KENYA VISION 2030

Towards A Globally Competitive & Prosperous Nation

KENYA VISION 2030 FLAGSHIP PROGRAMMES AND PROJECTS

PROGRESS REPORT

(FY 2022/2023)


AFFORDABLE HOUSING PROJECT

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FOREWORD AND ACKNOWLEDGEMENT

The Kenya Vision 2030 is the country's long-term development blueprint whose goal is to transform Kenya into a newly industrialising, globally competitive, and prosperous upper middle-income country with a high quality of life for all citizens by 2030. The Vision is delivered through five-year Medium-Term Plans (MTPs) and is now in its third implementation phase (MTP III), covering the period 2018-2022. Further, the theme of MTP III is Transforming Lives: advancing socio-economic development through the "Big Four" priorities comprising food and nutrition security, manufacturing, universal health coverage and affordable housing.

The performance and achievements in the implementation of MTPs is presented through two key reports: Annual Progress Report, which provides the overall performance across sectors based on outcomes; and Annual Flagship Programmes and Projects Progress Report which presents the performance of flagship programmes and projects.

Flagship programmes and projects are large scale, transformative and sustainable initiatives with high socio-economic impact in terms of poverty reduction, employment creation, income generation, enhanced competitiveness, and promotion of equity, equality, societal cohesiveness, and inclusiveness. These reports are meant to inform policy and decision makers on the status of implementation for accelerated development and to inform evidence-based decision making.

To date, the Vision 2030 Delivery Secretariat has prepared a consolidated MTPs' I and II Flagship Programmes and Projects Progress Report. Under MTP III, the First, Second, Third and Fourth Annual Flagship Programmes and Projects Progress Reports were prepared in Financial Year (FY) 2018/19, FY 2019/20, FY 2020/21, and FY 2021/22 respectively. This report is the Fifth Annual Flagship Programmes and Projects Progress Report on the achievements of flagship programmes and projects during the FY 2022/23.

Kenya has made considerable progress since 2008 in implementing the flagship programmes and projects across all sectors of the economy and continued to do so during the FY 2022/23. Notably, significant progress has been made in the foundations of macro-economic stability. This progress will be sustained in the medium term to raise the living standards of every Kenyan.

It is worth noting that the 74th General Assembly of the United Nations (UN) declared the period 2020-2030 as a Decade of Action for the delivery of the Sustainable Development Goals (SDGs). The Vision's framework has integrated the three dimensions of sustainable development: economic, social, and environmental which is in line with the

SDGs. The implementation of the Vision's framework is, therefore, in line with the foregoing Call for Action by the United Nations for the attainment of Agenda 2030.

Given that flagship programmes and projects are capital intensive, we will continue to strengthen collaboration networks and partnerships with the county governments, private sector, development partners and other non-state actors as a way of creating synergy for optimum output. Specifically, we will explore alternative financing models for programmes and projects. We call upon all stakeholders to play their roles effectively and together we will realise the envisaged goals and objectives of the Kenya Vision 2030.

This report was prepared in a consultative manner, incorporating input from Implementing Agencies and other stakeholders. I, therefore, wish to express my personal and institutional gratitude to all those who have taken part and supported the preparation of this report. I acknowledge all the Ministries, Departments, Agencies and Counties (MDACs), and other stakeholders for their effective participation and commitment towards implementation of the Blueprint.

I humbly recognise the guidance and support provided by the Cabinet Secretary, the National Treasury and Economic Planning, Prof. Njuguna S. Ndung'u, CBS, and Principal Secretary, State Department for Economic Planning, Mr. James Muhati, during the development of this report.

To all those individuals and organisations that, in various ways, contributed to this report but are not mentioned, I say thank you.

May we dwell in Unity, Peace and Liberty, and may plenty be found within our borders.

MR. KENNETH MWIGE
DIRECTOR GENERAL
VISION 2030 DELIVERY SECRETARIAT

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LIST OF ACRONYMS AND ABBRIEVATIONS

ABMT	Appropriate Building Materials and Technologies
ADAK	Anti-Doping Agency of Kenya
ADC	Agricultural Development Corporation
ADF	African Development Fund
ADR	Alternative Dispute Resolution
AFA	Agriculture and Food Authority
AGOA	Africa Growth and Opportunity Act
AGPO	Access to Government Procurement Opportunities
AHIF	African Hospitality Investment Forum
AJS	Alternative Justice System
ANC	Antenatal Care
ANS	Air Navigation Services
ASAL	Arid and Semi-Arid Land
ATM	Air Traffic Management
ATS	Air Traffic Services
BETA	Bottom-Up Economic Transformation Agenda
BLA	Bilateral Labour Agreement
BPO	Business Process Outsourcing
CA	Communications Authority of Kenya
CBA	Competency Based Assessment
CBC	Competency Based Curriculum
CBET	Competency Based Education and Training
CBK	Central Bank of Kenya
CCP	Central Counter Party
CCTV	Closed Circuit Television
CEEP	County Employment Equity Plan
CEMASTEA	Centre for Mathematics, Science and Technology Education in Africa
CIDC	Constituency Industrial Development Centre
CIDP	County Integrated Development Plan
CIRT-CC	Computer Incident Resident Team-Coordination Centre
CMA	Capital Markets Authority
CMS	Client Management System
CoG	Council of Governors
CPI	Consumer Price Index
CPSB	County Public Service Board
CRA	Commission on Revenue Allocation
DARA	Development in Africa with Radio Astronomy
DeKUT	Dedan Kimathi University of Science and Technology
DHIS	District Health Information Software
DHS	Demographic and Health Survey
DIAL	Declaration of Income, Assets and Liabilities
DLP	Defect Liability Period

DMC	Digital Media City
DME	Distance Measuring Equipment
DTT	Digital Terrestrial Television
DWCP	Decent Work Country Programme
EAC	East African Community
EACC	Ethics and Anti-Corruption Commission
EACE	East Africa Centre of Excellence
EAKI	East Africa Kidney Institute
EASA	East African School of Aviation
ECA	Export Credit Agency
EIA	Environmental Impact Assessment
ELISA	Enzyme-Linked Immunosorbent Assay
ELRC	Employment and Labour Relations Court
ENSDA	Ewaso Ngiro South Development Authority
EPC	Engineering, Procurement, Construction
EPRA	Energy and Petroleum Regulatory Authority
EPS	Expanded Polystyrene
EPZ	Export Processing Zone
EPZA	Export Processing Zones Authority
ERP	Enterprise Resource Planning
ESIA	Environmental and Social Impact Assessment
EWER	Early Warning and Early Response
FDP	Field Development Plan
FDSE	Free-Day Secondary Education
FGM	Female Genital Mutilation
FIFA	Fédération Internationale de Football Association
FY	Financial Year
GBV	Gender Based Violence
GBVRC	Gender Based Violence Recovery Centre
GCCN	Government Common Core Network
GDC	Geothermal Development Company
GDP	Gross Domestic Product
GHRIS	Government Human Resource Information System
GIA	Green Innovations Award
GoK	Government of Kenya
GSSP	Gender Sector Statistics Plan
HCV	Heavy Commercial Vehicle
HDU	High Dependency Unit
HISP	Health Insurance Subsidy
HLI	Historical Land Injustice
HSNP	Hunger Safety Net Programme
HWC	Human Wildlife Conflict
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization

ICCM	Integrated Community Case Management
ICT	Information and Communication Technology
ICU	Intensive Care Unit
IEBC	Independent Electoral and Boundaries Commission
IGRTC	Intergovernmental Relations Technical Committee
IFAD	International Fund for Agricultural Development
IK	Indigenous Knowledge
ILS	Instrument Landing System
InkiBank	Indigenous Knowledge Innovation bank
INPRO	International Project on Innovative Nuclear Reactors and Fuel Cycles
IP	Intellectual Property
IPP	Independent Power Producer
IPPD	Integrated Payroll and Personnel Database
IPRS	Integrated Population Registration System
IPSAS	International Public Sector Accounting Standard
IRCK	Inter-Religious Council of Kenya
IT	Information Technology
ITES	Information Technology Enabled Services
ITS	Intelligent Transport System
JEU	Joint Enforcement Unit
JICA	Japan International Cooperation Agency
JKIA	Jomo Kenyatta International Airport
JOOUST	Jaramogi Oginga Odinga University of Science and Technology
KAGRC	Kenya Animal Genetic Resources Centre
KALRO	Kenya Agricultural Research Organization
KAM	Kenya Association of Manufacturers
KCAA	Kenya Civil Aviation Authority
KCHSP	Kenya Continuous Household Survey Programme
KDF	Kenya Defence Forces
KDHS	Kenya Demographic and Health System
KEFRI	Kenya Forest Research Institute
KEMRI	Kenya Medical Research Institute
KEMSA	Kenya Medical Supplies Authority
KENAS	Kenya Accreditation Service
KenGen	Kenya Electricity Generating Company
KeNHA	Kenya National Highways Authority
KeNIA	Kenya National Innovation Agency
KenInvest	Kenya Investment Authority
KenTrade	Kenya Trade Network Agency
Kenya-AIST	Kenya Advanced Institute of Science and Technology
KEPHIS	Kenya Plant Health Inspectorate Service
KEPP	Kenya Eminent Peace Panel
KEProBA	Kenya Export Promotion and Branding Agency
KEPSA	Kenya Private Sector Alliance

KETRACO	Kenya Electricity Transmission Company
KEWI	Kenya Water Institute
KFS	Kenya Forest Service
Kg	Kilogrammes
KHHSR	Kenya's HIV and Health Situation Room
KHIS	Kenya Health Information System
KIAMIS	Kenya Integrated Agriculture Management Information System
KICC	Kenyatta International Convention Centre
KIE	Kenya Industrial Estates
KIPI	Kenya Industrial Property Institute
KIR	Key Indicators Report
KIRDI	Kenya Industrial Research and Development Institute
KITI	Kenya Industrial Training Institute
KIW	Kenya Innovation Week
KLDC	Kenya Leather Development Council
KM	Kilometre
KMD	Kenya Meteorological Department
KMHFL	Kenya Master Health Facility List
KMTC	Kenya Medical Training College
KNBS	Kenya National Bureau of Statistics
KNEC	Kenya National Examinations Council
KNH	Kenyatta National Hospital
KNLRD	Kenya National Learners Records Database
KNLS	Kenya National Library Service
KNQA	Kenya National Qualification Authority
KNQF	Kenya National Qualification Framework
KNRR	Kenya Nuclear Research Reactor
KODI	Kenya Open Data Initiative
KOMEX	Kenya National Multi-Commodities Exchange
KPA	Kenya Ports Authority
KPC	Kenya Pipeline Company
KPLC	Kenya Power and Lighting Company
KPRL	Kenya Petroleum Refineries Limited
KPS	Kenya Prisons Service
KRC	Kenya Railways Corporation
KSG	Kenya School of Government
KSh	Kenya Shilling
K-SORT	Kenya Space Observation and Research Telescope
KURA	Kenya Urban Roads Authority
KVDA	Kerio Valley Development Authority
KWS	Kenya Wildlife Service
KYEOP	Kenya Youth Employment and Opportunities Project
LAPSSET	Lamu Port South Sudan Ethiopia Transport
LCDA	LAPSSET Corridor Development Authority

LEF	Local Economic Framework
LPG	Liquified Petroleum Gas
LPO	Local Purchase Order
LVSR	Low Volume Sealed Road
MATC	Multi-Agency Technical Committee
MCK	Media Council of Kenya
MCS	Monitoring, Control and Surveillance
MDACs	Ministries, Departments, Agencies and Counties
MDAs	Ministries, Departments and Agencies
MGR	Meter Gauge Railway
MHEL	Magiro Hydro Electricity Limited
MIA	Moi International Airport
MICE	Meetings, Incentives, Conferences and Exhibitions
MLND	Maize Lethal Necrotic Disease
MLP	Monitoring Learner Progress
MoLPP	Ministry of Lands and Physical Planning
MoU	Memorandum of Understanding
MRF	Materials Recovery Facility
MRI	Magnetic Resonance Imaging
MSEA	Micro and Small Enterprises Authority
MSME	Micro Small and Medium Enterprise
MSU	Mediation Support Unit
MT	Metric Tonne
MTP	Medium Term Plan
MTRH	Moi Teaching and Referral Hospital
NACOSTI	National Council Science Technology and Innovation
NASTIO	National Science, Technology and Innovation Observatory
NBA	National Biosafety Authority
NCA	National Construction Authority
NCBF	National Capacity Building Framework
NCIC	National Cohesion and Integration Commission
NCPD	National Council for Population and Development
NCPWD	National Council for Persons with Disabilities
NCR	Nairobi Commuter Rail
NDEF	National Drought Emergency Fund
NDMA	National Drought Management Authority
NEMA	National Environment Management Authority
NEMIS	National Education Management Information System
NESWS	National Electronic Single Window System
NETFUND	National Environment Trust Fund
NGAAF	National Government Affirmative Action Fund
NGEC	National Gender and Equality Commission
NGO	Non-Governmental Organisation
NHC	National Housing Corporation

NHIF	National Health Insurance Fund
NIA	National Irrigation Board
NIFC	Nairobi International Financial Centre
NIS	National Intelligence Service
NITA	National Industrial Training Authority
NLAS	National Legal Aid Services
NLC	National Land Commission
NLIMS	National Land Information Management System
NMC	Numerical Machining Complex
NMK	National Museums of Kenya
NOFBI	National Optic Fibre Backbone Infrastructure
NPP	Nuclear Power Plant
NP	National Police Service
NPSRL	National Physical Science Research Laboratory
NRF	National Research Fund
NSDCC	National Syndemic Disease Control Council
NSNP	National Safety Net Programme
NTSA	National Transport Safety Authority
NuPEA	Nuclear Power and Energy Agency
NYS	National Youth Service
OB	Occurrence Book
ODPP	Office of the Director of Public Prosecutions
ORPP	Office of the Registrar of Political Parties
OSBP	One Stop Border Post
OSC	One Stop Centre
OSH	Occupational Safety and Health
OVC	Orphans and Vulnerable Children
PAP	Project Affected Person
PBA	Peace Building Architecture
PET	Pictorial Evaluation Tool
PGA	Partner Government Agency
PPP	Public Private Partnership
PPRA	Public Procurement Regulatory Authority
PSC	Public Service Commission
PSV	Public Service Vehicle
PV	Present Value
PWD	Persons With Disabilities
QAI	Qualifications Awarding Institution
RAEng	Royal Academy of Engineering
RAP	Resettlement Action Plan
RECP	Resource Efficient and Cleaner Production
REREC	Rural Electrification and Renewable Energy Corporation
RIIM	Research and Innovation Information Management
RPL	Recognition of Prior Learning

SACCO	Savings and Credit Co-operatives
SASDF	Sports, Arts and Social Development Fund
SASRA	Sacco Societies Regulatory Authority
SBA	School Based Assessment
SCAC	State Corporations Advisory Committee
SDCP	State Department for Crop Production
SDE	State Department for Energy
SDG	Sustainable Development Goal
SDLPP	State Department for Lands and Physical Planning
SDT	Sports Disputes Tribunal
SEZ	Special Economic Zone
SEZA	Special Economic Zones Authority
SGBV	Sexual and Gender Based Violence
SGR	Standard Gauge Railway
SME	Small and Medium Enterprise
SNE	Special Needs Education
STAJ	Social Transformation through Access to Justice
ST&I	Science, Technology and Innovation
STEM	Science, Technology, Engineering and Mathematics
STP	Science Technology Park
STT	Sector Task Team
TARDA	Tana and Athi Rivers Development Authority
TEU	Twenty-foot Equivalent Unit
TLU	Tropical Livestock Unit
ToU	Time of Use
TPCSI	Training and Production Centre for Shoe Industry
TSC	Teachers Service Commission
TTI	Technical Training Institute
TUS	Time Use Survey
TVC	Technical Vocational Centre
TIVET	Technical Vocational Education and Training
TWG	Technical Working Group
UHC	Universal Health Coverage
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
US	United States
VAT	Value Added Tax
VCCS	Voice Communication Control System
VIP	Very Important Person
VMS	Vessel Monitoring System
VOR	Very High Omni-Range
VTC	Vocational Training Centre
WEF	Women Enterprise Fund

WFP	World Food Programme
WHO	World Health Organization
WRA	Water Resources Authority
WRS	Warehouse Receipt System
WRUA	Water Resources Users Association
WSTF	Water Sector Trust Fund
WWDA	Water Works Development Agency
YEC	Youth Empowerment Centre
YEDF	Youth Enterprise Development Fund

EXECUTIVE SUMMARY

The Kenyan economy continued its upward trajectory after the adverse effects of COVID-19 pandemic that had previously stunted economic progress recording a Gross Domestic Product (GDP) growth of 11.7 percent of nominal GDP from Kenya shilling (KSh) 12.0 trillion in 2021 to KSh 13.4 trillion in 2022. This was attributed to strong growth in all economic activities except agriculture, forestry and fishing which contracted by 1.6 percent. The growth was mainly driven by the services sector, especially accommodation and food services which had a growth rate of 26.2 percent.

The annual inflation rate, as measured by the Consumer Price Index (CPI), increased from 7.7 percent in 2022 to 7.9 percent in 2023, largely due to the high costs of food and fuel. Additionally, interest rates climbed from 7.0 percent in 2021 to 8.75 percent in 2022, indicating the Central Bank of Kenya's (CBK) adoption of a tighter monetary policy. The Kenyan shilling averaged an exchange rate of KSh 117.87 per US$ in 2022, marking a 7.5 percent depreciation from KSh 109.65 in 2021. Meanwhile, cumulative remittance inflows rose by 7.9 percent, reaching US$ 4012 million in 2022, up from US$ 3,718 million in 2021.

During the period under review, the official and usable foreign exchange reserves continued to provide protection against short-term fluctuations in the foreign exchange market. As of the end of June 2023, these reserves were at US$ 8,037 million, equivalent to 4.4 months of import cover, a decrease from US$ 8,495 million at the end of June 2022, which provided 4.9 months of import cover. However, the current account balance widened by 7.9 percent, reaching KSh 679.6 billion in 2022, up from a deficit of KSh 663.0 billion in 2021, due to increased import expenditures on key items.

Fiscal deficit contracted from 6.2 percent in 2022 to 5.3 percent in 2023 which was financed through domestic and external debt. Consequently, public debt as a percentage of GDP expanded from 67.3 percent to 70.8 percent in FY 2022/23.

FOUNDATIONS FOR NATIONAL TRANSFORMATION

Under the Foundations, a total of 636.04 km of roads was constructed, including 203.3 km of new roads, 317.54 km under the Road 10,000 Low Volume Seal Roads (LVSR) initiative, and 115.2 km rehabilitated. Additionally, 43,919.2 km of roads was maintained. In the Road Safety Programme, 307,972 smart driving licenses, 428,407 new generation plates and 146,360 third license plate stickers were issued, and 427,845 boda-boda riders were registered. Furthermore, motor vehicle inspections were upgraded, and ongoing education and awareness programmes conducted for Public Service Vehicle (PSV) and Heavy Commercial Vehicle (HCV) operators, boda-boda riders, and driving schools.

In the rail transport sub-sector, a total of 212 km of Meter Gauge Railway (MGR) track was revitalised and 168.6 km of Nairobi Commuter Rail (NCR) was completed. A total volume of 7.1 million tonnes of freight was hauled by rail with Standard Gauge Railway (SGR) moving 6.6 million tonnes and 0.6 million tonnes by MGR. This is a 15 percent growth from the 6.2 million tonnes of freight transported by rail in FY 2021/22. In the same period, the number of SGR passengers increased from 2.3 million in the previous year to 2.5 million, and the number of commuters dropped from 3.9 million to 3.1 million.

In the air transport sub-sector, air passenger traffic rose by 25 percent, from 8.89 million in FY 2021/22 to 11.148 million in FY 2022/23. However, the air cargo volume decreased by 0.60 percent, from 380.157 million kgs in FY 2021/22 to 377.860 million kgs in FY 2022/23. Regarding infrastructure enhancement, the rehabilitation of pavements for aircraft taxi lanes/ways at the Jomo Kenyatta International Airport (JKIA) Terminal 1A reached 80 percent completion while the refurbishment of Terminals 1B and 1C was fully completed and commissioned. Pavement rehabilitation at Moi International Airport (MIA) was 92 percent complete. Additionally, various airstrips were developed and rehabilitated nationwide. To uphold the integrity of Air Navigation Service (ANS), an Area Control Centre was established in Mlolongo, and the construction of a control tower commenced at Kisumu International Airport. Furthermore, aviation training was enhanced with new equipment and systems installed at the East African School of Aviation (EASA).

In the ports sub-sector, total throughput registered 34.46 million tonnes in FY 2022/23 from 33.62 million tonnes in FY 2021/22 achieving 99.2 percent of the targeted 34.75 million tonnes. Similarly, total container traffic improved to record 1,510,925 Twenty-foot Equivalent Units (TEUs) in FY 2022/23 compared with 1,403,894 TEUs handled in FY 2021/22, posting a 7.6 percent growth.

In the energy sub-sector, power generation capacity increased from 2,984 MW to 3,312 MW, with 2,630 MW (79 percent) generated from renewable energy sources. Household connections to the grid rose from 8.9 million in FY 2021/22 to 9.2 million in FY 2022/23, against a target of 10.7 million households. For power transmission, 127.89 km of transmission lines and associated substations were completed, falling short of the 271 km target. In power distribution, 19,996 km of high, medium, and low voltage lines were constructed, including 2,262 km of high and medium voltage lines and 17,734 km of low voltage lines. In terms of electricity connectivity, 318,217 new customers were connected through the last mile connectivity project, 15,317 new lanterns were installed under the street lighting project, and 1,047 public facilities were connected to electricity.

To enhance universal access to Information and Communication Technology (ICT) services, 500 km of fibre network cables were laid under the National Optic Fibre Backbone Infrastructure (NOFBI), and 600 km of fibre network from Eldoret to Lodwar was rehabilitated. Additionally, 610 Government offices were connected to NOFBI. Improved accessibility was demonstrated by internet connectivity at 97 percent, Digital Terrestrial Television (DTT) connectivity at 92.13 percent, and FM radio transmission at 95 percent.

In the Science, Technology, and Innovation (ST&I) sector, three laboratories were developed under the National Physical Science Research Laboratory Strategy. A total of 510 patents and certifications were issued, surpassing the target of 22. The Centre for Nanotechnology Research reached 80 percent completion. The Kenya Space Observation and Research Telescope (K-SORT) acquired a 20 cm optical telescope at Kenyatta University (Kitui) and a 40 cm optical telescope at the Turkana Basin Institute. The National Research Fund supported 95 priority research projects with a total funding of KSh. 252.99 million. Additionally, the Kenya Medical Research Institute (KEMRI) established a centre of excellence in stem cell research to enhance local capacity in innovation and production of health products.

In land reforms, 412,562 title deeds were issued, surpassing the target of 411,144 due to increased demand for services, additional human resources, and the presidential directive on the National Titling Programme. The National Land Management Information System (NLIMS) was developed and digitised in Nairobi, with ongoing digitisation of land records and automation of land processes in Murang'a. Additionally, 9,970 landless households were settled against a target of 10,000. Further, the National Land Commission (NLC) undertook 48 projects for national and county governments, and 16,267 hectares of land were made available for public utilities through compulsory land acquisition.

As part of public sector reforms, 13.9 million customers were served through Huduma Service Delivery platforms, which include 52 Huduma Centres, Huduma Mashinani outreaches, and the Huduma Contact Centre. Additionally, 11 new services were introduced to Huduma Service Delivery Channels, 23 services from MDACs were re-engineered, and 200 MDAC staff were trained on Huduma Kenya customer service excellence standards.

In the labour and employment sector, the unemployment rate decreased from 12.3 percent in FY 2021/22 to 4.9 percent in FY 2022/23 with 816,600 jobs created against a target of 1,450,000. Additionally, the National Industrial Training Authority (NITA) trained and certified 72,419 migrant workers for jobs in the Middle East, developed 14 industry-specific curricula, registered 149 new training providers, and renewed certificates for 639 industrial training providers. Further, the draft National Internship Policy and guidelines were finalised, and draft regulations on internships were sent to the Office of the Attorney General for review and finalisation.

In order to end drought emergencies, the proportion of livestock lost during drought decreased from 10.4 percent to 4 percent. The National Drought Management Authority (NDMA) completed the registration, targeting, and account opening exercise in four additional counties, and the National Drought Emergency Fund (NDEF) received an allocation of KSh 263.3 million for FY 2022/23. Additionally, the County Committee on Drought and Food Security was established through the Public Finance Management Regulations.

Regarding national security, the crime rate increased from 4.3 percent to 5.56 percent, and the average response time to crime scenes increased from 0.75 hours to 1.25 hours due to shortage of personnel. During the review period, surveillance cameras were maintained, six prisons were under construction, a digital occurrence book was launched in Nairobi, and the National Forensic Laboratory was 47 percent equipped. In addition, various interventions were conducted to promote peace, cohesion, mitigate, and resolve violent conflicts.

ECONOMIC PILLAR

The Pillar aims to achieve a sustained average economic growth rate of 10 percent per annum by 2030. The real GDP was 4.8 percent in 2022 which was a notable decrease from 7.6 percent due to slower growth rates in most sectors. However, agriculture remained the dominant sector, accounting for about 21.2 percent of the overall GDP in 2022 compared to 22.4 percent in 2021.

To enhance agricultural and livestock production, 3,628,517 e-vouchers were disbursed to farmers registered in the Kenya Integrated Agriculture Management Information System (KIAMIS), leading to the redemption of 3,256,955 bags of fertilizer by farmers in 40 counties. Irrigation was expanded in various arid and semi-arid lands through schemes such as Galana Kulalu, Bura, Turkana, WeiWei and Napuu. Additionally, improvements were made in livestock breeding materials and equipment as well as in crop and livestock insurance.

However, growth of the manufacturing sector slowed to 2.7 percent in 2022 from 6.9 percent in 2021, with its contribution to GDP standing at 7.8 percent in 2022, falling short of the MTP III target of 15 percent. Despite this, the value of output increased by 13.6 percent from KSh 2.7 trillion in 2021 to KSh 3.2 trillion in 2022. Employment in the manufacturing sector rose from 336.8 thousand in 2021 to 352.6 thousand in 2022, accounting for 11.7 percent of total formal sector employment. Notable projects during the period included the development of Special Economic Zones (SEZ) at Dongo Kundu and Naivasha; establishment of industrial research laboratories under the Kenya Industrial Research and Development Institute (KIRDI); the operationalisation of One Stop Centres (OSC) at Kenya Investment Authority and opening of an industrial warehouse at Kariokor for the leather industry. Other projects included the Textile Hub at the Export Processing Zone (EPZ) in Athi River; modernisation of machinery at Rivatex East Africa Limited; funding and equipping of Micro, Small and Medium Enterprises (MSMEs); promotion of agro-processing; and enhancement of quality control, accreditation; and property rights protection.

In 2022, the tourism sector demonstrated a significant improvement, with sector earnings rising by 83 percent to KSh 268.1 billion from KSh 146.5 billion in 2021. This growth was driven by a notable increase in international visitor arrivals, which surged from 871.3 thousand in 2021 to 1,541.0 thousand in 2022. Moreover, hotel bed-nights occupancy increased by 27.0 percent to 7,009.0 thousand in 2022 from 5,517.0 thousand in 2021, reflecting the heightened number of visitor arrivals during the year under review.

The growth in the tourism sector can be attributed to the gradual relaxation of COVID-19 travel restrictions in 2022, along with countries worldwide reopening their borders for travel. Key projects implemented during this period included the development and enhancement of parks and reserves, establishment of Bamburi Beach Operators, the modernisation of the Kenyatta International Convention Centre (KICC) and construction of the Nairobi International Convention Centre, improvements in tourism training, and intensified promotion and marketing efforts.

On the other hand, the contribution of retail and wholesale trade to GDP was 7.8 percent down from 7.9 percent in 2021/22. The value of exports increased by 17.4 percent from KSh. 743.7 billion in 2022 to KSh. 873.1 billion in 2022. This increase is attributed to the implementation of export strategies and the Africa Growth and Opportunity Act (AGOA). The value of wholesale and retail trade increased from KSh. 786.2 billion to KSh. 815.9 billion. Some of the key successful projects in this sector include enhancement of National Electronic Single Window System (NESWS) by introducing additional modules and establishment of Kenya National Multi-Commodities Exchange (KOMEX).

In the financial sector, the annual average inflation rate rose from 7.7 percent in 2022 to 7.9 percent in 2023. This rise in inflation was a result of the high cost of food and high global prices of fuel. The above reasons may also explain the reduction in market capitalisation from KSh.1,939.21 billion in FY 2021/22 to KSh. 1,666.29 in the year under review; and equity turnover from KSh. 121.78 billion in FY 2021/22 to

KSh. 99.40 billion in FY 2022/23. Some of the key projects implemented included the Nairobi International Financial Centre (NIFC) Authority, which was officially launched and certified, and development of a policy and a strategy on digital finance.

In the Business Process Outsourcing (BPO) sector, implementation of the Konza horizontal infrastructure, Data Centre and Smart City Facilities and Konza complex was ongoing at different stages. Additionally, construction of Kenya-AIST was at 18 percent completion. New investors were onboarded to Technopolis through investor-centric programmes, conferences and meetings and over 80 percent of Phase I sold out.

The contribution of the blue economy sector to Kenya's GDP saw a rise from 0.5 percent in 2017 to 0.7 percent in 2021 but experienced a slight decline to 0.6 percent in 2022. Nevertheless, the total value of fish landed increased from KSh. 29.3 billion in 2021 to KSh. 31.1 billion in 2022. This uptick was accompanied by an increase in the total fish output from 164.0 thousand tonnes in 2021 to 173.6 thousand tonnes in 2022. Previously, there was notable growth in both the total value of fish landed and fish output, with figures rising from 151.3 thousand tonnes and KSh. 26.2 billion in 2020 to 163.6 thousand tonnes and KSh. 30.4 billion in 2021 respectively. Furthermore, the value of fish and fish products exported surged from KSh. 3.4 billion in 2021 to KSh. 5.6 billion in 2022. These achievements were attributed to the implementation of various programmes focusing on infrastructure development, training, marketing, aquaculture development, quality control and other related initiatives.

On oil and gas, 174,000 barrels of crude oil were exported, development of the Centre of Excellence in Oil and Gas, and a 30,000 Metric Tonnes (MT) of Liquified Petroleum Gas (LPG) handling facility were completed. In addition, 20,177 six (6) kg LPG cylinders fitted with smart meters were delivered through the Mwananchi LPG Project. On geological exploration, the digitisation of geological reports was 90 percent complete.

SOCIAL PILLAR

The main objective of the Social Pillar is to invest in the people of Kenya. The Pillar seeks to build a just and cohesive society enjoying equitable social development in a clean and secure environment. This is to be achieved through the transformation and implementation of policies and flagship programmes and projects in six priority sectors.

Under the education and training sector, the primary to secondary transition rate stood at 93 percent with 3,690,376 students placed and enrolled in public secondary schools in 2022/23 compared to 3,587,081 students in 2021/22. This was achieved through a myriad of interventions including implementation of the 100 percent transition policy; Free Day Secondary Education (FDSE) programme; increased capitation to secondary schools; recruitment of additional teachers; and funding for special needs inclusion and scholarship programmes. To increase uptake of Technical, Vocational Education and Training (TVET), construction of 18 Technical Vocational Centres (TVCs) was completed. Further, a total of 25 Competency-based education and training (CBET) Curriculum was implemented in Vocational Training Centres (VTCs) and 4,505 assessors and verifiers were trained. On basic education, the Competency Based Curriculum (CBC) Grade Seven was rolled out in January 2023. In addition, CBC implementers were trained on systems and tools for implementing the curriculum.

On student financing, a total of 228,453 university students were awarded loans, 18,138 vulnerable university students were awarded bursaries; KSh. 31.3 million was awarded to 104 postgraduates; and 198,331 students were awarded loans amounting to KSh. 7,787,160,966 towards promotion of Science, Technology, Engineering, Mathematics, and Innovation. In addition, loans amounting to KSh. 4,098,993,545 were awarded to 122,320 TVET trainees; 20,009 vulnerable TVET students were awarded bursaries amounting to KSh. 100 million; and capitation grants of KSh. 5.2 billion was awarded to 332,485 TVET trainees over the same period.

In the health sector, Kenya has pursued initiatives aimed at achieving Universal Health Coverage (UHC). Notable progress has been observed in reducing under-five mortality and neonatal mortality rates, declining from 52 and 22 deaths per 1000 live births respectively in 2014 to 41 and 21 deaths per 1000 live births respectively. Critical programmes contributing to this achievement include social health protection initiatives like the Linda Mama free maternity cover, which benefited 927,102 deliveries; the Health Insurance Subsidy (HISP) Programme covered 254,368 households caring for Orphans and Vulnerable Children (OVC); Health Insurance for the Elderly & Persons with Severe Disabilities (PWSD) Scheme that supported 58,800 households; and EduAfya Programme enrolled 3,360,012 secondary school students in health insurance. In tandem with these efforts, high-impact health interventions aligned with the community health strategy were implemented. These included the National Integrated Community Case Management (ICCM) and the strengthening of community health units to promote healthcare interventions. Nutrition interventions were also scaled up at the community level.

Furthermore, health-related infrastructure underwent enhancement to elevate local healthcare quality and foster medical tourism. Development projects were undertaken in various health facilities, including Kenyatta National Hospital (KNH), Moi Teaching and Referral Hospital (MTRH), Kenya Medical Research Institute, and Kenya Medical Supplies Authority (KEMSA). These projects were at different stages of completion, aiming to bolster the capacity and accessibility of the healthcare system.

On conservation, degraded areas were rehabilitated where 142,601Ha of Mau Forest Complex were protected by the Joint Enforcement Unit (JEU) and 531.5Ha in the five water towers were established. To increase forest cover, tree seed source acreage was increased by 107Ha, 60,000Ha of degraded natural forests were restored and 2.59 million hectares of gazetted public forests were protected through surveillance. To improve the provision of meteorological services and information for early warning, 120 automatic weather stations were installed in 24 counties and two hydrological modeling workstations for flood early warning were installed. Monitoring and surveillance of the dump sites and plastic bags initiative were also conducted to enhance environmental conservation. In addition, 1,350 licenses and permits related to waste management were issued. Further, various initiatives were implemented to promote adoption of renewable energy technologies in Kenya at household levels. Green energy initiatives were also implemented in the period under review.

To increase water storage and availability, different multipurpose projects were at varying levels of implementation namely Idhidho Dam in Marsabit, Thwake Dam in Makueni/Kitui, and Karemenu Dam in Kiambu. In addition, 24 small dams/water pans were constructed. To increase access to safely managed water and sanitation, various water supply and sewerage projects were completed and commissioned in various urban areas and rehabilitation of existing large water supply schemes, drilling of boreholes, water for schools and health facilities were implemented in rural areas. Water resources management interventions were also implemented.

In wildlife conservation and management, modern anti-poaching technologies were deployed. In addition, 2,000 acres on the Southeast Corridor of Nairobi National Park was secured; and 1,944 km of fences were either rehabilitated, constructed or maintained in other parks and reserves for wildlife conservation. This led to an increase in the area under wildlife conservation from 29,000 acres to 31,000 acres.

On integrated regional development, various projects were under implemention to promote and sustain livelihoods. Key among them are Tana Delta Rice Irrigation, Tana Integrated Sugar Project, High Grand Falls Multipurpose Reservoir and Napuu Centre Pivot Irrigation Project amongst others.

On Population, Urbanisation and Housing, the Government focused on generating comprehensive data on various population indicators through the production of 2019 Kenya Population and Housing Census (KPHC) analytical reports, the Kenya Demographic Health Survey (KDHS), and the Kenya Poverty reports.

To ensure access to decent housing, the Affordable Housing Programme made significant strides. Eighty units were completed in Nyeri County and were available for sale. Additionally, 734 housing units are under various levels of construction across different parts of the country. Furthermore, 810 National Police Service (NPS) and Kenya Prisons Service (KPS) housing units were under development and the slum upgrading programme also continued. In a bid to promote the use of sustainable, low-cost housing building materials and technologies, the National Housing Corporation (NHC) established an Appropriate Building Material/Technology (Expanded Polystyrene - EPS) facility, where 23,642 square metres of panels were produced. Moreover, 1,500 new trainees were trained on this technology, contributing to the dissemination and adoption of innovative housing solutions.

To promote empowerment of youth, women and persons living with disabilities, the Government implemented various affirmative action programmes, key among them the Women Enterprise Fund (WEF), Uwezo Fund, National Government Affirmative Action Fund (NGAAF), Youth Enterprise Development Fund (YEDF), Youth Empowerment Centres (YECs), and National Youth Service. Whereas there was progress towards the realisation of gender equality, women and girls continued to experience challenges which included Gender-Based Violence (GBV), Female Genital Mutilation (FGM), and early marriages and pregnancies. To address the foregoing, besides providing access to affirmative action funds, the Government initiated measures aimed at eradicating gender-based violence. Similarly, in order to cushion the poor and vulnerable groups, the Government provided cash transfers to 756,485 older persons, 278,188 OVCs; and 38,118 persons with severe disabilities; rehabilitated and reintegrated 3,639 street families into the communities; and supported the enrollment of 53 percent of National Safety Net Programme (NSNP) beneficiaries into the National Hospital Insurance Fund (NHIF).

On sports development, Phase 1B of Kenya Academy of Sports was at 85 percent completion rate while the building and rehabilitation of sports stadia in various regions was at various completion rates. To carry out the fight against doping in sports, the Government carried out 1,425 intelligence-based tests representing 158.33 percent of the target which was 900 intelligence-based tests and processed all cases requiring prosecution.

POLITICAL PILLAR

The Political Pillar envisions a transformation of the country's political governance system. During the review period, significant achievements were made in implementing the flagship projects under the two sectors: Devolution; and Governance and the Rule of Law. To deepen devolution through strengthening policy, legal and institutional frameworks, Devolution Policy (2016) was reviewed, and stakeholder engagements were held.

To strengthen competencies of county governments through capacity building, the National Civic Education Framework (NCEF) was developed and submitted to the Cabinet for approval before launch, and the development of Performance Management Framework for counties and Local Economic Framework (LEF) was in progress. Additionally, to strengthen planning, budgeting, public financial management and resource mobilisation at the county level, 46 counties were supported to establish and operationalise county budget and economic forums. The allocation of shared revenues to county governments was KSh. 370 billion for FY 2022/23 equivalent to 27 percent of the most recently audited and approved accounts of revenue, above the constitutional threshold of 15 percent. To enhance counties' own source revenue collection, a model tariffs and pricing policy through an inter-agency committee was developed and disseminated.

To strengthen intergovernmental relations, establishment and training of the Multi-Agency Technical Committee (MATC) was constituted to facilitate effective implementation of the Constitution and legal reforms, the Kenya Law Reform Commission developed six laws, reviewed seven laws and audited other laws and regulations during the period under review.

On leadership and integrity, out of the 512 case files on corruption, economic crime and unethical conduct, 97 cases were finalised and submitted to the Office of the Director of Public Prosecution (ODPP) by the Ethics and Anti-Corruption Commission (EACC). Out of the 97 cases, EACC recommended 74 cases for prosecution, one for administrative action and 22 for closure. Sixty-two cases were finalised in court out of which 27 were convictions, 27 acquittals and eight withdrawals. Further, EACC recovered public assets with an estimated value of KSh. 4.2 billion during the period under review.

To promote national cohesion and integration, training was conducted in seven counties to strengthen the capacity of peace actors; and community dialogue, mediation and reconciliation forums were conducted in 22 counties. In addition, national conflict hotspot mapping in 47 counties was conducted where 23 counties were identified as hotspots and a rapid conflict analysis was conducted in 15 counties to inform targeted interventions.

On access to justice, case backlogs reduced by 24 percent from 150,376 cases in 2021 to 113,343 cases in 2023 during the 2022/23 period. This milestone was achieved through concerted efforts such as recruitment and deploying 20 High Court Judges; construction and establishment of courts in different parts of the country; e-filing and virtual courts; operationalisation of the Judiciary Fund. Further, Judiciary Desks were launched in Huduma Centres; and access to justice enhanced through the Court Annexed Mediation Programme. In addition, the National Legal Aid Service provided direct legal aid services to 81,352 vulnerable, marginalised, and indigent individuals. Mobile legal aid clinics were also conducted in 12 counties, extending legal assistance to communities across various regions.

NAIROBI CITY

1. CHAPTER ONE

OVERVIEW OF KENYA VISION 2030 AND ITS FLAGSHIP PROGRAMMES AND PROJECTS

1.1. OVERVIEW OF KENYA VISION 2030

The Kenya Vision 2030 aims to create "a globally competitive and prosperous country with a high quality of life by 2030" through three pillars - economic (moving up the economic value chain), social (investing in people) and political (growing as one nation) - underpinned by socio-economic enablers/foundations ranging from deeper economic infrastructure and human capital to better use of science and technology for innovation and a commitment to human security.

The Economic Pillar aims to achieve and sustain an average economic growth rate of 10 percent per annum until the year 2030. Eight priority sectors were identified based on their potential to drive this growth through various economic development programmes. These sectors are Tourism; Agriculture and Livestock; Trade; Manufacturing; Financial Services; BPO/Information Technology Enabled Services (ITES); Oil, Gas and Mineral Resources; and the Blue Economy.

The Social Pillar seeks to achieve a just, cohesive and equitable society living in a clean and secure environment. This is to be realised through transformation in six key sectors namely: Education and Training; Health; Environment, Water, Sanitation and Regional Development; Population, Urbanisation and Housing; Gender, Youth and Vulnerable Groups; and Sports, Culture and the Arts.

The Political Pillar envisages a democratic political system that is issue-based, people-centric, and results oriented and accountable in a democratic society that upholds the rule of law and respects individual liberties. The Pillar also envisages a people-centric approach to governance. It also aims to move all Kenyans to the future as one nation. This will be achieved through: Implementation of Devolution; Adherence to the Rule of Law; Electoral and Political Reforms; Democracy and Public Service Delivery; Transparency and Accountability; and Security, Peace Building and Conflict Management.

The three pillars are anchored on the enablers/foundations of Macroeconomic Stability; Governance Reforms; Enhanced Equity and Wealth Creation Opportunities for the Poor; Infrastructural Development; Science, Technology, and Innovation; Information and Communication Technology; Land Reforms; Labour and Employment; Security, Peace Building and Conflict Resolution; Public Sector Reforms; National Values and Ethics and Ending Drought Emergencies.

In summary, the Vision promises "globally competitive quality education, training and research for sustainable development", "equitable, quality and affordable health care of the highest standard", "water and sanitation availability and access for all in a clean, secure and sustainable environment with adequate and decent housing". Further, Kenya shall be "free of HIV infection, stigma and AIDS-related deaths", while "acting towards a low carbon and climate resilient environment" supported by "an integrated and coordinated disaster risk management system". The Vision is also aligned to the East African Community (EAC) Vision 2030, African Union Agenda 2063 and the United Nations Agenda 2030 - Sustainable Development Goals.

The Kenya Vision 2030 is implemented in five-year successive MTPs. The first MTP covered the period 2008- 2012, while the second covered the period 2013- 2017. The third MTP that covers the period 2018-2022 is linked to the "Big Four" Agenda. Reporting on implementation of the MTPs is through Annual Progress Reports, Mid-Term Reviews and End-Term Reviews, and the Kenya Vision 2030 flagship programmes and projects implementation progress reports that focuses mainly on flagship programmes and projects. A total of 216 flagship programmes and projects were identified for implementation during the MTP III period.

The Kenya Vision 2030 flagship programmes and projects progress report covers FY 2022/23 and aims to present the status of implementation of the flagship programmes and projects during the review period. The report thus presents a performance review and seeks to inform the public and other stakeholders on the progress made towards implementation of the Vision goals and objectives. The report contains information on the progress in the implementation of policies, programmes, and projects; implementation challenges encountered and innovative ways to address them; lessons learnt during implementation and recommendations for future implementation.

The report is based on submissions on the status of implementation of various flagship programmes and projects by Ministries, Departments and Agencies (MDAs). The Vision 2030 Delivery Secretariat co-ordinates the compilation and analysis of submissions from MDAs in consultation with various state and non-state actors and is further subjected to a stakeholder validation process to enhance ownership.

1.2. ORGANISATION OF THE REPORT

This report is organised into seven chapters. Chapter one presents an overview of the Kenya Vision 2030 and its flagship programmes and projects, and the methodology used to prepare the report. Chapter two focuses on the macroeconomic framework while chapter three covers discussion on the progress of implementation of flagship programmes and projects under the foundations for national transformation. Chapters four, five and six provide implementation status of flagship programmes and projects under the Economic, Social, and Political Pillars respectively.

MOMBASA PORT

2. CHAPTER TWO

MACROECONOMIC PERFORMANCE

2.1. OVERVIEW OF ECONOMIC PERFORMANCE

The Kenyan economy continued its upward trajectory initiated in 2021, rebounding from the adverse impacts of the COVID-19 pandemic that had previously stunted economic progress. However, this year's growth was somewhat slowed by reduced agricultural output, attributed to unfavorable weather conditions throughout the period. The pace of real GDP expansion decelerated from the revised 7.6 percent growth recorded in 2021 to 4.8 percent in 2022. The economy is projected to grow at 5.1 percent supported by improvements in agriculture and other key industries. However, challenges persist, particularly in the real estate and construction sectors, which remain subdued due to shifts in consumer behaviour, particularly in commercial real estate.

2.2. THE SIZE OF THE ECONOMY

The Vision 2030 blueprint targets substantial growth in GDP over the years leading up to 2030. This growth is envisioned to be driven by increased productivity, investment in critical infrastructure, promotion of innovation and entrepreneurship, and effective governance.

During the period under review, nominal GDP saw an increment from KSh 12.0 trillion in 2021 to KSh 13.4 trillion in 2022. Most sectors experienced slower growth rates compared to the remarkable performance seen in 2021, which marked a recovery from the economic slump of 2020. Despite this, all sectors, except for Agriculture, Forestry and Fishing, which contracted by 1.6 percent, registered growth during this period. Notable contributors to growth in 2022 included Transportation and Storage (5.6 percent), Financial and Insurance services (12.8 percent), Information and Communication (9.9 percent), and Accommodation and Food Services (26.2 percent).

Table 2-1: Sectoral Analysis: Gross Domestic Product by Activity

Industry	(Percentage Change)				
	2018	2019	2020+	2021+	2022*
Agriculture, forestry and fishing	5.7	2.7	4.6	-0.4	-1.6
Mining and quarrying	-4.7	4.3	5.5	18.0	9.3
Manufacturing	3.6	2.6	-0.3	7.3	2.7
Electricity supply	4.0	1.9	-0.5	5.3	4.9
Water supply, sewerage and waste management	2.5	1.3	3.6	6.3	5.0
Construction	6.1	7.2	10.1	6.7	4.1
Wholesale and retail trade, and repairs	5.9	5.3	-0.4	8.0	3.8
Transportation and storage	6.0	6.3	-8.0	7.4	5.6
Accommodation and food services	15.6	14.3	-47.7	52.6	26.2
Information and communication	7.9	7.0	6.0	6.1	9.9
Real estate	6.5	6.7	4.1	6.7	4.5
Professional, scientific and technical activities	5.4	6.8	-11.5	7.9	5.1
Administrative and support service activities	9.8	6.8	-17.6	5.6	18.1

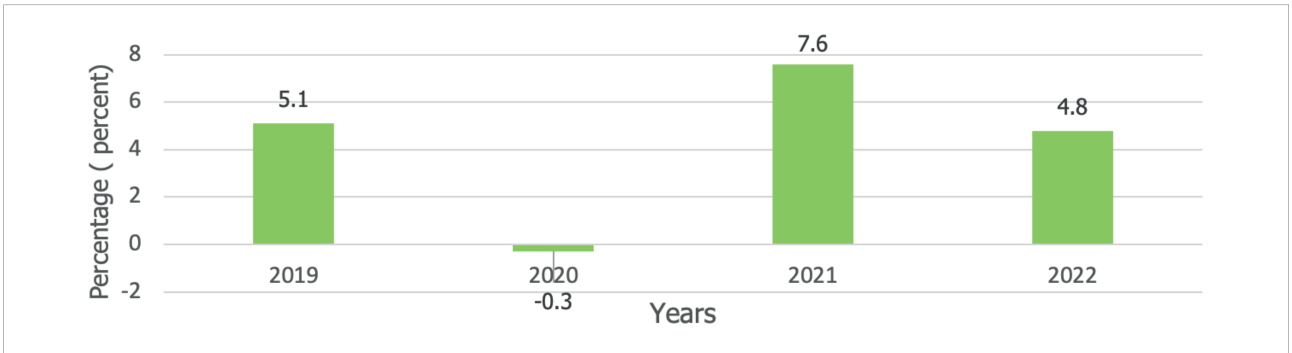
Industry	(Percentage Change)				
	2018	2019	2020+	2021+	2022*
Public administration and defence	7.9	8.4	7.0	6.0	4.5
Education	6.8	5.7	-9.2	22.8	4.8
Human health and social work activities	5.4	5.5	5.6	8.9	4.5
Arts, entertainment and recreation	3.7	8.0	-28.3	12.4	17.9
Other service activities	4.0	4.9	-19.5	18.9	5.8
Activities of households as employers	1.5	1.5	1.5	1.5	1.5
Financial Intermediation Services Indirectly Measured	3.7	9.5	-1.8	5.3	1.5
All industries at basic prices	5.6	5.2	0.5	7.2	4.6
Taxes on products	5.9	3.9	-8.0	11.9	7.0
GDP at market prices	5.6	5.1	-0.3	7.6	4.8

Source: Kenya Economic Survey
** **Provisional***
+ Revised

2.3. THE STRUCTURE OF THE ECONOMY

Kenya's economy demonstrated resilience in the face of various domestic and global challenges in the year 2022, maintaining a steady growth rate of 4.8 percent, although lower than the 7.6 percent recorded in 2021 as illustrated in Figure 2-1 below. The expansion was primarily driven by the robust performance of service sectors, including transportation, financial services, information technology and hospitality.

Figure 2-1: GDP Growth Rate

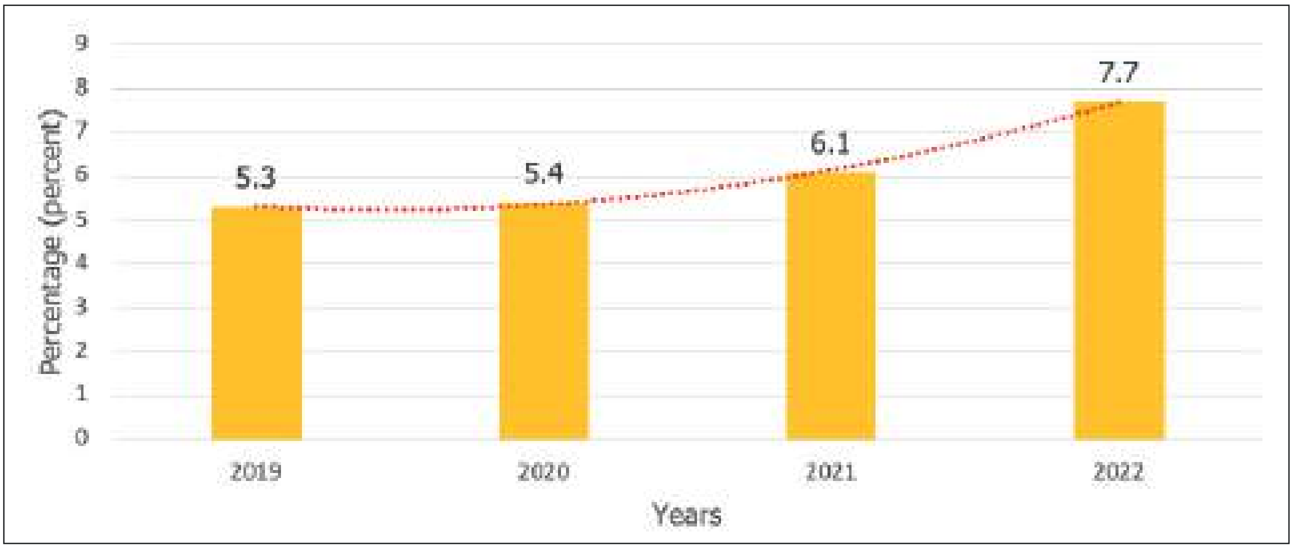


Source: Kenya National Bureau of Statistics (KNBS)

2.4. INFLATION

The world inflation rate rose from 4.7 percent in 2021 to 8.7 percent in 2022 because of supply chain disruptions and high energy prices associated with the Ukraine-Russia War and further currency depreciations in most countries against the United States (US) Dollar which is the global trading currency resulted in the sharp increase in inflation worldwide. The Kenyan annual inflation as measured by CPI increased from 6.1 percent to 7.7 percent in 2022. The increase was mainly attributed to the high cost of food and non-alcoholic beverages, transport and housing, water, electricity, gas and other fuels.

Figure 2-2: Inflation Rate



Source: KNBS

Table 2-2: Developments in Inflation

Developments in Inflation (Percent)													
	Jun-22	**Jul-22**	**Aug-22**	**Sep-22**	**Oct-22**	**Nov-22**	**Dec-22**	**Jan-23**	**Feb-23**	**Mar-23**	**Apr-23**	**May-23**	**Jun-23**
Overall, 12-month inflation	7.9	8.3	8.5	9.2	9.6	9.5	9.1	9.0	9.2	9.2	7.9	8.0	7.9
Food inflation	13.8	15.3	15.3	15.5	15.8	15.4	13.8	12.8	13.3	13.4	10.1	10.2	10.3
Fuel inflation	10.0	8.0	8.6	11.7	12.6	13.8	12.7	13.8	13.8	13.4	13.2	13.6	12.9
Non- (food & fuel) inflation	2.9	3.1	3.2	3.4	3.8	4.2	4.1	4.3	4.4	4.4	4.1	4.3	4.1
Three months annualised	14.3	9.7	8.2	8.3	9.3	9.0	7.3	4.5	5.8	7.0	8.1	9.2	8.9

Source: Central Bank of Kenya

2.5. INTEREST RATES

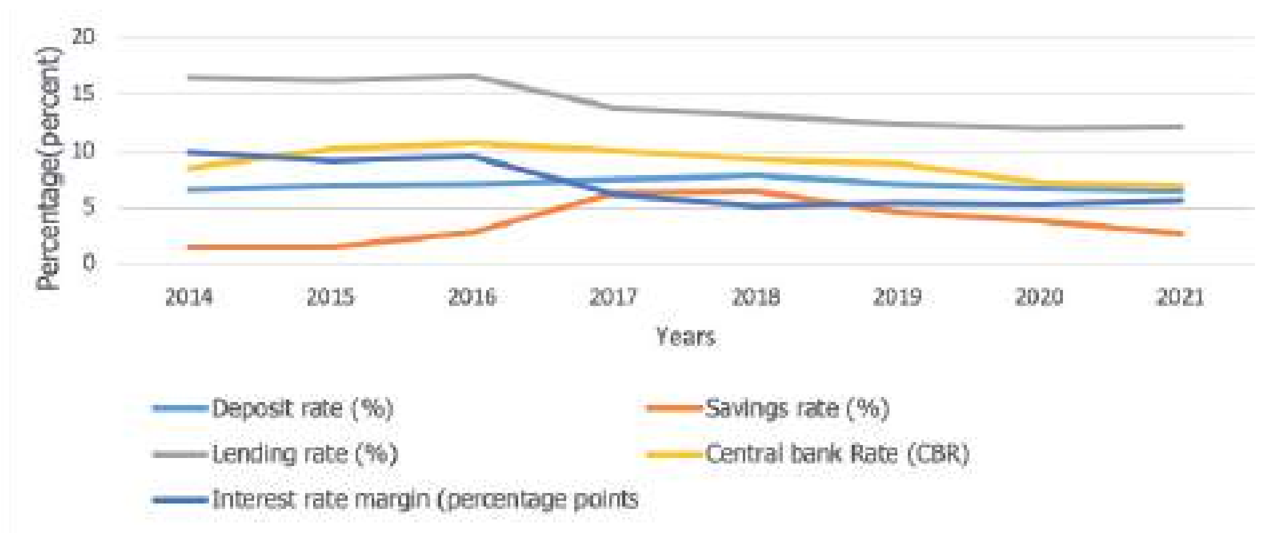
The Central Bank of Kenya adopted a tight monetary policy stance by raising the Central Bank Rate from 7.00 percent in December 2021 to 7.50, 8.25 and 8.75 percent in June, October, and December 2022, respectively. Consequently, lending interest rates for both loans and advances; and overdrafts increased from 12.16 percent and 11.45 percent in December 2021 to 12.67 percent and 12.22 percent in December 2022 respectively. Similarly, the average commercial banks deposit rates were relatively stable at 6.7 percent compared to 6.41 percent in the previous financial year.

Table 2-3: Evolution of Interest Rates

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Deposit rate (percent)	6.6	6.9	7.1	7.5	7.9	7.1	6.7	6.4	7.8
Savings rate (percent)	1.5	1.6	2.9	6.3	6.4	4.7	3.9	2.7	2.7
Lending rate (percent)	16.5	16.2	16.6	13.7	13.1	12.4	12.0	12.1	13.3
Central Bank Rate	8.5	10.1	10.7	10.0	9.3	8.9	7.2	7.0	8.75
Interest rate margin (percentage points)	9.9	9.2	9.5	6.2	5.1	5.4	5.3	5.7	5.1

Source: CBK

Figure 2-3: Evolution of Interest Rates in Kenya



Source: CBK

2.6. DEVELOPMENT IN EXCHANGE RATE AND FOREIGN RESERVES

In the financial year 2022/23, the Kenya foreign exchange market faced significant challenges due to global economic disruptions affecting currency, interest rates, and commodity markets, which particularly impacted emerging and frontier markets. Primarily, the market experienced pressure from a strengthening US Dollar in the first half of the fiscal year, driven by increased US interest rates and elevated global commodity prices. Consequently, the Kenya shilling depreciated by 12 percent, 1.7 percent, and 2.1 percent against the US Dollar, Sterling Pound, and Euro respectively, while it saw a 4.3 percent appreciation against the Japanese Yen during the same period.

Despite these challenges, the Kenyan shilling received support from increased inflows in remittances and the tea sectors. Comparatively, within the regional context, the shilling strengthened against the South African Rand by 4.2 percent but weakened against the Ugandan shilling and Tanzanian shilling by 5.9 percent and 9.5 percent respectively.

Table 2-4: Foreign Exchange Rates of the Kenya Shilling

Currency	2018	2019	2020	2021	2022*
1 Euro[2]	119.63	114.18	121.65	129.76	124.19
1 US Dollar	101.29	101.99	106.47	109.65	117.87
1 Pound Sterling	135.25	130.18	136.73	150.85	145.8
1 UAE Dirham	27.58	27.77	28.99	29.85	32.09
1 Deutsche Mark	61.17	58.38	62.2	66.34	63.5
1 Dutch Guilder	54.29	51.81	55.2	58.88	56.36
1 French Franc	18.24	17.41	18.54	19.78	18.93
100 Italian Lira	6.18	5.9	6.28	6.7	6.41
1 Belgian Franc	2.97	2.83	3.02	3.22	3.08
1 Indian Rupee	1.48	1.45	1.44	1.48	1.5
1 Chinese Yuan	15.33	14.76	15.45	17	17.53
1 SA Rand	7.69	7.06	6.51	7.42	7.23
100 Japanese Yen	91.74	93.59	99.8	99.94	90.15
1 Saudi Riyal	27.01	27.19	28.37	29.23	31.39
1 Egyptian Pound[3]	5.69	6.07	6.74	6.99	6.14
TSh/KSh[4]	22.48	22.63	21.76	21.12	19.74
1 Pakistan Rupee[3]	0.84	0.68	0.66	0.67	0.58
1 Swedish Kroner	11.67	10.79	11.62	12.79	11.69
1 Swiss Franc	103.58	102.62	113.61	119.98	123.52
USh/KSh[4]	36.81	36.32	34.93	32.72	31.3
1 Congolese Franc[3]	0.06	0.06	0.06	0.06	0.06
100 Rwanda Francs[3]	8.5	8.82	8.86	9.13	11.39
Overall Trade Weighted Index, (2009=100)	115.66	113.04	115.37	121.66	123.81

Source: CBK
Provisional
Annual average
Countries in the Euro area included in the computation of Trade Weighted Fisher's Ideal Index are: Germany, France, Switzerland, Netherlands, Belgium and Italy.
Via US dollar Exchange Rates
Calculated as 1Kenya Shilling to Uganda or Tanzania shilling.

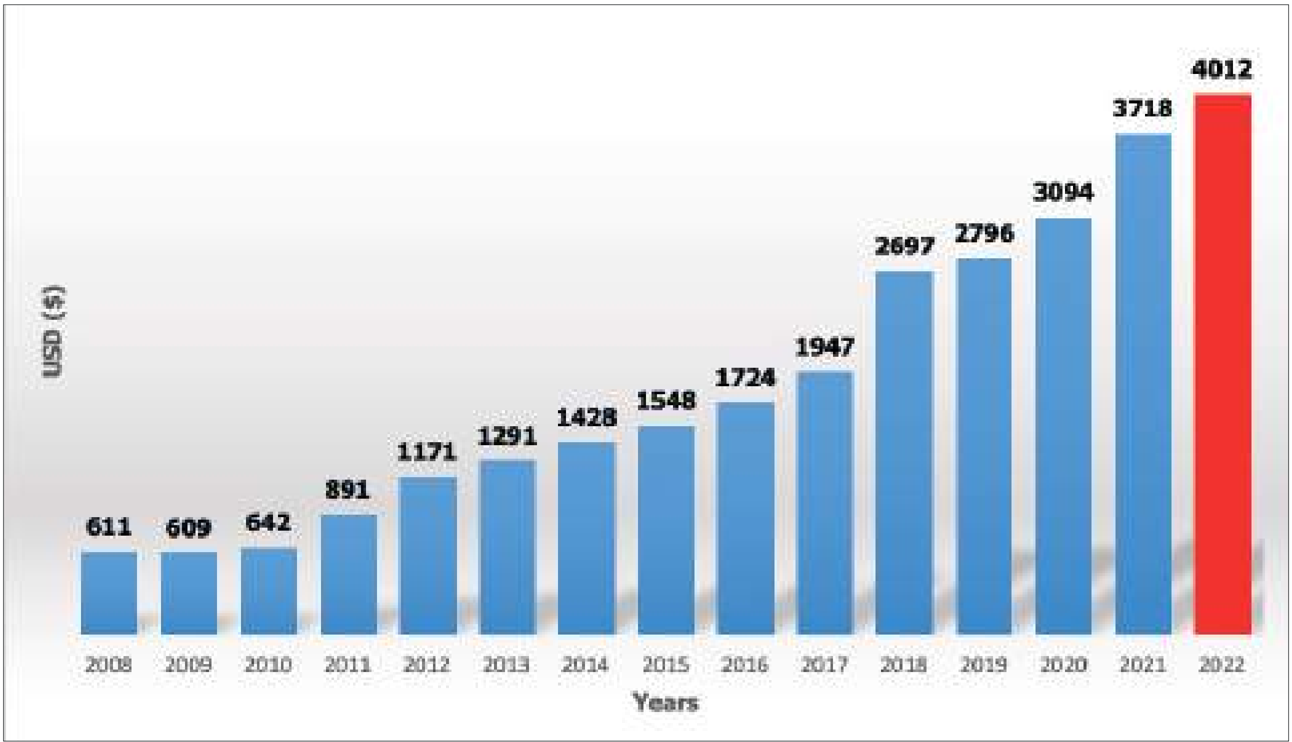
Foreign Reserves

The official foreign Exchange Reserves in the FY 2022/23 continued to act as a safeguard against short-term shocks in the foreign exchange market. By the end of June 2023, official foreign exchange reserves were reported at US$ 8,037 million, equivalent to 4.4 months of import cover, down from US$ 8,495 million recorded at the end of June 2022, which provided 4.9 months of import cover.

2.7. REMITTANCE INFLOWS

The total remittances inflows in 2022 increased by 7.9 percent from US$ 3,718 in 2021 to US$ 4,012 in 2022. This was on account of continued support from Kenyans abroad as global economic conditions improved. The largest source of remittances to Kenya is the US accounting for 59 percent of remittances in the year 2022.

Figure 2-4: Remittance Inflow Developments



Source: CBK, Annual Report

2.8. BALANCE OF PAYMENT DEVELOPMENT

Statistics during the period under review indicate that there was a notable increase in import spending, primarily attributed to soaring global prices of petroleum products alongside the persistent depreciation of the Kenyan shilling against major trading partners' currencies. This surge in imports overtook the growth in total exports, leading to a 17.6 percent widening of the trade deficit, reaching KSh 1.6 trillion in 2022.

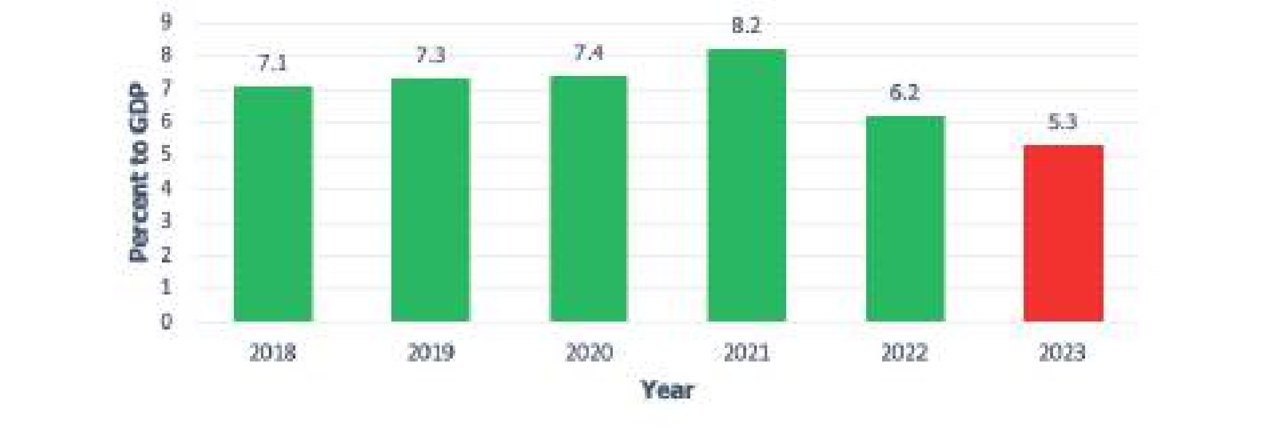
The current account deficit expanded by 7.9 percent to KSh 679.6 billion in 2022, largely fueled by heightened import expenditures on key items such as petroleum products, as well as animal and vegetable fats and oils. Increased spending on services and interest payments in the primary income sector also contributed to the deficit's expansion.

Total net inflows decreased to a surplus of KSh 494.9 billion in 2022 from KSh 644.1 billion in 2021. This shift was primarily driven by reduced inflows of other investment liabilities, coupled with heightened disinvestment in portfolio equity by foreign investors. Notably, during this review period, there was a drawdown of KSh 176.2 billion in reserve assets, largely attributed to increased debt servicing obligations.

2.9. DEVELOPMENT IN PUBLIC FINANCE

In FY 2022/23, the fiscal deficit stood at Ksh 759,663 million (5.3 percent of GDP) against a target deficit of Ksh 846,223 million (5.8 percent of GDP). This was financed through domestic and external sources. This is illustrated in the Figure 2-5 below.

Figure 2-5: Evolution of Fiscal Deficit as a Percent of GDP

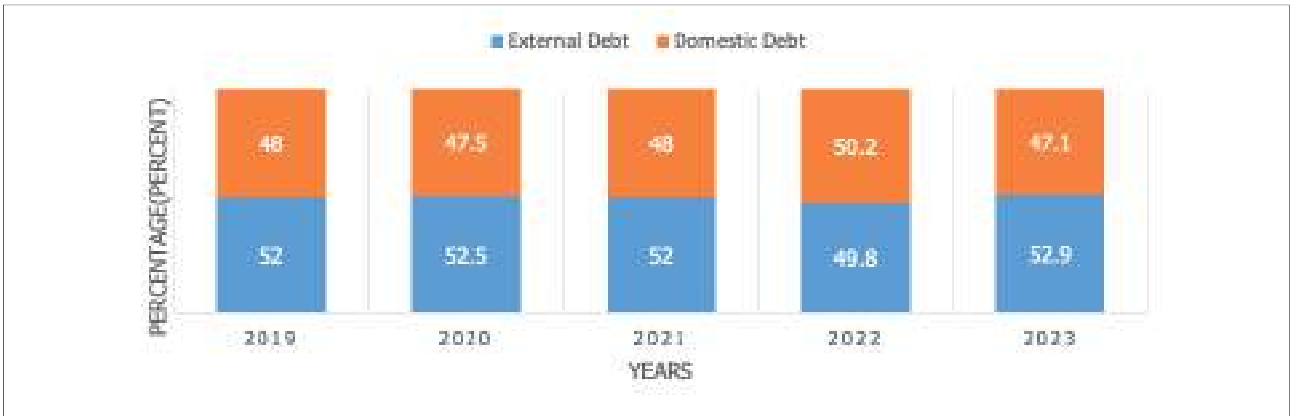


Source: KNBS

A total amount of KSh. 505,323 million was received from external disbursements against a target of KSh. 597,178 million during the period under review which constituted 38.2 percent of the GDP. This comprised Project Loans, Appropriation in Aid of KSh 74,245 million, KSh 61,975 million for Project Cash Loans, KSh 266,885 million for Programme Loans and KSh 102,218 million from commercial borrowing. The principal repayment on external debt was KSh 248,056 million leading to a net foreign financing of KSh 257,267 million.

During the period under review, the total disbursement received from domestic borrowing was KSh 503,506 million, comprising of KSh 437,527 million from Government securities, KSh 42,847 million from use of the International Monetary Fund's Special Drawing Rights allocation to Kenya, KSh 18,819 million from Government overdraft, KSh 2,854 million on domestic loan repayments (net receipt) and KSh 1,459 million from Government deposit to CBK. The domestic repayments of principal debt amounted to KSh 1,110 million leading to a net domestic financing of KSh 502,396 million.

Figure 2-6: Composition of Debt Stock



Source: CBK

Kenya public and publicly guaranteed debt stock increased by KSh 1,643,674 million (19.1 percent) from KSh 8,634,909 million in FY 2021/22 to KSh 10,278,673 million by the end of FY 2022/23. These comprise of KSh 5,446,561 million external debt (52.9 percent of the Total Public Debt) and KSh 4,832,113 million domestic debt (47.1 percent of the Total Public Debt) which can be seen in the Figure 2-6 above.

Table 2-5: Public and Publicly Guaranteed Debt Stock Structure

	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23
Total PPG debt stock	**5,808,622**	**6,693,338**	**7,696,634**	**8,634,909**	**10,278,673**
O/w External	3,023,139	3,515,812	3,999,541	4,305,835	5,446,561
O/w Domestic	2,785,483	3,177,526	3,697,093	4,329,074	4,832,113
% share of External debt	52.0	52.5	52.0	49.8	52.9
% share of Domestic debt	48.0	47.5	48.0	50.2	47.1
Nominal GDP	**9,367,317**	**10,175,226**	**11,304,100**	**12,752,164**	**14,521,624**
As percentage of GDP					
Total PPG debt stock	**62.0**	**65.8**	**68.1**	**67.7**	**70.8**
O/w External	32.3	34.6	35.4	33.7	38.2
O/w Domestic	29.7	31.2	32.7	33.9	33.3
PV of Debt to GDP	48.3	55.7	58.8	63.1	64.4
Annual Growth rate					
Total PPG debt stock	18.3	15.2	15.0	12.1	19.1
O/w External	24.3	16.3	13.8	7.5	28.9
O/w Domestic	12.4	14.1	16.4	17.1	11.6
Real GDP Growth	5.1	-0.3	7.6	4.8	5.3

**Provisional*
Source: National Treasury and CBK

Table 2-6 above indicates that over the last five years the stock of debt-to-GDP has been cumulatively increasing from 62.0 percent in FY 2018/19 to 70.8 percent in FY 2022/23. In Present Value (PV) terms, the PV of Debt-to-GDP rose from 48.3 percent in FY 2018/19 to 64.4 percent in FY 2022/23. The upward trend has been attributed to depreciation of Kenya shilling against major currencies and new borrowing to finance fiscal deficits over the years.

As at end June 2023, the domestic debt stock was KSh 4,832,113 million, an increase of KSh 503,039 million (11.6 percent) from KSh 4,329,074 million in June 2022. The increase was attributed to new domestic borrowing during the fiscal year to finance Government requirements. The pre-1997 CBK debt was reduced to KSh 17,789 million in June 2023 from KSh 18,899 million in June 2022. The CBK overdraft to the Government increased to KSh 76,457 million in June 2023 from KSh 58,502 million in June 2022.

As at the end of fiscal year, domestic debt as a share of GDP stood at 33.3 percent which was a decrease from 33.9 percent in 2022. The external debt stock as a share of GDP increased from 33.7 percent in 2022 to 38.2 percent in FY 2022/23. This is illustrated in the graphical representation below.

Figure 2-7: Debt Stock as a Share of GDP

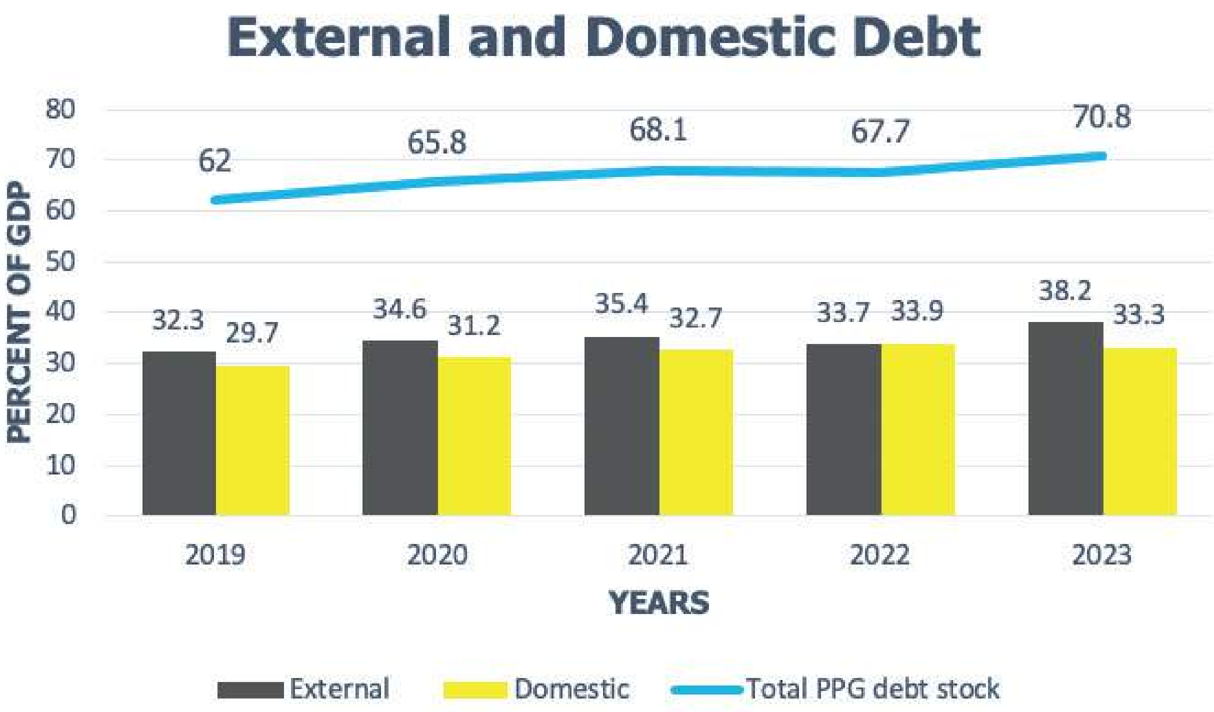
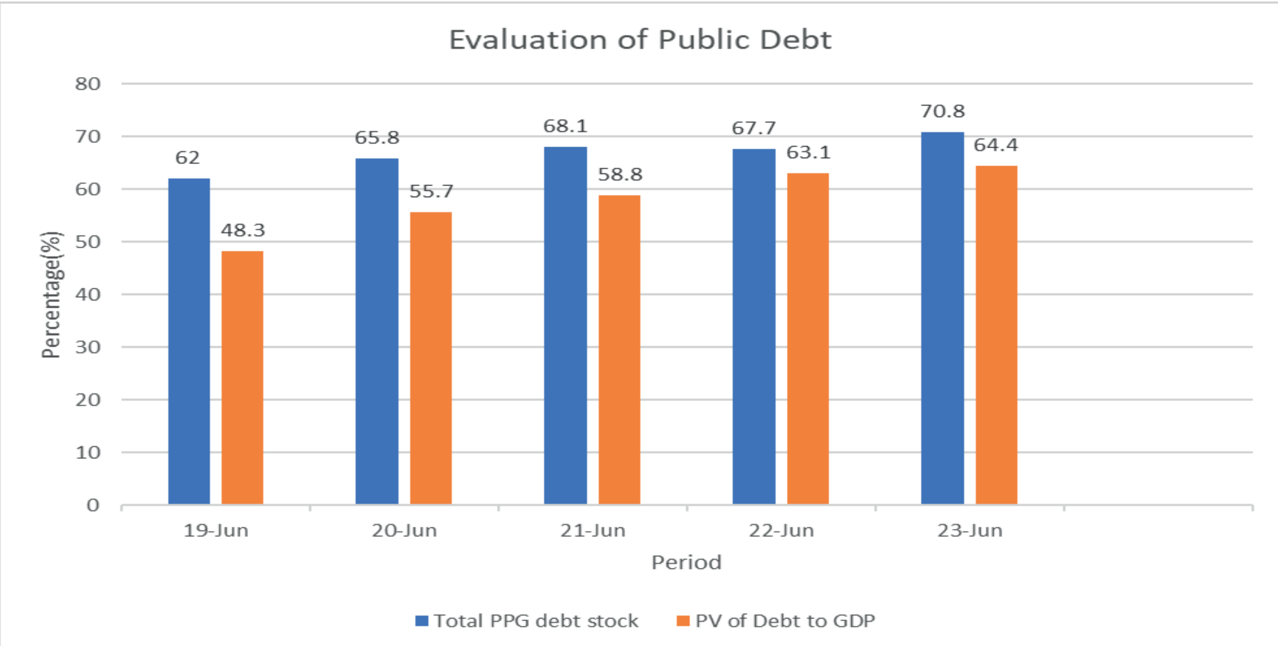
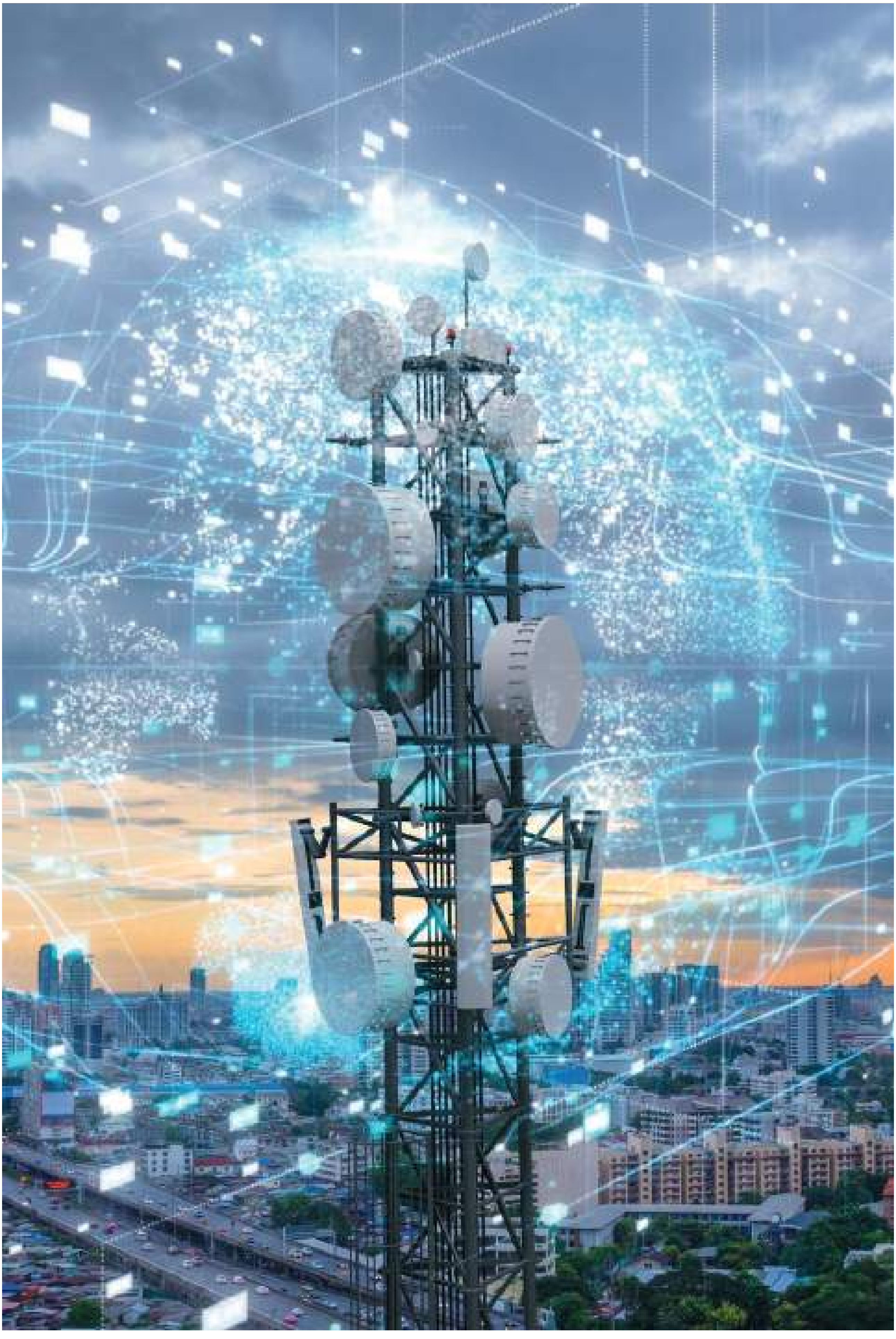


Figure 2-8: Evaluation of Debt Stock to GDP



***Provisional**
Source: National Treasury

The share of public debt to GDP in nominal terms and the PV of debt to GDP spread has narrowed due to change in the structure of public debt over the years. This was because of changes of terms of new borrowing due to Kenya`s graduation from a lower to middle-lower income country.



