REPUBLIC OF KENYA

KENYA VISION 2030

Towards a Globally Competitive and Prosperous Nation

KENYA VISION 2030 FLAGSHIP PROJECTS PROGRESS REPORT (2008 - 2017)

Towards a globally competitive
and prosperous Nation

THE REPUBLIC OF KENYA

KENYA VISION 2030

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ABMT	Appropriate Building Materials and Technologies
ADR	Alternative Dispute Resolution
ADT	Antiretroviral Dispensing Tool
AfDB	African Development Bank
AG	Attorney General
AGPO	Access to Government Procurement Opportunities
AIDS	Acquired Immune Deficiency Syndrome
AIR	Africa Institute of Remittance
AKI	Association of Kenya Insurers
AMISOM	African Union Mission to Somalia
ANC	Antenatal Care
ARCSS	Agreement on the Resolution of the Conflict in South Sudan
ARV	Antiretroviral
ASAL	Arid and Semi-Arid Land
ASTII	African Science, Technology and Innovation Indicators Initiative
AUPSC	Africa Union Peace and Security Council
AWS	Automatic Weather Station
BDAG	Bridging the Divide through Accountable Governance
BP	Besieged Persons
BPO	Business Process Outsourcing
BoQ	Bill of Quantities
BURF	Binary Universal Form
CACCOCs	County Anti-Corruption Civilian Oversight committees
CA	Communication Authority of Kenya
CAK	Communication Authority of Kenya
CAP	Content Access Point
CARPS	Capacity Assessment and Rationalization of the Public Service
CBA	Collection Bargaining Agreement
CBA	Competency Based Assessment
CBC	Competency Based Curriculum
CBK	Central Bank of Kenya
CBOs	Community Based Organizations
CCCDC	Chandaria Cancer and Chronic Disease Centre
CCI	Charitable Children Institutions
CCK	Communication Commission of Kenya
CCP	County Connectivity Project
CCPP	Contagious Caprine Pleuropneumonia
CCTV	Closed Circuit Television
CDACC	Curriculum Development Assessment and Certification Council
CIC	Commission for the Implementation of the Constitution
CIDP	County Integrated Development Plan
CIPEV	Commission of Inquiry on Post-Election Violence
CIPS	Central Meteorological Information Processing System
CMNH	Community Maternal and Newborn Health
COB	Controller of Budget
COG	Council of Governors
COK	Constitution of Kenya
COR	Code of Regulations
COTU	Central Organization of Trade Unions
CPCs	Child Protection Centres
CPF	Common Programme Framework
CPIMS	Child Protection Information Management System
CPMF	County Performance Management Framework
CPSBs	County Public Service Boards
CRA	Commission on Revenue Allocation
CSO	Community Service Order
CT-OVC	Cash Transfers to Orphans and Vulnerable Children
DCF	Drought Contingency Fund
DHSS	Demographic Health Surveillance Systems
DLP	Digital Learning Programme
DOSHS	Directorate of Occupational Safety and Health Services
DPs	Development Partners
DPSM	Directorate of Public Service Management
DRC	Democratic Republic of Congo
DRSRS	Department of Resource Surveys and Remote Sensing
E&PWSD	Elderly and Persons with Severe Disability
EAC	East African Community
EACC	Ethics and Anti-Corruption Commission
EARNP	East Africa Road Network Project
EASF	East Africa Standby Force
ECDE	Early Childhood Development Education
ECF	East Coast Fever
EDE	Ending Drought Emergencies
EDMS	Electronic Document Management System
EFA	Education for All
EIA	Environmental Impact Assessment
EMIS	Education Management Information System
EOI	Expression of Interest
EPC	Engineering, Procurement and Construction
EPC	Export Promotion Council
EPPs	Expanded Polystyrene Panels
EPRA	Energy and Petroleum Regulatory Authority
EPZ	Export Processing Zones
ERC	Energy Regulatory Commission
ERC	Educational Resource Centre
ESIA	Environmental and Social Impact Assessment

ESP	Economic Stimulus Programme
ESRP	Energy Sector Recovery Project
EU	European Union
FBOs	Faith Based Organizations
FKE	Federation of Kenyan Employers
FM	Frequency Modulation
FSD	Financial Sector Deepening
FSI	Foreign Service Institute
GAA	Government Advertising Agency
GAW	Global Atmospheric Watch
GCCN	Government Common Core Network
GDC	Geothermal Development Company
GDC	Government Data Centre
GDP	Gross Domestic Product
GER	Gross Enrolment Rate
GEWE	Gender Equality and Women Empowerment
GHRIS	Government Human Resource Information System
GIS	Geographic Information System
GM	Genetically Modified
GOK	Government of Kenya
HBV	Hepatitis B virus
HCA	Humanitarian Civic Activities
HCSM	Heath Commodities and Services Management
HDU	High Dependency Unit
HELB	Higher Education Loans Board
HEST	Higher Education, Science and Technology
HF	High Frequency
HI	Hearing Impaired
HISP	Health Insurance Subsidy Programme
HIV	Human Immunodeficiency Virus
HKSDP	Huduma Kenya Service Delivery Programme
HRH	Human Resource for Health
HSNP	Hunger Safety Net Programme
IAEA	International Atomic Energy Agency
IBEC	Inter Governmental Budget and Economic Council
ICCM	Integrated Community Cases Management
ICGLR	International Conferences on Great Lakes Region
ICT	Information and Communication Technology
ICT4E	ICT for Education
ICTA	Information and Communication Technology Authority
ICU	Intensive Care Unit
ICZM	Integrated Coastal Zone Management
IDPs	Internally Displaced Person(s)
IDTC	Interdepartmental Technical Committee
IEC	Information and Education Communication
IFMIS	Integrated Financial Management Information System
IGRTC	InterGovernmental Relations Technical Committee
IIBRC	Interim Independent Boundaries Review Commission
IICDRC	Interim Independent Constitutional Dispute Resolution Court
IIEC	Interim Independent Electoral Commission
ILRI	International Livestock Research Institute
IMIS	Integrated Management Information System
IMIS	Integrated Meteorological Information System
INTP	National Transport Policy
IPOA	Independent Police Oversight Authority
IPR	Intellectual Property Rights
IPRS	Integrated Population Registration System
IRA	Insurance Regulatory Authority
IREC	Independent Electoral Review Committee
ISO	International Organization for Standardization
ISSB	Interlocking Stabilized Soil Blocks
ITAP	Industrial Training Attachment Portal
ITU	International Telecommunication Union
JICA	Japanese International Co-operation Agency
JKIA	Jomo Kenyatta International Airport
JKUAT	Jomo Kenyatta University of Agriculture and Technology
JOA	Job Opportunity Analysis
JSC	Judicial Service Commission
KAA	Kenya Airports Authority
KAM	Kenya Association of Manufacturers
KARI	Kenya Agricultural Research Institute (KARI)
KBC	Kenya Broadcasting Corporation
KCAA	Kenya Civil Aviation Authority
KCGS	Kenya Coast Guard Service
KEBS	Kenya Bureau of Standards
KEC	Kenya Education Cloud
KEMRI	Kenya Medical Research Institute
KenGen	Kenya Electricity Generating Company
KeNHA	Kenya National Highways Authority
KENIA	Kenya National Innovation Agency
KENREF	Kenya Geodetic Reference Frame
KeRRA	Kenya Rural Roads Authority
KESAL	Kenya School of Adventure and Leadership
KETCRI	Kenya Electronics Telecommunications and Computing Research Institute
KETRACO	Kenya Electricity Transmission Company
KFS	Kenya Ferry Services

KICD	Kenya Institute of Curriculum Development
KIE	Kenya Institute of Education
KIP	Kenya Integrity Plan
KIPI	Kenya Intellectual Property Institute
KIRDI	Kenya Industrial Research and Development Institute
KISIP	Kenya Informal Settlement Improvement Programme
KKV	Kazi Kwa Vijana
KLRC	Kenya Law Reforms Commission
KMD	Kenya Meteorological Department
KNBS	Kenya National Bureau of Statistics
KNEB	Kenya Nuclear Electricity Board
KNEC	Kenya National Examinations Council
KNH	Kenyatta National Hospital
K-NICE	Kenya National Integrated Civic Education
KNOCS	Kenya National Occupational Classification Standards
KNQA	Kenya National Qualification Authority
KNSDI	Kenya National Spatial Data Infrastructure
KODI	Kenya Open Data Initiative
KOT	Kilindini Oil Terminal
KPA	Kenya Ports Authority
KPLC	Kenya Power and Lighting Corporation
KRA	Kenya Revenue Authority
KRC	Kenya Railways Corporation
KSA	Kenya Sports Academy
KSG	Kenya School of Government
KSRAT	Kenya School Readiness Assessment Tool
KTCIP	Kenya Transparency Communication Infrastructure Programme
KTSSP	Kenya Transport Sector Support Project
KURA	Kenya Urban Roads Authority
KWS	Kenya Wildlife Service
KYEP	Kenya Youth Empowerment Project
LAN	Local Area Network
LAPSSET	Lamu Port-South-Sudan-Ethiopia Transport
LATF	Local Authorities Transfer Fund
LCB	Low Cost Boarding
LCDA	LAPSSET Corridor Development Authority
LCPDP	Least Cost Power Development Plan
LDD	Learners Digital Devices
LIA	Leadership and Integrity Act
LMIS	Learning Management Information System
LPCs	Local Peace Committees
LPG	Liquefied Petroleum Gas
LPO	Local Purchase Order
LRCC	Land Records Conversion Centre
LTAP	Long Term Action Plan
M&E	Monitoring and Evaluation
MAT	Multi-Agency Team
MDAs	Ministries Departments and Agencies
MES	Managed Equipment Service
MFI	Micro Finance Institutions
MIA	Moi International Airport
MIYCN	Mother Infant Young Child Nutrition
MLA	Mutual Legal Assistance
MLHRD	Ministry of Labour and Human Resource Development
MNCH	Maternal Newborn Child Health
MOA	Ministry of Agriculture
MODP	Ministry of Devolution and Planning
MOE	Ministry of Energy
MoEd	Ministry of Education
MoEP	Ministry of Energy and Petroleum
MoGCSD	Ministry of Gender, Children and Social Development
MoI	Ministry of Interior
MoICT	Ministry of Information Communication and Technology
MOJNCCA	Ministry of Justice, National Cohesion and Constitutional Affairs
MOL	Ministry of Lands
MOLHUD	Ministry of Lands, Housing and Urban Development
MOLSS&S	Ministry of Labour, Social Services and Security
MOTI	Ministry of Transport and Infrastructure
MoU	Memorandum of Understanding
MRI	Magnetic Resonance Imaging
MSE	Micro and Small Enterprise
MSEA	Micro and Small Enterprises Authority
MSG	Meteosat Second Generation
MSH	Management Sciences for Health
MSMEs	Micro- Small and Medium Enterprises
MSPS	Ministry of Special Programs
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
MTRH	Moi Teaching and Referral Hospital
NACADA	National Authority for the Campaign Against Drug Abuse
NACC	National Aids Control Council
NACCSC	National Anti-Corruption Campaign Steering Committee
NACONEK	National Council for Nomadic Education in Kenya
NACOSH	National Council for Occupational Safety and Health
NACOSTI	National Commission for Science, Technology and Innovation
NADICOK	National Diaspora Council of Kenya

NADIMA	National Disaster Management
NaMSIP	Nairobi Metropolitan Services Improvement Project
NASCOP	National AIDS and STI Control Programme
NBA	National Biosafety Authority
NCA	National Construction Authority
NCD	Non-Communicable Diseases
NCIC	National Cohesion and Integration Commission
NCPWD	National Council for Persons with Disabilities
NCTIP	Northern Corridor Transport Improvement Project
NDDCF	National Drought and Disaster Contingency Fund
NDEF	National Drought Emergency Fund
NDMA	National Drought Management Authority
NEMA	National Environment Management Authority
NEMIS	National Education Management Information System
NER	Net Enrolment Rate
NG-CDF	National Government Constituencies Development Fund
NGOs	Non-Governmental Organizations
NHC	National Housing Corporation
NHIF	National Hospital Insurance Fund
NIC	National ICT Innovation and Integration Centre
NIMES	National Integrated Monitoring and Evaluation System
NITA	National Industrial Training Authority
NITP	National Integrated Transport Policy
NLC	National Land Commission
NLIMS	National Land Information Management System
NLUP	National Land Use Policy
NMRTS	Nairobi Metropolitan Rapid Transit System
NMT	Non-Motorized Transport
NOC	Network Operation Centre
NOFBI	National Optic Fiber Network Backbone Initiative
NOTAM	Notice to Airmen
NPI	Natural Products Industry
NPMF	National Performance Management Framework
NPS	National Police Service
NPSC	National Police Service Commission
NPYPVS	National Policy on Youth Polytechnics and the Vocational Sector
NQCL	National Quality Control Laboratory
NRBP	Nairobi Rivers Basin Programme
NRF	National Research Fund
NRS	Nairobi Railway Station
NSC	National Steering Committee
NSNP	National Safety Net Programme
NSP	National Spatial Plan
NSSF	National Social Security Fund
NTSA	National Transport and Safety Authority
NUTRIP	National Urban Transport Improvement Project
NVCET	National Vocational Certificate of Education and Training
NYS	National Youth Service
OBA	Output Based Approach
ODPP	Office of the Director of Public Prosecution
OPCT	Older Persons Cash Transfers
OSH	Occupational Safety and Health
OSHICA	Occupational Safety and Health Injury Compensation Authority
OVC	Orphans and Vulnerable Children
PAUSIT	Pan African University of Science, Technology and Innovation
PBO	Public Benefits Organisations
PCK	Productivity Centre of Kenya
PDP	Petroleum Development Plan
PFM	Public Finance Management
PIBS	Programme Independent Beneficiary Survey
PKI	Public Key Infrastructure
PLC	Programmable Logic Controller
PMCO	Performance Contracting Management Office
PMIS	Pensions Management Information System
PNC	Post Natal Care
PPAs	Power Purchase Agreements
PPP	Public Private Partnership
PPSRRB	Permanent Public Service Remuneration Review Board
PRIC	Police Reforms Implementation Committee
PSC	Public Service Commission
PWDs	Persons with Disabilities
PWSD-CT	Persons with Severe Disabilities Cash Transfers
RBM	Results Based Management
REA	Rural Electrification Authority
REREC	Rural Electrification and Renewable Energy Corporation
RFP	Request For Proposal
RIC	Regional Instrument Centre
RRI	Rapid Results Initiatives
SAGA	Semi-Autonomous Government Agency
SALW	Small Arms and Light Weapons
SEA	Strategic Environmental Assessment
SET	Science, Engineering and Technology
SGR	Standard Gauge Railway
SHARED	Stakeholder Approach to Risk Informed and Evidence-based Decision
SMCs	School Management Committees
SNE	Special Needs Education

SPAS	Staff Performance Appraisal System
SRC	Salaries and Remuneration Commission
ST&I	Science Technology and Innovation
STEM	Science Technology, Engineering and Mathematics
STLI	Survey of Training In Local Training Institutions
SYPT	Subsidized Youth Polytechnic Tuition
TA	Transition Authority
TARDA	Tana and Athi Rivers Development Authority
TB	Tuberculosis
TDCF	Table Driven Code Forms
TDD	Teacher Digital Devices
TEAMS	The East African Marine Systems
TIP	Trafficking In Persons
TJRC	Truth Justice and Reconciliation Commission
TMIS	Teacher Management Information System
TMP	The Master Plan
TNA	Training Needs Assessment
TNP	The National Planning
TOR	Terms of Reference
TSC	Teachers Service Commission
TTC	Teacher Training College
TTI	Technical Training Institute
TVET	Technical Vocational Education and Training
TWG	Technical Working Group
UACA	Urban Area and Cities Act
UHC	Universal Health Coverage
UN	United Nations
UNCAC	United Nations Convention Against Corruption
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Childrens Fund
UNSCR	United Nation Security Resolution Council
USAID	United States Agency for International Development
VI	Visually Impaired
VSAT	Very Small Aperture Terminal
WB	World Bank
WEDF	Women Enterprise Development Fund
WEF	Women Enterprise Fund
WFP	World Food Programme
WRUA	Water Resources Users Association
YALI	Young Africa Leaders Initiative
YEC	Youth Empowerment Centres
YEDF	Youth Enterprise Development Fund
YP	Youth Polytechnics

FOREWARD

JANE KARUKU, MGH
CHAIRPERSON
KENYA VISION 2030
DELIVERY BOARD

In the year 2008, the Government launched Kenya Vision 2030 as Kenya's long-term development blueprint, aimed at transforming the country into an upper middle-income industrialized country offering a high quality of life to its citizens in a clean and secure environment by 2030. The blueprint is implemented through successive five-year Medium-Term Plans. The first Medium Term Plan (MTP I) covered the period 2008-2012 and was succeeded by the second Medium Term Plan (MTP II, 2013-2017). Both implemented policies, programmes, and projects envisioned in the Kenya Vision 2030. Currently, the Government is implementing the third Medium Term Plan (MTP III 2018-2022).

To keep track of the status of implementation of Kenya Vision 2030, various reports are released from time to time and include Annual Progress Reports (APRs) and Five-year Flagship Projects as Progress Reports. These are meant to inform policy and decision-makers on the status of implementation and alternatives for accelerated development. Further, challenges noted, lessons learnt, and recommendations are meant to inform re-programming for greater impact.

As informed by the progress of implementation of Flagship Programmes Projects in the MTP III period (2018-2022), we will continue to give priority to inclusive and quality education to nurture a globally competitive workforce to drive economic growth and spur job creation. Efforts will be made to ensure that every citizen has access to the best possible health care, with a focus on availability, affordability and accessibility.

For sustained service delivery, we will continue the momentum of reforming the public sector through among others, digitization of all government services by expanding and increasing delivery of e-government services and strengthening policy, legal and institutional frameworks.

We are cognizant of the fact that the Flagship Programmes and Projects are capital intensive. For greater impact and accelerated development, we will continue to work with the Private Sector, County Governments, Development Partners and other non-state actors. Specifically, we will consider alternative financing models for programmes and projects.

We will also continue to strengthen partnerships which is key to creating synergy amongst institutions. We believe this will bring about faster socio-economic transformation of our country and improve the livelihoods and well-being of our people.

ACKNOWLEDGEMENT

In the mid-2000s, Government decided to create a long-term development Plan for Kenya, with the intention of guiding and channeling Government activities and Development Programmes in an organized manner. This effort culminated in the development of Kenya Vision 2030, as the country's long-term development blueprint. In a stroke of genius, implementation of Kenya Vision 2030 was to be achieved through 5-year Mid-Term Plans (MTPs), synchronized with the electoral cycle and ensuring that successive Administrations would be faithful to the national long-term development plan.

This Report covers the MTP I [2008-2012] & MTP II [2013-2017] period and as is evident, it is a comprehensive compendium of Kenya's progress under guided development offered by Kenya Vision 2030. More important, this Report is the Report Card of giants on whose shoulders we stand today. We take this opportunity to salute, recognize and thank all those countless patriotic Kenyans who have given their blood, sweat and tears to see Kenya become the country we have today. Key among these are His Excellency President Mwai Kibaki, Ambassador Francis Muthaura and the Chair and Members of the National Economic and Social Council, who conceived Kenya Vision 2030 and saw it take off successfully, the inaugural Chair and Board of the Kenya Vision 2030 Delivery Board led by Dr James Mwangi and the National Treasury and Planning, which houses and funds Kenya Vision 2030 from the Exchequer.

To mention briefly in passing, it is during this period that Kenya realized the most significant achievement of Kenya Vision 2030, which was the promulgation of the new Constitution of Kenya, 2010. This seminal achievement underlies and supports Kenya's development platform across the economic, political, social and governance spheres. Kenya's biggest infrastructure project since Independence, the Single-Gauge Railway, was also conceived and implemented during this period. Away from big infrastructure projects, fantastic progress has been made across all sectors of Kenya's economy.

The architects of Kenya Vision 2030 designed it in such a way that succeeding Administrations would generally keep Kenya's development moving and being undertaken across the entire Government in the same direction. The current Administration of the Jubilee Government has faithfully adhered to this design requirement in Kenya Vision 2030 since 2013, and it is clear beyond argument, from the statistics and numbers, that this Administration has put up a sterling performance. The continued support of His Excellency President Uhuru Kenyatta and his Administration towards the achievement of Kenya Vision 2030 cannot be gainsaid. There is every indication that the current momentum will be maintained, if not accelerated, through MTP III [2018-2022].

On behalf of the Vision Delivery Secretariat, special appreciation goes to the inaugural Chair of the Vision Delivery Board, Dr James Mwangi, his Successor in Title and Spirit, Ms. Jane Karuku, the Members of the Vision Delivery Board from 2008 to date, the National Treasury and Planning, Government Ministries, Departments and Agencies, and all Kenyans who realise that it is our common responsibility to develop our own country, ourselves.

Finally, allow me to salute the Kenya Vision 2030 Delivery Secretariat, beginning with the inaugural Director-General, Mr Mugo Kibati, succeeded by Acting Director-General Professor Gituro Wainaina and Director General Dr. Julius Muia. I am proud to continue the good work these gentlemen put in to make Kenya Vision 2030 what it is today. We can do this together. May we dwell in Unity, Peace and Liberty, and may plenty be found within our borders.

KENNETH MWIGE
DIRECTOR GENERAL
VISION 2030 DELIVERY SECRETARIAT

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Kenya Vision 2030 is Kenya's long-term development blueprint aimed at transforming the country into an upper middle-income industrialised country offering a high quality of life to its citizens in a clean and secure environment by the year 2030.

The three pillars of Kenya Vision 2030: social, political and economic are anchored on foundations or enablers for national transformation as well as a stable macroeconomic framework. The foundations or enablers include: Infrastructure, Information, Communication and Technology (ICT), Science, Technology and Innovation (ST&I), Land Reforms, Human Resource Development (labour and employment), Security, Peace Building and Conflict Resolutions, Public Service Reforms, National Values and Ethics and Ending Drought Emergencies.

Macroeconomic stability continues to be a key objective in national economic management. MTP I of the Kenya Vision 2030 elaborated on the Government's five year plan aimed at accelerating economic growth to 10 per cent by 2012. The medium-term macroeconomic framework for the period 2013-2017 further aimed at putting the economy on a high growth path, to ensure that double -digit growth is realized by the end of the plan period. To sustain and increase the growth momentum inherited from MTP I, MTP II aimed to increase local savings, remittances from the Kenya diaspora and foreign direct investment in all the sectors. The Second MTP also aimed at enhancing regional and international trade strategy to grow and diversify our exports, in order to improve our balance of payments position and ensure exchange rate stability. The effectiveness of the macroeconomic framework was supported by the policy, legal, institutional, and structural reforms that were to be implemented by the Government to enhance macroeconomic stability, improve business environment and ensure transparent and accountable use of public resources during this period.

Excavation to the level of silting basin in Bura Irrigation Development Project

Kenya's economic growth has remained strong and resilient over the 10 years period of the implementation of the MTP I & II. The broad-based economic growth during the MTP I period averaged 4.7 per cent against a target of 8.1 per cent. During the implementation of MTP II, the economy on average experienced a growth rate of 5.5 per cent. Again, there was a general improvement across most sectors during the implementation of the MTP II. Inflation averaged 10.64 per cent during the implementation period of MTP I. This was above the Government medium-term target of 5 ± 2.5 per cent. In addition. inflation remained low and stable in the period of implementation of MTP II averaging 6.7 per cent. This was on account of prudent monetary policy, declining oil prices and favourable weather conditions. Interest rates remained low and stable for the first part of the implementation of MTP I. However, in 2012, there was a significant rise in the Central Bank Rate (CBR) to 15.80 per cent. The Banking Act was repealed to cap interest rates. This policy change had an effect on the subsequent interest rates with the lending rates being pulled downwards to 13.67 per cent in 2017. The Kenya shilling remained stable and broadly competitive against major currencies during MTP I implementation phase averaging Ksh. 79.80 to the USD. Under the implementation of MTP II, the Ksh. to USD depreciated from 87.90 in 2014, to 98.20 in 2015 and stabilized at 101.50 in 2016. Foreign exchange reserves have increased from 3.9 months of import cover during MTP I to 4.8 months of import cover during MTP II. In the first two years of implementation of MTP II, the foreign exchange reserve has increased to 5.6 months of import cover which was above the statutory requirement of 4.0 months of import cover.

FOUNDATIONS

Infrastructure is an important enabler of socio-economic development. The sector aspires for a country firmly interconnected through a network of roads, railways, ports, airports, waterways and telecommunications. The Government has continued to develop efficient and effective infrastructure, which is a key enabler for other sectors as envisaged in Kenya Vision 2030.

During MTP I & II, investment in infrastructure programmes and projects were focused on accessibility, quality, functionality, job creation, disaster preparedness, and protection of the environment.

In the roads sub-sector, some of the projects earmarked included the expansion of roads to enhance domestic and regional trade. In the 10 years of implementation of MTPs I & II, a total of 7,646 km of road were constructed, repaired/rehabilitated or expanded. This was against the target of 8,800 km for the period. Some of the challenges experienced during the period included: inadequate financing; high capital investment requirements in-roads construction, high construction and maintenance costs, inadequate enforcement of traffic regulations and axle load limits, among others. The objective of the rail sub-sector is to develop an integrated rail network and provide efficient and safe rail services. To this end, achievements under MTP I & MTP II period include: implementation of SGR Phase 1–Mombasa to Nairobi which was completed and passenger serves commissioned on 1st June 2017, and the construction of a new container terminal with two berths (20 and 21) with a capacity to handle 550,000 TEUs per annum, which were constructed and commissioned during MTP II.

The airport sub-sector also saw the modernisation of the Jomo Kenyatta International Airport and Moi International Airport, renovation of Kisumu International Airport and the rehabilitation of other airports. Specifically, the completed projects include: JKIA Passenger Terminal Facilities – Terminal 1A, Terminal 1E and Terminal 2, Kisumu Passenger Terminal Building and Runway Reinforcement, Isiolo Airport Passenger Terminal Building and 1.4 km runway, rehabilitation of Malindi Airport pavement, 1.0 km rehabilitation of Lokichoggio Airstrip runway, Wajir Airport Passenger Terminal Building and pavement, among others.

The improvement of the shipping and maritime facilities has seen the development of the Second Container Terminal Phase II construction commenced and the progress was at 12.43 per cent as at the end of MTP II. Further, the construction of the first three (3) Berths at Lamu Port was 42 per cent complete with the first berth completed. Feasibility studies and preliminary designs were ongoing for the development of the Dongo Kundu Free Port, while the Environmental Impact Assessment (EIA) has been completed.

In the energy sub-sector, connections to electricity increased to 6,456,516 customers in 2017 from 1,060,383 in 2008, electricity installed capacity increased to 2,333 MW in 2017 from 1,310 MW 2008, a total of 15,344 schools were connected to electricity during the period bringing the total number of primary schools connected to 22,175 out of the 22,947 primary schools in the country, 2,169 Solar PV systems were installed in public institutions, 380 solar lanterns and 480 solar PV kits were distributed to primary schools and public offices respectively. To deliver competitively priced Liquified Petroleum Gas fuel, through the construction of 6,000 and 2,000 tonnes common use LPG facilities in Mombasa and Nairobi respectively was undertaken by the Energy and Petroleum Regulatory Authority (EPRA).

The Government of Kenya recognizes the importance of ICT in economic development and initiated major steps to promote its use. One of the major initiatives that the Government pursued is to improve ICT infrastructure to bridge the digital divide and lower the cost of communication. The Government also focused on levelling the ground through the development and implementation of policies and regulations aimed at attracting investment within the sector.

The Kenya Vision 2030 recognizes the role of science, technology and innovation (ST&I) in a modern economy, in which new knowledge plays a central role in wealth creation, social welfare and international competitiveness. At the end of MTP II, three Science and Technology Journals were published, five scientists from different disciplines benefited from the scheme and an ST&I exchange framework was developed. There was increased spending on R&D by private companies and the existence of high calibre sector-based scientific research institutions led to the improved ranking of Kenya in the World Economic Forum Global Competitiveness Index from position 96 in 2013 to 91 in 2016 while the country's Innovation and Sophistication, Higher Education and Training, and Technological Readiness, from 53, 103, 89 in 2012 to 41, 97, 88 in 2016, respectively.

Finally, land is a critical resource in the planning and development of all the major sectors of the economy and society. This is because it provides the foundation for all other activities such as agriculture, industries and mining, housing and urban development, public health, water, sanitation. For this reason, the Kenya Government prioritized upgrading policies and programmes covering overall land use, security of tenure, wider access to land titles, and a transparent and secure land registration system. Secure access to land, proper land use planning, and equitable access to land are essential ingredients to food security, growth in investments and industries and improved general household incomes given the country's reliance on agriculture.

Maize harvesting at Katilu Irrigation scheme

ECONOMIC PILLAR

The theme of the Economic Pillar is to move the economy up the value chain. The objective of the pillar is to improve the prosperity of all regions of the country by maintaining a sustained growth of at least 10 per cent GDP growth rate. The six priority sectors that make up over 57 per cent of Kenya's GDP and provide for nearly half of the country's total formal employment were targeted during MTPs I & II: Tourism, Agriculture, Livestock, Fisheries, Wholesale & Retail trade, Manufacturing, IT Enabled Services and Financial Services. Oil and other Mineral resources sector were added as the seventh priority sector during MTP II.

The goal of the Tourism Sector is to make Kenya a top 10 long-haul tourist destination offering a high-end, diverse and distinctive visitor experience. MTP II period, the number of international arrivals increased by 14 per cent to 2.02 million in 2017 against a base level of 1.8 million in 2007. Tourism earnings increased by 31.3 per cent to Ksh.157.4 billion in 2017 against a base level of Ksh. 65.4 billion in 2007. The sector registered improved performance including growth in aviation comprising introduction of charter flights from key cities in Europe and increased flight frequency and routes. The growth was supported by a stable political environment, withdrawal and relaxation of travel advisories, enhanced investor confidence, visits by foreign dignitaries, and a revitalized marketing effort.

Agriculture remained the dominant sector in the economy accounting for about a third of the total value of the economy. The value of agricultural output increased by Ksh. 70,550 million per annum between 2008 and 2011 against a target of Ksh. 80,000 million per year. The sector recorded an average growth rate of 4.2 per cent which accelerated to 6.4 per cent in 2017 mainly driven by a marked improvement in crops and animal production that benefited significantly from the sufficient rains. However, annual growth rates varied primarily due to variable weather. The growth in agriculture Gross Value Added improved from 5.4 per cent in 2013 to 5.5 per cent in 2015 before declining to 4.0 per cent in 2016, and further declined to 1.6 per cent in 2017 due to insufficient rains that affected production of key crops and animal rearing.

Maize production, a key aspect of food security, increased from 40.7 million bags in 2013 to 42.5 million bags in 2015 but declined to 35.4 million bags in 2017. Production of rice decreased from 125,256 tonnes in 2013 to 81,200 in 2017. This was due to the prolonged dry spell in 2017 which reduced water availability in irrigation schemes. Wheat production increased from 194,500 tonnes in 2013 to 214,700 tonnes in 2016 and declined to 165,200 tonnes in 2017. Attainment of food and nutrition security demands increased production, safe storage, and availability of these products at affordable prices by the public.

Initially referred to as Trade in MTP I, the main objective of this Sector is to be a formal sector that is efficient, multi-tiered, innovative, diversified in the product range. Its role as the main link between production and consumption. The two main attributes that drive the economy of a country positions it as a key driver of economic development. As at 2017 trade contributed about 13 per cent of the country's GDP.

According to the World Bank, in 2017, Kenya improved on the global ease of doing business ranking to position 80 out of 190 countries compared to position 92 in 2016. Similarly, Kenya improved from position 106 out of 144 countries in 2012 to position 91 out of 141 countries in 2017 in the Global Competitiveness Index. A review of the performance during the second MTP has revealed that the sector remained one of the major contributors to wealth and employment creation in the economy.

The main objective of the Manufacturing sector is to ensure a robust, diversified, competitive sector in the country. This was to be achieved through job creation, generating foreign exchange, attracting foreign direct investment. The sector grew at an annual average of 3.2 per cent during the MTP I period and its contribution to the GDP averaged 9.8 per cent over the same period. The growth was affected by inadequate and costly infrastructure, low technology adoption, high cost of doing business, the soaring cost of fuel, a weak Kenya shilling, and recurring drought.

Formal employment within the manufacturing sector over MTP I grew by 5 per cent from 264,800 in 2008 to 277,900 in 2012 while informal employment grew by 17 per cent from 1.57 million in 2007 to 1.83 million in 2011. The informal sector created more additional jobs than formal sector with the private sector contributing the largest share of employment in manufacturing.

In MTP II, Kenya was ranked as the third most improved economy globally and the first in Africa by the World Bank for two consecutive years moving from position 136 in 2014 to position 80 in the Ease of Doing Business Report, 2017. Similarly, Kenya also improved from position 96 out of 138 countries in 2016 to 91 out of 137 countries in 2017 in the Global Competitiveness Index.

The Manufacturing Sector's contribution to GDP declined from 10.7 per cent in 2013 to 8.4 per cent in 2017 while its growth declined from 5.6 per cent in 2013 to 2.7 per cent in 2016 and further declined to 0.2 per cent in 2017. Manufacturing output increased from Ksh. 1,737,699 million in 2013 to Ksh. 2,204,805 million in 2017. This sector's performance was mainly driven by textiles and apparels, which grew by 15 per cent, pharmaceutical products by 17 per cent, beverages by 13 per cent, wood and wood products by 10 per cent, and basic metals by 11 per cent. Over the same period, assembling of motor vehicles reduced by 5 per cent, rubber products by 41 per cent, tobacco products by 5 per cent, fish processing by 38 per cent and fabricated metals by 5 per cent.

The Financial Sector strives to have a vibrant and globally competitive financial sector, driving a high level of savings to finance Kenya's investment needs. Financial sector play a critical role in the development of a country's economy by providing better intermediation between savings and investments. The financial sector in Kenya is comprised of banking, insurance, capital markets and pension funds. Performance of the financial and insurance sector was stronger in MTP II compared to constrained growth in MTP I. The growth realized in the period under review was mainly supported by considerable improvements in financial activities despite a deceleration in the growth of insurance activities. Market capitalization tripled to Ksh.2.5 billion at the end of 2017 compared to Ksh. 1 billion as at the end of MTP I. During the review period, domestic credit rose to Ksh 3 billion by the end of MTP II compared to Ksh. 1.5 billion witnessed at the end of MTP I. Growth of credit to the National Government steadily rose by 78 per cent to close at Ksh.755 million at the end of MTP II compared to Ksh. 422 million seen at the end of MTP I. Similarly, credit to the private sector expanded by 86 per cent to close at Ksh. 2.5 billion at the end of MTP II compared to a closing figure of Ksh.1.3 billion as at end of MTP I.

The Oil and other Mineral Resources Sector endeavors to make Kenya the regional Oil, Gas and Minerals hub. Small scale mining operations made up the largest number of rights granted for mining activities (782 by February 2013), 175 exclusive or special prospecting licenses and 10 mining leases had been issued. The Government issued a tender in January 2013 to 9 pre-qualified companies for coal mining at Mui Basin, which is located in Kitui. It is approximately 100 km long and 5km wide and is situated 180km North East of Nairobi. The basin was subdivided into four Blocks, namely: A, B, C and D. The Ministry of Energy and Petroleum carried out exploratory drilling in these four blocks where a total of 76 wells were drilled. Block C has coal reserves estimated at 400 million tonnes, while further assessment will be undertaken in the other three blocks to quantify the reserves. Another thirty-one (31) coal blocks elsewhere in the country were earmarked for gazettement and concessioning.

The Kwale mineral sands deposit mining project was Kenya's largest mine development carried out over an area of approximately 1,355 hectares with the potential to become an important global producer of rutile, zircon and titanium concentrates.

SOCIAL PILLAR

At the core of the Social Pillar as Kenya's journey towards widespread prosperity takes off, is the building of a just and cohesive society that enjoys equitable social development in a clean and secure environment. This is to be realized through transformation and implementation of policies, programmes and projects in six priority sectors namely: Education and Training, Health, Environment, Water and Sanitation, Population, Urbanization and Housing, Gender, Youth and Vulnerable Groups and Sports, Culture and Arts. Additionally, these policies will be grounded on a strong Science, Technology and Innovation (ST&I) foundation.

Overall, the Social Pillar sector registered remarkable improvements in their performance with a majority of the targets met and others surpassed. However, progress within each sector varies depending on various factors that generally influenced the implementation of each flagship project. The missing of targets was attributed to the poor performance of some projects, inadequate funding, and weak legislation.

The Education Sector's theme is to provide a Globally Competitive Quality Education, Training and Research for Sustainable Development. Remarkable improvements have been made in the Education and Training Sector. Generally, enrolment rates at all levels were on a rising trend, however, some regional disparities were revealed. The Sector saw an increase in transition rates from primary to secondary at 91.1 per cent in 2017 from 72.5 per cent in 2012 and 59.6 in 2007. The Net Enrollment Rate (NER) for ECDE increased to 74.9 per cent in 2017 from 53.3 per cent in 2012 and 43 per cent in 2007, while NER for Primary stood at 91 per cent in 2017 from 95.3 per cent in 2012 and 92.5 per cent in 2007 and NER for Secondary improved to 49.5 per cent in 2017 from 33.1 per cent in 2012 and 28.9Per cent in 2007. The provision of textbooks through TUSOME and PRIEDE projects to class 1 and 2 boosted the textbook: pupil ratio to 1 : 1 in 2017 from 1 : 3 and 1 : 2 for lower and upper primary respectively in 2007. The teacher: pupil ratio target was met at 40 : 1 in 2017 from 43 : 1 in 2007. The adult literacy rate was to be increased from 61.5 per cent in 2007 to 80 per cent.

The goal for the Health sector is to provide Equitable and Affordable quality health services to all Kenyans. Significant progress has been realized in the Health Sector due to various interventions including training of health care providers to offer quality maternal services, the Linda Mama initiative, and the Beyond Zero Campaign. Specifically, there was a reduction of the Under Five Mortality rate to 52 per 1,000 live births in 2017 from 74 deaths per 1,000 births in 2012 and 92 per 1,000 live births in 2007. Maternal mortality increased from 414 per 100,000 births in 2007 to 448 deaths per 100,000 births in 2012 before dropping to 362 per 100,000 births in 2017. The proportion of children fully immunized with all their life-saving routine infant vaccines by their first birthday (immunization coverage) stood at 81 per cent in 2017 up from 71 per cent in 2007. The general prevalence of HIV dropped from 7.4 per cent in 2007 to 5.6 per cent in 2012 and further to 4.8 per cent in 2017. The percentage of skilled during delivery attendants at birth also increased from 51 per cent in 2007 and 43 per cent in 2012 to 62 per cent in 2017.

The main objective of the Environment, Water and Sanitation Sector is to promote and safeguard the state of the Environment for Economic growth. The general performance of the specific outcomes in the Environment, Water and Sanitation Sector were realized through the implementation of various projects and programmes. For the Environment sub-sector, forest and tree cover increased to an estimated 7.24 per cent in 2017 compared to an estimate of 4.4 per cent reported in 2012 and 2 per cent in 2007. For the Water and Sanitation sub sector, the overall coverage of the population with access to safe drinking water rose from 53.3 per cent in 2013 to 60 per cent in 2017 and 63 per cent in 2019. Over the same period, urban water supply coverage increased from 61.7 per cent in 2013 to 70.3 per cent in 2017. Access to sewerage is estimated to be 25 per cent in urban areas. The national sanitation coverage (which includes sewerage and on-site sanitation) improved from 68 per cent in 2013 to 80 per cent in 2017.

In the Population, Urbanization and Housing sector, the main objective of the Improvement in the quality of life for all Kenyans – the supreme goal of Kenya Vision 2030 – cannot be achieved if large sections of the rural and urban population are inadequately housed. When the Vision was launched in 2008, the Government took cognizance that the quality and adequacy of low-income housing is better in the rural areas than in the low-income urban areas. However, although a majority of the Kenyan population reside in the rural areas, rapid urbanization mainly due to rural-urban migration and high urban growth rate are significant dynamics impacting on the socioeconomic development of the Kenyan society. The Kenya Vision 2030 envisages that with the right urban planning strategy, it will be possible to change the lives of millions of Kenyans for the better. Additionally, urban areas are symbols of prosperity since the concentration of activities in urban areas allows for specialization and exchange-processes which are essential to economic growth.

During the period under review, Kenya's annual population growth rate was estimated to reduce from 2.9 per cent in 2013 to an estimated 2.7 per cent in 2017. To improve living conditions in informal settlements, approximately 100,000 residents in informal settlements of Nairobi (Korogocho), Eldoret (Kamukunji, Munyaka and Huruma) and Nakuru (Kwa Rhonda, Gilani and Kaptembwa) benefited from upgraded and improved social and physical infrastructure facilities such as access roads, sanitation facilities, flood lighting, drainages, sewer lines and water supply. The Government directly constructed 1,290 housing units and also facilitated the acquisition of 262 units through mortgage facilities. The


E - Learning in primary schools

private sector developers in Nairobi County constructed 8,623 residential units.

Equity in access, control, participation in resource distribution for improved livelihoods of women, youth and vulnerable groups are key rallying call for the Gender, Youth and Vulnerable groups sector. Kenya has a generally youthful population (75 per cent) who bear the greatest burden of unemployment. The Kenya Vision 2030 emphasizes the need to equip the youth with competitive and employable technical and vocational skills. Additionally, it envisages gender equity in power resource distribution and improved livelihoods for all vulnerable groups. Therefore, the sector plays a critical role in the creation of an enabling environment for socio-economic service delivery and human resource utilization with a view to achieve desirable national economic growth and development. The sector is composed of three sub-sectors namely: Gender, Youth and Vulnerable Groups sub-sectors.

A number of interventions have been undertaken to promote gender equality and women empowerment; youth empowerment and to cushion vulnerable groups. These include an increased financial allocation to Women Enterprise Development Fund (WEDF), affirmative action to reserve at least 30Per cent of all positions in the public sector for women, establishment of the Kenya National Safety Net Programme (NSNP) whose implementation comprises a number of cash transfer programmes targeting vulnerable persons, implementation of the Urban Food Subsidy Cash Transfer Programme, transformation of Youth Enterprise Development Fund into a Youth Credit Guarantee Fund, enactment of the Kenya National Sports Stadia Authority Bill and review of National Youth Service Act to make it more responsive to national, regional and global changes and increase its enrolment to provide skills and training to 21,870 youth per year.

Kenya Vision 2030 recognizes that regulation and effective exploitation of Public Benefits Organisations (PBOs) sector, positive promotion and effective exploitation of our cultural diversity, preservation and promotion of national heritage, sports and arts are critical to socio-economic, political and cultural development. Kenya continues to excel in sports at international level as well as in preserving its cultural identity and the arts. The sector is made up of three sub sectors namely Sports, Culture and Arts sub-sectors.

A national policy on heritage and culture was developed, aimed at creating an enabling environment for the development of the creative cultural industry, the Kenya National Library Services opened 59 branch libraries countrywide to improve access to information and knowledge sources to all communities, three county and two national stadia were refurbished and rehabilitated. These are, Kipchoge Keino, Kisumu and Mombasa, Moi International Sports Centre Kasarani and Nyayo National Stadium. The National Sports Lottery Fund was established as stipulated in the Sports Act, 2013 to support sports events.

POLITICAL PILLAR

The Political Pillar envisions the transformation of the country's political governance system. This 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, transparency, accountability, ethical and results-oriented Government institutions, policy-driven and service-focused Government institutions and security for all Kenyans. The goal for the Political Pillar is 'moving to the future as one nation.' During the period under review, the country achieved the most important objective under the Political Pillar namely: the Constitution which was passed through a national referendum and promulgated in August 2010. Since the promulgation of the Constitution, Kenya has made enormous strides in advancing devolution, strategic political governance, institutional reforms and these include enactment of legislation mandated by the Constitution, establishment of new governance institutions at national and county levels, civic education, judicial transformation, police reforms in prisons and correctional services, changes in the electoral processes, promoting national cohesion and social integration, transparency and accountability and the rule of law.

There have been no quick fixes in devolution. Effective devolution required massive resources for capacity building and technical assistance, part of which was realized through Civic Education. It is notable that during the period under review, more services become available to the citizens through the devolved units. However, some challenges were encountered in the implementation of projects and programmes under the political pillar. This included a challenging political environment fueled by a prolonged electioneering process, disharmony between the national and county Governments due to the slow phase of aligning laws to the constitution, complex nature of devolution and a disengaged citizenry that was not supportive of the participatory anti-corruption efforts.

Devolution is one of the most significant initiatives undertaken in governance since independence. The system of devolved Government in Kenya was introduced by the Constitution of Kenya (CoK) 2010. The Constitution prescribes the national values and principles of governance which include sharing and devolution of power to provide a basis for Kenya's system of devolved Government. The devolved system of Government was implemented beginning 2013 with a significant level of success.

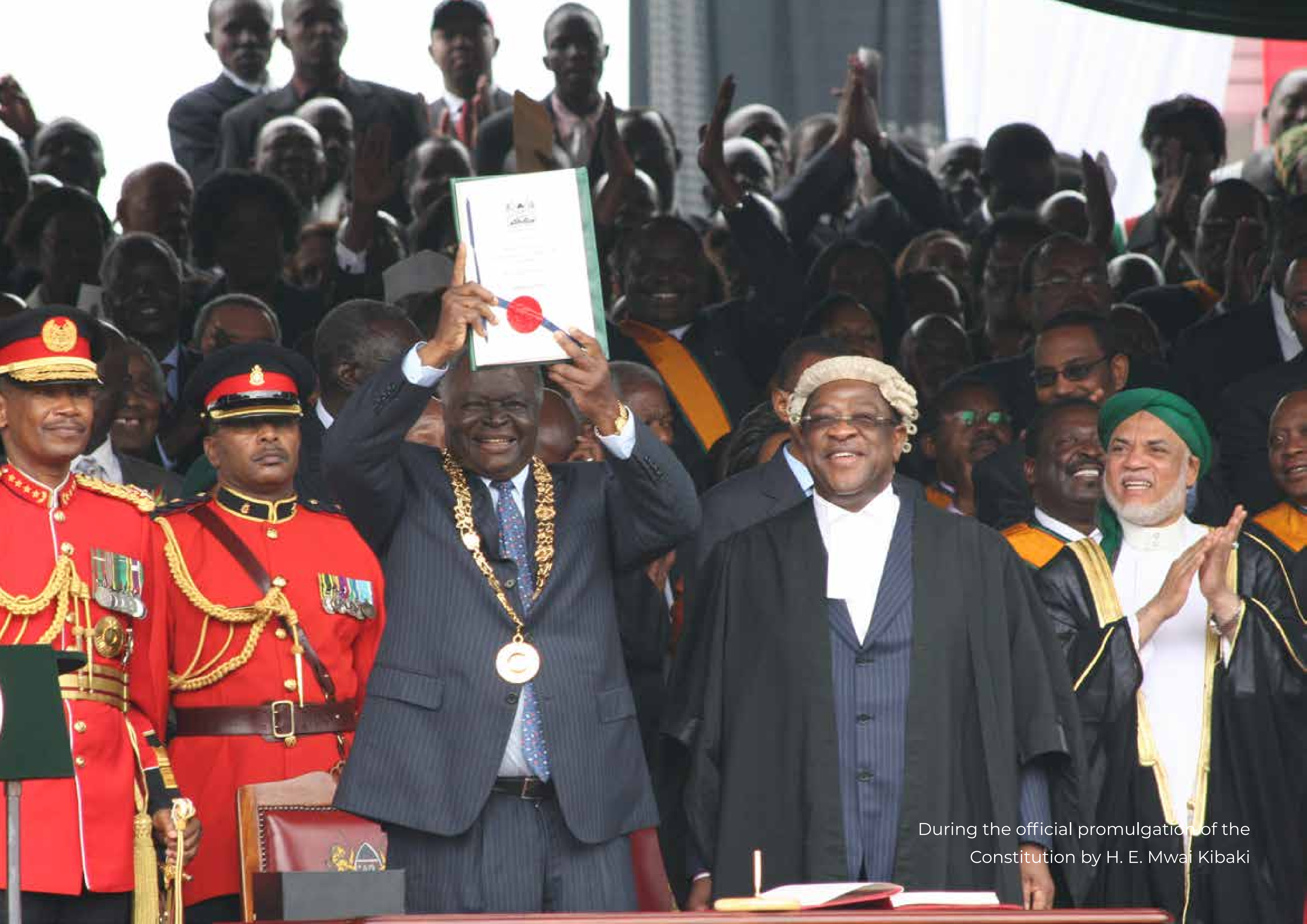
Subsequently, specific milestones towards the establishment and running of the governance units were developed. Several programmes and policy, legal and institutional reforms were carried out to facilitate the implementation of devolution. The Transition Authority (TA) played an important role in the facilitation and coordination of the transition to the devolved system of Government.

In the two-tier system of Government, both the National Government and the Forty-Seven (47) counties played a key role in the establishment of key institutions and structures which included County Public Service Boards, InterGovernmental Relations Technical Committee (IGRTC), Council of Governors (CoG), InterGovernmental Budget and Economic Committee (IBEC), Controller of Budget (CoB), Commission on Revenue Allocation (CRA) and Transition Authority (TA).

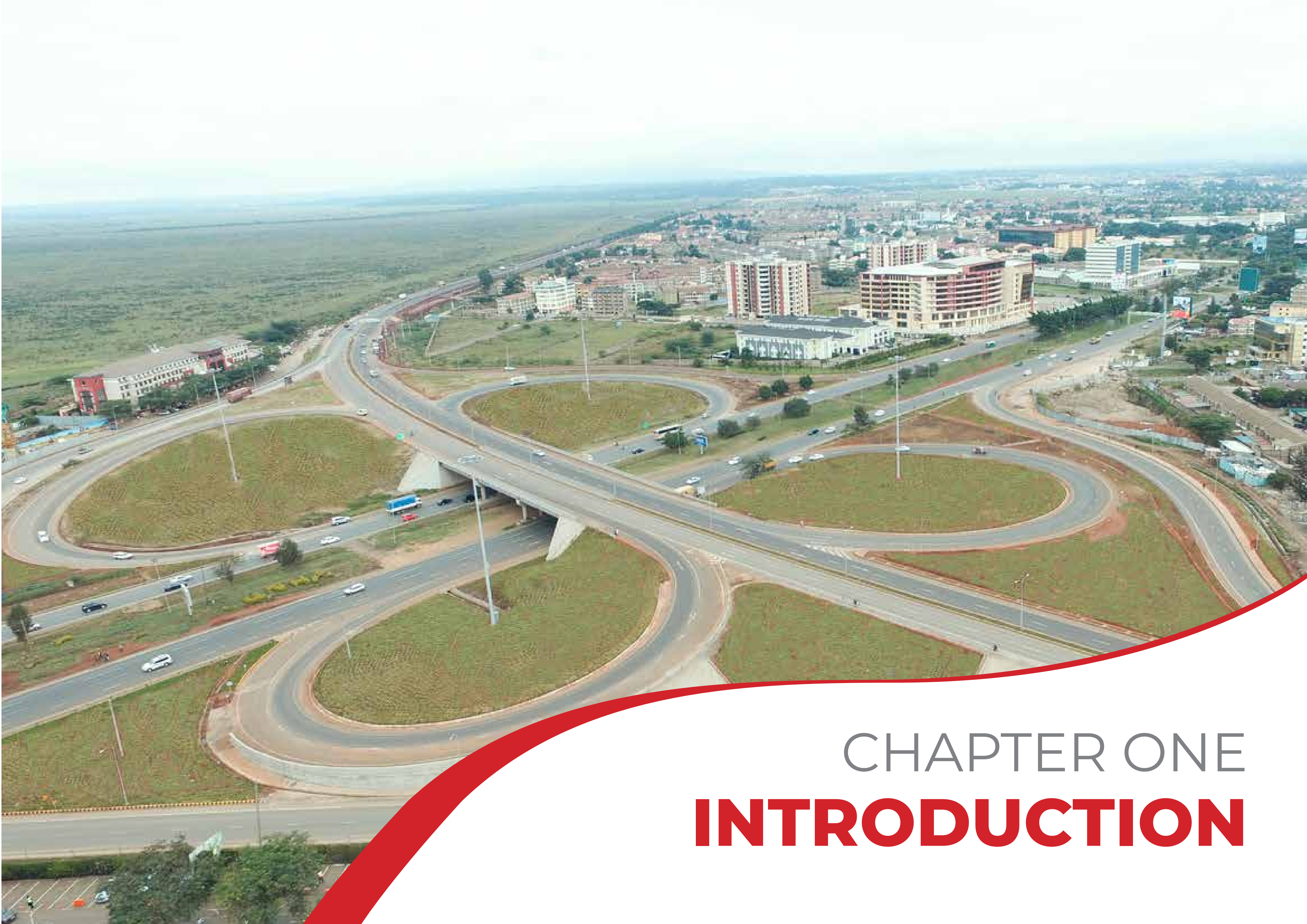
The governance and the rule of law sector aims at ensuring an effective, accountable and ethical leadership and the promotion of a just, democratic society in line with the Constitution and laws of the country. It is also intended to provide a secure environment and strong governance institutions that will propel citizens to the full attainment of stable and sustainable socio-economic and political development. Kenya's devolved system of Government aims at contributing to the enhancement of service delivery and citizens' participation in governance.

During MTP I, the sector completed several flagship and other high priority programmes and projects including the promulgation of the Constitution of Kenya (2010), the establishment of various commissions and committees, and enactment of laws as set out in the Fifth Schedule of the Constitution and adoption of devolution. Under MTP II, the County Governments and National Government played an important role in planning and implementation of the enactment and enforcement of supportive legislation, creation of strong governance institutions, allocation of adequate budgetary resources and enhancement of human and technical capacities in all counties.

The main challenges to the implementation of the activities under governance and rule of law were limited resources including capacity and financial resources which lead to under-achievement of targets set within the MTP I and MTP II. This was exacerbated by the delayed release of resources, slow implementation of the legal and policy framework and limited public participation in the policy, legislative and planning as well as budget process, the slow pace in the decentralization of functions, limited civic awareness on the Constitution and inadequate adherence to values and principles of ethics.



During the official promulgation of the
Constitution by H. E. Mwai Kibaki



CHAPTER ONE

INTRODUCTION

INTRODUCTION

Kenya Vision 2030 is the country's long-term Development Blueprint that aims to transform Kenya into a newly industrializing, globally competitive, and prosperous upper-middle-income country with a high quality of life for all citizens by 2030. Vision 2030 is anchored on three Pillars: Economic, Social and Political. The three Pillars are supported by the Enablers/ Foundations. The Vision also provides a framework for the integration of the three dimensions for sustainable development.

The Economic Pillar aims to achieve and sustain the average economic growth rate of 10 per cent per annum until 2030. The Social Pillar seeks to build a just and cohesive society with social equity in a clean and secure environment. The Political Pillar aims to realize a democratic political system founded on issue-based politics that respects the rule of law, and protects the rights and freedoms of every individual in Kenyan society.

Kenya Vision 2030 identified six priority sectors with a high potential of spurring the country's economic growth and development. The sectors are: Agriculture and Livestock, Manufacturing, Tourism, Trade, Business Processing Outsourcing (BPO)/Information Technology Enabled Services (ITES) and Financial Services. One other sector, namely: Oil, Gas and Mineral Resources was introduced as the seventh sector in MTP II.

Kenya's journey towards prosperity involves investing in its people and building a just and cohesive society that enjoys equitable socio-economic development in a clean and secure environment. This quest is the basis for the transformation of our society in six key Social sectors namely: Health, Population Housing and Urbanization, Education and Training, Environment, Water and Sanitation, Gender, Youth and Vulnerable Groups, and Sports, Culture and the Arts.

Delivery of this ambitious process of national transformation required a fundamental shift from business as usual to business unusual (from multiple and often uncoordinated levels of decision making to centralised implementation process), a new management philosophy (from a limited sense of urgency to relentless follow up), legislation (from slow, reactive to fast, proactive legislating), special budgeting (from low and dispersed to high and 'ring-fenced' investments) as well as management of top talent (from the shortage of skills to a war for talent).

The realization of the objectives and targets of the Vision 2030 hinges on the successful implementation of the Enablers/Foundations. The nine (9) Enablers sectors are: Infrastructure, Information and Communications Technology (ICT), Science, Technology and Innovation (ST&I), Land Reforms, Public Sector Reforms, Labour and Employment, National Values and Ethics, Ending Drought Emergencies (EDE) and Security.

The implementation of Vision 2030 is a progressive process with goals and milestones that will be achieved over time. It is implemented in successive 5-year cycles called Medium Term Plans (MTPs). The First Medium Term Plan covered the period 2008-2012 while the Second Medium Term Plan covered the period 2013-2017.

Strategies to deliver Vision 2030 are executed through Flagship Projects across the identified priority sectors in the three Pillars and Enablers. The projects are original large-scale initiatives that look beyond their immediate locality and are capable of impacting the entire nation. These Flagship Projects are deemed to be of high economic and social impact. The Vision and its MTPs outline flagship projects in each sector, and whose implementation started in earnest with the launch of the Vision in 2008. In the MTP I and MTP II, 96 projects and 182 projects were documented as flagship projects respectively.

The Constitution provides a fundamental basis for monitoring and evaluation to ensure transparency, integrity, accountability and access to information at national and devolved levels of Government. In this regard, both MTP I and II provided for continous monitoring and evaluation of the implementation of programmes and projects. To enhance evidence based policy making, evaluation is an integral process for management and governance thereby enabling the Government to review performance, learn from experiences and make informed decisions. Evaluation is done to assess the outcomes and impact of public policies, programmes, projects and service delivery.

As envisaged in Kenya Vision 2030, strategies and action plans are systematically reviewed and adjusted every 5 years in order to effectively respond to the changing global, regional and the local environment. Hence, this report presents the progress of Flagship Programmes and Projects planned for and implemented during MTP I and II of Kenya Vision 2030.

Towards this, Ministries, Departments and Agencies (MDAs) are required to submit timely and accurate programmes and projects progress reports to the Vision 2030 Delivery Secretariat (VDS) and to the State Department for Planning in line with the approved reporting standards and formats. VDS consolidates these inputs into a Flagship Projects' progress report. As a Semi-Autonomous Government Agency (SAGA) with the requisite capacity, VDS was established to spearhead the implementation of all Vision 2030 projects, working in close collaboration with Government Ministries and Departments as well as the private sector, civil society and other relevant stakeholder groups.

The preparation of this Flagship Projects Progress Report was coordinated by VDS which received reports from implementing Ministries, Departments and Agencies (MDAs) and consolidated them. Among other things, the report enables VDS to provide strategic leadership and direction in the realization of Vision 2030 goals. It also enables the Secretariat to have clear institutional linkages with other institutions, structures and organizations both in the public as well as the Private Sector.

The subsequent pages of this report indicate the progress on implementation of Kenya Vision 2030 Flagship Projects under each Pillar and Foundations/ Enablers during the MTP I and II periods.

MACROECONOMIC FRAMEWORK

The process of laying the foundation for building a globally competitive and prosperous country began in 2003 with the bold reforms in economic and structural transformation as elaborated in the Economic Recovery Strategy for Wealth and Employment Creation (ERS) covering the period 2003-2007. The transformational pillars of the ERS included: the restoration of the economic growth within the context of a stable macroeconomic environment, rehabilitation and expansion of infrastructure, equity, poverty reduction, and improving governance. Over the period of ERS implementation, the sound fiscal and monetary policies reform alongside strong structural reform saw the economy expand from 0.5 per cent in 2003 to 7 per cent in 2007.

The first Medium-Term Plan (MTP I) for the period 2008-2012 was the first in a series of successive 5-year medium term plans which are meant to implement Kenya Vision 2030. MTP I implemented the Flagship Projects identified under Vision 2030 as well as other key policies and programmes over the five-year period of 2008-2012. A large part of the financing and investment of the programmes and projects were expected to come from the private sector through the Public Private Partnerships (PPPs). The plan called for increased levels of savings and investment to facilitate the growth and development envisaged by the end of the plan period. The ratio of investment to GDP was targeted to rise by 10 percentage points while that of domestic savings to GDP was targeted to increase from 16 per cent in 2008 to 26 per cent over the same period.

Since the inception of MTP I, Kenya adopted a new constitution, which significantly altered the governance framework by creating a two-tier Government with a National Government and 47 County Governments. The Constitution entrenched devolution, which plays a major role in service delivery and gives all Kenyans key social, political and economic rights.

The Second Medium Term Plan (MTP II) for the period 2013-2017 was built on the achievements of MTP I. The plan was aimed at increasing gross investment by about 10 per cent of the GDP. MTP II integrated the United Nations Global Sustainable Development Goals which were a follow up to the Millennium Development Goals covering the period 2000-2015.

MTP I of the Kenya Vision 2030, elaborated the Government's five-year plan aimed at accelerating economic growth to 10 per cent by 2012. Therefore, the medium-term macroeconomic framework for the period 2008- 2012 was made compatible with the Kenya Vision 2030 strategy and the coalition Government's development agenda. It provided for key structural reforms that the Government would implement to bolster a broad-based economic growth that would address the socio-economic challenges including increased wealth and equality for all Kenyans. The medium-term macroeconomic framework for the period 2013-2017 further aimed at putting the economy on a high growth path, to ensure that double-digit growth is realized by the end of the plan period. The effectiveness of the framework was supported by the policy, legal, institutional and structural reforms that were to be implemented by the Government to enhance macroeconomic stability, improve the business environment and ensure transparent and accountable use of public resources during this period.

ECONOMIC GROWTH

Kenya's economic growth has remained strong and resilient over the last 10-year period of the implementation of the MTP I & II. This is despite the emerging global and domestic challenges. The broad-based economic growth during the MTP I period averaged 4.7 per cent against a target of 8.1 per cent. The performance was attributed to the positive performance of the industrial and service sectors during the MTP I & II period as illustrated in table 1 and figure 1. The agricultural sector experienced unstable performance over that time ranging from -4.1 per cent in 2008 to 10.1 per cent in 2010. The erratic performance was largely as a result of extreme weather events coupled with rising costs of production. During the implementation of MTP II, the economy on average experienced a growth rate of 5.5 per cent. There was a general improvement across most sectors during the implementation of MTP II. The Agricultural sector improved from an average growth of 1.8 per cent under MTP I to 4.3 per cent during the MTP II period. It is projected that in the first two years of implementation of MTP III, the economy would attain an average growth rate of 6.2 per cent as at 2019. This growth is envisaged to be propelled by the Big Four Economic Agenda which will focus on manufacturing, affordable housing, universal health coverage, and food and nutrition security.

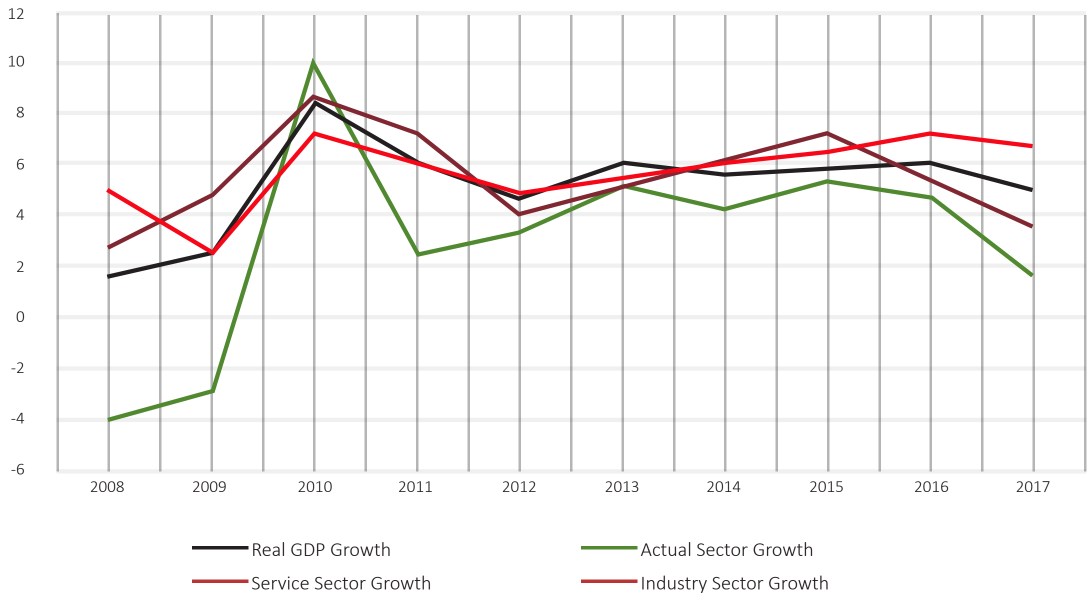
Table 1: *Percentage Growth in Real GDP, Agriculture and Industrial Sectors (2008-2017)*

	MTP I						MTP II					
	2008	2009	2010	2011	2012	Average	2013	2014	2015	2016	2017	Average
Real GDP Growth	1.5	2.7	8.4	6.1	4.6	4.7	5.9	5.4	5.7	5.9	4.8	5.5
Target	4.5	7.9	8.7	9.4	10	8.1	6.1	7.2	8.7	9.1	10.1	8.2
Agriculture Sector Growth	4.1	-2.6	10.1	2.4	3.1	1.8	5.4	4.4	5.3	4.7	1.6	4.3
Target	3.1	8.1	6	6.7	6.8	6.1	5.1	6.5	6.8	7.1	7.2	6.5
Service Sector Growth	4.7	2.8	7.3	6.1	4.7	5.1	5.4	6	6	6.8	6.5	6.2
Target	5.3	8	9.6	10.9	12.4	9.2	6.5	7.3	9.4	10	10.1	8.7
Industry Sector Growth	2.7	4.9	8.7	7.2	4.2	5.5	5.3	6.1	7.3	5.9	3.8	5.7
Target	5.1	9.3	10.2	11.2	12.4	9.6	6	7.6	8.6	10.1	10.2	8.5

Source: *Kenya National Bureau of Statistics*

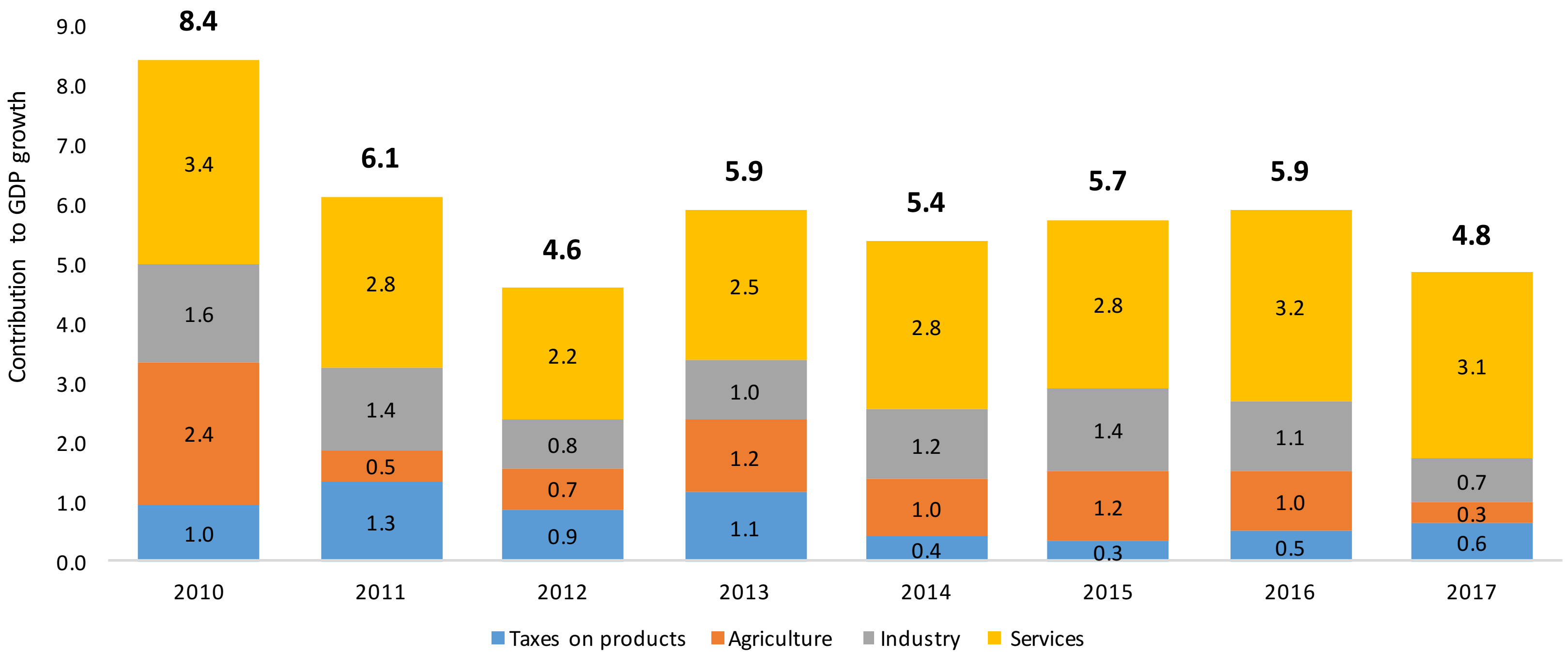
Figure 1, shows the impact of policy and institutional reforms during the period of ERS on key growth indicators during the period 2008-2010. While there was a sharp decline in these indicators in the last half period 2011-2012 of the implementation of MTP I, this was largely due to the rebasing effects of the 2009.

Figure 1: *Percentage Growth in Real GDP, Agriculture and Industrial Sectors (2008-2017)*



The contribution to real GDP growth shows that the service sector and the industrial sector were the main contributor to this growth over that period as indicated in figure 1.

Figure 2: *Percentage contribution of Real GDP Growth in 2008 - 2017*



INFLATION RATES

Inflation averaged 10.64 per cent during the implementation period of MTP I, this was above the Government medium-term target of 5 ± 2.5 per cent. The high inflation was a result of unfavorable weather conditions experienced in the country and disruptions from the post-election violence that Kenya experienced in 2008. Additionally, there were external shocks from high crude oil prices and the second round of effects of the global financial crisis. These can be seen in the first part of figure 3 where the contribution of rising food pricing remained high during the entire period of the MTP I averaging 14.75 per cent against fuel related inflation which averaged 10.8 per cent over the same period. In order to control the inflationary pressure, the CBK tightened the monetary policy stance. The pressure was further eased when the global food and oil prices stabilized in 2012 resulting in a significant decline in inflation over the period of implementation of MTP II. The structure and trend in inflation are depicted in figure 3.

Inflation remained low and stable in the period of implementation of MTP II averaging 6.7 per cent. This was on account of prudent monetary policy, declining oil prices and favorable weather conditions. However, the country experienced drought in 2017 that led to an increase in food prices, eventually raising inflation to 8.0 per cent. However, this was short-term as subsequent favourable conditions in 2018 reversed inflation downwards to 4.7 per cent. The lower food prices, lower energy prices, particularly electricity and diesel also played a significant role in pushing down inflation.

Figure 3: *Structure of Overall Inflation, percentage points*

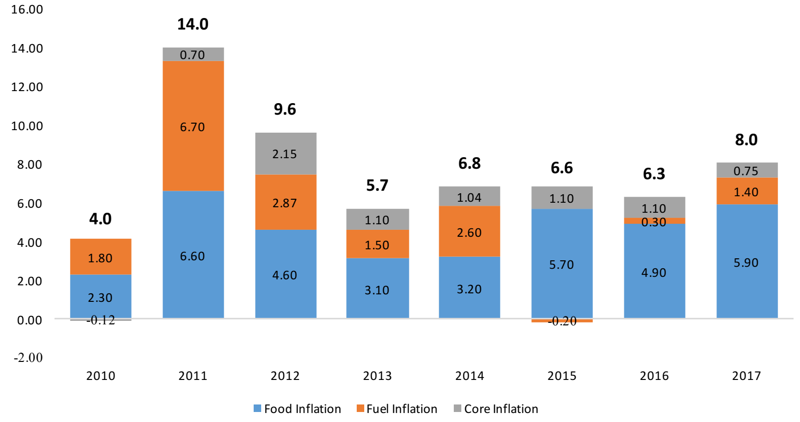
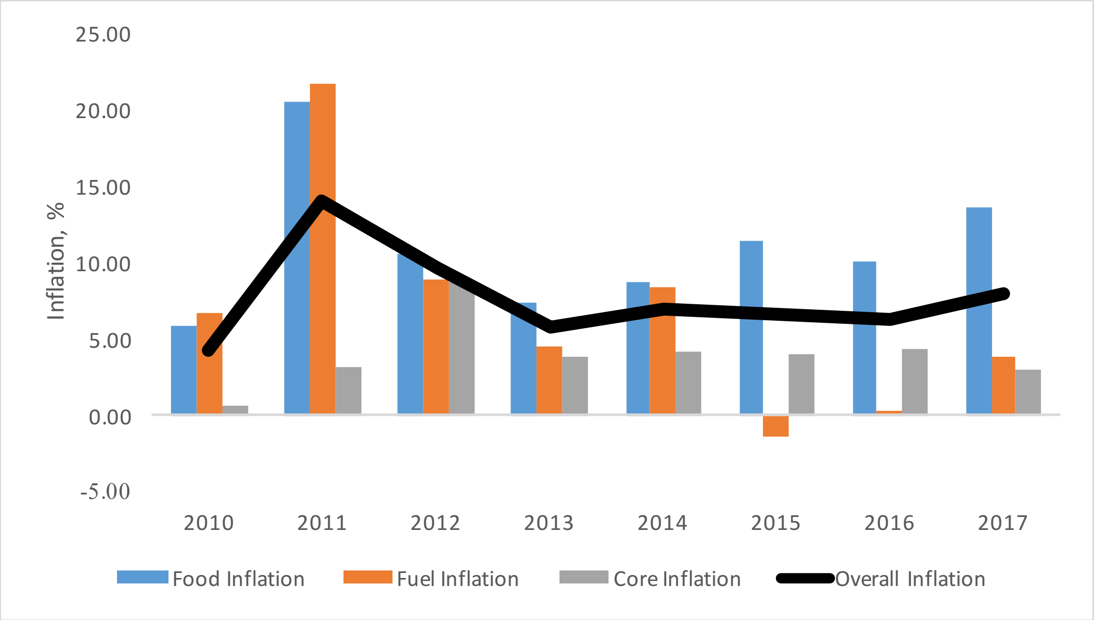


Figure 4: *Structure of overall inflation, percentage points*



INTEREST RATES

Interest rates remained low and stable for the first part of the implementation of MTP I, however, in 2012, there was a significant rise in Central Bank Rate (CBR) to 15.8 per cent. This increase arose from the pursuit of a tight monetary policy stance meant to ease inflationary pressures experienced in the economy during that time. This had a knock-on effect on the lending and deposit rates in the same year.

In the MTP II implementation period of 2013-2017, it can be seen from figure 5 that the interest rates remained largely stable with the exception of the June-December period in 2015 when world currencies came under pressure, triggering an adjustment of policy rates by the CBK. The policy rate was adjusted from 8.5 per cent in 2014 to 10.1 per cent in 2015 and 10.7 per cent in 2016 to anchor inflation expectations. In 2018 policy rate was reduced to 9.0 per cent in July 2018 from 9.5 per cent in March 2018 to support economic activity. The Banking Act was also repealed to cap interest rates. The policy change had an effect on the subsequent interest rates with the lending rates being pulled downwards to 13.67 per cent in 2017. The deposit rates and the savings rates also improved over the same period, with inflation expectations well anchored.

Table 2: *Interest Rates Spread over 2008-2017*

Year	Deposit	Savings	Lending	CBR
2008	4.56	1.70	14.02	8.85
2009	5.09	1.84	14.80	7.88
2010	4.16	1.63	14.37	6.42
2011	4.22	1.38	15.05	8.40
2012	7.74	1.62	19.73	15.75
2013	6.51	1.59	17.31	8.83
2014	6.59	1.54	16.51	8.50
2015	6.93	1.58	16.16	10.13
2016	7.09	2.93	16.57	10.67
2017	7.52	6.29	13.67	10.00

Source: CBK

Figure 5: *Interest Rates Spread over 2008-2017*

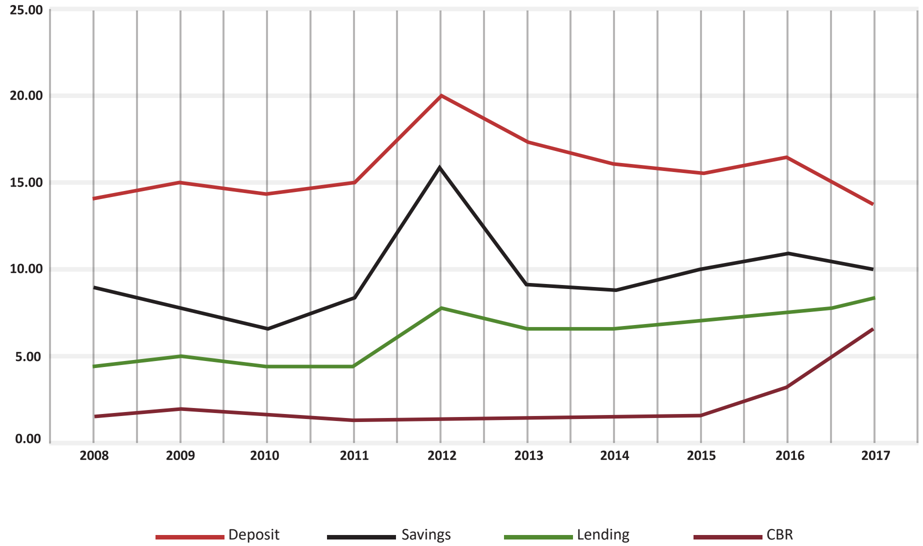
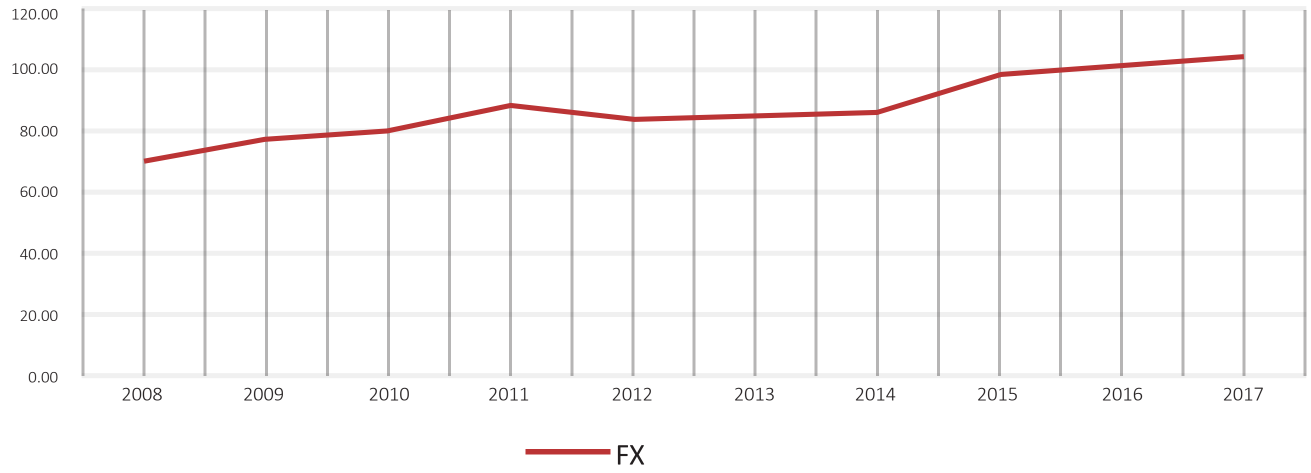


Figure 6: *Exchange Rate (Annual Average) (2008-2017)*



Source: CBK

EXCHANGE RATES

Kenya continued to pursue a market-driven exchange rate policy. The shilling remained stable and broadly competitive against major currencies during the MTP I implementation phase averaging Ksh. 79.80 against the USD. The strong shilling was supported by receipts from horticulture, services, tea and coffee.

During the implementation phase of MTP II, the shilling remained largely stable over the period. In 2015, world currencies experienced pressures that led to the depreciation of domestic currencies. The Ksh. to USD depreciated from 87.90 in 2014, to 98.20 in 2015 and stabilized at 101.50 in 2016. The weakening was further compounded by high importation of Standard Gauge Railway (SGR) related materials and food following the drought in 2017. The stability of the shilling is supported by narrowing the current account, on account of higher receipts from tourism, diaspora remittances, and lower food and transport imports.

The CBK usable foreign exchange reserves remained adequate at USD 8,925 million (5.58 months of import cover). This meets the CBK's statutory requirement in an endeavour to maintain at least 4 months of import cover and the EAC region's convergence criteria of 4.5 months of import cover.

BALANCE OF PAYMENTS

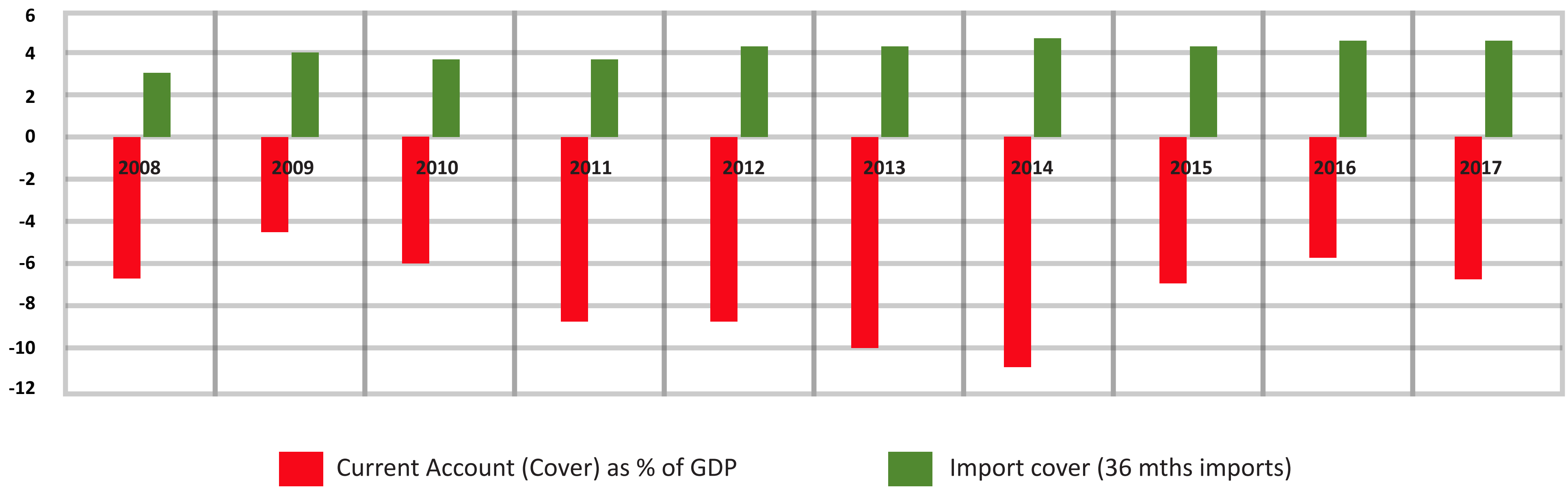
Foreign exchange reserves increased from 3.9 months of import cover during MTP I to 4.8 months of import cover during MTP II. In the first two years of implementation of MTP II, the foreign exchange reserve increased to 5.6 months of import cover which was above the statutory requirement of 4.0 months of import cover and thus remain adequate to safeguard against exogenous shocks. This improvement was supported by strong growth in agricultural exports particularly tea and horticulture, increased diaspora remittances, strong receipts from tourism, lower imports of food and SGR related equipment.

