



REPUBLIC OF KENYA

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

FIRST ANNUAL PROGRESS REPORT

OF

THE FOURTH MEDIUM - TERM PLAN (2023 – 2027) OF THE VISION

2030

PREPARED BY

MONITORING, EVALUATION LEARNING AND PUBLIC INVESTMENT

MANAGEMENT DIRECTORATE

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Forward



The Kenya Vision 2030 has guided development planning since 2008. 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. In order to track progress, successful governments have embraced the use of National Indicator Reporting Handbook to develop Annual Progress and mid-term and end-term review reports to inform decision making. Consequently, Ministries, Departments, and Agencies (MDAs) prepare and submit accurate and timely quarterly and annual progress reports on implementation of programmes and projects. Thereafter State Department for Economic Planning provide feedback to MDAs and prepare and publish Annual Progress Reports.

The Fourth Medium Term Plan, 2023-2027 themed ‘Bottom Up Economic Transformation Agenda for Inclusive’, translates BETA aspirations into concrete priority interventions to be implemented. MTP IV (2023-2027) was officially launched by H.E. President William Ruto on 21st March 2024 and disseminated across the country in June 2024.

Annual Progress Reports (APRs) are a useful part of the public accountability process in the course of implementing Government Plans. This First Annual Progress Report presents the progress made in achieving the Fourth Medium Term Plan (MTP IV) of the Kenya Vision 2030, as well as the Bottom-Up Economic Transformation Agenda (BETA) priorities, by way of comparing planned and actual performance for 2023/24 financial year.

Towards providing a sufficiently balanced and informed picture of how Ministries, Departments and Agencies are progressing towards the implementation of the Fourth Medium Term Plan, the First Annual Progress Report provides information on the implementation status at Output and Outcome levels. Therefore, this Report serves as a crucial tool to inform policy dialogue within the Government and guide resource allocation decisions for the upcoming financial year.

As we advance the implementation of MTP IV, the country faces global challenges, including the economic impacts of the Russia-Ukraine war, which have disrupted supply chains and heightened inflationary pressures worldwide. These challenges, coupled with structural pressures on the economy, underscore the importance of BETA in steering Kenya toward inclusive growth and sustainable development.

During the period under review, the Kenyan economy has demonstrated resilience, with the Kenyan Shilling strengthening against major global currencies, providing some relief in mitigating inflationary pressures. Additionally, the economy recorded a GDP growth rate of 5.4% in 2023. These gains, despite global challenges, highlight the country’s progress in driving the Bottom-Up Economic Transformation Agenda.

This report provides vital insights that will support MDAs in refining their strategies, overcoming implementation challenges, and aligning efforts with the aspirations of Vision 2030. We anticipate that the key achievements and challenges highlighted in this report will help strengthen our resolve to achieve the ambitious goals set for the medium term.

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

Hon. John Mbadi Ng'ongo, E.G.H
Cabinet Secretary
The National Treasury and Economic Planning

Acknowledgments

In executing its mandate of providing leadership in the formulation and tracking of national development policies, programmes and strategies as well as monitoring of economic trends, the State Department for Planning through the Monitoring, Evaluation, Learning and Public Investment Management (MELPIM) Directorate developed the 1st Annual Progress Report for MTP IV (2023-2027) in collaboration with line Ministries Departments and Agencies. The APR is based on a set of national output and outcome indicators contained in the National Reporting Indicators Handbook for the MTP IV that was launched on 21st March 2024 alongside the MTP IV (2023-2027).

This Annual Progress Report (APR) on the implementation of the Fourth Medium-Term Plan (MTP IV) has been developed under the National Integrated Monitoring and Evaluation System (NIMES) Framework. I would like to express my heartfelt gratitude to the various Ministries, Departments, and Agencies for their active engagement and valuable contributions to the preparation of this report. Special appreciation is also extended to the numerous stakeholders who provided critical insights. we truly value and acknowledge your efforts without which, this document would not have been realized.

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

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

James Muhati, CBS
Principal Secretary

State Department for Economic Planning Abbreviations and Acronyms

| | |
|---------|---|
| ABTs | Alternative Building Technologies |
| ACTA | Anti-Counterfeit Training Academy |
| ADR | Alternative Dispute Resolution |
| ADR | Alternative Dispute Resolution |
| AfCTA | African Continental Free Trade Area |
| AI | Artificial Insemination |
| AMCHAM | American Chamber of Commerce |
| APR | Annual Progress Report |
| BETA | Bottom Up Economic Transformation Agenda |
| BFCI | Baby friend Community initiative |
| BLA | Bilateral Labour Agreements |
| BPOs | Business Processing Outsourcing |
| BREFONS | Build Resilience in Food and Nutrition Security in the Horn of Africa |
| CAIPs | County Aggregation and Industrial Parks |
| CATI | Computer Assisted Telephone Interviews |
| CBR | Central Bank Rate |
| CBTAs | Cross Border Trade Associations |
| CCG | clean cooking gas |
| CET | Common External Tariff |
| CHPs | Community Health Promoter |
| CIDCs | Constituency Industrial Development Centres |
| CIGs | Common Interest Groups |
| CIMS | Cooperative management information system |
| CPI | Consumer Price Index |
| DCC | Debt Carrying Capacity |
| EAC | East African Community |
| EAPC | East Africa Portland Cement |

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|--------|--|
| EPC-F | Completion of Horizontal Infrastructure |
| FDP | Field Development Plan |
| FEED | Front End Engineering Design |
| FLID | Farmer Led Irrigation Development Initiative |
| GAPs | Good Agricultural Practices |
| GBV | gender-based violence |
| GDP | Gross Development Product |
| GHG | National Greenhouse Gas |
| GPA | Group Personal Accident |
| Ha | Hactares |
| HDI | Human Development Index |
| HLPF | High-Level Political Forum |
| K-HMSF | Kenya Household Master Sample Frame |
| ICMS | Integrated Customs Management System |
| ICT | Information Communication and Technology |
| ICTA | ICT Authority |
| IDPs | Institutional Development Plans |
| IHDI | Inequality-adjusted Human Development Index |
| IMAM | Integrated Management of Acute Malnutrition |
| IMT | international Mobile Telecommunications |
| IP | Internet Protocol |
| IPRs | Intellectual Property Rights |
| ITAP | Industrial Training and Attachment Portal |
| JTC | Joint Trade Committee |
| KAIST | Kenya Advanced Institute of Science and Technology |
| KALRO | Kenya Agricultural and Livestock Research Organization |
| KDC | Kenya Development Corporation |
| KeLCoP | Kenya Livestock Commercialization Project |
| KIAMIS | Kenya Integrated Agriculture Management Information System |

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|---------|--|
| KIRDI | Kenya Industrial Research Development Institute |
| KLMIS | Kenya Labour Market Information System |
| KMWWF | Kenya Migrant Workers Welfare Fund |
| KNBS | Kenya National Bureau of Statistics |
| KNTC | Kenya National Trading Corporation |
| KOMEX | Kenya Multi-Commodity Exchange |
| KOMEX | Kenya National Multi-Commodities Exchange |
| KoTDA | Konza Technopolis Development Authority |
| KPC | Kenya Pipeline Company |
| KPRL | Kenya Petroleum Refineries Limited |
| KRA | Kenya Revenue Authority |
| KUSP | Kenya Urban Support Program |
| LAPPSET | Lamu Port South Sudan Ethiopia Transit |
| LEZ | Livestock Export Zone |
| LITS | Livestock Identification and Traceability System |
| M2M | machines to machines |
| MCDAs | Ministries, Counties, Departments and Agencies |
| MCDAs | Ministry of Energy and Petroleum and the relevant Ministries, Counties, Departments and Agencies |
| MDAs | Ministries Departments and Agencies |
| MEAs | Multilateral Environmental Agreements |
| MoU | Memorandum of Understanding |
| MPC | Monetary Policy Committee |
| MSME | Micro, Small and Medium Enterprise |
| MTEF | Medium Term Expenditure Framework |
| MTRS | Medium-Term Revenue Strategy |
| NCIP | Northern Corridor Integration Project |
| NCPD | National Council for Population and Development |
| NDA | Net Domestic Assets |
| NFA | Net Foreign Assets |

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|--------|---|
| NIFC | Nairobi International Financial Centre |
| NIMES | National Integrated Monitoring and Evaluation System |
| NITA | National Industrial Training Authority |
| NMA | Nairobi Metropolitan Area |
| NMC | Numerical Machining Complex |
| NOCK | National Oil Corporation of Kenya |
| NOFBI | National Optic Fibre Backbone Infrastructure |
| NPHI | National Public Health Institute |
| NPT | National Performance Trials |
| NQCL | National Quality Control Laboratory |
| NSCC | National System Control Centres |
| NTBs | Non-Tariff Barriers |
| NTBs | Non-Tariff Barriers |
| ODPC | Data Protection Commissioner |
| OSH | Occupational Safety and Health |
| PDLF | Petroleum Development Levy Fund |
| PDTP | Presidential Digital Talent Training Programme |
| PPI | Producer Price Index |
| PPPs | Private Public Partnerships |
| PV | Present Value |
| RoO | Rule of Origin |
| SCMPs | Sub-Catchment Management Plans |
| SCTIFI | Sectoral Council on Trade, Industry, Finance and Investment |
| SDARD | State Department for the ASALs and Regional Development |
| SIBEIS | Social Insurance-Based Employment Injury Scheme |
| SOE | State Owned Enterprises |
| STEM | Science Technology Engineering and Mathematics |
| STI | Science Technology and Innovation |
| STR | Simplified Trade Regime |

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|--------|--|
| TEAMS | The East African Marine Cable System Limited |
| TIMPs | Technology-Intensive Management Practices |
| TISC | Technology and Innovation Support Centre |
| TLUs | Tropical Livestock Units |
| TPCD | Teacher Professional Capacity Development |
| TVETs | Technical and Vocational Education Training |
| TWENDE | Towards Ending Drought Emergencies in Kenya |
| UHC | Universal Health Care |
| UHC | Universal Health Coverage |
| UNDP | United Nations Development Program |
| USD | United States Dollar |
| WRF | Warehouse Receipt Finance |
| ZITF | Zimbabwe International Trade Fair |

Executive Summary

Kenya Vision 2030, launched in 2008, is the country's long-term development blueprint aimed at transforming Kenya into a newly industrializing, middle-income country with a high quality of life by 2030. It is built on three pillars—Economic, Social, and Political—supported by key enablers such as infrastructure, ICT, and land reforms. The vision is implemented through five-year Medium-Term Plans (MTPs), with the fourth plan (MTP IV) currently in place for 2023-2027. While Kenya has made progress in reducing poverty, improving education, and enhancing healthcare and infrastructure, challenges like inequality, low productivity, and inflation persist, necessitating further economic reforms.

MTP IV focuses on the Bottom-Up Economic Transformation Agenda (BETA), which prioritizes five key areas: Agriculture, MSMEs, Housing and Settlement, Healthcare, and the Digital Superhighway. The plan aims to create jobs, expand the tax base, and improve foreign exchange reserves while fostering inclusive growth. To achieve these goals, the government has adopted a value chain approach targeting high-impact sectors such as leather, textiles, and dairy, supported by domestic investments, Public-Private Partnerships (PPPs), and development partner contributions. This first Annual Progress Report (APR) evaluates the progress of MTP IV's implementation, highlights achievements, and identifies challenges while offering recommendations for continued progress towards Vision 2030.

Kenya's economy experienced a robust growth of 5.6% in 2023, up from 4.9% in 2022, primarily driven by resilient sectors such as agriculture, communication, transportation, and real estate. Favorable weather and government support through subsidized fertilizers led to a 6.5% growth in the agriculture sector, reversing the previous year's contraction. Other strong performers included the financial and insurance sector, which grew by 10.1%, and accommodation and food services, which surged by 33.6%. Despite these gains, the mining sector faced a 6.5% contraction due to declining mineral production. Inflation remained within target ranges, supported by easing energy and food prices, a stable exchange rate, and favorable monetary policy.

Public debt stood at 65.5% of GDP as of June 2024, with external and domestic debt almost evenly split. Debt sustainability remains a concern, though the government continues to manage fiscal pressures through enhanced revenue collection efforts and structural reforms. Employment increased with 848,200 new jobs created, mostly in the informal sector. The government is implementing tax reforms and rationalizing expenditures to support the Bottom-Up Economic Transformation Agenda (BETA). These efforts aim to improve fiscal sustainability, stimulate investment, and create employment opportunities, while enhancing the overall macroeconomic environment for sustainable growth.

Finance and Production Sector

The Finance and Production Sector in Kenya encompasses various sub-sectors, including the National Treasury, Agriculture, Cooperatives, Micro, Small, and Medium Enterprises (MSMEs), Investment, Trade and Industry, and East African Community Affairs. This sector aims to enhance synergy among these sub-sectors by adopting a value chain approach to production, which facilitates integration from production to processing and marketing. The value chain model is

designed to transform the sector by promoting efficient planning, reducing resource duplication, and enhancing market access, thereby supporting economic growth and improving livelihoods.

The agriculture sub-sector is vital to Kenya's economy, contributing 21.8% to GDP and providing over 40% of rural employment. In the 2023/24 fiscal year, agricultural output grew by 7.0%, driven by government interventions such as fertilizer subsidies and improved water management. Key value chains, including tea, edible oils, and livestock, showed increased production, although challenges like climate change remain. Addressing these issues through policy reforms and enhanced funding mechanisms is essential for sustainable growth in the agricultural sector.

The Investments sub-sector focuses on creating a conducive business environment to attract and retain investment. Initiatives like the Business Development Committee and the proposed World Bank's Business Ready (B-Ready) tool aim to improve investment readiness. Despite progress, challenges such as budget delays and high energy costs hinder growth. Strategic recommendations include leveraging public-private partnerships for infrastructure development and enhancing collaboration among stakeholders to foster a vibrant investment climate aligned with Kenya's economic transformation agenda.

The Trade sub-sector facilitates the movement of goods and services across economic segments, contributing significantly to job creation and poverty alleviation. In 2023, Kenya's export earnings reached a record Kshs. 1,009.1 billion, with tea and horticulture leading as top earners. Trade agreements, such as the Kenya-EU EPA and the Kenya-UAE CEPA, further strengthened trade ties. However, challenges like non-tariff barriers need addressing to fully realize trade potential. Recommendations include enhancing collaboration among stakeholders and establishing commercial offices in key markets to expand Kenya's trade relationships.

The MSMEs sub-sector contributes approximately 24% to GDP and represents 90% of private sector enterprises. Initiatives such as the Hustler Fund aim to promote financial inclusion and market access for MSMEs. In the 2023/24 fiscal year, notable efforts included training in various value chains, although some challenges limited the establishment of new initiatives. Ensuring adequate funding and strengthening stakeholder collaboration are crucial for maximizing the benefits of support initiatives for MSMEs.

The Industry sub-sector is essential for promoting manufacturing and value addition in Kenya. Despite a slight decline in its GDP contribution from 7.8% to 7.6%, significant growth occurred in dairy, meat, and bakery sectors, resulting in increased job creation. Key achievements include the modernization of facilities and training programs for industrial skills. Ongoing challenges, such as inadequate infrastructure and funding constraints, necessitate strategic initiatives like public-private partnerships to enhance competitiveness and achieve ambitious goals outlined in the MTP IV.

The Cooperatives sub-sector supports cooperative ventures and governance through policies and standards. While the performance metric relies on the number of registered cooperatives, the

ability to achieve targets related to capacity building and value chain development has been limited. The enactment of the Cooperatives Bill is vital for harmonizing roles between national and county governments, enhancing governance, and improving data management systems to better support the sector's growth.

The East Africa Community (EAC) Affairs sub-sector plays a vital role in regional trade and integration. Achievements include mobilizing 302 MSMEs for the EAC MSMEs Trade Fair and increasing exports to Kshs. 305.9 billion, partly due to the admission of new member states. However, challenges like inconsistent tariff application hinder effectiveness. Recommendations include enhancing awareness of EAC integration opportunities and resolving non-tariff barriers to facilitate smoother trade flows within the region.

The Financial Services sub-sector aims to create a vibrant financial environment to support the economy. Recent data indicates stagnation in the usage of formal financial services, with a decline in mobile money subscriptions and gross national savings. Recommendations for improvement include promoting financial literacy, strengthening monitoring of financial activities, and aligning annual budgets with MTP IV targets to enhance implementation. Addressing these challenges is crucial for strengthening the financial services sector and supporting Kenya's broader economic goals.

The infrastructure sector

The infrastructure sector, which includes Roads and Transport, Energy and Petroleum, ICT and Digital Economy, Lands, Public Works, Housing and Urban Development, and Water and Irrigation, is vital for socio-economic development. In the Roads sub-sector, significant advancements were made in road development and maintenance, which enhanced Kenya's global competitiveness. The Transport sub-sector facilitated improvements in civil aviation, railways, and ports, ensuring streamlined operations across these modes. The ICT and Digital Economy saw the establishment of free public Wi-Fi hotspots and training programs that increased digital access and employment opportunities, while the Broadcasting and Telecommunications sub-sector achieved higher mobile network coverage and improved digital broadcasting signals for households.

In the Lands and Physical Planning sub-sector, over 422,000 title deeds were registered, significantly enhancing land management systems and supporting rural development. The Public Works sub-sector focused on implementing building standards and improving public infrastructure, which led to more efficient project delivery. In Housing and Urban Development, the completion of 815 housing units and the facilitation of civil servant mortgages contributed to the government's affordable housing agenda. The Energy sub-sector commissioned projects like the Green Energy Industrial Park and made strides in solar energy installations, which are crucial for sustainable development.

The Petroleum sub-sector advanced LPG infrastructure and ongoing projects that enhance oil and gas exploration, contributing to the nation's energy security. The Water and Sanitation sub-sector

constructed multiple dams and water harvesting projects, significantly improving access to safe water for both domestic and agricultural use, while also supporting sanitation initiatives. Lastly, the Irrigation sub-sector implemented various schemes aimed at enhancing food security and developing key infrastructure for efficient water management.

The Environment and Natural Resources Sector

The Environment and Natural Resources Sector encompasses key sub-sectors such as Environment and Climate Change, Forestry, Tourism, Wildlife, and Blue Economy, focusing on sustainable management and exploitation of natural resources. Significant achievements include the establishment of tree-growing campaigns aimed at increasing tree cover from 12.1% to 21% by 2027, and the creation of material recovery facilities in four counties for enhanced waste management. The National Tree Growing and Restoration Programme aims to plant 7.5 billion trees, while agroforestry initiatives are ongoing in learning institutions across Arid and Semi-Arid Lands (ASALs).

In tourism and wildlife, efforts were made to restore ecosystems through the planting of 1,875,125 seedlings, and Nairobi and Amboseli parks saw a revamp with rehabilitation of guesthouses in five parks nearing completion. Wildlife protection was strengthened through enhanced anti-poaching measures, restoration of habitats, and deployment of satellite-linked collars for monitoring endangered species. Infrastructure improvements, such as water provision through boreholes, were implemented to mitigate human-wildlife conflicts.

The challenges faced include environmental degradation, inadequate funding, and weak coordination between state and non-state actors. Lessons learned emphasize the importance of public participation, collaboration between governments, and strategic partnerships to ensure sustainable management of resources. The need for increased funding, policy reforms, and adoption of modern technologies in the sector was highlighted as critical for further progress.

The State Department for the ASALs and Regional Development made significant strides in enhancing regional development and addressing the unique challenges faced by Arid and Semi-Arid Lands (ASALs). During the reporting period, relief assistance was provided to 545,595 beneficiaries affected by the El Niño floods, while water harvesting efforts yielded 915,000 cubic liters in 23 ASAL counties, helping mitigate the effects of water scarcity. In addition, 439.7 tonnes of hides and skins were processed as part of efforts to boost the leather industry in the region.

Several important policies and frameworks were developed, including the National Disaster Risk Management Bill, the National Relief Assistance Policy, and the Resilience Programming Framework for ASALs. These initiatives aim to improve disaster preparedness, streamline relief assistance, and enhance resilience to climate change impacts. The State Department is also focusing on fostering partnerships, improving cross-border community integration, and promoting socio-economic development in ASAL regions. Despite facing budgetary and implementation challenges, the department remains committed to its mission of building resilience and unlocking the economic potential of ASALs for national development.

Monitoring and Evaluation (M&E) are critical in ensuring the success of public sector programs by enhancing effectiveness and efficiency through robust planning and decision-making. Kenya's public sector M&E ecosystem integrates structures, systems, and processes across various stakeholders, including the Monitoring, Evaluation, Learning, and Public Investment Management Directorate (MELPIM), Vision 2030 Delivery Secretariat, Ministries, Departments, Agencies (MDAs), and County Governments. These entities contribute to the monitoring and evaluation of the Medium-Term Plan IV (MTP IV) and County Integrated Development Plans (CIDPs). Over the review period, several M&E activities were undertaken, such as MELPIM's development of the MTP IV Indicator Handbook and capacity-building initiatives. Public Investment Management Directorate oversaw public resource allocation, while Vision 2030 Delivery Secretariat ensured the tracking of progress toward achieving national development goals. MDAs, in particular, contributed to project performance monitoring and reporting, while the Sustainable Development Goals (SDGs) Coordination Directorate provided updates on Kenya's progress in achieving SDG targets.

However, the institutionalization of M&E in Kenya faces several challenges, including inadequate funding, data quality issues, and low technical capacity across institutions. Fragmented coordination among M&E entities and limited technology integration also hinder progress. Political goodwill, collaboration between the national and county governments, and the integration of technology have emerged as essential lessons learned from M&E practices in Kenya. To improve the M&E ecosystem, increased funding, technical capacity building, and better coordination across stakeholders are recommended. Additionally, M&E systems must be adaptive, especially in response to crises like the COVID-19 pandemic, to ensure continuous monitoring and decision-making.

Crosscutting challenges across sectors during the implementation of MTP IV include resource allocation issues, capacity and skills gaps, technological challenges, and inadequate infrastructure. Financial constraints have led to project delays, affecting the efficiency of program execution. Furthermore, inadequate human resources, bureaucratic resistance, and unintegrated systems have impacted program implementation, while insufficient stakeholder engagement has led to misaligned projects. The lack of robust monitoring and evaluation systems also limits progress tracking and decision-making.

To address these challenges, timely disbursement of funds, mobilizing resources from development partners, and investing in staff capacity building are recommended. Strengthening

monitoring and evaluation frameworks and embracing new technologies are critical steps for improving public sector performance. Fast-tracking relevant policies, bills, and legislation, alongside enhancing stakeholder participation, will ensure smoother project implementation and ownership. Lessons learned include the need for increased funding, streamlined processes, and the importance of early stakeholder engagement to ensure successful project execution and sustainability.

The social sector

The social sector remains a cornerstone of Kenya's socio-economic transformation agenda, with significant investments directed towards improving health, education, and social protection services. The government is committed to building human capital by focusing on quality, affordable healthcare, accessible education, and the protection of vulnerable groups. Through various state departments, substantial progress has been made in areas such as public health infrastructure, technical skills development, and social inclusion programs.

In the health sector, achievements include the operationalization of 168 Primary Healthcare Networks (PCNs), the establishment of new Community Health Units (CHUs), and the rolling out of the Community Health Information System (E-CHIS). Additionally, key health infrastructure projects like the National Public Health Institute (NPHI) and the modernization of the Kenya Primate Research Institute are ongoing, signaling progress towards building a stronger healthcare system.

Education and skills development have also seen significant advances. Key initiatives include strengthening linkages between training institutions and industry, improving job placement rates, and enhancing technical and vocational education. These efforts have contributed to building a workforce that is more adaptable to the needs of a rapidly evolving economy. The sector has also prioritized social protection, ensuring the inclusion of vulnerable populations in national development through targeted interventions. Despite the challenges, the sector continues to lay the foundation for sustainable growth and inclusive development.

The State Department for Labour and Skills Development (SDLSD) plays a crucial role in Kenya's socio-economic transformation through the creation of jobs, improvement of productivity, and promotion of a conducive working environment. During the review period, notable achievements include the establishment of the Kenyan Migrant Workers Welfare Fund to address challenges faced by migrant workers abroad, and the strengthening of linkages between industries and training institutions through the National Industrial Training Authority (NITA). Significant progress was made in placing 140,000 job-seekers in gainful employment, conducting workplace inspections, and expanding labour market information systems. The department's efforts in promoting occupational safety and health, addressing labour migration issues, and supporting skills development for Kenyan workers both locally and abroad have been commendable.

In terms of policy, legal, and institutional reforms, the SDLSD developed and launched key policies including the National Policy on Labour Migration, the National Policy on Linking Industry to Education and Research, and the National Wages and Remuneration Policy. The

department also made strides in developing an Alternative Dispute Resolution (ADR) mechanism to ensure efficient resolution of labour and employment disputes. Challenges, however, persist, particularly with outdated labour laws, low human resource capacity, and low productivity levels in the public sector. Despite these challenges, the SDLSD remains committed to its mandate of fostering a productive and harmonious labour environment for national growth and development.

The National Council for Population and Development (NCPD) achieved significant milestones during FY 2023/2024, including establishing the National Population Centre to share insights on key population issues such as fertility, reproductive health, and migration. The Council advanced its agenda by organizing international advocacy meetings to gain donor support for the Centre of Excellence on Population and Development. It also developed and disseminated crucial reports, working papers, and fact sheets on issues like teenage pregnancy, stunting, and gender-based violence, enhancing data-driven advocacy. NCPD engaged with stakeholders, including parliamentarians and county assembly members, building political and financial backing for the national population policy. Public campaigns were held to raise awareness on teenage pregnancy, and stakeholder dialogues addressed the interconnections between population, climate change, and food security. These efforts bolstered NCPD's role in advancing population policy and promoting sustainable development in Kenya.

The Governance and Public Administration Sector

The Governance and Public Administration Sector in Kenya plays a critical role in coordinating government functions, implementing reforms, and enhancing service delivery. This sector includes key state departments such as Defense, Interior & National Administration, Correctional Services, Immigration, Citizen Services, Devolution, and Diaspora Affairs. During the fiscal year 2023/24, notable achievements were made in areas such as public sector reforms, stakeholder partnerships, and institutional capacity strengthening. The State Department for Cabinet Affairs successfully coordinated public sector reforms and developed a comprehensive resource mobilization strategy, while the Immigration and Citizen Services department worked on digitizing services, including the issuance of Digital National IDs and the Unique Personal Identifier (UPI). Modernization efforts within the Integrated Population Registration System (IPRS) also progressed.

The Correctional Services department made significant advances in rehabilitating offenders, focusing on reintegration into society through vocational and psychosocial support programs. This aligns with the broader goal of social development within Kenya's devolved governance system. In the past year, over 250,000 offenders received supervision and training, preparing them for reintegration upon release. Additionally, the department made improvements to prison infrastructure, enhancing security and facilities for both inmates and officers. These efforts contribute to ensuring public safety while also addressing broader social challenges through offender rehabilitation and reintegration.

In the area of Internal Security and National Administration, the sector focused on modernizing security infrastructure and enhancing service delivery. Key initiatives included the integration of the Advanced Passenger Information system and upgrades to border control technologies to strengthen national security. The State Department for Diaspora Affairs continued to build strong ties with Kenyans abroad, establishing frameworks for technology and skills transfers while

growing diaspora remittances, which reached KES 580.7 billion by May 2024. Across the board, these departments demonstrated progress in implementing BETA priorities, showcasing a commitment to enhancing governance and public administration for sustainable development

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CHAPTER ONE: INTRODUCTION

1.0 Overview of the Kenya Vision 2030

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

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

The Vision is implemented through successive five-year Medium-Term Plans (MTPs). Currently, we are implementing the fourth MTP (2023-2027). The country has recorded substantial progress under the three MTPs. The poverty level has declined from 46 per cent in 2005 to 36.1 per cent in 2015 (2015/16 Kenya Integrated Household Budget Survey). Substantial progress has been made in education and health. There is also remarkable increase in power generation and the development of infrastructure.

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

1.2 Overview of the Fourth Medium Term Plan

The Fourth Medium Term Plan seeks to address these challenges and strengthen the country’s prospects towards transitioning to an upper middle-income country and enhancing Kenya’s competitiveness, by focusing on: Human capital development and capital accumulation; Development, protection and regulation of markets; Domestic resource mobilization and optimal tax instruments; and Leveraging the Fourth Industrial Revolution (4IR) to digitalize the economy. The MTP IV objectives are to: bring down the cost of living by lowering the annual inflation rate to 5 per cent; eradicate hunger; create 1,200,000 jobs annually; expand the tax revenue base by increasing revenue collection to 19.7 per cent of GDP by 2027/2028; improve foreign exchange

balance through promotion of exports to sustain reserves to 6.1 months of import cover; and ensure inclusive growth and leave no one behind.

The Fourth Medium Term Plan (MTP IV) of the Kenya Vision 2030 focuses on a “Bottom-up Economic transformation Agenda (BETA) for inclusive Growth”. It outlines the main policies, legal and institutional reforms as well as programs and projects that the Government intends to implement during the period 2023-2027. MTP IV adopts the BETA strategy which is geared towards economic turnaround through a value chain approach. At the core of the BETA are five (5) priorities namely: Agriculture; Micro, Small and Medium Enterprise (MSME) economy; Housing and Settlement; Healthcare; and Digital Superhighway and Creative Economy. These priorities have the potential for: bringing down the cost of living, eradicating hunger, creating jobs, expanding the tax base, improving our foreign exchange balance and ensuring inclusive growth

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

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

In Housing and Settlement, the Government aims at increasing investment through construction of 200,000 housing units annually, enabling low-cost mortgages, strengthening the capacity of Jua Kali industry to produce high quality construction products and providing incentives to developers to support the affordable housing program.

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

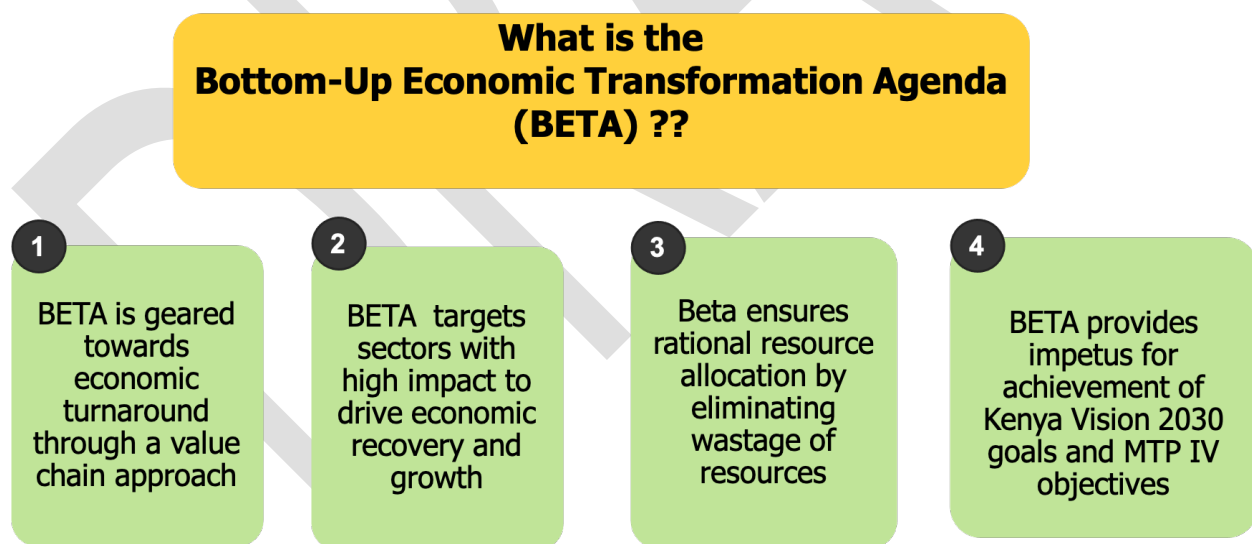
To enhance productivity and overall competitiveness, the Government will increase investment in the digital superhighway and the creative economy by scaling-up broadband connectivity and fully implementing the Last Mile Electricity Connectivity program to improve the business environment. In addition,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

and affordable information and communication technology (ICT) connectivity and improve Government service delivery through digitization and automation of processes.

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

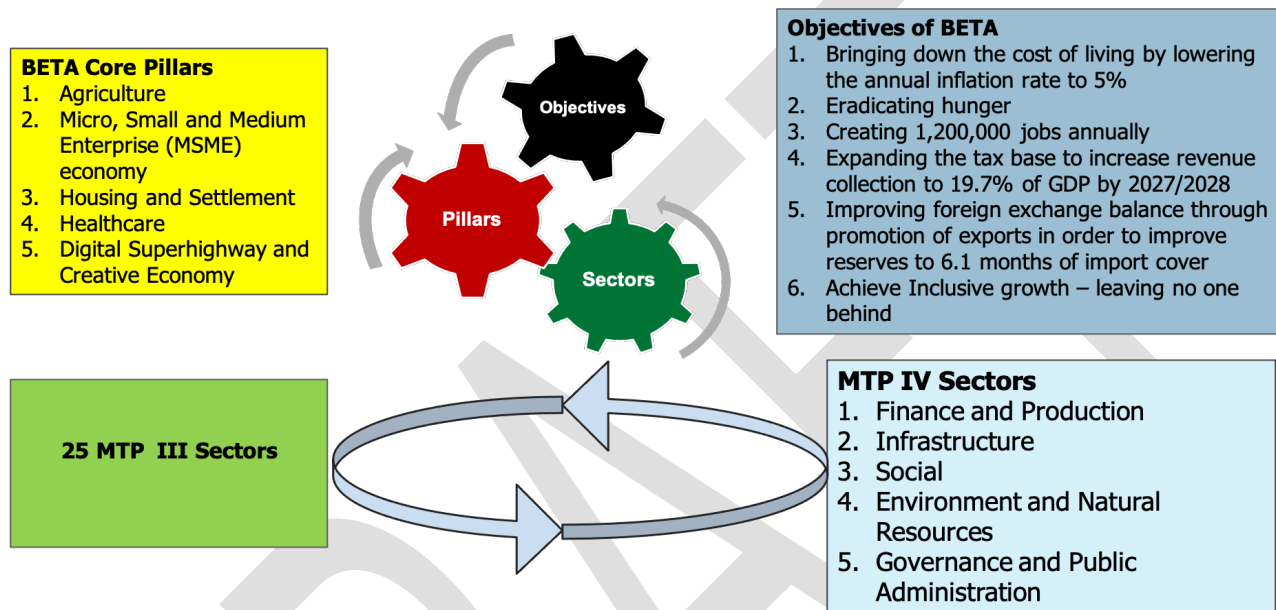
The MTP IV will be financed through sectorial budget allocations; domestic and foreign direct investments, including Public Private Partnerships (PPPs) and green financing; and support from development partners. In this regard, the Government will continue to strengthen the legal framework underpinning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

1.3 Overview of BETA Priority



The Bottom-Up Economic Transformation Agenda (BETA) is a strategic initiative geared towards economic turnaround and inclusive growth through a value chain approach. BETA prioritizes the needs and contributions of grassroots communities and targets sectors with high impact to drive economic recovery. It places special emphasis on priorities that target reduction in the cost of

living, creation of jobs, achievement of more equitable distribution of income, enhancement of social security, expansion of the tax base and increase of foreign exchange earnings.



| 25 MTP III Sectors | MTP IV Sectors | Ministries |
|---|-------------------------------|---|
| <ol style="list-style-type: none"> 1. Financial Services 2. Agriculture and Livestock 3. Trade 4. Manufacturing | Finance and Production | <ol style="list-style-type: none"> 1. National Treasury and Economic Planning 2. Agriculture and Livestock Development 3. Cooperatives and Micro Small Medium Enterprises (MSMEs) Development 4. Investments, Trade and Industry 5. EAC, The ASALs and Regional Development* |

| | | |
|---|---|---|
| <ul style="list-style-type: none"> 6. Infrastructure (Roads, Energy, Railway, Air) 7. Environment, Water, Sanitation and Regional Development* 8. Land Reforms 9. Population Urbanization and Housing 10. Information Communications and Technology 11. Business Process Outsourcing (BPO) | <p>Infrastructure</p> | <ul style="list-style-type: none"> 1. Roads and Transport 2. Energy and Petroleum 3. Information Communications and The Digital Economy 4. Lands, Public Works, Housing and Urban Development 5. Water, Sanitation and Irrigation |
| <ul style="list-style-type: none"> 6. Education and Training 7. Health 8. Public Sector Reforms 9. Gender, Youth and Vulnerable Groups 10. Labour and Employment 11. Science, Technology and Innovation 12. Sports, Culture and the Arts 13. Ending Drought Emergencies | <p>Social Sector</p> | <ul style="list-style-type: none"> 1. Health 2. Education 3. Labour and Social Protection 4. Public Service and Human Capital Development. 5. Gender, Culture, The Arts and Heritage 6. Youth Affairs Creative Economy and Sports |
| <ul style="list-style-type: none"> 7. Environment, Water, Sanitation and Regional Development* 8. Tourism 9. Oil, Gas and Mineral Resources 10. Blue Economy | <p>Environment and Natural Resources</p> | <ul style="list-style-type: none"> 1. Environment, Climate Change and Forestry 2. Tourism and Wildlife 3. EAC, ASALs and Regional Development* 4. Mining, Blue Economy and Maritime Affairs |

| | | |
|--|--|--|
| <p>5. Governance, Justice and Rule of Law</p> <p>6. Devolution</p> <p>7. Security, Peace Building and Conflict resolution</p> <p>8. National Values and Ethics</p> | <p>Governance and Public Administration</p> | <p>1. Interior and National Administration</p> <p>2. Defence</p> <p>3. State Law Office</p> <p>4. Foreign Affairs and Diaspora Affairs</p> <p>5. EAC, ASALs and Regional Development*</p> |
|--|--|--|

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

achieving national development objectives and targets in the Medium-Term Plan. Secondly, the report contains information on the progress in the implementation of policies, programmes and projects; pointing out implementation challenges encountered and innovative ways to address them; and Lessons learnt during implementation. Finally, the review of performance is based on targets as spelt out in the National Reporting Indicator Handbook for the MTP IV and other key Government publications.

1.4 Organization of the Report

This report is organized into nine (9) chapters as follows: Chapter one (1) presents an overview of the Kenya Vision 2030 and its fourth MTP (2023-2027). It also provides the methodology of preparing APRs. Chapter two provides the performance of key macroeconomic indicators. Chapters three, four, five, six and seven focuses on the progress of implementation of the MTP IV in the achievement of the Bottom-Up Economic Transformation Agenda for Inclusive growth. Chapter eight examines the Monitoring and Evaluation (M&E) ecosystem in the Public Sector. Finally, chapter nine provides key implementation challenges, lessons learnt and recommendations on how to improve implementation and reporting of the national development initiatives.

CHAPTER TWO

MACROECONOMIC FRAMEWORK REVIEW

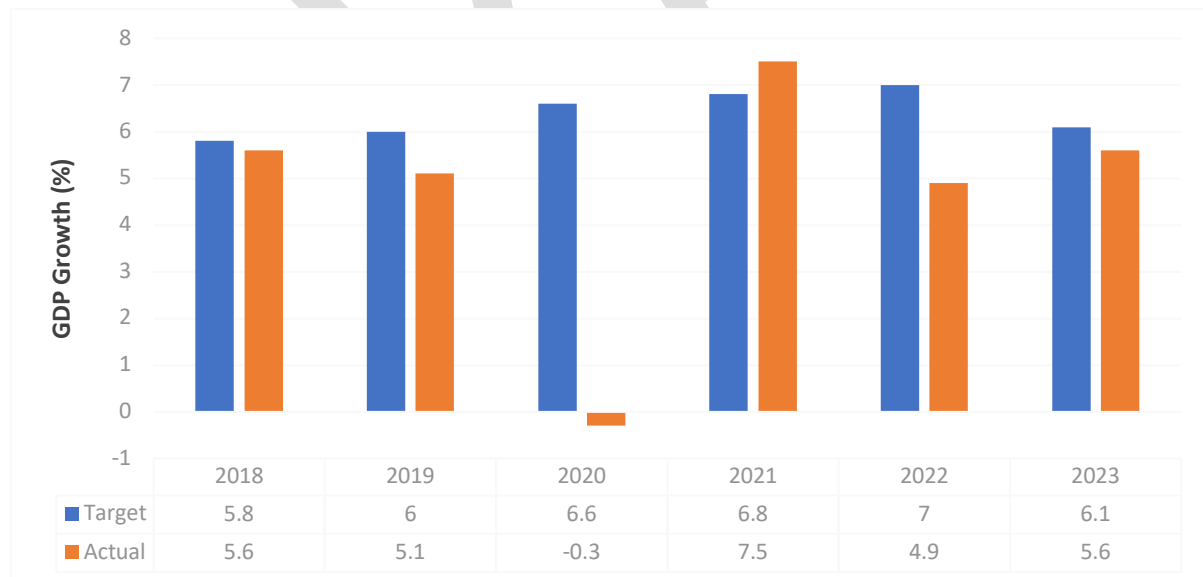
2.1 Overview

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

2.2 Overall Economic Performance

In 2023, the economy rebounded strongly growing by 5.6 per cent compared to a growth of 4.9 per cent in 2022 largely driven by resilient services sectors and a strong performance of agriculture sector owing to favorable weather conditions and Government support through subsidized fertilizer programme. This was against MTP IV target of 6.1 per cent. The Agriculture, Forestry and Fishing sector grew by 6.5 per cent in 2023, marking a recovery from the 1.5 per cent contraction recorded in 2022. Other key drivers of the growth included Information and Communication (9.3 per cent), Transportation and Storage (6.2 per cent), Financial and Insurance (10.1 per cent), Real Estate (7.3 per cent) and Accommodation and Food service activities (33.6 per cent) sectors. However, the Mining and Quarrying sector recorded a 6.5 per cent contraction, largely attributable to a decline in production of most of the minerals such as titanium and soda ash. A comparative analysis of the targeted and actual GDP growth rates over the period 2018-2023 is presented in Figure 2.1

Figure 2.1: Economic Performance 2018 - 2023



Source: Economic Survey 2024

2.3 Performance of Key Macroeconomic Indicators

The four (4) broad categories of key macroeconomic indicators are; National Accounts and Prices, Central Government Budget, Monetary Sector and External Sector. The MTP IV has specific performance targets for each of the selected macroeconomic variables in the broad categories which give a broader view of overall performance of the economy. Table 2.1 presents the summary of key macroeconomic indicators performance for the period 2020/21-2023/24.

Table 2.1: Key Macroeconomic Indicators Performance (2020/21- 2023/24)

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

Source: National Treasury 2024

2.3.1 National Accounts and Prices

In FY 2023/24, the economy registered a growth rate of **5.9** percent against a projected target of 5.9 percent. The improved performance growth is mainly supported by improved food supply arising from favourable weather conditions, Government interventions through subsidized fertilizer program and zero rating of import duty on staple food items.

Average inflation increased from 5.2 percent in FY 2022/23 to ... percent in FY 2023/24 and was within Central Bank of Kenya target range of 5 percent (plus or minus 2.5) and is mainly driven by easing energy and food prices. Other factors expected to support low inflation include the pass-through effects of the strengthening exchange rate, decreases in electricity and pump prices and the CBK monetary policy stance. The GDP and inflation trends are as shown in Figure 2.2 below.

FIGURE 2.2: GDP and Inflation Trends 2020/21-2023/24

1.1.1 Central Government Budget

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

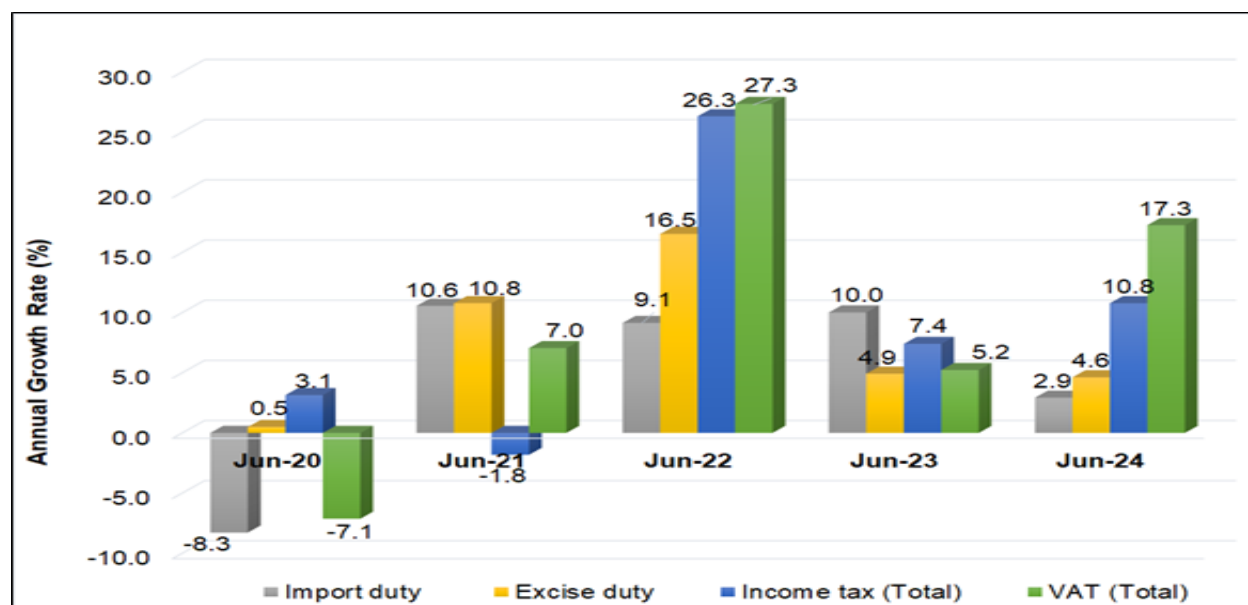
The total expenditure and net lending in FY 2023/24 amounted to Ksh 3,655.6 billion, against a target of Ksh 3,871.5 billion. The resultant under expenditure of Ksh 215.5 billion is attributed to lower absorption recorded in recurrent and development expenditures by the National Government and below target equitable share transfers to the County Governments. In line with the performance in expenditure and revenues, the fiscal deficit (including grants, on a cash basis), amounted to Ksh 809.3 billion (5.0 percent of GDP) against a target of Ksh 925.0 billion (5.7 percent of GDP). This resulted in a primary surplus of Ksh 31.4 billion (0.2 percent of GDP). The trends analysis for total revenue, total expenditure and overall balance (including grants) for 2020/21 to 2023/24 is as shown in Figure 2.3.

Figure 2.3: Total Revenue, Total Expenditure, Overall Balance (Including Grants) (2020/21-2023/24)

Private sector PAYE was affected by: Non-payment of bonuses by various firms in June 2024; utilization of refunds to offset PAYE tax liabilities by a number of LTO taxpayers; and reduction in average monthly cash pay per employee over time due to the ongoing restructuring by various organizations to manage costs. Excise duty at Ksh 276.6 billion in FY 2023/24 was below target by Ksh 13.3 billion due to lower excise rate in Petrol and Diesel. VAT amounted to Ksh 645.5 billion in FY 2023/24 recording a shortfall of Ksh 9.3 billion on account of below target performance recorded in VAT import of Ksh 14.8 billion despite a surplus collection from VAT Domestic of Ksh 5.5 billion. Import duty collection in FY 2023/24 at Ksh 133.9 billion was below target by Ksh 8.4 billion due to a general decline of volume of imported products.

Ordinary revenue collection in FY 2023/24, registered an annual growth of 12.1 percent compared to a growth of 6.4 percent in FY 2022/23. The growth rates of the major tax heads were as follows: VAT (17.3 per cent), income tax (10.8 percent), excise duty (4.6 percent) and Import Duty (2.9 percent), as shown in **Figure 2.4**.

Figure 2.4: Growth rates of ordinary revenue categories.



Source: The National Treasury, 2024

2.4 Public Debt

The total public and publicly guaranteed debt stock in gross terms as at end June 2024 was Kshs.10,561.1 billion, equivalent to 65.5 percent of GDP. External debt amounted to Kshs. 5,150.8 billion and domestic debt was Kshs. 5,410.3 billion. As a proportion of total debt, external and domestic debt accounted for 48.8 percent and 51.2 percent respectively. The stock of public debt increased by Kshs. 282.5 billion (2.7 per cent) between June 2023 and June 2024. The increase in public debt stock in nominal terms was mainly attributed to ongoing and new development projects and exchange rate depreciation. The total public debt trends analysis for 2020/21 to 2023/24 is as shown in Figure 2.5.

Figure 2.5: Total Public Debt (2020/21 - 2023/24)

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

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

impact of fiscal consolidation and a borrowing mix biased towards concessional borrowing (**Table 2.2**).

However, external debt indicators in terms of exports and revenues exceed their respective thresholds under the current trend (baseline), resulting in a mechanical high-risk signal (**Table 2.2**). The PV of PPG external debt-to-exports (solvency indicator) remains above the threshold (180 percent) through 2029, with the ratio expected to decline gradually as the exports recover.

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

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

Table 2.2: Kenya’s External Debt Sustainability Analysis

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

Source: *The National Treasury & IMF country report*

1.1.2 Monetary Sector

Broad money supply, M3, grew by 6.0 percent in the year to June 2024 compared to a growth of 13.4 percent in the year to June 2023 (**Table 2.3**). The slowdown in growth of M3 was due to a decline in the growth of Net Domestic Assets (NDA) particularly the domestic credit. The primary source of the growth in M3 was an improvement in the Net Foreign Assets (NFA) of the banking system. The NFA of the banking system in the year to June 2024 expanded by 53.2 percent compared to a growth of 29.5 percent in the year to June 2023. The increase in Net Foreign Assets, mainly reflected an increase in commercial banks’ Foreign Assets.

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

Table 2.3: Money and Credit Developments (12 Months to June 2024, Ksh billion)

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

Source of Data: Central Bank of Kenya, 2024

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

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

1.1.3 External Sector

The current account deficit narrowed to USD 4,091.3 million (3.2 percent of GDP) in June 2024 compared to USD 4,840.9 million (4.5 percent of GDP) in June 2023 reflecting lower imports, strong performance of export of goods and services as well as increased remittances (Table 17). Goods exports increased by 5.0 percent in the 12 months to June 2024 compared to a similar period in 2023, reflecting increased exports of agricultural commodities and re-exports. Goods imports declined by 3.3 percent in the 12 months to June 2024 compared to a similar period of 2023, reflecting lower imports across all categories, except sugar, machinery and transport equipment, crude materials, and miscellaneous manufactures. In this respect, the balance in the merchandise account improved by USD 961.1 million to a deficit of USD 9,887.8 million in June 2024. Remittances increased by 12.9 percent to USD 4,536 million in the 12 months to June 2024 compared to USD 4,017 million in a similar period in 2023. Tourist arrivals improved by 27.2 percent in the 12 months to June 2024 compared to a similar period in 2023.

The capital account balance improved by USD 12.8 million to register a surplus of USD 138.5 million in June 2024 compared to a surplus of USD 125.8 million in the same period in 2023. Net financial inflows declined to USD 2,817.1 million in June 2024 compared to USD 3,420.4 million in June 2023 reflecting a slowdown in inflows to the government and other sectors. However, portfolio investments and financial derivatives registered a net outflow during the period partly due to Kenya's limited access to international financial markets owing to elevated borrowing costs. The overall balance of payments position slowed down to a surplus of USD 657.6 million (0.5 percent of GDP) in June 2024 from a surplus of USD 1,096.5 million (1.0 percent of GDP) in June 2023.

Figure 2.9: Current External Balance as a Percentage of GDP (2020/21 - 2023/24)

2.5 County Governments Fiscal Performance

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

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

The total expenditure by county governments in the FY 2023/24 was Kshs.446.76 billion, representing an absorption rate of 79.5 per cent of the total annual county governments' budget of Kshs.562.75 billion, a decline from an absorption rate of 83.3 per cent reported in the FY 2022/23, when the total expenditure was Kshs.428.90 billion. Recurrent expenditure was Kshs.337.53

billion, representing 90.5 per cent of the annual recurrent budget, a decrease from 93.3 per cent reported in the FY 2022/23. Development expenditure amounted to Kshs.109.23 billion, representing an absorption rate of 57.5 per cent and a decline from 61 per cent attained in the FY 2022/23 when total development expenditure was Kshs.97.98 billion. As of 30th June 2024, counties reported outstanding pending bills of Kshs.181.98 billion, comprised of Kshs.179.87 billion by the County Executive and Kshs.2.11 billion by County Assemblies.

2.6 Employment

Employment in the modern and informal sectors, excluding small-scale farming and pastoralist activities, went up from 19.1 million in 2022 to 20.0 million in 2023. The total new jobs generated in the economy were 848.2 thousand in 2023. In the year under review, wage employment in the modern sector grew by 4.1 per cent which translated to creation of 122.8 thousand new jobs in the sector. The informal sector created 720.9 thousand new jobs and accounted for 85.0 per cent of all the new jobs created in 2023. In the MTP IV implementation period, the Government is aiming to create 1,200,000 jobs annually through the Bottom-Up Economic Transformation Agenda (BETA) for inclusive growth. This will mainly be achieved by promoting Micro and Small Medium Enterprises, linking Kenyans to employment abroad through Bilateral Labour Agreements (BLA), and enhancing skills in demand for the global job market among others.

2.7 Structural Reforms

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

The Central Bank of Kenya has recently undertaken the following major reforms in the operation of the interbank foreign exchange market: Introduction of electronic matching systems (EMS) in the interbank market; requirement of a maximum spread of 20 cents on indicative quotes in the interbank market removed; and the CBK published exchange rate is now a weighted average rate of all interbank transactions executed the previous day. Previously, the published rate was based on an indicative rate provided by selected major players in the interbank market.

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

2.8 Human Development

Human Development Index (HDI) is a composite index measuring average achievement in three (3) basic dimensions of human development; a long and healthy life, knowledge and a decent standard of living. In the review period, United Nations Development Programme (UNDP) 2023/2024 Human Development Index Report placed Kenya at Medium HDI of 0.601. Kenya's HDI and Inequality-adjusted Human Development Index (IHDI) was slightly lower than for Medium and Developing Countries, and higher than for least developed countries (Table 4)

Table 1 : Human Development Index Performance, 2024

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

Source: UNDP, Human Development Report 2023/2024

2.9 Statistical Reforms

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

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

2.10 Tax Reforms

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

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

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

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

The above reforms on revenue and expenditure, are expected to result fiscal deficit including grants for the FY 2023/24 is therefore, projected at 5.4 percent of GDP and will decline to 4.4 percent of GDP in the FY 2024/25 and further projected at 3.6 percent of GDP in the FY 2026/27. This will support the Country's debt position and ensure the Country's development agenda is sustainably funded.

CHAPTER THREE

FINANCE AND PRODUCTION SECTOR

3.0 Overview

Finance and production sector comprise the following sub-sectors: The National Treasury and Economic Planning; Agriculture and Livestock; Cooperatives and Micro Small Medium Enterprises (MSMEs); Investment, Trade and Industry; and East Africa Community Affairs. The sector aims to create synergies among the sub-sectors 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.

3.1 Agriculture Sub sector

Agriculture remains the most important sector in our economy. This is attributed to the role played by the sector in economic and social development of the country through its contribution to the Gross Domestic Product (GDP), foreign exchange earnings, employment and wealth creation opportunities, provision of raw materials for manufacturing and sustainable management of the environment.

According to the Economic Survey 2024, the Agriculture Sector value added at constant prices recorded a 7.0 percent growth from Ksh. 1,526.37 to Billion to Ksh. 1.633.2 Billion and its contribution to the GDP stood at 21.8%.

The Sector accounted for over 40% of the total employment and more than 70% of employment for the rural population (CBK, Monetary Policy Committee Agriculture sector survey July 2023).

