REPUBLIC OF KENYA

KENYA VISION2030

Flagship Projects and Programmes Progress Report FY 2023/2024

FOREWORD

The Kenya Vision 2030 is the nation's long-term development framework, aimed at transforming Kenya into a newly industrialising, globally competitive, and prosperous upper middle-income country that guarantees a high quality of life for all its citizens by the year 2030. The Vision is implemented through successive five-year Medium-Term Plans (MTPs). The nation is currently implementing the Fourth and Final Medium-Term Plan (MTP IV), covering the period 2023–2027, under the framework of the Bottom-Up Economic Transformation Agenda. This Plan seeks to drive inclusive growth and improve livelihoods by transforming key sectors from the grassroots level up. It is built on the following priority pillars: Agricultural Transformation; Micro, Small and Medium Enterprises (MSMEs); Economy; Housing and Settlement; Healthcare; Digital Superhighway and Creative Economy; and Environment and Climate action.

The progress in implementing MTPs is documented through two (2) main reports: the *Annual Progress Report*, which captures overall sector performance, and the *Annual Flagship Programmes and Projects Progress Report*, which highlights the performance of transformative, large-scale flagship initiatives. These flagship programmes and projects are designed to deliver high socio-economic impact - driving poverty reduction, job creation, income generation, competitiveness, equity, inclusivity and national cohesion. These reports are, therefore, vital in providing policy-makers, implementers, and stakeholders with reliable evidence for informed decision-making and effective resource prioritisation.

Since inception, the Vision 2030 Delivery Secretariat has published consolidated progress reports for MTPs' I and II Flagship Programmes and Projects. Under MTP III, five (5) successive annual Flagship Programmes and Projects Progress Reports were published. This report is the sixth Annual Flagship Programmes and Projects Progress Report and the first under MTP IV and it covers the progress and achievements of flagship programmes and projects during FY 2023/24.

An analysis of these reports indicates that Kenya has made considerable progress since 2008 in implementing the flagship programmes and projects across all sectors of the economy and continued to do so during FY 2023/24. Particularly, progress made in sustaining macroeconomic stability remains an important foundation for raising living standards and ensuring inclusive growth in the medium to long term.

It is worth noting that the 74th General Assembly of the United Nations declared the period 2020-2030 as a Decade of Action for accelerating the achievement of the Sustainable Development Goals (SDGs). As a Board, we are pleased that the Vision framework is fully aligned with this agenda, integrating the three dimensions of sustainable development - economic, social and environmental. Implementation of the Vision, therefore, positions the country to not only realise its national aspirations but also contribute meaningfully to global commitments under Agenda 2030.

Drawing from the challenges encountered and lessons learnt till now, it has been realised that effective delivery of flagship programmes requires; innovative approaches, an acceleration framework, and stronger strategic leadership. Ministries, Departments, Agencies, and County Governments are called upon to prioritise and fast-track transformative projects in line with national development agenda. At the same time, continued public sector reforms, especially digitization of services and institutional strengthening, will ensure efficiency, accountability, and improved service delivery.

Given the capital-intensive nature of flagship programmes and projects, deepening partnerships and collaborative networks with county governments, the private sector, development partners, and other non-state actors remains critical. Exploring innovative and alternative financing models will also be essential to bridge resource gaps and sustain progress. Realising the goals of Vision 2030 requires collective effort, shared responsibility, and unwavering commitment from all stakeholders.

In conclusion, I extend my sincere appreciation to the Vision 2030 Delivery Secretariat for overseeing the preparation of this progress report. The Secretariat's dedication to tracking and reporting on flagship programmes and projects continues to play a pivotal role in advancing the realisation of Kenya Vision 2030.

MR. EMMANUEL KOMBE NZAI
CHAIRMAN
VISION 2030 DELIVERY BOARD

ACKNOWLEDGEMENT

This is the sixth Annual Flagship Programmes and Projects Progress Report, covering the progress made during the Financial Year 2023/24 under the Fourth Medium Term Plan of the Kenya Vision 2030. The report was prepared through a consultative process, incorporating valuable inputs from Implementing Agencies, technical experts, and diverse stakeholders across sectors.

I, therefore, wish to express my sincere personal and institutional gratitude to all Ministries, Departments, Agencies , County Governments and other stakeholders for their active participation, dedication, and commitment towards the successful implementation of Kenya Vision 2030, and the Bottom-Up Economic Transformation Agenda commitments.

I humbly recognise the guidance and support provided by the Cabinet Secretary for the National Treasury, Hon. FCPA John Mbadi Ng'ongo, E.G.H. and the Principal Secretary, State Department for Economic Planning, Dr. Bonface B. Makokha, during the development of this report. Their stewardship has been instrumental in ensuring that this report fulfils its mandate of informing Kenyans on the progress made towards realising the aspirations of Vision 2030.

Special recognition goes to the Vision 2030 Delivery Secretariat, in collaboration with technical officers from the State Department for Economic Planning, for their tireless efforts in compiling, analysing, and validating the information presented in this report. I acknowledge their efforts in ensuring that we fulfil this mandate of informing Kenyans on the progress made towards achieving the Kenya Vision 2030.

I would also like to extend my heartfelt gratitude to all our partners for their invaluable support and look forward to their continued collaboration. To all individuals and organisations who, in one way or another, contributed to the preparation of this report but are not mentioned by name, I say thank you.

Ag. DIRECTOR GENERAL
VISION 2030 DELIVERY SECRETARIAT

EXECUTIVE SUMMARY

The Financial Year (FY) 2023/24 Kenya Vision 2030 Flagship Programmes and Projects Progress Report provides the first full-year assessment under the Fourth Medium-Term Plan (MTP IV), aligned to the Bottom-Up Economic Transformation Agenda (BETA). Overall, the country registered notable progress across the Economic, Social, Political Pillars as well as the Enablers, despite continued fiscal pressures and implementation bottlenecks. The economy remained resilient, with real GDP growth increasing to 5.6 percent in 2023 from 4.9 percent in 2022, supported largely by recovery in agriculture, services, infrastructure development and public sector.

Enablers of National Transformation

The Enablers remained central to the implementation of Kenya Vision 2030 by strengthening the foundational systems necessary for growth across all sectors. Under Infrastructure, the roads sub-sector recorded a major achievement through the construction of 673.36 km of classified roads and maintenance or rehabilitation of 50,356.52 km, surpassing the annual maintenance target of 45,351 km. Urban mobility interventions also exceeded expectations, with 123.7 km of arterial and collector roads completed against a target of 87 km, significantly easing congestion in urban centres. In the Energy sub-sector, installed power capacity reached 3,243 MW, with 82 percent derived from renewable sources, while 465,416 new customers were connected to electricity, increasing cumulative connections to 9,660,005. Further, 160 km of transmission lines and 381 km of distribution lines were completed, enhancing national electricity access and supporting industrial productivity.

The Land sector registered strong progress, with 422,313 title deeds issued against a target of 405,000, reflecting improved land administration and accelerated digitization of services. This has strengthened tenure security and facilitated investment confidence. In Labour and Employment, the Recognition of Prior Learning (RPL) programme significantly outperformed targets by assessing and certifying 1,294 persons against a target of 400, while 51 assessment centres were accredited against a target of 10, demonstrating strong progress in formalising skills in the informal sector.