***Table 3**: Current account and months of Imports Cover, (per cent of GDP)*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Current Account	-142,639	-128,997	-195,691	-333,559	-377,736	-468,439	-583,612	-451,755	-413,677	-586,898
Current Account Growth	-6.77	-4.50	-6.17	-8.95	-8.86	-9.87	-10.8	-7.19	-5.89	-7.19
Import cover (36 mths imports)	3.36	4.09	3.85	3.71	4.27	4.42	4.96	4.77	5.04	5.00

Source: CBK

***Figure 7:** Current account and months of Imports Cover, (per cent of GDP)*

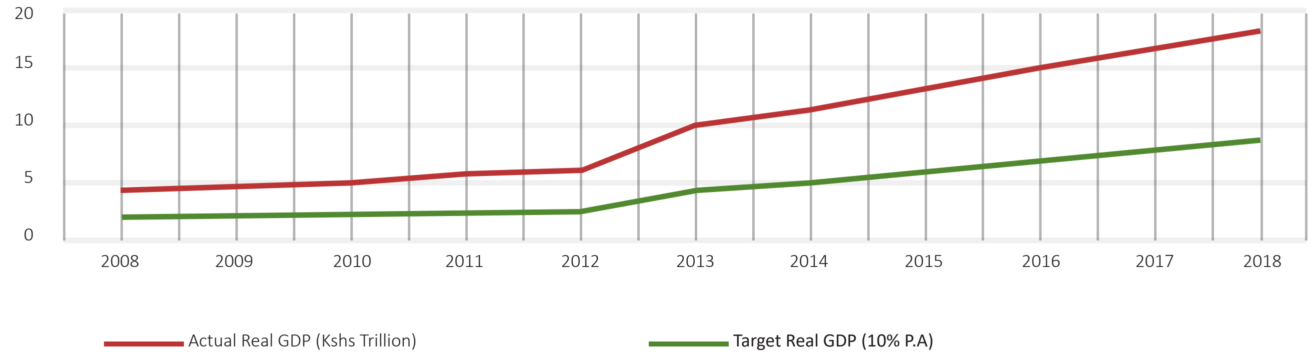


Source: CBK

Kenya's macroeconomic environment remained fairly stable during the last 10 years of the implementation of MTP I &II. However, this was not without challenges that slowed down the progress of the implementation of various projects. These included persistent droughts, political instabilities associated with electoral circles, the global financial crisis of 2008, increased public debt which constrained the fiscal space, persistent corruption and the over-reliance on rain-fed agriculture and exports of primary products.

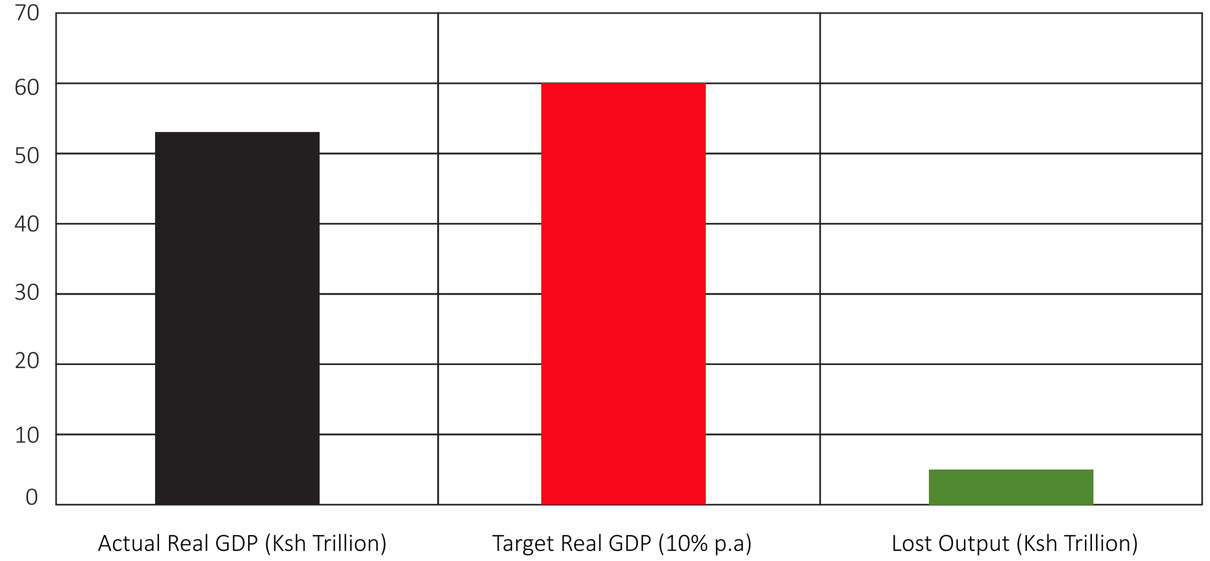
The progress of the implementation of MTP I & II, therefore raises the need to re-evaluate the national effort towards the bigger vision of a competitive and prosperous country. Looking at the current progress against the 10 per cent growth target, there will be a need to re-engineer a united strategy focused on the implementation of the outstanding flagship projects. Cumulatively, between 2010-2018 the Real National Output was Ksh. 34,998,930 million against a target of Ksh. 42,776,144 million. This shows a growing deficit of Ksh. 7,777,215 million. This translates to a growth requirement of over 11 per cent over the next 10 years of Kenya Vision 2030 implementation. This gap is depicted in figures 7 and 8 respectively.

Figure 8: *Evolution of actual and Vision 2030 Real GDP Target*



Source: CBK

Figure 9: *Cumulative Actual, target and lost real output 2008-2017 (Ksh. Trillion)*



Youths buiding the Nairobi Mombasa SGR empoyed under Youth empowerement programme

EQUITY, POVERTY REDUCTION, AND EMPLOYMENT

To ensure equitable growth a number of targeted fiscal interventions, structural reforms and regional development initiatives were implemented over the period under review. Labour and employment in MTP I made significant achievements in the Human Resource Development sector. However, despite these improvements in economic growth, the economy did not generate sufficient employment opportunities. The country created 2.7 million jobs against the cumulative MTP I target of 3.27 million jobs.

During the MTP II period, the country created about 4.1 million jobs against a target of 5 million jobs during that period. Most jobs were created in the informal sector which accounted for 83.1 per cent of total jobs created. Across the two periods of the implementation of Kenya Vision 2030, a total of 7.27 million jobs were created. This was not at pace with the growth of the labour force which was estimated at 23 million in 2012 and increased to 27 million in 2017.

Technical equipments installed at college

CHAPTER TWO

FOUNDATIONS FOR NATIONAL TRANSFORMATION

INTRODUCTION

The three Pillars of Kenya Vision 2030 are anchored on the foundations or enablers for national transformation. These foundations or enablers are: Infrastructure, Information, Communication and Technology (ICT), Science, Technology and Innovation (ST&I), Land Reforms, Human Resource Development (Labour and Employment), Security, Peace Building and Conflict Resolutions, Public Service Reforms, National Values and Ethics and Ending Drought Emergencies. The Government shall continue to enhance these foundations to support the Vision and the country's overall development process. The Government also continues to invest in building a strong and solid foundation for economic transformation and industrialisation. In this regard, the focus continues to be on implementing policies, programmes and projects as well as the legal and institutional reforms that will strengthen the foundations, unlock growth potential and build the resilience of the economy.

The first MTP (2008-2012) focused on seven foundations and enablers for national socio-economic transformations. In the subsequent MTP II (2013 - 2017), two more enablers were added i.e. National Values and Ethics, and Ending Drought Emergencies, making a total of nine (9) foundations. This chapter provides the progress on implementation in each of the nine foundations.

INFRASTRUCTURE

"Deploying world-class infrastructure facilities and services"

Infrastructure is an important enabler of socio-economic development. The sector aspires for a country firmly interconnected through a network of roads, railways, ports, airports, waterways and telecommunications. The Government has continued to develop efficient and effective infrastructure, which is a key enabler for other sectors as envisaged in Kenya Vision 2030.

During MTP I & II, investment in infrastructure programmes and projects focused on accessibility, quality, functionality, job creation, disaster preparedness and protection of the environment. Investing in infrastructural development will support the achievement of the "Big Four" initiatives by building on the on-going developments in road, rail, marine, air, energy, and ICT. Specific sub-sectors and programmes under this enabler include the following: - The specific sub-sectors and programmes under this enabler are discussed below.

ROADS SUB-SECTOR

Expansion of Roads Programme

Location: Nationwide

Objective: To enhance domestic and regional trade through the upgrading of the national and county roads network.

Implementing Agencies: Kenya National Highways Authority (KeNHA), Kenya Urban Roads Authority (KURA), Kenya Rural Roads Authority (KeRRA) Kenya Wildlife Service (KWS) - within National Parks, and National Transport and Safety Authority (NTSA).

The Northern Corridor Transport Improvement Project (NCTIP)

Location: Nationwide

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

Implementing Agency: Kenya National Highways Authority (KeNHA).

Project Progress: The completed road sections are: Athi River - Namanga road (136 km), Miritini - Maji ya Chumvi (35 km), Machakos turnoff - Athi River (33 km), Maai Mahiu-Naivasha - Lanet (94 km), Lanet – Nakuru - Njoro turnoff (15 km) and Njoro Turnoff - Mau Summit-Timboroa (83 km). Rehabilitation of the 55 km stretch from Sultan Hamud to Machakos turnoff and 59.5 km from Machakos turnoff to JKIA. The rehabilitation of the roads from Kericho to Nyamasaria (A1, 76km), Nyamasaria to Kisumu International Airport (24km), Timboroa to Eldoret road (A104, 73km), Eldoret to Webuye (60Km), Webuye to Malaba (62Km) were also substantially complete. Moi Airport access road and Port Reitz road, 4.45 km completed.

Mombasa Port Area Road Development Project (MPARD)

Location: Mombasa

Objective: To facilitate logistics around the Mombasa Port area from the new container terminal to the Northern Corridor and the Mombasa Southern Bypass along which the Dongo Kundu Special Economic Zone will be developed and beyond. The improved traffic route will help achieve overall economic and social development in Kenya and neighbouring East African Countries.

Implementing Agency: Kenya National Highways Authority.

Mombasa Southern Bypass Road: Mwache – Mteza section: The Construction works tender bids were received in September 2017 and the procurement process were on-going. Award of contract and commencement of construction works was scheduled for FY 2018/2019 financial year. Mombasa Southern Bypass Road, Mteza – Kibundani section. The Construction works tender bids were received in September 2017 and the procurement process was on-going. Award of contract

Mombasa Port Area road development project

and commencement of construction works was scheduled for FY 2018/2019 financial year. Mombasa Gate Bridge - JICA completed a fact-finding mission and preparatory survey during the year, the signing of the first Loan Agreement, was scheduled for February 2019.

East Africa Road Network Project (EARNP)

Location: Nationwide

Objective: To construct and manage national trunk roads that enhance socio - economic growth and prosperity.

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

Project Progress: The following were the achievements under MTP I & MTP II period: Modika - Nuno (23Km), upgrading of Voi - Mwatate-Taveta (148 Km) works completed, Ahero - Kisii – Isebania (A1) Lot 1: Isebania – Kisii, with Progress at 3 per cent, the Kisii - Ahero road with progress at 4.63 per cent and the Kitale – Endebess – Suam road (C45) progress at 1 per cent.

The Kenya Transport Sector Support Project (KTSSP)

Location: Nationwide

Objective: To increase the efficiency of road transport

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

Project Progress: The Kenya Transport Sector Support Project, (KTSSP) comprises of Kisumu – Kakamega road project that was substantially complete at 97 per cent (of revised scope), Bachuma Gate - Maji ya Chumvi (A8) were completed. The Kisumu Boys Roundabout – Mamboleo Junction, with Progress at 75 per cent, Kakamega – Webuye, Progress at 55 per cent. The Dualling of Athi River - Machakos Turnoff, progress at 33 per cent and further the three interchanges along A104 at Nyahururu Turnoff, Njoro Turnoff and Mau Summit at 94 per cent completion and further the Ahero Interchange which was at 17.13 per cent, Kericho Interchange at 21 per cent and Webuye – Kitale road at 92.92 per cent (the road section is complete. Pending items include Webuye Interchange at 54.34 per cent and the Road Side Amenities is 79.70 per cent).

Rehabilitate and upgrade Eldoret-Kitale-Lodwar-Nadapal (600km)

Location: Eldoret - Kitale - Lodwar-Nadapal.

Objective: This is a transnational project to promote and facilitate regional economic integration between Kenya and South Sudan.

Implementing Agency: Kenya National Highways Authority (KeNHA).

Project Progress: Design studies for the rehabilitation/ construction of Lesseru to Kitale and Marich via Lodwar to Nadapal road was completed. Upgrading of the Loichamgamatak – Lodwar (5.27 per cent), Lodwar – Lokitaung Junction (7.14 per cent), Lokitaung Junction – Kalobeiyei river (4.3 per cent), Kalobeyei river – Nadapal/ Nakodok (1.3 per cent) and Kainuk bridge (0 per cent) are ongoing.


Eldoret - Kitale - Lodwar - Nadapal completed road covers 600Km

Outering Road . One of the decongestion flagship projects in Nairobi

East Africa Trade and Transport Facilitation Project

Location: Isebania, Taveta, Lunga Lunga, Malaba

Objective: To address the high transport and inventory costs in East Africa corridors which adversely affect regional trade integration and trade competitiveness such as long cargo dwell time, non-tariff trade barriers, slow and costly bureaucratic procedures at points of entry and border crossing points and long turnaround time.

Project Progress – The construction of the Taveta, Malaba, Busia, Lunga Lunga, Namanga and Isebania One-stop border Posts were completed.

Completed Projects – Nairobi Southern Bypass (39 km), Ena - Ishiara - Meru (60km), Dondori - Olkalou - Njabini (100.3km), Stand Khisa - Khumusalaba (25km), Owimbi - Luanda - Kotieno (25km), Bumala - Ruambwa (48km), Maai Mahiu - Narok (89.4km), Bomet - Litein (42km), Rongo-Homabay (39.5 km), Kisii - Kilgoris (74km), Machakos Turnoff - Masii (48km), Homa Bay - Mbita, (43km), Ndori - Ng'iya (20km), Londiani - Fort Ternan (63km), KCC (Sotik) - Ndanai – Gorgor (28km), Lanet-Dundori (15km), Chepterit – Kimondi (38km), Thika – Magumu (30km), Kaloleni – Kilifi (35km), Kangema – Gacharage (35km), Mbita Causeway, Siaya – Ruambwa (31km), Rumuruti – Maralal (35km), Ejinja – Bumala (37 km), and Masara – Suna – Kehancha (65km).

Decongestion of Cities and Urban Areas Programme

Location: Major Cities and Urban Areas.

Objective: To ensure efficient traffic flow, enhance goods and services delivery in major urban cities and towns in the country.

Implementing Agency: Kenya Urban Roads Authority (KURA).

Project Progress: Urban roads Program being implemented by the Kenya Urban Roads Authority is meant to ease the flow of traffic in the cities and other major urban centres in the country to enhance movement of people, goods, services and access. During the MTP I and II, the progress made on projects undertaken to address the decongestion in cities, towns and urban centres were as follows:

The following projects were completed (100Per cent) in the review period of MTP I and II: Rehabilitation and Upgrading of Upper Hill Roads, Phase1 (10km), rehabilitation and Upgrading of First Avenue Eastleigh and General Waruinge Roads (18.4Km), rehabilitation and upgrading of Langata Road (KWS Gate to Bomas Section), 11.6Km, construction of the Interchange at City Cabanas, construction of Northern and Eastern Bypasses (70km), dualling of 2km of Ngong Road Phase I (KNLS Nairobi-Prestige), construction to bitumen standards of 9.1km Kapsoya Road in Eldoret, upgrading to bitumen standards of Lodwar township roads (phase 1) were also completed. Upgrading to Bitumen Standards of 3km Githurai – Kimbo Road (Phase II, 4.5 km).

During MTP 1 and II works in the following projects were ongoing: Construction of Missing Link Roads (dualling) and Non-Motorized Transport (NMT) Facilities in Starehe, Makadara, Westlands, Mathare, Kamukunji constituencies comprising of 11.2km and 30.4km of NMT was at 70 per cent progress, rehabilitation and dualling of 8.5 km and 1.5km single carriageway of Upper Hill Roads Phase II was 20 per cent, Outering Road Improvement Project consisting of the construction of 13Km four-lane with service roads on either side was at 88 per cent, dualling of 5.1km Ngong Road (Dagoretti Corner - Karen Roundabout Section was at 4 per cent, 4.3Km dualling of Ngong Road Phase II (Prestige - KNLS Nairobi-Dagoretti Corner was at 24Per cent, construction of Ngong Road - Kibera - Kungu Karumba - Langata Road (Missing Link No. 12) was 20 per cent, construction of 15km Waiyaki Way - Redhill Link Road 30 per cent progress,

Completed Isiollo Merille road

Construction of Access Road to Ruai Police Station 93 per cent progress, construction to bitumen standards of 23km Meru Bypass Roads was at 30 per cent, upgrading of Syokimau - Katani Phase II , 70 per cent progress, Upgrading to Bitumen Standards of Mlolongo - Kware - Katani Link Road (Phase I) 8km was at 50 per cent progress. Upgrading of Kamuyu - Kinunga Road Phase II was 95 per cent, construction of a flyover across the Northern Bypass and Approaches at Kahawa West was at 40 per cent, construction of 3km Upper Hill - Mbagathi Link Road was at 40 per cent, construction of Kericho Bypass (Phase I) 22 per cent, construction of Access Road to Ruai Police Station 93 per cent, construction of 8km Nyahururu Bypass 5 per cent, upgrading to bitumen standards of 7km Lenana - Muchugia – Dagoretti Market Link Road 20 per cent, rehabilitation and upgrading of Eastleigh Estate Access Roads 11 per cent, construction of Access to Embakasi (Infinity) Industrial Park phase I at 83 per cent, construction of Annex Loop Roads and Upper Elgon View Loop Roads in eldoret at 93 per cent, upgrading to Bitumen Standards of Githurai – Kimbo Road (Phase I) at 60 per cent, construction of Kahawa Sukari Estate Access Roads at 20 per cent, construction of Kangundo Road - Greater Eastern Bypass Link Road 10 per cent, improvement to paved standards of Bomet-Kapsimotwa Road 40 per cent, improvement of Lady Irene-Mandizini-Muslim-Nambaya-Junction D258 & Wakili Road at 20 per cent, Improvement to Bitumen Standards of Mokowe Township Roads, Lamu County at 15 per cent, improvement of Wote Township Roads at 43 per cent, improvement of Maua Town Roads 25 per cent, improvement to Bitumen Standards of Nakuru CBD Roads 25 per cent, upgrading of Hola Township Roads 47 per cent, improvement of Kitale Township Roads -Trans-Nzoia County-(District Hospital Ndowasco Rd-Showground) at 84 per cent, improvement to Bitumen Standards of Eldoret Township Roads, Uasin Gishu County at 43 per cent. Upgrading and Maintenance of Kapenguria Township Roads at 73 per cent, Construction of County Road and Garissa Ndogo-Sankuri Link Road, Garissa County at 10 per cent. improvement to Bitumen Standards of Kapkwen-Kapsimotwa-Silibwet Road, Bomet County 40 per cent, rehabilitation of Old Malindi Road and Mombasa County at 18 per cent.

The project that was under design was, Syokimau - Katani Road Phase III, Second Nyali bridge under Public Private Partnerships (PPP) and the JICA Viaduct from enterprise road to over railways to haille sallasie, design of Nairobi Eastern Region Missing Link, design of Upper Hill Overpasses and Nairobi Western region Missing Links, design of Kisii Bypasses - (Suneka-Kiogoro bypass, Kiogoro-Kegati Bypass, Nyakoe-Kegati Bypass, Suneka-Nyakoe Bypasss and Major Link Roads within Kisii County) and design for dualling of Northern and Eastern Bypass.

Some roads within the urban areas were also undertaken by Kenya National Highways Authority as follows; Nairobi Expressway Project (JKIA - James Gichuru Road) - The PIIP by China Roads and Bridges Corporation (CRBC) was approved for negotiations by the Public Private Partnerships (PPP) committee. The Framework Agreement between KeNHA and CRBC was signed, technical optimization, commercial negotiation and finalization of project agreement was ongoing. Commercial agreement is expected to be signed in the financial year 2019/2020.

National Urban Transport Improvement Project

Location: Major Cities and Urban Areas

Implementing Agency: Kenya Urban Roads Authority (KURA).

Objective: It aims to improve the efficiency of road transport along the Northern Corridor by enhancing the capacity of roads. Under KURA this objective is being realized through construction of eastern and western bypasses in Meru town. It also finances the improvement of the institutional capacity and arrangements in the urban transport sub-sector.

Project Progress: Construction of 23km Meru bypasses in Meru County was ongoing and was approximately 80Per cent at the end financial year 2018-2019. Under NUTRIP programme, designs were also undertaken for 100 junctions in Nairobi for installation of Intelligent Traffic Signaling (ITS) as well as design for a Traffic Management Center (TMC) were at 80Per cent complete by end of MPT II. Under institutional strengthening and capacity building was undertaken under this programme and more than 80 KURA technical and support staff were trained successfully in various areas of specialization and support by the end of MTP I and II. Further a number of engineering software were procured under this program to support the institution's engineering directorates. ICT back systems, computers and Laptops were also procured under this program at the end of this review period.

Challenges and Lessons Learnt

In the process of implementation of the urban roads programme, the following challenges were noted to be prevalent, encroachment of road reserve by traders, private developers and service providers. Inadequate road corridor due to poor urban development planning and or non-adherence to the Development plan leading to unnecessary land of acquisitions. High cost of land acquisitions in urban areas. Unplanned installations of services along the road corridor leading to additional high costs of relocations. Exchequer delay in realising of budgetary allocations for payments when due. This has led to slow progress and claims in some projects and Exchequer limited budget which is far much below the expected capital demand for urban infrastructure development and Increasing rural-urban migrations leading to an increased need for provision of Non-Motorised Traffic (NMTs) facilities which are again hampered by limited corridor space and limited budget provisions.

Recommendations and Way Forward

In the process, it is noted that due to the continued pressure on urban road infrastructure facilities and demand for enhanced provisions of both vehicular and pedestrian facilities, it is important that the following measures should be considered: There is need to increase budgetary allocations for urban roads and Non-motorized facilities to match up with the increased demand hence reduce congestions and enhance health and safety in all major urban area, all service providers (energy, communications, water and sewerage sectors) should provide budgetary allocations annually for relocations of services that are within right of way for road infrastructure in urban areas and or reimburse the same in the event that a road Authority incurs costs on the same, all service providers must seek clearance from roads Authorities whenever they are installing any service line within the road reserve in order to allow for proper planning for both the road the service being installed and there is need for review of the Land Act to provide for compulsory surrender of all undeveloped plots fronting roads without the need for compensations since on application for property development the owners are required to surrender a sizeable frontage area for road corridor. However, when undeveloped the same is not required even if a public development such as a road is underway. In most cases the owner get compensation for what in the end is meant to be surrendered.

Outering Road . One of the decongestion flagship projects in Nairobi


Completed Thika Super highway road

Roads 10000 low volume sealed roads programme

Implementing Agency: Kenya Rural Roads Authority

Location: Nationwide

Objective: To upgrade 10,000 Km of roads to bitumen standard to improve accessibility and mobility in rural areas to support primary growth sector of the economy.

Programme Status: Mariakani - Bamba (D549) and Kilifi - Kiwandani Primary School Roads, 48 per cent. Chiakariga – Marimanti - Gatunga Road, 10.82 per cent. Tala - Ol Donyo Sabuk, 8.3 per cent. Narumoru - Ngaring'iru - Nairutia Ngobit,6 per cent. Kutus – Kianyaga – Kiamutugu – Githure Roads (D458), 8.7 per cent. Gakira – Ngonda – Mununga, Gakonya – Mahuaini & Mukuyu – Kambirwa – Mirira/Jcn A2 Roads, 25.8 per cent. Kamatira – Cheptongei,40.69 per cent. Kericho – Ainamoi – Kapsoit & Ainamoi – Thessalia Mission Road, Premier - Kabianga – Taplotin Road, Cheborge - Kibugat Road & Cheplanket - Kapkatet Loop Road and Kericho by pass (Brooke Bond - Kaptebeswet– Chepnyogaa Road), 35 per cent. Brooke Bond - Maili - Nne - Kpkelion - Londiani/ Maili Nne – Chepseon, 5.2 per cent, Daraja Sita- Dikirr - Chebole-Labotiet (D233 & D234), 26.16 per cent. Ibokolo – Iindanglasia – Shianda -Malaba - Nambacha Road, 5.2 per cent. Ekwanda - Luanda - Esirulo – Magada, 5.44 per cent, Musikoma- Mungatsi &Myanga-Mateka Roads.8.6 per cent, Kibichoi-Ichaweri-Nembu-Gachika, Muigai Inn-Ichaweri-Gatundu-Kang'Oo, Broadway - Kiandutu - Athena - Engen - Kiaganjo - Muthaiga and Courtesy Beach Loop Roads, 45.1 per cent. Ololunga - Mukenyo,11.7 per cent. Kisima - Kibirichia - Kima – Ruiri,14.2 per cent. Jnc C67 Kirwara - Kigio - Jnc C67 Blue Post,0 per cent. Mauche – Bombo – Olenguruone – Kiptagich – Silibwet, 88.6 per cent. Junction B8 – Masalani, 3.1 per cent. Chogoria - Weru - Marima- Kiriani, 1.4 per cent. Kenol - Ngoleni - Kaani / Mutituni – Kaseve, 5.52 per cent. Sultan Hamud Kasikeu - Wautu - Kyambeke - Kikoko(D515), 10.4 per cent. Karima A2 - Kianjege - Mukangu - Ndimaini - Karatina & Kiburu – Kabonge, 12.4 per cent. Njegas - Mutito -Gatwe- Kangaita/Kiaga-Kianjege-Mukinduri Roads, 18.5 per cent. Kiritiri – Siakago, 1.8 per cent. Mugeka- Thuita - Kiria Ini, Kagumoini- Karugia & Mataara- Gacharage Road, 17.4 per cent. Jn C24 (Tengecha) Koiwa–Kaptebeng' Wet & Koiwa – Cheptalal – Sotit – Kaptebeng'Wet – Chebangang – Kimulot – Changoi (Jn 23) Roads, 17.4 per cent. Butere- Sidindi & Butere (Bukolwe)-Musanda-Bungasi-Sigomere - Ugunja Roads, 23.1 per cent.

Mogonga - Kenyenya - Riokindo - Nyabitunwa/Riokindo - Magenche - Kenyenya/Mariba - Nyagancha-Eberege - Daraja/Riokindo - Kenyenya Ttc - Magena, 15.03 per cent. Metembe – Owalo – Rioma – Marani – Ng'Enyi – Bobaracho – Ragogo – Kegogi – Nyakoora – Rioma– Gesieka – Nyaore – Marani, 10.5 per cent. Mosobeti – Kebirigo, 7.2 per cent. Malindi – Kakoneni – Sala Gate Road(C103) and Sabaki Marikebuni Road(D553), 58.6 per cent. Access-Chuka Univesisty, 2.5 per cent. Kunene - St Ann – Miomponi, 0 per cent. Kiria - Kagaa - Kiruri/Kirurir- Githambo-Murarandia, 14 per cent. Lodwar – Lorugum – Lorengippi – Db – Loya – Kanyao – Alale – Nayuapong – Db – Turkana, 0 per cent. Maua – Athiru – Kilili-National Park, 1.88 per cent. Gatukuyu – Matara, 4 per cent. Lwakakha - Korosiondet – Tulienge- Sirisia - Namwela — Chwele, 19 per cent. Kapskwony - Kopsiro - Namwela Chwele, 5.5 per cent.

Malaba - Angurai - Malakisi & Angurai - Moding- Kakamer, 14 per cent. Marigat-Muchongoi-Karandi, Ol Ngarua-Muhotetu-Jnct C77 & Muhotetu-Sipili Roads, 0Kadel – Alara – Pala – Kanyadhiang /Centre – Kilusi – Opanga – Ramba Roads, 3.3 per cent. Imaroro-Mashru- Isara, 21 per cent. Kakamega- Navagoro- Musikoma (C41), 4.5. Kerugoya (Rutue) -Kiandieri - Gitumbi - Old Kangaita / Baricho - Njegas - Ngaru - Gakoigo - Ithare – Kabare / Gatuto – Mukinduri, 0Per cent. Omoringamu - Kenyenya - Motonto / Parainye - Mesesi- Tabaka / Bonyancha - Nyabisiongororo / Iyabe- Sengera -Nyansara / Sengera - Nyakoiba Roads, 0 per cent.

Keboko-Nyangusu-Nyamache-Nyacheki Roads, 0 per cent. Nyamira - Igonga - Gesonso - Nyabioto; 2. Nyamatutu - Mogumo – Igonga, 3. Nyagwekoa - Nyabieyo – Riana - Nyamatutu, 4 Riana - Chisaro - Jnc A1, 5. Ekiendege - Chisaro – Mwata, 6. Motonto - Suneka – Nyagwekoa; 7 Suneka – Kiabusura, 8 Riana - Mwata - Jnc A1, 9 Ekiendege - Ekerorano - Jnc A1 - Bitare - Kiabusura - Mototo – Itibo, 3.28 per cent. Kwa Vonza-Kenyatta University-Mikuyuni Primary-South Eastern Kenya University Road, 2 per cent.

Kamuongo – Kandwia – Gai – Kyuso – Tymua, 2.94 per cent. Kimutwa - Makaveti - Kwa Mutisya, 1.5 per cent. Kali- Kikima- Kitundu- Kuthungu-Nduluku/ Kikima Kyambalasi/Forest-Kikima and Kikima Utangwa Township Roads, 0 per cent. Cocacola - Mpuri - Kithaku - Katheri & Kithurune - Kariene - Kaguma / Gaitu – Giaki, 2.4 per cent. Kangeta-Muutine Lare, 0 per cent. Lare-Ndumuru, 1.8 per cent. Motemorabu - Suba Kuria Nyangoge - Nyankore - Getonyanga – Masaba, 2.5 per cent. Gati-Iguru – Ithanga – Mithini – Kirimiri – Gakungu / Gakungu – Makuyu – Kamahuha – Mbombo Roads, 6.5 per cent. Gatanga - Kionyo - Nyaga - Mukurwe - Githiri - Mariaini Road & Jnct Muthandi-Mbugiti-Kagarie Loop, 4.5 per cent.

Miti Mingi- Bagaria- Naishi- Store Mbili, 0 per cent. Timboroa – Meteitei – Songhor – Kopere & Kaiboi – Chepterwai – Kipkaren River (Jn. A104) Roads, 9.5 per cent. Danger - Chemswa - Cheptiret - Kesses - Lessos - Jn C36 - Cheptiret - Moi University & Himak - Nandi Hills Road, 0 per cent. Rivatex – Simat – Lemook – Kipkaren Selia – Kapkatembo & Kaplemur – Kabiet & St. Theresa – Centre Kwanza (Sugoi B Dispensary) Roads, 16.2 per cent. Kijauri - Nyansiongo-Raitigo-Metamaywa, 7.2 per cent. Moisbridge - Moiben River - Kaplamai - Sibanga - Maili Saba - Bwayi - Maili Kumi Na Moja (D330), 4.98 per cent.

Todonyang - Lokitaung- Kalokol, 4.8 per cent. Oinamoi-Kapluk- Barwessa, 0 per cent. Marekebuni-Majengo-Marafa-Sosoni Road (D553), 4 per cent. Matuu - Ekalakal - Kangulu & Jnctn C439, 0 per cent. Access to Karatina University, 0 per cent. Nguuni – Nuu, 0Per cent. Milalani


Narok - Mai Motiru road

- Mivumoni – Kilulu, 4.6 per cent. Kirima – Ndinda – Kirima-Engineer & Access to North Kinangop Hospital, 0 per cent. Kiawara-Gatarakwa-Mugunda-Nairutia Road, 3.8 per cent. Keria-Kathwana, 0 per cent. Mikinduri – Kunati - Katithine Road, 0. Samburu- Kinango, 0 per cent. Teganda - Ndaraweta - Isaik -Sigorwet - Leldaret Road, 7.56 per cent. Soimet - Kapletundo- Mogogosiek & Kapletundo -Kapngoken-Kilgoris-Olososayiet Roads, 10.84 per cent. Karai - Nairutia - Muringa - Kiawara - Narumoru Babito, 0 per cent.

Captain - Ndemi - Wanjohi-Ndunyu Njeru, 0 per cent. Jcn A14 (Lungalunga)-Vanga/Jego-Majoreni/Jcn A14 (Kanana)- Shimoni Road, 0 per cent. Sosera - Ekona - Ramasha – Kiomiti, 0 per cent. Kemera - Kiendege - Eberege - Gachuba -Keumbu, 0 per cent. Kilgoris - Shartuka- Soit - Markan- Emurua Dikirr, 0 per cent. Olchobezi - Kabolecho - Mgondo/Mogondo - Changina - Emurrua Dikirr, 0 per cent. Mulot-Sogoo-Tendwet-Saptet & Sogoo- Ololunga, 0 per cent. Thanatu Bridge-Kagwata -Mulika Market Road, 0 per cent. Ngong-Suswa, 0 per cent. Lessos-Namanjala, 0 per cent. Molo – Olenguruone, 47 per cent. Roliondo - Kagaa - Captain,4.1Per cent. Kodiaga-Wagai-Onyinyore/Akala and Nyangweso-Jn, B1 Muhanda (D248/E386), Kodiaga-Wagai-Onyinyore/ Akala and Nyangweso-Jn, B1 Muhanda (D248/E386),7.6 per cent. Maseno-Kombewa-Kalandini (D245) & Maseno Town,8.06 per cent. Mbita- Sindo, 8.3 per cent. Jnc A104 - Drys - Jnc C53 - Kapchorwa - Plateau -Naiberi, 15.9 per cent.

Ack St. Joseph–Ol Kalau–Gichungo Munyeki–B20 Loop/ Ol Kalou Township Roads, 1.42 per cent, Embu Hsp - Kathangariri - Kiajokoma - Runyenjes - Mugui - Mbui Njeru - Kanja – Sikago, 20.9 per cent. Isiolo Town Roads Lot 1, 1.3 per cent. Isiolo Town Roads Lot 2, 1.5 per cent. Kabartonjo – (Up) Kipsaraman – Kinyach – Arror, Kipsaraman – Kinyach Section) Road, 5.2 per cent. Elementaita - Mau Narok, 6 per cent. Ndere – Boro,0 per cent. Moiben – Chebororwa – Kapcherop – Kachibora, 5.6 per cent. Athi - Kimongoro-Nkinja-Ugoti-Katithine, Auki Athii-Gaiti, Kijiji - Thii - Gaiti Roads and Access to Meru University, 1.77 per cent. Rumuruti - Sipili – Ndindika, 7 per cent.

Mirangi – Tumaini – Mawingu – Kanyiriri Road (Tumaini – Mawingu Section),3 per cent. Isiolo -Kiutine- Kina – Garbatula, 4.2 per cent.Brister Girls School - Star Of Hope Children'S Home Loop & Access To Kwihota Secondary School, 1.61 per cent. Indian Bazaar-Ndumberi-Ting'Ang'A-Riabai/Kist-Njathaini& Access To Starehe Girls Road, 1.6 per cent.Tawa-Nguluni-Itangini, 0 per cent.Laisamis – Ngurunit, 5.88 per cent. Odda -Bute-Danaba, 0 per cent.Nkubu - Rubiri – Kamurita,0


Mwatate - Taveta road

per cent.Muranga Town (Huhi Town Stn) - Karii Railway Stn - Muthingiriri - Marewa - Gakindu Bridge - Wandaka - Gikuu- Kayuyu – Mirira, 2 per cent.Jnc C71 Karugia - Ngurweini - Gathimaini - Turuturu - Githima Jnc C70 Mathareini Roads, 0 per cent.Moi`Sbridge - Kachibora / Tuigoin - Chepterit - Barsombe – Kipsigilai, 1.08 per cent. Soy - Kipsangui- Kabenes & Eldoret - Kiplombe- Soy, 0 per cent.

Jnct B5 Subukia – Maseno – Lower Solai – Maji Matamu-Kamukunji – Solai – Jnct B5 Maili Kumi,0 per cent. Naiberi – Moiben & Marulla – Koitoror Loop Road, 0 per cent. Lamuria-Ngobit-Withare-Jnct B5, Jnct B5 (Solio)-Lamuria and Jnct B5 (Gatemu)Ngobit Girls High School-Kihara Primary School,0 per cent. Taita Girls - Liloch & Mutaragon – Fortenan, 0 per cent. Sigowet-Chepkemel-Kitere/Chepkemel-Kapsorok-Soko Huru, 3.8 per cent. Bugar - Chebiemit / Jnct D329 (Kaplolo) - Kaplamai - Jnct C50 Kruger Farm, 0 per cent.

Gatundu - Mukinye-Juja/Gatundu - Gitati Ini-Karinga/ Gatundu - Ituru-Kagumoini-Karinga Roads, 0 per cent. Masara - Sori, 0 per cent. Ongata Rongai – Gataka – Em Mbul Mbul, Co Operative College (Karen) - Matasia - Nkoroi, Ongata Rongai – Nazerene University – Rimpa & Jn (C 58) – Lewisa Academy – Kihara, 0 per cent.Ngecha-Gitangu-Kanjeru/Gitangu(Karia)-Nyathuna/Ngecha - Mahinga-Site (Jnct 104)/ Kabocha - Gikuni-Mukui Karura/ Zambezi-Kahuho - Kingeero/Kahuho - Kanjeru/Zambezi - Kamuguga - Kiambaa - Gwa Gichini & Zambezi - Kamuguga Polytechnic - Mangorano, 0 per cent.

Kibichoi - Kiganjo/Mundoro - Flyover/Gachika - Flyover/ Kigaa - Thegi/Kiamwangi - Kahenia Karembu/D424 - Wamita - Gathage/Kagera - Kigingo/E499 Mundoro - Gachika Roads. Brister Girls School - Star Of Hope Children'S Home Loop & Access To Kwihota Secondary School, 0 per cent.U-G29664 Kamunyu A/ U-G29671 Kamunyu B/U - G29572 Gathiaka - Gathuya/ Marigi Gategi/ Cununuki - Gacharage/ Gitwe Kiganjo/ Kahata - Munyuini/ Karinga - Kimaruri/Kuri - Cununuki - Gacharage/Ruburi - Wanugu – Flyover, 0 per cent. Sabasaba - Kamahuha - Kaharati/Sabasaba (C71) - Mbogoini - Mugumoini - Githembe - Gathimaini/ Githembe - Karuri - Kambi - Maragua/Mugumo Primary

School - Ichagaki - Jora(D418) Ichagaki-Irembu Roads, 0 per cent.Kapsigilai - Tenden/Access to Schools, 0 per cent. Kerwa - Thigio/Thigio - Kikuyu/Thigio - Kamangu / Keroe – Makutano, 0 per cent. Mandera-Fino,0Per cent. Mutithi – Kagio / Baricho - Getuya-Kagumo / Kagumo – Kiamaina – Gathuthuma – Gatwe / Kimicha – Canal / Ndaba – Kangai / Kandongu – Kangiciri / Kagio – Kathaka – Kiangwachi & Kandongu – Kangichiri – Karira Mission Hosp – Ngurubani Roads,0 per cent. Karatina Slaughter House - Ragati - Unjiru - Ihwagi - Gaikuyu-Gitunduti-Kabiru-Ini, 0 per cent. Isebania- Ikerege - Kehancha - Ntimaru - Gwitembe - Ang'Ata - Lolgorian, 0 per cent.

Soy-Serekea-Kilimani-Turbo, JNCT (B14) Nangil - Ziwa Machine - Ziwa Sirikwa & Ziwa Sirikwa - Kerotet - Maji Mazuri - Moi's Bridge Road, 0 per cent. Silibwet - Merigi - Kapkimolwa - Jnc B3 / Longisa - kembu - Hemaner - Tegat - jnc D236, 0 per cent. Endarasha - Charity-Gakanga - Embaringo-Kimunyuru-Junction D447, 0 per cent. Kapsait - Kapsangar-Tapash-Sondany, 0 per cent. Marua-State Lodge, Ruthagati - Mahigaini, Chieni - Hiriga - Kiamariga, Ndundu-Ini- Kwa Wambui - Karandi Roads, 0 per cent.

Hohwe Dam - Karogoto, Gatiki - Ndimaini/River Sagana - JnE560 Gathagara (Mukurweini), Karundudu-D4340-Mungetho Roads, 0 per cent. Riosiri - Moi University (Rongo Campus), Ogwedhi-God Jope Centre, 0 per cent. Jnct 104 (Kibunja)- Molo Rd, 0 per cent.

Challenges and Lessons Learnt: Inadequate financial, technological and experience/managerial local contractor capacity to undertake road works leading to slow progress in some projects. Demand for payments of Cess by County Governments for construction materials. Delays in relocation of utility services (Water pipes, power posts and internet cables). Depletion of natural sources of construction materials leading to environmental concerns and associated high costs of acquiring the same. The land tenure system in Kenya is privately owned and this results into huge acquisition costs. Inadequate sustainable budget to pay pending certification.


Mombasa road interchange

Recommendations and Way Forward: Liaise with County Governments to waive Cess charged on construction materials, encourage joint ventures amongst the contractors to leverage the existing capacity and liaison with service providers through the Regional Development Coordination Committee. Lobby for enhanced budgets and explore on alternative road development technologies.

The Roads 2000 Programme

Location: Nationwide

Objective: It aims at improving rural accessibility using labour intensive approaches and locally available resources at the same time promoting employment and incomes for rural youth.

Implementing Agency: Kenya Rural Roads Authority (KeRRA).

Project Progress: The number of sub-counties participating in the Programme increased from less than 50 during the MTP I to 150 by 2017. During the period under review, 4,216km of roads were improved against a target of 1,960km and over 80,000 jobs were created.

Challenges and Lessons Learnt: Some of the challenges experienced included: Inadequate financing and high capital investment requirements in roads construction, high road construction and maintenance cost, inadequate enforcement of traffic regulations and axle load limits, inadequate skilled manpower in transport management and planning, vandalism of infrastructure facilities and encroachment of land earmarked for road infrastructure development.

Lessons learnt: Government policy framework is key in facilitating project conception, design, implementation and management. Synchronization of policies, legal and regulatory framework is key for greater impact, focused institutional frameworks deliver more within a sustainable policy platform and adequate Government resource commitment towards the project at all stages (project preparation, design, implementation) is a major catalyst for success.

Others: Private sector is a key partner in infrastructure development. Regional integration of road infrastructure creates larger and new markets with greater multiplier effect and backward and forward linkages. They transform benefitting communities, stabilize security in previously isolated unstable communities and are key catalysts and energizers for new sectors of the economy. They also afford efficiency in production systems and lower the cost of doing business. Flexible procurement laws allowed innovative and creative private sector investors to come on board and for effective implementation and tracking of achievements, robust monitoring, evaluation and reporting should be embedded into any organization structure.

Recommendations and Way Forward: Consider alternative financing through PPP. Financing of infrastructure development through loan exerts more pressure on country debt sustainability, involve stakeholders in the entire infrastructure development cycle to avoid lengthy approval processes and undertake adequate feasibility studies before the commencement of projects to mitigate against issues relating to revision of the scope of work. Ensure full disclosure by contractors is done before the commencement of projects in order to manage/budget funds appropriately and adhere to Public Investment Management guidelines in project implementation cycle.

Motor vehicle inspection unit under NTSA

National Road Safety Programme

Location: Nationwide

Objective: The main objective is to reduce annual fatalities and injuries by 6 per cent and 4 per cent respectively. This is anchored on the overall NTSA goal of protecting life and property on the road through the reduction in road crashes, which has been identified as the main cause of fatalities and injuries.

Implementing Agency: National Transport and Safety Authority (NTSA).

Project Progress: The National Transport and Safety Authority Act, 2012 which established the National Transport and Safety Authority (NTSA) was enacted towards the end of 2012. Since then NTSA formally took over the functions which were previously under the Road Transport Department of Kenya Revenue Authority (KRA) including registration and licensing of motor vehicles and trailers, licensing of drivers, conductors, motor vehicle dealers, driving schools, driving instructors;, transfers of motor vehicle ownership, issuance of duplicate registration books, driving licenses, copy of motor vehicle records and maintenance of motor vehicles and drivers' records.

Achievements

The main achievement during this period under review was the establishment and operationalization of the National Transport and Safety Authority (NTSA) as the lead agency in charge of road safety. This was facilitated vide the enactment of the NTSA Act, 2012. It was during the same period in 2012 that the World Bank entered into an agreement with the Government of Kenya to support the Transport Sector under the National Urban Transport Improvement Project (NUTRIP). NUTRIP project financed: Supply delivery, installation, equipping and commissioning of automated vehicle test lanes, supply, delivery of 30 mobile night and day vision cameras, Supply and delivery of 12 motorcycles, 4 stroke, 700-900cc, supply and delivery of 50 drunk driving breathalyzer (Alco blow) machines and supply, delivery and installation of fleet management system.

Reduction in road crashes

The above supplies supported road safety interventions, especially those focused on high risk areas such as drunk driving, speeding and non-compliances with motor vehicle inspection and licensing conditions. Accordingly, NTSA was able to reduce fatalities arising from road crashes by 30 per cent within six months. However, due to internal reorganization occasioned by the Presidential Directive of January 2018 on enforcement, the Authority handed over the enforcement gadgets to the National Police Service.

Enhnaced service delivery through Automation NTSA fully institutionalized operations at the Headquarters in Nairobi and Regional Branches in Mombasa, Voi, Meru, Kisumu, Nakuru, Kericho, Kakamega, Nyeri, Embu, Machakos, Garissa, Embu and Thika. The Authority also automated its processes through Transport Integrated Management System (TIMS). TIMS is a portal-based system for enhanced service delivery. It has facilitated improvements in NTSA services covering registration, licensing and Motor Vehicle Inspection services. Through TIMS, NTSA was able to increase customer growth by 4 million and increase daily average transactions to 10,000, enhance payment through e-citizen portal and install various ICT infrastructure.

Improved efficiency in motor vehicle inspection services

The Authority installed and commissioned three automated vehicle test lanes and equipment to improve motor vehicle inspection at Likoni road centre in Nairobi. The automated test lanes were equipped with brake tester, emission analyzer, noise meter and beam setter. This boosted the overall annual motor vehicle inspection output from 180,000 in 2015 to 385,000 in 2018.

Enhanced legislation for road safety

The Authority Developed Road safety legislation/ policies. These included: NTSA Operation of Motorcycles Regulations, 2014, NTSA Operation of Public Service Vehicles, 2014, NTSA Operation of Tourist Service Vehicles, 2015, NTSA Traffic Registration Rules, 2016, Traffic Minor Offences, 2016, Legal Notice number 180 of 2014 on Exemption of double cabs from the definition of commercial vehicles and Legal Notice number 11 of 2015 which provides for innovative decorations (graffiti) and standing passengers in preparation for the BRT.

Improved driver training and testing

NTSA developed a curriculum for training, testing and licensing of Drivers, Instructors and Examiners. The curriculum for driver training, testing and licensing was developed to provide a standardized procedure/method of instruction by all driving schools in the country.

Regulation of public transport

During the period under review, the Authority also enhanced the regulation of public motor vehicle operations. This facilitated the formation and operationalization of 455 PSV SACCOS and Companies to enhance sanity on the road.

Adoption of new technology to facilitate automated compliance

The Authority introduced the new generation number plate project, which aimed at improving security features to protect vehicle identity. Closely related to this, was the introduction of third plate Radio Frequency Identification (RFID)/Electronic Sticker and the digital Smart Driving License (Smart DL). The Smart DL captures the driver's details and driving history and was to be used to improve on the enforcement of traffic laws. It was envisioned that 5million licenses would be issued during the project period. However, a total of 96 000 Smart DL was issued by end of FY 2018. This was due to delays caused by litigation during the procurement process. The RFID on the other hand is printed encoded and programmed with motor vehicle registration data from TIMS. It is a security feature that helps in reducing incidences of change of vehicle identity and enables easier and faster identification of all motor vehicles for ease of identification and tracking.

Development of National Action Plan for Road Safety.

The Authority also developed the draft National Road Safety Action Plan (2018-2022) as the framework for an integrated approach in a reduction in road fatalities and injuries. The document was developed in line with the UN Decade of Action, which popularized five pillars for action to ensure safer roads. These included: improving road safety management, ensuring safer road infrastructure, taking action to make the vehicle safer and encouraging safer road users-anchored on raising road safety awareness and education, and improving enforcement of road rules through a joint operation with the National Police Service.

Challenges and Lessons Learnt
The main challenges faced during the implementation and review period were: disruptions arising from litigation on projects by agencies and civil society, the inadequacy of resources to support the institutionalization and full automation of NTSA services; and overlap in mandate for example-desktop compliance and enforcement.

Arising from the above challenges NTSA has learnt to adequately engage stakeholders especially on policy development, seek support from development partners to support either technically or financially, and work closely with the legislature for supporting policy necessary for project cycle management.

Recommendations and Way Forward: There is a need for enhanced enforcement and enhanced funding of projects.

Policy, Legal and Institutional Reforms

Location: Nationwide

Objective: To promote the timely implementation of programmes and projects various Policies, Legal and Institutional Reforms will be undertaken.

Implementing Agencies: Relevant Ministries and Agencies, State Law Office, Kenya Law Reforms Commission.

National Integrated Transport Policy: A draft National Integrated Transport Policy (NITP) was prepared and was awaiting parliamentary approval. A Sessional Paper on transport sector development was also prepared and presented to Parliament for legislative enactment. The adoption of the Sessional Paper by Parliament during the Plan period led to

Huduma Centre at GPO

the implementation of recommendations of the NITP, including institutional reforms to be undertaken within the transport sector.

Legal Framework to support Private-Public Partnerships in the infrastructure sector: The legal framework governing the various transport modes was reviewed to allow for more private sector participation in developing the infrastructure of the transport sector.

Construction and Industrial Development Policy: The performance of the construction industry directly affects the development and management of infrastructure facilities and services. Hence a comprehensive Construction and Industrial Development Policy was to be formulated within 12 months. Thereafter, it was to be consistently implemented through a Construction Industry Development Board. One of its objectives was to strengthen the capacity of Kenya's construction industry.

Roads Investment Policy: Preparation and implementation of the Road Investment Plan (2008-2018) as well as the full harmonization of legislative framework governing roads was undertaken.

Development of rules and regulations for the maritime laws: The rules and regulations to be drafted were expected to assist during the operationalization of six maritime law bills. They were: - the Merchant Shipping Bill, the Marine Pollution Bill, the Carriage of Goods by Sea Bill, the Marine Insurance Bill, the Kenya Ferry Corporation Bill and the Admiralty Court Jurisdiction Bill. All these bills were due for enactment by Parliament during the Plan period.

Transformation of Kenya Meteorological Department into Semi-Autonomous Status. The Kenya Meteorological Department (KMD) was to be de-linked from the mainstream Civil Service to a semi-autonomous status. This new agency was to be renamed the Kenya Meteorological Agency (Kenya MET). The de-linked Kenya MET will be capable of generating and borrowing funds to offer more efficient and effective services within and outside the country.

Energy: The sector continued to implement Sessional Paper No. 4 of 2004 governing the use of energy. The following institutional and legal reforms that are embedded in the Sessional Paper would be undertaken: Formation of a Geothermal Development Company to undertake resource assessment, transformation of KPLC into a Government owned transmission company and private sector-led distribution company, establishment of a Centre of Excellence for energy efficiency and conservation, establishment of energy equipment testing laboratories, development of standards and codes of practice on cost-effective energy use and amendment of building by-laws under the Local Government Act Cap 265, in collaboration with devolved Governments in order to make it mandatory to incorporate solar hot water systems in urban building designs.

Urban Development Policy: A policy framework for the proper development and management of the urban sector is vital. This is due to a number of significant challenges faced in urban areas. Firstly, the rapid urban growth is unmatched by services and urban management capacity. Secondly, the rapid growth of slums in urban areas is a potential disaster in the making. Thirdly, the growing tendency towards urban primacy and the imbalance between urban and rural development compromises the goals of sustainable development.

Accordingly, a policy for urban development (which is currently lacking) will define strategies and mechanisms to enable the urban sector to respond effectively to the challenges of urban development in order to meet the needs of urban areas. This process will also harness the incremental gains achieved by the ongoing initiatives of the Local Government reforms and translate the same into policy. These include: The Local Authorities Transfer Fund (LATF) experiences and the LASDAP (participatory development, decentralization and interGovernmental transfer systems).

Transport: Establish an Autonomous National Aircraft Accident Investigation agency, review of Kenya Ports Authority (KPA) and Kenya Railway Corporation (KRC) Acts; review and implementation of the Sessional Paper No.2 on Integrated National Transport policy, finalization and enactment of the Roads Subsector Policy and Kenya Roads Bill 2013, establishment of Nairobi Metropolitan Transport Authority and setting up of the LAPSSET Corridor Implementation Fund and development of Integrated Maritime Policy.

Energy: Review of the Feed-in Tariffs policy, review and approve competitive Profit-Sharing Contracts, enact legislation to govern proposed petroleum special economic zones and petroleum trading, legislation of regulatory framework for the enhancement of an independent system operator, finalization and enactment of the Energy Bill, development of a policy on the management of commercial discoveries of oil and gas resources, review and update of the Petroleum (Exploration and Production) Act (Cap 308), review of the existing legislations on Licensing of Petroleum Businesses, review of the Energy (Petroleum Pricing) regulation, 2010 and review of the National Oil Corporation Act.

Building and Construction: Review of the Architects and Quantity Surveyors Act, CAP 525 to establish separate legislations for each profession.

Project Progress: The criterion for reclassification of roads was agreed upon and the reclassification of National and County roads gazetted, the Roads sub-sector Policy, 2015 and the Kenya Roads Bill, 2015 were finalised and submitted to Parliament for enactment, policy, the legal and institutional framework for development of Mass Rapid Transit System was put in place, the National Construction Authority (NCA) was strengthened to effectively regulate standards in the construction industry and perform other functions under its mandate for improved performance. The NCA Regulations, which operationalised the National Construction Authority Act of 2011 were passed in June 2014, the National Transport and Safety Authority Act, 2012 was legislated and the National Transport and Safety Authority established and operationalized as scheduled, Sessional Paper No.2 of 2012 on Integrated National Transport Policy (INTP) was finalized.

The Kenya Electricity Transmission Company (KETRACO) was incorporated in 2008, the Geothermal Development Company (GDC) was established in 2009, the Kenya Nuclear Electricity Board (KNEB) was established in 2010 to spearhead and fast-track the development of nuclear electricity generation, the Energy Act No. 12 of 2006, the Geothermal Resources Act of 1992 and the Petroleum (Exploration and Production) Act Cap 308 were all reviewed. The three Acts of Parliament were consolidated into one to give an integrated and coherent law on energy, the Building by-laws under the Local Government Act Cap 265 were also amended to make it mandatory to incorporate solar hot water systems in urban building designs. In this respect, the Energy (Solar Water Heating) Regulations, 2010 were gazetted, the Energy (Minimum Operational Stock) Regulations, 2008 which requires oil marketing companies to maintain at least 21 days operational stocks were also gazetted. The Energy (Liquefied Petroleum Gas) Regulations, 2009 that aims at enhancing consumption of LPG by improving accessibility were also finalized. The Energy (Import of Petroleum) (Quota Allocation) Regulations, 2010 which allocate thirty per cent (30 per cent) of petroleum products (crude, diesel and kerosene) to the National Oil Corporation, the Energy (Petroleum Strategic Stock) Regulations, 2008 which seeks to facilitate the Government to maintain petroleum strategic stocks equivalent to ninety (90) days of consumption to ensure continuity of supply in case of sustained supply disruptions, and the Energy (Petroleum Pricing) Regulations, 2010 which set maximum allowed prices for petrol, diesel and kerosene were also completed, Sessional Paper No.4 of 2004 on Energy was reviewed and The Feed-in Tariffs policy to promote power generation from renewable energy sources was also developed.

Challenges and Lessons Learnt: Although there was significant progress made in the implementation of proposed legal reforms during the review period, there was still much to be done in order to address identified bottlenecks that potentially undermine progress in nearly all the sectors. The speed of development, review and approval by Cabinet and the subsequent enactment of laws by the National Assembly are slow and thus this slows the pace of reforms turned over in the review period.

Recommendations and Way Forward: The Government should endeavour to accelerate the development, approval and implementation of the various policy, legal and institutional reforms key to the achievement of the projects.

Development of the 50-year Transport Master Plan

Location: Nationwide

Objective: To prepare a comprehensive strategy and master plan for the transport sector in Kenya to guide the development and management of transport infrastructure to enhance socio-economic growth and prosperity.

Implementing Agencies: State Department for Transport, Kenya National Highways Authority (KeNHA), Kenya Urban Roads Authority (KURA), Kenya Wildlife Service (KWS) within National Parks and National Transport and Safety Authority (NTSA).

Project Progress: During the period under review, a consultant was engaged to prepare the plan. By the end of May 2015, the inception and diagnostic reports had been delivered and data collection and the analysis report had been completed.

Challenges and Lessons Learnt: The project experienced inadequate funding since the funding credit from World Bank lapsed before the completion of the study. However, during the time of this review, the consultancy for this assignment was facing challenges and discussions were in progress on the way forward.

Recommendations and way forward: The Government needs to fast-track the development of the 50-year Transport Master Plan (TMP) as a Vision for the long-term the multimodal transportation system in the country.

Commissioning of first freight train

RAILWAYS SUB-SECTOR

Expansion of Railway Transport

Location: Mombasa-Nairobi-Naivasha

Objective: To develop an integrated rail network and provide reliable, efficient and safe rail services.

Implementing Agency: Kenya Railways Corporation (KRC)

Project Progress: During the MTP I & MTP II period, the following achievements were made to expand the rail network in the country.

Construction of 472km of SGR f rom Mombasa – Nairobi (Phase one) was completed and operationalized with passenger services commissioned on 1st June 2017. 97Per cent of the land required for the construction of SGR Phase 2A Nairobi-Naivasha (120km) was acquired.

Light rail cargo services

During the period, 17,440m of bridges, 148 culverts, 7.147Km tunnels were constructed and 102.68Km of track laid while facilitation of financing arrangements between Kenya Railways, the National Treasury and China Exim Bank for construction of Phase 2B – Naivasha - Kisumu (262 Km) was initiated.

Challenges and Lessons Learnt: High cost of resettlement of Project Affected Persons (PAPs)/ Resettlement Action Plan (RAP) implementation, lengthy land acquisition processes and delays in exchequer releases by the National Treasury.

Recommendations and Way Forward: There should be adequate stakeholder engagement during project initiation and implementation process. There is also need for pro-active and forward-looking planning on land acquisition such as land banking, so that acquisition and implementation run concurrently.

Improvement of Nairobi Rail Commuter (NCR) services

Location: Nairobi and its environs

Objective: To improve rider comfort, increase the reliability of services and reduce the transit time for commuters.

Implementing Agency: Kenya Railways Corporation (KRC).

Project Progress: Under the Nairobi Rail Network (NCR) the improvement project, 10 stations were constructed/rehabilitated up to different completion rates: Ruiru – 99 per cent, Kikuyu – 96 per cent, Kahawa – 96 per cent, Dandora – 96 per cent, Githurai – 96 per cent, Embakasi Village – 95 per cent, Athi River – 91 per cent, Mwiki – 99 per cent, Donholm – 45 per cent, Pipeline – 95 per cent.

Development of Terms of Reference for the Procurement of a consultancy for Relocation Action

Plan (RAP) was completed and Terms of Reference for the procurement of a consultant for design review and construction supervision was developed and was awaiting financing. The project aim was to construct low cost housing units to resettle encroachers along the railway corridor in Kibera.

Challenges and Lessons Learnt: Encroachment of KR land, high cost of resettlement of Project Affected Persons (PAPs)/Resettlement Action Plan (RAP) implementation and delays in exchequer releases by the National Treasury.

Recommendations and Way Forward: Effective project planning and management are required to ensure full utilization of project funds within the stipulated project period especially for donor funded projects.

Development of Light Rail for Nairobi Metropolitan area

Location: Nairobi and environs.

Objective: To provide a reliable transit option and improve access to Jomo Kenyatta International Airport.

Implementing Agency: Kenya Railways Corporation (KRC).

Project Progress: The area expected to be served by the light rail stretches from Nairobi Railway Station, situated in the Central Business District, to Embakasi/ Jomo Kenyatta International Airport, a distance of 15.6 kilometres and serving about 150,000 daily passengers - about 5 per cent of daily passengers in Nairobi Metropolis. The Government is in the final stages of sourcing for funds for the project.

Further, a Pre-feasibility study for the development of LAPSSET SGR Corridor Phase 1 (Lamu – Isiolo – Moyale corridor) was completed during the period.

Challenges and Lessons Learnt: Delay in land acquisition due to the reluctance of landowners and institutions along the identified corridor to relinquish land for the project.

Recommendations and Way Forward: There is a need for adequate public participation and engagement with key stakeholders to avoid delays during the project implementation and the capacity of local contractors needs to be enhanced in rail development.

AIRPORTS SUB-SECTOR

Expansion and Modernisation of Aviation Facilities Program

Location: Nationwide.

Objectives: To expand and modernize Jomo Kenyatta International Airport (JKIA), Moi International Airport, Kisumu International Airport, scheduled airstrips countrywide and Air Navigation Services equipment.

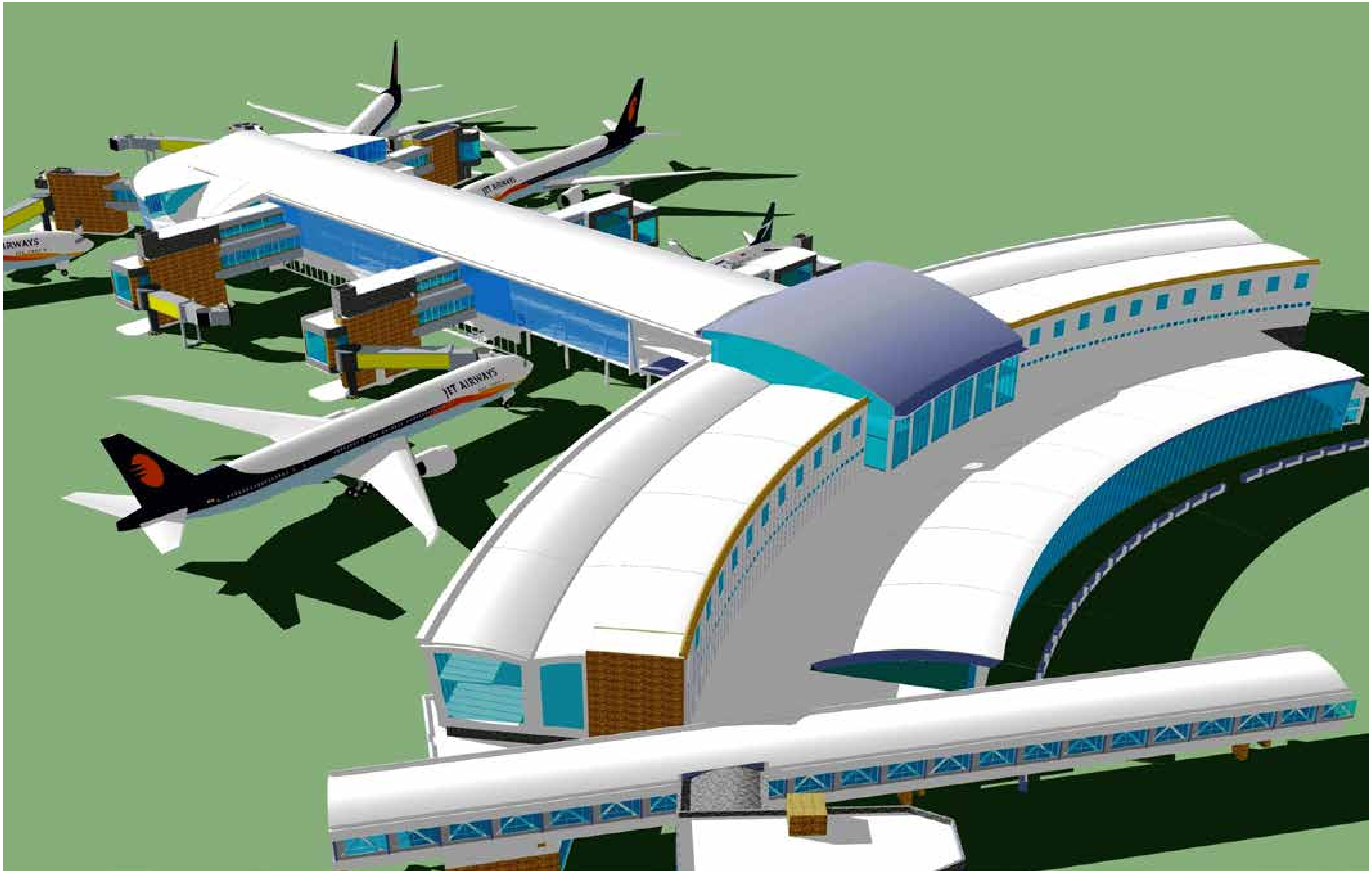
Implementing Agencies: Kenya Airports Authority (KAA), Kenya Civil Aviation Authority (KCAA).

Project Progress
Completed projects/programmes: The country was awarded the Federal Aviation Administration (FAA) International Aviation Safety Assessment (IASA) Category One Status in February 2017 which enables direct flights to operate between Kenya and the United States of America. This will allow for expansion of business and trade between the two countries when flights between the two countries are launched.

Kenya improved the level of compliance with aviation safety requirements with the results of the safety audit conducted in 2013 by the International Civil Aviation Organisation (ICAO) showing a compliance level of 78.4 per cent compared to the previous level of 66 per cent achieved in 2008. Kenya was also audited by the ICAO in September 2015 for aviation security and achieved a compliance level of 88.9 per cent which was one of the best in Africa.

Modernisation of Passenger Terminal Facilities at Jomo Kenyatta International Airport (JKIA) has seen the completion of T1A, T1E and T2 increasing handling capacity by 5 million passengers per annum from 2.5 million to 7.5 million. Further, Kisumu Passenger Terminal Building and Runway Strengthening Phase 1 and 2 that involved runway shoulders widening to address manoeuvring safety was completed to facilitate use by larger code D aircraft. Also completed are: Isiolo Airport 1.4Km Runway, Passenger Terminal Building, Apron and 2Km Access Road, rehabilitation of Malindi Airport Pavements, Car Park and Fencing, rehabilitation of Lokichoggio Runway Phase 1 covering 0.8Km runway, completion of Wajir Airport rehabilitation covering Passenger Terminal Building, Taxiway and Access Road, runway extension and fencing at Embu Airstrip, Construction of Lodwar Airstrip Passenger Terminal Building, Construction of Kabunde Airstrip's 1.13Km runway, runway rehabilitation at Voi-Ikanga Airstrip, Construction of Passenger Terminal Building and Pavement at Manda Airstrip and Ukunda Airport Pavements Rehabilitation.

Modernisation of air navigation equipment for enhanced delivery of air navigation services which entails supply, installation and commissioning of Air Navigation Aids and communication systems in the following sites: Jomo Kenyatta, Moi and Eldoret International Airports, Malindi, Wilson and Wajir Airports. Air Navigation equipment was also installed at Nakuru and Ngong Air Navigation Service Stations. Further, the construction of a Library for East Africa School of Aviation (EASA) aimed at providing a resource Centre and library facilities for students was completed and handed over in September 2017 and is currently in use. A 3D Air Traffic Control simulator was also procured and installed at EASA for training air traffic controllers while a Remote Data Recovery Centre was


JET AIRWAYS

Commissioning of BERTH 19 of the port of Mombasa

established at the Air Navigation Services offices in Mombasa for all KCAA Data.

Supply and Installation of a Mobile Control Tower at Diani Airport aimed at providing efficient air navigation services were 98 per cent complete and the Tower had been supplied and installed with necessary equipment.

The Construction of Kenya Civil Aviation Authority Office Block to provide office space for KCAA staff and for service delivery areas was completed and handed over in December 2015 and is in use. A computerized Examination Centre for conducting examinations for aviation personnel and a Flight Safety Technical Library were also established at the Headquarters.

Ongoing Projects include: Rehabilitation of Moi International Airport Pavements to stabilize the ground, upgrade Airfield Ground Lighting System (AGL), rainwater harvesting and drainage works and Construction of Suneka Airstrip VIP lounge and fence at 80Per cent completion level;

However, MTP I and II experienced some Stalled Projects which included the JKIA Green Field Passenger Terminal Project which was terminated in 2016 the Detailed Design stage due to operational, financial, economic and legal challenges. The JKIA Second 2nd Runway Project was also suspended in 2017 at post Detailed Design Stage. Voi-Ikanga fencing works were also stopped in 2017 at 90 per cent progress due to boundary dispute with the neighboring community while Tseikuru Airstrip Runway works also stalled in 2014 due to contractual disputes on scope and financing.

Challenges and Lessons Learnt: Inadequate financing for capital projects, implementing projects on active airports causes interruption to regular operations; Engagement with external parties such as consultants and financiers take time thereby affecting project completion. Inadequate skilled manpower in all facets of project implementation and management and delayed land acquisition and resolution of boundary disputes.

In order to improve on the delivery of projects, key lessons learnt include the need for innovative financing solutions for capital projects, sustaining collaboration in human resource capacity development on project management, extensive private sector and stakeholder participation and the need for flexible procurement laws that allow innovation and creativity in project delivery.

Recommendations and Way Forward: Monitoring and Evaluation (M&E) function needs to be integrated into organizational structures in order to ensure effective implementation and tracking of achievements through a robust monitoring, evaluation and reporting of progress, consider alternative financing options such as PPP, involve stakeholders and development partners in the entire project process flow for smooth formulation and implementation of projects and undertake feasibility studies before initiation of projects to mitigate against stalling, delays and scope development of projects.

PORTS SUB-SECTOR

Improvement of Shipping and Maritime Facilities

Location: Mombasa, Lamu and Kisumu Counties
Objective: To provide efficient and competitive port services to facilitate global trade.

Implementing Agency: Kenya Ports Authority (KPA)

Project progress: Lamu Port: This project is a component of the larger Lamu Port Southern Sudan, Ethiopia Transport Corridor (LAPSSET) programme that also has other key Infrastructure projects. The project involves the construction of the first three berth (container, general and bulk) and corresponding storage yard on reclaimed land of a total area of approximately 113ha with the capacity of 1.2M TEUs and 13. 5M DWT. As of the close of the FY 2017/18 the project cumulative achievement was at 51.1 per cent against a target of 40 per cent which gave a positive variance of 8.9 per cent. this was progressed to a project completion rate was 54.5 per cent against a target of 57.1 per cent by the end of October 2018. There had been a suspension of major works by the contractor due to lack of funding/delayed disbursement of funds by the National Treasury.

Second Container Terminal Phase 1 and II: The project involved construction of berth No. 20 and 21 and 22 in two Phases to match future trends, stay competitive in cargo handling and facilitate economic development in Kenya and neighbouring countries in Eastern Africa. Phase I which comprised the construction of Berth No. 20 and 21 was completed creating an additional container yard capacity of 550,000 TEUs. Phase II, which involved the construction of berth No. 22 is envisaged to create additional yard capacity of 450,000 TEUs upon completion. Phase II was commissioned in September 2018 and works are still going on.

Construction of Berth 11-14: The Mombasa Port was nearly being choked in terms of the handling of conventional cargo. Further, berths 11-14 are in a dilapidated state and offer safety concerns to the berth users. The project is expected to provide additional capacity for handling of conventional Cargo. The project involves strengthening and expansion of berth 11-14. The proposed upgrade and rehabilitation work comprised the construction of a multipurpose berths 11-14. It intended to expand the terminal area by approximately 90m towards the sea to gain an additional area of 60,000m². A detailed design for berth strengthening and deepening a was done.

Shimoni Port: KPA planned to develop an Industrial Fishing Port with a capacity of 50,000 MTs at Shimoni through PPP arrangement. A feasibility study was completed. Kenya Ports Authority Contracted M/s Maritime and Transport Business Solutions Ltd (MTBS) in the year 2017 to conduct a Feasibility Study (FS) for the Development of Shimoni Port through Public Private Partnership (PPP) arrangement.

Dredging of Mombasa Port

Location: Mombasa County

Objective: The purpose is to deepen the channel to 14.5 meters to enable larger post-Panamax vessels to access the port and thereby remove the risk of the port slowly evolving into a feeder facility for which larger vessels have no access.

Implementing Agency: Kenya Ports Authority (KPA)

Project progress: The project was completed in 2013 when capital dredging was done with Container Terminal 1 dredged to 12.5m, container terminal 2 to 15m while the turning basin was dredged to I5.5m. Maintenance dredging which ought to be done depending on the degree of siltation has not been done since it has not reached the required threshold.

Challenges: Delay in release of exchequer funding for the Lamu Port, lengthy PPP processes that inhibit uptake of projects (especially small ports) by the private sector, land acquisition delayed owing to lengthy PPP process (required approval from PPP to proceed), involvement of multiple implementation partners slows down decision making and implementation – i.e. Dongo Kundu SEZ and there was a stall of works because of environmental concerns raised by stakeholders (MPDP Phase II).

Lessons learnt: It is important to embed the Monitoring and Evaluation (M&E) function into the Organization Structure. This is to ensure effective implementation and tracking of achievements through a robust monitoring, evaluation and reporting of progress, cascade and automate the Strategic Plan through the BSC model.

Ferry services in mombasa

The Authority will continue to implement and improve on the performance-based management system by having all staff sign performance scorecards and automate the same for ease of tracking achievements versus targets. The Strategy Management office, therefore needs to be equipped with the necessary tools and staff to perform this function and consider alternative financing through PPP. Owing to the huge debt exposure of the country, loan financing exerts more strain on the debt situation. The best alternative to finance projects is internal financing. However, since the Authority runs numerous projects concurrently requiring huge capital outlays, another best option is PPP financing. PPP financing is a new frontier in project financing. However, adoption of the approach is quite a cumbersome making PPP unattractive to potential investors. To mobilize the private sector to buy in the idea, there is a need to refine the tedious PPP procedure, involve stakeholders/lenders in the entire process flow to avoid lengthy approval processes where a project involves a number of stakeholders/lenders and undertake adequate feasibility studies before commencement of projects to mitigate against issues relating to revision of the scope of work. In addition, the Authority shall ensure full disclosure by contractors is done before the commencement of projects in order to manage/budget funds appropriately.

Recommendations & Way forward: Expedite release of funds for capital projects from the exchequer at the beginning of every financial year, joint procurements with the involvement of lenders in the entire process flow to avoid lengthy approval processes, review of the PPP law to encourage uptake of the private sector on capital projects. Removal of non-value addition processes is key, close liaison between parent ministry and the National Treasury to reduce the time taken to approve tax exemption requests, stakeholder forums and engagements to resolve project issues (Dongo Kundu and Shimoni Port) and for projects that involve the multiplicity of implementing agencies it is important to have clear coordination mechanisms to avoid duplicity of effort and slow implementation of projects.

FERRY SERVICE PROGRAMME

Location: Mombasa, Lamu, Kwale, Kilifi, Kisumu, Homa Bay, Siaya, Busia, Turkana and Marsabit Counties.

Objective: To expand water transport in Mombasa Counties, Counties surrounding Lake Victoria and Counties surrounding Lake Turkana and establishing cruise ships and floating hotels network on the Indian Ocean, Lake Victoria and Lake Turkana.

Implementing Agency: Kenya Ferry Services (KFS)

Project progress: This project was at the initial stage and approved by the Board.

Challenges and Lessons Learnt: The project experienced funding challenges.

Recommendations and Way Forward: Tourism is a key revenue earner for the country and thus it would be beneficial to review the plan to incorporate the private sector for its achievement.

ENERGY SUB-SECTOR

Power Generation

Location: Nationwide

Objective: To increase cost-effective power generation to meet the projected demand

Implementing Agencies: Kenya Electricity Generating Company PLC (KenGen), Independent Power Producers (IPPs), Geothermal Development Company (GDC), Rural Electrification Authority (REA) and Energy Regulatory Commission (ERC).

Project Progress: Electricity installed capacity increased to 2,336MW in December 2017 from 1,223.16MW in June, 2008. The additional 1,112.84MW capacity includes 469.24MW of geothermal, 586.3MW medium speed diesel, 29.3MW of Hydro, 25.5MW wind, 26MW cogeneration and 2MW of biomass. The specific power plants that were completed during the period are: Geothermal power plants (Orpower 86.2MW, Olkaria I Unit 4&5 150MW, Olkaria IV 150MW, and KenGen Wellheads 83.04), Thermal power plants (Kipevu I 73.5MW, Kipevu III 120MW, Iberaafrica 52.5MW, Rabai Power 90MW, Thika power 87MW, Gulf Power 80.3MW and Triumph 83MW), Hydro power plants (Sangoro 21MW, Genpro 5MW, Gikira Mini hydro 0.5MW, KTDA River Chania 0.5MW, KTDA Gura 2MW and Imenti Tea Factory 0.3MW), Wind power plants (Ngong I Phase I 5.1MW, Ngong I Phase II 6.8 and Ngong II 13.6 MW), cogeneration power plants (Mumias sugar company 26MW) and Biomass (Biojule Kenya Ltd. 2MW).

Although the new capacity is much less than the sector's targeted 5,538MW of new capacity by 2017, it enabled the country to phase out the last 120MW of emergency rental power that had been retained in the system at varying levels for a decade. It also raised the reserve capacity to 26 per cent when all the effective 2,236 MW interconnected capacity is available to serve the 1,650MW peak demand. Further, the grid supply is now more robust with a diversified mix from three predominant sources: hydropower, geothermal and fossil thermal. Hydropower and geothermal contribute 35.4 per cent and 28.6 per cent, respectively while fossil thermal plants constitute 33.8 per cent of the existing effective capacity.

Challenges and Lessons Learnt: Key challenges included delayed implementation of flagship demand creating projects which meant that the energy demand didn't grow as expected forcing the sector to slow down implementation of some power generation projects. Delayed and/or inadequate financing for project. Some IPPs projects are behind their original implementation schedules due to challenges in meeting stringent financiers conditions. Challenges related to wayleave acquisition, high stakeholders expectations, difficult drilling conditions and uncertainties that are related to geothermal exploration.

A power generation and transmission master plan prepared in the period 2014-2016 confirmed that the demand growth rate would be moderate hence a need to ensure the capacity expansion is aligned to demand.

Recommendations and Way Forward: Fast-tracking the implementation of Vision 2030 demand drivers to stimulate electricity demand, adequate project preparation before commencement and working closely with all stakeholders to address way leave issues.

NATIONAL AND REGIONAL TRANSMISSION LINES

Location: Nationwide

Objective: Increase electricity access through upgrading and expansion of the national power transmission network.

Implementing Agencies: Kenya Electricity Transmission Company (KETRACO), Kenya Power and Lighting Company (KPLC) and Energy Regulatory Commission (ERC).

Project Progress: A total of 21 electricity transmission lines totalling 1,851.5km and 28 new high voltage substations which include 891.5km of 132kV lines, namely 62km Chemosit-Kisii, 122km Kamburu-Meru, 48km Rabai-Galu, 5km Sangolo-Sondu, 34km Mumia-Rangala, 77km Kilimambogo-Githambo, 30km Thika-Gatundu West; 233.6km Kindaruma – Mwingi – Garissa, 65km Eldoret – Kitale, 44km Kisii-Awendo, 26.6km Sotik – Bomet, 13km Menengai – Soilo line, 33km Ishiara – Kieni, 13km Machakos – Konza section of the 112km Machakos-Konza & Isinya-Namanga lines were completed and energized . Further, 26km Meru-Isiolo line (of the 96km of Meru-Isiolo-Nanyuki) and 22km LILO (line in line out) on Masinga-Kiganjo line to Kutus substation transmission lines were also completed and energized. Stringing of 37.3km of the 100km Ndhiwa-Awendo section of Sondu-Homabay (Ndhiwa) -Awendo line was also completed.

Another 960KMs of 220kV lines were completed namely: 328.5km Rabai–Malindi–Garsen–Lamu line; 25.5km of Olkaria 1AU – Suswa line; 18.3km of Olkaria IV – Suswa line and 3km of Olkaria 1 AU – Olkaria II inter-tie; 482km 400kV Mombasa-Nairobi line and 103km. 400kV Suswa-Isinya lines was also completed.

Garissa and Lamu Counties that were previously off-grid were connected to the national grid through Rabai–Malindi–Garsen–Lamu and Kindaruma-Mwingi-Garissa lines respectively leading to the decommissioning of the expensive diesel gensets. Additional electricity transmission lines were under construction to interconnect more off-grid townships to improve electricity access, stability and reliability of power supply in the country.

In order to facilitate power trade in the region, a 500kV HVDC power interconnector spanning over 1,100Kms from Ethiopia to Kenya was initiated with the Kenyan portion being 612Km. Further construction works for the other interconnectors, i.e. the 127Km 400kV Kenya – Uganda and 96Km 400kV Kenya-Tanzania commenced. The implementation of the regional power interconnectors is coordinated under the Eastern Africa Power Pool (EAPP), Nile Equatorial Subsidiary Action Programme (NELSAP), Northern Corridor Integration Projects and the East African Community (EAC)) frameworks for regional cooperation.

Challenges and Lessons Learnt: Key challenges encountered during the period were Wayleaves acquisition challenges arising from disputes in land subdivision and ownership, land and property valuation, inadequate budget for compensation, hostility from some communities leading to delays in projects progress and payment of the Project Affected Persons (PAPs), encroachment of wayleave traces and vandalism of transmission lines; contractor under-performance leading to contract termination during project implementation; lengthy litigation following termination, growing contingent liabilities arising from claims from contractors due to work stoppages; insecurity in some areas; and stringent conditions by some projects' financiers that pose a challenge in the procurement of contractors.

Lessons Learnt: include adequate stakeholder engagement is critical to the success of the project implementation, effective contract procurement process in tendering is required for successful contract management and adequate planning and funding of pre-construction activities is essential for effective project implementation.

Recommendations and Way Forward: Amendments to the Land Act to anchor all compensation policies and guidelines within the applicable laws through regulation to address issues of wayleave acquisition stalemates, adequate budgetary allocation for pre-construction activities including wayleave acquisition and stakeholder engagement. Their is need to explore emerging financing options e.g. EPC+F, PPP, development of alternative dispute resolution mechanisms, closer engagement and collaboration across relevant Government agencies to facilitate faster acquisition of wayleaves and development of a framework on due diligence on contracts proposed to be procured through lender domestic preference conditions.

Distribution Lines and Associated Infrastructure

Location: Nationwide

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

Implementing Agencies: Kenya Power and Lighting Company (KPLC), Rural Electrification Authority (REA) and Energy Regulatory Commission (ERC).

Project Progress: New customers connected to electricity increased to 6,456,516 customers in December 2017 from 1,060,383 as at 30th June 2008. The enhanced connectivity was due to increased Government and development partners funding toward universal access to electricity which the Government aims to achieve by 2022.

A total of 95 bulk supply substations were completed within the period. These substations serve the objective of facilitating load growth to absorb the new generation, reducing technical power losses, and reducing the frequency and duration of power interruptions. Due to the expansive nature of the country and the population distribution pattern, an additional 40,623Km of medium voltage lines were constructed thereby extending to Medium Voltage (MV) network length to 80,897 Km, up from 40,274 Km in 2008.

Lastly, a 120Km of 66kV distribution line from Turkwel to Lokichar and Kalimungorok 23MVA 66/33kV and Lokichar 10MVA 66/33kV substations were completed. The objective was the provision of electricity to oil and gas exploration fields to support exploration activities and increase electricity access to the local community.

Challenges and Lessons Learnt: Key challenges included: sparse population in the rural areas leading to increased reticulation costs; vandalism of electricity infrastructure, harsh terrain and poor road network thus slowing project implementation, insecurity in some regions; inadequate funds for wayleave acquisition; delays in the processing of tax exemptions affecting timely implementation of projects, the inability of some customers to pay both connection fees and bills for those connected; power theft in informal settlements; high electricity commercial losses, inadequate cash flow by Turnkey contractors during project implementation; and Government policy on logging affecting, the supply of poles and wayleave issues.

With respect to lessons learnt substantial and sustained Government funding and political support is crucial to the success of electrification projects; enhanced support from development partners is necessary to supplement local funding, community participation and ownership is essential for the implementation and sustainability of electrification projects; procurement of specialized equipment from manufacturers to guarantee quality and continuous sensitization of stakeholders on the role of various players in the power supply chain is of essence.

Recommendations and Way forward: The National Treasury to fast track processing of tax exemptions, carry out due diligence during recruitment of contractors, application of alternative innovative materials for poles i.e. concrete, plastics and working closely with other stakeholders to assist the vulnerable in the society. Looking for supportive mechanism to aid in enhancing connectivity of vulnerable members of the society to power.

Electrification of public institutions and installation of transformers in all constituencies

Location: Nationwide

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

Implementing Agencies: Rural Electrification Authority (REA), Kenya Power and Lighting Company (KPLC) and Energy Regulatory Commission (ERC).

