



REPUBLIC OF KENYA

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

**3RD QUARTER REPORT OF THE FIRST ANNUAL PROGRESS
REPORT (2023/2024)**

**ON THE IMPLEMENTATION OF THE FOURTH MEDIUM - TERM
PLAN (2023 – 2027)**

OF THE

KENYA VISION 2030

September, 2024

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ABBREVIATIONS AND ACRONYMS

AAGs	Affirmative Action Groups
ADR	Alternative Dispute Resolution
AGPO	Access to Government Procurement Opportunities
BETA	Bottom-Up Economic Transformation agenda
DIIMS	Diaspora Integrated Information Management System
EU	European Union
GBV	Gender based Violence
GDP	Gross Domestic Product
GHRIS	Government Human Resource Information Systems
GPRS	Government Performance Reporting System
HMIS	Health Management Information Systems
IFMIS	Integrated Financial Management Systems
IMAM	Integrated Management of Acute Malnutrition
IPR	Industrial Property Rights
IPRS	Integrated Population Registration Systems
ITAP	Industrial Training and Attachment Portal
KAIST	Kenya Advanced Institute of Science and Technology
KCGC	Kenya Credit Guarantee Company
KETRA	Kenya Trade Remedies Agency
KIW	Kenya Innovation Week
KNT	Kenya National Theatre
KOMEX	Kenya Multi-Commodity Exchange
KOSFIP II	KimiraOluch Smallholder Farm Improvement Project Phase II
KPS	Kenya Prisons Service
KRA	Kenya Revenue Authority
LCI	Land Commercialization Initiative
LEZ	Livestock Export Zone
LITS	Livestock Identification and Traceability System
LMIS	Logistics Management Information System
LPG	Liquified Petroleum Gas
MDAs	Ministries, Departments and Agencies
MSMEs	Micro, Small, and Medium Enterprises
MTP	Medium - Term Plan
MTRH	Moi Teaching and Referral Hospital
NAEA	National Arts Excellence Awards
NCEC	National Creatives Economy Council
NCIP	Northern Corridor Integration Project
NCPWD	National Council for Persons with Disabilities
NDIC	National Development Implementation Committee
NFDK	National Fund for the Disabled for Kenya
NGAO	National Government Administration Officer
NITA	National Industrial Training Authority
NPCC	National Productivity and Competitiveness Centre
NPCK	National Potato Council of Kenya
NPHI	National Public Health Institute
NSE	Nairobi Security Exchange
NSNP	National Safety Net Program
NSP	National Spatial Plan

NTNC	National Trade Negotiations Council
NYOTA	National Youth Opportunities Towards Advancement
ODeL	Open Distance and eLearning
PACS	Probation and Aftercare Service
PCNs	Primary Healthcare Networks
PPP	Public-Private Partnership
PSC	Public Service Commission
PV	Present Value
RCGS	Rural Credit Guarantee Scheme
SAGA	Semi-Autonomous Government Agency
SDA	State Department for Agriculture
SDC	State Department for Cooperatives
SDCS	State Department for Correctional Services
SDEAC	State Department for East African Communities
SDEP	State Department of Economic Planning
SDGAA	State Department for Gender and Affirmative Action
SDI	State Department for Industry
SDIP	State Department for Investments Promotion
SDLD	State Department for Livestock Development
SDL&SD	State Department for Labour and Skills Development
SDMS	State Department for Medical Services
SDPA	State Department for Parliamentary Affairs
SDPDM	State Department for Performance and Delivery Management
SDPHPS	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 TVET
SDYACE	State Department for Youth Affairs and Creative Economy
SHIF	Social Health Insurance Fund
SRH	Sexual Reproductive Health
STR	Simplified Trade Regime
TLUs	Tropical Livestock Units
TNT	The National Treasury
TVET	Technical and Vocational Education and Training

FOREWORD

The Third Quarter Progress Report presents achievements made in the implementation of the Medium-Term Plan IV in the financial year 2023/24. The overarching goal of the Kenya Vision 2030 is to transform Kenya into a newly industrialized, middle income country providing a high quality of life to all its citizens by the year 2030. Implementation of the Vision 2030 has been through successive five-year Medium - Term Plans (MTPs): First MTP 2008-2012; Second MTP 2013-2017; and Third MTP 2018-2022. The Kenya vision 2030 is anchored on economic, social and political pillars. The pillars are sustained by the enablers which form the foundations for social and economic transformation of the country. The MTP IV is the last five-year Medium - Term Plan of the Kenya Vision 2030.

The Fourth Medium - Term Plan, 2023-2027 themed: '*Bottom-Up Economic Transformation Agenda for Inclusive Growth*', translates BETA aspirations into concrete priority interventions to be implemented. The Government aims to transform agriculture by raising productivity of key value chains; transform the Micro, Small and Medium Enterprise (MSME) economy by strengthening of the Hustler Fund to provide access to affordable credit; capacity building; and linkage to markets; increasing investment in housing through construction of 200,000 housing units annually; strengthen healthcare by delivery of Universal Health Coverage (UHC) enhance productivity and overall competitiveness, through increase investment in the digital superhighway and strengthen public institutions to deliver effective and efficient services necessary for successful implementation of the MTP IV.

The Third Quarter Progress Report is a quick dipstick assessment to gauge implementation of MTP IV by various institutions and stakeholders as the State Department for Economic Planning prepares to develop the First Annual Progress Report on the Implementation of MTP IV (2023-2027). The Plan was officially launched on 21st March, 2024 and was disseminated countrywide in June, 2024.

The government commits to building necessary institutional capacities and linkages to enhance effective implementation of the Plan.

**CPA John Mbadi,
Cabinet Secretary
The National Treasury and Economic Planning**

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The Third Quarter Report on the implementation of the Fourth Medium - Term Plan (2023-2027) was produced within the Framework of National Integrated Monitoring and Evaluation System. Preparation of the Progress report was coordinated by the Monitoring, Evaluation, Learning and Public Investment Management Directorate in the State Department for Economic Planning. In developing the progress report, the Directorate collaborated with line Ministries Departments and Agencies (MDAs). In this regard, MDAs prepared their quarterly reports in consultation with stakeholders under their purview, shared with their respective Ministerial Monitoring and Evaluation Committees and a copy was forwarded to the State Department for Economic Planning for consolidation, validation and publishing.

I wish to acknowledge the invaluable effort and commitment made to ensure that Kenyans are provided with accurate, objective and timely information on the progress of the implementation of the Fourth Medium - Term Plan of Kenya Vision 2030.

In particular, I wish to recognize and acknowledge the efforts of directors of planning and technical officers in various Central Planning and Project Monitoring Departments (CPPMDs) in their submission of progress reports to facilitate the preparation of this report.

I extend special recognition to the Ag. Economic Planning Secretary, Mr. Timothy Gakuu for his dedication in ensuring that this report is of high quality. In addition, I express my sincere gratitude to the director Monitoring, Evaluation, Learning and Public Investment Management Directorate staff, under the leadership and guidance of Mr. David W. Kiboi, for their dedicated efforts in compiling the report and numerous engagements with State Departments for clarifications to ensure accuracy and reliability of the data presented in this report. To everyone else who participated in the preparation of this report, feel appreciated.

Mr. James Muhati, CBS
Principal Secretary
State Department for Economic Planning

EXECUTIVE SUMMARY

Holistic national development is premised upon the implementation of National Development Plans, policies, programs, and projects in terms of efficiency and effectiveness. The State Department for Economic Planning (SDEP), through the Monitoring, Evaluation, Learning and Public Investment Management (MELPIM) is mandated to ensure the continuous tracking of progress in the implementation of government policies, programmes and projects, as well as undertake systematic, rigorous and independent assessments to ascertain the extent to which they are achieving the desired objective. Thus, Monitoring is done through gathering of systematic information on delivery of targeted outputs and other variables from Ministries, Departments and Agencies, whereas Evaluation seeks to determine the relevance, efficiency, effectiveness, impact coherence and sustainability.

In keeping with its mandate, the state department leverages on the National Integrated Monitoring and Evaluation System (NIMES) and County Integrated Monitoring and Evaluation System (CIMES) framework to track the implementation of all government development agenda at the national and county levels respectively. The Annual Progress Reports (APRs) is one of the products of the NIMES and is developed from quarterly progress reports submitted by Ministries, Departments and Agencies (MDAs), in adherence to a robust monitoring and evaluation framework within the structured e-NIMES platform. This ultimately contributes to the generation of real-time information and high-quality Monitoring and Evaluation (M&E) reports.

The Fourth Medium - Term Plan (MTP IV) 2023-2027 of the Kenya Vision 2030 whose theme is “Bottom-up Economic transformation Agenda (BETA) for inclusive Growth”, has adopted the BETA which is geared towards economic turnaround through a value chain approach. MTP IV outlines the main policies, legal and institutional reforms as well as programmes and projects that the Government intends to implement during the period 2023-2027.

The State Department, while preparing the Fourth Medium - Term Plan, concurrently developed the Fourth National Reporting Indicator Handbook to mirror the projects and programmes envisioned in the Plan, with National Reporting Indicators to serve as a tool to track the implementation of the Fourth Medium - Term Plan. The indicators are carefully crafted to satisfy the indicator development criteria of being Specific, Measurable, Achievable, Relevant and Time bound. This ensures gathering of reliable evidence about how much or how well objectives are being or have been achieved, as well as assessing adherence to other policies and international obligations.

The MTP IV Indicator Handbook contains more comprehensive targets covering the five MTP IV sectors namely: Finance and Production; Infrastructure; Social; Environment and Natural Resources; and Governance and Public Administration. It also includes indicators underpinning macroeconomic framework. Precisely, the Handbook is organized into two parts: the first part captures the outcome indicators that capture the macroeconomic outlook, while the second part captures output indicators of key Government interventions under each of the five sectors.

The First, Second and Third Quarter progress reports from Ministries, Departments and Agencies focuses on the output indicators whereas the Fourth and Annual Progress report focuses on both the output and outcome indicators. Therefore, this Third Quarter (Q3) Progress Report focuses on outputs. It is organized into: Introduction – covering an overview of the Kenya Vision 2030 and MTP IV; the macroeconomic framework review – touching on the membership of the Macro Working Group and the Third Quarter macroeconomic performance; the Q3 sector performance review – clearly presenting a preview of the aforementioned sectors and their respective subsectors, summaries of Q3 performance at output level, followed by policy, legal and institutional framework, implementation challenges and recommendation; and finally lays out the General implementation challenges, conclusions and recommendations.

From the report, the implementation of key Q3 outputs and the BETA priorities are on course. Some sectors have surpassed targets on various outputs while others fell short. Challenges were reported on: insufficient budgetary allocation and delays in disbursement of funds; delayed approvals from relevant stakeholders; adverse weather conditions; vandalism of infrastructure; litigation that delays implementation of projects; non-compliance to commitments on the counties obligations as per the signed participation agreements for donor funded projects; Human resource capacity constraints; increased cases of public servants with mental health issues ;legal and policy framework issues; unfavourable business environment; duplication and overlaps; pending bills; and inadequate infrastructure, among others.

Key takeaways from the Q3 implementation period include: flexible implementation frameworks for credit guarantees; higher efficiency and effectiveness in delivering services by integrating systems; and increased funding for better service delivery.

CHAPTER ONE: INTRODUCTION

1.1 Overview of the Kenya Vision 2030

Kenya Vision 2030 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 a vehicle meant to transform Kenya to “a newly industrialising, middle-income country providing a high quality of life to all its citizens in a clean and secure environment”.

The Vision is anchored on three key pillars: Economic Pillar, Social Pillar and Political Governance Pillar. The economic pillar aims to achieve an economic growth rate of 10 per cent per annum and sustain the same till 2030. The social pillar seeks to create just, cohesive and equitable social development in a clean and secure environment. The political pillar aims to realise an issue-based, people-centred, result-oriented and accountable democratic system. The three pillars are sustained by the Enablers which form the foundations for social and economic transformation of the country.

The Vision is implemented through successive five-year Medium-Term Plans: MTP I (2008 – 2012), MTP II (2013-2017) and MTP III (2018-2022). Kenya is currently implementing the MTP IV (2023-2027) which is the last five-year plan of the Kenya Vision 2030 that will transition the country to the next long-term development blueprint.

1.2 Overview of the Fourth Medium - Term Plan

A Medium Term Plan is a five year strategic framework that provides guidance on economic development and implementation of the Kenya Vision 2030. The Forth Medium-Term Plan themed “Bottom-Up Economic Transformation Agenda has been aligned to the Bottom-Up Economic Transformation Agenda (BETA). The MTP IV seeks to reduce the cost of living by lowering the annual inflation rate to 5 percent, eradicate hunger, create 1.2 Million jobs annually, expand the tax revenue base by increasing revenue collection to 19.7 percent of the Gross Domestic Product (GDP) by 2027, improve foreign exchange balance through promotion of exports to sustain reserves to 6.1 months of import cover and ensure inclusive growth.

The Forth Medium-Term Plan key priorities are clustered into five sectors namely; Finance and Production Sector, Infrastructure sector, Social sector, Environment and Natural resources Sector and Governance and Public Administration Sector. These sectors are driven by five pillars of the BETA. The pillars are: Agriculture; Micro, Small and Medium Enterprise (MSME) Economy; Housing and Settlements, Health Care and Digital Superhighway and Creative Economy.

CHAPTER TWO: MACROECONOMIC FRAMEWORK REVIEW

2.1 Overview

Kenya's macro working group comprises of The National Treasury (TNT), Central Bank of Kenya (CBK), The Kenya National Bureau of Statistics (KNBS), Macroeconomic Department at the State Department of Economic Planning (SDEP), The Kenya Institute of Public Policy, Research and Analysis (KIPPRA), The Kenya Revenue Authority (KRA) and The Commission on Revenue Allocation (CRA). The Group is mandated to oversee the country's macroeconomic indicators which include; inflation, money supply, public debt (external and domestic), current account, interest rates and revenue collection. The next sub-section highlights the macro-economic performance for Kenya in the third quarter (Q3) of FY2023/2024.

2.2 Macro-Economic Performance

According to the Central Bank Economic Review (Jan-March 2024), the global economy continued its rebound in the first quarter (Q1) of FY2023/2024, albeit at a slower pace. Economic activities varied across regions, with expectations of improvement driven by increased global demand, particularly in the United States and several Emerging Markets and Developing Economies (EMDEs). Overall inflation declined to 6.3 percent in the Q1 of FY2023/2024 from 6.8 percent in the previous quarter, largely driven by easing food and fuel prices. Food inflation declined due to bumper harvest of key food products following favorable weather conditions, and general easing of international food prices. Fuel inflation eased during the quarter, attributed to lower pump prices following the downward adjustments by the Energy and Petroleum Regulatory Authority (EPRA). Meanwhile, Non-food Non-fuel inflation increased modestly, largely reflecting increased cost of education services.

The economy remained resilient during the quarter under review and grew by 5.0 percent compared to 5.5 percent in a similar quarter of 2023, supported by strong growth of agriculture and services. The agriculture sector growth was largely driven by increased production following favorable weather conditions. The growth of service sector was supported by robust performance of finance and insurance, wholesale and retail trade, real estate, information and communication, and accommodation and food services. However, growth in the industrial sector slowed down further during the quarter. Growth in broad money supply (M3) contracted by 5.3 percent in Q1 of FY2023/2024 compared to an increase of 3.8 percent in the previous quarter, mainly reflecting reduced deposits. This is partly due to valuation effects on foreign currency deposits following exchange rate appreciation.

The current account balance narrowed to USD 857 million in Q1 of FY2023/2024, from USD 877 million in a similar period in FY2022/2023. This improvement was driven by a robust performance in exports, particularly in the agricultural sector with increases in tea and horticulture exports, along with resilient remittance inflows. Additionally, a decline in imports contributed to the narrowing of the deficit. Secondary income inflows also remained strong, increasing by USD 49 million to USD 1,851 million in Q1 of FY2023/2024, compared to USD 1,802 million in the same quarter of FY2022/2023.

The banking sector remained stable and resilient in Q1 of FY2023/2024. Total assets decreased by 2.7percent to Ksh. 7,513.1 billion in March 2024, from Ksh. 7,724.9 billion in December 2023. The deposit base also decreased by 4.9percent to Ksh. 5,525.3 billion in Q1 of FY2023/2024, from Ksh. 5,812.1 billion in the fourth quarter (Q4) of FY2022/2023. The sector was well capitalized with capital adequacy ratio of 18.6percent, which was above the minimum capital requirement of 14.5percent. The sector remained profitable in Q1 of FY2023/2024, with quarterly profit before tax that increased to Ksh. 73.5 billion, from Ksh. 48.5 billion reported in the Q4 of 2023. Credit risk remained elevated with Gross Non-Performing Loans (NPLs) to Gross Loans Ratio standing at 15.7 percent at the end of Q1 of FY2023/2024, an increase from 14.8percent recorded at the end of Q4 of FY2022/2023.

The Government’s budgetary operations at the end of Q3 of FY 2023/24 resulted in a deficit (including grants) of 3.3percent of the Gross Domestic Product (GDP). Both revenue collection and expenditure remained below their respective targets. Kenya’s public and publicly guaranteed debt declined by 6.6percent in Q3 of FY 2023/24 on account of external debt which declined by 15.2percent reflecting the appreciation of the Kenyan shilling. During the quarter under review, domestic debt increased by 3.9percent.

At the Nairobi Securities Exchange (NSE), the Nairobi All Share Index (NASI) and NSE 20 share price index increased by 22.8 percent and 16.7 percent respectively in Q1 of 2024 compared to the Q4 of 2023. Market capitalization, equity turnover and total shares traded also increased by 22.8 percent, 61.6 percent and 35.1 percent, respectively. Table 1 presents a summary of the key macro-economic performance for Q3.

TABLE 1: Key macro-economic performance for Q3

Outcome	Key Performance	2023/24 Target	Actual Achievement	Remarks
Accelerated Economic Growth	Annual GDP growth rate (percent)	5.9	5.5	<ul style="list-style-type: none"> The economy remained resilient supported by strong growth in agriculture and services sectors.
	Gross National Savings to GDP (percent)	15.3	15.4	<ul style="list-style-type: none"> The increased deposits were enhanced by financial intermediation and credit to private sector. However, the cost of credit increased following raising of the Central Bank Rate (CBR).
	Investment to GDP (percent)	20.7	19.5	<ul style="list-style-type: none"> Underperformance was attributed to inclusion of Kenya in the grey list by Finance Action Task Force (FATF) during its fifth plenary meeting in Paris. This entails ineffective measures and strategies to identify and address risks related to terrorism. These includes financing crypto

Outcome	Key Performance	2023/24 Target	Actual Achievement	Remarks
				<p>currency and other virtual assets.</p> <ul style="list-style-type: none"> FATF highlighted Kenya's ineffectiveness in prosecuting cases in money laundering and other economic crime cases.
Price Stability	Overall Inflation Rate (Consumer Price Index (CPI)) (average)	6.3	6.2	<ul style="list-style-type: none"> Overall inflation declined further in Q1 of FY2023/2024, largely driven by easing food and fuel prices Prices of electricity and Liquefied Petroleum Gas (LPG) remained elevated during the quarter. Non-food Non-fuel (NFnF) inflation increased due to higher costs of education services
Sustainable Fiscal Deficit	Overall Fiscal Balance to GDP (Inclusive of Grants)-percent	-5.3	-5.7	<ul style="list-style-type: none"> Below target performance was due to shortfall in revenue and additional expenditure pressure.
	Overall Balance to GDP (Exclusive of Grants)-percent	-5.6	-6.0	<ul style="list-style-type: none"> Below target performance was due to shortfall in revenue and additional expenditure pressure.
	Total Revenue to GDP	18.6	18.0	<ul style="list-style-type: none"> Below target performance was on account of estimated shortfall registered in ordinary revenue of Ksh. 267.9 billion
	Total Expenditure and net lending to GDP-percent	24.2	24.0	<ul style="list-style-type: none"> Expenditure shortfall was due to revenue underperformance and liquidity constraints.
Sustainable level of public sector Debt	Public Debt (Nominal Central Government debt) Net	65.4	67.2	<ul style="list-style-type: none"> The Government is implementing a multi-year growth friendly fiscal consolidation program supported by measures to enhance revenue collection and curtail overspending while safeguarding priority high impact social and investment expenditure. This will lead to the Present Value (PV) of the public debt to

Outcome	Key Performance	2023/24 Target	Actual Achievement	Remarks
				GDP ratio to decline steadily
Sustainable external balance	Current Account, Inclusive of Official Transfers to -percent	-5.3		<ul style="list-style-type: none"> The trade balance markedly improved, narrowing by 7.7percent whereas exports improved due to higher earnings from tea and horticulture. Simultaneously, the value of merchandise imports decreased by 0.3percent owing to a decline in imports of manufactured fertilizer while the decline in imports of manufactured goods was attributed to a decline in iron and steel.
	Gross Reserves in Months of this year's imports	5.8	4.0	<ul style="list-style-type: none"> The value of merchandise imports decreased by 0.3percent due to a decline in imports of manufactured fertilizer while the decline in imports of manufactured goods was attributed to a decline in iron and steel mostly to the region.

Source: Budget policy Statement 2023, BR0P estimates 2023

2.2.1 Structural Reforms

The structural reforms are budgetary in nature with implication on public expenditure. They include: (i) Finalization and implementation of the National Tax Policy. The policy framework will enhance administrative efficiency of the tax system, provide consistency and certainty in tax legislation and management of tax expenditure; (ii) Finalization and implementation of Medium-Term Revenue Strategy to provide a comprehensive approach of undertaking effective tax system reforms for boosting tax revenue; (iii) Roll out and implementation of a common payroll system linked to Integrated Financial Management System (IFMIS) across MDAs and counties. It entails auditing the payroll data and upgrading the Government Human Resource Information System (GHRIS) to provide for a Unified Payroll System; (iv) Implementation of Public Finance Management (Public Investment Management) Regulations 2022 aimed at streamlining initiation, execution, and delivery of public investment projects; Strengthening of the public procurement processes by rolling out an end-to-end e-Government procurement system; (v) Adoption of a coordinated approach for identification and evaluation of fiscal risks and strategies of mitigating and tackling such risks; (vi) Development of budget manual for both the National and County governments, and roll-out of a common costing

approach based on the IFMIS Hyperion system to all MDAs; and (vii) Transition to Treasury Single Account for effective cash management.

2.2.2 Tax Reforms

The proposed tax reforms over the Medium - Term planning period are: i) Tax base expansion to bring more taxpayers into the tax bracket; ii) Development and implementation of a strategy for taxation of the informal sector; iii) Enhancement of taxation of rental income by mapping of properties; iv) Rolling out measures leveraging on technology and enhanced data analytics at the Customs and Border Control to reduce revenue risk on imported goods; v) Simplification of tax processes, forms, and technology links, expanding taxpayer self-service options for improved compliance; vi) Integration of KRA systems with selected external systems including telecommunication companies (Telcos) for improved revenue collection; vii) Implementation of electronic tax invoice management system for efficient and effective VAT collection; viii) Automation of manual tax processes including exemptions and revenue reconciliation; and ix) Strengthening big data analytics and adoption of modern technologies such as Artificial Intelligence (AI), block chain and machine learning to support revenue mobilization.

CHAPTER THREE: FINANCE AND PRODUCTION SECTOR

3.1 Overview

The Sector comprises of ten (10) state departments and their agencies. The state departments are: The National Treasury, SDEP, State Department for Agriculture (SDA), State Department for Livestock Development (SDLDD), State Department for Investments Promotion (SDIP), State Department for Trade (SDT), State Department for Industry (SDI), State Department for Cooperatives (SDC), State Department for East Africa Community (SDEAC) and State Department for Micro, Small and Medium Enterprises (MSME) Development.

The key priorities and interventions in this sector focus on the following value chains: livestock comprising leather and leather products and dairy; crops comprising tea, edible oils, rice; textile and apparel; and construction/building materials. The sector prioritizes financial inclusion; investment promotion; industrial infrastructure development such as Special Economic Zones (SEZ), Industrial Parks, Export Processing Zones (EPZs), County Aggregation and Industrial Parks (CAIPs); product market diversification; and promotion of fair-trade practices. In addition, the sector will: implement green and digital finance projects to promote green production and manufacturing, and digitalized government financial services; and prioritize macroeconomic research, modelling and forecasting, monitoring and reporting on economic trends.

Further, the sector aims to create synergies among the sub-sectors through adoption of the value chain approach to production, value addition and market access, while ensuring quality assurance and standards. Value chain is an end-to-end process that begins at production through processing to marketing. The value chain approach is expected to bring about 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. The performance of respective indicators under the aforementioned state departments are discussed with a highlight of indicators under corresponding outputs as given in the MTPIV indicator handbook.

3.2 Agriculture

The Agricultural sub-sector comprises of the crops sub-sector and livestock sub-sector. The agricultural sub-sector has been the backbone of the country's economy since independence, currently contributing to about 25 percent of the country's GDP. This reflects the role played by the sub-sector in country's social and economic development. Additionally, agriculture is a key foreign exchange earner as well as a source of raw materials which are critical for manufacturing. This creates employment opportunities, which ultimately leads to sustainable wealth creation.

Additionally, agriculture is Kenya's most globally competitive sub-sector for both traditional exports such as tea, coffee, cut flowers and vegetables and other crops such as avocado and macadamia nuts which have recently gained the attention of foreign markets. Similarly, livestock and livestock products like dairy, beef, leather and leather products have huge potential for the export market. It is worth noting that agriculture production is dominated by

smallholder farmers, many of whom are organized into cooperatives. Nonetheless, increasing productivity and ensuring quality and standards remains a top priority in boosting production in the agricultural sector.

The State Department for Agriculture (SDA) has prioritized the following four (4) value chains in the implementation of BETA namely: Tea Value Chain, edible oils, Rice, textile and apparels (cotton) among others.

The key targets for SDA in the Q3 - FY 2023/2024 review period are structured for each of the priority value chains as shown in table 2.

TABLE 2: Agriculture- implementation status of Key Outputs and BETA priorities for Q3 – FY2023/2024

Priority Project/Priority	Output	Indicator	Annual Target 2023/24	Quarter (Q3) Target 2023/24	Quarter (Q3) Achievement FY2023/24	Cumm, Achievement (Q1-Q3) 2023/24	Remarks on Achievement/Variance
Production							
National value chain support for Rice Production	Basic seeds produced	Quantity of basic seeds produced (metric tonnes MT)	6,000	500	392.98	1,076.45	KALRO Mwea produced basic seed. There is need to capacity build the institution to produce more seed. Development of Rice Seed Complex project with support from Korea Government project in 2024 will enhance this capacity
	Rice seeds availed to farmers	Quantity of rice seeds availed to farmers (MT)	800	100	75	76.5	6.5 MT availed by MOALD 70 MT availed by KALRO More rice seeds will be availed by the end of the financial year
	Volume of avicides availed to farmers	Volume of avicides availed to farmers (litres)	5,000	-	-	-	To be updated in the Annual Report
	Rice farmers mobilized into cooperatives	No. of rice farmers mobilized into cooperatives	50,000	12,500	0	1,500	The membership in the cooperatives is expected to grow as more sensitization is done to the rice growing farmers on the importance of being in a cooperative
		No. of farmers cooperatives	4	1	0	2	The 2 cooperatives were formed in the 1 st quarter
	Basic seed produced for irrigated and rain fed lands	Quantity of seed produced and distributed for irrigated lands(MT)	5	-	-	47.5	There is enormous demand for Komboka rice variety.
		Quantity of seed	5	-	-	2.005	Demand for upland rice seed is moderate.

Priority Project/Priority	Output	Indicator	Annual Target 2023/24	Quarter (Q3) Target 2023/24	Quarter (Q3) Achievement FY2023/24	Cumm, Achievement (Q1-Q3) 2023/24	Remarks on Achievement/Variance
		produced and distributed for rain fed lands					
Value Addition							
	Common user facilities for milling and packaging established	No. of common user facilities for milling and packaging established	-	0	1	2	1 mill established by Lake Basin Development Authority (LBDA) in Kisumu. 1 million established by Kisumu County Government in Ahero.
	Small industries provided with rice miller machinery	No. of small industries provided with rice miller machinery	-	0	0	0	This could be targeted in the next financial year.
Market Access							
	Financial Products developed for Rice value chain	No. of groups accessing financial products	1	0	0	1	Mwea Rice Growers multipurpose Co-operative Society is providing financial services through its SACCO.
	Consumption of locally produced rice promoted	Quantity of locally produced rice consumed (MT)	192,299	48,074	48,074	144,224	The remaining balance of 48,074 MT is projected to be utilized in the 4 th quarter in addition to the rice imports.
Other Crop Production Interventions							
Food Security Subsidy and Crop Diversification	Land under crop production (maize, potatoes, rice)	Area under Maize production (Ha)	2,168,603			2,353,655 Ha	2,353,655 Ha achieved due to favorable weather and fertilizer subsidy 44 million bags of 90kg achieved
		Area under potatoes production (Ha)	214,600	6,000			6000 ha new land was put under potato in major potato growing counties of Elgeyo Marakwet, Baringo, Bungoma, Bomet and Narok Counties. This followed corroborative promotional campaigns by the Ministry of Agriculture, National Potato Council (NPCK) and AFA food Crops Directorate.
		Area under rice production (Ha)	25,548	0	0	38,939	This area is mainly managed by the National Irrigation Authority (NIA)

Priority Project/Priority	Output	Indicator	Annual Target 2023/24	Quarter (Q3) Target 2023/24	Quarter (Q3) Achievement FY2023/24	Cumm, Achievement (Q1-Q3) 2023/24	Remarks on Achievement/Variance
	Cooperatives mobilized to produce maize & potatoes	No. of farmers in maize cooperatives	320,000				To be updated in the Annual Report
		No. of farmers in potatoes cooperatives	120,000				To be updated in the Annual Report
	Famers linked to large enterprises through subcontracting	No. of value chain contracts signed	-		3 unions and 36 cooperatives		The MOALD in collaboration with the National Potato Council of Kenya (NPCK), is working with 3 potato unions in Meru, Nyandarua, and Nakuru Counties; 36 Potato Coops and 238 Potato Farmer Groups in 13 major potato producing counties.
	Land under irrigated crop production (Maize, rice)	Area of irrigated land under maize production (Ha)	30,238				To be updated in the Annual Report
		Area of irrigated land under rice production (Ha)	69,825	12,506	13,124	24,404 Ha	There was a positive variance due to additional acreage put under irrigation as a result of storage from Thiba Dam
	Subsidized fertilizer distributed	Quantity of subsidized fertilizers distributed (MT)	267,400			235,028	235,028 MT of planting and top dressing fertilizers were distributed.
	Drought tolerant crop seeds distributed	Quantity of drought tolerant crop seeds distributed (MT)	250				To be updated in the Annual Report
	Cold storage facilities constructed and operationalized	No. of cold storage facilities operationalized in rice production areas	3	2			Two potato cold storage facilities to reduce post-harvest losses constructed in Meu, and Nyandarua counties.
	Famers linked to large enterprises	No. of contracts honoured	7				To be updated in the Annual Report

Priority Project/Priority	Output	Indicator	Annual Target 2023/24	Quarter (Q3) Target 2023/24	Quarter (Q3) Achievement FY2023/24	Cumm, Achievement (Q1-Q3) 2023/24	Remarks on Achievement/Variance
	through sub-contracting						
Agricultural insurance	Farmers provided with subsidized crop insurance products	No. of farmers insured	550,000				1.8M farmers reached, 750,000 acres of land under maize insured, compensation to farmers Ksh. 348M across counties.
E-Voucher Input System	Farmers accessing assorted quality farm inputs	No. of farmers accessing farm inputs	1,044,759				To be updated in the Annual Report
	Quantity of fertilizer distributed	Quantity of fertilizer distributed (MT)	31,600			235,028	235,028 MT of planting and top dressing fertilizers were distributed.
	Quantity of agricultural lime distributed	Quantity of agricultural lime distributed (MT)	2,750				To be updated in the Annual Report
	Certified seeds accessed by farmers	Quantity of certified seeds accessed by farmers (MT)	400				To be updated in the Annual Report
Agro-Processing	Agrochemicals accessed by farmers	Litres of agrochemicals	15,800				To be updated in the Annual Report
	Fruit and vegetable processing plants constructed	No. of processing plants constructed	1				To be updated in the Annual Report
	Aggregation centers established	No. of aggregation centres established	-				To be updated in the Annual Report
Coffee Revitalization	Seedlings provided to farmers	No. of seedlings provided to farmers	12,000	200,000	182,000	767,000	Target achieved
	Coffee cooperative factories modernized	No. of coffee cooperative factories	-				To be updated in the Annual Report

Priority Project/Priority	Output	Indicator	Annual Target 2023/24	Quarter (Q3) Target 2023/24	Quarter (Q3) Achievement FY2023/24	Cumm, Achievement (Q1-Q3) 2023/24	Remarks on Achievement/Variance
National Wheat Promotion Programme	Wheat Seeds Aailed	Quantity of wheat seeds aailed (MT)	550,000	25,000	13,055		What was produced inQ2 lost viability due to pre-harvest sprouting caused by heavy rains experienced during the harvesting period
	Wheat flour blends formulated	No. of wheat flour blends formulated (MT)	4	-	-	6	Standards have been developed however there is no achievement because of the lack of quality raw materials.
	Fertilizer aailed	Quantity of fertilizer aailed (MT)	500,000				To be updated in the Annual Report
Miraal Industry Revitalization	Miraal market sourcing and promotion conducted in countries	No. of Miraal market destinations sourced	1			0	To be updated in the Annual Report
	Miraal umbrella cooperatives strengthened through capacity building	No. of farmers in cooperatives	1,000	0	0	0	Achievement hampered by poor response from stakeholders
		No. of cooperatives Capacity built	1	0	0	0	Achievement hampered by poor response from stakeholders
Strengthening Agricultural Mechanization	Pilot Mechanization hubs established	No. of pilot mechanization hubs established	1	0	0	1	Maize value chain hubs established in New Progressive Farmers' Cooperative Society in UasinGishu County
Development of Agriculture Technology Innovation Centres	Incubation facilities at constructed and equipped ATDCs	No. of incubation facilities constructed and equipped	1	0	0	1	ATDC HomaBay facility constructed
	Agricultural Mechanization Technologies acquired, fabricated and tested	No. of technologies acquired, fabricated and tested	10	5	5	10	To be updated in the Annual Report
	SMEs incubated	No. of SMEs incubated	100	10	20	91	SMEs for some value chains were not existing for all the targeted value chains. The difference was occasioned

Priority Project/Priority	Output	Indicator	Annual Target 2023/24	Quarter (Q3) Target 2023/24	Quarter (Q3) Achievement FY2023/24	Cumm, Achievement (Q1-Q3) 2023/24	Remarks on Achievement/Variance
Pest and Disease Management	FAW pesticides availed	Volume of pesticides availed (Litres)	105,000	20,000	4,095	4,095	No procurements was done in Q1 & Q2 due to lack of funds
	Aflasafe availed	Quantity of Aflasafe availed (MT)	30	70	100	94	Annual target not achieved due to 100percent budget cuts
	Pesticides Residue laboratories completed and equipped	percent of completion	95				To be updated in the Annual Report
Agriculture Research	Crop TIMPs (e.g. varieties, seeds, seedlings) developed	No. of crops TIMPs Developed	50	3	8	14	Crops varieties released
	Crops research facilities improved	No. of crops research facilities improved	3	1	1	1	Tea research factory at Kericho Equipped
	Livestock TIMPs (e.g. breeds) developed	No. of Livestock TIMPs generated	40	2	2	6	Sahiwal, Boran ,Sahiwal& Fresian Cross,OrmaBorancross,7K1, K2IndigenousChicken,
	Livestock Research facilities improved	No. of Livestock research facilities improved	5	1	1	1	Diary Research factory at- DRI-Naivasha

Source of data: State Department for Agriculture, FY2023/2024 reports.

3.2.1 Description of the Results

On the specific interventions on the National value chain support for Rice Production, 6.5 MT of rice seeds were availed to farmers by the State Department while 70 MT were availed by KALRO. On Food Security Subsidy and Crop Diversification, the State Department and its Semi-Autonomous Government Agencies (SAGAs) increased the area under Maize production to 2,353,655Ha from a targeted 2,168,603Ha due to favourable weather. To this effect, 44 million bags of 90kg fertilizer subsidy applied as well.

Similarly, 6000Ha of new land was put under potato farming in major potato growing counties. This are: Elgeyo Marakwet, Baringo, Bungoma, Bomet and Narok Counties. This was as result of corroborative promotional campaigns by the Ministry of Agriculture, National Potato Council (NPCK) and AFA food Crops Directorate. On coffee revitalization, 49,000 seedlings were distributed in four (4) Counties. This are: Nandi - 16,000 seedlings (75 farmers); Trans

Nzoia- 10,000 seedlings (62 farmers); Kericho- 15,000 seedlings (75 farmers); and Kisumu- 8,000 seedlings (94 farmers).

3.2.2 Implementation Challenges

An analysis of the results indicates that the programmes/projects implementation is on course. However, the implementation of several programmes is not at the desired/targeted level due to

- i. **Funding gaps-** some of the gaps noted included; inadequate Exchequer, delayed disbursement and budget cuts slow transfer of funds to project operation account and high counterpart funding arrears for donor funded projects.
- ii. Inadequate training for extension officers in the counties to enhance good production techniques.
- iii. Climate change - most outputs were affected by short rains and unprecedented effects of floods affecting agricultural land.

3.2.3 Recommendations

- i. Fastrack the release of conditional National Government and County Government counterpart funds.
- ii. Funding to increase the Human Resource Capacity and recruitment in implementing the new proposed organizational structure. This is expected to have a positive impact on the outputs.

3.3 Livestock Development

Livestock sub-sector is one of the key drivers of the Kenyan economy. It is a key element of the country's food and nutrition security, contributing to over 50 percent of agricultural labour force. The Kenya Vision 2030 identifies the livestock sub-sector as one of the key drivers of the economic pillar that is expected to drive the economy to the projected 10 percent economic growth rate annually. In the implementation of the Agricultural pillar under the "BETA", the sub-sector is a key driver on dairy, leather and beef development programmes and provides raw materials for agro-industries.

During the FY2023/24, the State Department for Livestock Development implemented the Livestock Resources Management and Development Programme (LRMDP) which has five (5) key sub-programmes 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. Within each of these sub-programmes, there are specific projects and activities that are well aligned towards the realization of MTP IV and BETA.

The key BETA priority value chains in the livestock sub-sector are dairy, leather and beef. The State department is focusing on four (4) 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 feeds for livestock, quality breeds and livestock disease control. The livestock value chains' programme focuses on two value chains namely; leather and leather products, and dairy.

1. **Leather and leather products value chain:** The objectives of the project are to boost productivity along the leather value chain; increase income from leather to Ksh.120 billion; increase job opportunities from 17,000 to 100,000 jobs; and avail three (3) million hides and 18 million skins to the tanneries. The project also aims to increase recovery of hides and skins from abattoirs, slaughterhouses and home slaughter and consequently increase tannery utilization from 25percent to 100percent.
2. **Dairy value chain:** The project targets to double dairy productivity through appropriate feeding, enhancement of export up to one (1) billion litres of milk, increase farm gate price to at least Ksh. 40 per litre; create 500,000 jobs and increase farmers' monthly income to an average of Ksh. 6,000 per cow.

Table 3 presents the implementation status of key output indicators BETA priorities for SDDL for Q3 - FY2023/2024.