3. CHAPTER THREE

FOUNDATIONS FOR NATIONAL TRANSFORMATION

3.1. INFRASTRUCTURE

"Deploying World Class Infrastructure Facilities and Services"

Infrastructure plays a critical role in facilitating and accelerating socio-economic development in the country. The Government has continued its efforts to develop efficient and effective infrastructure, which is a key enabler for other sectors as envisaged in the Kenya Vision 2030. During the MTP III, investment in infrastructure programmes and projects focused on accessibility, quality, functionality, job creation, disaster preparedness and protection of the environment. Infrastructure development has a higher multiplier effect, thus a critical enabler for productivity and sustainable economic growth, that supported achievement of the "Big Four" Agenda by building on the on-going infrastructural development in our country. The infrastructure sector is composed of five sub sectors namely, Roads, Rail Transport, Air Transport, Marine Transport, and Energy. These are the drivers that create an enabling environment for national development.

One of the major infrastructural programmes under the sector is the Lamu Port South Sudan Ethiopia Transport (LAPSSET) Corridor which is a Regional Multimodal Infrastructure Programme between Kenya, Ethiopia, and South Sudan. Its objective is to create a second strategic corridor opening the Northern parts of Kenya and connect to the partner states of Ethiopia and South Sudan. Given its significance in the region, some programme's components were selected and admitted under the Programme for Infrastructure Development in Africa Priority Action Plan.

The LAPSSET Corridor Programme is multi-sectoral and implemented by different MDACs. It encompasses seven key components, namely: The Port of Lamu; Highways; Railways; Crude and Product Oil Pipelines; International Airports in Lamu, Turkana and Isiolo; Resort Cities in Lamu, Turkana and Isiolo; and High Grand Falls Multipurpose Dam. In addition, the following supporting infrastructure is also planned alongside the key components: water supply lines; power supply lines; and fibre optic cable and communication systems.

3.1.1. ROADS

The sub-sector is key in contributing to Kenya's global competitiveness through the provision of road infrastructure. It aims at enhancing domestic and regional connectivity, boosting rural productivity, reducing urban congestion, and implementing key initiatives towards ensuring safety in roads. It is responsible for construction, maintenance and management of the national trunk roads as stipulated in the Fourth Schedule of the Constitution.

Roads Sub-Sector Performance

The sub-sector implemented various road projects towards increasing movement of people, goods and services for improved socio-economic development. The Table below presents a summary of achievements of the Roads sub-sector for FY 2022/23.

Table 3-1: Roads Sub-Sector Achievements for FY 2022/23

MTP III Outcome	Output Indicator(s)	Achievements FY2021/22	Targets FY2022/23	Achievements FY 2022/23	Remarks
Improved accessibility through all weather roads	Kilometers of classified roads maintained	41,134.60	50,000	43,804	Target was not achieved due to budget review.
	Kilometres of additional classified roads constructed and rehabilitated	1,640.87	2,000	636.04	Target was not achieved due to budget review.

Source: State Department for Roads Annual Progress Report, FY 2022/23

During the period under review, the sub-sector implemented various road projects toward increasing accessibility. A total of 636.04 km of roads was constructed comprising 203.3 km of new roads, 317.54 km under the Roads 10,000 Low Volume Seal Roads Programme and 115.2 km rehabilitated. A total of 43,919.2 km of roads was maintained comprising 915 km under periodic maintenance and 42,889 km under routine maintenance.

Roads Expansion Programme

The programme is aimed at enhancing domestic and regional connectivity, boosting rural productivity and reducing urban congestion. It involves construction/rehabilitation of 10,000 km of roads comprising 2,500 km of conventional roads and 7,500 km low volume sealed roads. Since inception of the programme in January 2016, a total of 4,964.73 km had been upgraded to bitumen standard. The flagship programmes and projects implemented under the program during the FY 2022/23 include:

a. Regional Integration & Accessibility Improvement

Location: Nationwide

Objective: To promote regional trade and investments through improved road connectivity.

Implementing Agency: Kenya National Highways Authority (KeNHA).

Project Progress: A total of 158.49 km of roads was constructed under this programme by June 2023. These comprised 54.5 km (97 percent) of Athi River Turnoff; 16 km of James Gichuru – Rironi; 9.5 km of Mombasa Kwa Jomvu Road; 2.9 km of Magongo Road; 3.34 km of Eldoret Bypass; 19 km of Kenol-Sagana Road; 22.85 km of Sagana – Marua; and 30.3 km of Isebania – Kisii Road section.

b. The Kenya Transport Sector Support Project

Location: Nationwide

Objective: To increase the efficiency of road transport.

Implementing Agencies: KeNHA, Kenya Urban Roads Authority (KURA), Kenya Wildlife Service (KWS), and National Transport and Safety Authority (NTSA).

Project Progress: During the period under review 1.2 km of Athi River – Machakos Turnoff; Interchange at Kericho Junction (95 percent completion rate) and Interchange at Ahero Junction (98 percent completion rate).

c. East Africa Regional Transport, Trade and Development Facilitation Project

Location: Eldoret-Kitale-Lodwar-Nadapal

Objective: To promote and facilitate regional economic integration between Kenya and South Sudan.

Implementing Agency: KeNHA

Project Progress: During the review period, 24.29 km of Lokichar-Loichangamatak Road was constructed.

d. Mombasa Port Area Road Development Project

Location: Mombasa and Kwale Counties

Objective: To decongest Mombasa Island and relieve the Likoni Ferry. It is an important transport corridor for traffic destined to and from Tanzania, and to and from the interior Kenya and beyond.

Implementing Agency: KeNHA

Project Progress: During the period under review, Mwache – Mteza Section was at 84 percent completion while Mteza – Kibundani Section was at 98 percent completion.

e. Horn of Africa Gateway Development Project

Location: Isiolo, Wajir and Mandera

Objectives: The project aims at enhancing connectivity among the Horn of Africa countries and access to seaports; and facilitation of domestic and regional trade and economic integration and road safety. This would be achieved through a series of projects aimed at improving physical and institutional infrastructure and promoting trade and investing in development facilitation interventions.

Implementing Agency: KeNHA

Project Progress: During the period under review, works and supervision contracts for upgrading of road corridor to bitumen standard and civil works associated with installation of fiber optic cable in three packages were undertaken namely: Package 1 (Lot 1: Isiolo – Kulamawe & Lot 2: Kulamawe – Modogashe); Package 2 (Lot 1: Wajir – Tarbaj & Lot 2: Tarbaj – Kotulo); Package 3 (Lot 1: Kotulo – Kobo & Lot 2: Kobo – Elwak); construction of One Stop Border Posts (OSBPs), bridges and customs facilitation centres at Rhamu and Mandera; and construction of social amenities along the road corridor.

f. LAPSSET Corridor

Location: Lamu - Ijara - Garissa (A10) 257 km road and associated spur roads, Garissa - Isiolo (A10) 250 km Road upgraded to all weather standard, Isiolo (Lerata – Maralal – Baragoi - Lokichar (Updated Corridor), Lokichar - Loichangamatak Road (40 km).

Objectives: To improve the efficiency of roads and enhance road connectivity in Northern Kenya to open new markets in Ethiopia and South Sudan; to boost cross border trade and cooperation between Ethiopia, Kenya, and South Sudan; and to improve infrastructure facilities of marginal regions.

Implementing Agencies: KeNHA, and LAPSSET Corridor Development Authority (LCDA).

Project Progress: During the period under review, construction of 257 km Lamu – Ijara - Garissa Road (A10 257 km) and staged construction of Budhei - Basuba - Kiunga Road (A11) - stage construction works were ongoing while physical progress was at 75 percent. Construction of 280 km of Garissa - Isiolo Road - stage construction works were ongoing, physical progress was at 24 percent. Isiolo (Lerata) – Maralal – Baragoi – Lokichar (Updated Corridor) - construction of 475 km of road – designs completed awaiting tendering. Lokichar-Loichangamatak Road (40 km) – actual progress- substantially completed. Loichangamak - Lodwar Road (50 km) - actual progress - 100 percent complete (Main Road).

Implementation Challenges

- Security along the corridor delayed the implementation of the project.
- Border conflict with the Republic of South Sudan has delayed the construction works for the Nadapal to Nakodok Section.
- Complexities in acquisition of land and way leaves.
- High expectation from communities regarding compensation.
- Budgetary allocation for completion of pending sections.
- Lack of synchronised laws and regulation between member states.

Lessons Learnt

- Extensive stakeholder engagement and public participation is significant in project implementation.
- Land acquisition requires a collaborative approach.

- Corporate Social Responsibility is key for project acceptance and ownership.
- Enhanced efficiency at OSBP will significantly promote trade and ownership.

Recommendations

- PPP framework to be exploited to hasten the implementation of projects.
- Enhance public participation and stakeholder engagement.
- Match construction standard and expected traffic.
- Strategic investment in security to safeguard projects.
- Fast-track demarcation and delimitation of the border between Kenya and South Sudan to allow for construction of 11 km between Nadapal and Nakodok and development of OSBP.
- Harmonise border processes and road standards for seamless operations.

g. Roads 10,000 Low Volume Sealed Roads Programme

Location: Nationwide

Objectives: To upgrade 10,000 km of roads to bitumen standard towards opening up rural areas, decongest major towns, and promoting domestic and regional connectivity to support the primary growth sector of the economy. To upgrade 10,000 km of roads to bitumen standard to improve accessibility and mobility in rural areas to support the primary growth sector of the economy.

Implementing Agencies: Kenya Rural Roads Authority, and KURA.

Project Progress: During the review period, 317.54 km were constructed. The R10,000 LSVR Programme had a total of 220 road projects with a total length of approximately 8,699.7 km, which had been awarded and were ongoing in 45 counties with a total construction cost of approximately Kshs. 400 billion. To-date, a total of 5,254.78 km of roads had been upgraded from earth/gravel standard to bitumen standard since the inception of the Programme. Out of the upgraded 5,108 km, a total of 1,734 km of roads were under performance based routine maintenance, 926 km were under defects liability period, 2,660 km were substantially complete while 2,448 km had been completed out of 6,033 km of on-going road projects. In total, 126 road contracts out of 220 contracts have been completed. Some of the multi-year road contracts constructed during the FY 2022/23 include:- Monaco-Seasons-Goshens-Powerstar Roads; Mosobeti-Kebirigo Road; Nyamira-Igonga-Nyabioto/Nyamatutu-Igonga-Riana/Riana-Iyabe-Chisaro/Motonto-Suneka Roads; Kandwia Gai Kyuso Tymu Road; Kithangathini-Kavumbu Road; Lamuria-Ngobit-Withare-JNC B5 (Solo-Lamuria and JNC B5 (Gatemu) - Ngobit Girls High School-Kijara Primary School Roads; and Ngecha-Gitangu-Kanjeru/Gitangu (Karia) - Nyathuna/Ngecha - Mahinga - Site (JCT 104)-Kabocha-Gikuni-Mukui-Karura/Zambezi-Kamuguga Kiambaa-Gwa Gichini & Zambezi- Kamuguga Polytechnic Mangorano Roads; Jomvu Kuu - Jitoni – Rabai (0 km); Posta, Lotodo - Kacheliba Roads; Cereals – Chewoyet - Bendera Road (3.6 km); A104 - Old Nairobi RD; Elgon View - Eldoret Poly, Rivatex Kipkaren - A104 (Southern Ring Road), Kenya Service Kapsoya - Munyaka – Hawai/JNC C51 (Northern Ring Road) (15 km); Mokowe Township Roads (3 km); Maua Town Roads (0 km); Kisumu Township Roads - Milimani Link Roads (5.3 km); Garissa Township Roads (1.34 km); and Sankuri- Bulla - Madina Road – Garissa (0.9 km).

h. Decongestion of Cities and Urban Areas

Location: Major Cities and Urban Areas

Objective: To ensure efficient traffic flow in major urban cities in the country.

Implementing Agency: KURA

Project Progress:

i. **Construction of Bypasses:** During the period under review, a total of 9.4 km was constructed to bitumen standard, cumulatively totalling to 77.9 km of bypasses during the MTP III reporting period, these includes: Dualling of Nairobi Eastern and Northern Bypass (Eastern Bypass) (6.7 km, and Thika Bypass/Link Roads (2.7 km).

ii. **Construction of Missing Links:** During the period under review, a total of 5.2 km was constructed to bitumen standard, cumulatively totalling to 60.26 km during the MTP III reporting period these includes: Mlolongo-Athi River-Joska (3.30 km) and Construction of Meru Link Roads (1.9 km).

iii. **Improvement of Roads in Cities and Municipalities:** During the period under review, a total of 19.9 km was constructed to bitumen standard, cumulatively totalling to 592.88 km of roads in Cities and Municipalities during the MTP III reporting period. These include upgrading to bitumen standard of Marsabit County roads Phase I (0.8 km); Lucky Summer - Bakhita Gitwamba Bridge (0.2 km); construction of Githurai - Kimbo Road (Phase III) (0.3 km); construction to bitumen standard of Rhino Park & other access roads. (0.3 km); Kajiado Town Access Roads (1 km); Kamiti Corner - Kasarani - Mwiki - Ruai - Kangundo Roads (0 km); Narok Town Roads (0 km); upgrading to bitumen standard of Othaya Town Roads (0.8 km); upgrading of roads in Meru County Headquarters (1.9 km); upgrading to bitumen standard of Othaya Level 6 Hospital Access Roads (3.5 km); upgrading to bitumen standard of Kirinyaga Town Roads (1.9 km); construction of Valley Road/Ngong Road/Nyerere Road Interchange and Upperhill Overpasses (1.8 km); upgrading of Tom-Mboya Estate Roads (0 km); rehabilitation of Innercore Estate Roads (0 km); upgrading to bitumen standard of Mukuyu - Kambwe - Sewerage Road in Murang'a (0 km); upgrading to bitumen standard of Nyeri Town roads (1.2 km); rehabilitation of Thika Town roads (0 km); upgrading to bitumen standard of Kwale and Ukunda Township roads (0 km); construction of Access to Embu University (1.5 km); Kipangawau- Kibowen Pry -Access/ Mwiriki Sec School-Pembe Mbili-Eldoret (1 km); upgrading to bitumen standard Kapenguria Town roads, (3 km); upgrading to bitumen standard of Tartar Junction-Kamuino Chewoyet-Sakas in West Pokot County (0 km); construction of Bute Town roads (0 km); construction of Habaswein Township roads (0 km); and improvement of Nairobi roads Lot 2 (Part of Likoni Road, Enterprise Road and Shreeji Road) (1 km).

iv. **Access to Affordable Housing and Industrial Park Facilities**: During the period under review, a total of 7.2 km was constructed to bitumen standard, cumulatively 12.6 km of roads in access to affordable housing and industrial park facilities programme during the MTP III reporting period. These include improvement of access roads to Starehe Affordable Housing (2.4 km); access to Park Road Housing Project (0.8 km); upgrading to bitumen standard of roads within East Africa Portland Housing Scheme in Machakos County (1 km); access to Stoni Athi Housing Project (0 km); improvement of access to Kibera Housing Project (1 km); and construction of access roads to Maai Mahiu and Suswa SGR Stations (2 km).

v. **Road Annuity Programme**: During the period under review, a total of 53.53 km of roads was constructed under the Public Private Partnerships (PPP) (Road Annuity Programme) in two lots in Central and Western Kenya as detailed below: Road Annuity Programme Lot 15 (Central Kenya) (24.74 km); and Road

Annuity Programme Lot 18 (Western Kenya) (28.79 km).

vi. **Implementation of City-Wide Congestion Management Strategies:** During the period under review, procurement for works for Nairobi Intelligent Transport System (ITS), establishment and Junctions Improvement Project Phase I (25 Junctions) and Traffic Management Centre commenced.

vii. **Construction of Bridges and Box Culverts:** During the period under review, the following bridges and box culverts were constructed in the roads reported under (i-x) to include: construction of access to Embu University (1 Box Culvert); construction of Habaswein Township roads (1 Box Culvert) was completed; Annuity Programme Lot 18: Western Region Projects (Vihiga) (1 Box Culvert) and (1 River Bridge) was completed; construction of Narok Town roads (2 Box Culvert) were completed; construction of Thika Bypass (3 River Bridge) were completed; improvement of Nairobi roads Lot 1 (1 River Bridge) was 100 percent complete; Dualling of Nairobi Eastern Bypass (From Baraka Roundabout to Ruiru/Kamiti Junction) (2 Road-Over-Road Bridge, 3 River Bridge, 6 Box Culverts) were all completed; rehabilitation of Thika Town Roads (1 Box Culvert) works was ongoing; upgrading to bitumen standard of Tartar Junction-Kamuino Chewoyet-Sakas in West Pokot County (1 Box Culvert) was completed; upgrading to bitumen standard Kapenguria Town roads, West Pokot County (4 Box Culverts) were completed; dualling of UN Avenue (1 Widening of Box Culverts) works was ongoing; and dualling of Limuru Road Phase 1 (1 Widening of Box Culverts) was completed.

viii. **Construction of Non-Motorised Transport Facilities:** During the period under review, a total of 279.78 km of walkways was constructed in concurrence with roads constructed under (i-x). Additionally, construction of Ngong Road Footbridges (2 Footbridges) was ongoing at 70 percent & 55 percent respectively and improvement of Nairobi roads Lot 1, (one Footbridge) was 100 percent completed.

ix. **Road Maintenance:** During the period under review, a total of 1,570.77 km was maintained under routine maintenance, 432.87 km of roads was implemented under periodic maintenance, and 3,178.74 km implemented under Performance Based Contract.

x. **Feasibility Studies, Preliminary and Detailed Engineering Design:** During the period under review, a total of 386.03 km was designed; cumulatively 575.03 km including design of ITS (102 Junctions) and Bus Rapid Transit Line 5, (12 km - 60 percent completion).

Implementation Challenges

- Budget shortfall/budget cuts.
- Additional implementation costs arising from interest on delayed payments.
- Economic costs incurred from late delivery of the projects to the targeted users.
- Deterioration of the initial road section built resulting from increased traffic load as these sections are occupied by traffic for a longer period. In this case, the initial road sections wear off long before the entire project is opened for public use leading to ununiformed sections within the same project.
- Suspension of works by contractors arising from delayed payments of Interim Payment Certificates.
- Further cost claims by the contractor arising from protection of works in incomplete sections during suspension of works from unpaid certificates.
- Cess demands by counties.

- Encroachment of road reserves by the Kenya Power and Lighting Company (KPLC) and water service providers.
- Increased overloading.
- Depletion of natural road construction materials.
- High costs of land acquisition and relocation of services.
- Delayed approval of way leaves from tangent service providers.

Recommendations

- Harmonise all roads related statutes for smooth operation of the roads sub-sector and involvement of stakeholders through the Intergovernmental Relations Technical Committee (IGRTC) during re-classification of roads.
- Increase liaison with other Government agencies, development partners and stakeholders with an aim of increasing funding towards construction and maintenance of roads.
- Increase collaboration with the private sector through PPPs to leverage and provide additional financing and expertise in construction, rehabilitation and maintenance of roads.
- Increase lobbying with the National Treasury and Development Partners for enhanced budgets to support road projects/programmes.
- Upscale implementation of the low volume seal contracting model that includes maintenance components in the road construction contracts to guarantee maintenance.
- Use mobile weighbridges/virtual weighbridges as a compliance control to overloading.
- Increase the use of alternative road development technologies e.g., low volume seal technology and cobblestone including increased collaboration with industry players in research for other alternative technologies.
- Continuous capacity building through training and recruitment of more local engineers as well as technical staff to enhance managerial and supervision capacity.
- Implement the recommendations from the establishment inter-agency committee on relocation of services.
- Fast-track the development of the road maintenance funding policy.

i. Development of the 50-Year Transport Master Plan

Location: Nationwide

Objective: To guide development and management of transport infrastructure.

Implementing Agencies: State Department for Transport, KeNHA, KURA, KWS and NTSA.

Project Progress: Funding has since been secured for development of the master plan through a consultant.

j. Road Safety Programme

Location: Nationwide

Objective: To protect life and property on the road, targeting reduction of incidences of road crashes and their impact on the Kenyan economy.

Implementing Agencies: NTSA, and Ministry of Roads and Transport.

Project Progress:

i. **Enhanced Road Safety**: The fatality and injury indices as of 30th June 2023 were 9.54 and 35.82 per 10,000 vehicles against a target of 10.07 and 36.84 respectively. This was achieved through joint enforcement with NPS and continuous sensitisation of the following groups: 200 PSVs, 130 HCVs, 630 boda bodas, 1000 pillion passengers and 15 schools.

ii. **Upgrading of Motor Vehicles Inspection and Driving Test Centres**: Consultancy services for review of design for additional four inspection lanes, and supervision of works at Likoni Road Motor Vehicle Centre, Nairobi is in progress. The inception report was submitted and accepted by the Authority. Draft designs were amended and are currently being followed up for approvals by the National Environment Management Authority (NEMA), County Governments and Department of Occupational Safety and Health (OSH). Consultancy services for design and supervision of works for Motor vehicle Inspection and Driver Testing Centre in Thika Town (Phase 1 & 2) is in progress. The final designs were submitted and accepted following which specific procurement notice (request for bids) was closed on 9th August 2023. Funding for the construction of a model inspection centre in Thika Town and the extension of inspection lanes at Likoni Road Motor Vehicle Inspection Centre have since been secured.

iii. **Issuance of Smart Driving Licenses:** During the period under review, a total of 307,972 smart driving licenses were issued against the planned target of 350,000.

iv. **Implementation of Second-Generation Number Plates:** During the reporting period, a total of 428,407 new generation plates were issued against a target of 550,000. The implementation of second-generation number plates has improved security issues associated with car ownership.

v. **Printing, Supply and Delivery of Third License Plate Stickers:** During the financial year, 146,360 stickers were issued against a target of 364,285. The issuance of third License Plate Stickers has enhanced the security of motor vehicles due to faster tracking of vehicles.

vi. **Outsource Motor Vehicle Inspection Services for Private Motor Vehicles:** Public participation was carried out and a final draft report was developed to inform the way forward (Outsourcing of services for private vehicles).

vii. **Implementation of the National Road Safety Action Plan:** Developed a five-year National Road Safety Action Plan. As of December 2022, a total of 427,845 boda boda riders had been registered in all counties in the boda boda management portal, all driving school stakeholders were trained on the new system, 408 driving schools were audited, 28 road safety audits were conducted, and 499,371 motor vehicles were inspected.

Implementation Challenges

- Budgetary constraints slowing down implementation.
- Road user behaviour: speeding, distraction during driving, not belting up and driving under alcohol influence.
- Inappropriate state of some inspection centres.
- Inadequate land in counties.
- Prolonged process of acquiring title deeds for the inspection centres.
- Contract management. The supplier experienced challenges with the printing equipment.
- High public expectations beyond staff capacity.
- Delayed approval of regulations.
- Lack of a national framework for coordination.

Lessons Learnt

- Consistent sensitisation resulted in gradual behavioral changes.
- Automation has enhanced efficiency and capacity.
- Projects should be properly conceptualized.
- Need for continuous communication and public engagement.
- Alignments with the parliamentary calendar and events is necessary.
- Need for national engagement framework and support from MDAs.

Recommendations

- Enhance post-crash care to save lives.
- Expand the inspection centres to accommodate mass inspections from both private and commercial vehicles once regulations are gazetted.
- explore PPPs to enhance services.
- Enhance customer satisfaction and communication.
- Service integration and collaboration with other MDAs including judiciary.
- Enhance stakeholder engagement in project/programme implementation
- NTSA should enhance regulations, capacity building, carry out benchmarking exercises, and formulate collaborations and partnerships.

3.1.2. RAIL TRANSPORT

The main objectives of the rail transport sub-sector is to develop and manage efficient and reliable railway transport systems, increase railway transportation capacity, as well as reduce the cost of transportation. The sub-sector aims to increase rail haulage capacity from the Port of Mombasa and promote urban commuter rail services. It entails construction of SGR components and MGR links to various urban centres and improvement of commuter railway stations. The achievements for the rail transport sub-sector for FY 2022/23 are as outlined in Table 3.2 below.

Table 3-2: Rail Transport Sub-Sector Achievements for FY 2022/23

MTP III Outcome	Outcome Indicator	Achievements FY 2020/21	Targets FY 2021/22	Achievements FY 2022/23
Improved access to rail services	Rail passengers handled per year (‘000)	6,315	7,600	5,709
	Rail freight handle per year (‘000 tonnes)	6,228	7,190	7,164

Source: Kenya Railways Corporation (KRC) Annual Progress Report, FY 2022/23

During the period, a total of 5.7 million passengers were moved by rail composed of 3.1 million commuters and 2.5 million passengers moved by the Madaraka Express. The performance represented a 10 percent decrease from the previous year's 6.3 million passengers. While the number of SGR passengers increased from 2.3 million in the previous year to 2.5 million, the number of commuters dropped from 3.9 million to 3.1 million.

A total volume of 7.1 million tonnes of freight was hauled by rail with SGR moving 6.6 million and 0.6 million tonnes by MGR. The haulage represented an increase of 15 percent from the previous year's achievement of 6.2 million, which translated to a rail freight market share of 26 percent from 24 percent achieved during the previous year.

During the review period, several projects were implemented in an effort to increase railway haulage capacity from five percent to 50 percent of the cargo throughput from the Port of Mombasa and to promote commuter rail services in major urban areas.

a. Expansion of Capacity of Railway Transport

i. Construction of a Cargo Handling Facility at Malaba and Associated Works

Location: Busia County

Objective: Facilitate efficiency in transshipment of transit freight.

Implementing Agency: KRC

Project Progress: The project was completed and operationalised in June 2023.

ii. Revitalisation of the 78 km Gilgil – Nyahururu MGR Branch Line

Location: Nakuru and Nyandarua Counties

Objective: Facilitate movement of agricultural produce and passengers in the country.

Implementing Agency: KRC

Project Progress: Rehabilitation of the line was implemented up to 84 percent during the period.

iii. Revitalisation of the 65 km Leseru – Kitale MGR Branch Line

Location: Nakuru and Nyandarua Counties

Objective: Facilitate movement of Agricultural produce and passengers in the country.

Implementing Agency: KRC

Project Progress: Rehabilitation of the line was implemented up to seven percent during the period.

iv. Revitalisation of the 69 km Kisumu – Butere MGR Line

Location: Kisumu and Kakamega counties

Objective: Facilitate movement of Agricultural produce and passengers in the country.

Implementing Agency: KRC

Project Progress: Rehabilitation of the line was implemented up to 78 percent during the period.

b. Promotion of Urban Commuter Rail Services

i. Nairobi Commuter Rail Rehabilitation Project

Location: Nairobi Metropolitan

Objective: To improve rider comfort, safety of commuters and reliability of trains.

Implementing Agency: KRC

Project Progress: 168.6 km track was substantially completed and commissioned; Nairobi Central Station was completed and operationalised; 11 Diesel Multiple Units were delivered, commissioned and operationalised.

Under this Project, NCR services were expanded to Limuru and Lukenya. In addition, the Commuter Rail Service buses were operationalised for last mile services for commuters from the Nairobi Railway Station to various parts of the city.

ii. Construction of 20 Mini Stations at Konza, Lukenya, Mukuru, Satellite, Kenyatta University, Mutindwa, Aviation, Mlolongo, Kitengela, Gitambaya/Membley, Kibera, Mutuini, Strathmore, Makongeni, Dagoretti Market, Olympic East, Gitaru, Kariobangi and Thogoto

Location: Nairobi Metropolitan

Objective: Improve accessibility of NCR services.

Implementing Agency: KRC

Project Progress: The project was completed and operationalised in June 2023.

iii. Construction of the Miritini MGR Station - Mombasa Terminus New MGR Link and Railway Bridge across Makupa Causeway

Location: Busia County

Objective: Facilitate efficiency in transshipment of transit freight.

Implementing Agency: KRC

Project Progress: The project was completed and operationalised in June 2023.

Implementation Challenges

- Encroachment of railway corridor.
- Delays in relocation of utility services (water pipes, power lines, oil pipes and internet cables).
- High cost of land acquisition.
- Vandalism of road furniture and infrastructure.
- Rising cases of litigation on land acquisition and infrastructure development works.

Lesson Learnt

- Alternative sources of funding including PPPs are crucial in the development and maintenance of road infrastructure to complement Government funding.

Recommendations

- Enhance budgetary allocation and timely disburse the funds.
- Explore private sector financing initiatives through PPPs.
- Fast-track land compensation to project affected persons.
- Adequate sensitisation of stakeholders.

3.1.3. AIR TRANSPORT

The sub-sector aims to develop top-tier infrastructure to enhance access to aviation services. Through expansion, modernisation and effective management, it has significantly improved air transport safety, security, and connectivity nationwide. Civil aviation plays a vital role as a catalyst for both global and national development. In Kenya, air transport has experienced steady growth, leading to job creation and fostering increased interaction and trade with other countries.

a. Expansion and Modernisation of Aviation Facilities Programme

The programme is aimed at improving passenger handling capacity to at least twenty million with requisite security, safety and customer service quality standards.

Objective: To expand and modernise JKIA, MIA, Kisumu International Airport, scheduled airstrips countrywide and Air Navigation Services equipment.

Implementing Agencies: Kenya Airports Authority, and Kenya Civil Aviation Authority (KCAA).

A summary of achievements realised by the Air Transport sub-sector for FY 2022/23 is as presented in the Table below:

Table 3-3: Air Transport Sub-Sector Achievements for FY 2022/23

MTP III Outcome	Outcome Indicator(s)	Achievements FY 2021/22	Targets FY 2022/23	Achievements FY 2022/23	Remarks
Increased access to aviation services	Number of air passengers handled (international & domestic) per year (millions)	8.893	9.618	11.148	Passenger numbers increased due to the global easing of restrictions and airlines' implementation of enhanced safety measures. However, the cargo numbers declined as restrictions eased because most airlines that had converted passenger aircraft to cargo transitioned these planes back to passenger service.
	Volume of air cargo handled per year (total freight) (millions kgs)	380.157	396.539	377.860	
	Average availability of air navigation systems and equipment	98.05 percent	97 percent	97.9 percent	International Civil Aviation Organization (ICAO) recommended average level of availability is 97 percent. The country undertakes routine maintenance and modernization of equipment and systems to achieve the target and enhance the safety.

Source: State Department for Transport Annual Progress Report, FY 2022/23

There was an impressive recovery from the effects of COVID-19, with notable growth observed in passenger numbers but a decline in cargo volume. Specifically, air passenger traffic increased from 8.89 million in the 2021/22 fiscal year to 11.148 million in the 2022/23 fiscal year, marking a growth of 25 percent. However, the volume of air cargo experienced a slight decrease, dropping from 380 million kgs in 2021/22 fiscal year to 377.860 million kgs in 2022/23 fiscal year, representing a decline of 0.60 percent.

Project Progress: During the period under review, progress was made as follows:

i) **Modernisation of facilities at JKIA - Rehabilitation of Pavements (Apron) and Refurbishment of Terminals 1B and 1C:** The projects are part of a wider initiative to improve passenger handling capacity and enhance passenger experience and retail value at JKIA. The Pavement Rehabilitation Project involved rehabilitation of existing apron pavements by replacing asphalt concrete with rigid concrete and as at the end of the review period, the progress was at 80 percent. The refurbishment of Terminals 1B and 1C is at 100 percent completion and already commissioned.

ii) **Pavements Rehabilitation at MIA**: This project was initiated to address pavement failure at MIA attributed to unstable sandy soils that have led to numerous sinkholes on the airside. This is to enhance safety and improve airside capacity. The scope of the work includes aircraft ground lighting, taxiways, runways and aprons rehabilitation works, staff houses, slope stabilisation and rainwater management. The overall project progress as at the end of the review period is still at 92 percent having been terminated by the contractor and currently under arbitration.

iii) **Development of International Airports (Lamu, Isiolo and Turkana) along LAPSSET Corridor:** These are to enhance air transport and ease accessibility along the LAPSSET Corridor. As part of the Government's strategy to unlock the socio-economic potential along the transport corridor, the Government recommended development of airports as enablers for development. International airports are to be paired with resort cities at the identified locations in Isiolo, Lamu and Turkana. During the review period, Isiolo Airport runway was rehabilitated and extended to 1.4km and achieved 100 percent completion. Detailed feasibility studies for Lamu and Turkana International Airports are at the planning stage.

iv) **Maintenance and Development of Airstrips Countrywide:** To increase handling capacity of airstrips countrywide, the following projects were undertaken and at various stages of completion as at the end of the review period: rehabilitation of Lokichoggio Airstrip in Turkana County at 34.5 percent; rehabilitation and expansion of Angama (Olkurruk) Airstrip at 31.2 percent; construction of VIP Lounge at Nyaribo Airstrip at 89 percent; reconstruction of Taxiway and Aprons at Manda Airport at 73.5 percent; Nanyuki Airstrip at 81 percent; Lanet Airstrip at 80 percent; rehabilitation of Kapenguria Airstrip-West Pokot at 5 percent; Runway and Apron extension at Ukunda Airstrip at 54 percent; and rehabilitation of Terminal Building at Wajir International Airport at 98 percent.

v) **Other Projects**: Passenger Terminal Building and associated facilities at Migori, Kitale and Ukunda Airstrips with designs and tender documents ongoing and are planned for implementation in the FY 2023/24.

Implementation Challenges

- Contractors' performance challenges
- Variability of products and material prices
- Implementation of projects on active infrastructure interrupts operations and revenue streams to stakeholders
- Changing geotectonic conditions hampering complete elimination of sinkholes especially at MIA
- Inadequate financing for capital projects
- High facilities' maintenance cost
- Lengthy procurement and dispute resolution processes
- Encroachment of land earmarked for infrastructure development.

Lessons Learnt

- Robust project planning, scoping, close monitoring to promptly address emerging contractual issues.
- Enhancing conflict resolution mechanisms.
- Use of capital markets/private entities to fund development of airports/ airstrips to promote timely projects delivery.
- National and County Governments to avail land for development of aviation facilities including land banking of planned projects.
- A multi-agency collaboration in addressing emerging environmental, social and technological issues in aviation.
- Acquisition of land before project commencement minimises project delays through litigation.
- Establishment of requisite policies to guide airstrips' development.

Recommendations

- Perform comprehensive cost assessments and rigorous due diligence during tendering to verify the contractor's execution capability.
- Collaborative efforts between multiple agencies to develop effective climate change mitigation strategies such as elimination of sinkholes in MIA.
- Mobilise resources and enhance alternative financing mechanisms, including capital markets and PPPs.
- Incentivise the private sector to promote participation in aviation infrastructure development.
- Secure land for future development of airports.
- Undertake a detailed feasibility study for Turkana and Lamu International Airports.
- Continuous capacity development of staff on all facets of project management.
- Implementation of a National Airstrip Policy and multi-agency approach to protection of public land.

Refurbished Terminals 1B & C at JKIA

Runway rehabilitated at Moi International Airport

On-going rehabilitation and extension of runway at Isiolo International Airport

b. Improvements in Air Navigation Services

Project Name: Establishment of Area Control Centre/Disaster Recovery Centre in Mlolongo.

Project Scope: The project is comprised of five Lots as explained:

- Lot 1- Installation and commissioning of Air Traffic Management (ATM) System
- Lot 2- Installation and commissioning of Voice Communications & Control systems (VCCS)
- Lot 3 - Installation and commissioning of Extended Air Traffic Services (ATS) Message Handling System
- Lot 4 - Installation and commissioning of VHF Transceivers
- Lot 5 - Installation and commissioning of AVR, UPS and air conditioning system.

The project also entails training of operational and technical staff both at the factory and on-site.

Location: Nairobi

Objective: To facilitate safe and expeditious movement of aircrafts in Kenya's flight information region and contribute towards the growth of the aviation industry which in turn will contribute to the achievement of the aspirations of the Vision 2030.

Implementing Agency: KCAA

Project Progress: The contract for four slots was awarded while the procurement process for the VCCS was in progress. Delivery and installation of VHF transceivers was completed while delivery and installation of AVR, UPS and air conditioning system was ongoing. Manufacture of ATM system and extended ATS message handling system was still ongoing. KCAA also installed other systems and equipment aimed at improving delivery of air navigation services including the upgrade of Aeronautical Information Management System; extension of Digital Aerodrome Traffic Management System from Wilson Airport to other airports; installation of new VCCS at JKIA, Lokichogio, and Wajir airports; and installation of VHF radio systems for Kisumu and Malindi Airports.

During the review period, the Authority enhanced routine maintenance and periodic calibration of equipment in all manned airports and several field station sites across the country to ensure the ANS equipment and systems remain of integrity and are available at the required standards. This contributed to an overall average availability of ANS equipment and systems of 97.9 percent above the ICAO recommended level by 97 percent.

Air Traffic Management System installed at JKIA

c. Air Navigation Services

Project Name: Construction of Control Tower at Kisumu International Airport

Project Scope: The project entails construction and equipping of a Control Tower at Kisumu International Airport and training of operational and technical staff.

Location: Kisumu

Objective: To enhance expeditious flow of air traffic at Kisumu Airport and Kenya's airspace in the Western Region and contribute towards the growth of the aviation industry which in turn will contribute to the achievement of the aspirations of Kenya's Vision 2030.

Implementing Agency: KCAA

Project Progress: The preparation of architectural designs for Control Tower was completed. The contract for construction of the Control Tower at Kisumu International Airport was awarded in FY 2022/23 and the contractor commenced construction works in August 2023 and is scheduled to end in September 2023.

d. Aviation Training

Project: Installation of training equipment and systems at EASA.

Location: Nairobi

Objective: To improve the capacity of EASA to conduct aviation training and enhance the quality of civil aviation personnel.

Implementing Agency: KCAA

Project Progress: KCAA undertook various projects to improve physical facilities, create a conducive environment for training and build EASA capacity to provide global aviation training. KCAA also initiated procurement and installation of assorted training equipment including Very High Omni-Range System (VOR); Instrument Landing System (ILS); and Distance Measuring Equipment (DME) for training. All the projects entail training of operational and technical staff both at the factory and on-site. Manufacture of VOR and ILS System was completed and staff training done. For DME, staff training was complete, equipment delivered and commissioned. The programmes implemented by the Authority have seen an increase in student enrolment of over 13 percent from the 2,557 recorded in FY 2021/22 to 2,906 recorded in FY 2022/23.

Implementation Challenges

- The dynamic nature of the international civil aviation system has caused cyber security risks leading to safety and security threats.
- There are delays in global manufacture of electronics - VHF filters, cables among others owing to the backlog resulting from closure of industries during the COVID-19 pandemic.
- High cost of training aviation personnel and acquisition of aviation training equipment and systems
- Exchange rates fluctuations that have caused deterioration of the local currency affecting implementation of projects denominated in foreign currency.

Lesson Learnt

- The electronic VHF filters and cables can be substituted with readily and locally available filters that have the same performance capacity or better.

Recommendations

- Substitute electronics VHF filters and cables with readily and locally available filters.
- Implement mechanisms to mitigate and cushion the Authority against loss occasioned by exchange rate variations.

3.1.4. PORTS

This sub-sector aims to develop and manage an efficient, safe, and sustainable marine and inland waterways transport system in the country. The achievements for the Maritime sub-sector for FY 2022/23 are as outlined:

Table 3-4: Maritime Achievements for FY 2022/2023

MTP III Outcome	Outcome Indicator(s)	Achievement FY 2021/22	Target FY 2022/23	Achievement FY 2022/23	Remarks
Improved access to shipping and maritime services.	Cargo throughput in Dead Weight Tonnes per year (Million tonnes)	33.62	34.75	34.46	The output of 33.4 million tonnes against a target of 34.75 million tonnes was recorded due to reduced importation of clinker by 1.6 million tonnes following local production and slowed economic recovery for the transit market particularly Uganda which posted a negative variance of 531,826 tonnes.
	Containers handled in Twenty-foot Equivalent Units	1.40	1.599	1.511	

Source: Kenya Ports Authority Annual Progress Report, FY 2022/23

During the period under review, total throughput registered 34.46 million tonnes, a positive improvement of last year's performance by 2.5 percent achieving 99.2 percent of the 34.75 million set target. Similarly, total container traffic improved to record 1,510,925 TEUs during the period under review compared with 1,403,894 TEUs handled in the same period in 2021/22, posting an increase of 107,031 TEUs or 7.6 percent.

a. Improvement of Shipping and Maritime and Inland Waterways Facilities

The following projects were implemented under this programme:

i. Development of Shimoni Port

Location: Shimoni (Kwale County).

Objective: The project is expected to contribute to the development of the rural communities through enhanced fishing and its associated industry within Kwale County.

Implementing Agency: Kenya Ports Authority (KPA).

Project Progress: Construction of Shimoni Port commenced in October 2022. During the period under review, construction had progressed to 23 percent. The project is expected to be completed in October 2024. The project entails development of a Semi Industrial Fishing Port with a capacity of 50,000 metric tonnes at Shimoni through PPP arrangement. Phase I involves construction of a fish jetty measuring 75m by 30m with associated facilities such as fish processing plant, fish meal plant, cold storage and ice making plant, community fish auction market, access road, warehouses etc.

Implementation Challenges

- A legal dispute concerning the procurement process for the contractor delayed the commencement of this project.
- Policy shifts/changes in Government affected implementation of the project in regard to change in project scope and delivery.

Lesson Learnt

- Continuous engagement of key stakeholders is critical to ensure successful delivery of the project.

Recommendations

- Adhere to procurement laws procedures to avoid legal disputes.
- Stakeholder engagements throughout the project cycle to resolve project issues.
- Commence planning for operationalisation of Shimoni Port to ensure smooth and timely operations after completion of the project.

ii. Development of the Dongo Kundu Free Trade Port

The project entails the construction of the first berth measuring 300 m in quay length, depth of 15 m and procurement of associated equipment to catalyse development of SEZ at Dongo Kundu.

Location: Dongo Kundu, Mombasa County

Objective: Construction of the berth is aimed at supporting the proposed SEZ, one of the flagship projects under Vision 2030. The Port is expected to catalyse the setting up of the industries within the SEZ.

Implementing Agency: KPA

Project Progress: The procurement processes for the contractor began in July 2022. Technical evaluation of bidders completed in January 2023 and evaluation report submitted to the project financier [Japan International Cooperation Agency (JICA)] for their concurrence and thereby proceed for financial evaluation.

Implementation Challenges

- Delays in the implementation of the approved compensation policy.
- Lengthy decision-making processes due to involvement of many stakeholders
- Lengthy delays awaiting JICA concurrence for procurement process of the contractor which has caused other components of the project to stall.

Lesson Learnt

- Continuous engagement of key stakeholders is crucial to ensure successful delivery of the project.

Recommendations

- Fast-track the relocation of Project Affected Persons (PAPs) to deliver projects within timelines.
- Integrate stakeholder engagement throughout the project cycle to resolve project issues.

3.1.5. ENERGY SUB-SECTOR

The sub-sector plays a key role in ensuring rapid and sustainable development in the country. It focuses on development of renewable energy sources, coal exploration and development, constructing energy infrastructure and building administrative capacity.

Table 3-5: Energy Sub-Sector Achievements for FY 2022/23

MTP III Outcome	Outcome Indicator(s)	Achievement FY2021/22	Target FY2022/23	Achievement FY2022/23	Remarks
Increased power generation	National power generation capacity (MW)	3,076	4,821	3,312	The sub-sector has slowed down on power generation projects to balance electricity demand and supply.
	Proportion of national power generation capacity from clean sources (MW)	2,399.55	3,724	2,630	

MTP III Outcome	Outcome Indicator(s)	Achievement FY2021/22	Target FY2022/23	Achievement FY2022/23	Remarks
Improved energy efficiency	Number of new companies adopting energy efficiency and conservation practices	-	50	-	
Universal connectivity	Number of households connected to electricity	8,919,584	10,763,921	9,212,7581	Reduced budget for the last mile connectivity programme affected the achievement of the planned target.

Source: State Department for Energy Annual Progress Report for FY 2022/23

Power Generation

The power generation programme is implemented through several sub-programmes which include geothermal, wind, hydro, solar, thermal, co-generation, coal and nuclear. The sub-sector has been accelerating the development of energy from clean renewable sources in line with the international obligation of minimising greenhouse gases as well as conserving the environment.

During the year under review, the power generation capacity increased from 2984MW to 3,312 MW. Out of this, 2,630MW or 79 percent of the total energy generated was from renewable energy sources. The key projects implemented under this programme include:

a. Geothermal Development

i. 172.3 MW Olkaria V

Location: Olkaria, Naivasha, Nakuru County

Objective: To enhance capacity and security of electric power supply in Kenya by building a new geothermal power plant of 172 MW capacity using state of art technology, thereby creating a conducive investment climate, and enabling sustainable economic growth in Kenya.

Implementing Agencies: Kenya Electricity Generating Company PLC (KenGen), Energy and Petroleum Regulatory Authority (EPRA), and Ministry of Energy.

Project Progress: The project was completed, commissioned and synchronised to the national grid in the FY 2019/20. During the period under review, management of the Defect Liability Period (DLP) for the Power Plant (Lot II) progressed through addressing reported defects and undertaking applicable remedial works. DLP for Lot II ended in October 2022.

ii. 83.3 MW Olkaria I Unit 6

Location: Naivasha, Nakuru County

Objective: To enhance volume capacity and security of electric power supply in Kenya by building a new unit of geothermal power plant of 83.3 MW capacity.

Implementing Agency: KenGen

Project Progress: The project at 99 percent completion was commissioned and synchronised to the national grid. Project is under commercial operation, while management of DLP commenced on 6th June 2022 and is ongoing.

Olkaria I Unit 6 Power Plant

iii. Olkaria I Rehabilitation

Location: Naivasha, Nakuru County

Objective: The rehabilitation of Olkaria I Power Plant would see the replacement of the old major equipment (turbine and generators) with new modern ones. This would increase the lifespan of the three units by more than 25 years and increase the power output from the current 45 MW to 63MW.

Implementing Agency: KenGen

Project Progress: On 21st July 2022, the Attorney General advised KenGen to proceed with signing of the contract after carrying out due diligence on the winning bidder. This due diligence was carried out in October 2022. The Engineering, Procurement and Construction (EPC) contract was signed on 23rd December 2022, and JICA granted 'No Objection' on 21st February 2023. The contract effectivity was achieved on 27th May 2023, commenced on 12th June 2023 while the kick-off meeting was held on 15th June 2023.

iv. Turbine Uprating

Location: Naivasha, Nakuru County

Objective: Uprating of the existing turbines to increase the MW generated by 40MW by using the same quantity of steam.

Implementing Agency: KenGen

Project Progress: Cabinet approval was granted on 28th February 2023 and loan agreement signed on the same day. Financing will be done by the German Development Bank. Engineering supervision contract was signed in April 2023 while preparation of the Request for Proposal for procurement of the EPC contractor commenced within the period.

v. Menengai Geothermal Project

Location: Menengai, Nakuru County

Objective: To develop 465 MW of geothermal energy in phases (105MW, 60MW & 300MW).

Implementing Agency: Geothermal Development Company (GDC).

Project Progress:

- 105 MW Menengai Geothermal Project -overall completion rate of 85 percent.
- Production drilling 100 percent complete.
- Steam gathering system 100 percent complete.
- Three IPPs contracted to construct power plants.

vi. Bogoria - Silali Geothermal Project

Location: Baringo & Turkana Counties

Objective: To develop 300 MW of geothermal energy (100MW in each project Paka, Korosi & Silali).

Implementing Agency: GDC

Project Progress: Overall completion rate - 29 percent

- 140 km of road complete
- 18 wells drilled to completion.
- Water supply infrastructure complete
- Community supported with 20 water points.
- Feasibility study procurement at advanced stage.

Implementation Challenges

- High community expectation for social good
- Project area insecurity
- Insufficient counterpart funding

Lessons Learnt

- Community engagement is critical for effective project implementation.
- Comprehensive due diligence prior to award of high valued contracts is critical for timely project implementation.

Recommendations

- The sub-sector should integrate robust stakeholder management in project implementation to manage public expectations.
- The Government to provide timely and adequate counterpart funding.
- The Government coordinates multi agency security operations to curb insecurity.

b. Gogo Hydro Power Plant Feasibility Study

Location: Uriri, Migori County

Objective: To enhance volume and security of electric power supply in the Western Region of Kenya by expanding Gogo Hydro Power Plant from 2 MW to 8.6MW capacity.

Implementing Agency: KenGen

Project Progress: Feasibility study completed, and project approved by the Ministry of Energy and the National Treasury. The German Development Bank has expressed financing interest and limited due diligence commenced. Presidential directive on implementation of the project was issued by the Ministry of Energy and Petroleum via a letter dated 19th April 2023. Acquisition of land is ongoing with surveying and mutation of the area of interest have been undertaken. The NLC has already finalised land valuation.

Implementation Challenge

- Cabinet approval is pending for the Project. A follow-up on the approval is being done through the Ministry of Energy and Petroleum and is expected before December 2023.

c. Seven Forks Solar PV

Location: Mbeere South, Embu County

Objective: To enhance volume and security of electric power supply in Kenya by building 42/5 MW Capacity Solar PV Plant.

Implementing Agency: KenGen

Project Progress: The due diligence report on the feasibility study was submitted by the consultant on 13th February 2023. A draft Credit Facility Agreement between KenGen and the French Development Agency was completed, awaiting Cabinet approval before signing.

Implementation Challenge

- Cabinet approval is pending for the 42.5 MW Seven Forks Solar PV Project. A follow-up on the approval is being done through the Ministry of Energy and Petroleum and is expected before December 2023.

Recommendation

- There is a need to unlock the Cabinet approval of the project to allow the project to proceed past its current stage.

d. Sosian Energy

Power plant construction is 100 percent complete.

35MW Sosian Menengai Power Plant in Nakuru County

e. Quantum Power and Orpower22

Construction pending - awaiting Government support instruments.

Other Project Components

- 60 MW (Phase II) - Overall completion rate - 32 percent
- Scientific exploration 100 percent complete
- Infrastructure 100 percent complete
- Steam available - 7.6MW at well head.
- 300 MW of geothermal energy in the Suswa prospect
- Geo-scientific survey is complete.
- Community engagement ongoing.

Implementation Challenges

- Delays in provision of Government support instruments to the Independent Power Producers (IPPs). Specifically:
- Provision of the African Development Fund (ADF) - Partial Risk Guarantee to all IPPs
- Provision of legal opinion on Government support letter for all IPPs
- Provision of Government support letter to OrPower 22.

Lesson Learnt

- Timely support and interventions from the Government is critical to timely project execution.

Recommendations

- The National Treasury to provide ADF Partial Risk Guarantee to three Menengai IPPs.
- The Office of the Attorney General to provide legal opinion on the letters of support to Menengai IPPs.
- The National Treasury to issue a support letter to Orpower Twenty-Two Ltd.
- The sub-sector should mobilise resources towards technical capacity building in geothermal exploration and drilling.

f. Kenya Nuclear Research Reactor Project

Location: Nairobi

Objective: The Kenya Nuclear Research Reactor (KNRR) Project seeks to accelerate economic development and improve quality of life through the application of nuclear energy technology in scientific research, healthcare and industry. Specifically, the KNRR facility will perform the following functions:

- Education and Training
- Radioisotope Production
- Instrument Testing and Calibration
- Neutron Activation Analysis
- Material Structure Studies
- Silicon Doping
- Geochronology

Implementing Agency: Nuclear Power and Energy Agency (NuPEA).

Project Progress: NuPEA is implementing a research reactor project guided by the International Atomic Energy Agency's (IAEA) Milestone Approach. The Milestone Approach represents a sequential three phase development of 19 infrastructure issues and the completion of work at each phase forms the basis of evaluation and decision making on whether to proceed to the next phase. Currently, Kenya is in Phase I at which the country is making consideration before a decision to launch a research reactor project is taken. At the end of this Phase, the country will be ready to make a knowledgeable commitment to a research reactor project.

In this regard, NuPEA has carried out a feasibility study for KNRR Project. The study seeks to strengthen the national understanding of the obligations and commitments involved in the introduction of a sustainable research reactor programme. Further, the study aims at determining the potential of advancing capacity in nuclear science, technology and innovation in Kenya. The activities carried out so far are:

- Identification and quantification of stakeholder needs.
- Development of preliminary design concept of the proposed Research Reactor facility.
- Preliminary siting activities for the Research Reactor.
- Economic Cost-Benefit Analysis of the Research Reactor Project.
- Assessment of the Phase I national nuclear infrastructure issues to support the Research Reactor Project.
- Determination of human resource requirements and project management options for implementing the Project.
- Development of a preliminary Research Reactor Project schedule.
- Development of a preliminary plan of utilisation and user groups development.
- Development of risk management framework for the Project.

- Capacity development activities on research reactors.

Implementation Challenges

- Limited budget line
- Inadequate legislative framework
- Inadequate human and technical resources for the Project

Lessons Learnt

- Involvement of all key project stakeholders is instrumental for the successful implementation of KNRR Project.
- Strong Government support is crucial to the successful implementation of the Research Reactor Project.

Recommendations

- Allocation of a dedicated budget line by the National Treasury.
- Prioritisation of KNRR project for Government funding.
- Pursue PPPs in project implementation.

g. Kenya Nuclear Power Programme

Location: Nairobi, Kenya

Implementing Agency: NuPEA

Project Progress:

The following were achieved during the year under review:

i. **Site and supporting facilities:** The Agency in collaboration with NLC facilitated the issuance of title deeds to pave the way for procurement of land for the Nuclear Power Plant (NPP) Project; signed a contract for the set-up of a 100 m meteorological tower at the Preferred NPP site in Kilifi County; and developed requirements for a digital seismic monitoring station at the said site. The Agency further reviewed the Expression of Interest for an Owner/Engineer firm to supervise site characterisation at the NPP site; commenced engagement of the Kilifi County Government and locals living in the vicinity of the Preferred NPP site, involving members of the Site Selection Team. The Agency also collaborated with the Ministry of Energy to train and certify one Site Selection Team member on ArcGIS Pro 3.0 and ArcGIS Enterprise 11.0; undertook preparatory activities towards site characterisation for the Kenya Nuclear Research Reactor Project by developing terms of reference for consultancy services for site characterisation.

ii. **Electric Grid:** The Agency finalised dynamic analysis for NPP integration to the Kenyan power system through development of PSS/E dynamic data files for synchronous machines (governor models, turbine models, exciter models etc.) and simulation and analysis of results for varied NPP capacity sizes (Small Modular Reactors) at the preferred and alternate sites. The Agency also finalised grid steady state analysis for NPP integration for the preferred and alternate site thus enabling the proposed interconnection schemers for the NPP and continued with economic assessment/analysis for the upgrade of the grid system for NPP integration for the proposed and alternate sites. This analysis considered the proposed grid interconnection schemes for the Nuclear Power Plant. Technical Working Group (TWG) members were trained on PSS/E software that focused on steady state and dynamic analysis for plant integration.

iii. **Reactor Technology Assessment**: The Agency conducted economic evaluation of reactor technologies using the IAEA - Nuclear Economics Support Tool; undertook a reactor/ technology vendor readiness survey. This was informed by the US - Kenya Nuclear Vendor Symposium through the Clean Energy Future (NICE Future) initiative on July 14th, 2022. The vendors in attendance were X-Energy, NuScale

Power, Advanced Nuclear, GE Hitachi Nuclear Energy, Holtec International and UltraSafe Nuclear Corp. Further a documentation management system platform for Reactor Technology Assessment was developed to enable sharing of the documentation, tools and assessment results with both the internal and external TWG; and also developed the user requirement for both the Large Nuclear Power Plant and Small Modular Reactors.

iv. **Industrial Involvement for the Nuclear Power Programme:** The Agency finalised the local industry supply capability survey report and developed an industrial database, based on the survey results. Further, policy was localised to provide input to the high level national nuclear policy under development; initialised a risk assessment for the local supply base with relation to the localisation goals of the NPP project; and conducted project activity review by subjecting the draft deliverables (Industrial Survey Report and Localisation Policy) to internal and external review and holding a forum to discuss the Project's next steps.

v. **Environmental Protection:** The Agency conducted stakeholder mapping at the Coast Region and categorised stakeholders according to their level of interest and influence; and conducted stakeholder engagement activities whereby it engaged the following organisations: Kuruwitu Welfare Association, A Rocha Kenya, Gede Museum, NEMA Kilifi Office and Kenya Maritime Authority. Conducted a training workshop on Radiological Environmental Impact Assessment in collaboration with IAEA for 32 Government officials from NEMA, Kenya Nuclear Regulatory Authority and KenGen.

vi. **Human Resource Development:** The Agency undertook activities in data analysis for craft and artisan professions through the Nuclear Power Human Resource model. This was to determine the gaps in workforce numbers required for the plant. The Agency undertook mapping of four technical institutions in the Nairobi Region, two technical institutions in the Rift Region, and three technical institutions in the Western Region, and compiled the Nairobi, Rift and Western Regions Institutional Mapping Reports by incorporating the data that was collected from the mapping activity. The Agency developed and finalised a Human Resource Development gap assessment report. A document was developed highlighting the key issues to be addressed during the gap assessment.

vii. **Nuclear Procurement:** Reviewed the first draft of the nuclear procurement policy to ensure it:

- Captures the amendments to the Public Procurement and Asset Disposal Act, 2015.
- Incorporates an expert review that was provided by IAEA.
- Aligns with the localisation policy
- Aligns with the required legal guidelines and template of policies.
- The sector in collaboration with the Directorate of PPPs undertook capacity building on provisions of the PPP Act, 2021, and overview of PPP framework for nuclear energy project delivery.

viii. **Nuclear Safety, Security and Safeguards:** The sub-sector developed technical cooperation programmes on Nuclear Safety, Security & Safeguards (3S); undertook capacity building of the three TWG members on insider threat mitigation, and trained NuPEA staff and other stakeholders (15) on Nuclear Security Regulations and Security Culture.

Implementation Challenges

- Limited funding: The sub-sector requires a significant budget to acquire 50 to 100 acres of land at the Preferred NPP Site in Kilifi County. Besides, the sub-sector requires funds for training of the Site Selection Team members on technical areas of NPP site characterisation like project planning, hazard analysis, environmental impact assessment, emergency planning among others.
- Technical Capacity: The NPP Project is the first nuclear power plant project in Kenya, and with no such previous project, there is limited specialised capacity in nuclear power. As such, the technical teams implementing the Project need hands-on training at nuclear projects either in Africa or globally.
- Insufficient number of technical staff to conduct comprehensive studies.
- Delay in the enactment of the policies and strategies to support the nuclear power programme.
- Delay in establishment of the owner/operator organisation.

Lessons Learnt

- Proper budgeting is key to the successful implementation of the nuclear power plant and research reactor projects.
- Proper capacity building of the technical teams is crucial to the success of the nuclear power plant and research reactor projects.
- Early engagement of stakeholders in the development of infrastructure to support the nuclear power programme.
- A knowledge management platform and document management is key to sustainably implementing the nuclear power programme.
- Retaining and developing skilled nuclear personnel ensures the continuity and success of the nuclear power programme over the long term.
- Public awareness and education programmes are important in informing communities about the benefits and risks associated with nuclear energy, promoting transparency, and addressing the misconceptions.
- Collaboration with international organisations and experts provide valuable insights, technical expertise, and support in the implementation of nuclear projects, facilitating knowledge exchange and reducing potential risks.
- Undertaking joint technical studies with IAEA through the technical cooperation projects e.g., the International Project on Innovative Nuclear Reactors and Fuel Cycles (INPRO).

Recommendations

- The National Treasury should allocate NuPEA the commensurate budget to allow implementation of the nuclear power and research reactor programme, for the socio-economic prosperity of Kenya.
- A collaborative framework between the Government of Kenya and potential reactor technology vendors/developer countries should be established to provide a working relationship directly with technology vendors/developers.
- Enter into agreements with potential reactor technology vendors/developers' countries as a channel to establish a working relationship directly with technology vendors/developers.
- Relevant Government agencies should support the sub-sector in acquisition of land for the site of the nuclear power plant.
- Kenya Nuclear Regulatory Authority to fast-track the development of the nuclear regulations to ensure conformance to the roadmap implementation of the nuclear power

plant.

- Procurement of a contractor to undertake site characterization and an owner/engineer firm to supervise the NPP project site characterisation.
- Implement strategies for retaining and developing skilled nuclear personnel to ensure the continuity and success of the nuclear power programme over the long term.
- Develop and implement comprehensive public awareness and education programs to inform communities about the benefits and risks associated with nuclear energy, promoting transparency and addressing misconceptions.
- Collaborate with international organisations and experts to provide valuable insights, technical expertise and support in the implementation of nuclear projects, facilitating knowledge exchange and reducing potential risks.
- Undertake joint technical studies with IAEA through the technical cooperation projects e.g., INPRO.

Power Transmission

A total of 127.89 km of transmission lines and associated sub-stations was completed against a total target of 271 km. This comprises: 17 km of 431 km 132kV Kenya Power Transmission System Improvement Project; 21.34 km of 96 km, 400kV double circuit Kenya – Tanzania Power Interconnection Project; 18.55 km of 96 km 132kV Isinya - Namanga transmission line and 67 km of 210 km Kenya Power Transmission Expansion Projects and 4 km LILO Suswa 400kV – Kimuka sub-station.

The national transmission grid, therefore, has grown cumulatively to a circuit length of 9,196 km as of June 2023 which comprises 1,282 km of 500kV, 2,479 km of 400Kv, 1,968 km of 220kV and 3,467 km of 132kV.

The status of some of the key projects under implementation is as below:

a. 96km 400kV Kenya - Tanzania Interconnector

Location: Kajiado

Objective: Facilitate power exchange between Ethiopia, Kenya, Tanzania and to Southern Africa Power pool.

Implementing Agency: Kenya Electricity Transmission Company (KETRACO).

Project Progress: Project is on-going but behind schedule. Stringing 21.34 km during the period and to date 65 km completed.

Implementation Challenge

- Delays due to work stoppage arising from inadequate budget for way leaves compensation.

Lesson Learnt

- A complete acquisition of way leave is a critical condition precedent in the financing agreement.

Recommendation

- Fast-track way leaves acquisition in FY 2023/24 through close engagement with opinion leaders and local community leaders.

b. 431km 132kV Power Transmission Improvement Project; Nanyuki - Nyahururu; Lessos-Kabarnet; Mwingi – Kitui – Wote - Sultan – Hamud; Bomet - Sotik; Ishiara -Kieni; Olkaria-Narok

Location: Narok, Bomet, Embu, Laikipia and Baringo.

Objective: To improve access and reliability of electricity in the areas covered by the project.

Implementing Agency: KETRACO

Project Progress: Stalled since 2022

Implementation Challenge

- Delayed payment of compensation due to succession disputes among family members and inadequate budget allocation for compensation payment led the contractor to issue a stop order.

Lesson Learnt

- A complete wayleave acquisition is a critical precondition before commencement of construction.

Recommendation

- Fast-track way leaves acquisition in FY 2023/24 through closer engagement with key stakeholders.

c. 96 km 132kV Isinya - Namanga Transmission Line

Location: Kajiado

Objective: Improve access and reliability of power supply.

Implementing Agency: KETRACO

Project Progress: The project is on-going and behind schedule. Stringing of 18.55 km during the period and to date 72 km.

Implementation Challenge

- Progress affected work stoppage challenges arising from inadequate budget for way leaves compensation.

Lesson Learnt

- A complete acquisition of way leave should be included as a condition precedent in the financing agreement.

Recommendation

- Fast-track way leaves acquisition in FY 2023/24.

d. 400/220 kV Mariakani Substation

Location: Kilifi

Objective: To step up voltage to 400kv for the existing 220kV Mombasa - Nairobi Transmission line to improve power transfer capacity.

Implementing Agency: KETRACO

Project Progress: The project is at 96 percent completion. During the period under review, works progressed by 8 percent.

Implementation Challenge

- Delays in payment of invoices raised by contractor due to inadequate budgetary allocation.

Recommendation

- Timely and disbursement of exchequer funds

e. Nairobi Ring 220/66kV Substations: Malaa and Kimuka Substations

Location: Kajiado and Narok Counties.

Objective: Provide alternative to supply path for evacuation of power from Olkaria to Nairobi and to the coast.

Implementing Agency: KETRACO

Project Progress: Malaa has progressed by three percent to a cumulative completion rate of 96 percent while Kimuka is 100 percent complete. Stringing of the 4 km LILO off Suswa - Isinya line completed; and commissioning for Kimuka Substation is on-going.

Implementation Challenge

- Delays by National Treasury in processing tax exemption to allow for importation of equipment and delays in settling contractor invoices due to inadequate budget.

Recommendation

- Timely and adequate disbursement of exchequer funds and faster processing of tax exemptions

f. 641 km Eastern Electricity Highway Project (Kenya–Ethiopia) 500kV HVDC Interconnector

Location: Marsabit, Nyandarua, Nakuru and Narok.

Objective: To facilitate power exchange between Ethiopia and Kenya.

Implementing Agency: KETRACO

Project Progress: The transmission line was completed in the FY 2021/22 and energised in November 2022.

g. 210 km Kenya Power Transmission Expansion Projects

(400kV 40 km Isinya-Konza; 132kV 120 km Sultan Hamud - Oloitoktok; 132kV 50 km Awendo-Isebania).

Location: Kajiado, Migori

Objective: To expand and reinforce power system network in the areas to be served by the project and supply reliable power to Konza Techno City.

Implementing Agency: KETRACO

Project Progress: On schedule. 177 tower foundations constructed, 224 towers erected, and stringing 67 km of Sultan Hamud - Oloitoktok transmission line.

Lesson Learnt

- It is necessary to manage contracts in tandem with financial agreements to realise faster project implementation.

h. 148 km 220kV Kamburu-Embu-Thika Transmission Line

Location: Embu, Kirinyaga, Muranga and Kiambu

Objective: To increase transfer capacity for power from Kamburu and Thika power plants to the national grid.

Implementing Agency: KETRACO

Project Progress: 66 tower foundations constructed during the period.

Implementation Challenge

- Contractor stopped construction due to delays in making interim payment due to inadequate budgetary allocation.

Lesson Learnt

- Contract management should be harmonised with financial agreement to prevent lapses in the latter.

Recommendation

- Renegotiate the financial agreement with Exim Bank of China.

i. 247 km 220kV Garsen - Hola - Garissa Transmission Line

Location: Tana River and Garissa.

Objective: Supply reliable power to Hola, Bura and surrounding areas.

Implementing Agency: KETRACO

Project Progress: Stalled and behind schedule.

Implementation Challenge

- Loan from EXIM Bank - China expired necessitating the contractor to demobilise the project.

Lesson Learnt

- Adherence to contract timelines is important to avoid expiry of financing agreements.

Recommendation

- Renegotiate loan with the financier.

Implementation Challenges

- Way leaves acquisition difficulties that have led to work stoppages/delays.
- Inadequate budgetary allocation affecting project implementation.
- Delays in exchequer disbursement leading to delays in project implementation.
- Expiry of loans before the project completion occasioned by delays as witnessed in the Garsen - Hola - Garissa Project.
- Delays occasioned by the procurement process for new contractors in some projects.
- Vandalism of transmission infrastructure.

Lessons Learnt

- Timely acquisition of way leaves before project construction is critical for timely completion of projects.
- Adequate project documentation is important in case of claims and variations.
- Stakeholder involvement and participation through continuous internal and external sensitisation is critical for success.
- Technology and innovation leverage i.e., ILIS, GPRS is useful for operations efficiency in particular way leave acquisition.

Recommendations

- Adequate budgetary allocations for underfunded ongoing projects.
- Timely disbursement of exchequer funds to facilitate timely payments to contractors and compensation for way leaves.
- Negotiate new loans for cases with expired loan facilities.
- The sector needs to sustain closer engagement with stakeholders to reduce delays in resolution of grievances affecting project implementation.
- Transmission infrastructure security through surveillance should be enhanced through a collaborative approach between the sector and security agencies.

Power Distribution

a. Distribution Network Expansion and Improvement

Location: Nationwide

Objective: To increase electricity access and reliability through upgrading and expansion of distribution network and associated infrastructure.

Implementing Agencies: KPLC and, Rural Electrification and Renewable Energy Corporation (REREC).

Project Progress: To expand and upgrade the electricity distribution network, a total of 19,996 km of High, Medium and Low Voltage lines were constructed. The 19,996 km done in the period under review comprised 2262 km of High and Medium voltage lines and 17,734 km of low voltage lines.

Ten substations (seven new and three upgrades). The new ones were Kitengela 66/11kV, Umoja 66/11kv, Highridge 66/11kv, City Centre 66/11kV, Sabaki 33/11kv, Wundanyi 33/11kV and Thika Road 66/11kv. The upgraded substations included Migori 33/11kV, Gilgil 33/11 and Hola 33/11kv substations.

Customer Average Interruption Duration Index was at 2.24 against target of 2.79, hence the achievement was above the target; while the System Average Interruption Frequency Index was at 44.9 hours against a target of 32.00 hours which was below the target.

33/11 kv Sabaki Sub Station

Implementation Challenges

- Difficulties in way leaves/substation land acquisition.
- Delayed release of funds slowing down project implementation.
- Difficulties in outages planning and execution.

Lessons Learnt

- Acquisition of substation land before procurement of contractors is critical in enhancing a smooth implementation of the project.
- Adequate planning for shutdowns / outages is key in ensuring maximisation of project implementation outputs during outages.

Recommendations

- There is a need for adequate and timely funding to facilitate timely execution of contracts.
- KPLC should plan outages to ensure maximisation of project implementation outputs during the outages.
- The sector should enhance stakeholder engagements to win the support of communities and stakeholders.

Electricity Connectivity

The following projects were implemented under this programme during the FY 2022/23:

b. Last Mile Connectivity Project

Location: Nationwide

Objective: To improve socio-economic development through connecting electricity to both households and public facilities.

Implementing Agencies: KPLC, EPRA, REREC, and State Department for Energy (SDE).

Project Progress: The last mile connectivity project is a government initiative towards achieving Universal Electricity Access in the country. The project has connected 1,077,728 new customers since its inception. A total of 318,217 customers were connected during the FY 2022/23 bringing the cumulative number of customers connected to 9,212,581.

Implementation Challenges

- Budgetary constraints that affected the contracts and supply of materials
- Inability by customers to provide requisite documents such as wiring certificates.
- Delays in tax exemption processes slowed down importation of relevant materials.
- Way leaves acquisition challenges.

Lesson Learnt

- Adequate planning and good design are critical for timely processing of tax exemptions.

Recommendations

- The Government needs to provide adequate and timely funding.
- Stakeholder engagement, including sensitisation of the public on expectations of the program, should be enhanced.

c. Public Street Lighting Project

Location: Nationwide

Objective: To stimulate a 24-hour economy and promote security.

Implementing Agencies: KPLC, EPRA, REREC, Ministry of Energy.

Project Progress: As at the end of June 2023, the street lighting project was above target with 15,317 lanterns installed, comprising 14,277 lanterns installed by KPLC, and a further 1,040 lanterns installed under the rural electrification programme. This achievement is against the targeted 15,000 lanterns.

Implementation Challenges

- Damages /vandalism of lamps and conductors
- Inadequate materials/resources for repair of damaged lamps

Lessons Learnt

- Sensitisation of the communities and the public to own the street light project is critical in enhancing the security of the lamps.
- Installation of streetlights at a good trace within the road reserve is vital in avoiding relocation costs and interference by other utilities.

Recommendation

- Sensitise the public on the importance of the street lighting infrastructure.

d. Electricity Connection to Public Facilities

The project aims at enhancing electricity connection to public facilities that include public primary schools, secondary schools, and polytechnics; administration offices; churches and mosques; coffee and tea buying centres and processing plants; health centres and dispensaries; markets and trading centres; beaches; police posts; and water points and boreholes among others.

Location: Nationwide

Objective: To accelerate electricity connection both on-grid and off-grid to public facilities to enhance service delivery.

Implementing Agencies: REREC, EPRA, KPLC and Ministry of Energy.

Project Progress: During the period under review, 1047 public facilities were connected to electricity which include 193 facilities done by KPLC at an estimated cost of Kshs.480,000,000 and 854 facilities done by REREC at an estimated cost of 6,832, 000,000. These facilities include health facilities, TVETS, food processing centres, educational centres, administrative offices, water points etc. The project is ongoing and is currently 25 percent complete for KPLC and 70 percent for REREC.

Implementation Challenge

- Delay in completing wiring to facilitate connections.

Lesson Learnt

- Timely sensitisation of public facilities on their roles in the project implementation is critical to the success of the project.

Recommendation

- Project implementation agencies need to sensitise all public facilities involved on the requirements of the project.

e. Alternative Energy Sources and Technologies

These programmes promote alternative clean renewable energy sources with an aim of reduction of the over-dependence on raw biomass and contribute to the conservation of the environment. The programmes include electricity access through solar and wind; construction of institutional and domestic biogas systems; construction of community small hydro power plants; installation of standalone home solar systems; clean cooking solutions; and reforestation of hydro dam's water catchment areas and water towers among others.

Location: Nationwide

Objective: To promote new and alternative sources of clean energy and technologies for socio-economic development.

Implementing Agencies: SDE, REREC, KPLC and EPRA.

Project Progress: During the year under review, the following was achieved: maintenance of 135 solar PV systems installed in public facilities; 155 hectares comprising of 100ha in Muringato, Nyeri County and 50 ha in Maragoli Hills - Vihiga County of hydro-dams water catchment areas were planted with trees; 500 hectares of afforested hydro-dams water catchment areas were maintained; 100 woodlots were established in the hydro-dam catchment areas; 70 woodlots were maintained in Endebess Constituency, Trans Nzoia County; two vandalised wind masts were rebuilt; 22 investment grade audits and General Grade Audits were undertaken; 154 domestic biogas digesters and three institutional biogas units were constructed; five efficient charcoal kilns constructed; and six Renewable Energy Technologies demonstrated at energy centres. These include solar PV, solar thermal, biogas, charcoal kilns, improved cookstoves and fireless cookers and tree nurseries; A total of 61,410 standalone solar home systems was installed under the Kenya Off grid Solar Access Project; 2,788 clean cooking units disseminated; 16 Renewable Energy centres supported while two solar mini grids were commissioned in Wajir and Narok counties.

f. Capacity Building in Renewable Energy and Energy Efficiency

Location: Nationwide

Objective: To provide knowledge management interventions that will enable the uptake, investment, and use of sustainable energy systems by the public and investors.

Implementing Agencies: EPRA, and Ministry of Energy & Petroleum.

Project Progress: The following were undertaken during the period under review:

a. Ten sensitisation forums on renewable energy as follows: -

- Ten metering and solar water heating regulations sensations in Nakuru, Eldoret, Kisumu, Nairobi and Mombasa.
- Virtual engagement on technical and financial appraisal of captive solar power plants. The aim was to provide a comprehensive understanding of the factors that contribute to the feasibility and viability of energy projects.
- Waste to energy seminar in collaboration with KIRDI.
- Solar water pumping workshop with Strathmore University.
- Mini-grid workshop with Strathmore University.
- Induction of Narok County Government officials on renewable energy and energy efficiency.

b. Five capacity building forums on energy efficiency were conducted. This involved collaboration with the Ministry of Energy & Petroleum, Narok County Government, National Association of Regulatory Utility Commission, United States Agency for

International Development, Strathmore University, and Association of Energy Professionals of Eastern Africa.

g. Review of Electricity Retail Tariff

Location: Nationwide

Objective: To ensure the sector utilities short and long-term financial viability and efficient resource allocation within the economy, with consumers only paying for the costs prudently incurred by the utilities.

Implementing Agency: EPRA

Project Progress: EPRA reviewed and approved the Retail Electricity Tariff Review for the Period 2022/23-2025/26 4th Tariff Control Period effective 1st April 2023. The reviewed tariffs included the introduction of the following notable changes:

- A special tariff under the E-Mobility category for charging electric vehicles to encourage the adoption of electric mobility.
- A new customer category (Domestic Customer Category 2) for those consuming between 31-100kWh to promote electric cooking and energy transition in support of climate change mitigation and related initiatives.
- Bulk Tariffs which allow large consumers to buy power in bulk from KPLC and retail the same to their end-user customers.
- Time of Use (TOU) tariff for small commercial customer categories which allows a 50 percent discount on the energy charge rate for the eligible customer categories. The TOU beneficiaries saved a total of Ksh. 1.2632 billion during the review period.

Implementation Challenge

- Negative public perception in balancing the interests of both the utilities and consumers.

Lesson Learnt

- Stakeholders' engagement in planning and implementation of projects enhances the success of project implementation.

Recommendations

- Adopt and promote new technologies geared towards stimulating electricity demand and mitigating against greenhouse gas emissions.
- Enhance public awareness and stakeholders' engagement in planning and implementation of projects.

General Implementation Challenges for the Infrastructure Sector

- Encroachment of land reserves for infrastructure projects.
- Vandalism of electricity infrastructure.
- World political events and global economic slowdown have affected uptake of services of the Sector i.e., air and marine transport.
- Incomplete inland infrastructural connections to the Lamu Port hindering the growth of Lamu Port.
- Policy shifts/changes such as the merger of Kenya Ferry Services with KPA have brought about financial strain on KPA.
- Lengthy process of acquisition of sites and way leaves.
- High cost of power connection.
- Vandalism of infrastructure facilities creating additional cost for maintenance and restoration.
- Delay in issuance of specific tax exemptions resulting in lengthening of clearance of materials at the ports.
- Legal and contractual issues impact adversely on project implementation.

Lessons Learnt

- Deployment of technical officers to the regions/county level has contributed to effective coordination and implementation of national and county government projects across the country.
- Public participation in project management is critical in ensuring the sustainability of projects/programmes.
- Disaster preparedness plans are vital in averting and mitigating the effects on projects' implementation.
- Leveraging landed assets greatly improves the financial status and support rail operations.