Project Progress: A total of 15,344 schools were connected to electricity during the period bringing the total number of primary schools connected to 22,175 out of the 22,947 primary schools in the country. Other public facilities such as trading centres, secondary schools, health facilities and watering points totaling to 5,016 were also connected to electricity. The target is to electrify all public facilities in the country.

Challenges and Lessons Learnt: Key challenges included: sparse population in the rural areas thereby increasing reticulation costs, difficulties in the acquisition of way leaves; insecurity, harsh terrain and poor road network, vandalism of electricity infrastructure, inappropriate/lack of permanent structures in some schools and inadequate funding to electrify all the public facilities.

Some of the lessons learnt were: Substantial and sustained Government funding and political support is crucial to the success of rural electrification, enhanced support from development partners is necessary to supplement local funding. Community participation and ownership is essential for implementation and sustainability of rural electrification projects, an enabling policy and regulatory framework is vital in achieving rural electrification objectives to address various concerns like land use, bills payment, clear separation of roles and responsibilities between the implementing agencies, procurement of specialized equipment from manufacturers to guarantee quality and continuous sensitization of stakeholders on the role of various players in the power supply chain by the Ministry of Energy.

Recommendations and Way Forward: Diversification of revenue sources for projects implementation, enhanced participation and involvement of the stakeholders/communities in projects, adequate planning of newly rolled out projects, leveraging on ICT in project management and enhancing policy and a regulatory framework to strengthen collaborations with other sector players.

Off Grid Electrification of Underserved Counties

Location: Nationwide

Objective: To increase access to electricity in underserved regions.

Implementing Agencies: Rural Electrification Authority (REA), Kenya Power and Lighting Company (KPLC) and Energy Regulatory Commission (ERC).

Project Progress: To supply electricity to towns and regions of the interconnected grid, 19 gensets with a total capacity of 6.2MW were installed and commissioned in 6 counties, namely, Wajir, Mandera, Turkana, Marsabit, Garissa and Lamu. In addition, solar/diesel hybrid stations in two counties, namely, Wajir and Kajiado were installed to supplement diesel usage at the stations.

Challenges and Lessons Learnt: The key challenges were: Insecurity in some regions; sparse population in the rural areas thereby increasing reticulation costs, harsh terrain and poor road network, delays in land acquisition for construction of power stations, delays in the processing of tax exemptions and clearance of goods at the port.

Recommendations and Way forward: Enhanced participation and involvement of the stakeholders/ communities in projects, adequate planning of newly rolled out projects, leveraging on ICT in project management and enhancing policy and regulatory a framework to strengthen collaborations with other sector players.

National Public Street Lighting Project

Location: Nationwide

Objective: To improve security in public places and promote 24-hour economy through the extension of working hours.

Implementing Agencies: Kenya Power and Lighting Company (KPLC), Rural Electrification Authority (REA) and Energy Regulatory Commission (ERC).

Project Progress: The Mwangaza Mitaani project initially covered Nairobi City and targeted 783 streets and high masts but was later extended to cover 52 towns and 30 County Headquarters. At the end of the reporting period, a total of 52 towns across all counties had been covered by the programme. In addition, 104 high masts floodlights were installed in 6 informal settlements namely Kibera, Mathare, Korogocho, Ngomongo, Mukuru Kwa Njenga and Kiandutu.

During the period, 508MW was added to the grid of which 300MW was from Lake Turkana Wind Power; 158MW was from Olkaria V and 50MW from REREC Garissa Solar but still undergoing commissioning tests. It was anticipated that an additional 2.3MW from KTDA power would be added to the grid. 158MW Olkaria V - Completed, commissioned and Synchronized to the National grid. 140MW Olkaria VI PPP: The PPP Committee granted approval of the Feasibility study, Preparation of Request for Quotation (RFQ) is ongoing. -tracking implementation of flagship projects to spur growth in energy demand. The Government should come up with a mechanism of acquiring project land from communities that may be holding them to reduce on time before a project starts. This will also mitigate on cost implications.

Challenges and Lessons Learnt: Vandalism of already installed streetlights and non-payment of electricity bills and maintenance costs by the county Governments remain critical issues affecting the achievement of this objective.

Recommendations and Way Forward: Introduction of serialized lanterns to make it easier to identify vandalized units, engaging with county Governments for a collaborative framework and working closely with relevant security agencies to deal with vandalism. Need to fast track implementation of flagship projects.

New and Alternative Energy Sources and Technologies

Location: Nationwide

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

Implementing Agencies: Ministry of Energy, Rural Electrification Authority (REA), Kenya Power and Lighting Company (KPLC), Independent Power Producers (IPP) and Energy Regulatory Commission (ERC).

Project Progress: 2,169 Solar PV systems were installed in public institutions; 380 solar lanterns and 480 solar PV kits were distributed to primary schools and public offices respectively; a national small hydro atlas was prepared, detailed feasibility assessment for 10 sites undertaken and one community small hydro project in Ngerechi, Murang'a County were completed; 62 wind data loggers for collecting wind data to be used in establishing wind regimes in identified high potential areas were installed.

Under the feed-in-tariffs (FIT policy), a total of 245 projects with a combined capacity of 4,415MW were approved and were at various stages of development; 70 General energy audits and 67 investment grade energy audits were carried out; 11 Institutional and 6050 domestic biogas plants were installed in various parts of the country; 968 hectares of hydro dam catchments were afforested. 98 improved institutional cookstoves were installed in public secondary schools; energy efficient lighting system was installed at the Ministries of Energy, Finance and Office of the President, Energy Centres (5) were established at Mitunguu, Garissa, Wajir, Marsabit and Lodwar, 1.25 million energy saving bulbs were distributed through KPLC resulting in an estimated savings of 60 MW and 32 solar/wind / diesel hybrids systems were installed in off-grid regions.

Menengai well head discharge

As an affirmative action, the Government has been installing solar electricity generators (PVs) in public institutions including market centres, secondary schools, boarding primary schools, health centres and dispensaries which are in off-grid areas in ASAL regions, hence uneconomical to connect them to the national grid.

Challenges and Lessons Learnt: Some of the challenges encountered included: high upfront cost for some technologies, vandalism of energy infrastructure, limited data on some technologies i.e. biomass, unsustainable use of biomass with attendant negative impacts on the environment, inadequate legal and regulatory framework for promoting new and alternative energy sources, low awareness on benefits of renewable technologies, inadequate research and development on technologies; and competing interests over land use between energy production, food production and other commercial uses.

Recommendations and Way Forward: To address some of these challenges it is recommended that public awareness programs on the benefits and potential of new and alternative energy sources are developed and implemented, undertake a review of the existing legal, fiscal, regulatory and institutional framework, provide appropriate incentives to private developers to invest in the sector, undertake comprehensive baseline study on new and alternative energy sources, promote alternative sources of cleaner energy and technologies such as LPG, biogas and solar as substitutes for biomass, and collaborate with other relevant ministries and stakeholders to promote the new and alternative energy technologies.

Coal, Geothermal and Nuclear Exploration and Development

Location: Nationwide

Objective: To diversify energy resources for power generation.

Implementing Agencies: Ministry of Energy, Ministry of petroleum, Kenya Electricity Generating Company PLC (KenGen), Geothermal Development Company (GDC) and Kenya Nuclear Electricity Board (KNEB), and Energy Regulatory Commission (ERC).

Project Progress: Commercial deposits of coal were discovered in Mui Basin, Kitui County. Blocks C and D were concessioned to private investors. Blocks A and B were yet to be allocated. The private investors will undertake further exploration and development of the coal in Mui Basin. In addition, resettlement Action Plan (RAP) report for the 1,050MW Lamu coal-fired power plant was completed but the actual construction of the power plant could not commence due to a court case. Surface exploration for coal and coal bed methane was completed in Kwale and Kilifi Counties. Public participation with the local communities was also undertaken to pave way for exploratory drilling work in the same areas.

In geothermal development, a total of 127 wells were drilled with a combined output of 739 MWe, made up of 89 wells at Olkaria geothermal field with an output of 600 MWe and 38 geothermal wells drilled at Menengai Phase I & II field with an output of 139 MWe. Surface exploration was complete in Naivasha South East area, Menengai, Suswa and Baringo - Silali. Geothermal Licenses were issued to three (3) IPPs. In order to enhance the capacity for exploration and development and to create sufficient human capacity in the geothermal field, 10 deep-drilling rigs were acquired. The country was also selected by African Union to host the Geothermal Centre of Excellence to promote capacity building in geothermal in Africa and the world.

In continued preparation for the introduction of nuclear power energy in Kenya, a comprehensive self-evaluation of the country's nuclear related infrastructure towards development of the nuclear power programme was undertaken with the inputs of the IAEA. This was aimed at assessing and reviewing the preparedness of the country in implementing the nuclear power programme in accordance with international best practices. The Kenya Nuclear Electricity Board also held various stakeholder forums and outreach activities targeting counties, local universities and schools. The Board further commenced drafting of the Nuclear Regulatory Bill with relevant stakeholders to create an enabling legal and regulatory framework. Additionally, the Board prepared and began implementing a 15-year roadmap for the nuclear power programme and identified potential nuclear power plant sites.

A total of 20 Kenyans have undertaken master's programme in Nuclear Engineering in the Republic of South Korea and The United States of America. In addition, 53 others have been sponsored to undertake masters in nuclear science at the University of Nairobi with a further 300 Kenyans benefiting from training, fellowships, scientific visits, technical meetings and expert missions sponsored by IAEA.

Challenges and Lessons Learnt: Relatively long lead time of between 5-7 years from conception to production of electricity; high upfront investment costs; high resource exploration and development risks; remote location of the resources and siting restrictions; Public awareness and Public acceptance of the nuclear power plant; land use conflict; relocation and resettlement of affected persons during geothermal development.

Recommendations and Way Forward: Enhanced participation and involvement of the stakeholders/ communities in projects, promote private sector involvement in the sector; explore alternative financing models of projects: Adequate planning of projects and enhancing policy and regulatory framework to strengthen collaborations with other sector players; enhance regional co-operation in data and information exchange and enhance budgetary support for exploration and development of geothermal, coal and nuclear.

Policy, Legal and Institutional Reforms

During the period, a review of the Energy Act, 2006 was initiated to align it with the revised constitution 2010. The following policy, legal and institutional reforms were undertaken.

Unbundling of electricity transmission and distribution system in December 2008 to create a state-owned Kenya Electricity Transmission Company (KETRACO) to plan, design, construct, operate and maintain new high voltage (132kV and above) electricity transmission infrastructure that will form the backbone of the National Transmission Grid and regional interconnection; KPLC was mandated to undertake electricity distribution, consumers connection, billing and revenue collection while retaining existing transmission lines.

Formation of a Geothermal Development Company in January 2009 as a special purpose vehicle to undertake geothermal resource assessment including exploration, drilling and appraisal of geothermal production wells.

Establishment of the Nuclear Electricity Project Committee in November 2010 that was later transformed to Kenya Nuclear Electricity Board (KNEB) in 2012 to spearhead and fast track the development of nuclear electricity generation with a view to enhancing the production of affordable and reliable electricity.

Establishment of the Energy Regulatory Commission (ERC) to take over the functions of the then Electricity Regulatory Board (ERB) with an expanded mandate of regulating petroleum and renewable energy sub sectors.

A Centre of excellence for energy efficiency and conservation was established at the Kenya Association of Manufacturers (KAM) in collaboration with the Government.

LAPSSET SUB-SECTOR

LAPSSET Corridor Program

Location: Lamu-Isiolo-Lokichar-Nakodok and Isiolo - Moyale (Lamu, Garissa, Meru, Isiolo, Samburu, Turkana and Marsabit Counties).

Objective: To open up northern Kenya and provide a reliable transport corridor for Ethiopia and South Sudan in order to bolster trade and logistics within the region.

Implementing Agencies: KPA, KeNHA, KRC, State Department for Petrolium and KPC, KAA, TARDA, Ministry of Tourism & Wildlife and SEZA.

Coordinated by the LAPSSET Corridor Development Authority (LCDA).

Project Progress: The LAPSSET Corridor Program was launched as a regional multi-modal infrastructure program to contribute to the National Development Agenda as espoused in the Vision 2030. The LAPSSET Development Authority was established in February 2013 to plan, coordinate and sequence the implementation of the project components in collaboration with implementing Ministries, Departments and Agencies. The feasibility study covering the seven components of the corridor; comprehensive surveys and mapping for the proposed route for the corridor, a 20-year master plan for the development of the corridor and the Lamu Port; and detailed designs for the dredging and construction of the 1st three berths of the Lamu Port were prepared during the MTP I. The ground-breaking for the LAPSSET corridor was done on the 2nd March 2012.

Lamu Port: Construction of the 1st three Berths at Lamu Port (LAPSSET) at 51.1 per cent complete, Port Utility Infrastructure: Port headquarter building was completed and operational, phase I of Port Management Housing Scheme at 75 per cent completion level, Power delivered to the port site through a Rabai 220Kv line.

LAPSSET Highways: Construction works for the Isiolo –Marsabit - Moyale (505Km) completed; Designs for Lamu – Garissa – Isiolo Road (530 Km) completed, and PPP proposal received from Development Bank of Southern Africa (DBSA) led Consortium and was under negotiation, consideration of other avenues for funding for this road was being explored. It is an extremely urgent road as it is the main off-take route for Lamu Port. Designs were under review for the Isiolo – Lereta - Lokichar Road section. Lokichar – Nakodok Road 338 Km, funding received from the World Bank and construction commenced. The project was at 10Per cent implementation level. Construction of the Lamu – Witu – Garsen 115Km Road had commenced and was at 15 per cent implementation level.

LAPSSET Corridor SGR: Phase 1 (Lamu – Isiolo – Moyale), pre-feasibility study for the railway was completed.

Oil Pipelines: Pre - Front End Engineering Designs undertaken; Front End Engineering Designs (FEED) and Environmental Social Impact Assessment (ESIA) for Crude Oil pipeline commenced; preliminary a feasibility study undertaken for Product Oil Pipeline.

LAPSSET Airports: Isiolo International Airport Development, 1.4 Km runway and terminal building was developed. Manda Airport runway extension to 2Km was completed. Passenger Terminal Building for Lodwar Airport was completed.

High Grand Fall Multi-Purpose Dam: Feasibility study and detailed designs were completed, Build Operate Transfer (BOT) partner was identified and negotiation was ongoing.

Resort Cities: The following has been undertaken: preparation of the Preliminary Master Plan and Investment Framework for Lamu Resort City, development of Terms of Reference for Master Planning of Outer Corridor Development Plan which include Lamu, Isiolo and Turkana.

Lamu Special Economic Zone (SEZ): Preliminary Master Plan and Investment Framework developed; and Integrated Transport Master Plan for SEZ and proposed Lamu Industrial City developed.

Challenges and Lessons Learnt: Lengthy legal procedures for land acquisition which impacted on overall implementation pace of some project components; Inadequate budget to finance inspection, survey and valuation of the LAPSSET Corridor Land and ultimate acquisition, projects require huge financial outlay and budgetary allocation has been low to fully components, emerging competition from similar projects being implemented within the region, competing priorities faced by the implementing agencies in thus slowing down the implementation process.

PPP model which was approved for LAPSSET Corridor Program has proved bureaucratic and infeasible given most projects are greenfield; and Lack of budget to undertake Transaction Advisory Services to assist in packaging project component under the LAPSSET Corridor Program for private sector uptake through the Public Private Partnership (PPP).

The LAPSSET Corridor Program traverses an area characterized with security concerns, from extremism to cattle rustling to boundary disputes which affect its attractiveness to investors; lack of a common and shared approach (i.e., Regional Coordination Framework) for coordination and implementation of the LAPSSET Corridor cross-boundary components among the footprint countries despite being conceptualized as a regional program.

Recommendations and Way Forward: Need to review the applicable laws governing projects financing including the Public-Private Partnership (PPP) Act, 2013 to facilitate project uptake by potential private sector investors, need for adequate Government/public sector resource commitment towards the project at all stages (project preparation, design, implementation) which is important for project delivery on time for avoidance of cost escalation. Need to enhance private sector involvement and PPP procurement process that is flexible to allow private sector investors entry. Need to provide a budget for Transaction Advisory Services for project packaging to improve bankability for uptake by potential private sector investors.

Need to establish common and shared policies, legal and regulatory framework as well as engineering designs for the trans-boundary projects with footprint countries; and a LAPSSET Regional Coordination Framework to operationalize a Regional Coordination Agency similar to Northern Corridor Transit and Transport Coordination Authority.

Prioritize and enhance resource allocation for key projects such as Lamu – Garissa – Isiolo road which is an off-take road and 1st three berths of Lamu Port that are instrumental for the corridor to be operational; enhance collaboration and partnership between National and County Governments and other stakeholders to facilitate project acceptance; develop a structured framework for community engagement and projects acceptance; deploy a well-coordinated Multi–Agency Security Team to the corridor and surrounding environment to make it safer for operationalization; and Involve the local professionals in project implementation to build capacity and knowledge transfer.

Policy, Legal and Institutional Reforms

Location: Nationwide

Objective: To promote the timely implementation of programs and projects through; policies, legal and institutional reforms.

Implementing Agencies: Relevant Ministries and Agencies, State Law Office and Kenya Law Reforms Commission.

Project Progress: An Integrated National Transport Policy (INTP) was prepared and granted parliamentary approval. A Sessional Paper on transport sector development was also prepared and presented to Parliament for legislative enactment and approved in 2012. The adoption of the Sessional Paper by Parliament during the Plan period led to the implementation of recommendations of the INTP, including institutional reforms to be undertaken within the transport sector.

Objective: To promote the timely implementation of programmes and projects various Policies, Legal and Institutional Reforms will be undertaken.

Implementing Agencies: Relevant Ministries and Agencies, State Law Office, Kenya Law Reforms Commission.

National Integrated Transport Policy: A draft National Integrated Transport Policy (NITP) was prepared and was awaiting parliamentary approval. A Sessional Paper on transport sector development was also prepared and presented to Parliament for legislative enactment. The adoption of the Sessional Paper by Parliament during the Plan period led to the implementation of recommendations of the NITP, including institutional reforms to be undertaken within the transport sector.

Other Programmes and Projects- Public Works Sub-Sector

Improvement of Living and working Conditions in Government Buildings.

Location: Countrywide

Objective: To develop and maintain cost-effective public buildings which are environment friendly and sustainable that will improve living and working conditions in Government buildings

Implementing Agency: State Department for Public Works

Project Progress: To improve living and working conditions in Government buildings, the sub-sector for Public Works has Completed 46 Government buildings projects some of which were remodeled or rehabilitated.

The sub-sector also designed, documented and supervised to completion 1,116 No. New Government/ building projects and rehabilitated/ maintained 1,364 buildings at both Ministries, Departments, Agencies as well as Counties. In addition, 8 Economic Stimulus Projects (sub-county headquarters were completed)

The sub-sector further implemented five (5) County Government Headquarters (Isiolo, Tharaka Nithi, Tana River, Lamu, Nyandarua) to different levels of completion and 7 Government buildings are at various levels of completion.

Challenges and Lessons Learnt

i. Inadequate funding coupled with lack of exchequer for implementation of projects.
ii. Site identification problems especially on implementation of County Headquarter projects.
iii. Legal and contractual issues affect adversely on project implementation.

Recommendations and Way Forward

i. Resource mobilization.
ii. Completion of Public Works Policy which is still at the drafting stage.
iii. Continued capacity building of contractors and other stakeholders in the construction industry to come up with standard buildings.
iv. Collaboration with stakeholders in carrying out research on appropriate affordable construction materials continuously.

Development and Maintenance of Coastline Infrastructure and Inland Water Transport; and improvement of Communication in Human Settlements

Location: Coastal region and countrywide

Objective: To protect land and property from sea wave action, flooding and erosion and enhance accessibility into and out of waters and enhance communication between human settlements and in areas of difficult terrain.

Implementing Agency: State Department for Public Works

Project Progress: To achieve accessibility into and out of waters and protect land and property from sea wave erosion, the sub-sector constructed to completion six (6) Jetties namely: Lamu Terminal Access, Manda; Mtangawanda, Shimoni, Lamu Customs, Matondoni Jetty, Mokowe Jetty is at 60 per cent level of completion. Further, 45 No. footbridges were completed for safe crossing of rivers, streams and for easy accessibility to areas with difficult terrain.

Challenges and Lessons Learnt

i. Devolved Government means that county infrastructure projects are funded at the county Government level. However, seawalls, jetties, footbridges and river protection works are sited on county boundaries and international waters leading to lack of clear ownership. For this reason, construction of these projects should be funded by the National Government

ii. Flooding in various parts of the country especially around the Coast region, Lake Baringo, Lake Turkana, Nyando and Budalangi calls for expansion and spread of water protection works hence the need for more funding.

Recommendations and Way Forward

i. Resource mobilization;

ii. The National Government should fund the construction of projects such as seawalls Jetties and footbridges.

Revamping / Restructuring of Supplies Branch.

Location: Nairobi, Industrial Area

Objective: To develop the capacity, enhance efficiency and promote transparency in service delivery.

East African Marine Systems in Mombasa

Implementing Agency: State Department for Public Works, Supplies Branch.

Project Progress: 424 no. term supply contracts for the procurement of common user items to Government institutions were developed over the period over of review. Refurbishment of the Supplies Branch undertaken.

Challenges and Lessons Learnt
Inadequate funding coupled with lack of exchequer for implementation of projects.

Recommendations and Way Forward
Enhance resource mobilization.

INFORMATION, COMMUNICATION AND TECHNOLOGY

"Strengthening the foundation for a knowledge economy"

The Government of Kenya recognizes the importance of Information, Communication and Technology (ICT) in economic development and has therefore initiated major steps to promote its use. Kenya's vision of knowledge-based economy aims at shifting the current industrial development path towards innovation where creation, adoption, adaptation and use of knowledge remain the key source of economic growth. ICT is a critical tool for expanding human skills and rests largely on a system of producing, distributing and utilizing information and knowledge that in turn plays a great role in driving productivity and economic prosperity. One of the major initiatives that the Government is pursuing is to improve ICT infrastructure in order to bridge the digital divide and lower the cost of communication. The Government is also levelling the ground through development and implementation of policy and regulations aimed at attracting investment within the sector. It must be emphasized that the Government recognizes the information as a resource that must be generated, collected, organized, leveraged, secured and preserved to enhance national prosperity.

The East African Marine Systems (TEAMS)

Location: Mombasa County

Objective: To provide Kenya with an affordable high-capacity bandwidth through a submarine cable extending from Mombasa to Fujairah in the UAE.

Implementing Agencies: Ministry of Information and Communication (MOIC), the National Treasury, Office of the Attorney General and Department of Justice.

Project Progress: The 5,500 km undersea cable was laid in 2009/2010 and is fully complete and operational.

Challenges and Lessons Learnt: Cable Vandalism and having a redundant cable in place.

Recommendations and Way Forward: Additional protection of all cables.

National Optic Fibre Network Backbone Initiative (NOFBI) Project

Location: Nationwide

Objective: To complement the TEAMS project by ensuring maximum utilization of capacity and connectivity in all counties in the country by laying down 5,000 km of Terrestrial Fibre optic, Network Devices Installation, Testing and Commissioning Maintenance and support.

Implementing Agencies: Ministry of Information and Communication (MOIC), Information and Communication Technology Authority (ICTA).

Project Progress: 4,300 km of terrestrial fibre-optic cables were laid; Completion of the first phase of the National Optic Fibre Backbone Infrastructure (NOFBI) - rolled out in 2011/2012 and completed in 2012/2013- connected 47 major towns. The fibre cable network was extended from 4,300km in 2012 to 6,400km in 2017 linking fifty-seven (57) towns within the country. The ICT Authority Implemented Phase II of the NOFBI on behalf of the Ministry of ICT and aimed at ensuring connectivity in all the 47 Counties and improved Government service delivery. This involved the laying of 1,600Km of fibre linking all the 47 County headquarters and an additional 500Km dedicated for military use.

The NOFBI Phase II was built on the achievement of Phase I completed in 2009 in which 4,300km of optic fibre were laid through 58 towns in 35 counties. This cable, which is managed by Telkom, is already in use by the Government and communication service providers. The construction of NOFBI Phase II begun in September 2014 and by June 2016, over 6,000km of NOFBI network had been laid across all the 47 counties. The Project covers all 47 county Headquarters, provides Last Mile Fibre Connectivity to County Headquarters from the Backbone, and also provides network redundancy for NOFBI Phase I links. The Ksh. 6 billion Project was funded by the Governments of Kenya and China.

Challenges and Lessons Learnt: Incomplete maps of cable locational; lack of engagement between Government agencies such as roads agencies impacts on the location of the cable laying.

Recommendations and Way Forward: Provide adequate funding and accelerate ICT infrastructure development.

Government Common Core Network (GCCN)

Location: Nationwide

Objective: To function as a shared and secure inter-operable Government-wide ICT architecture. The system not only integrates work processes and information flows but also improves inter-ministerial sharing of databases and the exchange of information. This was intended to eliminate duplication and redundancy, improve public access to Government services and ensure responsiveness in reporting, monitoring and evaluation.

Implementing Agencies: Ministry of Information and Communication (MOIC), The National Treasury, Information and Communication Technology Authority (ICTA), Office of the AG.

Project Progress: A total of 81 institutions were connected in 2012/2013. Other milestones realized under this target included digitization of Court Registries; rolling out of a pilot tele-presence in Nairobi and Mombasa judicial offices; and automation of court proceedings and law reports. The Central Bank of Kenya (CBK) introduced a national electronic payment system for all commercial banks. The Kenya Revenue Authority (KRA) adopted and enforced ETR machines on all traders. Also, the Kenya Institute of Education (KIE) launched a digital education channel consisting of both TV and radio stations to transmit educational programmes at both primary and secondary levels.

The network was extended to cover state agencies that are housed in private buildings within and outside Nairobi. Further, 12 additional network engineers were recruited to maintain the infrastructure to ensure availability and reliability of the networks.

Challenges and Lessons Learnt: Non-incorporation of ICT cabling in new building designs; Lack of a harmonized data management system.

Recommendations and Way Forward: Complete works already started in connecting Government at national and county levels; implement systems that deliver quality services to the public; and optimizing on the ICT infrastructure; get email systems working optimally so Government officers do not depend more on public email systems (e.g. Gmail and Yahoo accounts), ensure Government websites are well updated with comprehensive information, while providing online services responsively.

Local and Wide Area Networks

Location: Nationwide
Objective: To facilitate the deployment of LANs and WANs

Implementing Agency: Information and Communication Technology Authority (ICTA)

Project Progress: LAN was upgraded and expanded to various Government organizations and all the forty-seven (47) County Government headquarters.

Recommendations and Way Forward: Provide adequate funding and accelerate ICT infrastructure development.

Kenya Transparency Communication Infrastructure Programme (KTCIP)

Location: Nationwide

Objective: To ensure equity in the provision of ICT services.

Project Progress: The cost of data has continued to reduce further with the entry of more players into the internet market. Completion of the first phase of the National Optic Backbone Infrastructure (NOFBI), which connected 47 major towns, has also accelerated the opening up of rural areas to faster communication.

Bandwidth support to Government offices was increased from 80 to 100 MB Broadband internet capacity. This has improved the quality and reliability of Government communication system.

Challenges and Lessons Learnt: Digital divide between the rural and urban areas which limits public awareness of the advantages and opportunities of ICT, inadequate information resource centres in the rural areas, lack of or inadequate supply of affordable and uninterrupted power supply and limited penetration of telecommunication infrastructure in rural areas.

Recommendations and Way Forward: Focus on developing human and business capacity including reviewing strategies for growing small ICT businesses; provide adequate funding and accelerate ICT infrastructure development, continue effort to bridge the digital divide between urban and rural communities.

Establishment of Digital Villages

Location: Nationwide

Objective: To provide avenues for the full utilization of the NOFBI and TEAMS infrastructure for Business Process Outsourcing (BPO) related initiatives. It would also facilitate online delivery of Government services and capturing statistical data right from the constituency level.

Implementing Agencies: Ministry of Information and Communication (MOIC), Information and Communication Technology Authority (ICTA), County Governments, The National Treasury.

Project Progress: A total of 50 digital villages had been established by the end of the MTP I, representing a performance level of 23.8 per cent. The dismal performance in the establishment of digital villages was attributed to delays in the release of funds by the financing agencies. Much of this project was to be funded by the development partners. To mitigate this, the Kenya ICT Board partnered with a private bank to offer loans to individuals to establish the digital villages. A total of 30 Rural Information Centres were established against a target of 24 to complement the digital villages as Government e-services centres.

The target in the MTP II was to set up digital villages to provide over 30,000 opportunities for Business Process Outsourcing (BPO) by 2017 up from 13,000. The setting up of digital villages also known as Pasha Centres was an initiative of the ICT Board with support from the World Bank which started in 2011. Between 2011 and 2012, 63 entrepreneurs got loans of between Ksh. 850,000 to KSh. 2 million to set up the centres in the rural areas and urban centres to bring ICT services closer to the people and support the bridging of the digital divide. The loans were repayable at an interest rate of 10Per cent.

Challenges and Lessons Learnt: At the onset on MTP II period, only 39 centres were operational and this necessitated carrying out a viability study. This study recommended termination of the project and adoption of a new model to achieve the objective.

Recommendations and Way Forward: Implement the recommendations of the study.

Bandwidth Subsidy

Objective: To provide bandwidth subsidy for universities and colleges, business processing outsourcing, e-Government, content development and digitization. The expected result was acceleration an of the usage of ICT in learning, social and Government institutions.

Implementing Agencies: Ministry of Information and Communication (MOIC), the National Treasury.

Project Progress: The cost per Megabyte of data transmitted declined to Ksh. 5 against the MTP I target of Ksh.500. The drastic reduction in the cost of data was facilitated by the unified licensing regime, which led to increased competition. It was also boosted by increased high speed bandwidth due to the landing of four undersea cables in Mombasa. The cost of data has continued to reduce further with the entry of more players into the internet market. Completion of the first phase of the National Optic Backbone Infrastructure (NOFBI), which connected 47 major towns, has also accelerated the opening up of rural areas to faster


Konza Techno City

communication.
Bandwidth support to Government offices was increased from 80 to 100 MB Broadband internet capacity. This has improved the quality and reliability of Government communication system.

As at end of MTP I on 30th June 2013, the Internet users were estimated at 19.6 million translating into a penetration rate of 49.7 per cent while as at the end of MTP II on 30th June 2018 the Internet users had increased to 41.1 million. The bandwidth capacity increased from 356,874.95 mbps recorded as at 30th June 2013 to 3,277.72 Gbps as at 30th June 2018. Mobile money transfer agents grew by 133.9 per cent from 88,466 in June 2013 to 206,940 in June 2018. The expansion of the agency network can be attributed to the continued uptake and popularity of the service as well as operators' initiatives towards enhancing accessibility to financial services and increasing financial inclusion to the unbanked. This enhanced business activity and created job opportunities.

Data Centre/Data Recovery Centre

Location: Nairobi

Objective: The Government Data Centre (GDC) establishment was to provide storage for all Government databases. In addition, the Neutral Data Centre (NDC) would provide world-class services to Government Ministries, Departments and Agencies, private sector operators and businesses.

Implementing Agency: Information and Communication Technology Authority (ICTA).

Project Progress: The tier-2 Government Data Centre (GDC) infrastructure was developed to ensure security of Government data and applications. The facility was upgraded with a 10 Gbps link capacity and was maintained to support applications from the Government organizations. In addition, cloud-computing infrastructure was implemented to increase consolidation of the existing database systems and provide sharing of big data among MDAs, counties and sub-counties.

Challenges and Lessons Learnt: Sub-optimal utilization of this facility, slow uptake of digital services by Government.

Recommendations and Way Forward: Additional communication to Government agencies to utilize this facility, enhancement in the uptake of digital services by Government.

Integrated Management Information Systems (IMIS)

Location: Nationwide

Objective: To improve on governance, the following systems would be developed: Pensions Management Information System (PMIS), Company Registry and e-voting; digitized court recording, Geographic Information System (GIS), digitization of archival resources at the Kenya National Archives; Land Registry System, Electronic Banking Systems, District Management Information System (DMIS) and Integrated Population Registration System (IPRS).

Implementing Agencies: Ministry of Information and Communication (MOIC), The National Treasury, Ministry of Interior (MoI), The Judiciary, Ministry of Lands (MoL), Central Bank of Kenya (CBK), County Governments, Public Service Commission (PSC), Ministry of Education (MoEd) and Ministry of lands.

Project Progress: Several ministries developed online systems geared towards improving service delivery. These systems include: the re-engineered Integrated Financial Management Information System (IFMIS), County Revenue Collection System, application of public service jobs online, status tracking of ID and passports, public examination results and candidate selection into secondary schools, digitized education content in 12 subjects in secondary school level, online submission of tax returns, online custom declaration, electronic reporting of corruption, Land Registry System, Electronic Banking Systems, District Management Information System (DMIS) and a business licensing e-registry.

Challenges and Lessons Learnt: Slow adoption of ICT services by learning, social and Government institutions.

Recommendations and Way Forward: Provide adequate funding and accelerate ICT infrastructure development.

Information and Content Development

Location: Nationwide

Objective: To leverage on digital content so as to unlock new opportunities for conduct business.

Implementing Agencies: Ministry of Information and Communication, Ministry of Education

Project Progress: The Government embarked on this initiative aimed at leveraging on digital content to unlock new opportunities to conduct business. The scope of information and content activities within the ICT sector included digital content strategy, creating and protecting content and delivering and accessing content. However, the project did not kick off.

Challenges and Lessons Learnt: Low ICT skills; Focus on developing human and business capacity including reviewing strategies for growing small ICT businesses.

Recommendations and Way Forward: Focus on development of content and innovation by exploring strategies to promote innovation within institutions of higher learning, private sector and entrepreneurs.

Film Industry

Location: Nationwide

Objective: To develop a major motion picture production industry with sufficient employment, and capitalizing on the economic, social and cultural rewards.

Implementing Agencies: Ministry of Information and Communication (MOICT) and Kenya Film Commission.

Project Progress: A major goal of the industry is to become a significant player by developing a major motion picture production industry with sufficient employment, and capitalizing on the economic, social, and cultural rewards associated with such industries worldwide. However, the project did not kick off.

Challenges and Lessons Learnt: Inadequate human capacity for research and development in ICT and the film industry; Kenya Film Commission unable to participate in international film markets as well as holding Kenya international film festivals. Other were: Inadequate funding to enable the Kenya Film Commission to implement the development of local content, film infrastructure, screen culture, industry research, film festival and markets.

Recommendations and Way Forward: Kenya possesses a big comparative advantage in terms of unmatched filming locations and an abundance of professional film makers, artistes and local crew thus providing the Government with all it needs to market Kenya and provide concessions for international movie companies.

Multimedia Technology Parks (MTPs)

Location: Nationwide

Objective: To create opportunities through the multimedia.

Digital Literacy Programme

Implementing Agencies: Ministry of Information and Communication (MOICT)

Project Progress: The Government had identified the Export Processing Zones (EPZ) in Athi River as the location site for the proposed MTPs. The Project did not kick off as planned.

Challenges and Lessons Learnt: Implementation of this projects faced financing hurdles.

Recommendations and Way Forward: Seek Private Sector and Universities' involvement to enhance achievement of this project.

The East African Sub-Marine Cable Systems

Location: Mombasa

Objective: The main objective of the project was to improve the quality of bandwidth available for global connectivity by linking the East African region to the Global Submarine System.

Implementing Agency: Ministry of Information and Communication (MOIC).

Project Progress: This involved the laying of undersea Fibre Optic Cable from Mtunzini in South Africa to Mombasa.

Challenges and Lessons Learnt: Cable Vandalism and having a redundant cable in place.

Recommendations and Way Forward: Additional protection of all cables.

Digital Literacy Programme

ICT Hardware

Location: Nationwide

Objective: To provide ICT hardware which is a very important component of ICT infrastructure and a pre-requisite to any meaningful deployment of ICT services to the population, zero-rating taxes on ICTs is integral to the Government policy objective of universal access to affordable ICT services.

Implementing Agencies: Ministry of Information and Communication (MOIC), The National Treasury (TNT).

Project Progress: Mobile phone subscriptions grew from 30.5 million subscribers in June 2013 to 45.6 million by June 2018. This increased the mobile phone penetration ratio from 77.3 per cent to 97.8 per cent during the same period This growth was attributed to reduced costs of ICT equipment and mobile phones whose tax was zero rated. Notably the aggressive marketing and offers from the mobile service providers cannot be overlooked.

Challenges and Lessons Learnt: This has largely been implemented on mobile phones and laptops and desktop computers are lagging behind.

Recommendations and Way Forward: Implement a comprehensive tax regime on ICT hardware to encourage increased uptake and utilization.

Digital Literacy Programme (ICT Integration in Primary Education)

Location: Nationwide

Objective: To assemble a low-cost PC and provide an incubation environment for students in local universities. This would be achieved through a collaboration with ICT incubators at Jomo Kenyatta University of Agriculture and Technology (JKUAT), University of Nairobi (UoN), Kenya College of Communications Technology (KCCT), and Strathmore University (SU), the Ministry.

The main aim of the programme is the integration of ICT into teaching and learning for pupils in primary schools. The components of this project include: Improvement of ICT infrastructure; development of digital content; capacity building of teachers and implementers; and procurement of ICT devices.

Implementing Agencies: The Information, Communication and Technology Authority (ICTA), Ministry of Information and Communication (MOIC), Ministry of Education, Science and Technology, Ministry of Industrialisation, Ministry of Energy and Petroleum, The National Treasury and the Office of the Attorney General.

Project Progress: After some procurement delay, the ICT Authority early in 2016 picked two winning consortia: Moi University and JP SA Couto; and Jomo Kenyatta University of Agriculture and Technology (JKUAT) for the supply, installation and commissioning of the Digital Learning Solution (DLP) for the 22,000 public primary schools. Achievements: 150 teachers trained as Master Trainers at the national level 2,555 teachers trained as Trainer of Trainers (ToTs) drawn from all the 47 Counties; training of 62,784 teachers at the Sub-County Level drawn from all public primary school's country wide and digital Content for standard 1 and 2 developed. The content was being piloted in 40 primary schools to ensure that it met the curriculum objectives. In addition, Software for Special Needs Learners was developed by Kenya Institute of Curriculum Development (KICD), while the Ministry of Education carried out infrastructural needs' assessment and each public primary school received a minimum of KSh 60,000.00 to cater for essential infrastructural upgrades.

Challenges and Lessons Learnt: Vandalism of ICT infrastructure; slow adoption of ICT services, bridging digital divide between urban and rural areas, weak governance and accountability structures/systems, Low ICT integration due to high cost of ICT equipment and infrastructure, and Inadequate and dilapidated infrastructure.

Capacity Building of institutions managers on governance and accountability of public resources are necessary for internal evaluation and establishment of new systems for audit of performance across the sector, and mechanisms to ensure the sustainability of the projects need to be put in place for the sector to consolidate the realized gains.

Recommendations and Way Forward: Explore partnerships with the private sector, provide reliable supply of electric power to facilitate the provision of ICT services, basic infrastructure needs to be put in place for the DLP programme to achieve the intended objectives.

ICT Software

Location: Nationwide

Objective: To make ICTs affordable and universally accessible through providing fiscal concessions on software and promotion of local software development by encouraging a scheme to ensure that at least 50 per cent of Government software procurement is sourced from local software developers. The Government would also encourage software multinationals like Microsoft and Oracle to offer special incentives like free development tools, training, certification and marketing support to local software developers.

Implementing Agencies: The Information, Communication and Technology Authority (ICTA), Ministry of Information and Communication (MOIC).

Project Progress: The Project had not kicked off
Challenges and Lessons Learnt: Delays in the review of proposed concessions.

Recommendations and Way Forward: Accelerate engagements and realization of agreements with Software companies.

Upgrading National ICT Infrastructure

Location: Nationwide

Objective: To bridge the digital divide and lower the cost of communications.

Project Progress: The Government and the private sector developed 60 per cent of the National ICT infrastructure to improve universal access to ICT services.

Challenges and Lessons Learnt: The low levels of penetration and high cost of ICT infrastructure has hindered access and usage leading to low access to markets and technological information, and increased costs of marketing and communication, unfortunately, they have to be imported and until recently, imported hardware parts were not subject to any fiscal concessions.

Recommendations and Way Forward: Complete the good work already started in connecting Government offices at national and county levels; implement systems that deliver quality services to the public, and optimize on the ICT infrastructure, provide adequate funding and accelerate ICT infrastructure development.

County Connectivity Project (CCP)

Location: Nationwide

Objective: To provide coverage to hospitals, schools, police stations and other public service institutions.

Implementing Agencies: Ministry of Information and Communication (MOIC), County Governments.

Project Progress: During the review period, all the forty-seven (47) county headquarters were connected to the National Optic Fibre Backbone Infrastructure (NOFBI) cable and Seventy (70) buildings were connected via wireless to provide the last mile connectivity at the county level. In addition, co-location and related services to host twenty-nine (29) sites across the country was acquired.

A Universal Service Fund that finances the roll-out of infrastructure and access of service to the unserved and underserved areas will be created

Location: Nationwide

Objective: To support equitable access to ICT services; and promote capacity building and innovation in ICT services in the country.

Implementing Agency: Communication Authority of Kenya (CA).

Project Progress: The sources of the Fund include levies on licensees, appropriations from Government as well as grants and donations. The Fund is expected to finance national projects that have a significant impact on the availability and accessibility of ICTs in rural, remote and poor urban areas. The Fund had Ksh. 2.9 billion by December 2015.

During the MTP II period, CA developed the USF framework and engaged various key stakeholders in the Industry who provided feedback. The CA assesed ICT access gaps in the country in 2016. The ICT Gaps Study 2016, identified the gaps and the interventions to be implemented by the Fund including roll-out of voice infrastructure in the unserved and underserved areas to reduce the gap in voice communications coverage from 5.6 per cent to 2.8 per cent by 2018; laying additional optic Fibre cables to reach unserved populations; and connecting public schools and colleges with broadband. In addition, the ICT regulator initiated a number of pilot projects aimed at informing future implementation of Universal Access (UA) projects on a nationwide scale. These include school-based ICT centres; community tele-centres; ICT for people with disabilities; and computerization of health centres.

Challenges and Lessons Learnt: Inadequate funding

Recommendations: Provide adequate funding and accelerate ICT innovations.

Establishment of Wide Area Network and Network Operations Centre

Location: Nationwide

Objective: To ensure that each county headquarters use a broadband network with a minimum capacity of 4mbps per agency, VOIP telephony and unified communication systems.

Implementing Agencies: Ministry of Information and Communication (MOIC), Communication Authority of Kenya (CAK), County Governments.

Project Progress: The Government established and completed one (1) NOC in Nairobi. The facility is operational with ten (10) network engineers to monitor.

Challenges and Lessons Learnt: Inadequate funding and lack of enough raw materials.

Recommendations: Adequate funding and fast establishment of Network centre.

Roll out of 4G Networks

Location: Nationwide

Objective: To provide faster internet and increase bandwidth capacity.

Implementing Agencies: Communication Authority of Kenya (CAK), Mobile Service Providers.

Project Progress: The Government licensed telecommunications operators to roll out 4G Networks in 2014 starting with Nairobi, Mombasa and Kisumu. The network has high bandwidth capacity and allows high speed internet access to smartphones, laptops with wireless modems and other handheld devices. In addition, fibre networks in urban residential and commercial areas increased largely due to new partnership between telecommunications and power companies. Safaricom, rolled out its 4G LTE network in December 2014 starting with parts of Nairobi and Mombasa while Airtel and Telkom Kenya rolled out their 4G following the issuance of spectrum in the 700 MHz and 800MHz bands which enabled the roll out of services on 4G technologies.

Setting up National ICT Centres of Excellence

Location: Nationwide

Objective: To develop a critical mass of human resource required to support capacity for the industry.

Implementing Agencies: Ministry of Information and Communication (MOIC), Ministry of Education (MoEd).

Project Progress: This project did not take off.

Challenges and Lessons Learnt: Inadequate budgetary allocation.

Recommendations: Funding should be made available for the project.

Enhance cybersecurity/Build capacity for the Kenya Computer Incidence Response Team and Coordination Center (KE-CIRT/CC)

Location: Nationwide

Objective: To reduce the risk of cyberattacks and create a more secure network from the level of the major national public gateways to the user; to coordinate computer-related incidences in the country.

Implementing Agencies: Ministry of Information and Communication (MOIC), Communication Authority of Kenya (CAK).

Project Progress: To protect ICT from increased cases of cyber-attacks affecting networks and service delivery, the Government established Kenya Computer Incidence Response Team, the Cyber Command and Incidence Response Centre and developed Information Security Policy to guide in the secure use of ICT within Government.

Challenges and Lessons Learnt: Hacking and lack of awareness.

Recommendations: Improve security measures, policy and guidelines.

Implement Public Key Infrastructure (PKI)

Location: Nationwide

Objective: To authorize and authenticate information systems in the country. The Root Certificate Authorities which would facilitate the use of digital certificates was to be set up.

Implementing Agency: Ministry of Information and Communication (MOIC),

Project Progress: This project did not kick-off

Challenges and Lessons Learnt: Lack of budgetary allocation.

Recommendations: Provision of funds for the project

Roll out of the Digital TV Infrastructure in all the remaining counties (from 60 per cent coverage to 100 per cent)

Location: Nationwide
Objective: To move from analogue to digital TV broadcasting migration.

Implementing Agencies: Ministry of Information and Communication (MOIC), Communication Authority of Kenya (CAK), KBC and other Media houses.

Project Progress: The migration from analogue to digital TV was completed in time to meet the global deadline of 17th June 2015 set by ITU member states at the Regional Radio Communication Conference held in 2006, known as the GE06 Regional Agreement. This increased the number of operational TV channels from 228 in 2012 to 312 in 2018. Installation of digital transmitters in 10 sites was also completed in 2018. It also improved the quality of TV images and created jobs for over 4,000 youths.

Challenges and Lessons Learnt: Vandalism of ICT infrastructure and inadequate financing coupled with delayed disbursement.

Recommendations and Way Forward: Improve policy, legal and regulatory framework.

Improving Public Service Delivery using ICT

Location: Nationwide

Objective: To improve the delivery of service to the public through the use of applications.

Progress: The Government established various electronic systems to streamline the tracking, retrieval and storage of documents within the public sector. It involved the development of workflow for conversion of physical documents and integrate already digitized registries. Some of the achievements included: Establishment of Personal Data Hubs for National Population Register; Rolling out e-Citizen platform for business, marriages, driving, lands, immigration and civil registration services together with e-Citizen payment gateway, Digitization of over 107 Civil Registration Centres, 13 land registries and the High Court Registry, Development and implementation of Transport Information Management System (TIMS)-NTSA and Development of the National Spatial Data Infrastructure (NSDI) as land data hub.

Challenges and Lessons Learnt: Inadequate financing, slow pace of digital acceptance in the Public Service; high expectations of citizens on public service delivery.

Recommendations and Way Forward: Mandatory migration of institutions in key functions.

Support for Food Security Programme

Location: Nationwide

Objective: To support food security porgrammes through the upgrade/development of digital land management system, GIS, mapping of farm productivity, forecasting, digital meteorological systems, and market information systems, e-farming, farm produce management systems, agricultural information systems, remote sensing, population management systems, and health and nutrition information systems.

Implementing Agencies: Ministry of Information and Communication (MOIC), Ministry of Lands (MoL), Ministry of Agriculture (MoA).

Project Progress: This project has not kicked off.

Challenges and Lessons Learnt: Inadequate financing.

Recommendations and Way-forward: Availing of funding for the project

E- Government Systems Initiative

Location: Nationwide

Objective: To complete development of the following systems: National Integrated Monitoring and Evaluation System (NIMES), e-ProMIS, National Integrated Education Information Management System (NIEIMS), National Integrated Land Management Information System (NILMIS), Performance Contracting online tracking system, Government Shared Services, Government Data Centre, Community Learning Information Centres, IFMIS, Revenue collection system (CIFMIS), Interactive Voice Response System and Government unified messaging system.

Implementing Agencies: The Information, Communication and Technology Authority (ICTA), The National Treasury (TNT).

Project Progress: The central purpose of IFMIS is the implementation of a unified financial management system and its adoption across all Government departments at national and county levels. So far, IFMIS has made a tremendous contribution to improving transparency and accountability in Government. The ICT Authority is providing internet connectivity for the IFMIS project that covers the National Treasury, Ministry offices and county Government offices. Three modules that were implemented include Accounting, Revenue Management and Asset Management. By November 2015, 1352 users in national and 2149 users in county Governments had been trained on IFMIS operations through the IFMIS Academy; IFMIS financial modules had been re-engineered in accordance with business requirements and international best practices and tested by the end users; and IFMIS County roll out had connected all 47 County headquarters.

In the review period, the Government operationalized the National Integrated Monitoring and Evaluation System (NIMES) and the County Integrated Monitoring and Evaluation Systems (CIMES).

Challenges and Lessons Learnt: Inadequate funding and system failure.

Recommendations and Way-forward: Provide adequate funding.

Enhancing the Kenya Open Data Initiative (KODI) portal

Location: Nationwide

Objective: To ensure that relevant organizations and ministries upload information in a timely manner so that information available on the portal is current and consistent.

Implementing Agencies: Ministry of Information and Communication (MOIC).

Project Progress: The Kenya Open Data Initiative (KODI) (www.opendata.go.ke) was launched in July 2011 to make Government development, demographic, statistical and expenditure data available in a digital format for researchers, policymakers, ICT developers and the general public. KODI was re-launched in July 2015. This has seen an increased number of page views to 58 million from 44 million since the re-launch. The number of datasets increased to 744 from 680 during the same period while the number of Government Ministries participating rose to 31 from 4 during inception in 2011. Counties are also expected to share their data. The online portal re-launched in July 2015 has an improved user experience and more timely and diverse data. It would be desirable if all Government agencies can share their data through this Portal.

ICT Industry Development

Location: Nationwide

Objective: To provide an enabling environment for innovations in the ICT industry to fast track Kenya's position as the Silicon Savannah.

Implementing Agency: Ministry of Information and Communication (MOIC).

Progress: Konza Technopolis: Development of Konza Technopolis (KT) is expected to position Kenya as a knowledge-based economy and a preferred ST&I (Science, Technology and Innovation) destination in Africa so as to foster growth of the technology industry in Kenya. KT is hosted on a 5,000-acre piece of land acquired and secured during the MTP I period. Phase 1 Master Plan and NEMA approvals were obtained during the MTP I period while the Cadastral Survey was completed during the MTP II period. Phase 1 implementation was already underway with the development of basic infrastructure including: water with the drilling of seven (7) boreholes and arrangement for additional water from the Nol-Touresh Water Scheme; the installing of electricity to the site and the ongoing construction of 2 substations to guarantee adequate and stable power, potential for high speed fibre connectivity with 6 independent backbone fibre cables passing through the City and construction to gravel standards of 12Km access roads to the first 60 acres with 24 parcels to be available for investors. A request for EOI for these parcels was issued to investors on November 2015 and closed in January 2016. A request for EOI for private schools and universities was issued in 2016.

The KTC received interest from various large investors. The construction of Konza Complex to provide office space and accommodation facilities to KoTDA staff and investors commenced in March 2016. To anchor the development of the City in a proper legislative framework, a task force was formed to work on the proposed Konza Technopolis Act and KTC was incorporated in the Special Economic Zones Bill forwarded to Parliament. Kenya was marketed as a BPO destination in four (4) international fora to attract potential international investors in the BPO/ITES. BPO jobs created during the period were 15,000 in number which was consistent with the MTP II target. The concept remains relevant in promoting Kenya as an ICT and innovations hub. However, while discussions may be taking place on this issue, KTC was substantially underfunded and the institutional framework under which KTC operates may be undermining its ability to influence actions of key actors to support its development.

Challenges and Lessons Learnt: Inadequate financing, unsustainable model of operation in managing the digital villages. The ICT sector experience was impressive in terms of development of communications infrastructure, mobile phone and internet access, mobile money expansion and usage and automation. However, programmes and initiatives aimed at growing ICT businesses and increasing access did not show impressive results.

Recommendations and Way Forward: There is need to increase the level and pace of investment and improve the institutional framework for better coordination of the various agencies involved to deliver on this promise. The funding model also needs to be reviewed to provide much greater involvement of and attract funding from the private sector not only as tenants but also for the rapid development of the necessary infrastructure.

Development of E-commerce

Location: Nationwide

Objective: to enable entrepreneurs obtain skills to sell their products/services over the internet.

Implementing Agencies: Ministry of Information and Communication (MOIC).

Project Progress: This project did not kick off.

Upgrading ICT Capacity

Location: Nationwide

Objective: To empower the youth with the necessary training and work experience to develop market ready ICT services and products.

Implementing Agencies: Ministry of Information and Communication (MOIC)

Project Progress: ICT Incubation Hubs Developed -The Government of Kenya through the ICT Authority gave a grant totaling Kshs 144 million to the Nairobi Incubation Lab (Nailab) to support start-ups who want to implement and scale up their businesses. Two batches of ICT start-ups had been incubated by 2014 with the target being to incubate at least 30 start-ups across the country in 3-years. So far ICT start-ups have been supported in 5 counties. However, this initiative has not progressed to deliver the targets for the MTP II which were to hold county consultative meetings in the first financial year, and establish 10 and 15 county ICT incubation hubs by June of 2015 and 2016 respectively.

IBM Research Lab Launched - IBM Research-Africa launched a new state-of-the-art facility – the THINKLab – in Nairobi, in July 2015. The Lab allows clients and partners from across the Middle East and Africa region to gain hands-on experience of IBM's latest cognitive, cloud, big data analytics and mobile technologies. Fitted with some of the most advanced interactive technologies, THINKLab provides IBM's Africa-based researchers with a stimulating environment to demonstrate the latest solutions in key areas such as education, healthcare, water management, public safety and financial inclusion. The facility also facilitates IBM's scientists' engagement with community representatives – inviting them to be part of the research and development process. The targets for MTP II were the development of 3 and 5 ICT innovations in 2014/15 and 2015/16 in identified sectors respectively.

Challenges and Lessons Learnt: The scaling up of the projects based on the pilots and tests did not happen primarily due to financial challenges.

Recommendations and Way Forward: Develop a financially sustainable scaling projects in partnership with the private sector.

Setting up of County ICT Incubation Hubs

Location: All Counties

Objective: To empower the youths with the necessary training and work experience to develop market-ready ICT services and products.

Implementing Agency: Information, Communication and Technology Authority (ICTA).

Project Progress: The Government of Kenya through the ICT Authority gave a grant totaling KSh 144 million to the Nairobi Incubation Lab (Nailab) to support start-ups who want to implement and scale up their businesses. Two batches of ICT start-ups had been incubated by 2014 with the target being to incubate at least 30 start-ups across the country in 3-years. So far ICT start-ups have been supported in 5 counties. However, this initiative has not progressed to deliver the targets for the MTP II which are to hold county consultative meetings in the first financial year and establish 10 and 15 county ICT incubation hubs by June of 2015 and 2016 respectively.

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Development of a National Addressing System project

Location: Nationwide

Objective: To identify streets, buildings, plots and other infrastructure and allocating them a street address.

Implementing Agency: Ministry of Information and Communication (MOIC), Communications Authority of Kenya.

Project Progress: During the review period, a National Addressing System (NAS) Task Force was formed to develop an integrated NAS database with members from various Government agencies and Google Maps. The Task Force developed an integrated addressing system; addressing standards; NAS memorandum to be forwarded to the Cabinet for approval; NAS policy framework to regulate the system; identified a pilot area within Nairobi CBD; and developed an RRI pilot work plan for implementation within 100 days.

Challenges and Lessons Learnt: In adequate funding

Recommendations and Way Forward: There is need to consider a Public Private Partnership (PPP) approach for progression of this program.

Policy, Legal and Institutional Reforms

Location: Nationwide

Objective: To promote timely implementation of programmes and projects various Policies, Legal and Institutional Reforms will be undertaken.

Implementing Agencies: Relevant Ministries and Implementing agencies, Communications Authority of Kenya and State Law Office.

Policy Reforms

Develop and enact National Film Policy; Review the Telecommunications Sector Policy Framework (March 2006), Develop and enact National Records Management Policy.

Enact the National Policy on Natural Resource Information and Develop and enact E-waste Management Policy.

Review National ICT Policy, 2006 to re-align with the Constitution of Kenya 2010 and the best international practice, Develop and rollout the National ICT Master Plan, Develop National Broadband Strategy and Finalize and operationalize National Cyber Security Framework.

Legal Reforms

Enact Freedom of Information Bill; Enact ICT Bill, Repeal Films and Stage Plays Act Cap 222, Review Kenya Communications Regulations, 2001; Repeal Postal Corporations Act, 1998 and Amend Kenya Broadcasting Corporation Act Cap 221. Review of Media Act, 2007 and Kenya Information and Communication Act (KICA).

Institutional Reforms

Establishment of a National ICT Agency

Project Progress: The Kenya Communication Amendment Act, 2009 and Information and Communications Regulations, 2010 were legislated and made operational. The Freedom of Information Bill, 2010, Data Protection Bill, 2010, Cable Vandalism Bill, 2010, Independent Communication Bill, 2010 and Media Bill, 2010 were all prepared and submitted to the Cabinet. The Government in partnership with other stakeholders developed and reviewed the National ICT Policy, Kenya Information and Communications Act, 2014, Postal Corporation Act No. 2 (Amendment 2013). Media Council Act, 2013, National Public Communication Policy, National Broadband Strategy and National Language Policy 2015; The Government developed a draft Computer & Cybercrimes Bill 2016, National Cyber Security Master Plan and Strategy, National ICT Master Plan, National ICT Standards and Transformation of Communication Commission of Kenya (CCK) to Communications Authority (CA), creation of Universal Service Fund Advisory Council, Complaints Commission Communications and Multimedia Appeals Tribunal; upgraded the Department of Kenya Institute of Mass Communications to a Semi-Autonomous Government Agency and established the Government Advertising Agency (GAA), the Government initiated the restructuring of Postal Corporation of Kenya (PCK) and Kenya Broadcasting Corporation (KBC).

Challenges and Lessons Learnt: Although there was significant progress made in the implementation of proposed legal reforms during the review period, there is still much to be done in order to address identified bottlenecks that potentially undermine progress in nearly all the sectors. The speed of development, review and approval by Cabinet and the subsequent enactment of laws by Parliament are slow and thus this slows the pace of reforms turned over in the review period.

Recommendations and Way Forward: The Government should endeavour to accelerate the development, approval and implementation of the various policy, legal and institutional reforms key to the achievement of the projects.

TELECOMMUNICATIONS, ELECTRONICS AND COMPUTERS TECHNOLOGIES PROGRAMME

Location: Nationwide

Challenges and Lessons Learnt: Adequate funding

Recommendations and Way Forward: A multi-sectoral engagement would be ideal to map the way forward.

The Kenya Electronics Telecommunications and Computing Research Institute (KETCRI)

Location: Nationwide

Objective: To establish a national Electronics Telecommunications and Computing Research Institute to advance the formulation of innovative ideas; development of new techniques; and train professional individuals in the area of Electronics, Telecommunications and Computing to ultimately enhance social and economic aspects of the modern society.

Implementing Agencies: MOICT, MOLHUD, MOTI, MOE, ICTA

Project Progress: The project had not taken off.

Challenges and Lessons Learnt: No Financing

Recommendations and Way Forward: Provide funding for project.

Software Development and Commercialisation

Location: Nationwide

Objective: To ensure that Kenya develops its software application locally in order to ensure that the software available in the market are transaction based for easier and more effective use.

Implementing Agencies: MOICT, MOLHUD, MOTI, MOE, ICTA

Project Progress: The project had not taken off.

Challenges and Lessons Learnt: Inadequate financing.

Recommendations and Way Forward: Provide funding for project and put in place incentives for innovation especially for the youth.

Manufacture of Electronic Devices

Location: Nationwide

Objective: To increase the use of Kenyan manufactured electronic devices in order to make them cheaper and more available to the local users. KETRCI was to develop electronics, telecommunications and computing equipment and devices.

Implementing Agencies: MOICT, MOLHUD, MOTI, MOE, ICTA.


Laying of water pipes in farm using latest technology.

Project Progress: The project had not taken off
Challenges and Lessons Learnt: Inadequate financing.

Recommendations and Way Forward: Provision of funding for the project.

Baseline Survey and Assessment of National ICT Capacity / Readiness

Location: Nationwide

Objective: To address current and future market needs in ICT by comprehensively identifying existing knowledge/skills, supportive infrastructure as well as other related gaps.

Implementing Agencies: MOICT, MOLHUD, MOTI, MOE, ICTA.

Project Progress: The project had not taken off.

Challenges and Lessons Learnt: Inadequate financing.

Recommendations and Way Forward: Provide funding for project.

Establishment of Youth Development Centres

Location: Nationwide

Objective: A youth empowerment centre in each county will be upgraded to a Youth Development Centre of Excellence that will serve as 'one-stop shops', where youth can access key services as well as acquire skills for their personal development and will include a fully equipped library, an ICT hub, and a social hall.

Implementing Agencies: MOLSS&S, MOICT

Project Progress: This project did not kick off

Challenges and Lessons Learnt: Funding constraints hindered progress in many of the key programmes and projects.

Recommendations and Way Forward: Dedicate a State Department with this mandate and provide adequate funding.

SCIENCE, TECHNOLOGY AND INNOVATION

"Harnessing Science, Technology and Innovation for Regional and Global Competitiveness"

Kenya Vision 2030 recognizes the role of Science, Technology and Innovation (STI) in a modern economy, in which new knowledge plays a central role in wealth creation, social welfare and international competitiveness. Four key strategic areas of focus were prioritized for implementation during the MTP I period. These were strengthening technical capacities and capabilities, developing a highly skilled human resource base, intensification of innovations in priority sectors, and enhancing awareness on ST&I. Under MTP II, the Government committed to adopt various supporting initiatives including: Public Private Partnerships (PPPs), linking industry with academia; value chain analysis, synergy (as opposed to institutional competition) and initiatives for closed-cycle cluster approach for enhanced cooperation. The sector continued playing a critical role in ensuring that all sectors of economy have access to the necessary technologies that would increase production and quality in a diverse range of products, processes and services.

As at the end of MTP II, three Science and Technology Journals were published and five scientists from different disciplines benefited from the scheme. Additionally, an ST&I exchange framework was developed. Increased spending on R&D by private companies and the existence of high calibre sector-based scientific research institutions led to the improved ranking of Kenya in the World Economic Forum Global Competitiveness Index from position 96 in 2013 to 91 in 2016 while the country's Innovation and Sophistication, higher Education and Training, and Technological Readiness improved from 53, 103 and 89 in 2012 to 41, 97 and 88 in 2016 respectively.

Challenges and Lessons Learnt: inadequate funding, skills mismatch, inadequate infrastructure and facilities to support the sector, weak knowledge management information and low demand for products from the sector.

In order to secure lasting impact for the capacity development / INSET programmes, there is a need for sustained fiscal resources. Impact INSET programmes take times and are progressive; STEM model school programmes have proved popular with learners and have led to a surge in enthusiasm for creative and innovative ways of learning science and mathematics for sustainable development and based on the need to solve real world problems. Some schools and students have initiated projects in STEM such as water bottling, and the production of detergents and bleaches, farming, construction of biogas plants to reduce the amount of wood fuel that schools consume with a view to conserving the environments, among others.

Recommendations and Way Forward: The Government should give focus to STIs and resources, improve institutional capacities and rapidly develop the human resource capacities necessary for performance as per the spirit and letter of Kenya Vision 2030. The focus should also be on setting clear goals and monitoring their achievement.

ENERGY TECHNOLOGIES PROGRAMMES

Location: Nationwide

Objective: To facilitate research into the country's non-renewable and renewable energy mix for industrialisation and development.

Implementing Agencies: Ministry of Energy (MOE), NACOSTI, National Research Fund (NRF), Kenya Industrial Research and Development Institute (KIRDI), Universities.

Progress: During the review period, a secretariat was set up to oversee the activities towards the establishment of a nuclear energy facility. To build capacity for nuclear energy, young graduates from the University of Nairobi were undergoing a Master's degree programme in nuclear energy in South Korea, 11 in KEPCO while 11 were available for study in Slovakia. However, the establishment of a Centre for Nuclear Research for Peaceful Applications, the Kenya Institute of Oil and Gas; and the Kenya Institute of Mining and Geology did not take off during the period as envisaged.

Challenges and Lessons Learnt: Inadequate financing

Recommendations and Wayforward: Provide adequate funding.

Establishment of a Centre for Nuclear Research for Peaceful Applications

Location: University of Nairobi

Objective: The core mandate of the Research Centre was to sustain peaceful applications of nuclear energy for power generation, for isotopes in industries, groundwater resource management, medicine for cancer treatment and agriculture. The Centre would

Amiad Filtration unit in Galana

also conduct research in spent fuel processing, and safe disposal of nuclear waste.

Implementing Agency: Ministry of Energy (MOE), Nuclear Power and Energy Agency (NUPEA).

Challenges and Lessons Learnt: Inadequate funding

Recommendations and Way Forward: There is need for funding to accelerate the setting up of the centre as an additional non-renewable source of energy.

Establishment of the Kenya Institute of Oil and Gas (KIOG) and the Kenya Institute of Mining and Geology

Location: Nationwide

Objective: The goal of the project was to provide skills in petroleum and mining industry to enable workers and enterprises to improve productivity.

Implementing Agency: Ministry of Energy (MOE)

Project Progress: The legal framework for establishing the Kenya Institute of Oil and Gas, and Kenya Institute of Mining and Geology were put in place. However, establishment of the Kenya Institute of Oil and Gas and the Kenya Institute of Mining and Geology did not take off during the period as envisaged.

Challenges and Lessons Learnt: Inadequate relevant skills at TVET and University levels for emerging sectors such as Oil, gas, earth minerals; Inadequate funding.

Recommendations and Way Forward: Put in place the mechanisms for setting up of a legal framework for establishing Kenya Institute of Oil and Gas, and Kenya Institute of Mining and Geology. Create more skills inorder to achieve more targets.

SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICAL (STEM) PROGRAMMES

Location: Nationwide

Objective: To enhance the capacity of education and training institutions to provide high quality STEM education.

Implementing Agencies: Ministry of Education (MoEd), NACOSTI, NRF, Universities, Kenya National Bureau of Statistics (KNBS), KENIA, Public Service Commission (PSC), Ministry of Labour and Social Protection (MoL&SP).

Progress: Pan African University Institute of Basic Sciences, Technology and Innovations at JKUAT was established to undertake capacity building in STEM; establishment of three (3) Centres of excellence under the Southern and Eastern Africa Higher Education Centres of Excellence project (ACE II) at Egerton, Moi and Jaramogi Oginga Odinga Universities. NACOSTI has been creating awareness on STEM education thus strengthen the STEM programmes.

Challenges and Lessons Learnt: Inadequate financing.

Recommendations and Wayforward: Adequate financing required.

Kenya Advanced Institute of Science and Technology

Location: Konza Technopolis (Machakos)

Objective: The objectives of the university are to provide high-quality education in Science and Technology so as to generate high-skilled engineers and scientists with both theory and practical knowledge, and to conduct socially relevant research and development to improve national competitiveness and transform Kenya into an industrialized middle-income economy as envisioned in Kenya's Vision 2030 blueprint.

Implementing Agencies: Ministry of Education, Ministry of ICT and NACOSTI.

Project Progress: The Government of Kenya is establishing Kenya Advanced Institute of Science and Technology (KAIST) with support from the Export-Import Bank of Korea (Korea EXIM). KAIST is being established as a graduate-only institute of national strategic importance with a curriculum that is different from those being implemented by existing universities. Emphasis is on Applied Science and Technology, problem-solving skills and hands-on experience rather than traditional textbook learning. Initially, the University will have faculties whose core programs include; Mechanical Engineering, Electrical Engineering, ICT Engineering, Chemical Engineering, Civil Engineering, Agricultural Engineering/Biotechnology and Basic Science Education such as Mathematics and Physics.

The Government of Kenya and the Government of South Korea signed a Memorandum of Understanding (MOU) on May 31st, 2016 paving way for discussions towards securing funds for the project. Consequently, a loan agreement was signed in December, 2017 and further, conditional precedence met, legal opinion issued and the loan facility of US$ 136,392,000.00 from the Economic Development Cooperation Fund (EDCF) Korea was declared effective for the establishment of Kenya Advanced Institute of Science and Technology (KAIST), a key flagship project of Vision 2030.

The State Department of University Education & Research (SDUE&R) which is the Project Executing Agency (PEA) appointed Konza Technopolis Development Authority (KoTDA) in January 2017 to take up the overall responsibility for coordination of the project, specifically the procurement of design consultants and contractor as well as the supervision of the construction phase.

KEXIM bank approved advanced procurement process and forwarded a long list of prequalified consultants enabling KoTDA to issue Expression of Interest (EOI) in May 2017. Consequently, a list of four (4) shortlisted consultants from the EOI stage were submitted and approved by KEXIM through in August 2017 in accordance with the EDCF guidelines paving way for Request for Proposal (RFP) stage to commence.

Challenges and Lessons Learnt: Inadequate infrastructure and equipment for research, higher education and training institutions especially for physical sciences; an imbalance between the number of students studying science and arts-based courses and disparities in gender and regions.

Recommendations and Way Forward: Adequate infrastructure and equipment for research, higher education and training institutions especially for physical sciences.

Repackage STEM in Education and Training

Location: Nationwide

Objective: To promote experiential learning, innovation, creativity and attraction to STEM related disciplines through well-coordinated programmes in education, R&D and Training in all aspects of ST&I at all levels starting from Early Childhood to Primary and Secondary Education levels up to University.

Implementing Agencies: Ministry of Education, NACOSTI and CEMASTEA).

Project Progress: R&D and Training in all aspects of ST&I; The number of students who were placed by Kenya Universities and Colleges Central Placement Service (KUCCPS) for STEM subjects increased from 30,411 in 2014 to 38,543 in 2016. In addition, the Ministry of Education (MOE) through the Centre for Mathematics, Science and Technology Education (CEMASTEA) designated a total of 102 secondary schools from all the counties as STEM Model schools in the FY 2016-17. This was done to support the schools to become model centres of excellence in STEM Education and spark students' interest in STEM education. Further, the schools would create an environment that enables students to apply knowledge in STEM to make connections between school, community, work and global enterprise; and challenge them to provide solutions to environmental and societal problems. During the FY 2016-17, the MOE provided STEM Model schools with mathematics, science, and ICT equipment such as Robotics Kits, laptops and cameras worth 32 million to use in teaching and learning as well as tools in the creation of a culture and environment that promotes STEM. An additional Ksh. 72 million was spent on such equipment supplied to the schools in the FY 2017-18. In the same period, CEMASTEA trained 329 teachers on STEM interdisciplinary approach to enhance their pedagogical skills to enact teaching that promotes STEM education.

CEMASTEA is committed to providing resources for teachers to support their learning and practice. In the FY 2017-18 CEMASTEA developed a portal through which teachers can access support materials and submit their assignments.

Challenges and Lessons Learnt: Financial challenges in equipping institutions to offer STEM; attracting female students to STEM across the various education levels.

Recommendations and Way Forward: Continue engaging the private sector and development partners to support equipping institution for STEM education to attract female students.

Integration of Science, Technology and Innovation in Education Management

Location: Nationwide

Objective: To link all education related Agencies in the public and private sectors through the establishment of a Sector Wide Education and Training Management Information System.

Implementing Agency: Ministry of Education

Project Progress: This project had not kicked off
Challenges and Lessons Learnt: Weak knowledge management information, weak coordination mechanisms and inadequacy in accountabilities for results.

Recommendations and Way Forward: Avail strong knowledge management information, Higher level attention and coordination where the lead agency also has the institutional capability and resources; clear accountabilities for results as well as effective monitoring and follow through mechanisms.

Conduct A National Skills Inventory And Audit For St&I

Location: Nationwide

Objective: To increase the number of researchers, scientists and engineers for the industry and also conduct an audit on the existing SET skills and the requirements for the country and draw up a strategy for closing the gap.

Implementing Agencies: Ministry of Education and NACOSTI

Project Progress: Design for a national ST&I Statistics Observatory for capturing, developing, sharing and storing national ST&I information was developed.

Challenges and Lessons Learnt: Lack of funding to conduct the National Audit; lack of a harmonized skills development framework.

Recommendations and Way Forward: Adequate funding, seek to understand the motivations to increase the researchers, scientists and engineers for the industry.

Coordination of The Technology Innovation And Commercialization Programme

Location: Nationwide

Objective: To develop an effective innovation system and harness the potential offered by modern science for social and economic advancement.

Implementing Agencies: Ministry of Education (MoEd), KENIA, NRF, Kenya Intellectual Property Institute (KIPI), KIRDI, Universities.

Project Progress: The design for a National ST&I Statistics Observatory was developed for capturing, developing, sharing and storing National ST&I information. In addition, a scheme for awarding outstanding scientists was developed during the period under review. The National Research and Development survey and African Science Technology and Innovation Indicators Survey (ASTII) were also undertaken. The ASTII survey provided a framework for responding to the socioeconomic challenges facing the continent on ST&I issues. The Innovative Technology Transfer System was on course for the development of a 10-year master plan for science and technology parks and the establishment of two science parks with an allocation of Kshs 312 Million at the end of MTP II. The project was yet to be completed at end of MTP II.

Challenges and Lessons Learnt: Inadequate funding.

Recommendations and Way Forward: Provision of adequate funding.

County Technology and Innovations Delivery Services Programme

Location: All Counties

Objective: To deliver Science, Technology and innovation advisory services to counties.

Implementing Agencies: MOEd, KENIA, NRF

Project Progress: No progress was reported on the County Technology and Innovations Advisory and Prospecting Centres at county level.

Challenges and Lessons Learnt: Slow initiation of the programme.

Recommendations and Wayforward: Fast track development of the programme.

Establishment of the Kenya National Innovation Agency (KENIA)

Location: Nationwide

Objective: To operationalize KENIA as provided for in the Science, Technology and Innovation Act, 2013.

Implementing Agencies: Ministry of Education

Project Progress: The Kenya National Innovations Agency (KENIA) was established by ST&I Act 2013 and operationalized in 2016.

Challenges and Lessons Learnt: Lack of awareness
Recommendations and Wayforward: Creation of awareness to facilitate more innovation.

Establishment of County Technology and Innovations Advisory and Prospecting Centres

Location: Nationwide

Objective: To deliver science, technology and innovation advisory services to counties.

Implementing Agencies: MOE, KENIA, Research Institutions, Universities, Collaboration Partners, County Governments.

Project Progress: No progress was reported on the County Technology and Innovations Advisory and Prospecting Centres at county level.

Challenges and Lessons Learnt: Inadequate funding

Recommendations and Wayforward: Need to provide funding for the project.

Develop and Transfer County Specific Technologies

Location: Nationwide

Objective: To deliver science, technology and innovation advisory services to counties

Implementing Agencies: MOEd and NRF

Project Progress: No progress was reported on the development and transfer of county specific technologies.

Challenges and Lessons Learnt: Low level of prioritization in County programs.

Recommendations and Way Forward: Integrate the project in the County Integrated Development Plans (CIDPs).

BIOTECHNOLOGY AND BIOSCIENCES PROGRAMMES

Location: Nationwide

Objective: To build Kenya's capacity to develop and safely apply Biotechnology, and Biosciences including Synthetic Biology and Regenerative Medicine.

Project Progress: Following the approval of the National Biotechnology Policy in 2006, the Biosafety Act was enactment in 2009, The National Biotechnology Awareness Strategy (BIOWARE) programme has been sensitizing on safety of genetically modified crops. In 2016 NACOSTI started a conversation on synthetic biology in the country.

Challenges and Lessons Learnt: Slow progress due to lack of awareness

Recommendations and Way Forward: There is need to create awareness inorder fast track the programme.

Biotechnology Policy and Legal Framework

Location: Nationwide

Objective: To review the existing Biotechnology policy, legal and regulatory framework (National Biotechnology development policy and Biosafety Law) and develop a new policy, legal, regulatory and institutional framework for the governance of Biological/life Sciences.

Implementing Agencies: MOE, NACOSTI, State Law office; Universities & Research Institutions.

Project Progress: National biotechnology development policy was reviewed in FY 2017/18.

Challenges and Lessons Learnt: Inadequate funding.

Recommendations and Way Forward: Provide the requisite funding.

Establish Centres of Excellence in Biotechnology Research in Research and Higher Learning Institutions

Location: Nationwide

Objective: To identify and equip Biotechnology Research laboratories in research and higher learning institutions.

Implementing Agencies: MOE, NACOSTI, Universities & Research Institutions.

Project Progress: Draft Bioscience policy developed in FY 2015/16; Draft Biosecurity Policy was scheduled to be curved out in 2019.

Challenges and Lessons Learnt: Slow progress due to policy development process.

Recommendations and Way Forward: Fast track the process of policy development.

Development of Human Capacity for Biotechnology Research and Product Development

Location: Nationwide

Objective: To develop a critical mass of a competent human resource for the development and application of Biotechnology.

Implementing Agencies: MOE, NACOSTI, Universities & Research Institutions

Project Progress: Several courses in universities on biotechnology introduced in the past 5 years have not kicked off.

Challenges and Lessons Learnt: Inadequate financing.

Recommendations and Way Forward: Avail more funding for the programme.

Public Education and Awareness on Biotechnology and Biosciences

Location: Nationwide

Objective: To educate the public and create awareness on the whole subject of Biotechnology and Biosciences.

Implementing Agencies: MOE, NACOSTI, Universities & Research Institutions.

Project Progress: BIOAWARE program was initiated about 2012 by the Ministry of Agriculture but later on was taken up by NACOSTI and implementation has been ongoing albeit slow.

Challenges and Lessons Learnt: Inadequate funding

Recommendations and Way Forward: Provide funding for the project.

Delivery of genetically modified (GM) crop varieties for commercial production by Kenyan farmers

Location: Nationwide

Objective: To facilitate the commercialization of genetically modified crop varieties as products of modern Biotechnology.

Implementing Agencies: NACOSTI, National Biosafety Authority (NBA), NRF, Kenya Agricultural and Livestock Research Organization (KALRO) – formerly Kenya Agricultural Research Institute (KARI), Kenya Plant

Health Inspectorate Service (KEPHIS) and National Environment Management Authority (NEMA).

Project Progress: A key achievement during the period was the approval for Bt cotton and Bt maize for environmental release to conduct National Performance Trials (NPT) in Year 2016. Subsequently, Bt cotton was approved for commercialization in Kenya in January 2020 while Bt maize is currently undergoing NPT tests in six regions in the country.

Challenges and Lessons Learnt: Low literacy levels on GMO matters in the country making adoption of new technologies a challenge.

Recommendations and Way Forward: Further education and awareness programs to Kenyans on GM crops.

TELECOMMUNICATIONS, ELECTRONICS AND COMPUTERS TECHNOLOGIES PROGRAMME

The Kenya Electronics Telecommunications and Computing Research Institute (KETCRI)

Location: Nationwide

Objective: To establish a national Electronics Telecommunications and Computing Research Institute to advance the formulation of innovative ideas; development of new techniques; and train professional individuals in the area of Electronics, Telecommunications and Computing to ultimately enhance social and economic aspects of the modern society.

Implementing Agencies: MOICT, MOLHUD, MOTI, MOE, ICT Board.

Project Progress: The project had not taken off.

Challenges and Lessons Learnt: Lack of Financing

Recommendations and Way Forward: Provide funding for project.

Software Development and Commercialisation

Location: Nationwide

Objective: To ensure that Kenya develops its software application locally in order to ensure that the software available in the market are transaction based for easier and more effective use.

Implementing Agencies: MOICT, MOLHUD, MOTI, MOE, ICT Board.

Project Progress: The project had not taken off.

Challenges and Lessons Learnt: Inadequate financing.

Recommendations and Way Forward: Provide funding for project.

Manufacture of Electronic Devices

Location: Nationwide

Objective: To increase the use of Kenyan manufactured electronic devices in order to make them cheaper and more available to the local users. KETRCI was to develop electronics, telecommunications and computing equipment and devices.

Implementing Agencies: MOICT, MOLHUD, MOTI, MOE, ICT Board

Project Progress: The project had not taken off.

Challenges and Lessons Learnt: Inadequate financing.

Recommendations and Way Forward: Provision of funding for the project.

Baseline Survey and Assessment of National ICT Capacity / Readiness

Location: Nationwide

Objective: To address current and future market needs in ICT by comprehensively identifying existing knowledge/ skills, supportive infrastructure as well as other related gaps.

Implementing Agencies: MOICT, MOLHUD, MOTI, MOE, ICT Board.

Project Progress: The project had not taken off.

Challenges and Lessons Learnt: Inadequate financing.

Recommendations and Way Forward: Provide funding for project.

Nano-Sciences, Material Science and New Production Technologies Space Science Technology Development Programme

Location: Nationwide

Objective: To establish endogenous capabilities for nanoscience and nanotechnology interfacing among applied physics, chemistry and life sciences.

Establishment of Kenya Institute of Nanotechnology (KIoN)

Location: Nationwide

Objective: To establish Endogenous capabilities for nanoscience and nanotechnology; To provide a legal framework for the centre.

Implementing Agencies: Ministry of Education, National Commission for Science, Technology and Innovation (NACOSTI), Universities and Research Institutions.

Project Progress: Key policy and legal reforms undertaken - Nanotechnology Policy developed by June 2015, The construction of the centre did not take off.

Challenges and Lessons Learnt: Inadequate financing

Recommendations and Way Forward: Provide funding for project.

Establishment of National Physical Science Research Laboratory for Engineering and New Production Technology

Location: Nationwide

Objective: To promote research; to also provide infrastructure and equipment for research that will deliver cutting edge physical science solutions from small equipment and research tools to large projects in need of complex design and fabrication.

Implementing Agencies: National Commission for Science, Technology and Innovation (NACOSTI – formerly NCST&I), Ministry of Lands, Housing and Urban Development (MOLHUD), Ministry of Transport and Infrastructure (MOTI), Ministry of Education (MoE).

Project Progress: The strategy for the implementation of the National Physical Science Research Laboratory for Engineering and New Product Technologies were developed in FY 2015/16 and the laboratory was designed. There was no progress during the period for the establishment of Kenya Institute of Nanotechnology which was part of the MTP II's target.

Challenges and Lessons Learnt: Delayed development of a formal, comprehensive and integrated national policy (Sessional Paper) on ST&I for the country;

NYS Director General inspecting equipment for technical & vocational training.

inadequate funding, inadequate infrastructure and equipment for research, higher education and training institutions especially for physical sciences.

The innovation potential of the Kenyan youth to initiate and grow software development as an industry in Kenya is improving and ought to be exploited, the establishment of the National Space Agency has the potential to contribute to the development and application of space technology, and Synthetic Biology, Stem Cell research and regenerative medicine is an incredible area of science that is extending therapeutic possibilities for previously incurable diseases.

Recommendations and Way Forward: Exploit the innovation potential of the Kenyan youth to initiate and grow software development as an industry in Kenya, Utilize the Synthetic Biology, Stem Cell research and regenerative medicine as an incredible area of science for extending therapeutic possibilities for previously incurable diseases.

The Natural Products Programme

Location: Nationwide

Objective: To enhance domestic innovation culture and develop Kenyan unique products that meet international standards. It also aims at building a vibrant natural products industry through development of an effective interface between indigenous knowledge and ST&Is.

Implementing Agencies: NMK, NEMA, NACOSTI, KEMRI, KENIA, Kenya Association of Manufacturers (KAM), KIRDI, Technical and Vocational Education and Training (TVET) Institutions.

Project Progress: Activities to implement this Programme including documenting and profiling of indigenous knowledge have not taken off.

Challenges and Lessons Learnt: Inadequate financing.

Recommendations and Way Forward: Harness natural products for industrial production requires substantial investment in natural products research.

Strengthening Technical Capacities and Capabilities

Location: Nationwide

Objective: To strengthen ST&I capacities and capabilities to support the key national transformation areas.

Implementing Agency: Ministry of Education (formerly Ministry of Higher Education, Science and Technology MoHEST).

Project Progress: A national ST&I indicator survey was conducted, the report shared with stakeholder for validation and disseminated. Sessional Papers and Bills on ST&I, University Education and Technical, Vocational Education Training (TVET) were approved and enacted. Pilot surveys were also initiated under the African Science, Technology and Innovation Indicators Initiative (ASTI). Science and Technology Parks (STP) policy was developed during the period under review. Other milestones realized in the ST&I strategic area included the gazetting of the Bio-safety Act and Regulations, establishment of the National Biosafety Authority and a National Science, Technology and Innovation Fund.