TABLE 3: Livestock Development - Implementation status of key output indicators BETA priorities Q3 - FY2023/2024

Priority Project	Output	Indicator	Annual Target 2023/24	Quarter (Q3) Target 2023/24	Quarter (Q3) Achievement 2023/24	Cum. Achievement (Q1-Q3) 2023/24	Remarks on Achievement Variance
Production							
Leather and Leather Products Value Chain	Collection centres established	No. of collection centres	5	-	-	-	Target was not applicable during the period under review
	Hides and skins delivered to tanneries	Quantity of hides delivered to tanneries (MT)	1,000	250	332	996	Target was achieved as planned, following mopping up of hides and skins
		Quantity of skins delivered to tanneries (MT)	10,000	2,500	3,526	10,579	Target was achieved as planned, following mopping up of hides and skins
	Feed production farmer groups supported	No. of farmer groups supported	30	10	10	16	Achieved through GoK/Donor funded programmes
	Subsidized animal feeds provided to farmers	Quantity of subsidized animal feeds provided to farmers (MT)	2,000	500	0	0	The intervention was not funded
	Feedlots and feed production zones established	No. of zones established	-	-	-	-	Target was not applicable during the period under review. However, construction of 2 feedlots was on going: Kiburu feedlot in Meru County was at 40percent completion rate and Hadado in Wajir County

Priority Project	Output	Indicator	Annual Target 2023/24	Quarter (Q3) Target 2023/24	Quarter (Q3) Achievement 2023/24	Cum. Achievement (Q1-Q3) 2023/24	Remarks on Achievement Variance
							feedlot was at 10percent completion
	Leather aggregation centres established in Narok, Laikipia, Marsabit, and Garissa counties (collection and preservation)	No. of aggregation centres established	1	1	0	0	The facility was intended to facilitate market access for hides and skins. However, its implementation was affected by austerity measures during the FY under review.
	Bachuma Livestock Export Zone (LEZ) completed	percent of completion	56	14	-	56	The facility was intended to facilitate market access for livestock and livestock products. Project implementation was constrained by lack of budgetary provision. It has been earmarked for leasing to a private operator to complete and operationalize.
	Lamu LEZ constructed and operationalized	percent of completion	5	1.25	0	0	The facility was intended to facilitate market access for livestock and livestock products. Targeted completion level was affected by budget cuts and delays in land registration of Bargoni holding ground.
	Bio-safety Level 3 (BSL 3) Lab completed in Kabete	percent of completion	65	-	-	0	Non-achievement attributed to budget cuts
	Regional Veterinary Laboratories refurbished	No. of Regional Veterinary Laboratories refurbished	8	8	0	0	Non-achievement attributed to budget cuts. The facilities are different completion levels.
	Leather Science Institute established at Ngong	percent of completion	55	-	-	0	Funds were not allocated in FY 2023/24
	Livestock Industry Training Institute	No. of institutions upgraded	9	3	0	0	Upgrading was significantly affected by budget cuts.
		No. of trainees graduated	984	-	-	1,176	The over achievement attributed to increase in students' enrolment due to

Priority Project	Output	Indicator	Annual Target 2023/24	Quarter (Q3) Target 2023/24	Quarter (Q3) Achievement 2023/24	Cum. Achievement (Q1-Q3) 2023/24	Remarks on Achievement Variance
							introduction of new courses to meet market demands and early graduation of certificate students in the period under review.
	Livestock Training Institute at Mogotio Established	percent of completion	-	-	-	-	Target was not applicable during the period under review
	Livestock feed production improved	Quantity of livestock pasture feeds produced (Million MT).	-	-	-	-	Target was not applicable during the period under review
	Livestock insurance programme	No. of livestock saved/ insured (TLU)	125,000	-	-	110,750	Annual target is 125,000 Tropical Livestock Units (TLUs) done semi-annually
Value Addition							
	Kenya Leather Industrial Park Kenanie completed (CET, roads, water reticulation, ICT, security, power stations, 4 warehouses)	percent of completion	-	-	-	-	Target was not applicable during the period under review.
	Tanneries and Common Effluent Treatment (CET) plants established in Eldoret, Isiolo and Mombasa	No. of CET plants established	-	-	-	-	Target was not applicable during the period under review
	Common manufacturing facilities constructed	No. of manufacturing facilities constructed	-	-	-	-	Target was not applicable during the period under review.
Dairy Value Chain	Dairy mechanization	No. of laboratory equipment procured	-	-	-	-	Target was not applicable during the period under review

Priority Project	Output	Indicator	Annual Target 2023/24	Quarter (Q3) Target 2023/24	Quarter (Q3) Achievement 2023/24	Cum. Achievement (Q1-Q3) 2023/24	Remarks on Achievement Variance
	equipment installed	No. of silage wrapping machines procured	-	-	-	-	Target was not applicable during the period under review
		No. of forage choppers procured	-	-	-	-	Target was not applicable during the period under review
		No. of hay bailing equipment procured	-	-	-	-	Target was not applicable during the period under review
		No. of milk parlours established	-	-	-	-	Target was not applicable during the period under review
Animal genetics (AI) services and research established		No. of doses of dairy goat semen produced and distributed	100,000	25,000	8,900	26,861	Underperformance was attributed to inadequate Liquid Nitrogen due to inconsistent supply of Liquid Nitrogen associated to plants breakdown
		No. of doses of bull semen produced and availed to dairy farmers	800,000	225,000	210,000	635,496	Delay in supply of imported bull semen production inputs by the manufacturer and inconsistent supply of liquid nitrogen due to plants breakdown
		No. of doses of sexed semen produced and availed to dairy farmers (millions)	-	-	-	-	Target was not applicable during the period under review
		No. of embryo transfer undertaken	-	-	-	-	Target was not applicable during the period under review
Processed camel milk	Quality of camel milk processed (million litres)	68	17	5	17	The processing was affected by inadequate aggregation and processing facilities in camel rearing regions	
Milk coolers installed	No. of coolers installed	220	0	0	0	265 milk cooler sites in 34 counties are ready for installation. However, delivery of milk coolers from Poland has been constrained by delay in approval of contract execution period by Polish government.	
Amount of milk processed	Volume of milk processed (Million Litres)	754.3	200	216.65	660.232	Marketed milk production increased as a result of improved pastures and fodder and implementation	

Priority Project	Output	Indicator	Annual Target 2023/24	Quarter (Q3) Target 2023/24	Quarter (Q3) Achievement 2023/24	Cum. Achievement (Q1-Q3) 2023/24	Remarks on Achievement Variance
							of Dairy Industry Regulations 2021.
	Safe, affordable and efficacious livestock vaccines produced	No. of vaccines doses produced (Millions)	38.1	9.5	7.7	22.86	Underperformance was attributed to inadequate budgetary allocation, human resources, austerity measures and low market access and trade due to non-compliance to Good Manufacturing Practice Accreditation requirement.
Market							
	National Dairy Laboratory completed and accredited	percent of completion	100	25	25	70	National Dairy Laboratory completed. Accreditation process almost complete with final audit for accreditation by KENAS on going.
Other Livestock Programmes							
De-Risking, inclusion and Value enhancements of pastoral Economies(DRIVE)	TLUs in 8 ASAL Counties insured	No. of TLUs insured	75,000	-	-	110,750	Annual target was 125,000 TLUs and not 75,000 TLUs
	Pastoralists groups and pastoralists supported under the DRIVE project	No. of pastoralists accessing financial services	160,000	-	25,000	35,031	The financial services are linked to the rain seasons
		No. of pastoralist groups linked to markets and savings institutions	-	-	-	-	The target was not applicable during the period under review.
		Amount of Private Capital Mobilized through the facility to de-risk private investment (Millions)	-	-	15	708	The target was not applicable during the period under review. However, private investments were funded by Kenya Development Corporation under the de-risking facility
Livestock Genetic Improvement	Doses of semen produced and distributed	No. of doses of semen produced and distributed	900,000	225,000	211,832	635,496	Delay in supply of imported bull semen production inputs by the manufacturer and inconsistent supply of liquid nitrogen due to plants breakdown

Priority Project	Output	Indicator	Annual Target 2023/24	Quarter (Q3) Target 2023/24	Quarter (Q3) Achievement 2023/24	Cum. Achievement (Q1-Q3) 2023/24	Remarks on Achievement Variance
	Liquid nitrogen produced	Litres of liquid nitrogen produced and distributed	330,000	76,667	86,292	258,877	Target achieved.
	Dairy Goat AI Centre completed and equipped at AHITI Ndomba, Kirinyaga	percent of completion	100	100	100	100	Established a Goat AI Centre in Ndomba, Kirinyaga County to ensure availability of quality goat semen. The Centre Phase 1 completed ready for Commissioning
	Doses of goat semen produced and distributed	No. of goat semen doses produced and distributed	50,000	12,500	8,954	26,861	Inadequate supply of liquid nitrogen for processing of buck semen affected expected production level
	Sexed semen produced and distributed to dairy farmers	No. of doses of sexed semen produced and distributed	250,000	-	0	0	The target was affected by delay in the delivery of semen sexing machines. Importation of sexed semen done as a mitigation
	Livestock genetic Conservation centres modernised	No. of livestock genetic conservation centres	3	-	0	0	Underperformance was attributed to inadequate budgetary allocation and austerity measures effected during the FY
	Veterinary pharmaceutical efficacy trial	No. of veterinary pharmaceutical efficacy trial centres modernized	1	-	0	0	Underperformance was attributed to lack of budgetary provision.
Large Scale Commercialization of Livestock Feed Production and Conservation	Area of land placed under livestock feeds production	Ha of land under livestock feeds production	60,000	-	0	0	Production of feeds under the land commercialization initiative(LCI) is yet to be started and operationalized
	TLUs provided with livestock feeds	No. of TLUs provided with livestock feeds	200,000	-	0	0	Production of feeds under LCI is yet to be started and operationalized
Kenya Livestock Commercialization	Households empowered to	No. of household's empowered	11,000	2,750	-	-	There was a delay in passing of County Governments Additional Allocation Bill

Priority Project	Output	Indicator	Annual Target 2023/24	Quarter (Q3) Target 2023/24	Quarter (Q3) Achievement 2023/24	Cum. Achievement (Q1-Q3) 2023/24	Remarks on Achievement Variance
Project (KeLCoP)	participate in livestock commercialization						and therefore availability of funding for activities
Build Resilience in Food and Nutrition Security in the Horn of Africa (BREFONS)	Livestock markets constructed	No. of livestock markets constructed	-	-	-	-	Target was not applicable during the period under review
	Commercial pasture fields established	No. of commercial pasture fields established	-	-	-	-	Target was not applicable during the period under review
Livestock Disease Management	KEVEVAPI modernized	percent of modernization	40	10	0	0	Targeted modernization milestones were affected by inadequate budgetary provision.
	Vaccine doses produced annually	No. of vaccine doses produced annually(million)	35	8.75	7.62	22.86	Underperformance was attributed to inadequate budgetary allocation, human resources, austerity measures and low market access due to non-compliance to Good Manufacturing Practice Accreditation requirement
	Veterinary investigation laboratories equipped	No. Of Veterinary laboratories equipped	2	2	0	0	Non-implementation was occasioned by lack of funds. This facilities operated sub-optimally during the FY
	Tsetse control belts covered	No. of Tsetse control belts covered	6	6	7	7	During the period under review, North Eastern Tsetse belt was covered. The belt is in Mandera, Marsabit, Wajir and Garissa County
	Surveillance conducted	No. of surveillances conducted	4	1	1	3	Surveillance done for Ccontagious Bovine Pleuro Pneumonia, Foot and Mouth Disease, and RiftValley Fever.
	Vaccines administered	No. of vaccines administered	35	8.75	7.62	22.86	
	PPR and FMD incidences reduced	percent reduction in PPR and FMD incidences	10	2.5	1.5	5	Disease control has not been harmonized between counties. This negatively affects control of Trans-boundary Animal Diseases which require regional concerted efforts.

Priority Project	Output	Indicator	Annual Target 2023/24	Quarter (Q3) Target 2023/24	Quarter (Q3) Achievement 2023/24	Cum. Achievement (Q1-Q3) 2023/24	Remarks on Achievement Variance
Towards Ending Drought Emergencies Kenya(TWE NDE)	Rangelands protected	Area of rangeland restored or protected(HA)	100,000	25,000	22,934	68,800	The underachievement was attributed to erratic weather condition e.g. flooding which made targeted area inaccessible
	Household benefitting from the project	No. Of households benefitting	21,000	5,250	6,667	29,400	Enhanced partnership with other agencies resulted to overachievement of the target
Livestock Identification and Traceability System Project (LITS)	LITS operationalized in 47 Counties	percent of Operationalization	-	-	-	-	Target was not applicable during the period under review
		No. of animal registered for traceability (million)	-	-	-	-	Target was not applicable during the period under review
Food Safety and Quality Assurance	Compliance with safety and quality of food of animal origin.	percent of compliance	100	100	100	100	All foods of animal origin handling premises/facilities were inspected before licensing. Risk analysis was also undertaken for all animal-food products before import/export before

Source of Data: State Department for Livestock Reports, FY 2023/2024.

3.3.1 Description of the results

Leather and Leather Products Value Chain: The targets for hides and skins delivered to tanneries were exceeded, with achievements of 996 MT and 10,579 MT against annual targets of 1,000 MT and 10,000 MT respectively. The sector faced significant challenges, including budget cuts and austerity measures, which affected the completion and operationalization of various projects such as the Leather Aggregation Centres.

Dairy Value Chain: There was notable increase in the marketed milk production, which was attributed to improved pastures and the implementation of Dairy Industry Regulations. However, several targets, such as the installation of milk coolers and the procurement of dairy mechanization equipment, were not met due to delays and budget constraints.

Targeting under DRIVE project is tied to the rainy seasons. Camel milk processing factory, collection and cooling centres will be established under the State Department for ASALs and Regional Development.

3.3.2 Implementation Challenges

Inadequate budgetary allocation and frequent budget cuts austerity measures that affected M&E activities.

- i. The high cost of livestock inputs for livestock production e.g. animal feeds, semen, vaccines and veterinary drugs Inadequate markets and marketing infrastructure; and Livestock diseases.
- ii. Cattle rustling
- iii. Weak collaboration between the National and County governments specifically on data/information for decision making
- iv. Inadequate human resources
- v. Lengthy procurement process that affected projects implementation;
- vi. Overlapping mandates with the State Department for the ASALs and Regional Development (SDARD):
- vii. Slow pace of policy formulation processes
- viii. Inadequate market information systems
- ix. Limited collaboration and coordination among agricultural research institutions and low adoption of researched technologies.
- x. Climate change with extreme and unpredictable weather patterns causing challenges such as frequent and prolonged droughts, floods and emerging new pests and diseases impacted negatively on the livestock productivity;
- xi. Inadequate pasture and water for livestock

3.3.3 Recommendations

- i. Embrace alternative financing mechanisms such as Private Public Partnerships (PPPs) to supplement the resource requirements gap
- ii. Affirmative action for adequate resource allocation for finance and production sector that is better placed to drive economic growth and create jobs for the youth
- iii. The National Treasury should assess the nature of specific mandates for respective Ministries/State Departments before subjecting MDAs to uniform budget cuts. Agriculture activities are field based and budgets for domestic travel and fuel should therefore be ring-fenced
- iv. Implementation of the Land Commercialization Initiative (LCI) and unlock use of idle government land as well as incentivise new large-scale private farms engaged in commercial pasture and fodder production
- v. Adoption of tax measures such as zero rating of key livestock inputs to ensure affordability of farm inputs
- vi. Embrace climate smart technologies in mitigating impacts of climate change and other emerging issues
- vii. Embrace digitization strategy towards enhancing the use of ICT in delivery of services such as e-marketing, e-extension, e-subsidies, digital food balance sheets, and early warning systems
- viii. Parliament to fast track enactment of relevant pending legislations to strengthen legal and institutional framework in the sector
- ix. Strengthen linkages and collaboration with all the stakeholders, particularly between the National and County Governments in order to ensure sustainable food security and efficient service delivery.

- x. Strengthen livestock research and dissemination mechanism and modernize agriculture training institutions to increase access to suitable varieties of breeds and fodder seeds
- xi. Promote adoption of science and superior genetic and technologies in livestock production and enhance pest surveillance and response program

3.4 Trade

Trade plays a critical role in attracting both domestic and foreign investments across all the BETA value chains by creating an enabling environment through business reforms and transformation at both national and county levels; coordinating development and marketing of bankable investment projects and continuous investor support.

The State Department for Trade (SDT) provides linkages with other sub-sectors in the economy, such as manufacturing, MSMEs, agriculture, and services by providing a channel through which goods and services move from producers and manufacturers to the final consumer. In addition, trade creates employment opportunities in the formal and informal sectors, thus promoting poverty reduction and improvement of citizens' welfare. The sub-sector marks the final stage in the value chain and is expected to enhance market access.

Implementation status of key outputs and BETA priorities for Q3 - FY 2023/2024 is presented in table 4.

TABLE 4: Trade - Implementation status of key outputs and BETA priorities for Q3 - FY 2023/2024

Priority project	Output	Indicator	Annual Target FY 2023/24	Q3 target FY 2023/24	Q3 Achievement FY 2023/24	Cumulative Achievement (Q1-Q3)	Remarks on the variance
Leather value chain/Production	Central registry for leather and leather products established	percent of completion	100	-	-	0	Need to check with the State Department for Livestock Development with a view to clearly understanding who should be the lead.
Leather value chain/Marketing	Exporters sensitized on market requirements and opportunities for leather and leather products	No. of exporters sensitized	10	10	0	0	Desktop research for leather value chain undertaken awaiting validation with stakeholders before dissemination and utilization in sensitizing the Exporters on the opportunities for leather and leather products in the Export markets.
	Export market development and promotion undertaken	No. of new markets identified	1	1	8	8	Priority markets for leather and leather products identified for implementation of market development initiatives therein and link Kenyan Exporters to buyers in

Priority project	Output	Indicator	Annual Target FY 2023/24	Q3 target FY 2023/24	Q3 Achievement FY 2023/24	Cumulative Achievement (Q1-Q3)	Remarks on the variance
							these markets. These include UK, Burundi, Rwanda, South Sudan, Uganda, Italy, Germany and USA.
	Commercial representation strengthened	No. of commercial offices established	-				Not a target for the period under reporting. However, concept note was developed in preparation for implementation in the subsequent FY
		No. of commercial attaches capacity built on leather industry development	2	-	-	0	Activity not undertaken due to budgetary constraints
	Unfair import trade practices threatening leather industry identified and remedied	No. of trade remedy measures applied	3	1	0	0	Activity not undertaken due to budgetary constraints
	Sensitization of manufacturers on unfair import trade practices	No. of manufacturers sensitized annually on unfair trade practices	4	1	0	0	Activity not undertaken due to budget constraints
Dairy value chain/Markets	Local and export markets promoted and diversified	No. of new markets promoted	1	1	0	0	Target not achieved due to budgetary constraints. This is prioritized for implementation in the FY 2024/2025. Priority markets for dairy identified for implementation of market development initiatives therein. These include South Sudan, Tanzania, Uganda, DRC, Somalia, Malawi and Ghana.
	Exporters sensitized on market requirements and opportunities	No. of exporters sensitized	10	10	0	0	Target not achieved due to budgetary constraints. This is prioritized for implementation in the FY 2024/2025.
	Made in Kenya global campaigns conducted	No. of Made in Kenya global campaigns conducted annually	20	5	4	4	4 Made in Kenya digital activations were undertaken through the Agency's social media platforms. Underachievement is attributed to lack of budget.
	Export market and products developed	No. of new markets identified and linked to exporter	1	1	5	5	Priority markets for dairy identified for implementation of market

Priority project	Output	Indicator	Annual Target FY 2023/24	Q3 target FY 2023/24	Q3 Achievement FY 2023/24	Cumulative Achievement (Q1-Q3)	Remarks on the variance
							development initiatives therein and link Kenyan Exporters to buyers in these markets. These include South Sudan, Tanzania, Uganda, DRC, Somalia, Malawi and Ghana.
	Export warehouses established in DRC and South Sudan	Export warehouses established in DRC and South Sudan	-	-	-	-	Not a target in the period under reporting. Concept developed for implementation in the FY 2024/2025.
	Unfair import trade practices threatening dairy value chain identified and remedied	No. of trade remedy measures (safe guards, anti-dumping, anti-countervailing) applied	3	1	0	0	Activity not undertaken due to budgetary constraints
	Manufacturer sensitized on unfair import trade practices	No. of manufacturers sensitized on unfair import trade practices	4	1	0	0	Activity not undertaken due to budget constraints
Textile and Apparel's Value Chain/Marketing	Exporters sensitized on market requirements and opportunities	No. of exporters sensitized	10	-	-	0	The State Department had planned to hold the EPA forum which was rescheduled because the EU officials did not manage to travel.
	Commercial attache's capacity built on textile and apparels development	No. of commercial attaches capacity built	2	-	-	-	To be undertaken in the next FY
	Export market development and promotion undertaken	No. of new markets identified	1	1	5	5	Priority markets for textile and apparel identified for implementation of market development initiatives therein and link Kenyan Exporters to buyers in these markets. These include USA, UK, Netherlands, Germany and Nigeria
	Made in Kenya Global Campaigns conducted	No. of Made in Kenya Global Campaigns	2	2	4	4	4 Made in Kenya digital activations were undertaken through the Agency's social media platforms.
	Commercial attachees capacity built on textile and		No. of commercial offices established	-	-	-	-
No. of commercial attaches capacity built			2	1	0	0	Target not achieved due to budgetary constraints. This

Priority project	Output	Indicator	Annual Target FY 2023/24	Q3 target FY 2023/24	Q3 Achievement FY 2023/24	Cumulative Achievement (Q1-Q3)	Remarks on the variance
	apparels development	on leather industry development					is prioritized for implementation in the FY 2024/2025.
	Unfair import trade practices threatening textile and apparels industry identified and remedied	No. of trade remedy measures applied	3	1	0	0	Activity not undertaken due to budgetary constraints
	Manufacturers sensitized on unfair import trade practices sensitized	No. of manufacturers sensitized	4	1	0	0	Activity not undertaken due to budget constraints
Edible Oils Value Chain/ Marketing	Edible oil market price stabilized	Absolute price of edible oil per litre (Ksh.)	230				No data from KNTC
	Exporters sensitized on market requirements and opportunities	No. of exporters sensitized	10	10	0	0	Desktop research for Edible oils value chain undertaken awaiting validation with stakeholders before dissemination and utilization in sensitizing the Exporters on the opportunities for edible oil products in the Export markets.
	Commercial representation in industry development strengthened	No. of commercial attachees capacity built	2	1	0	0	Target not achieved due to budgetary constraints. This is prioritized for implementation in the FY 2024/2025.
	Product and export market development and promotion including market diversification undertaken	No. of new markets	1	1	8	8	Priority markets for edible oils identified for implementation of market development initiatives therein and link Kenyan Exporters to buyers in these markets. These include Uganda, Rwanda, Tanzania, South Sudan, DRC, Burundi, Zambia and Malawi
	Unfair import trade practices threatening leather industry identified and remedied	No. of trade remedy measures applied	3	3	1	1	To be undertaken in next FY subject to availability of funds

Priority project	Output	Indicator	Annual Target FY 2023/24	Q3 target FY 2023/24	Q3 Achievement FY 2023/24	Cumulative Achievement (Q1-Q3)	Remarks on the variance
	Unfair import trade practices threatening edible oil value chain identified and remedied	No. of trade remedy measures applied	3	1	-	-	To be undertaken in next FY subject to availability of funds
	Unfair trade practices threatening construction/building materials identified and remedied	No. of trade remedy measures (safeguards, anti-dumping, anti-countervailing) applied	4	1	1	3	Target not achieved due to Budgetary constraints
	Sensitization of manufacturers on unfair trade practices under construction/building industry	No. of manufacturers sensitized	4	1	1	3	Target not achieved due to Budgetary Constraints
	Sensitization of manufacturers on unfair import trade practices	No. of manufacturers sensitized annually on unfair trade practices	3	3	1	-	To be undertaken in next FY subject to availability of funds
Tea Value Chain/Marketing	Export market and product developed through showcasing, value of exports and sharing market intelligence	No. of trade promotional events coordinated	6	2	4	4	<p>Preparations for participation in the World Tea Expo could not be finalized within the stipulated timelines and so the activity could not be implemented.</p> <p>However, the Agency coordinated and participated in the “Make it Kenya Exhibition and Thematic Forums” in Atlanta, Georgia (in which Commercial results of USD 289,185 (equivalent to Ksh.. 39,040,000) were realized with more than twenty-three (23) export deals secured; 2024 Zimbabwe International Trade Fair (ZITF); Fruit Logistica 2024 in Berlin Germany and the Kenya Egypt Business Forum which was a sideline event of the 7th session of the Kenya Egypt Joint commission for Cooperation hosted in Kenya.</p>

Priority project	Output	Indicator	Annual Target FY 2023/24	Q3 target FY 2023/24	Q3 Achievement FY 2023/24	Cumulative Achievement (Q1-Q3)	Remarks on the variance
		No. of market intelligence reports generated	1	-	-	1	The Agency developed a market intelligence report for Tea value chain during the reporting period.
	Exporters sensitized on market requirements and opportunities	No. of exporters sensitized	10	5	0	10	Target achieved
	Product and export market developed	No. of new markets identified and linked to exporters	10	2	0	0	The Agency had planned to participate in two (2) export promotion events in the USA and GCC (UAE) markets. However, this was not undertaken due to budgetary constraints.
	Commercial representation strengthened	No. of commercial attaches capacity built	-	-	-	-	To be implemented in the next FY
Construction/ Building Materials Value Chain /Marketing	Compliance with legal metrology and MSMEs standards in the building and construction sector	No. of construction products tested (cement, construction metals etc.	-	-	-	-	Activity not undertaken 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	1	-	-	Activity to be undertaken in next FY
	Sensitization of manufacturers on unfair trade practices under construction/building industry	No. of manufacturers sensitized	4	1	1	3	Target not achieved due to budgetary constraints
Markets							

Priority project	Output	Indicator	Annual Target FY 2023/24	Q3 target FY 2023/24	Q3 Achievement FY 2023/24	Cumulative Achievement (Q1-Q3)	Remarks on the variance
	Local and export markets promoted and diversified	No. of new markets promoted	1	1	1	1	The Economic Partnership Agreement between the EU and Kenya was concluded in June 2023 and signed by both parties on 18 th December 2023. The European Union (EU) Parliament and endorsed this agreement during the period paving the way for quota-free and duty-free market access.
	Exporters sensitized on market requirements and opportunities	No. of exporters sensitized	10	10	70	80	Target surpassed because the exercise was conducted virtually.
	Made in Kenya global campaigns conducted	No. of Made in Kenya global campaigns conducted annually	20	-	-	0	Target not achieved due to Budgetary constraints
	Export market and products developed	No. of new markets identified and linked to exporter	1	0	0	0	Target not achieved due to budgetary constraints
	Export warehouses established in DRC and South Sudan	No. of warehouses established	-	-	-	-	Scheduled for next FY
	Unfair import trade practices threatening dairy value chain identified and remedies	No. of trade remedy measures (safeguards, anti-dumping, anti-countervailing) applied	-	-	-	-	Activity to be undertaken in the next FY
	Manufacturer sensitized on unfair import trade practices	No. of manufacturers sensitized on unfair import trade practices	4	1	1	3	Target not achieved due to budgetary constraints
Edible Oils Value Chain Production	Central registry and guarantee scheme fund established in all Counties	No. of Counties with a Central registry and guarantee scheme fund	10	-	-	0	The output captured as 'Central registry and guarantee scheme fund established in all Counties' is not captured correctly. The Central registry is centralized and domiciled at the Council (WRSC) and we also do not have the mandate to establish guarantee scheme funds.
Market Access and Product Market Diversification							

Priority project	Output	Indicator	Annual Target FY 2023/24	Q3 target FY 2023/24	Q3 Achievement FY 2023/24	Cumulative Achievement (Q1-Q3)	Remarks on the variance
Kenya Multi-Commodity Exchange (KOMEX)	KOMEX Operationalized	Operational KOMEX (percent)	50	50	70	87.5	Due to continued development support of Ksh. 40.2 Million sourced and obtained from Trade Mark Africa under USAID Economic Recovery and Reform Action (ERRA) Programme
Warehouse Receipt System (WRS)	Central Registry e-suite established and linked to 47 County level registries	percent of completion	50	25	25	50	The Council (WRSC) has completed establishment of central registry e-suit
	Smallholders, traders and other value chain actors on Warehouse Receipt System	No. of certified warehouse operators	6	6	3	7	The Council has certified a total of 7 Warehouse operators
Development of E-Commerce in the promotion of trade	E-Commerce Strategy and Policy developed	E-Commerce Strategy and Policy developed	1	1	1	1	E-Commerce Strategy developed and launched. The Policy will be developed in next FY due to insufficient funding
		percent of completion of E-Commerce training Manual for County Trade officials	-	-	-	-	Next FY
		No. of capacity building of County Trade officials undertaken	-	-	-	-	Next FY
Commercial Centre	Commercial Centres established	No. of Commercial Centres established	-	-	-	-	Next FY if funds are availed
		No. of new markets established	1	1	1	1	Kenya-EU EPA The EU Parliament endorsed this agreement during the period
Exports Market Access and Diversification	Bilateral & Multilateral Trade agreements coordinated, negotiated and concluded	No. of Regional, Bilateral & Multilateral Trade agreements coordinated, negotiated and concluded	12	6	6	6	Kenya-Morocco MoU on trade was initiated Kenya-Jordan third Session JTC-Concept note was developed *Note: the target for the FY was 8 not 12
	Stakeholders sensitized on trade and investment opportunities arising from	No. of stakeholder's engagements held	8	0	0	0	Scheduled for next FY if funds will be available

Priority project	Output	Indicator	Annual Target FY 2023/24	Q3 target FY 2023/24	Q3 Achievement FY 2023/24	Cumulative Achievement (Q1-Q3)	Remarks on the variance
	negotiated trade agreements RECs, MoUs, FTAs, WTO, EPAs, JTCs						
	Protocols implemented and strategies negotiated/developed	percent of implementation of RECs protocols, Sanitary and Phytosanitary (SPS) Measures protocols, AfCFTA (African Continental Free Trade Area) strategy and Kenya UK EPA	100	0	0	0	Due to budget constraint
	National Trade Negotiations Council (NTNC) operationalized	percent level of operationalization of NTNC	0	0	0	0	The instruments that created NTNC-Legal Notice Vol. CXIX-136, September 2017 shall be reviewed first in the next FY before commencing operationalization process
	Existing commercial offices strengthened and 16 new offices established	No. of commercial offices strengthened and established	2	1	0	0	Scheduled for next FY if funds will be available
Logistics Bases and Distribution Hubs	Logistics bases and distribution hubs constructed and operationalized	No. of logistics bases and distribution hubs operationalized	-	-	-	-	Scheduled for next FY if funds will be available
Warehouse and Distribution Centers	Warehouses established	No. of warehouses established	2	2	0	0	Target was not achieved due to budgetary challenges. Concept was developed for implementation in the FY 2024/25.
Global Integrated Marketing Campaign	Global Integrated Market Campaigns conducted	No. of Global integrated market campaigns conducted	2	2	4	4	4 Made in Kenya digital activations were undertaken through the Agency's social media platforms.
National Legal Metrology Laboratories	National Legal Metrology Laboratory modernised	No. of Laboratories	2	1	0	0	These were not allocated any funds in FY 2023/24

Priority project	Output	Indicator	Annual Target FY 2023/24	Q3 target FY 2023/24	Q3 Achievement FY 2023/24	Cumulative Achievement (Q1-Q3)	Remarks on the variance
Operationalization of Kenya Trade Remedies Agency (KETRA)	KETRA operationalized	percent of completion	100	25	0	0	This process will be initiated in the next FY if funds are available

Source: State Department for Trade Reports, FY2023/2024

3.4.1 Description of the results

It's important to take note that most indicators are copy and paste for different value chains. The implication of this is that, if the implementing agency is not funded, all the value chains are affected. A case in point is sensitizing exporters, trade remedy measures, capacity building of commercial attachés on different value chains, identification of new markets among others. Realization of set targets was severely affected by insufficient funds or budget cuts during the period.

The EU Parliament and Kenya National Assembly endorsed the Kenya-EU EPA agreement during the period, paving the way for quota-free and duty-free market access. The EU-Kenya Economic Partnership Agreement took effect on 1st July, 2024 after the Council of the EU passed it after the Sixth Negotiating Round under the KE-US Strategic Trade and Investment Partnership. These two initiatives are expected to enhance Kenyan exports to EU and USA, thus further raising contribution to GDP.

3.4.2 Implementation Challenges

- i. Inadequate funding: The State Department plays a vital role in our economy, contributing significantly to both GDP and job creation. However, a persistent challenge faced by the Sub-Sector is inadequate funding, which has had a detrimental impact on its ability to fulfill its mandate.
- ii. Inadequate Policy and Legal Framework: The State Department lacks adequate legislations for effective execution of its mandate, align with the Bottom-up Economic Transformation Agenda and implement the priority value chains regulate issues on consumer protection, trade promotion, trade negotiation, among others.
- iii. Depreciating value of the Kenya Shilling against major global currencies: The value of the Kenya shillings against the dollar continue to have an effect on trade balance of the country.
- iv. Low level of awareness on Regional Integration Opportunities/Benefits: There is generally low level of awareness by the business community on the socio-economic benefits and provisions of the EAC, AfCFTA, TFTA and COMESA integration processes.

3.4.3 Recommendations

- i. The National Treasury to consider providing sufficient funds to the State Department for product and market development and promotion towards implementation of the priority value chains under the Bottom Up Economic Transformation Agenda (BETA).
- ii. Fast track enactment of various pending Bills such as the Trade Development Bill to provide among other things establishment of the legal framework for the implementation of the priority value chains identified in BETA; establish a framework for closer engagement with the County governments and the private sector;
- iii. Progressively establish Commercial offices and deploy Commercial Attaches to Kenya's foreign Missions; and
- iv. Collaborate with the private stakeholders to establish Kenya Commercial/Trade Centers in key commercial cities in foreign markets to promote and expand market access for Kenya's key value chain products in the international market.

3.5 Industry

The State Department for Industry (SDI) was established under the Executive Order No. 2 of November 2023 and placed under the Ministry of Investments, Trade and Industry with other two State Departments namely; State Department for Investment Promotion, and State Department for Trade. SDI is tasked with the over-arching mandate of providing the general Industry Policy direction as the country strives to realize its long-term development plan. The mandate of SDI is to: implement industrial policy and planning; promote Buy Kenya Build

Kenya Policy and Strategy; promote standardization in industry and quality control; Promote and provide oversight of the development of industrial parks; Kenya Property Rights Policy (Patents Trade Marks, Service Marks, and Innovations); promote value addition and agro-Processing; ensure textile sector development; ensure leather sector development; provide oversight and regulation of Scrap Metal Industry; promote and develop the Medium Business Enterprises (MBEs); provide industrial training and capacity development; To combat counterfeiting trade and other dealings in counterfeit goods; and oversight, Administration and Enforcement of the Local Content Policy.

Table 5 presents the Implementation status of the key outputs and BETA Priorities by SDI for Q3 - FY2023/24

TABLE 5: State Department for Industry - Implementation status of the key outputs and BETA Priorities for Q3 - FY2023/2024

Priority Project	Output	Indicator	Annual Target FY2023/24	Quarter (Q3) Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement (Q3)	Remarks
Leather and Leather Products Value Chain /production	Leather aggregation centres established in Narok, Laikipia, Marsabit and Garissa Counties (collection and preservation)	No. of aggregation centres established	1	0	0	0	Budget cuts led to suspension of implementation of planned activities.
	Leather processing clusters established in Isiolo, Uasin Gishu, Narok, Kisumu, and Mombasa	No. of leather processing clusters established	1	1	0	0	Austerity measures led to lack of funds available for establishment of leather cluster.
	Common manufacturing facilities constructed	No. of manufacturing facilities constructed	0	-	-	-	Not a target for the period under review
	Kariakor manufacturing facility established and operationalized	percent of completion	50	-	-	-	
	Leather cottage industries promoted and established	No. of leather cottage industries promoted and established	5	-	-	-	Not a target for the period under review
Dairy Value Chain/ value addition	Machinery and equipment for dairy fabricated	No. of machinery and equipment for dairy fabricated	10	2	0	0	Inadequate funds to facilitate activities.
	Capacity building of enterprises conducted	No. of enterprises trained annually on	10,000	2,500	0	0	

Priority Project	Output	Indicator	Annual Target FY2023/24	Quarter (Q3) Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement (Q3)	Remarks
		dairy value addition					
Tea Value Chain/production	Tea Cottage industries promoted	No. of cottage industries promoted	50	12	0	5	Limited funds to undertake promotional activities.
	Tea value addition hubs and warehouses established	No. of tea value addition hubs and warehouses	1	0	0	0	Budgetary constraint led to delays in implementation of planned activities.
	Incentives for tea value addition by the private sector developed and implemented	No. of incentives provided	-	-	-	-	No target for FY2023/24
Edible Oils Value Chain/value addition	Cottage oil industries promoted (capacity building incubation & standards)	No. of cottage industries promoted	5	1	0	0	Budgetary constraint led to delays in implementation of planned activities.
	Small industries provided with processing machinery	No. of small industries	5	1	0	0	
	Oil crop SMEs strengthened and trained on cottage level processing	No. of oil crops SMEs trained	10	2	0	0	
	Machinery and equipment for edible oils fabricated	No. of machinery and equipment for edible oils fabricated	5	1	0	0	
Textile and Apparels Value Chain	BT cotton distributed for 200,000 acres in 24 Counties	No. of acres under BT cotton	26,000	8,000	7,542	23,104	Achievement on course.
	Use of alternative fibre (natural and artificial) promoted	No. of alternative fibre in use	-	-	-	-	No target
	Fabric Value Addition Centres established in Nyando and Kieni and Lusigetti	No. of Fabric Value Addition Centres	1				
	Farmers supplied with subsidized fertilizer	No. of cotton farmers	10,000	2,500	2,726	6,781	Target achieved.
	Modern ginneries established	No. of modern ginneries established	1	1	0	0	Budgetary cuts have led to slow down

Priority Project	Output	Indicator	Annual Target FY2023/24	Quarter (Q3) Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement (Q3)	Remarks
		(Homabay, Siaya and Meru)					of planned activities.
	Capacity building on fashion and design of clothing and textile products conducted	No. of enterprises capacity built	5,000	1,250	337	1,134	Limited funds available to undertake planned activities.
	Textile value addition centres constructed and equipped (Nyando and Kieni)	percent Completion Rate (Nyando)	70	70	83	83	Reallocation of additional funds to completion of centres to fasttrack finalization.
		percent Completion Rate (Kieni)	50	50	100	100	
Rice value chain/ value addition	Small industries provided with rice miller machinery	No of small industries provided with rice miller machinery	-	-	-	-	Not target for the FY2023/24
Agro-processing	Fruit and vegetable processing plants constructed	No. of processing plants constructed	1	1	0	0	Delays in disbursement of development budget led to delays in implementation of planned activities.
	Aggregation centres established	No. of Aggregation Centres established	-	-	-	-	No target
Construction/ Building Materials Value Chain	Standards for affordable and Green construction materials developed	No. of new standards for construction materials developed	30	7	7	15	Target achieved.
	Cement (affordable construction materials) produced	Quantity of Cement produced (MT)	560,000	87,500	83,200	235,200	The Clinkering and Milling Plant was temporarily shut down for maintenance thus leading to negative variances.
	Industrial parks for construction materials constructed	No of industrial parks	-				
	East Africa Portland Cement Plant optimized and restructured	percent level of Modernization	20	5	0	5	Delayed realization of proceeds from sale of fully

Priority Project	Output	Indicator	Annual Target FY2023/24	Quarter (Q3) Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement (Q3)	Remarks
		n of EAPC plant					mined idle land earmarked for plant refurbishment and replenishment of working capital.
	East Africa Portland Cement building materials industrial park developed	percent of completion of Building materials industrial park	20	5	0	5	
	Use of Alternative Building Technologies (ABTs) promoted	No. of ABTs promoted	30	7	2	9	Lack of awareness among stakeholders led to negative variance.
	Cottage construction industries promoted	No of cottage construction industries	-	-	-	-	No target
	Waste recycling plant for power generation established	percent of completion	10	3	0	0	Delays in disbursement of development budget led to delays in implementation of planned activities.
Small, Medium and Large Industries Development	Industries trained on entrepreneurship and value addition	No. of Industries trained	2,000	500	656	1,768	Support from development partners led to overachievement.
	IPRs registered by firms and enterprises	No. of IPRs registered	800				
	Manufactured Products certified	No. of products certified	15,000	4,000	3,982	11,962	Target achieved.
	Firms and enterprises facilitated to access local, regional and international market	No. of firms and enterprises accessing local, regional and international markets	10	2	2	6	Target achieved.
County Aggregation and Industrial Parks (CAIPs)	CAIPs	No. of CAIPs Established	5	1	0	0	Construction still ongoing.
Manufacture of Machinery, Automotive, Equipment and Parts	Agro-machinery, equipment, tools and parts manufactured	No. of agro-machinery, equipment, tools and parts manufactured	5	1	0	0	Limited funds to undertake planned activities.