General Recommendations for the Infrastructure Sector

- Government land and infrastructure facilities such as power infrastructure projects including substations and strategic points along the major transmission lines and networks should be safeguarded to minimise security threats.
- Provision of loans and flexible repayment plans for customers pre-investment.
- Safeguarding of Government infrastructure facilities such as power infrastructure projects including substations and strategic points along the major transmission lines and networks to minimise security threats.
- Mobilise alternative financial resources through PPPs, such as, issuance of infrastructure bonds, and green financing to finance development of infrastructure projects.
- Provide reimbursement of subsidies to ensure efficiency in service provision.
- Leverage emerging technologies to increase energy demand.

3.2. INFORMATION COMMUNICATION & TECHNOLOGY

"Leveraging ICTs for Increased Competitiveness"

The ICT Sector plays a pivotal role in driving socio-economic development, innovation and connectivity in the country as a key critical enabler of the Vision 2030. While acknowledging ICT as an enabler, the Vision 2030 identified specific ICT related goals to include the establishment of a robust and inclusive digital infrastructure, promotion of a knowledge-based economy and the widespread adoption of ICTs to enhance service delivery and economic growth. The FY 2022/23 witnessed notable advancements and transformations within the ICT landscape, marked by significant growth, technological evolution and regulatory initiatives. This period saw sustained efforts to enhance access, promote innovation, and strengthen cyber-security frameworks, reflecting a commitment to leveraging ICT for national development goals. The Sector's dynamism and resilience have been instrumental in navigating challenges and seizing opportunities in a rapidly evolving digital environment. The Sector's key achievements are summarised in Table 3-6 below.

Table 3-6: ICT Sector Achievements for FY 2022/23

MTP III Outcome	Outcome Indicator(s)	Achievement FY2021/22	Target FY2022/23	Achievement FY2022/23	Remarks
Universal access to information	Mobile network coverage (percent)	98	98	98	Planned target achieved.
	Proportion of the population with internet connectivity (percent)	97	90	97	Target surpassed due to increased demand for fibre connectivity by both individuals and businesses
	Proportion of the country covered by digital TV signal (percent)	92	95	92.13	Roll out of the DTT coverage has slowed down as we move towards the hard-to-reach areas with very low commercial viability. The remaining gaps should be covered through the Universal Service Fund.
	Proportion of households with access to radio (percent).	76.56	99	96	Explain the variance between planned target and actual achievement.
	Bits per second per capita	62,000	22,500	102,402.2	This was attributed to increased investments by operators which rose from Ksh. 35.6 billion in 2020 to Ksh. 45.9 in 2021.

Source: State Department for Broadcasting and Telecommunication Annual Progress Report, 2021/22 FY

People, businesses and the Government expect access to fast, affordable, reliable and secure ICT connections. Towards this, players in the Sector promoted access to broadband; spurred competition in the telecommunications sub-sector; ensured diversity and plurality of views in the competitive broadcasting industry; empowered and protected consumers as well as rolled out mobile cellular infrastructure and services in unserved and underserved areas of the country.

3.2.1. NATIONAL ICT INFRASTRUCTURE PROGRAMME

The programme seeks to improve universal access to ICT services. It involved connecting Kenya to the international broadband highway as well as connecting all major towns in the country. During the year under review, the following projects were implemented:

i. National Optic Fibre Backbone Infrastructure

Location: Nationwide

Objective: To extend by an additional 2,500 km of fibre connecting at least 290 offices at the sub-county level, educational centers, Level 4 and above hospitals, police stations and other key County Government offices.

Implementing Agencies: Ministry of ICT and ICT Authority.

Project Progress: A total of 500 km of fibre network cables were laid under the NOFBI project and all 47 County Government Headquarters and National Government Headquarters are now connected to NOFBI under the Last Mile County Connectivity Project. In addition, a total of 600 km of fibre network from Eldoret to Lodwar was rehabilitated under the East Africa Trade Facilitation Project.

ii. County Connectivity Project Phase

Location: Nationwide

Objective: To interconnect all 47 counties through a last mile wired and wireless network into one homogenous governmental network.

Implementing Agency: Ministry of ICT

Project Progress: The Project has continued to expand its reach, with the goal of creating a seamless governmental network across the country. Phase IIIA and IIIB of the Project were completed, focusing on connecting additional MDAs and refurbishing server rooms in the counties with necessary infrastructure like air conditioning, Closed-Circuit Television (CCTV) and access control.

iii. Government Common Core Network (GCCN) Programme

Location: Nationwide

Objective: To enhance connectivity to provide MDAs with a robust, reliable and secure government core connectivity network and a redundant link.

Implementing Agencies: Ministry of Interior and Coordination of National Government, and Ministry of ICT, Innovation and Youth Affairs.

Project Progress: The GCCN system was redesigned and expanded to provide a robust, reliable and secure Government core connectivity network and redundant link to all MDAs. The Project has developed 534 km of infrastructure, linking 1,650 public institutions and offices, facilitating internet and telephony services. The Project's implementation in five regional headquarters has been completed, and these Local Area Networks will eventually be linked to the GCCN to form a national information infrastructure.

iv. Integrated Government Unified Communication System Project

Location: Nationwide

Objective: To provide a platform for government officials to share information more securely, efficiently and effectively. It involves expanding and upgrading the system with new features like calendaring, active directory to all MCDAs.

Implementing Agencies: ICT Authority (ICTA) and Ministry of ICT.

Project Progress: During the year under review, the Integrated Government Unified Communication System was expanded and upgraded in 25 out of the targeted 312 MDACs. The remaining 287 MDACs will be implemented in the MTP IV.

v. Eastern Africa Regional Transport, Trade and Development Facilitation Project

Location: Nationwide

Objective: The Project, which involves laying of 600 km Fibre Optic Cable from Eldoret to Nadapal at the common border with South Sudan aimed to extend the geographic reach of Fibre Optic Cable network in order to improve service delivery in the North-Western part of Kenya and disruption of broadband connectivity while the construction of the main cable is underway.

Implementing Agencies: Ministry of ICT and ICTA.

Project Progress: A total of 200 km out of the targeted 600 km of fibre network was rehabilitated from Eldoret to Nadapal at the common border with South Sudan. This project commenced in FY 2020/21 and represents a significant step towards enhancing connectivity and digital infrastructure in the region.

vi. Northern Eastern Corridor Transport Improvement Project

Location: Northern Eastern, Kenya

Objective: To connect institutions and communities along the Northern Eastern Road corridor between Isiolo and Mandera.

Implementing Agency: ICTA

Project Progress: The Project was not implemented due to budgetary constraints. The project will be implemented in the MTP IV period.

vii. Digital Terrestrial Television Coverage

Location: Nationwide

Objective: To cover 22 percent of the Country.

Implementing Agency: Communications Authority of Kenya (CA), and Broadcasting Signal Distributors (Signet).

Project Progress: To ensure widespread availability of DTT signal, the CA sets roll out targets for Broadcast Signal Distributors, in areas with no or poor coverage, and monitors compliance. In the FY 2022/23, Pan-Africa Network Group and GoTV Kenya Limited commissioned additional DTT transmitters in Bomet and Voi respectively leading to the rise of the proportion of the population covered by DTT to 92.13 percent.

viii. Migration from Medium Wave (FM Radio Transmission)

Location: Nationwide

Objective: To migrate from Medium Wave to FM radio Transmission by installing 12 transmitters.

Implementing Agency: State Department for Broadcasting and Communication.

Project Progress: The migration from Medium Wave to FM transmission Phase II is at 46 percent. The project entails accessibility of FM sites with infrastructure, installation of functional radio broadcast equipment and high-quality FM radio broadcast.

ix. National Addressing System

Location: Nationwide

Objective: To provide infrastructure for commerce

Implementing Agency: Ministry of ICT

Project Progress: Developed the National Addressing System of Kenya Policy and the National Addressing System of Kenya Bill that are awaiting presentation to the Cabinet for approval. The two instruments will provide a policy for developing the National Addressing System and improve uptake of commerce.

3.2.2. NATIONAL INFORMATION SECURITY PROGRAMME

Location: Nationwide

Objective: To build the Kenyan capacity to deal with cybercrime.

Implementing Agencies: CA, and Ministry of Information, Communication and the Digital Economy.

Project Progress: The National Computer Incident Response Team - Coordination Centre (CIRT/CC) detected 855,554,988 cyber threats compared to 444,055,806 in the previous year. There was a substantial increase in the cyber threat events detected in the system vulnerabilities attributed to an upsurge in targeted attacks at cloud-based services and critical systems and services. There was also the adoption of more sophisticated tools by ransomware gangs and increased network misconfiguration attacks.

To ensure the efficient mitigation of cyber threats and promote digital trust, the National CIRT/CC issues technical advisories and support to organisations affected by cyber threats. The total cyber threat advisories issued during the period under review was 23,194,321 compared to 7,973,129 in the previous year. The increase is attributed to an upgrade of the National KE-CIRT/CC cyber threat management systems and enhanced collaboration and information sharing by stakeholders.

Implementation Challenge

- Frequent changes in the nature and forms of cyber fraud and attacks.

Recommendations

- Allocate more resources to cybersecurity
- Promote public awareness of cyber risks and best practices to mitigate cyber fraud and attacks.
- Continuously upgrade systems to ensure they remain resilient and adaptable in the face of evolving cyber fraud and attacks.

3.2.3. UNIVERSAL ACCESS TO ICT PROGRAMME

Location: Nationwide

Objective: To enhance universal access to ICT while addressing the telecommunications access gaps in the identified underserved and unserved areas across the country that are not considered commercially viable.

Implementing Agency: CA

Project Progress: This Project seeks to address the connectivity gaps in the identified underserved and unserved areas across the country that are not considered commercially viable.

During the FY 2022/23, CA facilitated the rollout of cellular mobile infrastructure and services in 36 sub-locations with an approximate population of 84,286. This brings the number of sub-locations connected so far to 137.

Implementation Challenge

- Onboarding of Mobile Network Operators for the active components. This resulted in delayed implementation of the project.

Lesson Learnt

- Stakeholder consultations prior to commencement of projects is important as it would ensure stakeholders, including service providers expected to participate in the delivery of the project, express their expectations thus eliminating delays in implementation. In this regard, CA hosted several meetings with MNOs to understand their expectations and establish a collaborative way forward.

Recommendation

- Ensure adequate stakeholder consultations are considered for timely delivery of projects.

3.2.4. E-GOVERNMENT SERVICES PROGRAMME

Location: Nationwide

Objective: To enhance accessibility of Government records through digitisation of Government records and strengthening of the Kenya Open Data Initiative (KODI) to make public data sets accessible in a usable format and rollout of Digital Government Economy Programmes.

Implementing Agency: Ministry of Information, Communication and the Digital Economy.

Project Progress: This will be implemented under MTP IV. Under KODI, the strategy was developed.

Implementation Challenges

- Vandalism of ICT and supporting infrastructure as well as unreliable and high cost of broadband services in Kenya limits access to ICT services and slows investment.
- Unstable global macro-economic environment occasioned by COVID-19 pandemic and other global economic

uncertainties resulting from the ongoing war in Ukraine.

- Evolving forms of data and cyber security threats and abuse of social media

Lessons Learnt

- Accelerating the development, approval and implementation of the various policy, legal and institutional reforms is key to the achievement of the projects.
- Developing supporting ICT infrastructure, skills and access to devices as well as provision of affordable broadband services will enhance uptake of BPO/ITES and online jobs.
- Enabling access to ICT infrastructure in the unserved and underserved areas in the country will lessen the existing digital divide between the rural and urban areas as well as enhance uptake of BPO/ITES.
- Collaboration between MDACs is key in successful and timely delivery of projects and programmes.

Recommendations

- Create cyber-security awareness and capacity building through various initiatives geared towards enhancing the national cyber-security readiness and resilience.
- Classify communication infrastructure as critical national infrastructure for enhanced protection of the same and ease of sourcing for funds for project implementation.
- Provide support for research and development.
- Amend laws on destruction and vandalism of infrastructure
- Provide adequate resources to lay the required infrastructure to attract investors.
- Develop/harmonise/review policy, legal, regulatory and institutional frameworks to administer the rapidly developing technologies in ICT.
- Promote development of digital economy in Kenya e.g., through E-Commerce, smartphone apps, collaboration platforms, digital banking.
- Enhance community and stakeholder engagement in the roll out of the ICT Universal Access Programme.

3.3. SCIENCE TECHNOLOGY & INNOVATION

"***Accelerating the Transition to an Innovation-Led and Knowledge-Based Economy***"

Science, Technology, and Innovation is key in unlocking Kenya's development potential and enhancing national security and public safety. Development and integration of ST&I across sectors of the economy through a whole-government approach is, therefore, essential in accelerating economic transformation and increasing Kenya's competitiveness and employment creation. Adoption of ST&I helps social integration, sustainable development, and wealth creation. Furthermore, strengthening ST&I capacity will facilitate Kenya's international co-operation in a rapidly globalising work environment.

Science, Technology, and Innovation is expected to drive the national development agenda by ensuring that all sectors of the economy have access to new technologies and adequate knowledge to increase productivity and efficiency. Considering climate change and rising pandemics, it is now clear that advances in ST&I will be a game-changer in responding to these challenges.

The following programmes and projects were undertaken during the review period:

3.3.1. NANO-SCIENCES, MATERIAL SCIENCE AND NEW PRODUCTION TECHNOLOGIES PROGRAMME

This programme has two projects:

a. The National Physical Science Research Laboratory for Engineering and New Production Technologies

Location: Nationwide

Objective: This programme aims at building state of the art infrastructure for high quality of research and technology development.

Implementing Agencies: National Commission for Science Technology and Innovation (NACOSTI), Ministry of Education, Ministry of Transport and Infrastructure, Ministry of Land, Housing and Urban Development, Universities, and Research Institutions.

Project Progress: The National Physical Science Research Laboratory consists of 11 laboratories out of which three have been prioritised with preliminary works which include: NPSRL strategy, acquisition of land and designs for three laboratories among the 11 above have been developed (Material Science and Engineering; Theoretical and Computational Science and Nanotechnology and Mineralogy Laboratories).

b. Centre for Nanotechnology Research Laboratory

Location: KIRDI, Nairobi

Objective: To establish infrastructure for nanomaterial science and technology, and industrial applications.

Implementing Agency: KIRDI

Project Progress: The Centre for Nanotechnology Research was at 80 percent completion level. Some staff have trained at Masters and PhD levels in Nano Science and related areas of material science.

Implementation Challenge

- Delays in exchequer release.

Lesson Learnt

- There is a need to prioritise completion of started projects.

Recommendations

- Increase financial allocation.
- Focus on capacity building.
- Phase out the implementation of the laboratories based on available resources.

3.3.2. SPACE SCIENCE TECHNOLOGY DEVELOPMENT PROGRAMME

The programme aims at enhancing the teaching, research and development of space science and subsequent use of space technology for peaceful purposes. The programme has the following three projects:

a. Centre for Microsatellite Technology Development

Location: Nairobi/Malindi based on mobilised resources.

Objective: To undertake advanced research in the areas of satellite technology development, manufacturing, launch and operation.

Implementing Agencies: Ministry of Education, NACOSTI, National Research

Fund (NRF), Kenya Space Agency, and Universities.

Project Progress: Project proposals have been developed.

Implementation Challenges

- Limited funding for establishing and operating the Centre.
- Lack of industries for manufacturing space systems in the region.
- Limited appropriately skilled manpower.
- Limited equipment and facilities for space systems research and development.

Lessons Learnt

- Stakeholder engagement is critical to ensuring coordination of the space industry.
- Establishing linkages between Government, industry, and academia is crucial in building synergy and mobilising resources.
- Need to create awareness on the benefits of space science, technology and applications.
- Need to leverage international collaborations and beneficial partnerships to enhance capacity development.

Recommendations

- Provide adequate funding for the domestic space industry.
- Recruit and retain technical personnel.
- Train experts in space science, systems engineering and operations.
- Develop infrastructure to support the space industry.

c. The Square Kilometre Array

The Project involved the acquisition of Longonot Earth Station acquired from Telkom Kenya for conversion into a radio telescope.

Location: Longonot Earth Station, Nakuru County.

Objective: To establish a large radio telescope with a node in Kenya to be used as a research facility for astrophysics, engineering, surveying, mathematics and information technology to generate “Big Data” from astronomical observations.

Implementing Agencies: Ministry of Education, NACOSTI, NRF, Kenya Space Agency, and Universities.

Project Progress: No progress was made on conversion of Longonot Earth Station during the review period. Through the Square Kilometre Array, three MSc and four PhD students were trained in South Africa on scholarships in astrophysics and astronomy, and a donation of high-performance computers by South Africa through NACOSTI was made. Under the Development in Africa with Radio Astronomy (DARA) programme, 10 students are trained annually in radio astronomy and further apply for scholarship opportunities at Masters and PhD levels. Three students have graduated at Masters level and two at PhD, while six are continuing at PhD level.

Implementation Challenges

- The project did not have a budget allocation during the period under review.
- Inability to secure funding from the project resource partners.
- Electromagnetic interference and radio frequency interference around the proposed site.
- Vandalised infrastructure at Longonot Earth Station.

Lessons Learnt

- The strategic importance of the Longonot Earth Station was noted and steps to acquire it commenced during the period.
- There is limited capacity in astrophysics and related sciences within the country.
- Establishing linkages between Government, industry and academia is key in building synergy and mobilising resources.
- Need to create awareness on the benefits of space science, technology and applications.
- Need to leverage international collaborations and beneficial partnerships to enhance capacity development.
- Need to secure land and control development in advance for proposed projects.

Recommendations

- Support of implementing agencies to source for funding for specific aspects of the projects under their budgetary processes.
- Capacity development in astrophysics and related sciences.
- Provision of adequate land for implementation of the radio telescope project.
- Secure adequate land for implementation of the radio telescope project.

b. Optical Astronomical Observatory

This observatory will undertake advanced research, training and outreach in basic space science with relevance to astrophysics, mathematics, engineering and technology.

Location: Nationwide

Objective: To undertake advanced research, training and outreach in space science with relevance to astrophysics, mathematics, engineering and technology.

Implementing Agencies: Ministry of Education, NACOSTI, NRF, Kenya Space Agency, and Universities.

Project Progress: The Kenya Space Agency is supporting this project in line with its mandate through implementation of the K-SORT Project. It has acquired a 20 cm optical telescope and secured a site at Kenyatta University, Kitui Campus. The Kenya Optical Telescope Initiative also installed a 40 cm optical telescope at Turkana Basin Institute in September 2022 for observational astronomy and astronomical tests to determine suitability of the site for a permanent observatory.

Implementation Challenges

- Limited funding for establishing and operating the Observatory.
- Limited sites with low light pollution and clear skies.

Lessons Learnt

- Stakeholder engagement is critical to ensuring coordination of the space industry.
- Need to create awareness on the benefits of space science, technology and applications.
- Need to leverage international collaborations and beneficial partnerships to enhance capacity development.

Recommendations

- Support of implementing agencies to source for funding for specific aspects of the projects under their budgetary processes.
- Capacity development in astrophysics and related sciences.
- Provision of land to construct the Observatory.

3.3.3. SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS PROGRAMME

a. Kenya Advanced Institute of Science and Technology

Location: Konza Technopolis

Objective: To facilitate human and infrastructure capacity building for the Institute.

Implementing Agency: Ministry of Education.

Project Progress: The construction of the Kenya-AIST project commenced on 24th September 2021 and is expected to end on 23rd September 2023.The Kenya-AIST project comprise construction of administration, educational and housing buildings, installation of electrical, mechanical, firefighting and other facilities, civil works (Construction of roads, sewer, storm waters facilities), landscaping, establishment of the University's Enterprise Resource Planning (ERP) systems, establishment of digital library systems and installation of educational and research equipment. As of June 2023, the progress of the construction was at 22.72 percent and overall progress at 17.59 percent.

Implementation Challenges

- Weak project management by the contractor.
- Delay in exchequer release.

Lessons Learnt

- Strong collaborations amongst stakeholders is essential in fast-tracking project implementation.

Recommendations

- Timely release of exchequer to pay the contractor and consultant of the project as per the agreement.
- The project implementing agency should reinforce monitoring and evaluation of the project.

b. Enhancement of the Centres of Excellence in Universities and Research Institutions

The project had two components:

i. Support to Higher Education, Science and Technology Project

Location: Eight universities: University of Nairobi, Multimedia University, Dedan Kimathi University of Technology, Technical University of Mombasa, Masinde Muliro University of Science and Technology, Technical University of Kenya, Meru University of Science and Technology and South-Eastern Kenya University.

Objective: To strengthen capacity in teaching of Science and Engineering in public universities.

Implementing Agency: Ministry of Education.

Project Progress: Overall implementation was at 100 percent. State of art engineering equipment to 31 departments resulting in accreditation of 17 programmes by the Engineering Board of Kenya. Wangari Maathai Institute at the University of Nairobi was fully equipped.

Implementation Challenges

- Budget shortfalls reduced human capital development targets.
- Complex process for approval of tax exemption.

Lessons Learnt

- Planning is critical in long-term project implementation.

- Effective communication is highly critical for a successful project.

Recommendation

- Scaling up the successes of the project.

ii. Africa Higher Education Centres of Excellence Phase II (ACE II)

Location: Three universities: Moi University, Egerton University and Jaramogi Oginga Odinga University of Science and Technology (JOOUST).

Objective: To deliver quality post graduate education and build collaborative research capacity.

Implementing Agency: Ministry of Education.

Project Progress

- In collaborative research, Moi University focused on phytochemicals, textiles, and renewable energy.
- JOOUST on sustainable use of insects for food and feed, and Egerton University focused on sustainable agriculture and agribusiness management. The project has so far enrolled 114 PhD, 422 Masters students and 472 trained on short courses.
- The centres have supported 221 staff and postgraduate students for exchanges nationally and internationally, and a total of 17 PhD and 21 Masters programmes were accredited.

Implementation Challenges

- Integrating new technologies and methodologies into existing curricula.
- Maintaining a high level of engagement and participation from industry partners.
- Addressing the gap between academic research and practical application in the industry.
- Managing the logistics and coordination of international exchanges and collaborations.

Lessons Learnt

- Interdisciplinary collaboration enhances the quality and relevance of research outputs.
- Active engagement with industry stakeholders is crucial for aligning academic programmes with market demands.
- Continuous professional development for staff and students is essential for keeping pace with advancements in their respective fields.
- Flexibility in programme implementation allows for adaptation to unforeseen challenges and opportunities.

Recommendations

- Strengthen industry-academia linkages to enhance the relevance and impact of research and education programs.
- Enhance digital infrastructure and capabilities to support online learning, research collaboration, and knowledge dissemination.
- Regularly update curricula and training programmes to reflect emerging trends and technologies.

c. National Skill Inventory and Audit for ST&I

Location: Nationwide

Objective: Establish a database on the status of the national ST&I human resource capacity and skills in science, engineering, and technology in relation to the job market needs.

Implementing Agencies: Ministry of Education, and NACOSTI.

Project Progress: Pan African University Institute of Basic Sciences, Technology, and Innovation was also established to support the Science, Technology, Engineering and Mathematics (STEM) programme. 120 students were admitted, and 144 students graduated of which 48 were PhD students and 96 were Masters students. To date, 717 scientific publications have been made and 13 patents have been registered.

Implementation Challenge

- Inadequate funding to the projects.

d. The African Science, Technology, and Innovation Observatory

Location: Nationwide

Objective: To facilitate the establishment of the Kenyan node of the African Science, Technology and Innovation Observatory for the collection, analysis and reporting on ST&I indicators.

Implementing Agency: Ministry of Education.

Project Progress

- Initiated talks with the Director, Egyptian Science, Technology and Innovation Observatory with the aim of visiting the facility for benchmarking.
- National Science, Technology and Innovation Observatory (NASTIO) Workshop on the Comprehensive NASTIO Project Concept Note undertaken.
- Allied the NASTIO Project Concept note to National Treasury guidelines.

Implementation Challenges

- Inability to hold NASTIO Workshop early in the 1st Quarter due to lack of exchequer.
- Planning for the Egyptian Science, Technology and Innovation Observatory study visit has taken time due to factors outside the NASTIO Project's control.

Lessons Learnt

- Advise on facilitation of NASTIO Workshop before the end of the previous FY
- Closer follow up on study visits is necessary.

e. Model STEM Schools Programme for Secondary Schools

The STEM Model Schools Project was initiated in 2016/17. The aim was to transform schools across the country to be centres of excellence in STEM education. Components of the Project/Programme include supporting the 103 STEM Model Schools with STEM resources and training for teachers and school principals, research and innovation.

Location: Nationwide

Implementing Agencies: Ministry of Education, NACOSTI, and Centre for Mathematics Science and Technology Education in Africa (CEMASTA).

Objective: The programme aims at enhancing the capacity of education institutions (secondary schools) to provide STEM education by facilitating the provision of support with modern and high-end STEM equipment and training for STEM teachers and school principals. In addition, it aims to promote experiential learning, innovation, creativity and attraction into STEM-related disciplines through well-coordinated programmes in education, Research and Development, Knowledge Management and training in all aspects of STI from early childhood, primary and secondary levels of education.

Project Progress: During the period under review, CEMASTEA, in support of the sustainability of the STEM model schools programme as the Centre's Vision 2030 flagship programme, carried out a study on the impact of the STEM model schools (main activity) conducted in 28 schools; conducted STEM educational outreach and visits at CEMASTEA for 3,053 learners and teachers from primary and secondary schools; trained 282 primary science and mathematics teachers to teach coding; and held two STEM, robotics and coding boot camp at CEMASTEA.

Implementation Challenge

- The provision of STEM equipment for the reporting period of 2021/22 was not fully realised.

Lessons Learnt

- School follow-up activities need to be structured periodically to enhance sustainability. Some mitigation strategies include engaging a more collaborative approach to implementing programmes with other Government agencies, non-state players, Non-Governmental Organisations (NGOs) and development partners. The previous reports indicated that the Centre had established STEM maker spaces and robotics activities. This diversification and scale-up of activities enabled increased participation of both girls and boys. The Centre continues collaborating with agencies such as Kenya National Innovation Agency (KeNIA) and NACOSTI to promote research, uptake and possible commercialisation of STEM projects.
- There are great opportunities for learners in STEM activities, especially with the envisioned curriculum changes, particularly the STEM pathway in the senior secondary school. In the FY under review, lessons learnt have been used to start STEM outreaches. Increased training and multipronged programmes such as boot camps, science fairs and symposia can motivate learners and increase the uptake of STEM subjects in schools. Equipping schools with resources improves teacher classroom practices and learning achievement in STEM subjects. The growing interest in STEM subjects among learners results from innovative teaching and learning strategies integrating projects and real-life application of knowledge and skills learned.

Recommendations

The Centre will use recommendations from the study to step up activities around the STEM model schools. Other than this, the CEMASTEA will:

- Scale up the programme (if funds are availed). This would include onboarding more schools onto the model STEM schools programme and increasing monitoring and support activities that were envisaged but not done in the FY 2022/23.
- Organise, in collaboration with other stakeholders in the STEM ecosystem, more boot camps in which STEM model schools' students and other invited schools can showcase their projects/ innovation and entrepreneurial skills. Such boot camps should assist in scaling up and spreading the goodness of mathematics and science education by further understanding of the key and contemporary concepts in ICT such as coding, Artificial Intelligence, Augmented Reality, Internet of Things, and Robotics.
- Finalise development of the STEM strategy for secondary education to further guide providing competitive, quality, inclusive and relevant STEM education.
- Increase partnerships and collaboration in STEM education and further research, innovations and talent developments.

3.3.4. COORDINATION OF TECHNOLOGY AND INNOVATION COMMERCIALISATION PROGRAMME

a. Science Technology Parks (STPs)

Location: Dedan Kimathi University of Science and Technology (DeKUT) and Konza Technopolis.

Objective: Ensuring an effective innovation system to harness the potential offered by modern science and technology for social and economic development.

Implementing Agencies: Ministry of Education, DeKUT, NACOSTI, NRF, KIRDI, Kenya Industrial Property Institute (KIPI), and KeNIA.

Project Progress: The STPs focused on five thematic areas: Agro-Tech Design; Manufacturing and Materials; ICT Hardware and Software; Biotechnology (humans); Pharmaceuticals and Natural Products. Establishment of the Science and Technology Park at DeKUT has been initiated and work is at five percent progress. The Science and Technology Park at Konza has received approval of drawings for the following hubs and cantres: Biotechnology and Bio Sciences Hub, Pharmaceuticals and Natural Products Hub, an ICT Hub and Support Centre with other innovation hubs, as well as an Education and Research Centre. Through the National Innovation Award Programme, 40 innovators have been recognised within the last five years and granted awards amounting to Ksh 22.7 million for purposes of product development for the selected innovation projects. Under the Leaders in Innovation Programme, in collaboration with NRF and the Royal Academy of Engineering (RAEng) of the United Kingdom, innovators have been trained, linked to mentors and incubation/innovation centres. Forty-two innovators benefited from innovation commercialisation grants amounting to over Kshs 140 million. Innovation Bridge Portal, an online platform, has been initiated to create linkages and networks between regional, national and international innovators, industry and public and private technology developers, commercialisation funding partners and other relevant innovation players. Through KeNIA, the sector established an annual forum - Kenya Innovation Week (KIW) with a focus on skills for innovation, startups, commercialisation of innovations and the Fourth Industrial Revolution was organised and held in various counties to showcase the innovativeness of Kenyans under the national priorities of the Big Four Agenda and Vision 2030. Lastly, the Research – 2 - Commercialisation (R2C) Project, to prepare researchers and faculty to accelerate their commercialisation to create an economic impact in turning research projects into scalable businesses, was rolled out in various countries.

Implementation Challenges

- Inadequate budgetary allocation.
- Mismatch between skills acquired by university graduates and industry requirements.
- Inadequate infrastructure and equipment for research, higher education, and training institutions especially for physical science.
- COVID-19 containment measures delayed project implementation.

Lessons Learnt

- The involvement of multiple agencies such as the Ministry of Education, DEKUT, NACOSTI, KeNIA, NRF, KIPI and KIRDI highlights the importance of collaboration among various stakeholders in driving innovation and commercialisation.
- The National Innovation Award Programme and the Leaders in Innovation Programme demonstrate

the significance of recognising and providing financial support to innovators for product development and commercialisation.

- The establishment of the Innovation Bridge Portal and the organisation of KIW are crucial steps in creating linkages and networks among innovators, industry players, and funding partners.
- The COVID-19 pandemic's impact on project implementation highlights the need for flexibility and adaptability in project planning and execution.
- Investment in infrastructure and equipment, especially for physical sciences, is crucial to support research, higher education and training institutions.

Recommendations

- Increase budgetary allocation for research, innovation, and commercialisation activities.
- Align university curricula with industry requirements to bridge the skills gap and ensure that graduates are equipped with relevant skills for the job market.
- Encourage public-private partnerships to leverage resources, expertise and networks for the successful implementation and sustainability of innovation projects.
- Develop flexible and adaptable project plans to accommodate unforeseen challenges such as pandemics or other external factors that may impact project implementation.
- Implement robust monitoring and evaluation mechanisms to track progress, assess impact, and make informed necessary adjustments to project strategies.

b. Research, Science, Technology, and Innovation

Location: Nationwide

Objective: To advance science, technology, and innovation for sustainable national development.

Implementing Agency: NRF

Project Progress: In FY 2022/23, a total of 95 priority research projects were funded amounting to KSh. 252.99 million.

Implementation Challenges

- Declining allocation for research, science, technology and innovation programmes has translated to a low national Research and Development expenditure of 0.8 percent against the target of 2 percent of GDP.
- Inadequate research and innovation infrastructure in most public research institutions and universities
- The implementation period for the research project is three years however COVID-10 pandemic significantly disrupted research projects implementation.

Lesson Learnt

- There is a need for proactive resource mobilisation strategies, such as seeking external funding or exploring alternative revenue streams to ensure suitable implementation of strategic plans.

Recommendations

- The National Treasury to enhance exchequer funding for research as stipulated in the Science, Technology, and Innovation Act of 2013 (STI Act 2013)
- NRF to enhance external resource mobilisation strategies.

3.3.5. BIOTECHNOLOGY AND BIOSCIENCE PROGRAMME

The overall objective of this programme is to build Kenya's capacity to develop and safely apply biotechnology and biosciences in agriculture, health, mining, industry and environmental conservation. The Programme also seeks to address the low levels of public awareness on biotechnology, which has hindered the development and up-take of the technology and build national capacities to tap on the great potential of synthetic biology and regenerative medicine.

Location: KEMRI, Nairobi

Objectives: To establish Centre of Excellence for Stem Cells Research, Synthetic and Regenerative Medicine.

Implementing Agency: KEMRI

Project Progress: During the period under review, the Centre of Excellence in Stem Cell Research was established, fully equipped. The Centre will be commissioned on 27th July 2023 and operationalised. Eleven scientists were also trained on stem cell research; four research studies on stem cell research are ongoing, seven papers were published in peer reviewed journals, and two abstracts were presented in conferences. Generation and characterisation of stem cells and downstream application of characterized cells in diabetic foot ulcers and visceral leishmaniasis was undertaken, while establishment of a stem cell biobank is in progress.

The Institute further created awareness on the genomics and bioinformatics research capacity for disease causing pathogen diagnosis and treatment markers screening for communicable and non-communicable diseases such as SARS-COV-2, Plasmodium, Leishmania, Schistosomiasis, HIV and Cancer.

Implementation Challenges

- Inadequate human resource capacity both in numbers and skills.
- Getting waiver/raising the Value Added Tax (VAT) funds which initially were not available in KEMRI.

Lessons Learnt

- Enhance innovation and research output through commercialisation.
- Better collaboration between the development partners and Government.

Recommendations

- Explore other funding opportunities for KEMRI's ST&I flagship projects.
- Acquisition of crucial equipment.
- Provision of adequate funding to facilitate timely completion of projects.
- Training and capacity building.
- Enhance procurement processes.

3.3.6. NATURAL PRODUCTS PROGRAMME

Location: KEMRI, Nairobi

Objectives: Manufacture of pharmaceuticals through PPPs and development of indigenous technologies for the manufacture of niche products.

Implementing Agency: KEMRI

Project Progress: During the period under review, the Institute continued to conduct biomedical research on natural products with focus on use of pyrethrum grown in Kenya for its safety and use for insecticidal and antimicrobial applications. The main research activities under the Pyrethrum Project include studies on efficacy for prevention and treatment of jiggers, a neglected tropical disease endemic in many regions of our country. Besides pyrethrum, other research areas are focusing on anti-cancer and antiviral agents from plants with the aim of developing therapeutic products.

Other research activities on-going include:

- A reverse transcriptase loop amplification isothermal PCR for YFV was developed at KEMRI-PD.
- Domestication of differential diagnosis assays by PCR for YFV, RVFV, DENV, CHIKV, ONNV and WNV using established protocols.
- Development of Enzyme Linked Immunosorbent Assays (ELISA) for YFV e.g., indirect IgG ELISA, IgM capture ELISA and Ag detection ELIS.
- Large-scale production of YFV specific monoclonal antibody 2D12 and its subsequent use in Plaque and Focus Neutralization Assays.
- Developed more MAbs that are awaiting field testing and large-scale propagation.
- Evaluation of a Loop-mediated isothermal amplification assay for COVID- 19 detection.

Implementation Challenges

- Human resource capacity both in numbers and skills.
- Delay in exchequer funding disbursement.
- Delays in procurement processes.

Lessons Learnt

- The importance of enhanced innovation and research output through commercialisation.
- The need for enhanced procurement processes.
- Better collaboration between partners.

Recommendations

- Explore other funding opportunities for KEMRI's ST&I flagship projects.
- Provision of adequate funding to facilitate timely completion of projects.
- Training and capacity building.
- Acquisition of crucial equipment.

3.4. LAND REFORMS

*"**Globally Competitive Sustainable Land Management**"*

Land has been identified as a critical resource in the attainment of the Kenya Vision 2030 and other national development priorities. The Sector, therefore, focuses on improving management of land resources in the country by focusing on formulation and implementation of policies relating to its allocation, distribution and utilisation.

During the period under review, the Sector focused on improving access, tenure, and management of land to foster economic development in the country.

Table 3-7: Land Reforms Sector Achievements for FY 2022/23

MTP III Outcome	Outcome Indicator	Achievement FY 2020/21	Target FY 2021/22	Achievement FY 2022/23	Remarks
Improved access, tenure and land management	Title deeds registered and issued	410,000	411,144	412,562	The target was marginally surpassed.
	Land parcels geo-referenced	50,269	300,000	28,400	Under-achievement was attributed to inadequate survey equipment and software as well as the budget cuts

Source: Ministry of Lands and Physical Planning Annual Progress Report, FY 2022/23

3.4.1. NATIONAL REGISTRATION AND ISSUANCE OF TITLE DEEDS

The programme entails georeferencing of land parcels, issuance of title deeds for sectional properties units, demarcation and registration of communities and community land as well as register land held under the Community Land (Group Representatives) Act, Cap 287; hastening the preparation of leases and approval of land development applications such as subdivisions, change of user, extension of leases, extension of user to realise issuance of ownership documents; fast-tracking the planning, surveying and issuance of title deeds for public schools; titling programme for public institutions and counties, urban and markets centres; regularisation of informal settlements and colonial villages; fast-tracking the ascertainment of rights and interest on lands by finalising the declared adjudication sections and establishment of settlement schemes, settling of squatters and the landless and regularisation of land ownership claims in urban centres through issuance of letters of allotment; renewal and extension of leases and for leased public land; recovery of irregularly allocated public land; and documentation of public institution land.

Location: Nationwide

Objective: To guarantee security of land tenure and land rights

Implementing Agencies: Ministry of Lands and Physical Planning (MoLPP), and NLC.

Project Progress: 412,562 title deeds were issued against a target of 300,000. The target was exceeded by 38 percent due to increased demand for services, increased human resources and the presidential directive on the National Titling Programme.

3.4.2. NATIONAL LAND INFORMATION MANAGEMENT INFORMATION SYSTEM

This entails implementation of NLIMS including digitisation of all land registries to ensure effective and efficient access to land data.

Location: Nationwide

Objective: To develop a transparent, decentralised, affordable, effective, and efficient GIS-based system for land information management.

Implementing Agencies: State Department for Lands and Physical Planning (SDLPP), and NLC.

Project Progress: NLIMS has been developed, Nairobi Land Registry digitised while digitisation of land records and automation of land processes in Murang'a is ongoing. To decentralise land services, construction in various registries was ongoing and was reported to be at varying completion levels i.e., Naivasha was at 65 percent, Laikipia at 45 percent and Ngong at 12 percent. Designs and documentation were ready for Mutomo.

3.4.3. IMPLEMENTATION OF THE NATIONAL SPATIAL PLAN

The National Spatial Plan provides a framework and vision that guides the long-term spatial development of Kenya (2015-2045). The Plan addresses uncoordinated human settlements, urban and rural development, disjointed and conflicting sectoral policies, economic development disparities, unsustainable use of natural resources, and inefficient transport and infrastructure framework.

Location: Nationwide

Objective: To enhance balanced growth and development of the country through optimal land use planning and management.

Implementing Agencies: SDLPP and NLC

Project Progress: Guidelines for implementation of National Spatial Plan were prepared for five sectors namely National Resource and Environment; Human Settlement; Economy; Infrastructure and Transport and for all the 47 counties. Guidelines for three sectors were disseminated to 11 counties. Establishment and operationalisation of the national council and the county technical implementation committees is in progress. Further, physical and land use plans were prepared for Dongo Kundu Special Economic Zone and Kibera Soweto East.

3.4.4. NATIONAL LAND VALUE INDEX

This entails the development of a price index for land to guide the assessment of land values in respect of compulsory acquisition of land and for connected purposes.

Location: Nationwide

Objective: To provide a framework for a credible valuation database for use in investments and land compensation decisions.

Implementing Agencies: SDLPP and NLC

Project Progress: Land Value Index was completed in five counties namely: Nyandarua, Embu, Taita Taveta, Murang'a and Kwale. Data collection and creation of sub-markets in Nyeri, Makueni, Laikipia, Tharaka Nithi and Kitui counties affected by budget cuts.

3.4.5. SETTLEMENT OF LANDLESS

This entails regularisation of squatter schemes and purchase of farms through settlement fund trusts to settle squatters, displaced persons and forest evictees. This will guarantee the security of tenure, land rights and improved livelihood of landless households/squatters.

Location: Nationwide

Objective: To guarantee security of tenure, land rights and improved livelihood of squatters.

Implementing Agency: SDLPP

Project Progress: 9,970 landless households were settled against a target of 10,000 in Mombasa, Kwale, Lamu, Kilifi, Taita Taveta, Nakuru, Makueni, Nandi and Kitui counties. The Department further acquired, surveyed and demarcated a 91-acre piece of land in Kilifi for the settlement of the landless. The achievement was attributed to cooperation and support from counties which minimised land ownership disputes.

Implementation Challenges

- Inadequate and late disbursement of funds is affecting timely implementation of projects.
- Manual land records which hinder efforts towards expeditious land transactions.
- High number of litigation cases has affected and delayed the implementation of the projects and programmes.
- Insecurity from hostile communities.
- Inadequate capacity in land administration and management.

Lessons Learnt

- The multi-sectoral approach is critical for implementation of projects and programmes.
- Strong political will is important in achieving land reforms.
- Digitisation of land transactions and processes has enhanced public access

to information and ease of doing business hence critical in improving access to services.

- Decentralisation of services and modernisation of land offices has contributed to improved access of land services and ease of doing business.

Recommendations

- Enhance funding by the National Treasury.
- Fast-track digitisation of all land records and processes.
- Promote use of Alternative Dispute Resolution (ADR) mechanisms land dispute
- Public participation among communities.
- Timely approval for employment of adequate human capacity to improve service delivery.

3.4.6. DEVELOPMENT OF NATURAL RESOURCES INVENTORY AND DATABASE

The programme involves mapping and development of an inventory of natural resources culminating in an atlas of the country's natural resources capital. Further, an interactive theme-based geo-portal was to be developed to aid in updating the database.

Location: Nationwide

Objective: Provide a coherent, systematic, up to date and reliable information on the country's natural resources.

Implementing Agency: NLC

Project Progress: The Commission made significant progress towards the finalisation of the Kenya Natural Resources Atlas which inventories all the natural resources in Kenya. It is expected that the Atlas will be launched in FY 2023/24. To enhance inventories for natural resources, ecologically sensitive areas were identified and mapped in six counties.

Implementation Challenges

- Climate change effects are adversely impacting efforts to inventorises natural resources due to factors such as prolonged dry spells that result in dried up ecologically sensitive areas such as swamps.
- Inadequate funding limiting identification, mapping and updating the natural resource inventory.

Lessons Learnt

- Climate change has not spared natural resources in Kenya, which makes their inventorying difficult.
- Collaboration between state and non-state actors is vital in comprehensively inventorying natural resources in Kenya.

Recommendation

- NLC should enhance its partnership with relevant stakeholders in the natural resources sector.

3.4.7. ADDRESSING HISTORICAL LAND INJUSTICES

This involves investigation of current or Historical Land Injustices (HLI) and making recommendations for appropriate reparation as per Article 67(2)(e) of the Constitution.

Location: Nationwide

Objective: To initiate investigations into present or historical land injustices and recommend appropriate redress.

Implementing Agency: NLC

Project Progress: During the period under review, the Commission verified and assessed the remaining 3,614 of the 3,742 claims received as of September 2021 out of which 1,038 were admitted subject to the admissibility criteria under section 15(3) of NLC Act, 2012. Further, 124 claims underwent investigative hearings and by the end of the period under review, five Determinations (Recommendations) were made summing up the determinations ever made by the Commission to 130.

Implementation Challenges

- Low budgetary allocation hampers execution of the resource-intensive activities like admissibility, investigative hearings, HLI clinics for feedback to cases not admitted.
- Long turn-around time for conclusive investigative hearings for some claims when parties do not comply with the directions of the Commission during hearings or status conferences.

Lesson Learnt

- Providing redress for HLI cases is a long and tedious process that involves carrying out admissibility, field investigations, summoning parties, conducting hearing sittings by commissioners, and carrying out public education and awareness. Accordingly, there is to gain support from the government and all stakeholders.

Recommendations

- Need to heighten resource mobilisation both from the Government of Kenya (GoK) and other partners to address budgetary deficits.
- Need for review of HLI deadline provided by the law to September 2026 to give ample time for completion of the received cases.

3.4.8. COMPULSORY LAND ACQUISITION

Compulsory land acquisition is based on Article 40(3) of the Constitution, which permits the state to acquire property for public use or in the public interest in exchange for fast and full payment of just compensation. Under section 107(1) of the Land Act, 2012, the Commission is mandated to acquire such land on behalf of the National or County Government and to implement the acquisition in line with the Constitution and applicable Acts of Parliament.

The applicable procedure for land acquisition is derived from the Land Act, the Land Value Amendment Act, 2019, the Land (Assessment of Just Compensation) Rules, 2017 among other legal provisions. Further, the Community Land Act provides for compulsory acquisition of land from community land subject to Article 40(3) of the Constitution and the Land Act.

Location: Nationwide

Objective: To facilitate access of land for public projects.

Implementing Agencies: NLC, MoLPP, and acquiring bodies.

Project Progress: The Commission undertook 48 National and County Governments' projects which fall in the following five categories: defense (1), education (1), energy (2), road infrastructure (30) and water, irrigation & sanitation (14). Thus, the Commission made available approximately 16,267 hectares (40,196 acres) of land for public projects.

Implementation Challenges

- Late disbursement from the acquiring bodies thus affecting timely compensation of project affected persons and implementation of projects.
- Manual land records which hinder efforts towards efficient and expeditious undertaking of land acquisitions.
- High number of litigation cases resulting to delayed projects implementation.
- Inadequate human and physical

capacities for smooth implementation of the land administration and management roles.

Lessons Learnt

- Multi-sectoral approach is critical for implementation of projects and programmes.
- Digitisation of land transactions and processes has enhanced public access to information and ease of doing business hence critical in improving access to services.
- Decentralisation of services and modernisation of land offices has contributed to improved access of land services and ease of doing business.

Recommendations

- The acquiring bodies should ensure timely remittance of funds to facilitate compensation payments to the project affected persons.
- The Government should fast-track digitalisation of all land records and processes.
- Institutions should promote the use of ADR and Traditional Dispute Resolution mechanisms in settling land disputes.
- Public awareness and sensitisation should be enhanced to improve awareness levels as well as reduce resistance on land acquisitions.
- Employment of adequate human capacity to improve service delivery should be prioritised.

3.5. PUBLIC SECTOR REFORMS

"A Citizen-Focused and Results-Oriented Public Service"

This Sector supports national transformation by increasing access to public services; development of skills and competencies in the public service; formulation and monitoring the implementation of Human Resource Management policies; improving employee wellness in the public service; aligning organisational structures with mandate and core functions; enhancing business process re-engineering and development and its application in service delivery; promoting knowledge management and information sharing; and institutionalising appropriate career design and development strategies in the public service.

During the review period, the public sector implemented various programmes and projects towards the realisation of its key objectives. The Table below provides a summary of the achievements.

Table 3-8: Public Sector Reforms Achievements for FY 2022/23

MTP III Outcome	Outcome Indicator	Achievement FY 2020/21	Target FY 2021/22	Achievement FY 2022/23	Remarks
Improved service delivery	Proportion of officers who are women in the civil service (percent)	24.30	30	26.80	The under-achievement is attributed to women officers in the civil service who are retiring.
	Proportion of civil servants in Job Group P (CSG7) and above who are women (percent)	30.54	30	32.30	Implementation of the affirmative action programme led to the over-achievement.

MTP III Outcome	Outcome Indicator	Achievement FY 2020/21	Target FY 2021/22	Achievement FY 2022/23	Remarks
	Proportion of public institutions complying with public service values and principles of governance	41.7	50	46.01	This implies that, while state agencies have put efforts into delivering services to citizens across the various sectors, implementation of the national values and principles of governance in Article 10, and the values and principles of the public service in Article 232 remains a journey. This requires organisations to actively embrace behavioural change in the execution of their mandates, emphasising the need for a sustained commitment to promoting the values and principles

Source: Evaluation Report on the Status of Compliance of the Public Service 2022/23 and Integrated Payroll and Personnel Database (IPPD)

The sector implemented the Affirmative Action Programme which contributed to the over-achievement of 3.3 percentage points to the proportion of civil servants in Job Group P (CSG7) and above who are women as per the requirement of Article 27(6) and (8) of the Constitution.

3.5.1. INTEGRATED SERVICE DELIVERY MODEL (ONE-STOP-SHOPS)

The Programme focuses on improving the accessibility of public service delivery by establishing and implementing one-stop-shop physical and online platforms namely: Huduma Centres; Huduma Portal; Huduma Mobile Application; E-Citizen; and Huduma Contact Centre.

Location: Nationwide

Objectives: To provide quality, accessible, dignified, and convenient public resources to customers; develop policy and legislation framework for Huduma Kenya Service Delivery Programme; develop, operationalise, support and maintain Huduma Kenya integrated service delivery platforms; build human and institutional capacity to ensure transformation of public services delivery; establish and sustain partnerships, collaborations, linkages for Huduma Kenya integrated service delivery; and enhance innovations and research for Huduma Kenya integrated service delivery platforms.

Implementing Agency: Huduma Kenya Secretariat.

Project Progress: During the period under review, 13.9 million customers were served through the Huduma Kenya channels i.e., 52 Huduma Centres, Huduma Mashinani outreaches, Huduma Contact Centre, and Huduma Kenya Social Media platforms. Huduma Centres extended working hours from 7.00 a.m. to 7.00 p.m. thus improving accessibility of Government services for 18 centres, 2) MDACs services were re-engineered, and 200 staff from MDACs trained on Huduma Kenya customer service excellence standards; the Huduma Kenya Website was revamped; and 11 new services introduced. Further, Huduma Kenya implemented the Business Process Outsourcing Model – a new service delivery model aimed at improving Huduma Kenya channels access and developed the Digitisation Plan 2023/24-2025/26 that aligns Huduma Kenya to BETA initiative. Huduma Kenya attained 95.83 percent customer satisfaction levels. In support of the Presidential Directive on climate action agenda, Huduma Kenya planted 106,000 trees.

Implementation Challenges

- Lack of policy, legal and institutional framework for Huduma Kenya Programme.
- Austerity measures affected the implementation planned activities including the expansion of Huduma Centres to the constituency level.
- Aging ICT infrastructure, systems and licenses have negatively impacted service delivery to the citizens.
- High staff turnover and transfer of staff by MDACs affected service delivery.
- Global economic recession has resulted in high inflation rates and standards of living.

Lessons Learnt

- Political goodwill and top leadership support at the national and county levels play a crucial role in propagating widespread change management to deploy the Huduma Kenya Services Delivery Programme at large scale.
- Kenyans visit Huduma Centres for assisted services, including support on digital services. Given the significant literacy, resource and connectivity gaps among communities, physical Huduma Centres remain crucial in terms of ensuring that all citizens' needs are met.
- Continuous performance monitoring and the quarterly inter-ministerial service leaders' meetings resolve service challenges and improve services offered under Huduma Service Delivery channels.
- Continued innovation and collaboration are key factors in devolving services to the lowest administrative units.

Recommendations

- Approval of the One-Stop-Shop Government Services Policy and enactment of One Stop Shop Government Services Policy Bill to provide the necessary legal, policy and institutional framework for Huduma Kenya service delivery programme.
- Provision of adequate funding by the Government to ensure the sustainability of the Huduma Kenya Service Delivery Programme.

3.5.2. CAPACITY ASSESSMENT AND RATIONALISATION OF THE PUBLIC SERVICE

The Programme focuses on the unification of public service human resource information management, payroll number generating system, government payroll management policy, and development of public service strategies, norms and standards.

Location: Nationwide.

Objective: To improve the current Government Human Resource Information System (GHRIS) hardware and software infrastructure and to consolidate the human resource data for the whole public service. The consolidated data will be the single source of accurate information on the number of public servants and the public wage bill.

Implementing Agency: State Department for Public Service.

Project Progress: The overall project completion rate is at 50 percent comprising Assessment Report/Situational Analysis of GHRIS & IPPD; procurement of the primary site for GHRIS & IPPD and Development of Human Resource Modules; Payroll Module at 100 percent, Leave Module at 80 percent, Pension Module at 70 percent, Establishment Module at 50 percent, Emeritus Module at 80 percent, Training

Module at 30 percent and Discipline Module at 30 percent.

Implementation Challenges

- Buy in took too long.
- Lack of cooperation from MDACs to provide data.
- Inadequate skills and competencies at National and County Governments.
- Poor implementation of public service policies, strategies, standards and norms.

Recommendations

- Upgrade GHRIS infrastructure to cover additional services and enhance public service human resource information data security.
- Provide adequate funds for the human resources development in the public services at both levels of government.
- Implement human resources management policies, strategies, standards and norms.
- Each Human Resource modules: Leave Module, Pension Module, Establishment Module, Emeritus Module, Training Module, and Discipline Module should be developed and deployed.
- Government should fund the project from the parent ministry.
- Additional staff be fully employed to provide a back-up to the human resource gaps.
- The Head of Public Service should issue a circular directing all MDACs to provide data for the warehouse.
- Procurement of a warehouse and backup should be fast-tracked.

3.5.3. KENYA SCHOOL OF GOVERNMENT

The Kenya School of Government (KSG) builds the capacity of the public service by developing core, managerial, and leadership competencies for quality public service through training, research and consultancies.

Location: KSG Lower Kabete and its satellite campuses.

Objective: To develop and implement relevant training programmes; promote research scholarship and innovation; enhance evidence-based research advisory services; expand consultancy services to support delivery of quality services; develop suitable infrastructure; enhance corporate visibility and positioning of the school; enhance good corporate image; strengthen the human resource capacity of the school; and ensure financial sustainability of the school.

Implementing Agency: KSG

Project Progress: Developed and rolled out training programs in Management of Micro, Small and Medium Enterprises; Induction Programme for Government Liaison Officers; Financial Reporting under International Public Sector Accounting Standards Accrual; Salary Administration, Grading Structure & Payroll Management; Enterprise Risk Management; Finance for Non Finance Managers; Leadership Programmes for Spouses of Governors; Wellness and Self Care Programme; Human Resource Planning Programme for County Governments; International Public Sector Accounting Standards; Management of Educational Institutions; Leadership Programme for Heads of Universities; and Management of Discipline and Disciplinary Process in Public Sector.

The School also conducted training needs assessments in the following areas of competency requirements namely Governance & Management of Cities and Urban Areas; Human Resource Managers in the Public Service; Human Resource Planning in the Public Service; Management of Educational Institutions; and Frontline Border Officials. KSG implemented tracer studies and undertook training outcome assessment in one cohort of the following programmes - Induction Programme for Public Service Boards and Finance for Non-Finance Course.

KSG mainstreamed Ethics and Integrity modules in 10 induction programmes and adopted KSG Alumni Association as the Public Service Community Practice and established collaborations with National Schools of Government of the Republic of South Africa, and Rwanda Management Institute. Further, the School conducted 12 consultancies in Culture Change Audit (Kenya Roads Board); Communications Policy (Kenya Roads Board); Strategic Plan Development (Border Control and Organisation Committee, Sacco Societies Regulatory Authority (SASRA), Kenya Forest Service, Agriculture and Food Authority); Psychometric Assessment (Kenya Institute for Public Policy Research and Analysis, and Kenya Maritime Authority); Research Policy Guidelines (Unclaimed Financial Assets Authority); Executive recruitment (Special Economic Zone Authority, County Government of Elgeyo Marakwet); Procurement and Disposals Manual (County Government of Machakos); and Job Description Manuals (KEMSA).

Additionally, KSG undertook research activities including the following:

- General elections in Kenya: An assessment of trends, risk factors, and potential election violence hotspot areas
- Understanding and managing conflicts in the arid and semi-arid areas of Kenya: A case of County Government of Samburu
- Peace building policies and frameworks in Kenya (ACCORD, 2022)
- Leveraging on research methods for effective public participation: A case of County Government of Kitui
- Strengthening disaster management for sustainable future
- Juxtaposing strategic planning with climate action: Is there a strategy gap in planning for Kenyan State Corporations' inaction
- Hazards in harnessing Blue Economy Resources
- Application of cyber security measures in county governments in Kenya
- Righting the wrongs: Navigating enablers and constraints to women economic empowerment in Kenya
- Effective public participation
- Climate Change -Conflict Nexus
- The Democratic Republic of Congo - Rwanda Blame game: Role of Kenya finding sustainable peace in the Democratic Republic of Congo
- Increasing access to primary healthcare in Hard-to-reach Populations: A case of beyond zero mobile clinics
- Nexus between Organisational culture and job performance in the public sector: A study of Department of Finance and Economic Planning, County Government of Embu
- Kenya and factors influencing the implementation of the National Food and Nutrition Society.

Additionally, the School secured copyright for 11 KSG products, developed publishing guidelines, and published seven research papers.

In enhancing knowledge management, KSG upgraded PHP version 5.2 of the knowledge management hub to PHP version 8 developed on open-square thus more flexible and customised; and took stock of public policies and updated in the knowledge management hub. In strengthening public sector institutions (aligning them to the Constitution and respective mandates), KSG developed outreach service policy framework; conducted baseline survey on the uptake of Access to Government Procurement Opportunities (AGPO) among youth in

County Government of Embu; and rolled out outreach programmes to create awareness to members of public on sustainable approaches to eradication of FGM. The school also operationalised the Margret Kenyatta Institute for Social Development, reviewed curriculum on Women Executive Leadership Programme, developed learners centred need framework; and developed a gender and social issues challenges database.

KSG completion rate of projects as of June 2023 was assessed as follows: 23 percent completion rate for the 112-bed capacity hostel single rooms at the KSG Embu Campus; 13 percent completion rate for the tuition complex at Matuga Campus; 22 percent completion rate for the tuition complex at Baringo Campus; and five percent completion rate for Vihiga e-learning Centre. Ultra-modern facility at Mombasa Campus was furnished and a Youth Empowerment and Innovation Centre established at Isiolo.

The school mainstreamed a module on interface between National and County Governments in its programmes and 10,872 participants from the National Government and 3,883 from County Governments were also trained on the module.

Further, KSG has developed the following county specific programmes in its efforts to enhance devolution: enhancement of county own-source revenue; county revenue generation skills enhancement course; induction programme for members of county assemblies; management of parliamentary committee hearings; management of county assembly committee hearings; induction programmes for Governors, County Secretaries, Public Service Boards, Executive Committee Members, directors, ward administrators, sub-county administrators and village administrators. The school further initiated the process of accreditation to offer post graduate programmes in readiness for inspection by the Commission for University Education.

Implementation Challenges

- Delayed release of budgetary allocations.
- Funds for the National Government are remitted directly to respective MDACs. As such, utilisation of the funds depends on the priorities of the MDACs which sometimes affects the school's projections in terms of the number of participants that attend training. Only willing MDACs release officers for training.
- Change in Government policy in terms of capacity development which affects training.
- Budgetary cuts on training and development vote by the Government in terms of priorities due to scarce resources.

Lessons Learnt

- Leverage on change of policy to develop specific interventions to help realise Government agenda.
- Leverage on change of technology to do business.
- Need to prioritise funding for projects geared towards upgrading of the physical infrastructure to accommodate the emerging issues.

Recommendations

- The National Treasury should release budgetary allocations as scheduled to enable the school to complete projects.
- With disruption of business, there is a need to leverage technology to do business. In this regard, KSG should enhance the use of the Learning Management System.
- Re-engineer the School's business model to leverage partnership and collaborations.

- The National Treasury should increase budgetary allocation to facilitate upgrading of the physical infrastructure to accommodate the emerging trends.

3.6. LABOUR AND EMPLOYMENT

"***Provide Every Kenyan with Decent and Gainful Employment***"

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

The Sector implemented various programmes and projects during FY 2022/23. The achievements of key MTP III outcome targets, flagship projects and other programmes and projects are presented in this section:

Table 3-9: Labour and Employment Sector Achievements for FY 2022/23

MTP III Outcome	Outcome Indicator	Achievement FY2021/22	Target FY2022/23	Achievement FY2022/23	Remarks
Enhanced labour productivity	Jobs created	(737,500)	1,450,000	816,600	Figures provided are for 2022 (Economic Survey 2023)
	Country Competitiveness Index (Out of 7)	-	4.3	-	The World Economic Forum did not rank countries' performance in 2020 and 2021 to give countries time to recover from the effects of COVID-19 pandemic.
Increased employability of the youth	Hard to serve youth provided with core life and business skills	13,412	45,000	7,842	Restructuring of the Kenya Youth Employment Opportunities Programme (KYEOP) resulted to transferring of job specific skills training to the Ministry of ICT, Innovation and Youth Affairs
	Unemployment rates (percent)	12.3	5	4.9	This is the unemployment rate for the 4th Quarter of 2022 (Quarterly Labour Force Survey, KNBS)
	Proportion of hard to serve youth employed after core life and business skills training	59.7	90	-	

Source: State Department for Labour Annual Progress Report, FY 2022/23

The unemployment rate declined from 12.3 percent in FY 2020/21 to 6.6 percent in FY 2021/22 though the planned target of five percent was not achieved. This decline was attributed to reopening of enterprises and the economy following relaxation of COVID-19 containment measures.

3.6.1. LABOUR MARKET INFORMATION SYSTEM

The Project was initiated to address the challenge of obtaining timely information about labour demand and supply as well as career prospects in Kenya. It enabled public and private actors in the labour market to make decisions and formulate policies.

Location: Nationwide

Objective: To improve collection, analysis, storage, retrieval and dissemination of labour market information.

Implementing Agency: Ministry of Labour and Social Protection.

Project Progress: A total of 1,994,854 people visited the Kenya Labour Market Information System during the period of the Project against a target of 10,000 visitors. During the period of the Project, Job Opportunity Analysis was carried out and quarterly reports prepared to provide insights on the number of vacancies, skill requirements and location of jobs in different sectors. In addition, reports for the Informal Sector Skills and Occupations Survey, Energy Sector Skills Survey and Employer Skills and Occupations Survey were produced, published and disseminated.

The Kenya Standard Industrial Classification (KeSIC) of all Economic Activities, Kenya Standard Classification of Occupations (KeSCO) Coding Structure 2022, Kenya Standard Classification of Occupations (KESCO 2022) Manual were also produced and disseminated to relevant users during the period under review. Overall, the end target of a fully functional LMIS generating and disseminating various reports was achieved.

The National Employment Authority Information Management System was upgraded to make it more user-friendly. An additional functionality for processing/attesting foreign contracts of service was developed and implemented. Three information handbooks (Oman, Kuwait and Bahrain) were developed to complement the Kenya Migrant Worker website to equip migrant workers with country specific information.

3.6.2. STRENGTHENING LINKAGES BETWEEN THE INDUSTRY AND TRAINING INSTITUTIONS

Location: Nationwide

Objective: To ensure adequate supply of properly trained and skilled human resources at all levels in industry.

Implementing Agency: NITA

Project Progress: During the FY 2022/23, NITA undertook the following:

i. **Assessment Certification** – Trained and certified 72,419 migrant workers destined for the Middle East jobs through homecare management (migrant workers); assessed and certified competencies of 75,664 persons through the Government trade test and received 804 applicants for assessment through Recognition of Prior Learning (RPL) as follows: screened 804 candidates, assessed portfolio of evidence of 650 candidates and undertook summative assessment and certification of 402 candidates.

ii. **Labour Market Information System –** The Authority developed 14 curricula for industry in various disciplines namely Plumber Pipe Fitter 1, 2, 3, and 4; Mason 2, 3, and 4; Carpentry and Joinery 2 and 3; RAC Level 2, 3, 4 and 5; and Home Care Assistant III. Further, the Authority developed six Qualification Packs, National Occupational Standards and Assessment Guidelines for the six programmes namely Advanced Safe Defensive Driver, E-waste Processing Technician III, Retail Assistant II, Food and Beverage Production MCP III, Food and Beverage Service MCP III and Solar PV Installer II. All curricula were developed through the sector training committees which provided the labour market information.

- **Industry Based Training –** The Authority registered 149 new training providers and renewed certificates for 639 industrial training providers; facilitated training of 47,654 industry workers through the accredited trainers; trained 8,333 workers in industry both in the formal and informal sectors through the Industrial Training Centres; engaged 440 apprentices for training through various apprenticeship training schemes; engaged 36 indentured learners for training in industry; collaborated with employers to place 40,235 students in industrial attachment countrywide and placed 35 lecturers/instructors in industrial attachment.

Implementation Challenges

- Fractious implementation of skills enhancement initiatives in the public and private sector.
- Inadequate recognition of skills development in the informal sector.
- Deterioration of testing facilities for assessment in the assessment centres.
- Inadequate and dilapidated infrastructure in industrial training institutions.
- Mismatch in skills supplied by training institutions and those demanded by industry.
- Low linkages between the training institutions and the industry.
- Limited funding from the exchequer for funding of industrial training programmes.
- Inadequate human resource capacity.
- Limited reach of industrial training institutions services across the country.

Lessons Learnt

- Programmes in relation to the BETA; Agriculture, MSME Economy, Housing and Settlement, Healthcare and Digital Superhighway and Creative Economy requires extensive collaboration with industry, Government agencies and development partners to support specific training programmes.
- Involvement of development partners plays a pivotal role in industry training by providing support for upgrading facilities and equipment.
- Upgrading and equipping of Industrial Training Centres enhances trainee enrolment due to better learning experience as happened in NITA Mombasa due to the upgrade of physical facilities and training equipment through funding from Korea International Cooperation Agency project.
- Thirteen countries including Kenya, India and Comoros participated in competence assessment through trade tests and received international recognition.
- Competence assessment has gained recognition by persons with higher academic qualifications including degree holders by participating in the assessment as candidates.
- Assessment in emerging skills areas such as hair dressing, beauty therapy, food and beverage production services has attracted more candidates as compared to the traditional skill areas.

Recommendations

- Amend the Industrial Training Act to enhance skills development.
- Enhance collaboration mechanisms with County Governments and regulatory bodies such as the National Construction Authority (NCA) and EPRA for purposes of training and certification.
- Introduce mobile workshops for training and assessment of competencies for on-site workers in the informal sector in collaboration with key stakeholders

such as the Kenya Association of Manufacturers (KAM), Export Processing Zones Authority (EPZA), Kenya Private Sector Alliance (KEPSA), and NCA among others.

- County Governments should establish industrial training committees in the counties with representatives from employers, employee organisations, NITA, community representatives, informal sector organisations for enhanced industrial training.
- Enhance partnerships in industrial training with the informal sector.

3.6.3. NATIONAL INTERNSHIP PROGRAMME

Entails development and implementation of the National Internship Policy and National Internship Programme.

Location: Nationwide

Objective: To facilitate placement of graduates in internships.

Implementing Agency: Ministry of Labour and Social Protection.

Project Progress: The draft National Internship Policy and guidelines were finalised and forwarded to the National Treasury where comments were received and incorporated, and the draft is awaiting discussion by the National Development Implementation Technical Committee before forwarding it to Cabinet for approval. In the FY 2022/23, draft regulations on internship were developed and forwarded to the Office of the Attorney for review and finalisation.

3.6.4. RESEARCH AND TRAINING IN OCCUPATIONAL SAFETY AND HEALTH

Location: Nationwide

Objective: To construct and equip the National Occupational Safety and Health Institute.

Implementing Agency: Ministry of Labour and Social Protection.

Project Progress: In the FY 2022/23, the Sector established an Occupational Safety and Health Institute. The construction works of the Institute were at 85 percent at the end of the period under review. The Sector trained 9,432 workers on OSH through the OSH workplace committees; sensitised 99 health care workers in Murang'a and Embu Level 5 hospitals towards mainstreaming Basic Occupational Health Services in universal health care; carried out 22,201 examinations of hazardous industrial plants and equipment.

In addition, 166,622 medical examinations of workers in hazardous occupations were conducted for early detection and effective mitigation of hazardous conditions; and 84 reported fatal occupational accidents.

3.6.5. ESTABLISHMENT OF ADR MECHANISM

Location: Nationwide

Objective: To provide conciliation and mediation services for labour and employment disputes through an institutional mechanism as provided for under Article 159(2)(c) of the Constitution.

Implementing Agency: Ministry of Labour and Social Protection.

Project Progress: An ADR Mechanism for labour and employment disputes was established as provided for under Article 159(2)(c) of the Constitution, and Labour Relations Act, 2007 to ensure expeditious conciliation and mediation services for disputes to complement the existing dispute resolution mechanism through the Employment and Labour Relations Courts.

3.6.6. POLICY, LEGAL AND INSTITUTIONAL REFORMS

The following were the achievements:

- The Draft National Internship Policy and guidelines were finalised.
- The National Wages and Remuneration Policy was adopted by the National Labour Board and validated by stakeholders.
- The development of the National Labour Migration Policy was finalised and submitted to Cabinet for approval.
- Drafting of the Labour Migration Management Bill was finalised and forwarded to the Office of the Attorney General.
- The Decent Work Country Programme (DWCP) for Kenya 2021-2024 was developed.
- The Cabinet approved the National Policy on Labour Migration. The Policy was transformed into Sessional Paper No. 5 of 2023 on the National Policy on Labour Migration and thereafter submitted to Parliament for approval.
- The Labour Migration Management Bill, 2024 underwent stakeholder validation. Input from the validation forums were incorporated in the Bill which was thereafter forwarded to the Office of the Attorney General for drafting.
- Kenya signed and implemented a Bilateral Labour Agreement (BLA) with the United Kingdom of Great Britain and the Northern Ireland Recruitment of Healthcare Professionals. Twenty-two other draft BLAs were developed and were at various stages of review, negotiation or signing.
- The Third Generation DWCP for Kenya 2021-2024 was launched in November 2021 and it is under implementation. The DWCP-III is due for review to align it with BETA.
- The process of reviewing the Labour Relation Act, 2007; Labour Institutions Act, 2007; and Employment Act, 2007 was initiated. The laws are being reviewed to align them to the Constitution, emerging issues and challenges.
- Operationalisation of thirteen Sectoral Wages Councils to regulate terms and conditions of employment in the respective sectors.
- Delinking of the National Employment Authority from the Ministry of Labour and Social Protection commenced with the approval of the Authority's Human Resource instruments and recruitment of staff.
- Two regulations, namely the OSH (Registration of Workplace Premises) Regulations, 2022 and the OSH (Fees Charged for OSH Services) Regulations, 2022 were gazetted and are now under implementation.

Implementation Challenges

- The slow pace of stakeholder engagement and approval of policy and legislative reforms has hampered their development. This has affected review of the labour laws and development of policies and legislation for labour migration management.
- Frequent budget cuts, especially for development expenditure, delayed completion of key projects such as the National Occupational Safety and Health Institute.
- Obsolete training equipment and inadequate infrastructure in Industrial Training Centres.
- Lack of a framework and weak collaboration between institutions in sharing requisite labour market information.
- Lack of a formalised qualification framework for practitioners in MSMEs.

- Inadequate awareness and weak productivity culture within the public and private sectors.

Lessons Learnt

- Continuous engagement of stakeholders, especially the social partners, is key towards ensuring industrial harmony and in achieving safe, regular and productive labour migration. Engagement with Private Employment Agency has been key in routing out unscrupulous recruitment agencies and in enhancing the safety and welfare of Kenyan migrant workers especially in the Middle East Region.
- The changing world of work presents challenges as well as opportunities for re-skilling and up-skilling programmes for the workforce.
- Reporting and publicity on progress in implementation of projects and programmes is important in consolidating stakeholder support and enhancing public goodwill. This is equally important for the institutions implementing the projects and programmes.

Recommendations

- The National Treasury to consider allocating sufficient funds to complete key projects in the Sector.
- Fast-track the approval and enactment of policies and Bills by the Cabinet and Parliament respectively to facilitate realisation of the Sector's goals.
- Development of an integrated national strategy for enhanced collaboration between the industry, and training and research institutions in skills development. This will ensure that skills development is well aligned to the needs of the industry.
- Development of an integrated strategy for management of labour market information by all stakeholders in the public and private sectors.
- Development and review of industrial training standards especially for the informal sector.
- Awareness creation on productivity improvement initiatives in all sectors of the economy.

3.7. NATIONAL VALUES AND ETHICS

"***A Value-Driven, Ethical, Peaceful, United and Prosperous Nation***"

The Sector aims at ensuring national values and ethics become the central rallying ingredient and theme in the planning and execution of national programmes. This is meant to create a national culture of ethics and values; and promote efficiency and effectiveness in implementation of programmes and projects. This will ultimately facilitate adoption of a positive national culture, enhance political and social stability and promote equitable distribution of resources and opportunities leading to timely attainment of Vision 2030.

In the MTP III period, greater emphasis was placed on enforcement of policies, laws and institutional reforms to instill national values and ethics. The Sector agencies continued to play a leading role in widespread public mobilisation and education, and enforcement of relevant policies and legislation.

3.7.1. ENFORCEMENT OF POLICY, LEGAL AND INSTITUTIONAL REFORMS

This programme entails reviewing and putting into effect policy, legal and institutional frameworks for the realisation of national values and ethics.

Location: Nationwide.

Objective: To promote, uphold and enforce compliance to national values and ethics in the public service.

Implementing Agencies: Executive Office of the President**,** Directorate of National Cohesion and Values, Independent Electoral and Boundaries Commission (IEBC), Public Service Commission (PSC), EACC, Kenya National Commission on Human Rights, National Gender and Equality Commission (NGEC) Parliament, Judicial Service Commission, and Office of the Attorney General and Department of Justice.

Project Progress: Some of the policy and legal reforms undertaken to support realisation of national values and ethics during the reporting period included development of the:

- Proceeds of Crime and Anti-Money Laundering (Amendment) Bill, 2021 to provide the legal basis for designating lawyers as reporting entities under the Proceeds of Crime and Anti-Money Laundering Act, 2009.
- Political Parties (Amendment) Bill, 2021 to, inter alia, broaden the roles and functions of political parties, including promotion and enhancement of national unity. The Bill promotes representation of special interest groups in Parliament and County Assemblies; provides for mobilisation of citizens in political decision-making; and solicitation and articulation of public policy priorities.
- Sustainable Waste Management Bill, 2021 to ensure the realisation of the constitutional provision on the right to a clean and healthy environment.
- Children Bill, 2021 to make provision for children rights, parental responsibility, alternative care of children including guardianship, foster care placement and adoption.
- Persons with Disabilities Bill 2021 to entitle every person with disability to the right to human dignity and the right for that dignity to be respected and protected.
- Election Campaign Financing (Amendment) Bill, 2021 to amend the Elections Campaign Financing Act, 2013 to require a candidate, political party and a referendum committee to disclose the amount and source of contributions received for campaign for a nomination, an election or a referendum, as the case may be.
- County Oversight and Accountability (Senate Bill No. 17) 2021 to provide a framework for effective oversight over the County Governments by the Senate.
- The Street Vendors Protection of Livelihood Bill (Senate Bills No. 7), 2021 to provide a legal framework for the recognition, protection and regulation of street vending in Kenya and identification of minimum standards for street vending.
- Kenya Revenue Authority developed an Informer Reward Framework and the Whistle-Blower Protection Policy to encourage reporting on corruption.

Enforcement of Policy and Legal Frameworks on National Values and Ethics

- The Directorate of National Cohesion and Values monitored mainstreaming and reporting of national values and principles of governance among 508 MDAs during the reporting period.
- The Office of the President recognised and honoured 483 heroes and heroines for their patriotic service to the country.
- Inspectorate of State Corporations conducted 19 management audits out of which 11 were completed and forwarded to relevant agencies for implementation. To foster integrity, the Inspectorate recommended two officers from two state corporations for surcharge on breach of laws and policies.

- The Judiciary, through the Milimani Anti-Corruption Magistrates' Court, resolved 114 cases out of the 156 cases filed.
- In the enforcement of legal provisions on ethics and integrity, EACC received and processed 7,973 reports on corruption, economic crimes, and unethical conduct out of which 2,873 were taken up for investigation. Further, the Commission completed and forwarded 194 cases to the ODPP with appropriate recommendations.
- EACC, through proactive investigations and intelligence probes cancelled payments worth KSh. 111 million by Nairobi City County Government for various irregular contracts and received and processed 31,401 integrity verification requests from recruiting agencies. The Commission also received 113,357 self-declaration forms from individuals seeking appointment to the public service in line with the Leadership and Integrity Act, 2012 and further conducted 102 sting and trap operations involving KSh. 7.85 million; undertook 27 proactive investigations through intelligence probes to disrupt potential corruption and averted loss of public funds of approximately KSh. 8.45 billion. The Commission finalised 47 cases on corruption and economic crimes in court, resulting in 24 convictions and 21 acquittals. Further, the Commission completed 78 asset tracing inquiries in respect of illegally acquired and unexplained public property valued at KSh. 19.59billion and instituted civil proceedings in court for recovery and return to the public. The Commission also recovered unexplained wealth and other corruptly acquired assets valued at approximately KSh. 3.39billion including cash, land, and other immovable property. In addition, the Commission received 247 reports on violation of codes of conduct out of which 85 investigation files were finalised with various recommendations for action. The Commission also processed applications from 188 public officers to open and operate bank accounts outside Kenya as required under section 19 of the Leadership and Integrity Act.
- The Office of the Auditor-General undertook 1,439 audits out of which 738 were national government audits, 411 County Government audits and 290 National Government Constituencies Development Fund (NGCDF) audits.
- IEBC disqualified four contestants from contesting in the General Election for falling short of the requirements of Chapter Six of the Constitution on Leadership and Integrity.
- Kenya Revenue Authority conducted 805 operations to curb illicit trade and seized illicit goods worth KSh. 523.82 million. In addition, the Authority exchanged tax information with eight countries to combat tax evasion among several countries as stipulated in the multilateral Convention on Mutual Administration in Tax Matters. Further, the Authority took 273 tax evasion cases to court and realised revenue of KSh. 72.93 billion. In addition, the Authority received 1,244 corruption reports leading to recovery of KSh. 1.7 billion and rewarded 13 informers with KSh. 6.8 million. The Authority also imposed fines and penalties for compounded cases arising from non-compliance with tax laws amounting to KSh. 494.99 million and collected KSh. 94.55 million from fines imposed. The Authority penalised 8,751 taxpayers for non-compliance with customs laws valued at KSh. 726.1 million
- The Independent Policing Oversight Authority received and processed 139 cases of corruption and extortion. Further, the Authority concluded 814 cases of police misconduct and forwarded 232 case files to ODPP for appropriate action.
- SASRA opened seven investigations

worth KSh. 147 million and continued inquiries into four cases worth KSh. 85.9 million on allegations of fraud and misappropriation of funds for the Savings and Credit Co-operative Societies (SACCOs).

Implementation Challenges

- Inadequate legal and regulatory framework for enforcement of national values and ethics.
- Budgetary cuts affected implementation of planned activities and the achievement of set goals.
- Adverse judicial decisions.

Lessons Learnt

- Effective coordination of enforcement mechanisms is critical in the realisation of a responsive and impactful public service.
- Successful implementation of Sector programmes and projects depends on the level of awareness of national values and ethics.
- Continued loading of national values in the performance contract of MDAs is critical in the realisation of national values and ethics in the public sector.
- Availability of adequate resources is key to successful implementation of planned programmes and activities.

Recommendations

- Fast-track the review and development of necessary legal and regulatory framework for the fight against corruption and unethical conduct.
- Increase funding to facilitate implementation of programmes that promote mainstreaming of national values and ethics in the wider public service and the Kenyan citizenry.
- Embrace public private partnership strategy in the mobilisation of additional resources for the implementation of programmes to realise national values and ethics.
- Put national values and principles of governance at the centre of public service reforms programme and the fight against corruption.

3.8. ENDING DROUGHT EMERGENCIES

"***Planning for Drought: An End to Drought Emergencies and Food Insecurity in Kenya***"

Climate change negatively affects the patterns, quantity and frequency of rainfall. Dwindling amounts of rain result in long spells of drought in many parts of the country which adversely affect crop farming and livestock production. Unusually heavy floods tend to follow drought episodes. These adversities are likely to worsen with climate change. However, they can be significantly mitigated if adequate and appropriate measures are taken in advance. Ending Drought Emergencies (EDE) has, therefore, been recognised as one of the key foundations for national development.