Challenges and Lessons Learnt: Delayed development of a formal, comprehensive and integrated national policy (sessional paper) on ST&I for the country.

Recommendations and Way Forward: The pace of implementation needs to be fast tracked to enable the transformation that the country needs to undergo.

Developing a Highly Skilled Human Resource Base

Location: Nationwide

Objective: To develop a highly skilled human resource base for appropriate application for ST&I.

Implementing Agency: Ministry of Education (formerly Ministry of Higher Education, Science and Technology MoHEST).

Project Progress: A National Manpower Survey was conducted in FY 2010/2011 to facilitate the development of a highly skilled human resource base. A national study on the existing Science, Engineering and Technology (SET) skills was also launched and a framework for increasing gross enrolment in Universities and TVET institutions developed during the period under review. A curriculum review of SET courses was also initiated in FY 2011/2012. Training needs assessment for Business Process Outsourcing (BPO) and Knowledge Process Outsourcing were conducted during the MTP I period. Capacity building in Intellectual Property Rights (IPR) and opening of IPR offices/desks in institutions of higher learning was undertaken during the period.

Challenges and Lessons Learnt: Delayed development of a formal, comprehensive and integrated national policy (sessional paper) on ST&I for the country.

Recommendations and Way Forward: Develop a formal, comprehensive and integrated national policy (sessional paper) on ST&I for the country; give ST&Is focus and resources; improve institutional capacities; and rapidly develop the human resource capacities necessary for performance as per the spirit and letter of Kenya Vision 2030. The focus should also be on setting clear goals and monitoring their achievement.

Intensification of Innovation in Priority Sectors

Location: Nationwide

Objective: To promote and support innovation in key sectors.

Implementing Agencies: Ministry of Education (formerly Ministry of Higher Education, Science and Technology MoHEST).

Project Progress: A total of Ksh. 400 million was disbursed as research grants to identified researchers during the MTP I period as one of the measures of nurturing and promoting innovations in priority sectors. Research grants worth Ksh. 400 million were also disbursed annually, and an award scheme for recognition of Kenyan scientists established during the MTP I period as part of the mechanisms for promoting innovation in the country. The review was aimed at transforming the TVET curriculum into a modular curriculum that is in synch with labour market demands. The Kenya National Innovation Agency (KENIA) was established.

Challenges and Lessons Learnt: The slow pace of development of innovations, lack of trust by young Kenyan innovators in the innovation Agencies.

Recommendations and Way Forward: Focus on development of content and innovation by exploring strategies to promote innovation within institutions of higher learning, private sector and entrepreneurs. Enhance a trust awareness to young Kenyan innovators in innovation agencies.

Enhancing Science, Technology and Innovation awareness

Location: Nationwide

Objective: To create awareness on the importance and application of ST&I in socio-economic development.

Implementing Agency: Ministry of Education (formerly Ministry of Higher Education, Science and Technology MoHEST).

Project Progress: Annual national and regional technology exhibitions spearheaded by NACOSTI were held as part of efforts towards enhancing awareness on Science, Technology and Innovation (ST&I). More than four roundtable forums touching on various issues of ST&I were also held during the MTP I and II periods.

Challenges and Lessons Learnt: Inadequate financing to carry out nationwide awareness creation campaigns; inadequate infrastructure and equipment.

Recommendations and Way Forward: There is need to explore partnerships with like-minded institutions.

Strengthening the ST&I Performance Management Framework

Location: Nationwide

Objective: To develop and implement a performance framework, tools and instruments for ST&I management.

Implementing Agency: Ministry of Education (formerly Ministry of Higher Education, Science and Technology MoHEST).

Project Progress: The MTP I target was to expand access to equitable, quality and relevant higher education and TVET. In this respect, a Pan African University of Science, Technology and Innovation (PAUSIT) and six new technical university colleges were established. In addition, 48 workshops and laboratories were constructed in selected TVET institutions under the ESP. Accelerated admissions into public universities were also implemented. The Kenya Technical Teachers College and nine other regional centres of excellence were rehabilitated and upgraded as part of the mechanisms for expanding access, and enhancing equity, quality and relevance of higher education and TVET. Further, 13 new technical training institutions were constructed across the country and 11 technical training institutions provided with state-of-the-art equipment. Further, ST&I Policy was developed and ST&I Bill enacted.

Challenges and Lessons Learnt: Delayed development of a formal, comprehensive and integrated national policy (sessional paper) on ST&I for the country.

Recommendations and Way Forward: There is need for fast tracking the implementation of the various developed tools whilst also developing the remaining tools.

Policy, Legal and Institutional Reforms

Location: Nationwide

Objective: To promote timely implementation of programmes and projects various Policies, Legal and Institutional Reforms were to be undertaken.

Implementing Agencies: Relevant Ministries and Agencies, State Law Office.

Biosciences Policy and Bill: The policy is for governing the entire Biosciences sub sector including Biosecurity, Bio Economy, Biomedical, Bioinformatics and other related life sciences.

Atomic Energy Policy and Bill: This would address statutory and operational issues of nuclear electricity power generation, peaceful application of nuclear science in all sectors of the economy and services, nuclear waste management and security, radiation protection and adherence to international and regional treaties and agreements.

Kenya Institute of Nanotechnology legal framework: The framework was to provide for broad strategic areas in line with Vision 2030 for investing in nanotechnology.

Kenya Space Science and Technology policy and bill: This would set the platform for establishing a national space programme.

Natural Products Policy and Bill: This would create an institutional set-up that will serve as the primary custodian of the natural products industry by strategically promoting, directing and coordinating all the activities of the multiple and diverse players in the knowledge and product value chain.

Project Progress: The Science, Technology Innovation Policy was finalized and the Science, Technology Innovation Act (2013) enacted. However, ST & I Policy has not been translated into a Sessional paper. Sessional paper and bill on Technical, Vocational Education and Training (TVET) was enacted and implemented during the period., the Science and Technology Parks Policy was developed and the Biosafety Authority (NBA) initiated which culminated in the review of the Biosafety Act, 2009 during the period; Biosciences Policy and Bill, Atomic Energy Policy and Bill, Nanotechnology policy, Kenya Space Science and Technology Policy and Bill and the Natural Products Policy and Bill were done; Kenya National Innovation Agency (KENIA), National Research Fund (NRF), National Commission for Science, Technology and Innovation (NACOSTI), and Kenya Space Agency were established.

Challenges and Lessons Learnt: Although there was significant progress made in the implementation of proposed legal reforms during the review period, there was still much to be done in order to address identified bottlenecks that potentially undermine progress in nearly all the sectors. The speed of development, review and approval by Cabinet and the subsequent enactment of laws by Parliament were slow and thus slowed down the pace of reforms.

Recommendations and Way Forward: The Government should endeavor to accelerate the development, approval and implementation of the various policy, legal and institutional reforms key to the achievement of the projects.

LAND REFORMS

"Globally Competitive Sustainable Land Management"

Land is an important factor of production. This is because it provides the foundation for all other activities such as agriculture, industries and mining, housing and urban development, public health water and sanitation. Apart from its economic importance, land in Kenya has cultural value. This factor makes it one of the most sought-after resources and therefore makes it one of the major sources of conflict. Reforms in this sector were to consider issues concerning land ownership and administration, security of tenure, land use and development, and environmental conservation. Land management policies should in addition take into full account the increasing population, environmental sustainability, and the vagaries of global climate change.

Land is a key driver of rapid economic transformation. For this reason, the Kenya Government prioritizes upgrading policies and programme covering overall land use, security of tenure, wider access to land titles, and transparent and secure land registration system. Secure access to land, proper land use planning, and equitable access to land are essential ingredients to food security, growth in investments and industries and improved general household incomes given the country's reliance on agriculture.

National Processing and Registration of Title Deeds

Location: Nationwide

Objective: To ensure speedy processing and registration of land title deeds. In accordance with the Land Registration Act, 2012, a National Land Title Register was to be established, which will contain all land in the country. This involves geo-referencing all parcels of land, conversion of existing land under various registration statutes to the above Act, transfer of converted records to county registries and issuance of both hard copy and digital certificate of titles.

Implementing agencies: National Land Commission and Ministry of Lands and Physical Planning.

Project Progress: Under MTP I 435,650 title deeds were registered and issued while 90 land adjudication sections were finalized. During the MTP II period, 24,851 plots of land were geo-referenced and land titles for 102,995 parcels were finalized. Further, 4.1 million titles were registered and 643,546 issued.

Challenges and Lessons Learnt: Late release of exchequer and austerity measures resulting to budgetary cuts that affected registration and issuance of land title deeds. In addition, inefficiencies of manual land records system, huge backlog of land adjudication disputes, inadequate transport in the county registries, ever increasing pending bills have been a problem.

Recommendation and Way forward: Provide adequate financial resources, more focus should be put on building of systems and capacities to enhance processing and registration of land titles deeds.

National Land Management Information System (NLMIS)

Location: Nationwide

Objective: To develop a transparent, decentralized, affordable, effective and efficient GIS based Land Information Management System. This entails digitization of Maps and land records for creation of publicly accessible land registries, under an improved governance framework. It will involve development of a GIS based land registries for easier storage and retrieval of land documents. Development of a GIS based National Land Information Management System (NLIMS) will go a long way in meeting the targets of Construction of land registries for secure storage of land records, reconstruction of worn-out land records and provision of Kalamazoos for secure physical storage of land records.

Implementation of this project will contribute to poverty reduction, good governance and improved security of tenure. In addition, the system was to enhance efficiency and effectiveness in the delivery of services for all Kenyans, especially the poor. Further, the system was to enable the capture, management and analysis of geographically referenced land-related data in order to produce land information for decision-making in land administration and management. Investments would therefore, be directed at revamping the recording system, revising the land maps and computerization of the land registries to reduce the amount of time taken in service delivery.

Implementing agencies: Ministry of Lands and Physical Planning, MoICT and National Land Commission.

Project Progress: Towards this end, details of 150,000 Government leased plots were captured into the system while a Land Records Conversion Centre (LRCC) for digitizing the land records was established at the Ministry of Lands headquarters. An electronic Records Management System was also acquired and installed at the Ministry headquarters while the Integrated Land Rent Information System was developed and implemented. The National Geodetic Framework was modernized by constructing 13 zero order Pillars/ Stations. Local Area Networks (LANs) were installed in Thika, Nakuru, Isiolo and Kisumu Ardhi houses to ensure ease of communication and sharing of land information. Overall, 25 per cent of the National Land Information Management System was developed during the MTP I period. The development of this System was progressing slowly and was at 35 per cent completion due to inadequate funds. However, during the review period, the Ministry developed e-archive and title printing system; and established a national bulk titling centre to fast track the issuance of title deeds. The national one stop titling centre was launched in Nairobi on February 2015 by H.E. President Uhuru Kenyatta. The centre offers services including land surveys, adjudication and registration within sixteen (16) days from the previous seventy-three (73). It is connected electronically to key Ministry Departments and it has a capacity of processing 12,000 titles per day.

Challenges and Lessons Learnt: Insufficient funding, demerits associated with management of manual land records system; and inadequate capacity technical in land administration and management.

Recommendation and Way Forward: Implementing agencies should provide adequate financial resources and more focus on building the systems and technical capacities.

Modernisation and Digitization of Land Registries

Location: Nationwide

Objective: To construct, rehabilitate and equip land registry offices to enhance security of land information and in readiness for the implementation of the NLIMS.

Implementing agencies: Ministry of Lands and Physical Planning, MoICT

Project Progress: Seven land registries, and a banking hall in the Ministry of Lands headquarters were constructed during the MTP I period against a target of 16. This represented a performance of 56.25 per cent. The seven registries were constructed in Bondo, Siaya, Uasin Gishu West, Isiolo, Meru, Lamu and Trans Nzoia. A further 19 registries were rehabilitated against a target of 16, representing an over-achievement of 18.8 per cent above the MTP I target. The registries rehabilitated included those in Kericho, Kwale, Nyeri, Kajiado, Garissa, Mandera, Koibatek, Kisumu, Kisii, Naivasha and Migori. Others were in Kiambu, Nakuru, Ugenya, Bomet, Central Registry (Nairobi) and Nairobi Registry. During the MTP II period, mapping of areas for the establishment of land registries was carried out in liaison with county Governments.

Challenges and Lessons Learnt: Inadequate resources, inadequate technical capacity in land administration and management and manual land records.

Recommendation and Way Forward: Digitize land records; timely release of exchequer to ensure implementation of programmes and projects.

National Land Use Master Plan

Location: Nationwide

Objective: This project entails the development of national, regional and local area land use plans through an integrated and participatory process.

Implementing agencies: Ministry of Lands and Physical Planning, National Land Commission

Project Progress: A total of 338,581 land parcels captured.

Challenges and Lessons Learnt: Insecurity along the international boundaries; and inadequate funding.

Recommendation and Way Forward: Enhance sufficient security along the international boundaries and provide adequate funding.

Land Ownership Document Replacement Programme

Location: Nationwide

Objective: To fully support the replacement of land ownership documents for those affected by the 2007 Post-Election crisis. Where appropriate, the Government will waive the gazetted land ownership documents fees but only after conducting thorough verification in line with the laws governing land in the country.

Implementing agencies: Ministry of Lands and Physical Planning; National Land Commission

Project Progress: Electronic Document Management System (EDMS) was acquired and installed.

Challenges and Lessons Learnt: Manual land records

Recommendation and Way Forward: Digitize all land records and provide more budgetary allocation.

National Spatial Plan

Location: Nationwide

Objective: To prepare long-term framework to guide the sectoral integration and rationalization of the social, economic and territorial development of the country.

Implementing agencies: Ministry of Lands and Physical Planning; National Land Commission

Project Progress: The National Spatial Plan (NSP) was formulated, discussed publicly and launched.

Challenges and Lessons Learnt: Inadequate technical capacity and funding.

Recommendation and Way Forward: Provide sufficient funding to build capacity and support implementation of NSP.

County Spatial Plan

Location: Nationwide

Objective: To support preparation of county specific spatial plans through issuance of guidelines.
Implementing Agencies: Ministry of Lands and Physical Planning; National Land Commission. By the end of the period, 1 County - Lamu - had prepared its spatial plan and the preparatory work for the other counties was at an advanced stage. County Spatial Planning and Urban Land Use Planning Monitoring and Oversight guidelines developed.

Prepared Leaders' Guide to county spatial planning and urban land use planning to support sensitization and public education in land use planning.

Prepared an Exemplar Format of county spatial plans to guide the presentation of County Spatial Plans consistent with the expectations of section 110 of the County Governments Act 2012 and the values of good land use planning standard and practices prepared an Annex and Toolkits to county spatial planning in the pastoral areas. The annex summarizes the principles and extra steps required in county spatial planning in areas where pastoral livelihoods are prominent.

Challenges and Lessons Learnt: Inadequate transport in the county land registries, inadequate technical capacities and poor coordination between national and county Government.

Recommendation and Way Forward: Build a National Cadastre which will ensure efficient and effective service delivery, allocation of more funds to enable building of adequate capacity, efficient national cadaster and provision of adequate transport.

Kenya National Spatial Data Infrastructure (KNSDI)

Location: Nationwide

Objective: To develop a national infrastructure for access and use of geospatial information in decision making, establish a modern Geodetic Framework, updating and digitize maps and KNSDI guidelines at local, county and national levels.

Implementing Agencies: Ministry of Lands and Physical Planning; National Land Commission

Project Progress: Geodetic reference points (pillars) were constructed in Kwale, Wundanyi, Bondo and Koibatek, creation of the Nairobi database is complete, while the creation of Kiambu and Mombasa databases is in progress. The construction of the KNSDI Centre was complete.

Challenges and Lessons Learnt: Late release of exchequer and austerity measures resulting to budgetary cuts that affected implementation of programmes and projects and ever-increasing pending bills.

Recommendation and Way Forward: The National Treasury to ensure timely release of exchequer to ensure implementation of programmes and projects.

Land Adjudication and Titling Programme

Location: Nationwide

Objective: To incorporate physical planning, preliminary survey, determination of rights and interest in land, survey of individual plots, publication of maps and issuance of title deeds.

Implementing Agencies: Ministry of Lands and Physical Planning, National Land Commission

Project Progress: This involved the finalization and operationalization of Community Land Bill in order to embark on adjudication and titling of community land; Establishing special community land tribunals working with local leaders to resolve disputes on Community Land; the finalization of land adjudication and settlement programmes in order to ensure the land owners have security of tenure for their land; completing the process of registering and unregistering community land.

In the reviewed period, adjudication of 1,012,256 parcels was registered, finalized and 231 new adjudication sections declared, all public schools were mapped while 762 out of 2,000 title deeds were registered under the public schools titling programme.

Challenges and Lessons Learnt: Demerits associated with the management of Manual land records system i.e. wear and tear, theft.

Recommendation and Way forward: Provide adequate funding to support digitization of land records.

Policy, Legal and Institutional Reforms

Location: Nationwide

Objective: To promote timely implementation of programmes, projects and Policies. Various Legal and Institutional Reforms will be undertaken.

Implementing Agencies: Relevant Ministries and Implementing Agencies, State Law Office.

Policy Reforms

National Land Policy Finalization and implementation: A draft National Land Policy was finalized. The Policy gives the roadmap to land institutional and legal reforms. This would ensure effective, efficient and equitable delivery of services devolution of land administration and management and ensure public participation and accountability. A comprehensive review was to be done to incorporate the emerging issues and the changes that have been brought about by the Constitution of Kenya, 2010.

Finalization of the Kenya National Spatial Data Infrastructure Policy: This would provide an appropriate framework for preparation and implementation of national, regional and local area land use plans and ensure that the planning process is integrated, participatory and meets stakeholder needs.

Comprehensive programme for the registration of title in land throughout Kenya: The advisory is aimed at advising the National Government on a comprehensive programme for the registration of title in land throughout Kenya, in line with Article 67(2) of the Constitution of Kenya 2010 has been published.

Legal Reforms

Preparation of subsidiary legislation and review of the enacted Acts to eliminate any inconsistencies will be undertaken. Land related legislations will be harmonized with the new Land Acts such as the Survey Act Cap. 299. In addition, the Community Land Bill and the Spatial Planning Bill, the Eviction and Resettlement Bill will be finalized and enacted.

Institutional Reforms
National Land Commission

Establishment of the National Land Commission as envisaged in the Constitution of Kenya 2010 with fully functional devolved units in the 47 counties.

Land Reform Transformation Unit

A Transformation Unit has already been established in the Ministry of Lands (MoLPP). This unit will facilitate the implementation of the Land Reform programme as outlined in the National Land Policy.

Local Level Mechanisms for Sustainable Land Rights Administration and Management, this was to involve improving land administration and management issues, developing eviction guidelines, building capacities for Land Control Boards (LCBs) and Land Disputes Tribunals (LDTs). The capacity of the local land administration establishments would be strengthened to deliver efficient and timely services. The National Land Commission would be operationalized, field offices and County Land Management Boards would be established.

Project Progress: The Sessional Paper No.3 of 2009 on National Land Policy was published, the Environment and Land Court Act, 2011, National Land Commission Act, 2012, Land Act, 2012 and Land Registration Act, 2012 were enacted, The Evictions and Resettlement Bill, Spatial Planning Bill and Community Land Bill were prepared;

The National Land Commission was also established, County Land Management boards were established, and Environmental and Land Court Act, Land Act,Land Registration Act and National Land Commission Act

H. E President Uhuru Kenyatta opening Huduma Centre Garissa

were finalized. The development of Community Land Bill, Eviction and Resettlement Guidelines and Rules and Regulations to operationalize the acts were in progress. National Land Use Policy (NLUP) was approved by Cabinet. The Draft KNSDI Policy was prepared, Land Laws (Amendment) Act, 2016 was enacted, the Physical Planning Bill submitted to Parliament, the Survey Act Cap 299 was reviewed, National Land Information Management (NLIMS) standards and guidelines were developed and gazetted, Community Land Act, 2016 was enacted and rules and regulations to operationalize Community Land Act were developed.

Challenges and Lessons Learnt: The speed of development, review and approval by Cabinet and the subsequent enactment of laws by The National Assembly are slow and this slows the pace of reforms. Thus, there is still much to be done to address the impediments that potentially undermine the reform process in project implementation.

Recommendations and Way Forward: The National Assembly and State Law office should put in place mechanisms to accelerate the approval and implementation of the various policies, legal and institutional reforms key to the achievement of the projects.

PUBLIC SECTOR REFORMS

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

Public Sector reforms will be guided by the principles in the Constitution and the Kenya Vision 2030 which bind all public officers to observe the principles of efficiency, human rights and good governance, integrity, transparency, accountability and sustainable development. The sector will be transformed by building and implementing service delivery systems that will not only ensure efficiency, quality, speed, convenience and dignity in service delivery, but also global competitiveness.

Kenya's nationhood and its development are dependent on professional, innovative and efficient public sector whose employees are well remunerated. Its services must be transparent and corruption free.

Public Sector plays a critical role in providing overall policy direction and leadership to the country, initiating national legislation, as well as provision of public services ranging from security, health, education, water and sanitation, to name a few. An efficient, effective, equitable and ethical public sector is vital to the successful implementation of policies, programmes and projects outlined in Kenya Vision 2030 and its Medium-Term Plans (MTPs).

Institutionalization of the Results Based Management in the Public Service

Location: Nationwide

Objective: To deepen results-based management strategies in order to meet citizen expectations. Institutionalization of RBM in the Public Service will continue with a special focus on the County Governments to ensure citizens access quality services in line with the spirit of the Constitution. Current RBM tools that include Rapid Results Initiatives, Performance Contracting, Performance Appraisal System, among others will continue to be implemented.

Implementing Agency: Ministry of Public Service and Gender.

Project Progress: Results Based Management (RBM) in the Public Service saw the institutionalization of RBM in the public service continued during the review period to ensure citizens access quality services. This led to increased focus on results, improved human resource capacity, increased value for money, transparency and accountability in service delivery. Furthermore, the Performance Management initiated performance management training which was undertaken and County Performance Management Framework (CPMF) developed and harmonized with the National Performance Management Framework (NPMF) to improve human resource management in the counties. In addition, over 300 Rapid Results Initiatives (RRI), RBM, and business processes re-engineering coaches were trained on transformational leadership. A total of 303 MDAs and 24 Counties have so far adopted performance contracting.

On Staff Rationalization, a Capacity Assessment and Rationalization of the Public Service (CARPS) programme study was conducted. The study findings revealed, among others, that the public service workforce was ageing with 60 per cent of the public servants aged 45 years and above and would be exiting the service in 10 to 15 years' time. It also revealed that there was a shortage of technical and professional staff. The Sector also developed and launched the Human Resource Planning and Succession Management Strategy to guide in addressing some of the findings of CARPS.

Challenges and Lessons Learnt: Inadequate human resource planning and weak succession management; financial constraints.

Recommendation and Way Forward: Integrated human resource information management system improves efficiency in human resource management; human resource capacity constrains can be addressed through effective and efficient management and rationalization of staff.

Huduma Kenya Integrated Service Delivery Model

Location: Nationwide

Objective: The Huduma Kenya Service Delivery Programme aims at turning around public service delivery by providing efficient and accessible Government services at the convenience of citizens through various integrated (One-Stop-Shop) service delivery platforms, namely

i) Huduma Citizen Service Centres
ii) Huduma web portal
iii) Huduma Mobile Application
iv) Huduma Call Centre and
v) An Integrated Huduma payment gateway

Implementing agency: Huduma Kenya Secretariat

Project Progress: The Integrated Service Delivery model, commonly known as the One-stop-shop model, was implemented by: establishing fifty-two (52) Huduma Centres - one (1) in each of the forty-seven (47) counties, four (4) extra in Nairobi County and one (1) in Kajiado West sub-county, offering one hundred and twenty-seven (127) services and serving over 50,000 customers daily, establishing a Contact Centre that provides information and resolves customer queries and complaints on all National and County Government services, undertaking of over three hundred (300) Huduma Mashinani outreaches across all the 290 sub-counties, developed and released HudumaLife App (Google App Store) and Huduma Online portal (https://hudumakenya.go.ke) that provides information and transactional services and operating a Huduma Integrated payment gateway, commonly known as Huduma Card, for accessing public services, disbursing Government funds and paying for Government services and other payments. During MTP II, Huduma service delivery channels served over fifty-one (51) million citizens, disbursed over Ksh. 200 Million using the Huduma Smart Card and attained ninety-seven (97 per cent) per cent Customer Satisfaction level across the Huduma service delivery channels.

Challenges and Lessons Learnt:
(i) Frequently sought services were not available at the Huduma Centres
(ii) Deployment, disruption, and withdrawal of services by MDACs without consultation with the Secretariat
(iii) Inconsistency in adhering to service delivery charter timelines
(iv) Frequent system downtimes

(iv) Lack of one-stop-shop payment gateway
(v) Inadequate specialized working tools and materials and High MDACs staff turnover, delayed integrations of ICT systems, Inadequate funding has led to inconsistent corrective and preventive maintenance of ICT and physical infrastructure exposing the programme to risks including, safety, security, and cyber-attacks and system downtimes.

Lesson Learnt:
(i) Political goodwill and top leadership support at the National and County Level Government play a crucial role in instituting the widespread change management of deploying the Huduma Kenya Service Delivery Programme at a large scale.
(ii) Inter-ministerial Service Leaders meeting held quarterly resolves service delivery bottlenecks.
(iii) Continuous performance monitoring through performance scorecard enhances the continual improvement of services offered under Huduma Service Delivery Channels. (iv) Kenyans visit Huduma Centre for assisted digital and mobile pathways. Given the significant education, resource, and connectivity gaps among communities, physical Huduma Centres remain crucial in terms of ensuring that all citizens' needs are met.
(v) Continued innovation.

Recommendations and Way Forward:
(i) Institute a Legal framework to establish and govern the one-stop-shop service delivery model to ensure the enforcement of service delivery standards across the Huduma Service Delivery Channels and the across the entire public service
(ii) Increased funding to ensure prompt corrective and preventive maintenance to ensure safety and security
(iii) Continued innovations.

Way Forward:
(i) A Legal Framework for establishing and governing the one-stop-shop service delivery model.
(ii) Support continued innovations.
(iii) Adequate funding for service improvements, corrective and preventive maintenance.
(iv) A forum with the Government leadership to deliberate on cross-cutting matters on service provision.
(v) Enhanced stakeholder management
(vi) Systematic process re-engineering to reduce the number of processes in Government services (vi) Coordinated digitization and automation of services across the entire public to ensure services are available to the citizens 24/07.

Kenya School of Government

Location: Nairobi, Embu, Kabarnet (Baringo), Matuga (Kwale) and Mombasa.

Objective: Establish the Kenya School of Government in order to inculcate public service values and ethics as well as enhance transformative leadership. The school will also be used to promote core competencies for personnel within the public service sector.

Implementing Agencies: Ministry of Public Service and Kenya School of Government.

Project Progress: In the First MTP, the Kenya School of Government (KSG) was established by the KSG Act (No. 9 of 2012). The School is the successor of the former Kenya Institute of Administration (KIA), Kenya Development and Learning Centre (KDLC), and the Government Training Institutes (GTIs) Mombasa, Matuga, Embu & Baringo. The school embarked on integration of their services to offer quality training, consultancy, research and advisory services to Government.

Upgrading of the Kenya School of Government (KSG) started with the development of infrastructural facilities and the curriculum for both national and county Governments' officials. The curricula included programmes such as transformational leadership, management for results, business process re-engineering, public service values and principles, performance management, and information, communication and technology. Focus on training shifted to competency-based training and capacity building for improved service delivery as well as attitudinal change.

The Second MTP placed emphasis on full implementation of devolution in the context of a rapidly growing economy, promoting equity, inclusiveness and employment to meet the needs of the people.

The Plan identified the institutionalization of Results Based Management (RBM) as a key thrust in transformation of the Public Service. Therefore, KSG was expected to observe the principles of efficiency, human rights and good governance, integrity, transparency, accountability and sustainable development in formulation and implementation of all its programs.

The Public Service will be transformed by building and implementing service delivery systems that will not only ensure efficiency, quality, speed, convenience and dignity in service delivery, but also global competitiveness.

KSG has conducted training for all counties on Induction of County Secretaries, HR Management – Procedures and Practices, Payroll Cleansing and Performance Management, Induction of Chief Officers, roll out of the Internal Auditing Function to County Governments, Roll out of the Budgeting Function to County Governments, HSS Induction for CECMs of Health.

Progress in the implementation of School programs;
The School's core functions are Training, Research, Consultancy and Advisory services designed to build capacity and to improve performance and service delivery. Training is the largest business portfolio. The following

milestones were attained: Notable new programs were developed and rolled out including elevation of Certificate of Public Administration to Diploma in Public Administration, development of Ethics and Integrity Program, Women Leadership Development Program and Accounting Officers Program for CEOs of State Corporations, on standardization of programs and materials offered at the School, curricula documenting existing programs were integrated, manuals were developed and continuous capacity building for the training faculty to deliver standard training programs was carried out, a framework for training evaluation was established and implemented and examination and certification processes were standardized and Database for adjunct faculty was created and adjunct faculty trained.

KSG has trained and certified over 70,000 pubic officers in courses in Management, leadership, governance, Ethics, public policy and financial management. KSG has also trained over 20,000 public officers in the integrated Financial Management Systems which was aimed at transformation of the better management of Public Finance.

Milestones in institutional framework and systems

The School implemented a number of programs and processes to strengthen the institutional framework and systems.

Against the set targets for the 2008-2017, the following were achieved: Established Centers of Excellence. These were able to provide advance Training and Consultancy Research, Advisory Services, Public Finance Management, Leadership and Policy and Devolution Studies. Established collaborations and linkages with World Bank, USAID, UNICEF, and UN-Women. The partnership areas covered included Participatory budgeting, Children-friendly budgeting, Fiscal decentralization and Gender responsive budgeting. Participatory budgeting, Children-friendly budgeting, Fiscal decentralization and Gender responsive budgeting. Undertake international consultancy and collaboration assignments, KSG conducted several capacity building consultancies across the African continent, these included Capacity building of the Public Service for Liberia, Capacity building of the Public Service for Sierra Leone, Collaboration with the Uongozi Institute of Tanzania, Capacity building for the Government of South Sudan, Training Impact Assessment of programs that had been undertaken in South Sudan partners and East Africa region research on the state of public service in Africa.

Emerging Issues

There are several developments in the School's operational environment which will have implications on its activities, projects and programs during the MTP II period. These include:

Decline in the budgetary allocation for training.

Reduction of budgetary allocations for training to Government Ministries, Departments and Agencies (MDAs) who are the School's main clientele poses a challenge to the KSG. This is because reduction in training allocations implies the MDAs will sponsor less of their staff for training at the School. This will lead to a strong likelihood of a reduction in enrolment.

In response to decline in budget, KSG will review its fees upwards in order to enhance sustainability of programs and meet its obligations. However, increased fees may reduce the number of participants admitted, thus denying them the opportunity for training and development. This will in the long run affect quality of public service delivery and hamper our contribution to the transformation of the Public Sector.

Public Service Transformation Strategy

Location: Nationwide

Objective: To create an efficient and effective public service with moral and ethical values and ethical standards, and a highly motivated human resource capacity for efficient public service delivery.

Implementing Agencies: Ministry of Public Service; Public Service Commission.

Project Progress: A draft Public Service Transformation Strategy was developed during the period and was finalized during 2016. The system of performance contracting continued during the period including negotiations and vetting of performance contracts of Government MDAs. The performance contracting guidelines were reviewed and capacity building carried out on Performance Management Systems during the period. Performance contracting was rolled out in all Government MDAs, tertiary institutions and in some counties.

The Public Service Commission (PSC) continued to recruit for MDAs and undertook review of organizational structures and staffing levels and ensured positions created were filled by appointing qualified officers to take up the offices.

The Public Service Values and Principles Act, 2015 and regulations were developed and guide PSC in the promotion of national values and principles of governance as well as values and principles of the Public service as mandated by the constitution. The PSC reported annually to the president and parliament on the extent to which values and principles are complied with in the public service as required by the constitution.

Challenges and Lessons Learnt: Slow implementation of the Public Service Transformation Strategy, frequent freezing of recruitment due to unavailability of funds.

Recommendations and Way Forward: Develop a workplan for continuous transformation and avail funding.

Training and Capacity Building

Location: Nationwide

Objective: To create competency-based training and capacity building for improved service delivery.

Implementing Agencies: Ministry of Public Service; Directorate of Public Service Management (DPSM).

Project Progress: An Interdepartmental Technical Committee (IDTC) was appointed to coordinate the programme. Achievements of IDTC included: Human Resource Development Policy and Competency Standards are in place, 2,500 accountants from the national and county Governments were trained on international public sector standards; manuals were developed on public finance management including budgeting and accounting, draft curriculum and training manual for HRM and HRD were developed with coordination from the Kenya School of Government; and curriculum for five results areas were developed, including on HRM&D, performance management, county integrated development planning, monitoring and evaluation and leadership. Capacity building on performance management was also carried out in various counties. The Commission provided technical support to counties on human resources management matters focusing on recruitment, human resource management, discipline and appeals handling.

Challenges and Lessons Learnt: Inadequate funding.

Recommendations and Way Forward: Adequate funding, Continue with competence-based training and capacity building.

Policy, Legal and Institutional Reforms

Location: Nationwide

Objective: To promote timely implementation of programmes and projects various Policies, Legal and Institutional Reforms will be undertaken.

Implementing Agencies: Relevant Ministries and Implementing agencies, State Law Office.

i) Sectoral reform Strategies

Citizen-Centered Policy Review, Citizen Participation and decentralization of service delivery. The Public Service Commission plans to develop a citizen service delivery contact centre which will allow citizens to call for assistance and also give feedback on service delivery. On decentralization of service delivery, plans are underway to decentralize some of the Commission's services to regional level.

ii) Public Finance Management Reform (PFM)

The PFM were initiated in 2005, with the objective of strengthening financial management and enhancing resource utilization across the Government. These reforms were to be finalized and made more comprehensive during the plan period.

iii) Organisational Review

This aim at separating policy formulation, regulatory functions, legal and service delivery across the public sector.

iv) Rationalisation of the National Government

The National Government will be rationalized and reorganized into a lean, efficient organization. The rationalization will also include a review of existing state corporations and enactment of a new legislation to govern the management of State Corporations.

v) Review of Legislation

To recognize electronic records and support Huduma Kenya Integrated Service Delivery and Business Process Re-engineering: Practices, rules, regulations and pieces of legislation governing service delivery processes would be reviewed to allow redesigning of improved processes of service delivery and recognition of electronic records in line with Integrated Service Delivery and Business Process Re-engineering in the Public Service.

The Public Service Commission Act, 2012 and regulations were reviewed to the current PSC Act 2017 and regulations. In addition, a number of human resource management policies were reviewed and aligned to the constitution and the Act.

vi) Policy on Performance Management

To formulate a policy framework that will guide performance of public service institutions in order to operationalize article 190 (3) of the Constitution.

Project Progress: The Transitional Authority was to oversee transfer of functions and staff of national Government and local authorities to county Government was established and operationalized, an operational manual for Salaries and Remuneration Commission (SRC) was developed. The Public Service Commission is in the process of developing the Public Service Performance Management regulations and the Public Service Excellence Award Framework.

A review of public service recruitment and training policy was conducted and a draft recruitment and training policy was developed. The Code of Regulations (COR) was reviewed and harmonized with the Constitution; a manual on Public Service Human Resource policies and regulations was also developed; The VAT Act, 2013, The Excise Act, 2015 and Tax Procedure Code 2015 were reviewed, enacted, the InterGovernmental Relations Technical Committee, InterGovernmental Public Sector Sectoral Forum, InterGovernmental Budget and Economic Council (IBEC) were launched and operationalized, The Public Finance Management Act 2012 was revised in 2015 while PFM (County Government) Regulations, 2015 and PFM (National Government) Regulations, 2015 were issued, The Government enacted Public Procurement and Asset Disposal Act 2015 and Public Audit Act, 2015, Integrated Tax System(iTax) system was rolled out, the Cabinet approved the transformation of the Foreign Service Institute (FSI) into a Semi-Autonomous Government Agency (SAGA), the Africa Union Institute of Remittances was established in Kenya and Kenya Diaspora Policy was launched.

Challenges and Lessons Learnt: Although there was significant progress made in the implementation of proposed legal reforms during the review period, there is still much to be done in order to address identified bottlenecks that potentially undermine progress in nearly all the sectors. The speed of development, review and approval by Cabinet and the subsequent enactment of laws by Parliament are slow and thus this slows the pace of reforms turned over in the review period.

Recommendations and Way Forward: The Government should endeavour to accelerate the development, approval and implementation of the various policy, legal and institutional reforms key to the achievement of the projects.

NYS pass out parade

HUMAN RESOURCE DEVELOPMENT, LABOUR AND EMPLOYMENT

"Provide Every Kenyan with Decent and Gainful Employment"

Kenya aims to create a globally competitive and adaptive human resource base to meet the requirements of Vision 2030. Kenya's main potential lies in (her) people – their creativity, work ethic, education, and their entrepreneurial and other skills. To ensure significant and consistent results, the human resources will be managed, rewarded and steered to develop global competitiveness. To be successful in developing competitiveness, the capacity to utilize knowledge and information in design, production and marketing of traditional exports will be enhanced. This will result in quality human resources in health care, education, and training on improving work performance.

Kenya's global competitiveness will depend on the ability to create a human resource base that will be constantly subjected to re-training and access to technological learning within employment. These specific human resources play a major role in contributing not only to efficiency gains in existing economic activities, but also in diversifying economic sectors and activities in order to realize productivity gains.

Human Resource Planning and Development Program

Location: Nationwide

Objective: To align skills development to the needs of the labour market.

Implementing Agencies: State Department of Labour and Kenya National Bureau of Statistics

Project Progress: The agencies made notable progress in Human Resource Planning and Development. Two important surveys were undertaken - a National Manpower survey to obtain a baseline data on stock of skills in the labour market and a Survey of Training in Local Institutions (STLI) covering Universities, National Polytechnics and Technical Training Institutes (TTIs) to get the flow/supply of skills to the labour market by type and level and establish gaps in these sectors, and National Skills Master-file updated. Additionally, three Sector-Specific Training Needs Analysis (TNA) were conducted in the Agro-based manufacturing and ICT Sectors.

Challenges and Lessons Learnt: Lack of timely labour market information and database on skills available in the country, gaps between skills possessed by graduates of training institutions and those demanded by industry and Inadequate human and financial resource capacity.

Recommendations and Way Forward: Ensure wide stakeholders support in the development and implementation of industrial training programmes. Adoption of modern technologies should be promoted for efficient implementation of programmes.

Integrated Human Resource Development Strategy

Location: Nationwide

Objective: To provide a foundation for aligning training opportunities and available resources to respond to national and county human resource demands.

Implementing Agencies: MOLSS&S, MOE, KNBS, VDS

Project Progress: This Project had not kicked off by the end of MTP I period. However, during the Second MTP period, concept paper on the development of an Integrated National Human Resource Development Strategy was developed.

Challenges and Lessons Learnt: Lack of a harmonized skills development framework, inadequate funding constraints hindered progress in many of the key programmes and projects.

Recommendations and Way Forward: Harmonize the skills development framework; provide adequate funding.

Development of Labour Market Information System (LMIS)

Location: Nationwide

Objective: To enable storage, access, retrieval, and interrogation of data on various facets of human resource planning, development and employment.

Implementing Agencies: Ministry of Labour, Social Services and Security (MOLSS&S), MOE, KNBS, VDS.

Project Progress: Development of an interactive and web-based Kenya Labour Market Information System (KLMIS) http://www.labourmarket.go.ke that was launched on 12th July, 2017, constituted an Inter-Agency Technical Working Group (TWG) for the LMIS, nominated and gazetted members of the National Steering Committee (NSC) in the FY 2015/16 Financial Year to coordinate development and implementation of the KLMIS, developed a Module on Job Opportunities Index data capture programme for Kenya in the KLMIS where quarterly Job Opportunity Analysis (JOA) reports were prepared, implemented the 'Improving provision of Labour Market' component of the Kenya Youth Employment Opportunities Project (KYEOP) where a data centre was established, trained 373 members of staff in various labour market information-related courses and sensitized 168 stakeholders on KLMIS usage.

Challenges and Lessons Learnt: Inadequate human and financial resource capacity; lack of timely labour market information and data base on skills available in the country, adoption of modern technologies is instrumental for efficient implementation of programmes. Partnership with development partners in implementation of programmes and projects hastens realization of set targets.

Recommendations and Way Forward: Link Kenya Labour Market Information System (KLMIS) with other databases containing labour market information, develop a Communication Strategy for KLMIS Communication and continuous upgrading of the KLMIS to facilitate efficient and effective collection, processing, storage and retrieval of labour market information. It is always better when these are tabulated.

Updating of the Kenya National Occupational Classification Standards (KNOCS), 2000 and development of the Dictionary of Occupational Classifications

Objective: To align planning and development of human resources to job requirements in the Kenyan labour market and to the International Standard for Classification of Occupations (ISCO-08), 2008.

Implementing Agencies: MOLSSS, MOE, MOEP, MOH, COTU, AG, AKI, IRA, COTU, Media, PSC, MODP, TNT, Research Institutions, Universities, DPs.

Project Progress: Developed a concept paper and framework for updating the Kenya National Occupational Classification Standard (KNOCS).

Challenges and Lessons Learnt: Inadequate budgetary allocation.

Recommendations and Way Forward: Funding constraints hindered progress in updating KNOCS 2000. However, funding of the project by the World Bank under the Kenya Youth Employment Opportunities Project (KYEOP) in FY 2016/17 Financial Year will facilitate realization of set targets.

National Labor Force Survey

Location: Nationwide

Objective: To provide up to date data to address the country's unemployment challenge.

Implementing Agencies: MOLSS&S, KNBS

Project Progress: This project did not kick off during the MTP I and II period.

Challenges and Lessons Learnt: Funding constraints hindered progress in implementation of this project.

Recommendations and Way Forward: Provide adequate financial support.

Skills Development Programme

Location: Nationwide

Objective: To facilitate critical skill development for the labour force in line with the demands of the industry.

Implementing Agencies: National Industrial Training Authority, State Department of Labour, Ministry of Public Services, Youth and Gender and Kenya National Bureau of Statistics

Project Progress: The key achievements include: establishment of the National Industrial Training Authority (NITA) in 2011, development of the National Industrial Training and Attachment Policy that was approved by the Parliament in 2013 to provide a framework for coordinated industrial training and attachment in the country, established a National Occupational Qualifications Framework, developed National Industrial Training and Testing Standards, and development of an online Industrial Training and Attachment Portal (ITAP) (www.nita.go.ke/itap) the to facilitate online placement of trainees and trainers on industrial attachment.

Challenges and Lessons Learnt: Lack practical skills necessary for the world of work, technological gap between machinery and equipment used in training institutions and those used in industry, and lack of up-to-date Labour Market Information.

Recommendations and Way Forward: Collaboration between Government, Industry and training institutions in development, implementation and review of the training curricula to curb skills mismatch in the labour market.

Strengthening Linkages between Industry and Training Institutions

Location: Nationwide

Objective: To enhance collaboration between the Government, industry and training institutions for targeted and demand-driven industrial training.

Implementing Agencies: MoLSS&S, MOE, PPP, NITA, Training Institutions and Industry.

Project Progress: The following achievements were realized during the MTP I and II period: established and operationalized fourteen (14) Sector Training Committees to provide guidance on industrial training in various sectors of the economy, NITA entered into 20 Memorandum of Understanding (MOUs) with various stakeholders with the aim of improving industrial training in the country, trained 261,406 persons working in the industry in various industrial skills; sponsored 200 qualified and needy females from poor families in ASAL areas under the female engineering learners' programme to undertake engineering courses at the Industrial Training Centres; developed 182 Industrial Training Curricula, Qualifications Packs and Competency Assessment Guidelines of which of 65 were developed in 29 new trade areas and 117 of them were reviewed in the 38 existing trade areas; and developed and reviewed curricula in line with the responding to the industry specific skills requirements.

In addition, the sector assessed competencies of 459,485 persons in over 35 trades countrywide through trade testing exercise leading to award of Government Trade Test certificates and trained and assessed 412 apprentices.

Challenges and Lessons Learnt: Lack of a coherent unifying policy, legal and institutional framework to address training concerns; low registration levels of employers and training providers with the National Industrial Training Authority (NITA), Inadequate infrastructure and obsolete technology in industrial training centres gaps between skills possessed by graduates of training institutions and those demanded by industry, Inadequate human and financial resource capacity, lack of a harmonized skills development framework and outdated trade testing.

Recommendations and Way Forward: Provision of adequate infrastructure and modern technology in industrial training centres; harmonized skills development framework, provide timely labour market information and database on skills available in the country and provision of adequate funding for implementation of key programmes and projects.

Upgrading and establishment of Industrial Training Centres

Location: Nationwide

Objective: To enhance collaboration between the Government, industry and training institutions for targeted and demand-driven industrial training.

Implementing Agencies: MoLSS&S, MOE, PPP, NITA, Training Institutions and Industry

Project Progress: The Sector carried out development and refurbishment work in the five (5) Industrial Training Centers (ITC) (Kisumu, Nairobi, Mombasa and in Athi-River). The works involved refurbishment works in technical workshops, students' hostels, residential buildings, dining halls and kitchens. By the end of MTP II period, the rehabilitation works at the five ITC were as follows: Technology Development Centre (TDC) Athi-River – 48.7 per cent; Mombasa Industrial training Centre (MITC) – 48.2 per cent; Kisumu Industrial Training Centre (KITC) – 30.6 per cent; National Industrial and Vocational Training Centre (NIVTC) – 28.7 per cent; and Kenya Textile Training Institute (KTTI) – 29.6 per cent. At the Technology Development Centre (TDC), major expansion and upgrading works jointly funded by the Governments of Kenya and Korea (KOICA) were undertaken including, construction of class rooms, display room for textile products, ICT centre, conference centre, workshops, sewerage treatment facilities and overhaul of the sewer system, procurement of training equipment and training of 42 lecturers on operating the training equipment.

Challenges and Lessons Learnt: Obsolete training equipment, dilapidated workshops and students' hostels, low student intake in industrial training institutions.

Recommendations and Way Forward: Provision of human and financial resources to facilitate upgrading of the Industrial Training Centres.

Promotion of Internship and Industrial Attachment

Location: Nationwide

Objective: To facilitate students from all training institutions gain practical skills relevant to the needs of industry.

Implementing Agencies: MoLSS&S, National Industrial Training Authority (NITA), Training Institutions.

Project Progress: The Sessional Paper No. 2 of 2013 on the National Industrial Training and Attachment Policy was finalized and approved by Parliament. The overall objective of the Policy is to provide a framework to guide and harmonize industrial training and attachment to ensure adequate supply of properly trained human resources at all levels in industry for sustainable growth, established five (5) offices in Embu, Athi-River, Thika, Kakamega and Eldoret for coordinating training levy collection, industrial training and attachments, established an on-line Industrial Training Attachment Portal (ITAP) (www.nita.go.ke/itap) and placed 141,256 students and lecturers on attachment at the industry to acquire work-related skills.

Challenges and Lessons Learnt: Weak linkages between industry and training and research institutions, poor management of industrial attachment, gaps between skills possessed by graduates of training institutions and those demanded by industry, inadequate human and financial resource capacity and lack of a harmonized skills development framework.

Recommendations and Way Forward: Strengthen linkages between industry and training and research institutions, ensure alignment of skills possessed by graduates to those demanded by industry and provision of adequate funding.

Promotion of Harmonious Industrial Relations

Location: Nationwide

Objective: To promote social dialogue for enhanced industrial peace and harmony.

Implementing Agencies: MoL&SSS, FKE, COTU

Project Progress: Establishment of the Employment and Labour Relations Court (ELRC), which was an Industrial Court under the Ministry of Labour - the Court was accorded High Court Status upon promulgation of the Constitution and moved to the Judiciary, establishment of an Alternative Dispute Resolution Mechanism, apprehension of strikes and lock-outs, annual reporting on compliance with ratified international conventions, protection of labour and employment rights of workers both in Kenya and abroad, establishment of institutions of social dialogue, arbitration of trade disputes and registration of Collective Bargaining Agreements (CBAs).

Challenges and Lessons Learnt: Inadequate capacity of institutions of social dialogue upsurge in industrial unrest in the public sector.

Recommendations and Way Forward: Fast track operationalization of the Alternative Dispute Resolution Mechanism, strengthen the capacity of institutions of social dialogue to effectively handle labour and employment issues in the country, capacity building of stakeholders in negotiation and implementation of CBAs.

Promotion of Fundamental Principles of Rights at the Workplace

Location: Nationwide

Objective: To expedite settlement and arbitration of industrial disputes and to address the decent work deficit in the country.

Implementing Agencies: MoL&SSS, FKE, COTU

Project Progress: Towards promotion of fundamental Principles of Rights at the workplace, the Sector resolved 98,515 labour disputes out of the 108,112 disputes received translating to 91 per cent of the reported disputes, recovered Ksh. 133,644,942 in terminal benefits for workers involved in the disputes and prosecuted 41 employers for non-compliance with labour laws, apprehended 1,818 strikes and lock-outs; conducted 109,543 workplace inspections on terms and conditions of employment and prosecuted 41 cases involving employers who failed to comply with the statutory terms of employment contracts and labour laws. In addition, the Sector analyzed 2,119 Collective Bargaining Agreements covering 1,284,437 unionisable employees for conformity with Wage Orders and the labour laws, reduced the time taken to resolve a labour dispute from the statutory maximum of 90 days in 2013 to 75 days in 2016, reduced time taken to attest foreign contracts from 30days in 2013 to 2 days in 2017 and attested 13,5034 contracts for compliances with labour and employment laws and decentralized Industrial Court to expedite dispute adjudication, increase efficiency in service delivery and enhance access to legal justice in the arbitration of trade disputes through establishment of two regional Industrial Courts in Kisumu and Mombasa.

Challenges and Lessons Learnt: Inadequate capacity of institutions of social dialogue, inadequate human and financial resources.

Recommendations and Way Forward: Capacity building of workers and employers on labour laws; capacity building Employment and Labour Relations Court and institutions of social dialogue, enhancement of human and financial resources.

Establishment of the Conciliation and Mediation Commission

Location: Nationwide

Objective: To establish amicable, faster and cost-effective institutional framework for expeditious resolution of labour and employment disputes.

Implementing Agencies: MOLSSS, NT, MOTI; Social partners, AG, PSC, DPs, ELRC.

Project Progress: The Sector reviewed the labour laws of 2007 and developed the Labour Institutions Bill, 2014 to entrench the ADR Commission in law and the Labour Relations Bill, 2014 to operationalization it. The two bills were forwarded to the Office of the Attorney for drafting.

Challenges and Lessons Learnt: Weak Alternative Dispute Resolution (ADR) mechanism, upsurge in industrial action in the public sector, inadequate human and financial resources.

Recommendations and Way Forward: Recent upsurges in disputes, especially in the public sector call for alternative dispute resolution mechanisms which are accessible, cost effective and expeditious and at the same time preserve harmonious industrial relations.

Development of a Wages and Income Policy

Location: Nationwide

Objective: To provide a framework and necessary guidance on wage levels, wage formation and adjustment mechanisms and other wage administration issues in line with the Constitution.

Implementing Agencies: MoLSS&S, COTU, TNT

Project Progress: A Concept Note for the development of a National Wages and Remuneration Policy was finalized and a consultant commissioned to spearhead the development of the policy. The Policy will guide determination of wages and remuneration in all the sectors of the economy.

Challenges and Lessons Learnt: Weak and uncoordinated labour enforcement mechanisms, Wide stakeholders support is key in the development and implementation of programmes.

Recommendations and Way Forward: Strengthen the labour enforcement mechanisms.

Elimination of Child Labour

Location: Nationwide

Objective: To protect children from worst forms of child labour.

Implementing Agencies: MoLSS&S, COTU, FKE

Project Progress: Developed the National Policy on Child Labour which was approved by the Cabinet in August 2016 to provide a framework for combating child labour in the country, especially in the worst forms; developed and gazetted Rules and Regulations on Hazardous work and Light work on elimination of the child labour, trained fifty two (52) County and sub-County Labour officers on enforcement of child labour rights and implementation of the National Action programme with support from International Labour Organization (ILO) resulting in withdrawing of 17,068 children from child labour in Busia, Kilifi, Kitui and Kiambu; and established 32 Child Labour Free Zones in the areas prone to child labour.

Challenges and Lessons Learnt: Weak and uncoordinated labour enforcement mechanisms; Wide stakeholders support is key in the development and implementation of programmes.

Recommendations and Way Forward: Strengthen the capacity of agencies dealing with children issues in the country for effective implementation of programmes.

Capacity building for the Labour Inspectorate

Location: Nationwide

Objective: To strengthen the labour inspectorate to enhance the enforcement of labour laws and improve conditions at workplaces.

Implementing Agencies: MoLSS&S

Project Progress: The Sector recruited 40 labour inspectorate staff to enhance its operational capacity where 15 of these officers are expected to carry out workplace audits to ensure compliance with Occupational Safety and Health Standards while the remaining 25 officers are expected to inspect the workplaces to ensure terms and conditions of employment are in line with the labour standards. Also, 148 officers were trained in various occupational safety and health courses.

Challenges and Lessons Learnt: Lack of budgetary allocation hindered realization of set targets.

Recommendations and Way Forward: Provide adequate funding.

a) SOCIAL PROTECTION

Transformation of the National Social Security Fund (NSSF) to a Pension Scheme

Location: Nationwide

Overall Objective: To enhance social and economic standards of vulnerable groups.

Specific Objective: To enhance coverage of social protection in both informal and formal sector through transformation of the National Social Security Fund (NSSF) to a pension scheme.

Implementing Agencies: MOLSSS, NSSF, TNT, Social partners, AG, MODP

Project Progress: The National Social Security Fund (NSSF) Act, No. 45 of 2013 was assented to in December 2013 thus effectively transforming the Fund from a Provident Fund to a Pension Scheme. The objectives of the Act are to: provide basic social security for NSSF members and their dependents for various contingencies, increase membership coverage of the social security scheme in the country as it requires all employers including the Government to register their employees and contribute to the Fund and bring within the ambit of the Act self-employed persons to access social security for themselves and their dependents. Towards implementation of the Act, the Sector developed and gazetted Regulations on its implementation, created awareness and educated members and the public on the transformation of the Fund, carried out an independent audit and valuation of the old provident fund assets; increased membership of the NSSF from 1.2 million in 2013 to 2.4 million in 2018 out of which 12.5 per cent (300,000) were from the informal sector, increased NSSF members' contributions from Ksh.7.9 billion in June 2013 to Ksh.14.2 billion in June 2018, representing an average annual growth rate of 18 per cent.

Challenges and Lessons Learnt: Low social security coverage, especially for the youth and informal sector; funding constraints hindered progress in many of the key programmes and projects, Court litigation baring implementation of Sections 18, 19, 20 and 71 of the Act.

Recommendations and Way Forward: Need for enhanced stakeholder engagement and development of new products and services as envisaged in the NSSF Act No. 45 of 2013 and settle the Court cases to facilitate full implementation of the Act.

Employment Promotion

Location: Nationwide

Objective: To entrench employment issues in all sectors of the economy

Implementing Agencies: MOLSS&S, NEA, FKE, COTU, KAM, KEPSA, Universities, Kenya Association of Private Employment Agencies (KAPEA), Association of Skilled Migrant Agencies of Kenya (ASMAK).

Project Progress: The major achievements on employment promotion include: creation of 5,841,200 new jobs in the economy over the MTP I and II period; established the National Employment Authority (NEA) in April 2016 as the lead agency in coordinating matters relating to employment including labour migration; development of the National Employment Policy and Strategy for Kenya that was approved by Parliament in 2013 to provide a framework for mainstreaming employment creation in all aspects of national development;

development of a draft Employment Creation Analysis framework and guidelines for monitoring employment in the country, carrying out a Migration Profiling for Kenyans with a view of establishing an integrated and effective migration data management system for the country and implementation of initiatives towards management of labour migration and foreign employment administration.

Challenges and Lessons Learnt: High levels of unemployment especially among the youth.

Recommendations and Way Forward: Wide stakeholder involvement in employment initiatives

Enhancing and modernisation of employment services

Location: Nationwide

Objective: To modernize existing public and private employment offices for improved employment services.

Implementing Agencies: MoLSS&S, NEA, ICTA

Project Progress: Construction of a National Employment Promotion Centre in Kabete, as a one-stop-shop for coordination and promotion of employment in the country was at 40.8 per cent completion level by the end of MTP II period, toward modernisation of employment offices, five new employment offices were constructed and equipped (Thika, Siaya, Embakasi, Eldoret and Kasarani) and four (4) other offices refurbished (in Kisumu, Nakuru, Laikipia and Migori) to facilitate provision of employment services in the regions. In addition, the Sector placed 139,186 job seekers in employment through the Public Employment Services after providing them with employment-related counseling services.

Challenges and Lessons Learnt: Inadequate human and financial resource capacity; adoption of modern technologies is instrumental for efficient implementation of programmes; the dual nature of ICT as an employment seeking tool and a jobs creator can be exploited to promote innovative job search and matching technologies which create employment opportunities; the world of work is fast changing and the jobs we have today might not be there tomorrow hence the need to embrace changes in the world of work, wide stakeholders support is key in the development and implementation of programmes.

Recommendations and Way Forward: Provide the requisite human and financial resource capacity.

The Green Jobs Approach

Location: Nationwide

Objective: To mainstream green jobs approach in the various infrastructural projects and programmes.

Implementing Agencies: MOLSS&S, NEA, FKE, COTU, KAM, KEPSA

Project Progress: This project had not kicked off by the end of the MTP II period.

Challenges and Lessons Learnt: Lack of an integrated framework to guide the creation of green jobs.

Recommendations and Way Forward: Establishment of a framework to guide implementation of green jobs.

Diaspora Engagement

Location: Key International countries such as USA, UK

Objective: To mainstream and integrate the diaspora in the national development agenda.

Implementing Agencies: MoLSS&S, MoFA, TNT, Central Bank

Project Progress: In an effort to mainstream Kenya Diaspora into the National Development process, the Ministry of Foreign Affairs and International Trade finalized and launched the Kenya Diaspora Policy in 2014 to deepen the engagement and partnerships of the Kenyan Diaspora in order to leverage and harness their skills and expertise for national development; developed the Diaspora Communication Strategy and developed a web-based Diaspora portal to facilitate the registration of the Diaspora, held the Kenyan Diaspora Conference Diaspora investment conference in 2015 including other investment meetings held across Kenya Missions abroad. In addition, the Africa Union, Africa Institute of Remittance (AIR) was established in 2014 in Nairobi, at the Kenya School of Monetary studies to effectively facilitate the Diaspora with their remittances.

Challenges and Lessons Learnt: Inadequate data on Kenyan Diaspora hampering effective management, engagement and support. Lack of a legal framework on diaspora issues. Wide stakeholders support is key in the development and implementation of programmes.

Recommendations and Way Forward: Establish a framework for collation of data on Kenyans in Diaspora.

Foreign Employment Management, Orientation and Re-Entry Programmes

Location: Select Countries

Objective: To develop orientation and re-entry programmes to prepare and sensitize Kenyan immigrants on the nature of jobs abroad, their terms and conditions, the rights, obligations and remedies of the workers in case of violations.

Implementing Agencies: MoLSS&S, NEA, MoFA

Project Progress: Formed a Task Force in October 2014 to review matters relating to administration of foreign employment and management of labour migration; developed guidelines on foreign job placement; established an Inter-Ministerial Committee to vet all Private Employment Agencies seeking registration and renewal of license as per the requirement of the Security Act, 2014 where 92 Private Employment Agencies (PEA) were vetted and licensed to recruit Kenyans for foreign jobs; developed guidelines and regulations on registration of Private Employment Agencies dealing with both foreign and local recruitment in February 2015 and developed a Code of Conduct for Private Employment Agencies in 2016 to enhance their self-regulation. In addition, three (3) Labour Attaché offices were established in the Kingdom of Saudi Arabia, United Arab Emirates and Qatar following negotiation and signing of three (3) Bilateral Labour Agreements (BLAs) with the Governments of these countries, aimed at ensuring protection of migrant Kenyan workers, regulating the recruitment processes and providing a framework for resolution of any issues arising from foreign employment contracts.

Challenges and Lessons Learnt: Lack of comprehensive Policy and Legal Framework on Labour Migration. Inadequate Bilateral Labour Migration Agreements, lack of reliable Labour Market Information, culture shock for migrant workers, lack of Return and Reintegration Framework, weak coordination among actors of labour migration and inadequate institutional capacities for organizations involved in labour migration.

Recommendations and Way Forward: Develop a robust framework to regulate and manage labour migration.

Official launch of KENTRADE

Occupational Safety and Health

Location: Nationwide

Objective: To enhance occupational safety and health at workplaces.

Implementing Agencies: MOLSSS, MOE, MOEP, MOH, COTU, AG, AKI, IRA FKE, COTU, Media, PSC, MODP, TNT, Research Institutions, Universities, DPs.

Project Progress: The Sector developed the National Occupational Safety and Health Policy, which seeks to integrate occupational safety and health issues in all management systems in the country, the Policy was approved by Cabinet in 2012; finalized the development of the Public Sector Workplace Policy on HIV and AIDS, established an Occupational Safety and Health (OSH) Fund in 2011, established an OSH Research Institute whose construction works were at 68.6 per cent by the end of MTP II period, developed education and training curricular for sixteen (16) OSH courses to be offered in the OSH Institute in collaboration with the Kenya Institute of Curriculum Development (KICD) to facilitate mainstreaming of an Occupational Safety and Health culture in the country; completed establishment of Phase I of the National OSH Database Management System and conducted a Pilot OSH Baseline Survey in Nakuru and Machakos counties to establish the number and type of hazardous workplaces, equipment and plants.

In addition, the Sector reduced the time taken to process work injury claims from 30 working days in 2014 to 5 working days in 2017 and processed 10,778 work injury benefit claims; medically examined 462,183 workers in hazardous occupations to their health status; examined 120,326 hazardous equipment in workplaces; trained 84,327 members of Health and Safety Committees, developed Occupational Safety and Health Practitioners Bill, 2015 to regulate the operations of occupational safety and health practitioners in the country, the Work Injury Compensation Bill and reviewed the OSH Act, 2007.

Challenges and Lessons Learnt: Inadequate regulation of the emerging sectors such as exploration of the newly discovered oil and gas reserves resources may lead to occupational hazards, weak occupational safety and health culture, low levels of awareness on occupational safety and health issues amongst workers, employers and the public and inadequate funding thus hindering effective implementation of projects and programmes.

Recommendations and Way Forward: Provision of necessary support to enhance development of regulations for emerging sectors, enhanced awareness in OSH issues, enhanced budgetary support in implementation of OSH programmes and projects.

Productivity Management

Location: Nationwide

Objective: To inculcate productivity culture in public and private sector

Implementing Agencies: Ministry of Labour and Human Resource Development (MLHRD), PCK, Public Sector, Federation of Kenyan Employers (FKE), Central Organization of Trade Unions (COTU).

Project Progress: The Sector developed a National Productivity Policy which was approved by Parliament in 2013 that provided a framework for anchoring productivity initiatives and provide the required impetus for effective productivity management in the country and developed a National Productivity and Competitiveness Council Bill, 2015 that aimed at transforming the Productivity Centre of Kenya (PCK) into the National Productivity and Competitiveness Council. Towards implementation of the Policy, the Sector trained 1,552 productivity Technical Service Providers (TSPs) and 125 Productivity Experts from both public and private sectors of the economy to spearhead productivity improvement in the country and implemented Productivity Improvement Programmes (PIP) in 182 institutions across the country to help them reduce on wastage of raw materials, processing time and cost of production and to be model institutions on productivity.

Challenges and Lessons Learnt: Low levels of productivity and competitiveness in the country.

Recommendations and Way Forward: Establishment of a National Committee on Productivity to spearhead national productivity campaign, undertake targeted productivity sensitization forums for managers and workers both in the public and the private sectors institutions; integrating productivity concepts and tools into education curriculum.

Promotion of Entrepreneurship Culture/ Promote Growth and Development of Micro and Small Enterprises

Location: Nationwide

Objective: To increase the performance and competitiveness of the MSEs and the Jua Kali sector for it to effectively respond to the challenges of creating productive and sustainable employment opportunities, promoting economic growth and poverty reduction in the country to promote technological transfer, capacity building, products designs and development and marketing of MSEs' products.

Implementing Agencies: MOI&ED, KEBs, KIRDI, PCK, KIPI, NMC, MOA, MOIED, NT, MOCDM, MODP, MOGCSD, MSEs, MFIs, CBK, CMA.

Project Progress: The MTP I target was to develop and rehabilitate 545 worksites for Micro and Small Enterprise (MSE) activities in the five-year period. A total of 157 MSE work sites were developed and rehabilitated during MTP I, representing 28.8 per cent of the target. Specifically, the number of MSE work sites developed and rehabilitated stood at 60 in 2008/2009, 32 in 2009/2010 and 21 in 2010/2011. A total of 18 MSE work sites were developed and rehabilitated in 2011/2012 while an additional 26 MSE work sites were developed and rehabilitated in 2012/2013. Further, phase I of the construction of the MSE Centre of Excellence at the Kariobangi Jua Kali Demonstration Centre was completed. This phase comprised construction of 6 workshops, compressor room, 4 tool rooms, 4 offices and procurement of equipment.

A baseline Micro, Small and Medium Enterprises (MSME) Survey to provide comprehensive data, at national and county levels on the characteristics, operations, dynamics and evolving nature of MSMEs in Kenya was conducted and a report produced. During the MTP II period, a curriculum that integrates entrepreneurship was introduced in primary and secondary schools, and tertiary institutions. Further, 128,943 entrepreneurs in the MSE sector were taken through a short-term tailor-made training on entrepreneurship and facilitated 1,643 MSE operators to attend local, regional and international Trade Fairs.

Challenges and Lessons Learnt: Poor coordination of the Micro and Small Enterprise (MSE) and informal sector, poor uptake of appropriate technologies coupled with low quality of products by MSE operators, low levels of awareness on productivity, weak linkages between MSMEs and large enterprises.

Recommendations and Way Forward: Promotion of entrepreneurship culture among the youth, need for new forms of cooperation between Governments, business, workers and societies in general to promote the concept of "sustainable entrepreneurial culture", improvement of the legal and regulatory environment with emphasis on the specific barriers and burdens faced by young entrepreneurs.

Youth Empowerment

Location: Nationwide

Objective: To provide adequate and appropriate technical, vocational, entrepreneurial and life skills to the youth.

Installation of camera installation system within Nairobi CBD

Implementing Agencies: MODP, MoLSS &S, UNDP

Project Progress: During the review period, the draft National Youth Leadership and Entrepreneurship Strategy and the draft National Action Plan on Youth Employment (an effort led by AfDB) were combined into the National Youth Empowerment Policy and Strategy, a draft which was further refined and validated during the period. This Policy and Strategy provides a single source of guidance and direction and is already in use in designing and planning youth programmes and projects. Piloting of the Kenya Youth Empowerment Project (KYEP) to enhance youth employability by providing them with training and internships opportunities in the private sector was completed in Nairobi, Mombasa and Kisumu. A total of 21,393 youth was provided with core life and business skills, 13,200 youth proceeded for industry related training and workplace experience while at least 75 per cent of beneficiaries secured employment. The Studio Mashinani also dubbed 'Talent ni Kazi' initiative was launched. It seeks to empower the youth to build and operate independent audio music recording and creative production studios for recording quality audio music, commercials and jingle pieces. A total of five (5) studios were set up in Kenya Broadcasting Corporation (KBC) offices in Nairobi, Kisumu, Machakos and Mombasa to enable the youth to record music free of charge.

Challenges and Lessons Learnt: High unemployment rate especially among the youth; past interventions towards addressing unemployment have been piecemeal, uncoordinated and implemented based on weak policies, legal and institutional frameworks.

Recommendations and Way Forward: Pursue demand-side job creation policies which stimulate employment by supporting enterprise growth, invest in labor-intensive enterprises which will contribute to formal sector employment and support youth self-employment in agriculture and the informal sector through household enterprises. The Kenya Youth Employment and Opportunities Project (KYEOP) borne by upscaling KYEP if replicated nationally would substantially reduce youth unemployment.

Establishment of Youth Development Centres

Location: Nationwide

Objective: A youth empowerment centre in each county will be upgraded to a Youth Development Centre of Excellence that will serve as 'one-stop shops', where youth can access key services as well as acquire skills for their personal development and will include a fully equipped library, an ICT hub, and a social hall.

Implementing Agencies: MOLSS&S, MOICT,

Project Progress: This project did not kick off

Challenges and Lessons Learnt: Funding constraints hindered progress in many of the key programmes and projects.

Recommendations and Way Forward: Provide adequate funding.

Policy, Legal and Institutional Reforms

Location: Nationwide

Objective: To promote timely implementation of programmes and projects through various policies, legal and institutional reforms.

Implementing Agencies: Relevant Ministries and Agencies, State Law Office

i) Policy Reforms

Developed and approval given by the Cabinet/ Parliament for: The National Employment Policy and Strategy for Kenya of 2013, the Kenya Diaspora Policy of 2014, National Policy on Elimination of Child Labour of 2013, National Occupational Safety and Health Policy of 2012, Industrial Training and Attachment Policy of 2013; National Productivity Policy of 2013.

ii) Legal Reforms

National Social Security Fund (NSSF) Act, 2013, National Employment Authority Act, 2016, Industrial Training (Amendment) Act, 2011, Counter-Trafficking in Persons (TIP) Act, 2010, Micro and Small Enterprises Act, 2012, Industrial Court Act, 2012, Occupational Safety and Health Act, 2007, Employment Act, 2007, Labour Institutions Act, 2007, Labour Relations Act, 2007 and Work Injury Benefits Act, 2007.

iii) Institutional Reforms

Transformation of National Social Security Fund (NSSF) from a Provident Fund to a Pension Scheme; Transformation of the Directorate of Industrial Training (DIT) into a SAGA – the National Industrial Training Authority (NITA), Transformation of National Employment Bureau (NEB) into a SAGA – National Employment Authority (NEA), transformation of Department of Micro and Small Enterprises to a SAGA - Micro and Small Enterprises Authority (MSEA), elevation of the Industrial Court to the status of a High Court and renamed the Employment and Labour Relations Court (ELRC), developed the Tom Mboya Labour College to offer Diploma and Degree programme on Labour and Employment, established three (3) labour attaché offices In Saudi Arabia, Qatar and United Arabs Emirates, establishment of Occupational Safety and Health (OSH) Fund.

Challenges and Lessons Learnt: Although there was significant progress made in the implementation of proposed legal reforms during the review period, there is still much to be done in order to address identified bottlenecks that potentially undermine progress in nearly all the sectors. The speed of development, review and approval by Cabinet and the subsequent enactment of laws by The National Assembly are slow and thus this slows the pace of reforms turned over in the review period.

Recommendations and Way Forward: The Government will endeavor to accelerate the development, approval and implementation of the various policy, legal and institutional reforms key to the achievement of the projects.

SECURITY, PEACE BUILDING AND CONFLICT RESOLUTION

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

Security is a key incentive for attracting investment as it provides an enabling environment for individuals and businesses to thrive. The economic growth and development anticipated in the Kenya Vision 2030 can only be achieved and sustained in a peaceful, stable and secure environment.

The sector aims at guaranteeing every person in Kenya freedom from danger (protection from physical or direct violence), and freedom from fear (a sense of safety and overall well-being). National security and protection of individuals and property, peace building and conflict resolution are cross-cutting themes of Vision 2030 and will continue to be of paramount importance to the Government of Kenya.

Urban Area Cameras Surveillance

Location: Nairobi, Mombasa, Nakuru and Kisumu

Objective: To implement a national CCTV project in Nairobi, Mombasa, Kisumu and Nakuru (Including establishment of a command control centre with an Integrated Security Intelligence and Surveillance System).

Implementing Agency: National Police Service.

Project Progress: CCTVs have been installed in Nairobi and Mombasa and their environs. In Nairobi, 1,503 CCTV cameras have been installed while 300 CCTVs have been installed in Mombasa. In addition, 530 streetlights have been installed within Nairobi Metropolitan Region to support the operations of the CCTVs.

Challenges and Lessons Learnt: Inadequate funding; delayed Exchequer Releases by the National Treasury; Red tape bureaucracy in procurement process - external and internal sourcing of security equipment takes a lot of time to be concluded, variations in the projects contract sums, nature of the projects makes it difficult to follow up or monitor (security projects), delayed project implementation due to piecemeal funding leading to project cost variations.

Police officers have been empowered through capacity building and specialized training that has improved service delivery, political goodwill and top leadership support and police reforms is very useful in crime prevention and investigation.

Recommendations and Way Forward: Provide adequate funding for security projects, release of exchequer for security projects be fast-tracked, the Public Procurement and Disposal Act, 2015 be reviewed with a view to shortening the procurement processes and minimizing contract variations, continuously empower police officers through capacity building and specialized training to improve service delivery.

Prisons Infrastructure Modernisation

Location: Nationwide

Objective: To ensure provision of modern facilities and services to the Prisons Department.

Implementing Agency: Kenya Prisons Service

Project Progress: Eighteen new prisons have been constructed countrywide to decongest the existing facilities, 1,917 prison staff houses have been constructed to improve staff welfare, one girls' borstal institution has been established at Kamae, Kiambu County and Integrated National Offender Records Management System for the non-custodial offenders has been operationalized. The Kenya Prison Service has a total of 3,747 permanent houses and 15,754 temporary houses against a population of 22,000 uniformed staff resulting to a shortfall 18,254 housing units.

Challenges and Lessons Learnt: Delayed Exchequer Releases; lengthy procurement processes, inadequate resources to fully roll out all the projects necessary to fully equip and reform the Kenya Prisons Service, slow uptake of technology, poor ICT infrastructure and low automation of service delivery thereby limiting innovation and improvements in quality of service.

Recommendations and Way Forward: Provide adequate funding to fully equip and reform the Kenya Prisons Service, release of exchequer for prisons projects be fast-tracked, the Public Procurement and Disposal Act, 2015 be reviewed with a view to shortening the procurement processes, undertake capacity building on ICT and embrace innovation in service delivery.

Forensic Laboratory

Location: Nairobi

Objective: To establish a modern functional forensic laboratory to support the ongoing war on crime. The key elements include the procurement and equipping of the laboratory and the simultaneous development of appropriate human capacity to manage this new function.

Implementing Agency: National Police Service (NPS)

Project Progress: Construction of the forensic laboratory was completed and the process of equipping it was initiated.

Challenges and Lessons Learnt: Inadequate funding leading to project cost variations, Lengthy procurement process, delayed exchequer releases.

Recommendations and Way Forward: Procurement process be shortened to expedite projects completion, project funding to be based on approved work plans; release of exchequer for security projects be fast-tracked.

Police Staff Reforms including Housing

Location: Nationwide

Objective: To build and modernize capacity of the National Police Service including improving conditions of housing.

Implementing Agency: National Police Service (NPS)

Project Progress: The National Police Service (NPS) adopted the Report on Police Reforms and appointed the Police Reforms Implementation Committee (PRIC). The NPS Strategic Transformation Framework (2013-2018) was developed to guide the implementation of police reforms. The PRIC spearheaded the implementation of major police reforms during the period in the areas of legislative, policy and institutional, accountability; professionalism, administrative, logistical and operational reforms. The main achievements include: review of a number of policy, legal and institutional frameworks, review of the NPS curriculum and training of staff in collaboration with local universities; establishment and operationalization of the NPS Board to ensure quality assurance and standardization of examinations, improved police and prison officers' welfare through acquisition of 3,071 housing units for National Police Service and 590 for the Kenya Prisons Service and provision of comprehensive insurance cover and medical insurance.

Challenges and Lessons Learnt: Budget cuts, delayed Exchequer Releases by the National Treasury, lengthy procurement processes.

Police Modernisation is very useful in crime prevention and investigation, capacity building remains critical in improvement of service delivery, Emerging crime such as terrorism and cross border crimes requires officers to have up-to-date sophisticated equipment and political goodwill and top leadership support are important for security goals to be achieved.

Recommendations and Way Forward: Procurement process be shortened to expedite projects completion, acquire up-to-date sophisticated equipment to combat emerging crime such as terrorism and cross border crimes, project funding to be based on approved work plans, release of exchequer for security projects be fast-tracked.

Establishment of National Security Data Centre

Location: Nationwide

Objective: To systematically buttress the war on crime, and to accelerate the sharing of information across all security and policing agencies. A key objective of this project will be to integrate all security information into a single national security database covering the whole of Kenya.

Implementing Agency: National Police Service (NPS)

Project Progress: This project had not taken off by end of MTP II period.

Challenges and Lessons Learnt: Lack of funds to implement the project.

Recommendations and Way Forward: This project needs to be prioritized in the next MTP.

Completion of Integrated Population Registration System (IPRS)

Location: Nationwide

Objective: To integrate population registration databases.

Implementing Agency: National Registration Bureau.

Project Progress: Integrated Population Registration System (IPRS) was completed and operationalized. The Integrated Population Registration System (IPRS) was connected to 171 agencies including Kenya Revenue Authority (KRA), Higher Education Loans Board (HELB), National Health Insurance Fund (NHIF), major banks and other financial Institutions, all telephony and mobile money transfer companies and all Credit Reference Bureaus. Issued 5,633,974 ID cards.

Challenges and Lessons Learnt: It is possible for multiple agencies to work together to deliver an integrated online system that delivers better services to Kenyans.

Recommendations and Way Forward: Inculcate learnt lessons in implementation of other multi-agency projects.

Policy, Legal and Institutional Reforms

Location: Nationwide

Objective: To enhance evidence-based policy, legislative and institutional frameworks for effective implementation of programmes and projects.

Implementing Agencies: Relevant Ministries, Departments and Agencies.

i) Progress on Policy Reforms

The National Security Policy was finalized and rolled out; the Community Policing Policy was finalized and cascaded to the 47 counties. There is need to review the policy on Military Humanitarian Civic Activities/Aid to Civil Authority. Else National Drug and Substance Abuse Control Policy was at final stages of development, developed a draft Peace Building and Conflict Management Policy, developed a draft policy on Small Arms and Light Weapons(SALWs) in line with regional and international conventions, private Security Regulatory Policy was finalized, developed the National Disaster Risk Management Policy. This Policy is before the National Assembly and the National Counter-Terrorism Policy to enhance its effectiveness.

ii) Progress on Legal Reforms

Enacted National Police Service Act (Amendment), 2014; Finalized and enacted the organized Crime Bill,(Amendment), 2015, finalized and enacted Security Laws Amendment Act, (SLAA), 2014, reviewed and implemented the Proceeds of Crime and Anti-Money Laundering Prevention Act, Revised 2012 (POCAMLA), 2012, harmonized Liquor Licensing Act and Traditional Liquor Licensing Act, developed and Implemented the Witness Protection Act, 2012, finalized the Hate Speech Bill, 2014, reviewed the Firearms Act, reviewed the Refugee Act, reviewed the Narcotics Drugs and Psychotropic Substances (Control) Act, 1994, reviewed the Armed Forces Act to enhance its integration of HCA activities, enacted the Alternative Dispute Resolution (ADR) Bill to institutionalize peace building and conflict transformation in the country, amended the National Police Service Commission Act, 2011 and, amended the National Police Service Act, 2011.

iii) Progress on Institutional Reforms

Deepened reforms being implemented in the Provincial Administration especially the integrity and attitude change reforms to make the officers more people friendly, Enhanced the capacity of both human resource and equipment of security agencies, established and operationalized Independent Police Oversight Authority (IPOA) to deal with public complaints, established a framework for co-ordination of public and private security stakeholders; implemented the Integrated Population Registration System (IPRS), enhanced the capacity and operationalized NACADA, provided a framework for stakeholder partnership for effective emergency response and rescue services, restructured the Peace Building and Conflict Resolutions Secretariat and structures at all levels; restructured the mechanism for identifying persons for registration in the districts along the international borders, Restructured the Kenya National Focal point on Small Arms and Light Weapons; and, built the capacity of Forensic investigation unit through provision of appropriate equipment and specialized training.

Project Progress: Draft policies developed during the period included: Community Correctional Policy, Gaming Policy, Bail Information and Supervision Policy, Victim of Offences Policy, and Aftercare Policy. Other milestones include: Enactment of the Kenya Citizens and Foreign National Management Service Act, 2011, enactment and publication of the Kenya Citizenship and Immigration Act, 2011, Established county security committees, and finalized County Policing Authority Guidelines, Internal Affairs Unit was established and operationalized, National Police Service Act, 2011, Miscellaneous Amendments on appointments of DIG KPS, DIG APS and Director / DCI including redefining the role of the Commission in the appointments, Constitutional Amendments on Security Reforms, 2015 approved by the National Assembly and, National Administration Act was enacted.

The following were also done: Policy guidelines on recruitment, appointments, promotions, transfers, deployment and discipline of members of the National Police Service by the National Police Service Commission, gazetted bond and bail policy, NPSC regulations including those for Transfer and Deployment, recruitment and Appointments, 2014, HRM General Regulations, transfer of Sentenced Prisoners Act was enacted by Parliament in 2015, reviewed and forwarded Amendments on the Kenya Prisons Act Cap 90, the Borstal Institution Act Cap 92 and the Community Service Orders Act No.10 of 1998, to Parliament, policy guidelines on over sighting, investigation against police officers, inspection of police premises and operations of IPOA were gazetted, DCI was established and strengthened as a semi-autonomous institution under Section 20 of the NPC Act 2011, NPS policies were developed including: Fleet Management, ICT, Gender, Communication and Corruption Prevention, National Coroner and Private Security Regulation bills were finalized and Coordinated the review of legislation on SALW.

Challenges and Lessons Learnt: Although there was significant progress made in the implementation of the proposed legal reforms during the review period, there is still much to be done in order to address identified bottlenecks that potentially undermine progress in nearly all the sectors. The speed of development, review and approval by Cabinet and the subsequent enactment of laws by the National Assembly are slow, affecting the pace of reforms.

Recommendations and Way Forward: The relevant Ministries, Departments and Agencies should endeavor to accelerate the development, approval and implementation of the various policy, legal and institutional reforms key to the achievement of the programmes and projects.

NATIONAL VALUES AND ETHICS

"A value-driven, Ethical, Peaceful, United and prosperous Nation"

Since Kenya's independence, there has been a challenge of ethnic fragmentation and rivalries which has led periodically to conflict and slowed national development. National values and ethics are embedded in Article 10 of the Constitution and bind all state officer to adhere to them whenever they are carrying out their duties. They enable the nation to build a tolerant culture based on diversity that gives top preference to the common nationhood.

Development of an Institutional Framework on National Values

Location: Nationwide

Objective: To promote national pride, sense of identity, ethnic harmony and national culture tolerant of diversity.

Implementing Agencies: The Presidency, Parliament and Non-state actors.

Project Progress: The Directorate of National Cohesion and Values was established in 2008 through Presidential Circular No. 1 of May 2008 and operationalized in 2009. The development and adoption of Sessional Paper no. 8 of 2013 on national values and principles highlighted the roles of different stakeholders and sectors in the promotion and inculcation of national values among the Kenyan citizenry.

Challenges and Lessons Learnt: Budget cuts; non-compliance with policy, legal and institutional provisions, inadequate institutional capacity and coordination and inadequate monitoring and evaluation.

Successful implementation of programmes and projects depends on the level of awareness on national values and ethics and partnerships are key in creating synergy amongst institutions and they provide a platform to reach a wider range of actors in promotion of national values and ethics.

Recommendations and Way Forward: To strengthen the role of different actors and sectors in the promotion of national values and ethics, significant and visible efforts were made during the MTP II period. This required that a clear road map and action plan involving key stakeholders and resources be made available to implement initiatives with high public visibility. It is essential that the country makes significant and consistent steps to fundamentally alter the adverse perceptions on public service integrity. There is also need to focus attention on enhancing national cohesion.

A Civic Education and Public Awareness Programme

Location: Nationwide

Objective: This is aimed at informing the Kenyan public on the contents of the National Values Policy and inculcating a change of behaviour anchored on national values and ethics.