Priority Project	Output	Indicator	Annual Target FY2023/24	Quarter (Q3) Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement (Q3)	Remarks
	Industrial machinery, equipment and tools manufactured	No. of industrial machinery, equipment, tools and parts manufactured	320,000				
	Industrial parts produced	Volume of castings produced (in tonnes)	200	50	9	39	Limited resources to purchase required input for production.
	Transmission parts manufactured	No. of transmission parts produced	320,000	80,000	14,513	174,159	Limited orders led to reduction in production.
	Foundry plant and worksh. ops modernized	percent completion of foundry plant and worksh. ops modernized	48.76	40	37.01	37.01	Budget cuts led to slow progression of project activities.
	Automotive, motor cycles, aerospace and ship equipment, agro-machinery, electric bicycles/motor cycles/ motor vehicles locally	No. of firms facilitated to assemble vehicles locally	3	1	5	6	Increased sensitization and investor targeting led to the overachievement.
		No. of firms attracted to assemble electric vehicles and motorcycles locally	2	1	0	1	Achievement on course.
		No. of firms attracted to convert internal combustion engine to electric	2	1	0	1	
Manufacture of Electrical and Electronic Products	Computer parts, Electronics/Electrical and IT related components manufactured	No. of firms manufacturing electronics/electricals	2	1	1	2	Target achieved.
Integrated Iron and Steel Mill Plant Scrap Metal and Mineral Value Addition	Integrated Iron and Steel mill plant installed and commissioned	percent of completion level	-	-	-	-	No target

Priority Project	Output	Indicator	Annual Target FY2023/24	Quarter (Q3) Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement (Q3)	Remarks
Industrial Research, Technology and Innovation	Academia, industry and Government linkage established	No. of prototypes developed	10	3	7	14	Positive variance attributed to donor and client funded consultancies undertaken.
	Research laboratory equipped and operationalized at South B	percent of completion level	80	80	80	80	Project activities stalled due to contractor vacating the site.
Skills Enhancement for Industrialization	Students/Startup/MSMEs trained on industrial skills	No. of students/Startup/MSMEs trained on industrial skills;	4,000	1,000	1,923	4,004	KITI received many trainees sponsored by CDF.
		No. of industrial partnership for re-skilling and up-skilling of workers undertaken	2	1	1	2	Outreach activities led to increased partnerships
	Training infrastructure and facilities developed and equipped	percent completion of KITI infrastructural facilities	45	45	43.2	43.2	Construction and equipping of female hostels and central stores completed. Auditorium and fields still pending.
	Competency based assessment center established	percent of completion	-	-	-	-	No target
Green Manufacturing	Green Manufacturing concept in production adopted	No. of MSMEs adopting green manufacturing technologies	20	5	2	6	Slow adoption by MSMEs led to negative variance.
Accreditation and Standards	Conformity Assessment Bodies accredited	No. of Conformity Assessment Bodies accredited	150	50	10	34	Low uptake of accreditation by clients.
		No. of new accreditation schemes & scopes developed and rolled out	3	1	1	1	KENAS developed ISO/IEC 17029:2019 Validation and verification

Priority Project	Output	Indicator	Annual Target FY2023/24	Quarter (Q3) Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement (Q3)	Remarks
							scheme for the Aviation and Agriculture industries which is aligned with BETA value chain on Green Financing.
		No. of assessment and accreditation infrastructure developed	2				
	Products for SMEs and large firms certified	No. of products certified	15	5	5	10	Target achieved.
	Standards developed	No. of new standards developed	800	200	181	689	Achievement on course.
	Inspection centres established in Mombasa, Nairobi, Lamu and Naivasha	No. of inspection centres established	2	1	1	2	Target achieved.
	Infrastructure Standards (Nairobi, Nakuru, Nyeri, Meru, Konza) upgraded	No. of infrastructure standards upgraded	2	1	0	0	Will be fasttracked in Q4.
	Modern testing and calibration laboratories established (Nairobi, Nakuru, Nyeri, Meru, Konza)	No. of modern testing and calibration laboratories established	1	1	0	0	Establishment of Nairobi labs still ongoing
Industrial Property Rights (IPRs) Protection	IPR registration system operationalized	percent of completion	100	75	70	70	Achievement on course.
	Technology and Innovation Support Centre (TISC) established	percent of completion	20	15	15	15	Target achieved.
	IPRS registered	No. of IPRs registered (Patents, Utility Models and Industrial Designs)	1,200	400	120	908	Noncompliance with application requirements resulting in applicants being invited to correct defects.

Priority Project	Output	Indicator	Annual Target FY2023/24	Quarter (Q3) Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement (Q3)	Remarks
	Intellectual Property Rights recordation	No. of Intellectual Property Rights and Import Permit recordation	300	75	104	259	Effective use of AiMS system which fasttracked the receipt and processing of applications.
	Anti-Counterfeit Training Academy (ACTA) established	percent of completion	20	5	0	0	Inadequate funds to undertake planned activities.

Source of data; State Department for Industry Reports- FY2023/2024

3.5.1 Description of Results

3.5.2 Implementation challenges

Most of the targets were not achieved due to;

- i. Inadequate funding to facilitate the implementation of planned activities;
- ii. **Inadequate skills and capabilities in the Manufacturing Sector:** There is a mismatch between available technical skills and market demands due to poor linkages between training institutions and the industry;
- iii. **Low awareness on IPRs Rights and weak protection of indigenous knowledge:** There is low uptake of IPRs due to lack of awareness of the requirements and benefits of IPR protection, a lengthy and costly registration process;
- iv. **Unfavorable business environment:** Duplication and overlaps affect the country's level of competitiveness especially in legal, regulatory and institutional frameworks;
- v. **Inadequate infrastructure:** High costs associated with provision of infrastructure affect timely implementation of programs and projects; and
- vi. **Access to financial services for industrial development:** Businesses and manufacturers require long term, accessible and affordable financing to carry out and expand their operations. However, due to the dynamics in the financial market they are often unable to qualify for funding.

3.5.3 Recommendations

SDI proposed the following recommendations to ensure the achievement of MTP IV and BETA:

- i. Strengthen human resource development capacity to conduct surveillance and enforce standards;

- ii. Increase allocation of finances to Government Development Finance Institutions to provide affordable financing and credit facilities to MSMEs;
- iii. Explore the use of PPP in provision of the required infrastructural and affordable credit facilities; and
- iv. Strengthen the cross-sector linkages and collaboration with key partners to enhance efficiency in the manufacturing value chain.

3.6 State Department for Cooperatives

The State Department for Co-operatives (SDC) was established in November 2016. Prior to this, it existed as a department under the then Ministry of Industrialization and Enterprise Development. It was created under Executive Order No.1/2016. Co-operatives have played a significant role in socio-economic development of nations for centuries and are a reminder to the international community that it is possible to pursue both economic viability and social responsibility. It is against this background that the United Nations (UN) declared the year 2012 the International Year of Co-operatives. By the end of 2017, there were 22,344 registered co-operatives with an estimated membership of 14 million. These co-operatives are active in financial intermediation, agricultural produce marketing and processing as well as provision of decent and affordable shelter. Kenyan co-operatives are envisaged to promote green investments especially in such sectors as transport, housing, wholesale and retail trade.

The International Co-operative Alliance (ICA) Blue print (The 2020 Vision) anticipates co-operatives as a business model that will provide economic, social and environmental sustainability and be the fastest growing form of enterprise. Its five (5) pillars of participation, sustainability, identity, capital and legal framework to drive this. The ICA Africa Co-operative Development Strategy 2017-2020 recognizes co-operatives as a critical vehicle towards poverty alleviation and development in Africa. As co-operatives in Africa strive to support human development, they face various challenges such as low human resource capacity, weak economic base, extensive financial dependency from external sources, lack of internal capacity and poor governance. The strategy recognizes the sector as having high potential for facilitating financial growth and can therefore be transformed to lead social and economic development in Africa. Co-operatives have the potential in facilitating green investments to support economic growth. SDC performance on key outputs and BETA priorities for Q3 - FY2023/24 is presented in table 6.

TABLE 6: Cooperatives - Implementation Status of the Key Outputs and BETA Priorities for Q3 - FY 2023/24

Priority Project	Output	Indicator	Annual target (FY 23/24)	Quarter (Q3) target FY 23/24	Quarter (Q3) Achievement FY 23/24	Cumulative Achievement FY 23/24	Remarks on Variance
Leather and Leather products Value Chain	Livestock cooperatives mobilized to provide hides and skins	No. of Livestock farmers in cooperatives	10,000	2,500	270	600	Reduced budget for mobilization activities
Dairy Value Chain	Dairy Cooperatives established	No. of dairy cooperatives established	10	3	12	62	Reduced budget for mobilization activities
		No. of Dairy farmers enrolled into cooperatives	304,550	100,000	12,000	49,000	The number of members per cooperative is

Priority Project	Output	Indicator	Annual target (FY 23/24)	Quarter (Q3) target FY 23/24	Quarter (Q3) Achievement FY 23/24	Cumulative Achievement FY 23/24	Remarks on Variance
							lower than expected
	New KCC plants modernized	percent completion	80	20	0	0	No budget
		Quantity of powdered milk produced (MT)	250	100	372	1,669	Rains that supported high production
		No. of modernized new KCC plants	2	-	-	0	No budget
Tea Value Chain	Tea cooperatives established/strengthened	No. of cooperatives established/strengthened	9	-	1	1	
	Tea farmers mobilized into cooperatives	No. of tea farmers mobilized into cooperatives	5000	500	0	50	
Edible oil value chain	Counties supported to mobilize and register farmers into cooperatives	No. of cooperatives formed	10	1	6	5	Incorporation of avocado in the edible oil value chain
	Edible oil crop farmers mobilized into cooperatives	No. of oil crop farmers mobilized into cooperatives	5,000	1,000	600	4,300	The number of farmers per cooperative is lower than anticipated
Textile and Apparels Value chain	Cotton farmers mobilized into cooperatives	No. of cotton farmers mobilized into cooperatives	10,000	1,000	14,000	34,000	The prospects of building aggregation infrastructure motivated more members to
Rice Value chain	Rice farmers mobilized into cooperatives	No. of rice farmers mobilized into cooperatives	50,000	10,000	0	1,000	Rice farming is limited by infrastructure (irrigation that is not increasing)
		No of farmer cooperatives	4	1	0	2	
	Common user facilities for milling and packaging established	No of common user facilities for milling and packaging established	-	-	-	-	No target for the financial year.
	Small industries provided with rice miller machinery	No. of small industries provided with rice miller machinery	-	-	-	-	No target for the financial year.
Food Security subsidy and crop diversification	Cooperatives mobilized to produce maize and potatoes	No of farmers in maize cooperatives	320,000	100,000	0	0	No budget for mobilization activities
		No of farmers in Potato Cooperatives	120,000	20,000	1,200	3,200	Potato was incorporated in the horticulture value chain
Coffee Revitalization	Coffee cooperative factories modernized	No. of coffee cooperative factories	-	-	-	-	No target for the financial year.
Miraa Industry		No. of farmers in cooperatives	1,000	-	-	-	No target for the financial year.

Priority Project	Output	Indicator	Annual target (FY 23/24)	Quarter (Q3) target FY 23/24	Quarter (Q3) Achievement FY 23/24	Cumulative Achievement FY 23/24	Remarks on Variance
Revitalization	Miraa Umbrella Cooperatives strengthened	No. of cooperatives capacity build	1	1	0	0	No budget
Construction and building materials	MSMEs mobilized into cooperatives	No. of MSMEs mobilized into cooperatives	150	20	400	1,100	Partnership with an NGO that had mobilized actors resulted to identification of groups
IPRs protection	Cooperative management information system developed	Operational CIMS modules	7	2	0	0	No budget

Source of data: State Department for Cooperatives Registry Reports; FY 2023/24.

3.6.1 Description of the Results

Most of the targets were not achieved due to mainly budget cuts that affected value chain activities like training; mobilization or even infrastructure development. Some projects were not allocated any funds under the regular budget for FY 23/24. The State Department programmes and projects that produced the above results are :

Revitalization of BETA value chains that involves capacity building and mobilization of economic agents into cooperatives. The focus is on the 9 priority value chains: rice; tea; dairy; livestock and beef; textile and apparel; edible oils; artisanal fisheries; artisanal mining; affordable housing.

New KCC factory modernization project that is 85percent complete: project involves refurbishment and new installations in existing factories with an aim of expanding the processing capacity. New KCC milk powder initiative that offers uptake of excess milk produced by farmers during glut periods

Cotton farmers cooperative ginnery that aims to provide ginning facilities to farmers of cotton: Phase 1 of PAVI cotton farmers cooperative ginnery is 80percent complete. Other initiatives include oversight over cooperatives by implementing governance requirements of the current Cooperatives Act.

Most of the targets were not achieved due to mainly budget cuts that affected value chain activities like training; mobilization or even infrastructure development. Some projects were not allocated any funds under the regular budget for FY 23/24.

3.6.2 Implementation challenges

The following challenges were reported during the implementation of Q3 targets:

- i. Budget Cuts

- ii. Political and administrative difficulties occasioned by lack of legal framework that aligns devolved and National Government

3.6.3 Recommendations

- i. It was recommended that the budgetary allocation to SDC BETA priorities should be increased. Budget cuts are sometimes conducted upfront, thereby affecting the implementation of planned activities and projects that support aggregation activities.

3.7 The National Treasury

The National Treasury (TNT) envisioned a number of policy interventions during the MTP IV period to support implementation of BETA. These include; Develop and implement a macroeconomic framework that fosters a strong economic growth of 7.2percent by FY 2027/28; ratio of gross national savings to GDP of 20.8percent by FY 2027/28; and ratio of national investments to GDP of 26.7percent in the FY 2027/28; Pursue prudent monetary policies to attain an inflation target of 5.0percent over the medium-term period. The current account deficit as a percent of GDP is projected to stabilize at 5.9percent over the Medium - Term , mainly supported by increased remittance inflows, easing international oil prices, and increasing exports. Reserves are projected to be above the minimum requirement of 4.0 months of import cover to provide an adequate buffer against short-term shocks in the foreign exchange market; and Continue with the fiscal consolidation programme by focusing on revenue mobilization and expenditure prioritization in order to create adequate fiscal space for the implementation of the Government’s priority programmes and improve the country’s debt sustainability position. As a result, revenues were projected to increase from 16.5percent of GDP in 2022/2023 to 19.7percent of GDP in 2027/2028, while expenditures are projected to stabilize at 22.9percent of GDP over the Medium - Term . The fiscal deficit to GDP, therefore, was projected to decline from 5.6percent in 2022/2023 to 2.9percent in 2027/2028. Consequently, the net public debt as a percent of GDP is projected to decline from 68percent in 2022/2023 to 53.7percent in 2027/2028.

Table 7 summarizes the implementation Status of the Key Outputs and BETA Priorities for Q3 - FY 2023/24 by the National Treasury.

TABLE 7: The National Treasury - Implementation Status of the Key Outputs and BETA Priorities for Q3 - FY 2023/24.

Priority Project/programme (1)	Output (2)	Indicator (3)	Annual Target FY (2023/24) (4)	Q 3 Target (5)	Q3 Achievement (6)	Quarterly Performance (Variance (7=6-5) FY 23/24)	Remarks on achievement variance (8)
Macroeconomic Framework	Sustainable level of Public Sector Debt	Public Debt (Nominal Central Government Debt) net	65.4	65.4	67.2	1.8	The Government is implementing a multi-year growth friendly fiscal consolidation program supported by measures to enhance revenue collection and curtail overspending while safeguarding priority high-impact social and

Priority Project/programme (1)	Output (2)	Indicator (3)	Annual Target FY (2023/24) (4)	Q 3 Target (5)	Q3 Achievement (6)	Quarterly Performance (Variance (7=6-5) FY 23/24)	Remarks on achievement variance (8)
							investment expenditure. This will lead to the PV of the PV of the Public Debt to GDP ratio to decline steadily
		Volume of credit disbursed under RCGS (millions, USD)	8	2	0	(2)	
		No. of farmers rural areas accessing financial services under RCGS	2,350	587.5	0	(587.5)	
Rural Kenya Financial Inclusion Facility (RK-FINFA)	Rural Credit Guarantee Scheme (RCGS) operationalized	No. of commercial banks participating in RCGS	2	1	0	(1)	
		Volume of credit disbursed under RCGS (millions, USD)	8	2	-	-	
Payments ecosystems interoperability	Interoperable payments system developed	percent of completion	60	75	-	-	
	Government payment platforms automated	No. Government payment services automated	12000	15000	-	-	
Kenya Credit Guarantee Scheme (CGS)	MSMEs provided with business development services	No. of MSMEs provided with business development services	10000	0	0	0	Target achievement have affected by delayed rollout of the company, R-CGS and SAFER
	Kenya Credit Guarantee Company established	percent of completion	100	75	75	0	Incorporation documents prepared for public participation and cabinet consideration
	Sector specific credit guarantees development	No. of sector specific credit guarantee schemes	3	3	4	1	Target for agriculture, women, manufacturing and construction developed for rollout once the company is incorporated

Priority Project/programme (1)	Output (2)	Indicator (3)	Annual Target FY (2023/24) (4)	Q 3 Target (5)	Q3 Achievement (6)	Quarterly Performance (Variance (7=6-5) FY 23/24)	Remarks on achievement variance (8)
	CGS capital mobilized	Amount of CGS mobilized from private sector (Ksh. Millions)	4000	0	0	0	Engagement with potential investors ongoing. Government's share of Ksh. 3 billion is available.
Green Financing	Green Finance service providers accredited	No. of accredited local green finance service providers	1	1	0	0	Equity Bank nominated is undergoing accreditation process by GCF
	Green finance professionals trained	No. of green finance professional Trained	50	10	15	5	
	National and County Government capacity to manage climate risks strengthened	No. of wards benefitting from Program-funded resilience investment (FLLoCA)	-	-	-	-	Funds under FLLoCA disbursed in the 4 th Quarter.
		Capitalization of Climate Change Funds (Amount Ksh. Millions)	1,500	0	0	0	Counties allocated 1.5percent - 2percent of development budget to the County Climate Change Funds

Source of Data: The National Treasury Reports, FY 2023/24 Reports

3.7.1 Description of Results

3.7.2 Implementation challenges

- i. High debt service on account of 2024 Eurobond repayment and Rollover of External bank loans;
- ii. Depreciation of the Kenyan shilling against other foreign currencies leading to increase in debt service cost;
- iii. The operationalization of RCGS has been delayed due to the ongoing conversion of 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 KCGC 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. Definition of MSMEs. 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 Classified as small or medium enterprises;

- vii. Sector Classification: 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 the 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.

3.7.3 Recommendations

- i. Finalize the process of converting CGS into a company to enhance sustainability and impact in the economy;
- ii. CGS to continue with automation initiatives to achieve end –to-end automation to resolve challenges emanating from manual processing of the CGS data Develop reporting framework for facilities booked under RCGS and SAFER;
- iii. Extend the CGS Contract Agreements with PFIs, to allow MSMEs to continue accessing the guarantee product during the transition period;
- iv. The Government will continue to carry out liability management operations (LMOs) targeting the existing debt portfolio. The operations include debt swap, buyback, etc;
- v. Additionally, the Government aims to explore alternatives financing sources to conventional bonds that are more flexible and less costly. For example, these include Green and Sustainability linked bonds, Samurai bond, Panda bonds and Diaspora bond.
- vi. The project has already initiated the on boarding of commercial banks to participate in the RCGWS. This will be followed by the disbursement of credit and the ultimate benefitting of small holder farmers;
- vii. The proposed Credit Guarantee Company will be able to explore mechanisms of moderating the effect of informality on accessibility of credit guarantees; and
- viii. CGS to continue with automation initiatives to achieve end-to-end automation to resolve challenges emanating from manual processing of the CGS data. Presently, the CGS is carrying out gradual transformation of the operational frameworks to digital platforms. A portal was developed in collaboration with the ICT Authority and is undergoing improvement module by module.

3.8 East Africa Community Affairs

The State Department for East African Community Affairs (SDEACA) was established under the Ministry of East African Community (EAC), the ASALs and Regional Development as espoused in the Executive Order No. 2 of 2023. Table 8 provides a summary of the implementation Status of the Key Outputs and BETA Priorities for Q3 - FY 2023/24 in SDEACA.

TABLE 8: East African Community Affairs- Implementation Status of the Key Outputs and BETA Priorities for Q3 - FY 2023/24

Priority Project	Output	Indicator	Annual Target 2023/24	Q1 Target 2023/24	Q2 Achievement 2023/24	Q3 Achievement 2023/24	Cumm. Achievement (Q1-Q3) 2023/24	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	-	348	-	348	Trade fair was held in Quarter 2. The target of 2000 is for all the implementing agencies and EAC is only contributing to the target.
EAC Uptake Enhancement	National outreach and stakeholder engagements undertaken	No. of national outreach and stakeholder engagements held	10	3	3	3	9	There was support from Trade Mark Africa (TMA)
	Kenya's participation in EAC Trade Fairs Enhanced	No. of trade fairs held	1	-	1	-	1	Target Achieved
		No. of Kenya's MSMEs products showcased in trade fairs.	300	-	700	-	7	Over achievement attributed to the high number of MSMEs exhibitors during the trade fair
	EAC trade and investment regulations and procedures developed and disseminated	No. of dissemination reports	1	-	-	-	-	To be done in Quarter 4
	EAC CBTAs revived and trained	No. of CBTAs revived and trained	2	-	1	1	2	Target achieved

Priority Project	Output	Indicator	Annual Target 2023/24	Q1 Target 2023/24	Q2 Achievement 2023/24	Q3 Achievement 2023/24	Cumm. Achievement (Q1-Q3) 2023/24	Remarks on Achievement Variance
	Integrated strategy on Northern Corridor Integrated Projects developed and implemented	Implementation reports	1	-	1	-	1	Target achieved
	Informal sector organized into Cooperatives	No. of informal sectors organized into cooperatives	100	-	-	-	-	To be done in Quarter 4

Source of data: State Department for East African Community Affairs Report FY2023/2024.

3.8.1 Description of the results

Joint mobilization was conducted whereby relevant MDAs and 348 Kenyan MSMEs successfully exhibited their products during EAC MSMEs Trade Fair, which was held in the republic of Burundi on 23rd December 2023. The target of 2000 is for all the implementing agencies and EAC is only contributing to the target.

To enhance EAC Uptake, there was collaboration between the National and County Governments. Stakeholder engagements were held in Kajiado, Migori, Bungoma, Trans Nzoia, Isiolo, Marsabit, and Taita Taveta Counties. This was to assess progress in those counties with regard to the implementation of the EAC integration projects and programmes as well as strengthen the capacities of MSMEs in the counties to trade in the EAC region. The achievement is attributed to support from Trade Mark Africa (TMA). In addition, a total of 1200 youth, women and PWD traders were trained on Simplified Trade Regime (STR) to enhance their knowledge/awareness on border laws and regulations; elevate traders from small scale to own cooperatives and empowerment on value chains in STR; and reduce cases of smuggling across the border. Further, Namanga and Loitotok EAC Cross Border Trade Associations (CBTAs) were revived and trained on STR.

3.8.2 Implementation challenges

- i. **Exchequer delays and budget cuts:** This either caused some projects to stall or fail to meet the proposed targets. Inadequate budgetary allocation and austerity measures affected M&E activities.
- ii. **Low level of awareness on Regional Integration Opportunities/Benefits:** There is generally low level of awareness by the business community on the socio-economic dynamics. Without information on the business opportunities and markets available, most of the producers are not able to exploit their full potential.

- iii. **Litigations, Inadequate Policy and Legal Framework:** lack of adequate policy and legislative framework affect the state department in the execution of its mandate. It is of paramount importance to ensure alignment with BETA towards the implementation of the priority value chains as well as regulate issues on consumer protection, trade promotion, trade negotiation, among others.
- iv. **Inadequate Infrastructure:** High costs associated with provision of infrastructure affect timely implementation of programs and projects.
- v. **Weak collaboration between the National and County governments -** specifically on data/information for decision making.
- vi. **Inadequate human resources:** Inadequate Skills and Capabilities in manufacturing sector occasions a mismatch between available technical skills and market demands due to poor linkages between training institutions and the industry.
- vii. **Slow pace of policy formulation processes:** The operationalization of RCGS has been delayed due to the ongoing conversion of Credit Guarantee Scheme into the KCGC.
- viii. **Climate change with extreme and unpredictable weather patterns:** causing challenges such as frequent and prolonged droughts, floods and emerging new pests and diseases impacted negatively on the livestock productivity; short rains and unprecedented effects of floods affecting agricultural land.
- ix. **High debt service** on account of 2024 Eurobond repayment and Rollover of External bank loans; Depreciation of the Kenyan shilling against other foreign currency leading to increase in debt service cost.

3.8.3 Recommendations

- i. Railway sliding and related infrastructure at EPZ Athi River could be handed over to Kenya Railways for it to progress better
- ii. The two indicators, GCI & MSCI to be replaced by World Bank's Business Ready (B-READY) Tool that will give a more suitable measure
- iii. Fastrack the release of conditional National Government and County Government counterpart funds.
- iv. Funding to increase the Human Resource Capacity and recruitment in implementing the new proposed organizational structure. This is expected to have positive impact on the outputs.
- v. Increased budgetary allocation to SDC BETA priorities. Budget cuts sometimes are conducted upfront, thereby affecting planned implementation of activities and projects that support aggregation activities.
- vi. The National Treasury to consider providing sufficient funds to SDC for product and market development and promotion towards implementation of the priority value chains under BETA. The State Department to also explore resource mobilization from development partners;
- vii. Fast track enactment of various pending Bills such as the Trade Development Bill to provide among other things; establishment of the legal framework for the

- implementation of the priority value chains identified in BETA, establish a framework for closer engagement with the County governments and the private sector;
- viii. Progressively establish Commercial offices and deploy Commercial Attaches to Kenya's foreign Missions;
 - ix. Collaborate with the private stakeholders to establish Kenya Commercial/Trade Centers in key commercial cities in foreign markets to promote and expand market access for Kenya's key value chain products in the international market;
 - x. Explore use of PPPs in provision of required infrastructural and affordable credit facilities;
 - xi. Provision of adequate resources to put up the basic infrastructure facilities, which include roads, power, and water among others to attract industrial investments that support manufacturing;
 - xii. Strengthen the cross-sector linkages and collaboration with key partners to enhance efficiency in the manufacturing value chain; and
 - xiii. Creation of awareness on requirements, process and benefits of Intellectual Property protection.

CHAPTER FOUR: INFRASTRUCTURE SECTOR

4.1 Overview

The infrastructure sector comprises of the following key sub-sectors: Roads and Transport; Energy and Petroleum; ICT and Digital Economy; Land, 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 learnt and sector specific recommendations.

4.2 Roads and Transport

Kenya's road and transport infrastructure is crucial for realizing the objectives of MTP IV of Vision 2030. MTP IV aims to enhance economic growth and connectivity by expanding and modernizing the road network, integrating various transport modes, and leveraging technological advancements. Key initiatives include constructing and upgrading major highways, integrating rail and road systems, and improving urban public transport. Additionally, the plan emphasizes sustainability, with efforts to adopt eco-friendly practices and build climate-resilient infrastructure. These developments are intended to boost economic activity, reduce travel time, and improve overall quality of life, supporting Kenya's long-term vision of becoming a globally competitive and inclusive economy.

The sub-sector comprises of State Department for Roads (SDR) and State Department for Transport (SDT). Under the roads sector, the State Department for Roads develops policy, legal and regulatory instruments and has responsibility over the extensive road network. The State Department for Transport is responsible for the same functions in the Civil Aviation, Railways and Ports subsectors. The SDT also coordinates the development of policy, legal and regulatory instruments in all matters pertaining to transport. The table 4.1 below shows the implementation status of the key outputs and BETA priorities in the sub-sector.

Table 4.1: SDR & SDT -Implementation Status of the Key Outputs and BETA Priorities for Q3 - FY 2023/24

Priority Project	Output	Indicator	Annual Target 2023/24	Q3 Target	Achievement Q3	Cumm Achievement Q1-Q3	Remarks
Construction of Km roads	Km of roads constructed/rehabilitated	Km of roads constructed/rehabilitated	1,000	250	243.6	559.94	Slowdown of works by contractors due to payments
Rural Roads Maintenance	Rural roads improved to gravel standard/maintained	Km of roads improved	21,755	5,440	9,602	17,490	Target achieved
Urban and Highway Roads Maintenance	Highways and urban roads maintained	Km of roads maintained	21,000	5,250	12,109	32,519	Target achieved
Decongestion of Cities, Urban Areas and Municipalities	Length of Arterials and Collectors constructed	Km of roads constructed	87	20	0	27.68	

Priority Project	Output	Indicator	Annual Target 2023/24	Q3 Target	Achievement Q3	Cumm Achievement Q1-Q3	Remarks
Construction of footbridges	Footbridges constructed (KENHA)	No. of footbridges constructed	3	1	2	4	Target surpassed
Implementation of Integrated National Transport Information Management System and Dashboard	Traffic and speed cameras installed along main highways	No. of speed cameras installed	10	3	0	0	6 cameras to be installed in Q4 along southern bypass and Ihindu, Kinungi, Karai stretch in Nakuru
Construction and rehabilitation of Railways	Locomotives and wag- on Purchased, Rehabilitated and overhauled	No. of locomotives and No. of wagons	200 new MGR wag- ons	200MR wagons deliver ed	200 MGR wagons deliver ed	200 MGR wagons delivered	Target met
			Rehabilitat ion of 4 MGR locos	1 MGR loco rehabili tated;	0	7MGR locos rehabilitat ed	Target surpassed
			Remanufa cture of 3 MGR locos	1MGR loco remanu facture d	0	1MGR locomotiv e remanufa ctured	Delayed by long lead times on delivery of main component including engines, motors and compressors
Road Safety Project	Integrated Transport Information Management System	percent of Integrated Transport Management System completed	30	0	0	0	This was put on hold to accommodate directives on migration to e-citizen. Procurement has been initiated in FY 2024/25.
	Model motor vehicle inspection and driver testing unit with simulators	No. of inspection and driver testing unit	38	0	0	0	Construction works at 5percent completion. Construction works for Thika had a temporary stoppage by the County Government of Kiambu. Procurement initiated. Equipment will be installed after construction. The project has not commenced due to the inadequacy of funds.
	Upgrading manual motor vehicle inspection centers	No. of inspection centres upgraded	3	0	0	0	Inadequate funds
	Road Safety Audits and accident investigations/ Inspections undertaken	No. of road safety Audits undertaken	18	5	6	18	The target was hastened by recruitment of additional road safety engineers and support from EU
Industrial Infra-	Lamu SEZ established	percent of completion	-	0percent	0percent	0percent	Expression of Interest for

Priority Project	Output	Indicator	Annual Target 2023/24	Q3 Target	Achievement Q3	Cumm Achievement Q1-Q3	Remarks
structure Development project							development of Lamu SEZ prepared and advertised
Investment at- traction, retention, facilitation and enablement	Public SEZs developed in Dongo Kundu, and Naivasha	percent of Completion in Dongo Kundu	10	7.50per cent	1.70per cent	1.70per cent	50 acres out of 3,000 available allocated for development

Source of data: Ministry for Roads and Transport FY FY2023/2024 Reports.

4.2.1 Description of the results

The sub-sector met most of the third quarter targets. Key among the achievement is expansion of the road networks by additional 243.6Km, rehabilitation of the 9,602Km rural and 12,109Km urban roads, rehabilitation of one (1) MGR locomotive and acquisition of new 200 MGR wagons. It is expected that regional connectivity will be enhanced resulting in improved cargo volumes and passenger numbers.

Despite the progress enumerated in the table above, the sub-sector was not able to realize a number of outputs since some priority projects were not undertaken as follows: construction of missing links; traffic management centers; major highways and bridges under PPP; installation of Integrated Traffic System in Nairobi Mombasa, Kisumu, Nakuru, Eldoret and Thika junctions; and establishment of the Lamu Special Economic Zone.

4.2.3 Implementation Challenges

- i. High stock of pending bills;
- ii. High construction and maintenance costs of roads due to rising inflation;
- iii. Extreme weather events, such as heavy rainfall and flooding, damaging road infrastructure and increasing maintenance needs;
- iv. Complex and protracted land acquisition and compensation process;
- v. Encroachment of land earmarked for infrastructure development;
- vi. Late disbursement of project funds; and
- vii. Inadequate budgetary allocation from GoK

4.2.4 Recommendations

- i. Enhance disaster preparedness to mitigate against disasters such as El Nino that damage infrastructure and disrupt project completion rates;
- ii. Conduct early needs assessments and undertake proactive engagements with impacted communities to hasten the overall land acquisition and compensation process; and
- iii. Budgetary allocation and timely disbursement of funds is key for effective implementation of projects.

4.2 ICT and Digital Economy

The sub-sector is strategic in realizing the expectations of the BETA pillar on Digital superhighway and creative economy and facilitate achievement of Kenya Vision 2030, and its Fourth Medium-Term Plan. Further, ICT & Digital Economy plays a major role in poverty reduction through access to digital information on credit and markets as well as enhancing efficiency in the management and production process of the small, medium and large enterprises. Information, technology and digital economy sub-sector is key for the development of a knowledge-based society and mainstreaming participation of the Kenyan populace in the national development agenda. The State Department plays its role through modern ICT infrastructure, E-Government & Digital Economy and Security & Audit initiatives.

The MTP IV prioritizes universal broadband availability throughout the country with the aim of increasing and fast-tracking broadband connectivity through: construction of 100,000km of national fibre optic connectivity network; enhancement of government service delivery through digitization and automation of all Government critical processes; making available 80 per cent of government services online; and establishment of the Africa Regional Hub to promote development of software for export.

The sub-sector comprises of State Department for ICT & Digital Economy (SDICT&DE) and State Department for Broadcasting and Telecommunications (SDBT). SDICT&DE is responsible for: providing policy direction on digital infrastructure and communication services; promotion of innovation and digital economy; automation of government services and management of national fibre optic infrastructure. The SDBT is mandated to ensure the citizenry are informed on Government projects, programmes and initiatives; development of telecommunication and local content policy; and enhancement of telecommunication, postal services and electronic commerce. The table 4.2 below shows the implementation status of the key outputs and BETA priorities in the sub-sector.

Table 4.2: SDICT&DE - implementation Status of the Key Outputs and BETA Priorities for Q3 - FY 2023/24

Priority Project	Output	Indicator	Target 2023/24	Target Q3	Achievement	Cumm Achievement Q1-Q3	Remarks
Digital Access and Creative Economy	Free Public Wi-Fi across the Country (JiKonnnect Hotspots) installed	No. of Hotspots installed	5,000	1000	368	1,368	Underachievement is attributed to the lack of budgetary allocation.
	Training/Innovation Hubs (Digital Hubs)	No. of Hubs connected	50	13	11	11	Target under achieved due to budgetary reviews
	Youths trained annually through Ajira Youth Empowerment	No. of youth trained	120,000	30,000	49,326	157,750	The target was surpassed due to high demand for online training

Priority Project	Output	Indicator	Target 2023/24	Target Q3	Achievement	Cumm Achievement Q1-Q3	Remarks
	Centres and ICT graduates trained annually through the Presidential Digital Talent Training Programme (PDTP)	No. of ICT graduates trained	100	400	400	400	The programme target was revised to onboard 400 Interns annually from 100 indicated in the National Indicator Handbook.
	TVET institutions equipped with creative Economy facilities (23 000 VDIs)	No. of TVETs equipped	86	20	22	66	The variance of +2 institutions was brought about by high-level requests to expedite Presidential Directives on creation of Digital Jobs.
	Youths connected to online jobs (ITES/BPOs)	No. of youths connected	100,000	25,600	25,650	75,650	Target was met.
	Coding, digital skills learning and Software development in primary schools undertaken	percent of implementation	20	-	-	-	To be reported in fourth quarter
	Mass Media practitioners trained	No. of practitioners trained	700	120	11	689	Target on course
	Kenya Institute of Mass Communication Eldoret Campus constructed and equipped	percent of completion	10	5	0	20	Target
Last Mile County Internet Connectivity Programme (Phase IV and V)	Public institutions in Counties and sub-counties connected	No. of institutions connected	160	40	50	150	The target was achieved
Manufacture of Affordable Smart Devices through Private Sector initiative	Availability of smart devices with a price range of \$40	No. of smart devices manufacturing plants established	-	1	1	1	Target achieved

Priority Project	Output	Indicator	Target 2023/24	Target Q3	Achievement	Cumm Achievement Q1-Q3	Remarks
ICT Capacity Development	Software and electronic manufacturing industry established with 5,000 software engineers producing 1.2 million devices	No. of manufacturing plants established	-	-	-	-	Will commence in 2024/2024
		No. of software engineers	1,000	-	-	-	To be reported in fourth quarter
		No. of devices produced	-	-	-	-	To commence in 2025/2026
	Citizens trained on digital literacy skills	No. of citizens trained	4M	11,248	55,000	66,248	Budgetary allocation to the programme was reviewed.
	Officers in Public Service trained in High-End Specialized ICT areas.	No. of Public Service officers trained	151,000	4,364	9,399	35,158	The underachievement is attributed to the delayed roll out of the programme and the commercialization.
ICT green initiative Programme	E-waste management Centre established	percent Completion of E-waste management centre	20	1	1	1	The underachievement is attributed to budgetary reviews which reduced allocation of funds to the intervention.
Digitalization of Government services and records	Government services digitized	No. of services digitized	1,000	2,500	4,200	12,584	Target was revised upwards due to the executive directive to digitize government services.
	Government operational systems and records digitized (Paperless and fully Digital Government)	percent. of Government Operational Services and records Digitized	30	8	100	83	Target surpassed due to the executive directive to digitize government services
Cyber Security	ICT Security Operation Centre	percent completion	30	-	-	-	Government ICT security operation centre operationalized by June 2024. This will be reported in the 4 th Quarter M&E Report.
Promote Konza Technopolis as a Silicon Savanna	Konza Complex Phase 1B (Conference Facility)	percent Completion	58	15	20	50	The overachievement was due to acceleration of works to cover slowdown

Priority Project	Output	Indicator	Target 2023/24	Target Q3	Achievement	Cumm Achievement Q1-Q3	Remarks
							experienced in last FY.
	Konza Complex Phase 1C (Hotel Block)	percent Completion	-	-	-	-	This output is planned for FY 2025/26
	Konza Masterplan Consultancy Master Development Partner (MDP)2	percent Completion	53	53	53	53	The target is achieved.
	Supervision of Streetscape and Wastewater	percent Completion	95	24	24	72	Target achieved.
	Completion of Horizontal Infrastructure (EPC-F)	percent Completion	95	24	24	72	Target achieved.
	Konza Smart City Facilities and services	percent Completion	80	20	20	60	Target Achieved.
	Establishment of Konza Digital Media	percent Completion	-	-	-	-	This output is planned for FY 2024/25
Konza City Technopolis	Construction of the Disaster Recovery Center	percent Completion	50	12.5	12.5	40	Target Achieved.
	Construction of the Smart City Facilities	percent Completion	100	25	25	75	Target Achieved.
	Horizontal Infrastructure	percent Completion	100	25	25	75	Target Achieved.
	Construction of Konza Complex	percent Completion	70	17.5	17.5	53	Target Achieved.
Konza Data Centre	Onboarding Government services in the Konza data centre by June 2024	percent Of services onboarded	20	4	28	84	Over achievement was due to accelerated digitalization efforts.
		percent Completion of Disaster Recovery Centre	20	4	18	54	The overachievement was due to acceleration of works to cover slowdown experienced in last FY.

Priority Project	Output	Indicator	Target 2023/24	Target Q3	Achievement	Cumm Achievement Q1-Q3	Remarks
Data Protection and Cyber security	Government ICT security operation centre operationalized by June 2024	percent Completion	10	10	40	40	The Security Operation Centre (SOC) project is currently under implementation with 40percent implementation status. This comprises the acquisition of software which collects logs from the digital assets. The MTP IV targets indicates 10 SOC's, however, the target as should be one (1), which is the National Sectoral SOC.
	13 Regional Offices for the Data Protection Commissioner operationalized	No. of offices operationalized	4	2	4	7	The Office has established regional offices in Nairobi, Mombasa, Nakuru, Kisumu and Huduma centres in Eldoret, Nyeri & Garissa. The positive variance is due to enhanced budgetary support
Universal Broadband Connectivity	100,000 Km (52,000Km by the Government and 48,000Km by the private sector) of Fibre optic cable installed	Km of fibre optic installed	20,000	708	771	8959	The project is currently on-going under the USF component.
Regional Smart Hub	Enhanced connectivity in the Region	Smart Hub in Mombasa	-	-	-	-	This output is planned for FY 2025/2026
		No. of Regional Smart Hubs	1	-	-	1	A Regional Smart Hub is established at Konza Technopolis
Cellular Mobile Network Infrastructure and Services Development Phase II, III and IV	Cellular mobile network connectivity in sub-locations in 42 Counties	No. of sub-locations connected	72	18	4	12	Inadequate funds

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

4.2.1 Description of the Results

Universal Broadband connectivity was enhanced through installation of 9,208km of fiber by the National Optic Fibre Backbone Infrastructure (NOFBI) and a total 150 public institutions have been connected to internet through the **Last Mile County Internet Connectivity Project Phase IV and V**.