To enhance food and nutrition security, "The Big Four" initiatives, the Sector will implement programmes and projects to address the twin challenges of climate change i.e., drought and floods. The performance of the Sector during the year under review is summarised in the table below:

Table 3-10: EDE Sector Achievements for FY 2022/23

MTP III Outcome	Outcome Indicator	Achievement FY 2021/22	Target FY 2022/23	Achievement FY 2022/23	Remarks
Reduced risks to communities and livelihoods resulting from drought	Number of human deaths attributed to drought per 100,000 population	0	0	0	This was attributed to investment in drought early warning systems, resilience building, contingency planning, and response both by the National and County Governments.
	Proportion of livestock population lost (dying) during drought	10.4 percent	10 percent	4 percent	Losses minimised due to implementation of integrated EDE strategies. There was also improved rainfall from March 2023
	No. of ASAL counties (23) that have integrated the EDE strategy in their CIDP II.	23	23	23	Target was achieved during 2019/20.

Source: National Drought Management Authority

3.8.1. NATIONAL INTEGRATED DROUGHT EARLY WARNING SYSTEMS

This project supported collection, analysis, synchronisation and dissemination of drought early warning information for Arid and Semi-Arid Lands (ASAL) counties.

Location: 23 ASAL counties

Objective: To provide reliable and timely drought and food security information to communities, government, and non-governmental actors for appropriate and timely response.

Implementing Agencies: National Drought Management Authority (NDMA), World Food Programme (WFP), Food and Agriculture Organization of the United Nations, Sector Ministries, and County Governments.

Project Progress: During the reporting period, NDMA continued to implement strategies aimed at improving the drought early warning systems to make it reliable and timely. To this end, the following were some of the key achievements during 2022/23 FY:

- Rolled out utilisation of the Pictorial Evaluation Tool (PET) to automate data collection on livestock body condition which is one of the key indicators of drought early warning.
- A total of 25 officers and 155 drought field monitors were trained on the use of PET.
- Produced and disseminated 276 monthly county drought early warning bulletins as planned.
- Produced and disseminated 12 monthly national drought early warning bulletins as planned.
- Provided monthly remote sensed information at ward level for the 23 ASAL counties for objective evidence-based information on the drought status.
- Continued triangulating information from various sources and sectors, including Kenya Meteorological Department (KMD), Famine Early Warning Systems Network and WFP to enhance reliability.
- Developed early warning system indicator trigger thresholds for 23 ASAL counties.

- Selected new households in 155 ASAL sentinel sites from where data on drought early warning will be collected monthly.
- Regularly backed up the remote sensing information datasets to a cloud server to ensure safety.
- Coordinated multi-sectoral and multi-stakeholder seasonal drought and food security assessments in 32 drought affected counties to inform drought preparedness and response. This was an increase from the 23 traditional ASAL counties where NDMA operates.

Implementation Challenge

- There was limited funding to support the drought early warning system that necessitated reliance on development partners to fill the funding gap. This is not sustainable.

Lessons Learnt

- Active participation of stakeholders at all stages of production of drought early warning products is important in ensuring success of early warning–early action.
- Adoption of participatory model ensured that a number of partners stepped in during the reporting period to support the drought and food security assessments as well as implementation of the subsequent response plans.

Recommendation

- Drought early warning is a priority programme that should be fully funded by the Government. There is therefore the need for more funding to reduce the funding gap.

3.8.2. HUNGER SAFETY NET PROGRAMME

Through this project, it is expected that beneficiaries will not be adversely affected during drought as they will have some money to purchase foodstuffs and cater for other necessities, including access to health services.

Location: Implemented in eight arid counties namely Turkana, Marsabit, Mandera, Wajir, Samburu, Garissa, Isiolo and Tana River.

Objective: To deliver regular cash transfers to 133,800 poor households in eight arid counties and based on agreed trigger levels, scale up to 675,553 additional households who may be affected by calamities such as drought. The objective of the programme is to deliver regular and emergency cash transfers and influence the development of an integrated social protection mechanism both at the national and county levels.

Implementing Agency: NDMA

Project Progress: The progress of this project is summarised below:

Registration, Targeting and Accounts Opening: NDMA completed the registration, targeting and account opening exercise in the four expansive counties of Samburu, Isiolo, Garissa and Tana River bringing the number of registered beneficiaries in the eight arid counties to 731,996 households. In addition, a total of 643,942 bank accounts had, by June 2023, been opened for the registered beneficiaries to pave way for payments, under both the regular cash transfers and the scalability programme.

Table 3-11: Registration and Accounts Opening Summary

HSNP Counties		KNBS HH's 2019	KSEIP Registered HH's	#Bank Acc.	#Simcards
1.	Turkana	185,395	158,416	151,560	26,751
2.	Mandera	173,491	140,545	133,435	84,851
3.	Garrisa	168,271	83,824	55,099	75,593

HSNP Counties		KNBS HH's 2019	KSEIP Registered HH's	#Bank Acc.	#Simcards
4.	Wajir	156,253	141,100	135,362	95,020
5.	Marsabit	91,957	93,191	86,459	19,629
6.	Samburu	62,065	65,578	49,095	43,080
7.	Isiolo	53,600	49,312	32,932	48,923
Total		**891,032**	**731,966**	**643,942**	**393,847**

Beneficiaries receiving cash transfers from one of the payments agents

Provision of Regular Unconditional Cash Transfers: The unconditional cash transfers are provided under the Hunger Safety Net Programme implemented in eight arid counties namely Turkana, Mandera, Wajir, Marsabit Samburu, Isiolo, Garissa and Tana River. In FY 2022/23, the Authority disbursed KSh 3.5 billion to 117,895 households in the eight counties against the target of 133,800 households.

Provision of Scalable Cash Transfers: The scalability of cash transfers provides a fast and effective response to large proportions of the population during severe drought and other calamities. Unlike food items, cash transfers are more cost effective, provide households with the opportunity to choose preferred food types, support local market systems and have lower logistical challenges. Through this model, cash transfers can be scaled up or scaled down based on the drought situation or that of other calamities.

During the reporting period, a total of Kshs. 1.5 billion of scalable cash transfers was paid based on vegetation condition index thresholds with each household receiving KSh. 2,700 per month. Most of the beneficiaries of the scalable cash transfers were from Turkana, Wajir, Mandera and Marsabit counties that were worst affected by the drought.

Implementation Challenge

- Delay in exchequer release that resulted in lack of payment of cash transferred for more than seven months. This also affected response to drought.

Lesson Learnt

- It was noted that the cash transfer scale-up was a good model that was being adopted by various partners as a cost effective and efficient way of responding to emergencies as opposed to provision of food aid. It also has less logistical challenges and supports the local markets.

Recommendation

- More MDAs and partners should adopt the cash transfers as an efficient way of responding to emergencies.

3.8.3. NATIONAL DROUGHT EMERGENCY FUND

This project seeks to support the establishment and operationalisation of a multi-donor fund to cater for drought preparedness, resilience, response and recovery. The Fund has been established through the Public Finance Management Act, 2012 via the Public Finance Management (National Drought Emergency Fund) Regulations, 2021. The Regulations specify that out of all the resources capitalised into the Fund, 50 percent will support drought resilience and preparedness interventions; 40 percent are for drought response; five percent are to support drought recovery interventions; and three percent are to support administrative costs of the Fund.

Location: Nationwide

Objectives: To support investment in drought resilience and ensure timely and rapid response when drought strikes. The project aims at improving welfare and resilience of the beneficiaries through investment in targeted community-based asset creation projects. It is also aimed at protection of livelihoods during drought episodes through multi-sectoral drought emergency interventions beyond the capacity of the affected communities and county governments. In line with lessons learnt from the Hunger Safety Net Programme, the project gives priority to institutionalisation of a predictable cash transfer scale-up system to be activated when drought strikes.

Implementing Agency: NDMA

Project Progress: The allocation to NDEF during FY 2022/23 was KSh. 263.3 million. In line with the NDEF Regulations of the allocated funds, KSh. 131.65 million (50 percent) was apportioned for drought resilience and preparedness investments, KSh 105.32 million (40 percent) for drought response, KSh. 13.17 million (5 percent) for drought recovery, and KSh. 7.9 million (3 percent) for administrative costs.

A total of KSh. 139,347,440.12 of the NDEF funds (53 percent of the allocation) was utilised during FY 2022/23 as follows:

- **Drought Response Expenditure:** KSh. 110,284,875 was used for drought response activities in affected counties. These interventions included provision of livestock feeds in Mandera, Wajir, Isiolo and Nyeri counties; water trucking in Isiolo, Samburu, Turkana, Garissa, Laikipia, Mandera and Marsabit; support for borehole rapid response in Marsabit; repair and rehabilitation of water facilities in West Pokot and Laikipia; peace building initiatives in Laikipia, Samburu and Nyeri counties; and coordination of drought response activities in Turkana, Garissa and Marsabit.
- **Drought Recovery Support:** KSh 11,991,557 was used to support drought recovery activities, with livelihood recovery support in Arabal and desilting of water pan in Baringo, Nyeri and Samburu counties.
- **Administrative Expenditure:** KSh 7,908,407 was used as part of the expenses for the sensitisation of the County Drought and Food Security Committees in 23 ASAL counties. This was to enable the Committees to understand both the Regulations and

Guidelines for NDEF, including how to prepare and submit proposals that would qualify for NDEF funding, either for resilience/preparedness/recovery or response.

- **Drought Resilience/Preparedness**: Delays in establishment of the committees by County Governments until December 2022 after elections, for many of the ASAL counties affected their setup and sensitisation that according to the Regulations are to facilitate identification and approval of projects to be funded through NDEF. This resulted in the lack of critical timelines in the identification and approval of projects for funding. However, projects worth KSh. 114,867,740 were identified during the reporting period and will be implemented during FY 2023/24.

Implementation Challenges

- Delay in securing matching funds for the drought resilience/preparedness projects may cause delay in approval of the proposals for funding.
- Inadequate funds to capitalise the Fund by the National Treasury may lead to limited contributions from development partners.

Recommendation

- Provide adequate resources to the Fund as stipulated in the Public Finance Management (National Drought Emergency Fund) Regulations.

3.8.4. INTEGRATED KNOWLEDGE MANAGEMENT SYSTEM FOR DROUGHT

The project entails the establishment and implementation of an integrated knowledge management system for drought.

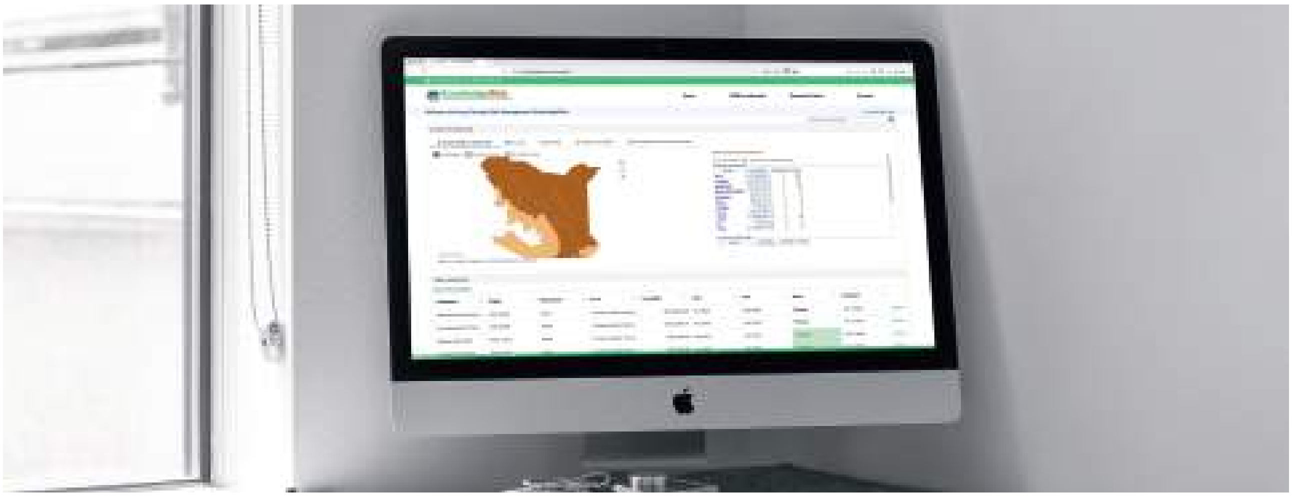
Location: Nationwide.

Objective: Ensure centralised management of drought risk management related information for ease of access. The project involves, among others, the development of the knowledge and information sharing platform - an online central repository for drought related information or knowledge products. The modules of the platform or central repository include: (i). Resource centre in which research products, policy and planning documents, reports, bulletins, among others are stored; (ii). Investment tracker - that captures who is doing what, where and with what resources within the ASALs; and (iii) Planning and reporting module that facilitates online and real time reporting on progress by various implementers. The platform also has an interactive forum in which stakeholders may discuss topical issues.

Implementing Agency: NDMA

Project Progress: During the reporting period, County Committees on Drought and Food Security were established in each county to coordinate implementation of NDEF at the county level. The committees also approve any proposed drought preparedness and resilience projects for funding by NDEF and are co-chaired by the Governor and County Commissioners.

A total of 143 officers were trained, of which 78 officers from both the national and county offices were trained through physical workshops and another 65 covered through virtual training. Data and information were updated into the resources and investment modules in the Knowledge Management and Information Sharing System. Online training of staff and roll out of the Knowledge Management Information Sharing Platform was done in the Second Quarter.



Knowledge Management and Information Sharing System

Implementation Challenge

- Some partners are not willing to provide data, more so on cost and location of projects they are implementing.

Recommendations

- Ensure the knowledge management and information sharing platform is regularly updated with data and documents.
- Sensitisation of stakeholders on availability of the system and the type of data they may access.

3.9. SECURITY, PEACE BUILDING AND CONFLICT RESOLUTION

"***A Nation of Peace and Stability: A Society Free from Danger and Fear***"

National security is a key enabler of economic growth and development. Peace and security entail a society free from danger and fear which is essentially protection from physical and direct violence and a sense of safety and protection of economic resources. A peaceful and secure environment is a pivotal incentive for attracting domestic and foreign investment, which is critical in achieving sustainable socio-economic development as enshrined in the Kenya Vision 2030. The Vision recognises national security as one of the fundamentals that should be enhanced for other sectors to flourish and function effectively.

To implement the Vision 2030 aspirations, the Sector put in place strategies geared toward enhancing peace and security nationally and regionally. During the review period, the Sector implemented various programmes and projects as shown in the table:

Table 3-12: Security, Peace Building and Conflict Resolution Achievements for FY 2022/23

MTP III Outcome	Outcome Indicator(s)	Achievement FY 2021/22	Target FY 2022/22	Achievement FY 2022/23	Remarks
Enhanced security in the country	Police: population ratio	1: 457	1:395	1:498	Recruitment of police officers to replace those who left the service through natural attrition has not been conducted.
	Crime rate (percent)	4.3	5.03	5.56	Inadequate personnel and increased sophistication of crime affected achievement of target.
	Timeliness in crime scene response (hrs)	0.75	1	1.25	Inadequate personnel and logistical challenges affected achievement of target.
Enhanced citizen participation in security matters	Nyumba Kumi Coverage (percent)	100	100	100	Nyumba Kumi clusters are operational across the 47 counties
	Participation of women in the county peace and security committees (percent)	33	33.3	33.3	All the 47 counties have reconstituted and have operational county peace and security committees in line with the national peace building architecture. The architecture specifically demands women and youth involvement in the committees among other groups of interest.
Improved immigration services	No of e-Pass ports issued	389,798	250,000	366,328	The target was surpassed because the performance is demand driven
	No of work permits issued	19,108	30,000	20,987	Work permits issued took longer time due to verification process
	No of e-visa issued	654,385	600,000	865,003	The target was surpassed because the performance is demand driven
Improved refugee management	No. of refugees registered	45,884	29,000	64,694	64,694 asylum seekers were registered
	No. of refugees relocated	133	14,500	540	There was forced and voluntary relocation to camps.
	No. of refugees voluntarily repatriated	1,935	13,500	463	Repatriation was entirely voluntary

Source: State Department for Interior and Citizen Services and State Department for Correctional Services Annual Progress Reports for FY 2022/23

Over 100,000 Nyumba Kumi clusters are operational, and the public were actively involved in security during the period under review. Further, the second-generation Kenya National Action Plan on the implementation of the United Nations Security Council Resolution 1325 (UNSCR 1325) was implemented ensuring that women participated in the County Peace and Security Committees as well as engendering the peace processes.

3.9.1. INSTALLATION OF SURVEILLANCE CAMERAS IN URBAN AREAS

Location: Nairobi, Mombasa, Eldoret, Nakuru and Kisumu.

Objective: To install surveillance cameras in priority areas.

Implementing Agency: State Department for Internal Security and National Administration.

Project Progress: Maintenance carried out on the installed surveillance cameras.

Implementation Challenges

Inadequate funding/non funding leading to minimal project milestones.

Recommendations

- Prioritise the ongoing projects for implementation within the available resources.
- Mobilise adequate funding for flagship projects through alternative funding including PPPs.

3.9.1. COMPLETION AND EQUIPPING OF MODEL PRISON FACILITIES

Location: Mwingi, Nyamira, Kwale, Kaloleni, Rachuonyo and Vihiga.

Objective: To provide modern facilities and services to the offenders.

Implementing Agency: KPS

Project Progress: Construction of six prisons in Vihiga, Rachuonyo, Mwingi, Kaloleni, Nyamira and Kwale prisons is ongoing. Various project components including classrooms, wards, dining halls, gate lodges, perimeter walls and workshops were at different completion levels.

3.9.3. CONSTRUCTION OF STAFF HOUSES AND NEW PRISON WARDS

Location: Nationwide

Objective: To provide decent housing to prison staff officers and security of prisons.

Implementing Agency: KPS

Project Progress: Staff houses completed in FY 2022/23 were distributed as follows: 60 units at Thika Main Prison, 40 units at Wundanyi Women Prison, 12 units at Wundanyi Main Prison, 12 units at Vihiga Main Prison, four units at Busia Women Prison. During the same period, there was ongoing construction of staff houses at Ruiru Prison (50 units), Shimo Maximum Prison (100 units), Nakuru Main Prison (50 units), Eldoret Main Prison (20 units), and Vihiga Main Prison (30 units). These housing projects were funded by the Government. The construction and equipping of Magereza Hospital were 100 percent complete while its operationalisation was ongoing. A total of 271 health workers were recruited and deployed.

Implementation Challenges

- Inadequate budgetary allocation to the State Department.
- Delayed exchequer releases to fund core development projects.
- Austerity measures introduced affected the development budget leading to under achievement.

Lessons Learnt

- Phasing implementation of projects increases completion rates.
- Procurement of development projects at the onset of the FY minimised time lost before project take off.
- Embracing PPPs is key in implementation of flagship projects.

Recommendations

- Adequate allocation of funds for development projects.
- Diversify sources of funding for development projects.
- Embracing PPP in implementation of various flagship projects such as housing.

3.9.4. EQUIPPING THE NATIONAL FORENSIC LABORATORY

Location: Nairobi City County, Directorate of Criminal Investigations Headquarters, Nairobi.

Objective: To enhance accuracy and timeliness in production of forensic analysis reports will lead to faster prosecution processes and more convictions of offenders.

Implementing Agency: NPS

Project Progress: During the period under review, equipping progressed to 47 percent.

Implementation Challenges

- Inadequate budgetary allocation, pending bills, inadequate training budget for forensic experts.

Lessons Learnt

- The budgetary allocation for the equipping of the laboratory is too minimal to make significant progress.
- There is a need to train more forensic experts.

Recommendations

- There is a need for an increased allocation towards the laboratory.
- More training is needed for our forensic experts to cope with crime dynamics.

3.9.5. NATIONAL POLICE SERVICE MODERNISATION

Location: Countrywide

Objective: Acquisition of assorted security equipment. Police information management system rolled out.

Implementing Agencies: State Department of Internal Security & National Administration, and NPS

Project Progress: Police modernisation is at 29.6 percent. This is based on the KSh. 41.804 billion cumulative expenditures since July 2013 out of KSh. 143 billion total project costs. NPS implemented digitisation of Occurrence Books (OB) and other police records in Nairobi Region (Kasarani Police Station and Buru Buru Police Station).

Implementation Challenges

- Inadequate funding /non-funding leading to minimal project milestones.
- Rapidly changing technologies.
- Lack of equipment maintenance contract.

Lesson Learnt

- There is a need to allocate enough resources to realise significant progress in modernisation.

Recommendations

- Prioritise the ongoing projects for implementation within the available resources.
- Bring back all aspects of modernisation of the police equipment under NPS including the airwing and police boats.
- Source for adequate funding for all identified components.

- Ensure tested/reliable country of origin and include maintenance contracts as part of equipment acquisition.
- Need to review project components.

3.9.6. ACQUISITION OF AN INTEGRATED CASE MANAGEMENT SYSTEM

Location: Nairobi City County, National Police Service

Objective: To fully integrate end to end case investigative crime case management system beginning at the police stations with the OB right through to prosecution and inter-linking with other players including ODPP and the Judiciary.

Implementing Agency: NPS

Project Progress: Digital OB was launched in Nairobi; other modules of the system are yet to be completed.

Implementation Challenges

- Crime dynamism
- Low funding of the project.

Lessons Learnt

- There is a need to fully embrace technology in the fight against crime and in the investigation processes due to the evolving nature of crime.
- There is a need for collaboration among the services in the execution of the project.

Recommendations

- Redefining policing processes to have key processes automated to increase efficiency and effectiveness in the service delivery.
- Adequate allocation of all digitisation processes.

3.9.7. COMPLETION OF INTEGRATED POPULATION REGISTRATION SYSTEM

Location: Nairobi

Objectives: To ensure continuity in elimination of double registration, eliminate fraud and manipulation of records and embrace efficiency and effectiveness in the issuance of national identity cards.

Implementing Agency: Integrated Population Registration System (IPRS) Directorate.

Project Progress: IPRS was completed and operationalised with more than 300 agencies connected. During the year under review, 29 agencies were connected to the population registration database.

Implementation Challenge

- Inadequate funding leading to minimal project's milestones and prolonged implementation timelines.

Lessons Learnt

- Collaboration between Government agencies enhances effectiveness especially in programme implementation.
- Sustainable allocation of funds is critical to efficient service delivery.

Recommendations

- Conduct periodic stakeholders' engagement forums.
- Mobilise alternative funding sources including PPPs and donor support.

3.9.8. MODERNISATION OF KENYA DEFENCE FORCES

a. Kenya Defence Forces – Food Processing Factory Phase 2 & 3

Objective: The project will enhance national and regional security by building capacity and sustaining operations.

Implementing Agency: Ministry of Defence

Project Progress: The Kenya Defence Forces (KDF) Food Processing Factory, Phase I (dried vegetables) was completed. Phase II (fruits and canning) and Phase III (meals ready to eat) is pending implementation but planned for FY 2025/26.

b. Construction of 4000T Slipway for Kenya Navy

Location: Kenya Navy Fleet Mkunguni - Mombasa

Objective: As an industrial capacity project, the facility will be used for design and construction of ships, repair, and refit.

Implementing Agency: Ministry of Defence

Project Progress: The project is funded through the Export Credit Agency (ECA) and is at 97 percent completion level.

c. Modernisation of Ammunition Production at Kenya Ordinance Factory

Location: Eldoret, Uasin Gishu County

Objective: The project will enhance national and regional security by building capacity and sustaining operations.

Implementing Agency: Ministry of Defence

Project Progress: The project is at the tender bid document stage and will be funded through the ECA facility.

Implementation Challenges

- Due to effects of COVID-19 pandemic leading to interruption in global supply chain and the impact of climatic changes, the firm could not meet the implementation timelines since most of the supplies were imported.
- The Russian-Ukraine war affected their main steel market production industry in Ukraine, thereby slowing the production of critical components of the system.

Lesson Learnt

- Collaboration between Government agencies enhance effectiveness and delivers better services to Kenyans and therefore a whole of government approach is highly recommended to improve implementation of development projects that cut across different MDAs.

3.9.9. CONSTRUCTION AND EQUIPPING OF NPS HOSPITAL IN NAIROBI

Location: Mbagathi, Nairobi

Objective: To provide comprehensive healthcare among officers in Nairobi and its environs and for referral cases.

Implementing Agency: NPS

Project Progress: The project is 100 percent complete.

Implementation Challenges

- There is a pending bill for KSh. 948 million to the contractor.
- Project not yet handed over from KDF.
- No funds have been allocated for the hospital's operationalisation.

Lesson Learnt

- There is a need to fully involve NPS as the end user in future projects executed by other MDACs in government-to-government arrangement.

Recommendations

- The project to be handed over to NPS and funds allocated for operationalisation.
- The last phase of the project comprises staff houses and morgue to be funded to enable implementation.

National Police Service Hospital View

3.9.10. PROMOTING PEACEFUL CO-EXISTENCE BETWEEN AND AMONG ETHNIC COMMUNITIES

Location: Nationwide.

Objective: To promote peace, cohesion, mitigate and resolve violent conflicts.

Implementing Agencies: National Cohesion and Integration Commission (NCIC), and National Steering Committee on Peacebuilding on Conflict Management.

Project Progress: During the period under review, the Commission improved its coordination mechanism with both state and non-state peace actors to ensure peaceful elections. This was achieved through the development and launch of the roadmap to the 2022 General Elections, also known as "Elections Bila Noma". The roadmap provided a clear agenda and direction for peace actors to prepare for peaceful electoral processes. It addressed six major challenges that could hinder peaceful elections, including lack of trust, culture of violence, selfish leadership, ethnic polarisation, untimely and inadequate response to conflicts, and structural inequalities. The roadmap was successfully implemented by NCIC and other peace actors, which contributed significantly to the peaceful conduct of the 2022 General Elections.

The Commission conducted ethnic and diversity audit of the county public service with the aim of improving inclusivity in public employment opportunities, enhancing equitable distribution of public resources as well as increasing public understanding and practice of non-discrimination. The audit report revealed that only 13 out of the 47 counties are compliant with the County Governments Act [Section 65(1)(e)] on the 30 percent rule. Five counties were ranked as the most diverse with over 30 ethnic communities in their public service employment, while seven counties were ranked as the most improved and compliant and 21 counties were ranked as the most non-compliant (list of shame) with a rating of over 90 percent of employees coming from the dominant ethnic community.

To enhance the ability to respond to challenges to peace, particularly during general elections, the Commission and the National Steering Committee on Peacebuilding and Conflict Management re-launched the Uwiano Platform for Peace. This platform provides a structured coordination framework for conflict prevention and interventions to promote peaceful elections. The membership of the Uwiano platform for peace has been enlarged and currently consists of 12 members. These members include the National Steering Committee on Peace Building and Conflict Management (Co-Chair), NCIC (Co-Chair), Peacenet, United Nations Development Programme (UNDP), IEBC, NPS, Office of Registrar of Political Parties (ORPP), Council of Governors (CoG), KEPSA, Media Council of Kenya (MCK), Inter-Religious Council of Kenya (IRCK), and UN-Women.

During the reporting period, the Commission conducted a rapid conflict analysis in 15 counties, namely Narok, Nakuru, Kisumu, Kakamega, Nandi, Trans-Nzoia, Uasin Gishu, Machakos, Mombasa, Kilifi, Kiambu, Nyeri, Nairobi, Laikipia and Kericho. The aim was to establish the dynamics and drivers of conflict in these areas. Additionally, a nationwide conflict hotspot mapping was conducted in all 47 counties to identify the conflict dynamics and drivers. Based on the analysis, 23 counties were identified as hotspot areas, and targeted interventions were implemented to mitigate the conflicts.

The Commission took deliberate steps to strengthen Early Warning and Early Response (EWER) mechanisms. To achieve this, the Commission conducted an EWER baseline mapping in six counties including Narok, Nandi, Kakamega, Mombasa, Nairobi and Kisumu. The mapping helped to assess the current EWER mechanisms and strengthen the capacity of peace structures such as Peace Committees, Nyumba Kumi, Chiefs, and peace actors. Furthermore, the Commission has set up Mediation Support Units (MSU) in six counties - Kisumu-Kericho, Kisumu-Nandi borders, and in Nakuru and Laikipia - to strengthen the capacity of local peace structures to resolve conflicts. To enhance mediation and peaceful resolution of conflicts, especially during the election period, the Commission established the Kenya Eminent Peace Panel (KEPP) comprising high-level prominent mediators who were trained, resourced, and put on standby to address any emerging political and inter-communal disputes.

In order to resolve conflicts between communities, the Commission conducted 22 mediation and reconciliation dialogues both within and between communities across 22 counties. These counties were Baringo, Isiolo, Nandi-Kisumu, Nandi-Kakamega, Nandi, Laikipia, Machakos, Isiolo, Bomet, Nyamira, Kericho, Kisumu, Migori, Siaya, Homabay, Wajir, Samburu, Nairobi, Lamu, Mandera, Marsabit, Garissa and Narok. The dialogue forums were successful in improving relations between communities and in reducing conflicts through community peace pacts and declarations. Along with the dialogues, the Commission also organised 20 sensitisation and public awareness forums in 22 counties, reaching 9,344 peace actors as well as an integrated media campaign that reached over 18 million Kenyans with peace messaging.

The Commission conducted training in seven counties including Kakamega, Mombasa, Kisumu, Uasin Gishu, Nandi, Kilifi and Nakuru. The training aimed to strengthen the capacity of peace actors and stakeholders such as youth, women and elders on conflict resolution, peace, cohesion and national values. A total of 1,250 peace actors successfully completed the training.

During the review period, the Commission worked to enhance the capability of the Multi Agency Working Group to effectively manage hate speech, ethnic contempt, and political incitement. The Working Group consisted of NCIC, IEBC, EACC, ODPP, ORPP, Office of the Attorney General, NPS, MCK, CA, Ministry of ICT, National Intelligence Service (NIS), and National Steering Committee on Peace Building and Conflict Management.

To promote political accountability especially during the electioneering period, the Commission developed and implemented the Political Decency and Peace Accountability Charter and engaged political leaders across the counties to sign and commit to promote and maintain peace during and after the general elections. As a result, 86 Secretary Generals of all Registered Political Parties, four Presidential Candidates, and 10,400 political leaders and aspirants signed the charter and committed to uphold and promote peace during the electioneering period.

During the period under review, the Commission received and handled 1,107 complaints and incidents of hate speech, ethnic contempt, and incitement in public spaces, including social media platforms. Out of the 56 cases that were managed, 35 are currently at the prosecution stage, nine are under conciliation, five are being heard in court, and seven have already been concluded. To further strengthen hate speech management, the Commission developed a police training manual, investigation and prosecution guidelines for prosecutors and investigators, and also established a tripartite committee on hate speech management. Additionally, the Commission implemented measures to prevent hate speech, including developing Kenya's first National Action Plan on Hate Speech Managemen. Stakeholders were consulted to develop a comprehensive approach.

During the reporting period, the Commission in collaboration with EACC, PSC and NGEC developed guidelines for County Employment Equity Plans (CEEP's). The County Government (Amendment) Act, 2020 provides for the development of CEEPs by the County Public Service Boards (CPSBs) to address diversity, inclusivity and representation in employment in county public service. The guidelines were presented to the Committee on National Cohesion and Equal Opportunity, for consideration and feedback. The draft guidelines are currently in the validation stage. In addition, the Commission held consultative meetings with the Parliamentary Committee on National Cohesion and Equal Opportunity where the proposed amendments to the National Cohesion and Integration Act were presented and deliberated. The amendments by the Parliamentary Committee were adopted. The Bill has been gazetted and is scheduled for tabling and debate in the National Assembly.

In collaboration with the National Steering Committee on Peace Building and Conflict Management, UNDP and Uwiano Platform members conducted the Peace Building Architecture (PBA) Review Process. The PBA review aims at assessing the risks, systems, policies and legal frameworks, peace building architecture, digital peace building, financing, and mapping of peace building stakeholders. The PBA will strengthen and streamline peace building and cohesion work in Kenya.

NCIC has developed an Early Warning Dashboard System on Conflict Management, which aims to provide a comprehensive, real-time, and user-friendly platform for monitoring and analysis of conflict-related data to enable informed decision-making and timely conflict prevention and resolution. The real-time or near-real-time monitoring and alerts which communicate to the Commission and other relevant stakeholders on emerging conflict situations by identifying early indicators and warning signs of potential conflicts thus enabling timely responses.

Implementation Challenges

- Budgetary constraints - inadequate staff, limited regional presence to upscale and sustain interventions at the grassroots level.
- Multiplicity of emerging drivers of conflicts and violence.
- The slow judicial process in the determination of hate speech, ethnic contempt, and incitement to violence cases.
- Limited resources to ensure the sustainability of community social contracts and peace agreements.
- Proliferation of online hate speech remains a major challenge for the NCIC going forward, particularly as internet penetration continues to grow across Kenya.

Lessons Learnt

- Community engagement in conflict management leads to sustainable peace and stability.
- Peace and reconciliation processes are not isolated events but rather continuous processes requiring consistent engagement.
- Citizens’ expectations of public service delivery influence their attitudes, behaviour and trust levels in Government agencies.

Recommendations

- Strengthen collaboration and partnership through the multi-agency approach.
- Conduct regular stakeholders’ consultation and engagement.
- Enhance the funding base through PPPs and donor support.

4. CHAPTER FOUR

ECONOMIC PILLAR

"Moving the Economy up the Value Chain"

The Economic Pillar aims to achieve and sustain an average economic growth rate of 10 percent per annum by 2030. The key sectors under the Economic Pillar are Tourism; Agriculture and Livestock; Manufacturing; Trade; BPO/ITES; Financial Services; Oil, Gas and Mineral Resources; and the Blue Economy. The section below provides the Sector progress and performance achievements of flagship programmes and projects under the Economic Pillar for the FY 2022/23. It also provides the implementation challenges, lessons learnt and recommendations/way forward.

4.1. AGRICULTURE AND LIVESTOCK

The Agriculture and Livestock Sector seeks to be an *'Innovative, Commercially Oriented and Modern Agriculture and Livestock Sector'.* The Economic Pillar of the Kenya Vision 2030 identifies agriculture as one of the key sectors to drive the Kenyan economy to the projected 10 percent annual economic growth. It is also a key driver towards the attainment of 100 percent food and nutrition security for the Kenyan population in addition to being a major source of employment, foreign exchange earnings and raw materials for the agro-based industries. To sustain the contribution of agriculture towards attainment of Kenya Vision 2030, the Sector developed the Agriculture Sector Transformation and Growth Strategy (2019-2029) that aims at transforming agriculture into an innovative, commercially oriented and modern sector.

Most of the key agriculture sub-sectors recorded declined performance resulting in a contraction of 1.6 percent in the Sector's gross value, from negative 0.3 percent in 2021 to negative 1.9 percent in 2022. This performance was mainly due to prolonged drought in most parts of the country. However, the Sector remained the dominant sector, accounting for about 21.2 percent of the overall GDP in 2022 as compared to 22.4 percent in 2021. Overall, the value of marketed agricultural production increased by 7.1 percent from KSh.527.0 billion in 2021 to KSh.564.6 billion in 2022 on account of improved prices.

Crop production contributed 15.2 percent to the GDP in 2022 a reduction from 16.7 percent in 2021. The value of marketed production for crops increased by 12.4 percent to KSh. 410.9 billion. Maize production reduced from 36.7 million bags in 2021 to 34.3 million bags in 2022. Similarly, tea production decreased from 537.8 thousand tonnes in 2021 to 535.0 thousand tonnes in 2022 due to depressed rainfall in tea growing areas. Volume of horticultural exports decreased from 405.5 thousand in 2021 to 392.0 thousand tonnes in 2022. However, the volume of sugarcane deliveries increased from 7.8 million tonnes in 2021 to 8.7 million tonnes in 2022, largely on account of favourable weather conditions in sugarcane growing areas. Coffee production increased from 34.5 thousand tonnes in crop year 2020/21 to 51.9 thousand tonnes in crop year 2021/22, partly attributed to conducive weather conditions in the coffee growing areas and improved crop husbandry.

Animal productioncontributed 3.5 percent to GDP in both 2021 and 2022, against the target of 7 percent encapsulated in Medium-Term Plan III. This target is expected to be achieved through increase in livestock production and productivity; promotion of market access and reduction of post-harvest losses; promotion of agro-processing; enhancement of livestock in disease and pest control; and improvement of the quality and quantity of hides and skins. During the review period, the value of marketed livestock and livestock products declined by 4.9 percent from KSh.161.62 billion in 2021 to KSh. 153.8 billion in 2022.

The volume of marketed milk declined by 5.9 percent in 2022 to stand at 754.4 million litres in 2022 compared to 801.9 million litres in 2021, mostly due to scarcity of fodder for livestock.

Progress made in the specific flagship programmes and projects within the Agriculture Sector is as follows:

4.1.1. CONSOLIDATED AGRICULTURAL REFORMS LEGISLATION

Location: Nationwide

Objective: To review and harmonise the legal framework to rationalise the developmental, regulatory, licensing, processing, and marketing roles of agricultural parastatals.

Implementing Agencies: Ministry of Agriculture and Livestock Development, and Agriculture and Food Authority (AFA).

Project Progress: During the period under review, the following policies and regulations were approved and gazetted: Agricultural Soil Management Policy, 2023; National Phytosanitary Policy, 2023; Agricultural Marketing Strategy, 2023-2032; National Cereals and Produce Board (National Food Reserve) Regulations 2023; and Crops (Miraa) Regulations, 2023.

Implementation Challenge

Financial constraints due to budget cuts and late release of funds.

Recommendations

- Mobilise more resources outside Government to cushion against budget cuts and delays in release of funds.
- Fast-track the development and review of the legal and policy frameworks to provide for an enabling environment for agricultural projects implementation.
- Continuously implement the agricultural sector reforms to hasten attainment of food and nutrition security.
- Align the organisational cultures and structures of the merged institutions.

4.1.2. FERTILIZER COST REDUCTION PROGRAMME

Location: State Department of Crop Development.

Objective: Smallholder farmers attain sustainable food security and graduate into market oriented commercial farming.

Implementing Agency: State Department for Crop Development.

Project Progress: In FY 2022/23, the Ministry got enhanced financial support for the Fertilizer Subsidy through the National Cereals and Produce Board, and National Value Chain Support Programme. During the period, 3,628,517 e-vouchers were disbursed to farmers registered in KIAMIS. The total number of bags of fertilizer redeemed was 3,256, 955 by farmers located in 40 counties.

Implementation Challenges

- Limited funding for the implementation of agricultural programmes.
- Climate change phenomenon had a direct effect on agricultural production.

Lesson Learnt

- Enhanced collaboration and partnerships amongst all levels to establish sharing of resources and information is critical.

Recommendations

- Enhance linkages and build strong collaborations with all the stakeholders, particularly between the national and county governments to ensure sustainable food security and efficient service delivery.

- Enhance collaborations and partnerships with development partners to support funding of agricultural activities.

4.1.3. ARID AND SEMI-ARID LANDS IRRIGATION PROJECTS

a. Galana Kulalu Irrigation Development Project

Location: Kilifi and Tana River

Objective: To develop enhanced food security in the country and contribute directly to maize and horticultural production.

Implementing Agencies: Ministry of Water, Sanitation and Irrigation, and the National Irrigation Authority (NIA).

Project Progress: During the period under review, implementation of the remaining works progressed to put additional 5,000 acres under irrigation that was procured in two lots as follows.

- **Lot 1:** Electro- Mechanical works involving modification of the intake works, installation of six pumps and supply of generators.
- **Lot 2:** Installation of a 36 km pipeline of varying sizes (710mm to 225mm), 25 centre pivots each covering 200 acres and supply of 15 (15KVA Gensets) and three (1MVA). The installation of the main conveyance was completed and a distribution pipeline of 29 km out of 36.9 km and delivered and installed all the 25 Centre Pivot systems for 5,100 acres pending testing. As a result of the Presidential directives on development of Galana under the PPP framework, a proposal to utilise 10,000 acres and develop additional 10,000 acres for production was approved and progressed to the development phase with technical studies and planting of the trial phase in 538 acres by the private investor commenced.

Implementation Challenges

- Budget cuts.
- Poor accessibility of the farm due to lack of bridge across Galana River and erratic water flows.
- Incidences of insecurity due to wild animals.

Lessons Learnt

- Efficiency in production is expected under the PPP model.
- Need for a multi-sectoral implementation approach for large projects, for instance, to address the road and bridge requirements to access the project site, electricity and wildlife management.

Recommendations

- Enhance funding to finalise the model farm.
- Fast-track PPP arrangements for development of the additional area and Galana Dam for the project.
- Establish Galana as a Special Economic Zone and Agricultural Hub.

b. Bura Irrigation Scheme

Location: Tana River

Objective: To convert the scheme from a pump-fed system to a gravity-fed system, to reduce the cost of production and achieve a sustainable supply of irrigation water.

Implementing Agencies: Ministry of Water, Sanitation and Irrigation, and NIA.

Project Progress: The average completion is at 80 percent. The initial contract was terminated due to bankruptcy of the firm IVRCL at 31 percent completion. Remaining works were divided into two lots and contractors procured. During the period under review, progress of Lot 1 works was completion of the gravity intake works of the head regulator; diversion canal at 99 percent; and silting basin at 99 percent and housing units works at 88 percent. Lot 2 progress is currently at 53 percent completion with works for the canal lining, construction of dykes & cross drainage structures ongoing.

Implementation Challenges

- Initial delays in approval of the master list for tax matters.
- Delay in payment of the Government portion due to budget cuts thus slowing progress of works.

Lesson Learnt

- Delay in tax exemptions and processing payments may result in cost overruns. Payments should be processed in time to reduce cost overruns and contractors terminating contracts.

Recommendation

- Enhanced GoK funding to fast-track implementation of Lot 2 works and timely payments.

c. Turkana Irrigation Development Project

Location: Turkana County

Objective: To develop an area under irrigation by 33,000 acres to increase food security in the area.

Implementing Agencies: Ministry of Water, Sanitation and Irrigation, and NIA.

Project Progress: Rehabilitation of Katilu and expansion of Lokapel was undertaken to realise an additional 1,630 acres for irrigation. Cumulatively, construction and rehabilitation of 20 projects with 20,195 acres has been completed. Furthermore, development of Naipa Phase I and Lotikipi/Nanaam Phase II was completed.

Implementation Challenges

- Incidences of insecurity.
- Farmers take a long time to optimise utilisation of installed irrigation infrastructure and water.

Recommendations

- Enhance funding and more water storage intervention.
- Upscale groundwater exploration
- Promote polyculture in the community and build on county government support.

d. Wei Wei Irrigation Project

Location: Sigor Constituency, West Pokot County

Objective: To put 600 Ha of land under irrigation to increase food security in the area

Implementing Agencies: Ministry of EAC and Regional Development, and Kerio Valley Development Authority (KVDA)

Project Progress: Sigor Weiwei integrated development project is one of the food security projects with a total of 600 ha developed in phases. Phase III was started in 2016 as an extension of the project with an additional 325 ha leading to a total of 600 ha. The scope of this phase includes supply of irrigation equipment, machinery and training of farmers. Implementation of the project is behind schedule with the rate of completion being 80 percent.

During the period under review, the following activities were achieved: -

- Irrigation infrastructure on 325 Ha including irrigation pipeline network, drainage system and service roads were maintained.
- Rehabilitation work on the existing irrigation scheme is done.

- Bush clearing on 325 Ha completed.
- Procurement and delivery of three tractors.
- Training of 1,000 farmers on modern farming methods.
- Maintenance of a 17 km fence.
- Rehabilitation of Sigor WeiWei main intake and Ptokou Sangat intakes.
- Maintenance of KVDA new camp nursery.
- Establishment of two demonstration plots.
- Seed maize (31 tonnes) produced and delivered to Kenya Seed.

Implementation Challenges

- Vandalism of the irrigation system.
- Delay by the contractor towards implementation of the project due to delay in processing tax exemptions.
- Inadequate GoK funding to support the project.
- Limited support from the County Government.
- Farmers limited technical skills to enhance production.

Lessons Learnt

- It is important to engage local farmers in planning and operationalising the farm.
- It is important to involve the County Government in project planning and implementation.
- Over-reliance on limited funding from the exchequer delays projects.
- Capacity building is key to ensure project sustainability.

Recommendations

- Assist the contractor in facilitating tax exemption issues.
- Build the capacity of the farmers to enable them to provide technical support in the management of the scheme.
- Provide adequate project funds.

e. Napuu Centre Pivot Irrigation Project

Location: Turkana Central, Turkana County.

Objectives: To develop a center pivot irrigation infrastructure on 150 acres for crop production to enhance food security and reduce dependency on relief food; improve access to water for farming, human and livestock consumption; and build the capacity of the youth and women to be engaged in gainful employment through agro based incomes and dry land agricultural activities.

Implementing Agencies: Ministry of EAC, the ASALs and Regional Development, and KVDA.

Project Progress: The project is progressing well and is 80 percent complete. The following achievements were realised in FY 2022/23:

- Centre pivot irrigation infrastructure developed on 150 acres using both electricity and solar power.
- Three boreholes that were constructed were equipped and operationalised.
- A total of 35 acres of land planted with watermelon, green grams and sorghum with 30 tonnes of watermelon produced.

Implementation Challenges

- Inadequate technical skills of the farmers.
- Inadequate GoK funding to support the project.
- Delay in release of funds.
- Limited support from the community and County Government.

Lessons Learnt

- Capacity building is key to ensure project sustainability.
- Stakeholder engagement is crucial for successful implementation of projects.
- Over-reliance on limited funding from the exchequer.

Recommendations

- Provide adequate project funds.
- Build capacity of the farmers and engage them in running the scheme.

4.1.4. DISEASE-FREE ZONES

Location: Bachuma Village, Maisenyi Ward, Voi Sub-County, Taita Taveta County.

Project Objectives:

- Facilitate the access of livestock and livestock products to local, regional and international markets
- To improve sustainable rural livelihoods and food security
- Strengthen institutions in the livestock sub-sector.

Implementing Agency: State Department for Livestock Development.

Project Progress: Overall, the project is 72 percent complete. Phase I is 100 percent complete while Phase II is 65 percent complete. There was no progress made from FY 2022/23 due to lack of budget allocation. Modalities for the completion and operationalisation of the facility through PPP is under consideration.

Implementation Challenges

- Lack of budget allocation and budget cuts.
- Contractual issues.

Lesson Learnt

- Explore PPPs for finalisation and operationalisation of the project.

Recommendation

- Allocation of sufficient funds required to fast-track the completion and operationalisation of this facility.

4.1.5. YOUTH AND WOMEN EMPOWERMENT

Objective: To create sustainable and gainful self-employment for the youth and women through participatory engagement in agriculture.

Implementing Agency: State Department for Crop Development.

Project Progress: The Government offers incentives for integration of youth and women into agribusiness value chains. A total of 261 incubates were trained during the reporting period, with 437 being male and 147 being female. The project is 65 percent complete.

Implementation Challenges

- Inadequacies in the performance of the contracted incubator (training & incubation service provider); and
- Low disbursement rate of youth agribusiness funds by the Agricultural Finance Corporation.

Lessons Learnt

- Youth are more inclined to the production node across value chains and need to be redirected to integrate vertically and reap more benefits in their respective value chains.
- Start-ups need capital investment funding in order to develop competitive agribusinesses.

Recommendations

- Terminate contract with the Training & Incubation service provider, and identify a capable incubator to oversee and guide implementation of the two remaining incubation cycles; and
- Re-design the financing guidelines of the lending partner to embrace affirmative action in youth agribusiness financing.

4.1.6. AGRICULTURAL MECHANISATION PROJECT

Location: Trans Nzoia, Nakuru, Kilifi, Laikipia, Uasin Gishu and Busia counties.

Objective: To meet the demand for certified hybrid seeds, grass seed and breeding of dairy and beef heifers for sale to farmers at affordable prices and enhance mechanisation for rice and maize value chains.

Implementing Agencies: Agricultural Development Corporation (ADC), and State Department for Crop Production (SDCP).

Project Progress:

a) Mechanisation under ADC: The project involves modernisation of machinery and equipment in the Corporation to increase seed maize production to 12 million kilos from the current 7.9 million kilos; seed potato production to 3,000 tonnes from 470.4 tonnes; commercial maize to 50,000 bags annually from the current 18,513 bags (90kg bags); and hay production to 360,000 bales. Modernisation of machinery and equipment is at 24 percent completion.

b) Mechanisation under SDCP: Soy Mateeny Society hub for maize value chain was operationalised in Uasin Gishu County and a rice milling plant was installed and operationalised in Bunyala Rice Co-operative Society in Busia County.

Implementation Challenge

- Implementation of mechanisation was affected by budget cuts.

Lessons Learnt

- Improvement of machinery use on farms: Mechanisation enhanced production of ADC farm units. However, other factors can impact the overall performance.
- Training of farmers: There is a need to enhance the impact through paid training of farmers and operators.
- Challenge of funding: There is a need for contingency funds to allow for repairs, services and upgrades of machinery.
- Selection of tractors: The choice of tractors can affect the overall efficiency of the operations. Difficult to identify and procure tractors considering the procurement, outsourcing, transportation from point of origin.
- Training of plant handlers: There is a need to enhance training of tractor and plant operators. There is need for machinery optimum utilisation to minimise idle machinery use throughout the year.
- Reduction of costs: The lessons learnt from mechanisation is minimisation of production cost through fleet management system.
- Improvement of quality: The use of machinery has enhanced and promoted optimisation of product quality.
- Environment conservation: The efficient use of machinery in ADC farms has contributed to the improvement of the environment. This happens by use of conservation or precision agriculture.
- Budget: The support from GoK in financing the mechanisation programme has in one way or another reduced ADC farm budget. The aspect of outsourcing machinery for planting and land preparation has now stopped

contributing to reduction of budget.

- Timely operation: The mechanisation programme has enhanced timely provision of suitable conditions for crop production and animal growth.
- Better farm control: The mechanisation initiatives have contributed to better control of such production functions as seedbed, land preparation, improved drainage system, adequate cultivation, appropriate use of fertilizer application, and management of weeds and pest control.
- Post-harvest losses: The mechanisation programmes have reduced post harvests losses and post quality preservation; and improved storage, seed processing, distribution, and marketing thus contributing to enhanced food security, and creation of employment opportunities.

Recommendations

- Enough funds need to be disbursed as planned to ensure project schedule activities are implemented as envisioned
- National Treasury to ensure timely disbursement of funds.

4.1.7. LIVESTOCK GENETIC CENTRE ADC SABWANI

a) ADC Livestock Genetic Centre

Location: ADC Sabwani Farm, Kitale

Objective: To complement local genetic supply and provide genetic diversity.

Implementing Agency: ADC

Project Progress: The project is operational and was launched in January 2022. Since inception, ADC Sabwani Farm has produced 1,345,931 straws of semen and distributed 927,094 to farmers. However, there is a need for more funds to complete the purchase of more bulls, a liquid nitrogen truck and distribution vehicles.

Implementation Challenges

- Inadequate funds to complete the purchase of more bulls, a liquid nitrogen truck and distribution vehicles.
- Insufficient number of bulls in production. The Centre had capacity to hold 100 bulls, but it had only 38 studs at the end of the year under review.
- High cost of production of liquid nitrogen. This is because the liquid nitrogen plant uses a lot of electricity to produce liquid nitrogen. This is compounded by the fact that the cost of power from the national grid is very high.
- Lack of spares and local expertise for repair and maintenance of liquid nitrogen plants.

Lessons Learnt

- High market competition: Competition in a market (Artificial Insemination) creates great benefits to consumers (farmers). The quality of service has gone up in the industry.
- Breakdown of machinery: Projects come with unexpected challenges - breakdown of plant and power interruptions.
- Inadequate funding: Additional funds to cover contingency measures need to be provided.
- Marketing of products: Marketing should be supported to make the Centre fully operational and create sustainability. There is a great challenge of logistical mobility in transporting the products due to lack of delivery trucks.
- Price fluctuation: Pricing of semen has a big impact on the performance of the Centre.
- Conservation of threatened breeds: The Centre offered important insights for conservation of threatened livestock, where many breeds are facing threats parallel to those of wild species including inbreeding and rapid loss of genetic variation.

Recommendations

- Build synergy between the national and county governments to enhance capacity for liquid nitrogen production.
- Increase budgetary allocation for the programme to facilitate purchase of breeding bulls and a distribution truck for liquid nitrogen.
- Reduce the cost of electricity by adopting cheaper sources of energy such as solar to run the liquid nitrogen plant.
- Build local capacity for repair and maintenance of liquid nitrogen plants.

4.1.8. DEVELOPMENT OF LIVESTOCK BREEDING FARMS

Location: Baringo, Wajir, Samburu, West Pokot and Narok Counties

Objective: To improve/upgrade existing genetic material at the farms and neighbouring counties.

Implementing Agency: State Department for Livestock Development.

Project Progress: Cumulatively, four bull schemes were established for breeding purposes in Kimose (Baringo County), Griftu Livestock Training Centre (Wajir County), Nomotio Livestock Farm (Samburu County) and Nasukuta (West Pokot County).

Implementation Challenge

- Inadequate budget allocation and budget cuts.

Recommendations

- Promote feedlots and commercial pasture production in Government land.
- Support private feedlot operators through credible private public partnerships.

4.1.9. ENHANCEMENT OF CAPACITY FOR SEMEN PRODUCTION

Location: Kenya Animal Genetic Resources Centre, Lower Kabete -Nairobi County

Objective: To produce, distribute and conserve high-quality disease-free semen/germplasm to improve livestock breeds.

Implementing Agency: Kenya Animal Genetic Resources Centre (KAGRC).

Project Progress: During the period under review, 943,776 straws of semen were produced against a target of 1,100,000. The Centre has had remarkable growth in the number of bulls, semen and Liquid Nitrogen sales and production of fodder. To date, the Centre has recruited a total of 43 bulls (up from 38 in the previous year) of which 15 are imported from South Africa and 28 are locally recruited from reputable, registered breeders of various breeds across the country (has capacity to 100 bulls). In addition, the Centre has a modern liquid nitrogen plant which produces liquid nitrogen for use in the KAGRC laboratory and surplus for sale.

Implementation Challenges

- High costs of semen production inputs mostly imported from France & Germany.
- Drought in the country resulting in shortage of fodder and feeds for the breeding animals.

Lessons Learnt

- Invest in backup semen production equipment.
- Maintain semen reserves that can sustain demand for at least two years.
- Recommendations
- Seek tax waivers on semen production inputs.
- Enter into service level agreements with the manufacturers of semen production equipment to undertake servicing and maintenance.

4.1.10. ESTABLISHMENT OF GOAT ARTIFICIAL INSEMINATION CENTRE

Location: Ahiti Ndomba, Kirinyaga County.

Objective: To produce and distribute affordable goat semen of high genetic quality and avail the same to farmers in Kenya for breed improvement.

Implementing Agency: KAGRC

Project Progress: The laboratory and goat structures are complete. The office and laboratory equipment have been acquired; staff have been trained; and 35 bucks have been identified and recruited for semen. The facility is scheduled for commissioning later in the year.

Implementation Challenges

- Delay in release of funds affected the completion rate.
- Inadequate skilled personnel to undertake goat artificial insemination services.

Lessons Learnt

- KAGRC can develop training needs and partner with relevant stakeholders to train its staff and already practicing artificial insemination providers.
- Involve other players in the value chain especially inseminators.
- Involvement of the public works team and Directorate of Veterinary Services ensured that the goat artificial insemination centre met the necessary structure.

Recommendations

- Timely release of adequate project funds.
- The need to embrace alternative financial mechanisms such as PPPs to supplement the resource gap requirements.
- Enhance the institutional capacity challenges through recruitment of technical staff.
- Capacity building/staffing at KAGRC.
- KAGRC to collaborate with research and training institutions for validation of the technologies and curriculum development respectively.

4.1.11. ESTABLISHMENT OF LIQUID NITROGEN PLANTS

Location: KAGRC Lower Kabete - Nairobi County, Sotik-Bomet County and AHITI Ndomba - Kirinyaga County.

Objective: To produce and avail liquid nitrogen for preservation and conservation throughout the cold chain for improved artificial insemination services.

Implementing Agency: KAGRC

Project Progress: Three plants are currently operational (Kabete, Sotik and Kirinyaga). 269,044 litres of liquid nitrogen were produced and distributed for semen preservation against a target of 350,000 litres. The Eldoret, Nyahururu and Meru plants are not operational. KAGRC utilises the facilities as product distribution shops in support of devolution by taking services closer to farmers.

Implementation Challenges

- Inadequate funding to replace the aging plants that are not producing optimally.
- High maintenance cost.
- High electricity tariffs making liquid nitrogen production very expensive.
- Power blackouts especially in Sotik and Kirinyaga affecting optimal productivity of the plants.

Lesson Learnt

- Investment in back-up generators, heavy-duty UPS and solar energy is expected to enhance sustainability of liquid nitrogen production.

Recommendations

- Provide adequate resources, backup generators and other equipment.
- Lobby for reduction in electricity tariffs.
- There is a need to invest in backup generators and heavy-duty uninterruptible power supply to sustain production during power outages.
- Enter into service level agreements with the manufacturers for liquid nitrogen plant maintenance.

4.1.12. LIVESTOCK VALUE CHAIN SUPPORT PROGRAMME

Location: Nationwide (except for Nairobi and Mombasa Counties).

Objective: To minimise post-production milk spoilage and losses and contribute to food and nutrition security.

Implementation Agency: State Department for Livestock Development.

Project Progress: A total of 380 bulk milk coolers were installed in 36 counties creating employment opportunities for women and youth in the dairy value chain and resulted in increased milk cooling capacity in the country by over 1.2 million liters per day and reduced post-harvest losses in milk production. Phase II of the project started with a target to install 650 coolers in 45 counties within the MTP IV period.

Implementation Challenges

- Inadequate budget allocation.
- Inadequate preparedness of the cooler's recipient value chain groups.
- Contractual issues.

Recommendations

- Provision of adequate funding.
- Proper vetting and adequate preparation of the recipient value chain groups

4.1.13. AGRICULTURAL INSURANCE PROGRAMME

a. Livestock Insurance

Location: Eight counties: Garissa, Isiolo, Mandera, Marsabit, Samburu, Tana River, Turkana and Wajir.

Objective: Enhance pastoralist responses to drought effects through livestock insurance.

Implementing Agency: Ministry of Agriculture and Livestock Development.

Project Progress: In FY 2022/23, no contract was awarded for covering of Tropical Livestock Units (TLUs) due to budget limitations. The benefits from the project cumulatively were payouts worth to KSh. 1.1 billion to pastoralists by the insurance companies. The cumulative KSh. 23 billion worth of TLUs which have been placed under the livestock insurance programme.

Implementation Challenges

- Budget cuts affected timely payment of premiums.
- Inadequate funding limited expansion of the programme to the targeted 14 counties.

Recommendations

- Promote partial subsidy initiative to ensure sustainability of the programme and release funds for programme expansion to other counties.
- There is a need for a livestock insurance electronic system for data management.

a. Crop Insurance

Location: 40 Counties

Objective: To promote agricultural productivity by enhancing confidence in adopting new technologies and improved practices.

Implementing Agency: State Department for Crop Development.

Project Progress: The number of counties covered increased from 38 to 40 cumulatively. The number of farmers covered with crop insurance was 194,081 against a target of 200,000. The coverage was under-achieved due to budget cuts.

Implementation Challenges

- Low funding levels and unreliable flow of funds with unexpected and frequent supplementary budgets.
- Lack of counties' funding support.
- Low awareness creation and capacity building.
- High premiums.
- Inadequate extension capacity.

Recommendations

- Establish a digital crop insurance system for data management.
- Streamline payouts responsibilities.
- Develop local capacities in calculating agent services.
- Continuous research for insurance product suitability in all ASAL counties.
- Awareness creation to target beneficiaries.

4.1.14. FOOD SECURITY AND CROP DIVERSIFICATION

Location: Nationwide

Implementing Agencies: State Department for Crop Development, AFA, and Kenya Agricultural Research Organization (KALRO).

Objective: To increase production of food, horticulture and industrial crops while embracing diversification of food and income sources for target beneficiaries.

Project Progress: Various crop regulations including Irish potato, fiber crops, oil and nuts, sugar, food crops and horticultural crops were developed through a consultative process with counties and other stakeholders, and they are under implementation. Crop development and adoption of new crop varieties and distribution of assorted seeds to farmers was implemented.

Maize production was 34.3 million bags which was less than the production of 36.7 million bags in 2021 and less than the targeted annual production of 67 million bags. This can be attributed to the unfavourable weather conditions in 2022.

Rice production increased from 186,000 MT in 2021 to 192,299 MT in 2022.This increase was attributed to opening of new schemes like Lower Kuja, Hola, Bura irrigation schemes; adoption of upland rice; adoption of mechanised harvesting which has increased grain recovery and support to farmers with seed which is better yielding than recycled seeds that was used by most farmers. Production of Irish potatoes reduced from 2.1 MT in 2021 to 1.8 MT in 2022. The under-achievement was due to drought in 2022.

Implementation Challenges

- Inadequate extension capacity due to inadequate human resources and weak coordination with counties and private sector.
- Low agricultural productivity due to low application of modern technology and innovation, inadequate capital and demand-driven research.
- Prevalence of pests and diseases.
- Pre- and post-harvest losses due to inadequate storage facilities, poor handling of farm produce and limited value addition.
- Diminishing land sizes/small unproductive farms in high and medium rainfall areas.

Lessons Learnt

- Collaboration between the national and county governments on the generation and utilisation of data/information for decision making is key in the successful implementation of programmes and projects.
- Implementation of value chain suitability maps for all regions is key to improving productivity and profitability of crop commodities.
- To bridge deficits in food production, there is a need to incentivise production in medium and large-scale farms as identified by the Agricultural Sector Transformation and Growth Strategy and facilitate investment in agro-processing hubs to create markets for agricultural produce.

Recommendations

- There is a need to continue with the efforts to enhance linkages and build stronger collaboration with all the stakeholders; particularly between the national and county governments and the private sector to ensure sustainable food security and efficient service delivery.
- Explore ways to manage the high cost of farm inputs through supporting KALRO to acquire, multiply and distribute animal and plant germplasm and provide incentives to local inputs processors/manufacturers.
- Strengthen data management systems including the monitoring and evaluation system.

- There is a need to embrace irrigation technologies to boost food sufficiency.
- Promote appropriate technologies for crop production, pest surveillance and response, post-harvest handling and value addition.

4.1.15. STRENGTHENING NATIONAL FOOD RESERVES

Location: Nationwide

Implementing Agency: State Department for Crop Development.

Objective: To avail sufficient safe food stocks for consumption by promoting technologies in management of aflatoxin.

Project Progress: The national food reserve system will procure receipts through competitive commercial processes using the Warehouse Receipt System (WRS) to avoid market distortions. Currently, development of the WRS central registry is ongoing (at 30 percent completion) while four warehouses have been certified in Nakuru, Kitale, Meru and Eldoret.

To manage aflatoxin, locally adapted aflatoxin management technologies were disseminated in 21 aflatoxin prone counties (Machakos, Makueni, Kitui, Embu, Murang'a, Meru, Tharaka Nithi, Kwale, Kilifi, Tana River, Nyeri, Kirinyaga, Laikipia, Nyandarua, Taita Taveta, Kiambu, Kajiado, Nakuru, Nandi, Uasin Gishu, Trans-Nzoia and Elgeyo Marakwet). The State Department for Crop Development procured and distributed 71 MT of Aflasafe KE-01 to be used to train farmers on management of aflatoxins.

Implementation Challenges

- Limited funding for agricultural programmes.
- Climate change and variation had a direct effect on agricultural production.
- Delays/non-disbursement of funds for agricultural activities.
- Inadequate and poorly organised market access and marketing infrastructure.
- Poor physical infrastructure network in the rural areas.

Recommendations

- Foster partnerships with development partners and the private sector to enhance sustainable management of strategic food reserves.
- Enhanced budget for running of the food reserves and procurement of chemicals to fight aflatoxin.
- Conduct more research to explore viable solutions for food preservation.

4.1.16. RESEARCH AND CAPACITY BUILDING PROGRAMME

Location: Nationwide

Implementing Agencies: State Department for Crop Development, KALRO, KAGRC, and Kenya Tsetse and Trypanosomiasis Eradication Council.

Objectives: To build new and innovative capacity for optimal production; to increase production through innovative research technologies; and to revitalise and modernise Agriculture Resource Information Centre.

Project Progress: During the review period, the capacity of the research institutions was enhanced. Research institutions were supported to focus on new innovative technologies that are pest and herbicide resistant, tolerant and can withstand drought/water stress for enhanced food security and productivity. The Sector continued to strengthen research infrastructure and linkages with international research institutions, universities, and private sector research laboratories.

In addition, research and promotion of technologies for management of fall armyworms and Maize Lethal Necrotic Diseases (MLND) were undertaken. For fall armyworm research endeavour, two biological agents were identified, 300 promising germplasms tolerant to fall armyworm, two integrated pest managements and three biological extracts against fall armyworm were evaluated. The Kenya Plant Health Inspectorate Service (KEPHIS) facilitated introduction of 27 biological products through risk assessment carried out by Kenya Standing Technical Committee on Imports and Exports as a strategy to mitigate various diseases including fall armyworm. Evaluation of five advanced clones tolerant to MLND was put under national performance trials. Promotion of information was done in all the affected counties through distribution of over 46,000 brochures and on-line platforms through the Ministry and KALRO websites. In addition, pest surveillance and monitoring to determine the spread and impact of the pests was done during the period.

To enhance livestock value chains productivity, KALRO developed and promoted feeds and forages by formulating and disseminating 15 feed rations; analysed 3,518 animal feeds delivered by farmers and released two *Bracharia cultivars* and three SPV varieties and produced 7,640 kg of the same and availed to farmers.

Implementation Challenges

- Limited local funding for agricultural research leading to a donor-driven/ dependent research system.
- There were no mechanisms in place for participation of industry in agricultural research which would focus on relevant applied research.
- Inadequate incentives for researchers because of low personal emoluments.
- Inadequate exchange / joint programmes.
- Low investment in agricultural research and innovation.
- Poor access to usable and shared research data.
- Inadequate legal and policy frameworks resulting in weak linkages, co-ordination, monitoring and evaluation.
- Land grabbing of prime agricultural research land.
- Diminishing human resources (technical and support staff) due to poor succession management policies thereby affecting research programmes.

Recommendations

- Rigorous litigation interventions to repossess all grabbed agricultural research land and issuance of allotment letters and title deeds for all allocated land parcels to agricultural research institutions.
- Engagement of interns to alleviate staff shortage on short-term contracts and fast-tracking and completion of the succession management programme to ensure continuity of research programmes.
- All research projects should make provision for engagement of graduate fellows.
- Cross utilisation of staff across institutes/centres.
- Enhance collaboration and partnerships amongst research institutions to establish sharing of resources mechanisms.
- Internal resource mobilisation to engage additional support staff.
- Lobby the Government to fund strategic research for posterity.
- Fast-track the development and review of the legal and policy frameworks to provide for an enabling environment for agricultural research.

- Seek tax waivers and electricity tariff reduction to enhance semen production.

4.1.17. COTTON REVITALISATION PROJECT

Location: Nationwide

Project Objective: To assess compliance to biosafety measures and evaluate the performance of Bt cotton varieties where it is being grown by farmers.

Implementing Agencies: National Biosafety Authority (NBA), KEPHIS, and AFA.

Progress: Bt cotton is now in the 3rd year of commercialisation having been approved in 2020. Bt cotton is currently being cultivated in more than 20 counties including Machakos, Kirinyaga, Embu, Meru, Tharaka Nithi, Makueni, Kitui, Taita Taveta, Tana River, Kisumu, Homabay, Elgeyo Marakwet, Busia, Vihiga, Kakamega, Kilifi, Kwale, Lamu, Siaya and Baringo.

Implementation Challenges

- Access to Bt cotton seeds: Since there is no local seed multiplication of Bt cotton seeds in the country, the seed supply system is not predictable, and this has on several occasions led to delays in the acquisition and planting.
- Performance of Bt cotton was affected by drought in some counties with low rainfall e.g., Machakos, Kitui and Makueni and Tharaka Nithi.
- Lack of structured agricultural extension services and continuous product stewardship programme at the county level.
- Lack of agro-dealer network for Bt cotton seeds: Farmers currently access Bt Cotton seeds through established cotton ginneries and a subsidy programme for Bt cotton seed implemented by AFA.

Lessons Learnt

- Bt Cotton has the potential to improve livelihoods by creating jobs and providing a steady source of income. The Bt cotton technology is a good tool for managing cotton bollworms.
- The need for a well-coordinated monitoring of Bt cotton by NBA and other relevant Government agencies.
- Bt cotton technology uptake can be accelerated if high quality seeds are easily accessible to farmers and on time.

Recommendations

- The Bt cotton technology is a good tool for managing cotton bollworms, however, there is a need to strengthen product stewardship through farmers awareness and education programmes on responsible use of the technology.
- Establish a sustainable Bt cotton breeding and national variety maintenance programme in Kenya. The programme will ensure Bt varieties are released in their suitable ecological zones.
- The need to establish an agro-dealer network across the country where Bt cotton seeds can be made available through agrovets.
- Bt cotton farming should be incorporated in the Counties Integrated Development Plans (CIDPs).

4.1.18. CONSTRUCTION OF BIO-SAFETY LEVEL 3 LABORATORY

Location: Ndubo-ini Village, Kitisuru Ward, Westlands Sub-County, Nairobi County

Objectives:

- Quick and efficient disease diagnosis.
- Improve capacity to diagnose animal diseases.
- Improve trade and livelihoods.
- Control highly infectious micro-organisms.
- Reduced disease incidences.

Implementing Agency: State Department for Livestock Development.

Project Progress: Initiation of plumping, mechanical ventilation works and construction of cold room.

Implementation Challenge

- Budget cuts and contractual obligations

Lesson Learnt

- Inflation and cost of building materials directly affect implementation of projects - can slow work and contractors can drop works if funds are not availed in time.

Recommendation

- Allocation of sufficient funds required to fast-track the completion and operationalisation of this facility to achieve its desired goals.

4.1.19. LAMU LIVESTOCK PRE-EXPORT QUARANTINE ZONE PROJECT

Location: Magogoni Village, Hindi Ward, Lamu West Sub-County, Lamu County

Objectives:

- Improved access of livestock and livestock products to local, regional and international markets
- Improved livelihoods in the livestock sub-sector e.g., through strong pastoral livestock marketing cooperatives, expanded markets for local animals, export slaughterhouses and leather value addition.
- Compliance with sanitary measures in line with Kenya's obligations under the World Trade Organization-Sanitary and Phyto-sanitary Agreement and World Organization for Animal Health for food safety.

Implementing Agency: State Department for Livestock Development.

Project Progress: Initiation of designs for civil works for Lamu Port; partial equipping of Garissa and Mariakani Regional Veterinary Laboratories; and engagement with stakeholders.

Implementation Challenges

- Budget cuts
- Land issues with the locals and county leaderships.

Lesson Learnt

- Lack of political goodwill can hinder project implementation, especially where land encroachment and repossession from the local communities is involved.

Recommendations

- Allocation of sufficient funds required to fast-track the completion and operationalisation of this facility.
- Consideration of PPP in the finalisation and operationalisation of the project.

4.2. MANUFACTURING

The Kenya Vision 2030 blueprint seeks to achieve a robust, diversified and competitive manufacturing sector in the country. The Sector has a high potential of investment attraction, employment creation, export expansion, stimulus for agricultural growth and provision of forward and backward linkages with all other sectors. It has a strategic role in technology and innovation as a major platform for diffusion of new technologies to other sectors of the economy. Its overall goals under the MTP III were to increase its contribution to GDP by at least 15 percent by 2022; increase the level of foreign direct investments to US$2 billion; and improve ease of doing business ranking from 56 in 2019 to at least 45 out of 189 countries by 2022.

The performance of the Manufacturing Sector in 2022 was subdued compared to that of 2021. The Sector's growth slowed down to 2.7 percent in 2022 compared to 6.9 percent in 2021 (Kenya Economic Survey, 2023). The decelerated growth was partially attributed to low agricultural production and reduced economic activities. High inflation, high production costs, competition from imported goods and depreciation of Kenya shilling against major trading currencies also remained a major challenge for the Sector. The few sub-sectors that registered growth were motor vehicles, trailers and semi-trailers, processing and preservation of fish, and basic metal products.

The contribution of the manufacturing sector to GDP stood at 7.8 percent in 2022 against the MTP III target of 15 percent. The value of output increased by 13.6 percent from KSh. 2.7 trillion in 2021 to KSh. 3.2 trillion in 2022. The number of persons employed in the Sector increased by 4.7 percent from 336.8 thousand in 2021 to 352.6 thousand in 2022. This accounted for 11.7 percent of the total number of people employed in the formal sector in the country during the review period.

The achievements under the various flagship projects are as follows:

4.2.1. ESTABLISHMENT OF SPECIAL ECONOMIC ZONES

Location: Mombasa, Naivasha, Kisumu and Lamu Counties.

Objective: To provide and facilitate an enabling environment for global and local investors.

Implementing Agencies: Ministry of Investments, Trade and Industry, and Special Economic Zone Authority (SEZA).

Project Progress: The development of Dongo Kundu and Naivasha Special Economic Zones reached 8.3 percent and 56.5 percent completion levels respectively. These levels entailed the development of various basic infrastructure for investor attraction. In addition, 23 new private SEZ were gazetted during the period.

The Land Lease Policy was approved and awaits implementation. Other activities included amalgamation of Dongo Kundu for title deeds, subdivision of the land for Port development, SEZ development and resettlement of PAPs as per Cabinet directive of 2019, compensation and resettlement of PAPs, development of off-site and on-site infrastructure by relevant agencies and development of a detailed land use plan and subdivision of plots for investor entry.

The construction works for the SEZA administration block, access roads and river protection works are ongoing, 1.4 km of internal road network out of 30 km has been completed. Investors on bounding are continuing with six investors under process. The Naivasha SEZ has added 5,000 more acres creating Naivasha SEZ II. This is yet to be developed.

Under the Lamu SEZ, inspection, survey and valuation of the first 500 acres and a gazette notice for the intention to acquire land was issued. Physical and land use development plans were prepared, as well as the preparation of Terms of Reference for the strategic environmental assessment for the Lamu SEZ.

Implementation Challenges

- Inadequate funds for resettlement of PAPs in Dongo Kundu
- Inadequate funding and high capital investment requirement.
- Escalating land acquisition costs.
- Encroachment of land earmarked for infrastructure development.

Lessons Learnt

- Stakeholder involvement is key in project identification and implementation.
- Adequate funding is critical for successful implementation of capital development projects.
- There is a need for implementing agencies to leverage on alternative resource mobilisation strategies besides the exchequer.

Recommendations

- Promote alternative funding mechanisms such as the PPP model.
- Enhance budgetary allocation for acquisition and development of horizontal infrastructure within the SEZ.
- Expedite the acquisition of the required land size for the Lamu SEZ.
- Develop a detailed master plan for Lamu SEZ.
- Undertake Strategic Environmental Assessment for Lamu SEZ.
- Develop basic infrastructure (roads, water and electricity) for the Lamu SEZ.

SEZA officials inspecting completion works at Africa Auto Auction (AAA) Jumbo SEZ Ltd building in Naivasha SEZ

4.2.2. TRANSFORMATION OF KIRDI INTO A WORLD CLASS RESEARCH INSTITUTION

Location: Nairobi and Kisumu counties.

Objective: To enhance capacity for industrial research, development and technology transfer.

Implementing Agencies: Ministry of Investments, Trade and Industry, and KIRDI

Project Progress: During the FY 2022/23, the construction of industrial research laboratories at Nairobi, South B remained at 80 percent. In addition, 16 prototypes and 46 technologies were developed and transferred to industry, supported the upgrade of 66 products to attain standardisation marks which enhanced competitiveness and provided incubation and common manufacturing facilities to 1,308 industrial enterprises.

Implementation Challenges

- Inadequate financial resources allocation.
- Technology obsolescence of some tendered bills of quantities occasioned by delays during the construction phase.
- Frequent budget rationalisation/cuts affect the construction of projects.

Lesson Learnt

- It is important to fast-track completion of flagship projects to avoid cost variations.

Recommendations

- Additional resources need to be mobilised from GoK, development partners and the private sector to facilitate the completion of the necessary infrastructure.
- Need for a strategic intervention towards completion of infrastructural facilities at Nairobi, South B and increased funding for research and development activities.

4.2.3. INTEGRATED IRON AND STEEL MILLS

Location: Lamu and Kwale Counties.

Objective: To establish an integrated iron and steel mill for production of high-grade steel.

Implementing Agencies: Ministry of Investments, Trade and Industry, and Numerical Machining Complex (NMC) Limited.

Project Progress: The Government facilitated the private sector on the establishment of an integrated iron and steel mill at Samburu, Kwale County. Engagements on acquisition of 750 acres of land next to Lamu Port was ongoing.

In addition, 55 tonnes of castings were produced, 36 industrial and agro processing machinery, equipment, parts and tools, 210 automotive and motorcycles parts/components, and 312,191 transmission parts /industrial fittings were manufactured. The modernisation of NMC, Foundry Plant & Computer Numerically Controlled & Fabrication Workshop was at 35.21 percent completion level.

Implementation Challenges

- Inadequate budgetary allocations.
- Inadequate information on the available amounts of iron ore and coal.
- Delay in finalisation and adoption of iron and steel bill and policy.
- A weak institutional and legal framework to guide the project implementation.

Lesson Learnt

- There is a need to strengthen the collaboration among implementing agencies.

Recommendations

- Strengthen the legal and institutional framework of NMC.
- Undertake the feasibility study on the quantities and quality of the iron ore and coal deposits in the country.
- Finalise the Iron and Steel Bill Policy.
- Fast-track and finalise the acquisition of 750 acres of land.

4.2.4. ESTABLISHMENT OF A ONE STOP CENTRE

Location: Nairobi

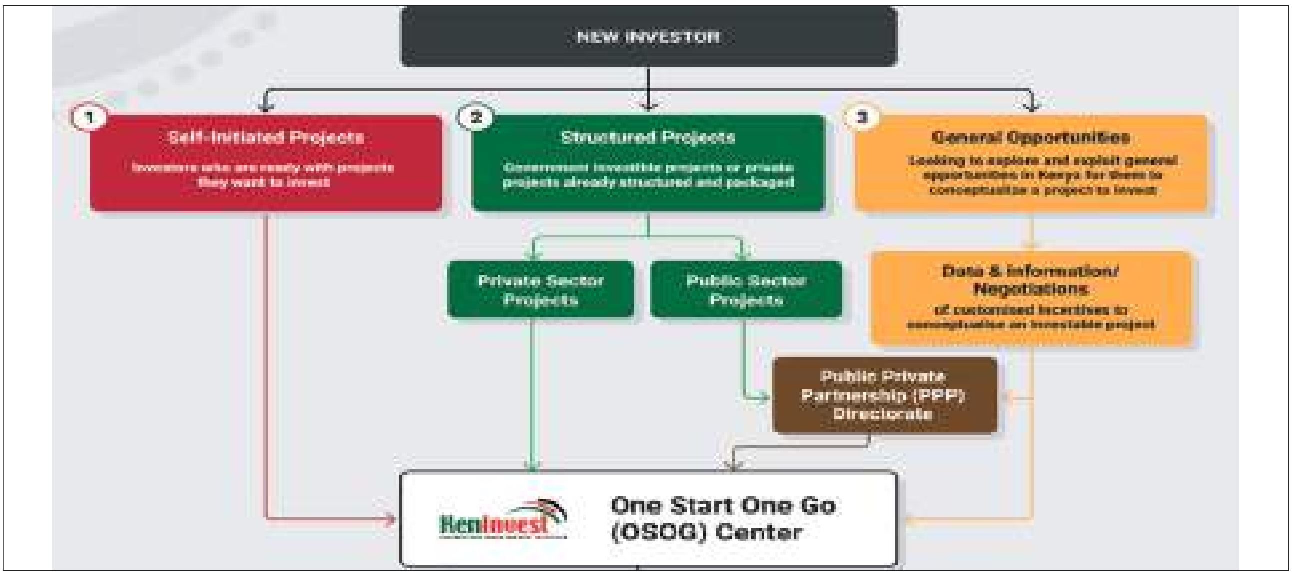
Objective: To fully equip staff and operationalise the OSC for optimal performance and improvement in the ease of doing business. The OSC is meant to facilitate investors by bringing all the stakeholders involved in the investment journey under one roof with an integrated Client Management System (CMS) linking officers from various Government agencies involved in the facilitation of investors.