Despite these achievements, key challenges included; inadequate financing, contractor delays, weak coordination frameworks, and legacy manual systems. Lessons learnt underscore the importance of digitization, inter-agency coordination, and innovative financing. Going forward, emphasis should be placed on accelerated infrastructure financing, expansion of digital systems, and strengthened institutional capacity.

Economic Pillar

The Economic Pillar continued to drive productive sector growth and economic recovery. Under Agriculture and Livestock, the sector recorded one of the strongest performances, with growth rising to 6.5 percent from a contraction of -1.5 percent in 2022, largely due to favourable weather and sector support interventions. Key achievements included the insurance of 198,095 Tropical Livestock Units (TLUs) against a target of 125,000, representing 158 percent achievement, and the linkage of 63,759 pastoralists to financial services, surpassing the annual target by 155 percent. Under Trade, Kenya made significant strides in export market diversification. A major achievement was the conclusion and signing of the Kenya-European Union Economic Partnership Agreement (EPA), securing quota-free and duty-free access to a market of over 500 million people. Tea exports increased by 16 percent, with export earnings rising to KSh 188.7 billion from KSh 171.4 billion in the previous year.

In the Blue Economy and Maritime sector, the Blue Jobs Initiative achieved notable progress by training 2,233 seafarers and facilitating the placement of 1,500 youth in international shipping companies, directly contributing to youth employment and maritime sector growth. Within Manufacturing and Micro, Small and Medium Entreprises (MSMEs), progress was observed through industrial parks, investment facilitation, and MSME formalisation initiatives, though implementation remained uneven due to financing constraints.

The main challenges included; budget rationalisation, delayed project financing, and underperformance in sectors such as mining and industrial infrastructure. Lessons learnt point to the need for diversified financing models, stronger value chain linkages, and enhanced private sector partnerships. Recommendations include fast-tracking agro-processing, strengthening export competitiveness, expanding livestock insurance, and supporting MSME industrialization.

Social Pillar

The Social Pillar recorded important gains in human development sectors. Under Education and Training, reforms continued through the expansion of Technical, Vocational Education and Training (TVET), skills recognition, and institutional strengthening. The sector benefited from stronger alignment with labour market demands and continued support for technical training. In the Water, Sanitation and Regional Development sector, major achievements included 73 percent national access to improved water services, 91 percent urban access, and 65 percent rural access. In addition, 62 stalled water projects were completed, while an additional 0.95 million cubic metres of water storage capacity was achieved. Improved sanitation coverage reached 68 percent nationally, with 157,000 people in informal settlements gaining access to sanitation services. Under Population, Housing and Urbanization, the Affordable Housing Programme recorded important milestones. A total of 410 housing units were commenced across four counties, with an average completion rate of 71.5 percent, while 100 market-rate housing units were completed in Changamwe, Mombasa County. The Sports, Culture and Arts sector also progressed through youth skilling and creative economy interventions, contributing to livelihoods and talent development.

Challenges across the Pillar included; delayed project completion, weather-related disruptions, limited domestic financing, and contractor performance issues. Lessons learnt emphasise stronger project supervision, contractor due diligence, and deeper community participation. Recommendations include scaling affordable housing delivery, increasing water investments, and strengthening education-to-employment linkages.

Political Pillar

The Political Pillar continued to strengthen governance, accountability, and citizen participation. Under Rule of Law and Access to Justice, a key achievement was the resolution of 100 percent of information access appeals, reflecting improved responsiveness in public institutions and stronger citizen rights protection. Within Public Service Delivery and Governance, county-level participation structures continued to strengthen through support to devolved governance institutions and public engagement mechanisms. In the Legal Education sector, progress was made through the establishment of one Advocates Training Programme (ATP) examination centre out of a target of two, representing 50 percent achievement, alongside feasibility studies for regional campuses in three constituencies.

Challenges included; budgetary limitations, institutional capacity gaps, and slow implementation of governance reforms. Lessons learnt highlight the value of robust Monitoring and Evaluation (M&E) systems, institutional alignment, and transparency frameworks. Recommendations include increased budget allocations, digitization of justice systems, strengthened devolution support, and enhanced citizen oversight mechanisms.

The FY 2023/24 review demonstrates that Kenya Vision 2030 remains broadly on track, with measurable achievements across all pillars and sectors. However, sustained progress will require stronger financing mechanisms, accelerated project execution, enhanced inter-agency coordination and strengthened public-private partnerships.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ACRONYMS AND ABBREVIATIONS

ACA	Anti-Counterfeit Authority
ADC	Agricultural Development Corporation
ADR	Alternative Dispute Resolution
AFCON	Africa Cup of Nations
AHITI	Animal Health and Industry Training Institute
A-i-A	Appropriation-In-Aid
AIM	Aeronautical Information Management
ASAL	Arid and Semi-Arid Lands
ATDCs	Agricultural Technology Development Centres
ATP	Advocates Training Programme
BETA	Bottom-Up Economic Transformation Agenda
BFCI	Baby Friendly Community Initiative
BOP	Balance of Payment
BPO	Business Process Outsourcing
CABs	Conformity Assessment Bodies
CAF	Conferedation of African Football
CAIPs	County Aggregation and Industrial Parks
CBA	Competency-Based Assessment
CBC	Competency-Based Curriculum
CBEF	County Budget and Economic Forum
CBK	Central Bank of Kenya
CBR	Central Bank Rate
CCG	Clean Cooking Gas
CEMASTEA	Centre for Mathematics, Science and Technology Education in Africa
CGS	Credit Guarantee Schemes
CHAN	African Nations Championship
CHPs	Community Health Promoters
CIDCs	Constituency Industrial Development Centres
CMA	Capital Markets Authority
CMF	Common Manufacturing Facility
CMIS	Cooperative Management Information System
CRA	Commission on Revenue Allocation
CSP	County Spartial Plan
D-ATIS	Digital Aerodrome Traffic Information System
DLP	Defects Liability Period
DRC	Democratic Republic of Congo
EAC	East African Community
EASA	East African School of Aviation
EDC	Enterprise Development Centre
EDE	Ending Drought Emergencies
EPA	Economic Partnership Agreement
EPC	Engineering, Procurement, and Construction
EPRA	Energy and Petroleum Regulatory Authority
EPS	Expanded Polystyrene

EPZ	Export Processing Zone
EPZA	Export Processing Zones Authority
ERP	Enterprise Resource Planning
ESIA	Environmental and Social Impact Assessment
EU	European Union
EWS	Early Warning System
FAMEWS	Fall Armyworm Monitoring and Early Warning System
FAO	Food and Agriculture Organization
FAW	Fall Army Worm
FGM	Female Genital Mutilation
FIFA	Fédération Internationale de Football Association
FMD	Foot and Mouth Disease
FY	Financial Year
GBV	Gender Based Violence
GDP	Gross Domestic Product
GDC	Goethermal Development Company
GHG	Greenhouse Gas
GMO	Genetically Modified Organism
Ha	Hectares
HIV	Human Immuno-deficiency Virus
HLI	Historical Land Injustice
HRH	Human Resource for Health
ICD	Inland Containment Depot
ICPD	International Conference on Population Development
ICT	Information Communication Technology Authority
ICU	Intersive Care Unit
ID	Identity
IMF	International Monetary Fund
INCOTERMS	International Commercial Terms
IK	Indigenous Knowledge
IPP	Independent Power Producer
IPRs	Industrial Property Right
IPRIMS	Integrated Public Records and Information Management System
ITES	Information Technology Enabled Services
ITS	Intelligent Transportation System
IV	In-Vitro
JCC	Joint Commission for Cooperation
JEU	Joint Enforcement Unit
JKIA	Jomo Kenyatta International Airport
JTCs	Joint Trade Committees
KAGRC	Kenya Animal Genetic Resources Centre
KALRO	Kenya Agricultural and Livestock Research Organization
KCAA	Kenya Civil Aviation Authority
KCB	Kenya Commercial Bank
KCC	Kenya Cooperative Creameries
KEC	Kenya Education Cloud
KEMI	Kenya Education Management Institute