Towards **Digital access and creative economy**, a total of 1,368 free public Wi-Fi (JiKonnnect Hotspots) were established across the country; 11 training/innovation hubs (digital hubs) were connected to hotspots; 157,000 youths trained through the Ajira Youth Empowerment Centres and 400 ICT graduates trained on high end skills through the Presidential Digital Talent Training Programme (PDTP); equipping of 66 Technical, Vocational and Education Training (TVET) Institutions with creative economy facilities; and 75,650 youth connected to online jobs. Further, through the **ICT capacity development project**, 66,248 citizens and 35,158 public officers have been trained on digital skills.

The sub-sector also promoted **manufacture of affordable smart devices** by **facilitating establishment** of One (1) plant and manufacture 1,050,000 devices assembled by EADAK (Safaricom, Jamii Consortium) and Mkopa Ltd that are affordable with a price range of US\$ 40. The sub-sector also promoted **ICT green initiatives** development of the E-Waste Management Centre currently at one(1) percent completion against the targeted rate of 10 per cent.

In order to enhance, **Digitalization of Government services and records**, a total of 12,584 Government services (both operational and citizen facing) were digitalized and 83 percent records at the national and county government level have been digitized.

To enhance the safety of Government data, on-boarding of all Government data at the **Konza Data Centre** is at various levels of completion. In addition, seven (7) Regional Offices for the Data Protection Commissioner, were operationalized in Nairobi, Mombasa, Nakuru, Kisumu and Huduma centres in Eldoret, Nyeri & Garissa to strengthen national **Data Protection and Cybersecurity** capacity. Further the operationalization of the ICT Security Operation Centre is at 40percent.

Concerning Business Process Outsourcing in the country the development of various components of **Konza Technopolis as a Silicon Savanna** are at various levels of completion (Construction of the Smart City Facilities at 100percent, Horizontal Infrastructure at 99percent, Construction of Konza Complex at 70percent). A **Regional smart hub was established** at Konza Technopolis to monitor the NOFBI infrastructure and provide support to the regional ICT authorities.

However, the sub-sector was not able to realize a number of outputs since some priority projects were not undertaken as construction of additional studio mashinani; development a regional Smart Hub at Mombasa for the landing stations and Internet Protocol (IP) exchange points; and establishment of Konza Media Centre

4.3.2 Implementation Challenges

- i. Adverse weather conditions
- ii. Vandalism of infrastructure

4.3.3 Recommendations

- i. Amendment of laws on destruction and vandalism of infrastructure
- ii. Enhancement of collaboration and partnerships with stakeholders in the sub sector
Enabling and facilitative Policy, Legal and regulatory frameworks through review of National ICT policy, development of Konza Technopolis Bill and ICT Authority Bill.

4.4 Land, Public Works, Housing and Urban Development

The sub-sector is critical in the management of the land in order to ensure security of tenure, provision of affordable and decent housing for the citizenry, and development of markets and county offices.

The sub-sector comprises of: the State Department of Lands and Physical Planning (SDLPP), State Department for Housing and Urban Development (SDH&UD), and State Department for Public Works (SDPW). The SDLPP is mandated to provide National Lands and Settlement Policy and Management; oversee Physical Planning for Land Use; National Spatial Infrastructure; undertaking Land and Property Valuation; managing Land Information Systems; and Maintenance of a Public Land Bank. The SDH&UD is mandated to: provide housing, and urban planning policy as well as Cities, Municipalities and Townships; enhance development and management of affordable housing; public office accommodation Lease and Management; and appropriation of low-cost housing building and construction technologies. On the other hand, the SDPW is mandated to provide public works policy and planning; conduct national building inspection services; and development and management of building and construction standards and codes

The table 4.3 below shows the implementation status of the key outputs and BETA priorities in the sub-sector.

Table 4.3. SDLPP - implementation Status of the Key Outputs and BETA Priorities for Q3 - FY 2023/24

Priority Project	Output	Indicator	Annual Target 2023/24	Q3 Target	Q3 Achievement	Cumm Achievement Q1-Q3	Remarks
Processing and Registration of Title Deeds	Title deeds issued	No. of title deeds issued	405,000	101,250	140,081	330,663	Target surpassed due to improved service delivery and demand
National Land Value Index	National Land Value Index developed in 25 Counties	No. of Counties with National Land Value Index	8	2	4	4	Target met
Geo-referencing of Land Parcel	Parcels of land geo-referenced to produce cadastral plans and maps.	No. of land parcels geo-referenced.	60,000	15,000	4,336	24,256	Inadequate survey equipment and software

Priority Project	Output	Indicator	Annual Target 2023/24	Q3 Target	Q3 Achievement	Cumm Achievement Q1-Q3	Remarks
Implementation of National Spatial Plan (NSP) and National Land Use Policy (NLUP)	Staff in Counties sensitized on development of physical and land use development plans.	No. of Counties sensitized	5	1	3	3	Nandi, Turkana and Nairobi county staff sensitized
Settlement of landless	Land acquired for settlement	Area in Ha of land Acquired	43,000	10750	4,455	4,455	Target Achieved
	Landless households settled	No. of households settled	12,000	3,000	0	2,070	Settlement of the Landless was under demarcation and survey
	Informal settlements and colonial villages regularized	No. of settlements and villages regularized	200	3	3	3	Garissa, Nairobi (Mathere Fire victims) and Mariakani (Njoro takatifu Njoro chini, Jakab and Tabora)
	Surveyed and mapped land parcels	No. of parcels surveyed	100,000	25,00	68,398	229,602	Target surpassed
Survey and Maintenance of National and International Boundaries	Kilometres along National and international boundaries surveyed and maintained	Km surveyed and maintained	200	50	0	52	
	Boundary mark /pillars established	No. of pillars established	100	25	0	417	Established 415 boundary pillars Kenya-Tanzania and 22 boundary pillars Kenya-Uganda
	Delimitation, demarcation and reaffirmation of the international boundaries between Kenya/ South Sudan, Kenya/Uganda and Kenya/Tanzania undertaken	No. of Kilometres Surveyed and Maintained National and international boundaries	150	40	0	2	2km-Inspection of Kenya-Tanzania maritime international boundary Jazini-Indian Ocean.
Development of hydrographic database	Nautical charts and bathymetric maps produced	No. of Maps and charts produced	4	1	3	6	Target surpassed
Digitization of land services	Land records in the Counties digitized	No. of Counties digitized	7	2	1	1	Murang'a is under testing for launching. The process Is ongoing for Isiolo, Marsabit

Priority Project	Output	Indicator	Annual Target 2023/24	Q3 Target	Q3 Achievement	Cumm Achievement Q1-Q3	Remarks
							and Mombasa counties
Completion of stalled and ongoing Government projects	Nyandarua County HQ completed	percent completion	60	71.2	68	68	Inadequate funds
	Tana River County HQ Completed	percent completion	60	85	72	72	Inadequate funds
	Lamu County HQ completed	percent completion	60	85	60	60	Inadequate funds
	Completion of Voi Housing – Phase I and II	percent completion	75	88.75	72	72	Inadequate funds
	Migori District HQ Phase I completed	percent completion	75	100	86	86	Inadequate funds
	Kericho Pool Housing completed	percent completion	75	100	35	35	Inadequate funds
Affordable Housing	200,000 units constructed	No. of housing units constructed annually	200,000	50,000	715	715	
	1 million affordable home financing mortgages issued (low-cost mortgages, TPS, affordable construction loans)	No. of low-cost mortgages issued	200	50	32	117	
Markets Development	Markets Constructed	No. of Markets Developed	5	1	3	5	Target surpassed
	100,000 containerized hawkers' stalls constructed	No of stalls constructed	20,000	5000	-	-	Construction of stalls are at procurement stage

Source of data: SDLPP, FY FY2023/2024 Reports.

4.4.1 Description of the Results

Significant progress was made by the sub-sector during the third quarter. Notable achievement regarding land management is the processing and registration of 140,081 title deeds and Geo-referencing of 4,336 land parcels which enhanced the land tenure. In addition, six(6) nautical charts and bathymetric maps were produced and digitization of Muranga county land registry was completed which is expected to enhance titles processing once operationalized. Towards housing, the sub-sector completed 715 affordable housing units and issued 32 low-cost mortgages which enhanced access to quality housing. The sub-sector also managed to develop 5 markets and continued the construction of stalled government projects.

However, a number of projects were not initiated. These include: construction of foot bridges, jetties, seawalls and river banks walls; Kenya Urban Support Program (KUSP II), and Kenya Informal Settlement Improvement Project (KISIP II).

4.4.2 Implementation Challenges

- i. Manual land records which hinder its efforts towards expeditious land transactions;
- ii. High number of litigation cases has affected and delayed the implementation of the projects and programmes;
- iii. Insecurity from hostile communities;
- iv. Inadequate capacity in land administration and management;
 - v. Adverse weather conditions, especially the recent prolonged heavy rains, which caused site erosion, flooding, and delays in construction activities;
- vi. Inadequate skilled personnel on project management;
- vii. Limited and high cost of serviced land for housing development;
- viii. Litigation that delays implementation of projects;
- ix. Non-compliance to commitments on the counties' obligations as per the signed participation agreements for donor projects; and
- x. Lengthy time taken by County Assemblies in approving the Local Physical Development Plans prior to processing of Allotment letters/title deeds/leases

4.4.3 Recommendations

- i. Fast track digitalization of all land records and process;
- ii. Promote use of Alternative Dispute Resolution (ADR) mechanisms in land disputes;
- iii. Public participation among communities;
- iv. Timely approval for employment of adequate human capacity
- v. Implementing a robust risk management framework that can anticipate and mitigate the impacts of adverse weather conditions.
- vi. Investing in capacity building for project teams to improve their ability to navigate operational, logistical and environmental challenges effectively.
- vii. Fast-tracking of relevant policies, bills and legislations for effective implementation of the sub-sector mandate.
- viii. 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.
- ix. Involvement of Council of Governors (CoG) to FastTrack approvals of Local Physical Development Plans by County Assemblies

4.5 Water and Irrigation

The sub-sector is critical in provision of safe drinking and agricultural water as well as sewerage and sanitation infrastructure. The MTPIV prioritizes: the construction of large dams and multi-purpose dams; expansion of existing irrigation schemes; land and river reclamation; and development of sewerage facilities.

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

The table 4.4 below shows the implementation status of the key outputs and BETA priorities in the sub-sector.

Table 4.4. SDWI - implementation Status of the Key Outputs and BETA Priorities for Q3 - FY 2023/24

Priority Project	Output	Indicator	Target 2023/24	Q3 Target	Q3 Achieve'	Cumm Achieve' Q1-Q3	Remarks
Construction of small dams and water pans	Small dams and water pans constructed	No. of dams constructed	40	12	6	6	Most of the Dams are at procurement stages
		No. of water pans constructed	100	25	14	16	Low budgetary allocation
Water Harvesting for irrigation and Domestic Use	Water Harvesting projects for irrigation in 23 ASALs Counties with capacity of 517.5 million cubic meters	No of water projects	24	5	5	5	Lack of budgetary allocation
		Volume of Water Harvested in cubic metres	10,800,000	450,000	450,000	450,000	Target will be realised once the ongoing small dams/pans are completed
Drought Resilience	Water pans constructed to supply 298,282,500 m ³ of water in ASAL areas	No. of water pans constructed	400	7	3	10	Lack of budgetary allocation
		Cubic meters of water harvested	3,778,245	350,000	150,000	500,000	Target will be realised once the ongoing small water pans are completed
Construction of Flood mitigation structures	Length of dykes constructed	No. of Km constructed	11	3	3	3	Low funding
	Check dams constructed	No of check dams constructed	5	0	0	0	Lack of budgetary allocation
	Flood control infrastructure maintained	No of infrastructure maintained	3	2	2	2	Low funding
Construction of climate proof underground water reservoirs in ASALS	Medium size underground water reservoirs constructed each with a capacity of 1 million cubic meters	No. of underground water reservoirs constructed	40	0	0	0	Lack of budgetary allocation
		Cubic meters of water harvested (in millions)	40	0	0	0	Lack of budgetary allocation

Priority Project	Output	Indicator	Target 2023/24	Q3 Target	Q3 Achieve'	Cumm Achieve' Q1-Q3	Remarks
National Trans boundary Water resources Management Programme	Sub-Catchment Management Plans (SCMPs) implemented	No. of SCMPs implemented	40	13	10	31	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	50	10	0	4	Most of stations were not rehabilitated due to the high river flows occasioned by the heavy rainfall experienced in the country.
	Ground water mapping in five (5) counties undertaken	No. of mappings undertaken	1	1	-	-	Mapping for Mandera county is at procurement stage
	Transboundary multipurpose dams constructed	No. of multipurpose dams constructed	-	-	-	-	Feasibility and design was completed and the implementation of the dam to be realised in FY2026/27.
River restoration	Athi River restored and managed	No. of new and upgraded sewerage plants constructed	2	-	-	-	
		No. of Km of extended upgraded sewer lines	150	21.75	110	135	Late disbursement of funds
		No. of Km of river cleaned	30	8	6.1	6.1	Low funding
		No. of water plants planted	50,000	12,500	21,670	50,294	More tree seedlings planted during the tree growing day in November, 2023
		No. of ablution blocks constructed in informal settlements	10	2	2	8	Late disbursement of funds
Completion of ongoing/stalled domestic water projects	Ongoing/stalled projects completed	No. of projects completed	250	99	48	62	Most Projects are at advance stage of implementation and will be completed by Q4
Sanitation/ Sewarage for urban centers	Additional sanitation projects in urban areas across the country	No. of sanitation projects completed	6	18	11	19	
		No. of Sanitation schemes rehabilitated	1,000	4	3	4	
Rural water and sanitation	Boreholes constructed	No. of boreholes	1,000	250	96	133	
	Public institution projects-CG	No. of projects in public institutions	900	42	30	33	
	Roof catchment structures drilled/rehabilitated and solarized	No. of roof catchment structures	1,100	76	24	101	

Priority Project	Output	Indicator	Target 2023/24	Q3 Target	Q3 Achieve'	Cumm Achieve' Q1-Q3	Remarks
	Desilting pans/dams constructed	No. of pans/dams desilted	300	12	9	9	
	Springs/Water catchment area protected	No. of springs protected	150	5	4	5	
	Dams/rock catchment structures supply/pipeline extension projects protected	No. of dams/rock catchment structures protected	100	0	0	0	
		No. of water supply/pipeline extension projects protected	400	0	0	0	
Provision of water and sanitation to underserved and unserved areas	People served with water and sanitation services	No. of additional people served	400,000		43,372	61,206	Delay in completion of the projects therefore causing variance in the population reached
Reduction in non-revenue water	Share of non-revenue water in 47 counties reduced to less than 15percent	percentShare of non-revenue water	38	43	43	43	
	Unit to protect water infrastructure established	No. of water protection Units established	1	-	-	1	Water police unit established in 1
	Inter- governmental Agreements signed	No. of inter-governmental agreements	5	4	4	4	The Water Sector Inter-Governmental Consultation and Cooperation Framework (WSIGCCF) was signed by both levels of government.
Water Research, Training and Innovation	10 innovations (products/services) developed and adopted	No. of innovations	1	1	1	1	Recognition for prior learning policy developed
	KEWI infrastructure in Nairobi, Kisumu, Chiakariga and Kitui campuses modernized	No. of campuses	1	1	1	1	Modernization of Nairobi Campus undertaken
Construction of 100 large dams	Carry out new and review 45 feasibility studies for 55 new dams	No. of new feasibility studies done	44	6	4	5	Feasibility studies was preceded by screening of 265 potential dams and 3824 pans projects
		No. of new feasibility studies reviewed	25	6	2	4	
	Large dams constructed to provide 1.5 billion cubic meters of water	No. of large dams constructed	-				50 No. of investment opportunities recommended after screening with storage capacity of 8.16 BCM

Priority Project	Output	Indicator	Target 2023/24	Q3 Target	Q3 Achieve'	Cumm Achieve' Q1-Q3	Remarks
Construction of small dams and water pans	Small dams and water pans constructed	No. of dams constructed	40	12	6	6	Most of the Dams are at procurement stages
		No. of water pans constructed	100	25	14	16	Low budgetary allocation during Sup I& II
Food Security Subsidy and Crop Diversification	Land under crop production (maize, potatoes, rice)	Area under Maize production (Ha)	30,238	12,806	12,806	12,806	This includes seed and commercial maize produced in national schemes including Bura, Tana, Perkerra, Katilu and Lokubae Clusters.
Water Harvesting for Irrigation and Domestic Use	Water harvesting projects for irrigation in 23 ASAL Counties with a capacity of 517.5 million cubic meters (climate financing)	Volume of water in cubic meters	10,800,000	2,700,000	2,556,429	2,556,429	The volume includes Household and community water pans. Quarters 1 and 2 were planning, feasibilities and designs phases.
Water Harvesting From Laggas and Explorations of Ground Water for Irrigation in Arid Counties	Drilling and equipping of boreholes	No. of boreholes drilled	8	1	1	1	Kahuho Primary School borehole in Ndaragwa Constituency, Nyandarua County.
	Installation of greenhouses under the Micro Irrigation Programme	No. of greenhouses installed	8	2	2	2	Two greenhouses done in Kahuho Primary School in Ndaragwa Constituency, Nyandarua County.
Integrated Regional Development Dams	5.5 billion cubic meter High Grand Falls Multipurpose Dam constructed	percent completion	10	2.5	Nil	Nil	High Grand Fall Dam PIP approved, Project Development Phase concluded and its evaluation ongoing.
Land Reclamation	Land Degradation Mapping and Assessment reports developed	No. of assessment reports developed	2	1	1	1	Middle Tana (Mwingi) sub catchment Assessment done
	Acreage of land reclaimed, rehabilitated and restored	Acres of land reclaimed, rehabilitated and restored	1,350	338	672	1,724	Done in Mwache Catchment
Drought Resilience	Water pans constructed to supply 298,282,500, m3 of water in ASAL areas	No. of water pans constructed	400	100	Nil	Nil	Feasibility studies, detail design and procurement of tender documents ongoing. Project hindered by delayed approval of CGAAA by the Senate
		Cubic meters of water harvested	3,778,245	944,561	Nil	Nil	
Construction of flood mitigation structures	Length of dykes constructed	No. of Km constructed	11	2.5	0.54	0.54	Nyando and Isiolo Flood control works at procurement stage
	Check Dams constructed	No. of check Dams constructed	5	-	-	-	Budgetary constraints

Priority Project	Output	Indicator	Target 2023/24	Q3 Target	Q3 Achieve'	Cumm Achieve' Q1-Q3	Remarks
	Flood control infrastructure maintained	No. of Infrastructure maintained	3	-	-	-	
Community Managed irrigation projects	Community managed irrigation projects established	No. of projects established	44	11	22	22	21 Projects were established under National Expanded Irrigation programme and 1 under community-based irrigation projects completed
	An additional acre of land under irrigation annually	New acres of land under irrigation annually	34,000	8,500	6,814	6,814	Under National expanded irrigation programme
Farmer Led Irrigation Development Initiative (FLID)	Acres of land put under Irrigation	Acres under irrigation	5,000	1,250	750	1,150	Off take of the programme dependent on development of FLID Partnerships with Financial Institutions and establishment of Irrigation fund for derisking.
	Farmers linked to financial institutions for Irrigation de-risking	No. of farmers linked	5,000	1,250	1,000	2,000	
Expansion of existing irrigation schemes	An additional acre under irrigation	New acres under irrigation	40,000	10,000	0	0	No schemes expansion was undertaken in the year FY2023/24. However, 3,206 acres of expanded acreage realized in FY2022/23 was cropped.
Irrigation Schemes Utilization and Productivity Improvement programme	Surveys on best yield standards and management practices undertaken	Number of surveys undertaken	3	1	1	1	Done in Bunyala Irrigation Scheme under SRI
	Performance Audit Assessments undertaken	Number of Performance Audits undertaken	4	1	1	3	Bura, Tana and Ahero Irrigation schemes performance audits done.
	Irrigation technologies promoted	No. of technologies	1	1	1	1	Promoted drip irrigation technology.
	IWUAs capacity built	No. of IWUAS	4	1	Nil	Nil	Seven (7) Training Needs Assessment done in the 2 nd quarter.
Large scale irrigation	Large irrigation projects established	No. of irrigation schemes	1	1	1	1	Rwabura irrigation development was successfully completed in financial year 2023/24.
		No. of acres of land irrigated	18,124	4,531	1,500	1,500	Lack of budgetary provisions hindered establishment of other targeted large irrigation schemes.

Priority Project	Output	Indicator	Target 2023/24	Q3 Target	Q3 Achieve'	Cumm Achieve' Q1-Q3	Remarks
Construction of 100 large dams	Carry out new and review 45 Feasibility studies) for 55 new Dams	No. of new feasibility studies done	44	2	2	11	Seven (7) done in 1st quarter FY2023/24 by NIA (i.e. Mburanjiru Dam, Mutetha Dam, Ruirirwarera dam amongst others) and four (4) done in 2nd and 3rd quarter by NWHSA (i.e. Umaa; Badassa; Bosto; Isiolo)
		No. of feasibility studies reviewed	25	-	-	7	Seven (7) done in 1 st quarter FY2023/24 by NIA
Galana-Kulalu Food Security Project	Acres of land under maize production	Acreage under production	10,000	-	N/A	538	A total of 538 acres were irrigated for production in the 1 st Quarter FY2023/24. The project is transiting to a private investor; the negotiations and Project Agreement drafting were finalized and forwarded to the directorate.
	Acres of land irrigated	Acreage under irrigation	500	-	-	538	
Turkana Irrigation Project	Acres of land irrigated	Acreage under irrigation	1,200	800	800	2,400	A total of 1,600 acres were put under irrigation in the 1 st and 2 nd quarter FY2023/24

Source of data: State Department for Water and Irrigation Report, FY2023/2024

4.5.1 Description of Results

The sub-sector made significant in enhancing access to availability of water for domestic, agriculture and industrial use. During the review period, six (6) small dams and 17 water pans were constructed and five (5) water harvesting projects were implemented enabling over 600,000 cubic meters of water to be harvested. However, the construction of climate proof underground water reservoirs in ASALs and construction of large dams is yet to commence. Commendable progress was realized in irrigation of additional 8,114 acres (Turkana, FLID, Community Management, and Large Scala Irrigation projects) that will enhance food security in the country. Towards sanitation, an additional 11 sanitation projects were completed and 3 sanitation schemes were rehabilitated.

4.5.2 Implementation Challenges

- i. Delay by contractors in implementing contractual works due to several issues for instance land compensation issues.
- ii. Unfavorable weather conditions hindered work progress in most of the sites.

- iii. Limited budget to undertake land reclamation and rehabilitation works.
- iv. Lack of clear collaboration, coordination and implementation mechanisms for land reclamation activities in the counties due to lack of legal and institutional framework.
- v. Financial flow constraints hence accumulation of pending bills resulting to contractors demobilizing from sites before projects completion
- vi. Insecurity

4.5.3 Recommendations

- i. Increase sub-sector budget for land acquisition and resettlement
- ii. Adequate and timely disbursement of project funds
- iii. Increase supervision and follow up of contractor throughout the project implementation cycle

4.6 Energy and Petroleum

The sub-sector plays a key role in promoting the development of energy generation, transmission and distribution as well as increasing investments in green energy (geothermal, wind, solar and hydro). The sub sector also contributes to sustainable exploration and management of oil and gas, and management of supply of petroleum products in the country.

The sub-sector comprises of State Department for Energy and State Department for Petroleum. SDE is responsible for National Energy Policy Development; development of thermal, hydro and geothermal power; and promotion of renewable Energy .SDP is mandated to develop petroleum policy, undertake strategic petroleum stock management; management of upstream and downstream petroleum products marketing; and oil and gas exploration policy development; and licensing of petroleum marketing and handling; and viii) quality control of petroleum products.

The Implementation Status of the Key Outputs and BETA Priorities for Q3 - FY 2023/24 are provided in table 4.5.

Table 4.5. SDE - Implementation Status of the Key Outputs and BETA Priorities for Q3 - FY 2023/24

Priority Project	Output	Indicator	Target 2023/24	Target Q3	Achieve' Q3	Cumm Achieve' Q1-Q3	Remarks
Green Energy Industrial Parks and Other Geothermal Resources Direct Use	Green Energy Industrial Park-Phase I in Olkaria	percent completion	10	5	4	4	Application for SEZ designation submitted in March 2024; Issued RfP for consultancy services for detailed Park Infrastructure design.
Power Distribution	Public facilities connected	No. of public facilities connected	6,000	165	167	448	Under Gok, 120 projects commissioned under Exchequer funding and 24 under Matching

Priority Project	Output	Indicator	Target 2023/24	Target Q3	Achieve' Q3	Cumm Achieve' Q1-Q3	Remarks
	to power grid						fund. Total public facilities commissioned 371; Turn Key project.20 Projects commissioned under BADEA and three (3) under OFID funding. Total commissioned 77.
	Transformers installed and maximized	No. of transformers installed and maximized	18,000	65	54	161	54 projects commissioned. Total commissioned 161. Achievement affected by inaccessability of some sites due to rains and insecurity.
	New customers connected to electricity	No. of new customers connected	580,000	87,501	81,306	341,563	On course to achieve the annual target
	Street lighting lanterns installed	No. of lanterns Installed	15,000	1,251	1,367	4,528	On course to achieve the annual target
	Solar Mini grids constructed	No. of Solar Mini grids constructed	50	50	0	0	Project is ongoing with projections of completion during FY 2024/25. Tendering in progress.
Alternative Energy Technologies	Alternative clean energy sources developed	No. of PV solar systems installed	550	2	0	0	Identification of 273 facilities for installation of Solar PV done. This includes 23 primary and 9 secondary schools. Awaiting funding.
		No. of Stand-alone solar systems installed	165	-	-	-	Pending budgetary provision.
		No. of energy centres established	1	-	-	-	Partial funding for 1 new Energy Centre - Bumula - provided for in Printed Estimates
		No. of biogas digesters installed	300	52	52	144	Q3 target achieved
		No. of small Hydro plants installed	2	-	-	-	Identified 19 sites awaiting funding
		No. of wind masts and data loggers installed	16	-	-	2	Two (2) masts installed in Marsabit. To install two additional masts in Kajiado West
		No. of (Biomass charcoal kilns) biomass data loggers installed	15	-	-	-	Not targeted due to funding constraints
		No. of clean cooking solutions installed	4	-	-	-	Affected by budgetary challenges.
		percent completion of green hydrogen powerplant	10	-	-	10	Re-prioritised to be led by private sector with KenGen providing steam and energy as required. The state department for Energy to develop the strategy and action plan

Priority Project	Output	Indicator	Target 2023/24	Target Q3	Achieve' Q3	Cumm Achieve' Q1-Q3	Remarks
Power Transmission	Length of high voltage transmission lines constructed	Kms of transmission lines	1,159	290	49	191.6	Delays occasioned by Insufficient budgetary allocation and delayed disbursement, wayleave acquisition difficulties, vandalism of transmission infrastructure, contractors going under liquidation.
	Power Transmission substations constructed	No. of substations constructed	12	4	6	9	Delays occasioned by Insufficient budgetary allocation and delayed disbursement, wayleave acquisition difficulties, vandalism of transmission infrastructure, contractors going under liquidation.
	National System Control Centres (NSCC) operationalized	of operational NSCC	30	10	0	0.93	Inadequate budget for procurement of contractor on time. The Treasury has now secured funding and the contract will be initiated in July 2024
Geothermal exploration and steam development	Geothermal wells drilled in Menengai, Baringo-Silale and Suswa fields Cumulative MW of power installed	No. of wells drilled	17	5	2	4	Delays in disbursement of funds and Difficult drilling conditions
		MW of power installed	35	-	-	35	Achieved in Q1
Power Plants And Resource Development	Geothermal power Installed	Additional MW of power	35	-	-	35	Achieved in Q1
Nuclear power development	Nuclear Research Reactor established	percent completion	5	1.5	1.5	4.25	Reviewed the draft Mission Report on the Integrated Nuclear Infrastructure Review for a New Research Reactor (INIR-RR) for the Kenya Nuclear Research Reactor (KNRR) Project; Conducted a Site & External Events Design (SEED) Mission for the Kenya Nuclear Research Reactor (KNRR); Finalized the review of the draft bid invitation specification for a research reactor; Enhanced the draft stakeholder engagement and communication strategy for research reactor project; Developed preliminary functional and technical requirements/specifications for nuclear research center and requirements for National Energy Laboratories.
	Infrastructure for generation of electricity	percent completion	30	9	9	27	Updated the Environmental Impact Assessment (EIA) Report for the 100 meter meteorological tower as per National Environmental

Priority Project	Output	Indicator	Target 2023/24	Target Q3	Achieve' Q3	Cumm Achieve' Q1-Q3	Remarks
	from nuclear sources developed						Management Authority (NEMA's) follow-up comments and re-submitted the Report to NEMA on 25 January 2024 for final approval. Construction of the meteorological tower will commence upon receipt of the approved EIA Report; Updated the Specifications for the design of the Seismic monitoring stations based on the existing permanent seismic station in Kilimambogo. This includes data/specifications on Functional & Performance Requirements, Seismometer Technical Requirements, Seismic Vault Technical Requirements and Seismic Vault Construction Technical Requirements; Reviewed and updated the Expression of Interest (EOI) for the seismic monitoring station for the preferred site for the Kenya nuclear power plant, to conform with the organizational EOI template; Reviewed and updated the Ranking Factors & Scheme for the Kenya Nuclear Research Reactor based on the comments and best practice adopted in the Ranking of the NPP
	Nuclear Energy Skills	No. of persons trained on nuclear energy	50	15	14	78	Target achieved
	Nuclear Energy Policy	percent completion of National Nuclear policy	45	-	-	14.5	Initiated the first phase of engaging stakeholders regarding the proposed National Nuclear Policy; Developed the Terms of Reference (ToR) on the legislative needs and national laws required for the nuclear power programme; Prepared an updated Cabinet Memorandum on Nuclear Safety Conventions along with the following appendices: The texts of the 4 nuclear safety conventions, Report on Public Participation on the Convention on Nuclear Safety, the text of Reservations entered into the Conventions
	Energy Research Centre established	percent completion	20	-	-	10	Finalized the development of Terms of Reference for collaborative research on Waste to Energy (WtE) conversion technologies in Kenya; Finalized the development of Terms of Reference for an intellectual property management strategy for energy research and development
Development of LPG	LPG bulk import handling,	percent completion of	40	0	0	0	Front End Engineering Design (FEED) consultancy completed in 2022/23 FY awaiting

Priority Project	Output	Indicator	Target 2023/24	Target Q3	Achieve' Q3	Cumm Achieve' Q1-Q3	Remarks
Infrastructure	and storage facilities constructed in Mombasa (30,000MT)	storage facility					establishment of a PPP framework for project implementation
	LPG bulk storage facility constructed in Nairobi (10,000MT)	percent completion of storage facility	40	0	0	0	Not commenced (was deferred)
	LPG truck loading facility at KPRL Changamwe completed	percent completion of loading facility	100	95	95	95	Target met
National Liquefied Petroleum Gas Enhancement	6kg LPG cylinders and accessories supplied to low-income households	No. of cylinders distributed	100,000	50,000	0	0	281,524 6kgs LPG cylinders, 357,368 grills, 357,355 burners, 90,103m of hosepipes and 84,500 two-burner cook-stoves have been procured; transfer of assets to NOCK initiated.; Distribution to commence within Nairobi County as a pilot and subsequently to other counties.
	5,000 public boarding learning institutions provided with clean cooking gas (CCG) infrastructure	No. of public schools provided with CCG	100	0	0	0	Cabinet memo approved & baseline survey on CCG conducted; Structural designs for the required infrastructure developed and tenders awarded for only 20 schools due to financial constraints.; Installation works to commence once EIA licenses are issued by NEMA.
Expansion of Petroleum Products Supply Infrastructure	Crude oil tanks in Mombasa converted to white oil storage to provide 200,000 M3 additional capacity	percent Completion	50	49	44	44	Five tanks with a total capacity of 124,478 MT have been rehabilitated and converted to white oil storage. They are yet to be commissioned as they awaiting completion of pipeline connectivity to KOT2 which is currently at 88percent complete
Exploration and Commercialization of Oil and Gas Resources	Petroleum blocks marketed	No. of petroleum blocks marketed	3	-	-	3	Target met
	Petroleum blocks reviewed/reconstituted	No. of blocks reviewed/reconstituted	5	-	-	5	Five blocks were reviewed but not reconstituted due to a delay in procurement of the required software (ArcGIS) license.

Priority Project	Output	Indicator	Target 2023/24	Target Q3	Achieve' Q3	Cumm Achieve' Q1-Q3	Remarks
	Block 9 Natural gas prospects evaluated	Completion level (percent) of Block 9 Evaluation	-	0	0	0	Preliminary assessment of the natural gas resource potential has been done and a technical Atlas developed which contains technical data package for Block 9.
	Geological and geophysical data generated	Area in sq. km for which geoscientific data has been acquired	1,310	330	651	1081	Target surpassed.
	Increased oil and gas production	Amount invested in petroleum blocks (USD (Millions))	3.2	0	0	0	The envisaged investment engagement with the external investors did not take place due to foreign travel ban
Lokichar-Lamu Crude Oil Pipeline	824km 20-inch Lokichar-Lamu Crude Oil Pipeline constructed	percent completion of preliminary activities	50	30	20	30	Community engagement and sensitization in project-affected area commenced.; Survey, demarcation and registration of community land for 23 out of 63 communities in the Turkana section of the proposed crude oil pipeline done.
Geochemical and Petro-physical Laboratory	Geochemical and Petro-physical laboratory	percent completion of a geochemical and petro-physical laboratory	30	0	0	0	To be undertaken in 4 th Quarter
Quality Assurance of Petroleum Products	Quality and secure petroleum products marketed nationally and regionally	Samples of petroleum products tested	14,000	4,500	6,384	20,936	Target was surpassed due to enhanced monitoring to increase compliance

Source of Data: State department for Energy and State Department for Petroleum Reports, FY 2023/2024

4.6.1 Description of the Results

During the review period, the sub-sector connected 167 public institutions and 81,306 new customers to the national grid. The sub-sector also increased the installed power capacity by 35MW from geothermal and enhanced power transmission through construction of 35Kms of transmission lines and 6 power transmission substations. However, initiatives towards the development of Development of LPG Infrastructure; National Liquefied Petroleum Gas Enhancement; and construction of Geochemical and Petro-physical Laboratory are yet to commence.

4.6.2 Implementation Challenges

- i. Difficult drilling conditions.
- ii. Vandalism of energy infrastructure.
- iii. Inadequate financial and specialized technical human resource capacity
- iv. Delays in the finalization of the Field Development Plan (FDP)
- v. Unstable Geo Political Environment
- vi. Delays in land and right of way acquisition
- vii. Community/stakeholders resistance to programmes and project

- viii. Long lead time between project conceptualization and realization
- ix. Litigations leading to project delays and increased project costs
- x. Loan expiry during project implantation leading to demobilization of contractors.
- xi. Contractors going under liquidation leading to termination of contracts by client.
- xii. Delays in the onboarding of a consultant to guide in the review of the legislative needs and national laws required for the nuclear power programme.

4.6.3 Recommendations

- i. Enhance resource mobilization for investment in to the sub-sector
- ii. Public awareness and acceptance of nuclear power is a key enabling factor for any nuclear power programme.
- iii. EPRA to fast-track completion of the Field Development Plan (FDP)
- iv. Recruitment of additional/optimal technical staff and *enhance* implementation of capacity building programmes for enhanced exploration, exploitation and extraction oil and gas.
- v. The sector should to be adaptive to the geopolitical, social, technological, environmental and economic changes to manage competing interest especially from renewables at the global level
- vi. Intensify stakeholder engagement with regard to land and right of way acquisition as well as projects implementation
- vii. Enhance investment in technical capacity in the sector through packaging and extensive marketing of the oil and gas potential
- viii. In collaboration with the Judiciary and State Law Office, adopt alternative dispute resolution mechanisms and engage with the relevant parties and agencies to fast-track and resolve any litigations

CHAPTER FIVE: SOCIAL SECTOR

5.1 Overview

The social sector comprises (6) sub-sectors, namely: Health; Education; Labour and Social Protection; Public Service, Performance and Delivery Management; Gender, Culture, the Arts and Heritage; and Youth and Sports. The sector aims to improve the quality of life of all Kenyans by accelerating human capital development and social welfare. The Government is keen on investing in people through quality and affordable health care and education, and adequate jobs and skills to develop the country's human capital in an inclusive and sustainable manner. The sector makes provision for social protection of women, girls, children, youth, persons with disability, street families and the elderly as part of inclusion of vulnerable groups in national planning and development.

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

5.2 Medical Services

The Kenya Vision 2030 goal for the health sector is to provide equitable, affordable and quality health care of the highest standard to all citizens. The focus is on reengineering health care delivery systems in the country so has to shift emphasis from curative to preventive and promotive health care. Following Executive Order No. 2 of 2023, the Ministry of Health underwent a restructuring, resulting in creation of two State Departments. That is; State Department for Medical Services (SDMS), and State Department for Public Health and Professional Standards (SDPHPS).

The functions of SDMS are described under the Executive Order No. 1 of October 2022 as are; Medical Services Policy, Curative health services, Health Policy and Standards Management, Training of Health Personnel, Pharmacy and Medicines Control, National Health Referral Services, National Medical Laboratories Services, Cancer Policy, Radiation Control and Protection, HIV/Aids Management, Nutrition Policy, Immunization Policy and Management, Reproductive Health Policy, Preventive, Promotive and Curative Health Services, Health Education Management, Quarantine Administration

The MTP4 Outcome targets for the health sector include; increased access to universal health care, reduced child mortality, reduced maternal mortality, improved maternal and neonatal health, reduced malaria, HIV and AIDS, TB incidences and improved nutrition. Table 14 captures the implementation status of key outputs and BETA priorities by the SDMS for Q3 – FY 2023/24.