Implementing Agencies: Directorate of National Cohesion and Values, PSC, NCIC

Project Progress: National Youth Programme on Values and Ethics with Sensitization on national values amongst the youth and advocacy for their representation in decision making on development initiatives were carried out and 21,870 youth were trained on national values, leadership and entrepreneurship skills. In addition, about 3,000 Amani (peace) Clubs were established and operationalized following the training of 500 teachers and educational stakeholders in various counties. A total of 262 faithbased leaders drawn from various counties were sensitized on the policy and constitutional provisions on national values and principles of governance.

Challenges and Lessons Learnt: Inadequate budgetary allocation and a wide range of stakeholders in need of information on national values. Successful mainstreaming of national values in programmes and projects depends on the level of awareness on national values and ethics among stakeholders.

Recommendations and Way Forward: Seek additional ways to promote ownership of national values and ethics initiatives that involve citizens, state and non-state actors such as the youth, vulnerable groups, development partners, civil society organisations, professional bodies, the media, public transport sector, cultural institutions and elders. Additionally, seek to strengthen avenues for citizen feedback, dissemination of reports on national values and ethics and opportunities to sensitize the public on the National Values and Principles of Governance Policy.

A County Value Systems Programme

Location: Nationwide

Objective: The Government will establish centres in all the 47 counties to build more in county cohesion and harmony. The centres will at the same time emphasize our national values.

Implementing Agencies: County Public Service Boards in 47 County Governments.

Project Progress: This project had not kicked off due to policy and institutional challenges.

Challenges and Lessons Learnt: The absence of a value system is evident in the management of counties, implementation of this programme needs to be prioritized.

Recommendations and Way Forward: Seek to strengthen the capacity of county public service boards in counties to promote advancement of national values and ethics in their respective county public service, promotion of integrity and ethical leadership and implementing frameworks for rewards and sanctions and the vetting of applicants for public office.

Programmes and guidelines for the promotion of the National Values and Principles of Governance in all relevant institutions

Location: Nationwide

Objective: These will be created to ensure that the national values policy is fully implemented and adopted.

Implementing Agencies: Directorate of National Cohesion and Values, Ethics and Anti-Corruption Commission, PSC.

Project Progress: Educational curricula were reviewed to incorporate national values and principles of governance and inter-community, inter-religious and inter-county exchange programmes to promote appreciation of diversity were conducted. A total of 44 anti-corruption desks were established in Huduma Centres and corruption risk assessments were undertaken in various county Governments and the counties advised on sealing corruption loopholes. The Kenya Integrity Plan (KIP) 2015-2019 was adopted to guide the fight against corruption and promotion of ethics and integrity in 15 sectors and various reforms undertaken in the National Police Service.

Challenges and Lessons Learnt: Involvement of the entire community in inculcating a value system.

Recommendations and Way Forward: Implement recommendations in the Kenya Integrity Plan and put in place plans for development of the next phase.

A Public Service National Values programme

Location: Nationwide

Objective: This will serve to promote, uphold and enforce national values and principles of governance in public service.

Implementing agencies: Directorate of National Cohesion and Values, Ministry of Public Service, PSC, County Governments.

Project Progress: To build the capacity of Government ministries, departments and agencies (MDAs) at national and county levels to develop effective mechanisms for promoting national values and principles of governance: over 120 Focal Point Persons from MDAs were trained on National Values and Principles of Governance and over 100 MDAs were sensitized on national cohesion and national values mainstreaming processes, National Cohesion and National Values and Principles of Governance were incorporated into the FY 2014/2015 and FY 2015/2016 Performance Contracting cycles of MDAs; 46 County Forums on National Cohesion and National Values were held and 46 County Public Service Boards (CPSBs) were engaged on the promotion of National Values and Principles of Governance in their respective county public service.

Challenges and Lessons Learnt: Non-compliance with policy, legal and institutional provisions, need to have a coordinated approach in enforcing compliance to policy and legal provisions on national values and ethics in the public service.

Recommendations and Way Forward: Ensure compliance with policy, legal and institutional provisions; strengthen partnerships in order to enhance synergy amongst institutions.

Citizen Service Delivery Charters

Location: Nationwide

Objective: To improve service delivery to the citizens by all Government Ministries and agencies across the country.

Implementing Agencies: Ministry of Public Service, MDAs, non-state actors.

Project Progress: Citizen service delivery charters were to be instituted and upheld by MDAs in line with the National Values and Principles of Governance. This was to be carried out by all constitutional public service bodies, all state organs and private sector organizations. The project was incorporated into the Performance Contracting cycles of MDAs.

Challenges and Lessons Learnt: Inadequate resources to update, standardize and implement the charter in all National Government and Agencies' offices.

Recommendations and Way Forward: Continuous updating and sensitization of staff in addition to establishing a ranking criterion for public institutions on this metric to enhance service delivery.

Internal code of conduct and Ethics

Location: Nationwide

Objective: To give effect to the provisions of Chapter Six of the Constitution.

Implementing Agencies: Ethics and Anti-Corruption Commission, MDAs.

Project Progress: This will be instituted to give further effect to the National Values and Principles of Governance, enhance professionalism and ethics in service delivery in order to eradicate corrupt practices and increase ethics in service delivery.

Galana Irrigation

The leadership and integrity codes of conduct for state and public officers were developed and disseminated to MDAs for financial disclosures.

Challenges and Lessons Learnt: The negative perception resulting from the multiple cases of corruption in the Public Service is resulting in questions around the effectiveness of the endeavour to promote national values and principles.

Recommendations and Way Forward: A new approach needs to be considered towards enhancing professionalism and ethics in service delivery as a step to eradicate corrupt practices and increase ethics in service delivery.

Performance Contracting

Location: Nationwide

Objective: To enhance capacity of the public service to deliver its services more efficiently and effectively.

Implementing agencies: Performance Contracting Management Office (PMCO). Directorate of National Cohesion and Values.

Project Progress: This was to facilitate integration of National Values and Principles of Governance in Performance Contracts of MDAs. It was incorporated into the Performance Contracting cycles of MDAs.

Challenges and Lessons Learnt: Continuous implementation of the performance contracting process has been a challenge, inadequate funding. For Public Service to continue delivering to Kenyans and to be held accountable, performance results need to be disseminated to the Kenyan public.

Recommendations and Way Forward: The performance contracting process needs to be prioritized in all Public institutions annual consistency in implementation needs to be adhered to whilst announcement of annual institutional ranking needs to be brought back.

A National recognition honors and awards program

Location: Nationwide

Objective: To honor outstanding individuals and recognize the impact they make.

Implementing Agencies: Executive Office of the President, Ombudsman.

Project Progress: This program is for individuals and institutions advancing national values and principles of governance. It was to be achieved by instituting mechanisms for recognizing, honoring, rewarding and celebrating outstanding achievements on national values and principles of governance. The Huduma Ombudsman Award for excellent and outstanding public institutions and officers was initiated and implemented; and a framework for identifying and awarding honors to champions in national cohesion, reconciliation and national values was established.
Challenges and Lessons Learnt: Wide stakeholders support is key in the development and implementation of an awards program that is above board.

Recommendations and Way Forward: Implement a program recognizing, honoring and celebrating individuals and institutions advancing national values, ethics and principles of governance.

Establishing Monitoring and Evaluation (M&E) Mechanisms

Location: Nationwide

Objective: To facilitate assessment of progress on implementation of values and principles of governance.

Implementing agencies: Directorate of National Cohesion and Values, MDAs, PSC.

Project Progress: Annual evaluation reports on the extent to which values and principles in Articles 10 and 232 is complied with throughout the public service were prepared and submitted to H.E. the President and the Parliament. Further, places of detention were monitored to assess compliance with human rights standards and State compliance with international human rights obligations; and a framework and checklist for monitoring and reviewing legislation and administrative acts to ensure adherence to national values and principles of governance were developed.

Challenges and Lessons Learnt: The reports issued by the agencies are based on self-evaluation.

Recommendations and Way Forward: Independent review of the performance reports from the various public service agencies on the status and progress on national values and national unity.

Policy, Legal and Institutional Reforms

Location: Nationwide

Objective: To strengthen implementing institutions to effectively discharge their mandates.

Implementing Agencies: Relevant Ministries and Implementing agencies, State Law Office.

i). Legal Institutional Reforms
Enactment of: National Cohesion and Integration Commission Act, 2008, Public Finance Management Act, 2012; Ethics and Anti-Corruption Commission Act, 2011; Elections Act, 2011, Independent Electoral and Boundaries Commission Act, 2011, Political Parties Act, 2011, Public Service Commission Act, 2012 and National Police Service Commission Act, 2011.

Project progress: Sessional Paper 8 of 2013 on National values and Principles of Governance was approved by Parliament in 2015, Sessional Paper 9 of 2013 on National Cohesion and Integration was approved by Parliament in August 2015, Mwongozo Code of Governance for State Corporations (2015), and Public Service (Values and Principles) Act No. 1A (2015) were developed and adopted; Election Laws Amendment Bill (2016), Legal Aid Bill (2015), National Government Constituency Development Fund Regulations Bill (2016), Draft Supreme Court Presidential Petition Rules (2013), Patients Charter (2013), Refugee Bill (2016), Basic Education Act (2015), Persons with Disabilities Amendment Bill (2014), Victim Protection Bill (2014) were enacted. Reforms were also recommended in Whistle Blower Protection Bill (2017), False Claim Bill (2017), Bribery Act, (2016) and the Anti-Corruption Laws (Amendment) Act, (2015).

Challenges and Lessons Learnt: Although there was significant progress made in the implementation of proposed legal reforms during the review period, there is still much to be done in order to address identified bottlenecks that potentially undermine progress in nearly all the sectors. The speed of development, review and approval by Cabinet and the subsequent enactment of laws by The National Assembly are slow and thus this slows the pace of reforms turned over/gained in the review period.

Recommendations and Way Forward: Endeavour to accelerate the development, approval and implementation of the various policy, legal and institutional reforms key to the achievement of the projects.

ENDING DROUGHT EMERGENCIES

"Planning for drought: An end to drought emergencies and food insecurity in Kenya"

Kenya is susceptible to natural hazards such as drought and flooding which are likely to increase as a result of climate change. Drought risk management is a cross-cutting issue that requires collaborative action by public and private sector agencies at national, county and community levels. In this regard, the Government has prioritized the management of drought by strengthening people's resilience and improving the monitoring of and response to emerging drought risks.

Climate change negatively affects the pattern, quantity and frequency of rainfall. Dwindling amount 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 recognized as one of the key foundations for national development.

National Integrated Drought Early Warning System

Location: 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 Agency: National Drought Management Authority (NDMA).

Project Progress: Drought early warning system was strengthened by integrating remote-sensed data, refining the thresholds that determine each drought phase and using mobile phones for data collection and transmission. The use of vegetation condition index (VCI) as part of the drought early warning system was introduced. As a result, the VCI was produced every two weeks and drought early warning bulletin for each ASAL county published on a monthly basis. Hence a total of 1,380 drought early warning bulletins were published during MTP II period. In addition, a total of 230 bi-monthly food security assessment reports were produced by multi-sectoral and multi-stakeholder team under coordination of NDMA to provide detailed information that would inform early and timely response to drought and other calamities. To ensure sustainability, funding of this flagship project has been taken over by the GoK.

Challenges and Lessons Learnt: Inadequate funding remained a challenge. However, it was noted that continuous innovation is important if reliable and trusted early warning information is to be achieved.

Recommendations and Way Forward: Increase funding to this project with the aim of reducing reliance on donor funding.

Hunger Safety Net Programme (HSNP)

Location: Four arid counties of Turkana, Marsabit, Wajir and Mandera.

Objective: To provide social protection and cushion poor households from hunger in the 4 arid counties considered very vulnerable to droughts and underdeveloped.

Implementing Agency: National Drought Management Authority (NDMA).

Project Progress: The number of households receiving cash transfers under the regular programme was increased to 100,868 in the four arid counties of Turkana, Marsabit, Wajir and Mandera as at FY 2017/2018 compared to 68,621 households in FY 2013/2014. These households were receiving Ksh. 5,400 every two months. In addition, the NDMA introduced a scalability component through which additional households would benefit from the cash transfers if they are affected by calamities such as drought. A trigger mechanism for such payments was developed and rolled out, with specific thresholds. During the FY 2016/17 drought, for example, NDMA disbursed a total of Ksh. 1.02 billion to 97,918 households who were affected by the drought but were not in the regular cash transfer programme.

During the MTP II, the HSNP scalability system was used by various partners to cushion households affected by the FY 2016/17 drought. This reduced the need for provision of food which is not humane and is costly to actualize. Among the partners who used the system to support households affected by drought were the DFID and EU. In addition, the following organizations used the data from the scalability system to target beneficiaries for their programmes during various calamities: World Food Programme, Kenya Livestock Insurance Programme, Trocaire, UNICEF, Index Based Livestock Insurance, Population Council, Concern Worldwide, Oxfam, Veterinaires Sans Frontieres Germany, USAID, Kenya Markets Trust, Kimetrica, Africa Risk Capacity, Oxford Policy Management UK, International Livestock Research Institute (ILRI), Save the Children, Department for Social Development, Solidarities International, State Department of Livestock, Food and Agriculture Organization (FAO), Ministry of Agriculture, Livestock and Fisheries and Sustainable Approaches for Community Empowerment.

Challenges and Lessons Learnt: The HSNP scalability programme proved revolutionary as it enables households affected by calamities such as drought to be reached on a timely and cost-effective way. Unlike food relief, it stimulates rather than disrupt the local markets and enables the households to buy what they need.

Recommendations and Way Forward: Scale up the HSNP to cover more vulnerable ASAL counties. Encourage various partners to provide support to drought affected households through the scalability programme.

The National Drought and Disaster Contingency Fund (renamed National Drought Emergency Fund)

Location: Nationwide

Objective: To improve welfare and resilience of the drought affected households through protection of livelihoods and multi-sectoral drought emergency interventions beyond the capacity of the affected communities and county Governments. The project also aims at institutionalization of a predictable scaling up system to be activated when drought strikes.

Implementing Agency: National Drought Management Authority (NDMA), TNT

Project Progress: The National Drought Emergency Fund (NDEF) was established through the National Drought Management Authority Act, 2016. This effectively renamed the National Drought and Disaster Contingency Fund (NDDCF). Following the establishment, the National Treasury capitalized the Fund in FY 2016/17 with Ksh. 2 billion. As at June 2018, the process of operationalising the Fund through formulation of the NDEF Regulations under the leadership of the National Treasury was progressing well.

Irrigation

In preparation for operationalization of the Fund, the NDMA began piloting the Drought Contingency Fund (DCF) Business Process through a Project funded by the European Union. By June 2018, Ksh 1.01 billion had been disbursed through this Business Process to finance early response in drought-affected counties, thus complementing allocations made by the county Governments. The contingency funds are approved against priorities in drought contingency plans developed by the ASAL county Governments with technical support from the NDMA.

Challenges and Lessons Learnt: Lack of set aside funds for drought response affects the response time and may lead to heavy losses of livelihoods and even loss of human life.

Recommendations and Way Forward: Fast track operationalization of the National Drought Emergency Fund (NDEF).

Integrated Knowledge Management System for Drought

Location: Nationwide

Objective: Ensure centralized management of drought risk management related information for ease of access.

Implementing Agency: National Drought Management Authority (NDMA).

Project Progress: There was a slow start in implementation of this project. As a start, the Knowledge Management Strategy was developed. To facilitate coordinated development and knowledge sharing, the Common Programme Framework (CPF) for Ending Drought Emergencies (EDE) was launched on 4th November 2015 in Nairobi. The Framework has 6 pillars: peace and security, climate proofed infrastructure; human capital, sustainable livelihoods, drought risk management and institutional development and knowledge management. As part of knowledge management, a pilot drought resilience investment tracker was developed and operationalized in 2015 with technical support from the UN OCHA. This tracker shows who is doing what, where and with what resources.

Challenges and Lessons Learnt: Reluctance of some agencies to provide financial information of their projects for uploading into the investment tracker.

Recommendations and Way Forward: Strengthen coordination between the National Government, county Governments and other agencies dealing with EDE and sensitize partners on the need to provide data for the investment tracker.

Policy, Legal and Institutional Reforms

Location: Nationwide

Objective: To enhance evidence-based policy, legislative and institutional frameworks for effective implementation of programmes and projects.

Implementing Agencies: Ministry of Agriculture, Livestock and Fisheries, National Drought Management Authority (NDMA), National Disaster Management Unit (NDMU), National Disaster Operation Centre (NDOC) and State Law Office.

Project Progress: The NDMA Bill 2015 was enacted as National Drought Management Authority Act 2016. The Act also established the National Drought Emergency Fund (NDEF) which was one of the flagship projects under the Ending Drought Emergencies Sector. The National Council for Nomadic Education in Kenya (NACONEK) was launched by the Ministry of Education, Science and Technology on 15th May 2015. NACONEK was established by the Basic Education Act, 2013, and will lead the development of human capital planned under EDE Pillar 3, prioritizing strategies which ensure that quality services reach marginalized communities.

Challenges and Lessons Learnt: Although there was significant progress made in the implementation of proposed legal reforms during the review period, there is still much to be done in order to address identified bottlenecks that potentially undermine progress towards ending drought emergencies.

Recommendations and Way Forward: Endeavour to accelerate the development, approval and implementation of the various policy, legal and institutional reforms key to the achievement of the projects.

Business process Outsourcing Sector: Establishment of Konza Technopolis

Objective: To develop Konza Technopolis as a globally competitive smart city by creating an enabling environment through utilization of ICT for socio-economic development.

Progress: Development of Konza Technopolis (KT) is expected to position Kenya as a knowledge-based economy and a preferred ST&I (Science, Technology and Innovation) destination in Africa so as to foster growth of the technology industry in Kenya. KT is hosted on a 5,000-acre piece of land acquired and secured during the MTP I period. The Master Plan and NEMA approvals for Phase 1 of the project were obtained during the MTP I period while the Cadastral Survey was completed during the MTP II period. Phase I cycle of implementation include: water with the drilling of seven (7) boreholes and arrangement for additional water from the Nol-Touresh Water Scheme, the installing of electricity to the site and the ongoing construction of 2 substations to guarantee adequate and stable power, potential for high speed fibre connectivity with 6 independent backbone fibre cables passing through the Technopolis and construction to gravel standards of 12Km access roads to the first 60 acres. Phase I implementation is expected to be completed in the year 2022.

Drought situation in Northern Kenya

Konza Technopolis Development Authority (KoTDA) began its investor outreach activities aimed to attract investors to the Technopolis, this covered universities, health, education, residential and technology companies both local and international. The construction of Konza Complex to provide office space and accommodation facilities to KoTDA staff and investors commenced in Septemeber, 2016. To anchor the development of the technopolis in a proper legislative framework, a task force was formed to work on the proposed Konza Technopolis Act and KT was incorporated in the Special Economic Zones Bill forwarded to Parliament. Kenya was marketed as a BPO destination in four (4) international fora to attract potential international investors in the BPO/ITES. BPO jobs created during the period were 15,000 which was consistent with the MTP II target. The KT concept remains relevant in promoting Kenya as an ICT and innovations hub. However, notwithstanding the National value and potential gains attached to the project, KT continued to remain substantially underfunded during the period of MTP I and II. It is possible that the institutional framework under which KT- operates may be undermining its ability to influence actions of key actors to support its development.

Challenges and Lessons Learnt:

In the FY 2018, the country experienced extreme wet weather conditions leading to force majeure. This slowed down pace of implementation for Horizontal Infrastructure. There was also inadequate financing which had an implication on the kickoff of critical component of the project. The impressive advancements experienced in the ICT sector in terms of development of communications infrastructure, mobile phone and internet access, mobile money expansion and usage; and automation has contributed to the initiation of the Konza innovation ecosystem initiatives that are aimed to spur the advancement of knowledge economy.

Recommendations and Way Forward:

The Authority endeavours to develop Konza Technopolis into a world-class smart city with a vibrant, safe and secure, healthy sustainable ecosystem. The Authority will continue to pursue partnerships with other Government agencies, private sector, development partners, community and other stakeholders to recruit, attract, and develop high-end talent, businesses and institutions that will provide innovative solutions for socioeconomic development and commercialization. Likewise, the Authority is keen on contract administration and engagement with implementing partners to manage the unforeseen circumstances to ensure timely delivery of the project. The authority will also continue to evolve its funding model to provide much greater involvement of and attract funding from the private sector not only as tenants but also for the rapid development of the necessary infrastructure.

CHAPTER THREE
ECONOMIC PILLAR

INTRODUCTION

The Economic Pillar of Vision 2030 is themed as 'Moving the Economy Up the Value Chain'. The objective of the Pillar is to improve the prosperity of all regions of the country and all Kenyans by maintaining a sustained growth of at least 10 per cent Gross Domestic Product (GDP) growth rate between 2012 and 2030. Six priority sectors that make up over 57 per cent of Kenya's GDP and provide for nearly half of the country's total formal employment are targeted. These are: Tourism, Agriculture, Livestock and Fisheries; Wholesale and Retail Trade, Manufacturing; IT Enabled Services and Financial Services. Oil and Other Mineral Resources sector was added as the seventh priority sector during MTP II. The flagship projects prioritized under each sector are as discussed in the following section.

TOURISM SECTOR

The goal of the Tourism Sector is to make Kenya a top ten long haul tourist destination offering a high end, diverse and distinctive visitor experience. Some of the indicators that inform performance in the Tourism Sector include, Tourist arrivals (both international and cross border), Tourism earnings and bed nights by Kenyans.

The Tourism sector registered mixed performance throughout the MTP I and II period which was below the set targets. Tourism earnings increased by 83.3 per cent from KShs 65 Billion in 2007 to KShs119.9 billion in 2017 against a target of Ksh. 200 Billion (MTP I & MTP II). However, tourist arrivals declined from 1.8 Million in 2007 to 1.78 Million in 2017 against a target of 3 Million. The sector's performance was attributed to implementation of Tourism Market Recovery programmes in 2008, Tourism Recovery Strategy in 2015, global public relation campaigns, market expansion and diversification, improved security, lifting of travel advisories, Government incentives programmes, visits by foreign dignitaries, improved investors' confidence and ease of doing business. Domestic tourism activity expanded

H. E President Uhuru Kenyatta officially opening Mama Ngina drive in Mombasa during the period with domestic bed night increasing by an annual average of 11.8 per cent from 1.87 Million in 2007 to 3.65 Million in 2017. This was attributed to media advertisement campaigns, branding of national parks, discounting of park entry fees, joint marketing initiatives in collaboration with the private sector, regional cultural festivals among others. The number of visitors to national parks and game reserves rose from 2.495 million in 2007 to 2.764 million in 2011 before declining to 2.345 million in 2017 while that of visitors to museums, snake parks and historical sites grew by 30.7 per cent from 598,600 in 2007 to 782,100 in 2017.

The number of international conferences expanded by 40.2 per cent from 234 in 2007 to 328 in 2012 before declining to 191 in 2017 while local conferences grew by 52.1 per cent from 2,528 in 2007 to 3,844 in 2017. The number of international delegates hosted during this period increased by 22.6 per cent from 52,318 in 2007 to 64,167 in 2017. Similarly, local delegates hosted increased by 67.4 per cent to 623,749 in 2017. This growth is attributed to implementation of the National Meetings Incentive-travels Conferences and Exhibition (MICE) strategy, and hosting of high-profile international conferences.

Challenges experienced during the review period include: Insecurity in some parts of the country which are key tourism markets, terror attacks and negative travel advisories, global financial crisis in the source markets in the country and the region, inadequate funding for activities such as marketing of destination Kenya and development of tourism product facilities; removal of Value Added Tax exemptions on a number of previously exempt goods such as game drives, conservancy and park fees, perceived health risks in the region; inadequate infrastructure and human resource capacity required for effective management and development of the tourism sector.

Progress on the implementation of Flagship Programs/ Projects

Resort Cities

Location: Lamu, Isiolo and Lake Turkana

Objective: To develop three resort cities, one each at Lamu, Isiolo and Lake Turkana to facilitate growth in the tourism sector and enhance economic growth in the regions.

Implementing Agencies: Ministry of Tourism and Wildlife, LAPSSET Corridor Development Authority.

Project Progress: Pre - feasibility studies for Lamu, Isiolo and Lake Turkana resort cities were carried out during the MTP I period under the LAPSSET Corridor project. Financial projections for Lamu, Isiolo and Lake Turkana resort cities are estimated at US$ 970 Million, US$ 200 Million and US$ 42 Million respectively while evaluation for Economic Internal Rate of Return is projected at 17.1 per cent for Lamu, 12.8 per cent for Isiolo and 20.8 per cent for Lake Turkana. The land acquisition process was initiated through Gazette Notice (2016) and it is expected that the resort cities will be built by private investors once the enabling infrastructure is in place.

Challenges and Lessons Learnt: The challenges experienced in the implementation of the project included: inadequate funding, land acquisition issues, limited coordination between different Government agencies, and communities being wary of losing their grazing land. Increased funding is critical to enable the implementation of the resort cities besides fast-tracking the national spatial plan and adopting whole-of-Government approach for better coordination.

Recommendations and Way Forward: Increased funding allocation to the State Department for Tourism is critical to enable the implementation of the resort cities. There is need for fast-tracking the implementation of the national spatial plan and adoption of whole-of-Government approach for ease of implementation of the project. Communities should be sensitized about the potential value of the resort cities. Enhancing security is also key to the successes of the resort cities.

Premium Parks Initiative

Location: 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 hence contribute more to the economy while ensuring sustainability of these parks.

Implementing Agencies: Ministry of Tourism and Wildlife and the Kenya Wildlife Service.

Project Progress: A total of 485Km road network leading to the parks (access roads) and roads within the Premium National Parks (circuit roads) were maintained. Of these are roads in Amboseli and Nakuru national parks. Additionally, the two parks were also branded. Two airstrips were maintained, one in Amboseli and one in Nakuru.

Rehabilitation of Makalia Public Campsite in Lake Nakuru started in 2016/17 and was completed in 2017/18. The project entailed development of modern washrooms, provision of clean water, lighting and warm water for showers. Rehabilitation of other 2 public campsites in Amboseli and Lake Nakuru, were completed between 2014/15 and 2015/16. Two viewpoints and picnic sites were rehabilitated at Amboseli and Lake Nakuru National Parks. Additionally, Naishi airstrip restrooms in Lake Nakuru were renovated and guest house refurbished and opened in FY 2016/2017. One cottage was also refurbished in FY 2016/17 in Amboseli National Park.

Kenya Wildlife Service (KWS), through Private Public Partnership, developed one high end eco-lodge at Lake Nakuru National Park to offer quality accommodation for domestic and international markets.

Challenges and Lessons Learnt: The challenges experienced in the implementation of the project include: weak inter-Governmental coordination between the County Governments and the National Government agencies in land-use planning and securing of wildlife dispersal areas, human-wildlife conflicts and poaching, inadequate funds for infrastructural development and effects of climate change which adversely affects the ecological system leading to serious water shortage and loss of pasture for herbivores. Other challenges include: invasive plant species and rise in water levels in Lake Nakuru that forced flamingoes to migrate due to shortage of food.

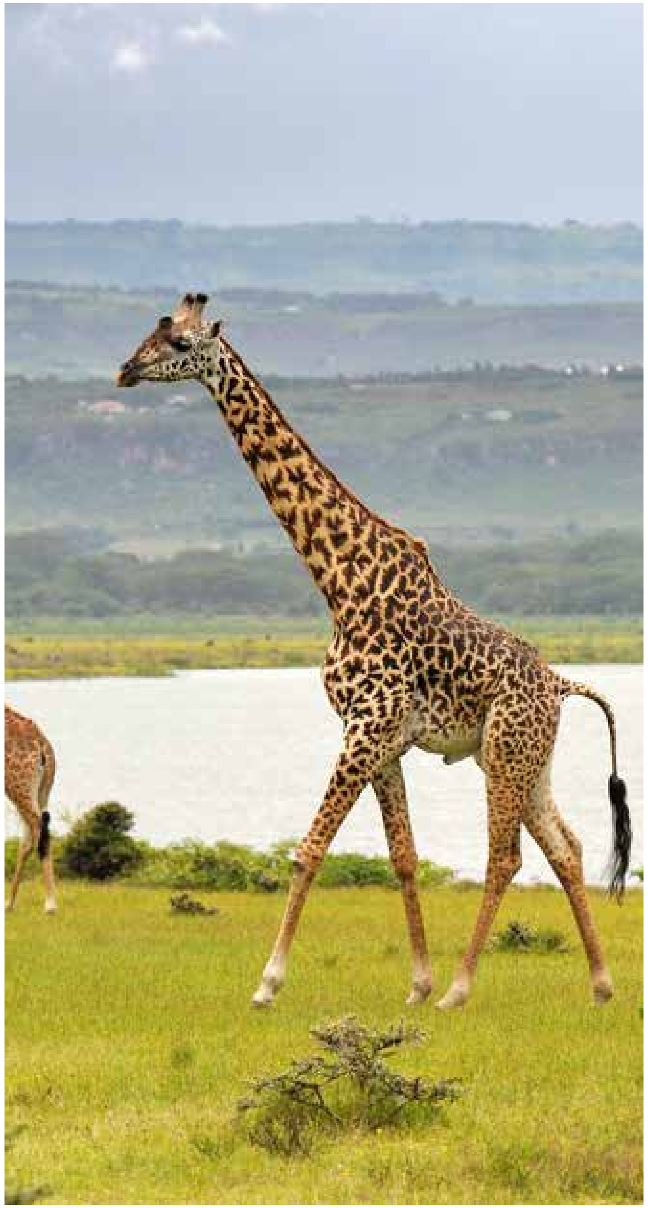
Recommendations and Way forward: There is need to strengthen collaboration between National Government agencies and County Governments; secure wildlife corridors/wildlife dispersal and increase funding for infrastructural development into and within the parks and provision of incentives to private sector players investing in tourism. The Government should also put effort in capacity development of communities on conservation and livestock husbandry to reduce human-wildlife conflict and livestock incursion in parks during dry seasons.

Under-Utilized Parks Initiative

Location: All National Parks except Lake Nakuru and Amboseli

Objective; To increase visitation to the underutilized parks with a view to reduce pressure on premium parks and ensure equitable distribution of tourism benefits across all the conservation areas.

Implementing Agencies: Ministry of Tourism and Wildlife and the Kenya Wildlife Service.



Project Progress: Domestic tourists to under-utilized parks grew by 37 per cent from 1.073 million in in FY 2007/08 to 1.47 Million in 2017/18 due to improved tourists' facilities such as completion of three eco-lodges in Aberdares, Kisumu Impala and Tsavo East National Parks. Branding and marketing of 18 parks/reserves was also undertaken. Renovation of public campsites in Saiwa Swamp, Sibiloi, Ruma, Oldonyo Sabuk, Kakamega Forest, Tsavo West and Tsavo East were completed between FY 2014/15 and FY 2015/16. Four picnic sites and viewpoints were improved in Saiwa Swamp, Chyulu, Mt. Elgon and Oldonyo Sabuk Parks besides improving the Boardwalk in Saiwa Swamp National Park. In May 2018, development of a new public campsite in Watamu Marine was completed.

A total of 1,928 Km roads was maintained in various less visited parks. These includes: 390 km of graveled roads in six Parks; Buffalo Circuit in Hell's Gate National Park; Makema-Masinga Dam Road in Mwea National Park; 26.2 Km circuit road in Marsabit National Park- Karare Gate – Ahmed Gate and Lake Paradise - Ajarmako Junction (A2) Road and 19 Km road in Mt. Kenya National Park. Additionally, a total of 13 airstrips were maintained during the MTP I and II period.

Main internal circuits in Nairobi National Park, Kanderi and Mkwaju Circuits in Tsavo East National Park and Lake Jipe-Kasigau Road in Tsavo West National Park were also maintained. Construction of a major bridge over River Galana connecting Southern and Northern part of Tsavo East was completed. Three cottages were also refurbished in Aberdare, Tsavo West and Meru National Parks.

To improve the competitiveness of the wildlife-based tourism and diversify visitors' experience within parks, KWS developed Via Ferrata climbing trail in Mt. Kenya, rehabilitated the Mt. Longonot Hiking Trail, and developed one World War site in Tsavo West.

Twelve sites for development of accommodation were advertised in Mwea, Mt. Elgon, Kakamega Forest, Ruma, Saiwa, Kisumu Impala, Tsavo East, Tsavo West, Meru and Aberdare Parks with a view to boost vistor numbers to these parks. The grace period for rent payment by new investors in tourist facilities was extended from 12 months to 18 months in an endeavor to attract increased private investments.

Challenges and Lessons Learnt: Challenges faced during implementation of the projects included: inadequate funding; weak linkages between the county Governments and national Government on wildlife conservation and tourism development, poor road network; insecurity and poaching and livestock incursion in the protected areas especially in the Tsavos, Sibiloi and Meru, that threatened the healthy existence of the ecosystem by degrading the habitat.

Recommendations and Way Forward: There is need to improve management of community conservancies bordering the parks. There also need to encourage PPP to develop eco-lodges through incentives. Exploration of different financial models to enhance road networks is critical. Enhancement of collaboration with county Governments in development of tourism infrastructure, capacity building, land use planning and management of tourism resources is necessary improve wildlife conservation and tourism development.

Business and Conference Tourism Initiative

Location: Kenyatta International Convention Centre, Bomas of Kenya, Kisumu and Mombasa

Objective: To market Kenya as a preferred Conference Tourism destination regionally and internationally and attract more business tourists by attracting high-end international hotel chains and investing in new conference facilities.

Implementing Agency: Ministry of Tourism and Wildlife, Kenyatta International Convention Centre and the Bomas of Kenya.

Project Progress: Kenya has a large potential for business and conference tourism due to its strategic location and ease of international connections. The National Meetings, Incentives, Conference and Exhibitions (MICE) strategy was developed and implemented, in which a national MICE committee and secretariat was formed, establishment of a National Convention Bureau initiated, national MICE product mapping was done and bids to host seventy-eight (78) international conferences and events were submitted. Further, the Kenyatta International Convention Centre (KICC) streamlined conferencing to ensure conference delegates in Kenya have an all-round experience and undertook sensitization for counties with a view to promote and develop MICE products.

The country hosted several high-profile international conferences and events in 2015 and 2016 including World Trade Organization (WTO) council of ministers, TICAD VI, UNCTAD among others. The country also hosted high profile visitors during the same period. In 2018 the country hosted four (4) international conferences including the 1st ordinary session of the African Union Ministerial Sub Committee on Tourism, 79th International World SKAL Congress, Sustainable Blue Economy Conference and Africa Hotel Investment Forum. KICC is currently undertaking modernisation and expansion of KICC MICE Facility and is reported to be 27.2p ercent complete besides operationalizing MICE destination marketing in Kenya.

The proposed Nairobi International Convention and Exhibition Centre (NAICEC) being undertaken by the Bomas of Kenya was at 10 per cent completion. A transaction advisor was engaged, feasibility study undertaken and submitted to the Public Private Partnership unit of the National Treasury for approval. Tourism Finance Corporation undertook a pre-feasibility study for the development of the Mombasa International Convention Center (MICC). In 2015, Kenyatta International Convention Centre signed an MoU with Kisumu County Government for the development of a multibillion state of the art Kisumu Convention Centre.

Challenges and Lessons Learnt: The main challenges have been: inadequate funding for the projects, lack of subvention funds for bidding, breach of contract on feasibility study of NAICEC, lack of coordination between Government agencies and county Government, land ownership, and land use issues.

Recommendations and Way Forward: in order to address the above challenges, there is need to: explore alternative sources of funding, review of land lease agreement to allow for other uses, with other stakeholders develop pre and post conference packages that ensure delegates experience the magical Kenya during their conference days and establish and operationalize a National Convention Bureau.

Cradle of Humankind Project

Location: Lake Turkana Basin, Turkana County

Objective: To position Kenya and the Lake Turkana Basin as the renowned place for Human Origins internationally, while ensuring opening the area for economic growth and poverty alleviation for the local communities.

Implementing Agency: Ministry of Sports and Heritage and the National Museums of Kenya

Project Progress: An inter-ministerial (Agency) committee was constituted that developed a concept note and Terms of Reference (TOR) for a consultancy to guide the project. The project has since been moved from the National Museum of Kenya to the Ministry of Sports, Culture and Arts. The project is behind schedule.

Challenges and Lessons Learnt: There has been inadequate funding for consultancy. It has also been unclear whether it is the Ministry or the National Museum of Kenya that should be the lead implementing agency. The county of Turkana was brought on board further creating grey areas on the modalities for implementation.

Recommendations and Way Forward: There is need to identify a clear implementing agency.

Destination Marketing Programmes

Location: National and International

Objective: To grow tourist arrivals, tourism sector earnings and domestic tourism.

Implementing Agency: The Kenya Tourism Board (KTB)

Project Progress: Kenya registered an upward trend in tourism earnings between 2007 and 2012, Kshs .96 Billion up from Ksh.65 Billion, this was laudable progress considering that the country experienced a decline in arrivals over the same period due to the post-election violence and global financial crises in the source markets. During MTP II, the Government implemented the Tourism Market Recovery Programme (TMRP II) which was aimed at mitigating the effects of the post-election violence through reassurance campaigns and source market diversification. The activities included global media campaigns, outdoor advertising in key markets, source market diversification and provision of a diversified tourism product mix. Additionally, new markets penetration was realised through contracting of Market Development Representatives (MDRs) in countries such as China and India which facilitated the development of language specific promotional materials targeting some of the emerging markets and forging of strategic partnerships with airlines. The TMRP II led to recovery of tourism arrivals to 1.82 million in 2011. Between 2012-2015, the sector performance dropped to a low of 1.46 million tourist arrivals due to uncertainty related to the 2013 general election, terror attacks, adverse travel advisories and effects of the Ebola outbreak in Africa. The Government appointed a task force on tourism recovery in 2015 which developed the tourism recovery report whose implementation stemmed the declining performance and stimulated recovery of the sector from 2016. Some of the initiatives implemented for the recovery included the charter incentive programme, waiver of visa fees for children under 16, waiver of landing fees at Mombasa and Malindi airports and engagement of an international public relation firm as part of the consumer reassurance campaigns. Other initiatives included global brand awareness creation campaigns aimed to inspire the world to visit Kenya and strategic partnerships with airlines and premium brands in the market such as Kenya Airways and KWS. By 2017, tourist arrivals increased from 1.67 million in 2016 to 1.78 Million, while earnings grew from Ksh. 99.7 billion to Ksh.119.9 billion.

The performance of the domestic tourism has been on an upward trend during the MTP 1 & II period rising from 1.87 million in 2007 to 3.65 million in 2017.This was attributed to implementation of domestic tourism promotion campaigns such as Tembea Kenya, Travel dairies and 'Why I Love Kenya'. Additionally, joint marketing initiatives were conducted in collaboration with private sector such as cultural festivals and the Kenya Tourism Week among others.

Challenges and Lessons Learnt: A narrow product range, namely beach and safari, inconsistent funding models affecting promotion and marketing initiatives; dependence on seasonal international visitors, weak industry associations and low brand conversion, inadequate data and information on the source market for targeted marketing.

Recommendations and Way Forward: There is need to clearly position and communicate the diversity of the Kenyan destination experience. Build Magical Kenya brand affinity with prospective visitors through brand awareness campaigns across the source markets to increase conversion. Leverage digital marketing to effectively increase reach to the source markets. There is need to strengthen collaboration and partnership with the private sector to strengthen industry association.

Development of Niche Products

Location: Nationwide

Objective: To diversify tourism products to scale up tourist arrivals in all regions of the country with a view to boost rural income and living standards.

Implementing Agency: Ministry of Tourism and Wildlife; Ministry of Sports and Heritage, Kenya Forest Service; Kenya Wildlife Service, Kenya Electricity Generating Company; Bomas of Kenya, and Community Based Organizations.

Project Progress: Niche products include eco-tourism, cultural tourism, water-based tourism, cruise tourism, and health and medical tourism. Kenya is one of the global leaders in tourism and community-based ecotourism, working with the many local ethnic groups to develop innovate ways to protect the environment and local culture. Sensitization and awareness raising trainings on home stays and agro-tourism were carried out in Western Kenya, Central Kenya and North Rift tourism circuits as part of efforts to diversify tourism products. Criteria for licensing home stays were developed and launched during the MTP I period. A total of 276 home stays with a bed capacity of 1,564 were identified in 26 counties for development of niche products.

A cultural Tourism Strategy was developed and implemented, where 20 cultural festivals were held and respective cultural ambassadors identified. Further, 18 dances were re-choreographed, a 1000 seat capacity amphitheatre was constructed, 5 cultures researched (Makonde, Suba, Elchamos, Kikuyu gurario ceremony, and sukuti cultural costume,) rehabilitation and clustering of traditional homesteads were done during the period under review.

Kenya Forest Service also advertised over 80 ecotourism facilities during the MTP I period to enhance accommodation and other services. Twenty (20) of the facilities were licensed to commence development and eventual operations. Also, about 20 Important Birds Areas

(IBAs) located within forest reserves of Arabuko-Sokoke, Kakamega and Mt. Kenya were developed to promote bird tourism. Some of the IBAs offer specialist guiding services attractive to tourists. A Heritage Tourism Strategy was also developed during the MTP I period. In addition, two tourist circuits, namely Cradle of Mankind Tourism Circuit and Nairobi Circuit, were surveyed, gazetted and rehabilitated. National monuments and historical sites such as Kaya Forests, Nairobi National Museum, new Museums at Wajir and Garissa and new World Heritage Sites were listed by UNESCO. The New World Heritage Sites are at Fort Jesus Museum, and the Great Rift Valley lakes of Elementaita, Baringo and Bogoria.

KenGen Company undertook therapeutic tourism to utilize the hot springs and geothermal resources within Hell's Gate National Park where a natural health spa was constructed in FY 2016/17. The spa is one of the main attractions in Hell's Gate National Park. KWS also enhanced the cycling experience in Hell's Gate and Kakamega Forest though acquisition of 20 new mountain bikes and improvement of cycling trails.

Ministry of Tourism and Wildlife has also been promoting cruise tourism, which is a high-end lucrative market offering visitors arriving by sea an all-inclusive holiday. According to the survey undertaken by Tourism and Transport Consult International in 2015, Mombasa had attracted 32,993 cruise tourists between 2007 and 2017 and it is projected to increase to 140,000 annually after completion of the new cruise terminal in Mombasa by the year 2020.

Challenges and Lessons Learnt: Challenges facing development of niche products include low adoption of technology, poor infrastructure, inadequate involvement of local communities, insecurity along the Kenya- Somali border, lack of access to capital to invest in tourism due to the high-risk perception, threat to natural environment as a result of climate change and pollution.

Recommendations and Way Forward: In order to address the above challenges, there is need to, develop market led products/experiences; develop a strategy for marketing niche products, enhance security along the Kenya - Somali border and enhance support to communities and enterprises to develop niche products.

Development of Coastal Beach Ecosystem Management

Location: Mombasa, Kilifi, Kwale and Lamu counties.

Objective: This project is aimed at upgrading transport infrastructure, management of coastal the beach, renovation of existing hotels and build new ones, development of water-based niche products (scuba diving, surfing, water skiing), development of Marina along the marine continental shelf and enhance security and safety of visitors at the coast.

Implementing Agency: Ministry of Tourism and Wildlife; Kenya Wildlife Service.

Project Progress: In 2011, KWS piloted a beach management program in collaboration with the hotels along the Kenya North Coast beach (12 km stretch between Mtwapa and Tudor) and Municipal of Mombasa. The program focused on beach cleanliness and security and safety of visitors.

The English Point Marina, a private 5-star establishment, built on a four-acre land at a cost of Ksh.5.1 billion was opened by H.E. President in February 2016 and was later awarded a Vision 2030 flagship status.

Challenges and Lessons Learnt: Challenges facing beach development and management included, visitors' harassment, poor waste management, unequal sharing of tourism resources, insecurity and petty crimes; threats to Marine Park and beach ecology and drug use and peddling.

Recommendations and way forward: To address the above challenges, there is need to enhance beach cleanliness, enhance visitors' security and safety, reduce social vices on the beach, improve beach environment for marine species, enhance partnership with hotels and communities, reduce management conflicts among beach users and enhance image of North Coast Beach and Mombasa Marine Park and Reserve.

Maasai Mara National Reserve

Location: Maasai Mara Game Reserve, Narok County.

Objective: To develop and market the Maasai Mara as a national iconic brand and implement the Mara Ecosystem area plan.

Implementing Agencies: Ministry of Tourism and Wildlife, Kenya Wildlife Service and Narok County Government.

Project Progress: There have been ongoing efforts to reduce poaching in the Mara triangle and the surrounding area and continuous improvement of the infrastructure. Construction of the Narok-Sekenani Gate road has been initiated and access roads to camps and lodges outside the Mara Triangle were maintained. The Maasai Mara National Reserve was voted Africa's leading national park at the World Travel Awards in 2017.

Challenges and Lessons Learnt: Challenges experience during the implementation of the project include: unplanned development within the parks; poor access roads, sharing of tourism resource and benefits and lack of coordination between the national and county Government on matters affecting the reserve.

Recommendations and Way Forward: The County Government and National Government need to resolve the stalemate in the management of the reserve.

Development of Health and Medical Tourism

Location: Nationwide

Objective: To enhance the development of health and medical tourism by enhancing the marketing of Kenya's relatively specialized health and medical services and the health system infrastructure.

Implementing Agencies: Ministry of Tourism and Wildlife; Ministry of Health, Kenya Tourism Board, Health Care Providers; Medical Insurance Firms.

Project Progress: The project is at the initial stages of implementation.

Challenges and Lessons Learnt: Kenya has some excellent medical facilities with the potential to draw medical tourists from neighbouring countries or within Kenya. These have not been specifically developed or packaged for medical tourism purposes, therefore some development in terms of products and markets is required.

Recommendations and Way Forward: Need for collaborations between Ministries of Health and Tourism to aggressively market the country as a medical destination, the Government should involve private hospitals to represent as a Kenya pavilion consortium at various healthcare forums and medical tourism promotion destinations.

AGRICULTURE, LIVESTOCK AND FISHERIES

The main objective of the Agriculture, Livestock and Fisheries Sector is to be an 'Innovative, Commercially Oriented and Modern Farming, Livestock and Fisheries Sector. The sector is the backbone of the Kenyan economy as it accounts for over 65 per cent of the

Horticultural farming in Katilu Irrigation Scheme country's total exports. and provides 18 per cent of formal employment and over 60 per cent of the total employment in the country as at 2018.

The sector was one of the first to fully devolve the function of service provision to the county Governments underscoring the importance of County Governments' role in ensuring food security. Agriculture has historically been and remains Kenya's most dominant economic sector, and the largest contributor to the country's GDP averaging between 20 – 25 per cent of the total value and contributes another 27 per cent of GDP indirectly through linkages with other sectors. The sector employs more than 40 per cent of the total population and more than 70 per cent of Kenya's rural people. Agriculture in Kenya is large and complex, with a multitude of public, parastatal, non-Governmental and private sectors. The sector provides the livelihood (employment, income and food security needs) for more than 80 per cent of the Kenyan population and contributes to improving nutrition through production of safe, diverse and nutrient dense foods. The sector is also the main driver of the non-agricultural economy including manufacturing, providing inputs and markets for non-agricultural operations such as building/construction, transportation, tourism, education and other social services.

During the MTP I, the sector recorded an average annual growth rate of 4.3 per cent against a target of 7 per cent. The shortfall was mainly caused by adverse weather conditions in some years, the FY 2007/08 post-election violence disruptions and increasing costs of major inputs such as seeds, fertilizer and fuel. The value of agricultural output increased by Ksh. 70,550 million per annum between 2008 and 2011 against a target of Ksh. 80,000 million per year as set out in Kenya Vision 2030 and Agricultural Sector Development Strategy (ASDS).

During MTP II, the Sector recorded an average growth rate of 4.2 per cent which accelerated to 6.4 per cent in 2018 mainly driven by marked improvement in crops and animal production that benefited significantly from the sufficient rains. However, annual growth rates varied primarily due to the variable weather conditions. Growth in agriculture Gross Value Added improved from 5.4 per cent in 2013 to 5.5 per cent in 2015 before declining to 4.0 per cent in 2016 and further declined to 1.6 per cent in 2017 due to insufficient rains that affected production of key crops and animal rearing.

Maize production, a key aspect of food security, increased from 40.7 million bags in 2013 to 42.5 million bags in 2015 but declined to 35.4 million bags in 2017. Production of rice decreased from 125,256 tonnes in 2013 to 81,200 in 2017. This was due to the prolonged dry spell in 2017 which reduced water availability in irrigation schemes. Wheat production increased from 194,500 tonnes in 2013 to 222.4 tonnes in 2016 and declined to 165,200 tonnes in 2017. Attainment of food and nutrition security demands increased production, safe storage and availability of these products at affordable prices by the public.

Performance of the sector was further supported by significantly improved performances in other agricultural subsectors. Table 4 shows the trends in production for selected crops during the period 2008-2018. Production of tea grew by 12.1 per cent to stand at 493 thousand tonnes in 2018 compared to a 7.0 per cent decline recorded in 2017. Similarly, the sector's performance was buoyed by increased production of coffee from 38.6 thousand tonnes in 2017 to 41.4 thousand tonnes in 2018. In the sugar sub-sector, improved performance was reflected in the quantity of cane delivered to millers which rose by 7.0 per cent to stand at 5.3 million tonnes in 2018. Horticultural activities remained robust in 2018, though growths in output of the respective crops were relatively slower than in 2017.

Among exports, tea remained a major foreign exchange earner at Ksh.124.5 billion in 2016, from Ksh.104.6 billion in 2013, representing 19 per cent increase. Tea production increased by 9.4 per cent from 432,400 tonnes in 2013 to 473,000 tonnes in 2016 before declining to 439,800 tonnes in 2017. Coffee production increased by 15.8 per cent from 39,800 tonnes in 2013 to 46,100 tonnes in 2016,


Farmers sifting maize

Figure 10: *Contribution to Agriculture by various sub-sectors*

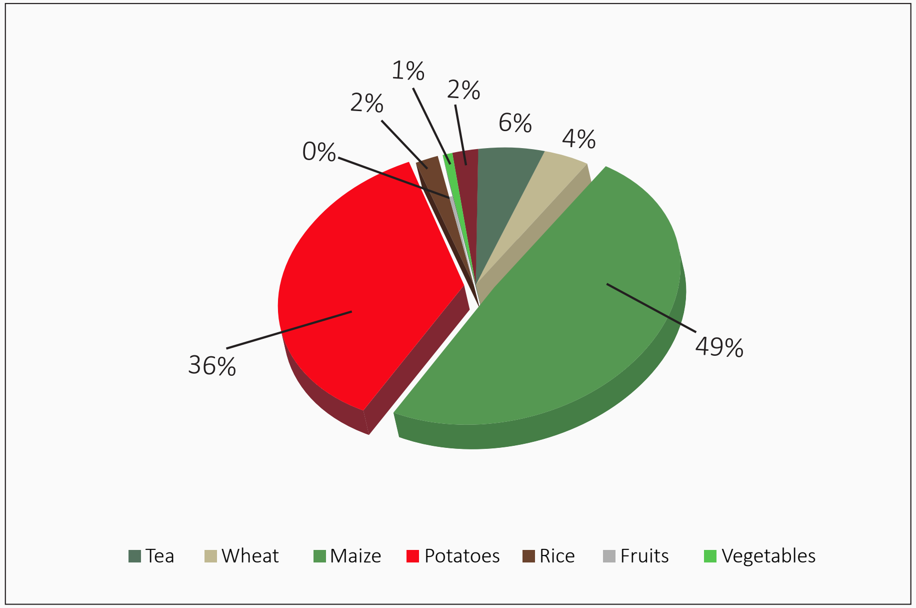


Table 4: *Crop Production Trends, 2008-2017*

Crop	MTP I Production					MTP II Production				
In {000 tons}	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Tea	345.80	314.10	399.00	377.90	369.40	432.40	445.10	399.20	473.00	439.80
Wheat	336.69	219.30	511.99	105.90	162.70	194.50	228.90	238.60	214.70	165.20
Maize	2,340.00	2,443.00	3,464.00	3,096.00	3,749.80	3,592.70	3,513.17	3,972.61	3,339.18	3,688.09
Potatoes	2,200.00	2,299.80	2,725.90	2,365.00	1,423.70	1,667.70	1,626.10	1,172.30	1,150.10	1,492.10
Rice	51.88	54.96	110.49	111.23	138.20	125.26	112.26	109.97	99.47	101.87
Fruits	17.10	21.20	32.50	27.10	31.10	31.10	35.10	46.20	48.70	56.90
Vegetables	82.40	72.50	75.60	79.20	66.40	77.20	70.30	69.70	78.80	87.20
Cut flowers	93.70	87.00	120.20	110.00	108.30	106.50	114.80	122.80	133.70	160.00

Source: *State Department for Crop Development*

earning the country Ksh.21.3 billion, up from Ksh.16.3 billion in 2013. In 2017, coffee production declined to 40,800 tonnes. The horticulture sub-sector comprising of cut-flowers, vegetables, fruits, nuts, herbs and spices remained pivotal to Kenya's export drive. The volume of exported horticultural products increased by 42.2 per cent from 213,900 tonnes in 2013 to 304,100 tonnes in 2017. The value of horticultural exports increased by 37.8 per cent to Ksh.115.3 billion in 2017 compared to Ksh.83.7 billion in 2013. Specifically, the volume of the exported flowers rose marginally while that of fruits grew by 32.7 per cent in 2018. However, the quantity of the exported vegetables decreased by 1.6 per cent in the period under review.

The quantities of milk delivered to the dairy processors increased by 18.4 per cent from 535.7 million litres in 2017 to 634.3 million litres in 2018 while quantities of milk and cream processed also recorded an increase of 10.6 per cent from 410.6 million litres in 2017 to 454.1 million litres in 2018. In addition, processed butter and ghee and cheese recorded increases of 10.8 per cent and 15.5 per cent, respectively, in 2018. The number of livestock slaughtered has been increasing over time.

Horticulture farming

The number of cattle and calves slaughtered rose by 7.4 per cent from 2,590,000 heads in 2017 to 2,781,700 heads in 2018. Similarly, the total number of goats and sheep delivered to slaughter houses increased by 11.3 per cent to stand at 10,247,600 thousand heads during the review period. The same trend was witnessed with the number of pigs slaughtered increasing by 7.8 per cent from 360,100 heads in 2017 to 388,200 in 2018.

The increased slaughter led to a slight increase in quantity of meat produced by 1.5Per cent from 596.8 million tons in 2017 to 605 million tons in 2018. The quantity of milk on the other hand increased by 4.7 per cent to stand at 4.5 million kg in 2018 from 4.3 million kg in 2017.

Table 5: *Milk Production Trends*

Products	2012	2013	2014	2015	2016	2017
Total Milk produced (kgs in millions)	3,191	3,718	3,425	3,444	4,116	3,561
Milk marketed formally (kg in millions)	495.2	523.0	541.3	615.9	648.2	570

Source: *State Department for Livestock*

Table 6: *Meat Production Trends*

Products (in MT)	2012	2012	2013	2014	2015	2016	2017
Beef	94,824	94,824	96,765	113,450	489,064	528,990	481,799
Chevon	20,561	20,561	45,312	68,191	35,856	50,468	33,678
Mutton	14,149	14,149	21,852	91,589	26,692	27,901	17,767
Pork	17,591	17,591	8,159	42,804	9,715	10,767	12,988
Rabbit	234	234	322	348	1,060	941	779
Poultry	48,393	48,393	28,693	81,043	45,938	64,309	106,978
Camel	9,086	9,086	8,856	11,221	18,361	18,715	29,085
Total (Meat)	204,837	204,837	209,958	408,647	626,688	702,091	576,098

Source: *State Department for Livestock*


Milk Farming


Maize Harvesting in Katilu farm

Table 7: *Other livestock products Trends*

Product ('000)	2012	2013	2014	2015	2016	2017
Eggs (No. of trays)	197,062.6	170,213.4	171,183.9	46,912.8	50,989.3	52,926,249
Honey (Kg)	8,740.5	8,249.9	29,742.7	17,411.7	25,573.5	18,089,763
Wax (Kg)	947.4	750.0	736.2	1,446.0	1,688.3	1,752,685
Hides (No.)	41.3	112.9	923.5	2,765	3,004.1	2,657,167
Skins (No.)	307.5	646.7	1,388.1	2,487	4,501.3	7,463,184

Source: State Department for Livestock

Table 8: *Fish production trend during MTP II*

Year	2012	2013	2014	2015	2016	2017
Metric Tonnes	154,015	163,389	182,626	163,824	147,678	135,100
per cent change	-	6.1 per cent	11.8 per cent	-10.3 per cent	-9.9 per cent	-8.5 per cent

Source: *State Department for Fisheries, Aquaculture and the Blue Economy*

The total fish production was on an upward trend where it increased from 154,015 metric tonnes (MT) in 2012 to 182,626 MT in 2014 before the production started to decline to a low of 135,100 MT in 2017. The decline was associated with a fall in fish production from the shrinking lakes, the Tana dams, excessive and unregulated fishing, climate change, environmental degradation, inadequate fisheries infrastructure, and use of destructive fishing methods and the presence of water hyacinth particularly in Lake Victoria. In addition, fisheries function was devolved during the period and fish farming/aquaculture which had taken off during the implementation of the Economic Stimulus Programme.

Programme was not prioritized

As at the end of MTP I, the area under irrigation countrywide expanded from 119,000 to 159,000 hectares in small-holders as well as large schemes namely, Bura, Hola, Kano, Bunyala, Pekere and Mwea. Further, in MTP II a total of 66,538 acres were developed under the National Expanded Irrigation Programme (NEIP). Under the ASAL project on food security, productivity per acreage increased from 15-20 bags in 2013 to 20-25 bags of maize in 2015.

Implementation of the Agriculture Reform Legislations

Location: Nationwide

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

Implementing Agencies: Ministry of Agriculture, Livestock and Fisheries Development, Agriculture and Food Authority, Kenya Agriculture and Livestock Research Organization.

Project Progress: The following acts have been enacted: The Agriculture, Fisheries and Food Authority Act 2013 (Revised to AFFA Act, 2015), the Kenya Agriculture and Livestock Research Act 2013 and the Crops Act 2013. This has given rise to the Agriculture, Fisheries and Food Authority (AFFA) currently Agriculture and Food Authority (AFA), and the Kenya Agricultural and Livestock Research Organization (KALRO).

Several agencies were merged under KALRO and AFA. Institutions merged under the Agriculture, Food and Fisheries Authority (AFFA) which later became Agriculture and Food Authority (AFA) include: Kenya Sugar Board, Tea Board of Kenya, Coffee Board of Kenya, Pyrethrum Board of Kenya, Cotton Development Authority, Kenya Coconut Development Authority, Sisal Board of Kenya and Horticultural Crops Development Authority.

Challenges and Lessons Learnt: Lack of Board of Directors for AFA to provide Strategic and Policy direction, Inadequate collaboration and linkages between County and National Government on the devolution of agriculture anchored in Schedule 4 of the Constitution of Kenya. The delay in the implementation of Human Resource instruments. Litigation from the stakeholders delayed implementation of Regulations and financial constraints due to budget cuts and late release of funds were an impediment to timely operationalization of desired reforms. One of the lessons learnt is that there is need to develop an implementation structure merger of institutions.

Recommendations and Way Forward: The Human Resource instruments should be reviewed and implemented. There is need to deepen implementation of the agricultural reforms in order to hasten attainment of food and nutrition security. There is also need to sensitize and involve stakeholders in legal reforms. Lobby for more resources from Government and development partners to implement legal reforms. Strengthen collaboration between the two levels of Government.

Fertilizer Cost Reduction Programme

Location: Nationwide

Objective: To make fertilizer more affordable and easily accessible to farmers and to increase agricultural production by improving the purchasing and supply chain and supporting local manufacture of fertilizer. This project was to be implemented through a three-tiered fertilizer cost-reduction strategy which included bulking, blending and manufacturing.

Implementing Agencies: Ministry of Agriculture, Livestock and Fisheries Development

Project Progress: The strategy involved bulk procurement and supply chain improvements, blending and local manufacturing of fertilizer. The initial step in the programme involved working with the private sector and reviewing farmer's institutions' ability to import and distribute fertilizer in bulk. The fertilizer cost reduction project required capacity building of farmers and farmers' organizations, efficient fertilizer ordering and distribution process and provision of warehousing to address the inefficient and costly fertilizer importation and distribution structure that was in place before its inception.

Under the Fertilizer Subsidy Programme, the Government has been bulk-procuring and distributing fertilizer at a subsidized rate to farmers across the country to stabilize fertilizer prices. Under this programme, a total of 386,869 MT of various fertilizers were purchased as a price stabilization mechanism during MTP I, and 615,121 MT during MTP II bringing down the price of Di-Ammonium Phosphate (DAP) from Ksh. 6,500 in 2008 to Ksh. 4,500 in 2013 to Ksh. 3,100 in 2017 and of Calcium Ammonium Nitrate (CAN) from Ksh. 3,000 in 2008 to Ksh. 2,800 in 2013 to Ksh. 2,600 in 2017. During this period, the Government also identified Athi River Mining Company, MEA limited and Toyota Tsusho Corporation as strategic partners for fertilizer blending through a Public Private Partnership (PPP) arrangement, making fertilizer blends available in the market.

During the period under review, the Government identified a private investor for fertiliser blending and an MOU was signed with Toyota Tsusho Corporation. This is yet another Public Private Partnership (PPP) by the Government to locally manufacture the farm inputs, which will go a long way in enhancing the affordability and supply of quality fertilizer. There are currently three fertilizer blending companies in the country i.e. Athi River Mining Company, MEA limited and Toyota Tsusho Corporation. In support of the 3-tiered fertilizer cost reduction strategy, KALRO was to undertake soil suitability to determine specific soil requirement for different areas in the Country. However, during the review period the country had not commenced manufacturing fertilizer as had been envisaged in Vision 2030. In addition, capacity building programmes on data management was carried out in collaboration with the Kenya National Bureau of Statistics.

Challenges and Lessons Learnt: The sub-sector experienced several challenges that impacted negatively on delivery of activities. They include: inadequate funding, lack of a sector-wide monitoring and evaluation framework to adequately capture implementation progress, lessons and increase accountability for results. This included management of project accounts, delayed flow of funds to counties, frequent staff transfers and political interference. Agriculture was also devolved in MTP II and thus efficiency in devolved units was key to its success. However, governance issues have slowed down the progress of the project. There should be harmony in fertilizer distribution between National and County Government. The distribution of the fertilizer was done after planting season. Inappropriate allocation of the required type of fertilizer and distribution to non-target categories of farmers were some of the other challenges experienced.

To cope with the funding challenges, the sub-sector had to periodically review and reprioritize its activities. Some of the set targets were therefore revised to be within the budget. The sub-sector also ensured cost efficiency in implementation of all the activities through compliance with financial regulations. The sub-sector also continued developing projects proposals for funding by various development partners in order to bridge the financing shortfalls. The agricultural statistics unit based at the Ministry headquarters which can serve to track progress of the programme is not well resourced.

Recommendations and Way Forward: There is need for more precise and current data for use in decision making on production, policymaking, and budget analysis. The data that is collected from the field need validation to ensure quality. The agricultural statistics unit should be adequately resourced. The sector is involved in the process of developing a comprehensive sector-wide monitoring and evaluation framework.

ASALs Irrigation Project

Galana-Kulalu Food Security Projects (GKFSP)

Location: Kilifi and Tana River Counties

Objective: To increase the country's arable land by increasing the area of ASAL land under irrigation to between 600,000 – 1.2 Million acres.

Implementing Agencies: Ministry of Water and Irrigation and the National Irrigation Board

Project Progress: The Galana/Kulalu Food Security Project is a national project which aims at putting 1 million acres of land under irrigation in the vast Galana and Kulalu Ranches owned by the Agricultural Development Corporation (ADC). The ranch lies in both Tana River and Kilifi Counties. The aim of the project is to ensure food security in the country through the use of modern technology and to optimize production through targeted investment in crop, livestock and fish

Modern water pumping station at Galana

production. The project was to be implemented by the Government of Kenya through National Irrigation Board (NIB). The Galana Kulalu Food Security project covers a total of 1.75 Million acres of which 1.2 Million acres is arable for crop production.

During MTP II, the pre-feasibility study carried out identified value chains that include Maize – 525,253 acres, sugarcane - 311,731 acres, fruits – 134,143 acres, dairy production – 109,116 acres, and game and beef ranching – 295,752 acres. From the hydrological studies, it was established that the River Galana basin has enough water to irrigate 400,000 acres with construction of a 2 Billion cubic metre (2 Billion m3) dam. However, this was reviewed to 217,000 acres after the upstream investments including the Thwake dam were factored in.

Subsequently, the Government initiated the development of infrastructure on a 10,000-acre model farm. At the end of the plan period, 5100 acres were equipped with irrigation infrastructure where centre pivots covered 3300 acres and drip system covered 1800 acres. It also included construction of intakes, filtration stations and lined water detention ponds. Cumulative 12,950 tons of maize had been realized on 3,300 acres of model farm by end of MTP II.

Challenges and Lessons Learnt: The main challenge is the huge investments outlay required by the project against the limited financial allocations. Other challenges are high sediment load and floods from Galana River, poor road network affecting accessibility, inadequate network coverage hence poor communication within and to the project area, lack of clarity of roles on production due to numerous Government directives, insufficient project conceptualization and planning, insecurity, human/wildlife conflict, human vandalism and theft, lack of basic social facilities, contractual issues, inadequate labour because of the nomadic nature of the surrounding community , disease and pest control, lack of connection to national electricity grid.

Recommendations and Way Forward: There is need to fast track construction of the dam and to raise financing for phase II and identify suitable firms to partner in PPP. Capacity building for the staff implementing the project is also a major strength for the success of this project. There is need to have basic social amenities within the project, need to conduct anthropological studies to orient the community to the project and wide stakeholder consultation is critical for smooth implementation of the project.

Bura Gravity Irrigation Project

Location: Bura Sub-County, Tana River County

Objective: To reduce the cost of operation and increase the area under irrigation, irrigation at the Bura Irrigation Scheme.

Implementing Agencies: Ministry of Agriculture, Livestock, Fisheries and Irrigation, National Irrigation Board.

Project Progress: Bura Irrigation and Settlement Scheme was established in 1978 where irrigation infrastructure covering 6,000 acres was developed to be supplied water through a diesel driven pump system. To reduce the cost of operation and increase the area under irrigation, the Bura Irrigation rehabilitation project was conceptualized. The project components include: Construction of diversion facilities at Korakora site, river bank protection works and sedimentation basin, construction and lining of new connecting canal with a discharge capacity of 11m3/sec and 26km in length, rehabilitation and lining of existing main canal (64km), secondary irrigation canals and drainage infrastructure to irrigate 15,000 acres, rehabilitation of buildings, domestic water supply and electricity supply.

Construction works for Bura Irrigation and Settlement Scheme Rehabilitation Project was contracted at a sum of Ksh. 7,355,829,104 with the Government of Kenya (GoK) financing 70 per cent (Ksh. 5,149,080,372.80) of the project cost and 30 per cent (Ksh. 2,206,748,731.20) being financed by Arab partners comprising of Kuwait Fund for International Development, Arab Bank for Economic Development in Africa (BADEA) and OPEC Fund for International Development (OFID). During the MTP II, 13.1 per cent of the works had been implemented before termination of the contract on August 2018. Despite delays on implementation of the project occasioned by contractor inadequacies and initial resistance by the community, the project is viable due to present goodwill and existing crop production potential within Bura region.

Consequently, NIB planned to complete the pending works. As agreed with the project financiers, this would be executed in three lots: Lot 1 covering the intake and sheet-piling works, Lot 2 covering the balance of the new gravity canal works and Lot 3 covering the rehabilitation of existing infrastructure. The Contractor had commenced construction of the intake and sedimentation basin. NIB was in the process of engaging Development Partners on the actions to complete the remaining works in Lot 2 and Lot 3 valued at Ksh.3.4 billion.

Challenges and Lessons Learnt: Inadequate GoK counterpart funding has been a challenge. Disruptions by the community during implementation have stalled progress. There is also the challenge of the contractor lacking capacity hence termination. There is need to ensure the projects are properly designed and involving the community in formulation of the project.

Recommendations and Way Forward: GoK needs to offer counterpart fund to hasten project completion. Sensitize the community and get their buy ins before rolling out the project as well as during the project implementation.


Spraying of farm inputs

Disease Free Zones (DFZs)

Location: Coastal Region, Laikipia-Isiolo Complex, Uasin Gishu and Garissa Counties.

Objective: To facilitate access of livestock and livestock products to local, regional and international markets and improve sustainable rural livelihoods and food security.

Implementing Agency: Ministry of Agriculture, Livestock and Fisheries.

Project Progress: In MTP I, a roadmap for implementation of Kenya DFZ was developed focusing on one out of the four DFZ due to financial and logistical challenges, which was the Bachuma Livestock Export Zone (LEZ). The design of Bachuma LEZ provides for value addition investments targeting the screened and certified livestock for beef, hides and skins among other livestock products. This project was planned to realize four Disease Free areas of which three would be located along the coastal area for ease of access to the port of Mombasa, while one would be based inland to undertake screening of livestock from the northern areas of Kenya. The project was being implemented in four phases due to the costs and flow of funding. The targeted infrastructure includes construction of Bachuma LEZ, Kurawa Export Quarantine Station, Miritini Marshalling Yard and one internal quarantine station in Marsabit to be developed in collaboration with the County Government of Marsabit.

Phase I involved the development of Bachuma LEZ at Bachuma in Voi sub-county of Taita Taveta County. This phase would involve construction of an export quarantine station and associated support facilities. The scope of works in this phase was being undertaken through two cycles of contracts. The first contract was launched in 2015 at a sum of Ksh. 115,218,279.03. The contractor was handed the site on 2nd March 2015. The facilities that were planned for development include the construction of veterinary fences and gates, cattle, camel and sheep/goat pens/ sheds, rehabilitation of laboratory building, rehabilitation of staff houses, water reticulation, electrical installation in the rehabilitated staff houses, bore hole drilling and equipping and animal protection trench.

The second cycle of phase I was procured at a contract sum of Ksh. 257,196,003.39 with a 52 weeks' contract period with effect from 23rd March 2016. This cycle involves construction of emergency slaughterhouse, incinerator unit, administration office, pest control/ examination crushes, water storage tanks, extension of existing fence to enclose support facilities, two watch towers, fodder barn, workshop, handlers rest rooms, offloading ramps, roads, fences around the support facility, utilities, underground water tank, electrical works and mechanical works.

Phase I was at 60 per cent completion level. The project was not funded in FY 2016/17 to FY 2017/18 financial years.

Challenges and Lessons Learnt: The implementation of this project has been riddled with challenges that have led to delay in completion. These issues include delayed payments due to lack of budgetary funds, inadequate coordination among the technical bodies, problematic zoning designs, additional works arising from wild animal interference and expiry of the contracts due to slow implementation rate related to budgetary constraints. This contract has been approved for extension by State Department for Public Works and the Project management and funds have been allocated in this financial year. Proper conceptualization of the project was not properly done. Feasibility studies should be done before rolling out the project.

Mainstreaming Public Private Partnership arrangement in the management of this facility has proved very difficult due to the lengthy process provided for by the Public Private Partnership Act of 2013 and limited resources that does not support engagement of a Transaction Advisor.

Recommendations and Way Forward: There is need to enhance collaboration between National and County Governments in implementing the programme components. Enhancement of budgetary funding for the programme is required in addition to encouraging private investment in livestock production and finishing facilities that are anchored to this project. Fast-tracking of PPP arrangements in the completion and management of the project is needed. Re-Strategize the disease-free zones programme.

Fisheries Development and Management

Location: Nationwide

Objectives: To increase fish production from capture and culture fisheries by 10 per cent annually, reduce post-harvest losses from approximately 25 per cent to 5Per cent by 2017 and development of the 200-Nautical Miles of Exclusive Economic Zone (EEZ) for marine fisheries.

Implementing Agency: Ministry of Agriculture, Livestock and Fisheries Development.

Project Progress: The total fish production was on an upward trend where it increased from 154,015 metric tonnes (MT) in 2012 to 182,626 MT in 2014 before the production started to decline to a low of 135,100 MT in 2017. The decline was associated with a fall in fish production from the shrinking lakes, the Tana dams, excessive and unregulated fishing, climate change, environmental degradation, inadequate fisheries infrastructure, and use of destructive fishing methods and the presence of water hyacinth particularly in Lake Victoria. In addition, fisheries function was devolved during the period and fish farming/aquaculture which had taken off during the implementation of the Economic Stimulus Programme was not prioritized.

To enhance expansion of fish farming, two regional facilities/hatcheries for applied aquaculture research at Sagana and Kiganjo were supported to undertake breeding programmes including the successful development of the sixth generation of tilapia (which is fast-growing). The research centres also supplied high quality tilapia and catfish seeds to certified hatcheries for multiplication to support aquaculture development in the country. This was augmented by the publication of a guide for production of quality seeds titled "Good aquaculture practices for seed production in Kenya – Volume 1 Tilapia and Catfish". In addition, high quality fish feeds were formulated using locally available materials and the formula transferred to the industry for mass production. The transfer of aquaculture marketing technologies and innovations was also promoted through establishment of innovative fish products market outlets in Machakos, Nairobi City, Vihiga, Meru, Busia, Kisumu, Kirinyaga and Tharaka Nithi Counties. Further, an Aquaculture Market Information Platform (AMIP) was developed and rolled out to link stakeholders in the sub-sector.

During the period under review, there were no surveys conducted to determine the change in post- harvest losses that was targeted to reduce from approximately 25 per cent to 5 per cent due to inadequate funding. However, interventions undertaken to reduce post harvest losses included: establishment of four (4) mini fish processing and storage facilities in Kakamega, Nyeri, Meru and Migori Counties and handed over to the respective County Governments.

Towards the development of the EEZ, a number of interventions were put in place that included: registration of four locally owned multi-day fishing trawlers targeting offshore prawns in Ungwana-Malindi Bay (MFV Alpha Challenger, MFV Jackpot, MFV Roberto and MFV Omega I), and five deep-sea fishing vessels were reflagged (MFV Shang Yii, MFV Rafiki, MFV Precious Diamond, MFV Seamar II, and MFV Stroon). These interventions were aimed at developing domestic capacity for deep sea fishing.

In addition, a Monitoring, Control and Surveillance (MCS) Command Centre was constructed in Mombasa, a Vessel Monitoring System (VMS) installed, and

Fish farming

MCS staff recruited to enhance the sectors capacity to monitor and authorize the exploitation of Exclusive Economic Zone (EEZ), Further, R.V Mtafiti was acquired to facilitate deep sea fisheries research and an Offshore Patrol Vessel (P.V Doria) procured to enhance MCS in the EEZ. Further, Shimoni fish landing site was rehabilitated, and an ice plant installed at the site whilst a new a fish landing site was established Kibuyuni, in Kwale County.

Other achievements realized under the programme included development of the Kenya Tuna Fisheries Development and Management Strategy FY 2013-2018; development of a Residue Monitoring Plan for farmed fish that was approved by the European Union (EU) thereby, opening up export markets for farmed fish and fishery products in the EU, enactment of The Fisheries Management and Development Act, 2016, which is the overarching legal framework for the fisheries sub-sector.

The objective of the Act is to protect, manage, use and develop the aquatic resources in a manner which is consistent with ecologically sustainable development, to uplift the living standards of the fishing communities and to introduce fishing to traditionally non-fishing communities so as to enhance food security. The Act also created new institutions, namely, the Kenya Fisheries Service, Kenya Fish Marketing Authority, Kenya Fisheries Advisory Council, Fish Levy Trust Fund, Kenya Fisheries Research and Development Fund, Monitoring, Control and Surveillance (MCS) Unit; and Inter-Agency MCS Unit.

Challenges and Lessons Learnt: Climate change, environmental degradation and application of destructive fishing methods and falling trend in fish production from freshwater lakes have significantly reduced the volume of fish landed. A weak monitoring and evaluation system of programmes and projects has also led to sub-optimal implementation. Limited domestic capacity for deep sea fishing and limited fisheries monitoring, control and surveillance capability in the deep sea and trans-boundary inland watershave resulted in illegal, unreported and unregulated (IUU) fishing. Inadequate funding has slowed down implementation of programmes and projects and operationalization of the institutions established by the Fisheries Management and Development Act, 2016.

Other challenges include: Weak linkages and conflicting interests between national and county Governments in management and conservation of fisheries resources; the high cost of fisheries and aquaculture inputs (e.g. feed and seed) and weak capacity of aquaculture extension services. Development of appropriate and adequate capacity building is critical in ensuring that priority interventions deliver the expected development results. Participatory monitoring and evaluation of programmes and projects including mid-term and terminal review is key to effective delivery of desired outputs and outcomes. Close collaboration and co-operation among national Ministries, Departments, Agencies, County Governments and other stakeholders is also crucial in development and implementation of sector policies, strategies, programmes and projects.

Recommendations and Way Forward: There is need to enhance Monitoring, Control and Surveillance to curb illegal activities especially in the marine fisheries. Promotion of investment in marine and coastal fisheries to tap the great fisheries potential in Kenya's EEZ is needed. Adequate funding and timely release of funds by The National Treasury to facilitate smooth implementation of programmes /projects; Implementation of the Fisheries Management and Development Act, 2016 including the operationalization of the institutions created by the Act is required.

TRADE SECTOR

The Sector was initially referred to as Wholesale and Retail Trade in the MTP I. The main objective of the Sector is to transform trade into a formal sector that is 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 with all the sectors of the economy. In particular, distribution

SGR cargo

and wholesale including retail, plays a major role in the Kenyan economy by providing the main link between production and consumption which are the two key attributes that drive the economies. As at 2018, trade contributed about 7.4 per cent to the country's GDP. A review of the performance during the second MTP (2013-2017) revealed that the sector remained one of the major contributors to wealth and employment creation in the economy.

On International trade, exports value increased from Ksh.344.95 Billion in 2008 to Ksh.612.93 Billion in 2018 representing a 78 per cent increase while imports grew from Ksh.770.65 Billion to 1760.22 Billion representing a 129 per cent increase. During the MTP I and MTP II period, Kenya's trade deficit widened to Ksh. 1,147.3 billion from a deficit of Ksh. 425.70 billion in 2008.

Kenya has the potential of becoming a more competitive player in the regional and global economy through trade. However, the Country's global competitiveness remains a major challenge due to low levels of productivity, un-favorable business regulatory environment, low value addition and inadequate infrastructure development. In addition, Kenya's trade structure remains concentrated in primary products and traditional markets with exports being concentrated on a few primary commodities, which include tea, coffee, cut flowers, and vegetable products, accounting for over 50 per cent of total exports. During the MTP I and MTP II period, the Kenya's leading export markets included Uganda, Pakistan, United States of America, Netherlands, United Kingdom, United Arab Emirates, Tanzania, Egypt, Rwanda and Democratic Republic of Congo, accounting for over 50 per cent of the Kenya's total exports.

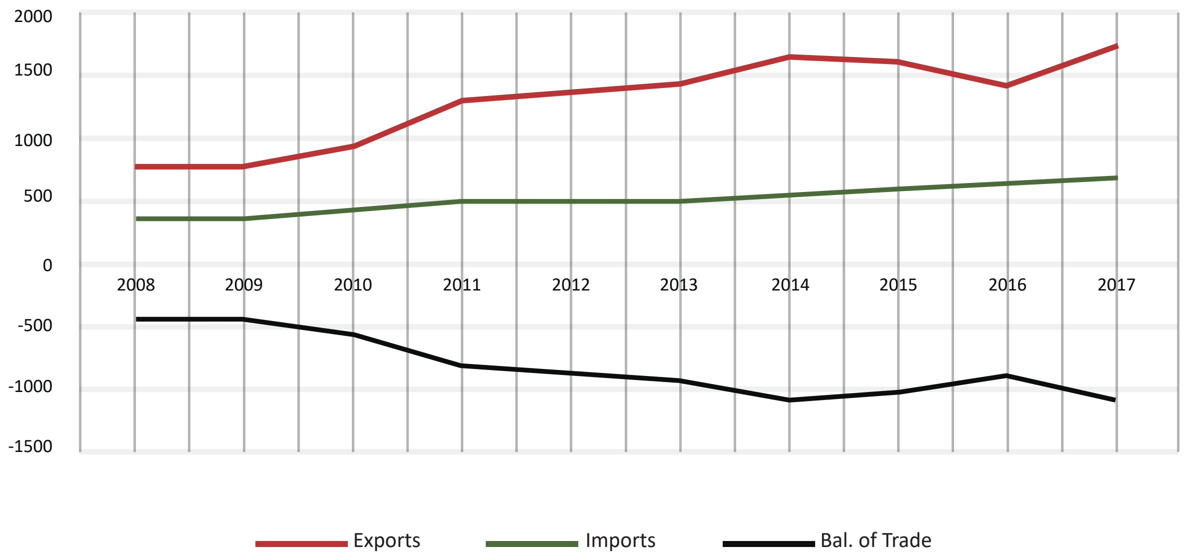
According to the World Bank Report on Ease of Doing Business, the Country improved on the ranking on Ease of Doing Business to position 80 out of 190 countries in 2019 compared to position 92 in 2017. Similarly, Kenya also improved from position 106 out of 144 countries in 2012 to position 91 out of 141 countries in 2017 in the Global Competitiveness Index.

Table 9: *Value of Kenya's Exports and Imports for the period 2008-2018 (Ksh. Billions)*

YEAR	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Exports	344.95	344.95	409.74	512.60	517.85	502.29	537.24	581.05	578.07	594.13
Imports	770.65	788.10	947.21	1,300.75	1,374.59	1,413.32	1,618.32	1,577.56	1,431.75	1,725.62
Bal. of Trade	- 425.70	-443.15	-537.47	- 788.15	- 856.74	- 911.03	-1,081.08	- 996.51	- 853.68	-1,131.49

Source: *Economic Survey 2008 – 2018*

Figure 11: *Kenya's Trade Trends (2008-2017) in Billion Ksh.*



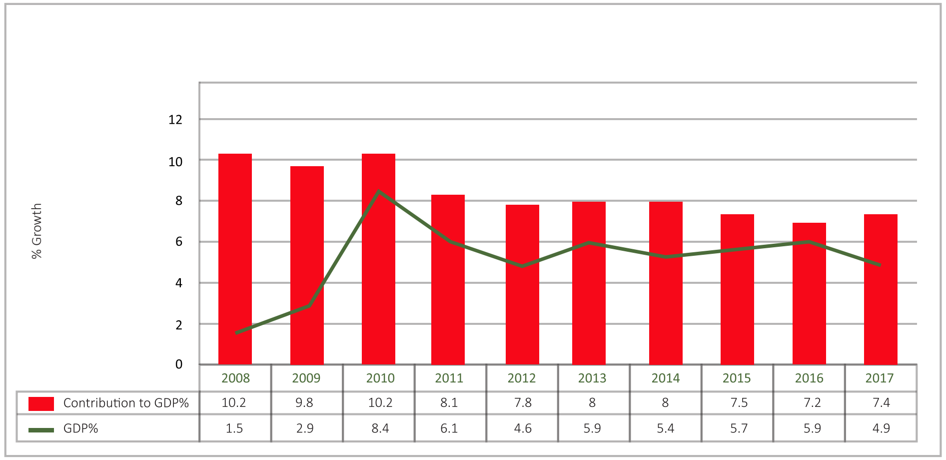
Kenya's exports increased through the period save for 2013 in which a decline of 3Per cent was recorded. Imports increased consistently through the period save for 2015 and 2016 in which a decline of 2.5 per cent and 9.2 per cent respectively was recorded. The trade deficit assumed a similar pattern. A decline of 7.8 per cent and 14.3 per cent was recorded in 2015 and 2016 respectively.

Over the period, Kenya's exports have generally been high for Africa, European Union and Middle East. High exports to East African Community and the rest of Africa are attributable to the close proximity of these markets with Kenya, similar consumption behavior enabling easy adaptability and acceptability of Kenyan products, favorable terms of trade as a result to membership with trading blocs such as East African Community (EAC) and Common Markets for Eastern and Southern Africa (COMESA), just to mention a few.

Exports to Far East have consistently increased through the period save for 2009 and 2014 in which a decline of 3.3 per cent and 5.6 per cent was recorded respectively. The leading export destinations for Kenya as at 2018 include Uganda, Pakistan, United States of America, Netherlands, United Kingdom, United Arab Emirates, Tanzania, Egypt, Rwanda and Democratic Republic of Congo.