KEMIS	Kenya Education Management Information System
KEMRI	Kenya Medical Research Institute
KENAS	Kenya Accreditation Service
KeNHA	Kenya National Highways Authority
KenInvest	Kenya Investment Authority
KEPHIS	Kenya Plant Health Inspectorate Service
KEPROBA	Kenya Export Promotion and Branding Agency
KTDA	Kenya Tea Development Agency
KETRA	Kenya Trade Remedies Agency
KEVEVAPI	Kenya Veterinary Vaccine Production Institute
KG	Kilogram
KICC	Kenyatta International Convention Centre
KICD	Kenya Institute for Curriculum Development
KIE	Kenya Industrial Estates
KIPI	Kenya Industrial Property Institute
KIRDI	Kenya Industrial Research and Development Institute
KITI	Kenya Industrial Training Institute
KLDC	Kenya Leather Development Council
KLIP	Kenya Livestock Insurance Programme
KLRC	Kenya Law Reform Commission
KM	Kilometre
KMA	Kenya Maritime Authority
KMFRI	Kenya Marine and Fisheries Research Institute
KMTC	Kenya Medical Training Centre
KNADS	Kenya National Archives and Documentation Services
KNBS	Kenya National Bureau of Statistics
KNEC	Kenya National Examinations Council
KNSL	Kenya National Shipping Line
KNTC	Kenya National Trading Corporation
KOMEX	Kenya National Multi-Commodities Exchange
KPC	Kenya Pipeline Corporation
KPLC	Kenya Power and Lighting Company
KPRL	Kenya Petroleum Refineries Limited
KRC	Kenya Railways Corporation
KSG	Kenya School of Government
KSH	Kenya Shilling
KURA	Kenya Urban Roads Authority
KV	Kilovolt
KWS	Kenya Wildlife Services
KYEOP	Kenya Youth Employment Opportunities Project
LAPSSET	Lamu Port–South Sudan–Ethiopia Transport Corridor
LLC	Limited Liability Company
LPG	Liquefied Petroleum Gas
MCM	Ministerial Complaints Mechanism
Mcm	Million Cubic Meters
MDACs	Ministerial Departments, Agencies, and Counties
MDAs	Ministries, Department and Agencies

M&E	Monitoring and Evaluation
MGR	Metre Gauge Railway
MICE	Meetings, Incentives, Conferences and Exhibitions
MITI	Ministry of Investments, Trade, and Industry
MLND	Maize Lethal Necrotic Disease
MoU	Memorandum of Understanding
MSE	Micro and Small Enterprises
MSEA	Micro and Small Enterprises Authority
MSMEs	Micro, Small and Medium Enterprises
MT	Metric Tonne
MTP	Medium Term Plan
MW	Megawatt
NCCAP	National Climate Change Action Plan
NCPD	National Council for Population and Development
NEMA	National Environment Management Authority
NETFUND	National Environment Trust Fund
NFIS	National Financial Inclusion Strategy
NGA	National Government Administration
NGAO	National Government Administration Officers
NHC	National Housing Corporation
NHIF	National Hospital Insurance Fund
NICHE	Nutrition Improvement through Cash and Health Education
NIFC	Nairobi International Financial Centre
NLC	National Lands Commission
NLP	National Land Policy
NLUP	National Land Use Policy
NMC	Numerical Complex Machining
NMT	Non-Motorized Transport
NOC-K	National Oil Corporation of Kenya
NPS	National Police Service
NSP	National Spatial Plan
NTB	Non-Traffic Barrier
NYS	National Youth Service
OSC	One-Stop Centre
PCN	Primary Healthcare Networks
PLC	Public Limited Company
PPG	Public and Publicly Guaranteed
PPP	Public-Private Partnerships
PSC	Public Service Commission
PV	Present Value
PWA	Persons With Albinism
PWDs	Persons With Disabilities
RAP	Resettlement Action Plan
REREC	Rural Electrification and Renewable Energy Corporation
RMLF	Road Maintenance Levy Fund
RPL	Recognition of Prior Learning
SADC	Southern African Development Community

SDE	State Department for Energy
SAFER	Supporting Access to Finance and Enterprise Recovery
SDGs	Sustainable Development Goals
SEZ	Special Economic Zone
SEZA	Special Economic Zones Authority
SGR	Standard Gauge Railway
SMASE	Strengthening Mathematics and Science Education
SME	Small and Medium Enterprise
SMRs	Small Modular Reactors
ST&I	Science, Technology and Innovation
STCW	Standards of Training, Certification and Watchkeeping
STEM	Science, Technology, Engineering and Mathematics
STR	Simplified Trade Regime
TARDA	Tana and Athi Rivers Development Authority
TLUs	Tropical Livestock Units
TSC	Teachers Service Commission
TTCs	Teacher Training Colleges
TVET	Technical, Vocational Education and Training
UHC	Universal Health Coverage
UN	United Nations
USA	United States of America
USD	United States Dollar
VHF	Very High Frequency
WRS	Waterhouse Receipt System

CHAPTER 1 : OVERVIEW OF KENYA VISION 2030 AND ITS FLAGSHIP PROGRAMMES AND PROJECTS

1.1 OVERVIEW OF KENYA VISION 2030

Kenya Vision 2030 is the country's long-term development blueprint that aims to transform the country into a globally competitive, newly industrialising, middle-income country providing a high quality of life to all its citizens in a clean and secure environment by 2030. Launched in 2008, the Vision is anchored on three key pillars - Economic (progress up economic value chain), Social (people-centric investment), and Political (growth as one nation), The pillars are supported by cross-cutting enablers/foundations for national transformation.

The Economic Pillar targets to achieve and sustain an average annual economic growth rate of 10 percent. To this end, eight (8) priority sectors were identified for their potential to spur high and inclusive growth, namely: Agriculture and Livestock; Manufacturing; Trade; Tourism; Financial Services; Business Processing Outsourcing (BPO)/Information Technology Enabled Services (ITES); Oil, Gas and Mineral Resources; and the Blue Economy.

The Social Pillar seeks to create a just, cohesive and equitable society living in a clean and secure environment. This transformation agenda is driven through six (6) critical sectors: Education and Training; Health; Environment, Water, Sanitation and Regional Development; Population, Urbanization and Housing; Gender, Youth and Vulnerable Groups; and Sports, Culture and the Arts.