TABLE 9: Medical Services - Implementation Status of the key outputs and BETA priorities for 3rd Quarter of FY2023/24

Priority Projects	Output	Indicator	Annual Target FY 2023/24	Q3 Target FY 2023/24	Q3 Achievement	Cumm. Achievement (%)	Remarks
Health Financing	85percent of Kenyans enrolled in the Social Health Insurance (SHI) Scheme	percentof Households enrolled	24	85	25	25	Social health insurance still under establishment
	Essential Benefit package defined	Essential Benefit package	1	1	1	1	Awaiting gazetment
	Consolidated Health Insurance schemes	No. of Health insurance schemes consolidated	5	5	5	5	Five schemes consolidated
	Health Benefit Package and Tariffs Authority (HBPA) established	Operational HBP	1	0	0	0	Legal framework in place
	Health Emergency and Chronic Disease Fund established	Operational Health Emergency and Chronic Disease fund	1	1	1	1	Incorporated in the social health authority
Health Commodity Security	National Health Procurement Board (NHPB) established	Operational NHPB	1				Not established
	Kenya Biovax Institute (KBI) established	Operational KBI	100percent			15percent	The Institute developed its first Strategic Plan 2023-2027.Renovation of the warehouse for the manufacturing plant is at 40percent. A total of Nineteen (19)staff have so far been recruited. Signed Non-Disclosure Agreements with 2 existing vaccine manufacturers BioScience South Korea. The Institute Signed

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Q3 Target FY 2023 24	Q3 Achievement	Cumm. Achievement (Remarks
							MoUs with 2 research organizations. The Bio-safety & Bio-security policy manual and the Finance Policy was developed.
	Plants for local manufacture of HPTs established	No. of plants established	2				Local manufacturing Road map developed and included within the Supply Chain Strategic Plan 2020-2025
	Comprehensive cancer management centers (Nyeri, and Kisii) completed, and Kisumu regional cancer center equipped	No. of comprehensive cancer centers completed equipped	3	3	0	0	The Institute support Kisii and Kitui County referral hospital to set up a mid-level cancer centre
	Radiotherapy bunkers established and equipped in Meru, Kakamega, Machakos and Embu cancer centres	No. of radiotherapy bunkers	4	4	0	0	This activity was not done
	Flow Cytometry machine acquired for the National Cancer Reference Laboratory	Operational Flow Cytometry machine	1	1	0	0	Flow Cytometry machine was not acquired
	East Africa Kidney Institute equipped	Operational East Africa Kidney Institute	100	100	60	60	The complex has been equipped. Awaiting commissioning of the equipment
	Kenya Tissue and Organ Transplant Centre established	Operational Kenya Tissue and Organ Transplant Centre	1				Implementation of the project will be initiated in FY2024/25.
	KEMRI research labs constructed/upg	KEMRI research labs constructed/upg	1			80percent	• construction of Centre for

Priority Projects	Output	Indicator	Annual Target FY 2023/24	Q3 Target FY 2023/24	Q3 Achievement	Cumm. Achievement (Remarks
	graded No. of KEMRI research labs constructed/upgraded	graded No. of KEMRI research labs constructed/upgraded					Community Driven Research, (CCDR) Kirinyaga complete.
	KEMRI Centre of Excellence in Precision Medicine established Operational Centre for Precision Medicine	KEMRI Centre of Excellence in Precision Medicine established Operational Centre for Precision Medicine	1	0	0	0	Implementation of the project will be initiated in FY2024/25.
	Kenya Primate Research Institute upgraded Modernized Kenya Primate Research Institute	Kenya Primate Research Institute upgraded Modernized Kenya Primate Research Institute	1			0	Implementation of the project will be initiated in FY2024/25.
	Moi Teaching and Referral Hospital (MTRH) modernized	modernized MTRH	Equipping of Radiotherapy Unit at MTRH. (Multi-Year Project)	Official Commissioning of the 2 nd LINAC machine		Projects awaits official commissioning	
		Procurement of medical equipment and accessories as per the approved procurement plan					LPOs have been issued for successfully tendered equipment
	Completion of equipping of ICUs at MTRH	Procure and establish HDU Unit at the new Cathlab					Equipment advertised on 3 rd March 2024.

Source of Data: State Department for Medical Services Reports, FY 2023/2024.

5.2.1 Description of the results

Reduction of Maternal Mortality: The facility maternal mortality ratio has increased to 103 per 100,000 live births, compared to the target reduction to 80 per 100,000 live births or less, indicating poor performance. In response, the national government has supported county governments in building the capacity of their healthcare providers. This support includes mentorship and technical assistance on Emergency Obstetric and Newborn Care (EmONC), continuum of care, quality of maternal care, and Maternal and Perinatal Death Surveillance and Response (MPDSR). These efforts aim to improve providers' competence in delivering maternal and newborn health services.

Improvement of Maternal and Neonatal Health: There has been a decrease in the proportion of women seeking skilled birth attendance at health facilities, despite an increase in antenatal care attendance. The Ministry of Health, through the Division of Reproductive and Maternal Health, has developed policy documents guiding the provision of maternal and newborn health services. Additionally, the Ministry has continued to empower healthcare providers in maternal and newborn health units to assess the quality of care and gather feedback through exit interviews to improve service delivery.

Family Planning Performance: Good performance in family planning can be attributed to increased capacity building of healthcare providers, collaboration with Community Health Promoters (CHPs) in providing family planning information, the rollout of newer and more acceptable methods, improvements in the Logistics Management Information System (LMIS), and close collaboration with family planning stakeholders.

5.2.2 Implementation Challenges

- i. Over reliance on donors for programmatic activities
- ii. There were delays in the approval of the FY 2023/2024 supplementary estimates No. 1 by the National Assembly
- iii. There exists a gap of Human Resources (including specialized cadres) as the amount of work exceeds the existing workforce
- iv. There exist funding delays from partners who had made commitments to support certain activities.
- v. Obtaining accurate data on maternal mortality posed challenges due to underreporting, misclassification of maternal deaths, and delays in data entry.
- vi. Inconsistent data reporting from different health facilities, limited access to remote areas.
- vii. Data discrepancies due to stock-outs of family planning commodities.
 - i. Use data to inform policy decisions and resource allocation.

5.2.3 Recommendations

- i. **Develop Comprehensive Workforce Plans:** Focus on recruitment, training, and retention strategies to address staffing shortages.
- ii. **Prioritize Infrastructure Investments:** Secure funding and expedite projects to improve health facility infrastructure, especially in underserved areas.
- iii. **Enhance Supply Chain Management:** Implement robust logistics systems to ensure a steady supply of essential medicines and equipment.
- iv. **Strengthen Partnerships:** Collaborate with international donors, NGOs, and private sector partners to mobilize additional resources and technical support.
- v. **Strengthening the HMIS to ensure timely and accurate data entry.**

- vi. Enhancing training for healthcare providers on accurate reporting and classification of maternal deaths.
- vii. Implementing a robust verification process for reported maternal deaths.

5.3 Public Health and Professional Standards

The mandate of the State Department for Public Health and Professional Standards (SDPHPS) is derived from the Executive Order No. 2 of 2023 and includes the following functions: Public Health and Sanitation Policy; Preventive and Promotive Health Services; Policy on Human Resource Development for Health Care Workers; Health Education Management; Food Quality; Hygiene and Nutrition Policy; Quarantine Administration; Radiation Policy; Control and Management of Tuberculosis (TB) and other lung diseases; and Malaria Control and Management.

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

The status of implementation of key outputs by SDPHPS for the Q3 - FY 2023/24 towards the implementation of MTP IV is outlined in Table 15.

TABLE 10: Public Health and Professional Standards - Implementation Status of the key outputs and BETA priorities for 3rd Quarter of FY2023/24

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Q3 Target FY 2023 24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks
Health Commodity Security	Maturity level 3 Standards for NQCL/PPB	Standards for NQCL/PPB	1	1	1	1	Still implementing institutional development plans. 85percent of IDPs has been addressed towards maturity level 3
Human Resource for Health	Existing community health promoters (CHPs) paid stipend	No. of UHC staff	100,000	75,000	73,984	73,984	Some counties were not on ECHIS which was a requirement for them to be paid
	Contracts for UHC staff renewed	No. of UHC staff renewed	8,550	-	-	-	Renewal of UHC Staff was done in Q2 for a period of One (1) year as per Public Service Commission (PSC) Circular PSCV/10/1/(2) of 17 th May 2023
	Medical-interns posted to internship training Centres	No. of medical interns posted	1,200	3,759	3,759	3,759	All health care professional interns (1,210 medical interns)
	Medical-interns posted to	No. of medical interns posted	1,200	1,271	-	-	Clinical officers in Diploma

Priority Projects	Output	Indicator	Annual Target FY 2023/24	Q3 Target FY 2023/24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks
	internship training Centres						
	Human resource for health recruited	No. recruited	-	-	-	-	To be achieved in the FY 2024/25
	Specialized and sub-specialized healthcare workers trained	No. of specialized and sub-specialized healthcare workers trained	100	0	0	0	Training projection was not approved on time and lack of funds
	Unregulated health workforce mapped, verified and certified	No. of Unregulated health workforce	10	5	5	16	The Board approved recognition of an additional five (5) cadres. The target was surpassed.
	Master register developed and maintained	Operational master register	1	0	0	0	Delay in commencement due to insufficient funds
	Healthcare workers exported	No. of health care workers exported	100				
Community Health High Impact Interventions	Primary Healthcare Networks (PCNs) operationalized	No. of PCNs operationalized	315	60	35	140	This phase slowed down due to closure of financial year for most development partners
	Community Health Units operationalized across the country	No. of community health units established	200	150	24	180	Achieved target for the quarter cumulative
	CHPs kits procured	No. of CHPs kits procured	100,000	100,000	100,000	100,000	Achieved
	Community Health Information system (E-CHIS) rolled out	Operational Community Health Information system (E-CHIS)	1	1	1	1	Achieved target
	CHPs trained	No. of CHPs trained	-				
	Community Health Assistants (CHAs) trained, mentored and supervised on ICCM	No. of CHAs trained	1,800				

Priority Projects	Output	Indicator	Annual Target FY 2023/24	Q3 Target FY 2023/24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks
	Baby friend Community initiative (BFCI) rolled out	No. of CHUs implementing BFCI	9,600		659	659	BFCI is not a one-off activity and involves implementation of a series of activities in each of the CHUs. Hence the focus of the 659 CHUs since Q1
	Integrated management of acute malnutrition (IMAM) scaled up	No. of children with severe or moderate acute malnutrition accessing IMAM services	727,650	181,920	122,047	3330,236	67percent achievement
Health infrastructure	National Public Health institute (NPHI) established and equipped	Operational NPHI	-	-	-	-	It is in the process of being operationalized
	KMTC campuses upgraded	No. of KMTC campuses upgraded	-				
	Kenya Primate Research Institute upgraded	Modernized Kenya Primate Research Institute (100percent Modernized i.e Yearly target 20percent to achieve 100percent over the 5-year period)	20percent	5percent	5percent	15percent	Target achieved (Upgrade at administration block; Landscaping at Resource Centre;

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

5.3.1 Description of Results

Under the Health Commodity Security project, 85percent of IDPs has been addressed towards maturity level 3. The Kenya Primate Research Institute has been upgraded. The Kenya Primate Research Institute was upgraded and the resource centre.

5.3.2 Implementation Challenges

In the quarters under review, the state department faced various challenges that hindered the effective implementation of envisaged programmes and projects. These include;

- i. Inadequate budgetary allocation to support planned programmes and projects and over-dependence on development partner resources.
- ii. Incomplete and fragmented health information systems hinder effective planning and
- iii. Decision making.
- iv. Sub-optimal collaboration between the two levels of government and other sectors.
- v. Limited awareness on disease prevention strategies among community members.

5.3.3 Recommendations

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

5.4 Technical, Vocational Education and Training

In 2016, the State Department for TVET was created under the Ministry of education and mandated to undertake the following functions: Technical and Vocational Education Policy Development and Management, Management of Institutes of Science and Technology, Management of National Polytechnics, Management of Educational Training Institutions, Policy Development for TVET, Management of Technical Training Institutes, Youth Polytechnics and Management of Vocational Training, Apprenticeship and Training management of Technical and Vocational Training.

In 2023 through the Executive Order No. 2 of 2023 on the Organization of the Government of the Republic of Kenya which the State Department of Vocational and Technical Training was renamed to State Department for TVET (SDTVET) whose functions are: Technical and Vocational Education Policy Development and Management; Technical Vocational Education Training; Management of Institutes of Science and Technology; Management of National Polytechnics; Registration of TVET Institutions; Management of Vocational Education Training Institutions' TVETs'; Management of Technical Training Institutes; Policy and Standards development for Youth Polytechnics and Vocational Training; Apprenticeship and Training management of Technical and Vocational Training. The implementation Status of the key outputs and BETA priorities for Q3 - FY2023/24 is presented in table 16.

TABLE 11: State Department for TVET - Sub Sector Outputs Results Matrix on the implementation Status of the key outputs and BETA priorities for Q3 - FY2023/24

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Quarter 3 Target FY 2023 24	Quarter 3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
Automation and Skills Development (Digital Labs)	Digital labs installed and operationalized	No. of operational Digital labs	50	40	40		Target achieved for Q3
	Youth trained	No. of Youth Trained	50,000		11,560		Budget constraint
Technical Vocational Education and Training (TVET) Expansion	TVET Institutions Constructed and equipped in 52 constituencies	No. of TVET Institutions Constructed and equipped in constituencies	26		15		At the procurement stage
	Existing TVET institutions equipped	No. of new TVET Institutions Constructed and equipped in Constituencies	36		16		To be equipped after construction
	Technical trainers and instructors recruited	No. of Technical Trainers and Instructors recruited	1000	1000	2000	2000	Recruitment is a process – Shortlisting done
	Incubation centers established in every TVET institution	No. of incubation Centres established	100	25	3		Establishing in progress under AfDB
	Online learning conducted in TVETs	No. of programmes/Courses offering online content	8	0	0		To implement in Q4
		TVET institutions offering online content	25	25	25	25	Target achieved for Q3
Education Reforms	Presidential Working Party on Education Reforms recommendations implemented	percent of Recommendation implemented	50	25	25	25	Target for Q3 achieved
Automation of Basic Education System	National Skills Management Information System developed and operationalized	percent Completion of the National Skills Management Information System	50	25	25	25	Q3 Target achieved

Source of Data: State Department for Technical, Vocational Education and Training Reports, FY 2023/2024.

5.4.1 Description of Results

5.4.2 Implementation Challenges

- i. Budget constraints/cuts
- ii. Inadequate staff across all cadres
- iii. Inadequate ICT tools, equipment and limited technological advancements

5.4.3 Recommendations

- i. **Optimize Resource Allocation:** Implement cost-saving measures such as reducing overhead costs and improving procurement processes. Consider shared services with other departments or organizations to reduce expenses.
- ii. **Seek Alternative Funding:** Explore opportunities for additional funding through grants, partnerships with private sector organizations, or non-profit organizations
- iii. **Staffing Needs Assessment:** Conduct a comprehensive staffing needs assessment to identify gaps and develop a strategic hiring plan. Prioritize recruitment for critical roles
- iv. **Invest in Training:** Ensure staff are trained in the effective use of existing technology and new systems. Proper training can improve efficiency and maximize the return on investment in ICT tools.

5.5 Higher Education and Research

INTRODUCTION

Table 17 presents the Implementation Status of the key outputs and BETA priorities by SDHER for the Q3 of FY2023/24

TABLE 12: Higher Education and Research - Implementation Status of the key outputs and BETA priorities for 3rd Quarter of FY2023/24

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Quarter 3 Target FY 2023 24	Quarter 3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
Open University of Kenya and Open distance and eLearning (ODEL)	Programmes developed	No. of Programmes	8	8	8	8	
	Digital labs established	Operational Digital Labs	1	1	0	0	No budget provision
	High-speed Internet connectivity to	No. of Institutions Connected	2	0	0	0	Connections carried out by State department for ICT

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Quarter 3 Target FY 2023 24	Quarter 3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
	Tertiary Educational Institutions						
	Learning management system developed	No. of Learning management system	1	1	9	9	Universities with learning management systems during FY were; Mt.Kenya University, KU, St. Paul Kiriri, Lukenya University, Kenya Methodist University, Muranga and Meru
Education Reforms	Presidential Working Party on Education Reforms recommendations implemented	percent of recommendations implemented	50	50	50	50	A sessional paper and 13 bills to guide implementation of the recommendations have been drafted and ready for tabling in Cabinet
	Implement Competency-Based Assessment (CBA)	percent Completion of University Competency-Based Curriculum Framework (UCBCF)	100		40		Lack of budget provision to support the activity
Inclusion in Education and Training	PWD friendly infrastructure constructed in universities	No. of Universities with PWDs Constructed	9	9	9	9	This is an ongoing activity and is part of PC for all universities
University Infrastructure Improvement	Critical university infrastructure rehabilitated and equipped	No. of Universities rehabilitated and equipped	40	10	0	0	No development vote was provided to the universities during FY.
	Capitation Grant Awarded	No. of Government sponsored students (GSS) awarded with Capitation grant	366,900	366,900	369,029		Achievement relates to a total of Ksh.s.31,286,017, 477 disbursed to approximately 91.67percent of the total budget.
	Students benefitted from Loans and Bursaries	No. of students provided with loans and bursaries	340,000		Loans: 112,741 Scholarships: 112,741 TVET Loans: 151,933 trainees'		Achievement relate to 1 st year students under the New Funding Model.

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Quarter 3 Target FY 2023 24	Quarter 3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
Strengthening of Science, Technology, Engineering and Mathematics	Kenya Advanced Institute of Science and Technology (KAIST) constructed and equipped	percent of establishment	50	0	0	0	This project was moved to State department of ICT
	Capacities of 7 Universities and 2 Research Institutes Strengthened to be Centres of Excellence	No. of Universities/Research Institutes	2	2	3	3	Egerton, Moi and JOOUST universities Centers of Excellence supported through World Bank ACE II project
	Universities supported under HEST2	No. of Universities	3	1	0	0	Development of HEST II project ongoing and expected to be concluded in Q2 of FY 2024/25
	Database on national STI human resource capacity and skills established	Functional Database on national STI human resource capacity and skills established	1	1	0	0	Activity delayed due to lack of funds
	Kenyan Node of the National Science, Technology and Innovation Observatory established	percent of establishment	90	30	30	30	Benchmarking exercise carried out in Egypt followed by a stakeholder workshop.

Source of Data: State Department for Higher Education and Research Reports, FY 2023/2024

5.5.1 Description of Results

5.5.2 Implementation Challenges

Lack of allocation for M&E hampered accurate reporting of the targets since most

5.5.3 Recommendation

5.6 Labour and Skills Development

The Executive Order No. 2 of 2023 establishes the Ministry of Labour and Social Protection with two distinct State Departments. The State Department for Labour and Skills Development (SDL&SD), and the State Department for Social Protection and Senior Citizens Affairs (SDSPSCA).

SDLSD is a Sub- Sector in the Social Sector whose mandate is: National Labour and Employment Policy Management; Labour and Social Protection Policy and Programme Implementation; Industrial Training; National Labour Productivity and Competitiveness; National Human Resource Planning and Development; Child Labour Policy and Regulations Management; Develop and Maintain Database on Employment Creation; Workplace Inspection; Workman's Compensation Policy; Promotion of Occupational Health and Safety at Work; Industrial Relations Management; National Institutional Framework to Improve Post Training Skills; Overseeing Skills Development among actors and Establishment of Sector Specific Skills Councils; Establishment And Management of Institutional Framework for Linking Industry, Skills Development and Training; Implementation of the Industrial Attachment Policy; Management of Skills and Post Training Policy; Harmonization of Skills Training at All Levels of Training; Management of National Skills Development Fund; Implementation of the National Apprenticeship Policy; Maintenance Of National Database of Skills; Assessing Industrial Training, Testing and Occupational Skills and Awarding Certificates Including Government Test Certificates; Migratory Labour and International Jobs Policy; Promote Overseas Employment; Coordination Of Labour Migration Management; Develop Legal and Institutional Framework for Labour Migration; and Promote co-operation and Partnerships on Labour Migration.

The State Department comprises seven technical Directorates, namely: Directorate of Labour; Directorate of Occupational Safety and Health Services (DOSHS), Office of the Registrar of Trade Unions, Directorate of Labour Market Research and Analysis; Directorate of National Productivity and Competitiveness Centre (NPCC); Directorate of Post Skills Training & Development and; Directorate of Labour Migration. In addition, the sub-sector has one Autonomous Government Agency (AGA) (the National Social Security Fund (NSSF)) and two (2)SAGAs (the National Industrial Training Authority (NITA) and National Employment Authority (NEA)).

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

The sector is implementing various programmes and projects that will lead to the actualization of the MTP IV targets and BETA priorities and programmes. Table 18 outlines SDLSD implementation Status of the key outputs and BETA priorities for 3rd Quarter of FY2023/24.

TABLE 13: Labour and Skills Development - Implementation Status of the key outputs and BETA priorities by SDLSD for 3rd Quarter of FY2023/24

Priority Projects	Output	Indicator	Annual Target FY 2023/24	Q 3 Target FY 2023/24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
Labour Migration	BLAs	No. of BLAs	2	1	0	0	Seven (7) draft Agreements are on different stages of negotiations: Germany, Ethiopia, Oman, Serbia, Bahrain, Austria, Canada
	Kenyans placed in jobs	No. Kenyans placed in jobs	400,000	100,000	26,378	26,378	The Authority placed a total of 26,378 Kenyans in employment locally and abroad. 5,327 have been placed locally while 21,051 have been placed in foreign countries. The achievement is pegged on availability of job orders
	Assessment of skills in demand in destination countries conducted	No. of country skills assessment	5		-	-	The State Department of Diaspora Affairs conducted a market analysis of the Labour Market of Canada.
Strengthening Linkages between Industry and Training Institutions	Students and lecturers placed in Industrial Attachment	No. of students and lecturers placed on attachment	40,000	26,835	26,825	26,825	The under achievement was occasioned by the fact that a number of enrolled trainees were on skill upgrading program which does not require them to be attached at the end of the training
	Teachers and students placed under	No. of teachers placed on	100	750		-	Lack of funds hindered the attainment of this activity

Priority Projects	Output	Indicator	Annual Target FY 2023/24	Q 3 Target FY 2023/24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
	Apprenticeship	Apprenticeship					
	Industrial Training and Attachment Portal (ITAP) upgraded	percent of Upgraded ITAP	20	5	0	0	A Firm was awarded ERP Contract to carry out the upgrade in 4 th Quarter of the FY 23/24
	Industrial training centers upgraded	No. of centers upgraded	1	1	0	0	Lack of funds hindered the attainment of this activity
National Human Resource Planning and Development	Kenya Labour Market Information System (KLMIS) upgraded	No. of KLMIS upgraded	15	-	-	-	Visualization tools installed in the KLMIS to facilitate generation of Labour Market Information (LMI) in pictorial/graphical form from the data stored in the KLMIS.
	Labour market surveys conducted	No. of surveys	1	1	1	1	Carried out a Survey of Training in Local Institution (STLI) in Technical and Vocational Educational and Training Centres (TVETS)
Productivity and Competitiveness	Productivity and competitiveness award programme established	Operational Productivity and Competitiveness award	1	1	0	0	Concept note at development stage
	Labour productivity model produced and Productivity statistics produced	Annual national and sectoral productivity indices	20	5	5	20	Productivity statistics report on productivity in 20 economic sectors developed
Promotion of Harmonious	Alternative Dispute Resolution (ADR)	No. of labour and employment	80percent	20percent	20percent	20percent	A Total of 6,872 disputes reported were

Priority Projects	Output	Indicator	Annual Target FY 2023/24	Q 3 Target FY 2023/24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
Industrial Relations	mechanism for labour and employment operationalized	disputes resolved					processed and finalized.
	County Labour Offices established and operationalized	No. of additional County Labour Offices	4	1	0	1	Mandera County Labour Office established an operationalized
	Wages Councils established and operationalized	No. of Wages Councils	-	-	-	-	The Sector is at an advanced stage of operationalizing the Seafarers Wages Council
Integrated Service Delivery Models	One-Stop-Centre for labour migration services established	percent of completion	-	-	1	1	One-Stop-Centre for labour migration services established and operationalized
Promotion of decent work in the digital economy	Skill development in industrial training centres digitized	No. of digitized industrial training centres	5	1	0	0	A firm was awarded to offer an ERP in 4 th Quarter of the Year
Portability of knowledge, skills, innovation and technical resources to Diaspora	Bilateral Labour Agreement (BLA) between Kenya and the UK, Saudi Arabia, Kuwait and Bahrain implemented	No. of bilateral Labour Agreement	1	1	1	1	Currently implementing the BLA between Kenya and the UK.

Source of Data: State Department for Labour & Skills Development Reports, FY 2023/2024

5.6.1 Description of the Results

The State Department is in advanced stage of Bilateral Labour Negotiations with key labour destination countries. Seven (7) draft Agreements are on different stages of negotiation: Germany, Ethiopia, Oman, Serbia, Bahrain, Austria, and Canada ; 27,942 job seekers have been placed in gainful employment through the National Employment Authority; a new labour office has been opened and operationalized in Mandera County ; 6,872 labour disputes reported in the country have been processed; productivity reports in 20 economic sectors have been

developed; and NITA has placed 26,825 learners and lectures in industrial attachment to enable them gain hands-on-experience in their fields of training.

5.6.2 Implementation Challenges

- i. Frequent budget cuts delayed completion of key projects such as the National Occupational Safety and Health (OSH) Institute.
- ii. Obsolete training equipment and dilapidated Industrial Training Centres
- iii. Lack of a framework and weak collaboration between institutions in sharing of the requisite labour market information.
- iv. Frequent changes in technology and customer needs prompting continuous training for workers and review of curricula.
- v. Lack of appropriate legislation on labour migration
- vi. Inadequate awareness and weak productivity culture within the populace.

5.6.3 Recommendations

- i. The National Treasury to consider allocating sufficient funds to complete key projects in the sector.
- ii. Lobby for fast tracking the approval and enactment of policies and bills by cabinet and parliament respectively to facilitate realization of the sector's goals
- iii. Develop a strategy for enhanced collaboration between the industry and training and research institutions to ensure that skills demand by the industry is aligned to skills supply by the training institutions.
- iv. Develop a framework for collaboration and sensitization of all stakeholders involved in generation of labour market information in the country is critical to ensure their full participation in the collection, analysis, presentation and dissemination of timely and adequate labour market information.
- v. The NITA needs to fast-track the review of training standards for the Industrial Training Centres to ensure provision of relevant industrial skills as per the needs of the industry.
- vi. Increase awareness on productivity improvement initiatives in all sectors of the economy
- vii. Assess and certify skills in various trade areas.

5.7 Public Service

The State Department for Public Service (SDPS) is currently domiciled at the Ministry of Public Service, Performance and delivery Management created under Executive Order No. 2 of November 2023 on the organization of the Government of the Republic of Kenya. The functions of the SDPS as provided in the Executive Order No. 2 of 2023 are: Public Sector Reforms and Transformation including Operational Standards and Process Engineering;

GHRIS and Services; Internship and Volunteer Policy for Public Service; Government Payroll Policy and Standards; Government Shared Support Services; Research, Development and Public Service Delivery Innovations; Public Service Career Planning and Development; Administration of Insurance and Welfare Programmes for Civil Service including Comprehensive Group Life, Last Expense, Work Injury Benefits and Group Personal Accident (GPA) Insurance Cover and; Counseling Policy Service.

SDPS comprises of Huduma Kenya Programme and Six technical Directorates, namely: Human Resource Management Policy, Human Resource Development, Counseling and Wellness Services, Management Consultancy Services, Human Resource Information Services and Public Service Reforms and Research. The technical directorates are supported by the Shared Services/Administration departments/divisions/Units. In addition, the State Department is in charge of the following institutions, namely: Kenya School of Government, Institute of Human Resource Management and Human Resource Management Professionals Examination Board. Table 19 gives a highlight of the implementation Status of SDPS key outputs and BETA priorities for Q3 - FY2023/24

TABLE 14: Public Service - Outputs Results Matrix on the implementation Status of the key outputs and BETA priorities for 3rd Quarter of FY2023/24

Priority Project	Output	Indicator	Annual Target FY 2023/24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
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	-	-	This target appears under SDPS in the MTP IV handbook; however, it is a target for PSC
Public Service Reforms	Career Progression Guidelines Frameworks for MDAs and Counties	No. of Career Progression Guidelines Frameworks Developed	1	-	1	Target Achieved
		No. of MDACs supported	25	6	26	26 MDACs were supported against the target of 25.
	A strategy to harness and transfer knowledge, skills and competences in the public service developed and implemented	No. of strategies developed	1	-	-	A draft Human Resource Development Strategy has been developed.

Priority Project	Output	Indicator	Annual Target FY 2023 24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
	KSG capacity strengthened	No. of priority programmes developed	5	-	8	Child Protection Systems and Services Economic Security Lands; Economic Governance Program ; Protection of Marginalized Individuals in Emergencies Within Refugee Setups; Drug and Substance Abuse Data ;Analytics National Internship and Mentorship Program
		percent completion of the KSG centre for western region	20	-	10	Advertisement done in quarter four. Tender evaluation done in quarter four. Contract awarded on June 18, 2024.
	Master plan on Scarce and High Priority Skills developed and implemented	Operational Customized Skills Masterplan	-	-	-	Not yet done but to be a target in the FY 2024/2025
	Access to Training Revolving Fund (TRF) enhanced	No. of public servants accessing the fund	700	12	43	Low uptake was as a result of lack in information about the facility across the service (MDACS) FYs.
	MDACs trained on Business	No. of MDACs trained on BPR	150	20	84	Training is ongoing on a

Priority Project	Output	Indicator	Annual Target FY 2023 24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
	Process Re-engineering (BPR)					Continuous basis.
	County Public Service Transformation Framework and Sector Specific Transformation Plans Developed	No. of Framework and Sector Specific Transformation Plans Developed	5	-	-	Not undertaken due to budget constraints
	Civil servants provided with comprehensive Medical Insurance Scheme	No. of officers covered	150,000	133,174	133,980	The reduction of civil servants being covered is due to exits including retirement from all Ministries.
	Comprehensive Health Insurance, and Post-retirement Medical Scheme established and Operationalized	No. of CS, PS & senior officials provided with medical cover	300	201	201	All the CS, PS & senior officials were provided with medical cover during the period under review.
		No. of retirees covered	50,000	-	-	Awaiting approval for the establishment and implementation of the Scheme
	Comprehensive Scheme on Last Expense, Group Life, Group Personal Accident(GPA) and Work Injury Benefit strengthened	No. of beneficiaries	150,000	118,194	118,194	All the officers were covered during the period under review
Youth Skilling, Employment, and wealth creation	Youth trained in paramilitary, national service, technical and vocational skills annually	No. of youths trained	40,000	-	63,097	a. Trained 25,655 youth in paramilitary skills compri

Priority Project	Output	Indicator	Annual Target FY 2023 24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
						<p>ing of two cohorts</p> <p>b. Training in National Service is yet to commence since the curriculum.</p> <p>c. Trained 38,054 youth</p>
	Youth engaged in tasks of national importance	No. of youth engaged in tasks of national importance	22,500	-	21,367	The Service engaged 21,367 youth, 14,672 males and 6,695 females, in various task of national importance Directives.
	Youth engaged in NYS Commercial enterprises	No. of youths engaged in commercial enterprises	10,000	-	11,652	The Service engaged 11,652 youth in commercial enterprises
	NYS Classrooms, worKsh.ops, doubles pan barracks constructed	percent of NYS class- rooms, worKsh.ops, doubles pan barracks constructed	10	2.5	10	<p>a. Construction of 6 no. classrooms at Athi River Field Unit;</p> <p>b. Construction of double span barrack (100per cent completed), classrooms, works</p>

Priority Project	Output	Indicator	Annual Target FY 2023 24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
						shop, and ablution block at NYS Engineering institute (83percent); c. Rehabilitation of sewer line at NYS Paramilitary Academy Gilgil which is currently 68percent completed.
Public Service Wellness	Psychological Assessment Centre established	percent of establishment	10	0	0	Not undertaken due to budget constraints.
	Counseling and Wellness services provided to public officers	No. of officers counseled	9,000	7,551	11,134	Provided 11,134 of the targeted 9,000 officers with counselling and wellness services. The over achievement was due to the support received from MDAs.
	Framework and Sports programmes across MDACs developed	Framework developed	-	-	-	To be undertaken in FY 2024/25
		No. of sports	-	-	-	To be

Priority Project	Output	Indicator	Annual Target FY 2023/24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
		programmes/activities developed				undertaken in FY 2024/25
Human Capital Systems	GHRIS infrastructure updated	percent upgrade of Government Human Resources Information System (GHRIS)/UHR Infrastructure	80	20	80	Delivery, Installation, Testing, and Commissioning of a Hyper Convergence GHRIS Infrastructure done
	Public Service Human Resource Data Consolidated	percent of Public Service Human Resource Data Consolidated	50	-	-	Awaiting finalization of the payroll module.
Integrated Service Delivery Models	Customers served through huduma service delivery channels	No. of Customers served through huduma service delivery channels (millions)	14	3.5	14.15	A total of 14.15 million out of the targeted 14 million customers served through Huduma Kenya service delivery platforms;
	One-Stop-Centre for labour migration services established	percent of completion	-			This target appears under SDPS in the MTP IV handbook; however, it is a target for the Ministry of Labour and Social Protection.
	HudumaCentres Revamped	No. of HudumaCentres revamped	10	21	53	53 HudumaCentres revamped through AIEs
	HudumaCentres in the sub-counties	No. of HudumaCentres in sub-counties	60	1	1	One Huduma Centre

Priority Project	Output	Indicator	Annual Target FY 2023 24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
	established					established in Laikipia East Makutano. Target not achieved due insufficient funding

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

5.7.1 Description of Results

Results indicate that customers are able to access Government Services through the One Stop Shop hence reducing the transaction cost (cost of accessing government services), thereby improving economic welfare of citizens. Achievements of the targeted outputs as indicated in the table 19 shows that some targets were not achieved due to inadequate funding. Generally, the overall performance was good.

5.7.2 Implementation Challenges

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

5.7.3 Recommendations

- i. Human resource capacity constraint: The State department will address understaffing through finalization and implementation of its Human Resource Plan.
- ii. There is need to adequately fund public service training to ensure well skilled human resources for quality service delivery and classify capacity development resources as development expenditure to guard against frequent cuts;

- iii. Scattered and inadequate office space: acquire adequate space to accommodate all staff in the State Department.

5.8 Gender and Affirmative Action

The State Department for Gender and Affirmative Action (SDGAA) was established in November 2015 following a re-organization of government Ministries and was one of the two State Departments in the Ministry of Public Service and Gender, the other being SDPS. The State Department was created from the former Ministry of Devolution and Planning to promote gender mainstreaming in national development processes and champion for the socio-economic empowerment of women. Previously, gender issues were handled under a division in the Ministry of Gender, Children and Social Development; and as a directorate under the Ministry of Devolution and Planning.

Following the re-organization of Government Ministries through the Executive Order No. 2 of November 2023, SDGAA was established. The Department derives its mandate from the Constitution of Kenya in Articles 10, 27, 60, 61, 81 and 100 among others. Article 10 outlines the national values and principles of governance which include equality, equity, inclusiveness and non-discrimination which provide anchorage for gender equality; and Article 27 ingrains the right to equality and freedom from discrimination.

The Mandate of SDGAA, according to the Executive Order No.2 of 2023 is: Gender Policy Management; Special Programmes for Women Empowerment; Gender Mainstreaming in Ministries/State Departments/State Agencies; Community Mobilization on Gender Issues; Domestication of International Treaties/Conventions on Gender; Policy and Programmes on Gender Violence; Affirmative Action Policy; Promote equity; Undertake a national survey on special needs; Mainstreaming affirmative action in Ministries/Departments/Agencies and; Ensure compliance with affirmative action principles as envisaged in the Constitution.

Table 20 presents the outputs results matrix FOR SGAA Implementation Status of the key outputs and BETA priorities for Q3 - FY2023/24.

TABLE 15: Gender and Affirmative Action - Implementation Status of the key outputs and BETA priorities for Q3 - FY2023/24 by SGAA

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Quarter 3 Target FY 2023 24	Quarter 3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
Prevention of and Response to Gender Based	Men and Boys engaged in the campaign against Gender Based Violence (GBV)	No. Of male champions identified and Engaged	1,000	250	100	350	Target not achieved due to delay in disbursement of funds

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Quarter 3 Target FY 2023 24	Quarter 3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
Violence	Survivors provided with GBV essential Services	percent of survivors (reported cases) provided with GBV essential services	10	2.5	0	2.5	Target not achieved due to delay in disbursement of funds
	Reduced GBV and FGM cases	No. Of forums held in community dialogues to end all forms of GBV.	100	25	0	0	Target not achieved due to delay in disbursement of funds
	Dignity kits distributed	No. Of dignity kits for GBV survivors Purchased and distributed in safe houses	4,000	1000	0	0	Target not achieved due to delay in disbursement of funds
	GBV Rescue Centers/Safe Houses supported	No. Of GBVRCs/ safe houses supported	-	0	0	0	Target not achieved due to delay in disbursement of funds
	Safe houses refurbished/ equipped/renovated for GBV survivor	No. Of safe houses supported	-		0	0	Target not achieved due to delay in disbursement of funds
	GBV service providers sensitized on GBVRC guidelines	No. Of GBVRC service providers sensitized	100	25	0	0	Target not achieved due to delay in disbursement of funds
	POLICARE centers operationalized	No. Of POLICARE centers supported in operationalization	2	1	0	0	Target not achieved due to delay in disbursement of funds
	Police Gender desk/officers' capacity built	No. Of personnel capacity built at gender desks/ units in Counties	100	25	0	0	Target not achieved due to delay in disbursement of funds
	GBV duty bearers trained	No. Of GBV duty bearers trained	10,000	2500	500	500	Target not achieved due to delay in disbursement of funds
	GBV Fund for Survivors established	GBV fund	-	0	0	0	Target not achieved due to delay in

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Quarter 3 Target FY 2023 24	Quarter 3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
							disbursement of funds
	Sanitary towels distributed	No. of girls supported in public schools	2,293,000	573,250	0	0	Target not achieved due to delay in disbursement of funds
		No. of sanitary towels distributed in millions	18.35	6.1	0	0	Target not achieved due to delay in disbursement of funds
Eradication of FGM	Accountability and co-ordination mechanisms on eradication of FGM Strengthened	No. Of Anti-FGM County Steering Committees	35	9	2	7	Target not achieved
		No. of persons reached through electronic, print and social media (In millions)	10	3	2	14	Target achieved as there was mass sensitization through electronic and social media
		No. of inter-Country ministerial sessions on Cross Border FGM	1	1	2	2	Target was not in FY 23/24
Access to Government Procurement Opportunities (AGPO)	Youth, Women and PWDs trained on AGPO	No. Of Youth, Women and PWDs trained on AGPO;	800	200	1011	1011	Target achieved.
Women Enterprise Fund	Affordable loans disbursed	No. Of women issued with affordable loans	2,500	625	0	0	Target achieved in quarter 1.
	Women entrepreneurs trained	No. Of women entrepreneurs trained	120,000	25,000	35,296	71,943	Target to be achieved in Q4.
	Business infrastructures developed	No. Of women benefiting from business infrastructure	-	-	-	-	Target not in FY 23/24
	WEF remodelled	Digital lending	1	1	1	1	Target achieved.
	Women trained on digital literacy	No. of women trained	200	50	-	-	Target to be achieved in subsequent quarters
National Government Affirmative	Bursaries awarded to needy students	Amount of grants disbursed for bursaries in Millions	521.6				

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Quarter 3 Target FY 2023 24	Quarter 3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
Action Fund	Funds disbursed to 13,514 Affirmative Action Groups (AAGs)	Amount disbursed to AAGs in Millions	521.6				
	Funds disbursed for value addition activities	Amount disbursed for value addition activities in Millions	652.0				
	Youth talents supported	No. Of youths supported	1,250				
Gender main-streaming	MDACs trained on Gender Responsive Budget	No. Of MDACs trained	100	25	-	-	Target not achieved due to budget cuts and Exclusion of GM in MDA's PC Affected the reporting
	MDACs analysed on compliance with gender mainstreaming policies	No. of MDACs analysed	100	25	20	61	Target achieved.
	Develop Legal Framework to operationalize 2/3 gender Principle	2/3 Gender Principle framework developed	-	1	1	1	Target achieved. Framework for the implementation of the not more than two thirds gender principle submitted for CS signature.
	Male engagement and inclusion in the thematic area operationalized in Counties	Number of Counties	10	3	6	12	Target achieved.
	National survey on men and boys to Inform planning and gender policy review	Survey report	-	-	-	-	Target was not in FY 23/24
	Compliance with International and Regional Gender Treaties and Obligations	Compliance with gender treaties, conventions and obligations monitored	No. of normative frameworks reported on	5	2	2	4
Evidence based	National Survey on Special needs undertaken	Special needs survey report	-	-	-	-	Target not in FY 23/24

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Quarter 3 Target FY 2023 24	Quarter 3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
Gender Responsive Policy Environment	Sectoral policies for Gender Responsiveness analysed	No. Of Sectoral policies on Gender Responsiveness analysed	5	2	1	2	Target achieved
	No. Of officers trained/capacity built	No. Of officers trained/capacity built	25	6	67	67	Target achieved. Activity done during PS's meeting with Field officers
	MoUs implemented and monitored	No. of MoUs implemented	3	1	2	7	Target achieved.
	Women Leaders trained on Political Leadership skills	No. of women leaders trained	300	75	-	-	Target not achieved. Activity is done by KSG
	Increased awareness on gender in MDACs on policies and programming	No. of focal persons trained	100	25	100	100	Target achieved. Activity done online.
	Increased awareness on gender across MDACs	No. of MDACs capacity built	100	25	0	0	Target not achieved due to inadequate funds.
	Audits on inclusion of women in leadership conducted	No. of audits	1	1	0	0	Target not achieved. Activity to be done in quarter 4
Socio-economic empowerment	Women engaged in Social Economic Empowerment programmes and activities	No. of women trained on access and control of productive resources	200	50	0	0	Not achieved due to inadequate funds
		No. of women trained on the provisions of the Public Procurement and Disposable Act and AGPO	600	150	0	0	Target not achieved due to inadequate funds
		No. of young women entrepreneurs Coached and Mentored.	-	-	0	0	Target was not in FY 23/24
		No. of women trained on gender issues in blue economy and investment opportunities	600	150	0	0	Target not achieved due to inadequate funds

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Quarter 3 Target FY 2023 24	Quarter 3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
		No. of women trained on gender issues in Climate smart agriculture	10	0	0	90	Target achieved in Quarters 1 & 2
		No. of women trained to access and utilize digital platforms	200	50	0	0	Target not achieved due to inadequate funds
		No. of women trained on cross-border and inter-county trade	645	165	0	105	Target not fully achieved due to inadequate funds
Women Economic Empowerment	Women groups recruited into table banking groups	No. of women groups recruited into table banking	5,000	0	0	0	This target was derived from Uwezo Fund which now in different State Department
		No. of women capacity built	75,000	0	0	0	This target was derived from Uwezo Fund which now in different State Department
	Kenya National Care Policy developed	Operational Kenya National Care Policy	-	0	0	0	The Policy has not been approved

Source of Data: State Department for Gender and Affirmative Action Reports, FY 2023/2024

5.8.1 Description of Results

5.8.2 Implementation Challenges

The following challenges were experienced during the implementation of projects at output level during the Q3 of the FY 2023/24.