Exports to Uganda have averagely been stable through the period. Exports to Pakistan hit the highest level in 2017 which saw Pakistan topping the Kenya's export markets in that year. Kenya's exports to United States of America generally increased through the period save for 2009 in which a decline of 15.1 per cent from Ksh. 20.51 billion in 2008 to Ksh. 17.42 billion in 2009 was registered. Oscillating growth in exports was realized in the other Countries within the Kenya's top ten export destination.

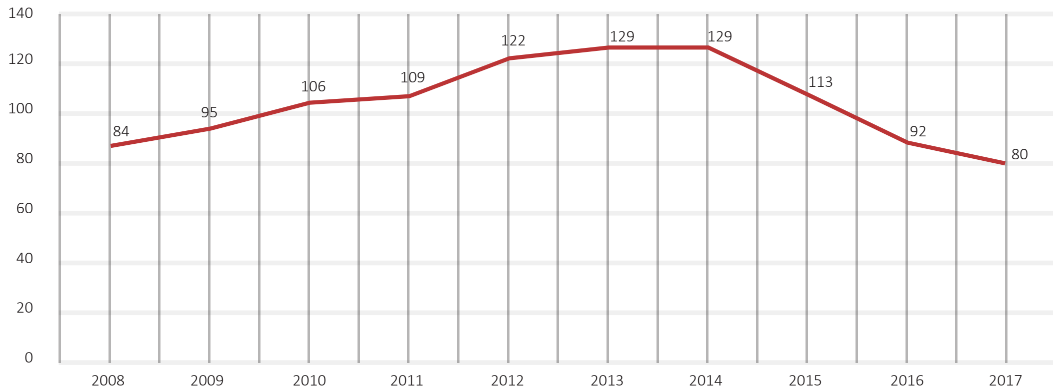
Figure 12: *Contribution of Trade to GDP in MTP I and MTP II*



Source: *Economic Survey 2008 and 2017*

As indicated in figure 3.2, throughout MTP I period, sectoral contribution of trade to GDP averaged 10Per cent but slumped at the beginning of MTP II and averaged 7.5Per cent during the period.

Figure 13: *Kenya's Ranking in the Ease of doing Business*



Source: *Ministry of Industrialisation, Trade and Enterprise Development (based on Calendar Year)*


Athi River, open market

Kenya improved significantly in the ease of doing business ranking from a distant 136 in 2014 to position 80 by the end of the MTP II period as indicated in Table 3.6.

Progress on the implementation of Flagship Programs/ Projects

Building Tier One Retail Markets

Location: Athi-River, Machakos County

Implementing Agency: Ministry of Industrialisation, Trade and Enterprise Development

Objective: To construct Tier "1" Retail Market in Athi River to improve supply chain efficiency and increase market share of products sold through formal marketing channels.

Project Progress: The Tier "1" Retail Market in Athi River was expected to act as a pilot project and to be replicated in all Counties. During the MTP I period, drawing of scheme and detailed designs for the proposed Tier "1" retail market was completed. In addition, geotechnical and topological surveys were carried out. The designs for the market were disseminated in six counties, namely: Mombasa, Nairobi, Taita-Taveta, Murang'a, Uasin Gishu and Kisumu, which have been identified for development of similar markets.

Challenges and Lessons Learnt: The project did not receive funds since FY 2014/15 and therefore little progress has been achieved in terms of completion of architectural drawings and actual construction. Lack of clarity on the institution to spearhead construction of the market after the devolution of domestic trade and construction of markets function has also delayed construction.

Recommendations and Way Forward: The project has very high private sector traction and therefore need for the Government to prioritize completion. The Tier "1" retail market should be replicated across the counties and therefore partnership with the Council of Governors is key in implementation. Due to inadequate resources for construction of the markets in all Counties, the markets can be funded through the PPP framework.

Development of Wholesale Hubs

Location: Maragua, Muranga County

Implementing Agency: Ministry of Industry, Trade and Cooperatives

Objective: To construct a wholesale hub in Maragua to improve the supply chain and expand formal market outreach.

Project Progress: In the MTP I period, the Ministry developed a concept paper for the construction of Wholesale Hub market in Maragua. The Sector was allotted twenty (20) acres of land in Murang'a town for construction of the market. Preliminary designs for the market were developed and Geotechnical and topographical surveys undertaken in collaboration with Department of Public Works.

Challenges and Lessons Learnt: The project did not receive any budgetary allocation since FY 2014/15 and therefore little progress was achieved in terms of completion of architectural drawings and actual construction. The two levels of Government need to collaborate in implementing mega projects like the wholesale hub.

Recommendations and Way Forward: The Government to fund completion of the Wholesale Hub or negotiate for PPP funding with the Private Sector, foreign investors and individual investor. The project can be implemented in collaboration with the devolved units.

The Kenya National Electronic Single Window System (Kenya Tradenet)

Location: Nationwide

Objective: To facilitate international trade in Kenya by reducing delays and lowering costs associated with clearance of goods at the Kenyan borders, while maintaining the requisite controls and collection of levies, fees, duties and taxes, where applicable, on imports or exports.

Implementing Agency: Kenya Trade Network Agency (KenTrade), Ministry of Finance

Project Progress: The Single Window was commissioned in October 2012 and in October 2013 went live with some of the modules. Implementation of the TradeNet System was completed during the MTP II period with all the twenty planned modules having been finalized. The expected objectives for the Single Window have been achieved through use of the Electronic Single Window platform as a single-entry point for submission, receipt and processing of trade related cargo clearance documentation.

Since Single Window go-live in 2013, The TradeNet system has processed a record 2,710,093 permits over the period of 7 years. The TradeNet system has also assisted the Government agencies to collect KES 3,086,106,735 as permits fees and levies since 2013.

Based on the World Bank Report, the impacts of the implementation of the Single Window System include: over 11,353 registered users from over 6,600 organizations; over 80,000 Beneficiaries, improved automation levels of trade facilitation processes and procedures at Partner Government Agencies (PGAs): from 18Per cent to 88 per cent; reduction in traders' compliance costs: over KES 3.8 Billion; and reduction in import/exports days for approval of permits (Average Import Days: 5.3 days and average Export Days: 4.2 days).

Challenges and Lessons Learnt: Some of the challenges experienced include the project scope kept changing over time necessitating reconfiguration onto the system, there were conflicting legal mandates amongst Partner Government Agencies (PGA's) resulting into over documentation, lack of harmonized data repositories between all stakeholders and total cost of ownership of ICT systems and cost of maintenance is prohibitive.

A recent survey by the World Bank on the impact of the TradeNet System in the international trade arena however shows that the implementation of the System has resulted in streamlined import and export processes and procedures (including payment of fees), transparency in the processes and effective information sharing. A number of critical preconditions need to be in place to launch a single window system or similar program in future. These conditions include: A strong business case based on a pragmatic assessment of risks, challenges and capabilities; a clear and unambiguous mandate from Government backed by genuine political will and a realistic future vision – owned by all stakeholders: agreement on governance structures, including which agency will lead the initiative, with clear roles and responsibilities for all key stakeholders, and obligations and accountabilities for success and a practical work program with key milestones matched by appropriate human and financial resources.

Recommendations and Way Forward: There is need to think of system sustainability as systems are rolled out and continuous sensitization of the stakeholders to enhance harmony Post-SWS implementation should consider other reforms and automation to support trade facilitation beyond SWS.

Export Credit Guarantee Scheme

Location: Nationwide

Objective: To unlock the credit potentials in the export sector by creating a facility to provide guarantees to exporters and importers of Kenyan goods and services through operationalization of the Credit Guarantee Scheme Bill.

Implementing Agency: Ministry of Industry, Trade and Enterprise Development; Export Promotion Council.

Project Progress: During MTP I, a draft Bill on Kenya Credit Guarantee Scheme was prepared to provide the legislative framework for establishment of a Kenya Credit Guarantee Scheme Authority and a Kenya Credit Guarantee Fund. The aim of the Authority and Fund is to provide mechanisms for guaranteeing of lenders in respect of credit facilities extended to eligible borrowers. The scheme targets to cover credit facilities advanced to MSEs in sectors such as tourism, wholesale and retail trade, agribusiness, and manufacturing. It also seeks to guarantee traders engaged in exports and value addition. Such a scheme will also cover financial services and educational institutions. In MTP II, a Credit Guarantee Scheme Policy and Bill was developed and forwarded to the Cabinet for approval.

Challenges and Lessons Learnt: The MSMEs require capacity building on financial literacy and management before funds are disbursed. Financial data on MSMEs which is critical in credit appraisals before disbursement of funds is scanty.

Recommendations and Way Forward: Training programs should be targeted at the micro-enterprises' individual growth stage and should incorporate business mentorship. Government can partner with lenders in creating an online platform where MSMEs can be registered and their credit history captured. Additionally, the scheme should target formalized businesses that meet the basic compliance, for example, tax compliance, county trading licensing as the minimum.

MANUFACTURING SECTOR

The main objective of the sector is to have 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 sector growth and provision of forward and backward linkages with all other sectors. The sector has a strategic role in technology and innovation as it is a major platform for diffusion of new technologies to other sectors of the economy. The sector grew at an annual average of 3.2 per cent during the MTP I period and its contribution to the GDP averaged 9.8 per cent over the same period. The growth was affected by inadequate and costly infrastructure, low technology adoption, high cost of doing business, soaring cost of fuel, a weak Kenya shilling and recurring drought.

Formal employment within the manufacturing sector over the MTP I period grew by 5 per cent from 264,800 in 2008 to 277,900 in 2012 while informal employment grew by 17 per cent from 1.57 million in 2007 to 1.83 million in 2011. The informal sector created more additional jobs than formal sector with private sector contributing the largest share of employment in manufacturing.

The structure of Kenya's manufacturing sector comprises of micro, small, medium and large industries classified mainly by employment levels and capital investment. The medium and large industries constitute less than 5 per cent of the total number of enterprises but contribute over 60 per cent to the manufacturing sector's share of GDP. On the other hand, the micro and small enterprises comprise about 95 per cent of total industries but contribute about 20 per cent to the manufacturing sector GDP.

The sub-sectors which recorded the highest growth changes in 2011 include textile and clothing 18 per cent; petroleum and other chemicals 14.6 per cent, non-metallic minerals 14.4 per cent, beverages and tobacco 10.3 per cent and metal products 10 per cent. In the export sub-sector, locally manufactured goods comprise 25 per cent of Kenya's exports. However, the share of Kenyan products in the regional market is only 7 per cent of the US $11 billion regional market. The Eastern African market is dominated by imports from outside the region and therefore provides potential market for Kenyan products.

During MTP II period, Kenya was ranked the third most improved economy globally and the first in Africa by the World Bank for two consecutive years moving from position 136 in 2014 to position 80 in the Ease of Doing Business Report, 2018. Similarly, Kenya also improved from position 96 out of 138 countries in 2016 to 91 out of 137 countries in 2017 in the Global Competitiveness Index.

The Manufacturing Sector contribution to the GDP declined from 10.7 per cent in 2013 to 8.4 per cent in 2017 while its growth declined from 5.6 per cent in 2013 to 2.7 per cent in 2016 and further declined to 0.2 per cent in 2017. Manufacturing output increased from Ksh. 1,737,699 million in 2013 to Ksh. 2,204,805 million in 2017. The Sector performance was mainly driven by the textiles and apparels, which grew by 15 per cent, pharmaceutical products by 17 per cent, beverages by 13 per cent, wood and wood products by 10 per cent, and basic metals by 11 per cent. Over the same period, assembling of motor vehicles reduced by 5 per cent, rubber products by 41 per cent, tobacco products by 5 per cent, fish processing by 38 per cent and fabricated metals by 5 per cent. The drops were attributed to, among others, high cost of doing business and stiff competition from imports. Credit to the Manufacturing Sector increased from Ksh.182 billion in 2013 to Ksh.311.8 billion in 2017. The number of manufacturing projects approved by industrial financial institutions increased from 257 in 2013 to 388 in 2016 mainly due to the rise in the number of micro and small enterprises financed by the Kenya Industrial Estates (KIE). This however declined to 293 in 2017. Total employment in the Manufacturing Sector stood at 1,760,400 persons in 2016 with 300,900 persons being formally employed.

Inspection of Kenanie Leather Indurstrial Park

Table 10 shows the employment opportunities created in the Manufacturing Sector during the period 2002-2019 while Tables 11 and 12 show the Manufacturing Contribution to GDP during the periods 2008-2012 and 2013-2017, respectively.

Table 10: *Employment opportunities trends*

Manufacturing	2002	2007	2012	2017
Overall employment (persons)	229,746	261,300	277,900	303,300
Total sales from EPZ companies (Bn)	11	29	48	67

Source: *Economic Survey 2002 - 2017*

Table 11: *Manufacturing Contribution to GDP, 2008-2012*

Year	2008	2009	2010	2011	2012
Manufacturing	10.8	9.9	9.9	9.6	9.2
Man. of food, beverages and tobacco	3.1	3.2	3.1	3.2	3.0
Other manufacturing	7.7	6.7	6.8	6.4	6.2

Source: *Economic Survey 2008 - 2012*

Table 12: *Manufacturing Contribution to GDP, 2013-2017*

Year	2013	2014	2015	2016	2017
Manufacturing	10.7	10.0	9.4	9.1	8.4
Man. of food, beverages and tobacco	4.2	3.8	3.7	3.6	3.5
Other manufacturing	6.4	6.1	5.7	5.5	4.9

Source: *Economic Survey 2013 – 2017*

Coffee farmer harvesting coffee ready for export

Progress of implementation of flagship programs/ projects

Development of SME Parks

Location: Country Wide

Objective: To promote industrial dispersion and balanced economic development in the country through identification of land, provision of infrastructure facilities, development and management services. This will harness opportunities by establishing processing parks in strategic locations with rich raw materials.

Implementing Agency: Ministry of Industrialisation, Trade and Enterprise Development.

Project Progress: During the MTP I period, a concept paper was developed for five SME parks which included a pilot metal SME Park in Nairobi, a pilot agro-processing SME Park in Eldoret due to the area's high potential in agriculture, SME Park in Kisumu for agro-processing of vegetables, horticulture, fish processing, and fruit, a meat processing and tannery SME Park in Nakuru and SME Park in Mombasa for processing of food, juices and vegetable oils. In addition, the master plan and structural designs were initiated for SME parks in Nairobi, Nakuru, Mombasa, Eldoret and Kisumu while 135, 32 and 20 acres of land were identified for SME parks development in Eldoret, Nairobi Industrial and Technology Park JKUAT and Taita Taveta respectively.

During the MTP II period, the master plans and designs for construction of SME parks were completed. The parcels of land for the Taita and Eldoret SME parks were therefore fenced. The programme for implementing the SMEs park was expanded from the original 5 in number to cover the 47 counties. Discussions were initiated for joint development of SME Park at Egerton University, Nakuru for agro-processing.

Challenges and Lessons Learnt: Inadequate budgetary allocation for development and provision of basic infrastructure facilities for the SME parks and delays in identification of suitable land for development of SME parks across the 47 counties.

Recommendations and Way Forward: Increase the budgetary allocation, develop fiscal /procedural incentives to attract the private sector to participate in the development of SME parks and close collaboration with the County Governments in identifying and setting aside suitable land for SME parks development and integration in the County Spatial Plans.

Establishment of Special Economic Zones

Location: Lamu, Mombasa and Kisumu Counties

Objective: To facilitate the setting up of Special Economic Zones in Mombasa, Kisumu and Lamu to increase foreign direct investments, increase exports, create employment, generate foreign exchange earnings and enable knowledge and technology transfer.

Implementing Agencies: Ministry of Industrialisation, Trade and Enterprise Development and Special Economic Zones Authority.

Project Progress: In MTP I, Special Economic Zones (SEZs) Policy, Bill and Implementation Roadmap for SEZ flagship projects were developed and approved by the Cabinet. A total of 2,000 km^2 and 700 km^2 of land were profiled and identified for the Mombasa and Lamu SEZs respectively. In addition, preparation of the Master Plan for the Mombasa SEZ commenced. Consultations were ongoing to identify suitable land for establishment of the Kisumu SEZ.

In MTP II period, the Special Economic Zones (SEZ) Act, 2015 was enacted which provided the framework for the establishment of the Special Economic Zones Authority (SEZA) and SEZ Regulations 2016 was also passed. Profiling for suitable public land earmarked for Kisumu SEZ was completed with 700 Km^2. The establishment of the Dongo Kundu Free Port and Free Trade Area was integrated into the Mombasa SEZ covering 3,000 acres. Dongo Kundu Master-Plan and the environmental assessment reports were equally completed.

Challenges and Lessons Learnt: Ressetelement of squatters in Dongo Kundu delayed the commencement of SEZ infrastructure development, lack of suitable land for Kisumu SEZ development, weak institutional framework and inadequate budgetary allocation.

Recommendations and Way Forward
There is need allocate adequate resources for development basic infrastructure facilities for Dongo Kundu and Lamu SEZs and operationalization of the the SEZ Authority. In addition, Ministry in collaboration with County Governments to identify suitable land including changing use of Government owned agricultural land and or acquisition of land for Kisumu SEZ develoment. Formation and operationalization of a high-level multi sectorial implementation committee to fast track the implementation of the SEZ programme. In the long-run, there is need to integrate the SEZ programme with the National and County Spatial Plans.

Transformation of KIRDI into a World Class Research Institute

Location: Nairobi and Kisumu Counties

Objective: To expand physical infrastructure, upgrade equipment and enhance human capital to facilitate technology transfer to MSMEs, improve product designs and promote product innovations.

Implementing Agencies: Ministry of Industrialisation, Trade and Enterprise Development and Kenya Industrial Research and Development Institute (KIRDI).

Project Progress: On expanding the infrastructure facilities, two projects were identified and initiated. That is, the construction of industrial research laboratories in Kisumu and Nairobi, South B. The Kisumu project was completed while the South B Nairobi, project level of completion was at 62Per cent. On upgrading of equipment, only one (1) laboratory (leather) at Kisumu was equipped with state-of-the-art equipment out of the 29 laboratories planned for the period.

During MTP II period, a total of 29 MSMEs' products were upgraded to global competitiveness status and 1,701 MSMEs were supported through Technology Incubation and created over 5,000 job opportunities. KIRDI also established six value addition pilot plants in Kisumu, Kisii, Bungoma, Uasin Gishu, Migori and Kilifi Counties. With respect to human capital, there was an increase of research scientists from 70 to 136 in the institution. The Institute also undertook capacity building of technical staff with sixteen (16) scientists acquiring PhD qualifications against a target of 60.

Challenges and Lessons Learnt: Timely project implementation was hampered by inadequate budgetary allocation and high turnover of human capital (Research scientists).

Recommendations and Way Forward: Increase budgetary allocation for innovation and incubation activities and completion of infrastructure facilities at Nairobi, South B. Fast track the finalization and enactment of KIRDI Bill.

Integrated Iron and Steel Mill

Location: Lamu County

Objective: To establish an integrated iron and steel mill for production of high-grade steel for use by industries, promote exploitation of localy available raw materials and attract high value manufacturing industries.

Implementing Agency: Ministry of Industrialisation, Trade and Enterprise Development and Numerical Machining Complex.

Project Progress: A concept paper on exploitation of the potential of the steel sub-sector in Kenya was developed and approved by the Cabinet. A Memorundum of Understanding (MOU) to establish mini steel mill was also signed between the Government of Kenya and a Korean investor during the MTP I period. Further, a strategy paper to promote the sector was also developed and an Iron and Steel Bill drafted.

A baseline study to establish the quantity and quality of ferrous scrap available in the country and a feasibility study on establishment of intergrated iron and steel mill were also initiated in the MTP I period.

In MTP II period, The National Steering Committee (NSC) was established together with a Technical Committee (TC) and technical and commercial feasibility study on the establishment of a steel mill was undertaken. The study indicated that the project was economically viable at the proposed site near Lamu port or Mariakani near Mombasa with an estimated investment cost of Ksh 130 Billion. The study also indicated that Kenya can support a steel mill with a capacity of 4.4 million tons/year, comprising of hot rolled coils, thermal and Mechanically Treated (TMT) contruction bars and section steel. During the same period, the Scrap Metal Act, 2015 was enacted to regulate the scrap metal industry and secure raw materials for the steel industry.

Challenges and Lessons Learnt: Implementation of the steel mill project was delayed due to lack of clear policy, a weak institutional and legal framework to guide the project implementation, lack of a focused steel industry strategy, inadequate budgetary allocation and weak collaboration among implementing agencies. Its important to take cognizance of the hidden but strong, long lasting and deep reaching economic benefits associated with the steel industry.

Recommendations and Way Forward: Ministry of Industrialisation, Trade and Enterprise Development needs to revive the National Steering Committee (NSC) and Technical Committee to drive the project. The Ministry to fast-tract the development of the integrated iron and steel mill by (1) acquiring suitable land (2) provide basic infratsructure including water, power and rail/roads (3) complete the quantification and qualification of available iron ore and coal. There is need to provide the financial resources and fast track the completion of Iron and Steel Policy and Bill.

Establishment of One Stop Centre (OSC)

Location: Nairobi County

Objective: To enhance Ease of Doing Business, lower cost of doing business, attract Foreign Direct Investments (FDI) and Domestic Direct Investments (DDI) and increase job creation.

Implementing Agencies: Ministry of Industrialisation, Trade and Enterprise Development and Kenya Investment Authority.

Project Progress: During MTP II, the One Stop Center (OSC) became operational through the setting up of offices to host the following institutions, Kenya Revenue Authority, Department for Immigration, National Environment Management Authority (NEMA), Kenya Power, Federation of Kenya Employers (FKE), Business Registration Services and Export Processing Zones Authority. The OSC provides seamless, faster and timely facilitation services to investors, by fasttracking approvals, licensing and permits needed by investors to start business, under one roof.

Challenges and Way Forward: Inadequate funding leading to limited implementation of other core activities/support programmes to attract and facilitate investments e.g. marketing programmes /research, awareness creation, investor targeting, after care among others, low staffing levels and inconsistencies in the provision and dissemination of investment information and data among MDAs.

Recommendations and Way Forward: To facilitate the investments attraction, there is need to provide resources for recruitment of staff to enhance KenInvest capacity, harmonization of investment laws and policies through implementation of the Kenya Investment Policy (KIP) and operationalization of the Investment Council. To fully operationalize the OSC, there is need to bring on board other key facilitators including the City County of Nairobi, National Land Commission (NLC) and National Construction Authority (NCA). In addition, continuous improvement in Business environment is critical for investments attraction.

Development of the Kenya Leather Industrial Park (KLIP) Cluster

Location: Kinanie, Machakos County

Objective: To propel Kenya towards becoming a regional leather and leather products manufacturing hub, which in turn leads to wealth and employment creation for Kenyans.

Implementing Agencies: Ministry of Industrialisation Trade and enterprise development, Kenya Leather Development Council (KLDC) and Export Processing Zones Authority (EPZA).

Project Progress: The specific interventions involve development of off-site and on-site basic infrastructure to support competitive leather and leather products manufacturing. These interventions include the development of: Common Effluent Treatment Plant, Roads; Electricity, Water and Industrial warehouses. During the MTP II period, the following progress were made: construction of Precast boundary walls completed, Designs for Construction of Common Effluent Treatment Plant (CETP) approved, construction ongoing and currently at 30Per cent and initiated the revision of Master Plan for the area not affected by 2018 floods (200 acres), design for leather industrial warehouses done awaiting completion of masterplan revision for construction to commence.

Challenges and Lessons Learnt: The initial planned area of the project was affected by floods leading to change in project designs for the land from 500 acres to 200 acres. Low funding, lack of industry appropriate policy framework, weak institutional and legal framework and slow initiation of support infrastructure (water provision, establishment of industrial power substation & amp, upgrade of both external and internal roads) by the relevant departments /agencies has hampered the project implementation.

Recommendations and Way Forward: Completion of revision of Masterplan for the 200 acres of immediate usable land. Improved funding to complete infrastructure, support departments/ agencies to comence work on their areas. The Ministry to fast-track the finalization of the Kenya Leather Development Policy and enactment of the Kenya Leather Develeopment Authority Bill.

Upgrading of Training and Production Centre for Shoe Industry (TPCSI), Thika and Kariokor Common Manufacturing Facility (CMF) in Nairobi

Location: Kiambu & Nairobi Counties

Objective: To upgrade and modernize leather machinery for the training and provision of common manufacturing services in order to enhance the quality of leather and leather products and increase production.

Implementing Agencies: Ministry of Industrialisation, Trade and Enterprise Development and Kenya Leather Development Council (KLDC).

Project Progress: During MTP II period, a total of thirty-three (33) machines were installed and tested at the Training and Production Centre for Shoe Industry (TPCSI). On the upgrade of Kariokor cluster, the Nairobi City County Government has completed building the warehouse and currently installing pneumatic distribution systems. Machinery is procured and installation awaiting completion of ongoing electrical works in the warehouse. In addition, KLDC and Nairobi City County have signed an MOU for operationalization of the project to ensure it achieves its objective.

Challenges and Lessons Learnt: Joint project implementation has challenges on funding and project timelines. The operationalization of the Kariokor project and utilization of the machinery by the SMEs has not been achieved due to delay in completion of the warehouse to provide working space.

Recommendations and Way Forward: Provision of adequate resources on timely basis for completion of upgrading of the Centre and completion of the CMF as well as closer collaborations between KLDC and Nairobi City County Government to hasten operationalization of the project.

Development of Athi River Textile Hub

Location: Athi River, Machakos County

Objective: To promote and facilitate export-oriented investments and the development of an enabling environment for export-oriented investments through provision of basic infrastructure facilities that are key in attracting and retaining investors in textiles value chain at the EPZ.

Implementing Agencies: Ministry of Industrialisation, Trade and Enterprise Development and Export Processing Zones Authority (EPZA).

Project Progress: During the MTP II period, the designs for construction of apparel and textile hub was developed and approved as part of industrial parks programme implementation. The construction of industrial warehouses phases I (4 clusters of large industrial sheds each with 4 units and 8 SMEs incubation sheds each with 2 units) all totaling to 40,320 square meters) reached completion level of 70Per cent, 14 Kms of New Internal Access roads were Paved, Repaired & re-carpeted 10 kms of existing roads and constructed water supply line of 8.3 Kms of Reticulation Pipeline and 6,500 M3 storage tank. This contributed to increase in cumulative capital investments at EPZs to Kshs 95.3 billion in 2017.

Challenges and Lessons Learnt: The challenges experienced were: Inadequate budgetary allocation for development and completion of basic infrastructure facilities, restriction on access to domestic market for products from EPZs and inadequate marketing and promotion to attract more investments.

Recommendations and Way Forward: In order to reduce the impediments to attracting and retaining export-oriented investments, there is need for more resource allocation, review the EPZ legal framework and continue with improving the overall business environment for the country.

Development of Standards and Accreditation Infrastructure

Location: Countrywide

Objective: Project objective is to strengthen the standards infrastructure to meet the rapidly changing consumer needs, preferences and quality requirements which include standardization, metrology, testing and quality management including certification and accreditation.

Implementing Agency: Ministry of Industrialisation, Trade and Enterprise Development, Kenya Bureau of Standards and Kenya Accreditation Services.

Project Progress: During MTP II period, the upgrading and equipping Kenya Bureau of Standards (KEBS) testing laboratories at Mombasa was completed with capability of testing of oil and gas products. The number of accredited Conformity Assessment Bodies (CABs) has increased from 13 in 2013 to 84 in 2017 covering the areas of testing laboratories, calibration laboratories, medical testing laboratories, proficiency test service providers, inspection bodies and certification bodies. In addition, the Kenya Accreditation Service Bill was drafted awaiting enactment by parliament.

Challenges and Lessons Learnt: The challenges experienced include inadequate budgetary allocation for development and completion of Standards and Accreditation Infrastructure facilities for testing and calibration services, and weak legal framework for accreditation services.

Recommendations and Way Forward: The current inadequate standards and accreditation capabilities affect the country's ability to reduce cost of trade and cost of doing business. A conducive accreditation and standards infrastructure will assure the quality of products and services as the firms will be able to access and compete in domestic and foreign markets, therefore broadening their trade and investment opportunities and boosting their productivity and innovation.

Branding and Marketing of Kenyan MSMEs Products

Location: Countrywide

Objective: To enhancing productivity, quality and competitiveness of MSMEs products through provision of technology, design, product development, standardization, and protection of innovations and industrial property rights.

Implementing Agencies: Ministry of Industrialisation, Trade and Enterprise Development; KIPI, KEBS, KIRDI.

Project Progress: During MTP II, KEBS certified 8,243 products from large firms and 2,333 SMEs products and compliance of products to standards in the market improved from 88 per cent in 2013 to 93 per cent in 2017. During the same time, Kenya Industrial Property Institute (KIPI) enhanced intellectual property rights protection through opening of intellectual property desks at Public Universities and developed the benefit sharing framework for innovation developed from the universities. Under KIRDI, a total of 29 MSMEs' products were upgraded to global competitiveness status and 1,701 MSMEs were supported through Technology Incubation services and created over 5,000 jobs.

Challenges and Lessons Learnt: The challenges experienced during the implementation of the project include: inadequate budgetary allocation to further facilitate the protection of industrial property rights by the small and medium enterprises, and low availing of expired Intellectual Property Rights (IPRs) for usage by the SMEs.

Recommendations and Way Forward: There is need for resource allocation for implementation of industrial property rights including free registration of innovations from the youth, start-ups and SMEs.

Skills Development for the manufacturing sector

Location: Nakuru County

Objective: Project objective is to transform Kenya Industrial Training Institute (KITI) to provide skilled manpower for the industrial sector.

Implementing Agencies: Ministry of Industrialisation, Trade and Enterprise Development; Kenya Industrial Training Institute.

Project Progress: During the MTP II period, the Institute was equipped with modern training equipment for the textile and leather departments; and 7,150 students were trained on industrial and entrepreneurship skills. In addition, the curriculum was reviewed and aligned to the emerging needs from the industries to reduce the mismatch of what is trained and what is required by the industries.

Challenges and Lessons Learnt: The challenges experienced during the implementation of the project include: inadequate budgetary allocation to further facilitate the training of youths and industrial workers to acquire the required industrial skills and for completion of training infrastructure facilities at the institute.

Recommendations and Way Forward: There is need to provide adequate resources for completion of the stalled project components (infrastructure facilities) for training on industrial and entrepreneurship skills.

Natural Products Industry Initiative

Location: Country wide

Objective: To harness a vibrant natural products industry premised on creating an interphase between indigenous knowledge and science and technology on the one hand and the best of business expertise on the other hand in order to generate a range of products in the nutritional, personal care, phyto-medicine, and household care categories.

Implementing Agencies: Ministry of Sports, Culture and Heritage and the National Museums of Kenya.

Project Progress: During the MTP II period, a Draft Natural Products Industry Policy was developed awaiting the Cabinet Approval. In addition, a Legal Notice to establish Natural Products Industry Coordination Board (NPICB) was prepared and submitted to Office of the President for concurrence and approval. Indigenous Knowledge data collection protocols for documenting, profiling and securing indigenous knowledge was developed as part of the training materials in Baringo and Vihiga counties. In two Counties, 43 selected officers were trained in indigenous knowledge documentation, preservation and utilization. A preclinical research proposal was prepared on the ethnobotanical use of Mturi turi (Abrus precatorius) seed as a natural contraceptive and submitted to the Sports, Arts and Social Development Fund (SASDF) for consideration and funding.

Under the African Indigenous Vegetables (AIV) value chain project in Vihiga County, quality certified seeds were procured and distributed to more than 2,500 farmers and were trained on Good Agricultural Practices (GAP). This effort is to boost the production segment of the AIV value chain. AIV's are highly nutritious and richly endowed with unique health promoting minerals and vitamins and have high content of antioxidants that mop up from the system cancer causing free radicals from the body.

Challenges and Lessons Learnt: The key challenge facing the project is the lack of the Natural Products Industry Policy and Legal Framework for a conducive and supportive environment to support the development of the natural products industry in the country. Insufficient funding has affected the implementation of project activities.

Recommendations and Way Forward: The pending approval of the Natural Products Industry Policy/Legal Notice needs to be fast tracked. In addition, there is need for Budgetary allocation for the establishment of extensive Aloe Plantations and basic processing facilities and incentives to attract the private sector to invest in manufacturing of Natural Products including the aloe based finished products.

BUSINESS PROCESS OUTSOURCING (BPO) AND IT - ENABLED SERVICES

The objective of this sector is to be a top offshoring destination in Africa. According to Economic Survey 2018, the Information and Communication Technologies (ICT) sector continued to be a key enabler of growth across most sectors of the economy as economic agents leverage on availability of technologies to grow their businesses and maximize returns from their investments.

During the MTP I period, the BPO sector created a total of 14,000 jobs in 2012 up from 1,000 jobs in 2008. The BPO jobs created in 2012 almost double the MTP I's job creation target for the sector. The sector also witnessed growth of key BPO companies during the period under review. These included KenCall, Safaricom, Kentech and Horizon. Similar growth was also witnessed in other related industries such as computer hardware manufacturing, software development, information and broadcasting, filming and digital content development.

The Information and Communication Technologies (ICT) sector continued to be a key enabler of growth across most sectors of the economy as economic agents leverage on availability of technologies to grow their businesses and maximize returns from their investments. At the end of MTP II period, the sector grew by 11.4 per cent in 2018. The sector's growth was bolstered by the continued expansion of the telecommunications sub-sector especially mobile telephony and internet services that have been integrated into most personal and business activities. Most telecommunications indicators pointed to accelerated activity in the sector. In MTP II, the Sector also made progress in rolling out e-Government services and developing an innovative ICT Industry to ensure favorable Government policies and exciting digital development in the ICT market.

Konza Technopolis

Location: Konza, Machakos

Objective: To position Kenya as a knowledge-based economy and a preferred ST&I (Science, Technology and Innovation) destination so as to foster the growth of the technology industry in Kenya to be a sustainable, world-class technology hub and a major economic driver for the nation, with a vibrant mix of businesses, workers, residents, and urban amenities, to develop world class infrastructure and technology to facilitate research, education and business through Information Technology Enabled Services (ITES) and to attract wide-spread investment from both local and international entities to establish themselves in the new smart city.

Implementing Agencies: Konza Technopolis Development Authority (KoTDA).

Project Progress: In 2009, the Government of Kenya (GoK) contracted the International Finance Corporation (IFC) as transaction advisors for the development of Konza Technopolis. The IFC commissioned feasibility studies on the viability of the project and concluded that the development of Konza Technopolis would immensely contribute to economic development if successfully implemented.

The Konza project was established based on these studies, and the Government purchased 5,000 acres from Malili Ranch, 70 kilometres south east of Nairobi for its development. As at the end of MTP II, phase 1 which sits on 400 acres had ongoing works. The Konza Complex, which is one of the three key components of the first phase is 98Per cent completed with the project having a total budget of Ksh. 3.9B (for phase I & II).

Challenges and Lessons Learnt: During the period under review the project implementation experienced a number of challenges including: inadequate budgetary allocations and budgetary cuts, pending enactment of the KoTDA Bill, inadequate technical staff, the Engineering, Procurement, Construction and Financing (EPC-F) contracting model under PPP was not well comprehended and thus hindered progress, congestion in the Mombasa road and unavailability of sustainable adequate water supply and biodiversity management (flora and fauna) issues.

Recommendations and Way Forward: The Authority will continue to pursue partnerships which will be critical to achieving offsite infrastructural progress of construction of a Bulk Water Supply line from Thwake Dam to Konza Technopolis, extension of the Nol-Turesh Pipeline to Konza Technopolis, connections of the city to new powerlines, rehabilitation of the Nairobi – Konza Technopolis Metre Gauge Railway (MGR) line and the Konza MGR – Lukenya Station as well as dualling of Mombasa – Nairobi Road (A109) to ease traffic flow between Konza Technopolis and Nairobi.

The Authority will also mobilize adequate and sustainable funding sources to meet the Authority's mandate and adapt to the changing needs of the Government, businesses, and the city's residents. In so doing it will create and sustain a strong brand and image of Konza Technopolis to position the city as a premier global destination for investments, research, innovation and nurturing startups.

Fast-tracking the enactment of the KoTDA Bill is critical. Recruitment of adequate staff both technical and non-technical to allow knowledge transfer when consultants and contractors exit is also required.

FINANCIAL SERVICES SECTOR

This sector strives to have a vibrant and globally competitive financial sector driving high level of savings to finance Kenya's investment needs. Financial services play a critical role in development of a country's economy by providing better intermediation between savings and investments. This goes hand in hand in enhancing mobilization of investment funds for the realization of the Vision 2030. The financial sector in Kenya comprises of banking, insurance, capital markets and pension funds.

Nairobi Securities Exchange

Performance of the financial and insurance sector was stronger in MTP II compared to constrained growth in MTP I. The growth realized in the period under review was mainly supported by considerable improvements in financial activities despite a deceleration in the growth of insurance activities. Market capitalization tripled to Ksh.2.5 billion at the end of 2017 compared to Ksh.1.3 billion as at the end of MTP I. During the review period, domestic credit rose to Ksh3 billion by the end of MTP II compared to Ksh.1.5 billion witnessed at the end of MTP I. Growth of credit to the National Government steadily rose by 78 per cent to close at Ksh.755 million at the end of MTP II compared to Ksh.422 million seen at the end of MTP I. Similarly, credit to the private sector expanded by 86 per cent to close at Ksh.2.5 billion at the end of MTP II compared to a closing figure of Ksh.1.3 billion as at end of MTP I. Table 13 shows the performance of the Financial Sector in the period 2002-2017.

Table 13: *Financial Sector Performance, 2002-2017*

Financial services	2006	2007	2012	2017
Market capitalization (Ksh Bn)	112.59	851	1,271.874	2,521.768
Equity Turnover (Ksh Bn)	2.92	88.62	86.795	171.61
Bond Turnover (Ksh Bn)	33.6294	84.88	565.675	435.918
Domestic credit to private sector (Ksh Mn)	296,847	533,804	1,345,209	2,496,453
Banking assets (net) (Ksh Bn)	457	1,406	2,028	4,002
Domestic credit to Government (Ksh Bn)	113.384	136.968	422.548	755.698

Source: *Capital Markets Authority*

Nairobi International Financial Centre

Location: Nairobi

Objective: To achieve a more attractive and well-functioning financial system in order to accelerate economic growth and establish Kenya as a leading financial centre in Eastern and Southern Africa.

The NIFC will achieve its objective by creating an efficient business environment, offering incentives, and recommending improvements to the overall operating framework.

The NIFC framework can be strategically designed to prioritize attracting finance and investment in key areas of development, including the Big four and more generally to provide innovative and affordable financing options for Kenyan businesses as well as Small and Medium Sized Enterprises. Attracting new companies to Kenya will create more jobs especially in professional services. Additionally, increasing new investments in local businesses will help companies raise new capital and grow, thereby employing more Kenyans.

Attracting private sector investors will also increase investment in areas such as infrastructure and PPPs, thereby reducing pressure on the Government to borrow for these projects. The NIFC will contribute to improving Kenya's competitiveness, for example it will support the reforms needed in the capital markets to move Kenya from a frontier market to emerging market status.

Implementing Agency: The National Treasury and the NIFC Authority

Project Progress: The NIFC is managed by the NIFC Authority, which was established by the NIFC Act in 2017. Progress has been slow but the project has gained traction following the recent appointment of the board of directors of the NIFC Authority in July 2020. Additionally, a draft framework has been developed including draft regulations and rules which elaborate on the key operational and administrative aspects of the NIFC. With the NIFC Authority now operational, it is expected that progress will be quicker and more advanced.

Challenges and Lessons Learnt: Until recently the pace of implementation has been slow which has impacted overall enthusiasm, however, the renewed impetus will revive the interest.

Recommendations and Way Forward: There is need for all Government entities, when called upon, to support the NIFC Authority, to speed up the implementation of the project and meet the desired goals.

Deepening of Capital Markets

Location: Nationwide

Implementing Agencies: The National Treasury and Capital Markets Authority

Objective: To promote long term investments by creating a conducive environment for the capital markets.

Project Progress: The Capital Market Master Plan (CMMP) was finalized and launched in November 2014, with 40Per cent of the plan being implemented as at June 2018. Some of the achievements include: Foreign ownership limits in listed companies lifted to allow them to own up to 100 per cent; demutualization and self-listing of the Nairobi Securities Exchange and reduction of the membership fee from Ksh 250 million to Ksh 25 million, 14 EAC council directives were gazetted, Policy Guidance Notes (PGNs) roll out for: Exchange Traded Funds (ETF) and subsequent listing of one ETF, Asset Backed Securities (ABS) and establishment of a listing segment at the NSE, Global Depository Receipts/Notes (GDR/N), Establishment of a Derivatives Market at the

NSE in October 2015, Giving CMA the legal mandate to regulate spot commodities exchanges across the relevant sectors of the economy such as mining, agriculture and energy to ensure centralized oversight and application of standards; New Code of Corporate Governance Practices for Issuers of Securities to the Public (Corporate Governance Code) and a Stewardship Code for Institutional Investors adopted, Initial public offer of the first Real Estate Investment Trust (REIT) in November 2015.

Challenges and Lessons Learnt: Slow legislation process and low uptake of capital markets products has been a challenge. Unpredictable macro-economic conditions have equally led to low disposable incomes leading to subdued interest in capital markets products and services. During the period, there was a collapse of two (2) commercial banks which held investors investments in form of commercial bonds. The unfortunate event adversely affected investors confidence in commercial bonds space. A key lesson learned is the need for high level involvement and appreciation by all stakeholders in the critical role capital markets can play in mobilization of long-term financial resources.

Recommendations and Way Forward: There is need for the Authority to strengthen its strategic influence to ensure that the projects in the master plan are achieved especially where results are dependent on other agencies. Key institutions to pursue strategic influence with are National Treasury as well as Parliament.

Stakeholder mapping and more strategic engagement is needed. New investor education strategies are also required to enhance uptake of products. More critical is implementation of Regulatory sandbox to support Fintech innovations. Amendment of the Capital Markets Act to strengthen Authority's enforcement capacity is also required.

There is also need for a financial sector crisis management framework following failure of the two banks.

Trucks transporting crude oil

OIL, GAS AND MINERAL RESOURCES

The Sector endeavors to make Kenya the Regional Oil, Gas and Minerals hub. Efforts were made in the Oil and Gas Sub-Sector (upstream) in order to accelerate exploration and development of reserves in the Country's four major sedimentary Basins. Kenya Pipeline Company invested in massive infrastructural projects designed to consolidate her position as a market leader in oil & gas commerce in the region. The Company undertook several key capital projects in the midstream area.
The Ministry of Energy embarked on a process to develop Coal Reserves in Mui Basin, Kitui County in order to facilitate availability of cheap, reliable and affordable source of energy to Kenyan citizenry. The Minerals Sub-Sector also recorded a lot of progress by promoting small scale traders. This was done by granting exclusive and special Mining Rights. There were other various institutional and legislative framework activities undertaken to promote the Mining Sub-Sector.


H. E. President Uhuru Kenyatta seeing off the first ship exporting oil.

Exploration and Development of Oil, Gas and Other Mineral Resources

Location: Nationwide

Objective: Promoting sustainable development in the Extractives Sector.

Implementing Agency: Ministry of Petroleum & Mining, Ministry of Energy, National Oil Corporation Kenya, Energy and Petroleum Regulatory Authority & the Kenya Pipeline Company.

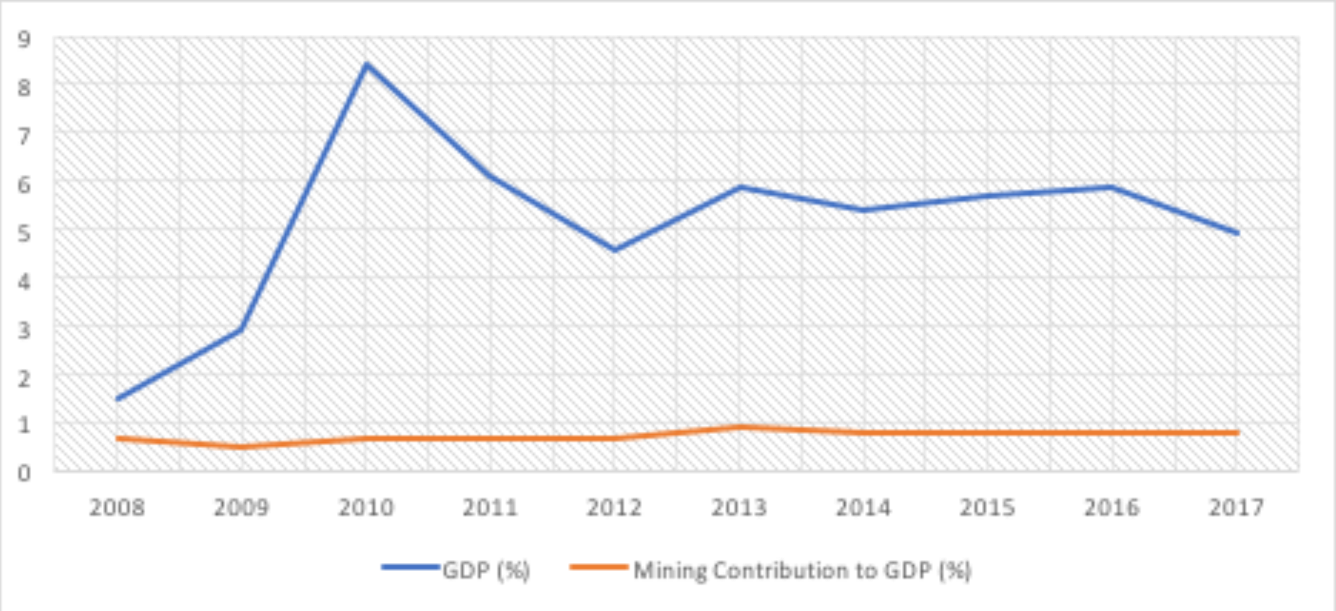
Project Progress: Achievements under Oil and Gas Sub-Sector included sub-division of Oil and Gas Exploration Blocks. The number of Exploration Blocks was increased from 46 in 2012 to 63 in 2017 out of which 29 were licensed and are operated by 15 International Oil Exploration Companies (IOCs).

Several Projects in the Oil and Gas Sub-Sector were initiated during the period under review. These included: Construction of the 824 km Crude Oil Pipeline from Lokichar to Lamu; Procurement process for the Front End Engineering and Design (FEED) and Environmental and Social Impact Assessment (ESIA), Planning for construction of 122Km long 12-inch diameter parallel Petroleum Pipeline from Sinendet to Kisumu (Line 6), and modification of tanks and related facilities for receipt of Crude Oil for the interim scope for the Early Oil Pilot Scheme (EOPS).
The Mineral Sub-Sector achievements included extraction of heavy sand in Kwale County; enactment of the Mining Act, 2016; construction of the Gemstone Value Addition Centre in Taita Taveta County and upgrading of the Online Transaction Mining Cadaster Portal. Small Scale Mining Operations (SSMO) made up the largest number in Rights granted for Mining Activities (782 by February 2013), 175 exclusive or special prospecting licenses and 10 Mining Leases had been issued. In addition, the Cabinet approved the establishment of the National Mining Corporation in April 2016 as contained in the Mining Act, 2016.

The Ministry of Energy and Petroleum issued a tender in January 2013 to 9 pre-qualified Companies for Coal Mining in Mui Basin, in Kitui County, which is approximately 100 km long and 5km wide and situated 180km North East of Nairobi. The basin has been sub divided into four Blocks, namely: A, B, C and D, to ease Exploration and Development of Coal. The Ministry carried out exploratory drilling in the four blocks where a total of 76 wells were drilled. Block C has Coal Reserves estimated at 400 million tonnes, while further assessment will be undertaken in the other three blocks to quantify the reserves. The concession for Blocks C and D was at advanced stages as at end of review period. Blocks A and B were at Request for Proposals (RFP) evaluation stage. Thirty-one (31) Coal Exploration Blocks in other Sedimentary Basins in the Country were earmarked for gazettement and concessioning.

The Kwale Mineral Sands Deposit Mining Project was Kenya's largest mine development carried out over an area of approximately 1,355 hectares with the potential to become an important global producer of rutile, zircon, and titanium concentrates.

Figure 14: *Mining Contribution to GDP, 2008-2017*



Source: *Economic Survey 2008 - 2017*

Figure 14 shows that the contribution of Mining sub sector to GDP averaged less than 1 per cent in the period 2008-2017.

Numerous policy and legislative reforms were undertaken during MTP II period. These included; National Energy and Petroleum Policy, 2015, Petroleum Bill, 2015 prepared, passed by the National Assembly and submitted to the Senate, Completion of a Model Petroleum Production Sharing Contract (PSC) in 2015 that was also approved by the Cabinet, Preparation of the Petroleum Exploration, Development and Production (Local Content) Regulations, 2014, Development of the Mining and Mineral Policy which culminated into the Sessional Paper No. 7 of 2016 on Mining and Minerals Policy; Mining Act, 2016 came into effect in May 2016 replacing the Colonial Mining Act of 1940 (Cap 306), Drafting of 18 out of 21 Mining Regulations and Guidelines to operationalize Mining Act 2016. Out of the 18 regulations developed, 14 were validated by stakeholders and 13 of them published, Implementation of an Online Transaction Mining Cadaster Portal (OTMCP) to reduce bureaucracies in issuance and application of licenses. The system was under reconfiguration to conform to the Mining Act, 2016.

Challenges and Lessons Learnt: Land access and compensation caused project delays and increased costs in project implementation, inadequate financial resources were a major constraint, high incidences of insecurity in the project areas, inadequate appropriate equipment and technical skills in the sector, maritime boundaries disputes that hinder extractive activities, managing high community expectations in the Project Areas, Inadequate data on Oil and Gas blocks and other minerals that make it hard to inform investment decisions, Slump in global oil prices impacted negatively on the progress as this slowed down field exploration activities.

Recommendations and Way Forward: There is need for a strong collaboration between National and County Governments; stakeholders and local communities' continuous engagements in all phases of project implementation so as to create sense of ownership and good will in the project. Adequate allocation of financial resources in the Sector to fast track project implementation. Enhance Staff training and engaging development partners in the Sector. There is need to develop a structured framework to manage local community high expectations. Investment on Data Acquisition and Management to be prioritized. International Oil Companies can be given tax holidays to encourage them engage in Exploration and Development activities in the Sector especially during times of low Global Oil Prices. Value addition of minerals to improve country's competitiveness is also required.

CHAPTER THREE
SOCIAL PILLAR

INTRODUCTION

The core objective 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 realized through transformation and implementation of policies, programmes and projects in six priority sectors, namely: Education and Training, Health, Environment, Water and Sanitation, Population, Urbanization and Housing, Gender, Youth and Vulnerable Groups and Sports, Culture and the Arts. Additionally, these policies would be grounded on a strong Science, Technology and Innovation (STI) foundation.

Overall, the Social Pillar sectors registered remarkable improvements in its performance with a majority of the targets met and others surpassed. However, progress within each sector varies depending on various factors that generally influence the implementation of each flagship project. The recorded underperformance was attributed largely to inadequate funding, and weak legislation.

EDUCATION AND TRAINING

"Globally Competitive, Quality Education, Training and Research for Sustainable Development"

Sector Overview: The Constitution of Kenya identifies Education and training as a Social and Economic right. This is in recognition of the fact that education and training equip citizens with understanding and knowledge that enables them to develop their full capacity to live and work in dignity and to make informed choices about their lives and those facing the society. In this regard, the Education and Training sector is a key pillar in realization of critical knowledge necessary for propelling the country to a middle-income knowledge-based economy. The Sector is composed of Basic Education, Vocational and Technical Training and University Education sub-sectors and their respective agencies as well as the Teachers Service Commission (TSC).

Sector Objective: The main objective of the Education and Training Sector is to meet the human resource requirements for a rapidly changing and more diverse economy and to ensure that education provided meets high quality standards and its contents are relevant to the needs of the economy and society.

Sector Performance:
Remarkable improvements have been made in the Education and Training Sector. Generally, enrolment rates at all levels were on a rising trend. The Sector saw an increase in transition rates from primary to secondary at 91.1 per cent in 2017 from 72.5 per cent in 2012 and 59.6 in 2007. At the ECDE level, the number of ECDE centres increased from 40,145 in 2013 to 44,779 in 2017 while Gross Enrolment Rate (GER) increased from 71.6 per cent in 2013 to 77.1 per cent in 2017. The Net Enrolment Rate (NER) increased from 68.7 per cent in 2013 to 76.9 per cent in 2017. At the primary school level while NER for Primary stood at 91Per cent in 2017 from 95.3Per cent in 2012 and 92.5 per cent in 2007 and NER for Secondary improved to 49.5 per cent in 2017 from 33.1Per cent in 2012 and 28.9 per cent in 2007. During the period, enrolment in universities grew from 361,379 (male 213,967, female 147,412) in 2013/14 to 564,507, (Male 330,347, female 234,120) students in 2016/2017. Enrolment in TVET rose from 148,009 in 2013 to 275,139 by 2017.

The provision of textbooks through TUSOME and PRIEDE projects to class 1 and 2 has boosted the textbook: pupil ratio to 1:1 in 2017 from 1:3 and 1:2 for lower and upper primary respectively in 2007. The teacher: pupil ratio target was targeted at 40:1 in 2017. However, by the end of the plan period the ratio remained at 42:1. For secondary school level the PTR was 30:1 and incorporates teachers employed by TSC, boards of management and private schools. It is important to note that the metric by TSC in computing teacher demand and supply is CBE and not PTR.

During MTP II the sector undertook summative assessment for 8-4-4 system, with focus on the CBC. Transition towards a digital literacy education commenced where digitized content for classes 3-8 for science and mathematics was attained. In addition, the Government rolled out the provision of digital learning devices at lower class levels.

There is remarkable performance in the area of access, enhancement of quality and relevance of education, enhancement of financing in education and improvement of governance. The number of universities both public and private increased from 65 in 2013/2014, 67 in 2014/15 to 74 in 2017/2018. This expansion in the number of universities led to an increased enrolment of students pursuing university education in both public and private universities to stand at 559,210 in 2017/18 from 421,152 in 2014/2015 and 361,388 in 2013/2014. The number of students receiving university loans increased from 145,007 in 2013/14 to 167, 861 in 2014/2015 and further to 280,004 in 2017/2018. The sub sector in implementing the provisions of the Universities Act No. 42 of 2012 Rev. 2016 (2015) has made significant progress in ensuring maintenance of quality and relevance in all aspects of university education in Kenya. During 2016/17 to 2017/18, the sub sector chartered nine (9) public universities, one (1) private university, granted five (5) universities Letter of Interim Authority (LIA), recommended six (6) public university constituent colleges and accredited forty-three (43) campuses. In the year 2013/14 to 2014/15, ten (10) universities were evaluated and inspected out of which, six (6) were recommended for award of charter and three (3) granted Letter of Interim Authority. In addition, two (2) institutions were inspected and recommended for constituent college status Two hundred and ten (210) Senior University managers were trained on strategic management and governance in 2017/2018 under the support to Higher Education, Science and Technology (HEST) Project.

Sector Challenges: The Sector experienced various challenges in implementation of planned projects and programmes. These include: extreme poverty in urban slums and ASALs which led to regional disparity in achievement of most targets. Retrogressive cultural practices also contributed to non-achievement of gender parity at all levels of education. Inadequate and dilapidated Infrastructure coupled with limited number of institutions at some levels of education, high cost of delivery of education and training, weak governance and accountability structures and systems, weak quality assurance framework, overlaps in mandate of various agencies (HELB and UFB), mismatch between skills and labour market demands, lack of occupational standards and low participation of industries in policy dialogue; security threat, low perception of TVET, drug and substance abuse and the HIV/AIDS impact on human resources, especially affecting the teaching force.

The TVET level faced challenges of inadequate number of trainers at TVET level against the increasing demand for TVET, the rapid technological changes making available equipment obsolete, and weak linkages between TVET training and industry leading to skills mismatch.

Mainstreaming of Early Childhood Development Education (ECDE)

Location: Nationwide

Objective: To review ECDE policy and align to the constitution and to integrate ECDE into universal education curriculum.

Implementing Agency: State Department for Early Learning and Basic Education.

Project Progress: This project started in 2008. During the MTP I, enrolment in Early Childhood Development and Education (ECDE) increased by 40 per cent from 1.72 million children in 2008 to 2.41 million children in 2012. Specifically, the Gross Enrolment Rate (GER) increased from 59.8 in 2008 to 66.3 per cent in 2012, whereas Net Enrolment Rate (NER) increased from 43.0 per cent to 53.3 per cent in 2012. The improvement in the GER and NER especially between 2010 and 2011 may be attributed to the positive effect of the promulgation and implementation of the Constitution which stipulates that 'Every child has a right to free and compulsory basic education" – Article 53 (2). However, it is important to note that the GER of 66.3 per cent in 2012 was below the Education for All (EFA) target of 80 per cent. Additionally, the NER recorded for 2012 of 53.3 per cent was also below the MTP I target 93 per cent. The low NER may be attributed to the fact that in some region's children join primary schools directly without going through the ECDE and due to low participation across the country because ECDE was not mainstreamed into basic education.

During the MTP II, the number of ECDE centres increased from 40,145 in 2013 to 44,779 in 2017 while Gross Enrolment Rate (GER) increased from 71.6 per cent in 2013 to 77.1 per cent in 2017. The Net Enrolment Rate (NER) increased from 68.7 per cent in 2013 to 76.9 per cent in 2017. This was as a result of targeted investment at this level of education by county Governments and development partners. To harmonize ECDE service delivery across counties, the Government formulated the pre-primary policy and developed the Kenya School Readiness Assessment Tool (KSRAT) to guide the transition of pre-primary learners into the primary education cycle and to ensure quality learning.

Challenges and Lessons Learnt: The Sub - Sector has grown but this has not been matched with growth in resource allocation. Resource constraints still remain a challenge in the area of capitation, infrastructure and staffing at ECDE level. This compromises the quality of education offered in learning institutions and adversely affects development of the Sector.

Other challenges include: insufficient number of trained teachers and care givers at ECDE level, poor enforcement of standards; inadequate number of pre-primary and day care centres, inadequate teaching, learning and play materials at ECDE centres. The devolvement of EDCD has led to serious compromise in standardization and inefficiencies in management of the human resource in this sub sector.

Recommendation and Way Forward: There is need to fast-track the enforcement of ECDE mainstreaming policies to improve low participatory rates across the country. This will provide the much-needed guidance to county Governments in delivering pre-school services. The standards' guidelines will also be useful in demystifying any grey areas in the policy.

With implementation of the Constitution, the management of ECDE Sub- Sector was devolved in 2014 with the policy function remaining with National Government. In order to ensure smooth running of the functions it is important for closer collaboration between the two levels of Government. Additionally, the sector should come up with a funding strategy that both Governments are committed to achieving.

The ongoing reforms in education and training curricula at all levels be fully supported and special ring-fencing criteria be established to protect essential services from austerity measures.

Curriculum Review and Reform

Location: Nationwide

Objective: To align education curriculum with the constitution.

Implementing Agencies: Kenya Institute of Curriculum Development (KICD), Kenya National Examinations Council (KNEC). CDACC, CUE.

Project Progress: This programme commenced in 2008 and comprises four (4) projects namely: Mainstreaming Tusome Model in the early grade learning process; reviewing and implementing Vocational Certificate of Education and Training (NVCET) curriculum, reforming learner assessment and Review of University Curriculum.

During the MTP II, the sector undertook education curriculum review and reforms with a focus on having a competence-based system aimed at improving knowledge, skills, values and attitudes to enable learners to successfully perform a function. The mode of assessment was reformed to ensure focus on measuring skills and competencies acquired by learners. Key achievements in the review process include Basic Education Curriculum framework which proposes a new education system with four tiers (early years; middle school; senior school, tertiary and university), development and dissemination of curriculum design and curriculum support materials for Early Years Education (Pre-primary 1 &2 and Grades 1, 2 and 3), 6,500 teachers and other field officers were inducted on Competency Based Curriculum and rollout of CBC in Early Years Education commenced. In assessment reform, a draft Competency Based Assessment (CBA) Framework up to Grade 3 was developed. The review of the University curriculum was also initiated.

In order to effectively develop and implement the Competence-Based Curriculum (CBC) for education and training across the entire country, the Kenya National Qualification Authority (KNQA) was operationalized under the Kenya National Qualifications Framework Act No. 22 of 2014. The TVET Curriculum Development Assessment and Certification Council (TVET CDACC) prepared guidelines for the development of Competency Based Curriculum and established Competence Assessment and Certification processes.

Further, Kenya Institute of Curriculum Development and Ministry of Education initiated the establishment of an Ultra-Modern Educational Resource Centre (ERC). This is a six-phase project that houses language laboratories, science laboratories and demonstration rooms. During the period KICD undertook construction of Phase I of the project to 86 per cent completion and established the Kenya Education Cloud (KEC) to support e-Learning in basic education. This is an online portal for submission of digital learning content for evaluation, curation, approval and dissemination.

Challenges and Lessons Learnt: Negative publicity driven by the competing interests of stakeholders towards curriculum reform; transition issues related to curriculum reforms in the country, changes in education sector whereby CBC was considered to have teething challenges as well as resistance to change which was inevitable amongst the stakeholders. Other key issues were inadequate financial resources to support the construction of the education resource centre, enhancement of educational broadcast and development of digital content. Additionally, negative attitude from some curriculum implementers towards e-learning and inadequate training created bottlenecks in integration of ICT in teaching and learning and inadequate infrastructure.

Whereas changes are always resisted with adequate engagement and flow of information, the change is eventually accepted. Close and productive interaction between academia, private sector and public institutions in all fields is vital in harnessing the existing potential and facilitating smooth roll out of curriculum reforms.

Recommendation and Way Forward: There is need to ensure timely completion of projects and programmes to avoid escalation of the overall project cost.

Recruitment of additional teachers

Location: Nationwide

Objective: To reduce teacher pupil ratio.

Implementing Agency: Ministry of Education, Teachers Service Commission.

Project Progress: During the review period, a total of 29,060 teachers were recruited against a target of 28,000. An additional 880 teachers were also recruited over the MTP I period to support Adult Basic Education. The MTP I target for the pupil to teacher ratio for public primary schools was to improve it from 43: 1 in 2007 to 40: 1 in 2012. The pupil to teacher ratio, however, stood at 45: 1 in 2012, implying that the MTP I target was not met. This was mainly as a result of the increased enrolment during the same period.

Additionally, due to the increasing trend in enrolment, the sector has continued to employ additional teachers to bridge the staffing gaps. The Government recruited 22,000 additional teachers during the review period. However, there exists a distributional imbalance aggravated by insecurity in most parts of the ASAL areas. The insecurity coupled with increase in the number of schools and student enrolment increased the teacher shortage from 81,479 in 2013 to 100, 182 in 2017 to stand at a level of 5.7 per cent on average.

A Teacher Management Information System (TMIS) was developed to enhance efficiency in capturing and management of teachers' data and provision of online services.

Challenges and Lessons Learnt: Understaffing in marginalized areas was caused by the security situation, the effects of regional disparities, staffing gaps, uneven teacher distribution, enforcement of Teaching Standards, alcoholism and drug abuse; prevelance rate of HIV and AIDS.

Recommendation and Way Forward: Provision of adequate funds to finance training and recruitment of teachers. Collaborative framework with other partners should also be explored to address financing gaps. A structured induction, coaching and mentorship programme needs to be entrenched to enhance teacher capacity. Partnerships developed to address financing gaps.

Integrating Information, Communication and Technology into Teaching and Learning

Location: Nationwide

Objective: To integrate and mainstream Information Technology in school.

Implementing Agencies: State Department for Early Learning and Basic Education, KICD, Ministry of ICT, Development Partners.

Project Progress: This Programme started in 2008 where it was referred to as "Computer Supply Education Support Programme" during MTP I. Digital content for primary education in Kenya is still very limited. However, during the MTP I, KICD digitized content for classes 3 to 8 in science and mathematics. Class 1 and 2 content was done in July 2013. Seven subjects of primary teacher education had also been digitized and a mechanism developed to vet digital content developed by other publishers.

Additionally, during MTP I, only about 200 primary schools had ICT equipment such as computers, televisions and radios supported by the Government, parents and development partners' interventions. Among these were 23 primary schools which were utilizing laptops equipped under a pilot project funded by USAID in conjunction with the Ministry. The outcomes and lessons learnt from this project were to inform the laptop programme. In recognition of the unique and significant mandate of the Ministry regarding the integration of ICT in education, an institutional framework was created in 2013 to guide ICT integration in education. Two specialized units were created, namely: the ICT for Education (ICT4E) to spearhead the pedagogical use of ICT, and National ICT Innovation and Integration Centre (NI3C) to carry out the testing of technical solutions submitted for consideration by firms in order to establish their appropriateness and use in curriculum delivery.

Further, in order to ensure ICT is entrenched in the curriculum, the Ministry developed an ICT integration model which emphasizes four key pillars critical to effective implementation of ICT initiatives, which are teacher capacity development, relevant digital content, deployment of ICT infrastructure and robust policy and strategy.

A total of 1,500 secondary schools received computers under the computer supply education support programme initiative against the MTP I target of 1,046. The National ICT Innovation and Integration Centre (NIC) was also established during the period and 150 ICT champions trained.

Further, the Ministry established one model centre at St Peter Clavers school as an ICT centre for adult learners.

During MTP II, the Government prioritized the provision of ICT equipment to all public primary schools. A total of 882,765 Learners Digital Devices (LDDs), 43,777 Teacher Digital Devices (TDDs), 21,133 Content Access Point (CAP) and 19,409 projectors were supplied to primary schools. Additionally, 91,526 education professionals were trained to support the full implementation of the Programme out of which, 63,484 were teachers and 28,042 were other members of the sector and will provide technical support during the implementation of the programme.

A total of Ksh. 60,000 was disbursed to each public primary school including Special Needs Education (SNE) to improve ICT infrastructure (storage facilities, wiring of standard one classrooms and procurement of desks). Integration of ICT and assistive technology to learners with special needs, with a focus to building capacity of teachers, digitization of content and supply of SNE accessible devices and technologies was also undertaken.

Over 22,000 primary schools were connected to electricity across the country and strong rooms/ stores built for storing the ICT equipment. In addition, Mathematics and English e-content materials were developed for classes 4-7 and for 12 subjects targeting forms 1-4. Further, materials for classes 1-2 in five (5) subjects were developed, with those for class 3 awaiting roll out. The Public Cloud was acquired for dissemination of on-line content to host Kenya Educational Cloud (KEC). Further adaptation of Digital Literacy Programme (DLP) materials for class 1-2 for the Visually Impaired (VI) and Hearing Impaired (HI) learners was initiated and an online distribution of books and online content developed and tested for implementation.

Challenges and Lessons Learnt: Inadequate and dilapidated infrastructure, inadequate funding, and high cost of ICT equipment. Low connectivity to power supply, inadequate capacity building and unstructured identification and training of teachers to be trained as most who were trained are almost retiring, poor Storage and lack of maintenance of the digital devices and slow rate of uptake by the teachers.

When ICT resources and applications are well selected and deployed by teachers as they undertake lesson planning, instructional approaches are shifted more and more towards a student-centred learning environment.

Recommendation and Way Forward: Create innovative resourcing methods for ICT applications. A focus on special needs education (SNE) should be developed. Continuous and structured training and capacity building on matters ICT.

Establishment of Education Management Information System (EMIS) Centres

Location: Nationwide

Objective: To enhance transparency and accountability in education system.

Implementing Agency: State Department for Early Learning and Basic Education

Project Progress: During the MTP II period, the Government committed to create data hubs by equipping county offices with selected ICT equipment. 16 counties were provided with 2 desktop computers, a printer and a hard disk to support creation of county data hubs. In 2016/2017 31 counties were provided with 1 desktop computer, a printer and a hard disk each.

In addition, County Education Management Information System (EMIS) centres were equipped for the development of a robust NEMIS. The system was developed, and initial data collection initiated to enable all learners and staff in all basic education institutions to be issued with a unique identification.

Challenges and Lessons Learnt: Inadequate and dilapidated infrastructure, inadequate funding, and Low ICT integration, high cost of ICT equipment and infrastructure, Weak information management system. The system is a critical pillar for effective monitoring and evaluation quality assurance, budgeting and allocation of resources; and policy and planning.

Recommendation and Way Forward: An institutional framework should be established to coordinate the relevant stakeholders and create an enabling environment for them to participate effectively.

Basic Education Infrastructure

Location: Nationwide

Objective: To create and provide friendly learning environment to all learners.

Implementing Agency: State Department for Early Learning and Basic Education.

Project Progress: This project had started before MTP I. The MTP I target was to build and fully equipped 560 secondary schools by 2012. The total number of schools in the country increased from 70,726 in 2008 to 77,116 in 2012. In this respect, the number of pre-primary schools increased from 37,954 in 2008 to 39,758 in 2012 while the number of primary schools increased from 26,206 in 2008 to 29, 161 in 2012. The number of secondary schools increased from 6,566 in 2008 to 8,197 in 2012. Notably, private secondary schools decreased from 2,112 in 2008 to 2,009 in 2012 against an increase in the number of public secondary schools from 4,454 in 2008 to 6,188 in 2012. In this respect, the number of public secondary schools increased by 1,734 between 2008 and 2012. This was about threefold the target set in the MTP I.

Additionally, the Government disbursed KSh. 6.3 billion to 355 secondary schools under the Economic Stimulus Programme (ESP). Further funding was disbursed to 371 schools for rehabilitation and expansion works during the period of the MTP I. Construction and rehabilitation works were also ongoing in 200 schools during the period under review to transform them into centres of excellence. Construction and rehabilitation works were undertaken in 420 primary schools in 37 ASAL sub-counties over the MTP I period. An additional 30 public secondary schools were upgraded to national schools during the MTP II period.

During the MTP II period, the number of primary schools grew from 28,026 (public 21,205, private 6,821) in 2013 to 35,442 (public 23,584, private 11,858) in 2017. As a result, enrolment in primary schools (both public and private) increased from 9,857,600 pupils (boys 5,019,700, girls 4,837,900) in 2013 to 10,403,700 pupils (boys 5,293,900, girls 5,109,800) in 2017. Further, construction of new classrooms and renovation of existing ones was carried out in 781 primary schools. During the same period, the Government enhanced the Free Primary Education capitation per learner from Ksh. 1,020 to Ksh. 1,420 to cover the rising costs of instructional materials.

On Secondary Education, the number of schools increased from 7,834 (public 6,807, private 1,027) in 2013 to 10,655 (Public 9,111, private 1,544) in 2017. As a result, enrolment in secondary schools increased from 2,104,262 (boys 1,127,697, girls 976,565) in 2013 to 2,830,800 (boys 1,450,800, girls 1,380,000) in 2017. To improve the learning and teaching environment in public secondary schools, infrastructure improvement was carried out in 103 national schools and 64 extra-county schools across the country. In addition, funds were disbursed to schools under normal school infrastructure improvement grants, including 100 per cent transitional grants. Funds were also disbursed for infrastructure improvement, equipment, repair and maintenance of schools in ASAL areas.

During MTP II period, teacher-training facilities were improved through establishment of additional Teacher Training Colleges (TTCs) and replacement of colleges initially taken over by universities. The number of public primary teacher training colleges increased from 22 in 2013 to 27 in 2017, while that of private colleges increased from 101 in 2013 to 108 in 2017. Total teacher trainee's enrolment increased from 37,113 in 2013 to 42,131 in 2017. Further, 10 new Primary Teachers Training Colleges (TTCs) were constructed to address the increasing demand for teachers. These include Bondo, Kenyenya, Kitui, Garissa, Narok, Chesta, Ugenya, Aberdares, Kaimosi and Mosoriot. In total, these colleges enrolled 6,120 trainees by 2017.

Challenges and Lessons Learnt: Inadequate funding, extreme poverty in informal and ASAL areas, new learning institutions lack adequate classrooms, laboratories, administration blocks, libraries and hostel facilities to accommodate increased enrolment. The existing institution also suffer from dilapidated physical infrastructure that is not conducive to optimal learning. Schools infrastructure must be developed and functional to achieve a competitive system of education.

Recommendation and Way Forward: Increased allocation for school infrastructure so as to Expand and equip facilities thereby improving quality of education and training.

Technical Vocational Education and Training (TVET) Infrastructure and Equipment

Location: Nationwide

Objective: To develop an effectively coordinated and harmonized TVET system for production of quality skilled human resource with the right attitudes and values required for growth and prosperity of the various sectors of the economy.

Implementing Agency: State Department for Vocational and Technical Training.

Project Progress: In 2008, both Kenya Polytechnic and Mombasa Polytechnic were upgraded to university colleges and ultimately to universities in January 2013. Enrolment in TVET institutions increased from 85,200 in 2008 to 127,691 in 2012. The sector-initiated construction of 13 new public institutions as well as establishment of centres of excellence in order to provide quality and relevant skilled human resources in the middle level cadre. Under the economic stimulus package, a total of KSh2.1 billion was utilized for the construction of new laboratories and workshops in 48 institutions.

During MTP II, significant progress was made under TVET. The number of vocational training centres increased from 753 in 2013 to 2,289 in 2017 to cater for the large numbers of enrolment. Enrolment in TVET increased from 148,009 in 2013 to 275,139 in 2017 due to centralization of Government-sponsored TVET students' placement. In addition, Higher Education Loans Board (HELB) in collaboration with National Youth Service (NYS) and Equity Bank supported payment of tuition fees for trainees among other rebranding measures.

Construction of Phase I of 60 new Technical Training Institutes (TTI) in constituencies (those without a TTI) was 90Per cent complete, 24 out of the 60 TTIs under Phase I were fully completed. Of these, 12 TTIs were assessed and Principals posted by TSC bringing the total number of operational TVET institutions to 65. In addition, the Sector commenced construction of phase II of 70 TTIs in constituencies without a TTI which had a 40Per cent completion rate.

During the same period of MTP II, 10 GoK/AfDB funded TTIs were registered by TVETA and were operational. In addition, five (5) new technical training institutes in underserved regions were supplied with equipment and several others upgraded. The upgrading led to the elevation of eight (8) TTIs to national polytechnic status. Furthermore, 48 workshops and laboratories under the Economic Stimulus Programme (ESP) developed in existing TTIs were completed. Significant progress has been made in provision of modern equipment including smart classrooms and workshops through collaboration with development partners.

Additionally, TVET institutions were connected to the fiber optic cable while flexible and blended learning was introduced in partnership with the CommonWealth of Learning (COL). A total of eight (8) technical institutions offer Cisco Networking Academy Programme meant to provide trainees with industry-valued certification skills to repair and maintain computers. In addition, a total of 40 TVET institutions were connected to the fiber optic cable, smart classrooms were established in 10 TVET institutions and sensitization workshops and training of teachers was conducted on the application of ICT to teaching, learning and management.

Challenges and Lessons Learnt: Late disbursement of funds from National Treasury; Delay in fulfilling contractual obligations, lack of water and electricity in some regions; delays in procurement process, Inadequate capacity in TVET institutions to cope with high transition rate from secondary schools, Poor perception and recognition of TVET, Un-coordinated Skills Training due to multiplicity of testing and certification standards in TVETs and Skill and Competency Manpower Gap in TVET Trainers Management.

Recommendation and Way Forward: Strengthen supervision by the public works. Procurement laws should be reviewed to avoid delays due to cumbersome procurement rules/laws. Timely release project of funds, The State Department for Vocational and Technical Training should work closely with security agencies and the local communities to ensure an enabling environment for projects implementation. There is need to expand capacity of TVET institutions to match the demand for more trainers.

Human Resource in Support of University Education

Location: Nationwide

Objective: To strengthen the human capital development for Science, Technology and Engineering courses.

Implementing Agency: University Education and Research

Project Progress: The project started in 2013 and has since been implemented as follows:

a) Supply of engineering and applied science training and Research Equipment:
The supply of equipment to thirty departments in eight universities including seven (7) technical universities was approximately 87.6 per cent complete as at 2018. The beneficiary universities being, University of Nairobi, Multimedia University, Dedan Kimathi University, Technical University of Mombasa, Masinde Muliro University of Science and Technology, Technical University of Kenya, Meru University and South Eastern Kenya University. Infrastructural equipment from a total of 31 contracts was delivered.

b) Training component
Sponsorship was availed under the Higher Education, Science and Technology (HEST) Project to train university teaching staff and technicians at Masters and PhD levels in Engineering and Applied Sciences in Kenyan public


A graduation ceremony

universities. Training of the first and second batch of 79 students in Geothermal and Manufacturing Engineering was done at Dedan Kimathi University of Technology. In the second call, Dedan Kimathi University of Technology trained 25 students in leather technology both at Masters and PhD levels.

Egerton University trained 47 students at Masters and PhD level in Agricultural & Livestock Biosciences, and Agricultural Engineering. The University of Eldoret trained 10 teaching staff in Agricultural Engineering, 5 of whom graduated by 2018. Kenyatta University had 61 members of the teaching staff who pursued Masters and PhD degrees in applied physics and chemistry.

In the Financial Year 2017/18, Jomo Kenyatta University of Agriculture and Technology enrolled a total of 35 students who trained at Masters and PhD levels in Electrical Engineering. The University of Nairobi trained 23 teaching staff at masters and PhD levels in Electrical and Electronics Engineering admitted in 2017/2018 Financial Year.

c) Training University Management and Council members on governance and strategic management: A total of 210 University senior managers were trained on strategic management and governance in 2017/2018.

d) Construction of Wangari Maathai Institute: Phase I of this project which was construction of a teaching and learning centre at Wangari Maathai Institute of Peace and Environmental Studies was budgeted at a cost Ksh. 700 million. The project involved the construction of administrative offices, seminar rooms, cafeteria, exhibition centre, outdoor Amphitheatre, chain link perimeter fencing, and parking space whose designs were completed and contract for construction works awarded in October 2015. Construction started in 2016 after the foundation stone was launched by His Excellency the President Hon. Uhuru Kenyatta on 23rd August 2016 and completed in July 2018 when it achieved practical completion status.

Challenges and Lessons Learnt: Disparities in the Country's regional, gender and socio-economic status, inadequate Human Resource Capacity (faculty) to cater for the growing demand for university education, mismatch between skills acquired by university graduates and the demands of the industry and imbalance between the number of students studying science and arts-based courses. Additionally, inadequate Human Resource Capacity, inadequate financial resources both at the household and National levels and late disbursement of funds by National Treasury alongside the lack of a framework for engaging the industry.

Inadequate budget to: train teaching staff in all the fields of engineering and applied sciences, procure equipment for all institutions offering engineering, Inadequate number of qualified staff to take up the training especially at Masters Level, rapid changes in technology rendering some of the equipment especially ICT related out of date, delays in: completion of the programmes, clearance of some goods at the port affecting execution of the project. Challenges of institutional readiness in some of the universities related to installation of three phase power among others.

Recommendation and Way Forward: There is need for a strong mechanism for implementation together with evaluation and review of ongoing projects and programmes. Development and implementation of a framework for engaging the industry, constitution of strong project implementation teams, implementation of affirmative action based on gender, marginalized areas and Persons Living with Disabilities (PWD) should be considered as priorities.

Education in Arid and Semi - Arid Lands

Location: ASAL regions

Objective: To enhance access to education in ASALs

Implementing Agency: State Department for Early Learning and Basic Education.

Project Progress: The project started during MTP I, where it was referred to as "Construction of Boarding Primary Schools in ASAL areas". The National Council for Nomadic Education in Kenya (NACONEK) was established in 2015 to address the educational needs and aspirations of the marginalized communities. Since inception of NACONEK, 426 Low Cost Boarding (LCB) schools and 117 mobile schools received support grants while a total of 22 LCB primary schools in ASALs areas were rehabilitated.

During the MTP I period, the Ministry of Education rehabilitated, expanded and equipped 37 boarding primary schools in 23 out of a total of 46 constituencies in ASAL in 2009/10 through Economic Stimulus Programme (ESP). Each school was allocated Ksh. 3.5 million totalling to Ksh. 129.5 million.

Through the normal primary School Infrastructure Improvement Programme, 31 primary schools were allocated Ksh. 15.54 million to rehabilitate existing infrastructure.

Ksh.145.04 million was disbursed to 23 ASAL constituencies for rehabilitation, expansion and equipping of 68 boarding primary schools. The status in terms of funding was at 3.52 per cent of the projects that had been funded.

To rehabilitate, expand and equip a single stream boarding primary school, Ksh. 42 million was required to be used to rehabilitate, expand and equip 10 classrooms (2 ECD and 8 primary), Administration block, play field, fencing and gate, three 90-bed dormitories, 10 toilets, 5 teachers' houses, Dining Hall, Kitchen, Library/book Store and 2 large water tanks.

A number of projects were implemented through County Governments, the National Government Constituencies Development Fund (NG-CDF) and other agencies. Through the NG-CDF, 12 LCBs in nine (9) arid nomadic counties were constructed. In addition, 224 feeder schools were established and 180 LCBs equipped courtesy of UNICEF. The National Government also recruited teachers annually to improve the level of staffing in both primary and secondary schools.

There was significant expansion of middle level colleges across ASAL regions. The National Government established 60 new technical training colleges across the country including in 14 ASAL counties, where there were none previously. In addition, a minimum of three (3) vocational training centres were established by county Governments in each of the arid counties of Turkana, Wajir, Mandera, Garissa, Lamu, Isiolo, Marsabit and Tana River. Budgetary allocation also increased significantly for ASAL through the NG-CDF and county Government bursaries. Further, 286 mobile school teachers and School Management Committees (SMCs) were trained on financial management while 57 mobile school teachers received training on multi-grade pedagogy

Challenges and Lessons Learnt: Regional and gender disparities in access and participation to education and training: This is evidenced by low enrolment in some regions especially marginalized regions, poverty-stricken slum areas and in parity indices. Female students continue to lag behind especially in STEM related disciplines. Some religious and cultural beliefs such as female genital mutilation, child labor and hiding children with disabilities at home hinder these disenfranchised learners from attending learning and training institutions. In addition, natural calamities and insecurity negatively affect learning and training in the ASAL areas. In addition, special needs education is also not adequately provided for.

Recommendation and Way Forward: The sector has continued implementing projects aimed at realising the set objectives. However, mechanisms to ensure sustainability of the projects need to be put in place if the sector is to consolidate the gains already realized.

Establishment of Centres of Specialization

Location: Nationwide

Objective: To address challenges associated with capacity in the targeted sectors.

Implementing Agency: Ministry of Education

Project Progress: During the MTP I period, the Economic stimulus package tenders were awarded and construction started in some parts of the country. By May 2010, Kshs 1.62 billion had been released towards the construction of centres of excellence. During the second tranche, Kshs 2.03 billion was released for the centres of excellence. The groundbreaking took place in various schools and works were at different levels for this flagship. This project did not continue to MTP II independently but was incorporated in other flagship projects.

Establishment of the Voucher System

Location: Nationwide

Objective: To ensure equity in access to education

Implementing Agency: Ministry of Education

Project Progress: This was a flagship under the MTP I. During the period under review, a concept paper for establishment of a voucher programme was prepared. A tool for identification of beneficiaries of the programme was also prepared. Identification process was done up to 50 per cent with learners identified as follows in clusters of learners with disabilities 100Per cent, NFS 100 per cent, rescued 0 per cent, and ASAL at 0Per cent. The funds were provided to the identified children through the schools at Kshs 1,500 per month. The ministry also prepared a planning framework on the cash transfers system for the vulnerable/marginalized groups.

This programme did not continue to MTP II independently but was incorporated in other flagships.

HEALTH SECTOR

"Equitable, Affordable and Quality Health Care of the Highest Standard"

Sector Overview: The Constitution through the Bill of Rights puts a heavy responsibility on the Health Sector to ensure realization of right to health. The Kenya Vision 2030 goal for the Health Sector is to provide "Equitable, Affordable and Quality Health Care of the Highest Standard" to all citizens. This is in recognition of the fact that good health and nutrition boost the human capacity to be productive. Subsequently, this will enhance economic growth, contribute to poverty reduction and the realization of the Vision's social goals.

Sector Objective: The main objective of the Health Sector is to restructure the health delivery system and shift the emphasis to "promotive" care in order to lower the nation's disease burden.