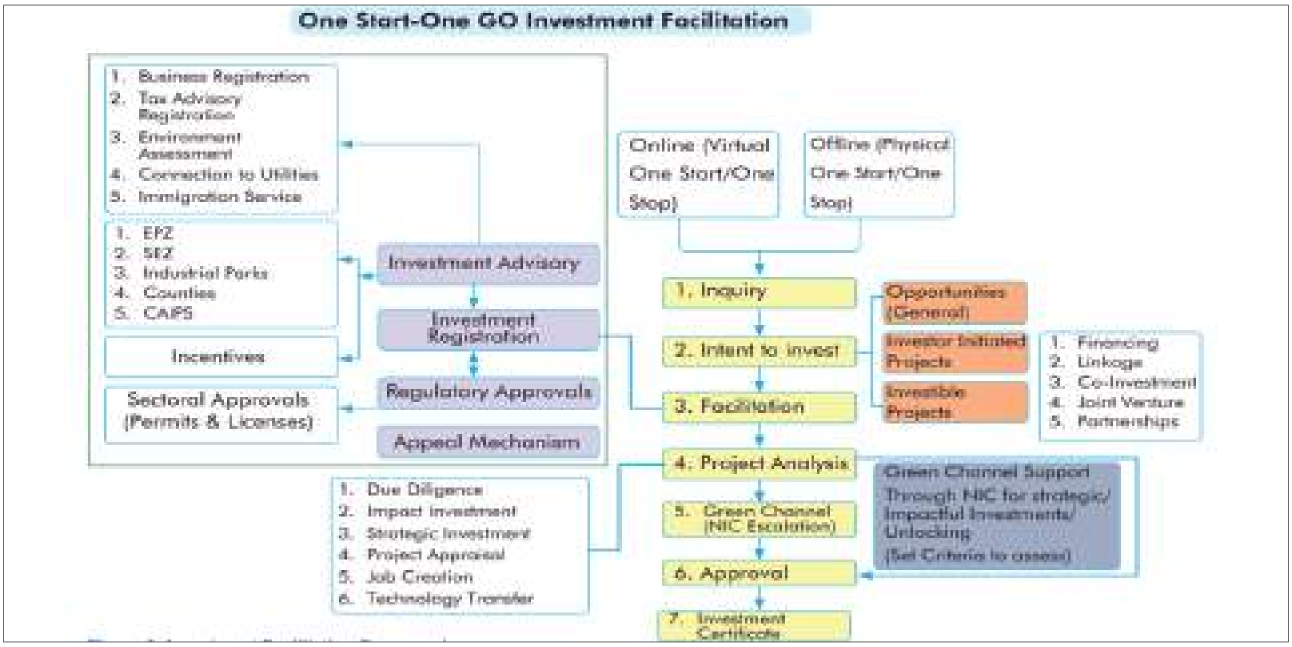
It is necessary to fully digitise the OSC through the One Start-One Go platform which is envisioned to be the Investment Single Window that will allow for remote facilitation thereby enhancing transparency, convenience and efficiency.

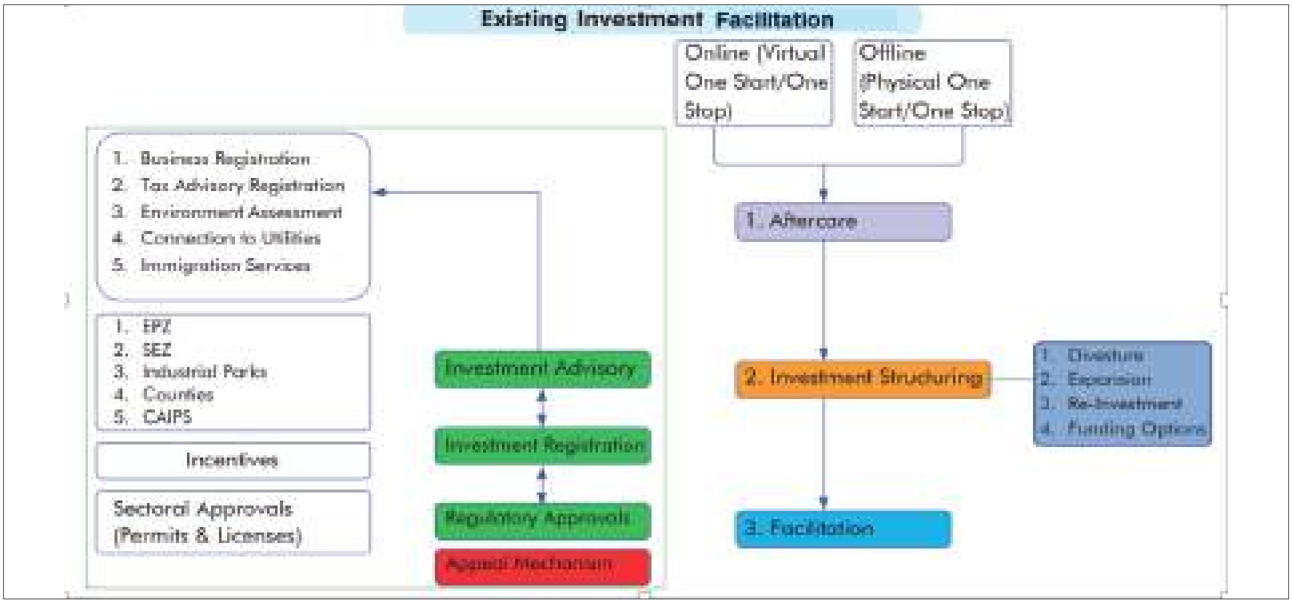
Implementing Agencies: Ministry of Investments, Trade and Industry, and Kenya Investment Authority (KenInvest)

Implementing Agencies onboarded/ targeted for onboarding to the One Start-One Go/OSC

Project Progress: The One Stop Centre having been established, equipped and staffed is operational having on-boarded three additional agencies. The institutions listed above have all been on-boarded onto the Investment Single Window Platform (One Start-One Go). Further, integration of additional key facilitative agencies onto the Platform is in the pipeline: These include the NCA, Tourism Regulatory Authority, Office of the Attorney General, Pharmacy and Poisons Board as well as Ministries with investment facilitation mandates. As a way forward, the OSC requires digitisation from the current CMS to an Investment Single Window Platform dubbed One Start-One Go which will bring together public and private players in the investment facilitation space.







Implementation Challenges

- Inadequate funding thereby affecting the completion of digitisation process of OSC (need for equipment & technology)
- Capacity constraints due to low staffing levels at KenInvest thus overstretching existing staff.

Recommendations

- Adequate funding for full digitisation of OSC through the Investment Single Window Portal; One Start-One Go system will be a digital enabler bringing together all facilitative agencies both in the public and private sector for efficiency.
- Continuous improvement of OSC facilitative framework to address ease of doing business environment. This involves continuous identification of key institutions for on boarding. Additionally, there is a need to fully equip and staff KenInvest to optimise operational capacity.
- Finalise the Investment Promotion and Facilitation Bill to align with world

best practice of creating an enabling investment environment including arbitration mechanisms.

4.2.5. DEVELOPMENT OF THE INDUSTRIAL CLUSTERS - MANUFACTURE OF LEATHER AND LEATHER PRODUCTS, KENYA LEATHER INDUSTRIAL PARK

Location: Kinanie, Machakos County.

Objective: To propel Kenya towards becoming a regional leather and leather products manufacturing hub.

Implementing Agencies: Ministry of Investments, Trade and Industry; Ministry of Agriculture and Livestock Development, Kenya Leather Development Council (KLDC), and EPZA.

Project Progress: Common Effluent Treatment Plant is at 85 percent complete. The 2500m^2 and 5000m^2 warehouses are at 90 percent and 85 percent respectively complete. Park occupation criteria developed. The two corporates of KLDC and EPZA through their line Ministries are addressing the lease issues.

Enabler components are at different stages of implementation. Roads are at 40 percent, water, power, ICT and police posts are still pending.

Implementation Challenges

- Low funding and delay in release of allocated funds.
- Weak institutional and legal framework.
- Institutional challenges (technical staff capacity) impacted smooth implementation of the project.

Recommendations

- Timely release of adequate project funds.
- Address legal and institutional weaknesses and create synergies with the project enabling sectors including roads, water, power, ICT and security to support implementation of the project.
- The 60 percent of park land requires sound flood mitigation measures which may include the need to acquire land on higher grounds.
- Enhance the institutional capacity challenges through recruitment of technical staff.

The common effluent treatment Plant at the Kenya Leather Park in Kinanie, Machakos

The industrial warehouse at the Kenya Leather Park in Kinanie, Machakos

4.2.6. INDUSTRIAL CLUSTERS PROGRAMME - UPGRADING OF TRAINING AND PRODUCTION CENTRE FOR SHOE INDUSTRY, THIKA AND KARIOKOR COMMON MANUFACTURING FACILITY

Location: Kiambu and Nairobi counties.

Objective: To upgrade and modernise machinery for the Training and Production Centre for Shoe Industry (TPCSI), Thika and Kariokor Common Manufacturing Facility for provision of common manufacturing services.

Implementing Agencies: Ministry of Investments, Trade and Industry; Ministry of Agriculture and Livestock Development; and KLDC.

Project Progress: Kariokor Common Manufacturing Facility is operational. Under the TPCSI, the training curriculum was revised to align it to current industry needs.

Implementation Challenge

- Delayed operations due to machine breakdowns.

Recommendation

- Provide adequate resources to employ repair technicians at Thika TPCSI and workshops at Kariokor.

4.2.7. DEVELOPMENT OF THE INDUSTRIAL CLUSTERS - ATHI RIVER TEXTILE HUB

Location: Athi River, Machakos County.

Objective: To promote and facilitate export-oriented investments through provision of basic infrastructure facilities for export processing zones.

Implementing Agencies: Ministry of Investments, Trade and Industry; and EPZA.

Project Progress: The completion of the textile hub at EPZ Athi River reached 73 percent completion level. Exports from EPZs stood at KSh. 111.8 billion in 2022 up from KSh. 98.1 billion in 2021. Jobs created in EPZ enterprises stood at 82,771 persons and value of investments stood at KSh. 134.9 billion.

Implementation Challenges

- Limited access to financial services for industrial development.
- Limited market access for industrial products.
- Inadequate marketing and promotion to attract more investments.

Recommendations

- Enhance funding opportunities and financial support for industrial development.
- Widen market access and secure new markets for industrial products.

SME industrial sheds, Athi River EPZ

Workers inside one of the large industrial shed in Athi River EPZ

4.2.8. DEVELOPMENT OF THE INDUSTRIAL CLUSTERS - TEXTILES AND APPAREL PRODUCTION AT RIVATEX EAST AFRICA LTD

Location: Eldoret, Uasin Gishu County.

Objective: The project aims to modernise the Rivatex East Africa Limited factory machinery.

Implementing Agencies: Ministry of Trade, Investments, and Industry; and Rivatex East Africa Limited.

Project Progress: During the period under review the modernisation of Rivatex East Africa Limited machinery reached 98 percent level of completion leading to increased daily consumption of lint from 4 tonnes to 14 tonnes. The amount of locally consumed cotton lint reached 3,186 bales from domestic ginneries. The Government and private sector partnered together to acquire 18 metric tonnes of BT cotton seeds and distributed them to farmers in 24 counties. To increase the apparels production, two value addition centres were established at Nyando and Karichen reaching a completion level of 70 percent and 98 percent respectively.

In addition, 1,058 direct jobs and 12,000 indirect jobs were created, processed 12,000 kg of yarn daily, made 16,800 spindles up from 500 daily, and increased output from 4,000 metres of cloth to 40,000 metres per day.

Implementation Challenges

- A shortage of raw materials caused by increased processing capacity.
- Influx of imported fabrics and second-hand clothes.
- Competition with cheaper fabrics imported from the Asian markets and second-hand clothes into the Kenyan market.

Recommendation

- Regulate importation of textile products and second-hand clothes.

Modernisation of Rivatex East Africa Limited machinery

4.2.9. ACCREDITATION, INDUSTRIAL PROPERTY RIGHTS AND STANDARDS PROGRAMME

Location: Nationwide

Objective: To strengthen the quality infrastructure and industrial property rights protection and to meet the rapidly changing consumer needs, protection of innovations and quality requirements towards fostering a conducive environment for quality assurance, innovation and competitiveness in various sectors of the economy.

Implementing Agencies: Ministry of Investments, Trade and Industry, Kenya Accreditation Service (KENAS), KIPI, Anti-Counterfeit Authority, and Kenya Bureau of Standards.

Project Progress: To promote accreditation of conformity assessment, KENAS reviewed 73 applications from new applicants and scope extension for existing clients, conducted 193 assessments, accredited and maintained accreditation of 272 CABs and delivered 30 training courses.

To enhance industrial property rights protection KIPI processed 587 patents, 175 utility models, 232 industrial designs and 7,838 trademarks were registered in the year under review to support the growth of the industrial sector through the protection of innovations/intellectual property rights. To combat counterfeiting, trade and other dealings in counterfeit goods, 260 recordations and 5,838 inspections were undertaken.

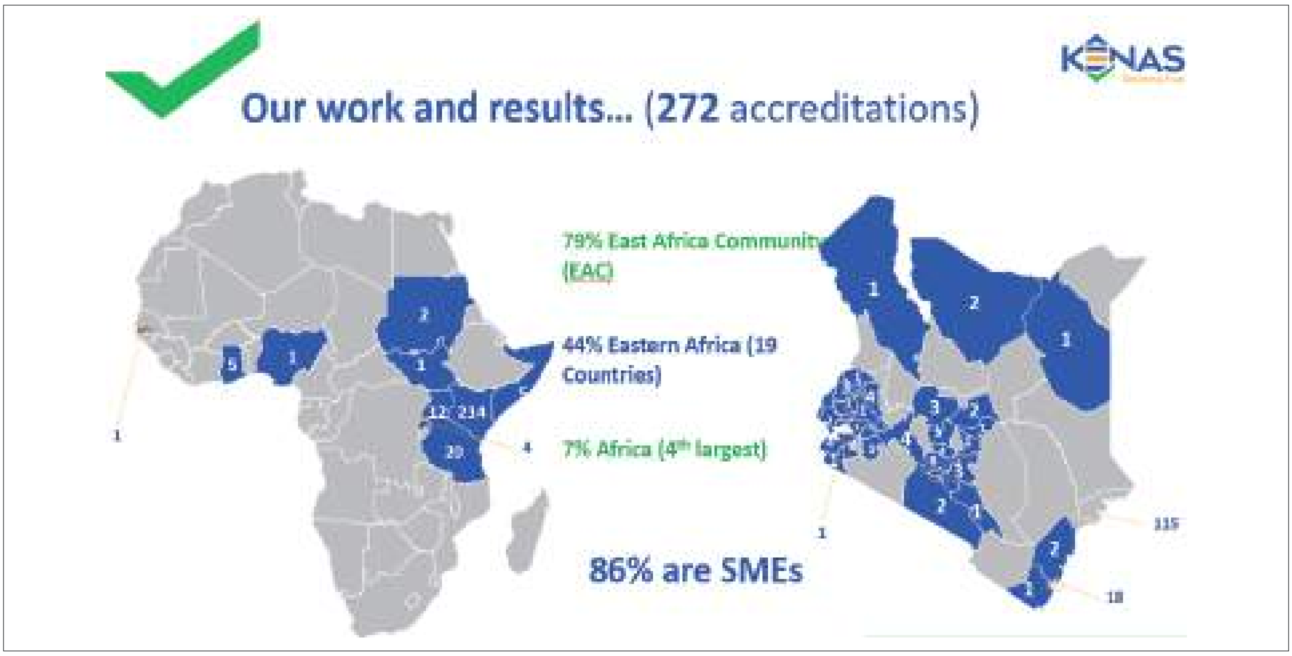
The Sector developed a total of 990 new standards, 7,425 valid permits were issued to Small and Medium Enterprises (SMEs) and 18,656 to large enterprises. In addition, the Kenya Bureau of Standards laboratories at Lake (Kisumu) and North Rift (Eldoret) regions were operationalised.

Implementation Challenges

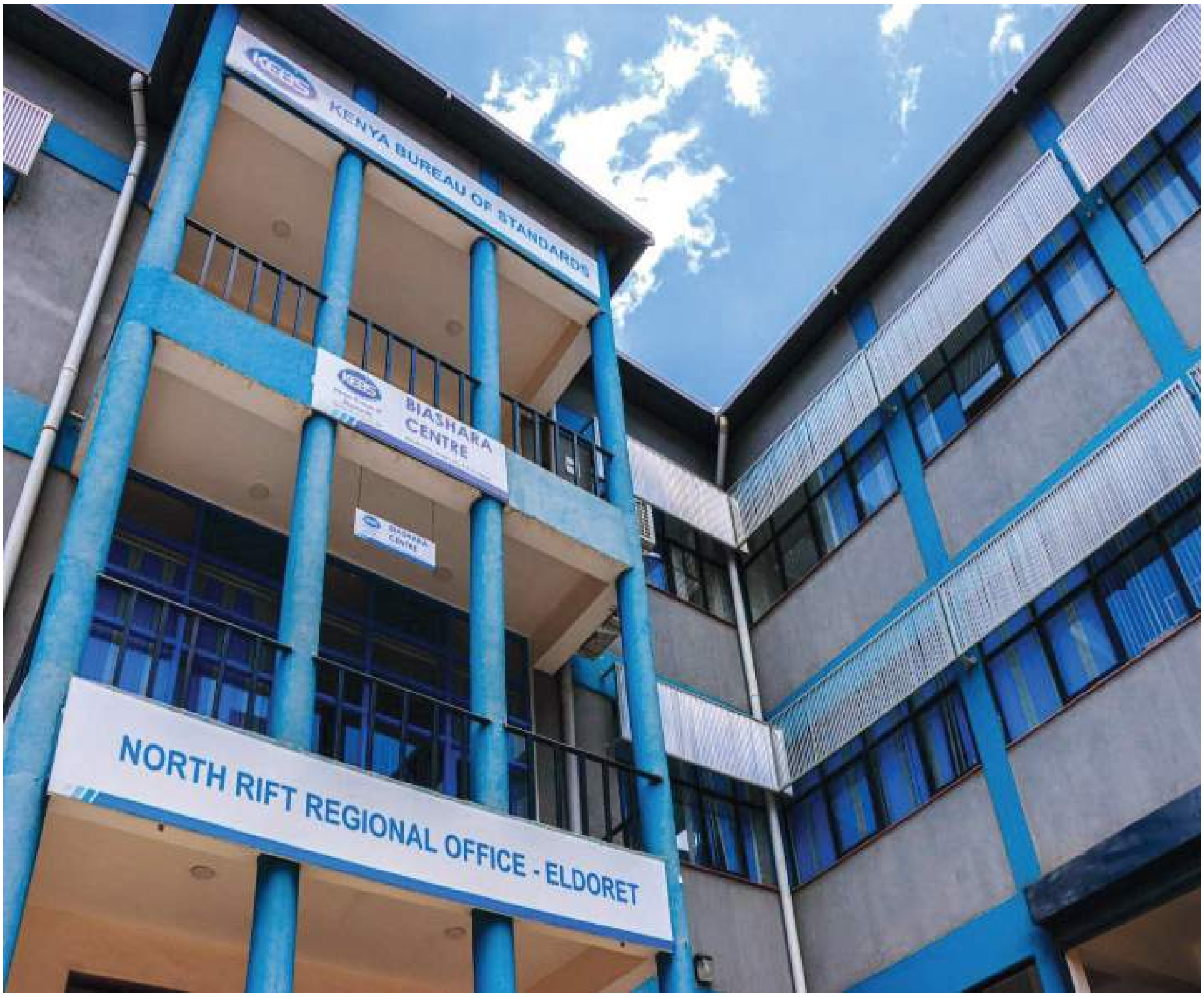
- Inadequate budgetary allocation for development and completion of standards and accreditation services.
- Weak legal framework for accreditation and standardisation services affected the delivery of service to the SMEs and large enterprises.
- Weak legal protection of indigenous knowledge.

Recommendations

- Allocate adequate funds for implementation of the accreditation, industrial property rights and standards infrastructure.
- Enhance the product certification and accreditation services for the SMEs and large firms.
- Improve the legal framework for accreditation, standardisation services and industrial property rights.



Distribution of KENAs accredited clients in Kenya and Africa


KENYA BUREAU OF STANDARDS
BIASHARA CENTRE
NORTH RIFT REGIONAL OFFICE - ELDORET

4.2.10. MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT PROGRAMME

Location: Nationwide

Objective: To create an enabling environment to facilitate the development, survival, and accelerated growth of MSMEs in the manufacturing/value addition activities/enterprises.

Implementing Agencies: Ministry of Trade, Investments and Industry, Ministry of Cooperatives and MSMEs Development, Micro and Small Enterprises Authority (MSEA), and Kenya Industrial Estates (KIE).

Project Progress: KIE advanced industrial credit to MSMEs amounting to KSh.1.16 billion. Consequently, 35,341 jobs were created, 70,157 entrepreneurs trained and 7,470 MSMEs facilitated access to markets for MSMEs products, to source of raw materials and to technology through linkage to industrial machinery/equipment.

MSEA refurbished and operationalised 20 Constituency Industrial Development Centres (CIDCs) creating 3,966 direct and indirect jobs. The Kariobangi Centre of Excellence has incubated three MSMEs, provided capacity building, technology transfer and up-skilling of 618 MSMEs in digital literacy and machine operation. In addition, 175 machines were distributed to various MSMEs operating at the CIDCs. The Centre also houses the Nairobi Biashara Centre providing one-stop services to MSMEs from various agencies in the MSME ecosystem.

Furthermore, the Authority implemented Component II of KYEOP in partnership with the World Bank in 17 counties. The project aims to support vulnerable youths aged between 18-29 years through provision of start-up grants and business development services. A total of 38,537 youths received start-up business grants amounting to KSh. 992,840,000 creating 77,074 jobs.

Refurbished and operationalised Constituency Industrial Development Centres

Implementation Challenges

- Inadequate and updated data on MSMEs for planning, decision making and provision of evidence-based policies.
- The Sector plays a critical role in job and wealth creation, however there is no commensurate financial resources support especially towards provision of affordable credit for MSMEs.
- Limited access to market information to help support MSMEs and producers to access markets for their products

and services.

- Delay in disbursement of funds slowed down implementation of programmes and projects.
- Project location of some CIDCs make them unattractive to MSMEs for utilisation.
- Lack of land ownership documents in some CIDCs creating land disputes between MSEA and MSMEs on ownership of the land.

Lessons Learnt

- There is a need for aggressive resource mobilisation to support the MSME sector to create the much-needed job opportunities.
- Partnerships and collaborations are key in supporting programmes and projects in the MSME sector.
- The CIDCs can be used as aggregation and value addition centers for MSME products.

Recommendations

- Aggressive resource mobilisation to support the MSME sector to create the much-needed job opportunities.
- Enhance research activities on the MSME sector to cover existing data gaps.
- Promote entrepreneurship culture among the youth.
- Increase budgetary allocation and timely disbursement of funds to finance key programmes and projects to support the MSE sector.
- Link CIDCs to local material from the constituency for value addition and aggregation.

4.2.11. SKILLS DEVELOPMENT AND TRANSFORMATION OF THE KENYA INDUSTRIAL TRAINING INSTITUTE INTO A CENTRE OF EXCELLENCE

Location: Nakuru County

Objective: To train workforce on industrial skills and improve labour productivity

Implementing Agencies: Ministry of Investments, Trade, and Industry; and Kenya Industrial Training Institute (KITI).

Project Progress: The construction of infrastructure facilities (hostel, central stores, walkways, workshops) at KITI were 43.2 percent complete. KITI also trained 4,004 students in industrial and entrepreneurship skills.

Implementation Challenge

- Inadequate budgetary allocation for training youth and industrial workers and for completion of training infrastructure facilities.

Recommendation

- Provide adequate resources for training and completion of the infrastructure facilities.

Infrastructure facilities (hostels, central stores, walkways, workshops) at KITI

4.2.12. NATURAL PRODUCTS INDUSTRY INITIATIVE

Location: Nationwide

Objective: To harness a vibrant natural products industry premised on the concept of adoption of indigenous knowledge systems to drive market-oriented innovations in Kenya thereby leading to opening of a new sub-sector of the economy.

Implementing Agencies: Ministry of Sports, Culture and Heritage, and National Museums of Kenya (NMK).

Project Progress:

i. African Indigenous Vegetables Commercialisation Project

A total of 12,600 farmers were identified, recruited, trained, and supplied with high quality certified African Indigenous Vegetable seeds in seven counties.

ii. Establishment of Indigenous Knowledge Innovation Bank Phase 1

Indigenous Knowledge (IK) documentation and digitisation was undertaken in 13 counties aimed at establishing an Indigenous Knowledge Innovation Bank (InKiBank). This InKiBank has resulted in the establishment of County IK digital registers in five counties interlinked to a national repository maintained at the NMK.

In addition, the Traditional Knowledge & Cultural Expression Act, 2016 (revised in 2018) has been translated into a popular stakeholder validated Kiswahili version of the Act for wider circulation.

iii. Empowerment of Young - Champions-for-Culture

This project identified and trained 150 youths at the grassroots root level to undertake IK documentation, preservation and digitisation in five counties. The IK documentation and digitisation has been integrated into the CIDPs.

iv. Utility of Natural Health Products for Boosting Immune Responses Evaluated

- An animal model (vervet monkey) for pre-clinical testing of herbal products for their capacity to serve as immune boosters against respiratory infections including COVID-19 was developed and refined.
- Provided state-of-the-art laboratory equipment (Ultrasound -Veterinary Grade) for biomedical research purchased.
- Successful establishment of local community-based platforms through which 90 natural health products for alleviation of upper respiratory infection including COVID-19 were purchased for scientific validation.
- Phytochemical analysis of the herbal products undertaken and ready for testing.

v. Further Scientific Validation of Abrus precatorius

Preliminary testing to determine capacity of *Abrus* precatorius active components to prevent pregnancy in the baboon model was undertaken and a report on scientific data has been prepared.

Implementation Challenges

- Delayed adoption of the Legal Notice and Natural Products Industry Policy.
- Inadequate budgetary allocation.

- Inadequate documentation and digitisation of data on indigenous knowledge systems.
- Weak protection of associated intellectual property rights.
- Limited ability to access international markets for local products.
- Limited value addition activities associated with indigenous knowledge assets.

Lesson Learnt

- The County Governments are receptive to new initiatives which have the potential to contribute to their socio-economic development.

Recommendations

- Fast-track the approval of Legal Notice and draft natural products industry policy
- Increase budgetary allocation.
- Enhance documentation and digitisation of indigenous knowledge.
- Enhance natural products development initiatives (standards, marketing value addition, trademarks and intellectual property rights).

4.2.13. AGRO-FOOD PROCESSING PROGRAMME

a. Mango Value Chain

Location: Elgeyo Marakwet, West Pokot and Baringo counties

Objective: To promote mango production, build capacity of farmers and establish a mango processing plant for value addition.

Implementing Agencies: Ministry of East African Community, the ASALs, and Regional Development; and KVDA.

Project Progress: The Authority established a mango processing plant for value addition in Tot, Elgeyo Marakwet County. The plant is currently processing mango fruits into mango juice/puree. In addition, the Authority constructed a storage facility, undertook regular maintenance works of the factory, raised 520,240 mango seedlings, established a mango orchard at the mango factory, processed 129,628 litres of ready to drink mango juice/puree, procured 55.37 tonnes of mango fruits from farmers, and sensitised 120 mango farmers on modern farming methods.

Implementation Challenges

- Inadequate budgetary allocation to support mango production.
- Incidences of insecurity between neighbouring communities.
- Seasonality of mango production.
- Inadequate storage facility at Tot Factory in Elgeyo Marakwet County.

Lessons Learnt

- Over-reliance on few farmers to supply mangoes to the factory.
- Stakeholder engagement is crucial for successful implementation of projects.
- Most farmers lack technical know-how.

Recommendations

- Provide adequate resources to support mango production, automation of the mango factory and capacity building of mango farmers.
- Establish a storage facility at Tot Factory in Elgeyo Marakwet.
- Promote peaceful co-existence of neighbouring communities by promoting alternative livelihood activities.

b. Oloitokitok Agro-Processing Factory Project

Location: Rombo Town, Kajiado County.

Objective: To improve livelihoods and enhance socio-economic development through establishment of a tomato processing factory for value addition.

Implementing Agencies: Ministry of East African Community, the ASALs, and Regional Development; and Ewaso Ngiro South Development Authority (ENSDA).

Project Progress: Construction of the tomato processing plant building measuring 100m by 40m (4,000 m2) was 90 percent. This comprised completion of substructure and superstructure including roof covering.

Implementation Challenge

- Inadequate budgetary allocation.

Lessons Learnt

- A phased approach to project implementation enables better planning in terms of rolling out benefits to end users or return in investment.
- Partnerships and collaborations with stakeholders are key in supporting the project to quickly realise its objectives.

Recommendation

- Provide adequate resources to support completion of remaining building works – finishes, utilities, and installation of a tomato processing line. This will ensure operationalisation of the Factory to benefit the tomato farmers with market and tomato related value chain opportunities.

Olotokitok Agro-Processing (Tomato) Plant Building

Olotokitok Agro-Processing (Tomato) Plant Building

c. Ewaso Ng'iro Tannery & Leather Factory (Cottage Industry)

Location: Ewaso Ng'iro Centre, Narok County.

Objective: To promote value addition of available raw hides and skins.

Implementing Agencies: Ministry of East African Community, the ASALs; and Regional Development, and ENSDA.

Project Progress: Establishment of the Ewaso Ng'iro leather tannery was completed with an installed processing capacity of 1.2 million square feet of finished leather per year. Footwear demonstration and production workshop capacity 100 pairs per day was 100 percent complete.

Implementation Challenges

- Inadequate technical capacity in leather technology.
- Inadequate budgetary allocation.
- Low installed processing capacity.
- Low-quality hides and skins produced in the local abattoirs and poor animal husbandry practices.

- Competition from other uses of raw hides.
- High cost of chemicals which are critical in production.

Lessons Learnt

- A phased approach to project implementation enables better planning in terms of rolling out benefits to end users or return in investment.
- Partnerships and collaborations with stakeholders are key in supporting the project to quickly realise its objectives.

Recommendations

- Provide support for training and capacity building in leather technology.
- Provide funding to support increased production of finished leather for profitability, establishment of the footwear factory and leather cottage industries (to ensure 100 percent utilisation of the finished leather produced by SMEs).
- Provide continuous capacity building and training support for abattoir operators and livestock farmers.
- Regulatory support to address export of raw hides and skins.
- Provide tax reliefs for leather processing equipment and production chemicals

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Part of leather finishing processes (vacuum drying) and leather products/footwear training and production workshop

4.3. TOURISM

Tourism is a key economic sector and among the top eight priority sectors identified in the Kenya Vision 2030 for attainment and sustenance of the envisioned 10 percent economic growth. The Sector's goal is to make Kenya "among the top ten long haul and leading regional tourists destinations offering a high end, diverse and distinctive visitor experience." Tourism directly contributes 4.4 percent to Kenya's GDP as per the Tourism Satellite Account 2019.

The Tourism Sector recorded an improved performance in 2022 with tourism earnings increasing by 83 percent to stand at KSh. 268.1 billion from KSh. 146.5 billion in 2021. This was driven by an increase in international visitor arrivals from 871.3 thousand in 2021 to 1,541.0 thousand in 2022. However, despite the growth, the number of visitor arrivals remained below the pre-COVID-19 period and did not meet the MTP III target of 2.5 million visitors by 2022. Hotel bed-nights occupancy rose by 27.0 percent to 7,009.0 thousand in 2022 from 5,517.0 thousand in 2021 on account of increased number of visitor arrivals in the year under review. The number of visitors to select museums, snake parks and historical sites more than doubled from 403.7 thousand in 2021 to 843.7 thousand in 2022 while the number of visitors to national parks and game reserves increased by 69.1 percent to 2,543.0 thousand in 2022. The number of international conferences increased from 292 in 2021 to 896 in 2022. On the other hand, the number of local conferences increased from 8,117 in 2021 to 9,662 in 2022.

The growth in the Tourism Sector was mainly due to continued relaxation of COVID-19 travel restrictions in 2022 and countries around the world opening their borders for travel. This is in addition to aggressively marketing Kenya as a preferred tourist destination.

4.3.1. RESORT CITIES

Location: Lamu, Isiolo and Lake Turkana.

Objective: To harness and tap into the rich tourism potential and bolster the viability and sustainability of the LAPSSET Corridor.

Implementing Agencies: Ministry of Tourism, Wildlife and Heritage, and LCDA.

Project Progress: Terms of reference for the preparation of prefeasibility study for Lamu and Isiolo resort cities was developed. Engagement was also undertaken with stakeholders on LAPPSET resort cities prioritisation to leverage on tourism opportunities residing along the LAPPSET Corridor.

Implementation Challenge

- Inadequate funding allocation and high capital investment requirement

Lessons Learnt

- There is a need to sensitise communities on the importance of resort cities.
- Adequate budget allocation and timely release of funds for implementation of projects.

Recommendations

- Increase funding allocation to the State Department for Tourism and Wildlife to facilitate implementation of the project.
- Enhance security.
- Mobilise resources and enhance alternative financing mechanisms, including PPPs.
- Provide incentives to draw private sector investment into the resort cities.

4.3.2. PREMIUM PARKS INITIATIVE

Location: Lake Nakuru and Amboseli National Parks.

Objective: To improve visitors' experience through enhancement of products, access and upgrading of tourism facilities in the high potential parks to ensure visitors get value for their money and contribute more to the economy while ensuring sustainability of these parks.

Implementing Agencies: Ministry of Tourism, Wildlife and Heritage, and KWS.

Project Progress: The Amboseli National Park Management Plan was finalised and gazetted on 8th January 2021. Several development activities were undertaken at the Amboseli National Park including maintenance of 154 km road network, rehabilitation of 28 km access road (Kimana-Meshanani- Namanga), maintenance of 2 km airstrip, refurbishment of the 'bandas', digital marketing enhanced, and concept on elephant/Tembo naming was finalised, and developed promotional collateral to push and showcase Amboseli National Park to a 'must-see status' for tourists. In 2023, Amboseli National Park received 222,932 visitors which represents a 249 percent increase from the 63,905 visitors in 2022.

Implementation Challenges

- Inadequate funding for project implementation.
- Several MTP projects do not have specific implementation budgets.
- COVID-19 pandemic slowed implementation/completion of set targets.
- Insufficient involvement of stakeholders.
- Flooding in Lake Nakuru National Park affected the development of infrastructure.

Recommendations

- There is a need for adequate financing of the projects.
- Explore different financing models such as public private partnerships.
- Enhance digital marketing and sustained promotion of local tourism to supplement foreign visitors.
- Deepen stakeholder participation/ community involvement after project conceptualisation and before implementation to promote buy in and successful implementation of the projects.
- Diversify Park activities e.g., introduction of new products such as boat safaris.

4.3.3. UNDER-UTILISED PARKS INITIATIVE (NOW KENYA SIGNATURE WILDLIFE PARK)

Location: All National Parks except Lake Nakuru and Amboseli.

Objective: To improve experiences, facilities, increase bed nights and revenue collection.

Implementing Agencies: Ministry of Tourism, Wildlife and Heritage, and KWS.

Project Progress: A total of 56.5 km of fence was rehabilitated, and 43.7 km of road constructed while 1,714 km road was maintained. This included maintenance of 558 km in Tsavo East National Park, 250 km in Tsavo West National Park, 100 km in Aberdare National Park, 67 km in Ruma National Park, 30 km in Mt. Elgon, 70 km in Meru National Park, 40 km in Shimba Hills, 26 km in Marsabit, 48 km in Nairobi National Park, and rehabilitation of 55 km at the Nairobi National Park. In addition, a total of 29 km airstrips were maintained as follows: 10 km Tsavo East National Park, 10 km Tsavo West National Park; 2.5 km Chyulu Hills National Park; 1.5 km Ruma National Park; and 5 km Meru National Park. Safety and security features were installed, including repair of the gorge walking area and hiking trails at the Hells Gate.

The Taskforce on Wildlife Corridor Connectivity was gazetted to establish permanent wildlife migration corridors between Nairobi National Park and Athi Kapiti Plains. The transformation process for Nairobi National Park and the Ecosystem Management Plan for Shimba Hills commenced with the review of the Management Plan that included development, finalisation and gazettement of the Transformation Master Plan on 8th January 2021. To diversify tourism product offerings, trout fishing, boat safaris and mountain bike circuits were introduced at the Aberdare and Lake Nakuru National Parks.

Towards branding and digital marketing activities, content creation for 10 priority parks was undertaken and the Zuru Campaign launched and sustained targeting the domestic market and making seasonal campaign changes aligned to special days such as the World Wildlife Day, Valentine's Day, Father's Day, Madaraka Day among others. KWS also partnered with various entities such as Kenya Tourism Board to develop content for North Rift Circuit; Canon and Influencers to collect content for Meru National Park and Tsavo

West/East National Parks; and Africa 118 in listing all the lesser known KWS parks and reserves in the Google My Business and under. Other partners included Jambojet to showcase destinations with unique KWS parks and reserves; and stakeholders among them the Kenya Tour Driver Guide Association, Kenya Association of Tour Operators and Kenya Professional Safari Guide Association in training and familiarisation trips.

Overall, in 2023 under-utilised parks (now Kenya Signature Wildlife Park) i.e., Tsavo East National Park, Nairobi National Park, Mt Kenya National Park, Meru National Park, Kisite Mpunguti National Park received 781,890 visitors, a 152 percent increase from 309,883 visitors recorded in 2022.

Implementation Challenges

- Partial exchequer releases and austerity measures affected full contract execution.
- COVID-19 pandemic adversely affected the Tourism Sector, leading to subsequent tourism revenue decline.
- Changes in land use around the parks hindered development of industry e.g., conversion of lands around parks from grazing to farming affected movement of animals.

Lessons Learnt

- Adequate funding is critical for successful implementation of capital development projects
- Stakeholders' involvement and public participation is necessary for successful implementation of projects.

Recommendations

- Enhance digital marketing and sustained promotion of local tourism to supplement foreign visitations.
- Sustain domestic market campaign targeting signature parks.
- Partnership with stakeholders on development of new products e.g., air balloon, bunjee jumping, zip lining among others. This will attract a new specific niche of customers to the parks which KWS alone is not able to reach.
- The national and county governments should collaborate to develop suitable land use policies favourable to conservation & tourism especially relating to lands around parks.

4.3.4. DEVELOPMENT OF COASTAL BEACH TOURISM

Location: Mombasa, Kilifi, Kwale and Lamu counties.

Objective: To improve beach products and enhancement of priority beach nodes (popular beach areas).

Implementing Agency: Ministry of Tourism, Wildlife and Heritage.

Project Progress: The renovation of the Mama Ngina Waterfront was completed and handed over to the Ministry on 25th March 2021 while the development of Bamburi Beach Operators Market in Mombasa County was initiated.

Implementation Challenges

- Environmental concerns such as pollution and land use conflict affected the overall attractiveness of the destination besides the costly mitigation and adaptation strategies.
- Unplanned development and degradation of natural and wildlife resources.
- Inadequate synergies between county governments and the implementing agencies.
- Resistance from local and conservationist groups.

Recommendations

- Improve the beach environment for marine life and tourists.
- Promote inclusivity and sensitise communities on sustainable use of beach resources to eradicate social vices.
- Enhance partnership between hotels and communities and heighten surveillance in the coastal areas.
- Enhance the image of the North Coast Beach and Mombasa Marine Park and Reserve through branding and marketing.
- Provide adequate budgetary allocation.
- Enhance collaborations with county governments.

4.3.5. DESTINATION MARKETING PROGRAMME

Location: Nationwide

Objective: To increase tourist arrivals and tourism sector earnings.

Implementing Agency: Kenya Tourism Board.

Project Progress: The progress on marketing interventions is detailed hereunder:

i) Tourism Promotion and Marketing: In 2022/23 the following interventions were undertaken towards tourism promotion and marketing: conducted two joint marketing initiative/campaign with Lastminute.com Kuoni & Alfred Campaign, and a digital campaign in India dubbed The Real Deal Campaign- India; and participated in three trade engagements in local, regional and international markets namely ITB Berlin 2023, African Hospitality Investment Forum and SIRKON Community Marathon.

ii) Development and Promotion of a Portfolio of Top, Signature, and Quality Assurance Experiences: On the development and promotion of top signature portfolio, the Sector came up with the Magical Kenya Signature Experience Programme which enlisted 17 experiences in the collection during the 2022/23 period.

iii) Develop and deploy a 360-Degree Communication and Digital Marketing Programme:

In order to enhance the 360-degree communication strategy, the following was undertaken:

- Media Breakfast for Editors in Mumbai India.
- Development of two destination endorsement videos themed around Kip Keino Classics videos (2) and Enkipaata (Maasai) Ceremony video depicting culture.
- There was also development of two key endorsement videos namely Eliud Kipchoge videos and Magical Kenya Ladies Open 2023.
- There was leveraging on PR events to anchor corporate and destination brand visibility. This was achieved through the following events: UN Habitat Assembly, African Hospitality Investment Forum, Fish Fiesta Kisumu Festival and the Kathonzweni Poem Team Nairobi Guided City Tour (after the National Music Festival).

iv) Industry Engagement Programme and Customer Relationship Management: The Sector undertook the following activities with the aim of increasing its customer relationship management database: webinar sessions for stakeholders in Travel Expos in the United Kingdom; undertook a trade outreach programme and a stakeholder forum at the Kenyatta International Convention Centre (KICC). A trade engagement was also undertaken in the United States, namely USTOA Annual.

Implementation Challenges

- Travel advisories from source markets.
- Tourism product diversity and quality: Kenya's tourism continues to be based on a narrow product range, namely beach and safari holidays.
- Limited budgetary support for destination marketing: Despite the noted contribution of the tourism industry to Kenya's economy, the financial resources allocated to destination marketing by the Government remains low compared to other competing destinations.
- Impact of climate change on the tourism industry.

Recommendations

- Position and communicate the diversity of the Kenyan destination experience through signature experience mapping.
- Build Magical Kenya affinity with prospective visitors. This includes themed materials focusing on priority products.
- Provide adequate funding.

4.3.6. NICHE PRODUCTS DEVELOPMENT AND DIVERSIFICATION

Location: Nationwide

Objective: To diversify tourism products offering to scale up tourist arrivals in all regions of the country with a view to boosting rural income and living standards.

Projects under the Niche Product Development and Diversification include:

a. Business and Conference Tourism Initiative

i. Modernisation of Kenyatta International Convention Centre

Location: Nairobi County

Objective: To enhance financial sustainability of KICC through increased revenue generation by increasing KICC's market share.

Implementing Agencies: State Department of Public Works, Tourism Fund, KICC, and Tourism Promotion Fund.

Project Progress: During the period under review, the Meetings, Incentives, Conference and Exhibitions (MICE) recorded tremendous growth in both local and international delegates and conferences hosted in the destination. The number of international conferences and international delegates increased from 1176 to 9662 in 2022/23, while the number of local conferences and local delegates stood at 80,139. Implementation of the KICC modernisation and refurbishment is a continuing project whose cumulative percentage implementation stands at 37.82 percent as at the financial year 2022-23. During the period under review, rehabilitation of the Amphitheatre roof and modernisation of the Aberdare and Lenana meeting rooms, renovation of executive meeting rooms on the 1st Floor and repairs of parking sheds were completed.

Implementation Challenges

- Inadequate funding for development projects.
- Inadequate human capacity since the project required specialised expertise.
- Fluctuation in the costs due to the unpredictability of the dollar rates.

Recommendations

- Adequate funding is needed for speedy implementation.
- The ICT infrastructure needs to be overhauled regularly in order to remain competitive in the international arena.
- There is a need to engage specialised expertise in the development of bills of quantities and implementation of the project.

ii. Nairobi International Convention Centre

Location: Nairobi County

Objective: To market Kenya as a conference tourism destination in the region and continent and attract more business visitors by attracting high-end international hotel chains and investing in new conference facilities.

Implementing Agencies: Ministry of Tourism, Wildlife and Heritage, and Bomas of Kenya.

Project Progress: The proposed Nairobi International Convention Centre being undertaken by the Bomas of Kenya was still at 10 percent complete. A transaction advisor was engaged, a feasibility study was undertaken and submitted to the Public-Private Partnership Directorate of the National Treasury for approval. The Ministry of Tourism and Wildlife together with the Bomas of Kenya and the PPP Directorate initiated re-evaluation of the project and updating of the feasibility study to address the challenges faced and appraise its current market viability, with a view of fast-tracking the project in readiness for project procurement. Furthermore, phased rehabilitation of the Bomas of Kenya main auditorium hall commenced during the period under review. Phase I of the project which entailed roofing, electrical, ablution block, and Very Important Persons (VIPs) section was 97 percent complete.

Implementation Challenges

- Inadequate funding allocation for development projects.
- Bureaucratic processes
- Changing Government priorities.

Lesson Learnt

- For the mega project to succeed, a multi-agency approach is very important with clear and well-defined roles and responsibilities.

Recommendations

- Explore alternative financing models/ arrangements.
- Establish a multi-agency project implementation committee.

b. Events Strategy

Location: Nationwide

Objective: To consolidate all events across the country and establish a single calendar of events.

Implementing Agencies: Ministry of Tourism and Wildlife, and Kenya Tourism Board.

Project Progress: The events strategy was developed and approved in December 2020. In addition, the events strategy calendar budget of KSh.10 million was made available for commencement of digital advertising.

c. Cultural and Heritage Tourism

Location: Nationwide

i. Cultural Tourism

Objective: To enhance cultural tourism experience.

Implementing Agencies: Ministry of Tourism, Wildlife and Heritage, and Bomas of Kenya.

Project Progress: A Memorandum of Understanding (MoU) was signed with a Swedish innovation company, Libido Music AB to develop the Sample Bar Kenya Project to document and exhibit traditional Kenyan musical instruments that were facing extinction. The project relies on a Swedish innovation, a digital technology product, to uniquely archive and safeguard sounds and melodies of the diversity of Kenyan traditional music.

Through the support of Ignite Africa Fund, the documentation and research has been undertaken for seven regions namely Central, Western Kenya, Eastern Kenya, Nairobi, Rift Valley, Nyanza and Coast Regions. The project is at 80 percent completion.

The Sector integrated and promoted storytelling through an online programme called 'Chapa Story'. Chapa Story preserves and promotes the different aspects of Kenya's cultural heritage with an emphasis on traditional tales, myths and legends, vernacular languages as well as traditional dances. In addition, an online educational programme called 'Dance Nasi' was initiated to preserve and promote the diverse traditional dances of Kenya. The Sector also developed an MoU between Bomas of Kenya and Africa Digital Heritage in view of digitising all cultural products and services for safeguarding and ensuring broader consumption of cultural heritage products. Further, the Sector initiated the development of the Sample Bar Kenya Project which is an interactive ethno-musicological system for preserving and showcasing Kenya's cultural heritage through digitised music recordings.

Further, an MoU between the Bomas of Kenya and African Digital Heritage was developed. The MoU sought to digitise all cultural products with a view of safeguarding Kenya's cultural heritage to ensure broader consumption of cultural heritage products. Mobilisation of funds was undertaken by forwarding a proposal to the Tourism Promotion Board.

Implementation Challenge

- Reduced National Government funding since culture is a devolved function.

Lesson Learnt

- Most Kenyan cultural knowledge and practices are on the brink of extinction. It is, therefore, important to develop a rapid initiative to safeguard the knowledge and practices in a digital format.

Recommendation

- Explore alternative financing models.

ii. Heritage Tourism

Programme Progress:

Uploading Virtual Tours of Sites: NMK partnered with Google to launch a digitised site "Google arts and culture – Utamaduni Wetu" which is a digital exhibition that celebrates Kenya's history and culture by honouring heroes and heroines from all the 44 Kenyan communities. 11 out of the 34 museums and sites in Kenya have been digitised.

Revamping Key Museums and Historical Sites: This was implemented under 'Adopt a museum' Strategy whereby NMK partnered with 'Museum Patrons' in the refurbishment of museum sites. Key museums and historical sites rehabilitated under the strategy included: Karen Blixen, Ollorgasaillie, Nairobi National Museum, Fort Jesus, and Kariandusi Pre-Historic Site.

Enhancing Awareness on Heritage Sites and Products: Key stakeholders such as hotels, colleges, tour companies and tour guides associations were sensitised on mapped out cultural and historical circuits in the Coast, Nairobi and Western regions. In addition, an avitourism guide was developed.

101 Best Monuments Programme: The selection of two monuments per county based on public perception ratings commenced and the selected monuments would be marketed and promoted as tourism niche products alongside the seven United Nations Educational, Scientific and Cultural Organization's World Heritage Sites.

Fort Jesus Sea Wall Project: The construction of the Fort Jesus Sea Wall

Project under heritage tourism was 97 percent complete. The pending works entails construction of a public ablution block, spreading of a football artificial playing turf and minor landscaping.

Rally Championship: The Federation Internationale de l 'Automobile World Rally championship was held in Kenya from 23rd June to 26th June 2022, following the successful reinstating of the world rally championship calendar in Kenya.

4.3.1. MAASAI MARA NATIONAL RESERVE

Location: Maasai Mara Game Reserve, Narok County.

Objective: To develop and market the Maasai Mara as a national iconic brand

Implementing Agencies: Ministry of Tourism, Wildlife and Heritage, KWS, and Narok County Government.

Project Progress: Developed and launched Greater Maasai Mara Ecosystem Management Plan which aims at providing a roadmap for integration of wildlife conservation, as a land use method across the Greater Maasai Mara ecosystem. The Plan comprises seven thematic areas that focus on wildlife protection, natural resource preservation, land use, opening of wildlife corridors and other sustainable conservation measures. It identifies the key conservation and development goals to be achieved over the next 20 years to sustain the ecosystem's ecological integrity and development needs of the communities.

4.3.2. TOURISM TRAINING AND CAPACITY BUILDING

a. Construction of Ronald Ngala Utalii College

Location: Kilifi County

Objectives: To offer specialised training opportunities in new emerging areas/ skills in hospitality, tourism, ecotourism, cruise tourism and entrepreneurship development. It is also expected to increase the overall competency development through the promotion of capacity building within the hospitality industry, locally, regionally and internationally, by continuously improving overall industry standards.

Implementing Agencies: State Department for Tourism, and Tourism Fund

Project Progress: Construction of the Ronald Ngala Utalii College in Kilifi County stood at 78 percent completion rate against a target of 85 percent as at the closure of the financial year 2022/23. The project, which started on 20th June 2013, is expected to be completed by the end of July 2024.

Implementation Challenge

- Inadequate and delayed funding leading to heavy and costly penalties.

Lessons Learnt

- It is important to consider availability of funding before embarking on any project.
- Projects of such magnitude should be undertaken by the exchequer.

Recommendations

- Fast-track the completion of Ronald Ngala Utalii College since the delays are attracting heavy penalties besides providing value for money to the intended beneficiaries.
- The project should be funded adequately to ensure its timely completion.

b. Construction of the Practical Training Kitchen

Location: Kenya Utalii College, Nairobi

Objective: To expand opportunity and access for training and improve skilled manpower development for the tourism and hospitality industry.

Implementing Agencies: Ministry of Tourism, Wildlife and Heritage, Kenya Utalii College, and Tourism Fund.

Project Progress: The number of graduates on hospitality and tourism courses at the Kenya Utalii College stood at 708 in 2021. Construction of the Practical Training Laboratory (scaled down to Individual Training Kitchen only) at Kenya Utalii College was at 85 percent completion level.

Implementation Challenge

- Financial challenges owing to poor performance on internally generated revenue from satellite campuses, Utalii and other commercial activities.

Recommendations

- Strive to achieve financial sustainability and operational efficiency by channeling most of its financial resources towards development and the core mandate of the institution.
- Review of curricula and upgrading of the College's programmes to attract more numbers to address, among others, certificate courses that take 1.5 years to complete, hence discouraging applicants.
- Review of the fee structure in consultation with the Government to bring it up to realistic figures in comparison with other hospitality schools.

4.3.3. TOURISM RESEARCH AND THE ENABLING SERVICES

Location: Nationwide

Project Objective: To ascertain the perceptions of non-resident visitors about Kenya.

Implementing Agency: Tourism Research Institute.

Project Progress: The project is 100 percent complete. The Tourism Research Institute conducted a tourist exit survey between March and April 2023 at the ports of exit from Kenya, i.e., at JKIA, MIA, Mombasa, Malaba, Busia and Namanga. The aim of the survey was to gather feedback and understand experiences from tourists departing the destination.

Implementation Challenges

- Survey fatigue: Non-resident visitors unwillingness to participate in the survey after a long journey.
- Logistics: Conducting surveys in high traffic tourist areas are logistically challenging, requiring coordination with local authorities and businesses.

Lesson Learnt

- As a nation, there is need to give priority to foreign languages to strengthen communication in the sector

Recommendations

- Offer multiple administration channels to maximise response rates and reach different tourist segments.
- Provide survey materials in multiple languages to ensure accessibility and inclusivity. This helps overcome language barriers and encourages participation from diverse visitor groups.

4.1. TRADE

The Kenya Vision 2030 aims to transform the trade sector into a formal, efficient, multi-tiered, diversified in product range and innovative. The Sector is poised to be one of the key sectors in the economic development of the country through its backward and forward linkages across all sectors of the economy. This is mainly because the Sector acts as the main link between production and consumption which are the two main drivers in stimulating economic growth, development, employment and wealth creation of a country.

The Sector is also key in the realisationof the Vision 2030 priorities by ensuring that linkages between the agriculture, manufacturing sectors and trade are sustained. Trade facilitation ensures markets are identified and accessed for manufactured goods and contributes greatly to job creation in the formal and informal sectors. The following were the achievements under each flagship project in the Sector:

In 2022/23, the contribution of retail and wholesale trade to GDP was 7.8 percent. down from 7.9 percent in 2021/22. The value of exports increased by 17.4 percent from KSh. 743.7 billion in 2022 to KSh.873.1 billion in 2022. This increase is attributed to the implementation of export strategies and AGOA. The value of wholesale and retail trade increased from KSh. 786.2 billion to KSh. 815.9 billion.

4.4.1. BUILDING TIER-ONE MARKETS

Location: Athi-River, Machakos County.

Objective: To improve supply chain efficiency in the retail sector.

Implementing Agencies: Ministry of Investment, Trade and Industry, and Machakos County Government.

Project Progress: This project was anticipated to serve as a model for counties and the private sector. However, no progress was made during the review period since the project has not been allocated funds since FY 2014/15.

Implementation Challenge

- No budgetary allocation to enable implementation of the project.
- Stakeholder involvement is key in project identification and implementation to promote necessary support and actualise intended outcomes.
- Monitoring and evaluation are key in identifying project challenges and taking appropriate actions in time to ensure effective implementation.

Recommendations

- Increase in allocation of funds to performing projects
- Enhance monitoring and evaluation for projects to track progress and initiate timely corrective mechanisms.
- Pursue alternative funding such as PPPs for project implementation.

4.4.2. DEVELOPMENT OF WHOLESALE HUBS

Location: Maragua, Murang'a County.

Objective: To improve supply chain efficiency in the wholesale sector.

Implementing Agencies: Ministry of Investment, Trade and Industry, and Murang'a County Government.

Project Progress: The construction of a pilot wholesale hub in Maragua was to serve as a model for counties and the private sector. During the review period, the project was not allocated funds. The project was last funded in FY 2014/15.

Implementation Challenge

- No budgetary allocation to enable implementation of the project.

Lessons Learnt

- Stakeholder involvement is key in project identification and implementation to promote necessary support and actualise intended outcomes.
- Monitoring and evaluation are key in identifying project challenges and taking appropriate actions in time to ensure effective implementation.

Recommendations

- Increase in allocation of funds to performing projects
- Enhance monitoring and evaluation or projects to track progress and initiate timely corrective mechanisms.
- Pursue alternative funding such as PPPs for completion of the project.

4.4.3. EXPORT CREDIT GUARANTEE SCHEME/EXPORT DEVELOPMENT FUND

Location: Nationwide

Objective: To unlock the credit potential in the export sector by creating a facility to provide guarantees to exporters of Kenyan goods and services.

Implementing Agencies: Ministry of Investment, Trade and Industry; and Kenya Export Promotion and Branding Agency (KEPROBA).

Project Progress: This project will help exporters to be able to access low-cost finance towards export processes, product development, market research, client development and promotion. The project involves undertaking feasibility study, development of legal and institutional framework, finalisation and operationalisation of the Export Development Fund. During the period under review, the project was not funded. A concept note has however been developed.

Implementation Challenges

- Delay/no disbursement of funds slows down start and implementation of projects which causes under-achievement in the Sector's performance.
- Inadequate funding for the institutions under the trade sector to execute their mandates.

Lesson Learnt

- Timely disbursement of funds is critical in delivery of planned programmes/ projects.

Recommendations

- Enhance budgetary allocation to operationalise credit guarantee scheme.
- Enhance budgetary allocation to finance programmes/projects to support MSMEs sector.

4.4.4. ESTABLISHMENT OF KENYA NATIONAL MULTI-COMMODITIES EXCHANGE

Location: Nationwide

Objective: To develop and operationalise a regulated and structured online system for multi commodities trade in the country in addition to facilitating access to both domestic and international markets, finance and trade support for producers, aggregators, traders, institutional consumers and processors.

Implementing Agency: Ministry of Investment, Trade and Industry.

Project Progress: During the period under review: the KOMEX Trading Technology Suite Technical Specification and Bid D documents were finalised with input from ICT Authority to align with relevant Public Procurement and Asset Disposal Act & ICT/data protection policies and laws. KOMEX was also categorised as a financial state corporation by the State Corporation Advisory Committee (SCAC). KOMEX trading rules were developed and validated by stakeholders as per Capital Markets Authority (CMA) statutory requirements. Finally, KOMEX human resource policy instruments were developed as per SCAC statutory requirements. Terms of Reference and Road Map for the Market Information System were developed. Capitalisation of the company was ongoing.

Implementation Challenges

- Low awareness of opportunities available to farmers through KOMEX.
- Delayed acquisition/development and commissioning of KOMEX Trading Technology platform.
- Inadequate technical staff due to delayed development and approval of HR Policy instruments for KOMEX.

Recommendations

- Harmonise legislative documents to create synergy across agencies and key players, enhance communication and coordination between entities, improve data sharing and encourage collaboration on key issues facing the sector.
- Strengthen coordination in the sector, especially between public and private stakeholders.

4.4.5. SECOND GENERATION SINGLE WINDOW SYSTEM IMPLEMENTATION/ NATIONAL ELECTRONIC SINGLE WINDOW SYSTEM

Location: Nationwide

Objective: To facilitate international and domestic trade through re-engineering and automation of import and export processes.

Implementing Agency: Kenya Trade Network Agency (KenTrade).

Project Progress: KenTrade has enhanced NESWS by introducing additional modules such as:

- Container Freight Stations delivery order module to facilitate examination and assessment of export and import shipments.
- Office De Gestation du Fret Multimodal to facilitate processing of permits for goods destined for the Democratic Republic of Congo.
- Billing module to facilitate processing of payments in the NESWS.

Additionally, KenTrade enhanced the NESWS performance and security by deploying an application performance monitoring tool, Network Operating Centre and Security Operation Centre. These tools will help to predict and prevent performance issues before they impact the system users by enhancing system security against cyber threats and attacks.

The Agency also rolled out and integrated the Business Intelligence tool with NESWS. This is expected to enhance the reporting capability by boosting production of simplified report generation from the National Electronic Single Window System and other data sources.

The Agency further integrated the Pharmacy and Poisons Board Information Management System with NESWS making it easier and convenient to process pharmaceutical products permits. During the period under review:

- A total of 18,494 registered users were using NESWS.
- A total of 1,049,351 permits were processed through the system by the Partner Government Agencies (PGAs)
- The NESWS data recorded a total of KSh. 2.5 trillion worth of imports and KSh.618 billion worth of exports.
- Government Agencies collected over KSh. 3.4 billion through the system, using the available payment gateways.
- Two Payment Gateways i.e. e-Citizen and JamboPay were included in NESWS.
- A total of 69 Kenya International Freight and Warehousing Association members and exporters and importers based in Moyale and Lamu points of entry were trained on NESWS cargo release modules.
- All PGAs based in Lamu and Moyale points of entry were trained on the NESWS cargo release module.

Implementation Challenges

- Resistance to change by some of the industry stakeholders is slowing down the pace.
- Inadequate financial resources hamper execution of some planned activities.
- High cost of the ownership of the ICT systems demanding for more resources.
- Evolving cyber security threats.
- Data protection and privacy requirements.

Lessons Learnt

- Engaging all stakeholders prior to introduction of new processes, products and/service is necessary for successful implementation.
- Leveraging technology is critical to mitigate against the impacts of pandemics.
- A robust resource mobilisation function within the Agency is important to foster collaborations and partnerships.
- Building internal capacity to manage NESWS is critical for the sustainability of the System. `

Recommendations

- Increased budgetary allocation for the implementation and operationalisation of the system will be crucial in helping early adoption of emerging technology.
- To enhance financial sustainability, charging reasonable fees for NESWS services will be ideal to ensure the agency is able to fund some of the system requirements without over reliance on the exchequer.
- The need to bring together all stakeholders involved in international trade through sensitisation to adopt the system 100 percent and ensure that their data recorded accurately reflects the actual trade volumes in the country.

4.4.6. ESTABLISHMENT OF WORLD TRADE CENTRE AND INTERNATIONAL EXHIBITION AND CONVENTION CENTRE

Location: Nairobi, Kenya

Objective: To attract International Business into the Country.

Implementing Agency: KEPROBA, Ministry of Trade and Industry, Agricultural Society of Kenya, National Treasury, and County Governments.

Project Progress: There was no progress of the project during the review period. The Project concept note developed. The project is yet to be undertaken.

Implementation Challenge

- Lack of budgetary support to implement the project.

Recommendation

- Allocation of budget for implementation in the subsequent medium-term plans.

4.2. BUSINESS PROCESSES OUTSOURCING/ IT ENABLED SERVICES

Konza Technopolis is a smart city and a Kenya Vision 2030 flagship project. It is anchored in the Economic and Macro Pillar of the Vision, under the Business Process Outsourcing Sector. Technopolis is a fundamental public and social infrastructure which aims to transform our society through better quality of life, improved connectivity and mobility, new opportunities, better sustainable living spaces, economic growth and human development. The BPO continues to be a key enabler of growth across most sectors of the economy as economic agents leverage the availability of technologies to grow their businesses and maximise returns.

It is being developed into a globally competitive smart city by creating an enabling environment through utilisation of ICT for socio-economic development. The Technopolis aims to contribute two percent of national income (GDP), create 17,000 jobs and accommodate 30,000 residents in Phase I and over 240,000 residents at full buildout. Phase I of Konza Technopolis, which is at advanced levels of completion, brings about reliable and redundant utilities, improved ITS, efficient Water and Sanitation Networks as well as providing ITES.

It encompasses a range of opportunities that include customer service work, data entry, transcription, digitisation, financial accounting, auditing, and other higher value-knowledge processing such as content development, animation, legal services, engineering design and data analytics. With the global telecommunications infrastructure now well established and consistently reliable at Konza Technopolis, the BPO industry is expected to help Kenya realise its development goals.

The BPO/ITES involves the transfer of value contributing activities and processes to another firm to reduce the operating costs for better quality and focus on core competence. The growth in the global business outsourcing industry offers a clear opportunity for Kenya to exploit ITES. The BPO Sector expects to create over 200,000 direct jobs and contribute towards the achievement of the ICT sector target of 10 percent of GDP. So far, the Government and other stakeholders in the Sector have implemented various initiatives that have enabled the BPO/ITES to contribute significantly towards the ICT overall contribution to GDP from 1.4 percent in 2017 to 2.4 percent in 2022.

The following were the achievements under the flagship projects and programmes in this Sector:

4.5.1. KONZA TECHNOPOLIS

Location: Machakos, Makueni and Kajiado Counties.

Objective: To develop a smart sustainable city and an innovation ecosystem contributing to Kenya's knowledge-based economy.

Implementing Agencies: Ministry of Information, Communications and the Digital Economy; Vision 2030 Delivery Secretariat; and Konza Technopolis Development Authority.

Project Progress:

i. Phase 1 Horizontal Infrastructure

The Horizontal Infrastructure for Konza Technopolis is implemented through the EPC with Finance model. The scope of the project entails construction of Phase I streetscapes, water reclamation facility, water distribution and treatment plant, sewage collection and treatment plant, storm water network, electrical/ telecommunication networks and electrical substations, landscaping of streets and parks, welcome centre, public safety centre comprising of police station and fire station, utility tunnels, solid waste handling facility and the transit hub. The project was implemented to 90 percent completion.

Progress Photographs

Road Marking along OR roads

Green transit corridor

pavements pedestrian walkway and Benches

Road Furniture

ii. Konza National Data Centre

The project has two broad components, namely the National Data Centre and the Smart City Facilities. The Centre supports nationally all IT dependent applications, processes and technologies from the public sector, private sector and enterprises. It provides backbone digital infrastructure for the Digital Superhighway, ITS and ITES. It has capabilities for Software as a Service Platform as a Service, Networking and Collocation Services. The Data Centre was 98 percent complete and has commenced operation.

iii. Smart City Facilities

The smart city facilities project establishes the Integrated Operation Centre, ITS, Citywide Network, digital signages, smart meters and sensors for the Technopolis. It was 50 percent complete.

iv. Konza Complex Project

The project comprises three components namely the Konza Office Block (which is complete and occupied), the Konza Hotel Block (which is at feasibility/ design stage) and the Konza Conference Facility whose construction is ongoing. The eight-storey office block hosts the Konza Technopolis headquarters while the Hotel Block together with the ongoing Conference facility will enable MICE and conventional tourism in the city.

The Hotel Block will have 120 rooms and other associated facilities. It enables the presence of an internationally renowned Hotel Brand at Konza Technopolis for provision of hospitality and recreational services. The feasibility study for the Hotel Block has been undertaken, and final report approved for implementation. Design works and construction are planned to commence upon securing funding. The proposed models for funding the Hotel Block include funding from the Government, PPPs, development partners and the private sector.

Smart City Progress

The Konza Complex Conference Facility project entails the design, construction, and commissioning of a seven-level story conference facility with meeting rooms at the lower levels and an auditorium at the top with a total capacity of 1,396 delegates in the Multipurpose Hall, Exhibition Terraces, Auditorium and Meeting Rooms. Construction is currently ongoing at 58 percent completion.

v. v) Kenya Advanced Institute of Science and Technology

The University is designed as a graduate-only university and is one of the anchor projects at Konza Technopolis. The University links Research and Development and the industry. It is implemented by the Government of Kenya with support from the Korean Government, with its construction currently at 18 percent completion. The project scope entails construction of the following: University's Core Buildings; Administration Buildings; Laboratories; and Accommodation.

vi) Konza Investors Outreach Programme

The Authority engaged investors through investor-centric programmes, conferences and meetings. New investors were onboarded to the Technopolis and over 80 percent of Phase I is sold out. The investors are expected to commence development of their parcels.

vi. Konza Innovation Ecosystem

The Authority equipped its Headquarters at Konza Technopolis with state-of-the-art video conferencing solutions. It also equipped other additional headquarters namely the Kenya Investment Authority (KenInvest), the Ministry of Information, Communications and The Digital Economy among other agencies. It hosted various innovation hackathons and commenced the "Jitume Digital Enablement Programme" which was launched by H.E. Dr. William S. Ruto on 6th December 2022 at the Kabete National Polytechnic.

The Jitume Digital Enablement Programme enables youths and students to access decent digital jobs and other digital opportunities. It empowers the youth with provision of Virtual Desktop Infrastructure, transforms them from learners to earners and promotes digital economy through digital learning, innovation and digital employment.

The Authority is also a full member of the International Association of Science Parks and Areas of Innovation and has been granted rights to host the 2024 IASP World Conference in Nairobi. This has opened a whole new world of opportunities for collaboration and partnerships with other Science Parks and Areas of Innovation both within Africa and worldwide.

vii. Konza Resource Mobilisation and Partnerships

The Authority utilised partnerships, synergies and linkages as tools to unlock opportunities for additional resource mobilisation to meet part of the resource gaps identified in the Vision 2030 Progress Reports of FYs 2019/ 20 and 2020/ 21. To this end, the Authority has received valuable support from the Government of Kenya, the Foreign Governments of China, Italy, Spain and South Korea together with their development agencies, partners and donors.

viii. Creative Economy Initiatives

The Authority commenced planning for establishment of the Digital Media City (DMC) project, which is a city within and sits on 65 hectares. The DMC will establish a vibrant ecosystem for creation, adaptation and application of knowledge in the creative and content industry. The project is implemented by the Government of Kenya with the support of the Government of South Korea. The beneficiaries of this project will include players in the creative sector, the Content Creators, and the Media and Entertainment industries.

The project entails the design, construction, equipping and commissioning of the following:

a) Anchor Building Complex comprising**:**

- **Content Support Centre,** i.e., Studios, Control Rooms and Facilities for studio post-production operation and site management spaces.
- **International Business Centre** i.e., Administration Offices, Auditorium and Conference Hall for Filming, Gaming and Software development.
- **Cultural Centre** i.e., Talent Incubation Units, Exhibition Hall, Retail Area and Social Amenities.

b) DMC infrastructure which comprises water and wastewater reticulation and Treatment facility, electrical networks, telecommunication and ICT facilities, streetscapes and smart city solutions.

ix. Konza Greening Initiative

The initiative was established to ensure Konza Technopolis meets its environmental sustainability objectives and plays a part in the mitigation of climate change. The journey towards A 10 million Automated Smart Tree Nursery commenced by establishment of the nursery on a 50-acre parcel. The nursery produces assorted indigenous and exotic tree seedlings, grasses, flowers and shrubs that are used to green Konza Technopolis and its environs. Some one million seedlings (1,000,000) were donated countrywide to Government agencies, schools and counties including Homabay County, Kajiado County, Machakos County, Makueni County, and Nairobi County among others. The plants have also been availed to the public as contribution and support for the 15 billion National Tree Growing and Restoration Campaign Initiative launched by H.E Dr. William Samoei Ruto, EGH, in December 2022.

Implementation Challenges

- Insufficient budgetary allocation – The Authority experienced inadequate resource allocations against actual resource requirements. Further, it experienced budget cuts which coupled with the high global inflation made the allocations insufficient.

- Understaffing – The Authority had an in post of 65 against an establishment of 187 staff. The understaffing affects the handover and operationalisation of complete projects such as the Konza National Data Centre. It also affects technical support and supervision of investor led projects.
- Unreliable water supply: The development of infrastructure, verticals and greening at Konza Technopolis is highly dependent on an uninterrupted supply of water. The Technopolis is underserved with current water sources being boreholes and the Nol-Turesh Pipeline which has an erratic supply.
- Unreliable bulk power supply: The completion of Konza Substation which is implemented by KETRACO has been delayed due to challenges in acquisition of wayleaves. This has resulted in delays of testing, handover and operationalisation of Phase I Infrastructure.
- Lack of legal framework related to a smart city: Kenya has not developed separate laws or legal instruments that relate to smart city development. There is a need to have laws or legal instruments on smart city for future smart cities to be developed in Kenya.

Lessons Learnt

- There is a need to have laws or legal instruments on smart city for the Konza Technopolis and future smart cities to be developed in Kenya. The law will provide for the following areas which require legislation:
    - o Planning, development control and governance of the smart cities.
    - o Licensing to operate in the smart cities.
    - o Development control within the smart cities.
    - o Complaint procedures and general enforcement
    - o Levying of fees, costs, levies and any other charges
- Development of high-end innovative leaders amongst the youth will accelerate digitisation and digital economy, enhancing impacts of smart cities in Kenya.

Recommendations

- Prioritisation of alternative resource mobilisation: The Authority has prioritised the generation of own-source revenues to supplement the exchequer. It is also pursuing alternative resource streams like PPPs, grants and donor funding.
- To bridge the human resource gaps, the Board approved the Human Resource Recruitment Plan for implementation in the FY 2022/23 to enable the Authority to carry out its functions and operations effectively.
- Dedicated water supply project: The Authority is working with the National Treasury and Economic Planning and development partners to develop the proposed dedicated water supply line from the natural springs at the slopes of Mt. Kilimanjaro to Konza Technopolis.
- The Authority is working with KETRACO for the timely completion and operationalisation of the Konza Substation. The construction works have also been fast-tracked to ensure availability of bulk power in time for the testing and commissioning of Phase I Infrastructure.
- Enact the proposed Technopolis Act to provide a legal framework for smart cities.

4.3. FINANCIAL SERVICES

The main objective of the financial services sector is to establish a vibrant and globally competitive financial sector driving high levels of savings to finance the country's investment needs. This is in line with the Economic Pillar whose goal is to achieve and sustain an average GDP growth rate of 10 percent per annum. The Financial Sector includes banking, insurance, capital markets, pension funds, and SACCOs.

In the Financial Sector, the annual average inflation rate rose from 7.7 percent in 2022 to 7.9 percent in 2023. This rise in inflation was a result of the high cost of food and high global prices of fuel. The above reasons may also explain the reduction in market capitalisation from KSh.1,939.21 billion in FY 2021/22 to KSh. 1,666.29 in the year under review; and equity turnover from KSh. 121.78 billion in FY 2021/22 to KSh. 99.40 billion in FY 2022/23. This is illustrated in Table 4-1 below.

Table 4-1: Financial Services Sector Performance

S/No.	Financial Services	Performance (KSh. Billions)		
		2020/2021	2021/2022	2022/23
1.	Market capitalisation	2,702.22	1,939.21	1,666.29
2.	Equity turnover	135.17	121.78	99.40
3.	Domestic credit to the private sector	5,070.39	5,898.32	6,601.04
4.	Banking assets (net)	5,679.99	6,249.7	7,052.4
5.	Domestic credit to Government	3,697.09	4,329.07	4,832.11

Source: CMA/CBK

The achievements in the financial services flagship programmes and projects are as presented below:

4.6.1. NAIROBI INTERNATIONAL FINANCIAL CENTRE

Location: Nairobi

Objective: To develop Kenya into a globally competitive international financial centre.

Implementing Agencies: The National Treasury, and Nairobi International Financial Centre Authority.

Project Progress: The NIFC Authority was officially launched and certified. NIFC also implemented tax incentives in the Income Tax Act and entered into MoU partnerships with the City of London, Air Carbon Exchange and KAM. It also commenced providing fast-tracked immigration services to NIFC firms.

Implementation Challenges

- Insufficient incentives to compete with other existing and upcoming financial centres.
- Inadequate funding for the Authority which creates challenges in operationalising the Authority.

Lesson Learnt

- Present comprehensive suite of incentives to make Kenya a more attractive financial centre and adequate resourcing of the Authority is critical for a more impactful delivery of its mandate.

Recommendations

- Provision of adequate budgetary allocations to ensure the NIFC Authority is sufficiently resourced to effectively execute its mandate.

- The Government needs to provide NIFC with appropriate competitive incentives.

4.6.2. DEEPENING OF CAPITAL MARKETS

Location: Nationwide

Objective: To implement the ten-year Capital Markets Master Plan (2014-2023) by developing and amending policy and regulatory frameworks and introducing new products.

Implementing Agencies: CMA

Project Progress: There was a development of the Central Counter Party (CCP), a policy framework to provide guidelines for persons who may want to offer CCP services in the Kenyan capital market. The introduction of CCP is expected to bring automation, transforming the Kenyan capital markets into a world class trading and settlement platform handling sophisticated products and services, including derivatives, securities lending, and borrowing. The CCP would also provide the necessary risk management and investor protection features to ensure the market remains sustainable and competitive.

Implementation Challenge

- Difficult macroeconomic conditions and the high cost of living have impacted on the uptake of capital markets products.

Lesson Learnt

- Domestic investors continued to increase their shareholding considering foreign investors' flight to their home markets in view of increasing interest rates. The Authority has ramped up its retail investor awareness programme aimed at increasing domestic retail investor participation.

Recommendation

- CMA should lobby for reintroduction of incentives to drive listings in the Nairobi bourse and for gazettement of the public offers and consumer information sharing regulations to support the capital markets deepening agenda.

4.6.3. DIGITAL FINANCE

Location: Nationwide

Objective: To exploit Kenya as an established lead in digital finance to provide the foundational financial infrastructure for the new digital economy.

Implementing Agency: The National Treasury

Project Progress: There was an establishment of a policy framework which establishes digital finance as a major Government initiative, which led to the development and submission of a memorandum for tabling before the Cabinet. In addition, there was a development of a strategy on digital finance and the launch of the National Payments Strategy for the period 2022-2025.

Implementation Challenge

- Delay in approval of the policy.

Lessons Learnt

- Players in the future digital finance system need to be both enabled and motivated to create new solutions to the problems of finance.
- The creation of an open financial system depends on two key factors: an enabling open infrastructure, and a supportive policy, legal and regulatory environment.

Recommendation

- Fast-track the necessary approvals for the policy.

4.4. OIL, GAS AND MINERAL RESOURCES

Oil, Gas and Mineral resources is one of the key sectors in realisation of the Kenya Vision 2030 and the United Nations' Sustainable Development Goals No. 7, 8 and 9 on affordable, clean and reliable energy; decent work and economic growth; and industry, innovation and infrastructure respectively.

The Sector has a potential to boost the country's economic growth and development through increased export earnings, development of infrastructure, employment creation and improvement of social welfare. Commercialisation of discoveries in this Sector provides an opportunity for development of the Sector to contribute to the country's economic development. As such, it remains one of the priorities of the Economic Pillar of the Kenya Vision 2030. This Sector's value chain consists of upstream, midstream and downstream.

The following section presents the achievements, challenges and key recommendations under the various flagship programmes and projects.

4.7.1. EXPLORATION AND COMMERCIALISATION OF THE OIL AND GAS DISCOVERIES

Location: Lamu Basin and Lokichar

Project objective: To enhance exploration and commercialisation of the oil and gas discoveries.

Implementing Agency: State Department for Petroleum.

Project Progress: A Field Development Plan (FDP) was reviewed by EPRA and an advisory prepared. The revised FDP was submitted to the Ministry of Energy and Petroleum for approval prior to submission to parliament for ratification. Post drilling and environmental impact monitoring in Pate-2 well in Lamu Basin was undertaken. Geoscientific data acquisition, processing, and interpretation was undertaken in Zone 1 in Lamu Basin i.e., in Blocks L19A, L16, L17. In addition, evaluation of gas prospects in Kipeto and Solai within the Tertiary Rift Basin was conducted. In addition, 20 petroleum blocks were marketed to potential investors during the East African Petroleum Conference and Exhibitions held on 9th – 11th May 2023. Specialised equipment and maintenance software were purchased to support the exploration.

4.7.2. EARLY OIL MONETISATION OF CRUDE OIL

Location: Tertiary Rift Basin (South Lokichar & Turkana County).

Objective: To enhance petroleum exploration in the country, marketing and licensing of petroleum open blocks and capacity building in the Sector.

Implementing Agency: State Department for Petroleum.

Project Progress: A total of 174,000 barrels (second cargo) of crude oil was exported in September 2022.

Implementation Challenges

- Spillover effect after disruption by COVID-19 pandemic.
- Force majeure circumstances, particularly heavy rains which destroyed roads hampered transportation of products to Mombasa.

- Interruptions by local communities in Turkana.

Lessons Learnt

- Need for community engagement and buy-in for such programmes.
- Projects economics do not favour trucking and accumulation of crude oil, and a pipeline for transportation is required.

