisms to improve policy coherence and ensure timely implementation of diplomatic priorities.
- iv. **Fast-track Infrastructure Projects:** Identify alternative solutions for establishing the Diplomatic Enclave following the policy transition.

## 8.11 Office of Chief of Staff & Head of the Public Service Sub sector

The sub sector provides Administrative Headship to the Executive Office of the President (EOP), Coordinates and Convenes the Principal Secretaries Committees, Facilitates Organization and Execution of Government Business, Coordinates the Preparation and Transmission of Executive Directives/Orders and Presidential Proclamation to MDAs for their information, implementation and/or other action.

### 8.11.1. Sub-sector Performance

The OCOS&HOPS coordinated and convened the Principle Secretaries Committees, coordinated the preparation and transmission of various Executive Directives/Orders on Leadership and Organization of Government for effective implementation of MDAs mandates.



*Felix Koskei, EGH Chief of Staff and Head of the Public Service*

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

**Table 8.11: Head of Public Service Output Results FY 2024/2025**

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on Achievement Variance
Leadership, Accountability and Legislative Agenda	Executive Directives/ Orders, Presidential Proclamations and Cabinet decisions transmitted	Proportion of Executive Directives/Orders, Presidential Proclamations and Cabinet decisions transmitted	100	100	Target Achieved.
Modernization of Government Press	Modern print production equipment acquired	No. of print production equipment acquired	5	5	Target Achieved
	Operations automated and records digitized	% level of automation and digitization	40	40	Target Achieved
	Government Press services decentralized	No. of regional centers operationalized	2	2	Target Achieved

*Source of the Data:* OCOS&HOPS Annual Progress Report

## 8.12 Office of the Deputy President

The Office being at the apex of the government and a unique institution in the public sector, plays a unique role in the public sector in coordination and oversight of the delivery of the Government's plan. This is undertaken by providing leadership and supervision in Government, including chairing of cabinet sub-committees, multi-stakeholder engagements, unlocking inter-ministerial bottlenecks, and leading various government initiatives and interventions. In particular, the Office plays a key role in coordinating Inter-Governmental relations between the National Government and County Governments, including chairing the Inter-Governmental Budget and Economic Council (IBEC).

### 8.12.1. Sub sector Performance

The sub sector convened four (4) Intergovernmental Budget Economic Council (IBEC) to address sectoral challenges. The forum provided mechanisms and procedures to facilitate matters relating to budgeting, the economy, and financial management, and integrated development at the national and county levels.





*The 27th Ordinary Session of the Intergovernmental Budget and Economic Council (IBEC) meeting. IBEC is integral in ensuring Devolution works and the correlation between the national and county governments remains strong.*



*The Government comprehensive and inclusive development agenda across the country will stimulate economic empowerment and growth of citizens from the grassroots in line with the Kenya Kwanza Administration's Bottom-up Economic Transformation Agenda (BET)*

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

**Table 8.12: ODP Output Results FY 2024/2025**

Priority Project	Output	Indicator	Annual Target FY 2023/24	Actual Achievement FY 2023/24	Remarks on Achievement Variance
Management of Devolution Affairs	IBEC, Summit and Consultative meetings with COG to address sectoral challenges held	No. of IBEC meetings held	4	4	Target Achieved

*Data Source: Annual Progress Report*

## 8.12.2. Policy, legal and Institutional Reforms

### 8.12.3. Challenges, Lessons Learnt & Recommendations

#### a) Recommendations

Office of the Deputy President recommends the adoption of “A Whole-of-Government Approach” whose focus is on attaining better outcomes, increasing public trust and oversight for high service delivery; promoting inclusive economic growth, social inclusion, and human development.



## **CHAPTER NINE**

### **MONITORING AND EVALUATION ECOSYSTEM IN THE PUBLIC SECTOR**

#### **9.0 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 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 and Public Investment Management Directorate (MEPIM); 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.

#### **9.1 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.

#### **9.2 Monitoring, Evaluation and Public Investment Management (MEPIM) Directorate**

The State Department of Economic Planning, through the Monitoring, Evaluation and Public Investment Management Directorate, is responsible for coordinating the tracking implementation of the Vision 2030 and its Medium-Term Plans (MTPs). It entails oversight of the national M&E framework, development of M&E guidelines, and capacity building of stakeholders on M&E.

During the review period, MEPIM 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, over 80 officers were trained in commissioning and managing project evaluations, and 48 officers from four counties (Nandi, Migori, Turkana, and Bungoma) were trained on the electronic County Integrated Monitoring Evaluation System (e-CIMES) by MEPIM in collaboration with UNICEF, UNFPA, and USAID.

In addition, the Monitoring, Evaluation, and Public Investment Management (MEPIM) Directorate was restructured to implement non-financial aspects of the PFM (Public Investment Management) Regulations 2022, assigned to the State Department for Economic Planning.