- i. Many targets were not achieved due to delays in receiving the necessary funds.
- ii. Budget cuts are also a challenge that affected the achievement of several targets, especially in training and capacity building.

5.8.3 Recommendations

- i. Timely Disbursement of Funds to avoid delays in key activities implementation.
- ii. **Adequate Budget Allocation** especially those related to training, capacity building, and operational support.
- iii. **Improve Inter-Agency Coordination** between different ministries, departments, and agencies to streamline efforts and avoid duplication.

5.9 Youth Affairs and Creative Economy

The State Department for Youth Affairs and Creative Economy (SDYACE) is established by Executive order No. 2 of 2023. It comprises Five (5) Directorates namely: Entrepreneurship and Skills Development; Youth Social Development; Policy, Research and Mainstreaming; Innovation and Talent Development and Department of Film Services (DFS). The State Department has seven (7) SAGAs under it namely: National Youth Council (NYC); Kenya National Innovation Agency (KeNIA); Kenya Film Commission (KFC); Kenya Film Classification Board (KFCB); Kenya National Theatre (KNT); Youth Enterprise Development Fund (YEDF) and The President’s Award -Kenya (PA-K). Further, there are four non-SAGAs entities namely; Kenya Association of Youth Centers (KAYC); International Conference for Great Lakes Region (ICGLR), Kenya Film School (KFS) and African Audio -Visual Cinema Commission (AACC)

SDYACE is a catalytic pillar of the Kenyan economy on youth empowerment and employment creation and spearheads the management of Youth policy and legislations and promotion of the creative industry. Further, it Coordinates Youth mainstreaming, research, volunteerism, harnessing and development of youth innovations and talents.

The mandate of SDYACE in line with Executive Order No. 2 of 2023 include Youth Policy and Empowerment; Mainstreaming Youth in National Development; Managing and Promoting engagement with Youth for National Development; Harnessing Youth Talent for National Development; Business Innovation and Incubation; Facilitating the mobilization of resources for youth entrepreneurship and development; Self-development programme designed for young persons in Kenya to equip them with positive life skills; National Volunteer Policy and Interventions through work, community service, and various learning opportunities; and Coordination of the National Internship & Apprenticeship Programme in both public and private sectors.

The output results matrix presented in table 21 shows the Implementation status of the key outputs and BETA Priorities for Q3 - FY 2023/24

TABLE 16: Youth Affairs and Creative Economy - Outputs Results Matrix on Implementation Status of the key outputs and BETA priorities for 3rd Quarter of FY2023/24

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Q3 Target FY 2023 24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
Increased Youth Skilling, Employment and Wealth Creation	Kenya Youth Development Index (KYDI)	Index	0.621	0.621	0	0	Finalization affected by budgetary cuts

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Q3 Target FY 2023 24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
	Youth unemployment rate	percent	11.6	11.6	0	0	To be determined from the Economic survey report
VijanaVukanaAfya	Youth (15-24 years) trained on Sexual Reproductive Health (SRH) services and socio-economic skills	No. of youth Peer Educators trained	7,250	1,812	0	0	The State Department is engaging the Ministry of Health for the training
		No. of youth trained on appropriate SRH	26,000	6,500	3,543	20,324	20,324 youths were trained in the three quarters
		No. of youth accessing SRH	25,000	6,250	0	0	Report is yet to be given by the Ministry of Health
Promotion and development of Creative and Film Industry	Incentives framework established	Incentives framework	1	1	0	0	In progress. At technical development stage
Presidential Challenge and Innovation Awards	International Art and Creative Festival Exhibitions hosted	No. of exhibitions	1	1	1	1	Kalasha International Film and TV market was held on 27 - 29 March 2024 in which 69 local and international organizations exhibited at the event. Kalasha International Film and TV Awards was held on 30th March 2024 in which 225 Films and 1563 entries were received and 39 winners were feted during the event.

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Q3 Target FY 2023 24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
	Artists engaged in mentorships and apprenticeships programmes	No. of Artists mentored and engaged in apprenticeships	50	12	0	50	There was no intake in quarter three as the school temporarily closed to enable renovation of the facility.
	Licenses issued to exhibitors, distributors and new film makers	Proportion of licenses issued to exhibitors, distributors and new film makers	100	25	0	0	Set target was not met. However, the activities are ongoing
	National Creatives Economy Council (NCEC) established	Functional NCEC	- 1	1	0	0	The establishment of the council is at technical stage.
	YECs transformed into digital innovation hubs	No. of YECs refurbished	20	5	0	0	Engagements with State Department for ICT to fast-track internet connectivity in 120 YECs in progress
		No. of YECs constructed	4	1	0	0	Budgetary constraint led to delays in implementation of planned activities.
		No. of youth accessing innovation hubs	290,000	72,500	642	3,142	Budgetary constraint led failure to meet the set target.
		No. of youth accessing youth friendly services	300,000	75,000	108,000	162,000	Achieved

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Q3 Target FY 2023 24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
		No. of youth talents and innovations incubated	5,000	1,250	0	75	The target number could not be attained due to budgetary cuts
	Framework for Presidential Challenge Innovation and Award developed	Framework developed	1	1	0	1	Set target was met in Q2
	Programmes for protection of Intellectual Property and other rights developed	No. of Youth-led Innovations patented	10	2	0	0	Activity delayed by lack of funds
	National Arts Excellence Awards (NAEA) scheme established	No. of youth conferred with annual national honours NAEA scheme	1	1	0	0	Activity delayed by lack of funds
Skills development/Youth Skilling Employment and Wealth Creation	Youth trained on life skills	No. of youth trained	26,000	6,500	6,938	17,738	Achievement on course
	Youth trained on entrepreneurial skills	No. of youth trained	26,000	6,500	6,938	17,738	Achievement on course
	Youth entrepreneurs engaged in green jobs	No. of youth engaged	5,000	1,250	0	360	Budgetary constraint led failure to meet the set target
	Youth engaged on cloud sourcing/online jobs	No. of youth engaged	5,000	1,250	0	675	Budgetary constraint led failure to meet the set target
	Youth entrepreneurs mentored and coached	No. of youth mentored and coached	100,000	25,000	0	0	Realization of target affected by delay in signing of the

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Q3 Target FY 2023 24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
	mentored and coached						National Youth Opportunities Towards Advancement (NYOTA) Project Financing Agreement
	Community youth SACCOs operationalized	No. of youth SACCOs operationalized	94	23	7	11	11 community youth SACCOs were operationalized in Q2 and Q3
	Youth engaged in Internships and attachments/ Employment	No. of youth engaged	3,000	750	0	0	Awaiting operationalization of NYOTA project
	Impact evaluation of the Affirmative funds conducted	Impact Evaluation	1	1	0	1	Impact Evaluation conducted in quarter
	Business Grants and start-up kits issued	No. of Grants disbursed / No. of youth issued with start-up kits	4,000	1,000	0	0	Awaiting operationalization of NYOTA project
	Community-based Youth-Savings and Investments (CYSI) groups established	No. of CYSI groups established	7,250	1,800	0	0	Awaiting operationalization of NYOTA project
Knowledge sharing on youth's socioeconomic transformation	Framework for Youth Connekt developed	Youth Connekt framework	1	1	0	1	Youth Connekt framework developed in Q2
	Youth leadership and	No. of Youth engaged in leadership	4,000	1000	0	0	Actual report is yet to be produced

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Q3 Target FY 2023 24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
	governance developed	and governance					
	Youth Connekt hosted/Youth engaged in connekt	No. of youth Connekt forums	1	1	1	1	Youth Connekt Summit hosted in 7th-13th December 2023 which brought together 25,000 youth
Youth Enterprise Development Fund (YEDF)	Ksh. 4.3 billion financed to youth enterprises	Amount of loans disbursed to Youth entrepreneurs in key value chains (Ksh. millions)	475	110	30	80	Budgetary constraint led failure to meet the set target
	Youth entrepreneurs benefited from YEDF loans	No. of Youth entrepreneurs financed	37,172	9,200	500	2,000	Budgetary constraint led failure to meet the set target
	Youth provided with Business Development Services	No. of Youth provided with business development services	95,700	23,900	8000	10,800	Budgetary constraint led failure to meet the set target

Source of Data: State Department for Youth Affairs and Creative Economy Reports, FY 2023/2024

5.9.1 Description of Results

5.9.2 Implementation Challenges

During the period under review, the following challenges were experienced by SDYA&CE:

- i. **Inadequate Funding for Programs and Projects:** This issue significantly impacted the ability to meet set targets.
- ii. **Employment Creation Challenges:** Youth face unemployment, underemployment, lack of employable skills, poor health, and insufficient socio-economic support for empowerment.

- iii. **Youth Vulnerability:** High unemployment rates, globalization, and technological advancements increase youth vulnerability, leading to exploitation and crime, which hampers their engagement in socio-economic development.
- iv. **Inadequate Infrastructure:** The State Department's physical facilities are overstretched, and there is a lack of adequate ICT equipment and connectivity, affecting program implementation and service delivery.
- v. **Inadequate Policy, Legal, and Regulatory Frameworks:** Emerging social and new media contribute to youth moral decadence, necessitating regulatory frameworks to manage the creative economy.
- vi. **Inadequate Mechanisms for Talent Identification, Nurturing, and Development:** Limited resources, fragmented mandates on talent and innovation development, and lack of information on monetizing talents hinder progress.
- vii. **Minimal Youth Inclusion and Representation in Leadership:** Despite accounting for 29.1 percent of Kenya's population, youth are underrepresented in leadership and decision-making roles.

5.9.3 Recommendations

To address these emerging issues and challenges, the State Department recommends the following measures for effective implementation of quality programs, projects, and initiatives to enhance Youth Development and the creative economy:

- i. **Enhanced Funding:** Additional funding is needed for construction or leasing of adequate office space, hiring staff, procuring ICT equipment, transport, furniture, and internet connectivity. Progressive increases in the current funding level are essential.
- ii. **Enhanced Infrastructure:** Expanding physical infrastructure capacity requires increased investment and partnerships with development partners, the private sector, and other stakeholders to complement government efforts.
- iii. **Addressing Unemployment Challenges:** Promoting alternative livelihoods through arts and film can reduce pressure on available white-collar jobs. This can be achieved through various youth empowerment programs to address their vulnerability.
- iv. **Enhanced Policy, Legal, and Regulatory Frameworks:** Harmonization of policy, legal, and regulatory frameworks between National and County Governments is needed for unified regulation of the film and art industries.
- v. **Enhanced Talent Identification, Nurturing, and Development:** Capacity building and the development of programs, projects, and initiatives are necessary to assist in the identification, nurturing, and monetization of talents and innovations.

5.10 Performance and Delivery Management

State Department for Performance and Delivery Management (SDPDM) was established by the Executive Order No. 2 of November 2023 on Organization of the Government of the Republic of Kenya, under the Ministry of Public Service, Performance and Delivery Management. The State Department is composed of two institutions: Public Service Performance Management Unit, and the Government Delivery Service.

SDPDM is mandated to perform the following functions: Coordinating institutionalization of performance management in the public service; Overseeing performance of Government MDAs in service delivery; Coordinating identification of innovative mechanisms to address challenges affecting public service delivery to facilitate smooth operations between MDAs; and Monitoring the Implementation of Government's priority programmes and projects.

The State Departments Implementation Status of the key outputs and BETA priorities Q3 - FY2023/24 is presented in Table 22.

TABLE 17: Performance and Delivery Management - Implementation Status on the key outputs and BETA priorities for Q3 - FY2023/24

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Quarter 3 Target FY 2023 24	Quarter 3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
Performance and service delivery management	Performance Contracting by MDAs Coordinated	No. of MDAs and Counties on Performance Contract	439	3	2	453	The Q3 target are for MDAs that use calendar year contract.
	Enhance the Performance Contracting system	No. of additional Modules developed	80				
		percent Level of Automation of the PC Processes	75	-	-	-	Automation of PC processes will be undertaken in Q4
	MDACs capacity build	No. of MDACs capacity built	439	-	-	-	Achievement was affected by budget cuts
	Government Performance Reporting System (GPRS) for projects maintained and upgraded	No. of monthly reports channeled through GPRS	12	3	3	9	Monthly reports submitted cumulatively through GPRS
	National Development Implementation	No. of high-level stock-take	64	16	16	47	47 stock-take meetings were held

	Committee (NDIC) held	meetings held					cumulatively by the end of Q3
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Source of Data: State Department for Performance and Delivery Management Reports, FY 2023/2024.

5.10.1 Description of Results

5.10.2 Implementation Challenges

- i. Budgetary constraints: Budget constraints and government-wide austerity measures led to partial or non-implementation of planned programmes and activities.
- ii. Human resource capacity gaps: Inadequate numbers of professional/technical officers and limited human resource development opportunities.
- iii. Inadequate policy and legal frameworks: Necessary policy and legal framework to guide performance and delivery management is not in place leading to ineffective execution of the institutional mandates.

5.10.3 Recommendations

- i. The State Department should embrace resource mobilization strategies to fill the financial gaps.
- ii. Enhancing human resource management and development within the public service to address capacity gaps is key for the successful implementation of the programmes and activities.
- iii. Inter-agency and inter-ministerial coordination are fundamental in realizing the implementation of the annual targets.
- iv. The successful implementations of the annual targets require collaboration, monitoring and embracing ICT through automation of business processes.
- v. Teamwork is key to the successful realization of the annual targets.

5.11 Basic Education

The State Department for Basic Education (SDBE) is mandated to carry out a number of functions these are: Basic (Early Childhood, Primary and Secondary Education and Teacher Training) Education Policy Management; Primary and Secondary Education Institutions Management; and School Administration and Programmes.

SDBE's Q3 performance in the implementation of key outputs and BETA priorities is shown in table 23 that follows.

TABLE 18: Basic Education - Implementation Status on the key outputs and BETA priorities for Q3 - FY2023/24

Priority Project	Output	Indicator	Annual Target FY2023/24	Q3 Target FY2023/24	Q3 Achievement FY2023/24	Cumm. Achievement (Q1-Q4)FY2023/24	Remarks on variance achievement
Education Reforms	100percent transition from Primary to Junior Secondary School	Rate of transition	100percent	100	99.1	99.1	Target achieved
	Curriculum designs and curriculum support materials for secondary developed and disseminated	Number of curriculum designs for Grade 10 to 12 developed	78	0	0	126	A total of 126 curriculum designs were developed.
		Number of electronic and non-electronic curriculum support materials provided	800	300	488	1244	Overachievement by 444
		Number of digital items curated and disseminated	113	63	43	130	Target achieved with additional support from KPEEL project
		Number of Curriculum Support Materials for Learners in Special Needs developed	72	18	14	139	Target achieved with additional support from SEQIP project

Priority Project	Output	Indicator	Annual Target FY2023/24	Q3 Target FY2023/24	Q3 Achievement FY2023/24	Cumm. Achievement (Q1-Q4)FY2023/24	Remarks on variance achievement
	Presidential Working Party on Education Reforms recommendations implemented	percent of recommendations implemented	50	0	0	75	Reviewed Grade 10 curriculum designs for 36 subjects as per recommendations of the Presidential Working Party on Education Reforms (PWPER). Subjects reduced from 50 to 36;
Universal Primary Education	Education Capitation grants awarded	No. of pupils enrolled in public primary in millions	6.90	6.90	6.05	214,993	Learning not updated in NEMIS
		No. of pupils in public Low-cost boarding	144,600	144,845	144,845	144,845	Target met
		Enrolment of SNE Learners in public pre-school	146,300	146,300	150,144	150,144	Target met
		No. of schools with receiving minimum Essential Package (MEP)	9,379	9,379	0	-9379	Recommendation not implemented
	School Teachers recruited	No. of teachers recruited	9,665				
	Out of school children of pre-primary age enrolled in Schools	No. of children enrolled in Pre-primary Education	80,000	20,000	20,000	80,000	Target achieved
	Learners provided with day meals	No. of learners provided with school feeding programme in millions	6	6	2.6	2.6	Lack of enough funds to achieve the target.

Priority Project	Output	Indicator	Annual Target FY2023/24	Q3 Target FY2023/24	Q3 Achievement FY2023/24	Cumm. Achievement (Q1-Q4)FY2023/24	Remarks on variance achievement
	School going girls at puberty stage provided with sanitary hygiene pack	No. of school girls provided with sanitary hygiene pack in Millions	2.4	0	0	0	Target moved to State Department for Gender & Affirmative action
	Infrastructure facilities renovated/rehabilitated	No. of infrastructure facilities renovated/rehabilitated	20	0	0	-20	Awaiting exchequer
	Classrooms constructed	No. of classrooms constructed	250	100	0	-250	Awaiting exchequer
	Learning Resource centres constructed	No. of Resource Learning centres constructed	6,000				
	Schools provided with WASH facilities	No. of schools with adequate sanitation facilities	49	0	0	-49	Awaiting exchequer
	Duksi and Madrassa integrated into formal Basic Education	No. of Counties implementing the integration of duksi and madrassa into formal basic education	4	4	4	4	Target achieved
Universal Secondary Education	Secondary school teachers recruited	No. of teachers recruited	13,534				
	Education infrastructure expanded	No. of Classrooms constructed	15,529	8,000	5735	6270	Budget limits achievement of target. Schools also used part of MIF to construct classrooms

Priority Project	Output	Indicator	Annual Target FY2023/24	Q3 Target FY2023/24	Q3 Achievement FY2023/24	Cumm. Achievement (Q1-Q4)FY2023/24	Remarks on variance achievement	
		No. of Laboratories constructed	3,127	781	900	900	Budget limits achievement of target	
		No. of Toilet Blocks constructed	3,775	944	0	0	Budget limitations	
		No. of Workshops constructed	806	202	0	0	Budget limitations	
		No. of special needs education toilet blocks	33					
		No. of Integrated resource centres constructed	3,717	2030	2859	2859		
		No. of Public secondary schools provided with computing packages	310	78	0	0	Budgetary constraints	
		Access to universal secondary education	No. of students receiving capitation in millions	3.06	3.06	3.88	4.03	Increased due to 100percent transition
Inclusion in Education and Training	PWD friendly infrastructure constructed in schools	No. of school with SNE/PWD compliant infrastructure	10	10	21	21	The 21 secondary schools were supported from secondary school funds	
	Learners provided with mentorship and psychosocial support	No. of beneficiary learners	10,000	2,500	3041	387	Many came on board leading to such tremendous success	
	Teachers and trainer's capacity	No. of teachers and trainer's	150	500	372	1,702	Overachievement is due to partnering with NCPWD who	

Priority Project	Output	Indicator	Annual Target FY2023/24	Q3 Target FY2023/24	Q3 Achievement FY2023/24	Cumm. Achievement (Q1-Q4)FY2023/24	Remarks on variance achievement
	built on SNE	capacity built on SNE					supported the civil servants in acquiring SNE skills
	National Psycho-Education Assessment and Placement Centre equipped	percent establishment of National Psycho-Education Assessment and Placement Centre	90	94	94	95	Target met
MOE	National Academy for Gifted and Talented Learners established and operationalized	percent establishment of National Academy for Gifted and Talented Learners	80				
	PE and sports integrated with special needs and disabilities	No. of schools with PE and sports integrated	459				
	Education and Resource Centres to identify and place learners with Special Needs	No. of Education Resources Centres	47				
	Low-cost boarding schools in ASAL areas established, renovated and equipped (dormitories, dining	No. of low-cost boarding schools established, renovated and equipped	45				

Priority Project	Output	Indicator	Annual Target FY2023/24	Q3 Target FY2023/24	Q3 Achievement FY2023/24	Cumm. Achievement (Q1-Q4)FY2023/24	Remarks on variance achievement
	halls, ablution constructed)						
	Learners provided with mentorship and psychosocial support	No. of beneficiary learners	45,000				
	Model Green schools established	No. of green schools established	2	2	1	1	Inadequate funding
	Adults learners certified	No. of Adults learners certified	150,000	37,500	0	22,177	The target was not achieved due to massive exit of ACE instructors without replacement and lack of examination waver to adult learners candidates.
Teacher Management and Development	In-service teachers trained under the Government programme	No. of in-service teachers trained	50,000	0	0	77,000	Achieved through cascade model
	Teacher education retooled	No. of Teacher education retooled	20	5	10	40	Target over-achieved
	Capacity building teacher trainees	No. of teacher trainees capacity built	400	150	150	600	Target over achieved
	Pre-Service Teacher Training in Competency Based	No. of teachers graduating from the 35 TTCs	5,000				

Priority Project	Output	Indicator	Annual Target FY2023/24	Q3 Target FY2023/24	Q3 Achievement FY2023/24	Cumm. Achievement (Q1-Q4)FY2023/24	Remarks on variance achievement
	Teacher Education						
	KEMI transformed to a premier Management Development Institute	percent of completion of KEMI	50	25	25	50	Target achieved
	Ultra-modern Education Resource Center constructed and equipped	percent establishment of Ultra-modern Education Resource Center	27	0	0	0	The project did not receive any budgetary allocation during the FY 2023/2024
Automation of Basic Education System	e-Assessment system developed	percent completion of e-Assessment system	30	0	0	2percent	Procurement process for consultant completed in quarter 4 and now awaiting the consultant to be brought on board System development to begin in FY 2024/2025
	Smart classrooms established	No. of smart classrooms established	188	30	0	-188	Lack of exchequer
	System for examinations and item bank developed	percent Operational System for examinations and item bank	50				
	Teacher files digitized	percent of teacher files digitized	40	10	10	40	target achieved
	Teacher management and development system operationalized	Operational Teacher Management System	-				

Priority Project	Output	Indicator	Annual Target FY2023/24	Q3 Target FY2023/24	Q3 Achievement FY2023/24	Cumm. Achievement (Q1-Q4)FY2023/24	Remarks on variance achievement
	Monitoring, Evaluation, Accountability and Learning (MEAL) System developed	Operational MEAL System	1	0	0	1	Target achieved
Kenya National Education Management System (KEMIS)	Capitation module and School registration module for junior secondary school upgraded	percent of Capitation and school registration modules upgraded	50	50			
	Statistical Booklet Datasets and Reporting Dashboard developed	No. of Statistical Booklet Datasets and Reporting Dashboard	1	1	1	1	Target Achieved
Strengthening of Science, Technology, Engineering and Mathematics	STEM teachers trained	No. of STEM teachers trained	33,100	3,049	2,772	22,214.00	Exceeded due to leveraging on old as well as new partnerships
	Curriculum implementers trained on gender responsive pedagogy	No. of trained curriculum implementers	5,500	0	0	0	The Centre had not targeted this indicators for the financial year
	STEM Centres of Excellence established in schools	No. of centres of excellence	600	0	0	0	There was no budget to establish STEM Centre
Co-curricular Development	Learners participating in games and performing arts	No. of Learners participating in games and performing arts	13,200	0	0	15,200	More schools participated after covid-19 interruptions.
No. of talent scholarships awarded	9,000						

Priority Project	Output	Indicator	Annual Target FY2023/24	Q3 Target FY2023/24	Q3 Achievement FY2023/24	Cumm. Achievement (Q1-Q4)FY2023/24	Remarks on variance achievement
No. of Talent exchange programmes held	8						

Source of Data: State Department for Basic Education Reports FY2023/24

5.11.1 Description of Results

The sector made major strides in delivering inclusive and equitable quality and relevant education, training and research for the country. There was good progress towards enhancing universal access, completion, transition, quality, equity and relevance in education and training. These achievements are evidenced by: increased enrolments; rollout of the Competency Based Curriculum and Assessment from Pre-primary 1 to Grade 7, improvements on ICT integration; improvement in the positive indicators of quality such as improved pupil-book ratio, more research funds mobilized, STI priorities issued, improved infrastructure at all levels of Education, strengthening the function of quality assurance and standards by developing and implementing the National Education Quality Assurance and Standards Framework (NEQASF) and automating enrolment, capitation, curriculum delivery, quality assurance and assessments processes.

Based on the achievements made, the Sector is on track towards attainment of the aspirations of Kenya Vision 2030, Sustainable Development Goal number 4 and the Bottom up Economic Transformation Agenda. (BETA).

5.11.2 Implementation challenges

- i. **Inadequate Infrastructure:** Institutions of learning still have inadequate infrastructure despite past GOK investments. The implementation of 100percent transition policy has increased enrolment leading to congestion. Institutions of learning including those for learners with disabilities require additional infrastructure to meet the needs of new learning areas under CBC.
- ii. **Inadequate Human Resources:** Growth in population, expansion and establishment of new schools has stretched thin the demand for teachers in the sector. The current staffing gap in basic public learning institutions is estimated to be 111,870 teachers as a result of 100percent transition and CBC implementation. In basic education sub sector, the current establishment stands at 4,279 against an authorized establishment of 9,853 hence a total deficit of 5,574 officers.
- iii. **Inadequate Capitation Funding:** Despite enrolment increasing the budgetary allocation towards the same has not increased at the same rate resulting in deficits. The

GOK subsidy for secondary education has had an average shortfall of Ksh 13 bn annually for the last three financial years.

- iv. **Inadequate capacity for special needs Education:** Special needs education is constrained with an inadequate number of specialized expertise, teachers, trainers, tutors and other support staff in related fields. There is also low funding in implementation of inclusive education and training in the sector. SNE requires specialized equipment which are inadequate.
- v. **Radicalization and Insecurity:** It continues to affect delivery of quality education, training and research. Learners and staff are unable to undertake studies and their duties respectively in areas affected by insecurity and radicalization.
- vi. **Inadequate Quality Assurance of Education and training:** The sector is required to assess educational institutions. Basic education sub sector is unable to effectively quality assure education provision owing to the large pre-primary centres, primary and secondary schools. This is partly contributed to by the low number of quality assurance officers. The sub sector has 447 quality assurance officers against an optimum requirement of 2603. In this regard only a portion of the basic learning institutions are assessed annually due to the variance in capacity of 2156 quality assurance officers.

5.11.3 Recommendations

- i. **Infrastructure improvement:** Increase investments for expansion, upgrading, rehabilitation and equipping of existing institutions across the learning and research spectrum. This should be based on objective criteria and priorities to cater for the increased enrollment while enhancing inclusive education and training as well as research infrastructure (RI). The sector will prioritize near completion projects before embarking on new ones.
- ii. **Review of Capitation guidelines for all levels of education:** There is need for revision of Policy Guidelines on the provision of capitation grant for mainstreaming pre-primary education to ensure seamless transition into formal schooling. In addition, the conditional grant to county governments for development of youth polytechnics/VTCs and capitation to trainees should be sustained and enhanced. The sector will also review the current funding model to ensure that optimum support to the niche areas in institutions is undertaken as well as the harmonization of the legal, policy and regulatory framework for the sector.
- iii. **Staffing and Training:** Recruit adequate staff to deliver Education mandate across all levels of the subsector. This will include adequate staffing at the zonal, sub-county, county and headquarters including SAGAs to deliver services across all levels of education. In addition, there will be a need to facilitate and continuously build the capacity of the existing sub-sector staff for efficient delivery of services
- iv. **ICT Integration in Education and Training:** The Sector in collaboration with the relevant State agencies shall facilitate ICT infrastructure, internet connectivity and training of personnel in institutions of learning and education offices. Facilitate e-

learning, live-streaming of lessons in the basic education institutions as a means to mitigate the challenge teacher shortage. This will require additional resources to procure the requisite equipment and infrastructure to enable the achievement of integrating ICT in teaching and learning. In this regard, there is a need to enhance security, safety and ethical use of ICT in education and training as provided in the ICT in Education and Training Policy. There is also need for enhanced and up-scaling of local digital learning resources and building the capacity of institutional managers, teachers/trainers, learners and field officers on ICT in education and training. This should include building capacity for support and maintenance of ICTs at the institutional levels.

- v. **Climate Change:** The sector recommends establishment of structures to implement Education for Sustainable Development (ESD) and climate change Programs. This will provide for mentorship on ESD and training education managers on climate change, food production in institutions of learning, and documentation of success stories.
- vi. **Sector Governance:** Enhance coordination of capacity building programmes of education managers in the sector on governance, risk management, controls, accountability, and project implementation/contracts management to optimize utilization of public resources. Monitoring and stakeholders' feedback mechanisms will be critical for enhanced service delivery. There is a need to domesticate the National Monitoring and Evaluation Policy to ensure sound tracking, monitoring and evaluation programmes in the sector.
- vii. **Maintenance of Education Standards, Quality Assurance and Audit:** The Sector should comprehensively review the National Education Quality Assurance and Standards Framework (NEQASF) as recommended by the Presidential Working Party on Education Report (PWPER). The sector will need to develop guidelines and standards that were identified as missing such as SNE standards, homeschooling and online schooling. There will be a need for the sub sector to increase the number of quality assurance and standard officers to keep pace with the increasing number of education institutions. Further, there is need to establish a strong institutional based quality assurance and standards mechanism as well as retooling field officers and institutional administrators to lead in the internal quality assurance functions. In addition, quality assurance in TVET should be enhanced by taking TVET Authority services closer to the counties as per Sessional Paper No. 1 of 2019 on Policy Framework on Reforming Education Sector in Kenya. This is because of the rapid increase and expansion of both public and private TVET institutions. In addition, the school audit function will need more funding to carry out its mandate effectively. More staff need to be recruited. School auditors need to be trained on modern audit techniques. To increase efficiency audit functions, need to be automated.
- viii. **Junior School (JS) and Senior School (SS):** the Sector shall develop a framework for collaboration with the Teacher Training Institutions (Universities, TTCS and TVETS) in order to review the training needs for teachers entering the teaching profession and align content in compliance with the ongoing CBC reforms. Further, there shall be need

for intensified retooling of teachers in the service through enhanced Teacher Professional Capacity Development (TPCD) to address their professional gaps in Technology, Pedagogy, and Content Knowledge (TPACK).

5.12 Sports

The Sports sub-sector plays a significant role in the overall development of the Kenyan economy and the well-being of its people. This is achieved through recognition and nurture of talents, development and promotion of clean sports, sports training, management of sports and recreation infrastructure among other programmes.

The main sports outputs during the Third Quarter of Financial Year 2023/24 were mainly on five priority areas namely: sports events, sports infrastructure, talent development, promotion of clean sports and regulatory frameworks.

The sub-sector performance for Q3 –FY 2023/24 towards the implementation of key outputs and BETA priorities is presented in table 24.

TABLE 19: Sports - Implementation Status on the key outputs and BETA priorities for Q3 - FY2023/24

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Q3 Target FY 2023/24	Q3 Achievem ent FY 2023/24	Cumulative Achievement FY 2023/24	Remark
Talanta Hela Initiative	Management structure established	Talanta Hela Council	1	-	-	-	Awaits an enabling legal framework
	Talents identified, nurtured and commercialized	No. of youth talents identified and nurtured	10,000	2,700	150	3,983	A total of 3,983 sports persons identified and nurtured through the Kenya Academy of Sports (KAS)
		No. of youth talents commercialized	4,700	2,350	-	-	Awaits harmonization of a tracking mechanism
Sports and Arts Infrastructure Development	Kenya Academy of Sports (KAS) Complex (Phase II)	Functional KAS Complex (Phase II)	30	20	0	0	The project had no budget in FY 2023/24
	Moi International Sports Centre Kasarani, Stadium upgraded	percent of works completed	20	15	20	20	Project is ongoing and on schedule as a priority for AFCON-2027
	Nyayo Stadium upgraded	percent of works completed	20	15	15	15	Project is ongoing and on schedule as a priority for CHAN-2025
	Kipchoge Keino stadium in Eldoret upgraded	percent of works completed	20	15	5	5	Project is ongoing but faced delays during the commencement stages as a priority for AFCON-2027

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Q3 Target FY 2023/24	Q3 Achievement FY 2023/24	Cumulative Achievement FY 2023/24	Remark
	Talanta Stadium in Jamhuri Grounds constructed	percent of works completed	20	15	20	20	Project is ongoing and on schedule as a priority for AFCON-2027
	Wote stadium completed	percent of works completed	40	30	10	10	Project is ongoing. The scope of works involves construction of 1,500 sitter stadium , standard football field and 8-lane track
	Karatu stadium completed	percent of works completed	40	30	20	20	Project is ongoing on construction of 1,500 sitter pavilion, standard and 6-lane track
	Ruring'u stadium completed	percent of works completed	40	30	0	0	Contract awaits termination for re-tendering of expanded scope of works
	Marsabit stadium completed	percent of works completed	40	30	40	40	Project is ongoing and on schedule
	Kirigiti stadium completed	percent of works completed	40	30	40	40	Project is complete
	Bomet stadium completed	percent of works completed	40	30	0	0	The project had no budget in FY 2023/24
	Constituency Academies of Sports established	No. of academies established	3	1	0	0	At commencement stages
Promoting tourism through sports and arts (sports tourism)	Six (6) international sporting events hosted	No. of International Sporting events hosted	6	3	3	5	Target on scheduled due collaboration of the government, sports federations and other stakeholder including private company
Anti-Doping Promotion	Athletes trained on anti-doping and tested	No. of intelligent based tests conducted	950	238	668	916	Target on schedule and includes teststo the Olympics 2024 Team.
		No. of persons reached through Anti-Doping Education	12,540	3,135	2,680	11,251	Target on schedule
		No. of Anti-Doping Educators trained	35	-	-	35	Target achieved
		No. of intelligent based tests conducted	2,500	238	668	916	Achievements based on intelligent tests conducted

Priority Project/ Priority	Output	Indicator	Annual Target FY 2023/24	Q3 Target FY 2023/24	Q3 Achievement FY 2023/24	Cumulative Achievement FY 2023/24	Remark
Sports Registrar's services	Regional Offices Established	No. of Regional Offices Established	1	-	-	0	Target not realized due to inadequate personnel in the Office of the Registrar of Sports.

Source of Data: State Department for Sports Reports, FY 2023/2024.

5.12.1 Description of Results

The SDP has made significant strides in the development and promotion of Sports in Kenya. It has enhanced the identification and nurturing of talents through the Talanta Hela initiative. The Department has also remained focus in promotion of clean sports, sports training and investments in sports infrastructure. It will continue to address challenges associated with budgetary constraints, inadequate personnel and project implementation. This will be through collaboration with sports federations, private sector, National Government Agencies, County Governments and development partners

5.12.2 Implementation challenges

The above achievements were not realized without challenges some of which are highlighted:

- i. The implementation of sports infrastructure faced budgetary constraints and some were delayed at design and commencement levels.
- ii. Implementation of the projects also faced change of scope and designs to accommodate recommendations from the international sports organizations
- iii. The establishment of regional offices for Registrar of Sports were constrained by lack of personnel for field services;
- iv. Incidences of doping arising from sophisticated technological applications
- v. Delays in the release of exchequer hampering implementation of activities

5.12.3 Recommendations

The following recommendations are provided towards addressing the various challenges faced:

- i. Finalization of domestic and foreign financing mechanisms towards completion of ongoing projects and other priority projects;
- ii. Incorporate stadia scheduled to host National Celebrations as part of the priority projects;
- iii. Collaboration with the County Governments and related Economic Blocs for implementation of county and regional stadia
- iv. Development of memorandum of understanding between the National Government and the County Governments for sustainability in management of stadia;
- v. Pursue enhanced personnel budgetary provisions for the recruitment of regional officers for Registrar of Sports;

vi. Adopt advanced testing methods to curb doping through technology

CHAPTER SIX: ENVIRONMENT AND NATURAL RESOURCES

6.1 Overview

The Environment and Natural Resources Sector comprises of nine (9) sub-sectors namely: Environment and Climate Change; Forestry; Tourism; Wildlife; Culture and Heritage; Arid and Semi-Arid Lands and Regional Development; Mining; Blue Economy and Fisheries; and Shipping and Maritime Affairs.

6.2 Environment and Climate Change

The State Department for Environment and Climate Change (SDECC) has several ongoing projects related to environmental protection, climate change mitigation and adaptation, and sustainable forestry management. The Projects were initiated with the aim of addressing critical environmental issues and advancing sustainable environmental goals within the State Department. The State Department for Environment and Climate Change is currently implementing a total of 34 projects. Twenty-seven (27) projects were budgeted for in the 2023/24 financial year, while four (4) new projects have been introduced in the course of FY 2023/24.

Table 25 shows the Q3 progress by SDECC is presented in table 25 with specifications on how key outputs and BETA priorities performed.

TABLE 20: Environment and Climate Change Implementation Status on the key outputs and BETA priorities for Q3 - FY2023/24

Priority Projects	Output	Indicator	Annual Target FY 2023/24	Q3 Target FY 2023/24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
Waste management infrastructure	Waste Collectors associations/cooperatives registered	No. of Waste service provider associations established	30	70	130	168	Target surpassed as follows; Nairobi Region-38 Coast Region- 20 Rift (Nakuru) -5 North Eastern (Garissa) -16 Central (Nyeri) -20 Eastern (Machakos) -10 Nyanza (Kisumu)-20 Western (Kakamega) - 20
	Waste Material Recovery Facilities constructed in all Counties	No. of Waste Material Recovery Facilities	5	6	6	6	Target Achieved. The MRF constructed in TharakaNithi, TakatakaKiambu,WhitmundKiambu ,JunkyBins Kiambu,TaitaTaveta and Kisumu.
	Community-Based/ owned plastic recycling value chain established/ Trained	No. of plastic recycling value chains service producers trained	200	100	120	168	All waste category service providers were trained under the Material Recovery Facility approach
Pollution Management	Waste service providers trained on waste recovery	No. of service providers trained	10	3	6	6	Established and trained stakeholders of all the 6 MRFs
	Air quality in 6 urban areas monitored	No. of air quality reports	5	2	1	1	Inadequate resources hampered target attainment
Thwake River	Effluent discharges and solid waste flow in the	percent of illegal dump sites along the river removed	20	10	5	5	Capacity development of host communities is on-going

Priority Projects	Output	Indicator	Annual Target FY 2023/24	Q3 Target FY 2023/24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
Upstream Clean up Pollution Control and Catchment Management	Athi-Galana-Sabaki river system reduced.						
	Length of riparian area of areas of Athi-Galana-Sabaki river system rehabilitated	KM of riparian areas rehabilitated	100	20	10	20	Capacity development of host communities is on-going
Climate Change Finance	Carbon market frameworks and regulations developed	Framework and regulations	1	1	1	1	Target Achieved-Carbon market frameworks and regulations developed
	Amount of revenue raised from carbon market	Ksh. Billions	1	con	-	-	Ministry is in the process of establishing carbon registries
	Amount raised from green and blue bonds	Kshs Billions	1			US \$ 41 million	Green bond in the green building techniques
Green and Blue Jobs Initiatives	Youth trained on Climate adaptation under the Kenya Green Army	No. of youth trained	200 000	50,000	30,000	30,000	Slow Roll-out of programme affected targets

Source of Data: State Department for Environment and Climate Change Reports, FY2023/2024.