Sector Progress: Significant progress has been realized in the Health Sector due to various interventions including training of health care providers to offer quality maternal services, the Linda Mama initiative and the Beyond Zero Campaign. Specifically, there was a reduction of Under Five Mortality to 52 per 1,000 live births in 2017 from 74 deaths per 1,000 births in 2012 and 92 per 1,000 live births in 2007. Maternal mortality increased from 414 per 100,000 births in 2007 to 488 deaths per 100,000 births in 2012 before dropping to

Health care subsidies for social health protection

362 per 100,000 births in 2017. The proportion of children fully immunized with all the life saving routine infant vaccines by their first birthday (Immunization coverage) stood at 81 per cent in 2017 up from 71 per cent in 2007. The general prevalence of HIV dropped from 7.4 per cent in 2007 to 5.6 per cent in 2012 and further to 4.8 per cent in 2017. The percentage of skilled attendants at birth also increased from 51 per cent in 2007 and 43 per cent in 2012 to 62 per cent in 2017.

Sector Challenges: During the period under review, the Health Sector was greatly affected by increased industrial unrest emanating from devolution of human resource function. This saw paralysis of some public hospitals while the private ones were overstretched. Additionally, health programmes remain heavily donor dependent with weak multi-sectoral coordination of programmes and projects in the sector. Other challenges include the high prevalence of preventable communicable diseases, rising incidence of non-communicable diseases and, road traffic accidents and violence-related injuries; skewed health personnel particularly in hard to-reach areas; and inadequate health and social protection for vulnerable groups.

Progress on Implementation of Flagship Projects

Country-wide Scale up of Community Health High Impact Interventions

Location: Nationwide

Objective: To increase access to quality health and related services to communities.

Implementing Agencies: Ministry of Health, National referral and all lower level hospitals, National Aids Control Council (NACC).

Project progress: This project commenced during MTP I, where it was conceived as "Community Based Information Systems". The target was to develop a Community Strategy with the aim of enhancing community awareness of the health preventive and promotive aspects of health so as to promote positive health seeking behaviour. The Community Health Strategy was developed and implemented resulting to gains in reduction of infant and child mortality.

Health care subsidies for social health protection

During MTP II, the Ministry collaborated with counties to employ and deploy adequate community health resource persons to deliver Maternal, Newborn and Child Health (MNCH) services at the community and household levels. These interventions include Community Maternal and Newborn Health (cMNH), Integrated Community Cases Management (iCCM) of common childhood diseases and Mother Infant Young Child Nutrition (MIYCN) among others. The Free Maternity Services programme was rolled out in all public health facilities in 2013, which resulted in an increase in the number of skilled deliveries from 600,323 to 1.2 million in 2017. This contributed to a reduction in the Maternal Mortality Rate from 488 to 362 deaths per 100,000 live births, thus averting 2,000 maternal deaths annually.

In addition, the Government launched a Strategic Plan geared towards the prevention and control of all neglected tropical diseases in Kenya. A total of 13 million school going children were also de-wormed across the country against annual target of 6 million. HIV/AIDS prevalence in 2012 was 5.6 per cent (Female 6.9 per cent and male 5.2 per cent) and sustained at the rate in 2015 (Female 6.9 per cent and male 4.2 per cent). New HIV infections among the adult (15+) population declined from 88,622 in 2013 to 56,100 in 2016 and that of children from 12,940 to 4,900 over a similar period. Mother to child transmission declined from 14 per cent in 2013 to 6.3 per cent in 2016. The Community Health Strategy 2014-2019 was launched and implemented.

Challenges and Lessons Learnt: There was an increase in new HIV infections among young people between the ages of 15- 24. This was attributed to among others low domestic resource mobilization for HIV programmes and weak condom distribution channels. Other challenges noted were emergence of drug resistant strains of TB and other diseases such as Ebola, Bird flu, Dengue fever; Increased incidence of Non-communicable diseases (NCDs) such as hypertension, heart disease, diabetes and cancer; Inadequate funding for the sector while some key health programmes remain donor dependent.

One of the key lessons learnt was that cross-border collaborations and partnerships are critical in prevention and management of infectious and communicable diseases.

Recommendation and Way Forward: There is need to strengthen multi-sectoral approach and apply of innovative funding mechanisms.

Construct Model Level 4 Hospitals

Location: Nationwide

Objective: To construct, rehabilitate and upgrade health facilities to provide comprehensive health care services.

Implementing Agencies: Ministry of Health, County Governments

Project Progress: This project was started in MTP I where it was referred to as "Rehabilitation of Health Facilities". The number of healthcare facilities increased from about 9,000 in 2013 to 10,000 in 2016, increasing the national average facility density from 1.9 to 2.2 health facilities per 10,000 population. Mama Lucy Kibaki Hospital was constructed during the MTP I period and another 47 hospitals rehabilitated. An additional 92 hospitals were at various stages of rehabilitation as at the end of the plan period. Comprehensive community health services were strengthened by developing and operationalizing 650 community units. A total of 600 community health extension workers and 15,000 community health workers were trained during the period under review.

During MTP II, the Sector implemented the Managed Equipment Service (MES) programme under which 98 (2 in each of the 47 counties and 4 national hospitals) targeted hospitals were equipped. Equipment were delivered, installed & completed with certificates as follows, 19 Theatre Equipment, 28 Theatre and CSSD Equipment, 5 Renal Equipment, 2 ICU Equipment and 27 Radiology Equipment. Additionally, the Government implemented the Upgrading of the Health Facilities in slum Areas that focused on improving health infrastructure at the primary, secondary and tertiary levels of healthcare.

Challenges and Lessons Learnt: Inadequate infrastructure and skewed distribution of available infrastructure within the sector, with a strong bias towards the urban areas as well as existence of obsolete and idle medical equipment, inadequate emergency services for delivery and under-utilization of existing antenatal services, inadequate emergency and disaster preparedness.

Recommendations and Way Forward: Prioritize infrastructure projects in remote areas, build capacity for medical equipment and emergency services, create awareness on antenatal services and strengthen the multi-sectoral approach to all projects.

Health Care Subsidies for Social Health Protection

Location: Nationwide

Objective: To consolidate and expand social health subsidy mechanisms with a view of achieving Universal Health Coverage (UHC).

Implementing Agencies: Ministry of Health, National Hospital Insurance Fund

Project progress: The Output Based Approach (OBA) was launched in 2007, and subsequently the Free Maternity (Linda Mama) Programme was implemented during MTP II. In 2017, The Linda Mama Programme registered a total of 437,394 expectant mothers and 230,298 deliveries were recorded. Registration and service for Health Insurance Subsidy Programme (HISP) for the poor was provided to 177,415 households. Health insurance for the elderly and Persons with Severe Disabilities Services were provided to 252,000 households in 2016 and thereafter to the 42,000 Households in 2017 following the scale down due to the reduced funding and increased NHIF premiums (from Kshs 300 to Kshs 500 per member/ month).

Challenges and Lessons Learnt: Low Health Insurance coverage in the country and high cost of health services, an increase in defaulters in the informal sector because of free maternity and lack of financial autonomy as most of the NHIF reimbursements for Linda Mama do not flow to the health facility directly but instead flow to the county treasury in compliance with the Public Finance Management Act, 2012- this restricts the health facility's ability to conduct financial planning based on its needs in many of the county health facilities.

Other challenges include delays in disbursement of funds to NHIF, foreigners crossing Kenyan borders to access services under Linda Mama especially in border counties, inadequate NHIF contracted health facilities in some of the areas where the beneficiaries are located – meaning that additional facilities had to be contracted to offer the services and hence delays in implementing the programme and inadequate funds to cover all the deserving cases in all the 47 counties.

Lessons Learnt

i. Access to health services has improved health indicators among the indigents covered under the subsidy programs

ii. The health insurance subsidies are an effective mechanism for targeting assistance to poor individuals in need of health care
iii. Paying healthcare providers for the medical services delivered to the beneficiaries seems a key factor in assuring access by the poor to timely and good quality care
iv. The scale up of the health insurance subsidy model also requires substantial financial resources by both levels of Government
v. Free maternity services have improved the Maternal Health indicators including increased access to skilled deliveries and a reduction of Under Five Mortality to 52 per 1,000 live births in 2017 from 74 deaths per 1,000 births in 2012 and 92 per 1,000 live births in 2007.

Recommendation and Way Forward: Counties should consider allocating funds to finance health insurance for indigents and investing in additional healthcare facilities as a last mile initiative. Further, counties should adopt innovative methods to encourage Linda Mama beneficiaries to seek antenatal care (ANC) and postnatal care (PNC) services, NHIF should increase the number of contracted health facilities, a public education campaign for Linda Mama should be considered in the next implementation phase and ensure timely disbursement of program funds. In addition;

- Financing-National & County Government to earmark funds (ring-fencing) in support of health insurance for indigents to ensure continued and uninterrupted access to health services;

- Timely disbursement of funds to ensure continued access to health services by the target beneficiairies; and

- Institutional Strengthening- Leverage on existing poverty targeting and identification structures established by the Ministry of Labour and Social Protection as the source of data on indigents.

Re-engineering Human Resource for Health

Location: Nationwide

Objective: To attract, retain and motivate the existing health workforce.

Implementing Agency: Ministry of Health, County Governments.

Project Progress: The project was envisaged to start during MTP I, where it was referred to as “Human Resource Strategy”. However, it was actualized in 2013. Given the social dynamic of health, non-financial incentives for HRH are the most appropriate response to the push factors for health workers movement that includes poor work environment, staff retention and continued staff skill development. The Kenya Human Resource Strategy for Health and Health Workforce Norms and Standards were launched and disseminated in 2014. A reward and sanction framework was developed and plans put in place to share the same with the counties. Against a target of two, five HRH schemes of services were reviewed and an incentive mechanism framework to attract and retain laboratory and orthopedic cadres was developed.

Challenges and Lessons Learnt: inadequate skills and competences of health workers and skewed distribution with some areas of the country facing significant gaps, increased industrial unrest emanating from devolution of human resource function and an ageing workforce that poses a challenge on succession management.

A multi-sectoral approach is essential for successful implementation of the health sector programmes and projects.


A nurse prepairing an infant in an incubator

Capacity building at the county level to support efficient delivery of health services is also necessary in Human Resource Management

Recommendation and Way Forward: There is need to review and update the HRH Strategy to address recruitment, retention and succession planning gaps and also strengthen the inter-Governmental relations in the health sector.

Establish E-Health hubs in 58 Facilities

Location: Nationwide

Objectives: To promote and facilitate use of ICT to improve patient care

Implementing Agency: Ministry of Health

Project progress: The project started in 2012. To expedite the development of the healthcare industry, the Government digitized services and adopted technologies such as e-health, m-health, telemedicine and space technologies by leveraging on the improved ICT infrastructure and mobile penetration rates, which stands at over 80 per cent. Antiretroviral Dispensing Tool (ADT), an easy-to-use electronic pharmacy management software which tracks patient information and monitors the ARVs being prescribed was installed. The ADT tool was rolled out in more than 320 health facilities throughout the Country with support from the USAID-funded Heath Commodities and Services Management (HCSM) program, led by Management Sciences for Health (MSH), in collaboration with the Kenya National AIDS & STI Control Programme (NASCOP).

By the end of the financial year 2016/17, the National E-health policy had been completed and 62 county health officials were sensitized. Two out of 58 E-health hubs were established at KNH and Machakos County Referral Hospitals. Through telemedicine, medical practitioners at Machakos hospital were able to manage difficult cases through the remote assistance of specialists based at KNH. Piloting of Electronic Health Records modules was ongoing at Machakos, Garissa, Kilifi, Bungoma, Baringo, Uasin Gishu and Turkana Counties.

Challenges and Lessons Learnt: inadequate ICT infrastructure, inadequate computing devices, unavailability of clinical staff for teleconferencing, inadequate digitizing and sharing of information. ICT is critical in enhancing efficiency in provision of health services, hence the need for adequate resources for ICT infrastructure in health facilities.

Recommendations and Way Forward: Continuously invest in ICT infrastructure in health facilities and seek partnerships and collaboration on delivering e-services.

Mainstreaming Research and Development in Health

Location: Nationwide

Objective: To improve decisions about health systems in Kenya by improving policymakers' access to and use of research evidence that is relevant, reliable, accessible and timely, to help improve the health care available.

Implementing Agency: Kenya Medical Research Institute

Project progress: This project existed before MTP I and has been a flagship since 2008. A total of 970 new research proposals were developed covering national health research priority areas with the aim of providing evidence-based research data to inform policy formulation. Prioritization of interventions, allocation of resources and revision of national treatment guidelines was done and a total of 1,101 publications were done in peer reviewed journals. These contributed to increased scientific knowledge in addition to providing a repository of scientific reference material for formulation of evidence-based policies and treatment guidelines for disease management and training. Progressively, 239 scientific abstracts were developed and presented in national and international conferences, and other scientific forums.

Three (3) product lines were developed and nine (9) specialized laboratory services provided including Arboviruses, Hemorrhagic Fevers Viruses, Viral Load testing, Early Infant Diagnosis, TB diagnosis, HIV/Rapid Test and Human Identification DNA tests.

Following the successful clinical trial of the malaria vaccine, KEMRI commenced a Phase 4 clinical trial. Other clinical trials conducted during the period include; Ebola phase two trials, TB and sickle cell. Alongside this, development and continued management of Demographic Health Surveillance Systems (DHSS) targeting hospitalization, outpatient, births/deaths and priority diseases within Nyanza (Siaya, Kombewa, Mbita) and Coast region was on course.

Additionally, the National Research for Health Committee and National Health Research Secretariat were established and a road map developed based on findings from a baseline survey. Further, a web portal for research was established and training conducted on use of research evidence on policy for middle level managers. KEMRI developed 65 research protocols out of the 115 targeted and Diagnostic kits for HIV 1 and 2 and viral hepatitis through research. Similarly, a facility to undertake human DNA testing for paternity and forensic purposes was established.

Challenges and Lessons Learnt: There is inadequate Government funding for health research resulting in a high reliance on donor funding. This is coupled with a shortfall of human resource in specialized areas, limited and/or aging of specialized research facilities, inadequate uptake of research findings by policy makers and industry players, non-competitive terms of service for research scientists and weak legislative framework for health research. This has led to the inability to fully address research as a national priority.

Recommendation and Way Forward: Create innovative ways to undertake research to improve health care delivery, increase in budget allocation and ensure timely disbursements for health research funds is paramount, develop a policy to promote research organization-industry linkages. Promotion of advocacy and incentives for research-based health initiatives and strengthening of KEMRI's mandate through an Act of Parliament should be considered.

Promotion of Locally Derived Natural Health Products/Traditional Medicines and Natural Products

Location: Nationwide

Objective: To enhance uptake of locally derived and certified natural health products into the national healthcare.

Implementing Agencies: Ministry of Health, Kenya Medical Research Institute

Project progress: This project started in 2012. The cross-sectoral Natural Products Industry (NPI) initiative seeks to create capacity for value addition to alternative and complementary medicines through product development and up-scaling to enable mainstreaming into the national healthcare system, as envisaged in Article 13 of the National Health Bill, 2012. However, no funding was allocated for this project under the Ministry.

During the review period, a road map was developed and a proposal of mapping of stakeholders was completed. In addition, guidelines for regulation and registration of natural health products of acceptable standards and varying processes were developed and gazetted in 2013.

Further, a pilot study was conducted in the evaluation of pyrethrin based jigger products and herbal medication (Zedupex) for herpes simplex. KEMRI also conducted research for herbal based contraceptives, pre-clinical studies for 20 herbal medicines for cancer treatment and enriching children food using herbal remedies to control helminths. Khat extracts exhibited antimicrobial properties against both drug sensitive and drug resistant isolates inhibited the proliferation of cancerous cell lines in vitro.

Challenges and Lessons Learnt: Inadequate research infrastructure and equipment, insufficient human resource for health research, unavailability of research specimen and poor remuneration.

Recommendations & Way Forward: There should be a commitment on Health Research to raise the value proposition of natural products in the economic development in the country. Alongside this, there should be a multidisciplinary approach in health research.

Health Tourism

Location: Nationwide

Objective: To market Kenya as a hub for specialized healthcare, support training and retain specialized health expertise, create employment in specialized health care and make healthcare a vibrant socio-economic sub-sector in Kenya.

Implementing Agencies: Ministry of Health, Ministry of Tourism

Project progress: The project started in 2012. During MTP II, the Health and Medical Tourism Strategy was completed in 2017 and a broad-based stakeholder Steering Committee established. The Strategy proposed coordination mechanisms of the various sectors delivering various components of health tourism and the utilization of centres of excellence concerning specialized health care. Implementation of this strategy has not been actualized even though inbound patients continue to visit various centres in Kenya.

Challenges and Lessons Learnt: Inadequate coordination mechanism to help deliver health tourism as a product for socio-economic development; and Inadequate funding for the project.

Recommendations and Way Forward: The Strategy needs review in light of devolution and health being a devolved function. County Governments to be brought on board and participate in developing the strategy. Enhance centres of excellence to attract more inbound patients and a multi-sectoral approach to be developed. Develop a coordination framework.

Modernize Kenyatta National Hospital

Location: Nairobi

Objective: To improve efficiency in health care service delivery at Kenyatta National Hospital.

Implementing Agencies: Kenyatta National Hospital, Ministry of Health

Project progress: The project was launched in 2012. The main components of the project included: construction of the Burns and Pediatric Centre; establishment of a 300-bed capacity private wing Hospital, improvement on the Information and Communication Technology (ICT) network in the institution, construction of 2,000 accommodation units and a shopping mall for staff; and other specialized health facilities.

The Hospital targeted to complete Phase I of the Construction of Cancer Center, which entails the construction of the sub structure. During the period under review, acquisition of a 6MV Linear Accelerator and accessories, construction of bunker, and construction of Peripherals were completed while commissioning of equipment and treatment of patients were initiated.

The KNH Renal Unit is envisaged to be a centre of excellence (East Africa Kidney Institute) under the agreement in East African Community Treaty. By the end of 2017, design and bills of quantities had been developed. A fundraising strategy was also developed with the Government allocating KSh.200 Million for the upgrade.

The construction of Burns Management Centre and Pediatric Emergency Centre was also a project under this programme. The Burns Center was designed to contain

82 general ward beds, 14 ICU beds and 6 HDU beds while the Pediatric Centre was designed to contain 82 general ward beds, 24 ICU and 6 High Dependency beds. The contractor to the building for Burns Management Centre and Pediatric Emergency Centre was procured and construction started.

Establishment of 300 bed Private Hospital was to attract clients capable of paying to generate revenue to support those who are not able to pay for health services at the main hospital. During the period under review, the advertisement of Expression of Interest (EOI) for the construction of the 300-bed private hospital at KNH was done, technical evaluation for the (EOI) finalized on 31st March 2017 and submitted to the financier for consideration. Request for proposal (RFP) and Terms of Reference (TORs) were also done and submitted to the shortlisted firms as well as procurement of a Transaction Advisor.

For the Construction and Equipping of Surgical Day Care Centre, the construction of the frame structure of the centre and walling were completed while plastering, plumbing, electrical installation and finishing was 75 per cent complete by June 2017.

The Centre of Excellence (East Africa Kidney Institute) is designed to offer specialized training and services in the East Africa region. During the review period, the training Curricula was developed and a total of 108 health personnel trained on the three-month preceptor courses. Additionally, a total of 18 students were enlisted for postgraduate training on Nursing Nephrology and three (3) on masters' courses in Urology. Further, 7 candidates were under fellowship in Nephrology. The first batch of equipment (comprising of theatre, dialysis, surgical and lab equipment) meant to strengthen KNH nephrology functions was procured and delivered. Development of the design for the institute was initiated through a consultancy.

The Construction of 2,000 accommodation units for KNH staff involved the expansion of KNH staff estate by demolishing dilapidated staff houses and replacing them with modern apartments, construction of hostels, a training facility and a shopping complex. The objective of this project is to maximize use of space and generate funds to finance the operations of the Hospital to reduce reliance on the Exchequer. It is estimated to cost approximately KSh.5 billion to be funded through PPP. However, no funds were allocated to this project.

Challenges and Lessons Leant: Construction of 2,000 accommodation units for KNH staff, hostels, a training facility and a shopping complex was designed to be implemented through a Public Private Partnership (PPP) arrangement which did not materialize. Funding to the specific identified centres of excellence were not adequate from the Government.

Private sector participation is critical for development of this framework.

Recommendation and Way Forward: Stakeholders should convene and agree to a framework of implementation. Key county Governments need to identify niche products that are within their control. The private sector should be more involved in the implementation of the project.

Modernize Moi Teaching and Referral Hospital (MTRH)

Location: Eldoret Town

Objective: To increase access to specialized health care at the MTRH.

Implementing Agencies: Moi Teaching and Referral Hospital, Ministry of Health

Project progress: The project started in 2012 and was designed to construct and equip the Cancer Management Centre, construct and equip Shoe4Africa Children Hospital, Expand the ICus and modernize medical equipment. Modernisation of MTRH was well on course and completed its milestones as per MTP II. The construction of Shoe4Africa Children's Hospital was started in June 2013 and fully completed in April 2016 and operationalized. The project was sponsored by Shoe4Africa Foundation, USA. A List of the required equipment was approved for procurement.


Moi Teaching and Referal Hospital

The construction of Chandaria Cancer and Chronic Disease Centre (CCCDC) was started in September 2013 and completed in May 2016. The project was sponsored by Indiana University, USA and will cater for cancer treatment through chemotherapy and radiotherapy and other chronics diseases including diabetes, cardiac, renal and mental health. In addition, the Magnetic Resonance Imaging (MRI) was installed near the facility to support the diagnostics for specialized treatment services.

The Renal Centre was completed and fully functional with 24 Dialysis Unit Centre. It was fully equipped and operationalized through Managed Equipment Service (MES) Programme and further equipped the Renal Unit with 5 Dialysis Machines.

The construction and expansion of General ICU and Neurosurgery Centre was completed in May 2017. Procurement of some of the Neurosurgical Equipment was initiated while the General ICU will be equipped through the Managed Equipment Services (MES) Programme.

The Government also through MES, supported modernisation of equipment with 2 digital x-ray machines, mobile digital x-ray and mammography machine in 2015.

Challenges and Lessons Learnt: Counterpart funding for sponsored projects took longer than anticipated. For example, the MTRH Chandaria Cancer and Chronic Diseases Centre was completed in May 2016 including a bunker which required immediate equipping. The funding for Radiotherapy equipment was not provided in within the MTP II period. Equally, MTRH Riley Mother and Baby Hospital and MTRH Shoe4Africa Children's Hospital were completed in 2008 and 2016 respectively but equipping is still not completed as at the end of FY 2017/18.

Some of the lessons learned include project completion within the projected timelines can only be successful if there is a commitment from the project management, partner teams, adherence to specifications, and budget compliance.

Recommendations and Way Forward: To encourage partner support, the Government should provide tax exemption for the project-related cost incurred by the partners. MTRH should continue to focus on the implementation of the MTP targets to ensure the Hospital continually provides highly specialized healthcare services in supporting the Government towards the achievement of Universal Health Coverage (UHC).

Strengthening KEMSA

Location: Nationwide

Objective: To strengthen KEMSA to be a strategic procurement and supply agency

Implementing Agencies: KEMSA, Ministry of Health

Project progress: This project was initiated and completed during MTP I. During the Plan period, Kenya Medical Supplies Authority (KEMSA) was established as an Authority in order to respond to changing needs in a devolved system of Government. Before then, the institution existed as an agency.

The KEMSA order fill rate improved between 2013 and 2017 through use of Enterprise-wide Resource Planning (ERP) and Logistics Management Information System (LMIS) from 50Per cent in 2013/14 to 60 per cent in 2014/15 and 86Per cent in FY 2015/2016. Through these innovations, order processing and delivery improved from 75 days to 15 days hence guaranteeing uninterrupted drug supply to the Counties during MTP II.

KEMSA also signed MOUs with all 47 county Governments on supply of medicines and medical supplies. Counties were able to track the movement of their orders hence ensuring accurate and timely supply of medical commodities to all public health facilities nationwide. The order turnaround time reduced from 12 days in 2013/14, to 9 days in 2015/16.

Medical commodities order turnaround was also boosted by the training of over 3,000 health facility workers on LMIS which helped KEMSA address challenges of inaccuracy of quantity ordered, forecasting, reduced paperwork and building a data bank where facilities quantify volumes of drugs they consume. As a result, the order turnaround time reduced from 12 days in FY 2013/14 to 10 days in FY 2014/15 and to 9 days in 2015/16.

Further, the National Quality Control Laboratory (NQCL) received the ISO 17025 accreditation and the WHO prequalification for the testing of medicines, vaccines, medical devices and other health products technologies. In its drive to improve capacity, the NQCL staff completed 3 PhDs and several postgraduate programmes. Besides, the NQCL put installed the Laboratory Integrated Information Management System for the laboratory and its users.

Challenges and Lessons Learnt: KEMSA lacked adequate and modern warehousing infrastructure therefore resorting to leasing its central warehouse in

Nairobi to meet growing capacity demands. KEMSA operates in four different warehouse locations within Nairobi which has led to fragmented and inefficient distribution chains. Other challenges include shortage of essential medicines and medical supplies.

One of the key lessons learnt is that a multi-sectoral approach is essential for successful implementation of the health sector programmes and projects.

Recommendation and Way Forward: There is need to enhance warehousing infrastructure at KEMSA and change the project approach to be about provision of health products and technologies other than a single agency.

De-linking the Ministry of Health from Service Delivery

Location: Nationwide

Objective: To separate the functions of service delivery from policy, guidelines and standards; by creating the Health Service Commission for efficiency.

Implementing Agency: Ministry of Health

Project Progress: This project was conceived to be achieved during MTP I but did not materialize. Health Sector became a devolved function during MTP II period.

Challenges and Lessons Learnt: The Health Service Commission was not created as envisioned. Further, the project was overtaken by events when the Constitution of Kenya 2010 was promulgated which devolved the health function.

Recommendation and Way Forward: There is need to establish the Health Service Commission.

Develop Equitable Financing Mechanism

Location: Nationwide

Objective: To Introduce a system to channel funds directly to healthcare facilities to ensure that funds allocated are utilized for their intended purposes.

Implementing Agency: Ministry of Health

Project progress: This project was conceived to be achieved during MTP I and did not materialize. Health Sector became a devolved function during MTP II.

Challenges and Lessons Learnt: There was no existing financial framework for implementation of the project.

Recommendation and Way Forward: There is need to finalize and implement the Kenya Health Financing Strategy.

ENVIRONMENT, WATER AND SANITATION SECTOR

"Enhancing Clean, Safe and Sustainable Environment to Access Water and Sanitation Services"

Sector Overview: The Kenya Vision 2030 emphasizes the need for management and conservation of the environment to ensure sustainable development and mitigation of the effects of increased urbanization. Consequently, the Environment, Water and Sanitation Sector is a fundamental pillar of Kenya's economy as it plays a critical role in securing the stewarding and sustaining the natural capital of Kenya. The sector has critical linkages with the main productive sectors such as agriculture, tourism, manufacturing and energy among others which heavily depend on use of natural resources that are derived from the environment. The Sector is composed of two (2) Sub-Sectors Namely Environment Sub-Sector and Water and Sanitation Sub-Sector. It is important to note that sanitation is a shared mandate between MOWS and MOH.

Sector Objective: The main objective of the Environment, Water and Sanitation Sector is to promote and safeguard the state of Environment for Economic growth.

Sector Performance: The general performance of the specific outcomes in the Environment, Water and Sanitation Sector were realized through implementation of various projects and programmes. For the Environment subsector, forest and tree cover increased to an estimated 7.24 per cent in 2017 compared to an estimate of 4.4 per cent reported in 2012 and 2 per cent in 2007. For the Water and Sanitation subsector, coverage of population with access to safe water for urban areas was estimated at 70.3 per cent in 2016 compared to 82 per cent in 2012 and 60Per cent in 2007, while that of rural areas was estimated at 50.3 per cent in 2016 compared to 52 per cent in 2012 and 40 per cent in 2007. The national sanitation coverage (which includes sewerage and onsite sanitation) was estimated at 68 per cent in 2017. This was achieved through rehabilitation of sewerage schemes in Nairobi, Kisumu, Mombasa, Kericho, Kisii, Nyahururu and Murang'a, and construction of new sewerage schemes at Othaya, Ruiru, Isiolo, Bomet, Garissa, Siaya, Bondo and Kitui.

Sector Challenges: increased frequency of severe weather and extreme climate events leading to prolonged dry spells/drought leading to occasioned forest fires and land acquisition and compensation issues for large infrastructure projects which affected timely implementation of projects and programmes.

Progress on Implementation of Flagship Projects

Strengthening Environmental Governance

Location: Nationwide

Objective: To provide enabling policies, legislation and institutional arrangements.

Implementing Agencies: Ministry of Environment and Forestry, National Environment Management Authority.

Project Progress: The project started in MTP I during which a number of policies, legal and institutional reforms were undertaken. Policy-oriented reforms included development of a draft Master Plan for the Conservation and Sustainable Management of Water Catchment Areas in Kenya and a draft National Environment Policy. Others were development of Integrated Coastal Zone Management (ICZM) Plan, 2011 and development of the Devolved Strategy (2012) for the State Department for Environment and Natural Resources. A draft National Policy on Meteorology which incudes recommendations on the transformation of the Kenya Meteorological Department (KMD) to a Semi-Autonomous Government Agency (SAGA) was also finalized.

Reforms undertaken in the legal and legislative area during MTP I included enactment of the Environment and Land Court Act, 2011, initiation of review of the Environmental Management and Coordination Act, 1999; review of the Forest Act, 2005, development of Strategic Environmental Assessment (SEA) Guidelines, 2011; development of the Coastal Zone Pollution Prevention Guidelines, 2011, development of Shore Line Management Strategy and Guidelines, 2011; and development of the Wildlife Policy and Bill.

During MTP II, the review of Environmental Management and Coordination Act, 1999 and Wildlife Conservation and Management Act, 2013 was undertaken to harmonize them with the Constitution. In addition, the Forest Conservation and Management Act, 2016, Natural Resources (Classes of Transactions Subject to Ratification) Act, 2016, Water Act, 2016, and Climate Change Act, 2016, were enacted to align them to Constitution and also incorporate global issues that are pertinent to the sector. Other instruments developed to strengthen the sector include National Climate Change Action Plan, Green Economy Strategy and Implementation Plan, National Adaptation Plan, National Water Master Plan 2030, and National Forest Programme 2016-2030. In addition, the National Environment Management Authority (NEMA) was accredited as a National Implementing Entity for the Green Climate Fund.

Challenges and Lessons Learnt: Slow implementation due to disaggregated coordination efforts; limited funding. Low adherence to environment laws leading to destruction of the environment in spite of the efforts to protect it.

Effects of climate change and associated extreme weather events threatened sustainable development and impacted negatively on the Sector. Flooding and droughts affect food production, water supply, housing access, livestock production and general livelihoods of the people. This resulted in substantial reallocation of resources towards drought mitigation and adaptation.

It is critical to undertake a comprehensive analysis of projects during initiation stage and include all the risks associated to the project.

Recommendation and Way Forward: There is need to avail adequate funds to sustain the project, and tighten the laws regarding the environment to ensure that policies mirror the efforts on the ground.

Promotion and Piloting of Green Energy.

Location: All water towers in Kenya

Objective: To develop projects and pilot eco-community and energy concepts in at least eight counties.

Implementing agency: Ministry of Environment and Forestry, National Environment Trust Fund

Project Progress: The project started in 2008. During MTP I, Green Schools and Commercial Tree Growing for a Green Economy programme was established. Additionally, the Bamboo Development and Commercialization Strategy (2014-2017), Green Economy Assessment Report and Sustainable Environmental and Restoration Programme were developed.

During MTP II, 42 technologies and innovations including clean cooking stoves and solar lighting that address the energy demand in the country were developed and implemented. In addition, a research project on the factors influencing household adoption of renewable energy technologies in rural households in three (3) counties namely Tharaka Nithi, Elgeyo Marakwet and Narok was undertaken. A national level assessment was undertaken through literature reviews. The findings will be used to promote the adoption of renewable energy options at household levels in rural communities. Four (4) policy briefs and 41 research publications were also developed.

Challenges and Lessons Learnt: Limited funds which impeded the implementation and sustenance of the project; And Slow adoption rate of green economy technologies and inadequate dissemination of the same. Proper planning and training are needed for the adoption of the new technology.

Recommendation and Way Forward: Mobilization of adequate resources to sustain the green energy project and Capacity building of the stakeholders should be enhanced for wider adoption.

Waste Management and Pollution Control

Location: Nationwide

Objective: To improve solid waste management in urban and rural areas.

Implementing Agencies: Ministry of Environment and Forestry, National Environment Management Authority.

Project Progress: This project started in the MTP I period where it was referred to as "Solid Waste Management System". During MTP I, a Waste Management Strategy was developed to provide the strategic framework for clamping down on illegal dumpsites. A total of 156 dumpsites were identified during this period. Twenty-eight of the dumpsites identified were either removed or relocated in Nairobi during that period. Additional inventories of dumpsites in Mombasa, Thika, Nakuru, Eldoret, Kisumu, Nyeri, Nanyuki, Embu and Machakos were also prepared. Further, 19 waste transfer stations were licensed countrywide and 361 licences issued for different categories of waste handling and transportation.

Further, a pre-feasibility study was undertaken on liquid waste treatment for Malaba town was prepared and similar activities for Lagdera, Lodwar, Wajir-Elwak and Liboi also commenced during the period of MTP I. Construction of water and sewerage facilities in Isiolo town progressed well during the MTP I period with a site for construction of sewerage treatment plant was identified.

During the MTP II period, the programme achieved the following: developed a National Solid Waste Management Strategy in 2015, established status and developed action plans on waste management and pollution levels in Mombasa, Thika, Nakuru, Eldoret and Kisumu; implemented Plastic Bags Initiative vide Gazette notice No. 2334 of March 2017, harmonized Municipal and Industrial effluent standards within the Lake Victoria Basin, constructed sewerage treatment plants in Kisumu, Homa Bay, and Bomet Towns and developed a system to monitor Nutrient and Sediment Losses from Land Use and Covers in the Nyando Basin.

Challenges and Lessons Learnt: Inadequate resources and delay in acquisition of lands for dumpsite. The waste management treatment construction requires a proper feasibility study and plans to enable adequate resource allocation. It is critical to bring on board all stakeholders in identification of Land for dumpsites. Electronic and electrical equipment waste (e-waste) is new fastest emerging waste in dumpsites across the country and requires appropriate disposal mechanisms.

Recommendation and Way Forward: There is need to avail more funds to construct more protected dumpsites across the counties. Every county should have a proper wastemanagement system including e-waste management program.

Rehabilitation of Urban Rivers

Location: Nation wide

Objective: To rehabilitate and protect riparian areas in urban areas

Implementing Agencies: Ministry of Environment and Forestry

Project progress: This project started during the MTP I where it was called "Rehabilitation, regeneration & restoration of Nairobi Rivers". During the MTP I, Physical cleaning of Mathare, Nairobi and Ngong rivers was carried out by removing the solid wastes and silt. Construction of footbridges connecting Kijabe Street and Kipande Road was initiated during the MTP I period. Landscaping and beautification of the reclaimed lands along the riparian zones at the proposed Michuki Memorial Park was also done. In addition, a total of 32,000 tree seedlings mainly consisting of Bamboo were planted in Njiru. A Draft policy document on Nairobi Rivers Basin Programme (NRBP) was also developed during the MTP I period. The Programme was replicated to cover Sosiani River in Uasin Gishu County where a 20 km stretch of the river was cleaned, rehabilitated and 100,000 tree seedlings planted. The illegal dumpsite in Huruma (Eldoret) was relocated.

In the MTP II period, approximately 270 kms of urban rivers were rehabilitated, Reclaimed lands along the riparian zones at the Michuki Memorial Park, constructed 2.5 km river banks embankment to stabilize them,and planted 270,000 indigenous trees along Mathare, Ngong, Nairobi, and Sosiani river banks.

Challenges and Lessons Learnt: Financial constraints resulting from delays in the release of funds and low budgetary allocation thereby negatively affecting project implementation and maintenance of equipment; and inadequate policy and legal framework to guide data and information sharing partnerships. Further, there was inadequate specialized equipment for data collection e.g. air quality measurement and laboratory analysis, public resistance for location and relocation of dumpsites in their locality to enable licensing, inadequate capacity of county Governments to management waste, Cases took too long to be concluded.

Recommendation & Way Forward: Public participation for new projects, building capacity of County Governments on waste management, enhance operations of the NEMA laboratory to support prosecution of cases based on scientific evidence, multi-agency coordination and corporation on waste management and continuous monitoring, compliance enforcement of Gazette Notice No. 2334 on the ban on use, manufacture and importation of all plastic bags.

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 Agency: Kenya Meteorological Department, Ministry of Environment and Forestry.

Project Progress: 144 No. Automatic weather stations installed, Climate Data Management System (CDMS) installed, Integrated Meteorological Information System (IMIS) installed, 7 No. Airport Weather Observing Systems (AWOS) installed, Automatic Message Switching System (AMSS) upgraded, Tsunami Early Warning System established, Flood

Early Warning System established (Nzoia Basin), 6 No. Weather and Climate Community Resource Centres (RANET) established, 2 No. Upper air stations established (Garissa and Lodwar), Pilot briefing systems at international airports installed, 3rd Generation Meteosat ground receiving station for satellite data installed, 4 No. manned observatory stations established (Kakamega Ngong, Kitui, Nganyi). New meteorological High Frequency (HF) transmitters and microwave links were installed at Ngong station.

Challenges and Lessons Learnt: Lengthy procurement processes and external factors such as inputs from technical MDAs resulting in delays in project implementation. It critical to disseminate timely weather and climate information to the public.

Recommendations and Way Forward: improve efficiency in the procurement processes; ensure inputs from MDAs are submitted in a timely manner.

Advertent Weather Modification

Location: Nationwide

Objectives: To aid in the Mitigation of adverse impacts of severe weather and extreme climate events.

Implementing Agency: Kenya Meteorological Department/Ministry of Environment and Forestry.

Project Progress: Weather Modification Research Centre constructed, Mobile air quality laboratory acquired, Climate change projections cluster installed, Mt. Kenya global atmospheric watch (GAW) station for monitoring background pollution and atmospheric chemical composition established. Urban pollution monitoring stations/equipment installed at the Jomo Kenyatta International Airport (JKIA) and Chiromo campus. Four (4) Doppler weather surveillance radars were also acquired during the period.

Challenges and Lessons Learnt: The decentralization of services to county level created awareness and increased demand for services. Collaborative projects greatly contributed to the expansion of data collection networks and diversification of services.

Recommendation and Way Forward: Focus more on specialized technical training to build capacity in weather modification.

Rehabilitation and Protection of Water Towers

Location: Aberdares, Cherangany, Mau Escarpment, Mt. Kenya and Mt. Elgon.

Objective: To rehabilitate and restore five water towers and other selected areas.

Implementing Agencies: Kenya Water Towers Agency, Kenya Forest Service, Ministry of Environment and Forestry.

Project Progress: This project started during the MTP I where it was referred to as, "Rehabilitation and protection of indigenous forests in the five water towers". During the MTP I, tree seedlings were planted on an estimated area of 517,000 Ha in the gazetted forest areas including the five water towers and additional planting carried out on other notable sites with a total estimated area of 2,110Ha in Amara, Marindas, Enderit forests and Naivasha catchment area and another 180Ha in the Nyando catchment area. A master Plan for the five water towers as well as Management Plans for Mt. Kenya Forest Ecosystem, Aberdares Forest Ecosystem, Kakamega Forest and Community Action Plans for the Aberdares Catchment, were developed during the period under review. Further, Strategic plans for sustainable development of the Lake Naivasha Catchment as well as two sub-catchment plans for Kundos and Kipchorian in Mau Forest Complex were also developed. A total of 35 hectares of indigenous tree seedlings were established in the carbon sequestration zones under the Mt. Elgon Regional Ecosystem Conservation Programme (MERECP).

Additionally, during the MTP I period, a total of 420,000 Ha of the Mau Forest complex, 230,000 Ha of Aberdare Forest, 180,000 Ha of Cherenga'ny Forest and 198,000 Ha of Mt. Kenya Forest were mapped. The maps indicated areas that needed rehabilitation. Protection of forests in the water towers was enhanced and a total of 415,393 Ha were rehabilitated to restore the forest cover. In addition,517 million, 4.53 million, 3.36 million and 180,000 seedlings were planted in Gazetted forests, Lake Naivasha, Mau Forest and Nyando catchment areas, respectively.

During the MTP II period, the major achievements of the programme included rehabilitation, protection and securing of 121,000 Ha of which 12,000 Ha was in Enoosupukia 19,000 Ha in South West Mau 64,000 Ha in, Maasai Mau, 26,000 Ha in Olpusimuru. This achievement was realized through a joint enforcement unit coordinated by Kenya Water Towers Agency and comprising KFS Rangers, KWS Rangers, Regular and Administration Police. The enforcement provided a basis for natural regeneration to take place in order to reverse the degradation. Two (2) camps namely Kosia Toltol and Onanangururi were constructed and Enoosupukia Camp rehabilitated in Mau water tower to enhance protection. Further, an assessment of 18 water towers was conducted and a status reports on water towers ecological health prepared for each.

During the period of the MTP II, planted seedlings on a total area of 604,107 Ha in gazetted forest areas and on communal lands, 1,250 Ha of illegally settled forest land in Mau Complex was voluntarily surrendered to the State. Further, Water Towers Conservation Fund was established. In addition, Biodiversity Hotspots surveys were conducted in Mt. Kenya, Mau Forest Complex, Mt. Elgon, Shimba Hills and Chyulu water towers to inform decision making and appropriate policy intervention. Further, action Plans for Lerroghi Hills, Shimba Hills, Chyulu Hills, Endau Hills, Gwasi Hills and Kibrong Wetland water towers were developed to map out community livelihood programmes benefitting the communities living around the water towers for their support as well as to prioritize projects for water towers Mau Ecosystem Strategic Management Plan and Taita Hills Micro-Catchment Conservation Plan were also developed.

Challenges and Lessons Learnt: The access and availability of alternative potting material for seedlings has been one of the challenges. Other challenges are, limited tree species diversity particularly for commercial forest plantation development. Balancing the need for infrastructure development to serve the citizentry and conservation for ecological functions; inadequate funding to support forest development and expanding forests outside the conventionally reserved areas. High costs of firefighting. Increased frequency of severe weather and extreme climate events affected implementation of the development activities. Litigation affected the implementation of the development projects in particular rehabilitation of Enoosupukia. Conflicts on Land ownership affected the implementation of project activities in various water towers such as Maasai Mau.

There is a growing need to support commercial tree growing on farmlands and on communal land.

Recommendations and Way Forward: Operationalize the Transition Implementation Plans (TIPs) on transfer of devolved forestry functions, adoption of appropriate technology in tree growing and embracing private commercial forestry practice. There is need to broaden stakeholder engagement to include private sectors, and to develop a resource mobilization strategy for financing sustainable management of water towers.

Forest Conservation and Management

Location: Nationwide

Objective: To increase forest cover from 7.24Per cent in 2018 to 10Per cent in 2022

Implementing Agencies: Kenya Forest Service, Kenya Forestry Research Institute.

Project Progress: During MTP I, a forest cover assessment carried out in 2012 revealed that the country had attained a forest cover of 6.99 per cent compared to an estimate of 2 per cent in 2002. In 2012/2013 alone, the proportion of land area covered by forest increased by 4.99 per cent against the MTP I target of 3.5 per cent per year. The increased levels of forest cover were achieved through repossession and rehabilitation of 41,600Ha of illegally and irregularly allocated forest land, gazettement of 22 existing forest blocks measuring 239,628.41 Ha and establishment of 26,000 Ha of commercial woodlots.as well as an integrated strategy that included a planting of an estimated 120 million tree seedlings covering about 120,000 Ha that mostly planted on targeted farms;

During MTP II period, forest and tree cover increased to an estimated 7.24 per cent in 2018 from 6.99 per cent confirmed in 2012. Additionally, the state managed forests increased from 1.2 million hectares to 2.4 million hectares; a total of 159 Forest Management plans were developed; 222,124 bamboo seedlings and 800 million tree seedlings were produced and availed these for planting on 500,000 hectares' farmlands for livelihood improvement. This contributed to climate change mitigation through the enhancement of GHG (forest) sink.

Challenges and Lessons Learnt: Effect of moratorium on harvesting of public forest, erratic weather conditions, shortage of quality seeds, difficulties in seed collection, storage and germination, unreliable weather patterns, forest fires, frost, pests and diseases and prolonged delays in funds disbursements for project implementation.

An increase of tree species diversification should be considered as well as promotion of bamboo-based product entrepreneurship.

Recommendations and Way Forward: There is a need to strengthen partnerships with County Governments and other stakeholders in forest development and conservation. Research should provide a diversity of species for commercial plantation including indigenous species. Pests and diseases surveillance should be undertaken to provide appropriate mitigation measures. Land owners to be encouraged to plant trees on their lands for carbon sequestration, environmental conservation and livelihood enhancement.

Forest Research and Development

Location: Nationwide

Objective: To develop forest research technologies for sustainable management of forest and allied natural resources.

Implementing Agency: Kenya Forest Research Institute

Project Progress: The project started in 2012. During MTP II, a total of 16 demonstration plots were established on Prosopis management and utilization; technology of raising indigenous bamboo through cuttings was developed, 87Ha of seed sources established and 45,000 kg of high-quality tree seed produced and distributed. In addition, 223,000 seedlings of difficult to germinate tree species were raised, 52 demonstration plots established on planting high values trees on farms including Bamboo and four (4) new tree products (food flavor from Vitex payos fruits, juice from Syzygium cordatum and animal feed from baobab cake, Opuntia jam and nectar from Vitex payos) developed.

Challenges and Lessons Learnt: Inadequate human and financial resources, proper seed quality assurance requires adequate storage and processing units, more seed distribution and technologies availability in centres needed to enable stakeholders access seed services in time. Adequate human, financial and equipment's resources need to timely seed services for forestry development projects.

Recommendation and Way Forward: Provision of tree seeds and appropriate technologies to stakeholders should be disseminated and availed at regional centres; Construction of research facilities and purchase of equipment should be done at county sites where needed by stakeholders; and more resources should be availed to develop more technologies and disseminating them to stakeholders for socio-economic development.

Wildlife Conservation and Management

Location: Nationwide

Objective: To enhance governance in the wildlife sector

Implementing Agencies: Kenya Wildlife Service, Kenya Forestry Service, Ministry of Environment and Forestry.

Project Progress: This flagship was a continuation from the MTP I where it was referred to as "Secure wildlife and corridors and migratory routes". During MTP I, the Mt. Kenya-Marania-Kisima-Ngare Ndare corridor was secured and an MOU between KWS, Marania, Kisima, and Ngare Ndare Trust was signed. In addition, wildlife migratory corridors and dispersal areas were identified and mapped in the southern rangelands. These included the Serengeti-Mara ecosystem, Kitengela-Athi Kapiti ecosystem, Naivasha-Nakuru-Eburru ecosystem, south rift/ Magadi ecosystem, Amboseli-west Kilimanjaro ecosystem and Tsavo-Mkomanzi ecosystem. The National Environmental Management Authority (NEMA) received two Environmental Impact Assessment (EIA) reports for Amboseli and three for Masai Mara. The licenses are yet to be issued. Two of the


Tsavo National park

EIA reports on the corridors have been put on hold to await finalization of the general management plans by the Kenya Wildlife Service (KWS).

Further, during MTP I review period, the Department of Resource Surveys and Remote Sensing (DRSRS) carried out aerial surveys on wildlife and livestock for the following counties: Laikipia, Tana River, Narok, Samburu, Wajir, Garissa, Mandera, Isiolo, Lamu, Kwale, Kilifi, Kajiado, Baringo, West Pokot, Elgeyo Markwet, Laikipia, Machakos and Kitui.

During MTP II, mapping and documentation of wildlife migration corridors and dispersal areas in Naivasha-Hells Gate-Longonot-Lake Nakuru, Nairobi National Park-Swara Conservancy and Southern Kenya Rangeland (Amboseli National Park-Kimana-Chyulu National park) was undertaken. In addition, an Integrated Database System that incorporates wildlife research was developed; a rhino conservancy in Ruma was established and mitigation of human-wildlife conflict carried out in Narok; Kanyaboli National Reserve in Siaya was gazetted as a safe wildlife migratory route; and an approval was obtained for the extension of Mt. Kenya National Park to include the Lewa Wildlife Conservancy and Ngare-Ndare Forest Reserve in 2013.

Challenges and Lessons Learnt: There is an escalation of wildlife poaching, smuggling and/or trafficking in trophies like ivory and rhino horn through Kenya.

The rise in demand for wildlife products in the international market has led to a resurgence of elephant and rhino poaching. This is due to the proliferation of small arms and light weapons into the country that pose a great danger to wildlife.

Recommendations and Way Forward: Enhance species conservation and habitats by securing wildlife corridors. Reduce human - wildlife conflicts and poaching.

Construction of Lower Nzoia irrigation scheme

Water Resources Management Programme

Location: Nationwide

Objective: To conserve and Protect Water Resources

Implementing Agencies: Ministry of Water and Irrigation, Water Resources Authority, Water Sector Trust Fund.

Project Progress: During MTP I & II (planned period) 6 catchment management strategies were reviewed and 385 Sub Catchment Management Plans developed, 321 Sub catchment management plans implemented with the WRUAs. The sector also implemented 99 sub-surface dams along seasonal rivers, especially, in ASAL areas. In addition, 369 hydro-metrological stations were rehabilitated and installed across the 6 catchment regions. The sector upgraded 61 gauging stations to telemetry. Groundwater surveys in Northern and Central Turkana were completed. Hydrological mapping and drilling of exploratory boreholes in Turkana and Marsabit were completed and a Hydrological assessment report was prepared, leading to the drilling of 26 exploratory boreholes. Towards the development of the national water allocation plan the sector developed and consolidated water allocation plans for 3 basins, namely Athi, Lake Victoria and Ewaso Ng'iro North.

Challenges and Lessons Learnt: Undertaking activities in private owned land e.g. springs, cattle troughs, developers' encroachment on public land and inadequate funding to Water Resources Users Association (WRUA).

Unpredictable weather conditions (flooding of rivers resulting to water monitoring stations being washed away) and vandalism of the water monitoring stations remain to be challenge, this not with-standing telemetric stations allow for real-time data sent out to our servers at any given time.

Sustainability of the projects require linking them to livelihood activities, public land should be availed to adopt WRUA capacity assessment tools that ensures the needs are brought on board and stakeholders participate in undertaking the various activities.

Recommendation and Way Forward: Avoid undertaking of activities in private owned land e.g. springs, cattle troughs, to prevent developers' encroachment on public land, provide adequate funding to Water Resources Users Association (WRUA), Automate water resources monitoring devices and equipment's to Telemetric devices to minimize effects of destruction from floods, Collaborate with County and National Government through Chiefs for enhanced security to monitoring stations.

Trans-boundary Waters

Location: Nationwide

Objective: Enhance cooperation in Sustainable management and development of shared water resources.

Implementing Agency: Ministry of Water and Irrigation

Project Progress: This project started in 2008. During MTP I, a number of bilateral agreement processes were also undertaken with the Governments of Ethiopia, Tanzania, Uganda and the countries around the Nile Basin. These agreements were at different levels of negotiation and finalization.

During MTP II, the locations for trans-boundary surface waters and their status were finalized, three bilateral frameworks were developed, negotiated and finalized for the management of trans-boundary water resources of Sio-Malaba-Malakisi River, Mara River, and Lakes Challa-Jipe and Umba River. Draft Transboundary Water Policy was prepared and submitted to stakeholders for comments.

Challenges and Lessons Learnt: Inadequate institutional framework for management of trans-boundary resources, delays by support institutions in proposal development especially in rural areas. Necessary project frameworks are required for smooth implementation of projects.

Recommendation and Way Forward: All stakeholders should be brought on board during project design and implementation.

Water Harvesting and Storage Programme

Location: Nation wide

Objective: To increase water storage and availability capacity

Implementing Agency: Ministry of Water and Irrigation

Project Progress: This project was started in 2008. During MTP I, the construction of Maruba dam in Machakos County, Suen Dam in Samburu County and Chemususu dam in Baringo County were completed. In addition, rehabilitation of Sasumua dam and detailed designs for construction of Itare dam were also completed. Implementation of the Long-Term Action Plan (LTAP) II for Kisumu city was also undertaken during the MTP I period.

Further, another target for the MTP I was to construct two multi-purpose water conservation structures along the Nzoia and Nyando rivers. In this respect, Development Plan and the EIA for the Nzoia dam basin were finalized in FY 2012/2013. Geotechnical investigation and a review of the detailed design of the Nyando (Koru) dam site was completed during the MTP I period.

During MTP II, a final development plan for Nzoia dam was completed. The Nyando (Koru) Dam resettlement action plan was developed, land compensation surveys completed designs and tendering documents finalized. The construction of 3 medium sized dams with storage


Thiba dam

capacity of 2 billion m³, Kiserian, Chemususu and Maruba dams were completed. Completion of Umaa and Badasa dams was hampered by contract disputes. Additionally, the regional development authorities have constructed 400 water pans and 70 boreholes, in an effort to mitigate the effects of droughts and climate change.

Challenges and Lessons Learnt: Opposition from the local community who did not wish to be displaced from their land, Public stakeholder consultations and dialogue are key in addressing any stalemate encountered while implementing a project.

Recommendation and Way Forward: Engagement of service agents (consultants) to provide technical support to projects during preparation and implementation and engagement with Counties on possible areas of collaboration for synergy. Conduct sensitization workshops for Counties as they are key players in delivery of Vision 2030.

Urban Water Supply Sub Programme

Location: Nation wide

Objective: To increase access to safely managed water and sanitation supply in urban areas

Implementing Agencies: Ministry of Water and Irrigation

Project Progress: This project started in 2008. During MTP I, Construction of the Kisii (Kegati) water supply was 70 per cent complete. Expansion of water and sewerage coverage for the proposed resort cities of Lake Turkana and Isiolo was also carried out in the MTP I period. Additionally, expansion of water and sanitation facilities in Lodwar town was undertaken through extension of the pipeline by 10 km and rehabilitation of water facilities within the town.

During MTP II, the overall coverage of the population with access to safe drinking water rose from 53.3 per cent in 2013 to 59.9 per cent in 2017. Over the same period, urban water supply coverage increased from 53 per cent to 57 per cent. The increase in water coverage was achieved through the establishment of water schemes in the major cities of Nairobi, Kisumu and Mombasa. The construction and expansion of water supplies in 15 medium sized towns partially contributed to the increase in access.

Further, during MTP II, access to sewerage is estimated to be 16 per cent in urban areas and 7.3 per cent nationally. The national sanitation coverage (which includes sewerage and onsite sanitation) was estimated at 80 per cent. The increase in coverage was achieved through rehabilitation of sewerage schemes in Nairobi, Kisumu, Mombasa, Kericho, Kisii, Nyahururu and Muranga. In addition, new sewerage schemes were constructed in Othaya, Ruiru, Isiolo, Bomet, Garissa, Siaya, Bondo and Kitui.

During MTP II, Non-Revenue Water (NRW) in the country is at 41 per cent as at 2017 compared to 43 per cent in 2012. This reduction was achieved through the adoption of NRW management guidelines by most of the urban water utilities in the country. As far as the sustainability of service provision is concerned, the operation and maintenance (O&M) cost coverage for the sector was at 99Per cent in 2017.

Regarding introduction of flat rate water charges on area basis, all tariffs approved by the Water Services Regulatory Board (WASREB) during MTP I and II included a pro-poor tariff band (0-6m3) charged at a flat rate. In addition, water vending at kiosks and water ATMs was set at between Ksh. 1.00 and Ksh. 2 per 20 Liter Jerrycan respectively to make water affordable to the poor. WASREB issued the clustering guidelines to the guide the County Governments in clustering of water supplies to achieve economies of scale.

The Institutional Capacity strengthening of WASREB to execute the expanded mandate by 2017 has not been achieved.

Challenges and Lessons Learnt: Delays in granting of 'No Objection' to financing of projects by the Development Partners: Rapid urbanization that has increased demand for water and sanitation but the sector is inadequately financed by the GoK to meet the increasing demand, Failure to include last mile connectivity in project designs resulting in projects that cannot serve the customers' due to lack of connections to end users has undermined the coverage rates, Climate change that is impacting negatively on the availability of water resources in both quantity and quality. Instances of rivers drying up were experienced during the period, Negative interference of Water Service Providers by some County Governments threatening water service provision, limited budgetary allocation to WASREB has constrained its capacity to execute its expanded mandate under Water Act 2016 and uncoordinated investments planning by the County Governments, Water Works Development Agencies (WWDAs) and Service Providers. It is critical to engage all the key stakeholders during project design and implementation.

Recommendation and Way Forward: Engage with Counties on possible areas of collaboration for synergy, entrench a Sectoral approach in Monitoring & Evaluation of progress since some of the MTP targets are shared across MDAs; ensure that all infrastructure projects have a component of last mile connectivity in the design and financing, increase budgetary allocation to water and Sanitation infrastructure and Provide a conducive environment for WASREB to mobilize resources and self-finance to execute its mandate.

Rural Water Supply Sub Programme

Location: Nation wide

Objective: To increase access to safely managed water and sanitation supply in rural areas.

Implementing Agencies: Ministry of Water and Irrigation, Water Service Institutions.

Project Progress: The project started in 2008. During MTP I, a total of 538 rural water and sanitation projects were completed and an additional 731 new boreholes were also drilled and commissioned. Further, expansion and rehabilitation of water supply and sanitation facilities in Narok town, Olkalou, Machakos, Wote, Athi River and Matuu were carried out and were at different stages of completion by the end of the MTP I. Other towns where similar projects progressed were Wajir, Chuka, Chogoria, Limuru, Ruiru, Moi's Bridge and Siaya.

During MTP II, rural water supply coverage improved from 47.1 per cent in 2013 to 50.2 per cent in 2017 countrywide. Rural access was boosted through rehabilitation and extension of rural water schemes where 199 new water and sanitation projects were constructed, 410 existing rural water supplies rehabilitated and 276 new boreholes drilled and equipped. In addition, 647 water pans and 54 small dams were constructed in ASALs.

Challenges and Lessons Learnt: Delays in disbursement of Government counterpart funding to co-funded projects and limited cooperation by some Counties on co-funded projects.

Recommendation and Way Forward: There is need for strict adherence to signed agreements during implementation of projects. Timely release of funds and conduct sensitization workshops for Counties as they are key players in delivery of the project.

Provision of Water to Poor Un-Served Areas Including Informal Settlements

Location: Nation-wide, targeting poor unserved urban and rural areas

Objective: To increase access to safely managed water and sanitation supply in poor and unserved rural and urban areas, including informal settlements.

Implementing Agencies: Ministry of Water and Irrigation, Water Sector Trust Fund.

Project Progress: The project entails financing construction and/or rehabilitation of water supply systems in urban and Peri-urban, low income areas and targets to finance 337 water and sanitation projects in the urban areas and 502 Water and sanitation projects in the underserved rural areas. A total of 312 urban water and sanitation projects and 220 rural water and sanitation projects were completed under MTP I and II period.

Challenges and Lessons Learnt: Delays in disbursement of Counterpart Funding to co-funded projects; limited cooperation by some Counties on co-funded projects; design and implementation capacity challenges by some partners; lack of effective legislative and governance systems by most Rural Water schemes in most counties jeopardizing sustainability of investments.

Most Counties are still struggling with inadequate structural and governance systems, sustainability of water investments and inadequate capacity to provide the required services. The poor and marginalized areas still struggle with inadequate access to water and sanitation services with financing challenges being a major bottleneck.

All the necessary policy and legislative frameworks need to be put in place before commencing of projects.

Recommendation and Way Forward: There is need to invest in a capacity development programme to enhance the counties capacity to meet the right to water and sanitation access.

It is imperative for adequate resources to be allocated for enhanced access to water and sanitation. The Equalization Fund should be restructured to allocate earmarked funds for improved access to water and sanitation targeting the poor, unserved and marginalized areas through the Water Sector Trust Fund as provided for in the Water Act, 2016.

POPULATION, URBANISATION AND HOUSING SECTOR

"Adequate and Decent Housing in a Sustainable Environment"

Sector Overview

The Vision 2030 overriding goal is to ensure improvement of quality of life for all Kenyans. To be able to achieve this, the population growth was targeted to reduce to 2.3 per cent by 2017 from 2.9 per cent in the base year (2009 Kenya's population size has been increasing over the years majorly due to the past decades of high fertility rates and the country's youthful population. This has resulted to increase in population density from 66.4 persons per square km in 2009 to an estimated figure of 81 in 2017. Rural urban migration has in the same period increased due to dynamics impacting the social economic development resulting to rapid urbanization. The Vision 2030 acknowledges that to change lives of millions of Kenyans, right urban planning strategy is key.

Additionally, urban areas are symbols of prosperity since the concentration of activities in urban areas allows for specialization and exchange-processes which are essential in economic growth. Shelter is a basic human need and the article 43(1b) of the Constitution of Kenya 2010 emphasis the right of every person to accessible and adequate housing and to reasonable standard of sanitation. To cater for the increased population, it is estimated that over 240,000 additional housing units are required annually to satisfy the unmet need for decent and affordable housing. However, persistent low output of houses results in an annual shortfall of new units for urban residents of about 132,000 houses. The Government endeavored to improve livelihoods of people living and working in slums and informal settlements through installations of physical and social infrastructure in the review period.

Sector Objective: To improve quality of lives for Kenyans by managing the population growth, facilitating sustainable urbanization and providing decent and affordable housing.

Sector Performance: To improve living conditions in informal settlements, approximately 100,000 residents in informal settlements of Nairobi (Korogocho), Eldoret (Kamukunji, Munyaka and Huruma) and Nakuru (Kwa Rhonda, Gilani and Kaptembwa) benefited from upgraded and improved social and physical infrastructure facilities such as access roads, sanitation facilities, flood lighting, drainages, sewer lines and water supply. The Government directly constructed 17,332 housing units and also facilitated the acquisition of 262 units through mortgage facilities. The private sector developers in Nairobi County recorded 8,623 residential units.

Sector Challenges: Challenges faced by this Sector include: lack of a legal framework (Act of Parliament) to coordinate the implementation of a Population programme in the country, high population growth rate relative to resources and rise in teenage pregnancy cases, Lack of attractive incentives to spur private sector participation in low cost housing provision,high land compensation and resettlement costs, high cost of housing financing and land for infrastructure development, inadequate resources and unabated urban sprawl occurring ahead of planning thereby making development of critical infrastructure expensive.

Facilitation of production of 200,000 housing units annually through various initiatives

Location: Nationwide

Objective: To facilitate production of affordable housing units and improve the lives of people living in informal settlements.

Implementing Agencies: State Department for Housing and Urban Development, National Housing Corporation (NHC).

Project Progress: The project started in 2008 and the MTP I target was to produce 200,000 housing units annually during the five-year period. Between 2008 and 2017, the Corporation completed 2,022 housing units in various parts of the country. During MTP I period, a total of 1,678 housing units were completed under the Civil Servants Housing Scheme in Ngara Phase I and II, and Kileleshwa and handed over to beneficiaries during the 2012/2013 period. In addition, 966 Government houses were registered in 2012/2013 against a target of 600 while NHC completed 1,328 housing units. A total of 2,102 housing units for the Kenya Police and Administration Police and another 952 housing units for the staff of the Prisons Department were completed. The acreage of serviced land for housing development was increased from 20 acres in 2008 to 75 acres during the FY 2012/2013 period.

During MTP II, a total of 7,611 housing units were developed directly by the Kenyan Government as follows: 822 Housing units in Kibera Soweto Zone A, 933 Housing units through Civil Servants Housing Scheme, 944 housing units for NHC, 1,050 Housing units for National Police and Prisons Services, 3,000 Housing units through Interlocking Stabilized Soil Blocks (ISSBs) Technology and 862 housing units through provision of Ksh. 1.14 billion loans disbursed for rural and peri-urban housing development initiative across the country under National Housing Corporation (NHC). The project conceptualized PPP arrangements which did not materialise.

Challenges and Lessons Learnt: The project conceptualized PPP arrangements which did not materialize and consequently did not achieve its targets during MTP I and II. Other challenges include high land compensation and resettlement costs in the informal settlements; lack of attractive incentives to spur private sector participation in low cost housing provision and numerous court injunctions. Housing is a critical component of high quality of life.

Recommendation and Way Forward: There is need to identify more land for housing developments in the country. In addition, land that has court cases should be settled out of court for faster resolutions. A data capturing method should be established to consolidate housing units developed by the private sector as well.

Construction of Housing units for the National Police and Prisons Services

Location: Nationwide

Objectives: To improve the living conditions of security personnel.

Implementing Agencies: State Department for Housing and Urban Development

Project Progress: The project started in 2008 whereby MTP I target was to build 20,000 housing units for the police staff and 16,000 housing units for the prisons department staff. In this regard, a total of 2,102 housing units for the Kenya Police and Administration Police and another 952 housing units for the staff of the Prisons Department were completed during the period.

During MTP II, a total of 1050 units were built and completed in Nairobi, Kiambu and Machakos. Additionally, the Government provided a total of 3,071 housing units for National Police Service and 590 for the Kenya Prisons Service.

Challenges and Lessons Learnt: Untimely release of funding from exchequer resulting to delays in project completion.

Recommendation and Way Forward: Develop innovative funding mechanisms and strategies to upscale the project to cover all officers. Ensure Stakeholders involvement (at both National and County level) at all phases of the project to ensure effective achievement of intended objectives.

Development of appropriate building materials and technologies

Location: Nationwide
Objective: To promote the use of sustainable low-cost housing building materials and technologies in order to reduce the cost of construction.

Implementing Agency: State Department for Housing and Urban Development.

Project progress: The project started in 2008. During MTP I, a total of 5,207 individuals were trained on the use of ABMT. In addition, 83 ABMT centres were completed during the same period.

During MTP II, the Government promoted the use of Appropriate Building Materials and Technologies (ABMT) through establishing 19 Housing Technology Training Centres at constituency level and training of over 300 community groups on use of ABMT. Additionally, the Government adopted Interlocking Stabilized Soil Blocks (ISSBs) – over 3,000 residential houses were built; and Industrial Building Systems (IBS) – 1,050 housing units were constructed for the National Police and Prisons Service. During this period NHC set up a factory in Mavoko, Machakos County to manufacture EPS panels and promote the use of sustainable low cost buildingmaterials and technology. Also, NHC produced over 378,968 Square Metres of EPS panels for the market and the internal use.

During the same period, national construction levy, pegged at 0.5 per cent of the project value above Ksh.5 million was waived. Further, audit of 4,831 buildings to establish their structural safety, including those under construction, was conducted in Nairobi.

Challenges and Lessons Learnt: Slow absorption of modern housing technologies, inadequate provision for operational costs (logistics, communication, project management costs), untimely release of exchequer causing delays and inaccessibility and rising cost of housing finance and building materials.

Recommendation and Way Forward: Enhance capacity of the housing technology centres to increase access to decent housing by promoting location specific building materials and low cost housing.

Installation of Physical and Social Infrastructure in Slums and Informal Settlements in Selected Urban Areas

Objective: To improve the livelihoods of people living and working in slums and informal settlements through installation of physical and social infrastructure.

Implementing Agency: State Department for Housing and Urban Development.

Project Progress: The project started in 2008. During MTP I, installation of physical and social infrastructure in slums in 20 urban areas was carried out to formalize slums, permit construction of permanent houses and attract private investment. In addition, construction of access roads and dispensary was carried out in Korogocho.

During MTP II, over 1.2 million people in informal settlements of Mombasa, Nairobi, Kisumu, Eldoret, Nakuru, Naivasha, Kericho, Kakamega, Bungoma and Isiolo benefitted from provision of non-motorized transport, access road, sewer lines, pedestrian bridges, security/street lights, sanitation facilities, schools, health centres and markets. Additionally, infrastructure improvement works were completed in 15 settlements in Mombasa, Machakos, Nairobi, Nakuru and Eldoret.

Challenges and Lessons Learnt: Inadequate funding to cover all informal settlements and complexities associated with competing interests in slum upgrading initiatives.

Stakeholders involvement (at both National and County level) at all phases of project is key to ensure effective achievement of intended objectives.

Recommendation and Way Forward: A legal and institutional framework is required to facilitate coordination of slum upgrading and prevention initiatives for clarity of responsibilities to avoid unnecessary conflicts that cause delays and duplication of services.

Preparation and implementation of strategic development and investment plans in six metropolitan regions

Location: Nairobi, Mombasa, Kisumu-Kakamega, Eldoret, Nakuru, Wajir-Garissa-Mandera, Kitui-Mwingi-Meru.

Objective: To prepare integrated Strategic Development Plans for five (5) designated Metropolitan areas.

Implementing Agency: State Department for Housing and Urban Development

Project progress: This project was conceived to build on the plans prepared by the local authorities during MTP I, whereby planning of four (4) towns was completed while that of (45) towns/Local Authorities were in progress. Additionally, (9) bus parks were also developed in various urban centres while an additional three (3) lorry parks were under construction as at the end of the MTP I period.

The Master Plan for solid waste management in Nairobi was completed and an emergency response system was established in the Nairobi metro region as a means of enhancing safety and security. This involved installation of 3,405 street lights in risky and crime prone areas, provision of fire fighting engines to Metro Local Authorities for emergency response and acquisition of modern ambulances for the Nairobi Metro region.

During MTP II, a Development Plan for Nairobi Metropolitan Region - covering Nairobi, Machakos, Kiambu, Muranga and Kajiado counties – was completed (Nairobi Spatial Plan). Additionally, Nairobi City developed the Nairobi Metropolitan Services Improvement Project (NaMSIP). The Project is part of a metro-wide development initiative and is financed by the National Government of Kenya with support from the World Bank at a cost US$300 million and US$30 from the Government as a counter fund. Other targeted cities did not record the development of this flagship.

Challenges and Lessons Learnt: Slow pace of implementation due to delay in disbursement of funds.

Integrated development planning (Spatial Plans, Sectoral Plans, Cities and Urban Plans) leads to well-planned cities and urban areas with the required services and amenities.

Recommendation and Way Forward: There needs to be a strong coordination mechanism of all implementing agencies to achieve this flagship project.

Implementation of Cities and Urban Areas Act (UACA) of 2011

Location: Nationwide

Objective: To develop regulations to operationalize the UACA

Implementing Agency: State Department for Housing and Urban Development

Project progress: During MTP I, the Urban Areas and Cities Act – Amendment Bill was drafted.

During MTP II, the Urban Areas and Cities Amendment Bill was submitted to Parliament and enacted.

Challenges and Lessons Learnt: Implementation through the inter-Governmental framework for implementation is unclear. Collaboration by the two levels of Government is vital for the success of the project.

Recommendation and Way Forward: The National and County Governments to work together in the implementation of the Act.

Formulation and Implementation of Planning Standards and Guidelines

Location: Nationwide

Objective: To build capacity and technical support on planning and development control, urban finance and economy, infrastructure and services.

Implementing Agency: State Department for Housing and Urban Development.

Project progress: This project started in 2008. During MTP I, a review of the National Housing Policy to align it with the Constitution progressed in 2012/2013. Other Bills developed include a Community Bill, Eviction and Resettlement Bill and the Metropolitan Areas Bill.

During MTP II, the National Maintenance Policy and the National Slum Upgrading and Prevention Policy were passed by the National Assembly. The Kenya Construction Research Institute Bill was finalized and presented to the Attorney General (AG). The Review of the National Housing Policy, the Landlord and Tenant Bill and the Building Surveyors' Bill were approved by the Cabinet and presented to the National Assembly. The Built Environment Bill was awaiting Cabinet approval.

Challenges and Lessons Learnt: The process of developing Bills is slow and cannot be implemented until enacted. Coordination of the housing sector requires a robust policy, legal, and regulatory framework. The guidelines and standards are critical for realization of standards in urban planning.

Recommendation and Way Forward: Review policies for implementation.

Review and formulation of National Urban Development Policy

Location: Nationwide

Objective: To streamline urban development such as development planning, land management, urban investment and delivery of infrastructure services.

Implementing Agency: State Department for Housing and Urban Development.

Project Progress: This project started in 2008. During MTP I, a draft National Urban Development Policy was prepared and submitted to the Cabinet. During MTP II, the National Urban Development Policy was approved by Parliament.

Challenges and Lessons Learnt: Weak enforcement of policies to address rapid urbanization.

Recommendation and Way Forward: Ensure implementation of the National Urban Development Policy.

Implementation of the Population Policy for National Development

Location: Nationwide

Objective: To attain high quality of life for Kenyan people by matching population growth to available resources.

Implementing Agency: National Council for Population and Development (NCPD)

Project Progress: During MTP I implementation period, the Population Policy for National Development was completed and passed by Parliament as Sessional Paper No. 3 of 2012. The MTP I targeted to gradually reduce the country's population growth rate from 2.7 per cent per annum in 2007 to 2.4 per cent per annum in 2012. However, Kenya's demographic statistics, showed that the country's population grew at between 2.9 and 3 per cent per annum implying that the target was not achieved.

In MTP II period, the implementation of the Population Policy for National Development led to a reduction in annual population growth rate from 2.9 per cent in 2013 to an estimate of 2.7 per cent in 2017. It also important to note that in the review period, the life expectancy at birth increased to 66.1 and 72.8 years for men and women respectively. Some of the major activities undertaken in the review period include, Publication and dissemination of thirty (30) population policy briefs; conducting of Male Involvement in Family Planning and Reproductive Health Survey, 2014 whose report was published and disseminated, Developed three (3) multimedia presentations and nine (9) fact sheets on HIV and AIDS, one (1) data sheet on population and three (3) messages for radio and TV, published and disseminated the National Adolescents and Youth Survey report, 2015, Published and disseminated Kenya Health Facility Assessment (Family Planning and Maternal Health) report, 2015 and developed and launched the Kenya Demographic Dividend Roadmap in 2016.

Challenges and Lessons Learnt: Lack of legal institutional mechanism to coordinate the population programme, persistent population growth relative to the available resources, teenage pregnancy, High dependency ratio, increasing number of older persons due to increasing life expectancy resulting in more need for social security including health insurance and regular income, inadequate population data on some population subsets, cultural and traditional beliefs have led to slow reduction of population growth and gender inequalities and Inadequate resources to meet all the population programme needs. The Demographic Dividend (DD) has been identified as an opportunity for addressing the myriad of socio-economic challenges in developing countries on the African continent; implementing population programmes requires a multi-sectoral approach due to their cross-cutting nature; strategic resource mobilization is key to implementing the population programmes.

Recommendation and Way Forward: Legal and institutional mechanism to coordinate population and programme implementation is important, there is need to embrace a multi-sectorial approach to tackle emerging population issues, targeted advocacy on population and development issues need to be scaled up to enhance the implementation of population programme; need to enforce the implementation of the Population Policy for National Development.

Establishing a Secondary Mortgage Finance Corporation

Location: Nationwide

Objective: To mobilize resources for housing development

Implementing Agencies: State Department for Housing and Urban Development, the National Treasury.

Project progress: This project did not materialize.

Challenges and Lessons Learnt: Weak enforcement of policies to address rapid urbanization.

Recommendations: Enforce implementation of the Population Policy for National Development.

Enacting the Housing Bill, 2006

Location: Nationwide

Objective: To develop and enact the Housing Bill, 2006

Implementing Agency: State Department for Housing and Urban Development

Progress status: During MTP I, the Housing Bill which aims at providing a one-stop housing development approval mechanism was developed. During MTP II, the Housing Bill was finalized and presented to the Attorney General (AG).

Challenges and Lessons Learnt: Legal challenges on implementation of Housing Fund. The enactment of the Housing Bill is expected to expedite housing approval, and reduce the time and cost of construction.

Recommendation and Way Forward: There is need to identify the bottlenecks affecting enactment of the Housing Bill in order to resolve them and chart a way forward to realisation of faster approvals.

Implementation of Kenya Informal Settlement Improvement Programme (KISIP)

Location: Nationwide

Objective: To improve living conditions and strengthen security of tenure in informal settlements in selected towns in Kenya.

Implementing Agency: State Department for Housing and Urban Development.

Project Progress: Implementation of Kenya Informal Settlement Improvement Programme (KISIP) has made major strides in improving living conditions of people in informal settlements through provision of infrastructure and strengthening security of tenure (planning, survey and ownership documents). The project implemented its objective through four main components both at the National and County

Government levels: Strengthening institutions and Project Management, Enhancing tenure security, Investing in Infrastructure and service deliver and Planning for urban Growth - The project is in operational in 15 towns within 14 counties in Kenya namely: Nairobi, Machakos, Kitui, Embu, Thika (Kiambu), Nyeri, Mombasa, Kilifi, Nakuru and Naivasha (Nakuru), Kericho, Eldoret (UasinGishu), Kakamega, Kisumu and Garissa.

Provision of infrastructure and service delivery interventions include Roads, footpaths, high mast lighting, water and sanitation in selected areas of the towns of Nairobi, Mombasa, Machakos, Nakuru, Eldoret and Naivasha was undertaken. Enhancing tenure security, planning and survey in 13 settlements in Nyeri, Malindi, Kakamega, and Eldoret where 13 Part Development Plans (PDPs) were approved; and several studies were completed on situational analysis of informal settlements in 15 towns (14 counties) in Kenya.

Challenges and Lessons Learnt: Rapid population growth compared to the available resources. Integrated development planning (Spatial Plans, Sectoral Plans, Cities and Urban Plans) leads to well-planned cities and urban areas with the required services and amenities.

Recommendations and Way Forward: Expand the programme to cover more urban areas and the target population.

Youth running his manufacturing business

GENDER, YOUTH AND VULNERABLE GROUPS SECTOR

"Equity in Access, Control and participation in Resource Distribution for Improved Livelihoods of Women, Youth and Vulnerable Groups."

Sector Overview: Kenya has 29.1 per cent of youth population who bear the greatest burden of unemployment. The Kenya Vision 2030 emphasizes the need to equip the youth with competitive and employable technical and vocational skills as well as economically empower them through promotion of entrepreneurship. Additionally, it envisages gender equity in positions of power and decision making, resource distribution and improved livelihoods for youth, women and vulnerable groups. Therefore, the sector plays a critical role in creation of an enabling environment for socio-economic empowerment and human resource utilization for these groups with a view to achieving desirable national economic growth and development. The Sector is composed of three subsectors namely Gender, Youth and Vulnerable Groups.

Sector Objective: The main objective of the sector is to increase the participation of women, youth and vulnerable groups through affirmative action policies and measures in economic, social and political decision-making processes and platforms. Further, the sector strives to reduce levels of poverty across the board, unemployment, prohibit retrogressive cultural practices and social ills as well as improve access to essential services.

Sector Performance: Several interventions have been undertaken to promote gender equality and women empowerment, youth empowerment and cushion vulnerable groups. These include increased disbursement of loans to youth, women and PWDs through the Youth Enterprise Development Fund (YEDF), Women Enterprise Fund (WEF) and Uwezo Fund;

30Per cent AGPO, implementation of affirmative action to reserve at least a third of all appointive positions in the public sector to either gender, enhanced financial inclusion through establishment of the Kenya National Safety Net programs targeting vulnerable persons and enactment of NSSF Act No. 45 of 2013 and review of National Youth Service Act to make it more responsive to national, regional and global changes and increase its enrolment to provide skills and training, enactment of prohibition of Female Genital Mutilation (FGM) Act, 2011 that facilitated the formation of the Anti-FGM Board in 2013, establishment of youth empowerment centres; and Disability mainstreaming.

Sector Challenges: The main challenges which inhibited effective and efficient implementation of planned sector programmes, projects and activities during the review period included, inadequate resources, poor loan repayment for the YEDF and Uwezo Funds, persistence of Harmful Socio-cultural practices which has constrained attainment of gender equality and empowerment of women, girls, youth and other vulnerable groups, inadequate entrepreneurial capacity amongst the youth, women and PWDs, information gap amongst the youth and youth serving organizations, low representation of youth in decision making organs, increased youth involvement in gambling, cyber-crime, abuse of social media, drug and substance abuse and inadequate data on social development issues, low levels of implementation of gender related policies and laws, low levels of awareness on gender equality and women empowerment.

Gender Mainstreaming

Location: Nationwide

Objectives: To mainstream gender at all levels and in all sectors through participation in resource distribution and socio-economic opportunities.

Implementing Agencies: State Department for Gender, Gender and National Gender and Equality Commission (NGEC).

Project Progress:
The Government has made significant gains in mainstreaming gender in various sectors. There has been an increase in women representation in key decision-making levels since the promulgation of the Constitution. Specifically, women's participation in leadership, governance and decision making increased from 20.5 per cent in 2008 to 38.6 per cent in 2012 due to affirmative action measures. The number of women in the Parliament increased from 87 in 2012 to 97 in 2017. Number of women Cabinet Secretaries increased from 5 in 2016 to 6 in 2017. 3 women were elected governors and three others senators in 2017 while in 2013, no woman was elected to either position. More women were elected to the national and county assemblies. Twenty-three women elected as members of Parliament in 2017, as compared to 16 in 2013. There was also an increase in the number of women elected to the county assemblies, from 82 in 2013 to 96 in 2017. Women running as dependent candidates were also elected for the first time. Women comprised 9.2 per cent of the 1,835 elected individuals in 2017, a marginal increase from 7.7 per cent in 2013.

The proportion of women Principal Secretaries decreased from 36.6 per cent in 2016 to 20.0 per cent in 2017. For the first time women were elected as Governors during the August 2017 General election. Additionally, the inclusion of gender mainstreaming in the performance contracting process has strengthened accountability on gender equality in the public sector.

Further, during the MTP I period, the number of registered women groups in the country increased from 140,482 groups in 2008 to 145,856 groups in 2012. This represented an increase of 3.8 per cent over the five-year period. Notably, membership of the women groups also increased from 5.5 million members in 2008 to 5.7 million members in 2012. However, during MTP I, the grants by Government to the women groups declined from KSh. 100 million in 2008 to KSh. 70 million in 2011. No grant was given to the women groups in 2012.

During MTP II, the Government undertook capacity building on Gender Mainstreaming to Ministries, Departments, Counties and Agencies (MCDAs). A number of counties such as Tharaka Nithi, Bungoma, Nyeri, Machakos and Baringo have since formed Gender Technical Working Groups to coordinate Gender Equality and Women Empowerment (GEWE) programmes. Establishment of integrated one stop sexual and gender-based violence response centres in Kilifi County was launched to offer medical, legal and psychosocial support to victims of SGBV, Gender Research and Documentation Centre was established at the University of Nairobi. Additionally, a Gender Management System and its training manual was developed to standardize implementation of gender programmes and training. Moreover, annual status reports on women were developed and disseminated. Further, during the MTP II period, tangible progress was realized for women in leadership. For instance, by March 2018, there were 3 (6.4 per cent) women Governors, 27.2 per cent women Cabinet Secretaries, 21.8 per cent women in National Parliament, 31.3 per cent women in Senate, 22 per cent women Principal Secretaries (PSs), Female MCAs in 2012 were 393 (15.8 per cent) while in 2013 female MCAs were 88 representing 6.1 per cent which is a decrease from 2012. Female County Commissioners in 2012 were 16 (34 per cent) compared to 2013 when they increased to 17 (36.2 per cent), and 50 per cent women Magistrates. This compares with 2013 where there was no female governor, women comprised 33.3 per cent in Cabinet Secretaries, 19.8 per cent in Members of Parliament, 26.9 in Senate, 26.9Per cent women PSs, 34.2 per cent of Female MCAs in 2016 were 761 (34.2 per cent) while in 2017 female MCAs were 745 representing 33.5 per cent which is a decrease from 2016. Female County Commissioners in 2016 were 18 (38.3 per cent) compared to 2017 where they decreased to

17 (36.2Per cent) and 47.8 per cent of Magistrates. The improvement is attributed to awareness programmes on enhancement of women in leadership skills.

On policy, legal and institutional reforms, key policies were developed and laws enacted to advance gender equality and women empowerment during the MTP II including: The National Policy on Prevention and Response to GBV (2014), Matrimonial Property Act, 2013, Marriage Act, 2014, and Prevention against Domestic Violence Act, 2015. Additionally, in 2016, the Government launched the Kenya National Action Plan for the implementation of United Nation Security Resolution Council (UNSCR) 1325 on women, peace, and security which calls for gender responsiveness in all efforts towards maintenance and promotion of peace and security for lasting stability.

Challenges and Lessons Learnt: Inadequate funding for gender programs that has led to low and non-achievement of set targets. There have been harmful social cultural and religious factors, e.g. female genital mutilation, forced marriages and child marriages. There are low levels of awareness on gender equality and women empowerment and low levels of implementation of gender related policies and laws. High incidences of gender-based violence especially to women and girls. Partnership is crucial in effective and efficient implementation of activities.