In Vision 2030, Agriculture is a priority sector identified to drive economic growth in the economic pillar. The Fourth Medium Term Plan of the Vision 2030 clusters agriculture in the Finance and Production Sector.

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

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

3.1.1 Tea value chain: Tea production for half-year period of 2024 was higher by 47.44 Million Kgs (17%) from 273.64 Million Kgs recorded during the same period of last year to 321.09 Million Kgs. Higher production was due to relatively higher precipitation recorded during the period

January to March occasioned by El-Nino weather conditions as well enhanced rainfall recorded during the “Long-Rains” (March-April-May) season. Production was also boosted by effects of fertilizer application which was supplied to the farmers under the Government fertilizer subsidy programme as well as commissioning of three factories that offered additional processing capacity. In 2023, the Government supported distribution of 97,974 MT of fertilizer to the tea farmers at a subsidized cost of Ksh 2,500 per 50 Kg Bag (92,700 MT procured and distributed under KTDA and 5,274 MT procured and distributed through Kenya National Trading Corporation). The fertilizer was applied to the tea bushes between October last year and February this year.

3.1.2 Edible oils value chain: During the period the state department distributed 434MT sunflower seed distributed to 35 Counties and trained 1,100 county officers on edible oil GAP.

3.1.3 Textile and apparel value chains:The target for seed support in 2023/24 was 19.5mt of bt. cotton and 20mt of OPVs. The seed availed for March/April season surpassed the target due to support provided by Stakeholders.

3.1.4 Rice value chain: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.

3.1.5 Other Crop Production Interventions

Food security subsidy and crop diversification: On Food Security Subsidy and Crop Diversification the State Department and its SAGAs increased the area under Maize production (Ha) to 2,353,655 from a targeted 2,168,603 due to favorable weather and 44 million bags of 90kg fertilizer subsidy applied.

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

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

Agro-processing:

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

Wheat promotion programme: Wheat is Kenya’s second largest consumed cereal crop after maize. However, the area under wheat production decreased from 119.6 thousand hectares in 2022 to 104.4 thousand hectares in 2023. This reduction can be attributed to farmers shifting their focus from wheat to maize in 2023. The reason for this shift is the favorable prices for maize in 2022, which incentivized farmers to switch to growing more maize. Wheat production also declined from 368.7 thousand tonnes in 2022 to 309,492 thousand tonnes in 2023 partly due to increased Quelea

Quelea bird's menace, especially in Narok. Consequently, the value of wheat decreased from KSh 14.7 billion in 2022 to KSh 12.30 billion in 2023. A draft wheat production and investment guide developed and 157 County staff sensitized on GAPs in the wheat value chain.

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

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

Development of agriculture technology innovation centres: During the period one was constructed to completion and equipped at Homabay ATDCs.

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

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

3.2 Implementation status of key outputs and BETA Priorities

The implementation status of key outputs and BETA priorities in the agricultural related sub-sector have been highlighted in Table 3.1

Table 3.1: Crops sub-sector BETA Output Results for FY 2023/24

| Priority Project/Priority | Output | Indicator | Annual Target FY 2023/24 | Cumm, Achievement (Q1-Q4) 2023/24 | Remarks on Achievement / Variance |
|--|----------------------|---------------------------------------|--------------------------|-----------------------------------|--|
| Production | | | | | |
| National value chain support for Rice Production | Basic seeds produced | Quantity of basic seeds produced (MT) | 6,000 | 51.055 | Target not achieved. The sub-sector recommends |

| Priority Project/Priority | Output | Indicator | Annual Target FY 2023/24 | Cumm, Achievement (Q1-Q4) 2023/24 | Remarks on Achievement / Variance |
|---------------------------|--|---|--------------------------|-----------------------------------|---|
| | | | | | capacity building of KARLO Mwea to produce more seed. |
| | Rice seeds availed to farmers | Quantity of rice seeds availed to farmers (MT) | 800 | 86.5 | 16.5 MT availed by MOALD 70 MT availed by KALRO |
| | Volume of avicides availed to farmers | Volume of avicides availed to farmers (litres) | 5,000 | 2,500 | Procurement was done only once. |
| | Rice farmers mobilized into cooperatives | No. of rice farmers mobilized into cooperatives | 50,000 | 1,500 | The membership in the cooperatives is expected to grow as more sensitization is done to the rice growing farmers on the importance of being in a cooperative. |
| | | No. of farmers cooperatives | 4 | 2 | The two 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 produced | 5 | 2.005 | Demand for upland rice |

| Priority Project/Priority | Output | Indicator | Annual Target FY 2023/24 | Cumm, Achievement (Q1-Q4) 2023/24 | Remarks on Achievement / Variance |
|--|--|---|--------------------------|-----------------------------------|--|
| | | and distributed for rain fed lands | | | seed is moderate. |
| Value Addition | | | | | |
| | Common user facilities for milling and packaging established | No. of common user facilities for milling and packaging established | - | 2 | Not target for the year |
| | Small industries provided with rice miller machinery | No. of small industries provided with rice miller machinery | - | 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 | 1 | Mwea Rice Growers multipurpose Co-operative Society is providing financial services through its SACCO. |
| | Consumption of locally produced rice promoted | Quantity of locally produced rice consumed (MT) | 192,299 | 192,299 | All domestically produced rice was consumed. |
| Other Crop Production Interventions | | | | | |
| Food Security Subsidy and Crop Diversification | Land under crop production(maize, potatoes, rice) | Area under Maize production (Ha) | 2,168,603 | 2,353,655 Ha | 2,353,655 Ha achieved due to favorable weather and fertilizer subsidy 44million bags of 90kg achieved |

| Priority Project/Priority | Output | Indicator | Annual Target FY 2023/24 | Cumm, Achievement (Q1-Q4) 2023/24 | Remarks on Achievement / Variance |
|---------------------------|--|--|--------------------------|-----------------------------------|--|
| | | Area under potatoes production (Ha) | 214,600 | 6,000 | Target not achieved. |
| | | Area under rice production (Ha) | 25,548 | 24,404 | There was a positive variance due to additional acreage put under irrigation. |
| | Farmers linked to large enterprises through subcontracting | No. of value chain contracts signed | - | | The MOALD in collaboration with the National Potato Council of Kenya (NPCK) and potato producing counties. |
| | Land under irrigated crop production (Maize, rice) | Area of irrigated land under maize production (Ha) | 30,238 | | |
| | | Area of irrigated land under rice production (Ha) | 69,825 | 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 | 267,400 | 235,028 | 235,028 MT of planting and top dressing |

| Priority Project/Priority | Output | Indicator | Annual Target FY 2023/24 | Cumm, Achievement (Q1-Q4) 2023/24 | Remarks on Achievement / Variance |
|---------------------------|---|---|--------------------------|-----------------------------------|---|
| | | distributed (MT) | | | fertilizers were distributed. |
| | Drought tolerant crop seeds distributed | Quantity of drought tolerant crop seeds distributed (MT) | 250 | 540 | 540 MT of potato seeds were produced |
| | Cold storage facilities constructed and operationalized | No. of cold storage facilities operationalized in rice production areas | 3 | 2 | Two potato cold storage facilities to reduce post-harvest losses constructed in Meru, and Nyandarua counties. |
| | Farmers linked to large enterprises through sub-contracting | No. of contracts honoured | 7 | | |
| Agricultural insurance | Farmers provided with subsidized crop insurance products | No. of farmers insured | 550,000 | 152,000 | The delayed procurement of service providers affected provision of crop insurance in the short rains season. |
| E-Voucher Input System | Farmers accessing assorted quality farm inputs | No. of farmers accessing farm inputs | 1,044,759 | 59,560 | Increased demand for the fertilizer inputs by the farmers. |
| | Quantity of fertilizer distributed | Quantity of fertilizer distributed (MT) | 31,600 | 217,344 | Unexpected increased demand for fertilizer |

| Priority Project/Priority | Output | Indicator | Annual Target FY 2023/24 | Cumm, Achievement (Q1-Q4) 2023/24 | Remarks on Achievement / Variance |
|---------------------------|---|--|--------------------------|-----------------------------------|--|
| | Quantity of agricultural lime distributed | Quantity of agricultural lime distributed (MT) | 2,750 | 687 | Lime was not part of the input package offered to farmers for redemption through the system |
| | Certified seeds accessed by farmers | Quantity of certified seeds accessed by farmers (MT) | 400 | 0.24 | Although late delivery of sunflower seeds affected access to certified by farmers. However, more farmers were served with the sunflower seeds by NCPB but off the system |
| Agro-Processing | Agrochemicals accessed by farmers | Litres of agrochemicals | 15,800 | 0 | This target was affected by delays in processing of the Ministry's paybill number and targeted exemptions on the same |
| Coffee Revitalization | Seedlings provided to farmers | No. of seedlings provided to farmers | 12,000 | 913,000 | 913,000 trees distributed 49,000 by AFA, 30,000 in Kiambu 383,000 in Uasin Gishu, 1,900 in Kisumu 450,000 in |

| Priority Project/Priority | Output | Indicator | Annual Target FY 2023/24 | Cumm, Achievement (Q1-Q4) 2023/24 | Remarks on Achievement / Variance |
|--|--|---|--------------------------|-----------------------------------|---|
| | | | | | Nandi County Government, women rep NAGHRIP |
| National Wheat Promotion Programme | Wheat Seeds Aailed | Quantity of wheat seeds aailed (MT) | 550,000 | | Target not achieved Due heavy rains experienced during the harvesting period |
| | Wheat flour blends formulated | No. of wheat flour blends formulated (MT) | 4 | 6 | Standards have been developed. |
| | Fertilizer aailed | Quantity of fertilizer aailed (MT) | 500,000 | 8,708,088 | Target surpassed |
| Miraa Industry Revitalization | Miraa market sourcing and promotion conducted in countries | No. of Miraa market destinations sourced | 1 | 0 | Target not achieved |
| | Miraa umbrella cooperatives strengthened through capacity building | No. of farmers in cooperatives | 1,000 | 0 | Achievement hampered by poor response from stakeholders |
| | | No. of cooperatives Capacity built | 1 | 0 | Achievement hampered by poor response from stakeholders |
| Strengthening Agricultural Mechanization | Pilot Mechanization hubs established | No. of pilot mechanization hubs established | 1 | 1 | Maize value chain hubs established in New Progressive Farmers' Cooperative Society in |

| Priority Project/Priority | Output | Indicator | Annual Target FY 2023/24 | Cumm, Achievement (Q1-Q4) 2023/24 | Remarks on Achievement / Variance |
|--|---|---|--------------------------|-----------------------------------|---|
| | | | | | Uasin Gishu County |
| Development of Agriculture Technology Innovation Centres | Incubation facilities at constructed and equipped ATDCs | No. of incubation facilities constructed and equipped | 1 | 1 | ATDC HomaBay facility constructed |
| | Agricultural Mechanization Technologies acquired, fabricated and tested | No. of technologies acquired, fabricated and tested | 10 | 10 | |
| | SMEs incubated | No. of SMEs incubated | 100 | 91 | SMEs for some value chains were not existing for all the targeted value chains. The difference was occasioned |
| Pest and Disease Management | FAW pesticides availed | Volume of pesticides availed (Litres) | 105,000 | 4,095 | Target not achievement because procurements was not done in Q1 & Q2 due to lack of funds |
| | Aflasafe availed | Quantity of Aflasafe availed (MT) | 30 | 94 | Annual target not achieved due to 100% budget cuts |
| | Pesticides Residue laboratories completed and equipped | % of completion | 95 | | To be updated in the Annual Report |

| Priority Project/Priority | Output | Indicator | Annual Target FY 2023/24 | Cumm, Achievement (Q1-Q4) 2023/24 | Remarks on Achievement / Variance |
|---------------------------|---|---|--------------------------|-----------------------------------|--|
| Agriculture Research | Crop TIMPs (e.g. varieties, seeds, seedlings) developed | No. of crops TIMPS Developed | 50 | 14 | Crops varieties released |
| | Crops research facilities improved | No. of crops research facilities improved | 3 | 1 | Tea research factory at Kericho Equipped |
| | Livestock TIMPs (e.g. breeds) developed | No. of Livestock TIMPs generated | 40 | 6 | Sahiwal, Boran , Sahiwal&am p; Fresian Cross, Orma Boran cross, 7 K1, K2 Indigenous Chicken, |
| | Livestock Research facilities improved | No. of Livestock research facilities improved | 5 | 1 | Diary Research factory at –DRI- Naivasha |

Source: State department for Agriculture reports

b) MTPIV Outcome achievements for 2023/2024 FY

Table 3.2: Crops sub-sector outcome results for FY 2023/24

| MTP IV Outcome | Outcome Indicator(s) | Annual Target FY 2023/24 | Achievement 2023/24 FY | Remarks on Achievement Variance |
|---|--|---------------------------------|-------------------------------|--|
| Increased crop contribution to GDP | Share of crops contribution to GDP | 16.2 | 21.8 | Target was achieved due favourable weather conditions characterized by “Above-normal” rainfall recorded and distribution of fertilizer to farmers |
| Increased maize production and productivity | Quantity of maize produced annually | 36.0 | 47.6 | Target was surpassed due subsidy of fertilizers; favorable weather conditions such as sufficient rainfall in 2023, and the expansion of the area under the crop |
| | Quantity of maize produced per acre | 15 | 19 | |
| Increased Rice Production | Quantity of rice produced annually | 250,000 | 244,058 | Although the area planted increased marginally from 41.3 thousand hectares in 2022 to 44.4 thousand hectares in 2023; the target was not achieved |
| Enhanced Irish potato production | Quantity of Irish potato produced annually | 2400,000 | 2,309,900 | The increase in production is attributed to promotion of the potato value chain through programs and easy access to certified seeds and higher-yielding varieties and the opening of new land and favorable prices and favourable weather conditions |
| Increased coffee production | Quantity of clean coffee produced | 75,000 | 48.7 | The reduced production compared to the year 2021/2022 is attributed to adverse weather that encouraged CBD infestation and unpredictable weather conditions that interfered with the physiological response of the crop. |
| Increased tea production | Quantity of processed tea produced | 540,000 | 570,000 | Target was surpassed due favourable weather conditions characterized by “Above-normal” mean rainfall recorded in the two rainfall; |

| MTP IV Outcome | Outcome Indicator(s) | Annual Target FY 2023/24 | Achievement 2023/24 FY | Remarks on Achievement Variance |
|--------------------------------------|---|--------------------------|------------------------|---|
| | | | | distribution of fertilizer to farmers and licensing of additional processing factories in tea growing areas that led to reduction in the post-harvest losses. |
| Increased production of edible oils | Quantity of edible oils produced (Sesame, Canola, Sunflower, Castor Bean, Oil Palm) | 150,000 | 28,852 | Government promotion through supply of seeds and subsidized fertilizers. |
| Increased cotton production | Quantity of cotton produced | 20,000 | 28,817 | Target surpassed due to supply of BT Cotton seeds and 103,046 Kgs of traditional seeds through fertilizer subsidy support |
| Reduced post-harvest losses of maize | Percentage change in post-harvest losses of maize | 25 | | Data for the end FY is not yet out |

Source: State department for Agriculture reports

3.1.2 Policy, Legal and Institutional Reforms

During the period under review, the State Department developed the following policies bills and regulations;

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

Finalized Bills;

- i. Food and feed Safety Coordination - Bill in Parliament
- ii. Pest Control Products Bill
- iii. Plant Protection Bill
- iv. The Kenya Plant Health Inspectorate Service (Amendment) Bill

v. Pyrethrum Act Repeal Bill

Gazzeted Regulations

- i. Pest Control Products (Inspection And Certification) Regulations 2024
- ii. Pest Control Products (General) Regulations 2024
- iii. Pest Control Products (Importation And Exportation) Regulations 2024
- iv. Pest Control Products (Fees And Other Charges) Regulations 2024
- v. Pest Control Products (Disposal) Regulations, 2024
- vi. The Crops (Miraa) Regulations 2022
- vii. National Cereals and Produce Board (National Food Reserve) Regulations

3.1.3 Implementation Challenges and Emerging issues

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

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

3.1.4 Recommendations

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

3.2 Livestock Sub sector

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

3.2.1 Sub sector Performance

Construction of 2 feedlots is on going: Kiburu feedlot in Meru County was at 80% completion rate and Hadado in Wajir County feedlot was at 20% completion rate .

Bachuma Livestock Export Zone (LEZ) is still stalling with no implementation for this financial year. The facility was intended to facilitate market access for livestock and livestock products.

Amount of Private Capital Mobilized through the facility to de-risk private investment (Millions)
Project implementation was constrained by lack of budgetary provision. It has been earmarked for leasing to a private operator to complete and operationalize.

Marketed milk production rose by 6.9 per cent from 754.3 million litres in 2022 to 806.6 million litres in 2023 as a result of improved pastures and fodder and implementation of Dairy Industry Regulations 2021. The National Dairy Laboratory is 95 per cent completed. Accreditation process almost complete with final audit for accreditation by KENAS on going. Amount of Private Capital Mobilized through the facility to de-risk private investment (Millions) - The target was not applicable during the period under review. However, KES 918,696,190 of private capital contributed in 10 private investments being funded by Kenya Development Corporation under KDC de-risking facility.

a) Implementation status of key outputs and BETA priorities

Table 3.3 : Livestock Sub sector BETA output Results FY 2023/24

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cum. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|--|---|--|-----------------------|----------------------------------|---|
| Production | | | | | |
| Leather and Leather Products Value Chain | Collection centres established | No. of collection centres | 5 | N/A | Target was not applicable during the period under review |
| | Hides and skins delivered to tanneries | Quantity of hides delivered to tanneries (MT) | 1,000 | 1,234 | Target was surpassed by 23.4% due to mopping up of hides and skins |
| | | Quantity of skins delivered to tanneries (MT) | 10,000 | 12,977 | Target was surpassed by 29.77% due to mopping up of hides and skins |
| | Subsidized animal feeds provided to farmers | Quantity of subsidized animal feeds provided to farmers (MT) | 2,000 | 0 | The proposal was never funded |
| | Feedlots and feed production zones established | No. of zones established | - | N/A | Target was not applicable during the period under review. However, construction of 2 feedlots was on going. |
| | Leather aggregation centres established in Narok, | No. of aggregation centres established | 1 | 0 | implementation was affected by austerity measures during |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cum. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|------------------|--|---|-----------------------|----------------------------------|---|
| | Laikipia, Marsabit, and Garissa counties (collection and preservation) | | | | the FY under review. |
| | Bachuma Livestock Export Zone (LEZ) completed | % of completion | 56 | 56 | Implementation was stalled due to lack of budgetary provision. |
| | Lamu LEZ constructed and operationalized | % of completion | 5 | 0 | Activities affected by budget cuts and delays in land registration of Bargoni holding ground. |
| | Biosafety Level 3 (BSL 3) Lab completed in Kabete. | % of completion | 65 | 0 | Non-achievement attributed to budget cuts |
| | Regional Veterinary Laboratories refurbished | No. of Regional Veterinary Laboratories refurbished | 8 | 0 | Non-achievement attributed to budget cuts. |
| | Leather Science Institute established at Ngong | % of completion | 55 | 0 | Funds were not allocated in FY 2023/24 |
| | Livestock Industry Training Institute | No. of institutions upgraded | 9 | 3 | AHITIs – Kabete, Nyahururu and Ndomba upgrading continued during the period under review. Other livestock |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cum. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|-----------------------|--|---|-----------------------|----------------------------------|---|
| | | | | | industry training institutions upgrading was significantly affected by budget cuts. |
| | | No. of trainees graduated | 984 | 1,176 | The over achievement attributed to increase in students' enrolment due to introduction of new courses to meet market demands. |
| | Livestock insurance programme | No. of livestock saved/insured (TLU) | 125,000 | 198,095 | |
| Value Addition | | | | | |
| | Kenya Leather Industrial Park Kenanie completed (CET, roads, water reticulation, ICT, security, power stations, 4 warehouses | % of completion | - | 85 | Common Effluent Treatment Plant (CETP) is at 85% complete and Four (4) industrial warehouses are at 70% Completion. |
| | Common manufacturing facilities constructed | No. of manufacturing facilities constructed | 0 | 2 | Target was not applicable during the period under review. However, 2 Common Manufacturing Facilities |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cum. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|-------------------|--|--|-----------------------|----------------------------------|--|
| | | | | | (CMFs) at Kariokor and AHITI Kabete were established and operationalized. The Project Concept Note for the Common Manufacturing Facilities for leather processing clusters in Isiolo, Uasin Gishu, Narok, Kisumu and Mombasa was finalized |
| Production | | | | | |
| | Animal genetics (AI) services and research established | No. of doses of dairy goat semen produced and distributed | 100,000 | 35,053 | Underperformance attributed to inadequate Liquid Nitrogen due to inconsistent supply of Liquid Nitrogen associated with plants breakdown |
| | | No. of doses of bull semen produced and availed to dairy farmers | 800,000 | 787,439 | Delay in supply of imported bull semen production inputs and inconsistent supply of liquid nitrogen due to plants breakdown |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cum. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|------------------|--------------------------|---|-----------------------|----------------------------------|--|
| | Processed camel milk | Quantity of camel milk processed (million litres) | 68 | 27 | During the period under review 182,710,447 litres of camel milk was produced. The processing was affected by inadequate aggregation and processing facilities in camel rearing regions |
| | Milk coolers installed | No. of coolers installed | 220 | 0 | 265 milk cooler sites are ready for installation in 34 counties. However, Delivery of milk coolers from Poland has been constrained by delay in approval of contract execution period by Government of Poland. |
| | Amount of milk processed | Volume of milk processed (Million Litres) | 754.3 | 881.86 | Marketed milk production rose by 6.9 per cent due to improved pastures and fodder and implementation of Dairy Industry Regulations 2021. |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cum. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|--|--|---|-----------------------|----------------------------------|---|
| | Safe, affordable and efficacious livestock vaccines produced | No. of vaccines doses produced (Millions) | 38.1 | 30.80 | Under-performance due to inadequate budgetary allocation, human resource capacity and low market access |
| Market | | | | | |
| | National Dairy Laboratory completed and accredited | % of completion | 100 | 95 | National Dairy Laboratory completed awaiting accreditation and commissioning |
| Other Livestock Programmes | | | | | |
| De-Risking, Inclusion and Value Enhancements of Pastoral Economies (DRIVE) | Tropical Livestock Units (TLUs) in 8 ASAL Counties Insured | No. of TLUs insured | 75,000 | 198,095 | Annual target was 125,000 TLUs and not 75,000 TLUs |
| | Pastoralists groups and pastoralists supported under the DRIVE project | No. of pastoralist accessing financial services | 160,000 | 63,759 | Annual target was supposed to be 25,000 pastoralist and not 160,000 pastoralists |
| | | No. of pastoralists groups linked to markets and savings institutions | - | 424 | The target was not applicable during the period under review. However, achievement was attributed high sensitization and adequate |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cum. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|-------------------------------|---|--|-----------------------|----------------------------------|---|
| | | | | | mobilization of beneficiaries |
| | | Amount of Private Capital Mobilized through the facility to de-risk private investment (Ksh. Millions) | - | 919 | The target was not applicable during the period under review. However, KES 918,696,190 of private capital contributed in 10 private investments being funded by Kenya Development Corporation under KDC de-risking facility |
| Livestock Genetic Improvement | Doses of semen produced and distributed | No. of doses of semen produced and distributed | 1,900,000 | 787,439 | Delay in supply of imported bull semen production inputs by the manufacturer and inconsistent supply of liquid nitrogen due to plants breakdown |
| | Liquid nitrogen produced | Litres of liquid nitrogen produced and distributed | 330,000 | 313,552 | Under-performance was due to breakdown of Liquid Nitrogen plants and periodic power supply interruptions. |
| | Dairy Goat AI Centre | % of completion | 100 | 100 | Goat AI Centre in Ndomba, |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cum. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|--|---|--|-----------------------|----------------------------------|--|
| | completed and equipped at AHITI Ndomba, Kirinyaga | | | | Kirinyaga County to ensure availability of quality goat semen. Phase 1 completed ready for commissioning |
| | Sexed semen produced and distributed to dairy farmers | No. of doses of sexed semen produced and distributed | 250,000 | 0 | The target was affected by delay in the delivery of semen sexing machines. Importation of sexed semen done as a mitigation |
| | Livestock genetic conservation centres modernised | No. of livestock genetic conservation centres | 3 | 0 | Under-performance 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 | Under-performance was attributed to lack of budgetary provision. |
| Large Scale Commercialization of Livestock Feeds | Area of land placed under livestock feeds production | Ha of land under livestock feeds production | 60,000 | 0 | Production of feeds under the land commercialization initiative |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cum. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|--|--|--|-----------------------|----------------------------------|---|
| Production and Conservation | | | | | (LCI) is yet to be started and operationalized |
| | TLUs provided with livestock feeds | No. of TLUs provided with livestock feeds | 200,000 | 0 | Production of feeds under the land commercialization initiative (LCI) is yet to be started and operationalized |
| Kenya Livestock Commercialization Project (KeLCoP) | Households empowered to participate in livestock commercialization | No. of households empowered | 11,000 | 14,616 | Target surpassed trainings, asset transfer and investment (rehabilitation) of markets and slaughterhouses, drilling of boreholes, construction of water pans and supply of good quality breeding animals. |
| Livestock Disease Management | KEVEVAPI modernized | % of modernization | 40 | 0 | Target was affected by inadequate budgetary provision. |
| | Vaccine doses produced annually | No. of vaccine doses produced annually (million) | 35 | 30.8 | Under-performance was attributed to inadequate budgetary allocation, human resources, austerity measures and |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cum. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|--|--|--|-----------------------|----------------------------------|--|
| | | | | | low market access |
| | Veterinary investigation laboratories equipped | No. of Veterinary laboratories equipped | 2 | 0 | Non-implementation was occasioned by lack of funds. |
| | Tsetse control belts covered | No. of Tsetse control belts covered | 6 | 7 | Target achieved |
| | Surveillance conducted | No. of surveillances conducted | 4 | 4 | Target achieved |
| | Vaccines administered | No. of vaccines administered (in millions) | 35 | 30.8 | |
| | PPR and FMD incidences reduced | % reduction in PPR and FMD incidences | 10 | 5 | Disease control has not been harmonized between counties. This negatively affects control of Transboundary Animal Diseases which require regional concerted efforts. |
| Towards Ending Drought Emergencies in Kenya (TWENDE) | Rangelands protected | Area of rangeland restored or protected (HA) | 100,000 | 93,000 | The underachievement was attributed to erratic weather condition especially flooding. |
| | House hold benefitting from the project | No. of households benefitting | 21,000 | 29,400 | Enhanced partnership with other agencies |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cum. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|-----------------------------------|---|-----------------|-----------------------|----------------------------------|---|
| | | | | | resulted to overachievement of the target |
| Food Safety and Quality Assurance | Compliance with safety and quality of food of animal origin | % of compliance | 100 | 100 | Target achieved |

Data Sources: SDLD Report. KDB Reports and Economic Survey Report 2024

b) MTPIV Outcome achievements for 2023/2024 FY

Table 3.4 : MTPIV Outcome achievements for 2023/2024 FY

| MTP IV Outcome | Outcome Indicator(s) | Annual Target FY 2023/24 | Achievement 2023/24 FY | Remarks on Achievement Variance |
|--------------------------------|--|--------------------------|------------------------|---|
| Increased livestock production | Share of livestock contribution to GDP (%) | 3.75 | 3.8 | Marginal improvement attributed to increase in marketed value of livestock and livestock products as a result of improved pastures and fodder; and implementation of Dairy Industry Regulations 2021. |
| | Average milk yield per cow day (Litres) | 3.0 | 3.77 | The variance was attributed to gradual uptake of modern dairy breeding technologies. |
| | Amount of milk produced (Million litres) | 5,544 | 4,568.6 | Increased in milk production was as a result of favourable weather conditions that resulted to improved pastures and fodder. |
| | Percentage change in post-harvest losses in milk (%) | 5.5 | 5.0 | The achievement on reduced milk post-harvest losses was attributed to gradual utilization of the installed 350 milk coolers countrywide. |
| | Quantity of leather produced (MT) | 9,900 | 8,152.4 | The target was affected by inadequate capacity due to incomplete Kenya Leather Industry Park - Kenanie, flaying skills in slaughterhouses and well low |

| MTP IV Outcome | Outcome Indicator(s) | Annual Target FY 2023/24 | Achievement 2023/24 FY | Remarks on Achievement Variance |
|----------------|---|--------------------------|------------------------|---|
| | | | | awareness on the importance the leather industry. |
| | Jobs Created in the leather value chain | 25,000 | 1,303 | The target was affected by inadequate capacity due to incomplete Kenya Leather Industry Park - Kenanie, flaying skills in slaughterhouses and well low awareness on the importance the leather industry. |
| | Average carcass weight per cow (Kgs) | 125 | 127 | The average carcass weight per cow (kgs) in Kenya is 230-260 kg dressed weight with 52% dressing percentage. The achievement was attributed to gradual uptake of modern livestock breeding technologies |
| | Amount of meat produced (MT ('000')) | 717 | 870 | The growth was attributed to increase on meat demand due to increasing of population. The meat source was: cattle, sheep/goat, camel, donkey, pigs, chicken and rabbits as outlines in the Economic Survey Report 2024. |
| | Amount of honey produced (MT ('000')) | 25 | 21.754 | Variance was attributed to delays in establishment of bulking sites and no colonies were distributed due to inadequate budgetary allocation. |

Source: state department for Livestock development reports

3.2.2 Policy, Legal and Institutional Reforms

- i. Sessional Paper No. 3 of 2020 on the Livestock Policy - Policy has undergone stakeholder consultations and validation Currently in the National Assembly awaiting feedback
- ii. Sessional Paper No. 2 of 2020 on the Veterinary Policy - Policy has undergone stakeholder consultations and validation Currently in the National Assembly awaiting feedback
- iii. Dairy Industry Act of 1958 - Reviewed awaiting Cabinet approval and AG final processing to Parliament;
- iv. Livestock Bill 2024 - The Bill has been approved by the Cabinet and forwarded to the National Assembly for re-publication

3.2.3 Implementation Challenges and Emerging issues

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

3.2.4 Recommendations

- i. The need to embrace alternative financing mechanisms such as Private Public Partnerships (PPPs) to supplement the resource requirements gap;
- ii. Embrace climate smart technologies in mitigating impacts of climate change and other emerging issues;
- iii. Enhance implementation of the Land Commercialization Initiative and unlock new large-scale private farms operated by commercial agribusiness ventures on livestock, pasture and fodder production;
- iv. Embrace digitization strategy towards enhancing the use of ICT in delivery of services such as e-extension, e-subsidies, digital food balance sheets, and early warning systems;
- v. Provide adequate budgetary allocation for the target programmes;
- vi. Parliament to fast track enactment of relevant pending legislations to strengthen legal and institutional framework in the sector;
- vii. Adoption of tax measures such as zero rating of key livestock inputs to ensure affordability of farm inputs;
- viii. 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.
- ix. Strengthen livestock research and dissemination mechanism and modernize agriculture training institutions to increase access to suitable varieties of breeds and fodder seeds;
- x. Promote adoption of science and superior genetic and technologies in livestock production and enhance pest surveillance and response program;
- xi. Incentivize production in medium and large-scale farms as identified in the ASTGS and facilitate investments in agro-processing hubs to create markets for agricultural produce.

3.3 Investments Sub sector

The State Department's key target and commitment to the Government is to drive the country's economic transformation agenda towards increased investments in a competitive and conducive business environment.

3.3.1 Sub sector Performance

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

a) Implementation status of key outputs and BETA priorities

Table 3.5: MTPIV Outcome achievements for 2023/2024 FY

| Priority Project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1 – Q4) FY 2023/24 | Remarks on the Achievement variance |
|--|--|---|--------------------------|--|---|
| Value Addition | | | | | |
| Leather and Leather Products Value Chain | Kenya Leather Industrial Park Kenanie completed (CET, roads, water reticulation, ICT, security, power station, 4 warehouses) | % of completion | - | 85% complete | Target not achieved due to non allocation of budget |
| Other Livestock Programmes | | | | | |
| De-risking, Inclusion and value Enhancements of Pastoral Economies (DRIVE) | Tropical Livestock Units (TLUs) in 8 ASAL Counties insured | No. of TLUs insured | 75,000 | | Target not achieved due to non allocation of budget |
| | Pastoralists groups and pastoralists supported under the DRIVE project | No. of pastoralist accessing financial services | 160,000 | <ul style="list-style-type: none"> 11 projects approved 7 accounts already | SDLD KDC ZEP-RE SDARD |

| | | | | | | |
|--|---|---|---|--|--|---|
| | | | | | have disbursement done of Kshs 800M | |
| | | No. of pastoralist groups linked to markets and savings institutions | | | | |
| | | Amount of Private Capital Mobilized through the facility to de-risk private investment (Millions) | - | | Kshs 1,031 Million approved from 13 projects | |
| Value Addition | | | | | | |
| Tea Value Chain | Incentives for tea value addition by the private sector developed and implemented | No. of incentives provided | - | | SDfi | <u>SDfi</u> , <u>SDIP</u> , <u>SDARD</u> SDT, KTDA, EATTA, KENAS |
| Edible Oils Value Chain | Cottage oil industries promoted (capacity building incubation & standards) | No. of cottage industries promoted | 5 | | SDfi | <u>SDfi</u> , <u>SDIP</u> , <u>SDA</u> , <u>SDMSME</u> , KIE, MSEA, TNT, NMC KIRDI, SDA |
| Value Addition | | | | | | |
| Textile and Apparels Value Chain | Large industrial sheds constructed | No. of industrial sheds | 1 | | -0.5 | Weather related challenges |
| | Railway sliding and related infrastructure at EPZ Athi River developed | No. of railway sliding and related infrastructure | 3 | | -2.25 | Target not achieved due to non allocation of budget |
| Enablers of the Finance and Production Sector | | | | | | |

| | | | | | |
|---|---|--|----|--|--|
| Business and Investment climate Improvement | Harmonized County Licenses and Permits | Proportion of Counties implementing Harmonized County Licenses and Permits (%) | - | No target yet but a framework will now be developed. | President has ascended to the County Licensing (uniform & procedures) Act 2022 |
| | County Competitiveness Index | County Competitiveness Index | 1 | The process towards this is ongoing | To be completed by end of the year 2024 |
| | | No. of County Competitiveness Reports | 1 | 0 | Related to the above ongoing process |
| | County Regulatory Tool Kit | No. of Counties covered by County Regulatory Tool kits | 10 | 10 | Target achieved |
| | Policy Legal and administrative reforms on business climate | No. of reforms undertaken | 10 | 10 | Target achieved |
| Investment Attraction, Retention, Facilitation and Enablement | Investments opportunities and bankable investment projects promoted locally and internationally | No. of bankable investment projects identified | 12 | 16 | Target surpassed due to multistakeholder collaboration |
| | Central Repository & complaint handling single window-PASHA | % of Completion of PASHA | 38 | 50 | Target surpassed due to multistakeholder collaboration |
| | One Start, One Stop Centre established at KENINVEST | % of completion of one start, one stop centre established at KENINVEST | 40 | 100 | Target surpassed due to multistakeholder collaboration |

| | | | | | |
|--|--|--|----|---|--|
| | Public SEZs developed in Dongo Kundu and Naivasha | % of Completion in Dongo Kundu | 10 | 8% | Dongo Kundu was handed over to KPA at 8% completion. /SEZA, SDfT |
| | | % of Completion of SEZs in Naivasha | 20 | 84% | Target surpassed due to multistakeholder collaboration |
| | Public EPZs developed in Athi River, Kenanie, Uasin Gishu, Kirinyaga, Nakuru, Muranga, Busia and Kwale | % of Completion of Athi River Textile Hub | 70 | 66 | Target not achieved due to prolonged rains. |
| | | % of Completion of Railway Siding and Related Infrastructure at Athi River EPZ | 4 | 3 | Project still at the design stage and no allocated funds yet. |
| | | % of Completion of Investor Sheds at Athi River EPZ | 8 | 2 | Target not achieved due to prolonged rains. |
| | | % of Completion of Effluent Treatment Plant at Kenanie Leather Park | 70 | 85 | No sufficient funds to finalize the CETP Project. |
| | | % of Completion of Flagship EPZ hubs in Uasin Gishu, Kirinyaga, Nakuru, Muranga, Busia and Kwale | 10 | 1 | Target not achieved due to land ownership transfer issues |
| | Investments De-risked | Value of Co-Investments (Ksh. Billions) | 1 | <ul style="list-style-type: none"> Approved kshs 5,351 Million towards | <u>SDIP</u> , <u>KDC</u> , TNT |

| | | | | | |
|--|--|--|--|---|--|
| | | | | 38 projects • Kshs 1,928 Million disbursed towards 59 projects | |
|--|--|--|--|---|--|

Source: State department for Investment Promotion Reports

a) MTPIV Outcome achievements for 2023/2024 FY

The table below presents the achievements realized during the financial year 2023/34:

Table 3.6: MTPIV Outcome achievements for 2023/2024 FY

| MTP IV OUTCOME | MTP IV OUTCOME INDICATOR | MTP IV OUTCOME TARGET | ACTUAL ACHIEVEMENT | REMARKS ON ACHIEVEMENT VARIANCE |
|-----------------------|---|------------------------------|---------------------------|---|
| Increased Investments | Total Foreign Direct Investment (FDI) (USD Millions) | 2.5 | 1.517 | Target not achieved due to delayed but actualization of investments signed MOUs. |
| | Total Domestic Direct Investment (DDI) (USD Millions) | | 480,000,000M | Client contribution towards funded projects Kshs - 6,268,171,612 Loan amount issued Kshs - 5,351,140,981 |
| | Investment Contribution to GDP (%) | - | 14.6% | Calculated against Real GDP 2023 - KNBS Economic Survey |
| | Global Competitive | | 95/187 AS AT 2020 | These two indicators to be |

| MTP IV OUTCOME | MTP IV OUTCOME INDICATOR | MTP IV OUTCOME TARGET | ACTUAL ACHIEVEMENT | REMARKS ON ACHIEVEMENT VARIANCE |
|-------------------------------|---|-----------------------|--------------------|--|
| Improved Business Environment | Index (GCI) - <i>Rank</i> | | | replaced by World Bank's B-READY going forward |
| | Morgan Stanley Competitive Index (MSCI) - <i>Rating</i> | | Was never started | |

Source: *State department for Investment Promotion Reports*

3.3.2 Policy, Legal and Institutional Reforms

The following policies and legal frameworks were developed during the year:

- i. Investment Promotion Bill, 2023
- ii. Special Economic Zones (Amendment) Bill 2023
- iii. County Licensing (Uniform Procedure) Bill 2022 (Senate Bill No.9/2022)

3.3.3 Implementation Challenges and Emerging issues

- i. Exchequer delays or cuts causing some projects to stall or not meet the proposed targets
- ii. On competitiveness as an Investment hub is the high cost of energy and horizontal infrastructure development
- iii. Lack of proper synergy between implementing partners to progress or move projects to the next level
- iv. A number of litigations

3.3.4 Recommendations

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

3.4 Trade Sub- sector

Trade Sub sector

The trade sub-sector 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, 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. Further, trade plays a critical role in attracting both domestic and foreign investments across all the value chains. The sub-sector marks the final stage in the value chain and is expected to enhance market access.

3.4.1 Sub sector Performance

According to Kenya National Bureau of Statistics, 2023, wholesale and retail trade is ranked fifth in Gross Domestic Product (GDP) contribution and third in private sector job creation. Further, the

Wholesale and Retail trade, Hotels and restaurants comprised 58.2% of total employments in the informal sector in 2023.

According to Economic Survey 2024, Kenya's earnings from exports grew by 16.3% from Kshs.874.4 billion to Kshs. 1,009.1 billion in 2023 for the first time in history. Tea was ranked as Kenya's top export earner for the year, bringing in Kshs.188.7 billion followed by horticulture at Kshs.187.4 billion. Other sectors that contributed heavily to Kenya's export earnings include apparel and clothing at Kshs.45.5 billion, coffee at Kshs.34.6 billion iron and steel earned Kenya at Kshs.32.3 billion. The bulk of Kenya's exports were destined to Africa continent, valued at Kshs.435.0 billion representing 43.2% of the Country's total export earnings. Value of total exports to EU improved by 12.7% from Kshs.133.2 billion. These were composed of domestic exports of cut flowers and avocados to the Netherlands and beans to France. Earning from UK rose to Kshs.54.7 billion (tea and cut flowers) from Kshs. 44.6 billion. Earnings from Asia recorded an increase of 19.3% from Kshs 217.6 b in 202 to Kshs. 259.7 billion majorly contributed by increase of exports to Pakistan, UAE, Saudi Arabia. Earnings from exports to America amounted to Kshs 68.9 billion.

Exports market access and diversification : successfully concluded Kenya-European Union Economic Partnership Agreement (EPA) which was signed in December, 2023 between Kenya and the EU. The European Union (EU) Parliament and Kenya National Assembly endorsed this agreement during the period paving the way for quota-free and duty-free market access for all its exports including coffee, flowers and minerals. The move has now granted Kenyan exports a market reach of 500 million and in return Kenya will have to open its markets to EU products gradually over a 25-year period. Kenya-EU EPA is aimed at strengthening trade and economic ties. Further, the agreement aims to consolidate, and expand market access for Kenya's export to the EU on a predictable and more secure manner/framework. In addition, technical negotiations for Phase I the Kenya-United Arab Emirates Comprehensive Economic Partnership Agreement (CEPA) were successfully concluded. The UAE-Kenya CEPA will deepen trade relations and enhance investment flows between the two countries by improving market access for services, removing unnecessary barriers to trade, and providing new opportunities for economic and technical cooperation. Non-oil trade between the Gulf state and Kenya reached \$3.1 billion in 2023, 26.4% increase in 2022.

The African Continental free Trade area: the Sub-sector also concluded Protocol on Women and Youth in Trade. This will be a catalyst for change, offering a unique opportunity to advance women's rights, entrepreneurship, labour rights, and equal pay within the context of a broader framework for equitable and inclusive growth. The Protocol aims at removing barriers to their participation in international economies contributes to economic development. The protocol also provides an innovative approach to inclusivity of trade agreements by providing specific provisions towards enhancing women's participation in trade to fulfil the core objectives of the trade agreement, contributing to better food security, vital job creation, and poverty reduction among others.

Moreover, the Sub-sector held a Joint Trade Committee (JTC) meeting between the Republic of Kenya and United Republic of Tanzania and agreed on holistic harmonization of levies, fees, charges, and other conditions affecting trade between the two countries. The committee resolved thirteen (13) outstanding Non-Tariff Barriers (NTBs) and provided a way forward for the

remaining NTBs. Further, the Sub-sector held the following bilateral trade engagements on FTAs, MoUs, JTCs, JTWGs :*Kenya and Somalia JCC* -discussed the draft MOU of Trade Cooperation between Kenya and Somalia; *Kenya and Ethiopia JCC*- the meeting advocated for the finalization of the simplified trade regime on the list of common goods and the implementation of the Special Status Agreement; *Kenya and Egypt JTC*-both countries agreed to hold the JTC in Nairobi Kenya; *Kenya and Djibouti Joint Ministerial Commission*- The meeting agreed on the establishment of the Joint Trade Committee Members; *Kenya- Saudi Arabia JCC* was successfully held; *Kenya-Sweden JTC* was successfully launched; *Kenya- Uganda Joint Ministerial Commission (JMC)* meeting was held and signed agreed minutes on market access; *2nd Session of the Kenya-Ghana Permanent Joint Commission for Cooperation (PJCC)* was successfully undertaken; Trade and Investment roadshow to increase market access for Kenyan goods in DRC was done; while *Kenya and Morocco MoU* on trade was initiated during the period.

Kenya-US Commercial and Investment Partnership MOU: The U.S. Secretary of Commerce Gina Raimondo and CS Ministry of Investments, Trade and Industry in 25th May, 2024 (During H.E the President's State Visit to the White House) signed a Memorandum of Understanding (MoU) on Commercial and Investment Partnership. This reaffirmed the parties' mutual commitment to deepening commercial and investment ties between the two countries. This initiative is aimed at increasing investments, promoting economic growth and supporting regional economic integration. The implementation of the MoU is currently underway, after the parties formed a joint steering committee to oversee the process.

During the period, four (4) NTBs were resolved in the time bound matrix at the Regional Monitoring Committee (RMC) which was held on 1st-4th May,2024 in Machakos.

During the year 2023, the total export volume of tea increased by 16% (72.58 Million Kgs) from 450.33 Million Kgs recorded in 2022 to 522.92 Million Kgs. Owing to increased volume of exports coupled with favorable exchange rate to the USD and stable prices, the export earnings from tea reached a record of Kshs. 188.7 billion from Kshs. 171.4 billion the previous year.

During the period, Pakistan maintained its position as the leading export destination for Kenya tea having imported 209.59 Million Kgs, which was an increase of 15% compared to 181.98 Million Kgs imported during the year 2022. Pakistan imports from Kenya accounted for 40% of the total export volume, whose value was Kshs. 75.22 billion.

Apart from Pakistan, other key export destinations for Kenya tea were Egypt whose import volume was 65.89 Million Kgs worth Kshs. 22.05 billion; UK (46.14 Million Kgs valued at Kshs. 14.67 billion); UAE (28.61 Million Kgs valued at Kshs. 10.15 billion); Yemen (22.69 Million Kgs valued at Kshs.9.11 billion); Russia (18.34 Million Kgs valued at Kshs. 5.25 billion); Iran (12.40 Million Kgs valued at Kshs. 4.28 Billion); Sudan (12.13 Million Kgs valued at Kshs. 2.92 billion); Afghanistan (10.65 Million Kgs valued at Kshs. 3.69 billion); and Poland (8.11 Million Kgs valued at Kshs. 2.36 billion). The top ten export destinations, majority of which are traditional markets for Kenya tea accounted for 83.1% of Kenya tea export volume. Compared to the year 2022, more exports were recorded in traditional markets with the exception of UAE, Russia and Sudan, which for the quite a while have been facing market access challenges occasioned by the Russia-Ukraine crisis and internal conflict in Sudan, respectively. Cumulatively for the year 2023, the quantity of tea exports to Russia was down by 4% while in Sudan it was lower by about 39% compared to the year 2022.

Notably, Chad which is an emerging market for Kenya tea recorded significant increase in exports from Kenya. Prior to the conflict in Sudan, Chad which is a land locked country, would get its commodity supplies including tea from Sudan. However, due to the blockage of trade routes from Sudan, Chad has now shifted to Nigeria and Cameroon as alternative sources of commodity supplies and imports transshipment. Similarly, there were exports to emerging markets such as South Sudan; Swaziland; Cameroon; Ethiopia; Congo DRC; Central African Republic; Senegal; Lebanon; Niger; Mauritania; Bahrain; Turkmenistan; Belarus; Guinea; Venezuela; El Salvador; and Benin. These markets usually import tea in value added form.

The Sub-sector also concluded *Protocol on Women and Youth in Trade*. This will be a catalyst for change, offering a unique opportunity to advance women's rights, entrepreneurship, labour rights, and equal pay within the context of a broader framework for equitable and inclusive growth. The Protocol is aimed at removing barriers to their participation in international economies contributes to economic development. The protocol provides an innovative approach to inclusivity of trade agreements by providing specific provisions towards enhancing women's participation in trade to fulfil the core objectives of the trade agreement, contributing to better food security, vital job creation, and poverty reduction among others.

Other Programmes/Sector Priority and Interventions

During the period under review, the Sub-sector continued to pursue a value chain approach focusing on enhancing market access. This was through the following interventions:

Market Access and Product Market Diversification Programme: *Kenya National Multi-Commodities Exchange (KOMEX):* The project aims to improve efficiency in trading systems among smallholder farmers backed by the Warehouse Receipt System. KOMEX project involves: capitalization of the exchange; sensitization of the relevant stakeholders on the ecosystem; finalization of contract specifications; end to end testing; acquisition of trading license; mock trading; and launch of the exchange. During the review period the following were achieved: Increased deployed staff capacity; Undertook Technical study of Food Safety and Structured Trading (WRS and Commodities Exchange) Systems in Nigeria and Ethiopia; Undertook staff training and technical capacity building on Structured Trading Systems; Undertook Sensitization of farmers in Uasin Gishu and Trans Nzoia Counties on KOMEX Project; Held meetings held with Kenya Development Corporation (KDC), International Finance Corporation (IFC), Investor's Consultative Meeting convened and held at the National Treasury with State Department of Trade, NSE PLC, Cooperative Bank and IFC. Additional consultative meetings held with NSE PLC, Cooperative Bank and KCB Investment Bank, WRS, FIs/Clearing and Settlement at World Bank; KOMEX Rulebook 2023 reviewed, validated by stakeholders, and approved by the Capital Markets Authority (CMA). Developed Draft KOMEX Strategic Plan 2023-2027; Acquired Commodities Exchange Trading Technology Suite; and Developed and submitted KOMEX Fee Structure for CMA regulatory approval. Integration of the existing e-WRS/Central Registry with the trading platform KOMEX and the Warehouse Operator platform (Workbench) was completed. Certificates of conformity were issued to NCPB Eldoret, Sagana, Kitale, Nakuru, Moi's Bridge, and United EA Warehouses. Six (6) Warehouse operators in Narok, Kirinyanga, Meru, Nairobi and Nyandarua counties were pre-inspected. Finalization of capitalization for regulatory compliance is ongoing. At the end of the period under review capitalization of KOMEX stood at 95%.

During the period under review, priority markets for *dairy value chain* the sub-sector identified for implementation of market development initiatives with a view to linking Kenyan Exporters to buyers in these markets. These include South Sudan, Tanzania, Uganda, DRC, Somalia, Malawi and Ghana. Priority markets for *textile and apparel* identified for implementation included: USA, UK, Netherlands, Germany and Nigeria. Priority markets for *edible oils* identified for implementation included: Uganda, Rwanda, Tanzania, South Sudan, DRC, Burundi, Zambia and Malawi. On *leather and leather products* value chain, priority markets identified include: UK, Burundi, Rwanda, South Sudan, Uganda, Italy, Germany and USA.

Warehouse Receipt System Council: In the FY 2023/24, through *Warehouse Receipts System Development*: Central Registry e-suite was established and linked to 47 County level registries. Warehouse Receipt Finance manual(WRF) was validated during the review period. Various value chain actors were capacity built (151 county officials, 312 farmers, 109 traders and 112 other stakeholders). The Sub-sector also certified 7 warehouses and issued 11 warehouse receipts. The Sub-sector through WRSC participated in Homabay International Investment Conference, 2024 where participants especially the farmers were sensitized about warehouse receipt system. The Warehouse Receipt System, promises to streamline agricultural processes while offering farmers unprecedented access to markets. With quality storage facilities in place, farmers can store their produce until market conditions are favourable, thereby avoiding selling at low prices during times of surplus. This not only increases farmers' income but also stabilizes the agricultural market, contributing to overall economic resilience. By enabling farmers to deposit their produce in certified warehouses and receive receipts, this system effectively transforms commodities into collateral for accessing credit facilities and mitigates the risks associated with market volatility.

Development of e-commerce in the promotion of trade: The *e-commerce Strategy* was developed and officially launched. Digitalization makes it easier and less costly to buy and sell goods and services across borders. Digital technologies reduce the cost of international trade, facilitate connections between producers and consumers around the world, and diffuse ideas. All this is transforming international trade in terms of how we trade, who trades, and what we trade. Exports of digitally delivered services from call-center activities to computer services and from medical transcription to banking services have almost quadrupled in value since 2005 and have grown faster than exports of goods and other services. Today, they make up more than half of global services exports and around 12 % of total exports. The Sub-sector is mobilizing resources for implementation of e-commerce strategy, development of e-commerce policy and capacity build county trade officers.

The Sub-sector also concluded *protocol on Digital Trade*. This protocol has the very important task of defining the desired digital environment for digital trade within Africa and Kenya, and by implication, also has bearing on the Continent's digital trade with respect to the rest of the world. The Protocol aims to establish harmonized rules and common principles to enable and support digital trade across Africa. It focuses on promoting intra-African digital trade, enhancing cooperation on digital matters among State Parties, and creating a transparent, secure, and trusted digital trade ecosystem. Key provisions of the Protocol include market access, treatment of digital products, facilitating digital trade, data governance, and consumer trust. It also emphasizes digital inclusion, addressing the participation of underrepresented groups and MSMEs in digital trade,

and outlines institutional arrangements and transparency requirements. Technical assistance, capacity building, and cooperation are highlighted to support implementation, with provisions for dispute settlement and periodic review to ensure relevance and effectiveness.

Global Integrated Marketing Campaigns: The objective of this project is to identify, create and expand global opportunity for Kenya’s goods and services by elevating the country brand status, creating familiarity with Kenyan goods, services, culture and its people. During the period under review, four (4No.) *Made in Kenya* digital activations were undertaken through social media platforms. Further, the Sub-sector 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 Kshs. 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. At Fruit Logistica trade fare, fourteen (14) Kenyan horticultural companies participated and the business generated at the Fair by Kenyan firms featured within the Kenya Stand demonstrated an impressive total value of USD 2,530,000.

Refurbishment and Modernization of Kenya National Trading Corporation (KNTC) warehouses: The project aims to modernize KNTC warehouses that are situated in various counties. The project entails removal of the asbestos roof and replacing with iron sheets, installation of cyclones, equipping with laboratories, weighing and grading infrastructure among others. The modernized facilities will also be expected to improve efficiency with the operationalization of the Warehouse Receipting System. The project is at 72.6% completion level.

Promotion of Fair-Trade Practices Programme: National legal metrology laboratories: The project aims at modernizing and ensuring traceability of measurements in legal metrology. The laboratory is used in maintaining mass, volume and length standards. The inclusion of water and electricity meter labs in the modernization of the laboratories is intended to raise revenue and protect consumers from exploitation from unwarranted utility bills as the meters will be accurately verified to give correct readings. During the review period, the Sub-sector in collaboration with Tea Board of Kenya conducted inspection on tea weighing equipment in South Rift, North Rift and Mt. Kenya regions. Collaborating with Kenya Revenue Authority (KRA) on metering of spirits using scientific measurement methods to collect excise duty has realized huge benefits in revenue collection by KRA. Conducted verifications for KENHA Weigh-bridges at Mtwapa, Dongo Kundu, Mariakani, Athi River, Kajiado, Juja, Gilgil, Suswa, Webuye, Rongo, Busia, Mlolongo and various virtual weighbridges; and KOKO ethanol fuel dispensers in the entire Country.