6.2.1 Description of Results

A total of 168 Waste Collectors cooperatives were registered against a target of 130 which represent an overachievement of 29.4 percent. Waste Material Recovery Facilities were established in (4) four counties namely: Takataka in Tharaka Nithi, Whitmund and Junky Bins in Kiambu County, **Taita Taveta and Kisumu**

6.2.2 Implementation Challenges

The Ministry of Environment, Climate Change and Forestry encountered some challenges when undertaking its activities during the Fiscal Year 2022/2023 that include

- i. Inadequate data within the sector- the existing systems for data collection within the sector have not integrated all the indicators as expected. In addition, the sector has not developed a standard indicator handbook to guide on data collection, analysis and reporting. This has led to unclear monitoring and evaluation systems in the sector.
- ii. Shortcomings or contradictions in basic requirements for enterprise environmental monitoring and reporting in legislation;
- iii. Weak coordination and communication between various environmental, health and statistics authorities at different levels in handling and exchanging environmental data that are collected and reported by enterprises;

- iv. Lack of trust between public authorities and enterprises;
- v. Lack of a commitment by the general management of industries to environmental issues and a tendency to delegate these to an environmental department or an individual in the company.
- vi. The constraint in human resource includes inadequate human resources and lack of on job continuous training which may affect the Ministry's capacity to effectively implement its programs and policies.
- vii. Inadequacy in financial resources is attributed to budget cuts which occur after budgets and workplans have been approved thus affecting implementation of policies and programs in the sector. In addition, delays in the release of development funds further delayed timely project implementation.
- viii. Environmental degradation continued unabated, driven by illegal activities, competing land uses, population pressure and inadequate enforcement of conservation laws. Deforestation and land degradation were persistent issues, alongside significant biodiversity loss resulting from habitat destruction and over-exploitation of natural resources.
- ix. The impacts of climate change further complicated conservation efforts. The increased frequency and severity of extreme weather events, such as droughts and floods, made resource management more difficult. Additionally, there was reduced capacity to implement effective climate change adaptation strategies at the local level.
- x. Gaps in coordination among state and non-state actors in programmes and projects implementation leading to duplication and overconcentration to some ecosystems, thereby leading to wastage in some cases.

6.2.3 Recommendations

- i. Develop guidelines for environmental monitoring and reporting for enterprises in Kenya- The guidelines will improve the legal and regulatory framework for enterprise environmental monitoring and to streamline the requirements for environmental reporting (including statistical reporting) by enterprises.
- ii. Work with environmental stakeholders and partners to establish an on-line environmental learning initiative to empower the public conveniently, while expanding the scope of reach with sustainable approaches information.
- iii. Recognize and award best community practices including individuals and organizations excelling in sustainable solutions space
- iv. Utilize the whole of government and whole of community approach in advancing environmental goals and promoting resilience.

6.3 Tourism

The State Department for Tourism (SDTW) is responsible for Tourism Policy and Standards, Development and Promotion of Tourism, Training on Tourism Services, Tourism Finance, Tourism Research and Monitoring, Protection of Tourism and Regulation and Positioning and Marketing of Kenya to local and international Tourists. It comprises of two State Departments namely: State Department for Tourism and State Department for Wildlife.

SDT and its agencies have identified various strategies geared towards achieving the agenda for Bottom-Up Economic Transformation Agenda for Inclusive Growth. The status of implementation of key outputs in MTP IV is shown in table 26 below.

TABLE 21: Tourism - Implementation Status on the key outputs and BETA priorities for Q3 - FY 2023/24

Priority Project/ Priority	Output	Indicator	Annual Target	Q 3 Target	Q3 Achievement	Cumulative achievement	Remarks
Tourism and Wildlife Training and Research	KUC upgraded and modernized	percent completion	20	85	82.93		On Target
	Ronald Ngala Utalii College constructed	percent completion	90	85	82		The project experienced financial constraints due to delayed disbursement of funds
	Kisumu Hospitality and Tourism Training College established	percent completion	20	-	-		The project is yet to commence.
Tourism Niche Experiences	Sports Safari events held	No. of Sports Safari events held	7	2	1		Safari rally and Camel derby held.
	Forest tourism products developed (Adventure, Camping and Bird Watching)	No. of Circuits developed	1	1	1		On target
Inclusive Nature Tourism Beaches	Beach operators Sacco established	No. of SACCOS	0	-	-		The formation of Sacco was scheduled to be done in quarter four
Business and Conference Tourism	Number of local conferences	Number of local conferences and events held	360	75	51		Target not achieved.
	International conferences	Number of international conferences	16	2	1		The targets have performed relatively well

Priority Project/ Priority	Output	Indicator	Annual Target	Q 3 Target	Q3 Achievement	Cumulative achievement	Remarks
		1 conferences					due to high level conferences; Climate Summit and the Africa Youth Connect, AFDB conference
	Delegates hosted	Number of international delegates	10,628	900	3,000		
		Number of local delegates	676,910	34,100	343,52		
	KICC refurbished and modernized	percent completion	79	-	70		On Target
	MICC constructed	Operational MICC	1	-	-		The projects is yet to commence
	Great Rift Convention Centre constructed	Operational Great Rift Convention centre	1	-	-		
Resort Cities	Land acquired	Hectares of land acquired	400	-	-		Target not achieved/ Discussions with county Governments ongoing
Tourism Revenue promotion	Desert and pastoral tourism circuits promoted and commercialized	No. of tourism circuits	8	-	-		The State department supported the Carmel derby
	Targeted consumer engagement programmes developed	No. of programmes	4	-	-		To be undertaken in Q4
	Key and emerging source markets reactivated	No. of new markets	2	1	1		Target Achieved. Europe and Africa African countries include, Nigeria and Ghana
Tourism Promotion and Marketing	Brand awareness created	Brand awareness Index	100percent	89	80.75		Target not achieved-There is need for increased investment on brand awareness
	Priority markets reached	No. of Priority markets reached	2	1	1		Target achieved. This include Europe, North America and Asia
	African markets source Diversified	No. of Tourism from	20	1	1		Target not achieved. The Africa countries include, Nigeria and Ghana

Priority Project/ Priority	Output	Indicator	Annual Target	Q 3 Target	Q3 Achievement	Cumulative achievement	Remarks
		African region					
	Marketing and promotional media contents developed	No. of Marketing and promotional media contents developed	2	-	-		This is yet to be initiated. Content developed for the county editions through the destination marketing series
Tourism Quality Assurance and Service Excellence	Accommodation and Catering facilities classified	No. of accommodation and catering facilities star rated/classified	500	-	-		Target not achieved due to financial constraints
	Safety and hygiene accreditation standards for tourism enterprises developed	No. of standards developed	5	2	2		Two standards namely; (i) Standards for Universal access for tourism enterprises; (ii) Minimum Standards for Destination Management were developed to completion. Three standards i.e. Beach management standard, hotel design and layout standard; and standards for facilities in fragile ecosystems were not completed due to inadequate funds
	Tourism enterprises assessed and accredited	No. of Tourism Enterprises accredited	750	250	274		Target not met
	Quality Assurance Audits	No. of audits undertaken	8,000		3,687		Target met.

Source of Data: State Department for Tourism Reports, FY 2023/2024.

6.3.1 Description of Results

Accreditation was conducted in 29 Counties covering Mt. Kenya region, North & South Rift and Western & Nyanza region with a total of 632 accommodation facilities accredited and awarded Gold, Silver and Bronze Quality Mark Certificates and plaques. This is equivalent to 63.2percent out of 1000 approximate total number of accommodation and catering facilities countrywide likely to meet the accreditation threshold.

6.3.2 Implementation Challenges

- i. Insufficient funding; Development of tourism products and infrastructure facilities marketing and capacity development is capital intensive. The funding to the sector has been low negatively affecting implementation of key Programmes in the sector.
- ii. Inadequate infrastructure to support tourism sector; The inadequate infrastructure ranging from poor road network, lack of essential sanitation facilities in tourist attraction sites have hindered effective growth of the tourism sector.
- iii. legal and policy framework; due to the emerging trends, the sector policy and regulatory framework has been inadequate to strengthen and support the growth of the sector.
- iv. Low uptake of modern technology; Uptake of technology in line with the emerging technologies in the sector has been slow.
- v. Security; Kenya has faced various security threats both internal and external that has led the country to be perceived as an insecure destination. This has led to various key source countries giving travel advisories negatively affecting the flow of international visitors from these countries.
- vi. Weak linkage across the sector stakeholders; the sector has many stakeholders whose linkage has been a challenge. This has led to uncoordinated marketing efforts and duplication of efforts.
- vii. Huge pending bills. Some of the agencies (e.g. KICC) have huge pending bills from government agencies that have negatively affected the cashflow and hence the operations.
- viii. 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.

6.3.3 Recommendations

Based on the challenges and the need to transform Kenya as a key tourism destination offering the best tourism experience the following are key recommendations;

- i. Diversify tourism products and services
- ii. Enhance marketing strategies towards attracting more tourists both locally and internationally
- iii. Digitize the sector; Adopt latest technology in the sector

- iv. Enhance collaboration within the sector
- v. Fast tracking handing over of projects undertaken by Kenya Defense Force – KICC
- vi. Exemption of key directives on promotion and marketing locally and internationally
- vii. Payment of pending bills
- viii. Enhance funding in the sector
- ix. Strengthen the tourism policy and regulatory framework

6.4 Wildlife

The mandate of Ministry of Tourism and Wildlife as provided Executive Order No. 1 of January 2023 and revised in Executive Order No. 2 of November 2023 is shared between its two constituent State Departments, State Department for Tourism and State Department for Wildlife. The Mandate for the State Department for Wildlife include: wildlife conservation and protection policy, protection of wildlife heritage; management of national parks, reserves and marine parks, wildlife biodiversity management and protection; sustainable wildlife biodiversity economy; collaboration with wildlife clubs of Kenya; management of wildlife dispersal areas in collaboration with partners; wildlife conservation training and research; wildlife conservation education and awareness; wildlife biodiversity international obligations and multilateral agreements; human-wildlife conflict mitigation and response policy; and wildlife sector governance and coordination.

The Semi-Autonomous Government Agencies (SAGAs) under the State Department for Wildlife include: Kenya Wildlife Service (KWS); Wildlife Research Training Institute (WRTI); Wildlife Clubs of Kenya (WCK); and Wildlife Conservation Trust Fund (WCTF).

Table 27 shows the Implementation Status of the Key Outputs and BETA Priorities for 3rd Quarter of FY 2023/24 in the sub-sector.

TABLE 27: Wildlife - Implementation Status of the Key Outputs and BETA Priorities for 3rd Quarter of FY 2023/24.

Output	Priority Project/ Priority	Indicator	Annual Target FY2023/24	Quarter (Q3) Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement Q1-Q3 FY2023	Remarks on the variance
Anti-poaching of illegal trade in wildlife enhanced	Wildlife conservation and management	No. of threatened and endangered species protected	25	25	25	25	KWS protects all threatened and endangered species

Output	Priority Project/ Priority	Indicator	Annual Target FY2023/24	Quarter (Q3) Target FY2023/24	Quarter(Q3) Achievement FY2023/24	Cumm. Achievement Q1-Q3) FY2023	Remarks on the variance
							in protected Areas
Area of wildlife habitats restored		Ha of habitats restored	25	Tree Planting	Tree planting of 280,454 seedlings done in various ecosystems	Tree planting of 1,775,123 seedlings undertake in various ecosystems	Habitat restoration through tree growing
Modern security Equipment technologies, mobile service equipment acquired		No. of new technologies/modernequipment and mobile vehicle acquired	381		No Equipment acquired during the quarter. - Deployed 52 satellite-linked collars to 4 species for monitoring (lions, elephants, Rhinos and Giraffes)	-Acquired 94 assorted security equipment. -Earth Ranger System operationalized in Marsabit N. Reserve, Kitale Station and Shimba Hills National Reserve -Deployed 86 satellite-linked collars to 4 species for monitoring (lions, elephants, giraffes and rhinos)	Target achieved

Output	Priority Project/ Priority	Indicator	Annual Target FY2023/24	Quarter (Q3) Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement Q1-Q3) FY2023	Remarks on the variance
GoK parks and reserves fences constructed / rehabilitated/maintained		Km of Fences constructed /rehabilitated/ maintained	730	182.5	498 km of game-proof fence were rehabilitate & maintained for various parks.	1,494 km maintained , 20km rehabilitated and 10 km constructed in various parks.	Target surpassed
Human wildlife conflict claims disbursed		percent of verified Human wildlife compensationclaims settled	100	100	100	100	Inadequate budget
Human-wildlife conflict insurance scheme operationalized		HWC Insurance scheme	1	1	1	0	HWC Compensation Administration Scheme contract was signed
Revenue management systems digitized in all parks	Wildlife Revenue	percent of operationalization	100	100percent	100percent	100percent	100percent 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		Rehabilitation at 100 percent completion for 9 guesthouses in 5 parks	Rehabilitation at 100percent completion for 9 guesthouses in 5 parks (Amboseli, Meru, Mt. Elgon, Simba Hills and Ruma)	

Output	Priority Project/ Priority	Indicator	Annual Target FY2023 /24	Quarter (Q3) Target FY2023 /24	Quarter(Q3) Achievement FY2023/24	Cumm. Achievement Q1-Q3) FY2023	Remarks on the variance
Additional Wildlife Rangers recruited	Green and Blue Jobs initiatives	No. of rangers recruited	1,500	1,500	0	0	Funding approved, process and preparation of recruitment of 1500 rangers and cadets commenced.
Contracts for community wildlife scouts renewed		No. of community scouts	1,100	0	0	0	This target was withdrawn by the Government
People employed to plant and grow trees		No. of people employed	800	200	200	0	In various sites including schools, parks, wetlands, conservancies, institutions among others
Wildlife Research and Training Institute infrastructure developed	Tourism and Wildlife Training and Research	percent completion	48	5	5	15	
Wildlife Research Centers constructed and equipped		No. of wildlife research centers constructed and equipped	0	1	1	+1	The progress of construction of the Malindi Centre is currently at 20percent.
National Integrated Wildlife Database developed		Operational wildlife database	1	1	1	0	

Output	Priority Project/ Priority	Indicator	Annual Target FY2023/24	Quarter (Q3) Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement Q1-Q3) FY2023	Remarks on the variance
Signature parks revamped	Wildlife (Safari) Products	No. of signature parks revamped	1	1	Nairobi and Amboseli park revamping in terms of product at 60percent completion	Nairobi and Amboseli park revamping in terms of product at 80percent completion	Includes introduction of Night game Drive, Guest house refurbishment and picnic improvement in Amboseli and Lake Nakuru
Marine parks ecosystem and infrastructure rehabilitated		No. of marine parks rehabilitated	1	100 clean-up exercises	100 clean up exercises conducted in Mombasa Marine and Watamu Marine PA	339 clean up exercises and litter weighing 42.5 tonnes was collected and disposed. - Developed draft guidelines for water sports	
Parks repositioned and themed		No. of parks repositioned and themed	2	2	1	Undertake Partnerships & Collaborations engagements to position and market Lake Nakuru NP Nairobi N. Park and Amboseli with key partners	More activities needed for impact

Source of Data: Kenya Wildlife Service & Wildlife Research Training Institute Reports, FY 2023/2024.

6.4.1 Description of Results

A total of 280,454 planting of seedlings done in various ecosystems across the country. clean up exercises in 339 and litter weighing 42.5 tonnes was collected and disposed in marine parks. infrastructure. Nairobi and Amboseli park revamping in terms of product at 80percent completion rate. Rehabilitation at 100percent completion for 9 guesthouses in 5 parks (Amboseli, Meru, Mt. Elgon, Simba Hills and Ruma). Deployed 86 satellite-linked collars to 4 species for monitoring (lions, elephants, giraffes and rhinos). A total of 498 km of game-proof fence were rehabilitate & maintained for various parks.

6.4.2 Implementation challenges

- i) Inadequate funding, non-exchequer issue and lack of specific budget for the flagship projects and cross sectoral funding challenges
- ii) Human-wildlife conflicts increasing the requirements for wildlife barriers/fences
- iii) Sophistication of poaching and illegal wildlife trade and trafficking coupled with low adoption of technology as a force multiplier
- iv) Intermittent network connectivity in remote locations and lack of bulk processing capability experienced during on boarding onto E-citizen platform, therefore increasing cycle times
- v) Land use changes and associated fragmentation, degradation and loss of wildlife habitats and ecosystem functions
- vi) Effects of climate change resulting in extreme weather conditions such as flooding and drought in wildlife habitats. This affected tourism performance and increased operational costs
- vii) Low diversification of product and changing needs on modern tourists
- viii) The key challenge in the implementation of the mentioned priority projects is phased funding, which has necessitated phasing of the works. This slows down implementation and takes long for the projects to be completed as envisaged.
- ix) Delayed disbursements of development funds slow down the implementation of these projects.

6.4.3 Recommendations

- i. Adequate funding for construction of fences is recommended in order to realize the full benefits besides mitigating Human Wildlife Conflicts
- ii. Release of funds by the National Treasury needs to be hastened to facilitate timely delivery of priority sector's development projects. This could help avoid unnecessary delays in exchequer releases that lead to under absorption of budgeted resources and accumulation of pending bills, and
- 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) Timely disbursement of funds
- vi) Consider PPP where the funds required are huge.

6.5 Forestry

The State Department for Forestry (SDF) is under the Ministry of Environment, Climate Change and Forestry, alongside the State for Environment and Climate Change. The Forestry sub sector aims to develop forestry resources, research, manage and conserve forests ecosystems for sustainable development and posterity. The functions of the state department are: Forestry development policy; forestry management; and support in climate change/ action policy; and development of forest, re-forestation and agroforestry. Table 28 presents a summary of the Implementation Status on the key outputs and BETA priorities in the sub sector.

TABLE 28: Forestry - Implementation Status on the key outputs and BETA priorities for Q3 - FY2023/24

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Q3 Target FY 2023 24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance
National Tree Growing and Restoration Programme	500 tonnes of tree seeds collected, processed and distributed	Quantity of seeds (Tonnes)	100	25	14.4	44.4	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)	0.6	0.15	-	0.975	-
	3.5 million Ha of degraded forests and landscape, rehabilitated through protection of natural regenerations and planting (5.2 billion seedlings)	Area rehabilitated (Million Ha)	0.3			0.091	Rehabilitated through tree growing and natural regeneration. Insufficient funds allocation delayed the implementation
	Trees planted	No. of Trees (Billions)	1	0.25	-	0.3	Low uptake and implementation by MDAs and County Governments on seedling production and tree growing targets.
Agroforestry woodlots in ASALs	1 million Ha of Agroforestry developed in 23 ASAL Counties; (Melia woodlots, gums & resins, sandalwood etc)	Area (Ha) rehabilitated	50 000			28,000	Achieved through the partnership of Forest Investment Facility project, WWF and NTGRP

Priority Projects	Output	Indicator	Annual Target FY 2023 24	Q3 Target FY 2023 24	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks on the Variance	
Sustainable “green” charcoal value chain and alternative domestic energy	Draft charcoal regulations gazetted and operationalized	No. of regulation gazetted	1	1	-	-	Draft charcoal regulations developed. Regulation still pending awaiting Gazettement	
	Sensitization regional meetings for law enforcement agencies on implementation of charcoal regulations to decriminalize production and trade in charcoal and charcoal products, conducted.	No. of regional sensitization meetings conducted	1		-	-	Regulation still pending awaiting Gazettement	
	300 Charcoal Producers Associations (CPAs), established and supported, on adoption of efficient technology, branding and marketing	No. of CPAs established and strengthened	300				26	The registration processes pending Gazettement of the revised Rules and review of moratorium, however situational assessment was undertaken and Producer groups have adopted other alternative conservation enterprises promoted under Drylands forestry
	500 youth groups supported and mentored in briquette charcoal production enterprise	No. of youth groups supported & mentored	50	6	6	6	6	Charcoal briquettes training in Narok, Olenguruone -Nakuru, Kiritiri, Embu, Malakisi - Bungoma, Bura, Tana River and Kasigau- Taita Taveta
Modernization and commercialization of the charcoal value chain Green and Blue Jobs initiatives	Clean cooking technologies adopted	No. of clean cooking technologies adopted	2	1	1	1	Gasifiers adopted in Ndhiwa-Homabay; cooperative group in Butula - Busia	
Green and Blue jobs initiatives	Community Forest Guards recruited	No. of Community Forest Guards recruited	2800	-	-	-	Lack of fund hindered the process of recruitment	

Source of Data: State Department for Forestry Reports, FY 2023/2024

6.5.1 Description of Results

Training sessions on charcoal briquette production were held in five counties: Narok, Olenguruone in Nakuru, Kiritiri in Embu, Malakisi in Bungoma, Bura in Tana River, and Kasigau in Taita Taveta. Additionally, clean cooking technologies were adopted in Ndhiwa, Homabay County, and by a cooperative group in Butula, Busia County.

6.5.2 Implementation challenges

- i. Inadequate resources allocation to implement the plan
- ii. Increased incidences of insecurity in forested areas
- iii. Increased human populations, settlement, and infrastructural development in forest areas.
- iv. Climate change and unpredictable weather patterns
- v. Increased reliance on forest resources by the rural communities.

6.5.3 Recommendations

- i. Increased budgetary allocation
- ii. The Sub-sector to explore and secure diversified funding sources, including public-private partnerships and international grants, to complement the budgetary allocation by the National Government.

6.6 Shipping and Maritime Affairs

The State Department for Shipping and Maritime Affairs (SDS&MA) is one of the nine (9) subsectors of the Environment and Natural Resources Sector. The table 29 shows the implementation Status on the key outputs and BETA priorities for Q3 - FY 2023/24.

TABLE 29: Shipping and Maritime Affairs - Implementation Status on the key outputs and BETA priorities for Q3 - FY 2023/24

Priority Project/ Priority	Output	Indicator	Annual Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Remarks
Green and Blue Jobs Initiative	Youth re-skilled on STCW courses and placed on international ships	No. of youths re-skilled	600	1,903	Target not achieved. 1,640 and 1,500 seafarers trained and recruited respectively
Marine Pollution Project	Regulations for implementation of the IMO's Conventions on	No. of developed regulations for full implementation of the IMO's	6	6	The following was undertaken: <ul style="list-style-type: none"> • Regulations were developed

Priority Project/ Priority	Output	Indicator	Annual Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Remarks
	prevention and control of marine pollution developed	Conventions on prevention and control of marine pollution			<ul style="list-style-type: none"> Stakeholder and public participation was undertaken in February 2024 Regulations were under review following comments received during the public participation
	Regulations for mitigating against climate change developed	No. of developed regulations for mitigating against climate change	-	-	Target not achieved
	Compensation regime developed	No. of developed compensation laws in place	-	-	Target not achieved
Kenya National Shipping Line Cargo Capacity Programme	Vessels acquired	No. vessels acquired	-	-	Targets not achieved. To be undertaken in 2025/26 after successful chartering vessels in 2024/25
	Shipping vessels chartered	No. of vessels chartered	4	-	Target not achieved This was caused by: <ul style="list-style-type: none"> Non implementation of the restructuring of KNSL, due to a litigation case and a policy decision on the agreement between KNSL and MSC. Lack of budget allocation
	Container equipment acquired	No. of container equipment acquired	-	-	To be undertaken in FY 2025/26
Kisumu Modern Shipyard	Acres of land acquired	Acres of land acquired	200	0	The State Department prepared a Project Concept Note, Terms of Reference for undertaking the feasibility study and a Tender Advertisement to procure a consultant to undertake the study was advertised on 23 rd January 2024. However, it was agreed that the Kenya Shipyards Ltd under the Ministry of Defence undertakes the project since they had a similar project and hence the advert was cancelled.
	Warehouses and worksh. ops constructed	No. of warehouses constructed	2	0	
		No. of worksh. ops constructed	3	0	
	Slipways constructed	No. of slipways constructed	4	0	
	Dry dock constructed and floating dock acquired	Operational dry dock	1	0	
		Floating dock acquired	1	0	
	Berths constructed	No. of Berths constructed	2	0	

Priority Project/ Priority	Output	Indicator	Annual Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Remarks
	Fabrication shelters constructed	No. of fabrication shelters constructed	2	0	
	Shipyards equipment acquired	No. of mobile cranes acquired	8	0	
Trade Facilitation Project	Regulations for Maritime Transport operators developed	No. of regulations for Maritime Transport operators developed	6	6	Target was not achieved in the 3 rd but was completed in the 4 th Quarter. The Regulations were developed and published/gazetted by the Government Printer on 29 th May 2024 and are now operational.
	Charter for Mombasa Port and Northern Corridor Community reviewed	Level of reviewed Charter for Mombasa Port and Northern Corridor Community	100	0	Target not achieved. The Mombasa Port and Northern Corridor Community Charter is in its second phase of implementation. The period of implementation was 2018-2024. Inadequate funds led to lack of review of the charter. Currently, the M&E subcommittee of the implementation of the charter is carrying out an impact assessment study which will inform the various areas of review of the charter Review of the charter need to be undertaken before December 2024 and provision for funding need to be provided.
	Merchant Shipping and KMA Acts amended	Level of amended Merchant Shipping and KMA Acts	100	50	The following was undertaken on Merchant Shipping Act, 2009 and KMA Act, 2006: <ul style="list-style-type: none"> Draft Bills were developed and consolidated by the Office of the Attorney General into one Bill termed as the Maritime Laws Amendment Bill, 2024

Priority Project/ Priority	Output	Indicator	Annual Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Remarks
					<ul style="list-style-type: none"> The Bills are scheduled for presentation to the National Assembly Transport & Infrastructure Committee
	Maritime single window system established	Duration/ time of port entry/ exit	Less than 10 days	-	Target not achieved
Maritime Investment Project	Maritime investment policy developed	Level of developed maritime investment policy	100 percent	40	The draft investment policy was finalized in Q4 and it is awaiting validation
	Centralized Maritime information/ data system established	Level of maritime information data system established	10percent	0	<p>Target not achieved.</p> <p>A consultant was procured in March 2024 to undertake business Analysis of the Kenya Maritime Databank Project.</p> <p>The work to be completed in the 4th Quarter</p>
	Multiagency coordination framework developed	Level of developed multiagency coordination framework	100	0	Target not achieved
	Public sensitized on proper use of incoterms	No. of sensitization and awareness campaigns on proper use of incoterms	4	1	<p>Target not achieved</p> <p>Sensitization campaign undertaken in Tana River. Sensitization campaigns in Turkana, Lamu, and Marsabit to be undertaken in June 2024.</p>
Shipping and Maritime Revenue	KNSL licensed as a recruitment agency	Licensed KNSL	1,500	278	Targets was not achieved 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	KMA is in the process of training 500 youths from the Five counties including Turkana County. Currently 180 youths are being trained in NITA

Priority Project/ Priority	Output	Indicator	Annual Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Remarks
	Unique water vessel identification developed for licensing	No. of water vessels licensed	6000	27	Target not achieved
Development of a National Maritime Spatial Plan	Maritime Spatial Plan Developed	percent completion of	-	5	The State Department constituted an inter Ministerial Committee that prepared the Project Concept Note. The PCN was forwarded to The National Treasury in April 2024 for approval.
Maritime Education and Training Development	Training laboratories constructed and equipped	No. of laboratories constructed and equipped	-	-	Target was not achieved due lack of budgetary allocation The project was planned to be undertaken in phases with this phase being undertaken in 2026/27
	Simulation centre constructed	percent completion	-	-	Target was not achieved due to lack of budgetary allocation The project was planned to be undertaken in phases with this phase being undertaken in 2026/27
	Modern lecture halls constructed	No. of halls constructed	-	-	Target was not achieved due lack of budgetary allocation. The project was planned to be undertaken in phases with this phase being undertaken in 2026/27
	Marine engineering and nautical science worksh.ops constructed	percent completion	-	-	Target was not achieved due lack of budgetary allocation The project was planned to be undertaken in phases with this phase being undertaken in 2026/27
	Survival centre constructed	percent completion	25	0	Target was not achieved. However, significant project activities were undertaken in the fourth quarter

Priority Project/ Priority	Output	Indicator	Annual Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Remarks
Vijana Baharia Programme	Youths trained on mandatory courses	No. of youths trained on mandatory courses	4,500	2,101	A total of 3910 students have so far been trained on various maritime courses and in addition KMA was given a presidential directive on training of 2000 coxswain and as at 31 st December, 2023 the authority had trained a total of 5,615 coxswain.
	Recognition Agreements negotiated and signed	No. of agreements signed	4	0	Target not achieved. However, MOUs with South Korea and United States of America were prepared and shared with the countries
	Youth placed/ recruited	No. of youths working in international shipping companies	3,000	1,500	Target not achieved due to lack of funding for the KNSL to charter vessels to undertake shipping. In addition the Service Level Framework Agreement with MSC is yet to be executed due to litigation cases and
Maritime Safety and Security Project	International instruments on safety and security complied	No. of regulations aligned with international instruments	12	12	Target achieved all the regulations prepared and shared with the Office of Attorney General
		No. of Port State Control inspections done	2,000	127	Target achieved 127 eligible ships inspected
		No. of International Ship and Port Facilities Security (ISPS) Code audits undertaken	3	3	Target achieved
	Response time in search and rescue operations reduced	Time taken to respond in search and rescue operations	-	-	Target not achieved
	Maritime communication network coverage expanded	Area covered in expanded maritime communication network coverage	-	-	Target no achieved
	Small vessel operators trained and certified	No. of operators certified	-	-	
		No. of compliant vessels	2,500	0	Target no achieved
No. of boats inspected		2500	480	A total of 967 small vessels have been inspected	

Source of Data: State Department for Shipping and Maritime Affairs Reports, FY 2023/2024.

6.6.1 Description of Results

A total of 3910 students have so far been trained on various maritime courses and in addition KMA was given a presidential directive on training of 2000 coxswain and as at 31 st December, 2023 the authority had trained a total of 5,615 coxswain. Further, a total of 967 small vessels have been inspected against a target of 2500.

6.6.2 Implementation challenges

The following are the major challenges facing the subsector:

- i. Low awareness and understanding of the maritime industry as well as opportunities and dynamics;
- ii. Inadequate human resource capacity for maritime skills and competence development. This includes technical staff to discharge the technical Mandate as expected;
- iii. Inadequate budgetary allocation to support and actualize the sectors programmes;
- iv. Inadequate training facilities, trainers and equipment to offer mandatory training for qualification and certification under the International Convention on Standards of Training Certification and Watch-keeping (STCW '78);
- v. Lack of restructuring of KNSL as per the framework agreements due to inadequate policy guidance and unresolved case on implementation of the KNSL framework agreements
- vi. Lack of ready curricular for some courses that are urgently required by seafarers;
- vii. High cost of maritime courses and lack of GOK support for the training
- viii. Low participation of the Kenya in the shipping industry.
- ix. Inadequate institutionalization of performance contracting in the State Department and the SAGAs and use of PC as a tool of management.
- x. Inadequate Monitoring and Evaluation of plans, policies, programmes and Projects

6.6.3 Recommendations

The State Department recommends the following:

- i. Develop and implement the required policy, legal and regulatory framework in the maritime sector to provide a conducive environment and increase investment in this sector
- ii. Provision of adequate budgetary allocations to implement programmes and projects.
- iii. Develop and implement the Maritime security strategy to ensure safety and security of the sector
- iv. Implement the Bandari Maritime Academy Masterplan to enhance the capacity of the country to supply the required professionals in the global market
- v. Revive the Kenya National Shipping Line to play its critical role in maritime industry as a national carrier and enable the country to participate in the multi-dollar shipping industry
- vi. Develop and implement the Maritime Spatial Plan to guide in the planning, exploitation and investment in the maritime resources

- vii. Capacity Building-There is need to build capacity nationally by increasing the number of trained seafarers both officers and ratings
- viii. Provide adequate funds in order to spur the sub-sector and ensure

6.7 The ASALs and Regional Development

The sub-sector has seven (7) Semi-Autonomous Government Agencies which include: The National Drought Management Authority (NDMA), Kerio Valley Development Authority (KVDA), Tana and Athi River Development Authority (TARDA), Lake Basin Development Authority (LBDA), EwasoNg'iro South River Basin Development Authority (ENSDA), Coast Development Authority (CDA) and EwasoNg'iro North River Basin Development Authority (ENNDA). The Implementation Status on the key outputs and BETA priorities for Q3 - FY2023/24 is captured in table 30.

TABLE 22: ASALs and Regional Development - Implementation Status on the key outputs and BETA priorities for Q3 - FY 2023/24

Priority Project/ Priority	Output	Indicator	Annual Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement FY2023/24	Remarks Explain the over/under achievement
Leather and Leather Products Value Chain	Collection centres established	No. of collection centres	5	0	0	Project not funded in the financial year under review
	Hides and skins delivered to tanneries	Quantity of hides delivered to tanneries (MT)	1000	186.8	86,812kgs	The underachievement caused by the delay in the release of allocated funds that were required for operations
	EwasoNg'iro tannery optimized to produce finished leather product	No. of square feet of finished leather produced	850,000	183,337.25	102,313.25	-
Honey processing plants	Honey processing plants established	No. of honey processing plants completed	1		1	Processing plant completed but not automated
Agro-processing	Fruit and vegetable processing plants constructed	No. of processing plants constructed	1	1	1	Mango Processing Plant established at Tot
Construction of Small Dams and Water Pans	Small dams and water pans constructed.	No. of dams constructed	40	15	1	Delay in release of funds in Q1
		No. of water pans constructed	100	525,000	4	Delay in release of funds
Water Harvesting for	Water harvesting	No. of water projects	24	0	3	Delay in release of funds

Priority Project/ Priority	Output	Indicator	Annual Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement FY2023/24	Remarks Explain the over/under achievement
Irrigation and Domestic Use	projects for irrigation in 23 ASAL Counties with a capacity of 517.5 million cubic meters (climate financing)	Volume of water in cubic meters	10,800,000	0	170,000	On target
Integrated Regional Development Dams	Aror Multipurpose Dam completed	percent completion	5	0	5	Negotiation for project resumption initiated
	22.3 million cubic meters Kimwarer Multi-purpose Dam completed	percent completion	5	0	5	Negotiation for project resumption initiated
	5.5 billion cubic meter High Grand Falls Multipurpose Dam constructed	percent completion	10	25	0	The project had Zero budget allocation during the Financial Year
	Munyu Multipurpose Dam competed	percent completion	5		0	The project had no budget allocation during the Financial Year.
	Oloshoibor Multipurpose Dam constructed	percent completion	100	1	20	
	Dams constructed at Kieni Integrated Irrigation Project	percent completion	13.5	13.5	13.5	Planned Works completed
	A fruit and vegetable processing plant constructed at KimiraOluch Smallholder Farm Improvement Project Phase II (KOSFIP II)	percent completion	89	0	0	Project not funded in the financial year under review
	Sugar mill constructed at Tana Delta Irrigation Project (TISP)	percent completion	30	0	0	The project had no budget allocation

Priority Project/ Priority	Output	Indicator	Annual Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement FY2023/24	Remarks Explain the over/under achievement
Tana Delta Irrigation Project	Acres of land irrigated	Acreage under irrigation	7,400	150	100	Opened up acreage for rice production.
Turkana Irrigation Project	Acres of land irrigated	Acreage under irrigation	1,200	0	0	No funding allocated
Hunger Safety Net Programme	Vulnerable households provided with cash transfers	No. of beneficiaries' households	70,000	0	0	No drought experienced during the reporting period – hence drought response not triggered
		No. of households regular receiving cash transfers	133,800	126,000	109,000	Some accounts were inactive while some household heads were lost, hence requiring change of account holders. This makes it hard to achieve 100percent payments
Relief Assistance	Relief food and cash transfer provided to targeted beneficiaries	No. of beneficiaries (in millions)	2.0	0.6	0.5	Relief assistance was provided to 0.5 million beneficiaries
Accelerated Range land development	Rangeland ecosystem infrastructure developed (trees, bamboo, water pans, boreholes and dams)	No. of Infrastructure developed	285	37	9	Delay in release of funds
Fisheries Resources Development and Utilization	Kalokol fish processing plant constructed	percent of completion	20	0	0	Project not funded
Integrated Fish Resource Development	Acres of mangrove cover restored	Acres of mangrove cover	500	0	0	Lack of allocation of funds
	Acres coral reef con served	Acres of coral reef	30	0	0	Lack of allocation of funds

Source of Data: State Department of ASALs and Regional Development Reports, FY 2023/24

6.7.1 Description of Results

The food security and drought assessments carried indicated that no livestock and human life was lost as a result of drought emergency.

6.7.2 Implementation challenges

- i. Budgetary constraints occasioned by inadequate funding compounded by austerity measures have hampered the implementation of planned programmes and projects.
- ii. Delays in Exchequer Releases affect the timely implementation of set plans and activities. Insecurity in some project areas
- iii. Delay caused by some contractors in mobilizing equipment

6.7.3 Recommendations

- i. Adequate budgetary allocation to enable the Sub-sector complete its on-going programmes/projects especially those affected by budget cuts.
- ii. Enhanced funding for Climate Change mitigation and adaptation measures to enable implementation of initiatives to address the effects of climate change on natural resources and the communities.
- iii. The National Treasury and Planning should support and fast-track the approval process of the PPP projects submissions as a means of joint resource mobilization with the respective Agencies to ensure that these projects are implemented to realize the Government agenda.
- iv. Enhance security in the areas where project/programmes are being implemented.

6.8 Mining

The mandate of the Ministry of Mining, Blue Economy, and Maritime Affairs is to provide leadership in the management of the mining, blue economy, fisheries and maritime sub-sectors of the economy. The Ministry is home to three State Departments namely; Mining, Blue Economy and Fisheries, and Maritime Affairs

The State Department for Mining is mandated to Develop policy on Extractive Industry; Conduct mineral exploration & develop mining policy management; Prepare inventory and mapping of mineral resources; Coordinate mining and minerals development policy; Maintain geological data (research, collection, collation, analysis); Develop policies on the management of quarrying of rocks and industrial minerals; Ensure management of health conditions and health and safety in mines and Conduct mining capacity development and value addition.

The Implementation Status of the Key Outputs and BETA Priorities for 3rd Quarter of FY 2023/24 by the State Department for Mining (SDM) is shown in table 31.

Table 31: Mining - Implementation Status of the Key Outputs and BETA Priorities for 3rd Quarter of FY 2023/24.

Priority Project/ Priority	Output	Indicator	Annual Target FY2023 /24	Quarter (Q3) Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Cummulative Achievement (Q1 to Q3) FY2023/24	Remarks on the variance
Formalization of Artisanal Mining Operations	ASM SACCOs established	No. of SACCOs established	100	25	70	170	An accelerated program to formalize all artisanal mining activities was instituted leading to over achievement
	ASM Cooperative Registered	No. of ASM Cooperatives	100	25	70	170	
Mineral Value Addition and processing	Mineral Value Addition Centres	No. of Mineral Value Addition Centres established	2	0	2	2	Investors for the Kakamega Gold Refinery and the Vihiga Granite Centre were identified
Mineral resource Developme nt and Commercial ization	Strategic minerals explored and commerciali zed	No. of Strategic Minerals explored	4	1	2	6	Strategic Mineral Deposits in Kitui, Embu and Tharaka Nithi Counties were assessed
Online Transaction al Mining Cadastre System	An online transactiona l mining cadastre system upgraded	An operational online transactional mining cadastre system	1	0	0	1	The Online Portal was upgraded in the First Quarter

Source: State Department for Mining Reports, FY 2023/2024.

The mineral resources sector is one of the priority sectors under the Economic Pillar of the Kenya Vision 2030, the Bottom-up Economic Transformation Agenda “BETA” and Kenya’s frontier for Foreign Direct Investment (FDI). Among the ten Priority Value Chains under the BETA Plan, the Mining sector is mandated to spearhead two namely; Minerals and Construction and Industrial Minerals.

6.8.1 Description of Results

During the reporting period, the subsector completed the development of fish landing sites at Sori, Luanda K’Otieno, Vanga, Gazi, Kibuyuni, Kichwa Cha Kati, and Ngomeni, as well as fish markets at Malindi and Likoni. Further, 323 deep-sea fishers were trained and issued with coxswain certificates; reflagged 16 fishing vessels for deep-sea fishing; transformed 186 Beach Management Units (BMUs) into cooperatives and registered by the Ministry of Cooperatives and Micro, Small, and Medium Enterprises (MSME) Development; supported 622 Common Interest Groups (CIGs) targeting 19,395 beneficiaries with grants worth Ksh. 1.5 billion; capacity built 565 seaweed farmers in mariculture production; commissioned six patrol boats to support surveillance for both marine and inland waters; and a Monitoring, Control, and Surveillance (MCS) Centre in Mombasa was modernized to deter, prevent, and eliminate Illegal, Unregulated, and Unreported (IUU) fishing by installing a satellite-based Vessel Monitoring System (VMS).