Recommendation and Way Forward: Various targets were realized as a result of partnership with other Government Agencies, Development Partners and Faith Based Organizations (FBOs). Through the partnerships, more resources were mobilized for implementation of activities. There has been low dissemination of Gender Policies and legislation leading to low compliance of gender constitutional provision.

In view of the above challenges, the Department recommends the following measures to enhance delivery of quality services to the public and for effective implementation of its programmes; increased budgetary allocation to ensure provision of efficient and seamless service delivery that meets the expectation of Kenyans. Enhance partnership with County Governments, development partners, civil society and private sector for effective and efficient implementation of gender programs.

Gender Disaggregated Data

Location: Nationwide

Objective: To provide information that accurately portrays the gender balance in all sections of the country to form a basis for developing gender-sensitive policies, plans and programmes.

Implementing Agency: State Department for Gender

Project Progress: Gender disaggregated data was a flagship project in MTP I and was collapsed under Gender Mainstreaming in MTP II. During MTP II period, the Kenya National Bureau of Statistics (KNBS), in collaboration with the State Department for Gender Affairs, facilitated the production of gender statistics, such as the Gender Data sheet 2015; and Women & Men in Kenya booklet. The National Gender Research and Documentation Centre was also established in 2014 to provide evidence-based research. Additionally, 270 Gender officers were trained on sex disaggregated data.

Challenges and Lessons Learnt: There is still inadequate gender disaggregated data for effective policy formulation, planning, budgeting and measuring women's contribution to the economy.

Recommendation and Way Forward: Development projects aiming to address gender inequalities should be evidence based. Hence gender disaggregated data should be utilized in the design of projects and programmes.

Eradication of Female Genital Mutilation

Location: Nationwide

Objective: To eradicate FGM in Kenya

Implementing Agency: Anti-FGM Board

Project Progress: The Government enacted the Prohibition of FGM Act, 2011 which facilitated establishment of the Anti-FGM Board in 2013. During the MTP II period, the Board in collaboration with partners and stakeholders developed key strategic documents to guide eradication of FGM namely, guidelines for conducting community dialogues, guidelines for alternative rites of passage, and FGM resource handbook. The Board also lobbied for inclusion of FGM content into competency-based curriculum. Further, the Board conducted public education and sensitization to 19,580 people on adverse effects of FGM.

Challenges: Inadequate funding hindered scaling of campaigns against FGM, low levels of reporting of FGM cases, emerging trends, persistence of social norms that perpetuate FGM, inadequate county specific data to inform policy formulation and county specific programmes and weak coordination framework which have led to duplication of efforts by partners.

Recommendations and Way Forward: The Board will spearhead development of an action plan from which all partners will identify areas and activities they can support. This will reduce wastage of resources due to duplication of activities and enhance coordination among stakeholders and partners. The Board will also work closely with KNBS to include more indicators on FGM when carrying out Kenya Demographic Health Survey to generate research and evidence which will inform programming both at the county and national level. Further, agencies implementing Anti-FGM interventions should actively involve communities in the hot spot counties to ensure their continuity and sustainability.

Consolidated Social Protection Fund

Location: Nationwide

Objective: To improve coordination and linkages in delivery of social protection interventions by actors in Kenya

Implementing Agencies: State Department for Social Protection

Project Progress: This project started in 2004. The MTP I target was to increase the number of all eligible households receiving cash transfers to 32,500 or 15 per cent by 2012. During the MTP I period the number of eligible households receiving cash transfers increased to 235,748 or 19.13 per cent i.e. 153,000 households taking care of Orphans and Vulnerable Children (OVC) through the OVCs Cash Transfer programme, 58,048 households with vulnerable older persons and 14,700 households with persons with severe disabilities and 10,000 poor households in urban areas were also placed on the Urban Food Subsidy Cash Transfer Programme.

On policy and institutional reforms, the Kenya National Social Protection Policy was also developed during the MTP I. The policy seeks to enhance coordination, harmonization and consolidation of activities across the line ministries and other key social protection practitioners, including non-state actors. In addition, the National Policy on Ageing and Elderly Persons was drafted during the MTP I period and submitted to the cabinet for consideration and approval. A National Children Database, that is part of development of the integrated data management system for vulnerable groups, was developed during the MTP I period and piloted. Further, a National Social Protection Secretariat was also established to coordinate social protection programmes and initiatives in the country.

During the MTP II, the State Department for Social Protection increased support to households taking care of poor and vulnerable persons through cash transfers from 153,000 in 2013 to 353,000 in 2017. The number of persons in the Older Persons Cash Transfer (OPCT) increased from 59,000 beneficiaries to 833,000 households. The significant increase was due to the policy decision in 2017 to have universal coverage of all persons aged 70 years and above (but not receiving Government pension) under the OPCT. The Persons with Severe Disabilities Cash Transfer (PWSD-CT) increased coverage from 14,700 to 47,000 households over the same period.

In 2016, the Ministry established the Social Assistance Unit (SAU) to coordinate the implementation and enhance synergy across the three cash transfer programmes under the umbrella Consolidated Cash Transfer Programme Management (CCTP) commonly known as Inua Jamii.

In addition, a Programme Independent Beneficiary Survey (PIBS) was undertaken and an Integrated Management Information System (MIS) Single Registry geared towards enhancing transparency and accountability was put in place.

The Programme Implementation and Beneficiaries Satisfaction (PIBS) survey was carried out in 2014/15 and recommendations used for improvement of the cash transfer programme. A three-pronged study to examine the strengths of geographical and community-based targeting methodology and the setting of transfers values and appropriate determination of child vulnerability beyond orphanhood and chronic illness was undertaken with recommendations expected to inform future policy decisions within the social protection system.

Challenges and Lessons Learnt: Difficulties in delivery of payments to beneficiaries in the far-flung areas, inability of beneficiaries with defaced finger prints to access payments because the Ministry uses a two-factor authentication process which involves the use of national ID card and biometrics (fingerprints), inadequate awareness amongst beneficiaries and the public on the operations of the Cash Transfer programmes and inadequate funding levels to adequately cover all deserving poor and vulnerable cases and to manage the programme. Inadequate linkages between Government agencies that provide complementary services to social protection programme beneficiaries has further hampered programme implementation.

Recommendation & Way Forward: Develop and implement a structured coordination framework as well as standards and guidelines for delivering social protection benefits to guide implementation of social protection interventions.

Scale-up the National Development Fund for Persons with Disabilities

Location: Nationwide

Objective: To empower PWDs for effective participation in all spheres of life

Implementing Agencies: National Council for Persons with Disabilities

Project Progress: During MTP I period, the project was referred as the "Implementation of the Disability Fund". Funds were provided to 680 entrepreneurs with disabilities to support their businesses during the period of the MTP I. In addition, 1,757 PWDs were trained in various technical skills and 13,000 assistive devices were procured and distributed to the PWDs during the period, 65 employees from essential services sectors trained in sign language interpretation skills, 608 learners with disabilities provided with education bursaries, 95 institutions of learning provided with grants to improve learning infrastructure for persons with disabilities, 460 groups of persons with disabilities received grants for economic empowerment, Established a programme targeting 2,500 persons with albinism to provide sunscreen lotions and 29,747 Persons With Disabilities were registered during the plan period.

On policy and institutional reforms, the National Policy on Persons with Disability and the Persons with Disability Affirmative Action Policy were developed during the MTP I period.

During MTP II period, the following was accomplished under the National Development Fund for Persons With Disabilities: assistive devices were provided to 17,525 PWDs, a total of 6,390 learners with disabilities were provided with educational bursaries, a total of 2,798 self-help groups and national Disabled persons organizations were provided with grants for economic empowerment and advocacy, a total of 148 institutions and organizations that provides services to PWDs were provided with grants for infrastructure and equipment; 2,241 PWDs were trained on various vocational trades, 246 graduates of VRCs were provided with tools of trade as start-up capital; 81 entrepreneur PWDs were provided with LPO financing as an affirmative action and a total of 821 workers trained in Kenya Sign Language. Further, the Fund provided sunscreen lotion, protective gears, skin cancer treatment and eye care services to 3,156 Persons with Albinism during the review period. The cumulative financial allocation to the Fund for the last ten years is Ksh. 1,815,000,000.

In addition, National Council for Persons with Disabilities (NCPWD) conducted accessibility audits in Ministries, Departments and Agencies, registered 262,717 persons with disabilities and facilitated 8,162 PWDs to be exempted from PAYE by KRA and certification of PWDs for AGPO program.

Challenges and Lessons Learnt: Delay in registration of Persons with Disabilities due to the lengthy and bureaucratic disability assessment process by the Ministry of Health, uptake of tenders reserved for persons with disabilities is very low in many MCDAs and delays in Government release of funds affected AGPO thus LPO financing.

Proper coordination and collaboration within the MCDAs is key to the successful implementation of programmes and projects relating disability mainstreaming.

Recommendation and Way Forward: Public sector should mainstream disability in the budgeting process and private sectors encouraged to Mainstream Disability in their operations, MCDAs should not only take Disability mainstreaming as an indicator for performance contracting but also, endeavor to allocate resources for making Disability mainstreaming a reality. (Disability mainstreaming responsive Budgeting), the National Treasury should increase the National Development Fund for Persons with Disabilities in order to upscale implementation of activities in line with NCPWD mandate.

Women Enterprise Fund

Location: Nationwide

Objective: To promote women's socio-economic empowerment through provision of accessible and affordable credit and business support services.

Implementing Agency: Women Enterprise Fund

Project Progress: Women Enterprise Fund was established in 2007. During MTP I, WEF received KSh. 1,681,400,000 grants from the Government to promote women's empowerment through several interventions. The Fund disbursed a total of Ksh. 3,166,390,530 to 705,695 women, youth and PWDs distributed as KSh. 1,641,560,530 through the Constituency Women Enterprise Scheme to 570,705 and KSh. 1,524,830,000 through financial intermediaries to 134,990 beneficiaries. A total of 404,000 beneficiaries were trained on entrepreneurship using a manual developed by Financial Sector Deepening (FSD) funded by DFID.

Further, a baseline survey on the impact of the Fund was undertaken by the National Gender Commission.

The Fund partnered with Export Promotion Council (EPC) to support and facilitate local and international marketing of goods and services produced by women entrepreneurs and 156 benefited.

During MTP II, WEF received Ksh. 2,068,790,000 grants from the Government to promote women's empowerment through several interventions. The Fund increased loan disbursement to Ksh. 12,831,591,230 benefiting 1,486,859 beneficiaries distributed as Ksh. 10,931,580,530 to 1,323,479 beneficiaries through the Constituency Women Enterprise Scheme and Ksh. 1,841,830,000 to 163,380 beneficiaries through financial intermediary partners. Further, Ksh. 52,680,700 was disbursed to 93 women under LPO financing and Ksh. 5,500,000 disbursed to 225 beneficiaries through the SACCOs on-lending product.

In addition, during the MTP II period, a total of 1,058,226 women were trained on entrepreneurship and 6,800 on value addition; 107 women were linked to large companies, 2,600 sensitized on the Kenya Bureau of Standards (KEBS) certification process, products and services of 4,563 women marketed and 120 women taken through training on business incubation.

Other milestones include, the Fund adopted a loans management system called Bankers Realm and M-Pesa Paybill system which has enhanced operational efficiency and eased the repayment of loans. Implementation of an online marketing platform (WEF SOKO) enhances market access for products and decentralization of service to 16 regions and 290 constituencies enhanced service delivery and turnaround time.

Challenges and Lessons Learnt: Inadequate resources to support all the mandate specifically lending and business development services., the legal status is weak since the Fund is a Semi-Autonomous Government Agency (SAGA) inhibiting resource mobilization and recovery of defaulted loans besides, there was no Board in the FY 2017/18 which slowed down major policy decisions.

Recommendation and Way Forward: Enhance legal and institutional framework for WEF.

Uwezo Fund

Location: Nationwide

Objective: To promote youth, women and PWD enterprises.

Implementing Agency: Uwezo Fund

Project Progress: The Fund was launched in 2013. The Fund operates as a constituency based revolving fund where collateral free loans are advanced to beneficiaries and repaid at zero interest. The Fund is also expected to model an alternative framework for financing community driven development. During MTP II, the Fund disbursed Ksh.5.52 billion to 61,675 groups benefiting 920,162 individuals who were also trained in entrepreneurship skills.

Challenges and Lessons Learnt: low loan repayments, limited entrepreneurial skills among many of the beneficiaries, gaps in the legal framework and manual operations of the Fund.

The funds have improved income at household and community level, Partnership with other implementing agencies enhances service delivery of the Fund and continuous follow-up and sensitization of the beneficiaries improves the repayment.

Recommendations and Way Forward: Enhance advocacy and sensitization especially in some areas where the uptake and repayment are low and on entrepreneurship, review the legal framework that established the Fund, enhance partnership with other implementing agencies, enhance budgetary allocations and automation of the operations of the Fund.

Youth Enterprise Development Fund

Location: Nationwide

Objective: To economically empower the youth through provision of affordable financial and business development services.

Implementing Agency: Youth Enterprise Development Fund (YEDF)

Project Progress: The Youth Enterprise Development Fund was launched in 2006 and later transformed into a State Corporation in 2007 vide Legal Order No. 63/2007. The Fund has since continued to provide affordable credit to Kenyan youth.

During MTP I, YEDF received Government budgetary allocation of KSh. 6.5 billion and funded 141,316 youth enterprises with business loans to start and expand their businesses. In addition, 62,339 youth were trained on entrepreneurship skills before receiving the business loans, a total of 129 youth entrepreneurs benefited from business incubation services, 12,417 were facilitated to secure jobs abroad, a total of 11,052 youth benefited from pre-departure training before traveling abroad for work. Also, 24 youth SACCOs were formed, and 1,982 youth entrepreneurs facilitated with market support services for their products.

During MTP II, the Fund empowered the youth by increasing the amount of loans disbursed from Ksh. 6.5 billion in 2012 to Ksh. 13.3 billion benefiting 1,900,776 youth across the country. To ensure business continuity and sustainability, the Fund provided 632,511 youth with business development services, trained 589,712 youth on entrepreneurship skills, provided market support to 11,986 youth entrepreneurs to market their products both locally and abroad, facilitated 26,015 youth to obtain jobs abroad through strategic partnerships and provided 3,042 youth with business spaces and business incubation services. The Fund is currently implementing the Enterprise Resource

Planning (ERP) System including roll out to the field offices to improve on turn-around time especially on loan applications. This will ensure speedy processing of applications at the County level.

Challenges and Lessons Learnt: Youth demand for the business loans and business development services exceeds the resources allocated to the Fund. The announcement of a merger for the affirmative action funds, YEDF, WEF and Uwezo Funds affected most of YEDF operations and programs, inadequate entrepreneurial skills amongst the youth leading to poor loan repayment.

Recommendations and Way Forward: Enhance the budgetary allocation to YEDF to cater for the growing demand for youth business loans; enhance capacity of youth in entrepreneurial skills, Leverage on strategic partnerships and collaborations with like-minded organizations.

Youth Skills Development

Location: Nationwide

Objective: To develop youth skills for socio-economic empowerment through paramilitary training, national service and technical and vocational training.

Implementing Agency: National Youth Service

Project Progress: Youth Skills Development started in 2013. During MTP I, the National Youth Service (NYS) recruited a total of 26,875 youth. The youth gained various skills through the three-mandatory successive NYS training programmes namely, Paramilitary Training, National Service and, Technical and Vocational Training. During the same period, policy and institutional reforms for the Service were initiated. This included a review of the National Youth Service Act that aimed at making the NYS more responsive to national, regional and global changes and emerging issues.

During MTP II, NYS was upgraded, and enrolment increased from 4,000 to 30,000 annually through a Presidential Directive in 2014. A total of 63,363 youth was recruited and trained in Paramilitary and National Service skills training and, 74,938 undertook Technical and Vocational skills training both in NYS and Ministry of Education (MoE) Technical and Vocational Training (TVT) Institutions.

In addition, the Service under the NYS Youth Empowerment Program (YEP) in collaboration with KeRRA, constructed and rehabilitated 145.3 kms of bitumen and 1235.6 kms of murram roads in among others, Kibera, Tana River and Mandera, Mogotio, Naivasha, Baringo and Narok constituencies, constructed 96 ablution blocks, 3 social halls and 7 posho mills, established urban agriculture (multi-story gardens and fish tanks) for youth SACCOs and, 7 model housing blocks (40 rooms), 7 clinics and 8 police posts in Kibera informal settlement. Further, a total of 213 small dams and water pans were constructed and 56 boreholes drilled countrywide.

Further, a total of 236,250 community youth (cohorts) in 253 constituencies were gainfully engaged under YEP through which they earned a total of Ksh. 8.12B paid as direct wages and, Ksh. 3.48B generated as savings for the youth. Further, a total of 696 Youth (Huduma) SACCOs were formed across the country through which youth are accessing affordable credit to start micro and small enterprises. During the same period, 113,000 community youth were trained in social transformation skills and over 10,000 Huduma Kitchen women earned Ksh. 1.29B in wages for provision of catering services to the cohorts.

Challenges and Lessons Learnt: Stressed and inadequate Financial, human and physical resources. The partnership with MoE TVTs eased the pressure on NYS facilities and maintained the quality of training.

Recommendations and Way Forward: Review the NYS budget to correspond with the intake while NYS should rationalize Servicemen/women (SM/W) intake numbers to match the available funds. Additional funding to recruit staff with requisite skills (cadets) in the Service and expand existing infrastructure to cater for the increased number of Service Men/Women. Timely release of exchequer and extra budget support to clear pending bills is also key.

The need to enhance character formation and instill national values and principals of governance in the NYS Training programme should be underscored. Instituting measures to enhance sustainability of NYS programmes and activities is also of paramount importance. Enhance collaboration for successful implementation of NYS programmes/projects.

Enhanced collaborations and partnerships in NYS enterprises and commercialization activities will improve revenue generation to ensure sustainability of the institution.

To empower SM/W, it is recommended that first line recruitment for NYS SM/W in disciplined forces recruitment be institutionalized and, recruitment for NYS training skill areas including but not limited to secretaries, drivers, electricians, agricultural officers, plumbers and masons be prioritized by MDAs.

There is also need to develop and install an Enterprise Resource Planning (ERP) system to constantly monitor and improve control mechanisms to minimize risk and enhance accountability.

Youth Empowerment Centres

Location: Nationwide

Objective: To provide integrated services for youth through constituency-based centres with fully equipped libraries, ICT hubs and social halls.

Implementing Agency: State Department for Youth

Project Progress: During MTP I, a total of 148 Youth Empowerment Centres (YECs) were constructed. Forty-

Children protection programme

eight (48) were equipped and operationalized. It is to be noted that at the commencement of the project there were 210 constituencies which later increased to 290.

During the MTP II period not much was realized.

Challenges and Lessons Learnt: Inadequate resources, conflict of interest in site selection, low access and vandalism, drug and substance abuse.

Recommendations and Way Forward: Partnership approach is key for effective and efficient implementation of programmes and projects and the demographic dividend provides an opportunity that can be harnessed to spur economic growth. In view of the challenges and lessons learnt, there is need to provide adequate human resource and budgetary provision.

Child Protection Programme

Location: Nationwide

Objective: To realize and safeguard the rights and welfare of all children.

Implementing Agencies: State Department for Social Protection, Child Welfare Society of Kenya and National Council for Children Services.

Project Progress: Child Protection Programme existed before 2008, and was upgraded to a flagship in 2017. During MTP I, a National Children Policy was developed to guide in the protection and empowerment of children in the country. In addition, the Counter Trafficking in Persons Act, 2010 was enacted. The Act seeks to provide a legislative framework for combating trafficking in persons and related vices. The National Standards and Regulations for Charitable Children Institutions (CCIs) was also finalized during the period under review, a Children

Amendment Bill was also developed and guidelines for foster care and guardianship also completed. Further, 8 Child Protection Centres (CPCs) and Children Assemblies were established in all 47 counties during the MTP I period.

During the MTP II period, the number of Orphans and Vulnerable Children (OVCs) covered under the Presidential Bursary Scheme increased from 12,470 to 22,000. In addition, the State Department updated infrastructure in 6 statutory children institutions, established 2 child protection centres, developed the Child Protection Information Management System (CPIMS) and rolled it out to 15 counties. Further, 16,000 children were accommodated in children remand homes, 292 children were placed in local adoption, 929 children with no families were placed under foster care, 1,844 international adoptions were finalized, and 9,963 children were withdrawn from child labour in Busia, Kilifi, Kitui and Turkana counties. Rehabilitation and training of 2,603 children in various skills was undertaken in Children Rehabilitation Schools during the review period. Seventy-nine (79) children offices were opened during the review period to improve access to child protection services. Through the Children Offices across the country, family tracing and reunification services were provided to 18,456 children in emergencies; child participation was promoted by holding 235 county assemblies and 5 national children assemblies; 440 Charitable Children Institutions (CCIs) were certified, 34 Area Advisory Councils (AACs) were established to address children issues at grassroot levels; 970 Voluntary Children Officers were recruited and psychosocial support was provided to 112,210 vulnerable children during the same period.

The Ministry prepared and submitted the third, fourth and fifth consolidated state party reports on the United Nations Convention on the Rights of the Child (UNCRC). Mapping of all children service providers in the country was also carried out and county specific directories and one national directory were developed. The mapping included GPS coordinates for location of children service providers in Nairobi County. A Situation Analysis on Children was carried out and the National Plan of Action on Children 2015-2022 developed to guide implementation of strategies. Alternative Family Care Guidelines, National Standards for Charitable Children Institution, case management guidelines and referral mechanisms were also developed during the review period while 792,815 children in need of special protection were supported through toll-free line (116).

During the period under review, several activities were implemented to combat trafficking in persons. The Counter Trafficking Secretariat and Counter Trafficking in Persons Advisory Committees were established while the National Plan of Action for Combating Human Trafficking Strategic Framework 2013-17 was developed and implemented. The National Referral Mechanisms on counter-trafficking in persons, draft Counter Trafficking Regulations and standard operating procedures for police and prosecutor for victims of trafficking were also developed to facilitate reporting and prosecution of cases of trafficking.

Challenges and Lessons Learnt: Increased child rights violations, Inadequate data, knowledge and understanding on child rights and child protection issues, Inadequate capacities of communities to initiate, implement and sustain their projects / programmes for children, Erosion of social values, harmful cultural practices, child radicalization and online child abuse (cyber-crime) and Extreme poverty of households with children leading to child labour.

Recommendations and Way Forward: Need to create systems that enhance family-based care to ensure that all children, including children with disabilities, enjoy their rights to grow up in a family environment and receive appropriate care, and to prevent the need for placement of children in residential care. Community sensitizations should therefore be emphasized through outreach programs for awareness creation on child welfare.

Representation of People with Disabilities (PWD) in decision making processes at all levels

Location: Nationwide

Objective: To address issues that directly affect the PWDs through policies, legal frameworks, programmes and projects.

Implementing Agency: State Department for Social Protection

Project Progress: This project was implemented in MTP I during which 541 PWDs were trained in various technical skills in Vocational Rehabilitation Centers. Cabinet memo on Persons with Disability Policy was submitted to cabinet. New market-oriented curriculum for Vocational Rehabilitations Centers were developed. Ministerial disability mainstreaming strategies were developed. Ministry's staff were trained on disability mainstreaming. Disability issues were captured in the constitution. Constitution available in disability friendly versions i.e. Braille, Audio and Visual. Developed sub-indicators on Disability Mainstreaming which were included in the Performance Contract guidelines of FY 2010/2011. NCPWD has registered more than 150,000 persons with disabilities.

This project did not continue to MTP II period and was incorporated in the disability mainstreaming flagship project.

Implementation of the 30 per cent public procurement preferences for Person with Disabilities (PWD), women and youth

Location: Nationwide

Objective: To promote access to the 30 per cent procurement opportunities in Government tenders for women, youth and persons with disability (PWDs).

Implementing Agency: The National Treasury

Project Progress: This project was implemented during MTP II. The Public Procurement and Asset Disposal Act, 2015 Section 157, subsection (5) requires all procuring entities to reserve a prescribed percentage of its procurement budget, which shall not be less than 30Per cent, to the disadvantaged groups.

A total of Ksh. 16,676,812,446 has been awarded to women, youth and PWDs during the 2014-15 financial year. This represents 26.78 per cent of total tenders awarded. Out of this, women have been awarded Ksh. 8,807,468,342 which represents 52.8 per cent of the total amount set aside for this group during the 2014/2015 financial year.

During the first half of 2016/17, women entrepreneurs received the highest number of tender (1,782 tenders) worth Ksh. 1,965,573,645 representing 57.27Per cent of the total volume awarded, while Youth entrepreneurs received 1,256 tenders worth Ksh. 1,376,015,382 representing 40.09Per cent and PWDs entrepreneurs received 118 tenders worth Ksh. 90,574,266 representing 2.64Per cent of the total volume of tenders awarded.

Some State Departments are yet to submit their reports. However, since inception of the AGPO Programme, a total of 39,904 tenders have been awarded. Women entrepreneurs have received 20,413 tenders worth Ksh. 24,171,195,845 representing 53.92 per cent of the total volume awarded. Youth entrepreneurs received 17,790 tenders worth Ksh. 19,447,810,913 representing 43.38 per cent of the total tenders awarded and PWDs entrepreneurs received 1,701 tenders worth Ksh. 1,210,202,438 representing 2.7 per cent.

In terms of registration, 37,502 Youth enterprises have been registered and issued with AGPO certificate. This represents 58.85 per cent of the total registered enterprises. Registered women enterprises are 23,471 representing 36.83 per cent, and PWDs registered enterprises are 2,754 representing 4.32 per cent.


Tree planting campaign

Challenges and Lessons Learnt: Minimal allocation of funds by the Exchequer; Low uptake of bid bonds despite sensitization on the 30 per cent procurement opportunities, Low financial literacy by women borrowers resulting in lack of self-confidence and fear of loans.

Recommendations and Way Forward: Resource mobilization from multiple sources should be considered to support registered women's groups.

One Billion Tree Planting Campaign under the "Trees for Jobs Programme"

Location: Nationwide

Objective: To create jobs opportunities for youth through implementing the Trees for jobs Programme.

Implementing Agency: State Department for Youth Affairs

Project Progress: The Kazi Kwa Vijana (KKV) programme was a Kshs 15 billion project launched by H.E. the President and Rt Hon. Prime Minister on 12th March, 2009. The objective of the KKV programme was to generate between 200,000 - 300,000 short term employment opportunities for the unskilled youth through labour- intensive public funded socio-economic projects. The programme targeted the unskilled youth both in rural and urban areas. At the time of inception, KKV programme was intended to address the challenges of famine and poverty caused by prolonged drought in the country.

During MTP I period, the "trees for jobs" component of the Kazi Kwa Vijana (KKV) created 101,174 short-term jobs for the youth who were engaged to plant more than 8 million trees countrywide. This project did not continue to MTP II period.

SPORTS, CULTURE AND THE ARTS SECTOR

"Celebrating the Best in Us"

Sector Overview: Sports, Culture and the Arts play a crucial role in national development. Kenya continues to excel in sports at international level as well as in preserving its cultural identity and the arts. Kenya Vision 2030 recognizes that regulation of Public Benefits Organisations (PBOs) sector, positive promotion and effective exploitation of our cultural diversity, preservation and promotion of national heritage, sports and arts are critical to socio-economic, political and cultural development. The Sector is made up of three sub sectors namely Sports, Culture and Arts sub sectors.

Sector Objective: The main objective of this sector is to preserve and promote national heritage and development of sports for enhanced economic, social and political development.

Sector Performance: The Sports Act, was enacted in 2013 and its objective is to harness sports for connected purposes. A national policy on heritage and culture was developed aimed at creating an enabling environment for the development of creative cultural industry.

The Kenya National Library Services opened 59 branch libraries countrywide to improve access to information and knowledge to all communities; three county and two national stadia were refurbished and rehabilitated that is Kipchoge Keino, Kisumu and Mombasa and Moi International Sports Centre Kasarani and Nyayo National Stadium, the National Sports Lottery Fund was established as stipulated in the Sports Act, 2013 to support sports events.

Sector Challenges: The Sector experienced a number of challenges over the period under review. The Kenya National Library Services was unable to obtain sufficient reading materials while the Kenya Film Commission was unable to participate in international film markets as well as holding Kenya international film festivals. Poor literary culture also undermined the harnessing of public information resources. Under the arts, creative artistic practices are not being exploited for their massive potential in employment and national wealth creation. Encroachment and vandalism of monuments and ancient historical sites poses a challenge to maintaining our heritage.

International Sports Academy

Location: Nationwide

Objective: To serve as a centre of excellence in sports talent development by identifying and nurturing talent, training of technical and administration sports as well as conducting research in sports.

Implementing Agency: Kenya Academy of Sports

Project Progress: During the MTP I, identification of land was done, feasibility studies undertaken, and concept designs developed for the establishment of the Kenya Academy of Sports.

In MTP II, 80Per cent of construction works for Phase I of KAS Complex was completed. Works that were undertaken during this period include completion of major works of the 7-floor Hostel Building and associated civil works, construction of access road and gate house, construction of 5 playgrounds (1 Rugby pitch, 2 Football pitches and 2 Basketball courts – completion status at 65 per cent). Other works undertaken include laying of cabro parking, foul and storm water drainage within the complex, installation of ground tank water bearers, chain-link fencing, installation of pump room. In addition, curriculum development for training of athletes and athletes support personnel was initiated, over 10,000 talented children and youth were trained in different sports disciplines. Also, over 1,500 sports technical personnel were trained and several research activities conducted.

Challenges and Lessons Learnt: The major challenge faced during implementation is Project underfunding which delayed commenced of works in the regional locations.

Recommendations and Way Forward: Funding for Capital Projects should be increased to complete Academy complex and initiate works for Regional, County and Constituency Sports Academies. There is urgent need to explore funding options such as PPP, BOUT.

Build and Rehabilitate Sports Stadia

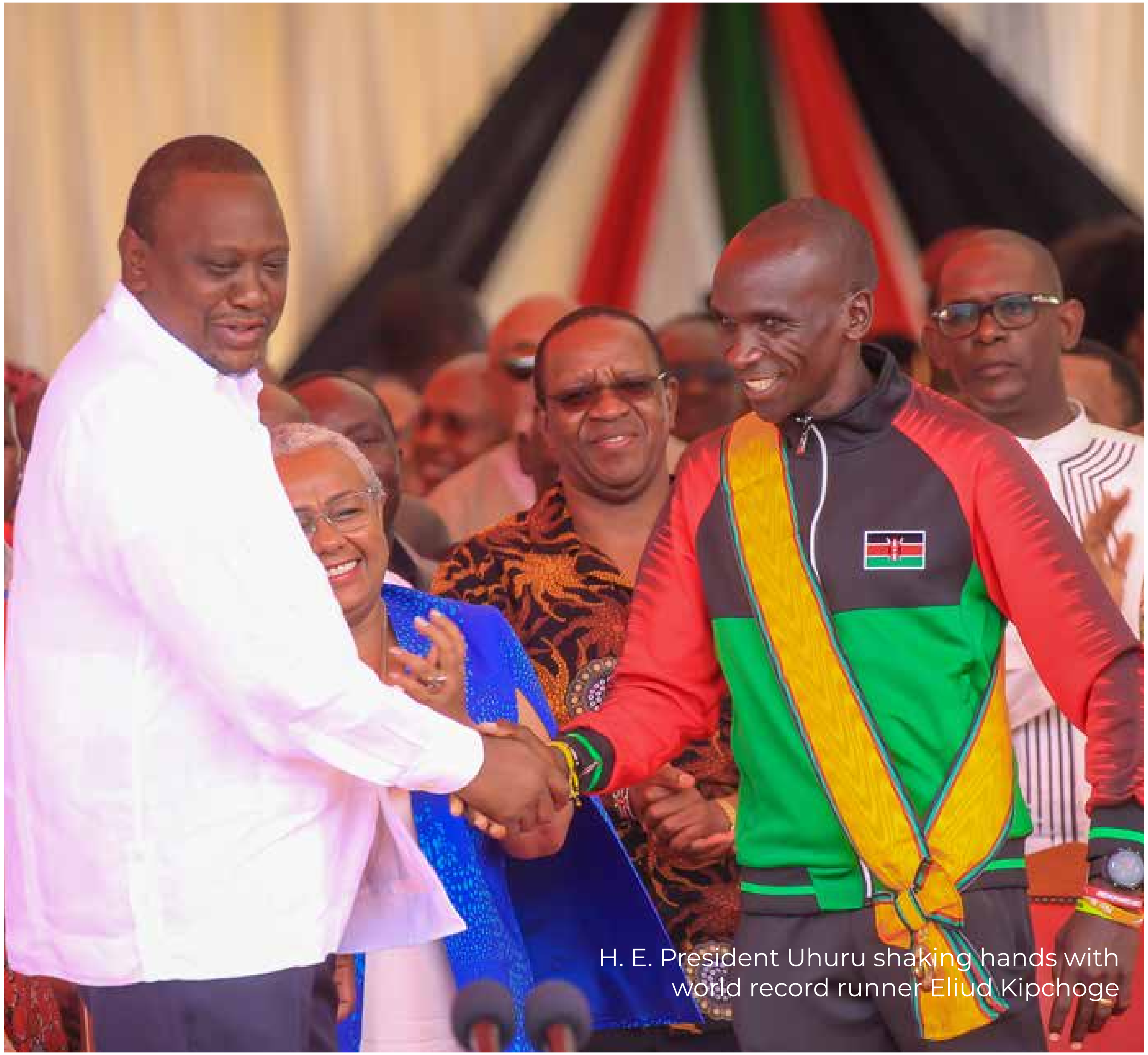
Location: Mombasa, Kisumu, Nairobi and Eldoret.

Objective: Provide sports facilities to enable the youth to develop, grow their talents and compete in sports; To regulate, protect and enforce facilities standards to ensure quality facilities are available to the public.

Implementing Agency: Sports Kenya

Project Progress: During the MTP I; Land identification, feasibility studies and concept designs were undertaken for the establishment of an Athletics Centre of Excellence in Eldoret, Sports Leisure and entertainment Park in Nairobi and Waterfront Sports and Leisure Park in Mombasa. Other achievements included the (3) National Stadia completion of designs including the bills of quantities for the 3 prioritized stadia, transaction structure, funding model and tender documents for Expression of Interest (EOI). A market sounding exercise for potential investors was also done.

During MTP II, Sports Kenya upgraded sports facilities to international standards; Moi International Sports



H. E. President Uhuru shaking hands with world record runner Eliud Kipchoge

Centre-Kasarani was completed in compliance with the hosting requirements for World U18 IAAF held in July 2017. Seven (7) other regional stadia work averaged at 44Per cent completion. Legacy projects of the World U18 2017 IAAF Championship which included major renovation of the Stadion Hotel and construction of an annex indoor arena for sports and recreation activities were completed. Further, rehabilitation works to comply with the hosting requirements for CHAN 2018 championships were at an average of 60 per cent completion level i.e. Kinoru – Meru County, Kipchoge Keino Phase II – Uasin Gishu and Nyayo National stadia – Nairobi.

Challenges and Lessons Learnt: Inadequate resources hindered timely completion of projects. Further, delayed authorization for clearance of the tartan/synthetic track from the port.

Recommendation and Way Forward: There is need to diversify funding/financing opportunities and enhancing collaborations with the Counties and other stakeholders, adequate budget allocation to complete the projects and Regulations to guide technical aspects in development of sports infrastructure should be developed.

Anti-Doping Agency of Kenya

Location: Nationwide

Objective: The objective of establishing the Agency is to carry out the fight against doping in sports through anti-doping values-based education, sensitization and awareness campaigns, to protect the 'clean athlete' by carrying out effective doping tests among Kenyan athletes and to uphold the integrity of sports through Intelligence Gathering, Investigations and Results Management of Anti-Doping Rule Violations (ADRVs).

Implementing Agency: Anti-Doping Agency of Kenya

Project Progress: During the MTP I the Agency had not been established. ADAK was established in 2016. In MTP II, the Anti-Doping Agency of Kenya, reached out to Fifty-five thousand, four hundred and eleven (55411) persons through anti-doping information sharing programs which include: anti-doping education, outreach programs and impartation of the spirit of sports values to children aged fifteen (15) years. The Agency also carried out three (3) researches on doping matters.

All the doping cases detected were taken through the result management process and concluded at 100 per cent. In addition, two thousand and twelve (2012) intelligence-based tests on athletes in various sports disciplines were carried out during the period under review.

Challenges and Lessons Learnt; Major Challenges included: Increased cases of doping by some athletes in international competitions and allegations in the media watered down the great efforts that produced exemplary performance by clean athletes at the global stage, technological advancement in the use of prohibited substances by some athletes which seemed to be ahead of anti-doping measures; and, lack of an accredited laboratory in Kenya made it very expensive in analyzing doping tests hence low coverage in testing.

Recommendations and Way Forward: Promote Values-based Anti-Doping Education by integrating the school's curriculum to cover this area to instill values among students /athletes for prevention of doping at an early age, the Agency to capitalize on the e-learning platform to disseminate anti-Doping information to all stakeholders involved in the fight against doping in sport; establishing a WADA accredited laboratory to reduce cost of analysis of Anti-Doping tests, exchequer should avail funding for ADAK to implement core mandate programmes i.e. carrying our anti-doping education, intelligence testing and Results Management.

The International Arts and Culture Centre

Location: Nairobi

Objective: To be the arts, culture and creativity centre of excellence in Africa through talent development, exhibition and international cultural exchange

Implementing Agencies: Kenya Culture Centre, State Department for Culture and Heritage.

Project Progress: The Project started during the MTP II period and the achievements for the period under review included: Identification of Land located within Nairobi and adjacent to the Kenya National Theatre and Effecting transfer of the land to the Kenya Cultural Centre. Mobilization and preparation of a detailed brief was done which entailed conducting orientation meetings, presentation of project programs and sketch design briefs.

Development of outline Proposals whose process involved evaluation of alternative designs, cost estimates and project appraisal report. Feasibility studies and site analysis were conducted by undertaking a topographical survey and geotechnical survey.

Challenges and Lessons Learnt: Some of the challenges faced by the project included: Inadequate resources that slowed the implementation of the Project, Delays in acquisition of transfer documents for the land.

Recommendation and Way Forward: There is need for increased funding to establish the International, Arts and Culture Centre, Consider funding from private financiers, external donors and collaboration with stakeholders, Streamlining of land transaction procedures should be undertaken to simplify the process of land conveyancing especially between Government Agencies.

The National Sports Lottery Fund

Location: Nationwide

Objective: To mobilize resources for sports development through establishment of National Sports Fund.

Implementing Agency: National Sports Fund

Project Progress: The project started during MTP I, where it was referred to as "the Establishment of Sports Lottery Fund". During the review period, the Sports Act, 2013 which is the enabling legislation was enacted.

In MTP II, the National Sports Fund was established as stipulated under the Sports Act, 2013. The following was also undertaken; Board members of the National Sports Fund were appointed and staff recruited. In 2016, the Fund partnered with Safaricom Ltd. and Airtel Ltd. and mobilized Ksh. 24 Million which was disbursed to support sports events.

Further, with regard to the establishment of the National Sports Lottery, the Fund trademarked the name "Michezo National Lottery", developed a business plan as well as ToRs for engaging and operator. However, the project failed to take off due to lack of funds.

The Fund was also able to successfully lobby the Parliament to pass 35 per cent tax on betting and lottery which was to be disbursed through the National Sports Fund after amending the Section 12 of the Sports Act, 2013.

Challenges and Lessons Learnt: The key challenges included weak regulatory framework for implementing the lottery (especially licensing) and inadequate funding.

Recommendation and Way Forward: Review and implement the Sports Act to provide the legal framework to facilitate growth and development of the sports industry and Licensing of the lottery should be long term to attract investors.

Establishment of 'Kenya Houses' in International Sports Competitions

Location: Nationwide

Objective: The main objective is to help brand Kenya as a tourist destination by leveraging on international sports events.

Implementing Agencies: Ministry of Sports, Culture and the Arts, Brand Kenya Board

Project Progress: This was not achieved due to lack of funds.

Challenges and Lessons Learnt: The main challenge for the project was lack of funds

Recommendation and Way Forward: There is need for engagement of Development Partners on financing of the project so as to ensure that it is actualized.

Ultra-Modern National Library of Kenya

Location: Nairobi

Objectives: To increase access to information and knowledge for empowerment to all Kenyans.

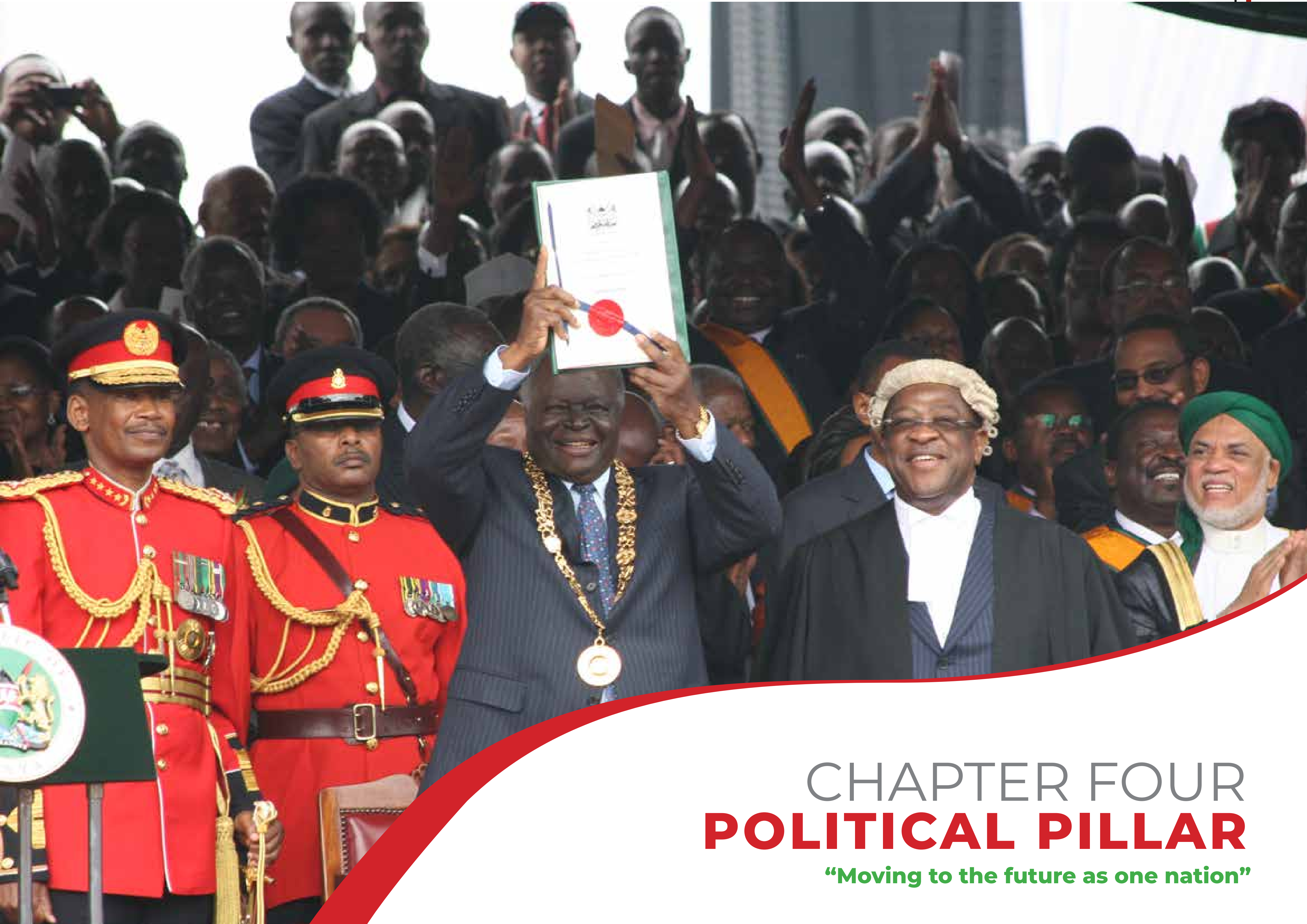
Implementing Agency: Kenya National Library Service

Project Progress: The project was started in April 2012. During MTP I, the main work that was done was excavation of the site for basement parking and laying the foundation of the entire project.

During MTP II, the Project completion rate was 75Per cent. The work done included erecting of the structure, partial completion of the library wing and basement parking.

Challenges and Lessons Learnt: Delay in completion of the project due to cash flow challenges from the Government. Phased approach was adopted in implementation to minimize claims associated with delayed payments.

Recommendation & Way Forward: Implementation of phased approach with clear completion dates and budgetary requirements. The project is was expected to be completed by March 2020 if it is fully financed as per the proposed budget.



CHAPTER FOUR
POLITICAL PILLAR

"Moving to the future as one nation"

INTRODUCTION

The Kenya Vision 2030 takes cognizance of the importance of a democratic society that respects individual liberties, freedom of speech, association and worship and the rule of law. The Political Pillar of Kenya Vision 2030 envisages a democratic political system that is issue-based, people-centered, result-oriented and accountable to the public. The pillar envisions the transformation of the country's political governance system. Transformation within the political pillar cuts across the following strategic thrusts: devolution, adherence to the rule of law, issue-based politics, people-centered and politically engaged society, transparency, accountability, ethical and results-oriented Government institutions, policy driven and service-focused Government institutions and security for all Kenyans. The MTP goal for political pillar is 'Moving to the future as one nation.'

During MTP I and II, the country achieved the most important objective under the Political Pillar which was the promulgation of the Constitution of Kenya in August 2010, which was passed through a national referendum. Since the inauguration of the Constitution, Kenya has made enormous strides in advancing devolution, rule of law and governance.

Under devolution, governance and institutional reforms were implemented including, the enactment of legislations mandated by the Constitution and establishment of new governance institutions at national and county levels. Effective devolution required massive resources for capacity building and technical assistance. The Government through the Ministry of Devolution rolled out extensive capacity building programs across all the 47 counties. It is notable that during the period under review, services became easily accessible to the citizens through the devolved units.

As relates to governance and rule of law, the sector implemented a number of programmes including: judicial transformation, police reforms, reforms in prisons and correctional services, changes in the electoral processes, and promoting national cohesion, social integration, transparency and accountability. Despite the achievements, some challenges were encountered in the implementation of projects and programmes under this pillar which include: political interference; prolonged electioneering process; lack of harmony between the national and county Governments due to slow phase of aligning laws to the constitution; complex nature of devolution and a dis-engaged citizenry that was not supportive of the participatory anti-corruption efforts.

The pillar has two sectors, namely; (I) Devolution, and (2) Governance and Rule of Law.

DEVOLUTION SECTOR

"Making Devolution Work: A Catalyst for Holistic, Transformative and Sustainable Development"

The system of devolved Government in Kenya was introduced by the Constitution of Kenya (CoK) 2010. Devolution is by far one of the most significant and transformative initiatives undertaken since independence and is a key sector under the political pillar. The devolved system of Government has been implemented since 2013 with a significant level of success. The Constitution prescribes the national values and principles of governance which include sharing and devolution of power to provide basis for Kenya's system of devolved Government. Kenya's devolved system of Government aims at contributing to the enhancement of service delivery and citizens' participation in governance.

Several institutions and structures were put in place to operationalize the devolved system of Government including: The National and County Governments Coordinating Summit, the InterGovernmental Relations Technical Committee (IGRTC), the Council of Governors (CoG), the InterGovernmental Budget and Economic Committee (IBEC), Controller of Budget (CoB), Commission on Revenue Allocation (CRA) and Transition Authority (TA). All county Governments put in place County Public Service Boards (CPSB) and County Assembly Service Boards (CASB) to manage human resource.

Specific milestones towards establishment and running of the governance units were realized. Policy, legal and institutional reforms were undertaken to facilitate the implementation of devolution. The Transition Authority (TA) played an important role in facilitation and coordination of the transition to the devolved system of Government. In execution of its mandate, the Transition Authority in collaboration with MDAs did an analysis on phased transfer of functions, coordinated integrated development planning and funding mechanisms, undertook a comprehensive human resource audit and capacity development, developed and conducted civic awareness on devolution as well as implementation of policy and laws.

During the implementation period the sector faced a number of challenges that affected the implementation, some of the key challenges included: Inadequate and delayed release of resources leading to a disproportionate reform pace, inefficiencies and ineffectiveness in service delivery, Slow implementation of Constitution occasioned by lack of political good will and political party differences and Slow and lengthy procurement procedures.

Progress on Implementation of the Flagship Projects

The performance of the flagship projects during the period under review is discussed below.

Capacity Building (Training and System Development)

Objective: To develop the requisite capacity and skills for better service delivery.

Implementing Agencies: Ministry of Devolution and

Planning, Transition Authority, National Treasury, Kenya School of Government, Auditor General.

Project Progress: During the transition period, the sector seconded critical technical staff from national Government to counties to mentor and build capacity of existing and recruited staff in the county Governments. Further, staff recruited by county Governments were trained and inducted on Government operations and procedures.

The implementing agencies in collaboration with development partners undertook capacity building programmes in counties on the following thematic areas: public finance management, planning, monitoring and evaluation, human capital and performance management, interGovernmental relations, civic education and public participation. Counties were also assisted in building their technical capacity on specific areas based on demand.

To strengthen cooperation and coordination between the two levels of Government, 18 InterGovernmental sectoral forums were established. Public participation guidelines were also developed and disseminated.

Challenges and Lessons Learnt: Weak knowledge management structures and systems both in National and counties leading to repetitive capacity building interventions.

Recommendations and Way forward: There is need to develop National and County Knowledge Management Framework and Systems to assist in capturing, distributing and effectively using knowledge.

Civic Education on Devolution

Objective: To increase awareness and sensitize citizens on devolved system of Government.

Implementing Agencies: Ministry of Devolution and Planning, Transition Authority

Project Progress: Civic education on devolution was undertaken in all counties during the review period. This was done under the Bridging the Divide through Accountable Governance (BDAG) project that aimed at creating awareness on the devolved system of Government as well as supporting initiatives of transferring roles from the defunct Local Authorities to counties.

The Government rolled out the Kenya National Integrated Civic Education (K-NICE) programme in partnership with non-state actors across all the 47 counties to provide civic education to citizens. The programme provided an organizational framework for a sustainable national civic education that promoted collective national aspirations, enhanced the participation and engagement of citizens, as well as promoted responsive governance. Civic education curriculum and strategy were developed and implemented.

Challenges and Lessons Learnt: Unstructured and uncoordinated provision of civic education due to lack of civic educator's accreditation framework. In addition, there was inadequate budgetary provision by county Governments to undertake civic education and growing citizen apathy in civic education participation.

Recommendations and Way Forward: There is need for accreditation of civic education providers to ensure standards and uniformity. Counties should provide adequate budgets for civic education programmes. Further, National Government should endeavor to continuously support the County Civic Education Units.

Policy, Legal and Institutional Review

Objective: To strengthen Policy, Legal and Institutional Framework on Devolution

Implementing Agencies: Ministry of Devolution and Planning, Kenya Law Reform Commission, Attorney General, National Parliament.

Project Progress: This program aimed at developing a policy, legal and regulatory framework for the implementation of the devolved system of Government. The sector developed a Policy on devolved system of Government to implement devolution. Laws on devolution, which include County Governments Act, 2012, InterGovernmental Relations Act, 2012, Transition to Devolved Government Act, 2012, the Public Finance Management Act, 2012 and Urban Areas and Cities Act, 2011 were enacted. Key interGovernmental relations institutions were also established and operationalized. These include: National and County Government Coordinating Summit (the Summit), the Council of Governors (CoG) and InterGovernmental Relations Technical Committee (IGRTC).

To operationalize the devolved functions as spelt out in the 4th Schedule of the constitution, 51 County Model Laws were developed and disseminated to all County attorneys and County secretaries. Counties were expected to adapt these laws with the assistance from the KLRC. The model laws include but are not limited to: County Sand Harvesting Bill, 2016, County Water and Sanitation Bill, 2016, County Cooperatives Bill and, County Disaster Management Bill.

Challenges and Lessons Learnt: The lengthy process in approval of policies by the Cabinet and the subsequent enactment of laws by Parliament slowed down realization of some of the planned activities. There were also delays in the publication of county legislations in the Kenya Gazette which led to invalidation of some laws. Slow uptake of the model laws by county Governments.

Recommendations and Way Forward: There is need to review the protocol order and the best approach on Publication of County Legislations.

Resource Mobilization and Utilization

Objective: To mobilize funds to support devolution

Implementing Agencies: Ministry of Devolution and Planning, National Treasury, Commission on Revenue Allocation.

Project Progress: A framework was established for sharing of nationally raised revenues between the national and county Governments, and among counties. The counties also continued to mobilize resources to complement their equitable share allocation. A Devolution Sector Working Group was established and operationalized to improve coordination and mobilization of resources for devolution programmes from development partners and other stakeholders.

During the period under the review, the Kenya Devolution Support Programme and Instrument for Devolution Advice and Support programme mobilized funds amounting to approximately Ksh.30.5 billion to support capacities building initiatives in counties and national Government institutions.

The Kenya Accountable Devolution Programme, funded by the World Bank provided technical assistance to support the national and county Governments in formulating and implementing relevant policies, laws and regulations to support devolution.

Challenges and Lessons Learnt: Underutilization of externally mobilized funds as a result of stringent conditions and delay in funds disbursement thus delaying programme implementation. Non realization of on source revenue targets by counties leading to huge pending bills. Delayed disbursement of equitable share allocations to counties resulting to slow pace of implementing development programmes.

Recommendations and Way forward: There is need to carefully interrogate financing agreements and project requirements before commitment, and build capacity on efficient revenue collection especially for county Governments.

Human Resource Management, Development and Service Delivery

Objective: To improve human resource capacity for effective service delivery.

Implementing Agencies: Public Service Commission, County Public Service Boards, County Assembly Service Boards.

Project Progress: A human resource audit was conducted under the Capacity Assessment and Rationalization of the Public Service (CARPS) to identify staffing levels and skills gap for both national and county Governments. The county CARPS reports were shared with the county leadership and the national Government, and the consolidated report submitted to the Summit for adoption. County Public Service Boards (CPSB) and County Assembly Service Boards (CASB) provided technical and strategic direction in human resources management and development issues. Guidelines on human resource management in the counties were also developed and county staffs trained.

Challenges and Lessons Learnt: Inadequate norms and standards in county public service management (terms and conditions, recruitment, remuneration, human resource development and mobility of staff and succession management).

Recommendations and Way forward: There is need to standardize terms and conditions, recruitment, remuneration, human resource development and mobility of staff and succession management in county Governments.

Change Management, Institutional Development and Coordination

Objective: To ensure seamless transition to the devolved system of Government

Implementing Agencies: Ministry of Devolution and Planning, Transition Authority, Commission on Revenue Allocation.

Project Progress: During the period under review, the sector ensured seamless transition by designating county offices for both county executive and county assemblies, seconded technical staff to all county Governments and allocated funds for county operations.

Functional analysis and costing of devolved functions was undertaken. Subsequently, functions and attendant resources were transferred. The unit costing for health, agriculture, livestock, fisheries, environment, water, natural resources, transport, infrastructure and Foreign Affairs functions were also undertaken.

Challenges and Lessons Learnt: Inadequate resource to undertake the change management programs and lack of comprehensive culture change programs.

Recommendations and Way Forward: There is need for development of change management culture program and provision of adequate resources to support implementation.

County Infrastructure and Other Facilities

Objective: To provide conducive working environment for county Government staff for effective service delivery.

Implementing Agency: Transition Authority

Project Progress: At the onset of devolution, county infrastructures were established in all the 47 counties which entailed acquisition and rehabilitation of office blocks, provision of internet connections and other ICT infrastructure. An inventory of assets and liabilities of the defunct Local Authorities was undertaken and a report prepared.

Challenges and Lesson Learnt: Inadequate funds to fully establish /renovate county headquarters and offices during the transition period and challenges in situating county headquarters due to political and vested interests.

Recommendations and Way forward: Proper planning and funding is necessary for meaningful infrastructure development and Public participation and consensus building is necessary to defuse political tension. There is need to conduct an audit of all assets and liabilities under all devolved functions.

Kenya National Spatial Data Infrastructure

Objective: To minimize land disputes and enhance land utilization

Implementing Agencies: Ministry of Lands

Project Progress: A National Spatial Data Plan was developed and launched to guide spatial planning at national and county levels. The construction of the Kenya National Spatial Data Infrastructure (KNSDI) Centre was initiated and geodetic reference points (pillars) were constructed in Kwale, Wundanyi, Bondo and Koibatek. The database for Nairobi was completed while preparation for Kiambu and Mombasa was initiated.

Challenges and Lesson Learnt: There is inadequate capacity in counties to develop the spatial plans. Most Government land is not surveyed.

Recommendations and Way Forward: All Government land should be surveyed and documented.

Comprehensive Data Management System

Objective: Development of a comprehensive data compilation and management system to cater for all sectors of the economy.

Implementing Agencies: Kenya National Bureau of Statistics.

Project Progress: The Kenya National Bureau of Statistics in collaboration with other stakeholders prepared detailed county indicators in all the 47 counties to facilitate preparation of county statistical abstracts.

Challenges and Lessons Learnt: Inadequate capacity and technical skills in counties

Recommendations and Way forward: There is need to continuously build capacity of county Government officials responsible for county planning and statistics.

Performance Management

Objective: To improve efficiency and effectiveness in delivery of public services.

Implementing Agencies: Ministry of Devolution and Planning

Project Progress: Guidelines for county performance management were developed and disseminated.

Challenges and Lesson Learnt: Limited capacity on performance management, failure to identify the drivers within the counties and lack of oversight on the implementation of county performance management plans.

Recommendations and Way forward: Establishment of the performance management structures.

Integrated Development Planning

Objective: To provide an integrated medium-term plan for county development

Implementing Agency: Ministry of Devolution and Planning, Transition Authority

Project Progress: County Planning Units were established in all counties to coordinate planning and budgeting. Guidelines for preparation of County Integrated Development Plans (CIDPs) were developed and disseminated which enabled counties to develop their first generation CIDPs, 2013–2017. Guidelines for Mid-Term Reviews of CIDPs were also issued to enable counties to undertake midpoint assessment of implementation of the CIDPs and make appropriate recommendations for addressing any challenges and constraints. Counties also prepared the County Annual Development Plans.

In 2017, the Draft (Revised) Guidelines for Preparation of CIDPs were issued to the counties to enable them to prepare the second generation CIDPs, 2018-2022. Also issued were the Draft Guidelines for Preparation of County Annual Development Plans.

Challenges and Lessons Learnt: Most counties did not develop the County Sectoral Plans as envisaged in the Section 109 of the County Government Act. Similarly, most counties did not produce strategic plans as stipulated in Section 149 of the Public Finance Management Act, 2012. This was due to inadequate human capacity to develop the required plans, Lack of alignment of county budgets to the CIDPs; and Inadequacy of resources to fully implement proposals in the CIDPs.

Recommendations and Way Forward: There is need to build human capacity to develop the required plans. County Governments need to mobilize additional resources to support their budgetary requirements. There is need to strengthen collaboration between the national and county Government entities to enhance implementation of programmes and projects at the county level.

Capacity Building Transition Authority

Objective: To undertake a needs assessment and develop the requisite capacity and skills for better service delivery.

Implementing Agencies: Transition Authority

Project Progress: The TA developed transitional mechanisms to provide technical support in establishing basic structures, systems and processes. These included identification, induction and deployment of TA county coordinators and county transition teams, preparation of transition laws, standing orders, and governor's guidebooks. In addition, TA developed frameworks for preparation of county profiles, training manuals budgets and human resource management systems among other initiatives. The TA wound up and their residual functions were taken over by the InterGovernmental Relations Technical Committee in March 3, 2016.

Challenges and Lessons Learnt: There is resistance to the new governance system. Creation of redundancies due to lack of adequate skills by the defunct Authority staff to undertake the devolved functions.

Recommendations and Way Forward: Undertake rationalization of staff across the two levels of Government.

GOVERNANCE AND THE RULE OF LAW SECTOR

"A Secure, Just, Cohesive, Democratic, Accountable, Transparent and Conducive Environment for a Prosperous Kenya."

The Sector aims at ensuring 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. The projects and programmes of key importance under MTP I and II were the enactment and enforcement of supportive legislation, creation of strong governance institutions, allocation of adequate budgetary resources and enhancement of human and technical capacities in all counties.

The sector initiated several flagships and other high priority programmes and projects including the promulgation of the Constitution of Kenya (2010), establishment of various commissions and committees, enactment of laws as set out in the Fifth Schedule of the Constitution and implementation of the devolved system of Government.

The main challenges to implementation of the activities under governance and rule of law were: limited financial and human resources; delayed release of resources; slow implementation of the legal and policy framework; limited civic awareness and public participation in the policy, legislative, planning and budget processes; slow pace in the decentralization of functions and inadequate adherence to values and principles of ethics. These challenges impacted negatively in the realization of some targets set in the MTP I and MTP II.

Progress on Implementation the of Flagship Projects
The performance of the Sector during the period under review is discussed as follows:

Constitutional Reform

Objective: To finalize a new constitution for Kenyans.

Implementing Agencies: Attorney General's Office and Department of Justice, Judicial Service Commission, Kenya Law Reforms Commission.

Project Progress: The Constitution of Kenya was passed in a national referendum on the 4th August 2010 and promulgated on 27th August 2010. Thereafter, the Commission for the Implementation of the Constitution was established in December, 2010 through an Act of Parliament. The Commission prepared an audit report on the laws that needed to be repealed, amended, consolidated or generally reviewed in order to comply with the Constitution. During the period under review, 23 pieces of legislations were enacted in the areas of judicial reforms, electoral reforms, internal security reform, public service reforms, promotion and protection of human rights; public finance and aspects of the devolved system in an effort to operationalize the Constitution.

Eighteen model laws (templates) for customization by County Governments were also prepared and disseminated to stakeholders. The National Integrated Civic Education Programme was also rolled out during the MTP I period. A total of 266,570 people in the 47 counties received civic education under the programme. Approximately 2 million people also benefitted from a media civic education through TV and Radio while 2,021 senior civil servants were trained on the Constitution.

Challenges and Lessons Learnt: Vested interests among the political class, business people and bureaucracies affected the pace of implementation of reforms, policies and regulations with regard to governance and rule of law.
Recommendations and Way forward: There is need for continuous civic education on governance and

rule of law even as the sector continues to enact new laws and amend the existing ones to conform to the Constitution 2010.

Truth Justice and Reconciliation Commission (TJRC) Process

Objective: To inquire into human violations, including those committed by the state, groups or individuals between 12th December 1963 and 28th February 2008.

Implementing Agencies: Attorney General's Office and Department of Justice, Institute for Independent Electoral Review Committee (IREC).

Project Progress: The TJRC Act was enacted in 2008 and the Commission was operationalized in 2009. The goal was to promote peace, justice, national unity, healing, reconciliation and dignity among the people of Kenya.

The TJRC developed its hearing rules and published a popular version of the rules in the local dailies. Outreach programmes and public education sessions were held throughout the country with special focus on conflict prone areas. At the conclusion of the exercise, 42,098 statements had been taken throughout the country. The TJRC Report was presented to the President in May 2013 and subsequently forwarded to Parliament. An amendment to the TJRC Act was enacted to facilitate discussion of the TJRC Report by Parliament and its effective implementation. The TJRC Report is in Parliament for consideration. The TJRC was wound up in FY 2013/2014.

Challenges and Lesson Learnt: The TJRC Report is yet to be implemented.

Recommendations and Way forward: Implement the recommendations of the TJRC report.

Kriegler Committee

Objective: To investigate all aspects of the 2007 Presidential election by 2008/09 fiscal year.

Implementing Agencies: Kriegler Committee

Project Progress: The Committee successfully conducted its work and handed its report to the President in September 2008. Among the recommendations of the report were the establishment of the Interim Independent Electoral Commission (IIEC), the Interim Independent Boundaries Review Commission (IIBRC) and the Interim Independent Constitutional Dispute Resolution Court (IICDRC).

Commissioners of the Interim Independent Electoral Commission (IIEC) were officially appointed in May 2009 with the responsibility of: overseeing electoral reforms and in particular the creation of a new voter register, development of a modern system for collection, collation, transmission and tallying of electoral data; promotion of voter education and efficient conduct of elections and referendum.

The Independent Electoral and Boundaries Commission was established by an Act of Parliament in 2011. The Commission developed a new voter register and integrated the use of electronic transmission of election results. The Political Parties Act, 2011 and the Elections Act, 2011 were also enacted in line with the recommendations of the Kriegler Commission.

Challenges and Lesson Learnt: Some witnesses were unwilling to appear before the commission to testify on Oath.

Recommendations and Way forward: There is need for long-term investment in voter and civic education. There is need for establishment of a witness protection program.

Commission on Post-Election Violence

Objective: To investigate the facts and circumstances related to acts of violence that followed the 2007 Presidential Election.

Implementing Agencies: The Commission of Inquiry on Post-Election Violence (CIPEV), Ministry of Justice, National Cohesion and Constitutional Affairs (MOJNCCA).

Project Progress: The Commission of Inquiry into Post Election Violence started its work in 2008 and handed over its Report in 2009. Some of the achievements from the implementation of the Report include: enactment of the International Crimes Act 2008, development of Freedom of Information Bill, formulation of the National Security Policy; development and implementation of conflict and early warning response systems, development of a joint operational preparedness strategy for State Security Agencies, enactment of the National Police Service Commission Act 2011, Independent Policing Oversight Authority Act, 2011 and, integration of the regular and administration police into one single entity.

Challenges and Lesson Learnt: Some stakeholders were unwilling to disclose facts and circumstances related to acts of violence that followed the 2007 Presidential Election.

Recommendations and Way forward: There is need for enhancement of national cohesion and integration.

National Cohesion and Integration Commission

Objective: Promote lasting national cohesion, ethnic and race relations

Implementing Agencies: National Cohesion and Integration Commission (NCIC)

Project Progress: The National Cohesion and

Integration Commission, established in 2008, promoted 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). To address hate speech and related offences, the National Cohesion and Integration (NCI) Act (2008) was amended and the National Police Service Commission (Recruitment and Appointment) Regulations of 2015 were reviewed.

To support investigations on hate speech and related crimes, a social media monitoring station was established. In addition, Sessional Paper No. 9 of 2013 on National Cohesion and Integration and Sessional Paper No. 8 of 2013 on National Values and Principles of Governance were finalized.

The Commission coordinated the first national cohesion/elders conference; undertook research on the status of national cohesion and integration; sensitized citizenry on matters of national cohesion and integration; spearheaded formulation of policy and legislative framework on national values; and, guided the development of a national cohesion and integration policy and training manual. The Commission also conducted consultative forums and community exchange activities on peaceful elections; and, conducted training for Focal Point Persons for MDAs and Counties on National values and Principles of Governance.

Challenges and Lessons Learnt: Slow pace of implementation occasioned by lack of transparency and accountability on some programmes. Lack of capacity to conduct investigations. There has also been slow prosecution process.

Recommendations and Way forward: There is need for political goodwill in promoting national cohesion in order to realize implementation of the project. There is need for continued fight against corruption, enhancing judicial processes and strengthening capacities to facilitate dispensation of justice, adherence to the rule of law, continuous public awareness creation; enforcement and, monitoring of national values and principles of governance. Enhancing sensitization and training on non-violent conflict resolution processes, as well as peace building initiatives leads to appreciation of human dignity.

Post-Election Legal Counselling

Objective: To provide legal advice and counselling to Kenyans affected and traumatized by the FY 2007/2008 post-election events.

Implementing Agencies: Ministry of Justice, National Cohesion and Constitutional Affairs (MOJNCCA), Independent Electoral Review Committee (IREC).

Project Progress: The programme undertook Post Election Legal Counselling in Nakuru, Nyahururu, Eldoret and Kisumu towns which were some of the most affected areas during the post-election violence. A total of 500 internally displaced persons were offered legal counselling, 15,000 petitioners granted legal aid, 500 people offered legal counselling and advice in six legal aid pilot projects; and, 500 litigants trained on self-representation in family, children and robbery with violence cases. Pro bono lawyers were also recruited and trained on Alternative Dispute Resolution.

A baseline survey on access to justice for Persons Living with Disabilities and on status of Legal Aid in Kenya was conducted. The draft national policy on IDPs was prepared and forwarded to the Cabinet.

Challenges and Lesson Learnt: It was not possible to offer legal counseling to all victims of post-election events. Unwillingness by victims and witnesses to disclose facts and circumstances related to acts of violence that followed the 2007 Presidential Election.

Recommendations and Way Forward: There in need for continuous civic education for Peaceful elections.

Implementation of Constitutional and Legal Reforms

This flagship project has three components, namely the development of laws to implement the Constitution (fifth schedule laws), civic education on the Constitution and inculcating a culture of constitutionalism.

Development of Laws to implement the constitution

Objective: To develop legislation required under the fifth schedule and to ensure conformity and consistency of existing laws with the Constitution.

Implementing Agencies: Commission for the Implementation of the Constitution, Office of the Attorney General, Judiciary, Kenya Law Reform Commission and Parliament.

Project Progress: The Commission for the Implementation of the Constitution (CIC), reviewed a total of 86 laws on the implementation of the Constitution. In line with its oversight mandate, the Commission issued advisories on 44 laws and had 28 judicial interventions in public interest. A total of 9 Acts were developed to ensure transition of the devolved system of Government.

By the end of the MTP II, all the 49 laws required under the Fifth Schedule of the Constitution and subsidiary legislations were developed, enacted, and published. An audit of the laws existing prior to the promulgation of the Constitution was undertaken and a review of 150 laws done. A total of 51 model laws were developed to support county Governments to develop customize their own laws.

Challenges and Lessons Learnt: High stakeholder's expectations.

Recommendations and Way forward: There is need to ensure new laws conform to the Constitution. There is also need for proper coordination of the various agencies in developing legislations and implementing the Constitution. Management of stakeholder's expectations.

Civic Education on the Constitution

Objective: To undertake civic education on the constitution to ensure that citizens actively engage in Government and Governmental processes.

Implementing Agencies: Commission for the Implementation of the Constitution, Office of the Attorney General, Kenya Law Reform Commission, Transition Authority.

Project Progress: A training manual for civic education was developed by the Transition Authority in collaboration with the Kenya Institute of Curriculum Development. In partnership with the Civil Society Organizations, the manual was piloted in Laikipia, Meru, Kitui, Garissa and Tana River counties. Guidelines on Public Participation were also developed.

Civic education programmes were conducted at both the national and county levels. Over 600 people were sensitized on the Constitution in nine counties, namely; Kisii, Kakamega, Mombasa, Kilifi, Kwale, Trans Nzoia, Busia, Bungoma and Vihiga. Thematic booklets on the Constitution were developed and distributed to all the stakeholders including vulnerable groups.

Challenges and Lesson Learnt: Inadequate civic awareness on the Constitution as well as inadequate resources including capacity and financial resources.

Recommendations and Way Forward: There is need for standardization of civic education messaging throughout the country both at national and county level as well as non-state actors.

Inculcate a Culture of Constitutionalism

Objective: To inculcate a culture of constitutionalism that will see adherence to Constitution amongst Government agencies, non-state actors and individuals.

Implementing Agencies: Office of the Attorney General, Judiciary, Kenya Law Reform Commission, Ministry of Public Service.

Project Progress: To inculcate constitutionalism, all MDAs were required to have targets in their annual performance contracts. There were various programmes that were carried out including the Kenya National Integrated Civic Education Programme (KNICE) which was launched and implemented during the review period. The main objective of the programme was to ensure countrywide civic education especially on the Constitution and devolution. Baseline Surveys were conducted under KNICE to determine the impact of the civic education. The programme elapsed in 2014.

Challenges and Lessons Learnt: Policy gaps among some MDAs has led to delay in developing enabling legislation or reviewing the existing laws.

Recommendations and Way Forward: To fully implement the Constitution MDAs should develop necessary policy frameworks. The Kenya Law Reform Commission (KLRC) should coordinate respective MDAs to develop legislation for introduction in Parliament.

Leadership, Ethics and Integrity

Objective: To strengthen legislative, policy and institutional framework for leadership, ethics and integrity.

Implementing Agencies: Ethics and Anti-Corruption Commission (EACC), Judiciary, Office of the Director of Public Prosecutions.

Project progress: The Leadership and Integrity Act (LIA) 2012 was developed and operationalized. The EACC Act was reviewed and amended in 2015 to strengthen the legal framework for the fight against corruption. The Anti –corruption and Economic Crimes (Amnesty and Restitution) Mechanism was reviewed and implemented.

The Assets Recovery Agency was operationalized to recover the proceeds of crime and money laundering. Mutual Legal Assistance (MLA) engagements with peer jurisdictions were also enhanced. A draft National Ethics and Integrity Policy was developed and reviewed by EACC and other stakeholders. The Whistle-blower Protection Bill, 2017 was developed and a comprehensive review done through Anti-Corruption Laws Amendment Bill 2017 that sought to amend a number of laws to strengthen the legal framework for fighting corruption. The National Anti-Corruption Campaign Steering Committee (NACCSC) and 22 County Anti-Corruption Civilian Oversight Committees (CACCOCs) were established and operationalized. In addition, 68 Anti-Corruption sensitization forums and Public Barazas were held reaching a total of 10,778 participants.

Challenges and Lessons Learnt: There is slow pace of domestication of the United Nations Convention against Corruption (UNCAC), Slow judicial process in corruption and economic crime cases, inadequate financial support and commitment among partners, inadequate capacity amongst stakeholders in the anti-corruption criminal justice system and inadequate specialized training in emerging crimes.

Recommendations and Way Forward: There is need for legal and regulatory framework for enforcement of Chapter six of the Constitution and Declarations of Income, Assets and Liabilities (DIALs), integrity vetting both in Parliament and the Commission; amnesty (Section 25(A) of ACECA) and plea bargaining (Section 137A-137N of CPC).

Strengthen the multi-agency approach on conducting investigations to enhance efficiency and reduce turnaround time. Increase in the number of gazetted anti-corruption magistrates and judges. There is need to continuously leverage on technology in corruption investigations. Integrity Vetting of public officers should be strengthened within the existing legal framework and extended to the private sector.

There is also need for mainstreaming leadership and integrity in the education curriculum-from primary-tertiary level of education. Leadership and Integrity Act should be amended to provide for effective implementation of Chapter Six of the Constitution.

Legal Aid and Awareness Programme

Objective: Enhance access to justice for the poor, marginalized and vulnerable groups.

Implementing Agencies: Judiciary, Office of the Director of Public Prosecutions, Office of the Attorney General and Department of Justice, the National Police Service and KLRC.

Project Progress: The National Legal Aid and Awareness Programme was established and over 24,000 vulnerable people offered legal aid in five counties (Nairobi, Mombasa, Kisumu, Nakuru and Eldoret). Capacity building was carried out benefitting 560 stakeholders in the justice sector on Alternative Dispute Resolution, civil and criminal law; over 350 citizens empowered to self-represent in court, three Legal Resource Centers were established in Nairobi, Eldoret and Kisumu. A total of 1,000 Information Education & Communication (IEC) materials on child law, mediation and criminal law (Right to fair hearing) were developed and disseminated.

The National Legal Aid and Awareness Policy, 2015 was approved by Cabinet and the Legal Aid Bill enacted into law thus transiting the Programme into the National Legal Aid Service, a Semi-Autonomous Agency. The National Legal Aid Service Board was also operationalized. Baseline surveys on access to justice by Persons with Disability were undertaken.

Challenges and Lessons Learnt: Slow pace of implementation, transparency and accountability issues on programmes.

Recommendations and Way Forward: Fast track the implementation of the legal awareness programme.

Strengthening the Criminal Justice System

Strengthening of the criminal justice system flagship project requires independent institutions with a clear mandate as well as formal collaboration mechanisms amongst the relevant institutions such as the Office of the Director of Public Prosecution, the Judiciary and Correctional Services as discussed in the sub projects below.

Strengthening Public Prosecution Services

Objective: To undertake measures to strengthen the criminal justice system

Implementing Agencies: Office of the Attorney General and Department of Justice, Office of the Director of Public Prosecutions, Judiciary, National Police Service.

Project Progress: The ODPP was delinked as a Department in the State Law Office to a fully-fledged independent office. During the Period under review, the Office took over control of prosecutions from the police in all the 117 court stations in the country. An inter-agency approach adopted by the criminal justice players also helped in strengthening the criminal justice system during the period under review. ODPP was decentralized in all the 47 counties thereby increasing access to prosecution services.

The ODPP implemented the ODPP Act of 2013 which gives effect to Articles 157 and 158 of the Constitution of Kenya 2010.

Challenges and Lesson Learnt: The ODPP faced major challenges related to financial resource mobilization and high staff turnover that hampered prosecution services. Continued politicization on the fight against corruption and capacity constraints within other criminal justice agencies were encountered.

Recommendations and Way Forward: There is need to strengthen the Multi-Agency Team (MAT) to create synergy in the fight against corruption and crime. In order to implement the envisaged institutional transformation and modernisation, the ODPP requires enhanced financial and human resources facilitation. There is also need to modernize and enhance capacity of investigative agencies to improve quality of investigations and prosecution.

Strengthening Correctional Services (Prison and Probation Services)

Objective: To review and develop policies and laws for correction services, de-congest correctional facilities, develop alternatives to imprisonment and effectively integrate offenders into the community.

Implementing Agencies: Ministry of Interior, the Kenya Prisons Service.

Project Progress: Draft policy on National Correctional Service was developed. An audit during the review period led to development and enactment of the Transfer of Sentenced Prisoners Act 2015 and Persons Deprived of Liberty Act, 2014. In addition, the following laws were reviewed and amended, the Kenya Prison Service Act Cap 90, the Borstal Institution Act Cap 92 and the Victims Protection Act, 2014. To reduce congestion in prisons, the Community Service Order No. 10 of 1998 and the Probations and After Care

Act Cap 64 were reviewed to facilitate alternatives to custodial sentences.

Challenges and Lessons Learnt: Congestion in the prisons due to lack of facilities and limited budgetary allocations. Slow pace of reforms in correctional services including the welfare of prison officers hampered the successful implementation of this project.

Recommendations and Way Forward: There is need for increased financial resources to support facility improvement and expansion.

Witness Protection Services

Objective: To provide special protection, on behalf of the State, to persons in possession of important information and who are facing potential risk or intimidation due to their cooperation with prosecution and other law enforcement agencies.

Implementing Agencies: Attorney General's office and Department for Justice, Office of the Director of Public Prosecutions, Judiciary, Witness Protection Agency, National Police Service.

Project Progress: The Witness Protections Rules, 2015 were developed to guide courts and interested parties in trials on judicial witness protection measures and procedures. The Rules were gazetted vide Legal Notice No. 225 of 2015 on 30th October 2015. The Witness Protection (Amendment) Bill, 2015 was enacted. The programme achieved 100 per cent protection level of witnesses admitted. Further an average of 60 days was taken for resettlement and reintegration of witnesses after final testimony.

Challenges and Lesson Learnt: Lack of proper framework for protection of vulnerable child witnesses.

Recommendations and Way Forward: The inclusion of the Agency in the special Taskforce on children will improve the protection of child witnesses and victims of crime. There is need to develop appropriate policies and guidelines for the criminal justice players and enactment of legislation to protect Vulnerable Child Witnesses.

Judicial Transformation

Objective: To improve access to and expeditious delivery of justice to all

Implementing Agency: Judiciary

Project Progress: Towards enhancing physical access to justice, the Judiciary embarked on rapid expansion of court network. During the review period, the Supreme Court was established and the Chief Justice, Deputy Chief Justice and Supreme Court judges appointed. The Court of Appeal was decentralized out of Nairobi through establishment of three new Courts of Appeal stations in Nyeri, Malindi and Kisumu. Further, High Court stations increased from 15 in 2008 to 39 across 38 Counties in 2017. Environment and Land Courts were established in 26 counties in 2017 while Employment and Labour Relations Courts was established in 2012 and operates in six counties.

Magistrate courts increased from 110 in 2008 to 123 in 2017 while 32 new Kadhis' courts were established thus increasing the number from 17 in 2008 to 49 in 2017. The number of Kadhis increased from 15 in 2008 to 55 in 2017. In addition, 52 mobile courts were opened in far-flung areas to reduce distance from mother courts. A total of 10 High Courts and 44 magistrates' courts were renovated and refurbished and 38 magistrate courts constructed across the country.

In order to expedite delivery of justice, the Judiciary strived to strengthen its human resource capacity through recruitment of Judges, Magistrates and staff. The number of judges increased from 65 in 2008 to 160 in 2017 thus improving the judge to population ratio from 1:592,307 to 1: 291,250 in 2013 and 2017 respectively. In addition, a total of 216 magistrates were recruited between 2008 and 2017 during the same period.

Challenges and Lessons Learnt: Frequent austerity measures, which often involved budget cuts, and unpredictable disbursement of the exchequer affected the pace and timeliness of construction projects. Additionally, inadequate funding hindered operationalization of mobile and circuit courts. There was lack of adequate number of judges and judicial officers to meet the increasing demand for justice.

Recommendations and Way Forward: There is need for increased budgetary allocation towards achievement of the statutory requirement of establishing high courts in all counties and magistrate courts in all sub-counties. This will involve construction of new courts, completion of on-going construction projects and rehabilitation of court stations with inadequate facilities and those operating on leased, condemned, dilapidated, congested or poorly designed buildings. Recruitment of more judges, judicial officers and staff should be prioritized to enhance timely delivery of justice. There should be strengthening of financial autonomy of the Judiciary through operationalization of the Judiciary Fund.

CONCLUSION

Kenya Vision 2030 is the country's long-term development blueprint that aims to transform Kenya into a newly industrializing, globally competitive, and prosperous upper middle-income country providing a high quality of life for all citizens in a clean and secure environment by 2030. Its implementation started in earnest in 2008, when it was launched.

Strategies to deliver Vision 2030 have been executed through Flagship Projects across the identified priority sectors in the three Pillars and Enablers. These are grounded on a stable macroeconomic framework. The projects are large-scale initiatives that look beyond their immediate locality and are capable of impacting on the entire nation, and were deemed to be of high economic and social impact.

To ensure transparency, integrity, accountability and access to information at national and devolved levels of Government, both MTPs I and II provided for continous monitoring and evaluation of the implementation of programmes and projects. To enhance evidence based policy making, evaluation is an integral tool for management and governance thereby enabling the Government to review performance, learn from experiences and make informed decisions. This was the basis for preparing this report.

The preparation of this Flagship Projects Progress Report has been prepared at a favourable time for Kenya. One, because the national planning process is gearing towards the implementation of the Big Four Agenda. This has proved to be a major advantage as it enabled holistic integration of the national development agenda and thought process into the report. Secondly, the Agenda 2030-time framework overlaps with that of Kenya Vision 2030. This has enabled the country to easily mirror its National Development Plans and Programme with those of the SDGs.

From the progress, it is evident that Kenya made considerable progress between 2008 and 2017, most notably in development and modernisation of infrastructure (roads, railway, airports, water ways, among others), improved energy generation and supply, improved security, public sector reforms, human resource development, job creation, quality education, housing and urbanization, devolution of services, expanding access to affordable health care, and in modernizing the public services.

However, during implementation, several challenges have been noted across all the sectors, Some of these include: Inadequate funding, high instances of litigation on projects by agencies and the civil society, high cost of resettlement of Project Affected Persons (PAPs)/ Resettlement Action Plan (RAP) implementation; tedious/delay in land acquisition processes, vandalism of infrastructure facilities; lengthy procurement procedures; inadequate disaggregated data; inadequate investment in renewable source of energy, among others.

Going forward: For continued political goodwill and top leadership support at the National and County Level Government to fast track development of key programmes and projects, enhance funding of projects; to ensure adequate stakeholder engagement which is critical to the success of the project before and post completion, to integrate M&E into organizational structures in order to ensure effective implementation and tracking of achievements through a robust monitoring, evaluation and reporting of progress and to optimize ICT infrastructure, among others.

As a country, we will build on these foundations and successes to continue our transformation and modernisation in order to create more and better quality jobs, raise the living standards of every Kenyan, reduce inequality and lift more Kenyans out of poverty.

The report will be a reference material in informing policy and decision makers on the status of implementation and alternatives for accelerated development. Further to this, challenges noted, lessons learnt and recommendations will inform programmes and projects re-programming for greater impact.

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