Fig: Weights and Measures Volume Lab, Nairobi 2023

a) Implementation status of key outputs and BETA priorities

Table 3.7: Implementation status of key outputs and BETA priorities



DRAFT

| Priority project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) | Remarks on the variance |
|---------------------------------|--|-------------------------------|--------------------------|--------------------------------|--|
| Leather value chain/Producti on | Central registry for leather and leather products established | % 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/Marketi ng | Exporters sensitized on market requirements and opportunities for leather and leather products | No. of exporters sensitized | 10 | 0 | Desktop research for leather value chain undertaken awaiting validation with stakeholders before dissemination and utilization in sensitizing the Exporters on the opportunities for leather and leather products in the Export markets. |
| | Export market development and promotion undertaken | No. of new markets identified | 1 | 8 | Priority markets for leather and leather products identified for implementation of market development initiatives therein and link Kenyan Exporters to buyers in these |

| Priority project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) | Remarks on the variance |
|----------------------------------|--|---|--------------------------|--------------------------------|---|
| | | | | | 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 | 0 | Activity not undertaken due to budgetary constraints |
| | Sensitization of manufacturers on unfair import trade practices | No. of manufacturers sensitized annually on unfair trade practices | 4 | 0 | Activity not undertaken due to budget constraints |
| Dairy value chain/Markets | Local and export markets promoted and diversified | No. of new markets promoted | 1 | 0 | Target not achieved due to budgetary constraints. This |

| Priority project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) | Remarks on the variance |
|------------------|---|--|--------------------------|--------------------------------|---|
| | | | | | is prioritized for implementation in the FY 2024/2025. Priority markets for dairy identified for implementation of market development initiatives therein. These include South Sudan, Tanzania, Uganda, DRC, Somalia, Malawi and Ghana. |
| | Exporters sensitized on market requirements and opportunities | No. of exporters sensitized | 10 | 0 | Target not achieved due to budgetary constraints. This is prioritized for implementation in the FY 2024/2025. |
| | Made in Kenya global campaigns conducted | No. of Made in Kenya global campaigns conducted annually | 20 | 4 | 4 Made in Kenya digital activations were undertaken through social media platforms. Underachievement is attributed to lack of budget. |
| | Export market and products developed | No. of new markets identified and | 1 | 5 | Priority markets for dairy identified for |

| Priority project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) | Remarks on the variance |
|---|---|---|--------------------------|--------------------------------|---|
| | | linked to exporter | | | implementation of market development initiatives therein and link Kenyan Exporters to buyers in these markets. These include South Sudan, Tanzania, Uganda, DRC, Somalia, Malawi and Ghana. |
| | 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 | 0 | Activity not undertaken due to budgetary constraints |
| | Manufacturer sensitized on unfair import trade practices | No. of manufacturers sensitized on unfair import trade practices | 4 | 0 | Activity not undertaken due to budget constraints |
| Textile and Apparels Value Chain/Marketing | Exporters sensitized on market | No. of exporters sensitized | 10 | 0 | The State Department had planned to hold the EPA forum |

| Priority project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) | Remarks on the variance |
|------------------|---|---|--------------------------|--------------------------------|--|
| | requirements and opportunities | | | | 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 | 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 | 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 | - | | To be undertaken in next FY |

| Priority project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) | Remarks on the variance |
|-----------------------------------|---|---|--------------------------|--------------------------------|---|
| | apparels development | | | | |
| | | No. of commercial attaches capacity built on leather industry development | 2 | - | Target not achieved due to budgetary constraints. This is prioritized for implementation in the FY 2024/2025. |
| | Unfair import trade practices threatening textile and apparels industry identified and remedied | No. of trade remedy measures applied | 3 | 0 | Activity not undertaken due to budgetary constraints |
| | Manufacturers sensitized on unfair import trade practices sensitized | No. of manufacturers sensitized | 4 | 0 | Activity not undertaken due to budget constraints |
| Edible Oils Value Chain/Marketing | Edible oil market price stabilized | Absolute price of edible oil per litre (Kshs.) | 230 | +96.36 | According to Kenya National Bureau of Statistics data. This is attributed to increase in duty on raw materials and refined cooking oils |
| | Exporters sensitized on market requirements and opportunities | No. of exporters sensitized | 10 | 0 | Desktop research for Edible oils value chain undertaken awaiting validation with stakeholders before |

| Priority project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) | Remarks on the variance |
|------------------|---|--|--------------------------|--------------------------------|---|
| | | | | | 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 | - | Target not achieved due to budgetary constraints. This is prioritized for implementation in the FY 2024/2025. |
| | Product and export market development and promotion including market diversification undertaken | No. of new markets | 1 | 8 | Priority markets for edible oils identified for implementation of market development initiatives therein and link Kenyan Exporters to buyers in these markets. These include Uganda, Rwanda, Tanzania, South Sudan, DRC, Burundi, Zambia and Malawi |
| | Unfair import trade practices threatening leather industry identified and remedied | No. of trade remedy measures applied | 3 | - | To be undertaken in next FY subject to availability of funds |

| Priority project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) | Remarks on the variance |
|----------------------------------|--|--|--------------------------|--------------------------------|---|
| | Unfair import trade practices threatening edible oil value chain identified and remedied | No. of trade remedy measures applied | 3 | - | 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 | 3 | Target not achieved due to Budgetary constraints |
| | Sensitization of manufacturers on unfair trade practices under construction/building industry | No. of manufacturers sensitized | 4 | 3 | Target not achieved due to Budgetary Constraints |
| | Sensitization of manufacturers on unfair import trade practices | No. of manufacturers sensitized annually on unfair trade practices | 3 | - | 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 | 4 | These include: <i>“Make it Kenya” exhibition</i> in Atlanta Georgia US; <i>2024 Zimbabwe International Trade Fair (ZITF)</i> in Bulawayo Zimbabwe and the <i>Fourth American</i> |

| Priority project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) | Remarks on the variance |
|--|---|---|--------------------------|--------------------------------|--|
| | | | | | <i>Chamber of Commerce (AMCHAM)</i> summit held in Nairobi, Kenya, on the 24 th and 25 th of April 2024. |
| | | 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 | 10 | Target achieved |
| | Product and export market developed | No. of new markets identified and linked to exporters | 10 | 0 | This was not undertaken due to budgetary constraints. |
| | Commercial representation strengthened | No. of commercial attaches capacity built | 2 | - | 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/buildi | No. of trade remedy measures (safeguards, | 3 | - | Activity to be undertaken in next FY |

| Priority project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) | Remarks on the variance |
|------------------|---|--|--------------------------|--------------------------------|--|
| | ing materials identified and remedied | anti-dumping, anti-countervailing) applied | | | |
| | Sensitization of manufacturers on unfair trade practices under construction/building industry | No. of manufacturers sensitized | 4 | 3 | Target not achieved due to budgetary constraints |
| Markets | | | | | |
| | Local and export markets promoted and diversified | No. of new markets promoted | 1 | 1 | The Economic Partnership Agreement between the EU and Kenya was concluded. The National Assembly ratified the Kenya—EU Economic Partnership Agreement (25 th April, 2024) |
| | Exporters sensitized on market requirements and opportunities | No. of exporters sensitized | 10 | 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 | - | Target not achieved due to Budgetary constraints |
| | Export market and products developed | No. of new markets identified and | 1 | - | Target not achieved due to budgetary constraints |

| Priority project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) | Remarks on the variance |
|---|---|--|--------------------------|--------------------------------|--|
| | | linked to exporter | | | |
| | 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 | 3 | - | 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 | 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 | - | 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 <i>do not have the mandate to establish guarantee scheme funds.</i> |
| Kenya Multi-Commodity | KOMEX Operationalized | Operational KOMEX (%) | 100 | 95 | Consultative meeting held |

| Priority project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) | Remarks on the variance |
|--------------------------|--|--------------------------------------|--------------------------|--------------------------------|---|
| Exchange (KOMEX) | | | | | with NSE PLC, Cooperative Bank and KCB Investment Bank. Regulatory compliance enhancement through budget; allocation, capitalisation and additional key staff deployments Pending acquisition of Commodity Exchange Trading Technology Suite and License. |
| Warehouse Receipt System | Central Registry e-suite established and linked to 47 County level registries | % of completion | 50 | 50 | The Council (WRSC) has completed establishment of central registry e-suit |
| | Smallholders, traders and other value chain actors on Warehouse Receipt System | No. of certified warehouse operators | 6 | 7 | During the Q4 one warehouse operator (OIKalou Cold Storage Facility) was inspected for certification. The Council has certified a total of 7 Warehouse operators and issuance of 11 |

| Priority project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) | Remarks on the variance |
|---|---|--|--------------------------|--------------------------------|---|
| | | | | | warehouse receipts as at end FY |
| Development of E-Commerce in the promotion of trade | E-Commerce Strategy and Policy developed | E-Commerce Strategy and Policy developed | 1 | 1 | E-Commerce Strategy developed and launched. The Policy will be developed in next FY due to insufficient funding |
| | | % 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 | The National Assembly of Kenya ratified the Kenya-EU EPA during the period |
| Exports Market Access and Diversification | Bilateral & Multilateral Trade agreements coordinated, negotiated and concluded | No. of Regional, Bilateral & Multilateral Trade agreements coordinated, | 12 | (5) | <i>Kenya-Morocco MoU on trade was initiated Kenya-Jordan third Session JTC-Concept</i> |

| Priority project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) | Remarks on the variance |
|------------------|--|---------------------------------------|--------------------------|--------------------------------|--|
| | | negotiated and concluded | | | note was developed *Note: the target for the FY was 8 not 12 |
| | Stakeholders sensitized on trade and investment opportunities arising from negotiated trade agreements RECs, MoUs, FTAs, WTO, EPAs, JTCs | No. of stakeholder's engagements held | 8 | 1 | Scheduled for next FY if funds will be available. Through support from partners coordinated and participated in the COMESA integration Agenda Dialogue. Signing of MOU Kenya National Chamber of Commerce and Industry and Ghana National Chamber of Commerce and Industry to enhance the private sector engagement to boost intra-African trade |

| Priority project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) | Remarks on the variance |
|------------------|---|--|--------------------------|--------------------------------|--|
| | Protocols implemented and strategies negotiated/developed | % of implementation of RECs protocols, SPS (Sanitary and Phytosanitary Measures) protocols, AfCFTA (African Continental Free Trade Area) strategy and Kenya UK EPA | 100 | 0 | Due to budget constraint the Sub-sector only managed to organize a 5-day capacity building workshop for transport sector stakeholders. Conducted one stakeholder consultation and developed Kenya's position ahead of the AfCFTA negotiations. |
| | National Trade Negotiations Council (NTNC) operationalized | % level of operationalization of NTNC | 0 | - | There was no target in this quarter/FY. The instruments that created NTNC- <i>Legal Notice Vol. CXIX-136, September 2017</i> 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 | 0 | Scheduled for next FY if funds will be available. |

| Priority project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) | Remarks on the variance |
|---|---|--|--------------------------|--------------------------------|--|
| 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 | 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 | 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 | 0 | These were not allocated any funds in FY 2023/24 |
| Operationalization of Kenya Trade Remedies Agency (KETRA) | KETRA operationalized | % of completion | 100 | 0 | This process will be initiated in the next FY if funds are availed |

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

b) MTPIV Outcome achievements for 2023/2024 FY

Table 3.8: MTPIV Outcome achievements for 2023/2024 FY

| MTP Outcome | IV Outcome Indicator(s) | Annual Target FY 2023/24 | Achievement 2023/24 FY | Remarks on Achievement Variance |
|-------------|-------------------------|--------------------------|------------------------|---------------------------------------|
| | Value of wholesale and | 1,083 | 1,134.25 | Due to conducive business environment |

| | | | | |
|---|--|-----------|-----------|---|
| Increased value of Domestic Trade | retail trade (Kshs Million) | | | |
| | Jobs created in wholesale and retail trade (No. 000) | 374.0 | 5,652.79 | This massive increase is because the indicator combines Wholesale and Retail trade, Hotels and restaurants in the Economic Survey 2024. |
| Capitalization of the KOMEX Exchange System | Small scale holder farmers integrated to the WRS | 1,000 | - | To be realized in the next FY once capitalization of KOMEX is completed |
| Increased Kenyan Exports | Total value of exports (Kshs. Billion) | 917 | 1,009.1 | Aggressive marketing campaigns, product market diversification and favourable exchange rate to the USD. |
| | Total value of exports to the EAC (Kshs. Billion) | 238 | 305.88 | Enhanced promotion activities and resolution of NTBs |
| | Total export value of leather and leather products (Kshs. Million) | 2,091 | 2,190.6 | The leather and leather products is among the priority value chains in BETA, which is expected to spur the contribution of manufacturing to GDP and employment |
| | Total export value of edible oils (Kshs. Million) | 28,295 | 23,052.3 | Unfavourable weather conditions led low levels of productions |
| | Total export value of tea (Kshs. Million) | 171,442 | 188,737.9 | Increased volume of exports coupled with favourable exchange rate to the USD and stable prices |
| | Total export value of apparel and textile (Kshs. Million) | 49,676.90 | 49,493.7 | Kenya's apparel market is experiencing a surge in demand for sustainable and ethically produced clothing, driven by a growing awareness of environmental and social responsibility among consumers. |

| | | | | |
|--|--|---------|-----------|---|
| | Total export value of horticulture (Kshs. Million) | 159,883 | 187,409.0 | This was due to favourable weather conditions that characterized the better part of 2023. High demand for Kenyan produce in Europe, Middle East and Far East markets. |
|--|--|---------|-----------|---|

Data Sources: 2024 Economic Survey, Departmental Progress Reports

3.4.2 Policy, Legal and Institutional Reforms

- i. National Consumer Protection Policy, 2023 drafted *waiting stakeholder inputs*.
- ii. The Warehouse Receipt System (Amendment) Bill, 2024-*Final Draft ready for submission to Attorney General*.

3.4.3 Implementation Challenges and Emerging issues

- i. **Inadequate funding:** The Sub-sector 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 and budget cuts, which has had a detrimental impact on its ability to fulfill its mandate.
- ii. **Inadequate Policy and Legal Framework:** The Sub-sector lacks adequate 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. **Existence of Non-Tariff Barriers in Regional Markets:** Kenya is a member of various trading blocs. The EAC Common External Tariff (CET), Rules of Origin (RoO) and trade facilitation measures such as axle-load limits and transport insurance requirements in the blocs are not implemented uniformly resulting in un-harmonized regulations. This has led to non-tariff barriers which pose a challenge to the business community in complying with the different trading arrangements. In addition, the Sub-Sector is faced with the challenge of dealing with unfair competition that is posed by the flow of imports through other Partner States which belong to other trading blocs where the RoO are not strictly enforced. The protectionism is slowly creeping in from Partner States which is affecting Kenyan export to those markets.
- iv. **External Factors:** Global economic trends, weakening currency, changes in international trade regulations, and geopolitical dynamics impact the implementation of trade policies in Kenya.
- v. **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. Without information on the business opportunities and markets available, most of the producers are not able to exploit their potential.

3.4.4 Recommendations

- i. Lobby for increased funding from the Exchequer through the MTEF budget Sector Working Groups and Parliamentary committees (Parliament Departmental Committee on Trade, Industry and Cooperatives, Senate Standing Committee on Trade, Industrialization, and Tourism);
- ii. Explore resource mobilization from development partners;
- iii. There is need for continuous consultations, collaboration, enhance communication and joint resource mobilization among the Finance and production sector actors with a view to realizing the set targets to avoid breaking the chain;
- iv. Fast track completion and enactment of various pending bills so as to create a conducive business environment for businesses to thrive.;
- v. Establish a framework for closer engagement with the County governments and the Private Sector;
- vi. Enhance engagement with the trading partners to address Non-Tariff Barriers (NTBs) and other trade concerns;
- vii. Expand trade relationships beyond a few key partners to reduce vulnerability to global economic fluctuations and regulatory changes;
- viii. Develop contingency plans to address potential disruptions caused by external factors, enabling agile responses to changing trade dynamics;
- ix. Progressively establish Commercial offices and deploy Commercial Attaches to Kenya's foreign Missions; and
- x. 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 sub Sector

The State Department drives the Manufacturing Sub-Sector of the MTP IV under the Finance and Production Sector. It formulates and implements policies to promote manufacturing, value addition, enterprise development, quality standards, industrial research and innovation, creation of enabling business environments and industrial skills development. During the period, the Manufacturing Sub-Sector aims at increasing: the level of contribution to the GDP to 15 percent; the competitiveness of the Kenyan manufactured products; increasing the volume of Kenyan manufactured exports; and creating over one (1) million additional jobs annually.

3.5.1 Sub sector Performance

The sub-sector's contribution to GDP declined from 7.8 percent in 2022 to 7.6 percent in 2023. This was due to a decline in the production in Sugar; Cocoa, Chocolate, and Sugar Confectionery; Wood and Products of Wood; Paper and Paper Products; and Motor Vehicle, Trailers and Semi-Trailers subsectors. Although the targeted growth in the sub-sector was not attained, there was significant growth which was attributed to increased manufacture of Dairy Products; Meat and Meat Products; Prepared and Preserved Fruits and Vegetables; Bakery Products; Prepared Animal Feed; Leather and Related Products; Plastic Products and Structural Metal Products.

The number of persons employed in the formal manufacturing sector grew by 2.7 per cent in 2023. Total persons employed in the sector during the period under review stood at 362.3 thousand compared to 352.6 thousand recorded in 2022. This was 11.5 per cent share of the total persons engaged in employment in the formal sector. Despite the increase, an 8.8 per cent drop in employment of persons to 76.4 thousand in 2023 was recorded in the EPZ. Additionally, increased growth of agro-based cottage industries and value addition practices that contributed to increased opportunities for employment.

The key achievements during the period under review included: Modernization of the Rivatex Machinery reached 99% level of completion; 1,588 bales of cotton lint sourced locally; 87 tonnes of cotton seeds and 3,253 litres of pesticides distributed to 15,000 cotton farmers; Nyando, Karichen and Lusigetti Apparel Value Addition Units reached 92%, 100% and 16% level of completion respectively; 328 tons of industrial castings & 65,904 industrial and automotive parts produced; Modernization of NMC Foundry plant & CNC & Fabrication workshops reached 37% level of completion; 83.2 kilo tons of cement produced to support housing program; 813 scrap metal dealers licensed; 4,004 Students trained on industrial and entrepreneurship skills; upgrading of civil works at KITI reached 50% level of completion; 10 Conformity Assessment Bodies Accredited; 435 new standards developed out of which 5 are for the construction sector; Construction of Laboratories at KIRDI South B reached 80% completion level; 1,002 SMEs incubated at KIRDI Common Manufacturing Facilities; Performance Improvement Grants worth 146 million committed to SMEs/firms for innovation & productivity improvement; 483 patents, utility models & industrial designs registered; 5,210 new trademarks registered; and 484 IPRs recorded.

a) Implementation status of key outputs and BETA priorities

Table 3.9: Industry Sub sector BETA Output Results FY 2023/24

| Priority Project/Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement (Q4) FY 2023/24 | Remarks |
|--|--|--|-------------------------|-----------------------------------|---|
| Leather and Leather Products Value Chain | Leather aggregation centres established in Narok, Laikipia Marsabit and Garissa Counties (collection and preservation) | No. of aggregation centres established | 1 | 0 | Budget cuts led to suspension of implementation of planned activities. |
| | Leather processing clusters established in Isiolo, Uasin Gishu, Narok, Kisumu, and Mombasa | No. of leather processing clusters established | 1 | 0 | Austerity measures led to lack of funds available for establishment of leather cluster. |
| | Common manufacturing facilities constructed | No. of manufacturing facilities constructed | 0 | 0 | To be undertaken in subsequent years. |
| | Kariakor manufacturing facility established and operationalized operational facility | % of completion | 50 | 0 | Limited funds affected implementation of planned activities. |
| | Leather cottage industries promoted and established | No. of leather cottage industries promoted and established | 5 | 0 | Limited funds affected implementation of planned activities. |
| Dairy Value Chain | Machinery and equipment for dairy fabricated | No. of machinery and equipment for dairy fabricated | 10 | 0 | Inadequate funds to facilitate activities. |

| Priority Project/Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement (Q4) FY 2023/24 | Remarks |
|---------------------------|---|---|-------------------------|-----------------------------------|---|
| | Capacity building of enterprises conducted | No. of enterprises trained annually on dairy value addition | 10,000 | 0 | |
| Tea Value Chain | Tea Cottage industries promoted | No. of cottage industries promoted | 50 | 11 | Limited funds to undertake promotional activities. |
| | Tea value addition hubs and warehouses established | No. of tea value addition hubs and warehouses | 1 | 0 | Budgetary constraint led to delays in implementation of planned activities. |
| | Incentives for tea value addition by the private sector developed and implemented | No. of incentives provided | - | - | To be undertaken in subsequent years. |
| Edible Oils Value Chain | Cottage oil industries promoted (capacity building incubation & standards) | No. of cottage industries promoted | 5 | 0 | Budgetary constraint led to delays in implementation of planned activities. |
| | Small industries provided with processing machinery | No. of small industries | 5 | 0 | |
| | Oil crop SMEs strengthened and trained on cottage level processing | No. of oil crops SMEs trained | 10 | 0 | |
| | Machinery and equipment for edible oils fabricated | No. of machinery and equipment for edible oils fabricated | 5 | 0 | |

| Priority Project/Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement (Q4) FY 2023/24 | Remarks |
|----------------------------------|---|---|-------------------------|-----------------------------------|---|
| Textile and Apparels Value Chain | BT cotton distributed for 200,000 acres in 24 Counties | No. of acres under BT cotton | 26,000 | 29,216 | Achievement on course. |
| | Use of alternative fibre (natural and artificial) promoted | No. of alternative fibre in use | - | - | Planned to be undertaken in subsequent years. |
| | Fabric Value Addition Centres established in Nyando and Kieni and Lusigetti | No. of Fabric Value Addition Centres | 1 | 1 | Kieni value addition centre established. Nyando and Lusigetti on course. |
| | Farmers supplied with subsidized fertilizer | No. of cotton farmers | 10,000 | 15,000 | The company utilized various approaches e.g. physical meetings (Barazas) with farmers and other cotton stakeholders in the cotton growing counties as well as mainstream media i.e Kenya's Gold programme aired by Citizen TV and Nation newspaper. |
| | Modern ginneries established | No. of modern ginneries established (Homabay, | 1 | 0 | Budgetary cuts have led to slow down of planned activities. |

| Priority Project/Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement (Q4) FY 2023/24 | Remarks |
|--|--|---|-------------------------|-----------------------------------|---|
| | | Siaya and Meru) | | | |
| | Capacity building on fashion and design of clothing and textile products conducted | No. of enterprises capacity built | 5,000 | 1,793 | Limited funds available to undertake planned activities. |
| | Textile value addition centres constructed and equipped (Nyando and Kieni) | % Completion Rate (Nyando) | 70 | 92 | Project ongoing. Partitioning done. Electrical works ongoing. |
| | | % Completion Rate (Kieni) | 50 | 100 | Target achieved. |
| Rice value chain/ value addition | Small industries provided with rice miller machinery | No. of small industries provided with rice miller machinery | 0 | 0 | To be undertaken in subsequent periods. |
| Agro-processing | Fruit and vegetable processing plants constructed | No. of processing plants constructed | 1 | 0 | Delays in disbursement of development budget led to delays in implementation of planned activities. |
| | Aggregation centres established | No. of Aggregation Centres established | - | - | Scheduled to be undertaken in subsequent periods. |
| Construction/ Building Materials Value Chain | Standards for affordable and Green construction materials developed | No. of new standards for construction materials developed | 30 | 20 | Target not met as a result of timelines mandated by the regulations |

| Priority Project/Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement (Q4) FY 2023/24 | Remarks |
|---------------------------|--|---|-------------------------|-----------------------------------|--|
| | | | | | of standards development. |
| | Cement (affordable construction materials) produced | Quantity of Cement produced (MT) | 560,000 | 235,200 | The Clinkering and Milling Plant was temporarily shut down for maintenance thus leading to negative variances. |
| | Industrial parks for construction materials constructed | No of industrial parks | - | - | To be undertaken in subsequent years. |
| | East Africa Portland Cement Plant optimized and restructured | % level of Modernization of EAPC plant | 20 | 5 | Delayed realization of proceeds from sale of fully mined idle land earmarked for plant refurbishment and replenishment of working capital. |
| | East Africa Portland Cement building materials industrial park developed | % of completion of Building materials industrial park | 20 | 5 | |
| | Use of Alternative Building Technologies (ABTs) promoted | No. of ABTs promoted | 30 | 10 | Lack of awareness among stakeholders led to negative variance. |
| | Cottage construction industries promoted | No of cottage construction industries | - | - | To be undertaken in subsequent periods. |
| | Waste recycling plant for power generation established | % of completion | 10 | 0 | Delays in disbursement of development |

| Priority Project/Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement (Q4) FY 2023/24 | Remarks |
|---|--|--|-------------------------|-----------------------------------|---|
| | | | | | 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 | 1,978 | Support from development partners led to overachievement. |
| | IPRs registered by firms and enterprises | No. of IPRs registered | 800 | 1,004 | Enhanced Outreach programmes on IPRs that led to increased awareness. |
| | Manufactured Products certified | No. of products certified | 15,000 | 14,207 | Target achieved. |
| | Firms and enterprises facilitated to access local, regional and international market | No. of firms and enterprises accessing local, regional and international markets | 10 | 9 | Target achieved. |
| County Aggregation and Industrial Parks (CAIPs) | County Aggregation and Industrial Parks (CAIPs) | No. of CAIPs Established | 5 | 0 | Construction still ongoing. |
| Manufacture of Machinery, Automotive, Equipment and Parts | Agro-machinery, equipment, tools and parts manufactured | No. of agro-machinery, equipment, tools and parts manufactured | 5 | 0 | Limited funds to undertake planned activities. |
| | Industrial machinery, equipment and tools manufactured | No. of industrial machinery, equipment, tools and parts | 320,000 | 240,063 | The target was not achieved due; |

| Priority Project/Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement (Q4) FY 2023/24 | Remarks |
|---------------------------|--|--|-------------------------|-----------------------------------|---|
| | | | | | <p>1. Down time of some machines the key ones being the Disamatic machine and sand mixers</p> <p>2. Delay in delivery of some inputs not locally found, e.g. Slax100.</p> |
| | Industrial parts produced | Volume of castings produced (in tonnes) | 200 | 367 | Overachievement as a result of bulk orders from Isuzu East Africa and GDC. |
| | Transmission parts manufactured | No. of transmission parts produced | 320,000 | 240,063 | <p>The target was not achieved due;</p> <p>1. Down time of some machines the key ones being the Disamatic machine and sand mixers</p> <p>2. Delay in delivery of some inputs not locally found, e.g. Slax100.</p> |
| | Foundry plant and workshops modernized | % completion of foundry plant and workshops modernized | 48.76 | 37.01 | Delay in disbursement of development funds affected implementation |

| Priority Project/Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement (Q4) FY 2023/24 | Remarks |
|--|--|--|-------------------------|-----------------------------------|---|
| | | | | | n of the planned 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 | 7 | Increased sensitization and investor targeting led to the overachievement. |
| | | No. of firms attracted to assemble electric vehicles and motorcycles locally | 2 | 6 | |
| | | No. of firms attracted to convert internal combustion engine to electric | 2 | 2 | |
| Manufacture of Electrical and Electronic Products | Computer parts, Electronics/Electrical and IT related components manufactured | No. of firms manufacturing electronics/electricals | 2 | 2 | Target achieved. |
| Integrated iron and steel mill plant, scrap metal and mineral value addition | Integrated iron and steel mill plant installed and commissioned | % of completion level | - | - | To be undertaken in subsequent periods. |
| Industrial Research, Technology and Innovation | Academia, industry and Government linkage established | No. of prototypes developed | 10 | 19 | The positive variance is attributable to increased demand for the institute's services as a result of |

| Priority Project/Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement (Q4) FY 2023/24 | Remarks |
|--|---|---|-------------------------|-----------------------------------|--|
| | | | | | increased marketing and promotional activities. |
| | Research laboratory equipped and operationalized at South B | % of completion level | 80 | 80 | FY 2023/24 allocation was used in part payment settlement of pending bills hence no funds to increase completion rate. |
| Skills Enhancement for Industrialization | Students/Startup/MSMEs trained on industrial skills | No. of students/Startup/MSMEs trained on industrial skills; | 4,000 | 5,282 | The target was surpassed due to increase in enrollment of CBET trainees and trainees from CDF Nakuru Town East Constituency. |
| | | No. of industrial partnership for reskilling and upskilling of workers undertaken | 2 | 3 | Outreach activities led to increased partnerships |
| | Training infrastructure and facilities developed and equipped | % completion of KITI infrastructural facilities | 45 | 50 | Target achieved. |
| | Competency based assessment center established | % of completion | - | - | To be undertaken in subsequent years. |

| Priority Project/Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement (Q4) FY 2023/24 | Remarks |
|-----------------------------|---|--|-------------------------|-----------------------------------|---|
| Green Manufacturing | Green Manufacturing concept in production adopted | No. of MSMEs adopting green manufacturing technologies | 20 | 9 | Slow adoption by MSMEs led to negative variance. |
| Accreditation and Standards | Conformity Assessment Bodies accredited | No. of Conformity Assessment Bodies accredited | 150 | 44 | Low uptake of accreditation by clients. |
| | | No. of new accreditation schemes & scopes developed and rolled out | 3 | 2 | KENAS developed Validation and Verification Global Gab Accreditation schemes. |
| | | No. of assessment and accreditation infrastructure developed | 5 | 2 | Target achieved. |
| | Products for SMEs and large firms certified | No. of products certified | 15 | 15 | Target achieved. |
| | Standards developed | No. of new standards developed | 800 | 1.124 | Target achieved. |
| | Inspection centres established in Mombasa, Nairobi, Lamu and Naivasha | No. of inspection centres established | 2 | 2 | Target achieved. |
| | Infrastructure Standards (Nairobi, Nakuru, Nyeri, Meru, Konza) upgraded | No. of infrastructural standards upgraded | 2 | 0 | To be done in next financial year. |

| Priority Project/Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement (Q4) FY 2023/24 | Remarks |
|---------------------------------------|---|---|-------------------------|-----------------------------------|--|
| | Modern testing and calibration laboratories established (Nairobi, Nakuru, Nyeri, Meru, Konza) | No. of modern testing and calibration laboratories established | 1 | 0 | Establishment of Nairobi labs still ongoing |
| Industrial Property Rights Protection | IPR registration system operationalized | % of completion | 100 | 70 | Achievement on course. |
| | Technology and Innovation Support Centre (TISC) established | % of completion | 20 | 15 | Target achieved. |
| | Industrial Property Rights (IPRs) registered | No. of IPRs registered (Patents, Utility Models and Industrial Designs) | 1,200 | 1,004 | Non compliance with application requirements resulting in applicants being invited to correct defects. |
| | Intellectual Property Rights recordation | No. of Intellectual Property Rights and Import Permit recordation | 300 | 328 | Effective use of AiMS system which fasttracked the receipt and processing of applications. |
| | Anti-Counterfeit Training Academy (ACTA) established | % of completion | 20 | 0 | Inadequate funds to undertake planned activities. |

Source: State department for Industry reports

b) MTPIV Outcome achievements for 2023/2024 FY

Table 3.10: Manufacturing Subsector Output Results Matrix for 2023/2024 FY

| S/No. | MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target | Actual Achievement | Remarks on achievement variance |
|-------|---|---|-----------------------|--------------------|---|
| | Increased contribution of manufacturing sector to GDP | Share of manufacturing to GDP | 9.2 | 7.6 | Underachievement is due to a decline in production in some subsectors. |
| | Increased growth in manufacturing | Percentage growth in manufacturing | 11.6 | 13.09 | The growth was due to increased production in agro-based industries. |
| | Increased job creation in the manufacturing sector | Jobs created in manufacturing sub sector (Formal) | 1,282.1 | 362.3 | Target not met because some sub sectors registered declines such as motor vehicle, trailers and semi-trailers which reduced the opportunities available for employment. |
| | | Informal | 5,544.8 | 3,138.5 | |

Source: State department for Industry reports, Economic survey 2023

3.5.2 Policy, Legal and Institutional Reforms

- i. The Draft National Automotive Development Bill
- ii. The Draft Kenya Quality Policy
- iii. The Sub-Contracting Strategy

3.5.3 Implementation Challenges and Emerging issues

- i. **Inadequate Infrastructure:** High costs associated with provision of infrastructure affect timely implementation of programs and projects.
- ii. **Low awareness on Industrial Property Rights and weak protection of indigenous knowledge:** There is low uptake of IPRs due to lack of awareness of the requirements and benefits of IPRs protection, a lengthy and costly registration process.
- iii. **Inadequate funding to facilitate the implementation of planned activities.**
- iv. **Inadequate Skills and Capabilities in Manufacturing sector:** There is a mismatch between available technical skills and market demands due to poor linkages between training institutions and the industry.

3.5.4 Recommendations

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

3.6 MSME sub sector

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

3.6.1 Sub sector Performance

a) Implementation status of key outputs and BETA priorities

Leather and Leather Products Value Chain: In FY 23/24, 171 MSMEs were mapped and sensitized on leather value chains in Kisii, Narok, Embu, Isiolo, and Kilifi Counties. Similarly, due to an inadequate budget, only 5 CIDCs were equipped to support the leather value chain in Suneka, Isiolo South, Malindi CIDC, and Runyenjes & Banisa CIDCs.

Dairy Value Chain: no Dairy Cottage industries for animal feeds were established, but three Cottage Industries were Financed to the tune of ksh 7.1 million. The State Department sought to finance the cottage industries but not establish them.

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

Textile and apparel value chain: no Aggregation centres in Constituency Industrial Development Centres (CIDCs) were established due to inadequate funding. Furthermore, 1700 farmers within cotton catchment areas mobilized and sensitized in FY 23/24, and 4 CIDCs were equipped to support the textile value chain Mwea CIDC, Kitale CIDC, Olkalau & Embakasi North.

Food Security and Crop Diversification: Due to inadequate funds, no cold storage Facilities in the potato production areas were Constructed and operationalized. The State Department is partnering with various key public and private stakeholders to operationalize the facilities through a co-investment model

Construction and Building Materials Value Chain: During the period under review, 68 Juakali Associations were capacity-built on product Certification in the construction value chain. The Juakali Associations capacity-built had a total membership of 168 MSEs and were from Tharaka

Nithi—9, Kisumu—56, Migori—26, Meru—45, Nyandarua—22, and Nairobi -10. Furthermore, 10 CIDs were Modernized and Linked to TVETs in Quarter 4.

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

Development of e-commerce in the Promotion of Trade: no MSMEs were linked through Subcontracting and Franchising. This activity is to be implemented in the financial year 24/25.



Fig: Olololunga CIDC – Narok County

a) Implementation status of key outputs and BETA priorities

Table 3.11: MSME subsector BETA output Result FY 203/24

| Priority Project | Output | Indicator | Annual target (FY 2023/24) | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks on Variance |
|--|--|--|----------------------------|--------------------------------------|--|
| Leather and Leather Products Value Chain | MSMEs mapped sensitized on leather value chains | No. of MSMEs sensitized | 1400 | 171 | Inadequate budget |
| | CIDCs equipped with common user facilities | No. of CIDCs equipped with common user facilities and operationalized | 20 | 5 | Inadequate Budget |
| | MSMEs linked with large enterprises, schools, and Government institution | No. of counties with supply agreements /contracts signed between MSMEs and large enterprises | 10 | - | The process for Identifying MSMEs in the Particular Counties is On-going |
| | Local market demand enhanced through | % Of procurement budget set aside by MDAs for | 40 | - | No funds for the Survey |

| Priority Project | Output | Indicator | Annual target (FY 2023/24) | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks on Variance |
|-------------------------|--|---|----------------------------|---|--|
| | enforcement of AGPO and the 40% of preferential | locally produced goods and services | | | |
| Dairy Value Chain | Dairy Cottage industries for animal feeds established | No. of dairy cottage industries established | 50 | 5 cottage industries financed to the tune of KSh 16.6 million | The organization targeted to finance cottage industries to the tune Kshs 50 million but NOT to establish 50 cottage industries. The shortfall of Kshs 33.4million was due to insufficient funds |
| | Production clusters mapped out and MSMEs sensitized on opportunities in animal feeds | No. of production clusters mapped out | 7 | - | Inadequate Funding |
| | | No. of MSMEs sensitized annually | - | - | Inadequate Funding |
| Edible Oil Value chains | Counties supported to mobilize and register farmers to cooperative | No. of cooperative / groups formed. | 10 | 35 | 35 groups registered in Busia County |

| Priority Project | Output | Indicator | Annual target (FY 2023/24) | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks on Variance |
|------------------|--|--|----------------------------|---|---|
| | s, Groups and chamas | | | | |
| | Farmers sensitized on opportunities available in the edible oil value chain | No. of farmers sensitized in the production clusters | 2,000 | 3700 | 2000 farmers sensitized in Oloitoktok. |
| | Cottage oil industries promoted (capacity building incubation & standards) | No. of cottage industries promoted | 5 | 2 cottage industries financed to the tune of KSh 12 million | The organization targeted to finance cottage industries to the tune Kshs 50 million but NOT to finance 5 cottage industries The shortfall of Kshs 38 million was due to insufficient funds |
| | Farmers in the production clusters linked with oil processors through contract farming | No. of oil production clusters linked | 2 | - | The process for Identifying The Famers in the Production Clusters is On-going |

| Priority Project | Output | Indicator | Annual target (FY 2023/24) | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks on Variance |
|----------------------------------|--|--|----------------------------|--------------------------------------|--|
| Textile and Apparels Value Chain | Aggregation centres in Constituency Industrial Development Centres (CIDCs) established | No. of aggregation centres | 3 | - | Inadequate funds |
| | MSMEs within cotton catchment areas mobilized and sensitized | No. of farmer MSME sensitized | 2000 | 1700 | 1700 MSEs/farmers sensitized in FY 23/24 |
| | Common user tailoring facilities developed and equipped in CIDCs | No. of common user tailoring facilities developed and equipped | 3 | 4 | 4 CIDCs equipped to support the textile value chain Mwea CIDC, Kitale CIDC, Olkalau & Embakasi North |
| | Capacity building on fashion and design of clothing and textile | No. of enterprises capacity built | 5000 | 100 | Inadequate Budget |

| Priority Project | Output | Indicator | Annual target (FY 2023/24) | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks on Variance |
|--|---|---|----------------------------|--------------------------------------|--|
| | products conducted | | | | |
| | Tailors linked with large entrepreneurs, schools, colleges and uniformed forces | No. of tailor groups linked with large entrepreneurs and institutions | 100 | - | Inadequate Funding |
| Rice Value Chain | Financial products developed for Rice value chain | No. of groups accessing financial products | 1 | - | The State Department is in the Process of developing the Financial Product |
| Food Security and Crop Diversification | Farmers linked to large enterprises through sub-contracting | No. of value chain contracts signed | - | - | Inadequate Funding |
| | Cold storage facilities Constructed and | No. of cold storage facilities operationalized in the | 3 | - | Inadequate Budget The Authority is partnering with various key public and private stakeholders to |

| Priority Project | Output | Indicator | Annual target (FY 2023/24) | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks on Variance |
|---|---|---|----------------------------|--------------------------------------|--|
| | operationalized | potato production areas | | | operationalize the facilities through a co-investment model |
| | Farmers linked to large enterprises through sub-contracting | No. of contracts honoured | 7 | - | Inadequate Funds to Link the Farmers to Large Enterprises through Sub-contracting |
| Construction/ Building Materials Value Chain | Jua kali County Associations Capacity built | No. of Jua kali County Associations capacity built on Product Certification | 10 | 74 | 68 association capacity built with a total membership of 168 MSEs Tharaka Nithi – 9 Kisumu – 56 Migori – 26 Meru – 45 Nyandarua – 22 Nairobi -10 |
| | Production corridors/clusters established | No. of corridors/clusters established | 7 | - | Inadequate Funding |

| Priority Project | Output | Indicator | Annual target (FY 2023/24) | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks on Variance |
|------------------|--|--|----------------------------|--|---|
| | MSMEs mobilized and aggregated into cooperatives around specific value chains opportunities (labour & material supplies) | No. of cooperatives formed and sensitized | 50 | 185 | MSEA registers MSME Associations and not cooperatives in FY 23/24 185 Associations were sensitized |
| | MSME Groups linked with Government Projects | No. of MSME Groups linked with Government Projects | 50 | 3 | Three MSE associations linked and awarded affordable housing contracts in Bomet and Nyandarua Counties |
| | Cottage construction industries promoted | No. of cottage construction industries | - | 106 cottage industries financed to the tune of KSh 445.3 million | The organization targeted to finance cottage industries to the tune Kshs 300 million and surpassed the target |

| Priority Project | Output | Indicator | Annual target (FY 2023/24) | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks on Variance |
|------------------|--|---|----------------------------|--------------------------------------|--|
| | MSMEs industrial parks and business incubation centres established in every TVET | No. of MSMEs industrial parks and business incubation centres established | - | - | Inadequate funding |
| | MSMEs business development centres established in all wards | No. of MSMEs business development centres established | - | - | Inadequate Funding |
| | Standards for MSMEs products developed | No. of standards developed- | - | - | Inadequate Funding |
| | CIDCs modernized and linked to TVET | No. of modernized CIDCs linked to TVET | 10 | 10 | 10 CIDCs refurbished |
| | MSMEs capacity strengthened to venture into | No. of MSMEs engaged in building and | 10 | 168 | 6 association capacity built with a total membership of 168 MSEs |

| Priority Project | Output | Indicator | Annual target (FY 2023/24) | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks on Variance |
|---|--|--|----------------------------|--------------------------------------|--|
| | economic activities in building and construction | construction | | | Tharaka Nithi – 9 Kisumu – 56 Migori – 26 Meru – 45 Nyandarua – 22 Nairobi -10 |
| | Low-cost housing components ring-fenced to MSMEs | No. of MSMEs groups linked with National and County projects | 100 | 70 | 2 MSME associations linked and subcontracted on affordable housing in Bomet and Nyandarua (1 MSME Association has 35 Members) |
| Decriminalization of MSMEs in the Informal Sector | Licensing regime (licenses, Fees & CESS) streamlined | No. of Counties | 47 | - | The State Department Held a meeting With the Counties and agreed on Areas to be Streamlined |
| | Working spaces secured in counties | No. of Counties With streets / spaces set | 10 | 10 | Most Counties have working spaces following a consultative meeting |

| Priority Project | Output | Indicator | Annual target (FY 2023/24) | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks on Variance |
|---|--|---|----------------------------|--------------------------------------|--|
| | | aside for MSMEs | | | |
| | MSMEs favourable policies and regulatory frameworks formulated | Reviewed MSMEs policy | 1 | 0 | To be undertaken in FY 2024/25 |
| Industrial Infrastructure Development Project | MSMEs/ Industrial Parks established; | No. of MSMEs/Industrial parks established | | | Lack of funds. |
| | MSMEs trained on entrepreneurship and value addition | No. of MSMEs trained on entrepreneurship and value addition | 200 | 720 | KIBT Targeted to train 8,000 MSMEs on entrepreneurship and value addition but was only able to train 720 for FY 23/24 Due to limited Funding |
| | MSME Business Development Centre established | No. of MSME Business Development Centre established | - | - | Inadequate Funds |

| Priority Project | Output | Indicator | Annual target (FY 2023/24) | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks on Variance |
|------------------|--|---|----------------------------|--------------------------------------|--|
| | MSMEs facilitated to access local, regional and international market | No. of MSMEs facilitated to access local, regional and international market | 2000 | 1487 | The variance is due to reduced budget |
| Hustler Fund | Hustler Fund for MSME operationalized | Amount of industrial credit issued (KSh. Billion) | 20 | | The Loan product to lend to Enterprises has not yet been developed |
| | | No. of enterprises Financed | | | The Loan product to lend to Enterprises has not yet been developed |
| | MSME Savings | Amount of GOK counterpart savings for borrowers (Ksh Billion) | 2.5 | 401M | Government counterpart savings was issued once in the second quarter |
| | | Amount of money | 1.25 | 3.1B | The savings is for personal and group loan. Its |

| Priority Project | Output | Indicator | Annual target (FY 2023/24) | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks on Variance |
|---|---|--|----------------------------|--------------------------------------|--|
| | | saved by MSMEs (KSh Billion) | | | cummulative of since the fund began. |
| | MSMEs Trained and mentored | No. of enterprises trained on BDS and mentored | 1462 | 836 | 4936- A total of 4936 groups were trained on entrepreneurship, table banking, mentorship and financial literacy. |
| Development of E-commerce in the promotion of trade | Commercial infrastructure for digital commerce rolled out | No. of MSMEs marketing their products through the digital platform (Million) | - | - | Development of E-commerce in the promotion of trade under development by E-Citizen |
| | MSMEs linked through sub-contracting and franchising | No. of MSMEs linked through sub-contracting and franchising | 2 | - | To be Implemented in the FY 24/25 |

Source of the Data: Departmental Reports

3.6.2 Policy, Legal and Institutional Reforms

3.6.3 Implementation Challenges and Emerging issues

- i. Budgetary Constraints have resulted in slow progress for most Priority Projects in the Fourth Quarter and the non-implementation of some.

3.6.4 Recommendations

- i. Provision of Adequate Funding to Facilitate the priority project Implementation by implementing Agencies

3.7 Cooperatives sub sector

The State Department for Cooperatives plays a key role in development of Co-operative Policy, Standards and Implementation; promotion of co-operative ventures; co-operative production and marketing; supervision and oversight over co-operative Societies; co-operative savings, credit and other financial services policy; co-operative legislation and support services; co-operative education and training; co-operative audit services and co-operative financing policy.

3.7.1 Sub sector Performance

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

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 85% 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. farmers cooperative ginnery that aims to provide ginning facilities to farmers of cotton: Phase 1 of PAVI cotton farmers cooperative ginnery is 80% 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.



Fig: Edible oil initiatives sunflower crop in Saboat Transzoia County

a) Implementation status of key outputs and BETA priorities

Table 3.12: Cooperatives subsector BETA output Result FY 203/24

| Priority Project | Output | Indicator | Annual Target FY 2023/24 | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks on Variance |
|--|---|---|--------------------------|--------------------------------------|---|
| Livestock value chain | | | | | |
| Leather and Leather products Value Chain | Livestock cooperatives mobilized to provide and skins | No. of Livestock farmers in cooperatives | 10,000 | 600 | Lack of budget for mobilization activities in hard-to-reach areas |
| Dairy Value Chain | Dairy Cooperatives established | No. of dairy cooperatives established | 10 | 62 | New cooperatives are emerging as but with very few members. |
| | | No. of Dairy farmers enrolled into cooperatives | 304,550 | 62,000 | Target over-estimated as most |

| Priority Project | Output | Indicator | Annual Target FY 2023/24 | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks on Variance |
|----------------------------------|---|---|--------------------------|--------------------------------------|--|
| | | | | | farmers are in cooperatives |
| | New KCC plants modernized | % completion | 80 | 0 | No allocation for the project |
| | | Quantity of powdered milk produced (MT) | 800 | 1,669 | Enhance rainfall led to overproduction of milk |
| | | No. of modernized new KCC plants | 2 | 0 | No budget availed |
| Crop value chains | | | | | |
| Tea Value Chain | Tea cooperatives established/strengthened | No. of cooperatives established/strengthened | 9 | 1 | Most farmers are under KTDA |
| | Tea farmers mobilized into cooperatives | No. of tea farmers mobilized into cooperatives | 5000 | 50 | Most farmers are under KTDA |
| Edible oil value chain | Counties supported to mobilize and register farmers into cooperatives | No. of cooperatives formed | 10 | 41 | The scope of crops was expanded to include groundnuts, avocado |
| | Edible oil crop farmers mobilized into cooperatives | No. of oil crop farmers mobilized into cooperatives | 5,000 | 4,100 | Farmers registered per cooperative lower than anticipated |
| Textile and Apparels Value chain | Cotton farmers mobilized into cooperatives | No. of cotton farmers mobilized into cooperatives | 10,000 | 34,000 | Budget cuts that affected mobilization activities |

| Priority Project | Output | Indicator | Annual Target FY 2023/24 | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks on Variance |
|--|--|--|--------------------------|--------------------------------------|--|
| Rice Value chain | Rice farmers mobilized into cooperatives | No. of rice farmers mobilized into cooperatives | 50,000 | 1,500 | The number of farmers that are not in cooperatives is smaller than earlier anticipated. |
| | | No of farmer cooperatives | 4 | 3 | No expansion in rice farming (irrigation schemes) to warrant new cooperatives |
| | Common user facilities for milling and packaging established | No of common user facilities for milling and packaging established | - | - | No budget was availed for all the quarters |
| | Small industries provided with rice miller machinery | No. of small industries provided with rice miller machinery | - | - | No budget |
| Food Security subsidy and crop diversification | Cooperatives mobilized to produce maize and potatoes | No of farmers in maize cooperatives | 320,000 | 10,450 | The number of farmers per cooperative was lower than anticipated in the target. There was also limited mobilization due to budget cuts |
| | | No of farmers in Potato Cooperatives | 120,000 | 6,000 | Limited mobilization due to budget cuts |

| Priority Project | Output | Indicator | Annual Target FY 2023/24 | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks on Variance |
|---|---|--|--------------------------|--------------------------------------|---|
| Coffee Revitalization | Coffee cooperative factories modernized | No. of coffee cooperative factories | | - | No budget-project has stalled |
| Miraa Industry Revitalization | Miraa Umbrella Cooperatives strengthened | No. of farmers in cooperatives | 1,000 | 0 | Data not yet submitted at the national level |
| | | No. of cooperatives capacity build | 1 | 0 | |
| Building and Construction | | | | | |
| Construction and building materials | MSMEs mobilized into cooperatives | No. of MSMEs mobilized into cooperatives | 150 | 1,200 | Support from Global Community (An NGO) that facilitated greater reach of SMEs |
| Industrial property rights protection | Cooperative management information system developed | Operational CIMS modules | 7 | 0 | Budget issues |
| Environment and natural resources sector | | | | | |
| Formalization of artisanal mining operations | ASM cooperatives registered | No. of cooperatives | 80 | 117 | Most groups registered in previous quarters, reducing the rate of registrations |
| Formalization of artisanal fisheries | Artisanal fishermen mobilized into cooperatives | No of cooperatives | 100 | 104 | Most groups registered in previous quarters, reducing the rate of registrations |
| | Artisanal fishermen mobilized into cooperatives | No of cooperatives | 15,000 | 18,900 | Most groups registered in previous quarters, |

| Priority Project | Output | Indicator | Annual Target FY 2023/24 | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks on Variance |
|------------------|--------|-----------|--------------------------|--------------------------------------|------------------------------------|
| | | | | | reducing the rate of registrations |

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

b) MTPIV Outcome achievements for 2023/2024 FY

| MTP Outcome | IV Outcome Indicator | Annual Target FY 2023/24 | Achievement 2023/24 FY | Remarks on Achievement (Variance) |
|---------------------------------|---|--------------------------|------------------------|---|
| Improved cooperative governance | Proportion of cooperatives complying with the Act | 17 | 45 | Compliance reports established that the active cooperatives are way less than the registered cooperatives. Hence the overshoot in achievement. The enactment of the cooperatives bill will increase the compliance further. |

Cooperatives subsector Outcome Results for FY 2023/24

3.7.2 Policy, Legal and Institutional Reforms

- i. The cooperatives bill 2024 is in the National Assembly at 2nd reading stage.

3.7.3 Implementation Challenges and Emerging issues

- i. Very limited funding to the State Department: the recurrent and development budgetary gap is too wide versus the functions of the State Department
- ii. Poor data management that will be enhanced by the act and investment in knowledge management systems
- iii. Some State Departments are appropriating the functions of the State Department

3.7.4 Recommendations

- i. The Cooperatives bill is crucial in harmonizing the roles of national vs county government in cooperatives management Very limited funding to the State Department: the recurrent and development budgetary gap is too wide versus the functions of the State Department .

- ii. Poor data management that will be enhanced by the act and investment in knowledge management systems

3.8 East Africa Community Affairs Sub sector

(The subsectors plays a key role...It focusses on....) See description in MTP IV and Previous APRs

3.8.1 Sub sector Performance

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

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

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

a) Implementation status of key outputs and BETA priorities

Table 3.14: EAC subsector BETA output Result FY 203/24

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement (Q1-Q4) 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 | 302 | 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 | Achieved |
| | Kenya's participation in EAC Trade Fairs Enhanced | No. of trade fairs held | 1 | 1 | Trade fair was held in Quarter 2 in Republic of Burundi |
| | | No. of Kenya's MSMEs products showcased in trade fairs | 300 | 700 | Trade fair was held in Quarter 2 in Republic of Burundi |
| | EAC trade and investment regulations and procedures developed and disseminated | No. of dissemination reports | 1 | 1 | Target achieved. Dissemination was conducted in 10 cross-border and other towns |
| | Women and other small-scale traders trained | No. of women and other small-scale traders trained | 50 | 12,000 | Over achievement is attributed to support by Trade Mark Africa. |
| | EAC Cross Border Trade Associations | No. of CBTAs revived and trained | 2 | 2 | Target Achieved |

| | | | | | |
|--|-----------------------------|--|--|--|--|
| | (CBTAs) revived and trained | | | | |
|--|-----------------------------|--|--|--|--|

Source: SDEAC Annual Reports

b) MTPIV Outcome achievements for 2023/2024 FY

Table 3.15: EAC subsector outcome Result FY 203/24

| MTP Outcome | IV | Outcome Indicator(s) | Annual Target FY 2023/24 | Achievement 2023/24 FY | Remarks on Achievement Variance |
|--------------------------|----|-----------------------------------|--------------------------|------------------------|--|
| Increased Kenyan exports | | Total value of exports to the EAC | 238 | 305.9 | <ul style="list-style-type: none"> The target was over-achieved. The EAC market expanded due to DRC joining the Bloc, Trade fair, and elimination of trade barriers. |

Source: Economic Survey 2024; EAC Administrative data; and EAC M&E System

3.8.2 Policy, Legal and Institutional Reforms

- i. Developed EAC Regulations for the EAC Special Economic Zones Policy and approved by the Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI).
- ii. The EAC Regional Strategy on the Implementation of the AfCFTA was finalized and adopted by 43rd SCTIFI in February 2024. The aim is to expand the market for Kenyan products and services by taking advantage of the membership in the East African Community and the African Continental Free Trade Area (AfCTA).
- iii. Developed draft Harmonised qualification framework for TVET in the EAC region.
- iv. Kenya assented to three (3) regional bills cleared by all the EAC Partner States namely: The East African Competition (Amendment) Bill 2022; The East African Community Appropriation Bill, 2022; and The East African Community Supplementary Appropriation (No. 2) Bill 2022). The assent to these bills was an agenda item during the 23rd Ordinary Summit of the EAC Heads of State that was held in Ngurudoto, Tanzania on the 24th of November, 2023.
- v. Harmonized two (2) EAC Regional Policies and Standards on Transport (Air, Rail/marine/Water way and Road) and Communication Sector.

3.8.3 Implementation Challenges and Emerging issues

- i. Inconsistent application of the Common External Tariff (CET), re-occurrence and emergence of new NTBs and restrictive use of rules of origin continue to be detrimental to the free flow of trade;
- ii. The ongoing Peace and Security situation in Eastern DRC and its effects on the integration agenda;
- iii. Inadequate budget and budget cuts which affect implementation of the set targets; and
- iv. Slow progression to the EAC pillars of customs union, common market and political federation.

3.8.4 Recommendations

- i. Spur regional agribusiness by linking the Kenya Commodity Exchange with that of the Northern Corridor Integration Project (NCIP) Partner States in order to facilitate intra-trade in EAC through warehouse receipt systems;
- ii. Revision of the EAC Simplified Trade Regime to enhance the list of commonly traded products by the MSMEs across the borders;
- iii. Timely resolution of reported non-tariff barriers to trade;
- iv. Enhance awareness creation on opportunities obtaining from the EAC integration process;
- v. Fast tracking conclusion of the EAC Social Security mechanism to facilitate portability of health benefits and the framework for EAC Pooled Bulk Procurement of Medicines to ensure access and affordability of medicines;
- vi. Continue facilitating MSMEs participation in EAC Trade Fairs to showcase Kenyan made products and services. Specifically, facilitate at least 500 Kenyan MSMEs during the 24th MSMEs Trade Fair in 2024 in Juba, South Sudan;
- vii. Full operationalization of the EAC NTBs Elimination Mobile Application;
- viii. Interfacing the Central and Northern Corridor Cargo Tracking Systems; and Exploiting the economies of scale emanating from emerging and third-party markets

3.9 Financial Services Sub sector

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

3.9.1 Sub sector Performance

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

Share of financial services contribution to GDP decreased as mobile money subscriptions recorded a first-ever decrease, dropping by 2.58 percentage points to 73.76 per 100 inhabitants in 2023. This downturn is partly attributable to a market saturation point in the mobile money market, indicating that the rapid expansion phase of mobile financial services may be stabilizing as the market matures.