Recommendations

- Proceed with full field development and commercialise the Kenyan crude oil.
- Develop a crude oil pipeline for exportation of Kenyan crude oil.

4.7.3. CAPACITY DEVELOPMENT FOR OIL AND GAS

Location: Nairobi

Objective: To enhance capacity of institutions for effective management and administration of oil and gas resources through institutional reforms, training and development and implementation of policies.

Implementing Agency: State Department for Petroleum.

Project Progress: A total of 258 staff trained on various individual and group courses.

4.7.4. CONSTRUCTION OF LOKICHAR-LAMU CRUDE OIL PIPELINE

Location: Turkana, Samburu, Isiolo, Meru, Garissa and Lamu Counties

Objective: To evacuate crude oil by pipeline from Lokichar Oil fields to Lamu Ports.

Implementing Agency: State Department for Petroleum, and Kenya Pipeline Company (KPC).

Project Progress: The key achievements realised during the period under review include identification of required land and gazettement of coordinates; survey, inspection and valuation along pipeline corridor; stakeholder engagements; drafting of land acquisition plan and resettlement framework; and land inquiries in Turkana, Isiolo and Garissa, and is ongoing in Lamu, Meru and Samburu counties.

Implementation Challenges

- Delay in the process of land acquisition and compensation remains a huge challenge in the development of the Lokichar-Lamu Crude Oil Pipeline.
- High expectations from communities affected by the project poses a huge challenge to institutions and companies involved in the development of the pipeline.
- Volatility in oil prices in the global market has created uncertainties and delayed investment decisions on the project.
- Community conflict in regard to provision of water from Turkwel Dam.

Lessons Learnt

- Environmental impact consideration is imperative in project development.
- Continuous stakeholder and community engagement remains an integral facet to enhance project sustainability and acceptability.
- Harmonisation of the national and county government development plans in the oil and gas sector is important to create synergy and combine resources at both levels of government.

- Collaboration and effective partnership between institutions and companies involved in the development of projects is key for timely delivery of such projects.

Recommendations

- Fast-track and conclude land acquisition.
- Fast-track approval of Field Development Plan and Final Investment Decision.
- Construction of an oil terminal at the port of Lamu to service the pipeline.

4.7.5. ENHANCEMENT OF PETROLEUM PRODUCTS STORAGE CAPACITY

Location: Changamwe and Port Reitz.

Objective: To increase storage capacity for importation of petroleum products by providing additional ullage of 100,000m^3 to meet the growing demand through conversion of crude oil tanks at Kenya Petroleum Refineries Limited (KPRL) to refined petroleum products storage.

Implementing Agency: KPC

Project Progress: KPC currently owns/ manages storage depots located in Mombasa, Nairobi, Kisumu, Nakuru and Eldoret with a total capacity of 887,000m3. To create operational efficiency for import handling and reduce demurrage, KPC and KPRL are converting crude oil tanks at Port Reitz and Changamwe Tank Farms into refined (white oils) petroleum products storage. Conversion of crude oil tanks in Port Reitz for White Oil Storage was at 65 percent. Connectivity of KPRL Port Reitz tank farm to Kipevu Oil Terminal and the Mombasa-Nairobi pipeline (Line V) was at 57 percent; Connectivity of KPRL Changamwe Tank Farm to line 5(V) was at 64 percent. The progress measurement was as of 30th June 2023.

i. Connectivity KPRL to Line 5

Evacuating Pumps

ii. Port Reitz Tanks Rehabilitation

Mechanical repairs

Tank auxiliary fittings

Implementation Challenge

- General delays from design and procurement and construction stages.

Lesson Learnt

- Delayed project implementation resulting in lack of synchronisation with the commissioning of the new Kipevu Oil Terminal II jetty for enhancement storage facilities in Mombasa to reduce demurrage.

Recommendation

- Project synchronisation from conception stage to exploit maximum benefits to Mwananchi.

4.7.6. ESTABLISHMENT OF CENTRE OF EXCELLENCE IN OIL AND GAS

Location: Nairobi, Eldoret and Naivasha

Objective: To establish a Centre of Excellence in oil and gas at Morendat Institute of Oil and Gas to bridge the skills gap and build capacity in pipeline management, oil and gas operations and maintenance for Kenya and the region.

Implementing Agency: KPC

Project Progress: Classes constructed in Nairobi, Eldoret and Naivasha campuses. Installed smart classroom technology with over 2,500 library resources. Acquired mobile welding booths, state of the art fire rescue equipment, and quality control laboratory equipment to be used for training. KPC in partnership with NITA reviewed curricula for firefighting, welding and quality control to conform with NITA standards to issue NITA certificates. They also trained 2,537 officers from various institutions in safety, health and environment, firefighting, pipeline operations and maintenance, and corporate courses.

Implementation Challenges

- The training plan was adversely affected by the COVID-19 pandemic containment measures.
- Inadequate resources- finances, human resources.
- Delay in acquisition of accreditation to enable the Institute to offer recognised certificates.

Lesson Learnt

- There is a need for a holistic approach in implementation of the Centre of Excellence plans for concurrent development and acquisition of required pre-requisites.

Recommendations

- There is a need for continuous engagement and collaboration with other oil and gas institutes of excellence for the provision of world class training.
- Explore technological applications in delivering training programmes.

4.7.7. MWANANCHI LIQUIFIED PETROLEUM GAS PROJECT (NATIONAL LPG ENHANCEMENT PROJECT)

Location: Nationwide

Objective: To enhance LPG penetration in the country by scaling up the uptake of LPG from 10 percent to 705 to reduce use of biomass and kerosene as the primary source of household cooking fuels.

Implementing Agency: State Department for Petroleum.

Project Progress: A total of 69,341 6kg LPG cylinders fitted with smart meters were tendered of which 20,177 cylinders have so far been delivered. Plans are underway for the distribution of the 6kg LPG cylinders in Nairobi.

Implementation Challenges

- There is a need to strengthen county government collaboration and other stakeholder engagement at all levels of programme implementation.
- The LPG distribution costs across the country have not been fully established.
- The introduction of 16 percent VAT in July 2021 on LPG affected its uptake

Recommendation

- There is a need for Government support in financing of LPG projects**.**

4.7.8. LIQUIFIED PETROLEUM GAS IMPORT AND STORAGE

Location: Mombasa and Nairobi

Objective: To enhance the petroleum products supply chain.

Implementing Agency: Kenya Pipeline Company

Project Progress: Development of Bulk LPG handling facilities; Front End Engineering Designs as well as the Environmental and Social Impact Assessment (ESIA) was undertaken and completed in December 2022 for construction of a 30,000 MT facility.

Implementation Challenges

- Delay in project approvals which delayed commencement of the project.
- Emerging competition from the private sector to construct similar facilities resulting in the need to review project viability.

Lesson Learnt

- Delayed implementation of key projects results in private players coming in to fill the gap which may not be in the interest of mwananchi.

Recommendation

- Expeditious approval and implementation of projects.

4.7.9. QUALITY ASSURANCE OF PETROLEUM PRODUCTS

Location: Nationwide

Objective: To eradicate cases of diversion of export fuel to the local market and adulteration of motor fuels with kerosene.

Implementing Agencies: Ministry of Petroleum and Mining, and EPRA.

Project Progress: The following was achieved during the period under review**:** 20,608 samples of petroleum products in 4,445 petroleum dispensing sites were tested to enforce quality standards of all petroleum products sold to consumers; 3,137,068,078 litres of export/duty free motor fuels and 94,723,615 litres of domestic kerosene were marked; and the names of petrol and fuel stations found with adulterated, and export bound motor fuels was published in local dailies on a quarterly basis as a deterrent.

4.7.10. DEVELOPMENT OF REGULATIONS FOR THE PETROLEUM SECTOR

Location: Nationwide

Objective: To strengthen the existing regulatory framework for midstream and downstream petroleum.

Implementing Agency: EPRA

Project Progress: During the period under review a set of two regulations have been approved and gazetted by the Cabinet Secretary for the Ministry of Energy and Petroleum, namely: Petroleum (Importation of Petroleum Products) Regulations, 2024; and Petroleum (Pricing) Regulations, 2023.

Further, the following regulations have since been approved for signing by the Attorney General: Petroleum (Operation of Common User Petroleum Facilities) Regulations; Petroleum (Business Licensing and Facility Construction Permit) Regulations; and Petroleum (Products Quality Management) Regulations.

Implementation Challenge

- Delays in the approval process

Recommendations

- Engage with relevant parliamentary committees.
- Expedite the enactment of prioritised regulations.

4.7.11. DEVELOPMENT OF A REGIONAL HUB FOR UPSTREAM PETROLEUM SERVICES

Location: Nairobi

Objective: To be a regional hub for upstream services.

Implementing Agency: National Oil Corporation of Kenya.

Project Progress: The National Oil and Gas Seismic Processing Centre was equipped with both hardware and software to provide specialised upstream services on processing upstream data for value addition. In addition, a geochemical and petro-physical laboratory was completed and equipped.

4.7.12. GEOLOGICAL SURVEYS

Location: Nationwide

Objective: To ascertain the occurrences of minerals in the mineralised areas revealed by airborne and carry out detailed systematic geological mapping and surveys, exploration and evaluation of minerals in Kenya.

Implementing Agencies: National Multi Agency Team domiciled at the Executive Office of the President, and State Department for Mining.

Project Progress: The project targeted to have 100 percent of the country mapped during MTP III period. By the end of FY 2022/23 over 87 percent of the country had been mapped using the Nationwide Airborne Geophysical Survey which is a starting point in exploration and evaluation of minerals in Kenya, where geophysical data is collected by aircraft to establish potential areas for mineralisation.

On Nationwide Geological Survey Ground follow-up, 970 anomalies had been identified. In addition, exploration work was done on industrial minerals in Elgeyo Marakwet and Kitui counties and geotechnical mapping was undertaken in Nakuru County. Mineral occurrence assessment for coltan was undertaken in Mrima Hills (Kwale County) on rare earth minerals.

On top of that, Geochemical samples were collected and analysed and exploration reports produced for Kwale Polymetallic, Coltan in Garissa, Kitui Ikutha Iron Ore and Kenya fluorspar situation analysis in Elgeyo Marakwet.

Implementation Challenges

- Insufficient specialised equipment, machines, and facilities such as exploration survey equipment.
- Increased cases of mine accidents, deaths and diseases associated with illegal use of explosives and dangerous chemicals like mercury in gold mining.
- Mining is a national responsibility under the Fourth Schedule of the Constitution. However, there are cases of interference from the County Governments taking charge of minerals and mining activities in their jurisdiction.

Lesson Learnt

- Continuous mainstreaming of climate change in the Sector policies, programmes and projects is important in mineral exploration.

Recommendations

- Increase budget allocation to enable the Ministry fast-track exploration for minerals to incentivise investments in the Sector.
- Sensitise communities on occupational health and safety and enforce regulations.
- Enhance data sharing with the multi-agency team conducting the project.
- Supplement the just concluded airborne geophysical survey project with vigorous ground-truthing activities.
- Fast-track the development of a National Mining Strategy.

4.7.13. INTERNATIONALLY ACCREDITED MINERAL CERTIFICATION LABORATORY

Location: Nairobi

Objective: To provide quality testing services in Kenya and in the region in order to achieve credible analytical results and perform geotechnical sample tests from the available laboratory.

Implementing Agency: State Department for Mining.

Project Progress: During the review period, the laboratory at Madini House was 50 percent equipped and installed with three specialised equipment; Inductively Coupled Plasma, X-Ray Fluorescent and Atomic Absorption Spectrometer in preparation for ISO Certification.

Mineral accredited laboratory at Madini House ready for ISO certification

Implementation Challenges

- Inadequate technical expertise in the country.
- Inadequate budgetary allocation.
- High capital investment required to procure and install specialised laboratory equipment delaying the ISO Certification process.

Lessons Learnt

- Procurement of the lab equipment should go hand in hand with hiring of technical staff.
- Decentralising mining services for efficiency requires setting up of regional mini laboratories and purchase of portable mining equipment.

Recommendations

- Adoption of PPP to ease over reliance on exchequer funding.
- Investment in the technical and operational capacity of the Mineral Certification Laboratory to facilitate mineral testing for quality assurance and mitigate loss of Government revenue.

4.7.14. ESTABLISHMENT OF GEOLOGICAL DATA BANK

Location: Nairobi

Objective: To create a national data repository for geological data and information since trends in the mining industry requires availability of geological data to attract investments.

Implementing Agency: State Department for Mining.

Project Progress: Digitisation of geological reports and maps was 90 percent done. Additionally, an online geodata portal was completed and activated for public use. Furthermore, two mineral maps on gold and coltan were updated and also the geological map of Kenya on rock types and geological structures updated.

Implementation Challenges

- Inadequate technical expertise in the country.
- Most geological data for Kenya is in the custody of the British geological survey while the data in Kenya is not fully updated.
- Inadequate budgetary allocation.
- Scarce information on mineral reserves to inform investment decisions and low budgetary allocations.

Lesson Learnt

- Project planning is critical in successful implementation and effective funds prioritisation.

Recommendations

- Continuous capacity building and knowledge transfer in all the critical areas.
- Strengthen databases on minerals.
- Fast-track data repatriation from British geological survey.
- Mobilise more resources for the project.
- Adopt PPP to ease over reliance on exchequer funding.

4.7.15. ENHANCING MINING FOR DEVELOPMENT

Location: Nationwide

Objectives: To enhance development of mineral resources through value addition to increase the competitiveness of these minerals, to market Kenya as a mining and investment destination as well as to provide a platform for mineral commodities trading.

Implementing Agency: State Department for Mining.

Project Progress: During the period under review**,** the following was accomplished: Voi Gemstone Centre was constructed and equipping initiated; Minerals and Metals Commodity Exchange was operationalised; the State Department for Mining participated in four international promotional engagements - the Mining Indaba in South Africa, Prospectus and Developers Association of Canada in Canada, International Seabed Authority in Kingstone Jamaica, and International Conference on Great Lakes Region in Harare Zimbabwe.

Implementation Challenges

- High energy prices for mineral value addition initiatives.
- Limited or lack of value addition resulting in low earnings.
- Lengthy stakeholder engagements.
- Geopolitical interference.

Lesson Learnt

- Intensive mineral promotion is key in marketing Kenya as a mineral investment destination.

Recommendations

- Increase budget allocation to enable the sub-sector to fast-track exploration of minerals.
- Fast-track the construction and equipping of the value addition centres in the country.

- Develop human resource capacity on polishing and faceting of the gemstone products.
- Develop sustainable stakeholder management strategies.

4.7.16. CAPACITY BUILDING OF ARTISANAL AND SMALL-SCALE MINERS

Location: Nationwide

Objective: To formalise and support Artisanal and Small-Scale Miners.

Implementing Agency: State Department for Mining.

Project Progress: During the period under review, nine Artisanal Mining Committees were gazetted for; Turkana, Migori, Narok, Kisii, Kitui, Kwale, Kakamega, Vihiga, Taita Taveta and Siaya counties. A total of 2,225 artisanal miners from Kakamega, Vihiga, Migori, Kisumu, Siaya, Narok, Embu, Kitui, Kwale and Kilifi counties were trained in marketing co-operatives.

Implementation Challenges

- Inadequate budget allocation.
- High stakeholder expectations.

Lessons Learnt

- Artisanal and Small- Scale Miners are at risk of accidents, incidences and chronic diseases due to illegal use of explosives and dangerous chemicals like mercury and cyanide in gold processing.

Recommendations

- Mobilise more resources for the project.
- Develop sustainable stakeholder management strategies.
- The country needs to adhere strictly to the Minamata Convention of Mercury.

4.5. BLUE ECONOMY

The Blue Economy Sector seeks to *"sustainably manage and develop the Blue Economy resources for enhanced socio-economic benefits to Kenyans". I*t entails sustainable use of aquatic and marine spaces, including oceans, seas, coasts, lakes, rivers and underground water. It encompasses a range of productive sectors, including fisheries, aquaculture, tourism, transport, shipbuilding, energy, bioprospecting and underwater mining and related activities.

The Sector plays an important role in the economic and social development of the country. The fisheries sub-sector supports about 500,000 people directly and two million indirectly. The contribution of the sub-sector to Kenya's GDP increased from 0.5 percent in 2017 to 0.6 percent 2022. Due to optimal exploitation of fishery resources, the total fish output increased from 164.0 thousand tonnes in 2021 to 173.6 thousand tonnes in 2022. While the total value of fish landed increased from KSh. 29.3 billion in 2021 to KSh. 31.1 billion in 2022.

The achievements under the various flagship programmes and projects are as presented in the following section.

4.8.1. DEVELOPMENT OF BLUE ECONOMY PROGRAMME

Location: Nationwide

Objective: To sustainably manage and develop the Blue Economy resources for enhanced socio-economic benefits to Kenyans.

Implementing Agencies: Ministry of Mining, Blue Economy and Maritime Affairs; and Office of the Attorney General.

Project Progress: During the period under review, a total of 875 fishers were trained in deep-sea fishing. In addition, different regulations to operationalise the implementation of the Fisheries Management and Development Act, 2016 were developed and submitted to the Office of the Attorney General for review and advice. The regulations included: - Fish Levy Trust Fund Regulations; Fisheries General Regulations, 2023; Inland Fisheries Regulations, 2023; Aquaculture Regulations, 2023; and Fisheries (Inland and Riverine) Recreational Regulations, 2023. Further, the preparation of the National Marine Spatial Plan was initiated, and stakeholder consultations were done.

Implementation Challenges

- Inadequate policy integration and uncoordinated development in the Sector.
- Limited policies and legislative framework.
- Inadequate training facilities and equipment to offer requisite training for qualification and certification under the Standards of Training Certification and Watch-keeping (STWC '78) Convention.
- Weak monitoring, control and surveillance.
- Inadequate funding for the programme.

Lessons Learnt

- The Blue Economy Sector has potential to drive economic growth.
- Emerging issues can be detrimental to the fish value chain.

Recommendations

- Fast-track development/review of necessary policies, legislation and institutional framework to facilitate exploitation of the potential in the Blue Economy Sector.
- Avail training facilities and equipment.
- Enhance monitoring, control and surveillance.
- Increase funds to unlock the potential of the Blue Economy Sector
- Leverage ICT usage to unlock the untapped opportunities within the Sector.

4.8.2. FISHERIES AND MARITIME INFRASTRUCTURE DEVELOPMENT PROGRAMME

Location: Kwale, Mombasa, Kisumu, Nairobi and Kilifi.

Objective: To provide enabling infrastructure for the sustainable exploitation of the Blue Economy.

Implementing Agencies: Ministry of Mining, Blue Economy and Maritime Affairs; Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works

Project Progress: Completed construction of fish landing sites at Kichwa Cha Kati, Ngomeni and Gazi. Kichwa Cha Kati Fish Landing Site was commissioned by H.E the President in July 2023. Likoni and Malindi Fish Markets in Mombasa and Kilifi counties were at 60 percent and 65 percent completion levels respectively.

Implementation Challenges

- Budget cuts and late exchequer releases made some contractors abandon the sites.
- Inadequate monitoring and evaluation mechanism to facilitate fast-tracking of projects implementation and reporting.

Lessons Learnt

- Timely exchequer releases are key in project implementation.
- Monitoring and evaluation are critical in designing interventions that will ensure projects are on course.

Recommendations

- Enhance stakeholder cooperation and collaboration.
- Strengthen the monitoring and evaluation systems.

4.8.3. EXPLOITATION OF LIVING RESOURCES UNDER BLUE ECONOMY PROGRAMME

Location: Coastal Counties

Objective: To increase socio-economic benefits from Kenya's Exclusive Economic Zones and marine aquaculture; fish production from inland bodies, per capita fish consumption, and the diversity of export markets for Kenyan fish and fishery products.

Implementing Agencies: Ministry of Mining, Blue Economy and Maritime Affairs; and Ministry of Lands, Public Works, Housing and Urban Development.

Project Progress: Two fishing vessels were licensed (Ocean Eagle call sign 5ZAAX and RA-HORAKHTY call sign 5ZAAT). This raised the fleet development to the current number of 21. The total fish landed by the end of the year 2022 was 173.6 thousand metric tonnes. The production was higher due to favourable weather and strengthened compliance and enforcement.

Implementation Challenges

- Inadequate capacity and skills for management.
- Lack of an integrated policy framework for development of the Blue Economy.
- Delays in release of development budget.
- Dwindling fish production from Lake Victoria and low production from aquaculture and marine.

Lesson Learnt

- Timely and adequate funding is critical in project implementation.

Recommendations

- Provision of adequate funding and timely disbursement of the exchequer.
- Enhance human capacity at all levels for better management and development of fisheries resources.

4.8.4. AQUACULTURE BUSINESS DEVELOPMENT PROGRAMME

Location: 15 Counties (Nyeri, Kirinyaga, Meru, Homa Bay, Migori, Kakamega, Embu, Tharaka Nithi, Machakos, Kajiado, Kiambu, Busia, Siaya, Kisii and Kisumu).

Objective: To increase the incomes, food security and nutritional status of the wider communities of poor rural households involved in aquaculture in the targeted counties.

Implementing Agency: State Department for the Blue Economy and Fisheries.

Project Progress: During the period under review, the programme supported 1,387 Level I farmers with fish production materials (1,249 liners and 138 predator nets). Further, the programme constructed 2,203 new fishponds units and rehabilitated 2,316 fish production units for fish farmers in the fifteen Aquaculture Business Development Programme implementing counties.

Implementation Challenges

- Inadequate time to meet the general conditions precedent for the International Fund for Agricultural Development (IFAD) financing.
- Delay in issuance of No Objection for consultancy services, approval of terms

of reference and tender documents by IFAD.

- Delays in exchequer releases and budget cuts.

Lesson Learnt

- Donor conditionalities are good but can cause delays in project implementation.

Recommendations

- Fast-track the process of issuance of No Objection by IFAD.
- Enhance exchequer releases and minimise budget cuts.

4.8.5. KENYA MARINE FISHERIES AND SOCIO-ECONOMIC DEVELOPMENT (KEMSFED) PROGRAMME

Location: Coastal Counties (Mombasa, Lamu, Kwale, Kilifi and Tana River)

Objective: To improve management of priority fisheries and mariculture and increase access to complimentary livelihood activities in coastal communities.

Implementing Agency: State Department for Blue Economy and Fisheries.

Project Progress: A total of 150 Common Interest Groups were supported with project grants amounting to KSh.320 million to undertake projects towards improvement of their livelihoods.

H.E. the President issue a cheque from KEMFSED grants to CIGs in February 2023

Implementation Challenges

- Lengthy consultative process among the agencies involved.
- Delayed approval of Annual Work Plan and Budget by World Bank.

Lesson Learnt

- Timely preparation and approval of annual work plan and budget are critical in project implementation.

Recommendations

- Strengthen stakeholder's involvement at all stages of the project cycle.
- Sensitisation of key stakeholders on project activities

4.8.6. AQUACULTURE TECHNOLOGY AND DEVELOPMENT AND INNOVATION TRANSFER PROGRAMME

Location: Nationwide

Objective: To increase uptake of aquaculture technologies, innovations and improve safety of farmed fish.

Implementing Agency: Ministry of Mining, Blue Economy and Maritime Affairs.

Project Progress: The training facility in Sagana was constructed to 85 percent completion. Re-circulation aquaculture system, aquaponics and selective breeding upscaled and aquaponic technologies disseminated in 79 learning institutions.

Front View of Sagana Aquaculture Facility under Construction

Implementation Challenge

- Delay in the disbursement of funds under the development budget.

Recommendations

- Timely disbursement of funds.

4.8.7. DEVELOPMENT OF FISH QUALITY LABORATORIES PROGRAMME

Location: Nairobi, Mombasa and Kisumu.

Objective: To enhance safety of fish and fish products consumed locally and exported.

Implementing Agency: Ministry of Mining, Blue Economy and Maritime Affairs.

Project Progress: Construction works for the fish quality control laboratories at Nairobi, Mombasa and Kisumu completed, some equipment installed, and tests run done.

Implementation Challenges

- Lack of chemicals, reagents and consumables like Personal Protective Equipment.
- Non-accreditation of the labs to ISO/IEC 17028.
- Delay in commissioning of the laboratories.

Lesson Learnt

- Operationalisation of the fish quality control laboratories will ensure value for money for the money.

Recommendation

- Accreditation of the labs to ISO/IEC 17028 Standard to be fast-tracked.

4.8.8. REHABILITATION OF FISH LANDING SITES IN LAKE VICTORIA PROGRAMME

Location: Lake Victoria Region.

Objective: To improve fish handling facilities in order to reduce post-harvest losses

Implementing Agency: Ministry of Mining, Blue Economy and Maritime Affairs.

Project Progress: Completed construction of Mulukhoba landing site in Busia County.

Implementation Challenges

- Rising Lake Victoria water levels disrupted the rehabilitation works.
- Delayed payments due to untimely release of funds.
- Inadequate monitoring and supervision of the project's implementation.

Lesson Learnt

- Climate change mainstreaming is key in project execution.

Recommendations

- Timely disbursement of funds.
- Establish an efficient monitoring and evaluation mechanism to fast-track projects implementation and reporting.
- Relocate the landing sites to higher grounds.

4.8.9. MONITORING, CONTROL AND SURVEILLANCE PROGRAMME

Location: Mombasa

Objective: To monitor fishing activities in all Kenyan fishery waters to deter, prevent and eliminate illegal, unreported and unregulated fishing.

Implementing Agencies: Ministry of Mining, Blue Economy and Maritime Affairs, and Kenya Fisheries Service.

Project Progress: Established Interagency and County Specific Monitoring, Control and Surveillance (MCS) units to run the day-to-day MCS operational activities. Ten critical habitats were mapped, Marine and Coastal Frame survey and Catch Assessment survey were conducted; and Lake Turkana management plan finalised. Two offshore patrols conducted in Kenya's Exclusive Economic Zone. 197 Constable Fisheries Guards (Enforcement Officers) underwent paramilitary training to equip them with skills for fisheries MCS.

Implementation Challenges

- Inadequate MCS equipment like patrol vessels
- Inadequate funds for subscription to the Vessel Monitoring System (VMS)
- Inadequate skilled labour

Lessons Learnt

- Operationalisation of the MCS is key in deterring, preventing and eliminating illegal unreported and unregulated fishing.
- Timely subscription to VMS is key.

Recommendations

- Provide adequate budget for timely payment of subscription to VMS.
- Train and recruit skilled manpower to operate VMS.

TVET INSTITUTION

5. CHAPTER FIVE

SOCIAL PILLAR

"Investing in the People of Kenya"

The goal of the Social Pillar of the Kenya Vision 2030 is to invest in the people of Kenya. It seeks to build a just and cohesive society enjoying equitable social development in a clean and secure environment. This is to be realised through transformation and implementation of policies, programmes, and projects in six priority sectors namely, Education and Training; Health; Environment, Water, Sanitation and Regional Development; Population, Urbanisation and Housing; Gender, Youth and Vulnerable Groups; and Sports, Culture and Arts.

5.1. EDUCATION AND TRAINING

The sector seeks to have a *'Globally Competitive Quality Education, Training and Research for Sustainable Development'. I*n the beginning of the reporting period, the Sector was composed of Early Learning and Basic Education; Vocational and Technical Training; Post Training and Skills Development and University Education and their respective agencies such as the Teachers Service Commission (TSC). After re-organisation of Government in October 2022, the Sector comprised Basic Education; Technical, Vocational Education and Training; Higher Education and Research; their respective agencies including TSC.

The Sector priorities include actualisation of the right to free and compulsory basic education; improvement of post-basic education; enhancement of quality and relevance of education and training; integration of ICT into teaching and learning; enhancement of financing in education and training; and improvement of governance at all levels. The next section presents the flagship projects and programmes implemented during the review period.

5.1.1. UNIVERSAL SECONDARY EDUCATION

Location: Nationwide

Objective: To achieve 100 percent primary to secondary school transition.

Implementing Agency: State Department for Basic Education.

Project Progress: During the 2022/23 period, 3,690,376 students were placed and enrolled in public secondary schools, compared to 3,587,081 students in 2021/22. The increase in numbers enrolled was attributed to the Government's commitment to enforce various interventions, including, the implementation of the 100 percent transition policy, the FDSE programme, the enforcement of the national school re-entry guidelines and provision of scholarships under the Elimu Scholarship Programme.

Through the Elimu Scholarship Programme, under the Kenya Primary Education Equity in Learning Programme, vulnerable and disadvantaged learners, who would have otherwise not transited, were facilitated to join secondary school. In the 2022/23 period, 19,574 learners benefitted from the scholarship package which includes school fees, school kits and a termly stipend. These vulnerable learners were also supported through regular mentorship activities to ensure they stay in school. During the period under review, KSh. 64.42 billion was disbursed to 9,258 public secondary schools to support 3,690,376 students enrolled in these schools.

Implementation Challenges

- Elimu scholarships are not able to cover all learners from vulnerable backgrounds resulting in students dropping out.
- Increase in student enrolment without a resultant increase in capitation funding.

- Inadequate coordination of education bursaries.
- Inadequate and dilapidated infrastructure in schools, which are further strained by the increased enrollments.
- Insecurity in some parts of the country affects learner attendance, retention and completion.

Lessons Learnt

- Enhancing access, retention and completion of secondary education requires concerted effort by various stakeholders.
- The 100 percent transition policy from primary to secondary education is critical for enhancing access to secondary education.
- Psychosocial support and guidance and counseling are key in enhancing retention in secondary schools.
- The EduAfya Programme - under NHIF - for secondary school learners has increased in school hence improving learning outcomes retention.

Recommendations

- Increase resources for improving infrastructure facilities in secondary schools to accommodate the high number of learners enrolled and reduce congestion.
- Increase teacher recruitment to address existing shortfalls, especially in schools with high student teacher ratios.
- Centralised coordination of award of bursaries to ensure equity and efficiency.

5.1.2. TECHNICAL, VOCATIONAL EDUCATION AND TRAINING INFRASTRUCTURE AND EQUIPMENT

Location: Nationwide

Objectives: To increase uptake of Technical, Vocational Education and Training.

Implementing Agency: State Department for Technical, Vocational Education and Training.

Project Progress: In the period under review, the State Department completed construction of 18 Technical Vocational Centers (TVCs) of the targeted 30. Further, the Department equipped two and rehabilitated one institution. Two hostels were renovated to create a hospitality and training complex for training in the Institutional Management Department at Kabete National Polytechnic. The main gate, fencing on either side of the gate and an ablution block were constructed in Butula TVC while classrooms and hospitality restaurant and a kitchen were constructed in Aldai Technical Training Institute (TTI). An ICT laboratory was also constructed in Kaboi TTI in the period under review.

Implementation Challenge

- Inadequate funding for the construction and equipping of TVET institutions.

Lessons Learnt

- Funding and contingency planning are crucial for successful project implementation, considering potential cost variations.
- Due diligence and timely site management are imperative, especially in challenging site conditions, to maintain project timelines and quality.

Recommendations

- Improve budgetary allocations to ensure construction and equipping of TVET institutions.

5.1.3. BASIC EDUCATION COMPETENCY BASED CURRICULUM

Location: Nationwide

Objectives: To ensure that education nurtures the potential of every learner and provides different pathways.

Implementing Agencies: Kenya Institute of Curriculum Development (KICD), Kenya National Examinations Council (KNEC), State Department for Basic Education, and State Department for Curriculum Reforms.

Project Progress: CBC Grade Seven was rolled out in January 2023. The cumulative achievement for the national implementation of CBC in basic education stood at 65 percent as at the end of FY 2022/23. Additionally, 38 interactive digital content for Grade Six in 12 learning areas for regular learners were developed; 10 digital content materials for Grade Three in 10 learning areas for learners with visual impairment and nine digital content materials for Grade Three in nine learning areas for learners with hearing impairment were adapted and disseminated through the Kenya Education Cloud (https://kec.ac.ke/). A total of 474 interactive digital content developers were trained to enhance the quality of digital content. In addition, 131 materials submitted for Grade Eight were evaluated and 439 CBC complementary materials developed and approved.

Monitoring of implementation of CBC in Grade Six and a summative evaluation of CBC primary school level were carried out. Similarly, 23 curriculum designs for Grade Eight, 21 curriculum designs for Grade 10, and 25 curriculum designs for Grade 11 were developed; 37 learning areas for Grades 10 were adapted to suit learners with special needs. In addition, three handbooks for Kenya Sign Language, 12 handbooks for stage based pre-vocational level, and one handbook for braille Grade Seven to Grade Nine were developed.

KICD is constructing an Ultra-Modern Education Resource Centre. Once completed, the Centre will facilitate curriculum specialists to carry out experiments, demonstrate and test ideas, simulate and model concepts for effective curriculum development, implementation and assessment.

During FY2022/23, KNEC upgraded the online portal for uploading and disseminating assessment tools and scoring of scores to support School Based Assessment (SBA) at Grade Six. A Competency Based Assessment Framework for Grade Four to Grade Six was also developed.

Grade Three Monitoring Learner Progress (MLP) assessment was administered to 1,306,992 learners. In addition, SBAs at Grade Four, Grade Five and for Special Needs Learners were conducted. In Grade Four, 1,363,789 learners were assessed and 1,385,304 Grade Five learners were assessed. The first Kenya Primary School Education Assessment was conducted at Grade Six where 1,253,577 learners were assessed inclusive of 2,465 learners with disabilities.

A learner conducts home science assessment at Moi Girls School, Nairobi

Grade 3 learners at Kiembeni Primary School in Mombasa take part in the 2022 MLP assessment

Implementation Challenges

- Inadequate resource allocation which affected implementation of some of the targeted programmes and projects.
- Inadequate understanding of the new assessment concepts by stakeholders and the public.
- Inadequate stakeholder engagement, especially parents who are key in implementation of the new modes of assessment.
- Inadequate resources to carry out the assessment functions.

Lessons Learnt

- Continuously and comprehensively engage all relevant stakeholders to ensure that all perspectives of implementing CBC and Competency Based Assessment (CBA) are considered and potential challenges are identified early.
- Continuous monitoring and evaluation of the implementation process for continuous improvement.
- Implementation of CBC requires adequate resources such as funding, infrastructure and teaching materials. These resources need to be provided in a timely and consistent manner to support effective implementation.
- Effective communication is essential for successful implementation of CBC. All stakeholders will be informed and engaged throughout the curriculum reforms process.

Recommendations

- Adequate budgetary allocation to facilitate effective implementation of CBC and CBA at all levels of education.
- Increased awareness to stakeholders to ensure buy-in of CBC and CBA.
- Continuous capacity building of curriculum implementers on CBC and CBA assessment.
- Create partnerships and synergies across the education sector with the view of improving reliability and validity of the MLP process.
- Develop and implement strategies to provide online assessments so as to reduce costs.

5.1.4. COMPETENCY BASED EDUCATION AND TRAINING FOR TVET

Location: Nairobi

Objective: To ensure that TVET courses are competency-based and aligned to the labour market demands.

Implementing Agencies: State Department for Technical Vocational Education and Training, and Curriculum Development Assessment and Certification Council.

Project Progress: In the FY 2022/23, a total of 25 Competency-based education and training (CBET) curriculum was implemented in Vocational Training Centres (VTCs). In anticipation of the full roll-out of RPL, the sub-sector has piloted RPL assessment. A total of 16,083 candidates were assessed in 107 institutions staggered across the three-assessment series. A total of 4,505 assessors and verifiers were capacity built on conduct of CBA during the review period. Mentoring tools for 295 courses were developed in the period under consideration. Various sensitisation forums have been conducted in different regions as the sub-sector looks to create awareness on CBET with the intention of making effective use of the modern training equipment installed in the majority of the TVET institutions.

Implementation Challenges

- Inadequate resources limiting conduct of CBET assessments and development of curriculum on a national scale.
- Inadequate infrastructure and equipment.

- Inadequate trainers' skills on CBET.

Lesson Learnt

- CBET is a resource-intensive training methodology, necessitating a substantial financial and human resource investment for effective implementation.

Recommendations

- Strengthen the capacity of trainers in CBET.
- Increased budgetary allocation for effective implementation of CBET.
- Recruit new employees and focus on capacity building and upskilling of existing staff and TVET trainers to equip them with the necessary skills for effective CBET implementation.
- Invest in building the infrastructural capacity of the Council to facilitate the smooth rollout of CBET initiatives.

5.1.5. KENYA NATIONAL QUALIFICATION FRAMEWORK

Location: Nairobi

Objective: To promote life-long learning through recognition of acquired skills and knowledge.

Implementing Agency: Kenya National Qualification Authority (KNQA), and State Department for Vocational and Technical Training.

Project Progress: A total of five national policies, standards and guidelines, including Policy Framework for RPL, National Standard and Guidelines for Recognition of Prior Learning, Kenya Credit Accumulation and Transfer System policy, National Standards and Guidelines for Assessing National Qualifications were developed.

For effective implementation of RPL, nine Application and Registration forms, Guides for Regulators, Qualifications Awarding Institutions (QAIs), Assessment Centres, Appeals Guide, RPL candidates' guide; Code of Conduct for RPL Practitioners; RPL Practitioners Guide; and RPL Training Manual were developed. Further, a total of 52 RPL practitioners have been trained and certified. A pilot of the RPL policy and tools was conducted and a total of 403 RPL candidates were assessed and are due for certification. The RPL–MIS was also developed. Two QAIs and 97 Qualifications registered in FY 2022/23 giving a total of 23 QAIs and 868 Qualifications registered in the National Qualifications Framework database.

A total of 2,067 applications for alignment and validation of qualifications in FY 2022/23 resulting in a cumulative total of 6,249 was processed. KNQA developed the Kenya National Learners Records Database (KNLRD), and registration of learner's qualifications is on course. A total of 99,468 learners' records of qualifications (graduates) was registered into the database.

The sub-sector continues to enhance capacity building and sensitisation of stakeholders to ensure that they all understand their role in implementation of the National Qualifications Framework. A total of 56 QAIs were capacity built and sensitised in the reporting period.

Implementation Challenge

- Inadequate financial and human resources to enable implementation of the Kenya National Qualification Framework (KNQF).

Lessons Learnt

- Rapid changes in market forces are transforming the nature of work and the skills required to succeed in the labour market.
- Accreditation for institutions is vital to maintaining high-quality education and

training standards.

- Capacity-building initiatives are essential for effective implementation of KNQF.
- Implementing KNLRD significantly improves data management for all qualifications awarded in Kenya.

Recommendations

- Increased allocation of resources to support the implementation of KNQF. This will facilitate the acquisition of resources such as land, equipment, materials, and training of staff, to ensure successful implementation of the Framework.
- Development of the requisite national policies that will fully implement the National Qualifications Framework in the Education and Training Sector.

5.1.6. NATIONAL EDUCATION MANAGEMENT INFORMATION SYSTEM

Location: Nationwide

Objectives: To establish a data system for use in the Education & Training Sector; conduct data needs assessment from data providers and users.

Implementing Agency: State Department for Basic Education.

Project Progress: By the end of 2022/23, approximately 3.7 million learners from secondary school and 5.4 million learners from primary school were registered in the National Education Management Information System (NEMIS). Data from the NEMIS system is used for allocation of funds under FDSE, conducting Form One selection and placement, monitoring transition of learners from primary to secondary schools and facilitating the implementation of the EduAfya medical cover for learners in public secondary schools.

Data cleaning for capitation support for primary education was done for the period under review. To address the gaps and especially in pre-primary and primary education, the Ministry of Education field officers and heads of institutions are continuously sensitised on how to correctly capture learner-specific enrolment data in terms of age, gender, and disability as well as the importance of quality data in NEMIS to rollout the necessary education reforms.

The re-engineering NEMIS is still ongoing to accommodate more user processes, integrate with other systems, and incorporate more security features with the aim of making it a one-stop shop for all data in the Sector.

Implementation Challenges

- NEMIS system does not currently accommodate the capture of all required data on learners with special needs and disabilities.
- Existing data gaps as NEMIS coverage is still not at 100 percent in all education and training institutions.
- The issue of use of multiple datasets in the education sector persists as the data sources are varied and not harmonised.

Lessons Learnt

- Continuous stakeholder engagement on the importance of adopting and using the NEMIS system regularly to input and share quality data is key, to allow the collection of comprehensive data from all levels of education.
- The actualization of a central repository for all education data will enable the use of uniform, accurate and up to date data for evidence-based planning and decision making to improve service delivery in the Sector.

Recommendations

- Awareness creation of stakeholders on the NEMIS system.
- Capacity building of users and implementers on the NEMIS system.
- Develop a policy framework for management of education data and information to ensure that the Education Sector has a systematic process of data collection, collation, storage and analysis as well as reporting and dissemination of statistical reports.

5.1.7. NATIONAL SKILLS DEVELOPMENT

Location: Nationwide

Objective: To enhance coordination of education and training.

Implementing Agency: State Department for Post Training and Skills Development.

Project Progress: A National Skills Development Policy was returned by the Cabinet with comments for additional input which was incorporated and subjected to a stakeholder validation and resubmitted to the Cabinet for approval. In addition, a National Policy on Linking Industry to Education, Training and Research and National Policy Framework for Career Guidance in Kenya were developed, validated by stakeholders, and submitted to the Cabinet for approval.

Implementation Challenges

- The National Skills Development Policy, National Policy on Linking Industry to Education, Training and Research and National Policy Framework for Career Guidance in Kenya had not been approved by the Cabinet by the end of the financial year.
- The function of the State Department for Post Training and Skills Development was transferred from the Ministry of Education to the Ministry of Labour and Social Protection vide Executive Order Number 1 of 2022.

Recommendation

- There is a need for political goodwill for the development of a legal framework and other instruments.

5.1.8. NATIONAL PSYCHO-EDUCATION ASSESSMENT AND PLACEMENT CENTRE

Location: Nationwide

Objective: To enhance assessment and placement of special needs learners.

Implementing Agencies: Kenya Institute of Special Education, and State Department for Basic Education.

Project Progress: In FY 2022/23, 6,600 clients were assessed, and therapy services provided to 7,708 clients at the Centre. In addition, outreach programmes were conducted in Lamu, Mombasa and Nandi counties where 3,425 persons with disabilities were assessed and communities in these regions sensitised on matters pertaining to special needs and disabilities. The project supported rehabilitation services to 30 persons with special needs and disabilities who were equipped with skills of daily living activities.

In support of the Ministry of Education, the Institute carried out research on utilisation of learning, assistive devices and technologies to special schools, integrated schools and special units. This aimed at ensuring better utilisation of the Special Needs Education (SNE) learner capitation grant. The under-utilisation of this grant was mitigated by centralisation in production and distribution of the devices. Production of learning, assistive devices and technology was done within the Centre for the clients recommended during therapy.

During the period under review, 24 diaspora clients were assessed for special needs and disabilities. A conference on improving access to quality services for every child and youth and parental empowerment was conducted to empower parents and caregivers on how to handle people living with special needs and disabilities.

Partnership and linkages were formed through this project where 50 Kenyatta University students conducted a three-month practicum for better understanding of special needs and disabilities.

Clients assisted to get into mobile assessment truck for therapy and assessment during outreach activity in Lamu County

Implementation Challenges

- Insecurity challenges during outreach activity in some parts of the country
- Shortage in resources leading to inadequate human capital, specialised equipment and medical practitioners required to serve clients. This consequently causes delays in school placement among children with special needs and disabilities.
- Stigmatisation of persons with disability in society is hampering access to education for children with special needs and disabilities across the country.
- Unavailability of specialised equipment in the Kenyan market.

Lessons Learnt

- Early identification and intervention for children with special needs is vital in preventing the progression of severity of their disabilities.
- There is a need to support outreach and visibility activities to empower Kenyans and local communities on how special needs learners can be assisted through assessment and placement at the Centre.
- There is a need for community sensitisation and awareness of disabilities.

Recommendations

- Provide adequate resources including human resource, specialised equipment and medical practitioners to enable the National Psycho-Education Assessment and Placement Centre to be fully operational.
- Increase outreach activities to sensitise the public on special needs and disability matters.
- Establish partnerships with manufacturers of specialised equipment to facilitate easier and cost-effective access to specialised equipment.
- Develop an online system for assessment and teletherapy.

5.1.9. ENTERPRISE DEVELOPMENT INCUBATORS

Location: Nationwide

Objective: To support creativity and innovation, research and development in education and training.

Implementing Agencies: State Department for University Education and Research, and State Department for Technical, Vocational Education and Training.

Project Progress: The University of Nairobi in partnership with Japan Space Exploration Agency, developed and launched a nanosatellite to be utilised for food security, mapping, livestock and wildlife monitoring and disaster management. Through SKA, a feasibility study was conducted on conversion of the communication antenna into radio telescopes; MSc and PhD students were trained in South Africa on scholarships in Astrophysics and Astronomy; and a donation of high-performance computers by South Africa to Kenya through NACOSTI was done. Further, facilities and courses on astrophysics were established in Kenyatta University Technical University of Kenya and University of Nairobi in partnership with Development in Africa with Radio Astronomy (DARA).

The Kenya-AIST project was initiated and was at 10 percent progress of implementation. The Southern and Eastern Africa Higher Education Centres of Excellence Project (ACE II) identified three universities as Centres of Excellence for collaborative research. Moi University focused on phytochemicals, textiles, and renewable energy; JOOUST on sustainable use of insects for food and feed; and Egerton University focused on sustainable agriculture and agri-business management. The project so far enrolled 144 PhD, 422 Masters students and 472 trained on short courses. Further, the Centres supported 221 staff and postgraduate students for exchanges nationally and internationally and a total of 17 PhD and 21 Masters' programmes were accredited.

Pan African University Institute of Basic Sciences, Technology, and Innovation was also established to support the STEM programme, during FY 2022/23; 120 students were admitted and 144 students graduated out of which 48 were PhD students and 96 were masters' students. At the end of the review period, 717 scientific publications were made, and 13 patents registered.

Through the National Innovation Award Programme, 40 innovators have been recognised within the last five years and granted awards amounting to KSh. 22.7 million for purposes of product development for the selected innovation projects. Under the Leaders in Innovation Programme in collaboration with NRF and the Royal Academy of Engineering of the United Kingdom, innovators have been trained, linked to mentors and incubation/innovation centres. In addition, 42 innovators benefitted with innovation commercialisation grants amounting to over KSh. 140 million. Innovation Bridge Portal, an online platform, has been initiated to create linkages and networks between regional, national, and international innovators, industry and public and private technology developers, commercialisation funding partners, and other relevant innovation players.

Implementation Challenges

- Lack of framework to incentivise the private sector to invest in research and development.
- Weak linkages between industry and academia, hence mismatch between the skills possessed and industry requirements.
- Inadequate infrastructure and equipment for research in higher education and training institutions, especially in the physical and life sciences, which are the knowledge base for national ST&I integration and sustainable development.
- Inadequate coordination mechanism for ST&I across MDAs results in the lack of a streamlined approach to planning, implementation, monitoring, and evaluation, learning and reporting on ST&I activities.
- Lack of capacity in Intellectual Property (IP) and in development of business plans to effectively commercialise and come up with business start-ups in most universities, research institutions, incubation centres and TVETs.

Recommendations

- Establish technology transfer offices in the respective institutions to oversee capacity building and implementation of IP policies.
- Establish an integrated knowledge management information system to inform the country on the ST&I profile.

5.1.10. TEACHER PROVISION, COMPETENCE AND PROFESSIONAL DEVELOPMENT

Location: Nationwide

Objective: To improve the provision and competence of teachers at the basic education level.

Implementing Agency: TSC

Project Progress: During the Financial Year 2022/23, 30,000 teachers were recruited consisting of 10,000 permanent teachers and 20,000 intern teachers. A total of 104,386 Junior Secondary School teachers and heads of institutions were trained on CBC content.

Implementation Challenges

- Failure to attract applicants in some areas- some areas that could not attract applicants either due to lack of numbers or other exogenous factors such as insecurity.
- Failure to attract applicants in technical subject areas- there were challenges of attracting enough applicants in some specific subject areas such as home science, music and arts.
- The retooling of teachers is usually done when learners are on holiday. In the post COVID-19 era, school terms have been compressed and the holidays shorter than usual.

Lessons Learnt

- There is a need to recruit and train teachers on new learning areas introduced by CBC. These areas include performing arts, sports and physical education, technical and engineering, career and technology, and indigenous languages.
- Mental health issues among teachers affect the quality curriculum delivery.

Recommendations

- Allocate more resources for recruitment of teachers on permanent and pensionable terms.
- A multi-agency approach should be employed to deal with insecurity in some areas.
- Training institutions should encourage students to take up technical subjects to ensure the integration of graduates in all learning areas.

5.1.11. LAPTOPS AND ASSISTIVE TECHNOLOGY FOR LEARNERS WITH SPECIAL NEEDS

Location: Nationwide

Objective: To improve the quality of learning for the visually impaired & physically disabled learners.

Implementing Agencies: State Department for Basic Education, and ICTA.

Project Progress: During the period under review, research on utilisation of learning, assistive devices and technologies to special schools, integrated schools and special units as an effective measure for better utilisation of SNE learner capitation grant was carried out and under-utilisation of this grant was realised. Corrective action was put in place by centralising production and distribution of these devices.

Implementation Challenges

- Inadequate learning assistive devices and technology in SNE schools.
- High maintenance costs of assistive devices.

Lessons Learnt

- Lack of learning and assistive devices incapacitates the performance of special needs learners.
- Continuous monitoring and evaluation are critical for successful implementation of the programme.

Recommendations

- Centralise production and distribution of assistive devices for affordability as a result of economies of scale.
- Allocate adequate resources to enhance provision of assistive devices to learners with various categories of disabilities.
- Conduct monitoring and evaluation of the programme.

5.1.12. STUDENT FINANCING

Location: Nationwide

Objective: To ensure learners are adequately funded to complete their training.

Implementing Agencies: Higher Education Loans Board, and State Department for Technical Vocational Education and Training.

Project Progress: A total of 228,453 university students were awarded loans to enable them to complete their training and increase the number of human-capital with the skills required in the economy. 18,138 vulnerable university students were awarded bursaries. At the same time, KSh. 31.3 million was awarded to 104 postgraduates (62 Masters and 42 PhD), 100 percent of the target to promote research and other critical post graduate skills required by the economy. During the same period, 198,331 students were awarded loans amounting to KSh. 7,787,160,966 towards promotion of Science, Technology, Engineering, Mathematics and Innovation.

Loans amounting to KSh. 4,098,993,545 were awarded to 122,320 TVET trainees in the period under review. In addition, 20,009 vulnerable TVET students were awarded bursaries amounting to KSh. 100 million. Capitation grants of KSh. 5.2 billion were awarded to 332,485 TVET trainees over the same period. There was an increase in the number of TVET loan applicants from 9,939 applicants in FY 2020/21 to 24,453 applicants in FY 2022/23.

Implementation Challenges

- Inadequate financial resources allocation for students' loans owing to the increasing demand which led to over 140,000 needy students missing out on loans in the FY 2022/23.
- Subdued loan recoveries due to adverse macroeconomic effects, unemployment, changing employment trends among other economic conditions affected the ability to repay.
- There has been increased enrolment to universities and TVETs without a corresponding increase in capitation funding.
- There has been increased demand for tertiary education loans without growth in the loan revolving fund.

Lessons Learnt

- Need for optimisation of partnerships and strategic linkages for increased external resource mobilisation to ease over-dependence on the exchequer.
- Augmented loan recovery to enhance students' loans revolving fund.
- Continuing digitisation and online self-service portals were key to enhanced services delivery to the public.
- Emerging data protection laws require new processes and procedures hence slowing down collaborations with some partners and stakeholders.

Recommendations

- Provision of capitation should be commensurate with the enrolment figures.
- Increase funding to cater for the increased demand for education loans.
- Foster partnerships to explore alternative funding outside GoK for mobilisation of additional resources.
- Application of digital technologies to enhance service delivery in line with the Government's digitisation efforts.

5.2. HEALTH

The Health Sector seeks to ensure *"Equitable, Affordable and Quality Health Care of the Highest Standard"* for all citizens by the year 2030. The Sector is key in ensuring a healthy and productive populace. The period 2022/23 came at the backdrop of change in administration from the 4th Governments' "Big Four" Agenda to the 5th Government's BETA Agenda where both Governments exhibited particular initiatives focusing on the achievement of UHC, increasing access to quality healthcare services and offering financial protection to people when accessing healthcare. Further, the Sector is key to the realisation of SDG No. 3 and Africa's Agenda 2063 aspiration which seeks to ensure healthy lives and well-being for all.

5.2.1. SOCIAL HEALTH PROTECTION PROGRAMME

Location: Nationwide

Objective: To enhance social health protection to targeted populations.

Implementing Agencies: NHIF, and Ministry of Health.

Project Progress:

- **The Linda Mama Programme:** a total of 1,276,064 expectant mothers were registered and 927,102 deliveries conducted.
- **Health Insurance Subsidy Programme for the Poor:** a total of 254,368 households was covered under the HISP.
- **Health Insurance for the Elderly & Persons with Severe Disabilities:** 58,800 persons were covered for health insurance services.
- **Health Insurance for Secondary School Students (EduAfya):** a total of 3,360,012 secondary school students was covered under the enhanced health insurance scheme, EduAfya.

Implementation Challenges

- Delays in the disbursement of premiums.
- Limited resources leading to scale down.
- High deaths reported due to old age and health complications for older persons.
- An increase in defaulters in the informal sector because of free maternity.
- Challenges in registration using the USSD platform due to lack of smartphones and poor understanding of the registration procedure.
- Slow uptake by private and faith-based facilities because of the low re-imbursement rates.
- Lack of financial autonomy since most of NHIF reimbursements for Linda Mama do not flow to the health facility directly but instead flow to the County Treasury. This restricts the health facility's ability to conduct financial planning.
- Spatial distribution and distance to facilities creates a barrier to access e.g. Wajir, Lamu, Samburu, Marsabit, Kajiado, Lamu and Turkana.
- Remoteness and poverty levels in some areas leads to delays in seeking health services due to direct and indirect costs.
- Low uptake in the North-Eastern Region is attributable to various factors such as the pastoralist nature of the communities.

Recommendations

- Counties should consider investing in additional healthcare facilities as a last mile initiative.
- Healthcare delivery system challenges such as lack of drugs and personnel should be addressed.
- Identify and adopt innovative methods to encourage Linda Mama beneficiaries seek Antenatal Care (ANC) and Postnatal Care services.
- Integrate public education campaigns in all programmes
- Timely disbursement of funds.

5.2.2. MEDICAL TOURISM PROGRAMME

Location: Nationwide

Objective: To market Kenya as a hub for specialised healthcare.

Implementing Agencies: Ministry of Health, Ministry of Tourism, Mathari Teaching and Referral Hospital, KNH, and MTRH.

Project Progress:

i. Kenyatta National Hospital

a) Burns and Pediatrics Emergency Centre

The project commenced on 31st August 2018 with a completion date of 20th August 2020. It was revised to 31st

December 2023. The project was at 58 percent builder's works at the end of the reporting period. Civil works including the first to fourth floors and roof were completed. Connection of utilities and finishing works will be done in FY 2023/24. The loan agreement between GoK and the development partners expired in December 2020 but was subsequently extended to 31st December 2023.

Day care surgical centre

b) Cancer Treatment Centre Phase I

As of 30th June 2023, Phase I1 works were at 100 percent complete.

c) Construction of Bunkers

Construction of two bunkers (special structure) to House LINAC radiotherapy machines began on 29th August 2022 and is expected to be complete by 6th November 2023. Works are 80 percent complete as at the 52-week contract period. The contractor was able to reroute sewer lines passing through the site. Foundation for the bunkers was complete and walling was ongoing. For Phase II of the project, the technical team developed the bills of quantities and drawings for the structural works. The tender documents were developed awaiting publication.

d) Day Care Surgical Centre

The Day Care is operational. In the FY 2022/23, a total of 7,113 chemo sessions were undertaken and 1,236-day care surgeries were conducted.

e) Renal Upgrade

The project was completed, and the site handed over to the Hospital. During the period, a total of 22 kidney transplants, 16,800 dialysis sessions, 35 renal biopsies and 268 catheter insertions were undertaken.

Centre for kidney diseases and organ transplantation

f) Housing for MicroWave Processing

Complete construction of the housing structure and equipping for the microwave equipment. The microwave was operational and required funding for Phase II.

g) Hope Hostel

The designs and bills of quantity were developed, and the designs approved by Nairobi City County Government. The project partners reviewed the agreement for signing by the National Treasury.

h) 300 Bed Private Facility

The Hospital appointed a project implementation team to review the best relaunch approach. The Hospital was awaiting the appointment of a Technical Advisor for the project by the PPP Director at the National Treasury.

Implementation Challenges

- Inadequate financing coupled with delayed disbursement.
- Interdependence on other agencies on approval for PPP projects.
- Commitment of counterpart financing for donor funded projects.
- Inadequate funds for capital projects.

Lessons Learnt

- There is a need for better collaboration between partners.
- Enhanced resource mobilisation to bridge funding gaps is required.

Recommendations

- Timely exchequer release for projected bills to be paid as per the contract.
- Alignment of funding with project implementation plan and expenditure.
- Resource mobiliration as long as proper identification of partners is done to align with the need to be funded.
- Stakeholder meetings to review and address site progress challenges.

i. Moi Teaching and Referral Hospital

a) Multi-specialty Hospital Project:

The project aimed to establish a new fully functional multi-specialty (specialised and sub-specialised) 2,000 bed National Teaching and Referral Hospital at Kiplombe, Eldoret. The project was to be implemented in MTP III but was not realised due to financing. It has been incorporated for implementation in MTP IV where it has been prioritized for implementation, and approved financing options are being explored.

b) College of Medicine Public Private Partnership:

The project received approval from the Directorate of PPP. The National Treasury and Economic Planning carried out contracting for a Transaction Advisor for a feasibility study and was awarded.

c) Power Upgrade for the Private Wing II Project:

The project was tendered in June 2022 and evaluated and awarded in September 2022. The project commenced in October 2023 and was completed and handed over/commissioned on 8th May 2023.

d) 150 Kg/Hr Medical Waste Incinerator:

The project to construct an incinerator house and procure a 150Kg/H incinerator was tendered in June 2022, and evaluated and awarded in September 2022. The project commenced in October 2022 and was completed, handed over and operationalised on 20th February 2023. The challenge of disposal of medical waste initially occasioned by the breakdown of the microwave medical waste treatment plant World Bank 75Kg/Hr waste incinerator was addressed.

Medical waste incinerator at MTRH

e) Extension of Alcohol and Drug Abuse Centre:

The project entailed expanding the Alcohol and Drug Abuse Centre by increasing the bed capacity by 20 from 16-bed to 36-bed facility to address the demand for the service. The project commenced in June 2022 and was completed in December 2022. It was handed over on 16th January 2023.

f) Equipping of Phase II of Radiotherapy Unit - (Multi-Year Project):

The construction of the second Radiotherapy Bunker was 100 percent complete in the previous year. Installation of the second LINAC (TrueBeam Varian) was completed in January 2023. Technical commission was done in February 2023 and the new equipment was operationalised. By 30th June 2023, a total of 1,597 radiotherapy sessions had been conducted at the facility.

Radiography Unit at MTRH

g) Completion of Equipping of Intensive Care Units:

The tender for the medical equipment was done in January 2023. Evaluation was done in March 2023 and the award for supply and delivery of the equipment was completed in March 2023. The building (formerly Sally Test Centre) will, however, be used as a Hemo-oncology Ward as the former COVID-19 Isolation Ward was converted into a Medical Intensive Care Unit (ICU)/High Dependency Unit (HDU) and to be remodeled in FY 2023/24 to an ideal ICU facility. By the end of 2022/23 the total ICUs units were 63.

h) Completion of Equipping of Shoe4Africa Children's Hospital:

The tender for the medical equipment was done in January 2023. Evaluation was done in March 2023 and the award for supply and delivery of the equipment was completed in March 2023. The procurement process was done, and awards issued for various medical equipment.

i) Construction of Magnetic Resonance Imaging Centre/ Cardiac Catheterisation Laboratory (CathLab) Centre

Construction of Cathlab

The construction of the building to house 1.5Tesla Magnetic Resonance Imaging (MRI) and cardiac catheterisation laboratory (Cathlab) was at 77 percent as at the end of the FY 2022/23. Finishing works were in progress including ceiling works, floor tiling, installation of doors, glazing of windows, terrazzo finishing, external finishes and paint works. Delivery of equipment pending completion of the building is expected in September 2023.

j) Establishment of a Cardiac Catheterisation Laboratory:

The procurement of Cathlab is supported by the Sports Fund. The tender was re-advertised on 24th January 2023, evaluated and awarded. The disbursement of funds was not done as at the end of the review period. The delivery of equipment awaits completion of the building of MRI/ Cathlab Centre.

k) Construction and equipping of Harry J Dyer Children's Burns Centre:

The Harry J Dyer Burns Hospital, a two storey 44-bed inpatient facility will provide comprehensive pediatric burns services in Western Kenya Region. This is a partner-sponsored project costing US$2 million. The consultancy service for the project was advertised, evaluated and awarded in the Second Quarter of the Financial Year. The tender for procuring a contractor for construction will be done in the First Quarter of FY 2023/24. The National Treasury and Economic Planning granted tax exemption for the project, being a donor-supported project, for the benefit of the people of Kenya.

l) Construction and equipping of Julie Anne Perry Pediatric Centre Hospital:

The pediatric oncology hospital will be a four-storey building with 152 beds fully dedicated to the treatment and management of pediatric oncology and will be the first such hospital in Kenya and East and Central Africa region. The project is sponsored by Shoe4Africa Foundation at US$2.4 million. The consultancy service for the project was advertised, evaluated, and awarded in the Second Quarter of the Financial Year. Advertisement for construction was done in January 2023, and evaluation completed. However, due to the lowest evaluated bidder exceeding the budget, the tender for construction will be re-tendered in FY 2023/24.

Proposed Julie Anne Perry Pediatric Centre Hospital

m) Modernisation of Farewell Home Refrigerators:

The objective of the project is to modernise Farewell Home refrigeration facilities and also increase the body capacity of the facility. The old 48-body capacity section will be modernised and increased to 80. With the private section having 48 body capacity, the upgrade will increase the total body capacity to 128. The advertisement for the project was done in January 2023, evaluation was done, and the tender was awarded. The project implementation will continue and be completed in the Second Quarter of FY 2023/24.

n) Construction of Financial Services Centre of Excellence:

The project purpose is to construct a four-storey financial centre to house MTRH NHIF Branch, MTRH Staff Sacco and MTRH pension scheme offices. It will also have a restaurant on the top floor. As at the end of the Fourth Quarter, the construction of the building was at 80 percent. Finishing works were ongoing including floor tiling, installation of doors, glazing of windows, terrazzo finishing, plumbing works, electrical works, external finishes, and paint works. Completion will be in FY 2023/24.

o) Completion of Private Wing II Outpatient Department:

Advertisement for the project was done in January 2023, and evaluation was completed. However, the budget was not sufficient to support the project. The project will be re-tendered in FY 2023/24.

Implementation Challenges

- Non-responsiveness of tenders and re-tendering affected the project's implementation schedule.
- PPP project contracting takes time.
- Market volatility affected prices of construction materials limiting contractors' ability to maintain project schedules.
- Delay in the disbursement of funds.

Lessons Learnt

- Proper project planning at the initial phases is necessary for project implementation success.
- Shipping logistics are subject to extrinsic factors that delay project timelines.
- Power backup is a critical aspect of business continuity.
- Government support is important for continued partnership.
- The success of a project is dependent on Management supervision visits and a close working relationship between the Contract Implementation Team and the contractor. This strategy can be applied by other institutions to manage project implementation.
- A stable economic environment is important for the smooth implementation of projects.
- A business continuity and sustainability plan are important strategies for modernisation, continuous growth and efficient service delivery.

Recommendations

- Infrastructure projects with equipment components should be done in a collaborative manner, where the contractors for different project components work together from the beginning.
- Full funding at the initiation of a project is a prerequisite to its success.
- The need for suppliers to adhere to specifications to guarantee the success of tenders.
- Government to continue supporting Hospital strategic partners for continued growth and delivery of services.

5.2.3. HEALTH INFRASTRUCTURE PROGRAMME

Location: Nationwide

Objectives: To improve access to quality health care services.

Implementing Agencies: Ministry of Health, County Governments, KEMSA, and Kenya Medical Training College (KMTC).

Project Progress:

i. Infrastructural Projects at KEMSA

a. National Commodities Storage Centre (KEMSA Supply Chain Centre):

The project aims to improve access to essential medicines by ensuring regular, shorter supply chains and continuous availability of medicines in the public health facilities. The building was 91 percent complete as of 30th June 2023. The warehouse was established with a reinforced concrete structure and a roof structure.

KEMSA Supply Chain Centre

b. Infrastructural Work at the KEMSA Warehouse:

Services were installed such as firefighting sprinklers, CCTV, and lighting fittings to the storage warehouse. There were also installations of aluminum works. Installation of mechanical fittings was also market protocols. It is envisioned that EAKI will attract medical tourism from the region and beyond. EAKI is part of the EAC centres of excellence focusing on Nephrology and Urology. The building construction progress moved from 63 percent FY 2021/22 to 84 percent in the FY 2022/23.

c. *Flammable Store and Office Block:*

Installation of storage rack in the storage warehouse was achieved, construction of flammable goods store, partial construction of the office block was achieved

Office Block

Implementation Challenge

- Project completion was delayed due to unavailability of funds per the budget estimates (GoK allocations) and internally generated revenue to complete the project on time.

Lesson Learnt

- The project plan should factor in delays brought up by unavailability of funds.

Recommendation

- Funds for approved capital projects should be disbursed on time and in full to ensure the projects do not stall.

a. East Africa Centres of Excellence for Skills & Tertiary Education in Urology and Nephrology

The East Africa Centre of Excellence for Skills and Tertiary Education (EACE) project was conceived for the East African Community and financed by the African Development Bank. The project construction started in April 2020 and Phase I ended in December 2023. Under EACE, the East Africa Kidney Institute (EAKI) is a proposed centre of excellence in renal care, training, and research to be set up in Kenya as part of EAC's objective of developing relevant and highly skilled workforce in biomedical sciences to meet the immediate labour market needs and support EAC's free labour market protocols. It is envisioned that EAKI will attract medical tourism from the region and beyond. EAKI is part of the EAC centres of excellence focusing on Nephrology and Urology. The building construction progress moved from 63 percent FY 2021/22 to 84 percent in the FY 2022/23.

East Africa Kidney Institute at KNH

b. Establishment of Cancer Treatment Centres

The Ministry of Health established three regional cancer centres - Garissa, Mombasa and Nakuru - and expanded services at the National Oncology Reference Laboratory with the installation of an immunohistochemistry machine to improve cancer diagnosis.

c. Health Sector Equalisation Funded Projects

In FY 2022/23 a total budget of KSh.1,964,219,396 was appropriated for 84 projects under the Equalisation Fund.

Kanyarkwat Dispensary in West Pokot funded by equalisation fund

d. KMTC Equalisation Fund Infrastructure Projects

Construction of KMTC campuses was undertaken to improve access to training opportunities across the country and especially in the hard-to-reach areas. The following are some of the projects undertaken:

i. ***Construction of Tuition Block and Hostel at Mandera Campus*:** The project involved the construction of a tuition block comprising classrooms, skills laboratories, library, administration block and hostel blocks. The main works were 100 percent complete. The Campus, which is due for occupation with a capacity of 40 students, is currently drilling and equipping a borehole for water supply.

ii. ***Construction of Hostel at Teso Campus*:** This project involved the construction of a single storey hostel. The First Phase of the project was 100 percent complete and occupied/functional.

iii. ***Construction of Administration and Tuition Blocks at Voi Campus***: The project consisted of construction of an administration and tuition blocks.

iv. ***Refurbishment for Classrooms, Office Block, Library and Skills Lab at Lamu Campus***: The project consisted of refurbishment and modification of existing infrastructure to create space for teaching and learning. The project was 100 percent complete and operational.

v. ***Tuition Block at Iten Campus*:** Five classrooms with a capacity for 60 students each were constructed. The construction was at 98 percent completion rate.

vi. ***HDU and Tuition Block at Kapkatet Campus***: The project consisted of completion of walling, roofing, fittings/ fixtures and finishes of a HDU at the Kapkatet Referral Hospital. It also consisted of roofing to staircase and ramp, fittings/fixtures and finishes for a tuition block at the Kapkatet Campus. Mechanical and electrical works were done for both facilities. The project implementation was 100 percent complete and handed over to the institutions.

vii. ***Completion of Tuition Block at Othaya Campus***: The project consisted of construction of a tuition block containing six classrooms on the ground, first and second floors and roofing. It was to be completed with finishes, fittings/ mechanical and electrical works. The works were 95 percent completed. Mechanical and electrical works were due for completion.

viii. ***Proposed Library Block at Ikolomani Campus***: A two-storey library block was 100 percent completed with offices.

ix. ***Administration and Tuition Block at Nyandarua Campus:*** A single storey building with lecture rooms and offices was 100 percent completed and operationalised.

x. ***Tuition and Administration Block at Tana River Campus***: A single storey block for administrative offices, lecture rooms, library and laboratories was completed with associated fittings. An ablution block unit with waste treatment was 95 percent complete. The block was partially handed over and operationalised.

e. Sport Funded Projects in Health

The Ministry of Health in collaboration with the Ministry of Defense, and Sports Fund constructed several health facilities.

f. Githunguri Sub County Hospital

The project was to upgrade the facility from a Level 3 to a modern Level 4 health facility. It's a 360-bed capacity, five storey hospital that was completed and awaiting equipping.

Githunguri Level 5 Hospital

g. Tumu Tumu Mission Hospital

The Government supported Tumu Tumu Mission Hospital with construction of a modern outpatient, accident & emergency, and pharmacy block. The project was at 95 percent completion.

Tumu Tumu Mission Hospital

h. Keroka Level 4 Hospital

The project targeted improving infrastructure at the facility, including construction of accident & emergency block, maternity, wards and mortuary.

Keroka Level 4 Hospital

i. Equipping of Narumoro Level 4 Hospital

The Ministry of Health in collaboration with the Ministry of Defense equipped the facility with modern medical equipment. The aim was to operationalise the facility on the request of the Nyeri County Government.

Naromoru Level 4 Hospital

j. Renovation of Kenya Medical Research Institute Laboratories

Implementing Agency: KEMRI

Project Progress: The project was completed and commissioned on 16th September 2022.

Lesson Learnt

- Collaboration between the Government and development partners is essential for effective project implementation.

Recommendations

- Increase funding for flagship projects.
- Provide adequate funding to facilitate timely completion of projects.

5.2.4. DIGITAL HEALTH PROGRAMME

Location: National

Objectives: Upgrade of District Health Information Software (DHIS), Kenya Master Health Facility List (KMHFL) and healthcare workforce capacity building to facilitate timely reporting to inform healthcare planning, resource mobilisation and allocation, and prevention of communicable and non-communicable diseases.

Implementing Agency: Ministry of Health

Project Progress: During the period under review, the following achievements were observed: institutionalisation of health systems-KMHFL; migration of KMHFL from Version 2 to Version 3; enhanced GIS functionality in KMHFL; Kenya Health Information System (KHIS); KHIS metadata cleaning; interoperability and data exchange of electronic medical record systems to KHIS; implementation RDQA tool in the KHIS; development of the World Health Organization (WHO) data quality App in DHIS2; and integration of service desk and MoH virtual Academy; integration of MCCOD quality assessment into routine support supervision and mentorship. It also included development of the National Unique Patient Identifier; alignment of the eCHIS systems to the interoperability standards and guidelines for health information system; integration of eCHIS commodity module with KHIS community commodity reporting tool; development of client registry framework and cyber security assessments on digital health systems done. Proof of delivery data into KHIS and visualisation on HCD for DHI, DHPT and KEMSA. The guidelines on EMR/HER mobile apps were also developed.

Kenya's HIV and Health Situation Room (KHHSR) was established as an integrated online platform for collating data from various sources, creating a complete picture of the healthcare situation in Kenya.

Implementation Challenges

- The responsibility for health data is often divided among different Ministries or institutions, and coordination may be difficult due to financial and administrative constraints. For example, counting births and deaths – a basic building block of a health information system is generally undertaken by the Ministry of Interior and Coordination of National Government.
- Inadequate information flow from the National Government to the facility as counties do not have ICT infrastructure to support paperless reporting.
- Shortage of ICT support personnel.
- The Situation Room is not publicly accessible, and users require a license to access the platform.
- Improving data literacy among users could also go a long way in helping make the KHHSR project more useful.

Lessons Learnt

- Digital health is vital in the successful implementation of UHC and hence a lot of effort should be directed to it to ensure that health has a robust digital space, utilising digital platforms to make data more accessible to the public is vital.

Recommendations

- Upgrade KHIS tracker to a higher version for optimal use of the system.
- Enhance the KMHFL system and upgrade to a registry.
- Develop and adopt a unified Health Management Information system that collects information from end-to-end processes.
- Enhance the KHIS aggregate and review integration with other data systems such as KMHFL, TIBU etc.
- Capacity building and technical support to counties on the National Health Information System.
- Review data collection and reporting tools.
- Disseminate revised data collection and reporting tools to the sub-national level.

5.2.5. KENYA'S HIV AND HEALTH SITUATION ROOM

Location: National

Objective: The Situation Room was established as an integrated online platform collating data from various sources, creating a complete picture of the health situation in Kenya. This platform is accessible in all 47 counties and allows users to monitor data, creating personalised dashboards (insightful visualisations) and reports based on their needs with real-time insights.

Implementing Agency: National Syndemic Diseases Control Council (NSDCC).

Project Progress: The dashboards within the KHHSR were revamped, and new dashboards were developed, including those for people living with HIV on treatment, number of deliveries, reproductive, maternal, newborn, child, and adolescent health, TB cases, HIV viral suppression, COVID-19 dashboard, key populations, as well as HIV estimates on key indicators both at the national, sub-national level up to the sub-county level.

Implementation Challenges

- Difficulties with the timely translation of data and discrepancies in the methodologies used to collect and generate data, making it time-consuming to pre-process data.
- The Situation Room is not publicly accessible, and users require a license to access the platform.
- There needs to be higher utilisation of the data available in the KHHSR due to the users' lack of data literacy.
- The sustainability of this project is still being determined as the users will still need a license to run the system.
- Improving data literacy among users could also go a long way in helping make the KHHSR project more useful.

Lessons Learnt

- One of the critical lessons that can be learnt from this project is the importance of data collection and analysis in informing decision-making by policymakers. Accessing a single information hub with collated data from different sources is essential to making informed decisions.
- Utilising digital platforms to make data more accessible to the public is an important lesson that can be learnt, as it allows people to appreciate data better and understand their role in HIV and health outcomes.
- Utilising creative content production to generate attention and spread awareness of public health issues is also an important lesson that can be taken away from this project.

Recommendations

- To improve utilisation of the KHHSR project, it is recommended that the platform be migrated from a license-based system to an open-source platform to increase access by stakeholders who do not have a license.
- Communication capabilities such as live streams, podcasts, and films should be utilized more often to spread awareness and generate interest in the public in the usage of KHHSR to inform decisions. This could help foster greater understanding and use of the platform among users.
- Efforts should be made to streamline data collection and translation processes as well as increasing data literacy among users to make the KHHSR project more useful.

5.2.6. HUMAN RESOURCE FOR HEALTH PROGRAMME

Location: Nationwide

Objectives: To address capacity gaps within specialised and sub-specialised areas in the health sector.

Implementing Agencies: KMTC, Ministry of Health, and County Governments.

Project Progress:

***Training of Enrolled Community Health Nurses under the Scholarship Fund*:** Seventeen additional enrolled community health nurses graduated from the scholarship fund programme bringing the total graduates to 1,165 out of the targeted 1324. Over 50 percent of the project beneficiaries are employed by the counties and offer quality primary healthcare services in their communities in the ASAL and other hard to reach areas. The College signed an MoU with Beyond Zero to sponsor an additional 130 students to be enrolled into the programme in March 2024.

The College expanded its campuses from 74 in 2021 to 14 additional satellite campuses in 2023. Consequently, the College was able to increase its enrollment of new students in all programmes to 25,890 in 2022/23 from to 16,664 in 2020/21. The number of graduates increased from 5,142 in December 2022 to 22,621 in December 2023.

***Training of Specialised and Sub-Specialised Health Workers*:** The number of higher diploma programmes increased to 71 in the 2022/23 academic year, and the graduates increased from 692 in 2021/22 to 870 in 2022/23. The higher diploma graduates are sub-specialised cadres who offer critical specialised health services especially in the hard-to-reach areas.

5.2.7. COMMUNITY HIGH IMPACT INTERVENTIONS PROJECT

Location: Nationwide

Objectives: To implement high impact health interventions in line with the existing community health strategy in National Integrated Community Case Management; strengthen community health units to promote healthcare interventions; scale-up nutrition intervention at community level; and use community health workers to scale up health insurance coverage.

Implementing Agencies: NSDCC, and Ministry of Health.

Project Progress:

Elimination of HIV among Children and Adolescents

a. ***Sustained Messaging on HIV Prevention and Treatment*:** While 98 percent of pregnant women attend at least one ANC visit (KDHS 2022), only 15 percent of pregnant women attend ANC during the first trimester. Knowledge of HIV status among those that do attend ANC is 80 percent at first ANC contact and progressively declines to 15 percent at six weeks postnatal. Testing among male partners is low at 26 percent (KHIS, 2022). From the recent Kenya Demographic Health Survey 2022, slightly more than half of young people in Kenya know about HIV prevention (54 percent of women and 55 percent of men). Knowledge of prevention is lowest among respondents aged 15–17 (44 percent each, women and men) and among those who have never had sex (47 percent of women and 48 percent of men). In this reporting period, NSDCC advocated consistent use of condoms during sexual intercourse, testing, and adherence to treatment regimens.

b. ***Policy Development to Steer the Country towards Ending AIDS in Children by 2027:*** The Global Alliance to End AIDS in Children by 2030 is an accelerated initiative proposed by United Nations Programme on HIV/AIDS, the network of people living with HIV, United Nations International Children's Fund (UNICEF), WHO in collaboration with Global Fund and US President's Emergency Plan for AIDS Relief that allows the country to redirect attention and effort to end AIDS in children. The Initiative was launched in August 2022 at the International AIDS Conference in Montreal. As part of Kenya's commitment, NSDCC and National AIDS and STI Control Programme developed a framework to steer the country towards eliminating HIV transmission from mother to child by 2027.

MOH AIDS Initiative

Implementation Challenge

- Social & structural barriers that hinder access and therefore to closing the treatment gap and optimising continuity of treatment for pregnant and breastfeeding women living with HIV; preventing new HIV infections among pregnant and breastfeeding women; and addressing rights and gender equality.

Lessons Learnt

- Strengthening prevention and response requires a continued and structured engagement with communities to tackle entrenched social norms that place women and girls in the path of harm and discrimination as well as support change from within the communities where these women and girls live.
- Community dialogues trigger community support for collective change and act as an effective approach to addressing deeply rooted social and gender norms. They allow for information sharing, consensus building, reflective thinking, interrogation of assumptions, and group visioning.

Recommendation

- Increased domestic resource allocation to ensure sustainability.

5.3. ENVIRONMENT, WATER, SANITATION AND REGIONAL DEVELOPMENT

The Environment, Water, Sanitation and Regional Development Sector has an important role in ensuring the sustainability of natural resources in the country. The Sector seeks to *"enhance a clean, safe and sustainable Environment to Access Water and Sanitation Services"* It is also aligned to the relevant SDGs, Africa Agenda 2063, and other regional development initiatives. During the review period, the Sector focused on: conservation and management of forests, wildlife resources, water catchments, and management of wetlands; restoration of degraded land, green economy, waste management, pollution control, integrated regional development, water resources management, increasing access to water and sanitation; and mitigation and adaptation to the effects of climate change among other programmes.

5.3.1. WASTE MANAGEMENT AND POLLUTION CONTROL

Location: Nairobi, Mombasa, Nakuru & Kisumu

Objective: To improve solid waste management in urban and rural areas.

Implementing Agencies: NEMA, and State Department for Environment and Climate Change.