The Political Pillar envisions a democratic political system that is issue-based, people-centred, results-oriented and accountable. It promotes respect for the rule of law, human rights, and upholding of national values. The Pillar also seeks to strengthen democratic institutions and governance structures through implementation of devolution; adherence of to the Rule of Law; Reforms in the Electoral and Political Systems; Enhancement of Public Service Delivery; Transparency and Accountability; and Security, Peace Building and Conflict Management.

The three (3) pillars are supported by a comprehensive set of enablers/foundations which include: Macroeconomic Stability; Governance and Public Sector Reforms; Infrastructural Development; Science, Technology and Innovation; Information and Communication Technology (ICT); Land Reforms; Labour and Employment; Security and Conflict Resolution; Equity and Wealth Creation Opportunities for the Poor; National Values and Ethics and Ending Drought Emergencies (EDE).

The Kenya Vision 2030 is aligned with regional and global development frameworks including; the East African Community Vision 2050, African Union Agenda 2063, and the United Nations 2030 Agenda for SDGs.

Kenya Vision 2030 is implemented in successive five-year MTPs. MTP I, which covered the years 2008 to 2012, initiated the first phase of implementation followed by MTP II (2013-2017) that sustained the momentum with more structured flagship delivery. MTP III was aligned to the Big Four Agenda and covered the period from 2018 to 2022. MTP IV (2023-2027) is currently under implementation - it builds on the gains of previous MTPs and aligns with BETA, which emphasises inclusive growth through value addition, job creation, and digitization to foster economic resilience.

Progress in the implementation of the MTPs is monitored through: Annual Progress Reports; Mid Term Reviews; End Term Reviews and Kenya Vision 2030 Flagship Programmes and Projects implementation progress reports. This Annual Flagship Programmes and Projects Progress Report covers FY 2023/24 and presents the status of implementation of flagship projects and programmes as outlined under MTP IV. It highlights performance against set targets, implementation challenges, emerging innovations, lessons learned, and recommendations to improve future implementation. The report also seeks to inform the public and other stakeholders of the progress made towards implementation of Vision goals and objectives while also building on previous reviews.

The Vision 2030 Delivery Secretariat leads in coordinating the data collection, compilation, and analysis of submissions from Ministries, Departments and Agencies (MDAs). The report has been subjected to a multi-stakeholder validation process to ensure ownership, transparency, and credibility.

1.2 ORGANISATION OF THE REPORT

The report is organised into six chapters. Chapter one provides the overview of the Kenya Vision 2030 and its flagship programmes and projects, including the methodology used in preparation of the report. Chapter two delves into the macroeconomic framework while chapter three presents the progress made on implementation of flagship programmes and projects in the enablers of national transformation. Chapters four, five and six provide implementation status of flagship programmes and projects under the Economic, Social and Political Pillars respectively.

CHAPTER 2 : MACROECONOMIC PERFORMANCE

2.1 OVERVIEW OF ECONOMIC PERFORMANCE

Kenya's economy demonstrated continued resilience during the review period, supported by recovery in key productive sectors and sustained macroeconomic management. Real Gross Domestic Product (GDP) expanded by 5.6 percent in 2023 compared to a revised growth of 4.9 percent in 2022, reflecting improved performance across most sectors of the economy with expansion being largely driven by the recovery in agriculture. The Gross Value Added in Agriculture, Forestry, and Fishing activities grew by 6.5 percent in 2023 compared to a contraction of 1.5 percent in 2022 owing to favourable weather conditions that characterised the better part of 2023.

Overall, most economic activities registered positive expansion during the review period. However, at a sector level, Mining and Quarrying recorded a contraction of 6.5 percent, reflecting reduced output. Despite the decline, the overall macroeconomic environment remained supportive of growth, providing a stable foundation for continued implementation of Kenya Vision 2030 flagship programmes and projects.

2.2 SIZE OF THE ECONOMY

The Vision 2030 blueprint aims at substantial expansion of Kenya's economy over the years leading up to 2030, including modernisation of key sectors to enhance their contribution to GDP. Continued investment in infrastructure and improvements in the enabling environment are expected to enhance productivity, and support sustained economic growth. The country's nominal GDP - the value of all goods and services produced - increased from KSh. 13,489.6 billion in 2022 to KSh. 15,108.8 billion in 2023, while real GDP increased from KSh. 9,852.6 billion to KSh. 10,400.0 billion over the same period, representing an overall growth rate of 5.6 percent. This is illustrated in Table 2-1.

Table 2-1: GDP by Activity 2019-2023 Current Prices

Industry	(KSh. Billion)				
	2019	2020	2021	2022+	2023*
Agriculture, forestry and fishing	2135.71	2432.6	2,583.2	2,837.7	3,295.2
Mining and quarrying	72.8	76.4	92.0	120.1	102.7
Manufacturing	809.3	814.3	885.6	1044.1	1,148.9
Electricity supply	161.7	163.3	172.6	181.6	226.5
Water supply, sewerage and waste management	58.9	60.3	63.3	64.7	65.0
Construction	630.7	750.2	849.4	953.8	1,004.0
Wholesale and retail trade, and repairs	837.9	867.6	952.9	1,042.4	1,134.3

Industry	(KSh. Billion)				
	2019	2020	2021	2022+	2023*
Transportation and storage	1,202.8	1,156.9	1,391.6	1,774,.5	2,058.3
Accommodation and food services	119.6	77.8	133.7	145.9	190.8
Information and communication	257.4	274.8	291.4	315.7	334.1
Financial and insurance	667.7	723.1	860.6	1,000.6	1,180.4
Real estate	946.7	996.2	1,076.6	1,148.7	1,265.4
Professional, scientific and technical activities	175.9	159.5	179.3	188.5	206.1
Administrative and support service activities	108.9	92.7	105.7	130.6	154.6
Public administration and defence	541.4	592.6	635.0	675.8	726.0
Education	431.9	413.1	521.9	545.1	577.6
Human health and social work activities	198.0	213.0	238.5	242.3	259.1
Arts, entertainment and recreation	27.1	19.9	23.5	28.3	32.2
Other service activities	144.9	124.4	143.8	157.3	168.1
Activities of households as employers	68.9	72.1	75.2	79.4	85.6
Financial Intermediation Services Indirectly Measured	-226.6	-218.6	-244.6	-259.6	-323.8
All industries at basic prices	**9,371.4**	**9,862.1**	**11,031.5**	**12,417.7**	**13,891.1**
Taxes on products	866.3	852.9	996.2	1072.0	1,217.7
GDP at market prices	**10,237.7**	**10,715.1**	**12,027.7**	**13,489.6**	**15,108.8**

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

2.3 STRUCTURE OF THE ECONOMY

In 2023, Agriculture, Forestry, and Fishing activities maintained their leading contribution to GDP, expanding to 21.8 percent in 2023 from 21.0 percent in 2022. Other sectors with significant share of GDP in 2023 included Transportation and Storage (13.6 percent), Real Estate (8.4 percent), Financial and Insurance Activities (7.8 percent), Manufacturing (7.6 percent), and Wholesale and Retail (7.5 percent). This is presented in Table 2-2 below.