Gross National Savings dropped from 14.24% in FY 2022/23 to 11.9% in FY 2023. This is attributed to the drop in business activities amid widespread economic challenges that included higher inflation rates depreciation in the first half of FY 2023/2024. Additionally, tight monetary policy with CBR being raised to 13.0 affected lending and deposit rates by commercial banks.

a) Implementation status of key outputs and BETA priorities

Table3.16: Financial Services subsector BETA output Result FY 2023/24

| Priority Project | Output | Indicator | Annual Target FY 2023/24 | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks on achievement variance |
|---|--|--|--------------------------|--------------------------------------|------------------------------------|
| Rural Kenya Financial Inclusion Facility (RK-FINFA) | Rural Credit Guarantee Scheme (RCGS) operationalized | No. of commercial banks participating in RCGS | 2 | 0 | RCGS is yet to be operationalized |
| | | Volume of credit disbursed under RCGS (millions, USD) | 8 | 0 | RCGS is yet to be operationalized |
| | | No. of farmers rural areas accessing financial services under RCGS | 2,350 | 0 | RCGS is yet to be operationalized |
| Green Financing | Green Finance service providers accredited | No. of accredited local green finance service providers | 1 | 3 | KCB,NEMA &Acumen Fund incorporated |
| | Green finance professionals trained | No. of green finance | 50 | 149 | Trainings supported |

| | | | | | |
|-------------------------|--|---|--------|--------|--|
| | | professional Trained | | | under FLLoCA Program |
| | National and County Government capacity to manage climate risks strengthened | No. of wards benefitting from Program-funded resilience investment (FLLoCA) | 0 | 0 | Funds under FLLoCA disbursed in the 4 th Quarter. |
| | | Capitalization of Climate Change Funds (Amount Ksh Millions) | 1,500 | 10,507 | FLLoCA disbursed Ksh. 7.3 Billion to the Counties allocated 1.5%-2% of development budget to the County Climate Change Funds |
| Credit Guarantee Scheme | MSMEs provided with business development services | No of MSMEs guaranteed loan through the scheme | 10,000 | 4118 | Not achieved The scheme is undergoing transition into a company |
| | Kenya Credit Guarantee Company Established | %of completion | 100 | 95 | Credit Guarantee Policy, CAB Memo amendment to CBK Act and Articles of association developed and submitted to the Cabinet Awaiting cabinet approval for incorporation of the company |

| | | | | | |
|--------------------------------------|--|--|--------|--------|--|
| | Sector specific credit guarantee product developed | No of Sector specific credit guarantee product developed | 3 | 6 | Developed 5 sector specific and 1 for special segment i.e. for women, youth and PWDs |
| | CGS Capital Mobilized | Amount of CGS Sector specific credit guarantee developed capital mobilized from the private sector (Ksh. Millions) | 4,000 | 0 | Not achieved This awaits the establishment of the company. Engagement with potential investors is ongoing to enhance investment capital |
| Payments Ecosystems Interoperability | Interoperable payments system developed | % of completion | 60 | 60 | Presidential directive which terminated all non-designated payment platforms and migrate to the designated Pay bill Number 222222 in line which with BETA to digitize Government Services. |
| | Government payment platforms automated | No. of Government Payment Services Automated | 12,000 | 19,888 | Tremendous growth occasioned by the Presidential Directive to on-boarding all Government services onto the e-Citizen Portal. |

| | | | | | |
|---|--|--|---|----|---|
| Nairobi International Financial Centre (NIFC) | Incentive Package to attract capital investments developed | No. of incentives package developed | 3 | 10 | The Authority submitted 10 proposals in FY23/24, only one was included in the Finance Bill. With the rejection of the finance bill 2024, the proposal will unfortunately not translate into law. |
| | Investment vehicles established | No. of investment vehicles established | 2 | 0 | A key tax incentive affecting investment vehicles needed to be amended, and was included in the finance bill 2024. Additional incentives are needed to make NIFC competitive environment. Authority is working with UNDP FC4S to develop a pipeline of investable projects for which NIFC Investment vehicles can deploy green capital-consultant has been engaged and pipeline |

| | | | | | |
|--|---|----------------------------------|---|---|--|
| | | | | | expected in 2nd Quarter of the FY 24/25. |
| | Fintech and technology ecosystem in place | No. of Fintech firms in the NIFC | 2 | 0 | The Authority needs to enhance its incentives to make the operating environment more competitive and attractive in order to meet subsequent targets. |

Source: TNT reports, Economic survey 2023

b) MTPIV Outcome achievements for 2023/2024 FY

Table 3.17: Financial services subsector Outcome Results FY 2023/24

| MTP IV Outcome | Outcome Indicator(s) | Annual Target FY 2023/24 | Achievement 2023/24 FY | Remarks on the Achievement variance |
|--|--|--------------------------|------------------------|-------------------------------------|
| Increased Access to Financial Services | Proportion of population using formal financial services | 84.1% | 83.7% | |
| Increased Financial Services Contribution to GDP | Share of financial services contribution to GDP | 8.1% | 5.7% | |
| Increased Gross National Savings | Gross National Savings as a % of GDP | 15.30% | 11.9% | |

Data Sources: 2024 Economic Survey, Departmental Progress Reports

3.9.2 Policy, Legal and Institutional Reforms

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

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

3.9.3 Implementation Challenges

1. Macroeconomic targets are prone to shocks emanating from external and domestic shocks. The Kenyan economy is currently unwinding from the effects of negative and persistent global and domestic shocks that pushed the economy to its lowest activity level. These shocks included the COVID-19 pandemic and the effects of climate change that range from the prolonged drought in 2021 to the floods in 2024. These shocks escalated the cost of essential household commodities. They also pushed up fuel prices and led to a rapid depreciation of the Kenya Shilling thus pilling pressure on the already heavy public debt.
2. The Government has implemented bold policy measures to mitigate these negative shocks to the economy. The efforts have started yielding positive results. The economy expanded by 5.6% in 2023 up from 4.9% in 2022, a demonstration of resilience. The cost of living as measured by inflation is now firmly under control. Inflation stood at 4.6% in June 2024 and 5.0% in May 2024, from a peak of 9.6% in October 2022 due to easing food and energy prices. The pass-through effects of the strengthening exchange rate since February 2024 and the tight monetary policy stance has supported the easing in inflation. Additionally, the interventions by Government in providing subsidized fertiliser and seeds continue to lower the cost of food production.
3. The achievement of the fiscal targets for the FY 2023/24 was hampered by challenges in raising resources. By end April 2024, total revenues amounted to Ksh 2,179.7 billion against a target of Ksh 2,402.1 billion resulting to a shortfall of Ksh 222.4 billion. The below target performance was on account of shortfall registered in ordinary revenue of Ksh 267.9 billion despite the surplus collection of Ksh 45.4 billion registered in ministerial A-i-A. Similarly, expenditures were below target by Ksh 323.3 billion on account of below target disbursements towards both recurrent expenditure and development expenditures. The below target performance in fiscal deficit is largely explained by the shortfalls in revenue performance and liquidity constraints.
4. Other challenges that affected performance include:

- i. Legal litigations that delayed and hampered approval and implementation of provisions in the Finance Bill, 2023;
- ii. Resource constraints which hindered implementation of targeted policies; and
- iii. Annual budget allocations not aligned to the MTP IV priorities

3.9.4 Recommendations

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

CHAPTER FOUR: INFRASTRUCTURE SECTOR

4.0 Overview

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

4.1 Roads

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

4.1.1. Description of Results

Add text

Table 4.1.1 Implementation status of key outputs and BETA priorities – Roads

| Priority Project | Output | Indicator | Annual target FY2023/24 | Cumulative Achievement FY2023/24 | Remarks on the variance |
|---|---|---------------------------------------|-------------------------|----------------------------------|--|
| Construction of Km roads | Km of roads constructed/rehabilitated | Km of roads constructed/rehabilitated | 1,000 | 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 | 17,490 | Target achieved |
| Urban and Highway Roads Maintenance | Highways and urban roads maintained | Km of roads maintained | 21,000 | 32,519 | Target achieved |
| Decongestion of Cities, Urban Areas and Municipalities | Length of Arterials and Collectors constructed | Km of roads constructed | 87 | 27.68 | 32% |
| Construction of footbridges | Footbridges constructed (KENHA) | No. of footbridges constructed | 3 | 4 | 133% |
| Implementation of Integrated National Transport Information Management System and Dashboard | Traffic and speed cameras installed along main highways | No. of speed cameras installed | 10 | 0 | 6 cameras to be installed in Q4 along southern bypass and Ihindu, Kinungi, Karai stretch in Nakuru |
| Decongestion of Cities, Urban Areas and Municipalities | Length of Bypasses constructed | No. of Km Constructed | 29.4 | 0 | Inadequate allocation of funds |
| | Length of Missing Links constructed | | 8 | 0 | Inadequate allocation of funds |
| | Length of Arterials and collectors constructed | | 87 | 27.68 | Inadequate allocation of funds |
| | ITS Infrastructure installed in Nairobi, Mombasa, Kisumu, Nakuru, Eldoret and Thika junctions | No. of Junctions installed with ITS | 25 | 0 | Designs in place. No funds allocated for works |

| Priority Project | Output | Indicator | Annual target FY2023/24 | Cumulative Achievement FY2023/24 | Remarks on the variance |
|------------------|--|---|-------------------------|----------------------------------|-------------------------|
| | Traffic Management Centres constructed | No. of Traffic Management Centres constructed | 1 | - | |

Table 4.1.2 Roads Sub-Sector Outcome Results for FY2023/2024

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target | Actual Achievement | Remarks on Achievement Variance |
|-----------------------------|--|-----------------------|--------------------|---------------------------------|
| Improved road accessibility | Classified roads constructed (KM) | 2,000 | | |
| | Classified Roads Maintained and Rehabilitated (KM) | 46,000 | | |

4.1.2. Policy, Legal and Institutional Reforms

4.1.3. Implementation Challenges and Emerging Issues

- i. High stock of pending bills
- ii. Inadequate financing especially for high-capital road projects
- iii. High construction and maintenance costs due to rising inflation
- iv. Vandalism of road infrastructure facilities
- v. Lengthy procurement procedures, including litigation challenges
- vi. Encroachment of land earmarked for road infrastructure development
- vii. Climate change has resulted in challenges in executing road development and maintenance projects due to extreme weather events, such as heavy rainfall and flooding, damaging road infrastructure and elevating maintenance needs.
- viii. Land acquisition and compensation - Acquiring land and compensating for road construction and expansion projects tends to be a complex and protracted process, often causing delays, disputes, and elevated costs

4.1.4. Recommendations

- i. There is a need to explore alternative sources of funding such as Public Private Partnerships (PPP) to ensure sustainable funding for road development
- ii. GOK development budgetary allocations should be enhanced for the timely completion of ongoing road development projects

- iii. Effective coordination is key in ensuring alignment of the Annual Work Plans / Budgeting process to the Medium-Term Plan IV
- iv. There should be enhanced and effective monitoring and evaluation of projects to ensure intervention of emerging challenges towards timely completion
- v. Greater focus on disaster preparedness to mitigate against disasters such as El Nino that disrupt project completion rates
- vi. Land acquisition and compensation -To optimize this process, it's essential to enhance communication and transparency with all stakeholders, ensure comprehensive documentation, speed up land acquisition and compensation efforts, and conduct early needs assessments. Furthermore, proactive engagement with impacted communities and offering support services can help address concerns and hasten the overall process of land acquisition
- vii. Adopting green infrastructure techniques, promoting biodiversity conservation, and engaging with local communities and stakeholders all contribute to sustainable road development, aiming to minimize ecological harm and maximize long-term benefits for both local communities and the environment

4.2 Transport

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 of transport.

The mandates of the Ministry of Roads and Transport are stipulated under Executive No 1 of January, 2023 on the Organisation of Government and are as summarised: Axle Load Control Policy and Standards; Development and Maintenance of Air Strips; National Roads Development Policy; Development, Standardization and Maintenance of Roads; Materials Testing and Advice on Usage; Protection of Road Reserves; Maintenance of Security Roads; Administer Mechanical and Transport Fund; Registration of Engineers; Mechanical and Transport Services; Enforcement of Axle Load Control; Transport Policy Management; Rail Transport and Infrastructure Management; Fast Tracking Identified Northern and Northern Corridor Transport and Lamu Port South Sudan Ethiopia Transit (LAPPSET) Transport Corridor Projects; Oversight and Co-ordination of LAPSSET Programmes Implementation; Civil Aviation Management and Training; Registration and Insurance of Motor Vehicles; Motor Vehicles Inspection; National Transport Safety; National Road Safety Management; and National Roads Transport Policy.

4.2.1 Description of Results

Add text

The key outputs for the State Department of Transport for the FY 2023/2024 review period are structured for each of the priority value chains as shown in Table 4.2.1

Table 4.2.1 Implementation status of key outputs and BETA priorities - Transport

| Priority Project | Output | Indicator | Annual target FY2023/24 | Cumulative Achievement FY2023/24 | Remarks on the variance |
|---|--|---|-------------------------|----------------------------------|---|
| Enablers of the Finance and Production Sector | | | | | |
| Industrial Infrastructure Development project | Lamu SEZ established | % of completion | - | 0% | Feasibility study for SEZ development through PPP to be done |
| Investment attraction, retention, facilitation and enablement | Public SEZs developed in Dongo Kundu, and Naivasha | % of Completion in Dongo Kundu | 10 | 1.7% | 50 acres out of 3,000 available allocated for development |
| Inclusive Growth (People Centered) | | | | | |
| Development of 50-year Transport Master Plan | Master Plans developed | % completion | 71 | 0 | TOR in the process of being drafted. Financing being sought under the Horn of Africa Project |
| Road Safety Project | Integrated Transport Information Management System | % of Integrated Transport Management System completed | 30 | 0 | This is scheduled for FY 2024/25 |
| | Model motor vehicle inspection and driver testing unit with simulators | No. of inspection and driver testing unit | 38 | 0 | Construction works at 15% completion. Supper structural works are completed, and foundation works are in progress. Installation of equipment to be undertaken after construction. |
| | Upgrading manual motor vehicle inspection centres | No. of Inspection centres upgraded | 3 | 0 | The project has not commenced due to budgetary allocation |

| Priority Project | Output | Indicator | Annual target FY2023/24 | Cumulative Achievement FY2023/24 | Remarks on the variance |
|---|--|--------------------------------------|-------------------------|------------------------------------|---|
| | Road Safety Audits and accident investigations/ Inspections undertaken | No. of road safety Audits undertaken | 12 | 32 | Q1 – 7 road safety audits were carried out, Q2 6 road safety audits were done, Q3 6 Road audits were done, and Q4 13 road safety audits were done. All the road safety audit reports were shared with the road agencies for implementation. |
| Decongestion of Nairobi Metropolitan Area (NMA) | 28 Km of Line 2 Simba: Rongai - Bomas (Langata Rd) - CBD - Ruiru - Thika - Kenol constructed | Km constructed | 20 | - | |
| Construction and rehabilitation of Railways | Nairobi Railway city developed | % completion | 13 | Early works at 30% completion rate | Contract signed on 12th January 2023 for early works and construction of pedestrian foot bridge construction of maintenance workshop Preliminary (RIBA 3) Design for Central Station and Public Realm complete |

| Priority Project | Output | Indicator | Annual target FY2023/24 | Cumulative Achievement FY2023/24 | Remarks on the variance |
|------------------|--|--------------|-------------------------|----------------------------------|---|
| | | | | | Supplementary ESIA and Resettlement Action Plan (RAP) study complete Student Housing at tendering stage Phase 1 Construction (Central Station, Public Realm and Yard Works) awaiting approval by The National Treasury |
| | Eldoret Railway City developed | % completion | 10 | 10 | Master Plan for the Eldoret Railway City completed. Draft Eldoret Railway City Strategic National Installation and Project Plan approved Stakeholder engagement conducted |
| | Embakasi village- Ruai commuter line completed | % completion | 5 | - | Prepared designs for the line Feasibility study for the route ongoing |
| | SGR /MGR Transshipment facility at Konza constructed | % completion | - | | At initiation stage (conception stage) |

| Priority Project | Output | Indicator | Annual target FY2023/24 | Cumulative Achievement FY2023/24 | Remarks on the variance |
|------------------|--|--------------------------------------|---|---|---|
| | SGR Phase 2B and 2C | % completion | - | 5 | Proposed financing model for Phase 2B and C; and engagement with Uganda on designs and implementation schedule completed. RAP programme at contract award stage, Environment and Social Impact undertaken Corridor survey and alignment done |
| | Central Workshop, Mombasa Depot, Eldoret Depot and Nakuru Depot. Modernized and equipped | % completion | 10 | - | Work Plan has been prepared and forwarded to the State Department for Transport for review. |
| | Locomotives and wagons Purchased, Rehabilitated and overhauled | No. of locomotives and No. of wagons | 200 new MGR wagons Rehabilitation of 4 MGR locos Remanufacture of 3 MGR locos | 7 MGR locos rehabilitated 1MGR locomotive remanufactured • 200 MGR wagons delivered | Remanufacture of MGR locomotives delayed by long lead times on delivery of main component including engines, motors and compressors |

| Priority Project | Output | Indicator | Annual target FY2023/24 | Cumulative Achievement FY2023/24 | Remarks on the variance |
|---|---|--------------------------------------|-------------------------|----------------------------------|--|
| Implementation of Integrated National Transport Information Management System and Dashboard | Traffic and speed cameras installed along main highways | No. of speed cameras installed | 10 | | |
| | Transport Data centre and Road | % completion | - | | |
| | Transport Dashboard operationalized | | - | | |
| Civil aviation development and management | Terminal at JKIA constructed with an additional capacity of 20 million passengers | % completion | 5 | 0 | At the pre-contract activities in the on-boarding phase of a Public-Private Partnership (PPP). |
| | JKIA Terminal 1E up-graded to a permanent facility. | % completion | 11 | 0 | A demolition plan and methodology have been established |
| | Kisumu Airport Control Tower constructed | % completion | 50 | 50 | Project at 50% completion rate. |
| | Diani Airport Control Tower constructed | % completion | - | | No progress made. |
| | Air Navigation Services (ANS) systems and equipment installed | No. of assorted equipment installed. | 525 | | |
| | | No. of systems installed | 1 | | |
| | | | | | |
| Development and Operationalization of Ports | Berth I of Dongo Kundu developed and equipped | % completion | - | 0% | Procurement of contractor awaiting contract signing |
| | Preliminary studies for Strengthening, Straightening and Deepening | % completion for preliminary studies | - | 0% | Contract negotiation ongoing for consultant to undertake feasibility |

| Priority Project | Output | Indicator | Annual target FY2023/24 | Cumulative Achievement FY2023/24 | Remarks on the variance |
|---|--|--|-------------------------|----------------------------------|--|
| | of existing Berths 1-10 | | | | study for all KPA berths |
| | Preliminary studies for 3 additional Berths at Lamu Port | % completion for preliminary studies | - | 0% | Planned for FY2026/27 |
| | Preliminary studies for Phase 3 of the Container Terminal 2 | % completion for preliminary studies | - | 0% | Draft Final ESIA report submitted by the consultant to KPA |
| | Berth 19 completed | % completion | - | 0% | Detailed designs ongoing |
| Alternative Financing | | | | | |
| E-mobility | E-mobility Policy developed | E-mobility Policy | 1 | 0 | Public participation exercise for the draft policy was conducted in April. |
| | Electric motors (boda boda) manufacturing promoted | No. of electric boda boda manufactured | TBD | - | |
| | Developed E-mobility charging infrastructure | No. of charging infrastructure developed | TBD | - | |
| Develop Cool Logistics Corridor for Kenya | Improved existing cool logistics facility in rail and port | % of Cool logistics corridor facility improved | 20 | | |
| Development of Roadside Stations (RSS) | Road Side Stations developed | No. of RSS developed | 0 | 0 | Feasibility studies have been carried out. |
| Decongestion of Nairobi Metropolitan Area (NMA) | Line 1 Ndovu: Limuru Kangemi - CBD - Imara Daima - Athi River - Kitengela (18Km) | % completion | - | - | Review of designs were done throughout the financial year. |

| Priority Project | Output | Indicator | Annual target FY2023/24 | Cumulative Achievement FY2023/24 | Remarks on the variance |
|---|---|---------------------------|-------------------------|--|--|
| | Line 3 Chui: Tala - Njiru – Dandora /Juja Rd - CBD – Showground/ Ngong Rd – Ngong (13Km) | % completion | - | - | Review of designs were done throughout the financial year. |
| | Line 4 Kifaru: Mama Lucy Hospital - Don- holm (Jogoo Rd) - CBD - T Mall - Bomas - Karen – Kikuyu (30.8Km) | % completion of BRT works | - | - | Review of designs were done throughout the financial year. |
| | Line 5 Nyati: Ridgeways (Kiambu Rd) - Balozi (Allsops) - Imara Daima (13Km) | % completion of BRT works | - | - | Review of designs were done throughout the financial year. |
| Construction and Rehabilitation of Railways | 12Km Riruta/Lenana – Ngong Commuter MGR Line (with 3 commuter stations) constructed | % completed | 58 | Project at weighted progress of 4.68%. | Route alignment design completed Design Review for Lenana station and Ngong station finalized, and construction is ongoing |
| | Longonot - Malaba MGR rehabilitated (Phase II) | % completed | 75 | Project at 10% weighted progress | Railway Superstructure materials (Rails, sleepers, track and fittings) have been delivered to |

| Priority Project | Output | Indicator | Annual target FY2023/24 | Cumulative Achievement FY2023/24 | Remarks on the variance |
|--|---|-------------------------|-------------------------|----------------------------------|---|
| | | | | | site for installation |
| | No. relocation units constructed to implement Kibra/Mukuru Relocation Action Plan | No. of relocation units | 58 | - | The project stalled due to lack of budgetary allocation from GoK. |
| Construction and Rehabilitation of Ports | Straightening and deepening of existing Berths 11-14 | % completion | - | 0% | Feasibility study to be undertaken |

Source

The State Department's performance at outcome level is summarized in **Table 4.9.2** which highlights the performance of the MTP IV Outcome Indicators for FY2023/24.

Table 4.2.2 Transport Sub-Sector Outcome Results for FY2023/2024

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target | Actual Achievement | Remarks on Achievement Variance |
|---|--|-----------------------|--------------------|---|
| Increased access to Aviation Services | Number of Air Passengers handled (International & Domestic) per year | 11.87 | 12.84 | Experienced traffic growth in passenger and aircraft movement, driven by the ongoing recovery of international travel, and volume of air cargo improved with the resumption of operations at EIA. |
| | Volume of Air cargo handled per year (Total freight) | 403.7 | 394.9 | |
| | Number of aircraft movement per year | 294.2 | 295.2 | |
| Improved access to Shipping and Maritime Services | Cargo throughput in Dead Weight Tonnes (DWT) per year | 35.1 | 37.5 | The positive variance is due to increased handling of Containerized and |

| | | | | |
|----------------------------------|---|-------|-----------|---|
| | | | | Liquid Bulk cargoes during the period |
| | Containers handled in Twenty-foot Equivalent Units (TEUs) | 1,587 | 1,789 | The positive variance is attributed to increased handling of transit market cargo especially destined to Uganda |
| Improved access to Rail Services | Rail Passengers handled per year | 7,790 | 1,111.584 | Cumulative achievement 5636.949 representing 72% of the target |
| | Rail Cargo handled per year | 8,862 | 1,982.106 | Cumulative achievement 7,393.950 representing 83% of the target |

Source

4.2.2 Policy, Legal, and Institutional Reforms

4.2.3 Implementation Challenges and Emerging Issues

- i. Late disbursement of project funds;
- ii. Lack of budgetary allocation from GoK.

4.2.4 Recommendation

- i. Budgetary allocation and timely disbursement of funds is key for the effective implementation of projects.

4.3 ICT and Digital Economy

State Department for ICT & Digital Economy is one of the two State Departments in the Ministry of Information, Communications and The Digital Economy as per Executive Order No.2 of 2023 with functions which are: Facilitate the Development of the Information and Communication Sector (including Broadcasting, Multimedia); Data Protection Policy and Regulation of Personal Data Services; National ICT Policy; Promotion of ICT innovation and Digital Economy; Promotion of E-Government; Promotion of Software Development Industry; Provision of ICT Technical Support to MDAs; Policy on Automation of Government Services; Development of

National Communication Capacity and Infrastructure; and Management of National Fiber Optic Infrastructure.

The State Department performs its functions through three (3) Technical Directorates namely; ICT Infrastructure, ICT Security & Audit Control and ICT E-Government & Digital Economy), and five (5) Agencies namely; ICT Authority (ICTA); Konza Technopolis Development Authority (KoTDA), the Office of Data Protection Commissioner (ODPC); Kenya Advanced Institute of Science and Technology (KAIST); and The East African Marine Cable System Limited (TEAMS). The State Department's Vision is "An informed and digitally empowered Kenyan Society" and the Mission is "to provide policy direction on digital infrastructure and communication services by leveraging on technology and innovation for socio-economic transformation and global competitiveness".

4.3.1. Description of Results

i) Inclusive Growth (People-Centred):

Digital access and creative economy: The project's expectation is to leverage ICT to increase employment opportunities for youths. At the end of the review period the following milestones were achieved: 1,368 free public Wi-Fi (JiKonnnect Hotspots) were established across the country; 11 training/innovation hubs (digital hubs) were connected to hotspots; 157,000 youths trained through the Ajira Youth Empowerment Centres and 400 ICT graduates trained on high end skills through the Presidential Digital Talent Training Programme (PDTP); equipping of 66 TVETs with creative economy facilities; and 75,650 youth connected to online jobs.

- a. **Last Mile County Internet Connectivity Project Phase IV and V:** Through the project, 150 public institutions have been connected to internet.
- b. **Manufacture of affordable smart devices:** This project seeks to make available smart devices that are affordable with a price range of US\$ 40 through the promotion of local manufacturing. One (1) plant has been established and 1,050,000 devices assembled by EADAK (Safaricom, Jamii Consortium) and Mkopa Ltd.
- c. **ICT capacity development:** 66,248 citizens and 35,158 public officers have been trained to enhance digital skills.
- d. **ICT green initiative Programme:** The project aims to promote green economy and reduce the associated impacts of ICT devices and equipment to the environment. Completion of the E-Waste Management Centre is at one percent against the targeted rate of 10 per cent.

ii) Digitalization:

- a. **Digitalization of Government services and records:** The project entails digitalization of 80 percent of Government services (both operational and citizen facing) and 12,584

Government services, and 83 percent records at the national and county government level have been digitized.

- b. **Cyber Security:** Operationalization of the ICT Security Operation Centre with 40% implementation status. This comprises the acquisition of software which collects logs from the digital assets.

iii) **Expand Revenue Base:**

- a. **Promote Konza Technopolis as a Silicon Savanna:** Various components of this project are at various levels of completion (Construction of the Smart City Facilities at 100%, Horizontal Infrastructure at 99%, Construction of Konza Complex at 70%).
- b. **Konza Data Centre:** The project aims to enhance the safety of Government data by onboarding all Government data at the Konza Data Centre and is at various levels of completion.
- c. **Data Protection and Cyber security:** The project seeks to strengthen national cyber security capacity in addressing cyber security threats and safeguarding information security. Seven (7) Regional Offices for the Data Protection Commissioner, were operationalized in Nairobi, Mombasa, Nakuru, Kisumu and Huduma centres in Eldoret, Nyeri & Garissa.

iv) **Alternative Financing:**

- a. **Universal broadband connectivity:** The project aims at providing the National Optic Fibre Backbone Infrastructure (NOFBI) to enhance affordable ICT connectivity and bridge the digital divide across the country, through construction of an additional 100,000km (52,000km by Government and 48,000Km by private sector) of fibre optic cable to 1,450 wards to enhance broadband connectivity and opening of NOFBI for commercialization where 9,208 km of fiber has been installed.
- b. **Regional smart hub project:** The project entails establishing a smart hub for the landing stations and Internet Protocol (IP) exchange point in Mombasa to enhance connectivity in the EAC region and attract investment in ICT-related industries; and establishing and operationalizing of eight (8) regional hubs to monitor the NOFBI infrastructure and provide support to the regional ICT authorities.

The key outputs for State Department of ICT for the FY 2023/2024 review period are structured for each of the priority value chains as shown in **Table 4.3.1**

Table 4.3.1: Implementation Status of Key Outputs and BETA Priorities

| Priority Project | Output | Indicator | Annual Target FY 2023/24 | Cumm. Achievement FY 2023/24 | Remarks on the Achievement variance |
|---|--------|-----------|--------------------------|------------------------------|-------------------------------------|
| Inclusive Growth (People Centered) | | | | | |

| Priority Project | Output | Indicator | Annual Target FY 2023/24 | Cumm. Achievement FY 2023/24 | Remarks on the Achievement variance |
|-------------------------------------|--|--|-------------------------------|------------------------------|--|
| Digital Access and Creative Economy | Free Public Wi-Fi across the Country (JiKonnnect Hotspots) installed | No. of Hotspots installed | 5,000 | 1491 | Underachievement due to inadequate budgetary allocation. |
| | Training/Innovation Hubs (Digital Hubs) connected to Hotspot | No. of Hubs connected | 290 | 206 | Underachievement due to inadequate budgetary allocation. |
| | Youths trained annually through Ajira Youth Empowerment Centres and ICT graduates trained annually through the Presidential Digital Talent Training Programme (PDTP) | No. of youths trained | 120,000 | 121,666 | The target was surpassed due to high demand for online training |
| | | No. of ICT graduates trained | 400 | 400 | |
| | TVET institutions equipped with creative Economy facilities (23 000 VDIs) | No. of TVETs equipped | 86 | 288 | Target achieved |
| | Youths connected to online jobs (ITES/BPOs) | No. of youths connected | 100,000 | 102,400 | The program benefited from enhanced enrollment of youth in the digital hubs following sustained advocacy at high levels of the government. |
| | Last Mile County Internet Connectivity Programme (Phase IV and V) | Public institutions in Counties and sub-counties connected | No. of institutions connected | 160 | 200 |

| Priority Project | Output | Indicator | Annual Target FY 2023/24 | Cumm. Achievement FY 2023/24 | Remarks on the Achievement variance |
|---|---|--|--------------------------|------------------------------|---|
| Manufacture of Affordable Smart Devices | Availability of smart devices with a price range of \$40 | No. of smart devices manufacturing plants established | 1 | 1 | The MTP IV targets to establish manufacturing plants to avail the smart devices. Thus, the Indicator has been revised from No. of devices provided at \$40 to No. of smart devices manufacturing plants established. |
| | Citizens trained on digital literacy skills. | No. of citizens trained | 4M | 101,406 | Target achieved. The organizational target is 100,000 training in collaboration with partners. |
| | Officers in Public Service trained in High-End Specialized ICT areas. | No. of Public Service officers trained | 151,000 | 35,158 | The low achievement is due to lack of budgetary allocation. |
| ICT green initiative Programme | E-waste management Centre established | % completion of E-waste management centre | 20 | 1 | The project currently on-going in Nairobi. The underachievement is attributed to budgetary reviews which reduced allocation of funds to the intervention. |
| Digitalization | | | | | |
| Digitalization of Government Services and records | Government services digitized | No. of services digitized | 1,000 | 5250 | Target achieved |
| | Government operational systems and records digitized (Paperless and fully Digital Government) | % of Government Operational Services and records Digitized | 30 | 83% | Target achieved |
| Cyber Security | ICT security operation centre | % completion | 30 | 30 | Target achieved. |

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

| Priority Project | Output | Indicator | Annual Target FY 2023/24 | Cumm. Achievement FY 2023/24 | Remarks on the Achievement variance |
|------------------------------------|---|--------------------------------|--------------------------|------------------------------|--|
| | | of Disaster Recovery Centre | | | |
| Data Protection and Cyber-Security | 13 regional offices for the data protection commissioner operationalized | No. of offices operationalized | 4 | 7 | The Office has established regional offices in Nairobi, Mombasa, Nakuru, Kisumu and Huduma centres in Eldoret, Nyeri & Garissa. The positive variance is due to enhanced budgetary support to ODPC. |
| Alternative Financing | | | | | |
| Universal Broadband Connectivity | 100,000 Km (52,000Km by the Government and 48,000Km by the private sector) of Fibre optic cable installed | Km of fibre optic installed | 20,000 | 9,208 | The non-attainment of target is due to delayed procurement process on on-boarding of contractors |

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

Table 4.1.2 presents the FY 2023/2024 MTP IV Outcome indicators for the State Department for ICT and Digital Economy.

Table 4.3.2: MTP IV Outcome Achievements for 2023/2024 FY

| MTP IV Outcome | MTP IV Outcome indicator | MTP IV Outcome Target | Actual Achievement | Remarks on Achievement/Variance |
|------------------------------------|--|-----------------------|--------------------|--|
| Universal Access to Information | Proportion of the population With 4G Internet Connectivity | 96% | 97% | Rolling out of the National Optic Fibre Broadband countrywide improved the network coverage. |
| | No. of public institutions connected to broadband network | 150 | 400 | Rolling out of National Optic Fibre Broadband countrywide increased access to online/ digital services |
| Increased employment opportunities | No. of youths connected to | 100,000 | 102,400 | ITES/BPO program benefited from enhanced enrolment of youth in the |

| MTP IV Outcome | MTP IV Outcome indicator | MTP IV Outcome Target | Actual Achievement | Remarks on Achievement/Variance |
|---------------------------|---|-----------------------|--------------------|---|
| for the youth through ICT | online jobs (Information Technology Enabled Services - ITES/Business Processing Outsourcing - BPOs) | | | digital hubs following sustained advocacy at high-levels of the government. |
| | No. of University Graduates trained through Presidential Digital Talent Programme (PDTP) | 400 | 400 | The programme target was revised to onboard 400 Interns annually from 100 indicated in the National Indicator Handbook. |

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

4.3.2. Policy, Institutional and Legal Reforms

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

- i. **The Technopolis Bill:** The Bill is in Parliament and has already gone through the First Reading. Currently, the Bill is undergoing public participation. The next step is for it to be tabled for the Second Reading.
- ii. **ICT Authority Bill:** The Bill was drafted and stakeholder engagement is planned.

4.3.3. Implementation Challenges and Emerging Issues

4.3.4. Recommendations and Lessons Learnt

Lessons Learnt

- i. Enhanced Public-Private Partnership and collaboration with development partners is key in financing of and resource mobilization for development of ICT infrastructure.
- ii. Strengthened collaboration with other Ministries, Departments and Agencies (MDAs) to mitigate against damaging of existing ICT critical infrastructure.
- iii. Enhancing ICT coverage and uptake of ICT services for improved service delivery in the public sector and rural areas.

- iv. Continuous upgrading of ICT systems to minimize cyber security threats and enhance interoperability and data integration
- v. The dynamics in the ICT sector requires frequent retooling of staff.

Recommendations

The recommendations below are geared towards facilitating the State Department to fast track achievement of objectives and fulfilment of the mandate in the realization of aspirations of the Fourth Medium Term Plan of Vision 2030; Sustainable Development Goals (SDG's); African Agenda 2063 and the Government's Bottom-Up Transformation Agenda of the Digital Superhighway.

- i. Enhanced budgetary allocation proportional to the expected outputs and services.
- ii. Commercialization of ICT infrastructure to reduce reliance on the exchequer for maintenance and new connectivity.
- iii. Increased investment in ICT connectivity and maintenance of the existing infrastructure to make them secure, reliable, and affordable.
- iv. Effective transfer of knowledge and skills integrated in financing and commercial agreements/arrangements signed between the Government and Development Partners.
- v. Fast-tracking the Critical Infrastructure Bill to facilitate implementation of ICT infrastructure Master Plan.

4.4 Broadcasting and Telecommunications

The State Department for Broadcasting and Telecommunications is under the ministry of Information, Communications and the Digital Economy. Its core mandate is to ensure the citizens are informed on Government Projects, Programmes and Initiatives. The functions of the state department as stipulated in the Executive Order No. 2 of 2023 are: Telecommunications Policy; Broadcasting Policy; Coordination of National Government Advertising Services; Public Communications; Postal and Courier Services; Development of Local Content Policy; Telecommunications, Postal Services and Electronic Commerce; and Government Telecommunications Services;

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

4.4.1. Description of Results

i. Mobile Network Coverage

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

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

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

ii. Proportion of the Country Covered by Digital TV Signal

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

iii. Proportion of Households with Access to Radio

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

The progress and implementation Status of the Key Outputs and BETA Priorities for FY 2023/24 are provided in **Table 4.4.1**

Table 4.4.1: Broadcasting and Telecommunications -BETA Output Results for FY 2023/24

| Priority Project | Output | Indicator | Annual Targets FY 2023/24 | Comm. Achievement (Q1-Q4) | Remarks on Achievement Variance |
|--|--|--------------------------------|---------------------------|---------------------------|--|
| Digital Access and creative Economy | Additional Studio Mashinani established | No. of Studios established | 3 | 0 | Target not met due to inadequate funding |
| | Mass Media Practitioners trained | No. of practitioners trained | 700 | 962 | Target surpassed. This was occasioned by a double intake: Sept 2023 intake -554 May 2024 intake-408 |
| | Kenya Institute of Mass Communications Eldoret Campus constructed and equipped | % completion | 10 | 23 | The 23% is the cumulative project status inception in 2020. It covers the land donated by the County Government, construction of perimeter wall, gate, gatehouse, intake and development of Certificate Course modules. However, roll of vertical infrastructure not done due to non-disbursement of capital grant. The project was allocated KShs. 100 million in FY 2023/24, but funds were not disbursed hence no project was done. |
| Cellular Mobile Network Infrastructure and Services Development Phase 11, 111 and IV | Cellular mobile network connectivity in 379 sub locations in 42 counties | No. of sub-locations connected | 72 | 16 | Target not met. This is attributed by the inaccessibility to the sites due to bad terrain and flooding resulting to adverse weather conditions in some of the targeted sub locations |

The State Department’s performance at outcome level is summarized in **Table 4.3.2** which highlights the performance of the MTP IV Outcome Indicators for FY2023/24.

Table 4.4.2: Broadcasting and Telecommunications - Outcome Results for FY 2023/2024

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target | Actual Achievement | Remarks on the Achievement Variance |
|---------------------------------|--|------------------------------|---------------------------|--|
| Universal Access to Information | Mobile Network Coverage in the county | 98 | 97 | Target achieved |
| | Proportion of the country covered by digital TV Signal | 94 | 92.13 | Target achieved |
| | Proportion of Households with Access to Radio | 98 | 96 | Target achieved |

Source of Data: State department for Broadcasting and Telecommunications Reports; KNBS Economic Survey Report 2024, Communications Authority of Kenya Annual Reports, FY 2023/2024

4.4.2. Policy, Institutional and Legal Frameworks

The subsector relied on the existing policy, institutional and legal framework to facilitate implementation of planned projects/programme under the review period.

4.4.3. Challenges and Lessons Learnt

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

Lessons learnt

- i. Accelerating the development, approval and implementation of the various policy, legal and institutional reforms is key to the achievement of the projects.

- ii. Enabling access to cellular mobile network infrastructure in the un-served and underserved areas in the country will lessen the existing digital divide between the rural and urban areas.
- iii. Collaboration between Ministries, Counties, Departments and Agencies (MCDAs) is key in the successful and timely delivery of projects and programs.

4.4.4. Recommendations

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

4.5 Lands and Physical Planning

State Department for Lands and Physical Planning mandate is stipulated in the Executive Order No. 2 of November, 2023 as follows: National Lands Policy and Management; Physical Planning for Land Use; Land Transactions; Survey and Mapping; Land Adjudication; Land Registration; National Spatial Infrastructure; Land and Property Valuation; Services Administration; Land Information Systems; Maintenance of a Public Land Bank; Administration of Public Land as Designated by the Constitution; Land Settlement Policy and Management; Land Settlement Matters; and Rural Settlement Planning.

Institutions under the State Department includes: Physical Planners Registration Board (Physical Planners Registration Act, No.3 of 1996); Valuers Registration Board (The Valuers Act, Cap.532); Settlement Trustee Fund; and Land Surveyors Board (Survey Act, Cap 299).

4.5.1. Description of Results

The State Department processed and registered a total of 422,313 title deeds due to improved service delivery and increased demand for land services as a result of enlightened citizens; developed land value index for Nyeri, Laikipia, Tharaka Nithi, Kitui and Makueni counties; georeferenced 44,733 land parcels; surveyed 267,899 land parcels; acquired 11,000 acres of land in Kedong ranch for settlement of landless and settled 10,343 landless households in: Taita Taveta (1,687), Trans-Nzoia (2,654), Makueni (2,764), Kwale (1,139), Mombasa (816) and Tana River (1,283) Counties.

The State Department also capacity built counties on preparation of physical and land use development plans for: Kapsabet municipality; Chemase Agro-Industrial park; Lodwar

town urban area; Chelimo; Olkalou and Holili/New Taveta border town; prepared 6 nautical charts to aid safe navigation across waters; established 437 boundary pillars to support surveying and maintenance of 52 kilometers along Kenya-Tanzania boundary, 6.2km along Kenya-Uganda boundary and delimited, demarcated and reaffirmed 110 kilometers along Kenya-Tanzania boundary. Further, land services were digitized in Murang'a while digitization and automation of land services ongoing in Isiolo, Marsabit and Mombasa Counties.

The progress and implementation Status of the Key Outputs and BETA Priorities for FY 2023/24 are provided in **Table 4.5.1**

Table 4.5.1 Lands, Public Works, Housing and Urban Implementation Status of Key Outputs and BETA Priorities

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement 2023/24 | Remarks on Variance |
|---|---|--|-----------------------|---------------------------|---|
| Processing and registration of title deeds | Title deeds issued | No. of title deeds issued | 405,000 | 422,313 | Target surpassed due to improved service delivery and increased demand for land services as a result of enlightened citizens. |
| National Land Value Index | National Land Value Index developed in 25 Counties | No. of Counties with National Land Value Index | 8 | 5 | Land Value Index prepared for Nyeri, Laikipia, Tharaka Nithi, Kitui and Makueni Counties. Target affected by delay in exchequer release. |
| Geo-referencing of Land Parcel | Parcels of Land geo-referenced to produce cadastral plans and maps. | No. of land parcels geo-referenced | 60,000 | 44,733 | Under-achievement due to inadequate survey equipment and software as well as delay in exchequer release |
| Implementation of National Spatial Plan (NSP) and National Land Use Policy (NLUP) | National Spatial Plans and National Land Use Policy implemented | No. of physical and land use development plans developed | 2 | 7 | Prepared Physical and Land Use Development Plan for: Kapsabet Municipality; Chemase Agro-Industrial Park; Lodwar Town; Peri Urban Area; Chelimo; Olkalou and Holili/New Taveta Border Town. |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement 2023/24 | Remarks on Variance |
|---|---|-----------------------------|-----------------------|---------------------------|--|
| | Staff in Counties sensitized on development of physical and land use development plans. | No. of Counties Sensitized | 5 | 5 | Sensitized Nandi, Turkana, Nairobi, Taita Tavete, Nyandarua and Uasin Gishu Counties. |
| Settlement of landless | Land acquired for settlement | Area of land Acquired (Ha.) | 43,000 | 4,452 | Target affected by delay in exchequer release for the land purchase. |
| | Landless households Settled | No. of house-holds settled | 12,000 | 10,343 | 10,343 Landless households settled in: Taita Taveta (1,687); Trans-Nzoia (2,654); Makueni (2,764); Kwale (1,139); Mombasa (816) and Tana River (1,283). Target slowed by delay in exchequer release. |
| | Surveyed and mapped land parcels | No. of parcels surveyed | 100,000 | 267,899 | Target surpassed due to increased demand for land services. |
| Survey and Maintenance of National and International Boundaries | Kilometres along National and international boundaries surveyed and maintained | Km surveyed and maintained | 200 | 58.2 | 52km along Kenya-Tanzania boundary 6.2km along Kenya-Uganda boundary. Delay in exchequer release, rugged terrain and insecurity along boundary line affected the target |
| | Boundary mark/pillars established | No. of pillars established | 100 | 437 | Established 22 boundary pillars Kenya-Uganda; Established 415 boundary pillars Kenya-Tanzania (Over-achievement due to multi-agency collaboration and Co-operation among the stakeholders) |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement 2023/24 | Remarks on Variance |
|--------------------------------------|--|---|-----------------------|---------------------------|--|
| | Delimitation demarcation and reaffirmation of the international boundaries between Kenya/South Sudan, Kenya/Uganda and Kenya/Tanzania undertaken | No. of Kilometres Surveyed and maintained | 150 | 110 | 110km surveyed and maintained along Kenya-Tanzania boundary. |
| Development of hydrographic database | Nautical charts and bathymetric maps produced | No. of Maps and charts produced | 4 | 6 | Nautical chart prepared to aid safe navigation in ocean. |
| Digitization of land services | Land records in the Counties digitized | No. of counties digitized | 7 | 1 | Murang'a land services are now accessible online Scanning of land records done for Isiolo, Marsabit and Mombasa Island and information stored in Electronic Data Management System |

Source: State Department for Lands and Physical Planning

The State Department's performance at outcome level is summarized in **Table 4.10.2** which highlights the performance of the MTP IV Outcome Indicators for FY2023/24.

Table 4.5.2 MTP IV Outcome Achievements for 2023/2024 FY

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

Source: State Department for Lands and Physical Planning

4.5.2. Policy, Legal and Institutional Reforms

- i) **Land Laws (Amendment) Bill, 2023.** The bill has since been withdrawn after undergoing through the 1st reading in Parliament.
- ii) **Review of Survey Act (Cap 299):** Three (3) outcome Draft Instruments have been prepared as a result of the review and subject to public participation. The Instruments includes: Draft National Land Surveying and Mapping Policy,2023; Draft Land Surveying and Mapping Bill,2023 and Draft Land Surveyors Registration Bill,2023.
- iii) **Review of Physical Planners Registration Act (Cap 536):** Draft Physical Planners Registration Bill,2023 awaiting public participation after professional drafting by the Office of the Attorney General and Department of Justice (OAG&DJ).
- iv) **Review of National Land Policy, 2009:** A Multiagency team appointed for the review. Analysis of the current Policy done and agreed issues for consideration during the review done (Initial stage of Review).
- v) **Review of the Valuers Act (Cap 532):** Legislative Proposal done and forwarded to OAG&DJ for professional drafting.

vi) **Review of the Land Adjudication Act (Cap 284):** Legislative proposal is being prepared.

4.5.3. Implementation Challenges and Emerging issues

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

4.5.4. Recommendations and Lessons Learnt

Lessons learnt

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

Recommendations

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

4.6 Public Works

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

The State Department for Public Works' mandate are drawn from the executive order No. 2 of November 2023 on the organization of the Government of the Republic of Kenya which are: Public Works Policy and Planning; National Building Inspection Services; Setting and Management of Building and Construction Standards and Codes; Setting and Management of Building and

Construction Standards and Codes; Co-ordination of Procurement of Common User Items by Government Ministries; Registration and Regulation of Contractors, Consultants for Buildings, Civil Works and Material Suppliers; Registration of Architects and Quantity Surveyors; Provision of Mechanical and Electrical Building Services; Building Research Services; Registration and Regulation of Civil, Building and Electromechanical Contractors; Development and Management of Public Buildings; Building Research Services; and Other Public works.

MTP IV aims to provide a comprehensive roadmap for sustainable economic development, social inclusion, and infrastructural advancements. **Table 4.6.2** outlines the outcome results by the State Department for Public Works for FY2023/24.

4.6.1. Description of Results

Table 4.6.1 Implementation status of key outputs and BETA priorities – Public Works

| Priority Project | Output | Indicator | Annual Target FY 2023/24 | Cumm. Achievement FY 2023/24 | Remarks on the variance |
|---|---|--|--------------------------|------------------------------|-----------------------------|
| Construction of footbridges | Footbridges constructed | No. of footbridges constructed | 26 | 0 | The target was not achieved |
| Construction and maintenance of jetties | Jetties constructed | No. of jetties constructed | 2 | 0 | The target was not achieved |
| Construction and maintenance of seawalls | Length of various seawalls constructed | Metres of sea wall constructed | 146 | 0 | The target was not achieved |
| Construction of River Protection and training works | Length of riverbank/ sea wall constructed | Metres of river bank/ sea wall constructed | 600 | 0 | The target was not achieved |
| Completion of stalled and ongoing Government projects | Isiolo County HQ completed | % completion | 75 | 0 | The target was not achieved |
| | Tharaka Nithi County HQ completed | % completion | 100 | 0 | The target was not achieved |
| | Nyandarua County HQ completed | % completion | 60 | 68 | The target was not achieved |

| Priority Project | Output | Indicator | Annual Target FY 2023/24 | Cumm. Achievement FY 2023/24 | Remarks on the variance |
|------------------|---|--------------|--------------------------|------------------------------|-----------------------------|
| | Tana River County HQ Completed | % completion | 60 | 72 | The target was not achieved |
| | Lamu County HQ completed | % completion | 60 | 60 | The target was not achieved |
| | Completion of Voi Pool Housing – Phase I and II | % completion | 75 | 72 | The target was not achieved |
| | Migori District HQ phase I completed | % completion | 100 | 86 | The target was not achieved |
| | Kericho Pool Housing completed | % completion | 100 | 35 | The target was not achieved |

Source:

Table 4.6.2 Public Works Sub-Sector Outcome Results for FY2023/2024

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target | Actual Achievement | Remarks on Achievement Variance |
|--|--------------------------------|-----------------------|--------------------|---------------------------------|
| Enhanced pedestrian safety and access to service | No of Footbridges constructed | 18 | | |
| | No of jetties constructed | 2 | | |
| Enhanced Protection of human and property from sea wave action | Metres of sea wall constructed | 500 | | |

4.6.2. Policy, Legal and Institutional Reforms

4.6.3. Implementation Challenges and Emerging issues

The State Department faced a number of challenges while implementing various projects that impede progress and compromise the quality of outcomes. These include:

- i. Austerity measures frequently result in budget cuts and posing a significant hurdle by restricting the financial resources available for critical project components. This financial strain led to reduced scope, delays, and the inability to hire skilled personnel or procure necessary materials.
- ii. Adverse weather conditions, especially the recent prolonged heavy rains, which exacerbated these challenges by causing site erosion, flooding, and delays in construction activities. These environmental factors further stretched limited resources as additional funds and time were required for repairs and mitigation efforts.

4.6.4. Recommendations

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

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

4.7 Housing and Urban Development

The Mandate of the State Department of Housing and Urban Development is outlined in the Executive order No.2 of November 2023 as follows; Housing Policy Management; Management of Civil Servants Housing Scheme; Development and Management of Affordable Housing; National Secretariat for Human Settlement; Appropriate Low-Cost Housing Building and

Construction Technologies; Development and Management of Government Pool Housing; Shelter and Slum Upgrading; Public Office Accommodation Lease and Management; Maintenance of Inventory of Government Housing Property; Urban Planning Policy; and Townships, Municipalities and Cities Policy.

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

4.7.1. Description of Results

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

The progress and implementation Status of the Key Outputs and BETA Priorities for FY 2023/24 are provided in **Table 4.7.1**

Table 4.7.1: Housing and Urban Development -BETA Output Results for FY 2023/24

| Priority Project | Output | Indicator | Annual Targets FY 2023/24 | Comm. Achievement (Q1-Q4) | Remarks on Achievement Variance |
|--------------------|---------------------------|---|---------------------------|---------------------------|--|
| Affordable Housing | 200,000 units constructed | No. of housing units constructed annually | 200,000 | 815 | Completed housing units are as follows: 605 Affordable housing at Bondeni, Nakuru County; 50 Police housing units at Bungoma County; 60 Police housing units at Thika main prison, Kiambu County; 100 Prison housing units at Shimo la Tewa Prisons, Mombasa |

| Priority Project | Output | Indicator | Annual Targets FY 2023/24 | Comm. Achievement (Q1-Q4) | Remarks on Achievement Variance |
|------------------|---------------------------|-----------------|---------------------------|---------------------------|--|
| | | | | | <p>Construction of various housing units ongoing as follows:</p> <p>Affordable housing sites; Ruiru 1,050 units (60%), Mavoko 5,360 units (7%), Shauri Moyo A 2,456 units (8%) and Starehe 2,420 units (2%) completion levels</p> <p>5,066 Consistency affordable housing units at an average of 19% completion level</p> <p>4,054 units at Kibera at 21% completion level and 5,616 bedsitter units at Mukuru-47% completion level</p> <p>690 police and prison housing at an average of 73% completion level</p> <p>13,562 housing units under procurement</p> |
| | 1 million affordable home | No. of low-cost | 200,000 | 251 | 251 civil servants were facilitated with |

| Priority Project | Output | Indicator | Annual Targets FY 2023/24 | Comm. Achievement (Q1-Q4) | Remarks on Achievement Variance |
|--|---|---|---------------------------|---------------------------|--|
| | financing mortgages issued (low-cost mortgages, TPS, affordable construction loans) | mortgages issued | | | mortgage worth Ksh 1,342,798,992 (figure from State Department alone) |
| Markets Development | Markets constructed | No. of markets developed | 5 | 7 | Githurai, Wajir North Market, Ogembo, Sang'alo Dundori, Nyansingo and Jera markets were completed |
| Kenya Urban Support Program (KUSP II) | Urban areas with improved resilient urban infrastructure and services | No. of strengthened institutions for urban service delivery | 79 | - | KUSP II became effective on 14 th March 2024. However, disbursement of urban institutional Grants and urban development Grants will commence in the first quarter of FY 2024/25 |
| Kenya Informal Settlement Improvement Project (KISIP II) | New security lights constructed | No. of streetlights | 50 | - | Delayed commencement of planned interventions occasioned by delay in procurement of works and clearance of safeguards instruments |
| | Kms of access roads improved | Kms of access roads improved | 25 | - | |
| | Storm water drainage constructed | Kms of storm water drainage constructed | 25 | - | |

| Priority Project | Output | Indicator | Annual Targets FY 2023/24 | Comm. Achievement (Q1-Q4) | Remarks on Achievement Variance |
|------------------|--|---|---------------------------|---------------------------|---|
| | Kms of walkways constructed | Kms of walkways constructed | 10 | - | |
| | Settlements upgraded | No. of settlements upgraded | 30 | - | |
| | Households connected to water supply | No. of households connected to water supply | 1200 | - | |
| | Allotment letters/title deeds/leases prepared and issued | No. of allotment letters/title deeds issued | 5000 | - | Lengthy time taken by County Assemblies in approving the local physical development plans prior to processing of allotment letters/title deeds/leases |
| | Socio-economic inclusion plans prepared | No. of socio-economic inclusion plans | 25 | 25 | Implementation of identified interventions to start in FY 2024/25 |

Source

The State Department's performance at outcome level is summarized in **Table 4.8.2** which highlights the performance of the MTP IV Outcome Indicators for FY2023/24.

Table 4.7.2: Housing and Urban Development- Outcome Results for FY 2023/2024

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target FY 2023/24 | Actual Achievement | Remarks on Achievement Variance |
|--------------------|---------------------------|----------------------------------|--------------------|---|
| Improved access to | No. of affordable housing | 200,000 | 815 | Completed housing units are as follows: |

| | | | | |
|------------------------------|---|-----|-----|---|
| affordable housing | units constructed | | | <ul style="list-style-type: none"> • 605 affordable housing at Bondeni Nakuru • 50 police housing units at Bungoma police station • 60 police housing units at Thika Main Prison • 100 Police Housing units at Shimo la Tewa police station in Mombasa • 26,772 housing units are ongoing at various completion levels |
| | No. of civil servants Accessing mortgages | 200 | 251 | 251 civil servants were facilitated with mortgage worth Kshs. 1,342,798,992 |
| Improved Markets Development | No. of markets developed | 25 | 7 | <ul style="list-style-type: none"> • 7 markets were completed- Githurai, Wajir North Market, Ogembo, Sang'alo Dundori, Nyansingo and Jera • 11 modern markets are ongoing at 57% completion rate • 158 ESP Markets are under construction at an average of 3% completion rate |

Source

4.7.2. Policy, Legal and Institutional Reforms

During the period under review, the Affordable Housing Bill, 2024 was enacted. The Act allows the government to collect Housing Levy and establish the Affordable Housing Fund for purposes of provision of funds for the design, development and maintenance of affordable housing, institutional housing and associated social and physical infrastructure. Other policies, legislations and statutory instruments under review to enable the State Department effectively execute its mandate are as follows:

i) Proposed Policies.