Project Progress:

i. ***Solid Waste Management***: 1,350 licenses and permits related to waste management were issued, that included 1,032 waste transport licenses, 287 licenses for waste disposal sites/ treatment plants and 31 waste export permits; 56 waste disposal sites and two fuel depots monitored for waste segregation; national colour codes for waste management systems developed; finalised guidelines for the operationalisation of Material Recovery Facilities (MRF)/transfer stations including proposal for environmental friendly designs for the same; developed guidelines on waste management for event organisers; 284

waste collectors mapped as follows: Coast 52, N. Eastern 19, Western 68, Nyanza 18, Rift Valley 46, Nairobi 65, Central 4, Eastern 12; sensitisation of informal collectors done in Lamu, Taita Taveta, Siaya, and Kitui; 14 companies in Kwale County formalised and declared their commitment to resource efficient cleaner production (RECP) out of which nine companies were trained on RECP; and worked with the Kisii County Government to develop a waste management action plan. In addition, the Nyambera dumpsite was decommissioned.

A rehabilitated site in the immediate neighborhood of Nyambera dumpsite, Kisii (previously occupied by the dumpsite)

E-Waste Management**:** E-waste drop off facilities set up in Nairobi, Mombasa, Kisumu and Nakuru cities; and national E-waste situation analysis undertaken. Additionally, a protocol to monitor, screen and evaluate health and environmental risks associated with E-waste and Upops was developed; communication strategy on E-waste developed; and land (two acres) identified at Konza Techno-City for development of an e-waste recycling facility.

Implementation Challenges

- Inadequate capacity of county governments to manage waste.
- Conflict in location of waste sites vis-à-vis other stakeholders.
- There is no regulatory guidance on MRFs hence guidelines developed on the same have no legal backing.

Lessons Learnt

- For devolved functions, capacity needs to be built before handing over.
- Long term planning for waste management systems should be put in place for all urban areas to avoid future conflicts.

Recommendations

- Building capacity for county governments.
- Funding for modern waste management technologies and practices.
- Waste management is a devolved function and will require county governments to invest in required infrastructure.
- Promotion of circular economy (material recovery and recycling).

5.3.2. MODERNISATION OF METEOROLOGICAL SERVICES

Location: Nationwide

Objective: To integrate emerging technologies into the improvement of provision of meteorological services and information in order to meet user needs.

Implementing Agencies: KMD, and State Department for Environment and Climate Change.

Project Progress: 120 automatic weather stations installed in 24 counties; upgrade of 19 automatic hydrometer weather stations and two automatic water level stations within Nzoia Basin; two hydrological modeling workstations for flood early warning installed; 143 automatic rain gauges and two base station servers installed; inventory of mercury filled instruments updated; and 24 stations installed. The project is 83 percent completed.

Implementation Challenges

- Meteorological services in Kenya have been provided without a policy to guide operations and service delivery. In the absence of a policy, there has been a lack of effective regulation of the provision of meteorological services and hence a lack of clear guidelines on resource mobilisation and revenue collection.
- Budget cuts, delayed exchequer releases and post COVID-19 recovery measures.

Lesson Learnt

- Early commencement of tender processes minimimes Supplementary Budgets in the Financial Year.

Recommendation

- Enact the Meteorology Bill.

5.3.3. REHABILITATION AND PROTECTION OF THE WATER TOWERS

Location: Maasai Mau, Kieni Forest, Laikipia Air Base, Kakamega forest, Ngong Forest, Kibirong Wetland, Kabaru Forest, Kaptagat, Yemit High school in Cherangany Water Tower and Lake Nakuru National Park.

Objective: To rehabilitate and restore the degraded areas within five water towers and other selected areas.

Implementing Agencies: Kenya Water Towers Agency, Kenya Forest Service, Kenya Wildlife Service, Kenya Forestry Research Institute (KEFRI), State Department for Environment and Climate Change, and State Department for Forestry.

Project Progress: Rehabilitation of 200 Ha of degraded areas through planting and growing of trees in areas such as Maasai Mau, Kieni, Laikipia Air Base, Kakamega Forest, Ngong Forest, Kibirong Wetland, Kabaru Forest, Kaptagat, Yemit High School in Cherangany Water Tower and Lake Nakuru National Park. 142,601Ha of Mau Forest Complex were protected by JEU.

During the period, 531.5 Ha in the five water towers mainly in Aberdare Forest 100 Ha, Mau Forest Complex 150 Ha, Cherangany Hills 71.50 Ha, Mt. Kenya Forest 90 Ha and Mt. Elgon 120 Ha were established, surpassing the target with 6.3 percent. Demonstration plots for rehabilitation of water towers were established. These sites were adopted and maintained for training and learning on natural forest rehabilitation and restoration approaches, opportunities, and challenges among others. During the period under review, seven hectares and 15 Ha demonstration plots were established in Maasai Mau and Sabaki River respectively. Further, 22Ha demonstration plots were established in Kilifi and Lamu.

Implementation Challenges

- Budget cuts hence could not achieve the targeted rehabilitation hectarage.
- Extended drought within the financial year that interfered with tree growing.
- Inadequate community support especially in the implementation of projects on the protection of forests and water towers where they live or derive their livelihoods.
- Lack of adequate funding interfered with JEU quarterly monitoring meetings.
- Limited resources e.g., shortage of patrol vehicles/motor bikes and Joint Enforcement officers who traverse the vast Mau Forest Complex terrain.
- Few JEUs which pose a challenge in accommodating the officers.
- Trespassing in the Mau Forest Complex is a challenge in the areas not covered by the electric fence.

Lessons Learnt

- Active stakeholder engagement is essential to the success of projects. More so, sensitisation should be done to communities living around water towers.
- The achievement was also as a result of partnering with various stakeholders and therefore a rehabilitation project can achieve a lot through partnership with both state and non-state stakeholders.
- Stakeholders have an interest in the carbon market. Capacity building and their involvement is necessitated.
- The project should be resourced adequately and timely.
- There is a need for additional units to enhance protection.
- Complete fencing of the forest complex is paramount.

Recommendations

- Increased funding for Vision 2030 projects.
- Fines and forfeitures from cases that arise as a result of trespasses should be ploughed back to the JEU to enhance the securing and protection of the water tower.
- Adequate facilitation with necessary resources to access/cover the vast Mau Forest Complex vast terrain.

5.3.4. STRENGTHENING ENVIRONMENTAL GOVERNANCE

Location: Nationwide

Objective: To provide enabling policies, legislation and institutional arrangement.

Implementing Agencies: NEMA, and State Department for Environment and Climate Change.

Project Progress: During the period, 122 high risk Environment Impact Assessment (EIAs), 2,376 medium risk EIAs and 5,485 summary project reports for low risk projects were received and processed; 9,029 EIA licenses, 1,615 effluent discharge licenses, 391 air quality licenses, and

1,304 waste management licenses were processed and issued; colour codes for waste management developed; stakeholders consultations on waste management regulations undertaken; development of compliance assistance support was provided to Meru Dairy Co-operative Society, Kiambaa Tea Factory; 178 cases on various violations handled during the Fourth Quarter; and Control audits for high risk facilities including tanneries, steel mills, asbestos disposal sites, incinerators, petroleum deposits, pyrolysis plants, cement and tea factories undertaken.

Review of the Environmental Management and Coordination (Biodiversity, Access to Genetic Resources and Benefit Sharing) Regulations, 2006 ongoing during the period and awaiting public participation. Regional stakeholder meetings held in Eldoret, Mombasa and Kisumu to amend the air quality regulations. Stakeholders' meetings and national validation meetings held on draft sand harvesting regulations.

Implementation Challenges

- Inadequate resources to ensure all sites are visited and monitored.
- Inadequate funding.

Lessons Learnt

- Public participation in the ESIA process is critical to ensure environmental issues are addressed.
- Stakeholder consultation is key and consensus building.

Recommendations

- Enhanced funding required to facilitate NEMA.
- Adequate funding for the processes

5.3.5. ADVERTENT WEATHER MODIFICATION PROVIDES HIGH LEVEL ACHIEVEMENTS

Location: Nationwide

Objective: To aid in the mitigation of adverse impacts of severe weather and extreme climate events.

Implementing Agencies: KMD, and State Department for Environment and Climate Change.

Project Progress: During the period under review, a system was installed at Dagoretti Global Atmospheric Watch Station. The project was at 21 percent completion rate.

Implementation Challenges

- Meteorological services in Kenya have been provided without a policy to guide operations and service delivery. In the absence of a policy, there has been a lack of effective regulation of the provision of meteorological services and hence a lack of clear guidelines on resource mobilisation and revenue collection.
- Low funding and budget cuts, delayed exchequer releases and post COVID-19 recovery measures.

Lesson Learnt

- Early commencement of tender processes minimises Supplementary Budgets in the Financial Year.

Recommendation

- Enact the Meteorology Bill.

5.3.6. THE PLASTIC BAGS INITIATIVE

Location: Nationwide

Objective: To continuously monitor compliance enforcement and stakeholders' engagements on the total ban of plastic bags.

Implementing Agencies: NEMA, State Department for Environment and Climate Change, and State Department for Wildlife.

Project Progress: In 2020, single-use plastics were prohibited in protected areas such as national parks, national reserves and wildlife sanctuaries, forests, beaches, biosphere reserves etc. Despite the success of the single-use plastic bag ban, it has not been enough to eliminate the challenges of pollution, as it did not ban use of other forms of plastic, including bottles and rubbish bags in other parts of the country. The State Department for Wildlife is in the process of looking to other alternatives to single-use plastics in National Parks and Reserves.

Finalised guidelines for the implementation ofExtended Producer Responsibility for plastic packaging.In addition, 463 inspections and 327 enforcement actions were carried out and a countrywide Rapid Results Initiative on plastic ban enforcement targeting 20 hotspots counties where 400,000 pieces of banned plastic bags were seized.

Inside of the plastic recycling plant at ATC, Kisii

Implementation Challenges

- Contraband trade and entry of banned plastics atborder points.
- Some of the alternative materials have become an eyesore in the environment due to poor disposal and some are not biodegradable as envisaged.
- Inadequate exchequer for continuous inspectionsand enforcement.

Lessons Learnt

- The enforcement requires to be regular and sustained.
- Public support is key to ensure success in eliminating the use of banned plastic bags andsource of information.

Recommendations

- Enhance collaboration with county governments and multi-agency approach.
- Availability of exchequer support for sustained enforcement and for undertaking rapid results initiatives.

5.3.7. REHABILITATION OF URBAN RIVERS

Location: Nairobi River Basin, Sosian River - Eldoret, Kisat River - Kisumu

Objective: To rehabilitate and protect riparian areas in urban areas.

Implementing Agencies: NEMA, and State Department for Environment and Climate Change.

Project Progress: 5 km of Michuki Park improved by removing solid waste deposited from upstream during the rainy season; ongoing pollution control upstream of Thwake Dam-and clean-up of Athi – Sabaki drainage; ongoing inspections, stoppage of illegal discharges and water sampling and analysis along the Athi-Sabaki Drainage Basin; reconnaissance survey done for ongoing pollution control and monitoring for encroachment for the following rivers (Nairobi, Kisian, Kisat, Nyamasaria, Sosian and Njoro); water quality analysis done from 50 sampling sites within the Athi River Drainage Basin; mapping and removal of illegal dumpsites done in Upper Athi in Kiambu, Nairobi and Kajiado; and identification and mapping of illegal discharge points done and enforcement actions taken.

Implementation Challenges

- Several structures marked for demolition. A few residents willingly removed structures along the riparian area. Forceful removal of structures might not be feasible unless they are led by the Ministry of Interior and National Coordination.
- Lack of funding to undertake pollution monitoring and control in other drainage basins.

Lesson Learnt

- Regular and adequate funding is required if the objective is to be met.

Recommendation

- Need to embrace a multi-agency approach for approval of developments near rivers and enforcement.

5.3.8. PROMOTION AND PILOTING OF GREEN ENERGY

Location: Nationwide

Objective: To promote adoption of renewable energy and renewable energy technologies in Kenya at household levels.

Implementing Agencies: State Department for Environment and Climate Change, and National Environment Trust Fund (NETFUND).

Project Progress: Empowering Youth and Women-Led Entrepreneurship in Murang'a and Kirinyaga counties to leverage on electricity access to increase their incomes.

NETFUND supported Magiro Hydro Electricity Ltd (MHEL) to secure financial resources from the World Wildlife Fund to support the business expansion. This enabled the business to increase its power generation capacity to 47W from 7kW translating to over 600 percent increase in productivity. NETFUND also linked MHEL to an equity investor from Belgium to scale up the clean energy production. This resulted into the development of a SMART standardised containerised hydropower plant of 0.5MW to supply clean and affordable energy to over 600 households in rural areas and spur a sustainable rural economy development while lowering the carbon pathway of Kenya. The project piloted a solar-hydropower set-up to mitigate the effect of climate change on power production. The set up consists of 100 kW in solar capacity and 60 kWh in batteries. With this set-up, the project is able to meet the power demands of its customers year-round.

The project has improved the lives of over 2,500 people in Kenya using affordable electricity. In addition, the project is supporting businesses and households to make productive use of reliable and sustainable electricity via incubation support, appliance leasing models and patient pay back schedules to enhance household income.

NETFUND has also supported the Centre for Innovation Science and Technology based in Siaya County to produce biofuel from water hyacinth. The use of water hyacinth as a raw material is advantageous because it reduces waste in Lake Victoria, is cheap and does not produce harmful emissions when burnt. The innovation currently produces 600 litres of biofuel per month, and it is serving customers in Siaya, Kakamega and Busia counties.

Hydro-Generating Turbine

Gitugi Mini Hydro-Power Station

Green Innovations Award Programme: During the period, NETFUND launched an awards programme for the 5th cycle of the Green Innovations Award (GIA), the event attracted 350 registrations with 150 participants attending. 399 applications were received upon launch of the project, and 33 eligible innovations were shortlisted to participate in the programme. Out of this number, 24 innovations participated in the GIA bootcamp/ incubation training programme. The 24 innovators were also linked to financial and marketing opportunities.

Breakfast panel session

Call for applications for the Green Innovation Challenge

Implementation Challenges

- Decreasing water levels due to drought affecting the production of electricity.
- Implementation of the NETFUND supported flagship programmes was hindered by insufficient budgetary allocation from the exchequer.

Lessons Learnt

- The partnership between NETFUND and MHEL has established a PPP to establish mini grids in Central Kenya. This partnership has promoted the Government's agenda to increase access to affordable hydroelectricity in rural areas.
- Enhanced and timely publicity of activities with key focus on avenues that reach the target audience to ensure their inclusivity.
- The importance of the private sector in the promotion and financing of innovations.

Recommendations

- This PPPs pilot project is a showcase of the success of PPP's and should be promoted to realise development goals.

- Embark on an aggressive fundraising campaign and identify effective follow-up and communication strategies for development partners, private sector and other government agencies.

5.3.9. FOREST CONSERVATION AND MANAGEMENT

Location: Nationwide

Objective: To increase forest cover from 7.24 percent in 2016 to 10 percent in 2022.

Implementing Agencies: Kenya Forest Service (KFS), KEFRI, and State Department for Forestry.

Project Progress: 46,716kgs of tree seeds of various species were collected during the period under review. This was a 73 percent achievement of the set target during the financial year. Tree seed source acreage was increased by 107Ha through establishment of seed stands and seed orchards and thus was 88 percent achievement against the target. Three strategies were developed for management and control of three invasive species namely: Dodder, Prosopis and Cestrum. Tree seedlings amounting to 944,000 were raised in tree nurseries and 67,690 planting materials for difficult to propagate indigenous tree species were propagated. In addition, 16 capacity building activities were conducted to partners and communities for adoption and upscaling of forestry technologies for environmental conservation and livelihood empowerment against a target of 17. Dissemination of forestry technology and information for adoption and up scaling forestry development through 41 field days was held across the country.

The Kenya Forest Service also restored 60,000Ha of degraded natural forests through protection for natural regeneration using 120 community scouts, fencing of 15.6kms of Kakamega Forest which is complete at 100 percent achievement. There was also restoration of 3,100Ha degraded mangrove forest ecosystem in the counties of Kwale, Mombasa, Kilifi, Tana River and Lamu against a target of 3,000Ha annual target (103 percent achievement). This area includes all protected and conserved forest for their ecological, socio-cultural, educational, research and economic functions.

In plantation forestry, KFS restocked 2,429.4Ha of unstocked forest plantation areas against a targeted area of 6,000Ha (40.5 percent achievement) and undertook pruning operations of 1000Ha of young plantations for quality timber growth. Tree seedlings production in KFS tree nurseries produced 60,745,031 tree seedlings in KFS tree nurseries against an annual target of 55,000,000 seedlings, giving a 110.5 percent achievement.

Olbollosat Forest Station Nursery, doing best in raising seedlings for planting

During the period under review, the Service continued to sustain intensive forest protection measures of the 2.59 million hectares of gazetted public forests through carrying out aerial forest surveillance in all 10 conservancies and protection against re-invasion of illegal settlers in Kirisia, Maasai Mau, Cheptais, Makunga and Embobut forests. The Service also recruited 2,700 forest rangers who were still undergoing training at the Forest Law Enforcement Academy in Gilgil to ease the inadequate manpower for forest operations.

Supported through temporary fencing of 100Ha of degraded forest area to facilitate natural regeneration of the site in Olbollosat Forest. Rehabilitation of 200 Ha of degraded areas through planting and growing of trees in areas such as Maasai Mau, Kieni, Laikipia Air Base, Kakamega Forest, Ngong Forest, Kibirong Wetland, Kabaru Forest, Kaptangat, Yemit High School in Cherangany Water Tower and Lake Nakuru National Park.

Implementation Challenges

- Budget cuts hence could not achieve the targeted rehabilitation hectarage.
- Extended drought within the financial year interfered with tree growing.
- Inadequate manpower for forest operations, protection and security.
- Slow uptake by county governments of the devolved forestry functions to contribute to forest conservation.
- Prolonged delays in funds disbursements for project implementation.

Lessons Learnt

- Rehabilitation projects can be effective through partnership with both state and non-state actors.
- Stakeholders have interest in carbon market capacity building and their involvement is necessitated.
- There is synergy in the use of a multi-agency approach towards protection of forests in areas with heightened incidents of insecurity.
- Species diversification with appropriate site matching in tree growing increases chances of tree survival contributing to forest cover at faster rate.
- Promoting the growing of bamboo across the different landscapes and the development of cottage industries for bamboo products-based enterprises offers dual opportunity for accelerating the national drive towards increasing the forest cover to 30 percent of the landscape by 2032.
- Commitment by the political leadership is crucial for successful conservation and in the attainment of the desired level of forest cover.

Recommendations

- Timely release of resources for project implementation.
- Capacity building as well as involving stakeholders in the carbon market.
- There is a need to bring on board more partners and strengthen partnerships with county governments, development partners and other stakeholders in forest development and conservation.
- High demand for quality tree seeds requires increased acreage of seed sources to meet demand for provision of quality and quantity seeds.
- Awareness creation to the population on the intervention areas for adoption and implementation by every person could help in fast-tracking the achievement of the 15 billion trees.

5.3.10. FOREST RESEARCH AND DEVELOPMENT

Location: Nationwide

Objective: To develop forest research technologies for sustainable management of forest and allied natural resources.

Implementing Agency: KEFRI

Project Progress: KEFRI developed the JAZAMITI App, a mobile application available for tracking and reporting tree planting in the country. KEFRI also developed 34 forestry technologies involving various tree species for all ecoregions in the country. Forty-two publications were done through peer review journals, technical notes, policy briefs and guidelines. Information on forestry research was also disseminated through 15 media outlets including print and electronic media as well as through 42 field days. Research & development resource base was strengthened by developing 21 resource mobilisation concepts and submitting to various donor organisations. Partnerships and linkages were strengthened by signing seven MoUs with partners. In terms of strengthening environmental governance, participated in the review of the Forest Conservation and Management Act. Nine non-timber forest products were developed including jam from Tamarindus indica, soap from *Sesbania sesban,* facial cream from Cape Chestnut among other products.

Implementation Challenges

- Low uptake of forestry technologies due to their long-term nature of investment and insufficient information among stakeholders.
- Threats from pests and diseases on commercial forestry.
- Emerging challenge of invasive species in various ecosystems requiring quick solutions.

Lesson Learnt

- Domestication of indigenous species requires their propagation protocols for use by nursery owners in order to raise enough planting materials for indigenous tree planting.

Recommendations

- Adequate allocation and diversification of resources base.
- Establishment of adequate infrastructure for tree seed collection, testing and disbursement.
- Invest in new technologies and research.

5.3.11. WILDLIFE CONSERVATION AND MANAGEMENT

Location: Nationwide

Objective: To protect and conserve wildlife resources.

Implementing Agency: State Department for Wildlife, and KWS.

Project Progress:

Wildlife Corridors Secured: 2,000 acres (formerly Sheep and Goats Research Facility) on the Southeast corridor of Nairobi National Park was secured for wildlife conservation in the previous year. This acquisition increased the area under wildlife conservation from 29,000 acres to 31,000 acres and will provide a corridor to interconnect Nairobi National Park, Swara Plains and International Livestock Institute conservancies. No wildlife corridor was secured.

Wildlife Compensation Insurance Scheme: The State Department has been working on an insurance scheme to pay victims of wildlife death, injuries, predation, and crop destruction. Parliament has allocated KSh. 800 million for setting up an insurance scheme to compensate victims of the Human Wildlife Conflict (HWC) whose claims stand at KSh. 2.72 billion in the current financial year. The pilot phase of the HWC insurance is planned to be implemented in six hotspot counties of Taita Taveta, Narok, Kajiado, Garissa, Meru and Makueni.

Modern Anti-Poaching Technologies adopted and Secured Parks: Budget austerity measures led to reduction in funding allocations by 75 percent. Intensive ground and aerial surveillance were undertaken with acquisition of additional nine security vehicles and adoption of the Earth Ranger System in Mountain Conservations Area, Central Rift Conservation Area, Eastern Conservation Area, Western Conservation Area and Tsavo East National Park. In addition, 30 wildlife collaring and tagging activities were undertaken and 125 rhinos' ears notched. The newly equipped forensic laboratory undertook analysis of 488 exhibits to prosecute wildlife crimes. Training of 45 users was undertaken to enhance data collection. In securing parks, 32 km of fences were rehabilitated, 45 km constructed, and 1,870 km maintained.

Implementation Challenges

- Recurring austerity measures and budget cuts greatly slowed progress of capital development projects as funding reductions led to reduced resources for achieving set targets due to inadequate projects' financing.
- Partial exchequer releases and austerity measures make it difficult for full contract execution as this adversely slows the progress of development projects' works.
- Land use changes and associated fragmentation, degradation and loss of wildlife corridors and dispersal areas escalating the requirement for construction of more fences.
- Boundary dispute and community hostility owing to limited land resources for growing population.

Lessons Learnt

- Adequate funding is critical for successful implementation of capital development projects and stakeholders' involvement.
- Public participation is necessary for successful implementation of projects.
- There is a need to enhance digital marketing and sustained promotion of local tourism to supplement foreign visitation.
- There is a need for formulation of friendly policies to support tourism's sector recovery post COVID-19 era.
- There is a need to restore tourist traveler's confidence through rigorous tourism promotional campaigns.
- There is a need for structured collaborations with development partners and other Government agencies/the private sector to enable capacity building and adequate project financing for sustainability of the tourism sector in Kenya.

Recommendations

- Adequate funding for construction of fences is recommended in order to realize the full benefits besides mitigating HWC.
- Release of funds by the National Treasury needs to be hastened to facilitate timely delivery of priority sector's development projects. This could help avoid unnecessary delays in exchequer releases that lead to under absorption of budgeted resources and accumulation of pending bills.
- To improve service delivery, the sector needs to mobilise more resources from development partners, the private sector and civil society in order to complement budgetary allocations by the Government.
- There is a need to secure wildlife corridors and dispersal areas to address the loss of wildlife habitats and ecosystem functions.
- In the beginning of the Financial Year, the State Department for Wildlife prioritised the operationalisation

of the wildlife insurance scheme to compensate victims of HWC.

- The need for a progress report for HWC insurance scheme by the end of 2023.
- Promote and engage in national public education and awareness campaigns on responsible use and disposal of PET bottles based on best practices.

5.3.12. WATER RESOURCES MANAGEMENT PROGRAMME

Location: Nationwide

Objective: To conserve and protect water resources.

Implementing Agencies: Ministry of Water, Sanitation and Irrigation, Water Sector Trust Fund (WSTF), Water Resources Authority (WRA), and Regional Centre on Groundwater Resources, Education and Research.

Project Progress: The programme seeks to ensure sustainable utilisation and improved quality of water through development/ implementation of sub-catchment management plans, rehabilitation/ upgrading of monitoring stations, ground water mapping and establishment of aluminum residues in drinking water. The sub-sector operationalised and capacity-built Kenya National Water Resources Users Association by establishing and furnishing a physical office, two-day induction of members and sensitising members on Water Resources Regulations, 2021. A total of three (WRUAs) Water Resources Authority (Pate, Tangulbei and Kangalema) were formed and registered with the Attorney General.

Sixteen WRUAs developed their sub-catchment management plans namely, (Ndokoko Lukakani, Mwang'ombe Shariani, Birikani, Kirongwe Rukinga, Tangulbei, Weiwei, Ikonzo, Middle Kuywa, Nambale, Kaladoi, Nandigwa, Pate, Upper Ikoo, Lower Mwitasyano, Opiroi, Waso Rongai and 4 WRUAs in Athi Basin). Sixteen WRUAs developed proposals for funding (Nalepo, Ilikisonko, Amboseli Elerai, Ilmunkush, Ikolya, Kiserian, Isinya, Rimpa, Morgo, Wundanyi & Upper Lumi, Seiya, Lake Bogoria Basin, Lower Perkera, Beregei Ainob and Molo). Twenty-two WRUAs reviewed SCMPs at (Oldonyo Orok, Lower Sabaki, Oldonyiro, Griftu, Habaswein, Timau, Lower Ewaso Narok, Ngare Nything, Engare Ngiito, Awach Seme, Lelaitich, Mbogo, Kimwanga Dam, Komiriai, Nandigwa, Upper Kuywa, Namatelema, Endao, Narosura, Upper Thua, Bwathonaro and Dertu).

Nine springs protection is done at the following WRUAs (Safu, Bukhungu, Mumias, Isiukhu, Kisawa, Upper Mwatate and Nolturesh) to ensure water quality and quantity is maintained. While five WRUAs namely Safu, Bukhungu, Mumias, Isiukhu, Kisawa protected the riverbanks buffer zones by marking and pegging the riparian areas at a stretch of 67 km on both sides. Two WRUAs namely, Safu and Kisawa, undertook fishponds farming for food sustainability while five WRUAs (Endao, Safu, Bukhungu, Mumias, Isiukhu) installed over 13 roof water harvesting tanks in schools for enhancement of clean water availability. Over 20 gabions were constructed along Lukusitsi River by Isiuhku WRUA and at the Morumbus Pan Spillway by Kamasian WRUA.

Planted 66,088 tree seedlings consist of (Indigenous tree seedlings species and fruits tree seedlings) at Lake Kenyatta, Matiru Swamp, Marura Wetland, Kibwezi, Thwake Kalawa, Mbimbini and Mukio Thwake for catchment conservation and food security. Twenty-four regular gauging stations were rehabilitated, two rainfall stations were established while one regular gauging station was upgraded to telemetric station. Twenty-nine telemetric stations were maintained to ensure continuous acquisition and transmission of real-time data. Rating equations for 40 regular gauging stations were updated and approved for publication.

Hydrogeological assessment for deep aquifers for 34 sites undertaken while 13 boreholes were drilled as follows: seven in Tiwi, one Manguo, one in Nchura, and one in Narok, one Manguo and two boreholes in Kakibei for acquisition of groundwater resources for increase and sustenance of water resources availability. Hydrogeological profiling of three aquifers profiled was done as follows: Nairobi Aquifer Suite, Mt. Elgon and Kakamega. This was done through analysis of borehole completion records, use of borehole cameras and geophysical logging for the purposes of exploration of groundwater resources for future exploitation of the resource.

Water Sector Trust Fund financed 48 WRUA projects namely: Lower Mathioya, Ndera, Kabuku, Kiwe, Upper Thuci, Rwarai, Itimbogo, Upper Kathita, Kithino, Chania, Saba, Kiama, Lower Chania, Nithi, Middle Kathita, Kagumo, Middle Thura, Timboni Mjanaheri, Kishenyi, Narosura, Lower Sabaki and Endao. Additionally, the following integrated projects were financed; Ishaqbini, Daadab, Kalokol, Turkana West, Pate, Kiunga, Elmolo, Laisamis, Moyale, Moyale, North Horr, Baomo, Golbanti-Odha and Wenje Kipendi Vukoni.

Exploratory borehole at Kakibei Primary in Kericho has been equipped with a water pump, a steel elevated tank of 24,0000m³, and 16 high voltage solar panels.

Manual Gauging Plates at Nzoia River in Webuye to measure the flows of the river.

Both Manual Gauges and Telemetric Stations at Mara River at Kapkimulwa.

WRA Technical Officer demonstrating how data is downloaded from the telemetric station into the computer.

Implementation Challenges

- Unpredicted weather due to climate change conditions where flooding of rivers resulted in monitoring stations being washed away.
- Delay in GoK funds disbursement to WRA leading to slow pace in project implementation.
- Limited support from development partners on implementation of the sub-catchment management plans' activities.
- Low political will in support of the water resources policies.
- Vandalism of water resources monitoring stations.
- Low public awareness on the importance of partners on implementation of the water resources regulation functions.

Lessons Learnt

- Seek local administration and the newly formed water police collaboration in enforcement exercise
- Use masonry posts and struts in rehabilitation of the water resources monitoring stations instead of iron types to avoid vandalism.

Recommendations

- Intensify public awareness on the importance of water resources monitoring stations.
- To make an MoU with the County Government and local administration in enhancing security to monitoring stations.
- Automate water resources monitoring stations to telemetric devices and satellite devices in order to minimise vandalism.
- Install water levels warning devices to the monitoring stations which normally experience drastic rise of water levels during wet seasons.

5.3.13. PROVISION OF WATER TO POOR UNSERVED AREAS INCLUDING INFORMAL SETTLEMENTS

Location: Nationwide

Objective: To increase access to safe water and sanitation in unserved areas.

Implementing Agencies: Ministry of Water, Sanitation and Irrigation, and WSTF.

Project Progress: The programmes entailed implementation of rural and urban water and sanitation projects in low-income areas and implementation of social/flat rate water tariff on area basis. During the period under review, the sector financed two upscaling of Basic Sanitation for Urban Poor projects to implement sanitation activities benefitting 101,020 additional people with sanitation services in urban areas. Additionally, the Water Fund financed 20 water and 16 sanitation projects reaching 164,399 people with water services in the urban areas. Additionally, 24 water projects and 15 sanitation projects were financed in the rural areas. In addition, 4,900 additional people were reached with sanitation services in the rural areas.

Implementation Challenges

- The delay in obtaining NO Objection from development partners has slowed the onset of implementation of projects.
- Inadequate capacity of implementing agents to implement projects.
- Delay in disbursement of counterpart funding by the National Treasury.
- Delay in release of co-funding by the County Government.

Lesson Learnt

- Development of quality designs to avoid delays in key project start up activities.

Recommendations

- Continually engage with the Ministry of Water, Sanitation and Irrigation and the National Treasury for timely release of funds.
- Fast-tracking of No Objection approval from development partners.
- Engagement of consultants to provide technical support to projects during preparation and implementation.
- Continually follow up on release of co-funding by county governments.

Women drawing water from Godarupa Water Kiosk in Isiolo County

5.3.14. SEWERAGE PROGRAMME

Location: Nationwide

Objective: To increase access to safe water and sanitation in major urban areas.

Implementing Agency: Ministry of Water, Sanitation and Irrigation, WSTF, and Water Works Development Agencies (WWDAs).

Project Progress: The programme entailed improving access to sewage facilities in urban areas. During the period under review, the following projects were completed; Narok Sewerage Project and last mile water connectivity with 2,400 new water connections serving 78,500 people, Othaya Sewerage Project Last Mile Connectivity, Chepararia Sewerage Project, Olkalou Sewerage Project, Oyugis Water Supply and Sewerage Project, and Malaba Sewerage Project.

Implementation Challenges

- High cost of Resettlement Action Plan (RAP); land acquisition/compensation, way leaves, forest moratorium issues for large infrastructure projects.
- Slow project implementation due to inadequate funds, delayed disbursements, and inadequate counterpart funding has negatively impacted the implementation of some projects.
- Weak coordination mechanisms among state and non-state actors on planning and infrastructure development leading to inefficient spending on development of water resources.
- High energy cost of water production impeding affordability of water and sewerage services
- The rate of increase in investments in water and sanitation is not commensurate with the increase in population and rapid urbanisation.

Lessons Learnt

- Water and sewerage projects completed and transferred in the last five years have had minimal impact due to low household connections. Thus, it is essential to incorporate last-mile connectivity during the planning stage.
- There is a need for an investment plan to fund the gaps in the development and management of water and sanitation including the use of an alternative model of financing projects (PPP model).
- Strengthen collaboration and cooperation with other Government institutions which facilitate project implementation - NLC, KFS, KeNHA, NEMA e.t.c.

Recommendations

- Securing/acquisition of project sites/ way leaves for large infrastructures before projects commencement to reduce delays and escalated compensation claims.
- Fast-track ongoing projects especially on sewerage to address water pollution challenges.
- Prioritise climate-smart water and sanitation projects to address climate change related challenges.
- Rehabilitate the old water infrastructure.
- Review of governance framework.

5.3.15. TRANSBOUNDARY WATERS

Location: Busia and Turkana counties

Objective: Enhance cooperation in sustainable management and development of shared water resources.

Implementing Agency: Ministry of Water, Sanitation and Irrigation.

Project Progress: The programme entails development of a legal framework for the implementation of transboundary water policy, enhancing cooperation in sustainable management and development of shared resources. During the review period, four sub-catchment management plans were reviewed and developed for Kocholia Multipurpose Project and Angololo Transboundary Multipurpose Water Project as well as capacity building for Water Resource User Association members on catchment protection and conservation. In addition, detailed dam designs for Angololo were developed as well as the Environmental and Social Impact Assessment and Resettlement Action Plan.

Implementation Challenges

- Trans-country water resources conflicts.
- The development of shared water resources takes a longer period of time due to prolonged negotiation processes between riparian states.
- Inadequate counterpart funding for joint bilateral projects.

Lesson Learnt

- Collaborative framework between the national and county governments is essential for sustainable water resources and sanitation.

Recommendations

- Operationalise the Water Sector Intergovernmental Cooperation Framework to govern management of inter-county water resources used to minimise conflicts as well exploring new investment opportunities in water and sanitation.
- Secure bilateral treaties rather than MoUs with bilateral countries.

5.3.16. WATER HARVESTING AND STORAGE PROGRAMME

Location: Nationwide

Objective: To increase water storage and availability capacity.

Implementing Agencies: Ministry of Water, Sanitation, and Irrigation, National Water Harvesting and Storage Authority, and WWDAs.

Project Progress: The programme targeted to enhance reliable and adequate water harvesting and storage capacity to meet domestic, irrigation, industrial and environmental needs through construction of dams and water harvesting structures. During the review, the Sector implemented large and medium size dams which are at various stages namely- Idhidho Dam (100 percent) in Marsabit, Thwake dam (84 percent) in Makueni/Kitui; Karemenu Dam (98 percent) in Kiambu; and Ruiru II Dam (5 percent- at RAP). In addition, 24 small dams/water pans were constructed.

In line with BETA, to enhance water security for irrigation, domestic, industrial uses and hydro-power generation through PPP, the State Department completed and submitted 67 dam's concept notes, developed feasibility studies and ESIA for 34 dams for which Solicited Expression of Interest for 33 dams and prospective bidders received, eight dams received Privately Initiated Proposals where three proposals approved for Maragua IV, Mzima II Pipeline and Ndarugu II by the National Treasury.

Karemenu Dam (98 percent) in Kiambu County

Implementation Challenges

- Suspension of works (Siyoi-Muruny Water Project) by the contractor due to non-payment of certificates.
- Insufficient budgetary allocation in the period under review affected most of the projects.
- RAPs issues and delays in payment of PAPs affecting timely implementation of the project thereby negatively impacting on the overall progress of the project.

Lessons Learnt

- There is a need for continuous stakeholder participation within the project area and PAPs for their information and support of the ongoing project. This will eliminate and/or reduce project interruptions during implementation because of delayed land compensation and employment issues.
- There is a need to match budgetary allocation to annual project implementation plans to ensure little or no interruption with the planned progress arising from work suspensions. This will also ensure that the projects are delivered in a timely manner in addition to getting value for money.

Recommendations

- There is a need to match budgetary allocations to planned work progress output for the cross-year projects to avoid slow work progress and/or unnecessary suspension of works.

- There is a need for timely compensation of PAPs.

5.3.17. URBAN WATER SUPPLY

Location: Nationwide

Objective: To increase access to safely managed water and sanitation supply in urban areas.

Implementing Agencies: Ministry of Water, Sanitation and Irrigation, and WWDAs.

Project Progress: The programme focused on increasing water supply and sanitation in major urban areas. During the review period, the sub-sector completed and commissioned projects in urban areas among them; Isiolo Water Supply, Oyugis Water Supply and Sewerage Project, Siaya and Bondo Towns Water Supply Connectivity and Sewerage Project, Marsabit Water Supply Project, Chogoria Water Supply Infrastructure project benefitting 4,000 people and Kimugu Water Supply Treatment works with a capacity of 19.5M litres per day and serving 189,716 residents of Kericho.

Implementation Challenges

- High cost of RAP, land acquisition/ compensation, wayleaves, forest moratorium issues for large infrastructure projects.
- Slow project implementation due to inadequate funds, delayed disbursements, and inadequate counterpart funding has negatively impacted the implementation of some projects.
- Pollution of water resources: The low sewerage coverage poses a major threat to water quality and public health largely due to inadequate effluent treatment.
- Weak coordination mechanisms among state and non-state actors on planning and development leading to inefficient spending on development of water resources.
- High energy cost of water production impeding affordability of water.
- The rate of increase in investments in water and sanitation is not commensurate with the increase in population and rapid urbanisation.
- High non-revenue water level and water use inefficiency.

Lessons Learnt

- A collaborative framework between the national and county governments is essential for sustainable water resources and sanitation services.
- Adoption of advanced techniques is essential to map and access large groundwater resources and adopt energy-efficient technologies to reduce the cost of water.
- It is essential to incorporate last-mile connectivity during the planning stage.
- There is a need for an investment plan to fund the gaps in the development and management of water and sanitation including the use of an alternative model of financing projects (PPP model).
- Strengthen collaboration and cooperation with other Government institutions which facilitate project implementation - NLC, KFS, KENHA, NEMA etc.

Recommendations

- Securing/acquisition of project sites/ way leaves for large infrastructures before projects commencement to reduce delays and escalated compensation claims.
- Fast-track the ongoing projects especially on sewerage to address

water pollution challenges.

- Prioritise climate-smart water and sanitation projects to address climate change related challenges.
- Rehabilitate the old water infrastructure and review of governance framework.

5.3.18. RURAL WATER SUPPLY

Location: Nationwide

Objective: To increase access to safely managed water and sanitation supply.

Implementing Agencies: Ministry of Water, Sanitation, and Irrigation, and WWDAs.

Project Progress: The programme entails rehabilitation/expansion of existing large rural water supply schemes, and drilling of boreholes, water for schools and health facilities. During the period under review, the Sector completed Murang'a South Water Supply Project-Last Mile Connectivity, Kiptogot-Kolongolo Water Supply Project, Garissa Water Supply Project-Last Mile Connectivity and Kabarnet Water Distribution and Connection. In addition, 41 schools were connected to clean safe water and 15 health facilities connected to reliable water; and construction of 49 small dams/pans in ASAL areas was completed.

Commissioning of Kiptogot-Kolongolo Water Supply Project

Water for school boreholes

Implementation Challenges

- Climate change and drought has led to drying up on many water sources and intakes.
- Slow project implementation due to inadequate funding due to budget cuts and delayed exchequer releases.
- Climate change and associated extreme weather events threaten sustainable development of water resources i.e., flooding and drought.
- High energy cost for treating and pumping water impedes affordability.
- High non-revenue water level and water use inefficiency.
- Vandalism of the water infrastructures.

Lessons Learnt

- Capacity building is critical for increased public participation in planning, monitoring, and evaluation of programs. Incorporating capacity building in all projects and programmes targeting all stakeholders from decision makers to subsidiary implementers results in sustainability and resilience.
- Collaborative framework between the national and county governments is essential for sustainable water resources and sanitation services.
- Adoption of advanced techniques is essential to map and access large ground water resources.
- Resource mobilisation strategies are essential to support the implementation of programmes and projects.

Recommendations

- Enhanced budgetary allocation and continued rationalisation of activities to match the expected exchequer releases.
- Prioritise climate-smart water and sanitation projects to address climate change related challenges.
- Rehabilitate the old water infrastructure and review of governance framework.
- Adopt water efficient technologies- solar energy.

5.3.19. WATER RESEARCH PROGRAMME

Location: Nationwide

Objective: Technical capacity built in the subsector.

Implementing Agencies: Ministry of Water, Sanitation and Irrigation, Water Sector Trust Fund, and Kenya Water Institute (KEWI).

Project Progress: The programme entailed enhancement and facilitation of research in water resources utilisation and management; operationalisation of Water Recourse Centre at KEWI and establishment of research funding mechanism. During the period under review, the sub-sector geo equipped the Resource Centre at KEWI to 98 percent. The Sector developed a Research and Innovation Information Management System (RIIMS) to operationalise the research and innovation framework and policy, which was complete, and the project final report received. The most notable system improvement was onboarding the RIIMS on to the Government eCitizen portal. This means that access to the system is authenticated through eCitizen and is accessible to the public for ease in applying for research funding.

Implementation Challenges

- Inadequate funding towards research by GoK.
- Inadequate focus on research by development partners

Lessons Learnt

- There is a need for the Sector to put in place strategies and policies to enable implementation of the research programme.
- There is a need for active collaboration between water sector institutions for sustainable projects and programmes.

Recommendations

- Lobby for more funding towards research and knowledge management from the National Treasury.
- Aggressive resource mobilisation for funding towards research and innovation by development partners.

5.3.20. INTEGRATED REGIONAL DEVELOPMENT

Location: Nationwide

Objective: To improve and sustain livelihoods.

Implementing Agency: Ministry of East African Community and Regional Development; and Regional Development Authorities (Coast Development Authority, Lake Basin Development Authority, Tana and Athi Rivers Development Authority, Ewaso Nyiro North Development Authority, KVDA, and ENSDA).

a) Tana Delta Rice Irrigation Project

Location: Garsen, Tana River/Lamu Counties

Objective: Aimed at enhancing quality of life for the communities in the Tana Delta through sustainable utilisation of land, food production, creation of employment, environmental protection, and revenue generation.

Implementing Agency: Tana and Athi Rivers Development Authority (TARDA)

Project Progress: In the year under review, the Authority managed to undertake; opening up 45Ha (112.5 acres) of land for rice production in Block AI and planted Kwamboka rice variety which realised a yield of 66.8 tonnes translating to KSh. 4.1m after the sale of paddy; de-siltation and repair of the Kitere Water Intake Channel up to the Sailoni Area; rehabilitated Tana Delta Main Canal and associated mechanical structures (10 km); rehabilitated secondary canals, tertiary canals, external main and secondary drains and on farm service roads (10 km); purchased service van, equipment and plant, and repaired existing operations and maintenance equipment and farm machinery. The completion rate of the project was 48 percent.

TDIP Farm Status (FY 2022/2023)

Land preparation for rice production and transplanting in the rice field

Harvested Komboka paddy on the drying yard and treated paddy safely stored

Implementation Challenges

- Perennial water shortages due to unstable river patterns making the river change its course away from the project intake works.
- Resource use conflicts particularly competition for land between farmers and pastoralists.
- Frequent flooding has destroyed key infrastructure including the flood protection dykes, main water supply canal and its network, farm roads and production fields.
- Political interference which causes delay in the project implementation.
- Lack of major infrastructure such as electric power supply and poor access roads.
- Insecurity within the project area.
- Lengthy negotiations and resource mobilisation process for funding of the project through PPP.

Lessons Learnt

- Public participation in planning, monitoring and evaluation of programmes should be incorporated at all levels of the project cycle management.
- Implementation of integrated development programmes has the capability of spurring socio-economic development.

Recommendations

- Prioritisation of programmes (financing by the exchequer): rehabilitation and expansion of the project will considerably improve the social economic status of the people in line with the Vision 2030 mainly food and nutrition security.
- Regular follow-up and support by the Vision 2030 Delivery Secretariat will positively influence projects that have stalled for a long time.

b) Tana Integrated Sugar Project

Location: Garsen, Tana River and Lamu Counties.

Objectives: To provide food security, balance the gaping sugar deficit and imbalance in the country, save on foreign exchange, create employment and wealth, reduce wealth imbalance between urban and rural areas and provide technology transfer in the sugar growing sector.

Implementing Agency: TARDA

Project Progress: The project was not funded in the year under review hence no progress was made on the implementation status.

Implementation Challenges

- The feasibility study was carried out in 2007 and substantial changes have occurred both in investments as well as for the operating costs of the project thus the need to review the studies.
- Inability to fund the project despite having done a feasibility that indicated good returns on investment.
- Lengthy negotiations and resource mobilisation process for projects to be funded through PPP.

Lessons Learnt

- Public participation in planning, monitoring and evaluation of programmes should be incorporated at all levels of the project cycle management.
- There is a need to build institutional capacity on resource mobilisation to ensure project implementation.

Recommendations

- The need for regular follow-up and support by the Vision 2030 Delivery Secretariat on projects that have stalled for a long time.
- Resources mobilisation for external funds in addition to exchequer financing.

c) High Grand Falls Multipurpose Reservoir

Location: The project site is located on the Tana River 50 km downstream of the Kiambere Hydro Power Station. The project straddles Kitui, Embu and Tharaka-Nithi counties.

Objectives: To provide a large-scale multipurpose reservoir on the Tana River for water supply, irrigation, river regulation & flood control and power generation. Other aspects to be considered include inter and intra-basin water transfers, fisheries and downstream ecosystem conservation and sustainability.

Implementing Agency: TARDA

Project Progress: The project did not receive any funding from the exchequer hence no progress made on the implementation status.

Implementation Challenges

- Lengthy negotiations and resource mobilisation process for funding of the project through PPP.
- Lack of funds to review feasibility study and prepare detailed designs.
- Effects of climate change which have led to erratic weather patterns leaving communities within the TARDA region vulnerable against limited resources in the Authority to further invest in the community programmes.
- High cost of technology acquisition and adoption.

Lessons Learnt

- Public participation in planning, monitoring and evaluation of programmes should be incorporated at all levels of the project cycle management.
- Prioritisation of projects for funding: phasing of implementation is important to ensure delivery.
- Implementation of integrated development programmes has the capability of spurring socio-economic development.

Recommendations

- Synergies between MDAs to deliver on the different components of High Grand Falls in partnership with the implementing agency.
- Prioritisation of project/programmes (financing).
- The need for regular follow-up and support by the Vision 2030 Delivery Secretariat on projects that have stalled for a long time. Government support is necessary to carry out preliminary feasibility studies and other components of the project such as resettlement of the PAP's.
- There will be need to carry out further extensive sensitisation ahead of commencement of the project construction works.

d) Munyu Multipurpose Reservoir and the Greater Kibwezi Irrigation Project

Location: The project site is located on the Athi River within three counties: Kiambu, Machakos and Makueni.

Objective: To enhance water storage for irrigation, improve food security, hydropower generation and public water supply.

Implementing Agency: TARDA

Project Progress: The project stalled due to lack of funding hence no progress made on the implementation status.

Implementation Challenges

- Lack of funds to review feasibility study and prepare detailed designs. The feasibility study was carried out in 1986 thus the need to reappraise the financial model and technical parameters of the project.
- At the time of the study, the project was to be in a sparsely populated area by then with very little economic activities taking place. An evaluation of the number of households living in the area needs to be done.
- Owing to the considerable size of the required investment, it will be necessary to phase out the development of the project.
- The project is a social intervention with low return margins but very high social economic benefits. Due to this, the project does not appeal to the private Sector.
- Lengthy negotiations and resource mobilisation process for funding through PPP.

Lessons Learnt

- Delayed implementation of the project leads to high cost of developing the project.
- Public participation in planning, monitoring and evaluation of programmes should be incorporated at all levels of the project cycle management.
- There is a need to concurrently develop climate adaptable or climate resilient programmes for sustainability.
- Slow project implementation due to insufficient funds and inadequate counterpart funding has negatively impacted the implementation of some projects.

Recommendations

- The need for regular follow-up and support by the Vision 2030 Delivery Secretariat on projects that have stalled for a long time.
- Ensure there is proper project cycle management.
- Government support is necessary to carry out preliminary feasibility studies.

e) Napuu Centre Pivot Irrigation Project

Location: The project is located in Napuu, Turkana Central, Turkana County.

Objectives: To develop a Centre pivot irrigation infrastructure on 150 acres for crop production to enhance food security and reduce dependency on relief food; improve access to water for farming, human and livestock consumption; and build the capacity of the youth and women to be engaged in gainful employment through agro based incomes and dry land agricultural activities.

Implementing Agency: KVDA

Project Progress: Under this project, Centre pivot irrigation infrastructure was developed on 150 acres; three boreholes were constructed and equipped; and 35 acres of land planted with watermelon, green grams and sorghum. The project is behind schedule due to challenges and the rate of completion is 60 percent during the reporting period.

Implementation Challenges

- Inadequate GoK funding to support the project.
- Delay in release of funds.
- Limited support from the community and County Government.
- Farmers lack technical skills to operate the farm.
- Mindset change (changing from pastoralists to farming).
- Farmers have been relying on handouts from NGOs.

Lessons Learnt

- Over-reliance on limited funding from the exchequer.
- Stakeholder engagement is crucial for successful implementation of projects.
- Capacity building is key to ensure project sustainability.

Recommendations

- Provide adequate project funds.
- Build capacity of the farmers.
- All stakeholders should be engaged in the planning and implementation of projects.

f) Wei Wei Irrigation Project

Location: The project is located in Sigor Constituency, West Pokot County.

Objective: To irrigate 600 ha of land to increase food security in the area.

Implementing Agency: KVDA

Project Progress: Sigor Weiwei Integrated Development Project is one of the Vision 2030 flag-ship projects for food security with a total of 600 ha developed in phases. Phase III of this Project was started in 2016 as an extension of the Project with additional 325Ha to a total of 600 ha. The scope of the Project includes supply of irrigation equipment, machinery, and training of farmers. During the period under review, the following activities were achieved: irrigation infrastructure on 325 ha including irrigation pipeline network, drainage system and service roads were maintained; rehabilitation work on the existing irrigation scheme done; bush clearing on 325 ha completed; procurement and delivery of three tractors; 1000 farmers trained on modern farming methods; maintenance of 17 km fence; rehabilitation of Sigor WeiWei main intake and Ptokou Sangat intakes; maintenance of KVDA new camp nursery; two demonstration plots established; and 31 tonnes of maize produced and delivered to Kenya Seed. The Project is behind schedule due to challenges and the rate of completion is 80 percent during the reporting period.

Implementation Challenges

- Vandalism of the irrigation system.

- Delay by the contractor towards implementation of the project due to delay in processing tax exemptions.
- Inadequate GoK funding to support the project.
- Limited support from the County Government
- Farmers limited technical skills to enhance production.

Lessons Learnt

- It is important to engage local farmers in planning and operationalising the farm.
- The county governments felt that they were left out of the project.
- Over-reliance on limited funding from the exchequer.
- Capacity building is key to ensure project sustainability.

Recommendations

- Assist the contractor in facilitating tax exemption issues.
- Build the capacity of the farmers to enable them to provide technical support in the management of the scheme.
- Provide adequate project funds.

g) Mango Value Chain Project

Location: The project is located in Elgeyo Marakwet, West Pokot and Baringo counties.

Objective: To promote mango production, build capacity of farmers and establish a mango processing plant for value addition.

Implementing Agency: KVDA

Project Progress: The Authority established a mango processing plant for value addition in Tot, Elgeyo Marakwet County. The plant is currently processing mango fruits into mango juice/puree. During the review period, the Authority achieved the following: storage facility was constructed; regular maintenance works of the factory was undertaken; 520,240 mango seedlings were raised; mango orchard was established at the mango factory; maintenance and grafting of fruit seedlings are ongoing; 129,628 litres of ready to drink mango juice/puree were processed; 55.37 tonnes of mango fruit procured from farmers; and 120 mango farmers sensitised on modern mango farming methods.

Implementation Challenges

- Incidences of insecurity between neighboring communities.
- Inadequate storage facility at Tot Factory in Elgeyo Marakwet County.
- Poor infrastructure.
- Inadequate budgetary allocation to support mango production.
- Automation of the mango processing plant.
- Seasonality of mango production.

Lessons Learnt

- Over-reliance on few farmers to supply mangoes to the Factory.
- Stakeholder engagement is crucial for successful implementation of projects.
- Lack of technical know-how by most farmers.

Recommendations

- Provide adequate resources to support mango production.
- Full automation of mango factory.
- Build capacity of the farmers.
- Establish a storage facility at Tot Factory in Elgeyo Marakwet.
- Promote peaceful co-existence of neighbouring communities by promoting alternative livelihood activities.

5.4. POPULATION, URBANISATION AND HOUSING

The Sector seeks to ensure quality population with "adequate and decent housing in a sustainable environment" through implementation of the population policy for national development, and provision of adequate and decent housing for sustainable development. The targets for this Sector are progressively achieved by reducing the rapid population growth and Total Fertility Rate; increasing life expectancy; increasing access to affordable and adequate housing; installing key housing infrastructure; undertaking county capacity building in urban planning and development campaign as well as incentivising private sector to invest in the Sector.

5.4.1. KENYA POPULATION AND HOUSING CENSUS 2019

Location: Nationwide

Objective: To provide data on various population indicators thereby supporting evidence-based planning and implementation of the population programme.

Implementing Agencies: KNBS

Project Progress:

a) Production of 2019 Kenya Population and Housing Census Analytical Reports

Developed and disseminated three Analytical Reports: Population Projections; Population Dynamics and Labour Force based on 2019 Kenya Population and Household Census and developed a draft of the 2019 Kenya Population Atlas.

Implementation Challenges

- Limited budgetary allocation.
- Limited support from development partners.

Lessons Learnt

- Collaboration with the relevant Government departments and key partners led to efficient use of resources.
- Use of technology (CAPI, GIS, and CS pro) led to faster data collection and dissemination.
- South—South cooperation ensured increased knowledge sharing and cooperation between the partner states.

Recommendations

- Use of technology for future censuses is recommended as it enables faster data collection and dissemination.
- Enhanced budgetary allocation to enable finalisation of the 2019 Kenya Population Atlas and Albinism Report.

b) 2022 Kenya Demographic Health Survey

During the period under review, the following were achieved; data processing (data cleaning, editing and analysis) for 2022 Kenya Demographic and Health Survey (KDHS) Key Indicators Report (KIR) and Main Report; capacity building of KNBS staff and other stakeholders on Demographic and Health Survey data processing and report writing; development of the dissemination portal for the 2022 KDHS Key Indicators Report and main report; development of the 2022 KDHS Key Indicators Report and Main Report; launch of the 2022 KDHS KIR Report on the 17th January 2023 in which about 500 persons attended; review and adaptation of the DHS dissemination materials (47 County fact sheets, wall charts, thematic posters (Demographics, Health and Well-Being, Household and

Individual Characteristics, and Women's Empowerment); summary report, and launch banners) for the main report; launch of the main report on 3rd July 2023, which was graced by the Cabinet Secretary, the National Treasury and Economic Planning and about 500 guests attended.

Implementation Challenge

- Inadequate financial resources to support post data collection activities.

Lessons Learnt

- Collaborations and engagement of a wide range of stakeholders led to successful implementation of the 2022 KDHS.
- Inadequate resources affect the implementation of project activities.

Recommendation

- Provision of resources in a timely manner to facilitate effective implementation of project activities.

c) Kenya Continuous Household Survey Programme

Produced and disseminated Kenya Poverty reports.

Implementation Challenges

- Low response rates especially in urban areas.
- Limited technical know-how in data analysis.
- Limited financial resources.

Lessons Learnt

- Data collected filled very critical gaps. The Kenya Continuous Household Survey Programme was able to onboard remittances module, time use and women empowerment modules apart from the regular modules of consumption (poverty data) and labour.
- The data collected captured the shocks of unprecedented events like COVID-19 since the survey started in 2019 and ended in 2022. The effect of COVID-19 was manifested in poverty levels and employment rates.
- The data collected was used to update the SDG monitoring framework on an annual basis.

Recommendations

- Regular data collection that updates the socio-economic indicators should be carried out on an annual basis.
- Funds should be allocated to a similar survey once Kenya Integrated Household Budget Survey is completed in 2024.
- Timely disbursement of funds and sufficient allocation of funds is necessary to ensure timely dissemination of results.

d) Making Every Woman and Girl Count in Kenya: Supporting the Monitoring and Implementation of SDGs through better production and use of Gender Statistics

Produced a Time Use Survey (TUS) report and data, which informed the updating of the National SDG Indicator Framework, 2023, which will enable Kenya to be reporting on SDG Indicator 5.4.1. Similarly, the TUS data informed the assessment of the MTP III (2018-2022) and the development of MTP IV (2023-2027) through the inclusion of the Gender, Youth and Vulnerable groups sector plan which identified unpaid care and domestic work as a priority area of focus for the period. Specifically, the sector will: develop a national care policy, which incorporates unpaid care and domestic work based on the evidence provided from the further analysis of TUS data and conduct a public awareness campaign at both national and county levels on recognising and valuing unpaid care and domestic work. The implementation of activities under the Making Every Woman and Girl Count Programme in the second phase commenced in December 2021 and ended in December 2022.

Implementation Challenges

- Lack of adequate funds.
- Compliance with the regulations of the Public Finance Management Act alongside the donor requirements.
- Existence of competing priorities.

Lessons Learnt

- There is a need to align the Programme implementation and reporting timelines within the Grant Agreement with the Government's financial calendar and regulations on the utilisation and reporting of donor grants to ensure smooth implementation of the Programme activities.
- There is a need to continue engaging a Gender Statistics Advisor to support in coordinating the UN Women interventions at KNBS during the implementation of the Gender Sector Statistics Plan (GSSP) 2019- 2023 and the next GSSP to ensure sustained capacity building.
- There is a need to utilise the Reimbursement Modality for financial resources to expedite the payment for goods and services procured from vendors.

Recommendations

- Joint/shared funding of the activities between KNBS, UN Women, UNICEF and other potential partners.
- There is a need for negotiations with donors for flexible timelines.
- There is a need for adoption of Reimbursement funding modalities.

5.4.2. AFFORDABLE HOUSING

Location: Nationwide

Objective: To facilitate production of affordable housing units and to improve the lives of people living in informal settlements.

Implementing Agencies: State Department for Housing and Urban Development, and National Housing Corporation (NHC).

Project Progress: During FY 2022/23, NHC completed the construction of the Nyeri Mixed Use Development (80 units) at Nyeri County and are now on sale. The Corporation has 734 housing units ongoing in various parts of the country as follows: Changamwe Infill Phase III (84 units) in Mombasa County was at 95 percent completion level; Voi Infill (80 units) in Taita Taveta County at 81 percent completion level; Stoni Athi Sector IIA (160 units) in Machakos County which was at 76 percent completion level; Homabay Affordable Housing (110 units) project in Homabay County was at 20 percent completion level; Embu Affordable Housing Project (100 units) was at 10 percent completion level; Kirinyaga Affordable Housing project (100 units) was at 5 percent completion level and Kisumu Kanyakwar Phase III in Kisumu County (100 units) at 8 percent completion level.By the end of 2022/23, the tendering process for the following projects (274 units) was complete and awarded to contractors; Nyandarua Affordable Housing Projects (100 units) in Nyandarua County, Nakuru Mixed Use Development (96 units) in Nakuru County, Kakamega Amalemba (60 units) in Kakamega County, and Eldoret Office and Flats (18 units) in Uasin Gishu County. These projects total 1,008 housing units will provide shelter to Kenyans once completed.

Kirinyaga County Affordable Housing Project progress photos as at 30th June 2023

Homa Bay County Affordable Housing Project progress photos as at 30th June 2023

Kanyakwar Phase III, Kisumu County

Additionally, the following was achieved by the State Department of Housing and Urban Development: construction of 605 housing units in Bondeni, Nakuru which was at 84 percent; construction of 1,050 housing units in Ruiru, Kiambu County at 7.5 percent; construction of 5,360 units in Mavoko, Machakos County at 7 percent; construction of 1,728 social housing units in Shauri Moyo A, Nairobi at 3 percent; construction of 2,450 housing units in Starehe, Nairobi County; construction works of 13,076 housing units in Mukuru, Nairobi County with 2,376 housing units at 50 percent;, and construction of 4,054 housing units in Kibera, Nairobi County 2.28 percent. During the period under review, 810 NPS and Kenya Prisons Service Housing Units were implemented at an average of 74 percent as follows: Bungoma Police Station (50) at 97 percent, Kajiado (100) at 85 percent, Bondo (60) at 94 percent, Ndaragwa Police Station (60) at 70 percent, Kisii Main Prison (60) at 70 percent, Sondu (60) at 40 percent, ASTU Gilgil HQ (60) at 35 percent, Eldas (60) at 60 percent, Malkagufi (60) at 65 percent, Chuka (60) at 95 percent, Langas (60) at 85 percent, Kathiani (60) at 65 percent and Banissa (60) at 85 percent. The following police and prison housing projects stalled at various levels of completion due to inadequate funds: Garsen Police Station, Tana River County at 92 percent; Shimo La Tewa Prison, Mombasa County at 90 percent; Ruiru GK Prison, Kiambu County at 90 percent; Emali AP Camp, Makueni County at 90 percent; AP Training College (Embakasi), Nairobi County at 90 percent; Garissa Police Station at 40 percent; and the Additional Housing Project GSU, Nairobi County at 35 percent.

Furthermore, KSh. 1,268,533,910 worth of mortgages were disbursed to 317 civil servants while 627 housing units of Government housing stocks were refurbished in various counties.

Implementation Challenges

- Geo-political crises (Russia-Ukraine war) affected completion of projects – supply chain issues with the importation of beads for the production of EPS Panels which were being used in the projects. The delays in accessing raw materials for production of EPS Panels affected completion of projects.
- High cost of housing construction materials which hindered delivery of affordable housing.

Lessons Learnt

- Identify and source raw materials for the EPS factory locally.
- Direct importation of raw materials for the Appropriate Building Materials and Technologies (ABMT) factory will enhance efficiency in delivery of housing.
- Investment in housing off site infrastructure lowers the overall housing costs.
- Joint investments in housing infrastructure lower the overall cost of projects which results in lower housing costs.

Recommendations

- Levy liquidated damages to contractors on failure to complete projects as scheduled.
- Synergise with enablers and regulators for efficient project delivery.
- Explore joint investment in housing infrastructure by National and County Governments for delivery of projects.
- Identify and source raw materials for the EPS factory locally.

Bondo Police Housing, Siaya County

5.4.3. RESEARCH AND DEVELOPMENT ON APPROPRIATE BUILDING MATERIALS AND TECHNOLOGIES

Location: Laikipia, Kwale, Migori, Trans-Nzoia and Kiambu and Machakos Counties

Objective: To promote use of sustainable low-cost housing building materials and technologies.

Implementing Agencies: State Department for Housing and Urban Development, and NHC.

Project Progress: In the promotion of the use of sustainable low-cost housing building materials and technologies, there has been: establishment of ABMT Centres through construction of five centres in Laikipia East (Laikipia), Kinango (Kwale), Rongo (Migori), Kiminini (Trans-Nzoia) and Gatundu North (Kiambu) constituencies. 1,500 people were trained on the making and utilisation of interlocking soil blocks in support of rural housing. The Corporation trained 715 masons and artisans on the use of EPS technology. The Corporation also established a factory that manufactures Appropriate Building Material/Technology (Expanded Polystyrene - EPS) 2013 which is cheaper on mass production of houses and enables faster completion of houses. In 2022/23, the Corporation produced 23,642M^2 of panels.

Implementation Challenge

- Low acceptability in use of ABMT materials in construction

Lessons Learnt

- ABMT in construction reduces the costs of housing.
- Low awareness on the benefits of ABMT in construction.

Recommendations

- Capacity build on use technology
- Intensify awareness on the benefits in use of ABMT

5.4.4. PHYSICAL AND SOCIAL INFRASTRUCTURE IN SLUMS AND INFORMAL SETTLEMENTS IN SELECTED URBAN AREAS

Location: Kakamega, Kiambu, Nairobi, Kwale, Taita Taveta, Bungoma, Kisumu, Meru, Isiolo, Kirinyaga, Kitui, Tharaka Nithi and Nakuru Counties.

Objective: To improve quality of life for people living and working in informal settlements.

Implementing Agency: State Department for Housing and Urban Development.

Project Progress: The following markets were completed: construction of Ijara Market shed in Garrissa County; Ngaru Market sheds in Kirinyaga County; Dede Market in Migori County; Bondeni Market in Kitale County; Ajawa Market in Wajir County; and Dundori Market in Nakuru County. The following projects were ongoing as at the end of the review period: Nakuru Multipurpose Market at 75 percent; Sang'alo Market sheds in Bungoma County at 92 percent; Jera Market in Siaya County at 85 percent; Esise Market in Nyamira County at 55 percent; Lafey Market in Mandera County at 85 percent; Kahawa Market in Nyamira County at 55 percent; Bahati Market in Nakuru County at 20 percent; Classrooms at Chiakariga Girls' Secondary School in Tharaka Nithi County at 73 percent; and Classrooms at Mlimani Primary School in Nakuru County at 75 percent. Additional nine Classrooms, Kitchen, Dining Hall, and upgrade of access road to cabro standards at Gitothua Primary School in Kiambu County were at 37 percent completion level. Furthermore, 10 Classrooms and a Kitchen at Githurai Primary School in Kiambu County were 35 percent completed.

The following access roads were improved to bitumen standard: Dagoretti Access Road at 99 percent and 3.9 km in Gitogothi Phase II at 21 percent. Two high mast flood lights were installed in Tharaka Nithi County while four were installed in Kiambu County and were at 90 percent completion level at the end of the review period.

Implementation Challenges

- Delays in the implementation of projects arising from litigation.
- Land encroachment.
- Lengthy process involved in building consensus around a proposed project.

Lesson Learnt

- Consensus building around a project is critical for smooth implementation and project acceptability.

Recommendation

- Identify issues that may hinder project implementation during the feasibility process to reduce bottlenecks during implementation.

5.4.5. NAIROBI METROPOLITAN SERVICES IMPROVEMENT PROJECT

Location: Nairobi Metropolitan Region

Objectives: To strengthen urban services and infrastructure in 13 urban centres of the Nairobi Metropolitan Region.

Implementing Agencies: State Department for Housing and Urban Development, and Nairobi Metropolitan Counties.

Project Progress: The completion of Mitubiri Sanitary Landfill in Murang'a County - The project was at 75 percent completion level. The Project was affectedby delays in shipping in key construction materials.

Implementation Challenge

- Delays in shipping key construction materials.

Lesson Learnt

- Relying on imported construction materials delays project implementation.

Recommendation

- Research and development on substitute construction materials that can be sourced locally.

5.4.6. KENYA INFORMAL SETTLEMENT IMPROVEMENT PROJECT PHASE II

Location: Nationwide

Objective: To improve quality of the life for people living and working in informal settlements.

Implementing Agency: State Department for Housing and Urban Development

Project Progress: Project involves 33 counties and entails tenure regularisation, infrastructure upgrading, socio-economic inclusion planning and capacity building for slum upgrading. Activities were ongoing both at national and participating counties.

Implementation Challenge

- Delays in setting up implementation teams in the counties.

Lesson Learnt

- Continuous engagement with the Counties and key stakeholders during implementation for timely delivery of the project.

Recommendation

- Set up a joint project implementation team by National and County Governments.

5.4.7. URBAN SOCIAL INFRASTRUCTURE

Location: Kiambu, Murang'a Nairobi, Kisii, Bungoma, Nakuru and Siaya

Objective: To create employment and enhance income.

Implementing Agency: State Department for Housing and Urban Development.

Project Progress: During the period under review, the following projects were completed: redevelopment of Githurai Market Hub in Kiambu County; construction of Kanyenya-ini Market Murang'a County; two ESP Markets in Awelo, in Siaya County, and Salgaa, Nakuru County Markets. Additionally, the following projects were ongoing: Gikomba Market Phase II in Nairobi County at 37 percent; Mathare North Market in Nairobi County at 74 percent; Nyansiongo Market in Kisii County at 80 percent; Kangari Market in Murang'a County at 60 percent; Muthithi Market Phase II in Murang'a County at 28 percent; Sega in Siaya County at 50 percent; Sirisia in Bungoma County at 50 percent; and Ogembo in Kisii County at 90 percent.

Implementation Challenges

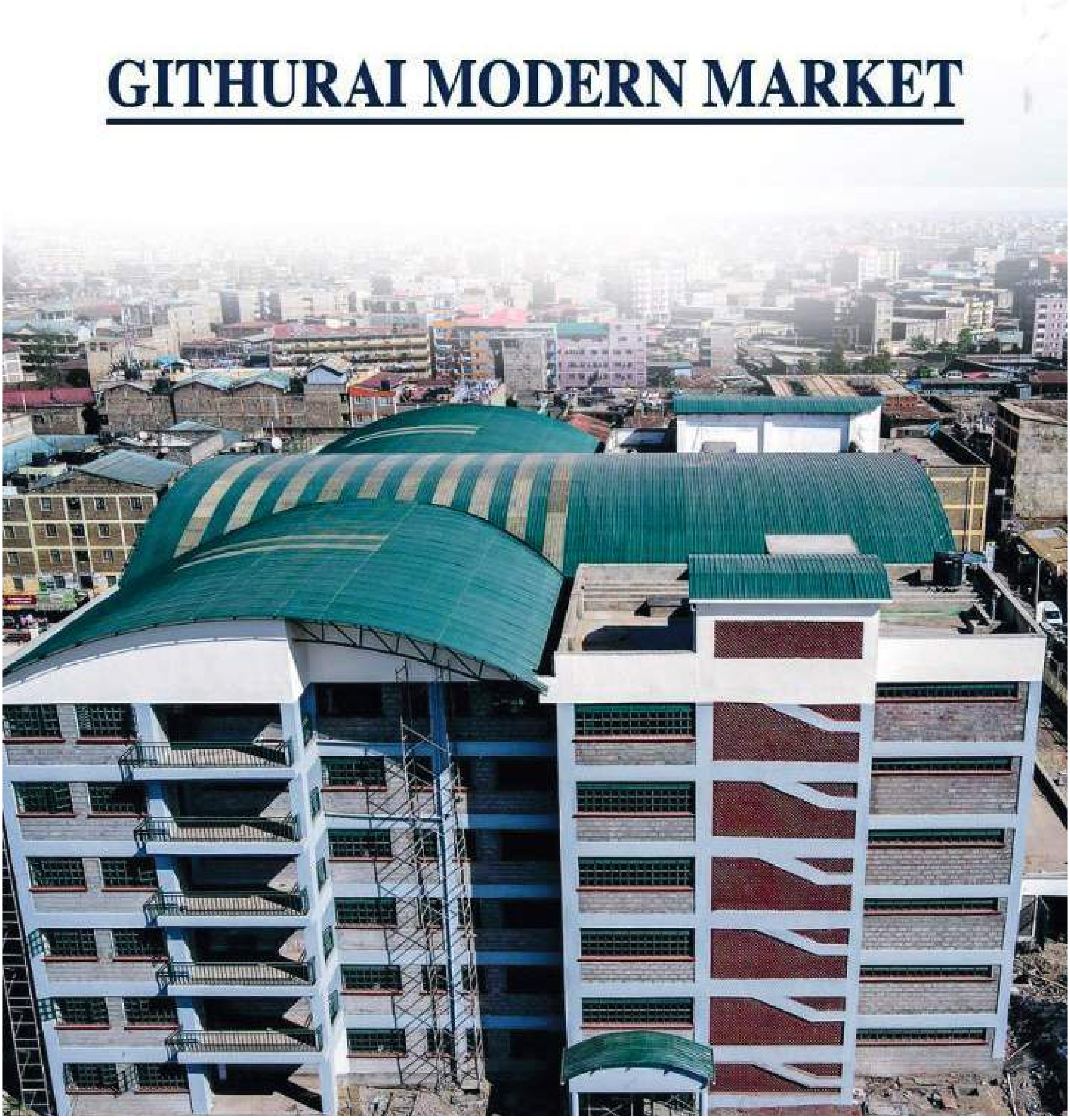
- Acceptability of the project by all key stakeholders.
- Lack of market management policies and guidelines that guide on market development by National Government and revenue sharing formula.

Lessons Learnt

- Stakeholder involvement is critical for project implementation.
- Market management policy and guidelines are key in development and management of markets.

Recommendations

- Continuously engage and sensitise stakeholders at all levels of project delivery for project success.
- National and County Governments should jointly develop market management policy and guidelines.



5.4.8. KENYA URBAN SUPPORT PROGRAMME

Location: Nationwide

Objective: To establish and strengthen urban institutions to improve infrastructure and services.

Implementing Agency: State Department for Housing and Urban Development.

Project Progress: 45 counties (excluding Nairobi City & Mombasa) were implementing various urban infrastructure projects in 59 municipalities.

Implementation Challenge

- Inadequate technical capacity at the municipal (county) level.

Lesson Learnt

- Technical capacity is critical for project implementation.

Recommendation

- Build requisite capacity in the municipalities.

5.4.9. URBAN STORM WATER INFRASTRUCTURE

Location: Nationwide

Objectives: To improve the level of sewerage and infrastructure

Implementing Agency: State Department for Housing and Urban Development.

Project Progress: No project was implemented during the reporting period because there was no budget allocation.

5.4.10. NATIONAL POPULATION CENTRE

Location: Nairobi

Objectives: To enhance capacity to collate and analyse population data.

Implementing Agency: National Council for Population and Development (NCPD).

Project Progress: The Council convened meetings with the United Nations Population Fund and Partners in Population and Development to support the construction of the Centre. The Council is following up on acquisition of land to establish the Centre.

Implementation Challenge

- The project has not commenced due to lack of land to set up the Centre.

Lesson Learnt

- There is a need to come up with strategies to fast-track acquisition of land to set up infrastructure projects like the Centre.

Recommendations

- The Council should fast-track the acquisition of land to set up the Centre.
- The Council should follow up with development partners and GoK for funding.

5.5. GENDER, YOUTH AND VULNERABLE GROUPS

The Sector seeks to ensure *"Equity in Access, Control and participation in Resource Distribution for Improved Livelihoods of Women, Youth and Vulnerable Groups."* The Constitution lays emphasis on gender equality and uplifting the lives of all vulnerable groups. Kenya's population is predominantly youthful hence special programmes dedicated to youth have become increasingly urgent.

Projects outlined in MTP III underscore promotion of gender equality and empowerment of women, youth, children, and vulnerable members of society.

The Sector covers the following projects: Affirmative Action Funds, Prevention and Response to GBV and eradication of FGM, Gender Mainstreaming, Sanitary Towels Programme, YECs, KYEOP, National Youth Service (NYS) Transformation Programme, Youth Cohesion, National Values and Social Development, Youth Employment and Enterprise Development, Biashara Bank, National Safety "Inua Jamii" Programme, Disability Mainstreaming and Child Community Support Services.

5.5.1. AFFIRMATIVE ACTION FUNDS

Location: Nationwide

Objective: To promote economic empowerment.

Implementing Agencies: Women Enterprise Fund (WEF), Uwezo Fund, Youth Enterprise Development Fund (YEDF), and National Government Affirmative Action Fund (NGAAF).

Project Progress:

Women Enterprise Fund: During the period under review, the Fund promoted financial inclusion and empowerment of women through disbursement of KSh. 1.72 billion Constituency Women Enterprise Scheme loans to 5,309 groups benefiting 57,972 women; KSh. 21,100,000 Thamini loans to 135 widow groups of 1,501 members; KSh. 12,208,500 Local Purchase Order (LPO) loans to 14 clients; and KSh.42 million SACCO loans were disbursed to three SACCOs for on-lending to women. In addition, 124,383 women were trained on entrepreneurship and financial literacy; 115 women were supported to market their products through exhibitions and selected trade fairs and 443 County Model Women were trained to strengthen their women owned enterprises. Cumulatively, KSh. 26.34 billion loans have been disbursed to 136,583 groups benefiting 2.0 million women through all products; 1.76 million women trained on entrepreneurship; and 21,291 women sensitised on product certification, formation of business clubs/ exchange programmes, exhibitions skills and online marketing.

***Uwezo Fund*:** Provision of credit through groups to individual beneficiaries - The Fund, being a constituency based revolving fund, issued loans amounting to KSh. 162.2 million to 25,884 individuals. Capacity building of beneficiary groups utilised KSh. 18.85 million for capacity building of 1,438 beneficiary groups.

***National Government Affirmative Action Fund*:** The Fund aims to empower affirmative action groups (women, youth and persons with disabilities, vulnerable children, and the elderly persons through expanding access to financial facilities. KSh. 934.33 million was disbursed to 47 counties to support the vulnerable groups. KSh. 185.06 million was disbursed in bursaries and scholarships to 24,552 students broken down as 13,246 female, 10,187 male, and 1,119 Persons with Disabilities (PWDs) in secondary schools, tertiary institutions, and universities. In addition, KSh. 199.57 million was advanced to support 950 groups comprising 89,924 AAGs broken down as 14,821 male, 73,700 female, and 1,403 PWDs for both women economic empowerment and value addition initiatives. KSh. 549.70 million was disbursed towards countywide projects, civic education, and administration.

Youth Enterprise Development: In FY 2022/23, the Fund disbursed loans worth KSh.143.84 million benefiting 11,085 youth entrepreneurs. Further, 171,568 youth entrepreneurs were provided with business development services through capacity building on entrepreneurship to 166,638 youth, provision of business mentorship and coaching to 4,815 youth, market support and linkages with larger markets to 1,777 youth, and provision of affordable trading spaces and business incubation/innovation services to 1,578 youth. Additionally, YEDF facilitated 1,575 youth to access and travel for jobs abroad, through its Youth Employment Scheme Abroad Programme. Cumulatively, since inception, YEDF has disbursed KSh. 14.54 billion benefitting 2.5 million youth entrepreneurs across the country. In addition, 2.3 million youth have been supported with business development services. This was done through training of 1.5 million youth on entrepreneurship skills, 14,000 youth supported to market their products, 10,618 youth provided with affordable business trading spaces and 29,216 youth facilitated to access jobs abroad.

Implementation Challenges

- Lending was put on hold in the last two quarters to allow for digitisation of lending in a remodeling process thus affecting disbursement.
- High rates of default and difficulty in recovering defaulted loans due to the notion that the funds are grants
- Delays in the gazettement of Constituency Uwezo Fund Management Committees.
- Manual operations of the Fund.
- Weak legal instruments, (Public Finance Management (Uwezo Fund), Regulations, 2014).
- Delay in releasing funds by the National Treasury.
- Transitional challenges after 2022 elections.
- Inadequate staffing at the Fund.
- Limited resources to meet the overwhelming demand for business loans for the youth.
- Entrepreneurship skills gap amongst the youth. Majority of youth have limited skills and capacity to undertake sustainable businesses which threatens growth of MSMEs.
- Weak legal framework to support growth of youth MSMEs.

Lessons Learnt

- Over-reliance on exchequer is disruptive as it can be frozen without any explanation.
- Integration of technology in implementation of the Fund will ease loan management and reconciliation.
- Multi-agency approach in the implementation of the Fund improves efficiency.
- Continuous public sensitisation and awareness leads to an increase in demand for loans.
- Continuous sensitisation and follow up of the beneficiary groups reduces default.
- Training of the target beneficiaries should be demand driven.
- Adequate facilitation enhances efficiency.