Table 2-2: GDP Contribution by Activity, 2019-2023

Industry	(Percentage Contribution to GDP)				
	2019	2020	2021	2022+	2023*
Agriculture, forestry and fishing	20.9	22.7	21.5	21.0	21.8
Mining and quarrying	0.7	0.7	0.8	0.9	0.7
Manufacturing	7.9	7.6	7.4	7.7	7.6
Electricity supply	1.5	1.5	1.4	1.3	1.5
Water supply, sewerage and waste management	0.6	0.6	0.5	0.5	0.4
Construction	6.2	7.0	7.1	7.1	6.6
Wholesale and retail trade, and repairs	8.2	8.1	7.9	7.7	7.5
Transportation and storage	11.7	10.8	11.6	13.2	13.6

Industry	(Percentage Contribution to GDP)				
	2019	**2020**	**2021**	**2022+**	**2023***
Accommodation and food services	1.2	0.7	1.1	1.1	1.3
Information and communication	2.5	2.6	2.4	2.3	2.2
Financial and insurance Services	6.5	6.7	7.2	7.4	7.8
Real estate	9.2	9.3	9.0	8.5	8.4
Professional, scientific and technical activities	1.7	1.5	1.5	1.4	1.4
Administrative and support service activities	1.1	0.9	0.9	1.0	1.0
Public administration and defence	5.3	5.5	5.3	5.0	4.8
Education	4.2	3.9	4.3	4.0	3.8
Human health and social work activities	1.9	2.0	2.0	1.8	1.7
Arts, entertainment and recreation	0.3	0.2	0.2	0.2	0.2
Other service activities	1.4	1.2	1.2	1.2	1.1
Activities of households as employers	0.7	0.7	0.6	0.6	0.6
Financial Intermediation Services Indirectly Measured	-2.2	-2.0	-2.0	-1.9	-2.2
All industries at basic prices	**91.5**	**92.0**	**91.7**	**92.1**	**91.9**
Taxes on products	8.5	8.0	8.3	7.9	8.1
GDP at market prices	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

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

2.4 ECONOMIC GROWTH

In 2023, real GDP (in absolute terms) increased from a revised total of KSh. 9.8 trillion in 2022 to KSh. 10.4 trillion in 2023 resulting in an overall GDP growth rate of 5.6 percent compared to a growth of 4.9 percent in 2022, as illustrated in Table 2-3 and Figure 2-1.

Growth was mainly supported by the recovery of agriculture, which grew by 6.5 percent from a contraction of -1.5 percent in 2022, due to favourable weather conditions that increased agricultural production.

Accommodation and Food Services registered the highest growth of 33.6 percent. Other sectors that recorded high growth include Arts, Entertainment and Recreation (14.0 percent), Administrative and Support Activities (11.1 percent), Finance and Insurance Activities (10.1 percent), and Information and Communication (9.3 percent).

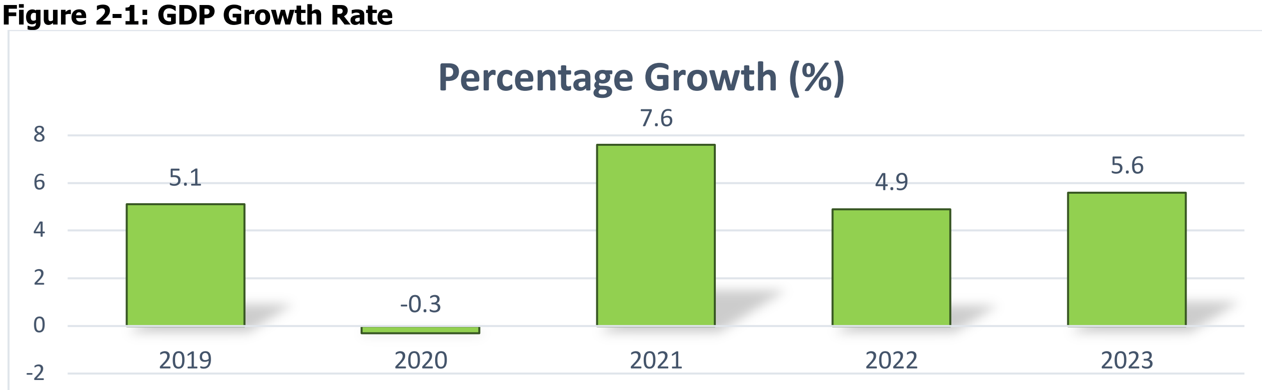
Table 2-3: GDP Growth Rate by Activity, 2019-2023

Industry	(Percentage Change)				
	2019	**2020**	**2021**	**2022+**	**2023***
Agriculture, forestry and fishing	2.7	4.6	-0.4	-1.5	6.5
Mining and quarrying	4.3	5.5	18.0	9.3	-6.5
Manufacturing	2.6	-0.3	7.3	2.6	2.0
Electricity supply	1.9	-0.5	5.3	5.7	2.9
Water supply, sewerage and waste management	1.3	3.6	6.3	5.0	2.5
Construction	7.2	10.1	6.7	4.1	3.0
Wholesale and retail trade, and repairs	5.3	-0.4	8.0	3.5	2.7

Industry	**(Percentage Change)**				
	2019	**2020**	**2021**	**2022+**	**2023***
Transportation and storage	6.3	-8.0	7.4	5.8	6.2
Accommodation and food services	14.3	-47.7	52.6	26.8	33.6
Information and communication	7.0	6.0	6.1	9.0	9.3
Financial and insurance	8.1	5.9	11.5	12.0	10.1
Real estate	6.7	4.1	6.7	4.5	7.3
Professional, scientific and technical activities	6.8	-11.5	7.9	5.3	8.6
Administrative and support service activities	6.8	-17.6	5.6	18.0	11.1
Public administration and defence	8.4	7.0	6.0	5.1	4.6
Education	5.7	-9.2	22.8	5.2	3.1
Human health and social work activities	5.5	5.6	8.9	3.4	4.9
Arts, entertainment and recreation	8.0	-28.3	12.4	18.4	14.0
Other service activities	4.9	-19.5	18.9	7.1	3.6
Activities of households as employers	1.5	1.5	1.5	1.5	1.5
Financial Intermediation Services Indirectly Measured	9.5	-1.8	5.3	0.2	2.7
All industries at basic prices	**5.2**	**0.5**	**7.2**	**4.7**	**5.9**
Taxes on products	3.9	-8.0	11.9	6.7	2.2
GDP at market prices	**5.1**	**-0.3**	**7.6**	**4.9**	**5.6**

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

Figure 2-1: GDP Growth Rate



Source*: Kenya National Bureau of Statistics (KNBS)*

2.5 INFLATION

World inflation eased to 6.8 percent in 2023 from 8.7 percent in 2022. This was primarily due to the partial reversal of the significant rise in energy prices, coupled with the easing of supply chain disruptions that characterised the period leading to 2023. The easing of inflation rate was further supported by monetary policy tightening, which aimed at gradually aligning aggregate demand with potential output. On the other hand, in Sub-Saharan Africa and other advanced economies, inflation rate went up as the inflationary shock caused by Russia-Ukraine conflict had a ripple effect leading to decreased international demand, increased global interest rates, and exchange rate pressures.

Figure 2-2: Inflation Rate

***Source**: KNBS*

The Kenyan annual inflation rate measured by the Consumer Price Index was 7.7 percent in 2022 and 2023 (Figure 2-2). The inflation was largely driven by increase in prices of Transport (12.2 percent); Food and Non-Alcoholic Beverages (9.7 percent); and Housing, Water, Electricity, Gas and Other Fuels (8.1 percent). Although inflation remained elevated during part of the period under review, monthly inflation trends began to moderate towards April 2024 (0.7 percent). This is illustrated in Table 2-4.