- a) Review of National Housing Policy 2016. This is ongoing;

- b) Review of National Urban Development Policy 2016. Internal review ongoing;
- c) Development of Public Office Accommodation Policy-initiated;
- d) Development of Metropolitan Development Policy.

ii) Proposed legislation.

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

iii. Proposed statutory instruments

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

4.7.3. Implementation Challenges and Emerging issues

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

- i. Budgetary cuts coupled with delayed release of exchequer during budget implementation led to slow implementation of programs and thereby translating to pending bills;
- ii. Inadequate serviceable and suitable land for development of projects and lack of land bank;
- iii. Litigation that delays implementation of projects;
- iv. Implementation of KUSP II was slowed down by delays in release of program funds for FY 2023/24;

- v. Non-compliance by some counties to commitments on their obligations as per the signed participation agreements for KISIP2 projects;
- vi. Lengthy time taken by County Assemblies in approving the Local Physical Development Plans under KISIP2

4.7.4. Lessons learnt and Recommendations

Lessons Learnt

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

Recommendations

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

4.8 Energy

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

4.8.1. Description of Results

- i) Under the First Phase of the Green Energy Industrial Park in Olkaria, Application for SEZ design action was approved in June 2024 and submitted to Ministry of Investments, Trade and industries

for gazettelement; Tender for Consultancy Services for Detailed Park Infrastructure Design awarded and is under contracting.

ii) 54 projects were commissioned under Exchequer funding and 49 under Matching fund. Total public facilities commissioned in the financial year were 474.

iii) Identification of 273 facilities for installation of Solar PV done. This includes 23 primary and 9 secondary schools which are all awaiting funding.

The Energy sector’s implementation status of key outputs and BETA priorities for Q4 – FY2023/24 is presented in **Table 4.8.1**

Table 4.8.1: Implementation status of key outputs and BETA priorities for Q4 – FY2023/24.

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023 /24 | Cumm. Achievem ent FY2023/2 4 | Remarks |
|---|---|---|-----------------------------------|---|---|
| Green Energy Industrial Parks and Other GeothermalReso urces Direct Use | Green Energy Industrial Park-Phase I in Olkaria | % completio n | 10 | 10 | Application for SEZ design ation approved in June 2024 and submitted to Ministry of Investments, Trade and industries for gazettelement; Tender for Consultancy Services for Detailed Park Infrastructure Design awarded and is under contracting. |
| Power Distribution | Public facilities connected to power grid | No. of public facilities connected | 6,000 | 555 | 54 projects commissioned under Exchequer funding and 49 under Matching fund. Total public facilities commissioned 474. Turn Key project. Three (3) Projects commissioned under BADEA and one (1) |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023 /24 | Cumm. Achievem ent FY2023/2 4 | Remarks |
|---------------------------------------|---|---|-----------------------------------|---|--|
| | | | | | under OFID funding. Total commissioned 81. |
| | Transformer s installed and maximized | No. of transform ers installed and maximize d | 18,000 | 297 | 136 projects commissioned. Total commissioned 297. Achievement impacted by improved accessability of most sites after rains and availability of materials. |
| | New customers connected to electricity | No. of new customers connected | 580,000 | 465,416 | After Budget reviews, the annual target was reviewed to 350,000 which has been achieved. |
| | Street lighting lanterns installed | No. of lanterns Installed | 15,000 | 5,996 | After Budget reviews, the annual target was reviewed to 5,000 which has been achieved. |
| | Solar Mini grids constructed | No. of Solar Mini grids constructe d | 50 | 0 | Project is ongoing with projections of completion during FY 2024/25. |
| Alternative Energy Technologies | Alternative clean energy | No. of PV solar | 550 | 0 | Identification of 273 facilities for installation of Solar PV done. This |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023 /24 | Cumm. Achievem ent FY2023/2 4 | Remarks |
|-------------------------------|----------------------|---|-----------------------------------|---|---|
| | sources developed | systems installed | | | includes 23 primary and 9 secondary schools. Awaiting funding. |
| | | No. of Stand- alone solar systems installed | 165 | - | Pending budgetary provision. |
| | | No. of energy centres establishe d | 1 | - | Tendering in progress |
| | | No. of biogas digesters installed. | 300 | 207 | Under achievement due to delayed release of funding and cash flow challenges |
| | | No. of small Hydro plants installed | 2 | - | Identified 19 sites awaiting funding |
| | | No. of wind masts and data loggers installed | 16 | 2 | Tender under evaluation to install two Additional masts in Kajiado West |
| | | No. of (Biomass charcoal kilns) biomass | 15 | - | Experienced challenges during the procurement process |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023 /24 | Cumm. Achievem ent FY2023/2 4 | Remarks |
|-------------------------------|---|--|-----------------------------------|---|--|
| | | data loggers installed | | | |
| | | No. of clean cooking solutions installed | 4 | 5 | LPG installed in public institutions. |
| | | % completi on of green hydrogen powerpla nt | 10 | 10 | Ten determinate to give priority to Govt ledGH2prospect |
| Power Transmission | Length of high voltage transmissio n lines constructed | Kms of transmissi on lines constructe d | 1,159 | 191.6 | Inadequate budget for procurement of contractor on time. The Treasury has now secured funding and the contract will be initialled in July 2024 |
| | Power Transmissio n substations constructed | No. of substatio ns constructe d | 12 | 9 | Inadequate budget for procurement of contractor on time. The Treasury has now secured funding and the contract will be initialled in July 2024 |
| | National System Control Centres (NSCC) operationali zed | of operatio nal NSCC | 30 | 1.93 | Inadequate budget for procurement of contractor on time. The Treasury has now secured funding and the contract will be initiated in July 2024 |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023 /24 | Cumm. Achievem ent FY2023/2 4 | Remarks |
|---|--|--------------------------------|-----------------------------------|---|---|
| Geothermal exploration and steam development | Geothermal wells drilled in Menengai, Baringo- Silale and Suswa fields | No. of wells drilled | 17 | 5 | Challenges: <ul style="list-style-type: none"> • Delays in disbursement of funds. • Difficult drilling conditions. <p>Four (5) geothermal wells PW03C, PW09, PW10, SW01A and PW02C drilled to completion as at Q4 of financial year. Drilling of PW1C and SW02 ongoing as at end of Q4</p> |
| | Cumulative MW of power installed | MW of power installed | 35 | 35 | Achieved in Q1 |
| Power Plants And Resource Development | Geothermal power Installed | Additional 1 MW of power | 35 | 35 | Achieved in Q1 |
| Nuclear power development | Nuclear Research Reactor established | % completi on | 5 | 5 | i). Developed the Draft stakeholder engagement and communication strategy for research reactor project through a workshop in June 2024; and ii). Developed the Integrated Nuclear Infrastructure |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023 /24 | Cumm. Achievem ent FY2023/2 4 | Remarks |
|-------------------------------|---|--|-----------------------------------|---|---|
| | | | | | Review for the Research Reactor project (INIR-RR) mission action plan. |
| | Infrastructure for generation of electricity from nuclear sources developed | % completion | 30 | 30 | <ul style="list-style-type: none"> i). Inspected the delivery of the meteorological tower components to the site in Kilifi County, Kenya; ii). Finalized the Report on Ranking of candidate sites for the KNRR; iii). Developed the final report on the preliminary assessment of the environmental and social impacts of a nuclear power plant at the preferred site. |
| | Nuclear Energy Skills | No. of persons trained on nuclear energy | 50 | 98 | Trained 10 Kenyans on areas related to nuclear science and technology |
| | Nuclear Energy Policy | % completion of National Nuclear policy | 45 | 45 | <ul style="list-style-type: none"> i). Trained seven internal staff members on key areas in relation to |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023 /24 | Cumm. Achievem ent FY2023/2 4 | Remarks |
|-------------------------------|--------|-----------|-----------------------------------|---|--|
| | | | | | <p>the National Nuclear Policy;</p> <ul style="list-style-type: none"> i). Two draft regulations were developed. These include: ii). Nuclear Regulatory (Licensing Requirements for Nuclear Facilities and Related Activities) Regulations, 2024. v). Nuclear Regulatory (Site Evaluation Requirements for Nuclear Facilities and Related Activities) Regulations, 2024. v). Reviewed the national laws relevant to the Nuclear Regulatory Act. No. 29 of 2019 and the Nuclear Power Programme. A matrix was developed identifying the possible review areas for |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023 /24 | Cumm. Achievem ent FY2023/2 4 | Remarks |
|-------------------------------|------------------------------------|--------------|-----------------------------------|---|--|
| | | | | | consideration. A detailed report on the review process and recommendation was developed incorporating terms of reference for engagement of legislative drafting support and highlighting the detailed review matrix. |
| | Energy Research Centre established | % completion | 20 | 16 | <p>i). Reviewed the draft report on Waste to Energy (WtE) conversion technologies in Kenya through a workshop held in May 2024. The forum subjected the Draft Report to peer review and input from stakeholders; and</p> <p>ii). Subjected the intellectual property management strategy for energy research and development to Management Review.</p> |

Source: State Department for Energy and its Agencies Reports, FY2023/24.

Table 4.8.2 Energy Outcome Results for FY 2023/2024

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target | Actual Achievement | Remarks on Achievement Variance |
|---------------------------------|---|------------------------------|---------------------------|--|
| Increased Power Generation | MW of National Power Generation Capacity | 3,344 | | |
| | Proportion of National power generation capacity from clean source | 85 | | |
| Increased access to electricity | Number of households connected to electricity | 9,919,440 | | |
| Improved clean cooking | Number of public institutions using cleaner forms of cooking energy | 7,500 | | |
| | Percentage transition of Rural households to clean cooking | 10 | | |
| | Percentage transition of Urban households to clean cooking | 30 | | |
| | Percentage transition of MSMEs to clean cookin | 10 | | |

4.8.2. Legal, Policy and Institutional Framework**4.8.3. Implementation Challenges**

- i. Insufficient budgetary allocation and delays in disbursement of funds.
- ii. Devaluation of the Kenya shillings against major foreign currency causing the cost of doing business to increase.

- iii. The Agency experienced delays in excavation and installation of the 100m meteorological tower due to local community resistance.
- iv. Difficult drilling conditions.
- v. Challenges in wayleaves and Land acquisition.
- vi. Vandalism of energy infrastructure.
- vii. Lack of sufficient capacity in specialized operational functions.
- viii. Loan expiry during project implantation leading to demobilization of contractors.
- ix. Contractors going under liquidation leading to termination of contracts by client.

4.8.4. Recommendations

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

4.9 Petroleum

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

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

4.9.1. Description of Results

i) Development of liquefied petroleum gas (LPG) infrastructure

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

ii) National liquefied petroleum gas enhancement

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

iii) Expansion of petroleum products supply infrastructure

This will entail the construction of a new 20-inch 450km pipeline from Mombasa to Nairobi to increase the flow rate from 1,000m³ /hr to 2,000m³ /hr and conversion of KPRL crude oil storage tanks in Mombasa to refined products storage to increase the capacity by 200,000m³.

iv) Exploration and commercialization of oil and gas resources

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

v) Lokichar-Lamu crude oil pipeline

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

vi) Geochemical and petrophysical laboratory

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

vii) Quality assurance of petroleum products

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

Table 4.9.1 shows the Implementation Status of the Key Outputs and BETA Priorities for Q4 - FY 2023/24.

Table 4.9.1: Petroleum - BETA Output Results for Q4 - FY 2023/24

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement FY2023/24 | Remarks |
|-----------------------------------|--|---|----------------------------|--------------------------------|---|
| Development of LPG Infrastructure | LPG bulk import handling, and storage facilities constructed in Mombasa (30,000MT) | % completion of storage facility | 40 | 0 | Front End Engineering Design (FEED) consultancy completed in 2022/23FY awaiting establishment of a PPP framework for project implementation |
| | LPG bulk storage facility constructed in Nairobi (10,000MT) | % completion of storage facility | 40 | 0 | Not commenced (was deferred) |
| | LPG truck loading facility at KPRL Chagamwe completed | % completion of loading facility ¹ | 100 | 100 | LPG Truck loading is completed, tested and awaits to be commissioned. |
| National Liquefied | 6kg LPG cylinders and | No. of cylinder | 100,000 | 0 | <ul style="list-style-type: none"> 281,524 6kgs LPG |

1

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement FY2023/24 | Remarks |
|-------------------------------|--|---|----------------------------|--------------------------------|---|
| Petroleum Gas Enhancement | accessories supplied to low-income households | s distributed | | | <p>cylinders, 357,368 grills, 357,355 burners, 90,103m of hosepipes and 84,500 two-burner cook-stoves have been procured</p> <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • Cabinet memo approved & baseline survey on CCG conducted • Structural designs for the required infrastructure developed and |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement FY2023/24 | Remarks |
|---|---|--------------|----------------------------|--------------------------------|--|
| | | | | | <p>tenders awarded for only 20 schools due to financial constraints.</p> <ul style="list-style-type: none"> • Environmental impact Assessment report prepared and forwarded to NEMA for approval. • 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 | % Completion | 50 | 49 | <p>Five tanks with a total capacity of 124,478MT have been rehabilitated and converted to white oil storage. They are yet to be commissioned as they are awaiting completion of pipeline connectivity to KOT2 which is currently at 88% complete</p> <p>Rehabilitation of the 5No. KPRL Tanks at Port Reitz Mombasa, to meet growing demand by June 2024. Tanks under rehabilitation and</p> |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement FY2023/24 | Remarks |
|--|---------------------------|----------------------------------|----------------------------|--------------------------------|--|
| | | | | | <p>their respective capacities are:</p> <ul style="list-style-type: none"> i. T-701: 18,438m3 ii. T-702 18,438m3 iii. T-704 14,438m3 iv. T-706 18,438m3 v. T-708 50,726m3 |
| Exploration and Commercialization of Oil and Gas Resources | Petroleum blocks marketed | No. of petroleum blocks marketed | 3 | 3 | <p>The three blocks were marketed through the following avenues:</p> <ul style="list-style-type: none"> ● 4th World Energy Summit held in Canada in September 2023 - meetings with Canadian energy companies held and presentations on Kenyan petroleum blocks undertaken. ● meeting with investors from Brazil hosted by the State Department ● Meeting with Algerian Ministry of Energy sector in |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement FY2023/24 | Remarks |
|-------------------------------|---|---|----------------------------|--------------------------------|--|
| | | | | | Algeria in May, 2024. |
| | Petroleum blocks reviewed/reconstituted | No. of blocks reviewed/reconstituted | 5 | 5 | <ul style="list-style-type: none"> Five blocks were reviewed but not reconstituted due to a delay in procurement of the required software (ArcGIS) license. |
| | Block 9 Natural gas prospects evaluated | Completion level (%) of Block 9 Evaluation | - | 15 | Preliminary assessment of the natural gas resource potential has been done and a technical Atlas developed which contains technical data package for Block 9. 50% completion level target set for FY 2024/25 |
| | Geological and geophysical data generated | Area in sq. km for which geoscientific data has been acquired | 1,310 | 1,265 | Geoscientific data acquisition undertaken in blocks L17 Zone 2 covering 325 sq. km and L18 covering 940 sq. km. |
| | Increased oil and gas production | Amount invested in petroleum blocks | 3.2 | 0 | The envisaged investment engagement with the external investors did |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement FY2023/24 | Remarks |
|----------------------------------|--|--|----------------------------|--------------------------------|--|
| | | (USD (Millions)) | | | not take place due to foreign travel ban |
| Lokichar-Lamu Crude Oil Pipeline | 824km 20-inch Lokichar-Lamu Crude Oil Pipeline constructed | % completion of preliminary activities | 50 | 40 | <ul style="list-style-type: none"> Community engagement and sensitization in project-affected area commenced. Survey, demarcation and registration of community land for 23 out of 63 communities in the Turkana section of the proposed crude oil pipeline done. Development of land acquisition plans for the counties of Lamu, Garissa and Isiolo in preparation |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement FY2023/24 | Remarks |
|---|--|---|----------------------------|--------------------------------|---|
| | | | | | for land inquiries for the said counties completed. |
| Geochemical and Petro-physical Laboratory | Geochemical and Petro-physical laboratory | % completion of a geochemical and petro-physical laboratory | 30 | 30 | <ul style="list-style-type: none"> • The National Data Processing Center's processing and modelling software was upgraded to current version. • The first batch of Lab equipment were procured and delivered. |
| Quality Assurance of Petroleum Products | Quality and secure petroleum products marketed nationally and regionally | Samples of petroleum products tested | 14,000 | 26,872 | Target was over achieved due to enhanced monitoring to increase compliance |

Source: State Department for Petroleum Reports, FY2023/24

Table 4.9.2 presents the Outcome Results for Q4 –FY2023/24 FOR the State Department for Petroleum

Table 4.9.2: Petroleum - Outcome Results for FY 2023/24

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target | Actual Achievement | Remarks |
|---|---|------------------------------|---------------------------|---|
| Enhanced use of LPG | Proportion (%) of households using LPG | 31 | 30 | The State Department for Petroleum expects among other stakeholders' efforts to increase this proportion. Its contribution is dependent on the distribution of the gas cylinders to households which was not achieved. In addition, the actual status will only be established through KNBS generated statistics. |
| | Average LPG consumption per capitaNo. (Kg per person /yr) - | 7.0 | 7.0 | SDP contribution is dependent on the distribution of the gas cylinders to households and schools. However, LPG consumption increased due steep rise in price of alternative source of cooking energy. |
| | Proportion (%) of Public learning institutions using LPG (Public Boarding Primary and Secondary Schools, and Tertiary Institutions) | 14 | 8 | This was dependent on provision of CCG to learning schools which was initiated during the review period. There were delays and only contracts awarded for infrastructure development for 20 schools. As such the baseline status remained |
| Stable supply of refined petroleum products | Quantity of petroleum products imported (MT millions) | 6.690 | 7,140 | There was an increase in demand for petroleum products in Qtr 3 &Qtr 4 |

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target | Actual Achievement | Remarks |
|----------------------------------|--|------------------------------|---------------------------|--|
| Increased oil and gas production | Amount invested in petroleum blocks (USD (Millions)) | 3.2 | 3.2 | The overall effect/change is targeted for FY 2026/27. As such the baseline reported remains as the outcome target for the review period. |

Source: State Department for Petroleum Reports, FY2023/24

4.9.2. Policy, Legal and Institutional Framework

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

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

4.9.3. Implementation Challenges and Lessons Learnt

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

4.9.4. Lessons Learnt

- i. Systematic planning is necessary when setting targets for projects where timelines required for planning, designing, tendering, and construction must be taken into account; and

- ii. Collaboration between the Ministry of Energy and Petroleum and the relevant Ministries, Counties, Departments and Agencies (MCDAs) is key in enhancing efficiency in issuance of permits, approvals and licenses for timely investments in the sector.

4.3.1 Recommendations

- i. The following are recommendations to address the implementation challenges and enhance projects implementation:
- ii. The State Department in collaboration with the National Treasury to expand resource mobilization for investment in Oil and Gas exploitation
- 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. Periodic review of risk management strategies and enhancement of external risk forecasting and management.
- vi. 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.
- vii. In collaboration with NLC intensify stakeholder engagement with regard to land and right of way acquisition
- viii. Enhance investment in technical capacity in the sector through packaging and extensive marketing of the oil and gas potential
- ix. 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.

4.10 Water and Sanitation

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.

4.10.1. Description of Results

The sub-sector made significant in enhancing access to the availability of water for domestic, agriculture and industrial use. During the review period, six (6) small dams and 16 water pans were constructed and five (5) water harvesting projects were implemented enabling over 450,000 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.

The progress and implementation Status of the Key Outputs and BETA Priorities for FY 2023/24 are provided in **Table 4.10.1**

Table 4.10.1: Water and Sanitation -BETA Output Results for FY 2023/24

| Priority Projects/Priority | Output | Indicator | Annual Target FY 2023/24 | Cumm. Achievement (Q1-Q3) 2023/24 | Remarks on the Variance |
|---|---------------------------------------|-------------------------------|--------------------------|-----------------------------------|---|
| Construction of small dams and water pans | Small dams and water pans constructed | No. of dams constructed | 40 | 6 | Delayed disbursement of funds affected the implementation. Most of the Dams are at procurement stages |
| | | No. of water pans constructed | 100 | 16 | Low budgetary allocation during Sup I& II |
| Water Harvesting for Irrigation | Water Harvesting projects for | No of water projects | 24 | 5 | Lack of budgetary allocation |

| | | | | | |
|---|---|---|------------|---------|--|
| and Domestic Use | irrigation in 23 ASAL counties with capacity of 517.5 million cubic meters (climate financing) | Volume of Water Harvested in cubic metres | 10,800,000 | 450,000 | Volume of water harvested to 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 | 10 | Lack of budgetary allocation |
| | | Cubic meters of water harvested | 3,778,245 | 500,000 | Volume of water harvested to 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 | Low funding |
| | Check dams constructed | No of check dams constructed | 5 | 0 | Lack of budgetary allocation |
| | Flood control infrastructure maintained | No of infrastructure maintained | 3 | 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 | Lack of budgetary allocation |
| | | Cubic meters of water harvested (in millions) | 40 | 0 | Lack of budgetary allocation |
| National Transboundar | Sub-Catchment Managemnt | No. of SCMPs implemented | 40 | 31 | Delayed disbursement of |

| | | | | | |
|----------------------|---|---|----|---|--|
| y Water resources | Plans (SCMPs) implemented | | | | Counterpart Funds affected the implementation of SCMPs |
| Management Programme | Water resources monitoring stations rehabilitated and upgraded to telemetry to relay real time data | No. of water monitoring stations rehabilitated and upgraded | 50 | 4 | Most of stations were not rehabilitated due to the high river flows occasioned by the heavy rainfall experienced in the country. |
| | Center for Hydrometry and instrumental established | No. of Hydrometry Center established | - | - | To be implemented in FY 2026/27 |
| | Ground water mapping in five (5) counties undertaken | No. of mappings undertaken | 1 | - | Mapping for Mandera county is at procurement stage |
| | Transboundary multipurpose dams constructed | No. of multipurpose dams constructed | - | - | Implementation of the dam to be realised in FY2026/27. During the FY 2023/24 Feasibility and design was completed |
| River restoration | | No. of new and upgraded | 2 | - | |

| | | | | | |
|---|--|--|--------|--------|--|
| | Athi River restored and managed | sewerage plants constructed | | | |
| | | No. of Km of extended upgraded sewer lines | 150 | 135 | Late disbursement of funds |
| | | No. of Km of river cleaned | 30 | 6.1 | Low funding |
| | | No. of water plants planted | 50,000 | 50,294 | More tree seedlings planted during the tree growing day in November, 2023 |
| | | No. of ablution blocks constructed in informal settlements | 10 | 8 | Late disbursement of funds |
| Completion of ongoing/stalled domestic water projects | Ongoing/stalled projects completed | No. of projects completed | 250 | 62 | Most Projects are at advance stage of implementation will be completed by Q4 |
| Sanitation/ Sewerage for urban centers | Additional sanitation projects in urban areas across the country | No. of sanitation projects completed | 6 | 19 | |
| | | No. of Sanitation schemes rehabilitated | 1,000 | 4 | |
| Rural water and sanitation | Boreholes constructed | No. of boreholes | 1,000 | 133 | |

| | | | | | |
|---|---|---|---------|--------|--|
| | Public institution projects-CG | No. of projects in public institutions | 900 | 33 | |
| | Roof catchment structures drilled/rehabilitated and solarized | No. of roof catchment structures | 1,100 | 101 | |
| | Desilting pans/dams constructed | No. of pans/dams desilted | 300 | 9 | |
| | Springs/Water catchment area protected | No. of springs protected | 150 | 5 | |
| | Dams/rock catchment structures supply/pipeline extension projects protected | No. of dams/rock catchment structures protected | 100 | 0 | |
| | | No. of water supply/pipeline extension projects protected | 400 | 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 | 61,206 | Delay in completion of the projects therefore causing variance in the population reached |
| Reduction in non-revenue water | Share of non-revenue water in 47 counties reduced to less than 15% | %Share of non-revenue water | 38 | 43 | |
| | Unit to protect water | No. of water protection Units established | 1 | 1 | Water police unit |

| | | | | | |
|---|--|---|----|---|---|
| | infrastructure established | | | | established in 1 |
| | Inter-governmental Agreements signed | No. of inter-governmental agreements | 5 | 4 | The Water Sector Inter-Governmental Consultation and Cooperation Framework (WSIGCCF) was signed by both levels of government. |
| Water Research, Training and Innovation | 10 innovations (products/services) developed and adopted | No. of innovations | 1 | 1 | Recognition for prior learning policy developed |
| | KEWI infrastructure in Nairobi, Kisumu, Chiakariga and Kitui campuses modernized | No. of campuses | 1 | 1 | Modernization of Nairobi Campus undertaken |
| Construction of 100 large dams | Carry out new and review 45 feasibility studies for 55 new dams | No. of new feasibility studies done | 44 | 5 | Feasibility studies was preceded by screening of 265 potential dams and 3824 pans projects |
| | | No. of new feasibility studies reviewed | 25 | 4 | |
| | Implementation Resettlement Action Plans (RAPs) | No. of RAPs implemented | - | | |
| | Large dams constructed to provide 1.5 | No. of large dams constructed | - | | 50 No. of investment opportunities |

| | | | | | |
|--|-------------------------------|---|---|--|---|
| | billion cubic meters of water | Cubic meters of water harvested(millions) | - | | recommended after screening with storage capacity of 8.16 BCM |
|--|-------------------------------|---|---|--|---|

Source:

The State Department's performance at outcome level is summarized in **Table 4.7.2** which highlights the performance of the MTP IV Outcome Indicators for FY2023/24.

Table 4.10.2: Water and Sanitation - Outcome Results for FY 2023/2024

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target FY 2023/24 | Actual Achievement | Remarks on Achievement Variance |
|---|---|----------------------------------|--------------------|--|
| Improved access to clean, reliable and safe water | Proportion of national population using improved water services (%) | 72 | 73 | |
| | Urban population with access to clean and safe water(%) | 87 | 91 | Attributed to completion of projects under projects under Kenya Towns, Kenya National Urban Water and sanitation Program |
| | Rural population with access to clean and safe water(%) | 64 | 65 | Achieved through drilling, equipping and solarisation of boreholes in various parts of the country |

| | | | | |
|--|---|------|------|---|
| | Annual per capita water availability. | 547 | 452 | This is a result of rising water demand from key economic sectors, catchment degradation, encroachment of riparian land and wetlands, pollution, uncontrolled and unregulated use of water resource, climate variability and climate change and limited technical and enforcement capacities. |
| | Proportion of water bodies with good ambient water quality(%) | 87.5 | 87.5 | |
| | No. of ongoing/ stalled water projects completed | 300 | 62 | Budget cuts and delayed disbursement of funds delayed completion of ongoing projects |
| Increased water harvesting and storage capacity for domestic use | Additional water capacity in Million Cubic Meters | 50 | 0.95 | Large multi-purpose dams still ongoing. Additional water harvested from completed water pans/small dams |
| Improved water use efficiency | Proportion of non-revenue water(%) | 38 | 43 | Focus was on Dissemination of Non Revenue Water Management Standards to WSPs and the impact will be realized in subsequent years |
| Increased access to sanitation | Proportion of population | 70 | 68 | |

| | | | | |
|----------|---|----|----|---|
| services | using improved sanitation services(%) | | | |
| | Urban population using improved sanitation services(%) | 92 | 93 | Financed implementation of projects in underserved and unserved areas serving additional 157,000 people in urban informal settlements served with sanitation services |
| | Rural population using improved sanitation services(%) | 57 | 56 | |
| | Proportion of Urban population with access to safely managed sanitation (%) | 32 | 33 | Attributed to completion of projects under projects under Kenya Towns, Kenya National Urban Water and sanitation Program connecting approximately 200,000 people with sewerage services |

Source:

4.10.2. Policy, Institutional and Legal Frameworks

4.10.3. Implementation Challenges and Emerging issues

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

4.10.4. Recommendations

4.11 Irrigation

The Ministry of Water, Sanitation and Irrigation is composed of two State Departments, the State Department for Water and Sanitation and the State Department for Irrigation. The State Department for Irrigation was established vide Executive Order No. 1 of 2023 on the Organization

of the Government of the Republic of Kenya under the Ministry of Water, Sanitation and Irrigation. The Executive Order bestows the following functions with the State Department for Irrigation: National Irrigation Policy and Management; Water Harvesting and Storage for Irrigation; Management of Irrigation Schemes; Water Storage and Flood Control Management; Mapping, Designating and Developing Areas ideal for Irrigation Schemes; Development of irrigation infrastructure; and Land Reclamation.

4.11.1. Description of Results

The implementation status of the key outputs and BETA priorities by the Irrigation sub-sector for Q4 –FY 2023/24 is shown in **Table 4.11.1**

Table 4.11.1: Implementation status of the key outputs and BETA priorities in the sub-sector for Q4 - FY2023/24

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumulative Annual Achievement (Q1-Q4) | Remarks |
|---|---|----------------------------------|-------------------------|---------------------------------------|--|
| Crops value Chain - Other Crop Interventions | | | | | |
| Food Security Subsidy and Crop Diversification | Land under crop production (maize, potatoes, rice) | Area under Maize production (Ha) | 30,238 | 12,806 | Acreage of irrigated maize production includes seed and commercial maize produced in national schemes including Bura, Tana, Perkerra, Katilu and Lokubae Clusters. |
| Inclusive Growth (People Centred) | | | | | |
| Water Harvesting for Irrigation and Domestic Use | Water harvesting projects for irrigation in 23 ASAL Counties with | Volume of water in cubic meters | 10,800,000 | 7,674,252 | The volume includes Household pans and community water pans done |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumulative Annual Achievement (Q1-Q4) | Remarks |
|--|--|------------------------------|----------------------------|--|--|
| | a capacity of 517.5 million cubic meters (climate financing) | | | | in Quarter three and Quarters 4. |
| Water Harvesting From “Laggahs” and Exploitation of Ground Water for Irrigation in Arid Counties | Drilling and equipping of bore holes | No. of bore holes drilled | 8 | 8 | Five schools under Micro irrigation for schools programme namely Ndugamano Primary School, Subuku Secondary School, Kahuho Secondary School, Sagana Primary School, Habaswein Boys Secondary School, and three schools under community based irrigation. |
| | Installation of greenhouses under the Micro Irrigation Programme | No. of greenhouses installed | 8 | 8 | |
| Integrated Regional Development Dams | 5.5 billion cubic meter High Grand Falls | % completion | 10 | Nil | High Grand Fall Dam PIP approved, Project Development |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumulative Annual Achievement (Q1-Q4) | Remarks |
|---|---|---|----------------------------|--|---|
| | Multipurpose Dam constructed | | | | Phase concluded and its evaluation ongoing. |
| Land Reclamation | Land Degradation Map ping and Assessment reports developed | No. of Assessment reports developed | 2 | 2 | Middle Tana and Mara (Talek) sub catchments Assessments done |
| | Acreage of land reclaimed, rehabilitated and restored | Acres of land reclaimed, rehabilitated and restored | 1,350 | 2,713 | Done in Mwache Catchment through support of Kenya Water Security and Climate Resilience Project. |
| Drought Resilience | Water pans constructed to supply 298,282,500, m3 of water in ASAL areas | No. of water pans constructed | 400 | 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 | Nil | |
| Construction of flood mitigation structures | Length of dykes constructed | No. of Km constructed | 11 | 8.398 | Nyando and Isiolo Flood control works at procurement stage |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumulative Annual Achievement (Q1-Q4) | Remarks |
|---|--|---|----------------------------|--|---|
| | Check Dams constructed | No. of check Dams constructed | 5 | 1 | One complete, two underway (Osinoni is at 13% while Tot is under procurement) |
| | Flood control infrastructure maintained | No. of Infrastructure maintained | 3 | Nil | Budgetary constraints |
| Community Managed irrigation projects | Community managed irrigation projects established | No. of projects established | 44 | 24 | 21 Projects were done 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 | 7,894 | National expanded – 7,294 acres, Muranga Lot 3 – 600 acres |
| Farmer Led Irrigation Development Initiative (FLID) | Acres of land put under Irrigation | Acres under irrigation | 5,000 | 1,500 | Off take of the programme dependent on development of FLID Partnerships with Financial Institutions and establishment of Irrigation fund for derisking. |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumulative Annual Achievement (Q1-Q4) | Remarks |
|---|---|---|----------------------------|--|--|
| | Farmers linked to financial institutions for Irrigation de-risking | No. of farmers linked | 5,000 | 2,500 | |
| Expansion of existing irrigation schemes | An additional acres under irrigation | New acres under irrigation | 40,000 | Nil | The Institution did not undertake schemes expansion 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 | Nil | |
| | Performance Audit Assessments undertaken | Number of Performance Audits undertaken | 4 | 5 | Bura, Tana, Ahero, Kimira Oluch, Lower Kuja Schemes assessed. |
| | Irrigation technologies promoted | No. of technologies | 1 | 1 | Promoted drip irrigation technology. |
| | IWUAs capacity built | No. of IWUAS | 4 | 8 | Eldume, Kanini, Wagamachame, Githuya, Kaigunji, |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumulative Annual Achievement (Q1-Q4) | Remarks |
|--------------------------------|--|-------------------------------------|----------------------------|--|---|
| | | | | | Okundi, Thuci and Kaihi |
| Large scale irrigation | Large irrigation projects established | No. of irrigation schemes | 1 | 1 | Rwabura irrigation development was successfully completed in financial year 2023/24. |
| | | No. of acres of land irrigated | 18,124 | 1,500 | Lack of budgetary provisions hindered establishment of other targeted large irrigation schemes. |
| Alternative Financing | | | | | |
| Construction of 100 large dams | Carry out new and review 45 Feasibility studies) for 55 new Dams | No. of new feasibility studies done | 44 | 11 | Seven (7) 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 | |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumulative Annual Achievement (Q1-Q4) | Remarks |
|---|--|--------------------------------|----------------------------|--|---|
| Galana-Kulalu Food Security Project | Acres of land under maize production | Acreage under production | 10,000 | 538 | 538 acres put under maize production in a PPP pilot phase. Project transiting to a private investor - Negotiations and Project Agreement finalized and forwarded to the PPP directorate for approval |
| | Acres of land irrigated | Acreage under irrigation | 500 | 538 | |
| Turkana Irrigation Project | Acres of land irrigated | Acreage under irrigation | 1,200 | 3290 | 2400 existing acres were irrigated and additional new 890 acres developed. |

Source: State Department for Irrigation FY 2023/24 Reports

Table 4.11.2: Irrigation – MTP IV Outcome Implementation Status for Q4 - FY2023/24

| Outcome | Indicators | Annual Targets 2023/24 | Cumulative achievement t 2023-2024 | Remarks on Over or Under achievement |
|--|----------------------------------|------------------------------|--|--|
| Increased acreage under irrigation | Area of land under irrigation | 54,637 | 30,985.5 ² | Actual expansion realized. Budget cuts and reported |

| Outcome | Indicators | Annual Targets 2023/24 | Cumulative achievement t 2023-2024 | Remarks on Over or Under achievement |
|---|--------------------------------------|-------------------------------|---|--|
| | | | | insecurity in Turkana region led to low achievements. |
| Increased water harvesting and storage capacity | Volume of water harvested and stored | 232,400,000 m ³ | 7,674,252m ³ | Household Water Pans – 4,668,272 m ³ Community Water Pan – 3,185,980m ³ |
| Increased irrigated production | Quantity of rice produced | 200,000 | 276,012 | Ratoon crop and production on expanded areas facilitated targets over achievement |

Source: State Department for Irrigation FY 2023/24 Reports

4.11.2. Policy, Institutional and Legal Reforms

4.11.3. Implementation Challenges

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

4.11.4. Recommendations

- i. Increase sector budget for land acquisition and resettlement
- ii. Adequate and timely disbursement of project funds

- iii. Increase supervision and follow-up of contractors throughout the project implementation cycle.
- iv. Fast track policy, legislative, and institutional development and strengthening.

CHAPTER FIVE: SOCIAL SECTOR

5.0 Overview

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

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

5.1 Public Health and Professional Standards

Following Executive Order No. 1/2023, the Ministry of Health underwent a restructuring, resulting in creation of two State Departments that is, the State Department for Medical Services and State Department for Public Health and Professional Standards. The mandate of the State Department for Public Health and Professional Standards is derived from the Executive Order No. 2 of 2023 and includes a number of functions. These are: 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.

5.1.1 Sub sector performance

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

a) Public Health and Professional Standards - Implementation Status of the key outputs and BETA priorities for FY2023/24

| Priority Projects | Output | Indicator | Annual Target FY 2023 24 | Cumm. Achievement (Q1-Q4) | Remarks |
|---------------------------|--|------------------------|--------------------------|---------------------------|--|
| Health Commodity Security | Maturity level 3 Standards for NQCL/PPB attained | Standards for NQCL/PPB | 1 | 1 | Still implementing institutional development plans. 85 percent of IDPs has been addressed towards maturity level 3 |

| Priority Projects | Output | Indicator | Annual Target FY 2023 24 | Cumm. Achievement (Q1-Q4) | Remarks |
|--|---|---|--------------------------|---------------------------|---|
| Human Resource for Health | Existing community health promoters (CHPs) paid stipend | No. of UHC staff | 100,000 | 73,984 | Funds had not been received from TNT |
| | 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 | Posted in Q1 and Q3 |
| | 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 | Training projection was not approved on time and lack of funds |
| | Unregulated health workforce mapped, verified and certified | No. of Unregulated health workforce | 10 | 16 | The Board approved recognition of 11 cadres in Q1 and an additional 5 cadres in Q3. |
| | Master register developed and maintained | Operational master register | 1 | 0 | This will be a phased development as indicated in KHRAC 2024/25 AWP |
| | 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 | 168 | Most counties owned up the process and adaptation Page 4 of 10 to the new model |
| | Community Health Units operationalized across the country | No. of community health units established | 200 | 231 | Achieved target |

| Priority Projects | Output | Indicator | Annual Target FY 2023 24 | Cumm. Achievement (Q1-Q4) | Remarks |
|-------------------|---|--|--------------------------|---------------------------|--|
| | CHPs kits procured | No. of CHPs kits procured | 100,000 | 100,000 | Achieved |
| | Community Health Information system (E-CHIS) rolled out | Operational Community Health Information system (E-CHIS) | 1 | 1 | Achieved target |
| | CHPs trained | No. of CHPs trained | 11,000 | - | Process going to 2 nd phase |
| | Community Health Assistants (CHAs) trained, mentored and supervised on ICCM | No. of CHAs trained | 1,800 | | |
| | Baby friend Community initiative (BFCI) rolled out | No. of CHUs implementing BFCI | 9,600 | 831 | The annual target is unrealistically high. In the report period, BFCI was rolled out in 5 Page 5 of 10 (Kilifi, Kitui, Turkana, Marsabit and West pokot) counties implementing NICHE project. The achievement is reported under NICHE MIS |
| | Integrated management of acute malnutrition (IMAM) scaled up | No. of children with severe or moderate acute malnutrition accessing IMAM services | 727,650 | 388,378 | 53% achievement There was scale down of outreaches and mass screening at community level in hard to reach areas due to reduced donor funding. NB: Data for the month of June 2024 is not included as it is still being Page 6 of 10 Brief Description of the results (explain performance in the table) Health Commodity Security, Notable progress has been made, Maturity Level 3 standards for the National Quality Control Laboratory (NQCL) and Pharmacy and Poisons Board (PPB), with 85% of Institutional Development Plans (IDPs) addressed towards this goal. For Human Resource for Health, stipends |

| Priority Projects | Output | Indicator | Annual Target FY 2023 24 | Cumm. Achievement (Q1-Q4) | Remarks |
|-----------------------|--|--|--------------------------|---------------------------|---|
| | | | | | were paid to 94,628 community health promoters (CHPs), though the target was 100,000 due to delayed funds from the Treasury (TNT). The renewal of contracts for 8,550 Universal Health Coverage (UHC) staff was completed in Q2 for a one-year period. Medical interns were posted in Q1 and Q3, meeting the annual target of 1,200 interns. The recruitment of additional health personnel is to be achieved in the year to 2024/25. No specialized healthcare workers were trained due to a lack of approval and funding, processed under KHIS. |
| 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) | 20% | 15% | Target achieved (Upgrade at administration block; Landscaping at Resource Centre; |

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

b) Public Health and Professional Standards – Outcome Results for FY2023/24

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target | Actual Achievement | Remarks on Achievement Variance |
|----------------|-------------------------------|-----------------------|--------------------|---------------------------------|
| | Doctors per 10,000 population | - | - | To be achieved in 2025/26 |

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target | Actual Achievement | Remarks on Achievement Variance |
|--|---|-----------------------|--------------------|---------------------------------|
| Increased access to universal healthcare | Nurses per 10,000 population | - | - | To be achieved in 2025/26 |
| Reduced malaria, HIV/AIDS, TB incidences | Malaria prevalence rate | - | - | To be achieved in 2025/26 |
| | TB incidence per 100,000 population | - | - | To be achieved in 2025/26 |
| Improved nutrition | Prevalence of stunting among children under 5 years | - | - | To be achieved in 2025/26 |
| | Prevalence of wasting among children under 5 | - | - | To be achieved in 2025/26 |
| | Percentage of children under 5 who are overweight | - | - | To be achieved in 2025/26 |

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

5.1.2 Policy, Legal and Institutional Reforms

5.1.3 Implementation Challenges and Emerging Issues

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

5.1.4 Recommendations

- i. Increase Domestic resource mobilization and funding for healthcare, through adoption of innovative financing mechanisms, and harnessing public private collaborations.
- ii. Strengthen health information systems by investing in technology, 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

5.2 Labour and Skills Development

The State Department for Labour and Skills Development (SDLSD) 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 State Department focuses on the creation of jobs, improvement of productivity and promotion of a conducive working environment for Kenyans. It is therefore, an enabler of socio-economic transformation.

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

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

5.2.1 Sub sector performance

i. Social Welfare System for Kenyans Living in the Diaspora

The proposed Kenyan Migrant Workers Welfare Fund is a fund that seeks to address some of the challenges that Kenyan migrant workers continue to face in their countries of destination. The Fund will enable the migrant workers meet expenses related to repatriation of workers in distress or their remains in case of death, legal fees for workers in detention, medical care for workers while abroad, return and reintegration services, training and other social support services. The proposed fund will be contributory in nature and will be funded by the migrant workers through contributions and subscriptions. Stakeholders' consultation is ongoing and the fund is expected to be in place within the FY 25/26.

ii. Strengthening Linkages between Industry and Training Institutions

There is need to have strong nexus between training institutions and industries in those training institutions ought to produce learners who are ready for the job market. Towards this, NITA continues to re-skill and upskill workers on new skills emerging in the labour market. The Authority placed **1000** students and lectures in industrial attachment and 25 others were placed under apprenticeship. Further 158,074 workers in Textiles and Apparels within the EPZ were

trained in relevant industrial skills. A further 59,422 from the housing and construction sectors were assessed in Government Trade Testing.

iii. Labour Migration

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

iv. Occupational Safety and Health

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

v. National Human Resource Planning & Development

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

vi. Productivity and Competitiveness

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

vii. Promotion of Harmonious Industrial Relations

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

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

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

viii. Promotion of decent work in the digital economy

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

ix. Integrated Service Delivery Models

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

x. Management of Skills development and post-training

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

xi. Portability of knowledge, Skills, innovation and technical resources to Diaspora

The BLA between Kenya and the UK is currently under implementation. As of April 2024, 280 nurses have been recruited to work in the UK under the agreement since it's signing.

a) Labour and Skills Development - Implementation Status of the key outputs and BETA priorities by SDLSD for Q4 of FY2023/24

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement 2023/24 | Remarks On Achievement Variance |
|---|---|---|-----------------------|---------------------------|---|
| Social Welfare System for Kenyans Living in the Diaspora | Kenya Migrant Workers Welfare Fund (KMWWF) established | % of establishment of the KMWWF Fund | - | - | The Multi-Agency technical committee, drawing membership from relevant agencies involved in labour migration, developed a policy framework and road map towards establishment of the Fund; reviewed benchmarked studies reports of four countries (Philippines, Sri Lanka, Vietnam, Nepal) with similar funds; sought advisory from Office of the Attorney General and the National Treasury on the legal anchorage for the fund; reviewed the existing legal and policy frameworks to best anchor the fund and developed a Policy Matrix and appropriate model for the Fund in Kenya; and developed draft regulations for the Funds. |
| Social Security Coverage to the Informal Sector | NSSF registration process integrated; auto debit process for Mobile Network Operators (MNO) established | % of integration of NSSF registration process | 25 | - | The process didn't kick-start in the period under review as it was yet to get the required approval from the Central Bank of Kenya |
| | Informal sector Social Security guidelines developed | % of operationalization of auto debit process for MNOs guidelines | 25 | | |
| Strengthening Linkages between Industry and Training Institutions | Students and lecturers placed in Industrial Attachment | No. of students and lecturers placed on attachment | 4000 | 37,800 | Target achieved. National Industrial Training Authority placed 37,800 students and lectures in industrial attachment |
| | Teachers and students placed under Apprenticeship | No. of teachers placed on Apprenticeship | 100 | | |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement 2023/24 | Remarks On Achievement Variance |
|--------------------------------|---|----------------------------------|-----------------------|---------------------------|--|
| | Industrial Training and Attachment Portal (ITAP) upgraded | % Of Upgraded ITAP | 20 | - | A firm was awarded an ERP Contract to carry out the upgrade in 4th Quarter of FY 23/24 |
| | Industrial training centres upgraded | No. of centres upgraded | 1 | - | Lack of funds as a result of budget cut affected the delivery of this target |
| Labour Migration | BLAs | No of BLAs | 2 | - | 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 | 400000 | 107,756 | National Employment Authority placed a total of 107,756 Kenyans in employment locally and abroad. 18,875 have been placed locally while 88,631 have been placed in foreign countries. The achievement is pegged on availability of job orders. |
| | Assessment of skills in demand in destination countries conducted | No. of country skills assessment | 2 | - | The State Department of Diaspora Affairs conducted a market analysis of the Labour Market of Canada. |
| Occupational Safety and Health | Social Insurance-Based Employment Injury Scheme (SIBEIS) established | Operational SIBEI Scheme | - | - | Proposed WICA (Work injury Compensation Act) undergone public participation. Stakeholders' comments being considered currently. |
| | Integrated OSH Information Management System (OSHIMS) established and operationalized | Operational SHIMS | - | - | OSHMIS established. Undergoing user testing |
| | Rehabilitation center for injured workers established | Rehabilitation center | - | - | DOSHS No Longer Pursuing this target |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement 2023/24 | Remarks On Achievement Variance |
|--|--|--|-----------------------|---------------------------|--|
| National Human Resource Planning and Development | Kenya Labour Market Information System 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 KLMIS |
| | Labour market surveys conducted | No. of surveys | 1 | 1 | Carried out a Survey of Training in Local Institutions (STLI) in Technical and Vocational Training Centres. |
| Productivity and Competitiveness | Productivity and competitiveness award programme established | Operational Productivity and Competitiveness award | 1 | - | Concept note for the productivity and competitiveness award is at the development stage. |
| | Labour productivity model produced and Productivity statistics produced | Annual national and sectoral productivity indices | 20 | 20 | Productivity statistics report in 20 economic sectors developed. |
| Promotion of Harmonious Industrial Relations | Alternative Dispute Resolution (ADR) mechanism for labour and employment operationalized | No. of labour and employment disputes resolved | 80 | 80% | ADR mechanism applied in resolving labour and employment disputes leading to resolution of 9,587 cases. |
| | County Labour Offices established and operationalized | No. of additional County Labour Offices | 4 | 1 | Mandera County Labour office was opened and operationalized. Other 3 county offices were not established owing to inadequate budget allocation. |
| | Wages Councils established and operationalized | No. of Wages Councils | - | | The Sea-farers wage council was 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 | | The digitization did not happen due to funding challenges |
| Integrated Service Delivery Models | One-Stop-Centre for labour migration services established | % Of Completion | - | 1 | A one-stop centre for labour migration services was established and operationalized. It still needs recourses to be fully functional including furniture, computers etc. |
| Management of Skills | Enhanced access to work- | No. of youth trained on | 10000 | 9188 | |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement 2023/24 | Remarks On Achievement Variance |
|--|---|--|-----------------------|---------------------------|---|
| development and post-Training | based learning programs | online employment skills | | | Target was not achieved as budget cuts affected the realization of this activity |
| | | No. of youth trained on talent, innovation and entrepreneurship development | 4000 | 4000 | |
| | | No. of youth trained under the Agricultural Mentorship and skill share Programme | 10000 | - | |
| | | No. of youth placed under National Apprenticeship and mentorship programme | - | - | |
| | | No. of STEM graduates placed under the National volunteering program (G-united) | 376 | 0 | |
| Portability of knowledge, skills, innovation and technical resources to Diaspora | Bilateral Labour Agreement between Kenya and the UK, Saudi Arabia, Kuwait and Bahrain implemented | No. of bilateral Labour Agreement | 1 | | The BLA between Kenya and the UK is currently under implementation. As of April 2024, 280 nurses have been recruited to work in the UK under the agreement since its signing. |

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

b) Labour and Skills Development – Outcome Results for FY2023/24

| MTP IV Outcome | MTP IV Outcome Indicator | Actual Achievement | MTP IV Outcome Target | Remarks On Achievement Variance |
|--|---|--------------------|-----------------------|---|
| Increased access to employment opportunities | No. of Jobs Created ('000) | 848.2 | 940 | According to KNBS, there were a848.2 jobs generated in the economy were in 2023 |
| | No. of Migrant workers placed in employment abroad ('000) | 88,631 | 70 | Target Achieved. National Employment Authority placed 88,631 job seekers in jobs abroad |
| | Unemployment Rate (%) | - | 5.5 | Labour Force Survey not published |
| | No. of People Accessing the Labour Market information in the KLMIS ('000) | 28,650 | 450 | The indicator depends on the number and frequency of people accessing the KLMIS |

| MTP IV Outcome | MTP IV Outcome Indicator | Actual Achievement | MTP IV Outcome Target | Remarks On Achievement Variance |
|---|--|--------------------|-----------------------|--|
| Reduced distress cases of Kenya migrant workers | The proportion of distress cases of migrant workers (%) | | 4.5 | The State Department resolved all 787 cases of distress reported. Target needs to be adjusted. |
| Improved Labour Productivity | Country Competitiveness Index (Out of 141) | - | 90 | Ranking not done in the last three years |
| | Country Labour Productivity (%) | | 3.0 | Latest data not available |
| Enhanced Human Capital Development | No. of persons assessed and certified under the recognition of prior learning | 527 | 1000 | The underachievement was occasioned by the fact that a number of enrolled trainees were on skill upgrading program which does not require them to be attached at the end of the training |
| | No. of persons assessed and certified in government trade testing | 59,422 | 80,000 | |
| | No. of workers trained in relevant industrial skills including Textile and Apparels within EPZ | 158,074 | 60,000 | Overachievement was due to continued sensitization of all stakeholders on the available programs in the Authority. |

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

5.2.2 Policy, Institutional and Legal Frameworks

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

The National Policy on Labour Migration was forwarded to the National Assembly and passed as the Sessional Paper number 5 of 2023. The Policy aims at promoting inclusive and sustainable development of the country through safe, orderly and productive labour migration, promoting good governance in labour migration, protection of migrant workers and promotion of their welfare and that of their families and optimization of labour migration benefits in development. This will lead to increased workers in jobs abroad leading to enhanced diaspora inflows.

The National Policy on Linking Industry to Education, Training and Research was finalized and launched in FY 23/24. The Policy seeks to promote and strengthen linkages between industries to education, Training and research to drive a knowledge-based and globally competitive economy.

National Policy on Work-Based Learning whose main goal is to promote an integrated work-based learning system was also developed and operationalized during the period under review.

The National Wages and Remuneration Policy which aims at providing a framework and necessary guidance on wage levels, wage formation and adjustment mechanisms and other wage administration issues to be applicable in the country. The Draft Policy was adopted by the National Labour Board, discussed with stakeholders drawn from all agencies dealing with workers'

remuneration. The Policy is awaiting stakeholders’ validation which is expected to be undertaken within the end of Calendar Year 2024.

A review of the National Policy on Elimination of Child Labour which seeks to end child labour in all sectors was undertaken. A draft policy has been developed and is currently undergoing stakeholder engagement.

During the review period, the state department had several institutional reforms including:

Institutional Reforms

i) National Labour Board

The Labour Institutions Act of 2007 has had implementation challenges. One such challenge that is currently being addressed is the operation of the National Labour Board. It has had some operationalization challenges over the years due to resource constraints, but more recently the board has had some regular meetings – and activities – partly with the support of partners. Among other things it established the seafarers’ wages council and approved a number of conventions for ratification. Issues relating to the harmonization of registration of trade unions have also been discussed.

ii) Sector Wages Councils

Two of the 13 sector Wages Councils have been established but new members are yet to be appointed. They have however been incapacitated due to resource constraints. Resources are required to pay members honoraria and build their capacity while supporting operations such as meetings.

The review of the National Policy on elimination of child labour and its resultant National Action Plan for the Elimination of child labour is in its final stages of development having undergone stakeholders’ engagement.

iii) Establishment of Alternative Dispute Resolution Mechanism (ADR)

Establishment of an institutional mechanism for Alternative Dispute Resolution (ADR) for labour and employment disputes is provided for under Article 159 (2) (c) of the Constitution of Kenya. The mechanism promotes social dialogue, labour productivity and decongestion of the already burdened Employment and Labour Relations Court. There are draft rules and regulations in place. Appointment and induction of conciliators has also been done. More resources are needed for additional conciliators and their capacity building.