### **9.3 Public Investment Management Unit -TNT**

The Unit under the National Treasury reviewed concept notes and feasibility studies, recommended approved projects for inclusion in the budget, rolled out the Public Investment Management Information System (PIMIS), and integrated climate change and disaster risk screening into the PIM Regulations.

### **9.4 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 tracked progress on the Vision 2030 flagship projects and programmes, proactively addressing challenges to implementation and ensuring stakeholder awareness and engagement.

### **9.5 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.

### **9.6 Ministries, Departments, and Agencies (MDAs)**

The MDAs implemented various projects and programmes of MTP IV and the BETA priority project and programmes. The MDAs consistently tracked performance and prepared quarterly progress reports, contributing to the overall Annual Progress Report (APR). The MDAs play a crucial role in assessing the impact of policies and programmes at national and devolved levels.

### **9.7 NEPAD/APRM Kenya Secretariat**

The NEPAD/APRM Kenya Secretariat monitored and reported on the progress African Union Agenda 2063 and various critical cross border infrastructure projects, particularly LAPSSET. The Secretariat also conducted self-assessments and peer reviews for the Counties in a view of strengthening governance and promoting transparency, accountability, at both national and devolved level.

### **9.8 County Governments**

County Governments monitored the implementation of county projects and programmes in line with the County Integrated Monitoring and Evaluation System as contained in the third generation County Integrated Development Plans.

### **9.9 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) Inadequate technical capacity: The lack of skilled personnel leads to poorly designed frameworks and ineffective data collection and analysis
- (iv) Coordination challenges: Fragmented roles across multiple entities result in duplication, inconsistencies, and difficulties in data aggregation
- (v) Technological constraints: Inadequate ICT infrastructure, limited digital literacy, and system interoperability issues impede the integration of technology in M&E.

## **9.10 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: There is a need for flexible M&E systems that adapt to rapidly changing circumstances

## CHAPTER TEN

### GENERAL CHALLENGES, LESSONS LEARNT, AND RECOMMENDATIONS

#### 10.0 Overview

The performance of various State Departments and affiliated agencies has been hindered by persistent systemic challenges that span financial, human resource, policy, and institutional domains. These challenges have collectively slowed the implementation of planned programmes and projects, reduced operational efficiency, and delayed achievement of strategic objectives. However, experiences from implementation have provided critical lessons that inform actionable recommendations to improve future performance. Addressing these issues holistically will require sustained resource mobilization, strong inter-agency coordination, timely decision-making, and targeted capacity-building measures

#### 10.1 Challenges

**Inadequate budget allocations and austerity measures** - Annual budgetary provisions have often fallen short of the funding levels required to fully implement planned programmes and projects. In some cases, austerity measures introduced to contain public spending have further reduced available resources. Without predictable and sufficient allocations, long-term strategic plans risk becoming aspirational rather than actionable, leading to cumulative backlogs and missed development targets.

**Delayed exchequer releases** - Even when budget allocations are approved, the disbursement of funds from the exchequer is often delayed. These delays are typically due to revenue shortfalls at the national level, cash flow management challenges, or lengthy approval processes. Delayed funding undermines credibility with stakeholders, contractors, and development partners, and often results in cost overruns.

**Reduced allocations to Semi-Autonomous Government Agencies (SAGAs)** - Budget ceilings for SAGAs have been reduced or remained stagnant despite growing mandates and operational demands. Persistent underfunding risks institutional decline and reduces the capacity of SAGAs to contribute to national development targets.

**Reduced internally generated revenue due to lowered training fees** - Institutions that depend on training services as a revenue stream have faced declines in income, primarily due to policy-directed fee reductions or market factors lowering demand. Over-reliance on unstable internally generated revenue sources makes long-term financial planning challenging, especially for institutions with mandates in capacity building.

**Shortage of qualified technical/professional staff in key sectors (including maritime, foreign missions, and economic planning)** - The successful delivery of government programmes, projects, and policy initiatives depends heavily on the availability of a well-trained, adequately staffed, and technically competent workforce. However, many departments and missions are currently operating with a shortfall of professional and technical officers relative to the workload and scope of responsibilities. Addressing this challenge requires more than just recruitment. It demands strategic human resource planning, skills gap analysis, and succession management. In parallel, departments must explore innovative staffing approaches

such as cross-departmental task forces, secondments, and targeted capacity-building programmes to maximize the impact of existing staff.

**Delayed or incomplete policy and legal frameworks** - Delay, or incompleteness of critical policy and legal frameworks, significantly undermines institutional efficiency, strategic alignment, and the overall delivery of public service mandates. Policy frameworks provide the strategic vision, priorities, and guidelines that inform programmes and activities, while legal frameworks offer the enforceable authority and procedural clarity necessary for execution.