Table 2-4: Developments in Inflation

Developments in Inflation (%)													
	Jun-23	**Jul-23**	**Aug-23**	**Sep-23**	**Oct-23**	**Nov-23**	**Dec-24**	**Jan-24**	**Feb-24**	**Mar-24**	**Apr-24**	**May-24**	**Jun-24**
Overall,12-month inflation	7.9	7.3	6.7	6.8	6.9	6.8	6.6	6.9	6.3	5.7	5.0	5.1	4.6
Food inflation	10.3	8.6	7.5	7.9	7.8	7.6	7.7	7.9	6.9	5.8	5.6	6.2	5.6
Fuel inflation	12.9	14.5	14.2	13.1	14.8	15.5	13.7	14.3	13.4	12.3	8.3	6.8	6.4
Non- (food & fuel) inflation	4.1	3.8	3.7	3.7	3.6	3.3	3.4	3.6	3.6	3.6	3.6	3.4	3.4
Three months annualized	**8.9**	**7.2**	**3.1**	**4.0**	**7.8**	**9.3**	**6.7**	**4.3**	**3.9**	**3.3**	**0.7**	**4.4**	**4.6**

***Source**: Kenya National Bureau of Statistics and Central Bank of Kenya*

2.6 INTEREST RATES

In FY 2023/24, the Central Bank of Kenya (CBK) maintained a tight monetary policy raising the Central Bank Rate (CBR) multiple times to a peak of 12.5 percent in June 2024. The persistent increase in CBR led to a significant rise in lending interest rates for loans, advances and overdrafts to 16.9 percent. Meanwhile, the average deposit rate offered by commercial banks rose to 11.5 percent in June 2024 compared to 7.8 percent in June 2023. The savings rate increased to 5.1 percent in June 2024 from 3.9 percent in June 2023.

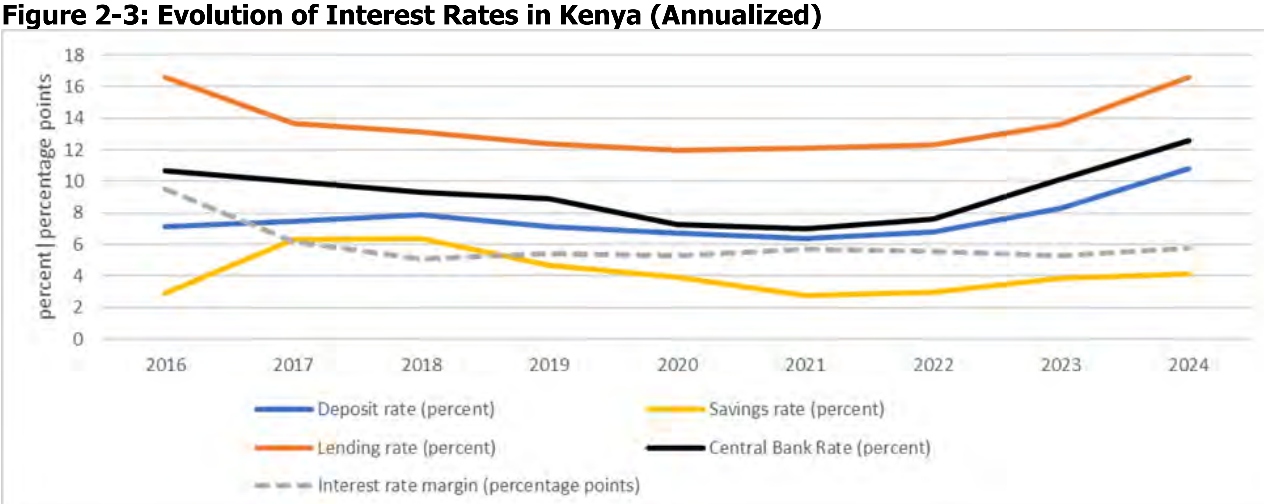
The annualised interest rates are summarised in Table 2-5 and Figure 2-3.

Table 2-5: Evolution of Interest Rates

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Deposit rate (%)	7.1	7.5	7.9	7.1	6.7	6.4	6.8	8.3	10.8
Savings rate (%)	2.9	6.3	6.4	4.7	3.9	2.7	3.0	3.9	4.1
Lending rate (%)	16.6	13.7	13.1	12.4	12.0	12.1	12.3	13.6	16.6
Central Bank Rate (%)	10.7	10.0	9.3	8.9	7.2	7.0	7.6	10.1	12.6
Interest rate margin (percentage points)	**9.5**	**6.2**	**5.1**	**5.4**	**5.3**	**5.7**	**5.6**	**5.3**	**5.8**

Source: *Central Bank of Kenya*

Figure 2-3: Evolution of Interest Rates in Kenya (Annualized)



2.7 DEVELOPMENT IN EXCHANGE RATE AND FOREIGN RESERVES

In 2024, the Kenyan Shilling showed signs of recovery against major international currencies, as indicated by the Trade Weighted Index, which improved from 138.25 in 2023 to 129.99 in 2024. The Kenyan Shilling appreciated against key currencies such as the US Dollar, Euro, Sterling Pound, UAE Dirham, and Swiss Franc, strengthening by 3.6, 3.5, 1.0, 3.6, and 1.6 percent, respectively. Similarly, the Kenyan Shilling continued to appreciate against the Egyptian Pound, with the Shilling gaining by 34.9 percent, during the review period. Within the East African Community, the Kenyan Shilling gained against the Uganda Shilling and Tanzania Shilling by 4.4 percent and 11.1 percent. However, the Kenyan Shilling lost by 22.9 percent against the 100 Rwandan Francs over the same period.

Table 2-6: Foreign Exchange Rates of the Kenya Shilling

Currency	2020	2021	2022	2023	2024*
1 Euro[2]	121.51	129.79	124.19	151.25	145.92
1 US Dollar	106.47	109.64	117.87	139.85	134.82
1 Pound Sterling	136.73	150.85	145.80	174.01	172.27
1 UAE Dirham	28.99	29.85	32.09	38.08	36.71
1 Indian Rupee	1.44	1.48	1.50	1.69	1.61
1 Chinese Yuan	15.45	17.00	17.53	19.73	18.74
1 SA Rand	6.51	7.42	7.23	7.58	7.35
1 Japanese Yen	99.80	99.94	90.15	99.48	89.23
1 Saudi Riyal	28.37	29.23	31.39	37.28	35.93
1 Egyptian Pound3	6.74	6.99	6.14	4.56	2.97
TSh/Ksh.[4]	21.76	21.12	19.74	17.36	19.52
1 Swedish Kroner	11.60	12.79	11.69	13.19	12.77
1 Swiss Franc	113.51	119.99	123.52	155.99	153.30
USh/Ksh.[4]	34.95	32.73	31.30	26.79	27.99
1 Congolese Franc[3]	0.06	0.06	0.06	0.05	0.05
RWF/Ksh.[4]	8.86	9.13	11.39	12.05	9.81
Overall Trade Weighted Index, (2009=100)	**115.37**	**121.66**	**123.81**	**138.25**	**129.99**