Legal Reforms

Policy Initiatives

| | Initiative | Objective(s) | Status as at 22nd April, 2024 |
|----|-------------------------------------|---|---|
| 1. | National Policy on Labour Migration | The main objective of the National Policy on Labour Migration is to promote inclusive and sustainable | <ul style="list-style-type: none"> The Policy was approved by the Cabinet on 8th of August, 2023. |

| | Initiative | Objective(s) | Status as at 22 nd April, 2024 |
|----|--|---|--|
| | | <p>development of the country through safe, orderly and productive labour migration.</p> <p>The specific objectives of the Policy are to:</p> <ol style="list-style-type: none"> i. Enhance coordination of labour migration governance in the Kenya; ii. Enhance transparency and flexibility in labour migration; iii. Promote foreign employment; iv. Protect the human and labour rights and promote the welfare of Kenyan migrant workers; v. Maximize participation of Kenya migrant workers in the economic development. vi. Promote equal treatment of foreign migrant workers in Kenya who are lawfully engaged in employment; and vii. Provide a framework for collection, analysis and use of data and information on labour migration and labour migrants. | <ul style="list-style-type: none"> • It was forwarded to the National Assembly for consideration as Sessional Paper No. 5 of 2023 on the National Policy on Labour Migration |
| 2. | National Policy of Social Insurance for Work Injury Compensation | <p>The policy objectives are to:</p> <ol style="list-style-type: none"> i. Transform the current employer liability-based work injury compensation system to a social based system where employer pulls together resources for compensation of injured workers; and ii. Develop a legal frame work for the implementation of social based work injury compensation system. | The Policy is in the initial drafting stages. |
| 3. | National Policy on Occupational Safety and Health | <p>The National OSH Policy aims to uphold worker safety and health as fundamental rights, aligning with international standards set by the ILO and the objectives of Kenya Vision 2030.</p> <p>Its specific objectives include legislative guidance, institution strengthening, enforcement mechanisms, capacity building, and public awareness initiatives, aiming to create a safe working environment across all sectors and forms of employment while promoting social dialogue and inclusivity.</p> | The 2012 Policy is currently undergoing review and is at the public participation stage where comments from stakeholders are still being received until 15th May 2024. |
| 4. | National Internship Policy | <p>The Policy provides a framework for coordinated implementation of the National Internship Programme. The main goal of the internship programme is to build competency by providing practical on-the-job training that integrates education, career development and work experience.</p> <p>The objectives of the internship policy are to:</p> <ol style="list-style-type: none"> i. Ensure a well-structured and coordinated internship programme; ii. Provide standards applicable to internship; | <ul style="list-style-type: none"> • A draft National Internship Policy was prepared in 2022 under the coordination of the then State Department for Labour in readiness for co-signing by the Cabinet Secretaries of the key implementing ministries (along with the Attorney General) before submission to the Cabinet for approval. • However, under the Executive Order No. 2 of 2023, the mandate for Co-ordination of the National |

| | Initiative | Objective(s) | Status as at 22 nd April, 2024 |
|----|---|--|--|
| | | <ul style="list-style-type: none"> iii. Strengthen linkage between curricula development, training institutions and the industry; iv. Provide a framework for collection and dissemination of data on internship; v. Contribute to the culture of life-long learning; and vi. Provide a framework for monitoring and evaluating the national internship programme. | <p>Internship and Apprenticeship Programme in both public and private sectors was assigned to the State Department for Youth Affairs and the Creative Economy.</p> <ul style="list-style-type: none"> • Upon seeking guidance from the Executive Office of the President, the Principal Secretary for Labour and Skills Development was advised that the three State Departments for Public Service, Youth Affairs and the Creative Economy, and Labour and Skills Development to collaborate in the development and implementation of the Internship and Apprenticeship programmes in the public and private sector. • The Principal Secretary for Labour and Skills Development has since been directed to chair a meeting between the three State Departments towards this. |
| 5. | Industrial Training and Attachment Policy | <p>The overall objective of this Policy is to provide a framework to guide, harmonize and regulate industrial training and ensure adequate supply of properly trained human resource at all levels in industry for sustainable growth. Specifically, the Policy seeks to:</p> <ul style="list-style-type: none"> i. Define and clarify roles of industrial training players; ii. Set standards to ensure quality demand driven, flexible and responsive training is undertaken in the industry; iii. Provide a mechanism for effective coordination and regulation of industrial training; and iv. Provide a mechanism of addressing training needs in the industry. | The revised draft Policy has been prepared and is due for submission to the National Industrial Training Board (NITB) for approval. |
| 6. | National Skills Development Policy | The National Skills Development Policy aims to promote sustainable socio-economic development through the development of a skilled workforce that is employable, productive, enterprising, innovative, adaptive and competitive. It seeks to ensure training and skills are properly aligned to industry and employment or self-employment prospects | Approved by Cabinet on 13 th December, 2023 |
| 7. | National Career Guidance Policy | The National Policy Framework for Career Guidance aims at promoting lifelong learning, sustained employability and social equity by enhancing access, | Approved by Cabinet on 13 th December, 2023 |

| | Initiative | Objective(s) | Status as at 22 nd April, 2024 |
|-----|---|---|--|
| | | equity, quality and relevance in the provision of career guidance in Kenya. This policy seeks to address unemployment created by deficient or no career guidance. | |
| 8. | National Workplace Policy on HIV & AIDS | <p>The Policy aims to</p> <ol style="list-style-type: none"> i. strengthen the legal and Policy Framework for HIV and AIDS at the Workplace; ii. enhance capacity of management of HIV workplace programmes; iii. increase HIV and AIDS workplace response iv. create resource mobilization for HIV and AIDS workplace interventions; v. eliminate stigma and discrimination at the workplace; and vi. Increase the capacity of HIV response in the Informal, Micro and Small Enterprises. | The Policy has been submitted to key stakeholders and social partners for approval. |
| 9. | National Wages and Remuneration Policy | <p>The goal of the Wages and Remuneration Policy is to ensure existence of a dynamic and equitable mechanism for determination and administration of wages and remuneration in the country.</p> <p>The broad objective of the Policy is to provide a framework for designing an appropriate wage and remuneration structure, and mechanism for adjustment of wages and benefits in keeping with the requirements of Kenya's Constitution and national development blueprints.</p> <p>The specific objectives of the policy are to:</p> <ol style="list-style-type: none"> i. establish a sustainable and equitable wage and remuneration determination and administration system; ii. provide a mechanism to introduce and integrate predictability and flexibility in the determination and administration of wages and remuneration; iii. Develop a framework to address the competing interests of labour market actors; and ensure productivity promotion, enterprise competitiveness and sustainable employment creation and retention. | A draft of the Policy was prepared and circulated to stakeholders. Comments from stakeholders are being incorporated in the draft before it is signed and submitted to the Cabinet for approval. |
| 10. | National Policy on Linking Industry to Education, Training and Research | The goal of this policy is to promote and strengthen the linkages between industry and education, training and research to drive a knowledge-based and globally competitive economy. | Approved by Cabinet on 7 th March 2024 |
| 11. | National Policy on Work-based Learning | The goal of this Policy is to promote an integrated work-based learning system | Is currently in the AGs office. |
| 12. | National Strategy for Skills | The goals of the Strategy are to: | The Strategy has been finalized. |

| | Initiative | Objective(s) | Status as at 22nd April, 2024 |
|--|----------------------------------|--|---|
| | Development for Labour Migration | i. build capacity for improved coordination of skills development for labour migration; ii. strengthen the linkage between skills development and the international labour market; iii. Strengthen skills development for cultural integration and resilience of Kenyan migrant workers; and enhance recognition of skills, qualifications and competences for labour migration. | |

Legislative Initiatives

| | Initiative | Objective(s) | Status as at 22nd April, 2024 |
|----|--|---|---|
| 1. | The Occupational Safety and Health Practitioners Bill, 2024 (Proposed) | The objectives of the legislation are to: i. make provision for the training and registration of Occupational Safety and Health practitioners; and ii. regulate the occupational safety and health practice in Kenya | The Bill is in the initial drafting stage. |
| 2. | Labour Migration Management Bill, 2024 | The Labour Migration Management Bill, 2024 seeks to promote safe, ethical and orderly recruitment; and safeguard the rights and the welfare of migrant workers. The bill has introduced additional clauses to make recruitment agencies more accountable and periodically report on the welfare of the migrant workers recruited. | The revised Labour Migration Management Bill, 2024 which had been subjected to stakeholder participation has been forwarded to the Office of the Attorney General for legal drafting and guidance. |
| 3. | National Productivity and Competitiveness Council Bill, 2024 | To provide for the establishment of the Council and the necessary administrative framework to drive the productivity, quality and competitiveness movement in all sectors of the economy with a view to raising National output and achieving sustained growth and global Competitiveness | Submitted to the Office of the Attorney General for legal drafting. |
| 4. | National Skills Development Bill, 2024 | AN ACT of Parliament to provide for the establishment of the National Skills Development Council and to provide for the regulation and registration of Sector Skills Councils, to assure standards; and for other connected purposes. | <ul style="list-style-type: none"> Submitted to the Office of the Attorney General in 2023. The Office of the AG advised the State Department for Labour and Skills Development to obtain authority for establishment of the Council from the National Treasury and the State Corporations Advisory Committee (SCAC). The National Treasury advised the Department to put the Bill on hold until the Government has re-organized state corporations. |
| 5. | Workers Injury Compensation Fund | The Work Injury Benefits Act, 2007 is under review and a draft Work Injury Compensation Bill, 2024 has | <ul style="list-style-type: none"> Bill currently undergoing public participation (from 8th April to 15th May 2024) |

| | Initiative | Objective(s) | Status as at 22nd April, 2024 |
|----|--|---|--|
| | | <p>incorporated the establishment of a Work Injury Compensation Fund. The objectives of the Bill are to</p> <ol style="list-style-type: none"> i. provide for adequate and equitable compensation for employees who suffer occupational injuries or contract occupational diseases arising out of, and in the course of their employment, and in the case of death, for their dependants; ii. provide for the rehabilitation of injured employees in order to assist in restoring their health and independence and participation at work; and iii. give effect to the international obligations with respect to workers compensation for work injury; | |
| 6. | The Occupational Safety and Health Bill, 2024 (Proposed) | <p>The bill is a reviewed version of the Occupational Safety and Health Act, 2007. The objectives of the bill are to:</p> <ol style="list-style-type: none"> i. align it to the Constitution and the National Occupational Safety and Health Policy ii. give effect to the ILO declaration of a healthy and safe working environment as a fundamental principle and right at work thereby improving Kenya’s ability to ratify ILO conventions and recommendations; iii. develop an institutional framework by establishing agencies that will efficiently inculcate a safety culture in workplaces and address all issues on prevention of work-related injuries, prompt investigation of accidents, compensation and rehabilitation of injured workers; and iv. Adopt ILO recommended global best OSH practices. | <ul style="list-style-type: none"> • The Bill is currently undergoing public participation (between 8th April and 15th May 2024) |
| 7. | The Occupational Safety and Health Practitioners Bill, 2024 (Proposed) | To make provision for the training, registration of occupational safety and health practitioners and to regulate the occupational safety and health practice in Kenya | <ul style="list-style-type: none"> • The Bill is in the drafting stage. |
| 8. | Industrial Training Bill, 2024 | <p>The overall aim of the Bill is to repeal the Industrial Training Act of by addressing gaps and align it to current and emerging issues in industrial training. Key specific areas of the Bill include:</p> <ol style="list-style-type: none"> i. Incorporation of skills development for labour migration (pre-departure training) in the legislation; ii. Incorporation of Recognition of Prior Learning (RPL) in the legislation; and iii. Provision of more clarity on the mandate of the National Industrial Training Authority (NITA). | <ul style="list-style-type: none"> • The Industrial Training Bill, 2024 is in the initial drafting stages |
| 9. | National Social Security Fund (Amendment) Bill, 2024 | Miscellaneous Amendments to incorporate Unemployment Benefits under Section 34 of the National Social Security Fund Act, No 45 of 2013 | <ul style="list-style-type: none"> • Draft miscellaneous amendments developed • Draft regulations developed • Stakeholder mapping and engagement plan developed |

| | Initiative | Objective(s) | Status as at 22nd April, 2024 |
|-----|--|---|---|
| | | | <ul style="list-style-type: none"> • Approval obtained from Board of Trustees to commence public participation • Awaiting court case to commence public participation |
| 10. | National Employment Authority (Amendment) Bill, 2024 | To amend the National Employment Authority, 2016 to address identifies gaps | <ul style="list-style-type: none"> • The proposed amendments are under consideration by the Senate |

Statutory Instruments Initiatives

| | Initiative | Objective(s) | Status as at 22nd April, 2024 |
|----|---|---|---|
| 1. | The Occupational Safety and Health (First Aid in the Workplace) Regulations | To <ul style="list-style-type: none"> i. guide occupiers on means of preserving life and minimizing the consequence of injury in case of an accident at work; and ii. Provide for the prerequisites for carrying out First-aid in workplaces. | Gazetted on 11 th March 2024 |
| 2. | Industrial Training Levy Regulations, 2024 | To provide for the administration of Industrial Training Levy collected under the Industrial Training Act | Submitted to the Office of the Attorney General for legal drafting. |

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

- Employment Act, 2007
- Labour Relations Act, 2007
- Labour Institutions Act, 2007

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

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

5.2.3 Implementation Challenges and Emerging Issues

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

- i. Outdated Labour Laws;
- ii. Low Human Resource Capacity;
- iii. Low levels of Productivity and Competitiveness;
- iv. Slow pace in completion of Occupational Safety and Health Institute; and
 - i. Upsurges in Industrial Actions in the Public Sector. 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.

5.2.4 Recommendations

- i) **Outdated Labour Laws** - Outdated laws are a major challenge especially in light of emerging employment opportunities. Piecemeal funding of infrastructure has also been a challenge leading to slow completion. Slow implementation of programs occasioned by historical funding challenges. At the same time data gaps have been there where there is no data on areas of interest. The quarterly labour force surveys are not always published, and when they are available, they usually come late so that the data is not very relevant to the current status. Unemployment remains a historical problem. It can however be addressed by taking advantage of emerging employment opportunities – including BPOs and well as existing initiatives such as Labour Migration. This however requires a review of the labour laws because dating back to 2007, they came before areas such as the digital economy, and remote work across geographical borders offered serious avenues for employment.
- ii) **Low Human Resource Capacity** - The State Department for Labour is one of the enablers for Kenya's economic growth and development, and a foundation for national transformation. However, the Department has suffered perennial challenges in its human resource capacity. The State Department operates with a staff capacity of 30.8% of the staff establishment, which is less than the optimal level of 55%. In addition, aging workforce has adversely affected

succession management in the Department where 49.1% of the staff is in the age-bracket of 51-60 years. The low staff capacity has adversely affected the operations of the State Department since the number of staff is inadequate to cover the whole country.

- iii) **Low levels of Productivity and Competitiveness** - There is need for increased awareness on productivity improvement initiatives in all sectors of the economy and to develop productivity culture among Kenyans from an early age. Kenya's overall labour productivity measured by output per person employed has remained low and grown slowly over the years. The country's overall labour productivity index dropped slightly from 100 in 2012 to 99.53 in 2013 but increased minimally to 101.25 in 2014, 102.76 in 2015 and 105.69 in 2016. This shows that labour productivity increased cumulatively by 9.23 percent or by an average of 2.31 percent per annum over the 4-year period. Kenya's Global Competitiveness Index is also low and ranged between 3.7 to 3.9 out of 7 between 2012/13 and 2016/17 Financial Years. The country's GCI and ranking is, arguably low, compared to those of competitor countries. Some of the factors responsible for Kenya's low productivity and competitiveness are inadequate awareness and weak productivity culture within the populace, weak stakeholder involvement in productivity movement and campaigns and inadequate focus of productivity improvement initiatives in the public sector.
- iv) **Slow pace in completion of Occupational Safety and Health Institute** - Construction of the National Occupational Safety and Health (OSH) Institute was initiated nine (12) years ago but has not been completed due to frequent budget cuts. The Institute will be expected to offer safety and health expertise and act as referral OSH institute in East and Central Africa. It is also expected to serve as a testing center for plant, materials, personal protective equipment (PPE), dust and fumes samples from workplaces and also as a demonstration centre with models of best methods for control of hazards. In 2023/24 Financial Year, the Project was allocated Kshs. 206.43 Million. It is expected that the project will be completed in FY 25/26.
- v) **Upsurges in Industrial Actions in the Public Sector** - Most industrial unrests in the country are in the public sector. Although there are many causes of industrial action, the ones in the public sector tend to be associated with terms and conditions of employment and especially failure to negotiate or non-implementation of registered CBAs. Increase in industrial action also points to weak frameworks for social dialogue and an ineffective industrial relations system.
- vi) **Low Financial Resource Capacity** - The State Department has continued receiving inadequate funding in spite of its wide mandate and emerging issues. This has therefore hindered effective implementation of the department's mandate since the Department has not been able to recruitment the required staff, purchase of vehicles, and working tools and equipment especially for field office charged with ensuring safe workplaces and adherence to the labour standards on terms and conditions of employment. The challenge is further aggravated by Budget cuts during the Financial Year.

5.3 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.

5.3.1 Sub sector Performance

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. Other priorities for the Department are as follows.

i. Strengthening Linkages between Industry and Training Institutions

Implementation of a one-year paid national internship programme.

ii. Public Service Reforms

This entails the development of career progression guidelines frameworks; development and implementation of a strategy to harness and transfer of knowledge, skills and competences in the public service; Strengthening KSG capacity; development and implementation of a master plan on scarce and high priority skills; development of County Public Service Transformation Frame work and Sector Specific Transformation Plans; and provision of a comprehensive Medical Insurance Scheme for Civil servants, among others.

iii. Youth Skilling, Employment, and wealth creation

The State Department focused on the training of youth in paramilitary, national service, technical and vocational skills annually; engaging youth in tasks of national importance and NYS Commercial enterprises; and construction of NYS Classrooms, workshops, doubles pan barracks.

iv. Human Capital Systems

Key among the goals of SDPS is enhancing efficiency in public service delivery by updating the GHRIS infrastructure and consolidating the Public Service Human Resource Data.

a) Public Service - Outputs Results Matrix on the implementation Status of the key outputs and BETA priorities for FY2023/24

| Priority Project | Output | Indicator | Annual Target FY 2023/24 | Cumm. Achievement (Q1-Q4) - Annual | 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 | 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. |
| | 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 | 43 | Low uptake was as a result of lack in information about the facility across the service (MDACS) FYs. |
| | MDACs trained | No. of MDACs | 150 | 84 | Training is ongoing on a |

| Priority Project | Output | Indicator | Annual Target FY 2023 24 | Cumm. Achievement (Q1-Q4) - Annual | Remarks on the Variance |
|---|---|---|--------------------------|------------------------------------|---|
| | on Business Process Re-engineering (BPR) | trained on BPR | | | Continuous basis. |
| | County Public Service Transformation Frame work 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 | 133,980 | 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 | 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 | 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 comprising of two cohorts b. Training in National Service is yet to commence since the curriculum. c. Trained 38,054 youth |
| | Youth engaged in tasks of national importance | No. of youth engaged in tasks of national importance | 22,500 | 21,367 | The Service engaged 21,367 youth, 14,672 males and 6,695 females, in various task of national importance Directives. |
| | Youth engaged in NYS Commercial | No. of youths engaged in commercial enterprises | 10,000 | 11,652 | The Service engaged 11,652 youth in commercial enterprises |

| Priority Project | Output | Indicator | Annual Target FY 2023 24 | Cumm. Achievement (Q1-Q4) - Annual | Remarks on the Variance |
|------------------------------------|--|---|--------------------------|------------------------------------|---|
| | enterprises | | | | |
| | NYS Classrooms, worksh.ops, doubles pan barracks constructed | percent of NYS classrooms, worksh.ops, doubles pan bar- racks constructed | 10 | 10 | <p>a. Construction of 6 no. classrooms at Athi River Field Unit;</p> <p>b. Construction of double span barrack (100percent completed), classrooms, works shop, and ablution block at NYS Engineering institute (83percent);</p> <p>c. Rehabilitation of sewer line at NYS Paramilitary Academy Gilgil which is currently 68percent completed.</p> |
| Public Service Wellness | Psychological Assessment Centre established | percent of establishment | 10 | 0 | Not undertaken due to budget constraints. |
| | Counseling and Wellness services provided to public officers | No. of officers counseled | 9,000 | 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 programmes/activities developed | - | - | To be undertaken in FY 2024/25 |
| Human Capital Systems | GHRIS infrastructure updated | percent upgrade of Government Human Resources Information System (GHRIS)/UHR Infrastructure | 80 | 80 | Delivery, Installation, Testing, and Commissioning of a Hyper Convergence GHRIS Infrastructure done. |
| | Public Service Human Resource Data Consolidated | 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 | 14.15 | A total of 14.15 million out of the targeted 14 million customers served through Huduma Kenya service delivery platforms; |

| Priority Project | Output | Indicator | Annual Target FY 2023/24 | Cumm. Achievement (Q1-Q4) - Annual | Remarks on the Variance |
|------------------|---|--------------------------------------|--------------------------|------------------------------------|--|
| | 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 Huduma Centres revamped | 10 | 53 | 53 Huduma Centres revamped through AIEs |
| | HudumaCentres in the sub-counties established | No. of HudumaCentres in sub-counties | 60 | 1 | One Huduma Centre established in Laikipia East Makutano. Target not achieved due insufficient funding |

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

b) Outcome Results Table Missing

5.3.2 Policy, Legal and Institutional Reforms

5.3.3 Implementation Challenges and Emerging Issues

- 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;

5.3.4 Recommendations

- i. Human resource capacity constraint: The State department will address understaffing through finalization and implementation of its Human Resource Plan.

- ii. There is need to adequately fund public service training to ensure well skilled human resources for quality service delivery and classify capacity development resources as development expenditure to guard against frequent cuts;
- iii. Scattered and inadequate office space: acquire adequate space to accommodate all staff in the State Department.

5.4 Gender and Affirmative Action

The Ministry of Gender, Culture, the Arts, and Heritage has the mandate on: **Gender Equality and Empowerment** - Promote gender equality, prevent and respond to gender-based violence, and empower women economically and socially; **Cultural Preservation and Development** - Safeguard and promote Kenya's cultural heritage, arts, and national heritage; and **Arts and Heritage** - Support the development of the arts sector and conserve historical sites.

On the other hand, key priorities for the FY 2023/24 are: **Gender-Based Violence** - Engage men and boys in campaigns provide essential services to survivors, reduce GBV and FGM cases, distribute dignity kits, and support GBV rescue centers; **Economic Empowerment** - Train women entrepreneurs, disburse affordable loans, and support business infrastructure development; **Fight Against FGM** - Strengthen anti-FGM mechanisms, conduct community dialogues; and **Capacity Building** - Train GBV duty bearers, operationalize POLICARE centers, build capacity at police gender desks, and train MDACs on gender-responsive budgeting.

The Ministry's priorities are aimed at enhancing gender equality, cultural preservation, and economic empowerment, with specific targets and indicators to measure progress.

5.4.1 Sub sector performance

In FY 2023/2024, the State Department made several strides in gender-related initiatives. The campaign against gender-based violence (GBV) saw 400 male champions engaged in Q4, surpassing the quarterly target and meeting the annual target of 1000. However, no GBV survivors received essential services, missing the target due to funding delays. Similarly, no community dialogues were held to address GBV, again due to financial constraints.

The distribution of 1000 dignity kits for GBV survivors was completed, although the actual distribution is pending. There were no targets set for supporting or refurbishing GBV rescue centers this year, and training for GBV service providers and operationalizing POLICARE centers were hindered by financial delays. Conversely, the capacity-building initiative for police gender desks exceeded expectations, training 135 personnel against a target of 25, with support from the Government of Kenya and UN Women. Additionally, 500 GBV duty bearers were sensitized during the PADV launch in Nairobi, meeting the annual target.

Sanitary towels were successfully distributed to all targeted girls across 47 counties. In efforts to eradicate female genital mutilation (FGM), the establishment of six Anti-FGM County Steering Committees was achieved, and awareness campaigns reached 13 million people, far exceeding the

target. Two inter-country ministerial sessions on cross-border FGM were also conducted as planned.

While there were notable achievements in capacity building and awareness campaigns, financial constraints affected the delivery of essential GBV services and community engagement activities.

a) Implementation Status of the key outputs and BETA priorities for FY2023/24 by SGAA

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|---|--|--|-----------------------|-----------------------------------|--|
| Prevention of and Response to Gender based Violence | men and Boys engaged in the ampaignagainst GBV | No. of male champions identified and engaged | 1,000 | 400 | Target achieved for Q4 Sensitization done in Kilifi,Bungoma and Samburu counties |
| | Survivors provided with GBV essential Services | % of survivors (reported cases) provided with GBV essential services | 10 | 0 | Target not achieved due to |
| | Reduced GBV and FGM cases | No. of forums held in community dialogues to end all forms of GBV. | 100 | 0 | Target not achieved due to delay in finance |
| | Dignity kits distributed | No. of dignity kits for GBV survivors Purchased and distributed in safe houses | 4,000 | - | Target achieved. All the Dignity kits received awaiting distributions |
| | GBV Rescue Centers / Safe Houses supported | No. of GBVRCs/ safe houses supported | - | 0 | There was no Target FY 23/24 |
| | Safe houses refurbished/ equipped/renovated for GBV survivor | No. of safe houses Supported | - | 0 | There was no Target FY 23/24 |
| | GBV service providers sensitized on GBVRC guidelines | No. of GBVRC service providers sensitized | 100 | 0 | Target not achieved due to delay in finance |
| | POLICARE centers operationalized | No. of POLICARE centers supported in operationalization | 2 | 0 | Target not achieved due to delay in finance |
| | Police Gender desk/ officers' capacity buit | No. of personnel capacity built at gender desks/ units in Counties | 100 | 135 | Target achieved. 60 supported by GOK and 75 by UN women |
| | GBV duty bearers trained | No. of GBV duty bearers trained | 10,000 | 500 sensitized | Target achieved |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|--|---|---|-----------------------|--|---|
| | GBV Fund for Survivors established | GBV fund | - | - | There was no Target FY 23/24 |
| | Sanitary towels distributed | No. of girls supported in public schools | 2,293,000 | Distribution done across all the 47 counties | Target achieved. |
| | | No. of sanitary towels distributed in millions | 18.35 | | |
| Eradication of FGM | Accountability and coordination mechanisms on eradication of FGM Strengthened | No. of Anti-FGM County Steering Committees | 35 | 6 | Target not achieved. |
| | | No. of persons reached through electronic, print and social media (In millions) | 10 | 13 | Target overachieved as the was numerous sensitizations |
| | | No. of inter-Country ministerial sessions on Cross Border FGM | - | 2 | Target achieved. |
| Access to Government Procurement Opportunities | Youth, Women and PWDs trained on AGPO | No. of Youth, Women and PWDs trained on AGPO; | 800 | 1011 | Target achieved as a result of collaboration of the National Treasury and Un Women |
| Women Enterprise Fund | Affordable loans disbursed | No. of women issued with affordable loan | 2,500 | 189,550 | Target met in quarter 1. |
| | Women entrepreneurs trained | No. of women entrepreneurs trained | 120,000 | 120,556 | Target achieved. |
| | Business infrastructures developed | No. of women benefiting from business infrastructure | - | - | Target not in FY 23/24 |
| | WEF remodelled | Digital lending | 1 | 1 | Target not achieved. |
| | Women trained on digital literacy | No. of women Trained | 200 | - | Target not achieved. |
| National Government Affirmative Action Fund | Bursaries awarded to needy students | Amount of grants disbursed for bursaries in Millions | 521.6 | | |
| | 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 mainstreaming | MDACs trained on Gender Responsive Budge | No. of MDACs Trained | 100 | - | The under achievement is due to Budget cuts and Exclusion of Gender mainstreaming in MDA's PC |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|---|--|--|-----------------------|---|--|
| | MDACs analysed on compliance with gender mainstreaming policies | No. of MDACs Analysed | 100 | 79 | Target not achieved. Budget cuts and Exclusion of GM in MDA's PC Affected the training |
| | Develop Legal Framework to operationalize 2/3 gender Principle | 2/3 Gender Principle framework developed | - | 1 | Target achieved. |
| | Male engagement and inclusion in the thematic area operationalized in Counties | Number of Counties | 10 | 15 | Target over-achieved. |
| | National survey on men and boys to Inform planning and gender policy review | Survey report | - | - | There was no target for FY 2023/24 |
| Compliance with International and Regional Gender Treaties and Obligations | Compliance with gender treaties, conventions and obligations monitored | No. of normative frameworks reported on | 5 | 5 | Target achieved |
| Evidence base Gender Responsive Policy Environment Socio-economic empowerment | National Survey on Special needs undertaken | Special needs survey report | - | - | There was no target for FY 23/24 |
| | Sectoral policies for Gender Responsiveness analysed | No. of Sectoral policies on Gender Responsiveness Analysed | 5 | 5 | Target achieved |
| | No. of officers trained/capacity built | No. of officers trained/capacity built | 25 | 62 | Target achieved. |
| | MoUs implemented and monitored | No. of MoUs implemented | 3 | 3 | Target achieved. |
| | Women Leaders trained on Political Leadership skills | No. of women leaders trained | 300 | 0 | Target not achieved. Activity done by Kenya School of Government |
| | Increased awareness on gender in MDACs on policies and programming | No. of focal persons trained | 100 | 200 | Target achieved. Activity done through on-line |
| | Increased awareness on gender across MDACs | No. of MDACs capacity built | 100 | 0 | Target not achieved due to inadequate funds. |
| | Audits on inclusion of women in leadership conducted | No. of audits | 1 | 1 | Target achieved. |
| Women engaged in Social Economic Empowerment | No. of women trained on access and control of | 200 | 831 | Target achieved as a result of collaboration of the | |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|----------------------------|--|--|-----------------------|-----------------------------------|--|
| | programmes and activities | productive resources | | | National Treasury and Un Women |
| | | No. of women trained on the provisions of the Public Procurement and Disposable Act and AGPO | 600 | 1011 | Target achieved as a result of collaboration of the National Treasury and Un Women |
| | | No. of Young women entrepreneurs Coached and mentored. | - | 0 | Target not in FY 23/24 |
| | | No. of women trained on gender issues in blue economy and investment opportunities | 600 | 0 | Target Not achieved due to inadequate funds |
| | | No. of women trained on gender issues in Climate smart agriculture | 10 | 90 | Target achieved |
| | | No. of women trained to access and utilize digital platforms | 200 | 1161 | Target achieved as result of support by COMESA 50 Million women platform sensitization and during the training of AGPO sessions on access and utilization of digital platforms were allocated time |
| | | No. of women trained on cross border and inter-county trade | 645 | 105 | Target Not 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 | This target was derived from Uwezo Fund which now in different State Department |
| | | No. of women capacity built | 75,000 | 0 | This target was derived from Uwezo Fund which now in different State Department |

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

b) Outcome Implementation Status for FY2023/24

| MTP IV Outcome | MTP IV Outcome Indicator | Actual Achievement | MTP IV Outcome Target | Remarks on Achievement Variance |
|---|--|--------------------|-----------------------|--|
| Reduced Prevalence of Gender Based Violence | Percentage of ever-partnered women and girls aged 15 years and older subjected to physical, sexual or psychological violence by a current or former intimate | - | 25 | The prevalence of GBV is determined by KDHS which is done after 5 years, the next will be done in 2027 |

| MTP IV Outcome | MTP IV Outcome Indicator | Actual Achievement | MTP IV Outcome Target | Remarks on Achievement Variance |
|----------------------------|--|--------------------|-----------------------|--|
| | partner in the previous 12 months by form of violence and by age | | | |
| Reduced Prevalence of FGM | Percentage of girls and women age 15-49 who have undergone FGM. | - | 14 | The prevalence of FGM is determined by KDHS which is done after 5 years, the next will be done in 2027 |
| Reduced gender disparities | Global Gender Gap Index | 0.692 | 0.736 | There is significance reduction on the Gender Gap index |

Source: SDGAA Reports, FY 2023/24

5.4.2 Policy, Institutional and Legal Frameworks

5.4.3 Implementation Challenges and Emerging Issues

5.4.4 Recommendations

5.5 Basic Education

Education and training play a critical role in socio-economic development through human capital empowerment for sustainable development. It facilitates the acquisition of relevant knowledge, skills, and attitudes that enable individuals to be empowered and engaged in national development. This effectively improves the quality of lives for people which leads to broad socio-economic benefits to individuals and the society. The Ministry is guided by the Kenya Vision 2030 and MTP IV particularly the Bottom-up Economic Transformation Agenda (BETA), other government development policies, and international commitments like Africa Agenda 2063 and Sustainable Development Goals (SDGs).

During the 2023/24 financial year, the state Department for Basic Education (SDBE) aimed at implementing a number of key targets. These are to: Achieve 100% transition from Primary to Junior Secondary School; Develop and disseminate Curriculum designs and curriculum support materials for secondary; Implement recommendations of the Presidential Working Party on Education Reforms; Recruit School Teachers for primary, Junior and Senior School; Expand education infrastructure; Equip the National Psycho-Education Assessment and Placement Centre; Establish, renovate and equip Low-cost boarding schools in ASAL areas (dormitories, dining halls, ablution constructed); Establish Model Green schools; Undertake In-service teachers trained under the Government programme; Automate of Basic Education System; Establish the Kenya National Education Management System (KEMIS); and Train Science, Technology, Engineering and Mathematics (STEM) teachers.

5.5.1 Sub sector performance

i. Infrastructure improvement

There is need to increase investments for expansion, upgrading, rehabilitation and equipping of existing institutions across the learning and research spectrum. This should be based on 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

The government is developing Policy Guidelines on the provision of capitation grant for mainstreaming pre-primary education to ensure seamless transition into formal schooling. In addition, the conditional grant to county governments for development of youth polytechnics/VTCs and capitation to trainees should be sustained and enhanced. The sector will also review the current funding model to ensure that optimum support to the niche areas in institutions is undertaken as well as the harmonization of the legal, policy and regulatory framework for the sector.

iii. Staffing and Training

The sector is recruiting 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 be facilitating 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 a need for enhanced and up-scaling of local digital learning resources and building the capacity of institutional managers, teachers/trainers, learners and field officers on ICT in education and training. This should include building capacity for support and maintenance of ICTs at the institutional levels.

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 is comprehensively reviewing the National Education Quality Assurance and Standards Framework (NEQASF) as recommended by the Presidential Working Party on Education Report (PWPER). The sector will need to develop guidelines and standards that were identified as missing such as 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 a 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 function. 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 is developing 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).

a) Basic Education -Implementation Status on the key outputs and BETA priorities for FY2023/24

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|-------------------|--|---|-----------------------|-----------------------------------|---------------------------------|
| Education Reforms | 100% transition from Primary to Junior Secondary School | Rate of transition | 100% | 99.9 | Natural attrition and dropout |
| | Curriculum designs and curriculum support materials for secondary developed and disseminated | Number of curriculum designs for Grade 10 to 12 developed | 78 | 126 | Target Achieved |
| | | Number of electronic and non- | 800 | 1244 | Target Achieved |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|---|---|--|-----------------------|-----------------------------------|--|
| | | electronic curriculum support materials provided | | | |
| | | Number of digital items curated and disseminated | 500 | 130 | Target Achieved |
| | | Number of Curriculum Support Materials for Learners in Special Needs developed | 72 | 139 | Target Achieved |
| | Presidential Working Party on Education Reforms recommendations implemented | % of recommendations implemented | 50 | 50 | Target Achieved |
| Universal Primary Education | Education Capitation grants awarded | No. of pupils enrolled in public primary in millions | 6.90 | 214,993 | |
| | | No. of pupils in public Low-cost boarding | 144,600 | 144,845 | Target Achieved |
| | | Enrolment of SNE Learners in public pre-school | 146,300 | 150,144 | Target surpassed |
| | | No. of schools with receiving minimum Essential Package (MEP) | 9,379 | -9379 | Lack of budgetary allocation |
| | School Teachers recruited | No. of teachers recruited | 9,665 | 2,000 interns recruited | |
| | Out of school children of pre-primary age enrolled in Schools | No. of children enrolled in Pre-primary Education | 80,000 | 80,000 | Target Achieved |
| | Learners provided with day meals | No. of learners provided with school feeding programme in millions | 6 | 2.6 | Target achieved |
| | 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 | Target moved to State Dept for Gender & affirmative action |
| | Infrastructure facilities renovated/rehabilitated | No. of infrastructure facilities renovated/rehabilitated | 23 | -20 | Target not Achieved |
| | Classrooms constructed | No. of classrooms constructed | 300 | -250 | Lack of 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 | -49 | |
| Duksi and Madrassa integrated into formal Basic Education | No. of Counties implementing the integration of duksi | 4 | 4 | Target achieved | |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|---|---|--|-----------------------|-----------------------------------|---------------------------------|
| | | and madrasa into formal basic education | | | |
| Universal Secondary Education | Secondary school teachers recruited | No. of teachers recruited | 13,534 | 18,000 interns recruited | |
| | Education infrastructure expanded | No. of Classrooms constructed | 15,529 | 6270 | Target not Achieved |
| | | No. of Laboratories constructed | 3,127 | 900 | Target not Achieved |
| | | No. of Toilet Blocks constructed | 3,775 | 0 | Target not Achieved |
| | | No. of Workshops constructed | 806 | 0 | Target not Achieved |
| | | No. of special needs education toilet blocks | 33 | | |
| | | No. of Integrated resource centres constructed | 3,717 | 2859 | Target not Achieved |
| | | No. of Public secondary schools provided with computing packages | 310 | 0 | Target not Achieved |
| Access to universal secondary education | No. of students receiving capitation in millions | 3.06 | 4.03 | Increased due to 100% transition | |
| Inclusion in Education and Training | PWD friendly infrastructure constructed in schools | No. of school with SNE/PWD compliant infrastructure | 10 | 21 | Target not Achieved |
| | Learners provided with mentorship and psychosocial support | No. of beneficiary learners | 10,000 | 387 | Target Achieved |
| | Teachers and trainer's capacity built on SNE | No. of teachers and trainer's capacity built on SNE | 150 | 1,702 | Target not Achieved |
| | National Psycho-Education Assessment and Placement Centre equipped | % establishment of National Psycho-Education Assessment and Placement Centre | 90 | 95 | Target met |
| | National Academy for Gifted and Talented Learners established and operationalized | % 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 | No. of low-cost boarding schools established, | 45 | | |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|--------------------------------------|---|---|-----------------------|-----------------------------------|--|
| | (dormitories, dining halls, ablution constructed) | renovated and equipped | | | |
| | Learners provided with mentorship and psychosocial support | No. of beneficiary learners | 45,000 | | |
| | Model Green schools established | No. of green schools established | 2 | 1 | Inadequate funding |
| | Adults learners certified | No. of Adults learners certified | 150,000 | 22,177 | The target was not achieved due to massive exit of ACE instructors without replacement and lack of examination waver to adult learners candidates. |
| Teacher Management and Development | In-service teachers trained under the Government programme | No. of in-service teachers trained | 50,000 | 77,000 | Achieved through cascade model |
| | Teacher education retooled | No. of Teacher education retooled | 20 | 40 | Target over-achieved |
| | Capacity building teacher trainees | No. of teacher trainees capacity built | 400 | 600 | Target over achieved |
| | Pre-Service Teacher Training in Competency Based Teacher Education | No. of teachers graduating from the 35 TTCs | 5,000 | | |
| | KEMI transformed to a premier Management Development Institute | % of completion of KEMI | 50 | 50 | Target achieved |
| | Ultra-modern Education Resource Center constructed and equipped | % establishment of Ultra-modern Education Resource Center | 27 | 0 | The project did not receive any budgetary allocation during the FY 2023/2024 |
| Automation of Basic Education System | e-Assessment system developed | % completion of e-Assessment system | 30 | 2 | |
| | Smart classrooms established | No. of smart classrooms established | 188 | -188 | Lack of exchequer |
| | System for examinations and item bank developed | % Operational System for examinations and item bank | 50 | | |
| | Teacher files digitized | % of teacher files digitized | 40 | 40 | target achieved |
| | Teacher management and development system operationalized | Operational Teacher Management System | - | | |
| | Monitoring, Evaluation, Accountability and Learning (MEAL) System developed | Operational MEAL System | 1 | 1 | Target achieved |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|---|---|---|-----------------------|-----------------------------------|---|
| Kenya National Education Management System (KEMIS) | Capitation module and School registration module for junior secondary school upgraded | % of Capitation and school registration modules upgraded | 50 | | |
| | Statistical Booklet Datasets and Reporting Dashboard developed | No. of Statistical Booklet Datasets and Reporting Dashboard | 1 | 1 | |
| Strengthening of Science, Technology, Engineering and Mathematics | STEM teachers trained | No. of STEM teachers trained | 33,100 | 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 | The Centre had not targeted these indicators for the financial year |
| | STEM Centres of Excellence established in schools | No. of centres of excellence | 600 | 0 | There was no budget to establish STEM Centre |
| Co-curricular Development | Learners participating in games and performing arts | No. of Learners participating in games and performing arts | 13,200 | 15,200 | More schools participated after covid-19 interruptions. |
| | Talent scholarship provided to learners | No. of talent scholarships awarded | 9,000 | | |
| | Talent exchange programmes held | No. of Talent exchange programmes held | 8 | | |

Source: SDBEReports, FY2023/24

b) Outcome Implementation Matrix for FY 2023/24

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target | Actual Achievement | Remarks on Achievement Variance |
|------------------------------------|--------------------------------------|-----------------------|--------------------|--|
| Enhanced access to basic education | Pre-primary Gross enrolment(GER) | 109.7 | 110.1 | county Governments construction of ECDE centers and classrooms |
| | GER-Girls | 106.0 | 110.0 | |
| | GER-Boy | 107.5 | 112.0 | |
| | Pre-primary gross net enrolment(NER) | 91.0 | 93.0 | |

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target | Actual Achievement | Remarks on Achievement Variance |
|----------------|---|-----------------------|--------------------|--------------------------------------|
| | NER-Girls | 91.0 | 93.0 | |
| | NER-Boys | 91.0 | 93.0 | |
| | Gender parity index at primary | 0.98 | 0.78 | Awareness and empowerment of parents |
| | Transition rate from primary to primary level | 100 | 101.0 | Engagement of parents |
| | Primary level Gross enrolment(GER) | 106.3 | 109.2 | |
| | GER-Girls | 105.2 | 107.5 | |
| | GER-Boys | 107.3 | 110.8 | |
| | Retention rate from grade 1 to grade 6 | 96.7 | | |
| | Girls | 96.7 | | |
| | Boys | 96.7 | | |
| | Primary completion rate(Total) | 88.2 | 87.8 | |
| | Primary net enrolment rate(NER) | 79.5 | 79.3 | |
| | NER-Girls | 79.5 | 78.8 | |
| | NER-Boys | 79.5 | 79.8 | |
| | Gender parity index in primary education | 0.97 | 0.97 | |
| | Primary to secondary transition rate(PSTR) | 100 | 82.3 | |
| | JSS Gross enrolment rate(GER) | 100 | 0.80 | |
| | GER-Girls | 100 | 0.78 | |
| | GER-Boys | 100 | 0.83 | |
| | JSS net enrolment rate(NER) | 100 | | |
| | NER-Girls | | | |
| | NER-Boys | | | |

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target | Actual Achievement | Remarks on Achievement Variance |
|--|--|-----------------------|--------------------|---|
| | JSS Gender parity index(GPI) | 1 | 0.96 | |
| | Secondary Gross enrolment rate | 85.3 | 89.9 | Over achieved due to the 100% transition policy |
| | NER-Girls | 86.6 | 89.9 | |
| | NER-Boys | 84.0 | 90.3 | |
| | Net enrolment rate | 54.5 | 74.7 | |
| | Girls | 57.4 | 77.2 | |
| | Boys | 51.4 | 76.0 | |
| | Gender parity in secondary education | 1.0 | 1.02 | |
| Enhanced quality of basic education | Pupil-Teacher ratio at basic education level | 42:1 | 39:1 | |
| | Student-Teacher ratio at secondary education level | 27:1 | | |
| | Textbook-pupil ratio at primary | 1:1 | 1:1 | 95% of schools |
| Improved adult and child numeracy and literacy skills | Enrolment in adult and continuing education | 190,500 | 126,525 | Target not achieved due to massive exit of ACE instructors without replacement. |
| | Female | 63,645 | 79,650 | Women are more receptive to ACE programs and there are more illiterate women compared to men, hence more female potential learners than male. |
| | Male | 126,855 | 46,875 | Men shy off from participating in ACE programmes |

Source: SDBE Reports, FY2023/24

5.5.2 Policy, Legal and Institutional Frameworks

a) Policy Initiatives

Development of STEM Education and Training Policy for Kenya is in its advanced stages with the following objectives:

- i. Provide a policy framework for strengthening STEM education, training and research
- ii. Improve access and participation in STEM education and training
- iii. Reduce disparities in STEM education and training
- iv. Increase resources and partnerships for STEM education and training
- v. Provide educational institutions with infrastructure, equipment, teaching and learning resources for STEM education and training.
- vi. Improve capabilities for research, technology and innovation in STEM education and training.
- vii. Integrate ICT in STEM education and training.
- viii. Provide adequate and competent workforce for STEM education and training
- ix. Produce transformative workforce fit for the 21st century in STEM education and training

The Final Draft policy was formulated and validated by stakeholders. Further, a Sessional Paper has been drafted and forwarded to the Office of the Attorney General for onward submission to Cabinet for approval.

b) Legal frameworks

The State Department for Basic Education has prepared the following bills during the period under review;

1. Basic Education Bill, 2024;
2. Basis Education Bursaries and Scholarships Bill, 2024;
3. Kenya Literature Bureau (Amendment) Bill, 2024;
4. Kenya Institute of Curriculum Development (Amendment) Bill, 2024;
5. Kenya National Examination Council (Amendment) Bill, 2024;
6. Teachers Service Commission (Amendment) Bill, 2024;
7. Education Appeals Tribunal Bill, 2024; and
8. Education and Training of Teachers and Managers of Basic Education Institutions Bill, 2024

5.5.3 Implementation Challenges and Emerging Issues

a) Inadequate Infrastructure:

- i. Despite past investments by the Government of Kenya (GOK), institutions of learning still face inadequate infrastructure.
- ii. The 100% transition policy has increased enrolment, leading to congestion in schools.

b) Inadequate Human Resources:

- i. Population growth, expansion, and the establishment of new schools have stretched the demand for teachers.
- ii. There is an estimated staffing gap of 111,870 teachers in basic public learning institutions due to the 100% transition and CBC implementation.
- iii. The current establishment in basic education is 4,279 against an authorized establishment of 9,853, resulting in a deficit of 5,574 officers.

c) Inadequate Capitation Funding:

- i. Enrolment has increased, but budgetary allocations have not kept pace, leading to funding deficits.
- ii. The GOK subsidy for secondary education has had an average shortfall of Ksh.13 billion annually over the last three financial years.

d) Inadequate Capacity for Special Needs Education:

- i. Special needs education suffers from a lack of specialized expertise, teachers, trainers, tutors, and support staff.
- ii. Funding for inclusive education and training is low.
- iii. Specialized equipment for special needs education is inadequate.

e) Radicalization and Insecurity:

- i. These issues continue to affect the delivery of quality education, training, and research.
- ii. Learners and staff are unable to undertake studies and duties effectively in areas affected by insecurity and radicalization.

f) Inadequate Quality Assurance of Education and Training:

- i. The sector is required to assess educational institutions but struggles due to a low number of quality assurance officers.

- ii. There are only 447 quality assurance officers against an optimum requirement of 2,603, leading to only a portion of basic learning institutions being assessed annually.

5.5.4 Recommendations

5.6 Population and Development

The National Council for Population and Development (NCPD) is a SAGA under the National Treasury and Economic Planning, State Department for Economic Planning. The Council contributes to State Department for Economic Planning core functions on Population Policy Management as contained in the Executive Order No.1 of 2023.

The Council through its head office in Nairobi and 11 Regional offices coordinates the implementation of Population Policy and Programme in all the 47 Counties. The Council is headed by a Director General who oversees the day -to-day management of the Council's affairs and oversight by Board of Directors headed by a chairperson.

Further, the Council is responsible for: the analysis of population issues and develop policies relating to population; provision of leadership and mobilization of support for Population programme, including coordinating population programme implementation by different organizations; assessment of the impact of population programme and make recommendations arising from such assessments; and assisting other organizations in dealing with population issues, among others.

5.6.1 Sub sector performance

The following achievements were registered during the FY2023/2024 by the National Council for Population and Development Projects and Programmes:

- i. **Centre of Excellence on Population and Development.**

The National Council for Population and Development established an office at its headquarter for the National Population Centre. This office was equipped with one interactive screen to facilitate knowledge and information sharing on population and development issues including Fertility, Sexual Reproduction health and family planning, Morbidity and Mortality and Migration among others.

In addition, three Advocacy meetings were held in Indonesia, Malawi and New York with potential donors to solicit support for the establishment and operationalization of this centre of excellence on Population and Development. The process of establishing the centre is now estimated to be 10% complete. An evaluation will be undertaken by an independent entity to determine the actual percentage of the process of the establishment of this centre of Excellence in Population and development.

ii. Implementation of ICPD25 Kenya Country Commitments

National Council for Population and Development developed and disseminated the 4th Annual Progress Report on the implementation of ICPD25 Kenya Country Commitments for FY 2023/2024. The report was developed by the Multi-Sectoral National Technical Committee with members drawn from relevant MDAS and Council of Governors under the leadership of NCPD. These has been disseminated to inform the National Consultations forums on 30th Anniversary Celebrations of the International Conference on Population and Development held in Cairo, Egypt in 1994(ICPD@30) and United Nations Summit of the Future planned for September 2024 in New York, USA. The recommendations in the report are being implemented by relevant MDAS to inform policy and programmes for the acceleration of the achievements of the ICPD Programme of Action (ICPD PoA) and the Sustainable Development Goals by the year 2030.

iii. Policies/Briefs/Advisory/working papers/ Strategies/ Guidelines/ Plans/ Reports/ Fact sheets on Population issues including implementation of Demographic Dividend Roadmap 2020-2030 for Kenya prepared and disseminated.

In the FY 2023/2024, NCPD developed and disseminated two advisory papers, five working papers, five fact sheets, state of Kenya Population report 2024, 2nd progress report on the implementation of the demographic dividend roadmap for Kenya, an action plan for the implementation of the sessional paper number 1 of 2023 on Kenya National Population Policy for sustainable development, Addis Ababa declaration on population and development at ten (AADPD@10) report and NCPD M&E framework. These reports have provided data and information for advocacy and public education on population and development issues to inform policy and programmes at national and county levels.

iv. Surveys/ Researches on population issues undertaken and disseminated.

In the FY 2023/2024, NCPD conducted further analysis of the Kenya Demographic and Health Survey 2022 dataset and developed five working papers and five fact sheets on the following topical issues on population and development:

Topic 1- Factors associated with teenage pregnancy in Kenya.

Topic 2- Factors associated with stunting among children under five in Kenya

Topic 3- Factors associated with contraceptive non-use among sexually active women in Kenya.

Topic 4 - Spatial distribution and predictors of gender based violence among women currently in union in Kenya

Topic 5 - A comparative analysis of contraceptive discontinuation between ASAL counties and other regions of Kenya

These working papers and fact sheets provides quality data and information for evidence based decision making on population programs and are being utilized by NCPD to inform the council's advocacy and public education activities at national and county levels.

v. Advocacy and sensitization on population and development issues undertaken at national and county levels.

In the FY 2023/2024, NCPD held advocacy and sensitization meetings with parliamentarians and members of the county assembly (MCAs) in which 28 parliamentarians from parliamentary network and 162 MCAs from 11 counties (Garissa, Samburu, Siaya, Tharaka Nithi, Nairobi, Kilifi, Nyeri, West pokot, Machakos, Kisii and Kakamega) were sensitization meetings have enhanced political and financial support for the implementation of the National Population Policy and Programme, and has helped in building consensus on contentious population issues at national and county levels. Campaigns on ending teenage pregnancy were held including two national and one each in 11 counties and thirteen reports prepared. These campaigns brought together various stakeholders involved in ending teenage pregnancy initiatives in the country. The campaigns were held in Nairobi, West pokot, Samburu, Kisumu, Elgeyo Marakwet, Kajiado, Kericho, Migori, Kitui and Wajir counties.

In addition, a virtual and a physical research dialogue/webinar on population, climate change and food security was held in Kitui and Isiolo counties respectively and two reports prepared. A virtual meeting in Kitui was held on 31st August 2023 while the one in Isiolo county was held on 14th May 2024 at Barsilinga Towers Hotel, Isiolo town. County government of Kitui and Isiolo together with the stakeholders who participated in these meetings agreed to implement the recommendations made to improve the inter-linkages between population, climate and food security in order to accelerate development aspirations of the two counties.

vi. Key stakeholders trained on population issues

In the FY 2023/2024, 41 technical officers drawn from the key stakeholders were trained on population research, data analysis and visualization. The training has equipped these officers with skills to undertake population projections and generate data for decision making and strategic planning and forecasting. In addition, the five working papers and fact sheets on topical population issues were developed by the officers who benefitted from this training.

a) Population and development - Implementation Status on the key outputs and BETA priorities for -FY 2023/24

| Priority Project(s) | Output | Indicator | Annual Target 2023/2024 | Cumulative Achievements(Q1-Q4)2023/2024 | Remarks Achievements Variance |
|---|--|---|--|--|-------------------------------|
| Centre of Excellence for Population and Development | Centre of Excellence established | % of establishment of Centre of Excellence for Population and Development | 10% | 10% | |
| Implementation of ICPD 25 Kenya country commitment coordinated and reports prepared | Number of Annual Progress Reports on ICPD25 Kenya Country Commitments | 1 | 1 | | |
| Other Activities | Policies/briefs/Advisory papers/Strategies/Guidelines/Plans/reports/ Fact sheets on Population issues including implementation of Demographic Dividend Roadmap 2020-2030 for Kenya prepared and disseminated | Number of Policies/briefs/advisory papers/ Strategies/Guidelines/reports/ plans | 15 | 16 | |
| | Surveys/Researches on Population issues undertaken and disseminated | Number of Surveys/Research Reports | 1 | 1 | |
| | Advocacy and sensitization on Population and Development issues undertaken at national and county levels | No. of Parliamentarians and Members of the County Assemblies Sensitized | 20 Parliamentarians 165 Members of County Assembly sensitized on Population and Development issues | 28 Parliamentarians 162 Members of County Assembly sensitized on Population and Development issues | |
| | | No. of forums on population and development issues held and reports prepared | 13 forums on Ending Teenage Pregnancy held and reports prepared | 13 forums on Ending Teenage Pregnancy held and reports prepared | |
| | No of research dialogues/webinars on population climate change and food security | One each Research dialogues/webinars in Kitui and Isiolo Counties | One each Research dialogues/webinars in Kitui and Isiolo Counties | | |

| Priority Project(s) | Output | Indicator | Annual Target 2023/2024 | Cumulative Achievements(Q 1-Q4)2023/2024 | Remarks Achievements Variance |
|---------------------|---|---|-------------------------|--|-------------------------------|
| | Key stakeholders trained on Population Issues | No. of technical officers trained on population research, data analysis and visualization | 20 | 41 | |

Source: NCPD Reports, FY2023/24

b) Population and Development – Outcome Results for FY 2023/2024

| MTPIV Outcome | MTPIV Outcome Indicator | MTPIV Target | Actual Achievement | Remarks Achievements Variance |
|---------------------------|-------------------------------|--------------|--------------------|-------------------------------|
| Reduced Population Growth | Annual Population growth rate | 2.13 | 1.75 | |
| | Dependency Ratio | 74 | 77 | |
| | Total Fertility Rate | 3.26 | 2.89 | |
| | Life Expectancy | 68.5 | 68.05 | |

Source: NCPD Reports, FY2023/24

5.6.2 Policy, Institutional and Legal Frameworks

In the FY 2023/2024, NCPD registered the following policy, institutional and legal achievements:

i. Sessional Paper Number 1 of 2023 on Kenya National Population Policy for Sustainable Development.

The policy was officially launched on 6th June 2024. The policy is currently undergoing dissemination across all the 47 counties to facilitate its implementation.

ii. 4th NCPD Strategic Plan 2023-2027.

The NCPD Fourth Strategic Plan 2023-2027 on 27th March 2024 after becoming a Semi – Autonomous Government Agency in 2004. This 5-year strategic plan 2023-2027 builds on lessons learnt from the previous strategic plans, challenges experienced, performance gaps and emerging issues in population and development.

iii. Kenya National Council for Population and Development Bill 2023.

Kenya National Council for population and Development Bill 2023 to establish NCPD by an Act of Parliament which was approved by Cabinet were forwarded to parliament for deliberations. The draft bill has undergone first reading and public participation pending the second reading.

5.6.3 Implementation Challenges and Emerging Issues

- i. Inadequate awareness on the inter-linkages between population and development. This has led to inadequate integration of population issues in development policies and plans.