**Weak inter-agency coordination is causing delays in decision-making and implementation.** Effective service delivery in government increasingly relies on multiple institutions working together across overlapping mandates. Weak inter-agency coordination arises when ministries, departments, agencies, and other stakeholders operate in silos, with limited communication, unclear roles, or competing priorities.

**Weak monitoring, evaluation, and performance management systems** - Monitoring, Evaluation, and Performance Management systems are essential for tracking progress, measuring impact, and ensuring accountability in the delivery of government programmes and projects. Weaknesses in these systems undermine the ability of institutions to generate accurate, timely, and actionable insights for decision-making. This results in a cycle where underperformance goes undetected, resources are misallocated, and strategic goals are missed.

**Delays in Public-Private Partnership (PPP) processes** - Public-Private Partnerships (PPPs) are a critical mechanism for mobilizing private sector expertise, financing, and innovation to deliver public infrastructure and services. However, in many sectors, PPP implementation is hampered by prolonged and cumbersome processes that delay project initiation, increase costs, and limit the timely delivery of intended benefits. These delays often occur during the identification, approval, contracting, and financial closure stages, which in turn slow down the execution of strategic projects in areas such as infrastructure modernization, ICT upgrades, and diplomatic property development.

## 10.2 Lessons Learnt

- a) Inter-agency and inter-ministerial coordination is crucial for achieving targets.
- b) Collaboration, teamwork, and ICT-driven process automation improve performance.
- c) Continuous supervision and follow-up on contractors accelerate project progress.
- d) Aligning planning and budgeting from the start ensures resource efficiency.
- e) Strong financial forecasting and proactive engagement with the National Treasury sustain implementation momentum.
- f) Dedicated funding lines for sector-specific initiatives (e.g., land restoration, maritime projects) enhance execution.
- g) A simplified and well-communicated PPP framework increases uptake.
- h) Flexibility, strong internal coordination, and evidence-based decisions improve resilience.

## 10.3 Recommendations

**Increase budgetary allocations, prioritize development funding, and ensure timely fund release**-Adequate and predictable funding is a cornerstone for the successful implementation of government programmes, projects, and strategic initiatives. Prioritizing development

funding is essential because capital-intensive projects often drive long-term socio-economic growth and institutional modernization. This entails safeguarding allocations for infrastructure upgrades, technological advancements, capacity building, and sectoral flagship projects, even in the face of austerity. Ensuring timely fund release is equally critical. Delays in exchequer disbursement disrupt procurement processes, hinder contract execution, and erode stakeholder confidence. Predictable cash flow enables government agencies and Semi-Autonomous Government Agencies (SAGAs) to meet contractual obligations, avoid penalties, and maintain momentum in project delivery

**Mobilize additional resources through partnerships, co-financing, and county government collaboration**-There is a pressing need to diversify funding sources beyond the traditional government allocation. Mobilizing additional resources through strategic partnerships, co-financing arrangements, and county government collaboration offers a sustainable pathway to bridging financing gaps, accelerating project delivery, and enhancing the impact of interventions.

**Recruit additional qualified technical/professional staff across sectors** - A well-qualified and adequately staffed workforce is essential for effective policy formulation, programme implementation, service delivery, and institutional growth. Many government departments, Semi-Autonomous Government Agencies (SAGAs), and field missions currently operate with critical shortages of technical and professional personnel, leading to reduced productivity, slower project execution, and overburdened existing staff. Technical and professional officers play a central role in translating strategic objectives into measurable results. Without sufficient human capital, even well-funded and well-designed programmes risk underperformance.

**Strengthen institutional frameworks for better mandate execution** - An institution's ability to deliver on its mandate depends heavily on the strength, clarity, and resilience of its governance structures, operational systems, and legal foundations. Weak or outdated institutional frameworks undermine decision-making, slow project implementation, and reduce accountability. Strengthening institutional frameworks requires streamlining processes, aligning structures with strategic objectives, ensuring role clarity, and embedding mechanisms for coordination, monitoring, and accountability. This ensures that policies are implemented consistently, resources are managed efficiently, and services are delivered effectively.

**Identify alternative solutions for halted flagship projects** - Flagship projects are designed to drive strategic goals, enhance service delivery, and showcase national progress. However, these projects can stall due to budgetary constraints, policy changes, procurement delays, legal disputes, or shifts in political priorities. Identifying alternative solutions means finding innovative, feasible, and sustainable approaches to resume or reconfigure stalled projects. This could involve redesigning project scope to fit available resources, adopting phased implementation, securing alternative funding (e.g., PPPs, donor grants), or reassigning resources to deliver partial but high-impact components. The aim is to protect earlier investments, minimize losses, and ensure that the project's intended benefits are still realized.