***Source**: Central Bank of Kenya*

* Provisional
1 Annual average
2 Countries in the Euro area included in the computation of Trade Weighted Fisher's Ideal Index are: Germany, France, Switzerland, Netherlands, Belgium and Italy.
[4] Calculated as 1 Kenya Shilling to Uganda or Tanzania Shilling

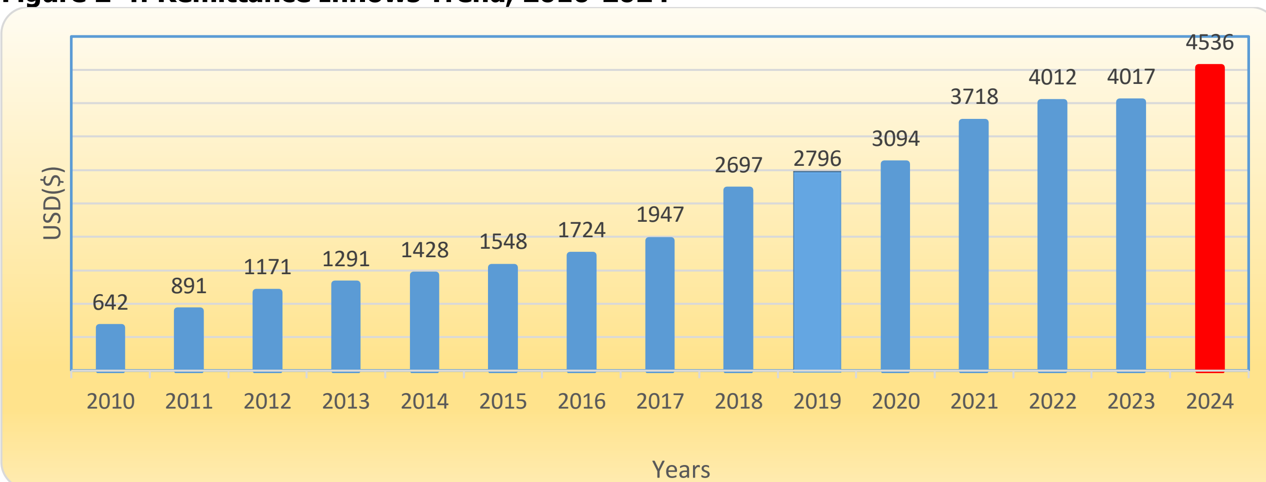
In terms of foreign reserves, the official foreign exchange reserves held by the Central Bank as of June 2024 stood at USD 8,463 million (4.4 months of import cover), an improvement from USD 8,037 million (4.3 months of import cover) in June 2023. The reserves continued to act as a buffer against short-term domestic and external shocks.

2.8 REMITTANCE INFLOWS

Remittance inflows increased by 12.9 percent to USD 4,536 million in FY 2023/24 from USD 4,017 million in FY 2022/23. They were mainly from the United States, which accounted for

57 percent of the total remittances to the country. As a result, the capital account balance improved by 80.3 percent to a surplus of KSh. 31.2 billion in 2024, and the Kenya Shilling remained stable in the foreign exchange market. This is illustrated in Figure 2-4:

Figure 2-4: Remittance Inflows Trend, 2010-2024



Source: *CBK, Annual Report*

2.9 BALANCE OF PAYMENT DEVELOPMENT

The overall Balance of Payment (BOP) recorded a surplus of USD 658 million in FY 2023/24 compared to a deficit of USD 1,096 million in FY 2022/23. During the review period, the current account deficit narrowed to USD 4,091 million (3.7 percent of GDP) compared to USD 4,841 million (4.2 percent of GDP) in FY 2022/23. The narrowing of the current account deficit was on account of an improvement in the goods balance and secondary income balance, which more than offset the worsening services balance and primary income balance.

The capital account inflows increased by USD 13 million in FY 2023/24, while the financial account recorded a lower net inflow of USD 2,877 million in FY 2023/24 compared to USD 3,420 million during FY 2022/23. The lower net inflow was mainly on account of acquisition of other investment assets, which increased by USD 1,816 million during FY 2023/24, more than offsetting the increase in other investment liabilities of USD 1,036 million. Inflows of direct investment liabilities remained relatively stable at USD 731 million in FY 2023/24 compared to USD 774 million in FY 2022/23. However, portfolio investment which had recorded a net outflow of USD 233 million in FY 2022/23 reversed to a net inflow of USD 49 million FY 2023/24.

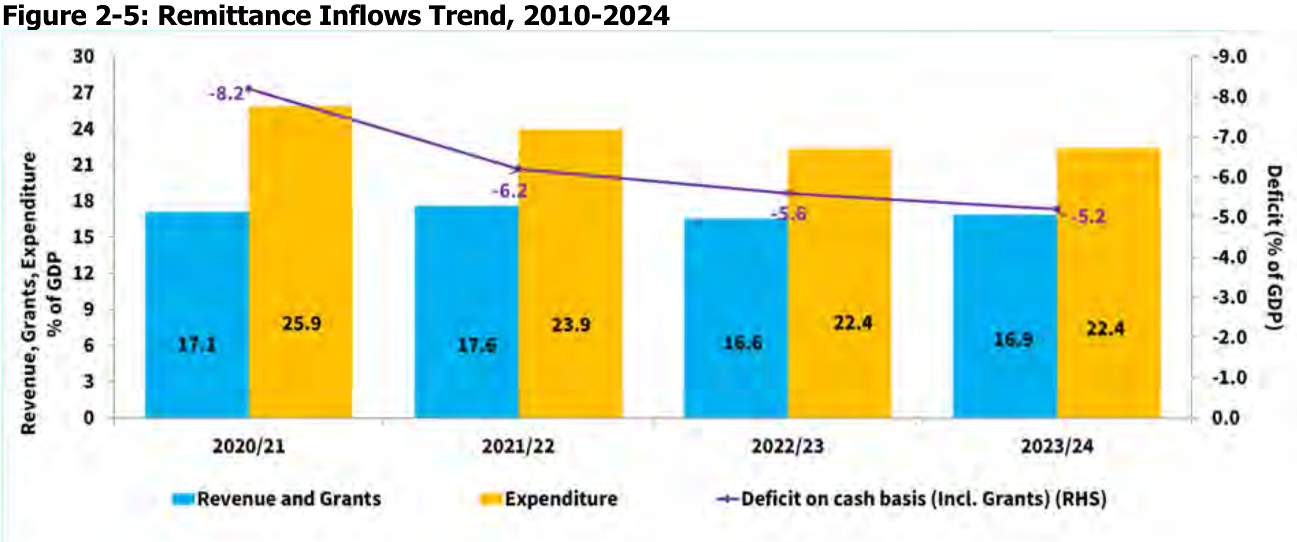
2.10 DEVELOPMENT IN PUBLIC FINANCE

Government Budget: In the period under review, Kenya's fiscal deficit amounted to KSh. 835.1 billion (5.2 percent of GDP) compared to KSh. 797.6 (5.6 percent of GDP) in the previous fiscal year. The deficit was, however, below the revised target of 5.7 percent of GDP, indicating continued economic recovery and improved fiscal consolidation.