- ii. Weak Legal framework for the NCPD for coordination of the implementation of the Population Policy and Programmes. This is because NCPD was established by Legal Notice No.120 of 29th October 2004.
- iii. Low geographical presence and visibility of NCPD due to limited resources.
- iv. Insufficient funds from government budgetary allocation devoted to population-related activities, coupled with occasional austerity measures from the National Treasury.
- v. Persistent socio-cultural beliefs and systems that impede implementation of the population and development programme.

5.6.4 Recommendations

- i. The National Treasury and Economic Planning to increase funding to NCPD for the implementation of the Kenya National Population Policy and population programme.
- ii. There is a need for the Kenya National Assembly to fast track the enactment of the Kenya National Council for Population and Development by Act of Parliament.
- iii. There is a need for NCPD to fully operationalize the NCPD approved organizational structure to improve geographical coverage of the implementation of population policies and programmes.
- iv. There is a need for NCPD fully operationalize the Centre of Excellence on Population and Development.
- v. There is a need for NCPD to enhance advocacy, public education, research and coordination of the population programme for achievement of sustainable development.

CHAPTER SIX: ENVIRONMENT AND NATURAL RESOURCES SECTOR

6.0 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.

The sector focuses on natural resource conservation, restoration and management; sustainable waste management and pollution control; sustainable exploitation of natural resources and blue economy; and tourism promotion and marketing.

6.1.Environment and Climate Change

The State Department undertook several ongoing projects related to environmental protection, climate change mitigation and adaptation, and sustainable forestry management. The sub sector targets to increase tree cover from 12.1 per cent in 2022 to 21 per cent by 2027 and forest cover from 8.8 per cent in 2022 to 17 per cent by 2027 through tree growing and restoration campaigns.

Output table missing

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 | Cumm. Achievement (Q1-Q4) | Remarks on the Variance |
|---------------------------------|---|---|--------------------------|---------------------------|---|
| Waste management infrastructure | Waste Collectors associations/ cooperatives registered | No. of Waste service provider associations established | 30 | 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 | 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 | 168 | All waste category service providers were trained under the Material Recovery Facility approach |
| Pollution Management | Waste service providers trained on waste recovery | No. of service providers trained | 10 | 6 | Established and trained stakeholders of all the 6 MRFs |
| | Air quality in 6 urban | No. of air quality reports | 5 | 1 | Inadequate resources hampered target attainment |

| Priority Projects | Output | Indicator | Annual Target FY 2023/24 | Cumm. Achievement (Q1-Q4) | Remarks on the Variance |
|---|--|---|--------------------------|---------------------------|--|
| | areas monitored | | | | |
| Thwake River Upstream Clean up Pollution Control and Catchment Management | Effluent discharges and solid waste flow in the Athi-Galana-Sabaki river system reduced. | percent of illegal dump sites along the river removed | 20 | 5 | Capacity development of host communities is on-going |
| | Length of riparian area of areas of Athi-Galana-Sabaki river system rehabilitated | KM of riparian areas rehabilitated | 100 | 20 | Capacity development of host communities is on-going |
| Climate Change Finance | Carbon market frameworks and regulations developed | Framework and regulations | 1 | 1 | Target Achieved-Carbon market frameworks and regulations developed |
| | Amount of revenue raised from carbon market | Ksh. Billions | 1 | - | 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 | 30,000 | Slow Roll-out of programme affected targets |

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

The Outcome Results Matrix for SDECC performance is presented in [table 6-1](#).

Table 6-1: Environment and Climate Change - Outcome Results for FY2023/24

| Programme | Key Outputs | Key Performance Indicators | Annual Target (s) | Actual as of 30 th June, 2024 | Remarks |
|---|--|-----------------------------------|-------------------|--|-----------------|
| General Administration, Planning and Support Services | Environment and Climate Change policies, bills and regulations developed | No. of policies developed | 2 | 2 | Target achieved |
| | | No. of bills presented to Cabinet | 1 | 1 | Target achieved |

| Programme | Key Outputs | Key Performance Indicators | Annual Target (s) | Actual as of 30 th June, 2024 | Remarks |
|---|---|------------------------------------|-------------------|--|--|
| | | No. of regulations developed | 1 | 1 | Target achieved |
| | Financial reports developed | No. of financial reports | 4 | 4 | Target achieved |
| | Planning services enhanced | No. of M&E reports | 4 | 4 | Target achieved |
| | Integrated environmental M&E System developed | % development of M&E system | 30 | 10 | Under-achievement due to budgetary constraints |
| | Training Services undertaken | No. of staff trained | 120 | 100 | Under-achievement due to insufficient funds |
| | Clean power for ICT installed | No. of system installed | 1 | 1 | Target achieved |
| | Virtual Meetings conducted | No of virtual meetings hosted | 275 | 275 | Target achieved |
| Policy & Governance in Environment Management | Multilateral Environmental Agreements (MEAs) domesticated | No. of MEAs, domesticated | 4 | 4 | Target achieved |
| | Trainings on HCFCS (ODS) and HFCs conducted | No. of trainings | 4 | 4 | Target achieved |
| | National chemicals database developed | % completion | 100 | 70 | Under-achievement due to insufficient funds |
| | Stakeholders trained on responsible care program | No. of stakeholders trained | 10 | 10 | Target achieved |
| | Stakeholders capacity-built on monitoring of pollution | No. of stakeholders capacity-built | 4 | 4 | Target achieved |

| Programme | Key Outputs | Key Performance Indicators | Annual Target (s) | Actual as of 30 th June, 2024 | Remarks |
|-----------|---|--|-------------------|--|--|
| | National Implementation Plan (NIP) updated | No. of Plans | 1 | 1 | Target achieved |
| | Biannual National conventions on biodiversity conducted | No. of Reports | 1 | - | The report is biannual hence due in 2025 |
| | Small scale gold miners trained on mercury free gold mining | No. of small-scale miners trained | 1000 | 750 | Target under-achieved due to late release of funds |
| | ASGM technologies developed and rolled out | No. of technologies | 2 | 1 | Target under-achieved due to budgetary constraints |
| | Finance mechanisms Developed | No. of Finance mechanisms Developed | 1 | 1 | Target achieved |
| | Guidelines, standards & incentives developed | No. of Guidelines, standards & incentives developed | 1 | 1 | Target achieved |
| | Kigali Amendment on the phase down of HFCS ratified. | Kigali Amendment | 1 | 1 | Target achieved. |
| | National Greenhouse Gas (GHG) Inventory updated | No. of updated National Greenhouse Gas (GHG) Inventory | 1 | 1 | Target achieved. |
| | National Measurement, Reporting and Verification (MRV) registry updated | No. of National Measurement, Reporting and Verification (MRV) registry | 1 | 1 | Target achieved. |
| | National Climate Change Action Plan III (2023-2027) developed and implemented | % completion of the National Climate Change Action Plan III | 100 | 100 | Target achieved. Completed in Q1 and launched by H.E the President during ACS 2023. |
| | | No. of Stakeholders capacity built for NCCAP implementation | 15 | 90 | Target over-achieved through robust capacity building of 52 MDAs and 38 Counties on FLLoCA |
| | Research studies on carbon markets conducted | No. of research studies carried out | 1 | 0 | Not yet initiated due to budgetary constraints |

| Programme | Key Outputs | Key Performance Indicators | Annual Target (s) | Actual as of 30 th June, 2024 | Remarks |
|-----------------------------------|--|---|-------------------|--|--|
| | M&E on carbon market activities conducted | No. of M&E reports | 2 | 1 | Target under-achieved due to budgetary constraints |
| | National Green House Gas (GHG) Inventory developed, updated and verified | No. of sectors updated | 5 | 5 | Target achieved |
| | Reports developed and submitted to UNFCC | No. of reports developed and submitted to UNFCC | 1 | 0 | Target under-achieved due to budgetary constraints |
| National Environmental Management | Stakeholders sensitized on environment management | No. of stakeholders sensitized | 65 | 55 | Under-achievement due to financial constraints |
| | Wetlands restored and rehabilitated | No. of wetlands | 5 | 8 | Target over-achieved due to collaboration with partners |
| | Environmental Enforcement enhanced | No. of inspections undertaken on existing environmental regulations | 2,400 | 2963 | Target over-achieved in compliance with EIA, Waste, Noise, Air Quality and Water Quality Regulations in all the 47 Counties. |
| | | % of environmental crimes investigated and prosecution files registered in various courts | 100 | 100 | Target achieved |
| | | No. of environmental audit reports reviewed | 5,970 | 6,125 | Target achieved |
| | Demonstration site for best environmental practices and cleaner technologies established | % completion of the demonstration site | 100 | 80 | Target on-going |
| | Stakeholders sensitized on environmental health and | No. of stakeholders sensitized | 50 | 48 | Target on-going |

| Programme | Key Outputs | Key Performance Indicators | Annual Target (s) | Actual as of 30 th June, 2024 | Remarks |
|-----------|---|---|-------------------|--|--|
| | pollution management | | | | |
| | Environmental-justice awareness enhanced | No. of persons sensitized | 12,000 | 12,000 | Target achieved through the social media platform engagements, public barazas, and published materials |
| | Environmental disputes investigated | % of cases investigated against the received complaints | 100 | 70 | Under-achievement due to budgetary constraints |
| | Public Interest Litigation | No. of cases filed | 8 | 6 | Under-achievement due to budgetary constraints |
| | Green Innovations recognized, awarded and incubated | No. of best practices recognized and awarded | 18 | 23 | Target achieved |
| | | No. of green innovations incubated and up-scaled/ commercialized | 12 | 26 | Supported under the Project “Empowering Youth and Women Entrepreneurship in Agribusiness in Muranga and Kirinyaga Counties Phase II” |
| | | No. of innovations and best practices linked to markets and financing opportunities | 8 | 26 | Supported under the Project “Empowering Youth and Women Entrepreneurship in Agribusiness in Muranga and Kirinyaga Counties Phase II” |
| | Funds for environmental initiatives mobilized and disbursed | Amount of funds mobilized and disbursed (Kshs. Millions) | 930 | 1,517 | Positive variance due to increased efforts in resource mobilization |
| | Environmental appeal cases cleared | % of appeals cleared | 100 | 162.5 | Target achieved |
| | Environmental Justice enhanced | % of proceedings for appealed cases forwarded to Environment and Land Court (ELC) | 100 | 100 | Target achieved |

| Programme | Key Outputs | Key Performance Indicators | Annual Target (s) | Actual as of 30 th June, 2024 | Remarks |
|-----------|--|--|-------------------|--|---|
| | Lake Victoria basin conserved | Ha of degraded land rehabilitated. | 2 | 0 | Underachievement due to limited financing |
| | | No. of water and sanitation facilities established | 5 | 0 | Underachievement due to limited financing |
| | | No. of water quality samples analyzed | 10 | 0 | Underachievement due to limited financing |
| | | No. of hydromet stations rehabilitated | 3 | 0 | Underachievement due to limited financing |
| | Waste management infrastructure established | No. of model waste demonstration centers established | 4 | 2 | Demonstration center established in Kwale and Kiambu Counties (Kang'oki). Underachievement due to budgetary constraints |
| | Baseline study report | No. of updated Baseline reports on national solid waste management developed | 1 | 1 | Target Achieved |
| | Training on circular economy in waste management conducted | No. of Counties trained | 10 | 6 | Kisumu, Kakamega, Uasin Gishu, Nakuru, Kwale and Nairobi counties trained. Underachievement due to budgetary constraints |
| | Enforcement actions on the ban of single use plastics carrier bags undertaken countrywide | No. of inspections | 700 | 700 | Target achieved |
| | Material Recovery Facilities (MRF) and collection points for plastic recycling established | No. of MRFs established | 5 | 7 | Target achieved in Tharaka Nthi Country MRF, Takataka in Kiambu, Whitmund in Kiambu, Junky Bins in Kiambu, Taita Taveta, and 2 in Kisumu County |
| | Public awareness on plastic waste management conducted | No. stakeholders sensitized | 4 | 6 | Target achieved in Kisumu, Kakamega, Uasin Gishu, Nakuru, Kwale and Nairobi counties |

| Programme | Key Outputs | Key Performance Indicators | Annual Target (s) | Actual as of 30 th June, 2024 | Remarks |
|--|--|---|-------------------|--|--|
| Modernization of Meteorological Services | National weather network modernized | % modernization of meteorological services | 85 | 84 | Target under-achieved due to delayed procurement process |
| | Weather forecasts issued | No. of weather forecasts | 432 | 984 | Target over-achieved due to robust forecasting |
| Advertent Weather Modification | Advertent Weather Modification capacity developed | % capacity development for weather modification | 21 | 23 | Target under-achieved due to insufficient funds |
| Water Towers rehabilitation and conservation | Water towers rehabilitated | Ha of degraded water towers rehabilitated | 600 | 160 | Under-achievement due to insufficient funds. |
| | Bamboo stock increased | Ha of bamboo stock established within water towers ecosystems | 200 | 0 | Under-achievement due to insufficient funds. |
| | | No. of bamboo seedlings propagated | 100,000 | 0 | Under-achievement due to insufficient funds. |
| | Nature based enterprises established | No. of units of nature-based enterprises established | 3 | 0 | Under-achievement due to insufficient funds. |
| | Model schools supported on climate change adaptation | No. of model schools | 10 | 0 | Under-achievement due to insufficient funds. |
| | Water Towers secured and protected | Ha of water towers protected | 142,601 | 142,601 | Target achieved |
| | | Kilometers of water towers fenced | 50 | 0 | Under-achievement due to budgetary constraints |
| | Water towers monitored and assessed | No. of water towers monitored and assessed | 10 | 6 | Assessment done in Imenti, Mumo, Huri, Western Mau, Kavonge, Kasigau |
| | Water towers valued | No. of water towers valued | 12 | 1 | Under-achievement due to budgetary constraints |

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

The priority output and interventions for the Environment and Climate change include

National Tree Growing and Restoration Programme: The project aims to grow 7.5 billion trees to increase tree cover from 12.13 per cent in 2022 to 21.07 per cent by the year 2027.

Agroforestry woodlots in ASALs: The programme aim to promote greening of learning institution by 30,000 Ha of woodlots established in over 18,000 schools institutions in the country

6.2.2 Policy and Legislative Framework

6.2.3 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 work plans 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.

6.2.4 Lessons Learnt

- a) The Ministry has gathered valuable insights from its efforts during the reporting period. One key lesson is the critical need for effective public participation through capacity building on the sustainable management of forest and environmental resources. Additionally, integrating climate change considerations into forest conservation and management programs has been recognized as essential for addressing environmental challenges.
- b) Establishing a collaborative framework between the National and County governments is vital for the sustainable management of environmental and forest resources. Utilizing digital platforms significantly enhances revenue collection and service delivery, leading to more efficient operations.
- c) The Ministry also learned that adopting a holistic approach, forming strategic partnerships, and actively engaging with partners and collaborators are crucial for the success of environmental and forestry projects. Species diversification with appropriate site matching in tree planting increases the chances of tree survival and accelerates the growth of forest cover.
- d) Additionally, significant data gaps in the sector highlight the need for collaborative research from multiple sectors to facilitate comprehensive data collection. There is also a need to formulate and regularly review policies on the sustainable management of environmental and forest resources to address emerging challenges and ensure effective governance.

6.2.5 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 and Wildlife

The Ministry of Tourism and Wildlife plays an instrumental role in the economic development of the country. Wildlife is a natural resource endowment which provides a solid foundation for the growth of the country’s thriving tourism sector . It comprises of two State Departments namely: State Department for Tourism and State Department for Wildlife.

Specific outcomes and achievements on these key targets are shown in **Tables 6.3 and 6.4.**

Table 6-2: Tourism and Wildlife Subsector BETA Output Results for FY 2023/2024.

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement Q1-Q4) FY2023/24 | Remarks on the variance |
|--------------------------------------|---|--|----------------------------|---|---|
| Wildlife conservation and management | Anti-poaching of illegal trade in wildlife enhanced | No. of threatened and endangered species protected | 25 | 25 | KWS protects all threatened and endangered species in protected Areas |
| | Area of wildlife habitats restored | Ha of habitats restored | 25 | Tree planting of 1,875,125 seedlings done in various ecosystems | Habitat restoration through tree growing |
| | Modern security Equipment technologies, mobile service equipment acquired | No. of new technologies/modern equipment and mobile vehicle acquired | 381 | -Acquired 94 assorted security equipment. -Earth Ranger System operationalized in Marsabit N. Reserve, Kitale Station and Shimba Hills National Reserve -Deployed 91 satellite-linked collars to 4 species for monitoring (lions, elephants, giraffes and rhinos) | |
| | GoK parks and reserves fences constructed / rehabilitated/ maintained | Km of Fences constructed /rehabilitated/ maintained | 730 | 1,989km maintained, 20km rehabilitated and 10 km constructed in various parks. | Exchequer reduction affected construction |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement Q1-Q4) FY2023/24 | Remarks on the variance |
|--|---|--|----------------------------|--|---|
| | Human wildlife conflict claims disbursed | % of verified Human wildlife compensation claims settled | 100 | 100 | In 2023/24FY, the national Treasury released KShs 480 million for settlement of HWC claims. This amount represents only 50% of the amount requested (KShs 960 million). The entire KShs 480 million was disbursed representing 100% of the amount received. |
| | Human-wildlife conflict insurance scheme operationalized | HWC Insurance scheme | 1 | 0 | HWC Compensation Administration Scheme was launched by H.E the President on 12 th April, 2024, at Rumuruti in Laikipia County. |
| Wildlife Revenue | Revenue management systems digitized in all parks | % of operationalization | 100 | 100% | 100% of the revenue digitized under E-citizen platform |
| | Guest houses, Banda's and tented camps leased | No. of guest houses, <i>Bandas</i> and private camps leased. | 5 | Rehabilitation at 100% completion for 9 guesthouses in 5 parks | |
| Green and Blue Jobs initiatives | No. of rangers Recruited | 1,500 | 1,500 | 1,350 | Recruitment of 1,350 rangers completed and Cadets recruitment pushed to 2024/25FY |
| | Contracts for community wildlife scouts renewed | No. of community scouts | 1,100 | 0 | This target was withdrawn by the Government |
| | People employed to plant and grow trees | No. of people employed | 800 | +46 | In various sites including schools, parks, wetlands, conservancies, institutions among others |
| Tourism and Wildlife Training and Research | Wildlife Research and Training Institute infrastructure Developed | % completion | 48 | 15 | Four centres were earmarked for construction namely Malindi; Tsavo; Nyeri and Naivasha at an estimated cost of Kshs 1.1 billion. construction. KShs 100m was allocated in FY 2023/24. The funds allocated were channelled towards construction of the |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement Q1-Q4) FY2023/24 | Remarks on the variance |
|-------------------------------|---|---|----------------------------|---|---|
| | | | | | Malindi Marine Research Centre. |
| | Wildlife Research and Training Institute infrastructure Developed | % completion | 48 | 25 | The progress of construction of the Malindi Centre is currently at 25%. |
| | Wildlife Research Centers constructed and equipped | No. of wildlife research centers constructed and equipped | 0 | +1 | The annual target for FY2023/24 is indicated as Zero (0) in the National Reporting Handbook. However, one (1) Centre, namely the Malindi Marine Research Centre received the KShs 100m allocated in FY 2023/24. The Malindi centre is 25% complete |
| | National Integrated Wildlife Database Developed | Operational wildlife database | 1 | 0 | The progress of establishing the Database is currently at 20%. Procurement of a consultant delayed, this being a specialized activity. The Consultant to develop the database has been awarded the contract. Awaiting inception workshop to start the work. Procurement of server, computers and remote sensing software has been done. |
| Wildlife (Safari) Products | Signature parks revamped | No. of signature parks revamped | 1 | Nairobi and Amboseli park revamping in terms of product at 80% completion | Includes introduction of Night game Drive, Guest house refurbishment and picnic improvement in Amboseli and Lake Nakuru and construction of washrooms |
| | Marine parks ecosystem and infrastructure rehabilitated | No. of marine parks rehabilitated | 1 | 439 clean up exercises were conducted in Mombasa Marine and Watamu MarinePA and litter weighing 42.5 tonnes was collected and disposed. | More activities planned upon funding. |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement Q1-Q4) FY2023/24 | Remarks on the variance |
|-------------------------------|-------------------------------|--------------------------------------|----------------------------|---|-----------------------------------|
| | | | | Developed draft guidelines for water sports which was shared with stakeholders for their input. | |
| | Parks repositioned and Themed | No. of parks repositioned and themed | 2 | Undertaken 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.

The Outcome Results for FY2023/24 are summarized in table 6.4 below.

Table 6-4: Tourism and Wildlife Subsector BETA Output Results for the FY2023/2024

| MTPIV Outcome | MTP IV Outcome Indicator | MTPIV Outcome Target (2023/24) | Actual Achievement | Remarks on Achievement Variance |
|----------------------------------|--|--------------------------------|--------------------|--|
| Increase wildlife tourism | International visitors to national parks and reserves (No. in (000s) | 488 | 818.6 | Attributed to tourism sector performance recovery. In addition, aided by marketing campaigns in partnership with tourism stakeholders, maintenance of 550 km roads and 4 airstrips to improve access to parks, park clean-ups for marine parks, rehabilitation of 9 guesthouses and improved waste management through construction of 5 washrooms. |
| | Citizens and residents visiting national parks and reserves (No. of Jobs in millions). | 2.84 | 2.63 | |
| Reduced human –wildlife conflict | Human wildlife conflict cases reported (No.) | 6,709 | 13,024 | the funding for mitigation measures could not meet the escalating needs to keep lower the cases, the main measures being provision of eater in parks and construction of wildlife fences. |
| Increased Space for Wildlife | New wildlife conservancies established (No.) | 2 | 4 | 4 new Conservancies established (Savannah in Kajiado, Sokoke in Kilifi, Enkereyian in Kajiado |

| MTPIV Outcome | MTP IV Outcome Indicator | MTPIV Outcome Target (2023/24) | Actual Achievement | Remarks on Achievement Variance |
|--------------------------------------|--|--------------------------------|--------------------|---|
| | | | | and Dukana/Buluk in Marsabit). |
| Improved management of Wildlife data | National Integrated Wildlife Database established and data Center equipped at WRTIHQ Naivasha(% completion rate) | 20 | 25 | The target has been achieved and surpassed. Efficient supervision and Monitoring and evaluation of the project were partly attributable to overachievement of the target. |

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

6.3.1 Description of Results

A total of 1,875,125 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).

Mitigation of conflict cases involved construction of 10km of fences, rehabilitation of 20km and maintenance of 1989 km fences across parks, de-silting of 4 water pans and sinking of 4 boreholes sunk to provide water to wildlife and forage supplementation within parks

Anti-poaching of illegal trade in wildlife enhanced: 25 endangered species were protected against poaching

Area of wildlife habitats restored: a total of 1,775,123 Tree seedling were undertaken in various ecosystems

Modern security Equipment technologies, mobile service equipment acquired: 94 assorted security equipment were acquired. 86 satellite-linked collars were deployed to a four 4 species for monitoring (lions, elephants, giraffes and rhinos).

Human wildlife conflict claims disbursed

Improved management of Wildlife data: National Integrated Wildlife Database established and data Center equipped at Wildlife Research Training Institute at Naivasha is at 25 percent completion level.

6.3.2 Policy, Institutional and Legal Frameworks

6.3.3 Implementation Challenges

- i. Insufficient funding; Development of tourism products and infrastructure facilities marketing and capacity development is capital intensive. The funding to the sector has been low 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. Low uptake of modern technology
- iv. Security; Kenya has faced various security threats both internal and external that has led the country to be perceived as an insecure destination.
- v. Weak linkage across the sector stakeholders; the sector has many stakeholders whose linkage has been a challenge. Huge pending bills.
- vi. Government directives; Government directive on international travels has adversely affected marketing and promotion of the sector internationally. This has also affected the bidding of international events.
- vii. Increased litigation and compensation claim
- viii. Adverse climate and weather patterns

6.3.4 Recommendations

- i. Diversify tourism products and services
- ii. Enhance marketing strategies towards attracting more tourists both locally and internationally
- iii. Digitize the sector; Adopt latest technology in the sector
- iv. Enhance collaboration within the sector
- v. Fast tracking handing over of projects undertaken by 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

6.3.5 Conclusions and Way Forward

There is need to recruit additional staff particularly Rangers. There is need to diversity revenue streams to supplement Government allocation through the exchequer. There is also need to foster Public Private Partnerships (PPP) to achieve greater impact on the lesser visited parks and introduce other products currently not on offer. There is need to enact the regulations of the Wildlife Conservation Management Act.

6.4 The ASALs and Regional Development

The State Department for the ASALs and Regional Development is geared towards integrated regional development as well as unlocking the potential of ASALs for accelerated National Development. To achieve this objective, the sub-sector aims to: coordinate formulation and implementation of policies, plans and strategies for the development of the ASALs and basin-based regions; build resilience through integrated economic and social interventions; spur socio-economic development across the regions; reduce environmental degradation and climate change impacts in the region; save lives and protect livelihoods during humanitarian emergencies; facilitate socio cultural integration of communities and cross border areas; and enhance good governance and strengthen institutional capacity.

The implementation status of key outputs and BETA priorities for 2024/25 is presented in **table 6-6**.

Table 6-3: ASALs and Regional Development - Implementation Status on the key outputs and BETA priorities for FY 2023/24

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement FY2023/24 (Q1-Q4) | Remarks |
|--|---|---|----------------------------|--|---|
| Leather and Leather Products Value Chain | Collection centres established | No. of collection centres | 5 | 0 | Project not funded in the financial year under review |
| | Hides and skins delivered to tanneries | Quantity of hides delivered to tanneries (MT) | 1000 | 439.7 | |
| | EwasoNg'iro tannery optimized to produce finished leather product | No. of square feet of finished leather produced | 850,000 | 426,592.8 | The tannery operations were still closed due to the ongoing expansion works |
| Meat Processing Factories and Abattoirs | Abattoirs established | No. of abattoirs established | 4 | - | - |
| Honey processing plants | Honey processing plants established | No. of honey processing plants completed | 1 | 1 | Honey processing plant established and target achieved |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement FY2023/24 (Q1-Q4) | Remarks |
|--|--|--------------------------------------|----------------------------|--|---|
| Agro-processing | Fruit and vegetable processing plants constructed | No. of processing plants constructed | 1 | 1 | Mango processing plant established and operational |
| Construction of Small Dams and Water Pans | Small dams and water pans constructed. | No. of dams constructed | 40 | 7 | Target not achieved in Q4 due to delay in disbursement of funds |
| | | No. of water pans constructed | 100 | 19 | Delayed disbursement of allocated funds; |
| Water Harvesting for Irrigation and Domestic Use | Water harvesting projects for irrigation in 23 ASAL Counties with a capacity of 517.5 million cubic meters (climate financing) | No. of water projects | 24 | 33 | Target achieved |
| | | Volume of water in cubic meters | 10,800,000 | 915,000 | Target achieved and water being used for consumption and irrigation |
| Integrated Regional Development Dams | Arror Multipurpose Dam completed | % completion | 5 | 5 | Project stalled and negotiation for resumption ongoing |
| | 22.3 million cubic meters Kimwarer Multi-purpose Dam completed | % completion | 5 | 5 | Project stalled and negotiation for resumption ongoing |
| | 5.5 billion cubic meter High Grand Falls Multipurpose Dam constructed | % completion | 10 | 0 | The project had Zero budget allocation during the Financial Year |
| | Munyu Multipurpose Dam completed | % completion | 5 | 0 | The project had no budget allocation during the Financial Year. |
| | Oloshoibor Multipurpose Dam constructed | % completion | 100 | 100 | |
| | Area under irrigation and weirs constructed at Lower Murang'a Integrated Project | No. of weirs constructed | 2 | 1 | A weir constructed. |
| | Dams constructed at Kieni Integrated Irrigation Project | % completion | 13.5 | 13.5 | Planned Works completed |
| | A fruit and vegetable processing plant constructed at | % completion | 89 | 0 | Project not funded in the financial year under review |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement FY2023/24 (Q1-Q4) | Remarks |
|------------------------------------|--|--|----------------------------|--|--|
| | Kimira Oluch Smallholder Farm Improvement Project Phase II (KOSFIP II) | | | | |
| | Sugar mill constructed at Tana Delta Irrigation Project (TISP) | % completion | 30 | 0 | The project had no budget allocation |
| Tana Delta Irrigation Project | Acres of land irrigated | Acreege under irrigation | 7,400 | 1250 | A total of 1250 Acres of land Opened up for rice production in 2023/25. |
| Turkana Irrigation Project | Acres of land irrigated | Acreege under irrigation | 1,200 | 0 | No funds for project |
| Hunger Safety Net Programme | Vulnerable households provided with cash transfers | No. of beneficiaries' households | 70,000 | 0 | No drought experienced during the reporting period – hence drought response not triggered |
| | | No. of households regular receiving cash transfers | 133,800 | 129,000 | Some accounts were inactive while some household heads were lost, hence requiring change of account holders. This makes it hard to achieve 100% payments |
| Relief Assistance | Relief food and cash transfer provided to targeted beneficiaries | No. of beneficiaries (in million) | 2.0 | 2.3 | The long rains effects increased the no. of beneficiaries. |
| Tourism Revenue promotion | Desert and pastoral tourism circuits promoted and commercialized | No. of tourism circuits | 8 | 8 | Pastoral and desert tourism circuits have been promoted. |
| Accelerated Range land development | Rangeland ecosystem infrastructure developed (trees, bamboo, water pans, boreholes and dams) | No. of Infrastructure developed | 285 | 85 | Funds received in the third and fourth quarter |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement FY2023/24 (Q1-Q4) | Remarks |
|---|--|-------------------------------|----------------------------|--|--|
| | Social and cultural integration of communities | No. of communities integrated | 9 | 9 | Kuria, Maasai and Kipsigis Communities |
| Fisheries Resources Development and Utilization | Kalokol fish processing plant constructed | % of completion | 20 | 0 | Lack of project funds |
| Integrated Fish Resource Development | Acres of mangrove cover restored | Acres of mangrove cover | 500 | 0 | Lack of allocation of funds |
| | Acres coral reef con served | Acres of coral reef | 30 | 0 | Lack of allocation of funds |

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

The outcome implementation status for the State Department for ASALs and Regional Development Reports, FY 2023/24 is presented in table 6-7.

Table 6-7: ASALs and Regional Development - Implementation Outcome Results for FY 2023/24

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target | Actual Achievement | Remarks on Achievement Variance |
|--|--|-----------------------|---|--|
| ASALs and Regional Development | | | | |
| Enhanced community resilience to disasters | People requiring relief food assistance as a result of drought | 3,200,000(No.) | 2,000,000 | An average of 2 million people in the ASAL Counties affected by drought received relief assistance |
| | People requiring relief food assistance as a result of other disasters | 1,350,000 (No.) | 1,125,322 | Relief assistance was provided to 545,595 people affected by the El Nino floods whereas 579,727 people affected by the long rain |
| Reduced resource-based conflicts among communities | Peace Dividend Projects Implemented | 2 (No.) | Two dividend projects completed, one in Nasal West Pokot and one in Orum in Turkana | Achieved |

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

6.4.1 Description of Results

Relief assistance was provided to 545,595 beneficiaries affected by the El Nino floods whereas 579,727 people affected by Tana Delta Irrigation scheme.

Leather and Leather Products Value Chain a total of 439.7 tonnes of hides and skins were delivered to tanneries for processing. EwasoNg'iro tannery to produce a total of finished leather product

Water Harvesting for Irrigation and Domestic a total of 915,000 cubic litres were harvested in the 23 Asal counties.

6.4.2 Policy, Institutional and Legal frameworks

- i. **National Disaster Risk Management Bill, 2023:** The Bill is pending at 2nd Reading at the National Assembly. Once enacted, this law will establish a legislative and institutional framework for disaster risk management (DRM) at national, county, and local levels, enhancing coordination and support for vulnerable communities.
- ii. **Regional Development Authorities Bill, 2023:** The Bill is pending at 2nd Reading at the National Assembly. The law seeks to consolidate the laws of Regional Development Authorities and to provide for the established, powers and functions of the 6 existing Regional Development Authorities. It also seeks to standardize the functions of Regional Development Authorities subject to the unique areas of operation of each Authority.
- iii. **National Relief Assistance Policy, 2024:** This Policy has undergone public participation and is pending Cabinet approval. The policy is designed to foster an integrated approach to relief assistance, emphasizing partnership, resource mobilization, and accountability.
- iv. **Resilience Programming Framework for ASALs:** This framework is at developmental stages and is pending Cabinet approval. This is a proactive initiative developed by SDARD as a key element for guiding resilience Programming in the ASALs and measuring the impact of programmes. It further aims at aligning and coordinating resilience-building activities across the ASALs
- v. **Partnership Coordination Framework for ASALs:** This framework is in developmental stages and is pending Cabinet approval. It is an overarching mutual accountability framework between the national and county governments and all partners. It aims at coordinating and harmonizing programmes and activities and creating synergies amongst partners in the ASALs, including development partners, NGOs, and other Non-State Actors.
- vi. **National Policy for the Sustainable Development of Northern Kenya and Other Arid Lands, Sessional Paper No. 8 of 2012:** This review aims at aligning the policy to the existing legal and policy provisions, and existing opportunities and address emerging challenges.

6.4.3 Challenges, Lessons Learnt and Recommendations

a) 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.

b) 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 Public Private Partnership (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 environmental conservation programmes e.g. Planting of trees, erosion control and soil conservation; and
- v. Enhance security in the areas where project/programmes are being implemented.

6.4.4 Conclusion and Way Forward

The State Department continues to build resilience and promote sustainable livelihoods through integrated regional development and unlocking the potential of ASALs in implementing the Government development priorities as enshrined in the Vision 2030, through MTP IV and BETA. There is need for the Government to put more effort and increase investments in ASALs and Basin Based regions in order to unlock the potential of these areas.

Further, during the period under review, the Regional Development Authorities progressed in the implementation of water structures, environmental conservation and livelihood programmes, aimed at empowering local communities.

6.5 Culture, the Arts and Heritage

The State Department for Culture, the Arts and Heritage (SDCAH) has been playing a strategic role in the Country's economic and social development through the promotion and exploitation of Kenya's diverse cultural expressions and the rich heritage. The functions of the State Department for Culture, the Arts and Heritage is to promote, preserve and maintain positive and diverse cultures for national identity, and manage and preserve heritage and public records for sustainable development.

The Implementation Status of the Key Outputs and BETA Priorities for the Fourth quarter of FY 2023/2024 by the State Department) is presented in **table 6-9**.

Table 6-9: Culture, the Arts and Heritage Subsector BETA Output Results for Q4 - FY 2023/2024

| Priority Program | Performance Indicator | Unit of Measure | Annual Target FY 23/24 | Remarks |
|---|--|-----------------|------------------------|--|
| Intercultural interactions promoted and awareness on Cultural Heritage enhanced | 3 workshops to operationalize the Protection of the Traditional Knowledge and Traditional Cultural Expressions Act (2016) held | % | 20 | Target achieved |
| | The World Kiswahili Language Day marked and celebrated | % | 10 | Target achieved in 1 st quarter |
| | 2 elements of the Akamba community documented (narrations in traditional marriage/ traditional naming ceremony) | % | 20 | Target achieved in 3rd quarter |
| | 3 Intangible Cultural Heritage elements inventory prepared from three Communities in Kenya, (Suba, Kalenjin and Meru) as a means of safeguarding the Intangible Cultural Heritage. | % | 20 | Target achieved |
| | The National Kenya Music and Cultural Festival organized. | % | 20 | Target achieved in 2nd quarter |
| | The World Day for Cultural diversity for dialogue and development is marked and celebrated | % | 10 | Target achieved |

Source: State Department for Culture, the Arts and Heritage Report, FY 2023/2024

Table 6-12: Kenya National Library Services – Implementation of MTP IV Programmes and BETA Priorities for FY 2023/24 Documentation Service, Report 2023/2024

| Priority project/priority | Output | Indicator | Annual Target FY 2023/24 | Cumm. Achievement | Remarks |
|---|---|---|--------------------------|-------------------|--------------------------------|
| National Documentary Heritage preserved | Kenya National Bibliography Publication | No. of publications Kenya National Bibliography | 1 | 1 | Target achieved. |
| | Publishers issued with ISBN | No. of publishers issued with ISBN | 725 | 750 | Target achieved. |
| | Rare books digitized | No. of rare books digitized | 950 | 962 | Target achieved. |
| Reading Culture Promoted | Participating in the reading promotion events | No. of people participating in the reading promotion events | 400 | 465 | Target achieved. |
| | Enhancing Library collection | No. of library books & other information | 1400 | 0 | There was no budget provision. |

| Priority project/priority | Output | Indicator | Annual Target FY 2023/24 | Cumm. Achievement | Remarks |
|---------------------------|--|--|--------------------------|-------------------|------------------|
| | | materials acquired | | | |
| | Participating in international literacy days | No. of International literacy days celebrated | 1 | 1 | Target achieved. |
| BETA Priorities | Healthcare | No. of health corners organized | 3 | 3 | Target achieved. |
| | Promotion of MSMES | No. of sensitization forums held | 2 | 3 | Target achieved. |
| | Environment and climate change | No. of trees planted | 1500 | 2994 | Target achieved. |
| | Agriculture | No. of sensitization forums on smart farming methods to famers | 2 | 3 | Target achieved. |

Source: Kenya National Library Services Reports FY 2023/2024

Table 6-13: Permanent Presidential Music Commission Performance Report 2023/2024

| Programme | Annual Target | 1 st Quarter Achievements | 2 nd Quarter Achievements | 3 rd Quarter Achievements | 4 th Quarter Achievements | Total |
|---|---|--------------------------------------|---|---|---|--|
| Certification and Registration of musicians | 1000 Musicians certified and registered in the National Music Database | 234 registered | 107 musicians registered in the National Music Database | 350 musicians registered in the National Music Database | 353 musicians registered in the National Music Database | 1003 musicians registered in the National Music Database |
| Music and Dance Talent Identification and Development | 300 Talented out of school youths trained to improve proficiency skills in music and dance | 82 out of school youth trained | 151 talented out of school youth trained | 0 talented out of school youth trained | 0 talented out of school youth trained | 233 talented out of school youth trained in music and dance |
| | 30 New Music Talents Developed | 1 New talented musician developed | 6 New talented musicians developed | 0 New talented musicians developed | 0 New talented musicians developed | 7 New talented musicians developed |
| Nurturing and Promotion of Music Talents | 250 musicians provided with free rehearsal spaces and music equipment for start-up performances | 179 musicians supported | Supported 105 upcoming musicians | 48 upcoming musicians supported | 139 upcoming musicians supported | 471 upcoming musicians supported with rehearsal spaces & equipment |
| | 400 musicians recording and producing music at the PPMC music studio | 195 musicians recorded | 140 musicians recorded | 20 Musicians recorded | 17 Musicians recorded | 372 Musicians recorded |
| Provision of Performance opportunities | 1000 Upcoming musicians given | 347 musicians provided with income- | Showcased 699 musicians in major | 918 musicians provided with income- | 258 musicians provided with income- | 2222 musicians provided |

| Programme | Annual Target | 1 st Quarter Achievements | 2 nd Quarter Achievements | 3 rd Quarter Achievements | 4 th Quarter Achievements | Total |
|-----------------------------------|---------------------------|--------------------------------------|--|--------------------------------------|--------------------------------------|--|
| and Monetization of Music Talents | performance opportunities | generating performance opportunities | public income-generating performance functions | generating performance opportunities | generating performance opportunities | with income-generating performance opportunities |

The Outcome Results as a result of the implementation of Key Outputs and BETA Priorities for the Fourth quarter of FY 2023/2024 by the State Department) is presented in **table 6-17**.

Table 6-17: Culture, the Arts and Heritage - Outcome Implementation Status for FY2023-2024

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target | Actual Achievement | Remarks on Achievement Variance |
|--|--------------------------|-----------------------|--------------------|---|
| International Arts and Creatives Festival Exhibitions Hosted | No. of Exhibitions | 1 | 2 | The Centre hosts the annual Macondo Book Festival in September and it is in partnership with the Kenya International Theatre Festival which takes place every year in the month of November |

Source: State Departmental Reports, 2023/2024

6.5.1 Description of results

6.5.3 Implementation Challenges

- i. Inadequate Policies, legal and regulatory frameworks: Being one of the oldest government institutions in Kenya, the Centre was established through an Act of Parliament in 1951. This renders the Act obsolete as it does not capture the aspirations of the Centre in its effort to inspire cultural and creative inspirations. Additionally, the lack of sufficient sector-specific policies touching on the Cultural and Creative Industry has affected the implementation of some of the planned programs and strategies and effective coordination of the Creative Economy.
- ii. Infrastructural Constraints: Currently, theatre facilities offered are not sufficient to cater to the growing number of performing artists and cultural practitioners. The existing spaces are equally small in size and can only accommodate small numbers of audiences. This translates to limited revenue generated by artists from the events they stage and, in most instances, they fail to break even and generate losses instead.

Additionally, the structures of the National Theatre are old, having been established in the 1940s-1950s, and therefore require occasional renovations which have huge cost implications. The lack of adequate performance spaces remains a huge challenge, even though the situation of the Centre has improved significantly under the contemporary regimes, investment in the development of cultural spaces is still low.

6.5.4 Recommendations

- i. Review of the KCC|NT Act, KCC|NT Human Resource Instruments including the Human Resource Policies & Procedures Manual, the Centre’s Career Guidelines, and the Organization

Structure, Grading & Staff Establishment, and other policies and legal frameworks to conform to the recent dynamics of the CCI.

- ii. There is a need for more allocation to provide for the renovation of existing spaces and the acquisition of new spaces to support the growing number of creatives.
- iii. Artist training and capacity building to nurture talent in creative pursuits not only enriches their lives but also has a profound impact on cognitive development and idea generation.

6.6. Mining

The mineral resources sector is one of the priority sectors under the Economic Pillar of the Kenya Vision 2030, the Bottom-up Economic Transformation Agenda “BETA” and Kenya’s frontier for Foreign Direct Investment (FDI). Among the 10 Priority Value Chains under the BETA Plan, the Mining sector is mandated to spearhead two namely; Minerals and Construction and Industrial Minerals.

Table 6-18: Mining Subsector BETA Output Results for FY2023/2024

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cummulative Achievement (Q1 to Q4) FY2023/24 | Remarks on the variance |
|--|---|--|----------------------------|--|---|
| Formalization of Artisanal Mining Operations | ASM SACCOs established | No. of SACCOs established | 100 | 240 | An accelerated program to formalize all artisanal mining activities was instituted leading to over achievement |
| | ASM Cooperative Registered | No. of ASM Cooperatives | 100 | 240 | |
| Mineral Value Addition and processing | Mineral Value Addition Centres | No. of Mineral Value Addition Centres established | 2 | 3 | Flourspar Mining in Elgeyo Marakwet was awarded to an Investor during the Quarter |
| Mineral resource Development and Commercialization | Strategic minerals explored and commercialized | No. of Strategic Minerals explored | 4 | 12 | Strategic Mineral Deposits in Migori, Turkana, Samburu, West Pokot, Kitui and Kajiado Counties were assessed |
| Online Transactional Mining Cadastre System | An online transactional mining cadastre system upgraded | An operational online transactional mining cadastre system | 1 | 1 | The Online Portal was upgraded in the First Quarter |

Source: State Department for Mining

MTP IV Outcome Indicators

Table 6-19: Mining Subsector Outcome Results for FY2023/2024

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target | Actual Achievement | Remarks on Achievement Variance |
|----------------------------------|---|-----------------------|--------------------|--|
| Increased production of minerals | Ground trothing of mineral occurrences (anomalies) | 1,010 | 24 | The ministry conducted ground truthing on 24 counties |
| | Quantity of Titanium (MT) | 440,000 | 469,578.3 | The target was achieved despite reduced volumes arising out of declining output on account of declining grades. |
| | Quantity of Soda Ash (MT) | 275,000 | 392,061.8 | The over achievement was attributed to increased output from the Magadi mine arising out of increased demand |
| | Quantity of Gemstone (Carats) | 1,500 | 6,922.31 | The over achievement was attributed to gemstone value addition at Ministry's Gem Processing Centre in Voi |
| | Quantity of Base Metals (MT) | 150,000 | 217,340.8 | There was a notable increase in the price of base metals resulting in an increase in production over the period. |
| | Quantity of Gold (Kg) | 800 | 321.83 | The under achievement was attributed to one of the mines (Kilimapesa Gold) going into care and maintenance during the year. |
| | Mineral Revenue Collected by Government (Royalties) Kshs. Billion | 5 | 3,286,243,025 | The collection was affected by global decline in minerals demand coupled with decreasing quantities of Titanium minerals from the Kwale Minerals Sands mine that was undergoing closure. |

Source: State Department for Mining

6.6.1 Description of Results

A total of 3,286,243,025 was collected as mineral revenue royalties. 12 Strategic Mineral Deposits were explored in Migori, Turkana, Samburu, West Pokot, Kitui and Kajiado Counties. A total of 240 Artisanal mining cooperatives were registered into cooperatives against a target of 100.

National Tree Growing and Restoration Programme: A total of 975,000 trees seedling were produced

6.6.2 Policy, Institutional and Legal Frameworks

During the period under review the mining sector developed legal and regulatory framework including.

- i. License and Permit Regulations, 2024;
- ii. Fees and Charges Regulations 2024, and
- iii. Gemstone Identification Regulations 2024.

6.6.3 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.

6.6.4 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.

6.7 Forestry Subsector

Overview

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

Annual Implementation Status of the key outputs and BETA priorities for FY2023/24

Table: Outputs Results Matrix

| Priority Projects | Output | Indicator | Annual Target FY 2023 24 | Cumm. Achievement (Q1-Q4) | Remarks on the Variance | |
|--|--|---|----------------------------------|---------------------------|---|--|
| National Growing Restoration Programme | Tree and | 500 tonnes of tree seeds collected, processed and distributed | Quantity of seeds (Tonnes) | 100 | 70 | Delay in the disbursement of funds for tree seed collection from the National Treasury led to low achievement |
| | | 7.5 billion Tree seedlings produced | No. of tree seedlings (Billions) | 0.6 | 1.1 | The seedlings production based on quantity seeds distributed to MDAs and non-state actors through a whole government whole society approach. |
| | | 5.03 million Ha of degraded forests areas and landscape, rehabilitated through protection of natural regenerations and planting (7.5 billion seedlings) | Area rehabilitated (Million Ha) | 0.3 | 0.1 | Budgetary constraints lead to delay in implementation of planned activities |
| | | Trees planted | No. of Trees (Billions) | 1.5 | 0.4 | The implementation of the Presidential directive on tree growing is implemented by all MDAs and non-state actors during the two rainy seasons. There were also two tree growing holidays on 13 th Nov, 2023 and 10 th May, 2024. Inadequate funding and capacity challenges leads non achievement of planned target. |
| Agroforestry woodlots in ASALS | 1 million Ha of Agroforestry developed in 23 ASAL Counties; (Melia woodlots, gums & resins, sandalwood etc) | Area (Ha) rehabilitated | 50 000 | 28,000 | Achieved through the partnership with development partners | |
| Sustainable “green” charcoal value chain and alternative domestic energy | Draft charcoal regulations gazetted and operationalized | No. of regulation gazetted | 1 | - | Draft charcoal regulations developed. Regulation pending Gazettement | |
| | Sensitization regional meetings for law enforcement agencies on implementation of charcoal regulations to decriminalize production and trade in charcoal and charcoal products, conducted. | No. of regional sensitization meetings conducted | 1 | - | Draft Regulation pending Gazettement | |
| | 300 Charcoal Producers Associations (CPAs), established and supported, on adoption of efficient technology, branding and marketing | No. of CPAs established and strengthened | 300 | 26 | The registration processes pending Gazettement of the revised Rules and review of moratorium, however situational assessment was undertaken and Producer groups have adopted other alternative conservation | |

| Priority Projects | Output | Indicator | Annual Target FY 2023 24 | Cumm. Achievement (Q1-Q4) | Remarks on the Variance |
|--|---|---|--------------------------|---------------------------|--|
| | | | | | enterprises promoted under Drylands forestry |
| | 500 youth groups supported and mentored in briquette charcoal production enterprise | No. of youth groups supported & mentored | 50 | 6 | Charcoal briquettes training in Narok, Olenguruone - Nakuru, Kiritiri, Embu, Malakisi -Bungoma, Bura, Tana River and Kasigau- Taita Taveta |
| Improved sustainability of environmental ecosystem | Area of mountain ecosystems sustainably conserved and managed | Hectares | 940,576 | 940,576 | Targeted area of mountain ecosystem was sustainably conserved and Managed |
| | Proportion of degraded landscapes restored | % | 4 | - | To be reported |
| Modernization and commercialization of the charcoal value chain Green and Blue Jobs initiatives | Clean cooking technologies adopted | No. of clean cooking technologies adopted | 2 | 1 | Gasifiers adopted in Ndhwa- Homabay; cooperative group in Butula - Busia |
| Green and Blue jobs initiatives | Community Forest Guards recruited | No. of Community Forest Guards recruited | 2800 | - | Inadequate funding hindered the process of recruitment |
| | Charcoal associations registered | No. of charcoal associations registered | 2000 | - | Pending regulation Gazettement hindered association registration |

Source: Kenya Forest Service (KFS): Kenya Forestry Research Institute (KEFRI)

Table: Forestry Subsector Outcome Results for 2023|2024

| MTP IV OUTCOME | MTP IV OUTCOME INDICATOR | MTP IV OUTCOME TARGET | ACTUAL ACHIEVEMENT | Remarks on the Variance |
|--|---|-----------------------|--------------------|---|
| Improved sustainability of forest related Ecosystems | Tree cover | 12.92% | 12.13 | The forest cover and tree cover survey not yet done |
| | Forest cover | 10% | 8.83 | |
| | Area of land covered by invasive species managed | 2,000 Ha | - | To be reported |
| | Development of forest and allied natural resources technologies | 40 | 40 | Target achieved |

Sources: Kenya Forest Service, Kenya Forestry Research Institute

6.7.1 Description of Results

A total of 28,000 ha of agroforestry woodlots in ASALs counties were rehabilitated.

National Tree Growing and Restoration Programme: A total of 975,000 tree seedlings were produced

Sustainable “green” charcoal value chain and alternative domestic energy: 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

Modernization and commercialization of the charcoal value chain Green and Blue Jobs initiatives: Gasifiers adopted in Ndhiwa- Homabay; cooperative group in Butula – Busia

6.7.2 Policy, Institutional and Legal Frameworks

6.7.3 Implementation Challenges, **Lessons Learnt** and Recommendations

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

Recommendations

- i. Increased budgetary allocation.
- ii. Increased staffing level.
- iii. Enhancing climate adaptation and mitigation.
- iv. Strengthening institution and legal frameworks.
- v. Strengthening community engagement frameworks.
- vi. Strengthening resource mobilization mechanisms.

6.8 Shipping and Maritime Affairs

The State Department for Shipping and Maritime Affairs is one of the nine (9) sub-sectors of the Environment and Natural Resources Sector.

Annual the Implementation Status of the Key Outputs and BETA Priorities for FY 2023/24 in the sub-sector.

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks |
|--------------------------------|---|--|----------------------------|---|--|
| Green and Blue Jobs Initiative | Youth re-skilled on STCW courses and placed on international ships | No. of youths re-skilled | 600 | 2233 | Target not achieved. A total of 2233 and 1,500 seafarers trained and recruited to international shipping companies respectively |
| Marine Pollution Project | Regulations for implementation of the IMO's Conventions on prevention and | No. of developed regulations for full implementation | 6 | 11 | The following was undertaken MARPOL Regulations: <ul style="list-style-type: none"> • 11 Regulations were developed |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks |
|---|---|--|----------------------------|---|---|
| | control of marine pollution developed | of the IMO's Conventions on prevention and control of marine pollution | | | <ul style="list-style-type: none"> Stakeholder and public participation were undertaken in February and April 2024 Regulations were finalized and ready to be forwarded to the AG for consideration and clearance for publication. |
| | Regulations for mitigating against climate change developed | No. of developed regulations for mitigating against climate change | - | 0 | Target not achieved |
| | Compensation regime developed | No. of developed compensation laws in place | - | 0 | Target not achieved |
| Kenya National Shipping Line Cargo Capacity Programme | Vessels acquired | No. vessels acquired | - | 0 | Targets not achieved. To be undertaken in 2025/26 after successful chartering vessels in 2024/25 |
| | Shipping vessels chartered | No. of vessels chartered | 4 | 0 | 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 | - | 0 | 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 workshops constructed | No. of warehouses constructed | 2 | 0 | |
| | | No. of workshops constructed | 3 | 0 | |
| | Slipways constructed | No. of slipways constructed | 4 | 0 | |
| | Dry dock constructed and | Operational dry dock | 1 | 0 | |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks |
|-------------------------------|---|--|----------------------------|--|---|
| | floating dock acquired | Floating dock acquired | 1 | 0 | |
| | Berths constructed | No. of Berths constructed | 2 | 0 | |
| | 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 | 100 | Target achieved |
| | 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 • The Bills are scheduled for presentation to the National Assembly Transport & Infrastructure Committee in August 2024 |
| | Maritime single window system established | Duration/ time of port entry/ exit | Less than 10 days | 72hrs | Target not achieved. The turnaround time |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks |
|-------------------------------|---|---|----------------------------|--|---|
| Maritime Investment Project | Maritime investment policy developed | Level of developed maritime investment policy | 100 percent | 90 | The draft investment policy was finalized in Q4 and it is awaiting validation |
| | Centralized Maritime information/ data system established | Level of maritime information data system established | 10percent | 10 | Target achieved. A consultant was procured in March 2024 to undertake business Analysis of the Kenya Maritime Databank Project. Consultant was on boarded and the Project Implementation Committee established to oversee implementation of the project. The work to be completed in the 4 th Quarter |
| | Multiagency coordination framework developed | Level of developed multiagency coordination framework | 100 | 100 | Target Achieved. The FCDC Multiagency coordination framework was developed and subjected to stakeholder participation where proposed changes were incorporated. |
| | Public sensitized on proper use of incoterms | No. of sensitization and awareness campaigns on proper use of incoterms | 4 | 4 | Target achieved. Public participation in Lamu, Turkana and Marsabit counties were undertaken on 5 th June, 13 th June and 20 th June 2024 respectively and Tana River County in November 2023 |
| Shipping and Maritime Revenue | KNSL licensed as a recruitment agency | Licensed KNSL | 1,500 | 484 | Target not achieved |
| | Life jackets for boat operators and passengers produced locally | No. of life jackets produced | 100 | 0 | Target not achieved. KMA and NITA still undertaking training of 180 youths from the Five counties including Turkana County. |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks |
|---|---|--|----------------------------|--|--|
| | Unique water vessel identification developed for licensing | No. of water vessels licensed | 6000 | 27 | Target not achieved. Inadequate funding affected the implementation of the project |
| Development of a National Maritime Spatial Plan | Maritime Spatial Plan Developed | % of completion | 10 | 10 | The State Department constituted an inter-Ministerial Committee that prepared the Project Concept Note. The 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 | % completion | - | - | Target was not achieved due to lack of budgetary allocation The project was planned to be undertaken in next phase of implementation of BMA Master Plan 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 workshops constructed | % 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 | % completion | 25 | 8.6% | The Tender for the Construction of Maritime Survival Training Certification Centre was awarded on 17 th May 2024, and the Ground Breaking for the project was |
| | | | | | |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks |
|--------------------------------------|---|--|----------------------------|---|---|
| | | | | | conducted on 14 th June 2024. The actual construction was set to begin on 1 st July 2024. The contractor is on site. |
| Vijana Baharia Programme | Youths trained on mandatory courses | No. of youths trained on mandatory courses | 4,500 | 2233 | Target not achieved. |
| | Recognition Agreements negotiated and signed | No. of agreements signed | 4 | 3 | Target achieved. MOUs on recognition of certificates were negotiated and signed with the Egypt, Angola and South Korea. The MoU between Kenya and United States of America were prepared and shared with the country |
| | Youth placed/recruited | No. of youths working in international shipping companies | 3,000 | 1500 | 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. |
| 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 | - | 0 | Target not achieved |
| | Maritime communication network coverage expanded | Area covered in expanded maritime communication network coverage | - | 0 | Target not achieved |
| | Small vessel operators trained and certified | No. of operators certified | - | 0 | Target not achieved |
| | | No. of compliant vessels | 2,500 | 0 | Target not achieved |

| Priority Project/ Priority | Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement (Q1-Q4) FY 2023/24 | Remarks |
|-------------------------------|--------|------------------------|----------------------------|---|---------------------|
| | | No. of boats inspected | 2500 | 967 | Target not achieved |

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

6.8.2 Description of the results

Most of the targets were not achieved mainly due to inadequate funding. The revision of the Budget led to the State Department losing about Kshs. 100 million thus affecting implementation of activities during the financial year. Other reasons that led to poor performance was lack of restructuring of KNSL as per the framework agreements, inadequate training facilities, trainers and equipment to offer mandatory training.