Recommendations

- Roll out lending through the digital platform to facilitate efficient borrowing by women and the youth
- Pursue GoK to increase allocations and to honour disbursement (development and recurrent exchequer) to facilitate more lending.
- Enhance mobilisation of resources from external sources for sustainability of the Funds.
- Involve various stakeholders, especially the National Government Administrative Officers, financial institutions, and technical departments from the various Ministries in the implementation of the Funds to enhance sustainability, networking and linkages.

- Digitalise the processes of the Funds to enhance efficiency, including lending and recovery of loans.
- Engage the patrons of the Funds to fast-track the process of nominating members of the Constituency Committees.
- Continuous training and sensitisation of the beneficiaries' and the public on the Funds products.
- Facilitate installation of Integrated Financial and Programmes Information Management System.
- Enhance strategic partnerships and collaborations for greater impact.
- Re-engineer the Fund, including diversification of products to meet the market needs.
- Review the legal framework, such as the Public Finance Management (Uwezo Fund), Regulations, 2014, to strengthen the Funds.

5.5.2. PREVENTION AND RESPONSE TO GENDER BASED VIOLENCE AND ERADICATION OF FEMALE GENITAL MUTILATION

a) Prevention and Response to Gender Based Violence

Location: Nationwide

Objective: To eradicate GBV in Kenya

Implementing Agency: State Department for Gender and Affirmative Action.

Project Progress: The programme is focused on reduction of all forms of GBV. During the reporting period, 520 duty bearers were capacity built on GBV referral mechanism, access to GBV services and evidence management against a target of 750 duty bearers. Additionally, 17 media platforms were engaged in a campaign to end GBV, teenage pregnancies, FGM and child marriages. Further, 1,560 people including religious leaders were engaged in community dialogues to end GBV against a target of 1,000 people. This success was due to additional support provided by partners. In addition, the Sector supported one Gender Based Violence Recovery Centre (GBVRC) and issued 2,125 dignity kits to GBV survivors in safe houses in GBV hotspot counties against a target of 3,000 survivors. On the Kenya National Action Plan on Women, Peace and Security, the Sector supported 14 counties to implement their county specific plans.

Implementation Challenges

- Inadequate staffing leading to work overload.
- Inadequate funding and delays in the disbursement of funds by the National Treasury that affected implementation of programmes.
- Inadequate gender statistics which affect evidence-based policy decisions.
- Persistent and discriminatory social cultural norms that perpetuate GBV and other harmful practices.
- Inadequate GBVRCs and safe spaces for survivors at risk.
- Laxity by duty bearers to ensure compliance to legal and policy frameworks that hinder GBV.

Lesson Learnt

- Collaboration between state and non-state actors enhances prevention and response to GBV.

Recommendations

- Undertake regular research to inform interventions aimed at addressing persistent harmful practices and emerging trends.

- Embrace a multi-stakeholder approach in the fight against GBV and other harmful practices.
- Partner with the private sector and county governments in the construction of GBVRCs and safe spaces.

b) Eradication of Female Genital Mutilation

Location: Twenty-two (22) FGM hot spot counties (Migori-Kuria, Kisii, Nyamira. Bomet, Kajiado, Narok, Taita Taveta, Bungoma-Mt. Elgon, Garissa, Tana River, Wajir, Madera, Marsabit, Isiolo, Laikipia, Elgeyo-Marakwet, West Pokot, Baringo, Embu, Tharaka- Nithi, Meru and Samburu.

Objective: To eradicate FGM in Kenya

Implementing Agency: Anti-FGM Board

Project Progress: Observed the International Day of Zero Tolerance for FGM in Migori and Laikipia counties. A total of 3,000 people were sensitised on the effects of FGM and the existing legal framework. The Board also engaged cultural elders from Maasai, Kipsigis, Rendile, Sabaot and Kuria elders through a dialogue process, and facilitated Alternative Rite of Passage for 700 girls to learn life skills and abandon FGM. Awareness creation was enhanced through the media by reaching a coverage of 30 million people through mainstream media and vernacular radio and TV stations such as Inooro, Nosim, Togotane, and Kameme. Youth Anti-FGM networks were launched and operationalised in Laikipia, Tana-River and Wajir counties.

Pasha Mobile App that is meant to report real time incidents of FGM was launched in Migori, Samburu and Kajiado counties. The Board observed the International Day of the Girl in Taita Taveta County through a cross border event that brought together participants from Kenya and Tanzania to address cross-border FGM. The Board also disseminated information, education and communication materials in 22 FGM hot spot counties during International Days and community engagement; engaged religious leaders in all the 22 hotspot counties to mainstream Anti-FGM campaign in their programmes; capacity built over 6,000 resource persons and duty bearers (National Government Administration Officers) on the consequences of FGM, legal and policy framework; and facilitated planning and quarterly meetings for 10 county and sub-county anti-FGM steering committees to enhance partnership and collaboration. The Board observed all International Days that advocate for the rights of women and girls. These include the 16 Days of Activism against GBV, International Day of the Girl, International Day of the African Child, International Day of Zero Tolerance for FGM, International Women's Day and International Widows Day.

Implementation Challenges

- Inadequate data thus affecting policy decisions.
- Inadequate monitoring and evaluation systems.
- Inadequate safe spaces for girls facing the risk of FGM.
- Humanitarian crises such as drought and hunger also contribute to putting girls more at risk of FGM.
- Inadequate human and financial resources.
- Prosecution of the perpetrators is limited by lack of sufficient evidence in some cases, and long process of court cases.
- Entrenched social norms that perpetuate FGM.
- Difficulty of hard-to-reach populations especially in remote areas due to inaccessible roads and insecurity.
- The absence of county anti-FGM policies and action plans to guide against FGM has hindered implementation of proper interventions in ending FGM.

- Poor coordinated mechanisms in implementation of interventions.
- Emerging trends in the practice of FGM such as secrecy, medicalisation, change of cut and cross border FGM.

Lessons Learnt

- Engaging survivors of FGM is critical in the fight against FGM.
- Strengthening collaboration and partnership between state and non-state actors is key to eradicating FGM.
- Continuous awareness creation is key in changing social and gender norms.
- Availability of up-to-date data at both national and county level is crucial for programming and policy formulation.

Recommendations

- Partnership with other Government agencies, development partners and Civil Society Organisations in implementation of gender programmes.
- More collaboration with the media on awareness creation especially on TVs and vernacular radio stations.
- Enhanced budgetary allocation by national and county governments, specifically for anti-FGM will be ideal using the existing structures and partners/stakeholders in the 22 FGM hotspot counties.
- Setting up of a special court for FGM cases.
- Implementation of the action plan to end cross-border FGM by member states.
- Counties should develop county specific anti-FGM policies.

5.5.3. GENDER MAINSTREAMING

Location: Nationwide

Objective: To mainstream gender related issues in the public and private sectors

Implementing Agency: State Department for Gender and Affirmative Action.

Project Progress: Gender mainstreaming is a strategy to ensure gender equality in all spheres of life. It is an integral part in designing, implementing, monitoring and evaluation of policies, plans, programmes and projects. During the period under review, 387 MDAs were audited and trained on gender mainstreaming; and 638 officers in MDAs trained on gender mainstreaming against a target of 550. This was achieved through implementation of the Gender Mainstreaming Indicator in the Performance Contracting System. Further, 100 staff were trained on gender responsive budgeting; workplace gender mainstreaming and Sexual Gender Based Violence (SGBV) policies were developed; and gender mainstreaming reporting tool in the State Department's website was updated. Quarterly meetings for the gender focal points were held. The State Department also developed a draft Gender Mainstreaming Handbook for County Field Services, and commemorated International Women's Day.

Implementation Challenges

- Inadequate staffing leading to work overload.
- Inadequate funding and delay in disbursement of funds by the National Treasury that affected implementation of programmes.
- Inadequate gender statistics which affected evidence-based policy decisions.

Lessons Learnt

- There is a need to leverage technology in gender mainstreaming.
- A multi-sectoral approach facilitated smooth implementation and coordination.

- Inter-governmental framework on gender has enhanced programming.
- Partnerships and collaborations are very key for effective and efficient Implementation of a programme.

Recommendations

- Enhanced budgetary allocation commensurate with the State Departments' mandate to ensure efficient and seamless service delivery that meets the expectation of Kenyans.
- Strengthening of the legal framework on matters relating to gender.
- Implementation of human resource plans to address staffing gaps.
- Entrenchment of gender mainstreaming across all MDAs through performance contracting.

5.5.4. SANITARY TOWELS PROGRAMME

Location: All public primary schools in Kenya.

Objective: To provide sanitary towels to all menstruating girls in public primary schools to ensure access, retention, performance and transition of the vulnerable girls in all regions across the country.

Implementing Agency: State Department for Basic Education (Directorate of Primary Education).

Project Progress: During the period under review, the programme was implemented with an allocation of KSh. 470,408,000 benefitting 1,682492 girls in public primary schools.

Implementation Challenges

- Limited funds for the programme which cannot cater for all primary school girls in the puberty stage.
- Sanitary towels are dropped at sub-county offices where primary school head teachers in the sub-county converge to collect the sanitary towels. They, therefore, travel for long distances and incur transport costs to carry the bulky sanitary towels especially in ASAL areas.
- The girls are given seven packets per year, leaving five months of the year unprovided for.
- Menstrual hygiene education is not effectively done at school level therefore girls reach puberty stage with minimal knowledge of menstruation.
- In most schools, sanitary towels are disposed of in the pit latrines. Sanitary towels are not biodegradable and, therefore, a big challenge to the environment. Only a few schools have improvised incinerators.
- Most schools have not provided changing rooms for girls.

Lessons Learnt

- Since inception of the programme in FY 2011/12, approximately 10.5 million girls have benefited from the provision of sanitary towels.
- The provision of sanitary towels has ensured access, retention, performance and transition of vulnerable girls in all regions across the country.
- Girls now use hygienic methods to manage their menstruation. All the schools have a female teacher in charge who guides the girls.

Recommendation

- The Government should increase funding for the programme to benefit more girls in the public primary schools.

5.5.5. YOUTH EMPOWERMENT CENTRES

Location: Nationwide

Objective: To coordinate provision of youth friendly services.

Implementing Agency: State Department for Youth Affairs and Arts.

Project Progress: Constructed three Youth Empowerment Centres (YECs) in Dagoretti, Chepalungu and Mwea constituencies.

Implementation Challenges

- Budget cuts that have slowed down construction, upgrading and equipping of YECs to establish digital innovation hubs.
- Security challenges hence vandalism of YECs property in Baragoi, Tot, Fafi, Kitui East, Longisa, Alale, Ol Kalou among others.
- Inadequate staff that has led to staff in 29 YECs serve more than two sub-counties.

Recommendations

Accelerate transformation of the existing YECs into innovation hubs to tap the rich youth talent in film, drama, music, graphic design, digital animation, fashion and craft.

5.5.6. KENYA ASSOCIATION OF YOUTH CENTRES

Location: Nationwide

Objective: To develop a framework for Kenya Association of National Youth Centres.

Implementing Agency: State Department for Youth Affairs and Arts.

Project Progress: Draft Youth Development Bill was developed to anchor the Kenya Association of Youth Centres and mapped all public youth centres.

Implementing Challenges

- Inadequate budget.
- Lack of coordination framework for youth centres in public and private sectors

Recommendation

Enact the Creative Industries Bill, 2023 and Creative Economy Policy to establish the Office of Registrar of Youth Centres.

5.5.7. KENYA YOUTH EMPLOYMENT AND OPPORTUNITIES PROGRAMME

Location: Nationwide

Objective: To increase employment and earning opportunities for targeted youth.

Implementation Agencies: State Department for Youth Affairs and the Arts, National Employment Authority, Micro and Small Enterprise Authority, National Industrial Training Authority.

Project Progress: Disbursed KSh. 468,540,000 grants for business start-ups, created 32,800 new jobs locally and conducted impact evaluation of affirmative funds including YEDF, Uwezo Fund and WEF. The Kenya Youth Employment and Opportunities Programme ended in August 2023 which has been scaled up to National Youth Opportunities Towards Advancement (NYOTA).

Implementation Challenges

- Inadequate institutions for youth internship and apprenticeships.
- KYEOP only covers 17 counties not reaching all the youth in Kenya.

Recommendations

- Forge PPPs to create internships, apprenticeship and employment opportunities for the youth.

- Mainstream youth internship and apprenticeship in both public and private sectors.
- Scale up KYEOP to NYOTA to cover all counties.

5.5.8. NATIONAL YOUTH SERVICE TRANSFORMATION PROGRAMME

Location: Nationwide

Objective: To re-engineer the structure, processes, and programmes of the NYS.

Implementing Agency: NYS

Project Progress: 22,705 youth (15,493 males and 7,212 females) of which 70 were PWDs (52 males and 18 and females) were trained in paramilitary skills; 20,953 (15,055 males and 5,898 females) deployed to undertake tasks of national importance including food production, tree growing and provision of security services in strategic government installations; 41,106 (30,380 males and 10,726 females) trained in technical and vocational skills of which 16,373 (11,932 males and 4,441 females) graduated; and 332 employed in commercial enterprises. During the period, KSh. 14.023.43 billion was required of which KSh. 9.970 billion was disbursed. Cumulatively, the programme trained 70,906 in paramilitary skills, deployed 82,540 in national service, trained 184,515 in technical and vocational skills, and employed 914 in commercial enterprises.

Implementation Challenges

- Underfunding, coupled with periodic supplementary budget cuts resulted in rationalisation of the planned programmes, projects and activities compelling the Service to scale down youth intake from the targeted 30,000 to 10,000 annually.
- Delays in exchequer releases hindered timely service delivery leading to pending bills and accumulation of unfunded commitments.
- Human resources capacity fell short of expected service regimentation in paramilitary and national service, high teacher student ratio in technical and vocational training and acute shortage of specialised skills for commercial enterprise.
- Inadequate, obsolete and overstretched infrastructure and facilities for servicemen/women including barracks, dining halls, classrooms, workshops, water and sanitation systems, and security walls/fences in all field units.
- Inadequate employment opportunities for the youth have resulted in an increased number of unemployed NYS graduates.
- The economic slowdown resulting from global events led to budget cuts and delays in the release of exchequer.
- Erratic weather conditions affected national service programmes particularly agricultural productivity.

Lessons Learnt

- The programme resulted in a higher number of job-seeking as opposed to job-creating graduates hence high rate of unemployment among NYS graduates.
- Existing data shows a steady rise in psychosocial, sexual and reproductive health challenges among servicemen and women despite life skills training being integrated into the training programme.
- Partnerships and collaborations increased skills development and employment opportunities for youth while enhancing NYS public image, confidence, and visibility.

Recommendations

- Revision of NYS budget to correspond with the required youth intake of 30,000 annually.
- Enhance youth skilling and employment opportunities through commercial enterprise development, research and innovation, entrepreneurship and MSME development, and collaborations with disciplined services, other public and private agencies, and global labour markets.
- Strengthen and integrate psychosocial, wellness, and youth friendly sexual and reproductive health education in all NYS training programmes to address social challenges facing the youth.

5.5.9. YOUTH COHESION, NATIONAL VALUES AND SOCIAL DEVELOPMENT

Location: Nationwide

Objective: To promote peaceful coexistence.

Implementing Agency: State Department for Youth Affairs and the Arts.

Project Progress: Capacity built over 620,000 youth in civic responsibility, national values, leadership and governance; engaged 250,000 youth in dialogue forums to voice out youth issues and to inform Government on the aspirations of the youth; engaged 10,000 youth in inter-communal peace exchange programme to promote peaceful co-existence among the youth; enhanced collaboration and coordination with 1,000 youth serving organisations and youth groups which has resulted to a harmonised approach towards youth empowerment; engaged 5,000 youth in climate action initiatives including planting of trees and environmental cleanups geared towards promoting the spirit of patriotism, volunteerism and community service among the youth; mobilised over 25,000 youth to participate in international youth forums in an effort to promote international collaboration and linkages among the youth; and hosted Youth Connect.

Implementation Challenges

- Lack of regulation and coordination approach within the Youth Sector across the Government, youth groups, youth focused community-based organisations, non-governmental organisations, civil society movements and other organisations.
- Minimal youth inclusion and participation in leadership and governance due to lack of legislation to enforce implementation of the Constitution by all stakeholders.
- The non-existence of a strong youth voice platform and annual status report on youth from the Government has left many views and aspirations not well captured.
- High resource gap in budgetary allocation.

Recommendations

- Fast-track the enhancement of regulations to strengthen the National Youth Council to fully operationalise section 4(a) of the Act.
- Enact legislation or issue a Presidential Executive Order to outline the minimum number of youths to be included in leadership and governance positions.
- Enact the Youth Inclusion Bill to enhance youth representation on decision-making for the benefit of the youth at large.
- Enhance the budget through the exchequer

5.5.10. YOUTH EMPLOYMENT AND ENTERPRISE DEVELOPMENT

Location: Nationwide

Objective: To create sustainable employment opportunities.

Implementing Agency: Affirmative Funds

Project Progress: 24 community youth SACCOs were operationalised; 32,000 youth were capacity built on entrepreneurship and life skills; 3,200 youth were placed on internships; 1,850 youth trained on on-line jobs; and KSh.16.9 billion was awarded to youth under AGPO tenders covering 12,814 beneficiaries.

Implementation Challenges

- Limited resources for business financing for the youth. The demand for products and services continues to grow, which overwhelms the available resources. The Government funding has significantly declined over time.
- There is an entrepreneurial skills gap amongst the youth. Most of the youth have limited skills and capacity to undertake sustainable businesses which threatens growth of MSMEs. There is, therefore, a need for enhanced business development services to youth MSMEs.
- Weak policy and legislative framework to support growth of youth MSMEs.

Lessons Learnt

- There is a need to leverage strategic partnerships and collaborations with organisations in the MSMEs space for wider reach.
- Digitalisation of operations is imperative to address the niche and to ensure financial inclusion for all Kenyan youth.
- Re-engineering of the Funds to create impact and ensure sustainability through increased resources and solutions to address the market gaps.

Recommendations

- Enhance resource mobilisation initiatives and increase exchequer allocation to meet the growing demand for services.
- Re-engineer the Funds to match market needs and digitalisation of services.
- Develop and align legislative framework and policies to support growth of youth MSMEs.
- Review YEDF establishing instruments to ensure sustainability.

5.5.11. BIASHARA BANK

Location: Nationwide

Objective: To provide coordination in the delivery of affordable financing and support for business development.

Implementing Agency: State Department for Gender.

Project Progress: Not implemented in the FY 2022/23. However, the taskforce on establishment of Biashara Kenya Fund completed its task and submitted its report that was approved by the Cabinet. The National Treasury published the Biashara Kenya Regulations which were presented to the National Assembly for approval. However, the draft regulations were not approved by the National Assembly's Committee on Delegated Legislation. The draft regulations have been resubmitted to the National Assembly and approval is awaited.

5.5.12. NATIONAL SAFETY "INUA JAMII" PROGRAMME

Location: Nationwide

Objective: To empower the poor and vulnerable to enhance their capacities and opportunities.

Implementing Agencies: State Department for Social Protection and Senior Citizens Affairs: National Council for Persons with Disabilities (NCPWD), Street Families' Rehabilitation Trust Fund, Directorate of Children Services, Directorate of Social Development, Directorate of Social Assistance, Directorate of National Social Protection Secretariat, and NDMA.

Project Progress: Provided cash transfer to 756,485 older persons, 278,188 OVCs; and 38,118 persons with severe disabilities; Rehabilitated and reintegrated 3,639 street families into the communities; supported the enrollment of 53 percent of NSNP beneficiaries into NHIF.

Implementation Challenges

- Delay in reviewing Social Assistance Act, 2013.
- Inadequate and unreliable disaggregated data for all vulnerable groups.
- Inadequate legal, institutional and policy framework.
- Inadequate funds to support field operations related to implementation of NSNP.

Lesson Learnt

- Updating and cleaning of the cash transfer register should be a continuous process to weed out untraceable and deceased beneficiaries.

Recommendations

- Establish a coordination mechanism for NSNP and social protection programmes.
- Enhance resource allocation to the State Department to cater for field operations for running the programme.
- Fast-track the approval of key policies and legislation already in Parliament to enable the State Department to deliver on its mandate.

5.5.13. DISABILITY MAINSTREAMING

Location: Nationwide

Objective: To enhance inclusion and accessibility among persons with disabilities.

Implementing Agency: NCPWD

Project Progress: The Council provided 3,359 PWDs with assistive devices; supported 2,231 learners with disabilities with scholarships; supported 117 groups of PWDs with grants for economic empowerment; provided 360 tools of trade to PWDs with vocational skills for economic empowerment; supported 60 learning institutions with equipment to improve enrolment capacity and learning environment; supported 385 Government workers for Kenya Sign Language training; supported 112 disabled persons organisations for advocacy and awareness creation; and registered 60,338 persons with disabilities. The Council also provided sunscreen lotions to 3,818 persons with albinism; conducted skin cancer screening to 1,200 persons with albinism; and provided 500 PWAs with monocular devices. Further, NCPWD provided cash transfers to 38,118 persons with severe disabilities.

Implementation Challenges

- Inadequate and unreliable disaggregated data for all vulnerable groups.
- Increase in the number of vulnerable populations who need social protection. This has been occasioned by life cycle shocks and risks, severity and frequency of occurrence of natural disasters such as drought, army worm invasion among others.
- Delay in registration of persons with disabilities due to the lengthy and bureaucratic disability assessment process by the Ministry of Health.

- Low uptake of tenders reserved for persons with disabilities in MDCAs.
- Delays in the release of funds affected AGPO thus affecting LPO financing.
- Budget cuts/low funding.

Lesson Learnt

- Maintaining public awareness on the specific reserved opportunities for PWDs like tenders requires continuous investment in communication strategies.

Recommendations

- Fast-track the approval of key policies and legislation already in Parliament and Cabinet (National Social Protection Policy 2022, & Persons with Disabilities Bill 2022).
- Endeavour to have all MDACs register with NCPWDs career portal via ncpwd@fuzu.com to link PWDs to employment opportunities.
- MDACs should mainstream disability in planning and budgeting processes.
- The National Treasury should increase the national development fund for persons with disabilities to upscale implementation of activities in line with its mandate.
- Increase public awareness on the rights of persons with disabilities to reduce discrimination.
- Decentralise the Director of Medical Services signature to the county level to make the registration process easier and faster.
- Commitment by MDAs to support staff to undergo the Kenya Sign Language training towards improving delivery of services for PWDs.

5.5.14. CHILD COMMUNITY SUPPORT SERVICES

Location: Nationwide

Objective: To strengthen child protection services.

Implementing Agency: State Department for Social Protection and Senior Citizens Affairs (Directorate of Children Service).

Project Progress: Provided presidential bursaries to 66,900 OVCs from poor households in public boarding secondary schools; unpacked the Children Act, 2022; coordinated the enactment of the Children Act, 2022; developed draft regulations to guide the implementation of Children Act; issued 64 renewal certificates to compliant; provided alternative family care services (foster care, guardianship and adoption) to 2,433 children; ensured growth and development of young children and lactating mothers by offering bi-monthly cash top-up to 39,616 beneficiaries under the Nutrition Improvement Cash for Health and Education programme; resolved 533,436 cases of violation and abuse of children rights and provided interventions to 505,211 Violence Against Children case; and reached 130,623 children through emergency response.

Implementation Challenges

- Inadequate funding for the programme.
- There is no clear operational cost which has affected monitoring and evaluation of implementation for the programme.
- There is limited administrative structure at the counties to coordinate implementation of the programme.
- Inadequate and unreliable disaggregated data for all vulnerable groups.

Lesson Learnt

- Adoption societies need to be trained and given clear guidelines in time to ensure they meet the criteria for registration.

Recommendations

- Build linkages and collaboration with stakeholders to minimise duplication of social protection initiatives.
- Increase funding for the National Council for Children's Services to enhance the implementation of the Children Act, 2022.

5.6. SPORTS, CULTURE AND THE ARTS

Sports, Culture, and the Arts Sector plays a crucial role in overall national development. Kenya continues to excel in sports at international level as well as in preserving its cultural identity and the arts guided by the theme *"Celebrating the Best in Us"*. It seeks to intensify efforts to promote sports, national heritage, and culture as well as talents in music and arts. Additionally, the Sector aims at upscaling its support to development of Kenya's film industry while also promoting a reading culture and research through management of libraries and protection of all historical records.

5.6.1. KENYA ACADEMY OF SPORTS

Location: Nationwide

Objective: To serve as a centre of excellence in sports talent development through identification and nurturing of talent, training of sports technical personnel as well as enhancing knowledge and skills through research in sports.

Implementing Agencies: Kenya Academy of Sports, and State Department for Sports.

Project Progress: Phase 1B was 85 percent completed. The project entails completion of interior works of the hostel building from second to seventh floor; partitioning, tiling, installation of the ceiling, lifts and kitchenette, furnishings and beddings, internal painting, electrical works among others. In addition, a total of 1,633 talented youth and 722 coaches and referees were trained. The Academy also hosted its Annual Sports Conference which attracted a record number of participants from outside the country.

Implementation Challenge

- Low funding levels of the project and core mandate programmes.

Lessons Learnt

- High level coordination and synchronised channels of communication amongst stakeholders is critical for successful implementation of the project.
- Strong project implementation committee at Ministerial level improves effectiveness and efficiency in project implementation.

Recommendations

- Enhance funding from the Sports, Arts and Social Development Fund (SASDF)
- Explore alternative project funding options such as PPP, Build, Operate, Upgrade, and Transfer among others.
- Strengthen the project implementation committees at the Ministerial level.

5.6.2. BUILD AND REHABILITATE SPORTS STADIA

Location: Nationwide

Objective: Provide sports facilities to enable the youth to develop, grow talent, compete in sports, regulate, protect and enforce facilities standards to ensure quality access.

Implementing Agencies: Sports Kenya, State Department for Sports, and State Department for Public Works.

Project Progress:

i. *Completion of Kirubia Stadium*

Sports Kenya completed Kirubia Stadium in Chuka which is among the seven regional stadia upgraded to national and competition standards. The stadium has a Fédération Internationale de Football Association (FIFA) standard football pitch, terraces, main VIP, an athletics track, fully equipped borehole with water reticulation, an ablution block, and a completed boundary wall. The project was 100 percent completed.

ii. *Completion of Marsabit Stadium*

The Marsabit Stadium is among the regional stadiums to be upgraded to international standards. The stadium has a FIFA standard football pitch, competitors' terraces, main VIP, athletics track, an ablution block, boundary wall and car park. The project was 100 percent completed.

iii. *Completion of Kiprugut Stadium*

The Agency completed the designs and construction of Kiprugut Stadium in Kericho which is among the regional stadia under the 30 county stadia upgraded to national and competition standards. The stadium has a FIFA standard football pitch, competitor's terraces, main VIP, a fully equipped borehole with water reticulation, an ablution block, car park area and a boundary wall. This facility provided appropriate training grounds that promote talent search and identification. The project was 100 percent completed.

iv. *Completion of Moi Stadium*

The Agency completed the design and construction of Moi Stadium in Embu County which is among the stadia under the 30 county stadia upgraded to national and competition standards. The stadium has a FIFA standard football pitch, competitors' terraces, main VIP, a fully equipped borehole with water reticulation, an ablution block, car park area and a boundary wall. The project was 100 percent completed.

v. *Wote Stadium*

Wote Stadium in Makueni County is among the seven regional stadiums. The scope of works comprises perimeter wall, VIP pavilion, excavation works, seating terrace, football pitch, athletics track and associated electrical and mechanical works. The original proposed site was changed by the County Government of Makueni. On the new site, the contractor experienced unstable ground which necessitated a variation in excess of the allowable percentage by law. The project was 75 percent completed.

vi. *Karatu Stadium*

In relation to Karatu Stadium in Kiambu County, the scope of works comprises VIP pavilion, football pitch athletics track, perimeter wall and associated electrical & mechanical works. The project was 65 percent completed.

vii. *Ruringu Stadium*

The Stadium is located in Nyeri County. The scope of works comprises seating terraces, football pitch, athletics track, VIP pavilion and associated electrical & mechanical works. The project was 65 percent completed.

Implementation Challenges

- Delays due to weather challenges.
- Omissions of work which led to variations of the original contracts.
- Delays in approval of financial appraisals.
- Delay in disb ursement of funds for the projects.

Lesson Learnt

- Over-reliance on the exchequer delays the timely completion of the projects. Thus, collaboration with partners such as Sports Fund is necessary to supplement low budgetary allocation to expedite completion of projects.

Recommendations

- Timely disbursement of funds.
- Need for an increase of funding for timely delivery of projects.
- Collaboration between the implementing agencies for timely financial appraisals.

5.6.3. ANTI-DOPING PROMOTION

Location: Nationwide

Objective: To carry out the fight against doping in sports through anti-doping value-based education, sensitisation and awareness campaign, and protecting the "clean athlete" through effective doping tests.

Implementing Agency: Anti-Doping Agency of Kenya (ADAK).

Project Progress: During the FY 2022/23, the following was achieved:

Intelligence Based Testing: The Agency carried out 1,425 intelligence-based tests representing 158.33 percent of the target which was 900, an increase of 13.45 percent from the 1,236 intelligence-based tests carried out during the financial year 2021/22. The increase was due to the tests conducted on athletes selected to represent the country in the World Athletics Championships.

Anti-Doping Education Programmes: The Agency reached out to 15,516 persons who represent 168.65 percent of the target number, which was 9,200, an increase of 6.64 percent from the 14,550 persons reached during the financial year 2021/22. The increase was due to the continual anti-doping information sharing on athletes selected to represent the country in the World Athletics Championships.

Results Management on Anti-Doping Rule Violations: All cases requiring prosecution were 100 percent processed as follows: 45 cases received (25 male, 20 female); 42 samples collected (39 samples by ADAK, 3 samples by other ADOs); sports discipline (36 Athletics, 4 Bodybuilding, 2 Para-cycling, 1 Basketball, 1 Rugby, 1 Judo); 10 appeals; and charges (42 presence of prohibited substance, 3 refusal to submit doping control). The most common substance found in athletes' samples (Norandrosterone, Erythropoietin, Triamcinolone acetonide, Testosterone).

Table 5-1: Cumulative Implementation Status

Financial Year	Carrying out intelligence-based testing (Target)	Carrying out anti-doping education programmes (Target - people sensitised)	Carrying out results management on anti-doping rule violations. (Target: percent of prosecution of cases)
2018/19	13,596	1,216	40
2019/20	9,830	1,028	34
2020/21	6,024	892	19
2021/22	14,550	1,236	18
2022/23	15,516	1,425	45
Totals	59,516	5,797	156

Implementation Challenges

- Increased cases of doping by some athletes in international competitions and allegations in the media watered down exemplary performance by clean athletes at the global stage.
- Technological advancement in the use of prohibited substances by some athletes seemed to be ahead of anti-doping measures.
- Lack of an accredited laboratory in Kenya made it very expensive in analysing doping tests hence low coverage in testing.
- Late disbursement of funds hampered timely implementation of the programmes.
- Delayed decisions from the Sports Disputes Tribunal (SDT) due to certain members of the Tribunal being domiciled outside Nairobi and the country.
- Uncooperative athletes who decline to appear before SDT.
- Increased cases of athletes participating during the period of ineligibility.
- Increased cases of athletes failing to apply for Therapeutic Use Exemption exposing them to unwarranted sanctions.
- Low uptake of cases by pro-bono counsel.

Lessons Learnt

- Innovation and use of technology during the pandemic such as the ADAK eLearning Portal played a big role in anti-doping information sharing to persons of interest. Results management on anti-doping rule violations through online platforms saved a lot of resources enabling more research to be done on provision for sample collection virtually.
- Some athletes who declined to appear before SDT have been sanctioned but soon thereafter devised ways of changing their names and competing under new identities.
- Certain substances have become common leading to new trends in doping meaning that there must be a single source supplying athletes with these substances.

Recommendations

- Promote value-based anti-doping education by integrating in the schools' curriculum to impart values among students/athletes for prevention of doping at an early age.
- Establishing a World Anti-Doping Agency accredited laboratory to reduce analysis cost of anti-doping tests.
- Increased surveillance and research on doping.
- The Sports Act should be amended to give SDT the power to issue a warrant of arrest for athletes who decline to appear before it.
- The Anti-Doping Act to be amended to provide for a timeframe within which a criminal doping case must be heard, concluded and a judgment rendered.
- Pro-bono counsel to be trained to enhance their abilities to defend athletes in anti-doping rules violation cases.
- The Sports Fund to establish a fund to cater for pro-bono counsel, amount equivalent to the one payable to pro-bono counsel in murder cases.

5.6.4. THE NATIONAL SPORTS LOTTERY

Location: Nationwide

Objective: To mobilise resources for supporting the sports industry in the country.

Implementing Agency: Ministry of Interior (taking it up from SASDF because of limitations in establishing Regulations 194 which do not include the National Sports Lottery Vision 2030 Target).

Project Progress: Project stalled, zero percent progress on implementation. A draft Gaming Bill prepared by the Ministry of Interior during the reporting period for tabling for debate in the National Assembly. Parts VIII and IX of the Bill provide details of the establishment of the National Sports Lottery and its distribution.

Implementation Challenge

- Legal hurdles have inhibited the establishment and implementation of the National Sports Lottery. The National Sports Fund (the Agency which was responsible for operationalising the National Sports Lottery) became defunct after the repeal of the Sports Act 2013 in FY 2018/19.

Recommendation

- Going forward, reporting on the progress of the National Sports Lottery should be done under the Ministry of Interior where the target is now domiciled. There is, however, a need for inter-ministerial collaboration in the implementation of the National Sports Lottery.

5.6.5. NATIONAL LIBRARY OF KENYA

Location: Nairobi

Objective: To increase access to information and knowledge for empowerment to all Kenyans.

Implementing Agency: Kenya National Library Service (KNLS).

Project Progress: The project was completed and handed over to the Cabinet Secretary, Ministry of Sports, and Heritage and KNLS Board on the 19th August 2022. The project was officially opened by the President on 13th November 2022.

Implementation Challenge

- Inadequate funding delayed the completion of the project which also led to cost overruns.

Lesson Learnt

- Inadequate provision of funds to projects leads to time and cost overruns.

Recommendations

- There is a need to provide adequate funds to projects.
- The funds should be released on time to avoid penalties from contractors.

5.6.6. THE INTERNATIONAL ARTS AND CULTURE CENTRE

Location: Nairobi

Objectives: To provide infrastructure for cultural development.

Implementing Agency: Kenya Culture Centre

Project Progress: The Project was at 0.75 percent completion level having only been funded with KSh. 22.5 million out of the total project estimated cost of KSh. 3.0 billion. The project has stalled and is behind schedule due to lack of funding.

Implementation Challenges

- No funding has been allocated for the project since FY 2018/19. This has hindered the achievement of some crucial preliminary steps of the project such as the finalisation of public participation.

Lessons Learnt

- No progress can be made without funding.
- The Centre needs to seek alternative modes of funding the project by approaching external donors and financiers.

Recommendation

- The Kenya Cultural Centre to continue engaging with the National Treasury and external donors and financiers for funding of the project.

MAKUENI LAW COURT

6. CHAPTER SIX

POLITICAL PILLAR

"Moving to the Future as One Nation"

The Kenya Vision 2030 takes cognisance of the importance of a democratic society that upholds the rule of law and respects individual liberties. The Political Pillar envisages a transformative governance and democratic political system that is issue-based, people-centred, result-oriented, and accountable to the public. Transformation within the Political Pillar cuts across the following strategic thrusts: devolution; adherence to the rule of law, issue-based politics; people-centred and politically engaged society; transparent, accountable, ethical and results-oriented Government institutions; policy driven and service-focused Government institutions; and security for all Kenyans. Since the inauguration of the Constitution in 2010, Kenya has made enormous strides in advancing devolution, promoting public participation in policymaking, and in strengthening the three arms of Government: The Executive, Judiciary and Legislature.

The Pillar has two sectors: (1) Devolution, and (2) Governance and Rule of Law.

6.1. DEVOLUTION

"***Making Devolution Work: A Catalyst for Holistic, Transformative and Sustainable Development***"

Devolution is by far one of the most significant initiatives in governance undertaken since independence and is a key sector under the Political Pillar. The system of devolved government was introduced by the Constitution which prescribes sharing and devolution of power as part of the national values and principles which underpin Kenya's governance. The devolved system of government has been implemented since 2013 with significant levels of success, including transfer of functions to county governments, preparation of a devolution policy and alignment of sectoral laws to the Constitution.

The Sector has six flagship programmes/projects in MTP III, which are undergoing implementation. The performance for the various projects and programmes is presented in the following section:

6.1.1. DEVOLUTION POLICIES AND LEGAL REVIEWS

Objectives: Devolution policies and legal reviews aimed at deepening devolution through strengthening policy, legal and institutional frameworks for devolution, developing, and implementing laws for devolved units, urban planning, and management.

Implementing Agency: State Department for Devolution.

Project Progress: Devolution Policy (2016) was reviewed, and stakeholder engagements were held. A framework for performance of concurrence functions by the National and County Governments was under development. In addition, the framework for ADR was completed and disseminated.

Implementation Challenges

- Prolonged approval of policies by relevant institutions such as the Cabinet, National Assembly and the Senate.
- Lack of finances.

Recommendations

- Factor in annual budgets for development of policies, frameworks, and regulations.
- Fast-track the process of approvals by the relevant institutions.

6.1.2. CAPACITY BUILDING AND TECHNICAL SUPPORT FOR IMPLEMENTATION OF DEVOLUTION

Objective: To strengthen competencies of county governments through capacity building, civic education, technical support and public participation through gazettement and implementation of the National Capacity Building Framework.

Implementing Agency: State Department for Devolution.

Project Progress: The national civic education framework was developed and awaiting Cabinet approval before launching. The review of the County Public Participation Guidelines (2016) was under review. Similarly, the development of performance management framework for counties and LEF was in progress.

Implementation Challenges

- Prolonged approval of policies by relevant institutions such as the Cabinet, National Assembly and the Senate
- Lack of finances for implementing the projects.

Lessons Learnt

- Effective stakeholder engagement makes the processes efficient.

Recommendations

- There is a need for pooling resources for similar activities.
- Foster collaboration with stakeholders including development partners to avoid duplication of efforts.
- There is need for approving institutions to fast-track approvals of policies and other instruments.

6.1.3. PLANNING, BUDGETING, FINANCIAL MANAGEMENT AND RESOURCE MOBILISATION

Objective: To strengthen planning, budgeting, public financial management and resource mobilisation at the county level.

Implementing Agencies: The Ministry of Devolution and the ASALs, Commission on Revenue Allocation (CRA), and National Treasury.

Project Progress: ***Division and County Allocation of Revenue*:** CRA recommended an allocation of KSh. 2,150.3 billion to the national government and KSh. 407 billion to county governments. This was based on the projected shareable revenue of KSh. 2,566 billion for the financial year 2022/23. The recommendation was amended by Parliament which allocated KSh. 370 billion county governments using the Third Revenue Sharing Basis. The allocation to county governments was equivalent to 27 percent of the most recent audited and approved accounts of revenue. In addition, KSh. 7.1 billion was allocated to the Equalisation Fund.

Several Bills dealing with sharing of revenues or financial matters concerning county governments were reviewed and recommendations submitted to the National Assembly and the Senate. These Bills included the Division of Revenue Bill, County Allocation of Revenue Bill and County Additional Allocation Bill, 2022.

County Recurrent Expenditure Ceilings: The allocation towards the recurrent expenditure budget ceilings of every county is guided by the country's fiscal consolidation policies. The recommendation for the county recurrent expenditure budget ceilings for Financial Year 2023/24 was KSh. 65.15 billion comprising KSh. 39.32 billion for County Assemblies and KSh. 25.83 billion for County Executives. This was approved by the Senate with amendments and included in the County Allocation of Revenue Act, 2023.

County Budget and Economic Forums: The Constitution provides a set of reforms with opportunity to participate in governance, including the management of public finances for efficient services and development. Central to these reforms in public financial management is the budget process, which involves the broader public and is designed to ensure effective use of public resources. At the county level, a crucial tool for facilitating the management of the public finances is the CBEFs. In the reporting period, 46 counties were required to establish and operationalise CBEFs.

Own Source Revenue: To enhance counties' own source revenue collection, the capacity of the county governments to improve their own source revenue collection was promoted through the development of a model tariffs and pricing policy through an inter-agency committee. The model is expected to help counties comply with section 120 of the County Governments Act, which requires county governments to create a Tariff and Pricing Policy for all their user fees and charges.

Implementing Challenges

- Budget rationalisation and delays in exchequer release.
- Inadequate funding affected implementation of programmes and activities.

Lessons Learnt

- The current national budget making process does not adequately fund the Commission to effectively implement its mandate.
- Core and statutory mandate programmes and activities of institutions should have a ring-fenced budget.
- Embrace technological advancement for efficiency in delivering services.

Recommendations

- Increase budget allocation.
- Prioritisation of activities.
- Enhance stakeholder engagement.

6.1.4. INTER-GOVERNMENTAL RELATIONS AND STRUCTURES

Location: Nairobi and in all 47 counties.

Objective: To strengthen intergovernmental relations and structures through review of the Intergovernmental Relations Act 2012 and development of enabling regulations.

Implementing Agencies: State Department for Devolution, and IGRTC.

Project Progress: As at June 2023, the following key milestones had been achieved: development of the exercise roadmap, matrix and tools on transfer of functions; establishment and training of MATC; kick-off consultative meeting/launch with the key stakeholders to roll out the exercise; printing of kickoff materials and reports (programmes, manual, baseline information, and reports); sensitisation and training of 12 Sector Task Teams (STTs); roll-out of the exercise within the 12 STTs with a view to achieving the identified objectives.

The above steps had achieved the following in the respective 12 sectors: reviewed the sectoral baseline information to identify pending functions to be transferred through a legal notice and enlisted; and identified those functions previously gazetted for transfer but are yet to be formally transferred or taken up by the county governments. A list was created for these functions.

The sector also identified the functions previously transferred but no attendant resources had been identified and transferred. The resources included financial, human resources, assets, and systems. Further, the sector identified the functions that, although transferred, there currently exists new or old legislation that inhibits their complete transfer and implementation. A list was prepared, and specific memoranda developed on proposed amendments. The functions that, although transferred, had duplication in their performance courtesy of lack of clarity on which level of government ought to implement them were also identified. Clarity on those functions has been provided, and a list of the functions developed. The sector also identified those functions that, although not expressly transferred or assigned by any legal instrument, are implemented by both levels of government thus requiring clarity.

At the end of the review period, the project was at 80 percent completion level. The exercise was anticipated to be finalised by October 2023. The progress achieved thus far meant that the project was on schedule.

Implementation Challenges

- Duplication of mandates by the national and county governments. The incomplete unbundling and consequent costing of exclusive functions.
- The National Government continues to fund regional development authorities and state corporations that largely perform devolved functions.
- Non-clarity on concurrent functions. There is no clarity on the functional boundaries for each level of government with defined roles and responsibilities for each level. A need has been noted for a succinct definition of the point at which the roles of these different levels of government intersect.
- Functions of county governments that are largely donor funded being performed by the national government. Some of these functions relate to several programmes whose financing agreements were actualised before the introduction of the system of devolved governance.
- There is no sufficient demarcation of the boundaries upon which the two levels of government should interact and jointly deliver on these specific functions leading to functional overlaps or duplication, resulting in unnecessary conflicts between the two levels of government.
- Inequitable allocation of resources for the performance of functions between the two levels of government. It is debatable whether both levels of government are adequately resourced for the specific areas of responsibilities falling within their domains or mandates.
- The issue of settlement of liabilities associated with the defunct local authorities remains unresolved despite having been transferred to counties.

Lessons Learnt

- The transfer of functions is a continuous process and requires constant collaboration from the two levels of government.
- Sensitisation of stakeholders on the unbundled elements is needed to create awareness and clarity of functional assignments.
- Establish transition committees at the counties to manage effective transfer.
- Alignment of policies and legislation to the Constitution is necessary for effective implementation of the devolved functions.

- There exist bills at various stages that seek to address the issues in the functional assignment and implementation that require review and alignment to the Constitution.
- Fast-track the valuation and transfer of assets attached to devolved functions to enable county governments to implement functions assigned to them under the Fourth Schedule of the Constitution.

Recommendations

- IGRTC to conduct periodic monitoring and evaluation to ensure successful implementation of the transferred functions.
- IGRTC to onboard the National Treasury in the budget rationalisation plans to ensure that resources follow transferred functions.
- Establish and operationalise sector forums for the functions to create a multi-sectoral approach in the course of implementation of devolved functions.
- Strategic collaboration between the national government and county governments for capacity building and technical support.
- Involvement of the Public Service Commission and County Public Service Boards in the human resource redeployment plan to ensure seamless transfer of the human attendant resource.
- Enhance and strengthen intergovernmental collaborations through frameworks and MoUs to smoothen performance of functions by both levels of government.
- Carry out identification, verification and validation of assets, liabilities, and systems of the transferred functions.
- For seamless transfer of functions, ADR mechanism should be used in handling disputes between the two levels of government.

6.1.5. HUMAN RESOURCE MANAGEMENT, DEVELOPMENT AND SERVICE DELIVERY

Objective: To strengthen public service and rationalise human resource functions across National and County Governments.

Implementing Agencies: State Department for Devolution, PSC and CPSBs.

Project Progress: The following were achieved during the Financial Year 2022/23: 13.9 million customers were served through the Huduma Kenya channels i.e., 52 Huduma Centres, Huduma Mashinani outreaches, Huduma Contact Centre and Huduma Kenya Social Media platforms; and introduction of the extended working hours in Huduma Centres - the 18 Huduma Centres operate extended working hours from 7:00am to 7:00pm. In addition, there was re-engineering and improvement of 23 MDACs services; introduction of new services in the Huduma Kenya channels; revamping of the Huduma Kenya Website; and implementation of the Huduma Kenya BPO Model, a new service delivery model, aimed at increasing the services availability and accessibility of the Huduma Kenya channels. The Sector also trained 200 staff from MDACs on the Huduma Kenya Customer Service Excellence Standards; developed Huduma Kenya Digitalisation Plan 2023/24 - 2025/26 that aligns Huduma Kenya to BETA; attained 95.83 percent customer satisfaction levels; and planted 106,000 trees to support the Presidential Directive on the Climate Action Agenda.

Implementation Challenges

- Lack of policy, legal, and institutional framework for Huduma Kenya programmes.
- Austerity measures affected the implementation of planned activities, including the expansion of Huduma Centres at the constituency level.

- Ageing ICT infrastructure, systems and licenses have negatively impacted service delivery to the citizens.
- High staff turnover and transfer of staff by MDACs affecting service delivery.
- Introduction of Data Protection Act that safeguards personal data.
- Government transition that introduced new Government priorities under BETA.
- Global economic recession that has resulted in high inflation rates and standards of living.
- Public service transformation from manual to digital services.

Lessons Learnt

- Political goodwill and top leadership support at the national and county levels play a crucial role in propagating widespread change management to deploy Huduma Kenya Service Delivery Programme at a large scale.
- Kenyans visit Huduma Centres for assisted services, including support on digital services. Given the significant literacy, resource, and connectivity gaps among communities, physical Huduma Centres remain crucial in terms of ensuring that all citizens' needs are met.
- Continuous performance monitoring and the quarterly inter-ministerial service meetings resolve challenges and improve services offered under the Huduma Service Delivery channels.
- Continued innovation and collaboration are key factors in devolving services to the lowest administrative units.

Recommendations

- Approval of the One-Stop-Shop Government Service Policy and enactment of One-Stop-Shop Government Service Bill to provide the necessary legal, policy and institutional framework for Huduma Kenya Service Delivery Programme.
- Provision of adequate funding by Government to ensure the sustainability of the Huduma Kenya Service Delivery Programme.

6.1.6. DEVELOPMENT OF INDUSTRIAL CLUSTERS AND PRODUCTS

Objective: To promote development of industries in each county based on products and resources potential, and unique to each county through development of industrial clusters covering various counties.

Implementing Agency: Ministry of Devolution and ASALs.

Project Progress: During the period under review, various industrial clusters were developed in different counties including: an abattoir in Baringo for hygiene process of local meat products; a centre in Kisii to improve the local economy and increase household incomes; a centre in Kisumu to improve household incomes and nutrition by strengthening the dairy industry; a wholesale market in Kwale to enhance local growth and development; and a maize project and storage facility in Laikipia to contribute to local economic development. Similarly, Makueni Fruit Processing Plant was constructed to process puree into juice, capacity building, establish certified nurseries and model farm development; and Marsabit Fish Plant Project was constructed to contribute to local economic development through commercialisation of the fisheries. Further, a project was initiated in Migori to enhance productivity, market access and profitability of the sweet potatoes value chain; seed potato multiplication and storage project was constructed in Nyandarua; and an abattoir was constructed in Samburu to improve the economy of the county, increase household incomes and improve the quality of life for all. The Kimumu

Market was constructed in Uasin Gishu to contribute to the economic empowerment of the residents of the County by providing infrastructure that enhances the marketing value of agricultural produce; and West Pokot abattoir was constructed to increase household incomes. Other projects were the Tana River Fishing Plant which was constructed to modernise the fish industry and turn it into a profitable commercial enterprise; and the Wajir Meat Project which sought to contribute to the county's economic growth through employment creation and sustained household incomes.

6.2. GOVERNANCE AND THE RULE OF LAW

"A Secure, Just, Cohesive, Democratic, Accountable, Transparent and Conducive Environment for a Prosperous Kenya"

The Governance and the Rule of Law Sector aims to ensure an effective, accountable, and ethical leadership, and promotion of a just, democratic society in line with the Constitution and laws of the country. It is also intended to provide a secure environment and strong governance institutions that will propel citizens to full attainment of stable and sustainable socio-economic and political development. Further, the Sector facilitates the necessary legal framework for the "BETA" initiatives including the implementation of the SDGs, the Paris Agreement on Climate Change, and the Africa Agenda 2063.

The Sector has six flagship programmes/projects in MTP III all being implemented nationwide. The performance for the various projects during the review period is presented in the following section:

6.2.1. IMPLEMENTATION OF CONSTITUTIONAL AND LEGAL REFORMS

Objectives: To facilitate effective implementation of the Constitution and legal reforms through harmonising, reviewing and developing laws to implement the Constitution, and offering technical assistance to MDACs to enhance compliance and conformity of existing laws with the Constitution.

Implementing Agencies: Office of the Attorney General and Department of Justice, and Kenya Law Reform Commission.

Programme Progress: During the review period, Kenya Law Reform Commission developed the following six Bills: National Council on the Administration of Justice Bill; E-Health Bill, 2023; Integrated Product Marketing & Authentication System Bill, 2022; Emergency Medical Care Bill, 2022; Traditional Health Practitioners Bill, 2023; and Kenya Society for the Blind Bill, 2022.

Further, the following seven Bills were reviewed during the reporting period: Kenya Cultural Centre Act; regulations under the Kenya Information and Communication Act; Bills referred from relevant Parliamentary Committees; National Government Affirmative Action Fund Regulations; Law of Contract (Amendment) Bill, 2022; Public Procurement and Asset Disposal (Amendment) Bill, 2023; Persons with Disabilities Bill, 2023 and Intersex Bill, 2022.

Additionally, legal audit was done with respect to the Independent Electoral and Boundaries Commission (Amendment) Bill, 2023; National Transport and Safety Authority (Amendment) Bill, 2023; Environment and Land Court Act (Amendment) Bill, 2023; Preservation of Human Dignity and Enforcement of Economic and Social Rights Bill, 2022; and Marriage (Amendment) Bill, 2022. The audit was also undertaken for the following four county legislation: Nairobi City County Prevention of Violent Extremism Bill, 2022; Marsabit Community Health Services Bill, 2022; Garissa Health Facilities Improvement Bill, 2022; and Garissa County Revenue Administration and Management Bill, 2022.

Implementation Challenges

- Inadequate funding from the exchequer.
- Inadequate human resource capacity especially at the technical level.
- Absence of streamlined and collaborative approach to policy and legislative development.

Lesson Learnt

- Advancement in technology has enabled access to existing law electronically which helps with consistency, cross-referencing and law revision exercise.

6.2.2. LEADERSHIP, ETHICS AND INTEGRITY

Objectives: To strengthen legislative, policy and institutional frameworks for leadership, ethics and integrity by developing a whistleblower protection mechanism, asset tracking and recovery, wealth declaration, leadership and integrity, and multi-agency collaboration. It also seeks to implement bilateral and multilateral leadership, ethics, and integrity agreements.

Implementing Agencies: Office of the Attorney General and Department of Justice, EACC, and ODPP.

Programme Progress: Towards strengthening anti-corruption awareness, the National Anti-Corruption Campaign Steering Committee established six County Anti-Corruption Civilian Oversight Committees in Kericho, Nyamira, Lamu, Isiolo, Vihiga and Kitui counties.

The taskforce report for legal, policy and institutional framework for fighting corruption was implemented up to 70 percent. The shortfall was occasioned by human resource constraints.

The Ethics and Anti-Corruption Commission had 512 cases under investigation for corruption, economic crime, bribery, and unethical conduct. A total of 97 case files on corruption and economic crime were finalised and submitted to ODPP for review and direction. Out of these, EACC recommended 74 case files for prosecution, one for administrative action and 22 for closure. EACC also completed investigations into 44 cases of bribery out of which 32 were taken to court, 11 closed, and one referred to other institutions for action. Sixty-two cases of corruption, economic crime and unethical conduct were finalised in court out of which 27 were convictions, 27 acquittals and eight withdrawals.

The Commission completed 61 investigations on violations of Chapter Six of the Constitution and Leadership and Integrity Act. To this end, EACC issued 253 advisories, 22 cautions and 41 notices to public entities and persons for violation of Chapter Six and LIA. On the Declaration of Income, Assets and Liabilities (DIALs), the Commission facilitated the development and subsequent publication of administrative procedures on DIALs for Kitui and Nyeri County Assemblies. In addition, EACC received and processed 7,908 integrity verification requests from different institutions and individuals. Out of the total requests, EACC provided information on 60 individuals who were found to have contravened Chapter Six of the Constitution.

The Commission also carried out 16 proactive investigations which resulted in averting possible loss of public funds of approximately KSh. 4.74 billion. Further, EACC completed 40 asset tracing inquiries in respect of illegally acquired and unexplained assets valued at KSh. 6.63 billion. The Commission filed 23 applications for preservation of assets valued at approximately KSh. 886 million. Preservation and injunctive orders were granted for the applications. A total of 62 recovery suits involving assets with an estimated value of KSh. 8.77 billion were filed. The Commission recovered public assets with an estimated value of KSh. 4.2 billion during the period under review.

The Commission also examined systems, policies, procedures and practices of Moi University, and Masinde Muliro University of Science and Technology; compiled and disseminated the reports. The Commission also conducted Corruption Risk Assessments in Bomet County Executive, County Assembly of Siaya, Siaya County Executive, County Assembly of Bomet, Public Procurement Regulatory Authority (PPRA) and KICC.

The Commission mainstreamed integrity in learning institutions whereby a total of 129,712 learners in 350 institutions of learning were sensitised. The Commission also implemented outreach programmes in Central, South and North Rift, Nairobi, Upper Coast, Western and South Nyanza Regions reaching 4,164 students from 48 universities, tertiary institutions such as vocational colleges, teachers, and medical training colleges. The National Integrity Academy offered three courses to 468 officers from different public institutions. The courses were Integrity Assurance Officers training; Leadership and Integrity Course for Executives; and Promoting Integrity in Supply Chain Management.

In addition, EACC leveraged on strategic linkages and partnerships with national, regional, and international organisations to provide technical support and capacity building programmes. EACC signed an MoU with the PPRA and Oversight and Anti-Corruption Authority of the Kingdom of Saudi Arabia. The Commission also partnered with the European Union/ United Nations Office on Drugs and Crime through the Programme for Legal Empowerment and Aid Delivery in Kenya, Phase II to enhance the capacity of the Commission to fight corruption.

Implementation Challenges

- Inadequate legal and regulatory framework for enforcement of Chapter Six of the Constitution, Leadership and Integrity Act, Anti-Corruption and Economic Crimes Act and other complementary legislation.
- Slow legal reform process
- Constitutional petitions and judicial review applications that impede execution of the Commission's mandate.
- Slow judicial processes due to backlog of cases in courts.
- Lenient penalties on offences of corruption and economic crime.
- Intimidation of witnesses due to weak witness protection framework.
- Frustration of investigation process by suspects who are in office.
- Inadequate cooperation by institutions in provision of documents required in investigations.
- Lack of commitment by stakeholders to engage in the fight against corruption and unethical practices due to differing priorities and interests.
- Inadequate budgetary allocation.

Recommendations

- Seek budget enhancement to adequately resource programmes and recruit, train and retain competent professionals, operationalisation of the Prosecution Fund.
- Lobby Parliament to prioritise legislating of appropriate laws.
- Ensure that public entities adhere to the requirement and guidelines of prevention of bribery and corruption under the Bribery Act, 2016.

- Leverage on the goodwill from Kenyans in the fight against corruption and unethical conduct.
- Prioritise high impact and asset recovery cases.
- Strengthen cooperation with public institutions to ensure speedy conclusion of investigations.
- Develop a framework for enhancing partnership engagement within the Kenya Leadership and Integrity Forum.

6.2.3. NATIONAL COHESION AND INTEGRATION

Objective: To promote national unity by facilitating processes and policies that encourage elimination of all forms of ethnic discrimination irrespective of background, social circle, race and ideological belief(s).

Implementing Agency: NCIC

Project Progress: During the period under review, NCIC improved its coordination mechanism with both state and non-state actors to ensure peaceful elections. This was achieved through the development and launch of a roadmap to the 2022 General Elections, also known as "Elections Bila Noma''. The roadmap provided a clear agenda and direction for peace actors to prepare for peaceful electoral processes. It addressed six major challenges that could hinder peaceful elections, including lack of trust, a subculture of violence, selfish leadership, ethnic polarisation, untimely and inadequate response to conflicts, and structural inequalities. The roadmap was successfully implemented by NCIC and other peace actors, which contributed significantly to the peaceful conduct of the 2022 General Elections.

The Commission conducted ethnic and diversity audit of the county public service with the aim of improving inclusivity in public employment opportunities, enhancing equitable distribution of public resources as well as increasing public understanding and practice of non-discrimination. The audit report revealed that only 13 out of the 47 counties are compliant with section 65(1)(e) of the County Governments Act on the 30 percent rule. Five counties were ranked as the most diverse with over 30 ethnic communities in their public service employment, while seven counties were ranked as the most improved and compliant and 21 counties were ranked as the most non-compliant (list of shame) with a rating of over 90 percent of employees coming from the dominant ethnic community.

To enhance the ability to respond to challenges to peace, particularly during general elections, the Commission and the National Steering Committee on Peacebuilding and Conflict Management re-launched the Uwiano Platform for Peace. This platform provides a structured coordination framework for conflict prevention and interventions to promote peaceful elections. The membership of the platform has been enlarged and currently consists of 12 members, including the National Steering Committee on Peace Building and Conflict Management (Co-Chair), NCIC, (Co-Chair), Peacenet, UNDP, IEBC, NPS, ORPP, CoG, KEPSA, MCK, IRCK and UN-Women.

During the reporting period, NCIC conducted a rapid conflict analysis in 15 counties, namely Narok, Nakuru, Kisumu, Kakamega, Nandi, Trans-Nzoia, Uasin Gishu, Machakos, Mombasa, Kilifi, Kiambu, Nyeri, Nairobi, Laikipia and Kericho. The aim was to establish the dynamics and drivers of conflict in these areas. Additionally, a nationwide conflict hotspot mapping was conducted in all 47 counties to identify the conflict dynamics and drivers. Based on the analysis, 23 counties were identified as hotspot areas, and targeted interventions were implemented to mitigate the conflicts.

The Commission took deliberate steps to strengthen EWER mechanisms. To achieve this, the Commission conducted an EWER baseline mapping in six counties including Narok, Nandi, Kakamega, Mombasa, Nairobi and Kisumu. The mapping helped to assess the existing EWER mechanisms and strengthen the capacity of peace structures such as Peace Committees, Nyumba Kumi, Chiefs, and peace actors. Furthermore, the Commission set up MSU in six counties - Kisumu-Kericho, Kisumu-Nandi borders, and in Nakuru and Laikipia - to strengthen the capacity of local peace structures to resolve conflicts. To enhance mediation and peaceful resolution of conflicts, especially during the election period, NCIC established the KEPP comprising high-level prominent mediators who were trained, resourced, and put on standby to address any emerging political and inter-communal disputes.

In order to resolve conflicts between communities, the Commission conducted 22 mediation and reconciliation dialogues both within and between communities, across 22 counties in Kenya. These were Baringo, Isiolo, Nandi-Kisumu, Nandi-Kakamega, Nandi, Laikipia, Machakos, Isiolo, Bomet, Nyamira, Kericho, Kisumu, Migori, Siaya, Homabay, Wajir, Samburu, Nairobi, Lamu, Mandera, Marsabit, Garissa, and Narok. The dialogue forums were successful in improving relations between communities and in reducing conflicts through community peace pacts and declarations. Along with the dialogues, NCIC organised 20 sensitisation and public awareness forums in 22 counties, reaching 9,344 peace actors as well as an integrated media campaign that reached over 18 million Kenyans with peace messaging.

The Commission conducted training in seven counties including Kakamega, Mombasa, Kisumu, Uasin Gishu, Nandi, Kilifi, and Nakuru. The training aimed to strengthen the capacity of peace actors and stakeholders such as youth, women and elders on conflict resolution, peace, cohesion and national values. A total of 1,250 peace actors successfully completed the training.

At the same time, NCIC worked to enhance the capability of the multi-agency working group to effectively manage hate speech, ethnic contempt, and political incitement. The multi-agency working group consists of NCIC, IEBC, NIS, EACC, ODPP, ORPP, Office of the Attorney General, NPS, Directorate of Criminal Investigations, MCK, CA, Ministry of Information, Communications and Technology, and National Steering Committee on Peace Building and Conflict Management.

To promote political accountability especially during the electioneering period the Commission developed and implemented the Political Decency and Peace Accountability Charter and engaged political leaders across the counties to sign and commit to promote and maintain peace during and after the general elections. As a result, 86 Secretary Generals of all registered political parties, four presidential candidates, and 10,400 political leaders and aspirants signed the Charter and committed to uphold and promote peace in particular during the electioneering period.

Moreover, NCIC received and handled 1,107 complaints and incidents of hate speech, ethnic contempt, and incitement in public spaces, including social media platforms. Out of the 56 cases that were managed, 35 are currently at the prosecution stage, nine are under conciliation, five are being heard in court, and seven have already been concluded. To further strengthen hate speech management, the Commission has developed a police training manual, investigation and prosecution guidelines for prosecutors and investigators, and also established a tripartite committee on hate speech management. Additionally, NCIC has implemented measures to prevent hate speech, including Kenya's first National Action Plan on Hate Speech Management. The plan was developed through consultations with stakeholders and aims to create tools, mobilize the 'no hate speech' movement, and establish short and long-term commitments.

Successful implementation of this plan will strengthen deterrence against hate speech.

During the reporting period, the Commission in collaboration with EACC, PSC, and NGEC developed guidelines for CEEP's. The County Government (Amendment) Act, 2020 provides for the development of CEEP by CPSBs to address diversity, inclusivity and representation in employment in county public service. The guidelines were presented to the Committee on National Cohesion and Equal Opportunity, for feedback and recommendations. The draft guidelines are currently in the validation stage.

The Commission also held consultative meetings with the Parliamentary Committee on National Cohesion and Equal Opportunity where the proposed amendments to the National Cohesion and Integration Act were presented and deliberated. The Bill was gazetted and scheduled for tabling and debate in the National Assembly.

In collaboration with the National Steering Committee on Peace Building and Conflict Management, UNDP and Uwiano Platform members, conducted the PBA review process. The PBA review aims at assessing the risks, systems, policies and legal frameworks, peace building architecture, digital peace building, financing and mapping of peace building stakeholders. The PBA will strengthen and streamline peace building and cohesion work in Kenya.

The Commission has developed an Early Warning Dashboard System on Conflict Management, which aims to provide a comprehensive, real-time, and user-friendly platform for monitoring and analysis of conflict-related data to enable informed decision-making and timely conflict prevention and resolution. This system provides tools and insights necessary for timely detection and proactive response to conflict thus preventing violence from escalating. The real-time or near-real-time monitoring and alerts communicate to the Commission and other relevant stakeholders on emerging conflict situations by identifying early indicators and warning signs of potential conflicts thus enabling timely responses.

Implementation Challenges

- Budgetary constraints - inadequate staff, limited regional presence to upscale and sustain interventions at the grassroots level.
- Multiplicity of emerging drivers of conflicts and violence
- The slow judicial process in the determination of cases of hate speech, ethnic contempt and incitement to violence.
- Limited resources to ensure the sustainability of community social contracts and peace agreements.
- Proliferation of online hate speech remains a major challenge for NCIC going forward, particularly as internet penetration continues to grow across Kenya.

Lessons Learnt

- Community engagement in conflict management leads to sustainable peace and stability.
- Peace and reconciliation processes are not isolated events but rather continuous processes requiring consistent engagement.
- Citizens' expectations of public service delivery influence their attitudes, behaviour, and trust levels in Government agencies.

Recommendations

- Strengthen collaboration and partnerships through the multi-agency approach.

- Conduct regular stakeholders' consultations and engagement.
- Enhance the funding base through PPPs and donor support.

6.2.4. LEGAL AID AND AWARENESS

Objective: To enhance access to legal aid services by the indigent, marginalised and vulnerable persons through decentralisation of legal aid service to additional counties and provision of direct legal aid to vulnerable citizens.

Implementing Agency: National Legal Aid Services (NLAS).

Program Progress: During the period under review, the National Legal Aid Service provided legal aid to 81,352 vulnerable, marginalised, and indigent persons. The legal aid services offered included: legal advice, legal representation, dispute resolution through mediation, awareness creation and drafting of pleadings.

In order to expand legal aid availability to ensure more equitable access, legal aid providers mapping was conducted in 12 counties i.e., Lamu, Wajir, Mandera, Isiolo, Marsabit, Garisssa, Nairobi, Mombasa, Kisumu, Uasin Gishu, Nakuru and Tana River. This was aimed at identifying and connecting with organisations that offer legal aid services to indigent persons as well as guide efforts.

Mobile legal aid clinics were conducted in 12 counties namely, Lamu, Wajir, Mandera, Isiolo, Marsabit, Garisssa, Nairobi, Mombasa, Kisumu, Uasin Gishu, Nakuru and Tana-River, creating community awareness about available legal aid services and encouraging eligible individuals to seek legal assistance when needed. Towards making legal aid more widely accessible and cost-effective, NLAS website was revamped providing linkages for legal information and mobile application that is responsive to client needs and provision of IT equipment to its clients for virtual court sessions.

Implementation Challenges

- Due to limited funding, NLAS has difficulty in recruiting and maintaining sufficient staff, procuring infrastructure to meet the high demand for legal assistance.
- Changes in laws, regulations and court procedures pose challenges in provision of legal aid.
- Providing legal services to diverse populations with language barriers and differing cultural norms requires extra effort and resources.
- Currently NLAS has functional offices in five regions i.e. Nairobi, Mombasa, Uasin Gishu, Kisumu and Nakuru thereby making access to legal aid services uneven across different regions, with rural or remote areas facing more significant challenges in obtaining legal assistance.
- Some individuals may hesitate to seek legal aid due to perceived stigma associated with receiving free legal services.
- Limited public and awareness: Many people may not be aware of the existence or availability of legal aid services, and of NLAS as a statutory body.

Lessons Learnt

- Collaborating with other legal organisations, community groups, universities, and pro bono networks to share resources, knowledge, and expertise. Partnerships can help stretch limited resources and expand the reach of services.

Recommendations

- Governments should allocate more funding to enable NLAS to expand their services, hire qualified staff and improve infrastructure.

- NLAS to recruit staff as per its staff establishment structure to meet the overwhelming demand on legal aid services.
- Devise innovative ways of giving incentives to pro bono advocates so that they can take up matters e.g., capacity building training, recognition awards.
- Conduct regular assessments of operational processes to identify areas where efficiency can be improved.
- Implement cost-effective technologies, streamlined workflows, and best practices to optimise resource allocation.
- Explore innovative service delivery models, such as online legal clinics, remote consultations, or self-help resources, to expand access to legal aid services while minimising costs.
- Invest in continuous training and professional development for staff and volunteers to ensure they are equipped with the necessary skills and knowledge.
- Offer language interpretation and translation services to serve clients with limited proficiency.
- Foster collaborations with other social service providers, community organisations, and pro bono lawyers to enhance the range and effectiveness of services.
- Adopt a client-centred approach that prioritises the needs and preferences of clients and respects their autonomy.
- Need to enhance communication and public outreach in a professional way, conduct public awareness campaigns to inform the public about the organization's services and the importance of access to justice for all, and be active on social media.
- Collect and present data on the positive outcomes and societal benefits resulting from the organisation's work. Demonstrating the value of legal aid services can enhance the agency's appeal to potential funders.
- Conduct regular reviews of operational processes, as part of a coherent monitoring plan, with a combination of tools to collect data, to identify areas where efficiency and effectiveness can be improved.

6.2.5. JUDICIAL TRANSFORMATION

Objective: To transform the judiciary into an effective and independent custodian of justice through improving court procedures, processes, organisational culture and management to re-orientate them towards a culture of responsive, proactive, friendly, effective and accessible service delivery.

Implementing Agency: Judiciary

Project Progress: In the period under review, the Judiciary made the following progress:

i. ***Recruitment of Judges and Magistrates*:** Twenty High Court judges were recruited in the period under review. The judges were gazetted on December 5, 2022 and sworn in on December 7, 2022. They were subsequently deployed to various court stations.

ii. ***Construction of Courts:*** Five high courts in Kapenguria, Kwale, Makueni, Marallal and Ol Kalou were completed.

iii. ***Establishment Court of Appeal Stations:*** By Gazette Notice No. 11431 of September 23, 2022, two stations, namely Nakuru and Eldoret, were established and operationalised.

iv. ***Establishment of Courts and Registries:*** The following courts and registries were established: Kapsabet High Court in January 2023; Lamu High Court Sub-Registry in April 2023; Kakamega Employment and Labour Relations Court (ELRC) was elevated to a full-fledged court station and a judge from the ELRC in Bungoma assigned to the Station; Bungoma and Malindi ELRC Sub-Registries were upgraded to fully fledged courts; Nyamira was gazetted as a Sub-Registry in May 2023; and Kisii Sub-Registry of the Court of Appeal was fully operationalised over the financial year.

v. ***Establishment of Small Claims Courts, Sub-Registries and Filing Desks:*** Thirteen small claims courts were established in Meru, Siaya, Kisumu, Migori, Kakuma, Wajir, Dadaab, Loitoktok, Busia, Mandera, Taita Taveta, Malaba and Moyale. Additionally, 31 filing desks and one e-filing support desk were operationalised across the Small Claims Court registries.

vi. ***E-Filing***: This is currently being implemented in 13 counties, including: Nairobi, Mombasa, Kisumu, Siaya, Homa-Bay, Samburu, Turkana, Mandera, Nyandarua (Ol-Kalou), Bungoma, Garissa, Wajir and Kiambu. The e-filing initiative is a strategy towards the utilisation of technology to enhance expeditious delivery of justice efficiently.

vii. ***Virtual Courts:*** All courts across the country have adopted virtual courts, with the majority of courts in Nairobi conducting their sessions virtually, while courts outside Nairobi adopted a hybrid system of both virtual and physical sessions. This has improved access to Court's service and reduced distance traveled.

iii. ***Launch of Judiciary Desks at Huduma Centres***: The Judiciary launched desks at Huduma Centres countrywide and managed to set up desks at Eastleigh, Kibera, General Post Office and City Square. This is geared towards ensuring that citizens are able to file their cases electronically and access registry services, customer care, information, and virtual court sessions.

iv. ***Court Annexed Mediation***: During the financial year, a total of 4,690 matters were referred to mediation, out of which 395 were non-compliant, 245 were terminated, and a total of 2,242 were settled successfully. The settled matters included 1,792 full settlements, 85 consents, and 365 partial settlements. The total value of matters referred to mediation during the financial year was KSh. 33,760,340,720, while the total value of settled matters was KSh. 8,488,698,940. This activity contributed to the timely administration of justice and backlog reduction strategies outlined in the High Court Strategic Plan and Social Transformation through Access to Justice (STAJ). Further, 23 mediation registries were established in Kikuyu, Limuru, Thika, Mavoko, Kajiado, Muranga, Bungoma, Iten, Vihiga, Migori, Gatundu, Webuye, Runyenjes, Siakago, Busia, Kangundo, Gichugu, Kenol, Isiolo, Marsabit Makueni, Nyahururu, and Narok Law Courts. This brings the total number of mediation registries established so far to 55 and the number of counties where mediation is being implemented to 37.

v. ***Operationalisation of the Judiciary Fund:*** The Judiciary Fund was operationalised to safeguard the financial and operational independence of the Judiciary. This will ensure accountability for funds allocated to the Judiciary and ensure that adequate resources are available for the implementation of the Judiciary's programmes.

vi. ***Caseload Statistics:*** The Judiciary had 334,711 pending cases as of June 30, 2023, and recorded a total of 423,394 filed cases between July 2022 and June 2023 with 419,262 cases resolved during the same period. From 334,711 cases in June 2022 to 113,343 cases in March 2023, the backlog of cases older than three years has decreased by 66 percent. The case clearance rate was 85 percent in FY 2021/22 and 110.2 percent in FY 2022/23, respectively, which was equal to the annual target of 110 percent. Inadequate judges and judicial officers had an impact on the clearance of reported cases.

vii. ***Launch of the Child Justice and Sexual and Gender-Based Violence Strategies:*** The Hon. Chief Justice launched the Child Justice and SGBV Strategies, the Convicted Sexual Offenders Electronic Register, and established specialised SGBV Courts at Kibera and Makadara Law Courts. The strategies launched are closely aligned with the key areas outlined in STAJ, which seeks to transform the justice system into a people-centred one that upholds the dignity and rights of all Kenyans, especially victims of SGBV, child abuse and exploitation.

viii. ***Reduction of Case backlog:*** The Judiciary has undertaken specific initiatives and reforms that have reduced the backlog of cases older than three years, which has decreased by 24 percent from 150,376 cases in June 2021 to 113,343 cases in March 2023. These are the following initiatives and reforms: establishment and construction of additional courts to enhance proximity to courts; strengthening of the human resource capacity through recruitment of additional judges and magistrates, amongst other personnel; utilisation of alternative forms of dispute resolution through implementation of Alternative Justice Systems (AJS) and Court Annexed Mediation and; establishment of small claims courts across the country to expedite case resolution.

Implementation Challenges

- Insufficient funding from the exchequer. This has rendered the Judiciary unable to effectively conduct service delivery programmes such as: the recruitment of judges, judicial officers and critical cadres of judicial staff to increase the human resource complement to at least 80 percent of the approved establishment; implement the revised terms and conditions of service for judicial officers; review the terms and conditions of service for judicial staff; roll out of a culture change programme aligned to STAJ and the Organisation Review Report; establish and construct courts in counties and sub-counties; operationalise gazetted magistrates courts; acquire premises for tribunals; construct the Kenya Judiciary Academy campus; implement key programmes, e.g., operationalisation of small claims courts, court-annexed mediation, the AJS, service weeks, mobile courts and circuits; and upscale Judiciary technology, including roll-out of an institutional ERP and capacity building on IT across all court functions.
- The transition of tribunals as part of the court system has proved difficult due to the lack of a legal framework that provides for the administration and operations of tribunals.
- New legal frontiers disputes arising from the discovery and utilisation of natural resources, data protection, social media, financial crimes, cyber-crimes, human trafficking, human organ trade, terrorism, international organised crime, doping in sports, constitutional and global changes in the legal environment, ethics and governance, and socio-economic rights, among many others, have continued to be a challenge.
- Lack of land for the court expansion programme and delays in processing title documents for land belonging to the Judiciary.
- Inadequate automation of the complaint handling process in the Judiciary Ombudsman's Office. This

has negatively impacted the quality and accuracy of data and reports that are relied upon to inform timely action and decision-making.

- Slow adoption of automation by other justice sector partners who complement the judiciary's work, such as the Kenya Prisons Service, ODPP, and the Department of Probation and Aftercare Service.
- Legal obstacles affecting the efficient administration of the Judiciary Fund have been observed since its operationalisation. It is, therefore, necessary to revise the regulations governing the Judiciary Fund to better meet institutional requirements and improve the process of accessing and utilising the Fund.

Lessons Learnt

- The Judiciary has been able to harness emerging trends in technology and innovation to improve integration and automation of court procedures and practices. The Judiciary should continue to leverage technology to accelerate court proceedings by operationalising the court recording and transcription system and installing video-conferencing systems in all courtrooms.
- The dwindling budgetary allocation to the Judiciary vis-à-vis the overall budget requirements calls for a robust resource mobilisation strategy to supplement subventions from the exchequer. This is necessary to eliminate cases of stalled or delayed projects due to inconsistent flow of funds.
- Thorough feasibility studies are a prerequisite for the implementation of projects, so that resources are committed to projects that are viable and provide value for money.
- Dynamic responses through specialised training for Sector employees are critical in dealing with changes in the legal environment and ethics, as well as technological advances.

Recommendations

- Increase funding to the Judiciary to facilitate the recruitment of the required human resources at all levels, expansion and completion of court infrastructure, support of digitisation of court processes and automation of registry operations and court programmes such as mobile courts, ADR and AJS.
- Parliament to amend the Judiciary Fund Act and Regulations to address emerging issues since the operationalisation of the Fund to function as envisaged in the Constitution. The existing Regulations should be reviewed to align them with institutional needs and ensure efficiency in accessing and utilising the Fund.
- Parliament to increase budgetary support for all other agencies involved in the administration of justice.
- The National Land Commission and the Ministry of Lands should expedite the issuance of title documents for Judiciary premises across the country.
- The Judiciary should undertake the necessary internal steps to the stage for accreditation and the eventual award of a charter by developing and expanding appropriate curricula and physical facilities for the Kenya Judiciary Academy.

6.2.6. STRENGTHENING THE CRIMINAL JUSTICE SYSTEM

Objective: To strengthen the criminal justice system by ensuring independent institutions have clear mandates and formal collaboration mechanisms exist amongst the relevant institutions.

Implementing Agencies: State Department for Correctional Services, Office of the

Attorney General, ODPP, NPS, Judiciary, and KPS.

Project Progress:

Completion of Six Prisons: Construction of six prisons in Vihiga, Rachuonyo, Mwingi, Kaloleni, Nyamira and Kwale prisons was ongoing. Various project components including classrooms, wards, dining halls, gate lodge's perimeter walls and workshops were at different levels of completion.

Construction of Staff Houses: The number of staff houses completed during the period were distributed as follows: 60 units at Thika Main Prison; 40 units at Wundanyi Women Prison; 12 units at Wundanyi Main Prison; 12 units at Vihiga Main Prison; and four units at Busia Women Prison. During the same period, there were ongoing construction of 50 staff houses at Ruiru Prison, 100 units at Shimo Maximum, 50 units at Nakuru Main Prison, 20 units in Eldoret Main Prison and 30 units at Vihiga Main Prison. These housing projects were funded by the Government.

Construction of Level 4 Magereza Hospital: The construction and equipping of Magereza Hospital was 100 percent complete. Operationalisation of the Hospital was ongoing, and the State Department had recruited and deployed 271 health workers during the period under review.

Implementation Challenges

- Complexity and sophistication of crime
- Austerity measures introduced affected the targets leading to under achievement.
- Inadequate budgetary allocation to the State Department.
- Delayed exchequer releases to fund core development projects.

Lessons Learnt

- Embracing PPP is key in implementation of flagship projects.
- There is a need for adequate and timely funding of development projects.
- Phasing implementation of projects increases project completion rates.
- Procurement of development projects at the onset of the FY minimised time lost before a project would take off.

Recommendations

- Adequate allocation of funds for development projects.
- Diversify sources of funding for development projects.
- Embrace PPP in implementation of flagship projects especially housing projects.

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