In addition, the quantity of fish landed increased from 174,027 metric tonnes to 191,439 metric tonnes. Fish production from freshwater sources rose from 108,203 metric tonnes to

119,032 metric tonnes, while fish production from marine sources also increased from 37,992 metric tonnes to 41,791 metric tonnes. The total value of fish produced was Kshs. 40.6 billion.

6.8.2 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. The limited number of Geologists and other technical cadres in the Ministry also hampered the implementation of some planned programs.

6.8.3 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 also an urgent need for consideration of additional staffing the State Department taking into cognizant its expanded mandate of spearheading reforms in the Mining sector and attracting investments through mining investments de-risking.

CHAPTER SEVEN: GOVERNANCE AND PUBLIC ADMINISTRATION SECTOR

7.1 Overview

The Sector comprises State Departments for Defense, Interior & National Administration, Correctional Services, Immigration and Citizen Services, Devolution, Cabinet affairs, Foreign Affairs, Diaspora Affairs, East African Community, and their state agencies; State Law Office and the Judiciary. The sub-section enumerates the sector performance, challenges encountered in the implementation during the review period, lessons learned, and sector-specific recommendations.

7.2 Cabinet Affairs

The State Department for Cabinet Affairs (SDCA) was created vide the Executive Order No. 1 of 2023. It is domiciled in the Executive Office of the President and specifically under the Office of the Deputy President. The State Department's main focus is on the Coordination and Oversight; Public Sector Reforms; Special Government Initiatives; Partnerships/ Collaborations and Linkages; and Institutional Capacity Strengthening. Based on this it has cumulatively made good achievement over the year as listed below.

Table 32 shows the Implementation Status on the key outputs and BETA priorities for Q3 - FY2023/24 by the State Department for Cabinet Affairs.

TABLE 32: Cabinet Affairs - Implementation Status on the key outputs and BETA priorities for Q3 - FY 2023/24

Priority Project	Output	Indicator	Annual Target	Q 3 FY 2023/24	Q 3 Achievements FY 2023/24	Cumulative Achievements	Remarks
Coordination and Oversight	GDMIS Developed and maintained	percent Level of completion of the GDMIS	50	15	15	50	Achieved
Public Sector Reforms	Mapping undertaken	Mapping report	1	1	1	1	Done
Special Government Initiatives	Thematic research undertaken	Research reports	5	1	1	1	Achieved
Partnerships/ Collaborations and Linkages	stakeholder engagement framework	Framework	1	1	1	1	Achieved
Institutional Capacity Strengthening	Risk Management framework	Approved risk management framework	1	1	1	1	Achieved
	Resource mobilization strategy developed and implemented	Strategy	1	1	1	1	Achieved
	Monitoring and Evaluation Framework	Approved M&E framework	1	1	1	1	Achieved

Priority Project	Output	Indicator	Annual Target	Q 3 FY 2023/24	Q 3 Achievements FY 2023/24	Cumulative Achievements	Remarks
	Strategic Plan	Approved Strategic Plan	1	1	1	1	Achieved

Source of Data: State Department for Cabinet Affairs Reports, FY 2023/24.

7.2.1 Description of Results

The state department Developed 1st Annual Cabinet Decisions Implementation Status Report; coordinated communication, implementation and reporting of Cabinet decisions and presidential directives across MDAs including development of Government Delivery Management Information System; offered technical and secretariat services to Cabinet committees; spearheaded the actualization of paperless Government, including conceptualization and coordination of the development of the EDRMS ; conceptualized and implemented the Stores, Inventory and Asset Management Module in partnership with the National Treasury; conceptualized and coordinated productivity mainstreaming in MDAs in partnership with the NPCC and held forums and meetings to unlock bottlenecks to fast-track the implementation of special government initiatives.

7.2.2 Implementation Challenges

- i. Inadequate working space, tools and equipment
- ii. Inadequate staff
- iii. Delay in submission of implementation status reports by relevant agencies

7.2.3 Recommendations

- i. Continue Embracing Whole of Government Approach to enable fast tracking on implementation of planned programmes and projects.
- ii. Government should continue supporting digitalization of services as it improves service delivery.
- iii. Promote strong collaboration and partnerships with stakeholders to bring about effectiveness and efficiency in service delivery.

7.3 Parliamentary Affairs

The State Department for Parliamentary Affairs (SDPA) was first established as a key Department under the Office of the Prime Cabinet Secretary vide Executive order No. 1 of 2022. The State Department has since then been redefined by subsequent Executive Orders. The Executive Order No.2 of 2023 on Organization of the Government of the Republic of Kenya redefined and elaborated on the functions of the State Department. The mandate as per the Executive Order No.2 of 2023 is to coordinate the implementation of the National

Government’s legislative agenda across all Ministries and State Departments in consultation with, and for transmission to the Party/Coalition Leadership in Parliament.

The Implementation Status on the key outputs and BETA priorities for Q3 - FY2023/24 by the State Department for Parliamentary Affairs is captured in table 33.

TABLE 23: Parliamentary Affairs - Subsector BETA Output Results for FY2023/2024

Priority Project/ Priority	Output	Indicator	Annual Target FY2023/24	Q3 Target FY2023/24	Q3 Achievement FY2023/24	Cumm. Achievement FY2023/24	Remarks
Leadership, Accountability And Legislative Agenda	Frameworks for coordination of policies, legislations developed and implemented	No. of frameworks developed and implemented	1	1	1	1	Framework for Coordination and Supervision of Government Operations and Business across MDAs prepared
	Proposed policies and legislation vetted	percent of policies and legislations vetted	100	100	100	100	Vetting undertaken in development of the GLA Report
	Existing legislation and policies analyzed and reviewed	No. of reports	2	-	-	-	Not undertaken. Budgetary cuts and inadequate staff
	Standard guidelines on legislation and policy developed and implemented	No. of guidelines developed and implemented	1	1	1	1	Guidelines prepared and approved by Cabinet
	Legislation/ policy tracking information systems established	Operational tracking information systems	40percent	30	30	40	Bills Module of the tracking information system developed
	MDAs capacity built on parliamentary liaison, policy, and legislative processes	No. of MDAS focal persons capacity built on policy and legislative process	104	-	-	-	To be undertaken in FY2024/25 due to late approval of the key documents for capacity building MDAs
	Liaison framework between the Executive and the Parliament developed	Framework developed	1	-	-	-	Draft Liason Framework developed. Budgetary cuts and inadequate staff

Source of Data: State Department for Parliamentary Affairs Reports, FY 2023/24

7.3.1 Description of Results

The Framework for Coordination and Supervision of Government Operations and Business across MDAs was prepared; Vetting was undertaken in development of the GLA Report; Bills Module of the tracking information system was developed; and Draft Liaison Framework developed.

7.3.2 Institutional Challenges

The following challenges were impediment towards achieving the State Departments mandate:

- i. Lack of inadequate human resources and specifically in the technical directorates.
- ii. Budgetary cuts or Inadequate budgetary provision for the planned programmes/activities

7.3.5 Recommendations

- i. It was recommended that the Public Service Commission to fast track and prioritize recruitment of staff to new the State Departments.

7.4 East African Community Affairs

The State Department for East African Community Affairs (SDEACA) was established under the Ministry of East African Community (EAC), the ASALs and Regional Development as espoused in the Executive Order No. 2 of 2023. The status of implementation of key outputs and BETA priorities for Q3 - FY2023/24 by SDEACA is summarized in table 34.

TABLE 34: East African Community Affairs - Implementation Status on the key outputs and BETA priorities for Q3 - FY 2023/24

Data Source: State Department for East African Community Affairs Progress Reports, FY 2023/24

7.4.1 Description of the results

7.4.2 Implementation challenges

7.4.3 Recommendations

7.5 Diaspora Affairs

The State Department for Diaspora Affairs was established vide Executive Order No. 1 of 2023, with a six (6) point mandate, which was later expanded through addition of three (3) more mandates as well as the establishment of the Diaspora Placement Agency, under the Executive Order No. 2 of 2023. Formation of the State Department was to fulfil the Government's commitments to the diaspora in recognition of their crucial role in Kenya's economic development.

The mandate for the State Department includes liaison with other stakeholders to promote the participation of Kenya's diaspora in democratic processes in the country and with the ministry of labour in implementation of the labour migration policy as well as the global labour strategy. It entails promotion of continuous dialogue with Kenyans abroad, Development of incentives framework for diaspora remittances and in conjunction with the ministry of labour secure the placement of Kenyans abroad. Other functions include supporting Kenyans in the diaspora in harnessing more opportunities for employment and enterprise development and harnessing diaspora savings facilities, direct investments and technology transfers.

The Implementation Status on Q3 - FY2023/24 key outputs and BETA priorities by the State Department for Diaspora Affairs is presented in table 35.

TABLE 35: Diaspora Affairs sub-sector Implementation Status on the key outputs and BETA priorities for Q3 - FY 2023/24

Priority Project	Output	Indicator	Annual Target2023/24	Q4 Target2023/24	Q4 Achievement 2023/24	Cumm. Achievement (Q1-Q4)2023/24	Remarks on Achievement Variance
Diaspora service delivery	Diaspora Integrated Information Management System (DIIMS) developed and implemented	percent of DIIMS operational	100	-	-	1	SDDA developed the DIIMS to centralise and enhance access to services by the Diaspora. The System already has Nine (9) government services which are also on boarded to e-Citizen. The services are: registration of Kenyans in Diaspora; registration of Diaspora associations; Diaspora in conflict with the law; requests by distressed persons; reporting of missing persons; counselling services; reporting death; crisis mapping and remittances.

Priority Project	Output	Indicator	Annual Target2023/24	Q4 Target2023/24	Q4 Achievement 2023/24	Cumm. Achievement (Q1-Q4)2023/24	Remarks on Achievement Variance
	A 24-hr emergency response centre and Honorary Consuls offices established	No. of emergency response centres	1	-	-	-	Initiated establishment of a 24-hr Emergency Response Centre to enhance response to distress cases as well as timely feedback to Kenyans in the diaspora.
	A framework for technology and skills transfers and cooperation among Diaspora created	framework created	1	-	-	-	Prepared a Concept Note on technology and skillstransfers and cooperation among Diaspora, awaiting stakeholder engagement.
	Diaspora offices established and operationalized in Mission	No. of Diaspora offices	10	-	-	-	Baseline survey conducted on 26 missions abroad to establish the capacity of missions to host diaspora officers
	Diaspora engagement strengthened	No. of High-level Diaspora engagements	5	2	5	19	High Level engagements were held in: Italy, Philippines, Canada (Nova Scotia), Canada (New Brunswick), Canada (Toronto), United Kingdom, Belgium, Ireland, Germany, Mozambique, Japan, Germany, Tanzania, Thailand, Ghana, Rwanda, U.S.A (Atlanta), U.S.A (Minnesota, U.S.A (Nebraska). The target was exceeded.
Growth of diaspora remittances	Diaspora bonds and investment in affordable housing established	Value of Diaspora Direct Investment (USD millions)	479	-	-	580.7	By 31st May 2024, remittances had reached KES 580.7 billion. It is expected that once figures for June 2024 are availed, the target will have been met.
	Strategy to reduce remittance transaction costs developed	percent Reduction in remittance costs	5	-	-	6.2	Remittance cost is still high as compared to the SDGs target of 3percent and SDDA's target of 5percent

Priority Project	Output	Indicator	Annual Target 2023/24	Q4 Target 2023/24	Q4 Achievement 2023/24	Cumm. Achievement (Q1-Q4) 2023/24	Remarks on Achievement Variance
	Diaspora SACCOs promoted	No. of diaspora SACCOs promoted	1	-	-	-	-

Data Sources: State Department for Diaspora Affairs Reports CBK, FY 2023/2024

7.5.1 Description of Results

Growth of Diaspora Remittances: This entailed initiatives towards increasing diaspora remittances from Ksh. 478.5 billion in 2022 to Ksh. 1 trillion in 2027 including development of diaspora facing products such as bonds, private equity funds, venture and investment in affordable housing among others; development of a strategy to eliminate bottlenecks and reduce remittance transaction costs; facilitating establishment of diaspora SACCOs; bi-lateral and multilateral engagements to identify new opportunities for international employment and investment; and hosting a diaspora excellence awards gala. Other priorities were development and dissemination of Diaspora County Investment Profiles; holding County Investments Fora; and promotion of diaspora investments.

Diaspora Rights and Welfare: The State Department sought to develop and implement a Diaspora Evacuation Plan; establish a diaspora emergency and welfare programme; repatriate deceased diaspora; safely evacuate distressed Kenyans; implement a Diaspora Returnees' Integration programme; and establish 10 diaspora Safe houses.

Diaspora Service Delivery: This entailed development and implementation of the Diaspora Integrated Information Management System; establishment of a 24-hr Emergency Response Centre; creation of a framework for technology and skills transfer; operationalization of Diaspora offices in Missions; and strengthening Diaspora engagements.

7.5.2 Implementation challenges

- i. High transaction cost on remittances estimated at 6.20 percent of the amount sent;
- ii. Inadequate incentive framework for remittances and diaspora investments;
- iii. Low awareness on available investment opportunities for Kenyans in Diaspora due to weak structures and inadequate coordination among Kenyans Abroad;
- iv. Weak structures and uncoordinated mechanisms to create awareness for Kenyans abroad on the investment opportunities available in Kenya is also another challenge, coupled with lack of incentive framework to promote Diaspora investments;
- v. Integration of Diaspora returnees face challenges occasioned by bottlenecks of Association Rules that discriminate against professional returnees, examples of such rules are those imposed by various licensing Association such as the Kenya Engineering License Board and others that frustrate the returnees from practicing their trade, while

their counterparts from similar institutions abroad, are hired at exorbitant salaries as “Expatriates”

- vi. Inadequate human resource capacity in the Kenya missions abroad to offer effective and efficient consular services, especially in areas with high concentration of Kenyans;
- vii. Inadequate Policy, Legal and Institutional frameworks;
- viii. Low registration by Kenyans abroad with the Kenya Missions which hampers protection of welfare and rights and constraints effective delivery of consular services;
- ix. Inadequate and fragmented data on Kenyan diaspora;
- x. Inadequate framework on transferability and portability of social security benefits; and
- xi. Increased mental health issues.

7.5.3 Recommendations

- i. There is a need for Electoral reforms for Diaspora Voting to consider issues like period of voting, gazetted polling stations, and use of electronic equipment or platforms to allow more Kenyans abroad to participate at the elections. Participation in political processes should be open to dual citizens, like in the UK, only the Executive Position should be exempt from voting as a dual national.
- ii. The Government and Parliament should promulgate laws, Rules and Regulations to ensure that Professional Kenyan Returnees are regarded and treated the same way as expatriates are treated in employment and remuneration, such a move would attract talent. There is also a need for local professional bodies to embrace the returnees by recognizing their qualification and expertise.
- iii. Existing Bilateral Labour Agreements (BLAs)/MoUs should be reviewed and new instruments signed with foreign governments to facilitate effective protection of Kenyan nationals seeking employment abroad.
- iv. There is need to address the high transaction costs of remittances, which is currently at an average of 6percent (AIR, 2023) and reduce to 3percent or less by 2030 as per SDG 10(c);

7.6 Immigration and Citizen Service

The State Department for Immigration and Citizen Services (SDIS) derives its mandate from the Executive Order No. 2 of 2023. The functions are: Registration of births and deaths; Registrations of persons; Policy on the National Integrated Identity Management System (NIIMS); Oversight over and Coordination of the Management of the National primary data registers for citizens and foreign nationals; Collaboration with other MDAs regarding the collection of relevant primary data; Oversight of the Integrated Population Registration Systems (IPRS); Implementation of citizenship and immigration policy; and Implementation of Refugees’ and Asylum seekers’ Policies and Co-ordination of e-Citizen Services.

As presented in table 35, SDID has made significant strides towards the implementation of BETA priorities, signaled by the respective output indicators for Q3 - FY2023/24.

TABLE 35 Immigration and Citizen Services Sub-sector BETA Output Results for FY2023/2024

Priority Project	Output	Indicator	Q1 Achievement	Q2 Achievement	Q3 Achievement	Cumm. Achievement (Q1-Q3)	Remarks
Production and issuance of Digital National ID	3rd Generation National ID produced and issued	No. of digital National ID cards issued (millions)	0	0.1	0.064	0.82	Target not met as Court cases delayed issuance of Ids
Unique Personal Identifier (UPI)/ Maisha Number	Maisha number/UPI issued at birth	No. of UPI issued (Millions)	0	0	0	0	UPI not issued due to Court cases
Modernization of Integrated Population Registration System (IPRS)	Data backup offsite created	percent completion	25	25	25	25	IPRS system upgrade is ongoing
	All MDACs and private entities linked to IPRS	No. of MDACs and private entities linked to IPRS	2	5	4	34	Upgrading of the IPRS system is ongoing to increase capacity
Integrated border control and automated systems	Advanced Passenger Information (API) system, Electronic Gates, E-visa, E-passport and Facial Recognition system integrated as a system	No. of borders installed with Integrated Border Management System	1	1	1	3	This project is ongoing with the Electronic Travel authorization component complete
Development of Refugee Master Plan	To enhance peaceful co-existence among host communities	Refugee Master Plan developed	0	0	0	Draft prepared	Draft prepared awaiting validation

Data Source: State Department for Immigration and Citizen Service Reports, FY 2023/24

7.6.1 Description of Results

The IPRS system upgrade is ongoing. Integrated border control and automated systems project is also ongoing with the Electronic Travel authorization component complete. Development of Refugee Master Plan Draft was prepared and is awaiting validation.

7.6.2 Implementation Challenges

- i. Inadequate supply of passport and registration materials, forms and certificates,
- ii. Unintegrated systems
- iii. Court cases

- iv. Inadequate budgetary allocation.

7.6.3 Recommendations

- i. Adequate supply of passport and registration materials, forms and certificates,
- ii. Integrate the systems
- iii. Resolution of Court cases
- iv. Provision of adequate budgetary allocation.

7.7 Correctional Services

The State Department for Correctional Services (SDCS) plays a crucial role in Kenya's devolved system of government, established by the 2010 Constitution. This department, under the Ministry of Interior and National administration, has the responsibility of overseeing two key entities; the Kenya Prisons Service (KPS) and the Probation and Aftercare Service (PACS).

The KPS ensures safe custody of convicted offenders, upholding public safety and security. They manage prisons across the country, implementing rehabilitation programs to prepare inmates for reintegration upon release. This focus on rehabilitation aligns with the devolved system's emphasis on social development at the county level. By equipping inmates with skills and fostering positive behaviour, the SDSCS, through KPS, contributes to a more stable and productive citizenry, a cornerstone of a successful devolved system.

PACS, the other arm of the SDSCS, operates within the devolved context even more directly. Probation officers work closely with county governments and communities to supervise offenders serving non-custodial sentences. They provide vital support services, including counselling and reintegration programs, to reduce recidivism rates. This collaborative approach between SDSCS and county governments exemplifies the devolved system's core principle of shared responsibility for social well-being.

The SDSCS therefore, plays a critical role in Kenya's devolved system by ensuring public safety, fostering offender rehabilitation, and promoting community reintegration. Through its work with KPS and PACS, the SDSCS contributes to a more just and secure society, aligning perfectly with the devolved system's goals of social development and shared governance.

Aligned to BETA, SDSCS has made progress in the achievement of its mandate as shown in table 36.

TABLE 24: Correctional Services sub-sector BETA Output Results for FY2023/2024

Priority Project	Output	Indicator	Annual Target	Q3 Target	Q3 Achievement	Cumm. Achievement (Q1-Q4)	Remarks on Achievement Variance
	Improved management	percentage of offenders	100	25	25	100	Achieved

Priority Project	Output	Indicator	Annual Target	Q3 Target	Q3 Achievement	Cumm. Achievement (Q1-Q4)	Remarks on Achievement Variance
	of correctional services	rehabilitated and reintegrated to the community					
		percentage of offenders contained and supervised	100	25	25	100	Achieved
Rehabilitation and Reintegration of Offender	Offender supervision, psychosocial support, educational and technical training opportunities	No. of offenders supervised	240,000	60,000	62,000	252,000	Over achieved
		No. of offenders provided with psychosocial support	240,000	60,000	62,000	252,000	Over achieved
		No. of offenders trained	8,500	2,125	5,951	23,158	Over achieved
Security and NGAOs recruitment and trained	Prison officers recruited and trained	No. of Prison officers recruited and trained	3,000		0	0	Recruitment not done
Development and expansion of prison infrastructure	Perimeter walls constructed in prisons	No. of prisons	10	0		13	Achieved
	Watchtowers constructed	No. of watchtowers constructed	5	0		2	Not achieved
	Guardrooms constructed	No. of guardrooms constructed	13	0		3	Not achieved
Modernization of Police, Prison and NGA facilities	Security equipment for police and prisons maintained	percent level of maintenance	100				Not achieved
	Prison telecommunication infrastructure	percent completion	10	0.5			Not achieved
	Motor vehicles for the NGA officers, National Police Officers, Prisons and Probation acquired	No. of vehicles acquired	977	250	0	1	Not achieved
Security Enterprises Revenue Generation	Revenue generated	Revenue generated (Ksh. million)	0	35000000	1437820	4682085	Over achieved
	Prisons farms mechanized	No. of prisons farms mechanized	3		0	0	Not achieved

Priority Project	Output	Indicator	Annual Target	Q3 Target	Q3 Achievement	Cumm. Achievement (Q1-Q4)	Remarks on Achievement Variance
	Irrigation projects established	No. of irrigation projects	2		0	0	Not achieved
	Livestock acquired	No. of livestock acquired	550	150	0	0	Not achieved
	Farm stores constructed	No. of farm stores constructed	2		0	0	Not achieved
	Assorted equipment acquired	No. of assorted equipment acquired	10		0	0	Not achieved
	Workshops/stores and showrooms constructed	No. of workshops/stores and showrooms constructed	10	0		0	Not achieved
Police and Prisons Welfare	Contributory Benevolent Fund established and operationalized	percent of operationalization Contributory Benevolent Fund	30				Not achieved
	Insurance cover for loss of life for officers on duty provided	No. of officers covered	106,469	32,202	31,623	126.733	Achieved
National Police and Magereza Hospitals	National Police Hospitals equipped and operationalized	percent completion	100	15			Not achieved
Digitization of Correctional services	Case Management system developed and operationalized Probation percent development of Case Management system	percent development of Case Management system	20				Not Achieved

Source of Data: State Department for Correctional Services Reports, FY 2023/24

7.7.1 Description of Results

7.7.2 Implementation Challenges

The following are challenges encountered during the implementation of the BETA priorities in the State Department:

- i. The increasing inmates' population strained both human and infrastructural resources in penal institutions;
- ii. Inadequate budgetary allocation to the State Department;
- iii. Pending bills for both recurrent and development;
- iv. Frequent financial austerity measures;
- v. Limited resources to undertake comprehensive training for Officers to build competencies to address emerging demands in offender management; and
- vi. Lack of an integrated case management system within the criminal justice system;
- vii. Inadequate ICT equipment to support service delivery.

7.7.3 Recommendation

The State Department for Correctional Services recommends the following to hasten implementation of the BETA priorities towards realization of the annual targets of the priorities:

- i. There is a need to embrace PPP in implementation of development projects;
- ii. There is a need to train officers on emerging crimes;
- iii. There is a need to use modern technology to support service delivery;
- iv. Low enforcement of the implementation of all policies, guidelines and initiatives that have been developed;
- v. There is need to adopt a unified offender data and case management system; and
- vi. Harmonization of policy and legislative frameworks relating to peace and security.

7.8 Foreign Affairs

The Ministry of Foreign and Diaspora Affairs is mandated to manage Kenya's Foreign Policy in accordance with the Constitution of Kenya, with the overarching objective of protecting, promoting and projecting the nation's interest. It is composed of two (2) State Departments namely: State Department for Foreign Affairs and State Department for Diaspora Affairs.

The mandate of the State Department for Foreign Affairs as drawn from the Executive Order No. 2 of 2023 is to lead in the execution of the nation's Foreign Policy and advise the Presidency on regional, continental and global affairs, with the following functions and responsibilities: -

- i. Management of Kenya's Foreign Policy;
- ii. Projection, Promotion and Protection of Kenya's Interest and Image globally;
- iii. Management of Kenya's Missions, Embassies and High Commissions Abroad;
- iv. Co-ordinating Regional Peace Initiatives;

- v. Ratifications/Accession to, Depository and Custodian of all International Treaties, Agreements and Conventions where Kenya is a Party;
- vi. Co-ordinations of Matters Relating to IGAD and Association of Regional Cooperation (ARC);
- vii. Liaising and Co-ordinating with World Trade Bodies and UN Agencies;
- viii. Promotion of Nairobi as a Hub for Multilateral Diplomacy;
- ix. Lobbying for Kenya Candidature in the International Governance System;
- x. Liaison with the Ministry of Labour in the implementation of the Labour Migration Policy;
- xi. Through Kenya's Missions abroad, support the State Department for Diaspora Affairs in harnessing Kenya's Diaspora for national development;
- xii. Negotiation and Conclusion of Headquarters and Host Country Agreements with International Organizations and Agencies;
- xiii. Liaison with International and Regional Organizations;
- xiv. Liaison with Foreign Missions in Kenya;
- xv. Administration of Diplomatic Privileges and Immunities;
- xvi. Co-ordination of State and Official Visits;
- xvii. Protocol and State Courtesy;
- xviii. Provision of Consular Services;
- xix. Management of Joint Commissions with other Countries;
- xx. Management of Bilateral and Multilateral Relations; and
- xxi. Official Communications on Global Foreign Relations.

The status of implementation of key outputs and BETA priorities by the State Department for Foreign Affairs is presented in table 37.

TABLE 25: Foreign Affairs - sub-sector BETA Output Results for FY2023/2024

Priority Project/ Priority	Output	Indicator	Annual Target FY2023/ 24	Quarter (Q3) Target FY2023/ 24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement (Q1-Q3) FY2023/24	Remarks
Modernization and improvement of diplomatic	Government owned properties acquired, refurbished,	No. of government properties acquired, refurbished,	12	3	1	1	Amb. Residence in London refurbished. Q1-Q3 targets not achieved due to

Priority Project/ Priority	Output	Indicator	Annual Target FY2023/24	Quarter (Q3) Target FY2023/24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement (Q1-Q3) FY2023/24	Remarks
infrastructures.	branded and modernized.	branded and modernized.					inadequate development budget
	Diplomatic enclave developed	percent level of establishment	10	2.5	2.5	5	Draft master plan complete; Launched in August 2022; The Ministry sent Circular diplomatic Corps informing about the enclave; The Diplomatic Corps has been expressing interest in allocation of land.
	Security and ICT in missions improved	percent level of improvement	10	2.5	2.5	10	Upgraded communication with 66 Missions through the use of VPN. Security of web based systems has also been enhanced by SSL Certificate. Further, SDFA in collaboration with NT deployed necessary ICT infrastructure such as VPN, Laptops and storage devices to enable Roll-Out of IFMIS in 25 Missions and are in the process of Rolling-Out to the remaining Missions.
	Foreign service Academy established and operationalized	percent level of operationalization	20	5	5	20	Coordinated the process of selecting inaugural FSA Council. It is now awaiting appointment by the CS and gazette
	Implement the Foreign Service Act 2021 and its regulations	percent level of implementation	40	10	10	40	Implementation ongoing. FSA in the process of being established as

Priority Project/ Priority	Output	Indicator	Annual Target FY2023/ 24	Quarter (Q3) Target FY2023/ 24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement (Q1-Q3) FY2023/24	Remarks
							provided for in the Act.
	Foreign policy reviewed	Revised foreign policy	1	1	0	0	Review ongoing.
	Treaty integrated Monitoring system developed	Treaty integrated Monitoring system developed	1	1	1	1	Developed
Transform Missions into Economic Hubs	Kenya missions abroad empowered to market Kenya as preferred destination of choice for trade investment and tourism	No. of trade and investment promotion activities and business forums	60	15	30	44	Coordinated and participated in 45 investment promotion activities/ Business forums.
Elevate Kenya's Anchor State Status	Regional, continental and global peace and stability engagements strengthened	No. of engagements	16	4	4	12	Achieved
	Joint Border commissions (JBCs) agreed minutes implementation monitored and documented.	Annual progress reports	1	0	0	0	Progress report to be compiled in Q4
	State/official high-level visits facilitated.	No. of outbound and inbound state/official visits	40	10	12	48	Coordinated and facilitated 22 inbound and 26 outbound State/official visits
	Bilateral frameworks concluded	No. of bilateral cooperation frameworks	50	10	19	69	69 bilateral cooperation frameworks on various areas of cooperation concluded.
	New missions, Consulates General, and liaison offices opened	No. of Missions Consulates General and Liaison	5	1	1	1	Kenya Mission Rabat, Morocco opened and operationalized
	Country position papers prepared	No. of high-level forums where Kenya's	20	5	5	28	Country position papers prepared on matters climate

Priority Project/ Priority	Output	Indicator	Annual Target FY2023/ 24	Quarter (Q3) Target FY2023/ 24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement (Q1-Q3) FY2023/24	Remarks
		foreign policy is articulated					change, peace and security, human rights and freedoms for presentation in various international organisations.
	Country candidature papers prepared	No. of country positions lobbied/secure d	3	1	0	4	Lobbied for 4 country candidatures
	Individual candidature positions lobbied	No. of individual positions lobbied/secure d	5	1	0	4	Lobbied for 4 individual candidatures.
	Kenya as a hub for operations of multilateral institutions promoted	No. of multilateral engagements held in Kenya	2	0	0	1	Africa Climate Summit was held in Q2
	Nairobi promoted as s premier destination of major international meetings, conferences and events	No. of international meetings, conferences and events held in Nairobi	2	1	4	11	Conferences/ev ents held: - Annual General Board of Governance meeting of the Eastern, Southern African Trade and Development Bank; 17 th Committee of permanent secretaries meeting (IFAD); Africa Climate Summit; Africa Climate Week; 10 th Red Cross/Red Crescent Pan-African Conference; 3rd East Africa Regional Tourism Expo & Magical Kenya Travel Expo 2023; Kenya Innovation Week (KIW); YouthConnekt Africa Summit; Diaspora Investment Conference; and

Priority Project/ Priority	Output	Indicator	Annual Target FY2023/ 24	Quarter (Q3) Target FY2023/ 24	Quarter (Q3) Achievement FY2023/24	Cumm. Achievement (Q1-Q3) FY2023/24	Remarks
							Munich Security Conference Leaders Meeting
	Humanitarian hubs in Nairobi, Naivasha, and Mombasa established	No. of humanitarian hubs established	3	1	0	0	Not achieved. However, Land has been identified, site visits undertaken and land allocation for Naivasha completed.

Source of Data: State Department for Foreign Affairs Reports, FY 2023/24

7.8.1 Description of Results

7.8.2 Implementation challenges

- i. Budgetary cuts/Austerity measures leading to non-implementation of planned State Department activities and ineffective representation in Missions with Multiple accreditation.
- ii. Foreign exchange losses occasioned by transfer of funds in multiple currencies on a Quarterly basis even though mission's budget is prepared in Kenyan Shillings leading to erosion of allocated budget.
- iii. Inadequate financial system in Missions abroad: Kenyan missions abroad are not connected to IFMIS hence financial data is captured manually affecting optimal budget absorption.
- iv. High rental/leasing costs in Kenyan Mission abroad leading to high costs incurred in rental costs for diplomatic properties as leases and rent.
- v. Delay or lack of feedback from the relevant MDAs regarding Kenya's position on major matters of national importance, which in some occasions resulted in inability for the State Department to articulate Kenya's position in the international fora.

7.8.3 Recommendations

- i. Ringfencing and exempting the State Department budget allocation from negative effects of budgetary cuts/austerity measures.
- ii. Creation of a Foreign exchange loss assumption facility to mitigate and cushion against the effects of foreign exchange losses and fluctuations on mission's budgets.
- iii. Prioritise and fund the roll out of IFMIS System in all the remaining Missions abroad to ensure timely reporting of financial reports.

- iv. Roll out the asset acquisition plan where the State Department acquires “own” properties abroad in addition to adequately funding the maintenance and repairs of Government properties abroad to avoid dilapidation of the said properties.
- v. Timely release of exchequer to enable implementation of programs within the planned timelines.
- vi. Timely response from the relevant MDAs regarding Kenya's position on major matters of national importance.

CHAPTER EIGHT: GENERAL CHALLENGES AND LESSONS LEARNT AND RECOMMENDATIONS

8.1 Overview

This section covers crosscutting challenges, lessons and recommendations from all the seven (7) sectors in the process of implementing MTP IV.

8.2 Implementation challenges

- i. **Insufficient budgetary allocation and delays in disbursement of funds.** Funds allocated to projects are inadequate, thus, impeding progress and affecting critical phases of development. Further, delays in disbursement and access to finances from the Exchequer exacerbate project implementation due to cash flow issues that delay procurement, construction, and other essential activities. This financial uncertainty can lead to delays, increased costs, and potential project failures, ultimately impacting overall efficiency and effectiveness.
- ii. **Challenges in timely approvals from relevant stakeholders.** Delays in obtaining necessary permits, clearances, or endorsements stall project initiation and execution. These delays result from bureaucratic inefficiencies, lack of coordination among agencies, or unforeseen objections from stakeholders. As a result, project timelines are extended, increasing costs and potentially leading to missed deadlines or compromised project outcomes.
- iii. **Adverse weather conditions due to climate change.** Adverse weather conditions pose a significant challenge to project timelines and quality. Extreme weather events such as heavy rain, storms, or extreme temperatures can disrupt construction activities, damage materials, and impact the safety of workers. These conditions often lead to delays, additional costs for weatherproofing and repairs, and can even cause temporary suspensions of work. Long-term projects are particularly vulnerable, as weather-related delays can accumulate over time, affecting the overall schedule.
- iv. **Vandalism of infrastructure.** Acts of vandalism, such as graffiti, theft, or deliberate damage, not only undermine the integrity and aesthetic value of the infrastructure but also lead to additional costs for repairs and security measures. These incidents delay project completion and compromise the safety and functionality of the infrastructure, creating setbacks that can be both financially and operationally burdensome.
- v. **Litigation that delays implementation of projects.** Legal disputes and litigation significantly impact the timeline and progress of projects. Lawsuits may arise from various sources, including disputes over land ownership, contract disagreements, or environmental concerns. These legal challenges can result in injunctions or halts in construction, extended legal battles, prolonged procurement procedures and increased costs. The time required to resolve these issues can delay project implementation, disrupt planned schedules, and potentially lead to additional financial burdens.

- vi. **Human resource capacity constraint.** This is occasioned by inadequate human resources planning, high staff turnover and weak succession management which has resulted in an ageing workforce and shortage of skills. Increased cases of public servants with mental health issues due to work related and societal pressures also affect the performance of staff.
- vii. **Unfavourable Business Environment.** Unfavourable Business Environment including unstable economic conditions, stringent regulatory requirements, high levels of corruption, inadequate infrastructure, and duplication or overlaps affect effectiveness and efficiency in project delivery.
- viii. **Technological challenges.** Technological issues including cyber threats and attacks due to malicious acts damage data credibility. Further, uptake of technology in line with the emerging technologies in the sector has been slow.
- ix. **Inadequate project infrastructure.** State Departments' physical facilities are overstretched. In addition, there is a lack of adequate ICT equipment and connectivity, affecting program implementation and service delivery.
- x. **Unintegrated systems.** The government has developed various systems including GHRIS, PIMIS, e-NIMES, e-CIMES, e-PROMIS, and IFMIS. These systems are not integrated which leads to fragmented processes, inefficiencies, and difficulties in data sharing and communication. This can result in duplicated efforts, errors in data entry, and delays in decision-making. Unintegrated systems hinder seamless coordination, slow down workflow, and can adversely affect overall project performance and outcomes.
- xi. **Inadequate Institutionalisation of Performance Contracting in the State Departments and the SAGAS and use of PC as a tool of management.** Inadequate institutionalisation of performance contracting means that necessary agreements are either not properly implemented or lack the required framework and support for effective management. When performance contracts are not used effectively as a management tool, it leads to vague accountability, unclear performance standards, and challenges in tracking progress and achieving objectives. This inadequacy can result in suboptimal performance, missed targets, and inefficiencies in project management and execution.
- xii. **Inadequate monitoring and Evaluation of plans, policies, programmes and projects.** Inadequate M&E practices involve insufficient data collection methods, lack of relevant indicators, or poor data quality. This affects processes and practices used to track and assess the effectiveness, efficiency, and impact of plans, policies, programs, and projects. As a result, it impedes the ability to make evidence-based decisions. Lessons learned from evaluations are not integrated into future planning and implementation, leading to repeated mistakes and missed opportunities for improvement. Further, it becomes difficult to measure success or identify areas needing improvement.
- xiii. **Delay or lack of feedback from the relevant MDAs.** MDAs are required to provide data and information on Kenya's position on major matters of national importance. As a result, State Departments cannot articulate Kenya's position in the international fora.

8.3 Lessons Learnt

- i. Through integrating systems, MDAs and State Corporations will achieve higher efficiency and effectiveness in delivering services.
- ii. Better service delivery will be achieved through increased funding of projects and effective M&E.

8.4 Recommendations

The following recommendations were proposed to enhance performance and target achievement by addressing the challenges faced during the review period:

- i. **Timely and Adequate Disbursement of Funds:** Ensuring the timely and adequate disbursement of funds is crucial for the seamless execution of projects and programs. The National Treasury needs to release the Exchequer in time to avoid delays in project implementation
- ii. **Capacity Building and Providing Retention Incentives for Staff in Specialised Areas:** MDAs and State Corporations need to invest in human capital to boost performance and contribute to organisational sustainability
- iii. **Amendment of Laws on Destruction and Vandalism of Infrastructure**
Reviewing and strengthening existing legal frameworks to impose stricter penalties and enforce laws more effectively is required to safeguard national assets and ensure their longevity. .
- iv. **Funds Mobilisation from Development Partners:** Mobilising funds from development partners is essential to supplement government resources and drive development initiatives. A strategic approach to funds mobilisation should include clear communication of project goals, transparency in fund utilisation, and demonstrating measurable outcomes to attract and maintain donor interest.
- v. **Explore Alternative Sources of Funding to include PPPs to Supplement Exchequer:** Exploring alternative sources of funding such as PPPs is crucial for financial sustainability and reducing dependency on traditional exchequer funding.
- vi. **Strengthen Monitoring and Evaluation Frameworks for Project Implementation** An effective M&E system provides timely and accurate data on project progress, identifies challenges, and informs decision-making processes. By fostering a culture of continuous learning and improvement, organisations can enhance project outcomes, optimise resource use, and ensure alignment with strategic objectives.
- vii. **Embrace New and Emerging Technologies:** Investing in technological innovation not only enhances service quality but also positions organisations to adapt to rapidly changing environments. To successfully integrate these technologies, organisations should invest in infrastructure, workforce training, and create an environment conducive to innovation and collaboration.

- viii. **Fast-Tracking of Relevant Policies, Bills, and Legislations for Effective Implementation of Sector Mandates:** Fast-tracking relevant policies, bills, and legislation involves streamlining the legislative process to minimise bureaucratic delays and enabling swift policy adaptation to emerging needs and challenges. Collaboration between legislative bodies, government agencies, and stakeholders is key to ensuring policies are relevant, actionable, and aligned with national priorities.
- ix. **Enhance Public Participation and Stakeholder Involvement at Both National and County Levels at All Phases of Projects to Ensure Smooth Implementation and Ownership:** Engaging stakeholders at all phases—from planning to execution—promotes transparency, accountability, and trust. In doing so, organisations align projects with local needs, enhance social acceptance, and build sustainable partnerships that contribute to long-term success.
- x. **Whole-of-Government Approach for Addressing Unique Scenarios:** A whole-of-government approach promotes inter-agency collaboration, resource sharing, and unified responses to challenges, ensuring efficient service delivery and policy coherence. By fostering a culture of collaboration and breaking down silos, governments can optimise resources, reduce redundancies, and enhance the overall effectiveness of public service delivery.
- xi. **Effective Coordination for Aligning Annual Work Plans and Budgeting Process to the Medium-Term Plan IV and PCs:** Aligning these processes guarantees that short-term activities contribute to long-term strategic objectives, optimising resource allocation and enhancing program impact. By fostering collaboration among relevant stakeholders and departments, governments can streamline processes, eliminate duplication, and ensure that financial and human resources are strategically deployed to achieve desired outcomes.