Outcome Implementation Status

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Target | Actual Achievement | Remarks on Achievement Variance |
|--|--|-----------------------|--------------------|---|
| Increased capacity building and job creation in the Blue economy | Seafarers placed on-board foreign ship | 2000 | 1500 | Target not Achievement. A total of 1500 seafarers recruited |
| | Youth reskilled on STCW courses and placed on international ships | 4500 | 2233 | Target not Achieved. A total of 2233 seafarers trained on STCW courses |
| Increased Cargo Capacity | Shipping vessels chartered | 4 | 0 | 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 |
| Established Effective trade collaboration Framework | Regulations for Maritime Transport operations developed | 6 | 6 | Target achieved in the fourth quarter. |
| | 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. |
| Maritime investment policy developed | Level of developed maritime investment policy | 100% | 80 | The draft investment policy was finalized in fourth quarter and it is awaiting validation |
| | Level of maritime information data system established | 100% | 4 | Target not achieved. A consultant was procured in March 2024 to undertake business Analysis of the Kenya Maritime Databank Project. Consultant was on boarded and the Project Implementation Committee established to oversee implementation of the project. The work completed in the 4th Quarter |
| | Level of developed multiagency coordination framework | 100% | 50 | The FCDC Multiagency coordination framework was developed and subjected to stakeholder participation where proposed changes were incorporated. |
| Increased Shipping and Maritime Revenue | Number of seafarers recruited | 1500 | 278 | Target 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 | 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 |
| | Enhanced compliance | 6000 | 27 | Target not achieved |
| Maritime education and training developed | Survival centre constructed | 25% | 8.6% | Target was not achieved. This was caused by delay in implementation of the project and the procurement process. However, significant project activities were undertaken in the fourth quarter. |

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

6.8.2 Description of results

A total of 2233 students have so far been trained on various maritime courses. In addition Kenya Maritime Authority trained a total of 6170 coxswain against a target of 2000 coxswain. 2233

seafarers trained on Standards of Training and Certification of Watchkeeping (STCW) courses. A total of 127 ships were inspected at the port of Mombasa.

6.8.3 Policy, Institutional and Legal Framework

During the review period the following regulations which were forwarded to National assembly for enactment:

- i). Draft Merchant Shipping (Collision Prevention) Regulations,2024.
- ii). Draft Merchant Shipping (Load Line) Regulations,2024.
- iii). Draft Merchant Shipping (Tonnage Measurement) Regulations,2024.
- iv). Draft Merchant Shipping (Recognized Organizations) Regulations,2024.
- v). Draft Merchant Shipping (Maritime Labour) Regulations,2024.
- vi). Draft Merchant Shipping (Maritime Transport Operators) Regulations, 2024.
- vii). Safety of Life at Sea (SOLAS) Convention Regulations, 2024- 11 Regulations

6.8.4 Implementation Challenges

- i). Low awareness and understanding of the maritime industry
- ii). Increased demands for seafarers both locally and international
- iii). High cost of maritime courses
- iv). Low awareness and understanding of the maritime industry as well as opportunities and dynamics;
- v). Inadequate human resource capacity for maritime skills and competence development.
- vi). Inadequate budgetary allocation to support and actualize the sectors programmes;
- vii). Inadequate training facilities, trainers and equipment to offer mandatory training for qualification and certification under the International Convention on Standards of Training Certification and Watch-keeping (STCW '78);
- viii). Lack of restructuring of KNSL as per the framework agreements due to inadequate policy guidance and unresolved case on implementation of the KNSL framework agreements
- ix). Lack of ready curricular for some courses that are urgently required by seafarers;
- x). Low participation of the Kenya in the shipping industry.

6.8.5 Recommendation

- i). Awareness creation to promote shipping and maritime industry
- ii). Partnerships and collaboration with International Institutions to enhance place of youths and on-board training/job opportunities.
 - i. Develop and implement the Maritime security strategy to ensure safety and security of the sector
 - ii. Implement the Bandari Maritime Academy Masterplan to enhance the capacity of the country to supply the required professionals in the global market
 - iii. 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

- iv. Develop and implement the Maritime Spatial Plan to guide in the planning, exploitation and investment in the maritime resources
- v. Capacity Building-There is need to build capacity nationally by increasing the number of trained seafarers both officers and ratings
- vi. Provide adequate funds in order to spur the sub-sector and ensure

6.9. Blue Economy and Fisheries

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

Table : Annual implementation status of Blue Economy& BETA Output Annual Progress Results for FY 2023/24

| Priority/Project | Output | Indicator | MTP IV Annual Targets 2023/24 | Actual Annual Achievements | Remarks |
|---|---|---|-------------------------------|----------------------------|---|
| Fisheries Management and Conservation | Specific fisheries management plans for marine and inland fisheries developed | No. of plans | 1 | 1 | On course |
| | Fisheries critical habitants identified, mapped and gazette | No. of Fisheries critical habitants | 10 | 2 | Two habitants were mapped and gazette at Lake Turkana and Lake Baringo. Underachievement was due to budget cuts. |
| | Created awareness on Eat more fish campaign | Level of awareness created (%) | 5 | 0 | Target affected by budget cuts |
| Blue Economy Investment and Development | Developed ultra-modern tuna fish hub at Liwatoni | Level of development ultra-modern tuna fish hub at Liwatoni | 50 | 41 | Completed works include; Construction of fresh and frozen fish factory; and Construction of tannery factory |
| | Developed Lamu Fish Processing Plant | % level of completion | - | - | Scheduled for implementation |
| | Kabonyo Fisheries and Aquaculture Service and Training Centre of Excellence (KFASTCE) developed | % level of completion | 5 | 5% | Preconstruction milestones include; Development Partner secured from the Hungarian Government, ground breaking by H.E the president in October 2023, Site handed over to contractor |
| | Kenya Marine Fisheries and Socio-Economic | % completion | 50 | 49.4% | Completed works include: Construction of Uvuvi house – at 23%; Provision of grants |

| | | | | | |
|---|---|---|-------|--------|---|
| | Development (KEMFSED) implemented | | | | amounting to Kshs. 1.5 billion to 622 Common Interest Groups in 5 counties namely; Mombasa, Kwale, Lamu, Kilifi and Tana River; Construction National Mariculture Resource and Training Centre (NAMARET) - at 9%; Upgrading of fisheries infrastructure in Mombasa and Kipipini fisheries office |
| | Rural households engaged in aquaculture farming and provided with fish production materials | No. of rural households; | 3,000 | 12,760 | Target surpassed due to provision of support funds by IFAD through Aquaculture Business Development Programme |
| Fisheries Resources Development and Utilization | Developed and rehabilitated inland fish landing sites | No. of fish landing sites | - | 12,760 | ■ |
| | Seaweed drying sheds and storage constructed | No. of drying sheds and storage facilities | - | 2 | Mulukhoba and Luanda K'Otieno landing sites in Busia and Siaya Counties completed |
| | Seaweed drying sheds and storage constructed | No. of drying sheds and storage facilities | - | - | Target affected by budget cuts |
| | Marine fisheries infrastructure developed/rehabilitated | No. of marine fisheries infrastructure | 2 | 7 | Finalized fisheries infrastructure include; Completion of fish landing sites at Vanga, Gazi, Kibuyuni, Kichwa Cha Kati, and Ngomeni, and as well as fish Market in Malindi and Likoni. |
| | Deep-sea industrial fishing developed | No. of acquired/reflagged national fishing and merchant vessels / boats | 30 | 16 | <ul style="list-style-type: none"> 16 fishing vessels for deep-sea fishing reflagged Shortfall of annual target was due to budget cuts |
| | Marine Stock Assessment Surveys conducted | No. Assessment Surveys | 1 | 1 | The survey was done in the Indian Ocean |
| | Youth capacity built on fisheries and aquaculture skills | No. of youth capacity built | 500 | 1,500 | <ul style="list-style-type: none"> 1,500 youths weeks trained during 2 weeks training program Target surpassed by to provision of more training funds by IFAD. |
| | Support Common Interest Groups (CIG) members | No. of CIGs supported | 1600 | 622 | 622 CIGs with 19,395 members supported in Mombasa, Kwale, Lamu, Kilifi and Tana River counties Overachievement was due |

| | | | | | |
|--|--|--|--|--|--|
| | | | | | provision of support by the World Bank |
|--|--|--|--|--|--|

Source: State Department of Blue Economy Reports for FY 2023/2024

Table : Annual BETA Outcome Results Matrix for FY 2023/24

| MTP IV Outcome | MTP IV Outcome Indicator | MTP IV Outcome Targets | Actual Achievements FY 2023/24 | Remarks |
|--|--|------------------------|--------------------------------|--|
| Increased contribution of fishing and aquaculture to GDP | Share of fishing and aquaculture contribution to GDP (%) | 0.6 | 0.6 | On course |
| Increased exports of Fish and fish products | Value of fish and fish products exported (Kshs Billions) | 4.8 | 6.7 | Over-achievement due to sardines export to China |
| Increased fish production | Quantity of fish landed (MT) | 168,920 | 191,439 | Target surpassed due to development of modern infrastructure |
| | Value of fish landed (Kshs Billions) | 36.5 | 40.6 | |
| Increased fish consumption | Per Capita Fish consumption (Kg/person year) | 5.0 | 5.0 | On course |
| Reduced fish post-harvest loses | Proportion of fish post-harvest loses (%) | 16 | 16 | Target achieved |
| Increased capacity building and job creation in the Blue economy | Fishing crew trained (No.) | 2,800 | 373 350 male and 23 females | Target affected by budget cuts for training |

Source: State Department of Blue Economy Reports for FY 2023/2024

6.9.2 Description of Output/Outcome 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;

622 Common Interest Groups (CIGs) were supported and 19,395 beneficiaries were 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

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, 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.

Fisheries Resources Development and Utilization: a total of 12,760 inland fishing landing sites were developed and rehabilitated

Blue Economy Investment and Development Programme: the development ultra-modern tuna fish hub at Liwatoni 1,000 Metric Tonnes cold store was completed and the Installation of water supply to the Jetty was done

6.9.3 Policy, Institutional and Legal Frameworks

During the period under review, the sub-sector

- i). Finalized the Kenya Fisheries Policy, 2023, and submitted to the Cabinet for approval
- ii). The development of the Aquaculture Policy was initiated and was 40% completion as at the end of FY 2023/24.
- iii). Marine Fisheries Regulations, Recreational Regulations, 2024 submitted to senate for consideration
- iv). General Fisheries Regulations, Fish Safety and Quantity Assurance Regulations, 2024 submitted to senate for consideration
- v). Fisheries Management and Development Bill, 2023 was submitted to the National assembly for consideration.

Challenges

- i. Climate change, biodiversity loss, environmental degradation and pollution of the aquatic resources;
- ii. Low aquaculture development caused by high cost of inputs,
- iii. limited awareness on the available innovative technologies and limited access to financing mechanisms;
- iv. Low investment in the blue economy, fisheries and aquaculture sub- sectors due to perceived high risks and limited information on the economic value of blue economy and fisheries resources;
- v. Low uptake of fish value addition technologies and uncoordinated marketing systems for small scale fishers;
- vi. Inadequate funding, unexpected budget cuts and delays in exchequer releases negatively affected implementation of planned programmes and projects; and
- vii. Weak linkages and conflicting interests between national and county Governments in

management and conservation of fisheries resources.

6.9.5 Lessons Learnt

- i). Partnerships and collaboration by stakeholders are necessary for successful implementation of sub- sector targets Questions to inform lessons learnt include,

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CHAPTER SEVEN: GOVERNANCE AND PUBLIC ADMINISTRATION SECTOR

7.0 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, Parliamentary Affairs 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.

7.1 Cabinet Affairs

The main focus of the State Department for Cabinet Affairs (SDCA) is on the Coordination and Oversight; Public Sector Reforms; Special Government Initiatives; Partnerships/ Collaborations and Linkages; and Institutional Capacity Strengthening.

The State Department has cumulatively made good achievement in FY2023/24 as summarized in the outputs results matrix in Table 7-1, which shows the Implementation Status on the key outputs and BETA priorities for FY2023/24 by SDCA.

Table 7-1 : Cabinet Affairs - Implementation Status on the key outputs and BETA priorities for FY 2023/24

| Priority Project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) FY 2023/24 | Remarks |
|---|--|---------------------------------------|--------------------------|---|---|
| Public Sector Reforms | Coordinate implementation of Public Sector Reforms | Report | 1 | 1 | Done |
| Partnerships/ Collaborations and Linkages | stakeholder engagement framework | Framework | 1 | 1 | Achieved |
| Institutional Capacity Strengthening | Technical and secretariat services to Cabinet committees | Level of support (Briefs and report). | 100% | 100% | Achieved |
| Institutional Capacity Strengthening | Risk management framework | Approved risk management framework | 1 | 1 | Achieved |
| | Resource mobilization strategy developed and implemented | Strategy | 1 | 1 | Implementation is on course |
| | Strategic Plan printed and shared | Final Approved Strategic | 1 | 1 | Implementation is ongoing and on course |
| | M&E Framework | SDCA M&E Framework | 1 | 1 | Achieved. |

| Priority Project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) FY 2023/24 | Remarks |
|------------------|-----------------------------------|---|--------------------------|---|---|
| | Mandatory Documents for 2024/2025 | No of Documents (Work Plan; PC; Cash Flow and Procurement Plan) | 4 | 4 | Achieved and implementation is on going |

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

7.1.1 Description of Results

Institutional Capacity Strengthening: Technical and secretariat services were fully provided to Cabinet committees. On the other hand, the State Department for Cabinet Affairs was in full adherence and compliance to the laid down Monitoring and Evaluation Framework.

7.1.2 Implementation Challenges

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

7.1.3 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; and
- iii. Promote strong collaboration and partnerships with stakeholders to bring about effectiveness and efficiency in service delivery.

7.2 Immigration and Citizen Service

The State Department for Immigration and Citizen Services (SDICS) 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 7-2, SDICS has made significant strides towards the implementation of BETA priorities, signaled by the respective output indicators for FY2023/24.

Table 7-2 : Immigration and Citizen Services - BETA Output Results for FY2023/2024

| Priority Project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) FY 2023/24 | Remarks |
|---|--|---|--------------------------|---|---|
| Production and issuance of Digital National ID | 3rd Generation National ID produced and issued | No. of digital National ID cards issued (millions) | 2.5 | 0.6 | Target not met as Court cases delayed issuance of Ids |
| Unique Personal Identifier (UPI)/ Maisha Number | Maisha number/UPI issued at birth | No. of UPI issued (Millions) | 1.5 | 0 | UPI not issued due to Court cases |
| Modernization of Integrated Population Registration System (IPRS) | Data backup offsite created | % completion | 100 | 15 | IPRS system upgrade is ongoing |
| | All MDACs and private entities linked to IPRS | No. of MDACs and private entities linked to IPRS | 50 | 34 | Upgrading of the IPRS affected the linkage by MDACs. |
| Integrated border control and automated systems | Advanced Passenger Information (API) system, Electronic Gates, E-visa, E-passport and Facial Recognition system integrated as a system | No. of borders installed with Integrated Border Management System | 5 | 4 | This project was delayed by the development of the Electronic Travel Authorization. |
| Development of Refugee Master Plan | To enhance peaceful co-existence among host communities | Refugee Master Plan developed | 1 | 0 | Draft prepared awaiting validation |

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

7.2.1 Description of Results

Modernization of Integrated Population Registration System (IPRS): Upgrading of the IPRS system is ongoing to increase the capacity to link MDACs with IPRS.

7.2.2 Implementation Challenges

- i. Inadequate supply of passport and registration materials, forms and certificates,
- ii. Un-integrated systems

- iii. Court cases
- iv. Inadequate budgetary allocation.

7.2.3 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.

7.3 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 made progress in the achievement of its mandate during FY2023/24 as shown in table 7-3.

Table 7-3 : Correctional Services - Implementation Status of the Key Outputs and BETA Priorities for FY2023/2024

| Priority Project | Output | Indicator | Annual Target FY2023/24 | Cumulative Achievement (Q1-Q4) FY2023/24 | Remarks on Achievement Variance |
|--|--|---|-------------------------|--|---------------------------------|
| Rehabilitation and Reintegration of Offender | Improved management of correctional services | Percentage of offenders rehabilitated and reintegrated to the community | 100 | 100 | Achieved |
| | | Percentage of offenders contained and supervised | 100 | 100 | Achieved |
| | Offender supervision, psychosocial support, educational and technical training opportunities | No. of offenders supervised | 240,000 | 252,000 | Over achieved |
| | | No. of offenders provided with psychosocial support | 240,000 | 252,000 | Over achieved |
| | | No. of offenders trained | 8,500 | 23,158 | Over achieved |
| Security and National Government Administration Officers (NGAOs) recruitment and trained | Prison officers recruited and trained | No. of Prison officers recruited and trained | 3,000 | 0 | Recruitment not done |
| Development and expansion of prison infrastructure | Perimeter walls constructed in prisons | No. of prisons | 10 | 13 | Achieved |
| | Watchtowers constructed | No. of watchtowers constructed | 5 | 2 | Not achieved |
| | Guardrooms constructed | No. of guardrooms constructed | 13 | 3 | Not achieved |
| Modernization of Police, Prison and NGA facilities | Security equipment for police and prisons maintained | % level of maintenance | 100 | | Not achieved |
| | Prison telecommunication infrastructure | % completion | 10 | | Not achieved |
| | Motor vehicles for the NGA officers, National Police Officers, | No. of vehicles acquired | 977 | 1 | Not achieved |

| Priority Project | Output | Indicator | Annual Target FY2023/24 | Cumulative Achievement (Q1-Q4) FY2023/24 | Remarks on Achievement Variance |
|--|--|--|---|--|---------------------------------|
| | Prisons and Probation acquired | | | | |
| Security Enterprises Revenue Generation | Revenue generated | Revenue generated (Ksh. million) | 0 | 4682085 | Over achieved |
| | Prisons farms mechanized | No. of prisons farms mechanized | 3 | 0 | Not achieved |
| | Irrigation projects established | No. of irrigation projects | 2 | 0 | Not achieved |
| | Livestock acquired | No. of livestock acquired | 550 | 0 | Not achieved |
| | Farm stores constructed | No. of farm stores constructed | 2 | 0 | Not achieved |
| | Assorted equipment acquired | No. of assorted equipment acquired | 10 | 0 | Not achieved |
| | Workshops/stores and showrooms constructed | No. of workshops/stores and showrooms constructed | 10 | 0 | Not achieved |
| | Police and Prisons Welfare | Contributory Benevolent Fund established and operationalized | % of operationalization on Contributory Benevolent Fund | 30 | |
| Insurance cover for loss of life for officers on duty provided | | No. of officers covered | 106,469 | 126.733 | Achieved |
| National Police and Magereza Hospitals | National Police Hospitals equipped and operationalized | % completion | 100 | | Not achieved |

| Priority Project | Output | Indicator | Annual Target FY2023/24 | Cumulative Achievement (Q1-Q4) FY2023/24 | Remarks on Achievement Variance |
|---------------------------------------|---|---|-------------------------|--|---------------------------------|
| Digitization of Correctional services | Case Management system developed and operationalized | % development of Case Management system | 20 | | Not Achieved |
| | Probation % development of Case Management system | | | | |
| | Prison Services digitized/ Offender surveillance in place | % level of digitization | 30 | | Not Achieved |

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

7.3.1 Description of Results

- **Rehabilitation and Reintegration of Offender:** The state department surpassed its target of offender supervision, providing psychological support, educational and technical training opportunities to offenders as depicted by the number of offenders supervised as well as the number of offenders provided with psychological support.
- **Security Enterprises Revenue Generation:** The targets for revenue generation were exceeded. However, the state department did not achieve its targets on mechanization of prison farms, establishment of irrigation farms, acquiring livestock, constructing farm stores, acquiring assorted equipment and construction of workshops/stores and showrooms.

7.3.2 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.

7.3.3 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.

7.4 Internal Security and National Administration

The State Department for internal security and National Administration (SDIS&NA) derives its mandate from the Executive Order No. 2 of 2023. The functions are: Co-ordination of National Government Functions in Counties; Policy on Internal Security; Oversight Over Internal Security affairs; Policy on National Cohesion and Integration; Co-ordinate National Security Organs in matters relating to Computer and Cybercrimes and Management of Cyber Threats; Policy on Training of Security Personnel; Border Management (Marine and Terrestrial); Disaster and Emergency Response Co- ordination; Support in co-ordination and distribution of Relief Food; Policy on National Crime Research and Management; Public Benefits Organizations; State Functions and Government Receptionist; Proclamation of Public Holidays; Security Roads and Airstrips; Small Arms and Light Weapons Management; and Control of Drug and Narcotic Substances.

The State Department plays a critical role as an enabler of BETA priorities by providing security, enforcing regulations, preventing crime, promoting public safety, supporting governance initiatives, and engaging with communities. It also disseminates and sensitizes the public on all Government policies through Barazas. These efforts collectively contribute to creating an enabling environment where businesses can thrive and BETA priorities can be realized.

The department is implementing a number of BETA priority areas. These are: Security Sector Equipment Modernization; Security Sector Institutional Reforms; and Improve Border Management.

Table 7-4 presents a summary of the implementation status of key outputs and BETA priorities by SDIS&NA for FY2023/24.

Implementation status of key outputs and BETA priorities

Table 7-4 : Internal Security and National Administration - BETA Output Results for FY2023/2024

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumulative Achievement (Q1-Q4) FY2023/24 | Remarks on Achievement Variance |
|--|--|--|-----------------------|--|---|
| Security and National Government Administration Officers (NGAOs) recruitment and trained | Police officers recruited and trained | No. of police officers recruited and trained | 5,000 | 0 | No police officers were recruited or trained due to no budgetary allocation. |
| | NGAOs recruited and trained | No. of NGAOs recruited and trained | - | - | No NGAOs were recruited, 321 NGAOs trained. |
| Police stations and National Government Administration (NGA) field offices | Police stations constructed and operationalized | No. of police stations constructed and operationalized | 146 | 2 | Only two(2) police stations were constructed due to inadequate funding |
| | Gazetted Administrative units operationalized | No. of gazetted Administrative units operationalized | 49 | 737 | 11 Sub counties, 36 Divisions, 237 locations and 453 sub locations gazette in the 3rd quarter |
| | NGA field offices constructed and operationalized | No. of NGA field offices constructed and operationalized | - | 41 | The state department received funding for construction of 41 field offices. |
| | Field offices refurbished | No. of NGA field offices refurbished | - | 6 | 6 offices refurbished, |
| National Police Forensic Laboratory | National Police forensic laboratory equipped and operationalized | %completion | 59 | 52 | Target not achieved due to inadequate funding |
| | Forensic officers trained | No. of officers trained | 50 | 311 | Target achieved |
| Modernization of Police, and NGA facilities | Modern assorted security equipment acquired | % of acquisition | 35 | 29.6 | Target not achieved due to Inadequate budgetary allocation |
| | Security equipment fo | % level of | 100 | 90 | Target not achieved due to Inadequate |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumulative Achievement (Q1-Q4) FY2023/24 | Remarks on Achievement Variance |
|--|---|--|-----------------------|--|--|
| | r police maintained | maintenance | | | funding |
| | Integrated Command and Control Centre (IC3) expanded to all cities, major towns And highways | %completion | 35 | - | Target not achieved due to no budgetary allocation |
| | Motor vehicles for the NGA officers and National Police Officers acquired | No. of vehicles acquired | 977 | - | No motor vehicles was acquired due to no budgetary allocation |
| | Motorcycles for Chiefs/Assistant Chiefs acquired | No of motorcycles acquired | - | 20 | 20 Motorcycles were distributed to Kajiado, Kiambu, Nairobi And Machakosto pilot the electric motorcycle. |
| Modernization of the Kenya Coast Guard | Kenya Coast Guard headquarters constructed | %completion | - | - | Construction of Kenya Coast Guard headquarters to begin in FY 2024/25 |
| | Modern ships acquired | No. of ships acquired | - | - | Acquisition of Ships to be done in FY2024/25 |
| | Boats acquired | No. of boats acquired | - | - | Acquisition of boats to be done in FY2024/25 |
| Police Welfare | Contributory Benevolent Fund established and operationalized | % of operationalization Contributory Benevolent Fund | 30 | 0 | Necessary legislation has not been put in place. |
| | Insurance cover for loss of life for | No. of officers | 106,469 | 106,469 | All officers are covered |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumulative Achievement (Q1-Q4) FY2023/24 | Remarks on Achievement Variance |
|--|--|--|-----------------------|--|---|
| | officers on Duty provided | covered | | | for loss of life |
| | Affordable housing mortgage for 5,000 security officers provided | No. of officers enlisted | 1,000 | 0 | Framework for acquiring the affordable houses has not been finalized. |
| Miritini Treatment and Rehabilitation Centre | Miritini Treatment and Rehabilitation Centre completed and operationalized | %completion | 20 | 17 | Target not achieved due to Development Budget cuts. |
| Digitization of police stations and services | Police stations net- worked | No. of police stations networked | 249 | 0 | No funds allocated to undertake the exercise. |
| | Occurrence Books digitized | No. of police stations with Digitized OB | 249 | 76 | No funds allocated for the project |
| | NGA services digitized | % of services digitized | 25 | 25 | Target Achieved |
| Modernization of Government Chemist Laboratories | Government Chemist laboratories constructed | No. of laboratories constructed | - | - | Construction of Government chemist laboratories to be done in FY2024/25 |
| Government Projects and Programmes Coordination | Government projects and programmes coordinated | % of National Government projects and programmes coordinated | 100 | 100 | Government projects and programmes coordinated |

Source: Internal Security and National Administration Reports, FY 2023/24

7.4.1 Description of Results

- National Police Forensic Laboratory: DCI Officers received forensic training support from various development partners.
- Police Welfare: The insurance cover for loss of life for officers on duty is provided for all officers.

7.4.2 Implementation Challenges

- i. High unemployment and poverty levels especially among the youth making them highly vulnerable to engage in criminal activities
- ii. Inadequate funding /non funding leading to minimal project milestones
- iii. Emerging and changing trends in crime.
- iv. Fluid international political landscapes and dynamic security environment that limit the predictability of the level of success of planned programmes.
- v. Weak collaboration framework between the security agents and members of the public

7.4.3 Recommendations

- i. Install appropriate ICT infrastructure covering all security agencies and ensure integration among the systems;
- ii. Develop a secure inter-agency web-based communication system that can be used on a real- time basis in responding to crime incidence;
- iii. There is need to provide adequate financial resources for projects/programmes especially for the construction of police stations and NGA offices;
- iv. There is need for the exchequer to release funds in time for efficient implementation of planned programs; and
- v. Enhanced capacity building for effective and efficient provision of security and policing services.

7.5 Devolution

The State Department for Devolution (SDD) was established through the Executive Order No.2 of 2023, which placed it under the Office of the Deputy President to coordinate Intergovernmental relations. The mandate of State Department is to provide policy direction for the devolved system of Government, promote harmonious intergovernmental relations, build capacity and provide technical assistance to county governments for effective service delivery.

The State Department is charged with the responsibility of managing devolution affairs and policy on devolved system of government, coordinating Inter-governmental relations, providing support to County

Governments to perform their functions, assessing the performance of County Governments for continuous improvement of service delivery, providing capacity building and technical assistance to County Governments in all devolved functions, managing national civic education and public participation policy and monitoring, evaluation and reporting on Devolution.

The Q4 achievements by SDD are illustrated in Table 7-5.

Table 7-5 : Devolution - Implementation status of the key outputs and BETA priorities for FY 2023/24

| Priority Programme/ Project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) FY 2023/24 | Remarks on variance |
|----------------------------------|--|---|--------------------------|---|---------------------------|
| Management of Devolution Affairs | A harmonized result framework | Devolution Result Framework | 1 | Draft Framework | |
| | | No. of Counties Capacity Built on the Result Framework | - | - | |
| | | Annual State of Devolution Report | - | - | - |
| | County Service delivery norms and standards developed. | Service delivery norms and standard | - | - | - |
| | Framework establishing uniform norms and standards for allcadres of staff across countries developed | County Public Service norms and standards | - | - | - |
| | | % compliance to norms and standards by County Government | - | - | - |
| | | No. of Counties sensitized on the framework | - | - | - |
| | National Civic education Framework and public participation guidelines in Counties implemented | No. of Counties sensitized on Civic education framework and reviewed public participation guideline | - | - | - |
| | | No. of Counties implementing the public participation guidelines | - | - | - |
| | National Capacity Building Framework II Developed and implemented | National Capacity Building Framework II | 1 | Final draft National Capacity Building Framework II | Awaiting Cabinet approval |

| Priority Programme/ Project | Output | Indicator | Annual Target FY 2023/24 | Cumulative Achievement (Q1-Q4) FY 2023/24 | Remarks on variance |
|-----------------------------|---|---|--------------------------|---|--|
| | | No. of Implementation Reports | - | - | - |
| | LED Framework developed | LED Framework | 1 | Draft LED Framework | Awaiting Cabinet approval |
| | | No. of Counties sensitized on LED Framework | - | - | - |
| | Intergovernmental sector forums for devolved functions convened | No. of sector reports prepared | 5 | 1 | Target achieved |
| | | % of Disputes Resolved | 100 | 80 | Resolved Ongoing disputes |
| | | % of cases resolved using GRM | 100 | 80 | Resolved Ongoing disputes |
| | IBEC, Summit and Consultative meetings with COG to address sectoral challenges held | No. of Summit meetings held | 4 | 1 | Summit is dependent on availability of the President |

Source of Data: State Department for Devolution Reports, FY2023/2024

7.5.1 Description of Results

Multi-Agency Committee was established, data collected on all devolved functions and Draft Result Framework was developed, hence this target was achieved. This Framework is important to provide standardized approach in the assessment of devolved functions in order to determine support required.

Draft National Capacity Building Framework II and Draft LED Framework was submitted to the Cabinet for approval.

7.5.2 Implementation Challenges

The following challenge was reported during the implementation of Q1 targets:

- i. Delay in Cabinet approvals

7.5.3 Recommendations

- i. Embrace Whole-of Government Approach by key stakeholders in the implementation of planned activities
- ii. Review of the Intergovernmental Relations Act, 2012 to make it on how sector forums should be held

7.6 Diaspora Affairs

The State Department for Diaspora Affairs (SDDA) was established in recognition of the indispensable role of Diaspora in the Country's development. SDDA is responsible for liaison with other stakeholders to promote the participation of Kenya's diaspora in democratic processes within the country. It also collaborates with the Ministry of labor to implement the labor migration policy as well as the global labor strategy.

Precisely, this entails promotion of continuous dialogue with Kenyans abroad, development of incentives framework for diaspora remittances, and secures the placement of Kenyans abroad in conjunction with the Ministry of labor. Other functions include supporting Kenyans in the diaspora in harnessing more opportunities for employment and enterprise development and harnessing diaspora savings facilities, direct investments and technology transfers.

The achievements by SDDA for FY2023/24 is presented in table 7-6.

Table 7-6 : Diaspora Affairs - Implementation status of the key outputs and BETA priorities for FY 2023/24

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|---------------------------|--|-----------------------------------|-----------------------|-----------------------------------|---|
| Diaspora service delivery | Diaspora Integrated Information Management System (DIIMS) developed and implemented | % of DIIMS operational | 100 | 100 | Target Achieved. |
| | 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 skills transfers and cooperation among Diaspora, awaiting stakeholder engagement. |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|--------------------------------|---|--|-----------------------|-----------------------------------|---|
| | 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 engagements strengthened | No. of High-level Diaspora engagements | 5 | 19 | 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 | % Reduction in remittance costs | 5 | 6.2 | Remittance cost is still high as compared to the SDGs target of 3% and SDDA's target of 5% |
| | Diaspora SACCOs promoted | No. of diaspora SACCOs promoted | 1 | - | - |
| | Bi-laterals & Multilateral engagements to identify new opportunities for international employment and investment held | No. of engagements | 4 | 1 | The State Department initiated operationalization of the Diaspora Placement Agency to facilitate placement of Kenyans in the international jobs market. |
| | Diaspora excellence awards gala hosted | No. of Diaspora excellence awards gala | 1 | 1 | Launched the diaspora excellence awards during the Diaspora Investment Expo held in Nairobi from 13 th – 15 th Dec 2023 |
| | County Investment Profiles identified and disseminated to | No. of County Investment Profiles developed | 9 | 47 | SDDA collaborated with the Council of Governors in sourcing and disseminating County specific bankable investments from the 47 |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|-----------------------------|---|--|-----------------------|-----------------------------------|--|
| | diaspora | and disseminated to diaspora | | | counties, during the Diaspora Investment Conference 2023. |
| | County Investments Fora held | No. of County Investments Fora held for the diaspora | 20 | 2 | Collaborated with Homa Bay and Kakamega Counties in hosting international investment conferences in the two counties |
| | County investment products from diaspora established | No. of County investment products | 1 | - | - |
| Diaspora rights and welfare | Diaspora Evacuation Plan developed and implemented | Evaluation Plan | 1 | 1 | Developed the diaspora evacuation and repatriation guidelines |
| | Diaspora Emergency and Welfare Facility developed and implemented | No. of Emergency and Welfare programmes | - | - | - |
| | Human remains of deceased Kenyans repatriated | % human remains repatriation requests facilitated | 100 | 100 | Target Achieved |
| | Distressed Kenyans abroad safely evacuated | % Distressed Kenyans evacuated | 100 | 100 | Target Achieved |
| | Diaspora Returnees' Integration programme implemented | % of returnees counselled and capacity built | 100 | 100 | Target Achieved |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumm. Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|------------------|---|-------------------------|-----------------------|-----------------------------------|---|
| | Migrants rights and welfare fora held | No. of County fora | 1 | 2 | The State Department held job fairs in Meru and Embu Counties in collaboration with other stakeholders |
| | 10 safe houses for diaspora established and operational | Safe houses established | 2 | - | The State Department prepared a Concept Note for the Safe Houses and undertook data collection to inform prefeasibility study |

Source of Data: SDDA, CBK Reports, FY2023/2024

7.6.1 Description of Results

➤ Diaspora service delivery:

- i. SDDA developed the Diaspora Integrated Information Management System 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.
- ii. 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).

- **Growth of diaspora remittances:** SDDA led and participated in negotiation of bi-lateral and multilateral engagements to identify new opportunities for international jobs, entrepreneurship and investment opportunities for Kenyans. Further, in liaison with the State Department for Labour and Skills Development, a Global Labour Market Strategy was developed to help facilitate the secure and coordinated and guaranteed placement of Kenyans into jobs abroad. Under this initiative, Kenya and Germany concluded a Migration Agreement that will unlock job opportunities for Kenyans in the European country. Other engagements/negotiations are ongoing with among others, Saudi Arabia, Australia, Canada, Oman, Qatar, and private companies in the United Kingdom.

In addition, the State Department in partnership with State Department for Labour and Skills Development and the State Department for Technical and Vocational Education and Training (TVET), embarked on hosting job fairs across counties with the first job fair hosted in Meru County. This process is part of the Global Labour Market Strategy of taking information on job placement to Kenyans in the counties.

➤ Diaspora rights and welfare:

- i. One hundred and seventy (170) deceased Diasporans from various countries including Spain, UK, Zanzibar, UAE, South Africa, Australia, Egypt, Qatar, Saudi Arabia, Nigeria, Canada and Mexico.
- ii. SDDA, in collaboration with other stakeholders, evacuated 1,170 distressed Kenyans from Sudan following the outbreak of a political crisis, with Kenya being the first country to get her citizens out of Sudan. Moreover, other distressed Kenyans totaling to three thousand five hundred and twenty-six (3,526) were repatriated in various countries, including Saudi Arabia (3,332), Thailand & Laos (100), Malaysia (6) Lebanon (59), Kuwait (2), Israel (12), Türkiye (1), Libya (10), Burundi (1), Canada (1), France (1) and the Democratic Republic of Congo (1).
- iii. All diaspora returnees were offered counselling services and psychosocial support at the ports of entry. SDDA maintains contact with returnees who require support post arrival.

7.6.2 Implementation Challenges

- High transaction cost on remittances estimated at 6.20 percent of the amount sent;
- Inadequate incentive framework for remittances and diaspora investments;
- Low awareness on available investment opportunities for Kenyans in Diaspora due to weak structures and inadequate coordination among Kenyans Abroad;
- 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;
- 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”
- Inadequate human resource capacity in the Kenya missions abroad to offer effective and efficient consular services, especially in areas with high concentration of Kenyans;
- Inadequate Policy, Legal and Institutional frameworks;
- Low registration by Kenyans abroad with the Kenya Missions which hampers protection of welfare and rights and constraints effective delivery of consular services;
- Inadequate and fragmented data on Kenyan diaspora;
- Inadequate framework on transferability and portability of social security benefits; and
- Increased mental health issues.

7.6.3 Recommendations

- 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.

- 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.
- 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.
- There is need to address the high transaction costs of remittances, which is currently at an average of 6% (AIR, 2023) and reduce to 3% or less by 2030 as per SDG 10(c);

7.7 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. The mandate of the State Department includes: Policy on East African Community; Implementation of the Treaty for the Establishment of the East African Community; Negotiation and Implementation of EAC protocols; Develop and Implement policies and programmes to fast-track regional integration; Coordination of Implementation of EAC Regional Programmes and Projects; Coordination of Government 's Participation in East African Community Affairs; Domestication of regional agreements in all areas; Monitor Implementation of Summit and Council Directives/Decisions; Sustainable development of Lake Victoria Basin and other shared resources; East African Community Organs and Institutions; and Create awareness on the aspiration of East African Community Integration; among others.

According to table 7-7, SSDEACA is responsible for the achievement of a number of MTP IV Outputs, BETA Priorities and Outcomes, towards the achievement of the Q4 of the First Year MTP IV Implementation period - FY 2023/24.

Table 7-7 : East African Community Affairs- Implementation Status of the Key Outputs and BETA Priorities for FY 2023/24

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumulative Achievement (Q1-Q4) 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 | 302 | 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. |

| Priority Project | Output | Indicator | Annual Target 2023/24 | Cumulative Achievement (Q1-Q4) 2023/24 | Remarks on Achievement Variance |
|------------------------|--|---|-----------------------|--|---|
| EAC Uptake Enhancement | National outreach and stakeholder engagements undertaken | No. of national outreach and stakeholder engagements held | 10 | 3 | Achieved |
| | Kenya's participation in EAC Trade Fairs Enhanced | No. of trade fairs held | 1 | 1 | Trade fair was held in Quarter 2 in Republic of Burundi |
| | | No. of Kenya's MSMEs products showcased in trade fairs | 300 | 700 | Trade fair was held in Quarter 2 in Republic of Burundi |
| | EAC trade and investment regulations and procedures developed and disseminated | No. of dissemination reports | 1 | 1 | Target achieved. Dissemination was conducted in 10 cross-border and other towns |
| | Women and other small-scale traders trained | No. of women and other small-scale traders trained | 50 | 12,000 | Over achievement is attributed to support by Trade Mark Africa. |
| | EAC Cross Border Trade Associations (CBTAs) revived and trained | No. of CBTAs revived and trained | 2 | 2 | Target Achieved |

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

7.7.1 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 a collaboration between the National and County Governments. Stakeholder engagements were held in Kajiado, Migori, Bungoma, Trans Nzoia, Isiolo, Marsabit, and TaitaTaveta 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 Loitotoke EAC Cross Border Trade Associations (CBTAs) were revived and trained on STR.

7.7.2 Implementation challenges

- i. Inconsistent application of the Common External Tariff (CET), re-occurrence and emergence of new NTBs and restrictive use of rules of origin continue to be detrimental to the free flow of trade;
- ii. The ongoing Peace and Security situation in Eastern DRC and its effects on the integration agenda;
- iii. Inadequate budget and budget cuts which affect implementation of the set targets; and
- iv. Long-standing, recurring and new Non-Tariff Barriers continued to be detrimental to the free flow of trade.
- v. Multiple fees charged by County governments on transit trucks along the Northern Corridor making the cost of doing business in Kenya uncompetitive hence derailing the integration agenda.
- vi. Slow progression to the EAC pillars of customs union, common market and political federation.

7.7.3 Recommendations

- i. Spur regional agribusiness by linking the Kenya Commodity Exchange with that of the Northern Corridor Integration Project (NCIP) Partner States in order to facilitate intra-trade in EAC through warehouse receipt systems;
- ii. Revision of the EAC Simplified Trade Regime to enhance the list of commonly traded products by the MSMEs across the borders;
- iii. Resolution of reported non-tariff barriers to trade e.g. construction materials such as clinker, ceramic tiles and timber among others;
- iv. Enhance awareness creation on opportunities obtaining from the EAC integration process;
- v. Fast tracking conclusion of the EAC Social Security mechanism to facilitate portability of health benefits and the framework for EAC Pooled Bulk Procurement of Medicines to ensure access and affordability of medicines;
- vi. Facilitating participation of at least 300 Kenyan MSMEs in the 24th MSMEs Trade Fair in 2024 in Juba, South Sudan, to showcase Kenyan made products and services;
- vii. Full operationalization of the EAC NTBs Elimination Mobile Application;
- viii. Interfacing the Central and Northern Corridor Cargo Tracking Systems; and
- ix. Exploiting the economies of scale emanating from emerging and third-party markets.

7.8 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 key priorities for the review period FY 2023/24 are to: Operationalize the Steering Committee on the GLA and Parliamentary Liaison to ensure effective GLA implementation; Develop and operationalize Legislative Agenda tracking Information System to facilitate effective and efficient tracking of the government legislative agenda (policies and legislation) across MDAs; Vet 100% of proposed policies and legislation across MDAs to ensure they are compliant and are aligned with the National Development Agenda; Finalize three priority Bills (the Nairobi Centre of International Commercial Arbitration, Transitional of Executive Authority and Public Participation Bills to support the effort on strengthening the legal framework in Kenya; and Roll out the implementation the Public Policy Handbook for Kenya. This will ensure standard and uniformity in policy development across MDAs.

Table 7-8 presents SDPA’s implementation status of Key MTP IV Outputs, BETA Priorities and Outcomes, for FY 2023/24.

a) Implementation status of key outputs and BETA priorities

Table 7-8 : Parliamentary Affairs - Implementation Status of the Key Outputs and BETA Priorities for FY 2023/24

| Priority Priority | Project/ Priority | Output | Indicator | Annual Target 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 | Target Achieved |
| | | Proposed policies and legislation vetted | % of policies and legislations vetted | 100 | 100 | Vetting undertaken in development of the GLA Report |
| | | Existing legislation and policies analysed and reviewed | No. of reports | 2 | - | Not undertaken. Budgetary cuts and inadequate staff |
| | | Standard guidelines on legislation | No. of guidelines developed | 1 | 1 | Guidelines for development of National Government Policy and Legislation |

| Priority Priority | Project/ Output | Indicator | Annual Target FY2023/24 | Cumm. Achievement FY2023/24 | Remarks |
|----------------------|---|--|-------------------------------|-----------------------------------|--|
| | and policy developed and implemented | and implemented | | | prepared and approved by Cabinet |
| | Legislation/ policy tracking information systems established | Operational tracking information systems | 40% | 40 | Bills Module of the Legislative Agenda Tracking System (LATIS) 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 Parliamentary Liason Framework developed. Budgetary cuts and inadequate staff |

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

c) MTPIV Outcome achievements for 2023/2024 FY

Table 2.2.: Parliamentary Affairs Subsector Outcome Results for FY2023/2024

| ANNUAL REPORT 2023/2024 | | | | | | | |
|-------------------------|----|-----------------------|----|--------------------|----|--------------------|--|
| MTP Outcome | IV | MTP Outcome Indicator | IV | MTP Outcome Target | IV | Actual Achievement | Remarks on Achievement Variance |
| Improved alignment of | | Proportion of | | 20 | | 100 | All the proposed policies, legislation and |

| | | | | |
|--|--|--|--|--|
| Government legislative proposals and Policies with national development agenda | policies and legislations audited/reviewed | | | statutory instruments were reviewed during preparation of the Government Legislative Agenda report |
|--|--|--|--|--|

Guidance on Results Statements:

The following outputs in section 2 are all geared towards ensuring all policies, legislation and statutory instruments are aligned to the national development agenda.

7.8.1 Description of the results

- **Leadership, Accountability, and Legislative Agenda:** Government Legislative Agenda (GLA) Framework prepared towards the coordination of policies, and legislations.

7.8.2 Implementation challenges

The following challenges were impediments towards achieving the State Department mandate:

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

7.8.3 Recommendations

Recommend the Public Service Commission to fast track and prioritize recruitment of staff to new the State Department for Parliamentary Affairs.

CHAPTER EIGHT: MONITORING AND EVALUATION ECOSYSTEM IN THE PUBLIC SECTOR

8.0 Overview

Monitoring and Evaluation (M&E) play a pivotal role in enhancing the effectiveness and efficiency of public sector programs. They serve as indispensable learning and management tools that facilitate improved planning, implementation, and decision-making. By integrating M&E structures, systems, and processes into public policies, programs, and projects from the design phase, stakeholders can ensure a robust framework for tracking progress throughout the project's lifecycle. This proactive approach is critical for monitoring the implementation of the Medium-Term Plan IV (MTP IV), County Integrated Development Plans, and fulfilling regional and international obligations.

The landscape of M&E in Kenya's public sector involves several key entities responsible for ensuring the successful tracking and reporting of the country's development agenda. These entities include the Monitoring, Evaluation, Learning, and Public Investment Management Directorate (MELPIM), the State Department for Performance Delivery, the Public Investment Management Unit, the Vision 2030 Delivery Secretariat, the Sustainable Development Goals (SDGs) Coordination Directorate, Ministries, Departments, and Agencies (MDAs) through the Central Planning and Project Monitoring Units (CPPMUs), the New Partnership for Africa's Development (NEPAD)/Africa Peer Review Mechanism (APRM), and County Governments.

8.1 Summary of Monitoring and Evaluation Activities in the Public Sector

Throughout the review period, various MDAs undertook M&E activities designed to enhance project implementation, promote learning, and support evidence-based decision-making. Each entity plays a distinct role, contributing to a comprehensive M&E ecosystem.

8.1.1 Monitoring, Evaluation, Learning, and Public Investment Management Directorate (MELPIM)

The MELPIM developed and launched the MTP IV Indicator Handbook. The handbook serves as a critical tool for tracking progress toward the objectives outlined in the Fourth Medium-Term Plan (MTP IV). It provides a clear and comprehensive set of indicators that enables stakeholders to systematically measure and assess the effectiveness of various programs and projects.

MELPIM also prepared the first Annual Progress Report for MTP IV. The report offers a detailed overview of the government's achievements and challenges in implementing the MTP IV, serving as a crucial resource for stakeholders at all levels. In addition, MELPIM also conducted several capacity-building initiatives aimed at enhancing the M&E capabilities of government staff. The Department is also collaborating with other government agencies, civil society organizations, and international development partners to promote a culture of shared learning and accountability, ensuring that M&E practices are continuously refined and improved.

8.1.2 Public Investment Management Directorate.

The Public Investment Management Unit plays a crucial role in overseeing the allocation and management of public resources for development projects. During the review period, this unit conducted feasibility studies for proposed projects, which are essential for assessing the viability and potential impact of public investments.

8.1.3 Vision 2030 Delivery Secretariat (VDS)

The Vision 2030 Delivery Secretariat coordinates the implementation of Kenya's Vision 2030 development blueprint. Throughout the review period, the VDS diligently tracked progress toward achieving the goals set forth in Vision 2030. It identified challenges to implementation and worked to address these issues proactively.

VDS also ensures that stakeholders are well-informed about progress and can contribute to overcoming obstacles that may impede achievement.

8.1.4 Sustainable Development Goals (SDGs) Coordination Directorate

The SDGs Coordination Directorate prepared and presented the 2024 Voluntary National Review (VNR) to the international community at the High-Level Political Forum (HLPF). This presentation is significant as it highlights Kenya's efforts and progress toward the SDGs on a global stage.

Additionally, the directorate developed national strategies and plans aimed at achieving the SDGs while continuously monitoring progress to ensure that targets are met effectively and on time.

8.1.5 Ministries, Departments, and Agencies (MDAs)

MDAs implemented various projects and programs of MTP IV and the BETA priorities. These agencies have consistently tracked their performance, preparing reports that contribute to the overall annual progress report (APR). The efforts of MDAs in M&E are crucial for assessing the impact of government policies and programs at both the local and national levels.

8.1.7 NEPAD/APRM Kenya Secretariat

The New Partnership for African Development (NEPAD)/African Peer Review Mechanism (APRM) Kenya Secretariat monitored and reported on the progress of critical infrastructure projects, particularly roads, which are essential for regional integration. The secretariat also conducted self-assessments and peer reviews, identifying areas for improvement in governance and development practices.

The secretariat fosters a culture of transparency and accountability, ensuring that Kenya continues to uphold its commitments to regional cooperation and development.

8.1.8 County Governments

County governments developed County Integrated Development Plans, monitored the implementation of county projects and programs, and reported their progress to the national government. Their grassroots-level monitoring is crucial for ensuring that national policies effectively translate into local actions that meet the needs of communities.

8.2 The Challenges Facing Institutionalization of M&E

The institutionalization of Monitoring and Evaluation (M&E) within Kenya's public sector faces several significant challenges that hinder its effectiveness:

i. Inadequate Funding: A persistent lack of dedicated budgets for M&E activities at both national and devolved levels limits the scope and depth of monitoring and evaluating policies, programs, and projects. This financial constraint can compromise the quality and comprehensiveness of assessments, making it challenging to conduct thorough evaluations or gather the necessary data.

ii. Data Availability and Quality: The availability and quality of data pose significant challenges for effective M&E. Many indicators, particularly in sectors like health, are not consistently monitored due to infrequent surveys, leading to gaps in critical information. The absence of timely and reliable data hinders the accurate tracking of progress and informed decision-making.

iii. Misconception of M&E: M&E is often misunderstood as merely an auditing or policing tool rather than a mechanism for learning and improvement. This misconception can foster resistance among implementers and stakeholders, resulting in less transparent reporting and missed opportunities for enhancing program effectiveness.

iv. Inadequate Technical Capacity: Many institutions lack the technical expertise needed for effective M&E. The shortage of skilled personnel can lead to poorly designed M&E frameworks, ineffective data collection and analysis, and inadequate utilization of findings.

v. Coordination Challenges: With multiple entities involved in the M&E ecosystem, coordination can be a significant challenge. This fragmentation may result in duplicated efforts, inconsistencies in reporting, and difficulties in aggregating data across different sectors and levels of government.

vi. Technological Constraints: Although there have been efforts to integrate technology into M&E processes, challenges remain. Issues such as inadequate infrastructure, limited digital literacy among stakeholders, and interoperability problems between different systems can impede the effective use of technology in M&E.

8.3 Lessons Learned

The implementation of M&E in Kenya's public sector has yielded valuable insights:

i. Political Goodwill is Crucial: The success of M&E in the public sector heavily depends on political support. Strong backing from leadership helps secure resources, enforce compliance, and ensures that findings are acted upon.

ii. Collaboration is Key: Effective collaboration between the National Government and County Governments is essential to deepen M&E efforts. This collaboration fosters consistency in approaches, facilitates knowledge sharing, and enables a more comprehensive view of national development progress.

iii. Technology Integration is Critical: Integrating technology into M&E processes has proven essential for enhancing efficiency and accuracy. Platforms such as e-NIMES illustrate how technology can streamline reporting and data management.

iv. Adaptability is Necessary: The COVID-19 pandemic highlighted the need for flexible M&E systems that can adapt to changing circumstances. Innovative methods and approaches are required for effective monitoring and evaluation during

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CHAPTER NINE: GENERAL CHALLENGES, LESSONS LEARNT AND RECOMMENDATIONS

9.0 Overview

This section covers crosscutting challenges, lessons and recommendations from all the eight (8) sectors in the process of implementing MTP IV.

9.1 Implementation challenges

Resource Allocation: Limited financial and budgetary allocations impede the implementation of projects. 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.

Capacity and Skills Gaps: 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. Further, budgetary constraints have affected the Training and capacity building of officers implementing the MTP IV.

Bureaucratic Resistance: Existing bureaucratic processes and resistance to change can slow down the implementation of crucial projects. Employees may be hesitant to adopt new strategies or technologies necessary in attaining the MTP IV priority areas.

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.

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.

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.

Limited stakeholder engagement: Many projects and policies under the MTP IV framework were designed with limited input from key stakeholders such as local communities, private sector players, and civil society and development partners. This lack of inclusivity led to project designs that were often misaligned with the needs or expectations of affected communities. Without their involvement, maintaining and ensuring the success of social programs becomes challenging after the project ends

Communication challenges: Inadequate communication between government bodies and inter-agency collaboration has made it difficult to disseminate information on project goals, timelines and potential benefits. This results in siloed approaches to project implementation which hinders multi-sectorial projects.

Monitoring and Evaluation: Establishing robust systems for tracking progress, measuring outputs and evaluating outcomes is often lacking in some projects. Without clear metrics, assessing the impact of MTP IV is challenging.

9.2 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. Delays in funding can lead to stalled projects, increased costs, and loss of stakeholder confidence.

ii. **Funds Mobilization, Especially from Development Partners:** Mobilizing funds from development partners is essential to supplement government resources and drive development initiatives. A strategic approach to funds mobilization should include clear communication of project goals, transparency in fund utilization, and demonstrating measurable outcomes to attract and maintain mobilization should include clear communication of project goals, transparency in fund utilization, and demonstrating measurable outcomes to attract and maintain donor interest.

iii. **Capacity Building and Providing Retention Incentives for Staff in Specialized Areas:** Investing in human capital not only boosts performance but also contributes to organizational sustainability by reducing turnover rates and ensuring continuity in project execution.

iv. **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.

v. **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.

vi. **Fast-Track the implementation 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.

vii. 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, MDAs align projects with local needs, enhance social acceptance, and build sustainable partnerships that contribute to long-term success.

Lessons Learnt

- i. Better service delivery will be achieved through increased funding of projects and effective M&E;
- ii. Improving the technical capacity of human resources, particularly through training and education in specialized fields, is vital for the long-term success of MTP IV;
- iii. Simplifying bureaucratic procedures and adopting digital governance solutions can expedite project approvals and improve accountability, enabling faster and more efficient implementation of MTP IV;
- iv. Integrated systems such as shared data platforms and standardized procedures are crucial for improving coordination, collaboration and data-driven decision-making;
- v. The importance of implementing strong M&E systems cannot be overstated, as continuous feedback loops enable better tracking of project milestones, more accurate reporting and timely interventions; and
- vi. Early, continuous and inclusive engagement of all relevant stakeholders is essential in ensuring successful project designs, executions and sustainability.