Government revenue (including grants) in FY 2023/24 increased to KSh. 2,724.7 billion (16.9 percent of GDP) from KSh. 2,383.6 billion during the previous fiscal year, reflected in the main categories of ordinary revenue. Tax revenue remained the biggest source of government revenue and increased by 10.5 percent, largely reflecting an improved business environment due to continued economic recovery. Non-tax revenue and Appropriations-in-Aid increased by 43.9 percent and 29.5 percent, respectively, while external grants declined by 4.5 percent, reflecting a decrease in programme and project grants.

Meanwhile, government expenditure and net lending increased by 12.0 percent to KSh. 3,605.2 billion (22.4 percent of GDP) in FY 2023/24, but remained below the programmed target. The increase in expenditures mainly reflected a rise in recurrent expenditures that more than offset the decline in development expenditures and transfers to the county governments. Recurrent expenditure accounted for 74.3 percent of total government expenditure. This is illustrated in Figure 2-5:

Figure 2-5: Remittance Inflows Trend, 2010-2024



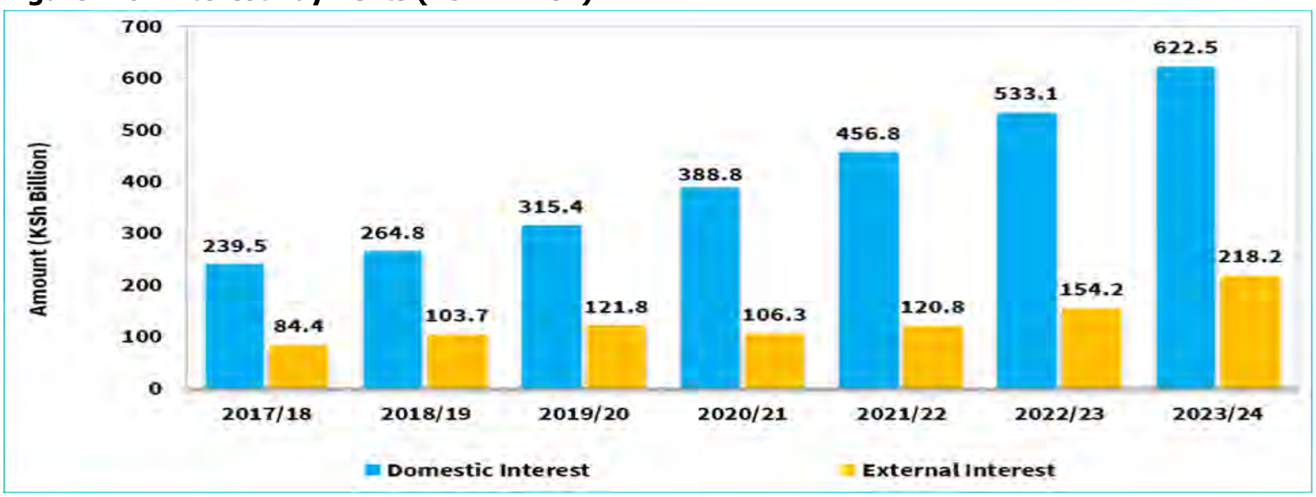
Source: *The National Treasury and Central Bank of Kenya*

Public Debt: Kenya's public and publicly guaranteed debt increased by 2.7 percent during FY 2023/24, occasioned by an increase in domestic debt by 12.0 percent. The public debt profile comprised a domestic and external debt mix of 51.0 percent and 49.0 percent, respectively. The ratio of public debt to GDP was estimated at 65.5 percent in June 2024, a decline from 72.0 percent in June 2023.

Domestic Debt: The increase in domestic debt was driven by increased uptake of Treasury bonds by 16.2 percent, which brought the ratio of Treasury bonds to Treasury bills to 88:12; surpassing the government's medium-term objective of achieving 70:30 ratio. This goal was accomplished through issuance of medium and long term Treasury bonds during the fiscal year under review.

External Debt: Kenya's public and publicly guaranteed external debt decreased by 5.4 percent to KSh. 5,150.8 billion, largely reflecting movements in the exchange rate. The Government continued its efforts to improve the external debt structure so as to enhance debt sustainability. The proportion of debt owed to multilateral lenders increased by 5.1 percentage points, while that of bilateral and commercial creditors decreased by 2.2 percentage points and 2.9 percentage points, respectively. This is illustrated in Figure 2-6:

Figure 2-6: Interest Payments (KSh. Billion)

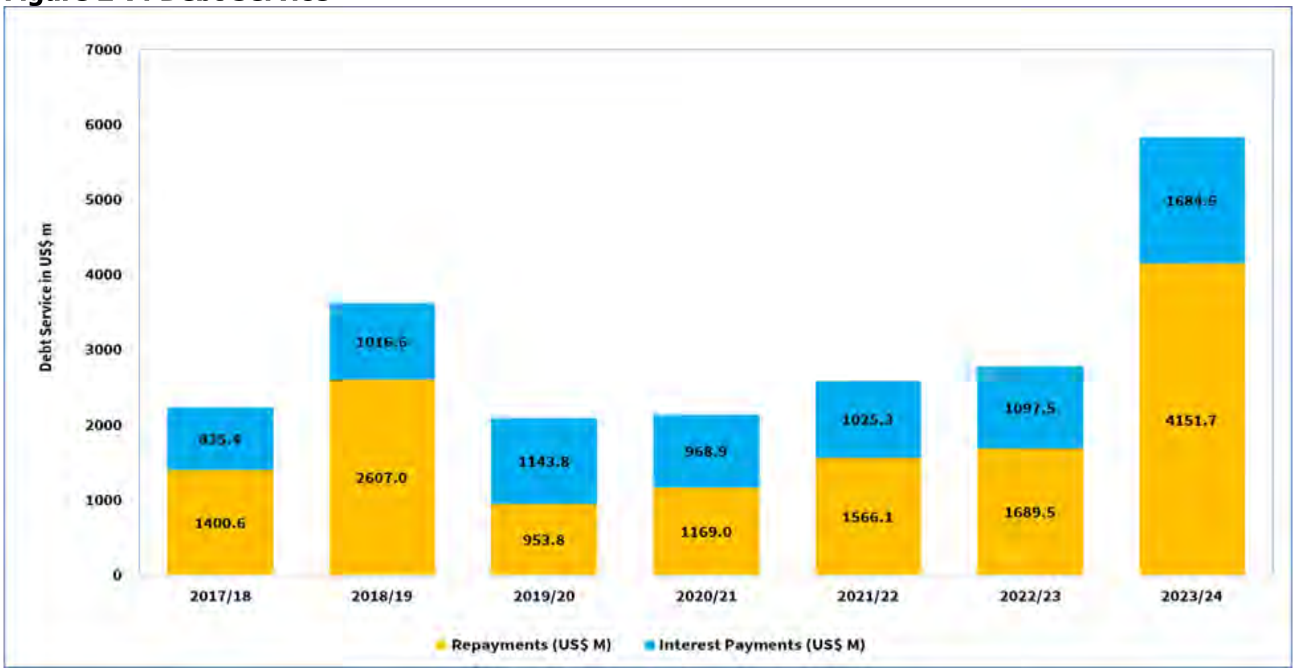


***Source**: The National Treasury and Central Bank of Kenya*

Public Debt Service: During FY 2023/24, cumulative interest and other charges on domestic and external debt increased by 16.8 percent and 41.5 percent respectively. Total external debt service increased significantly by 104.9 percent to USD 5,836.1 million from USD 2,787.0

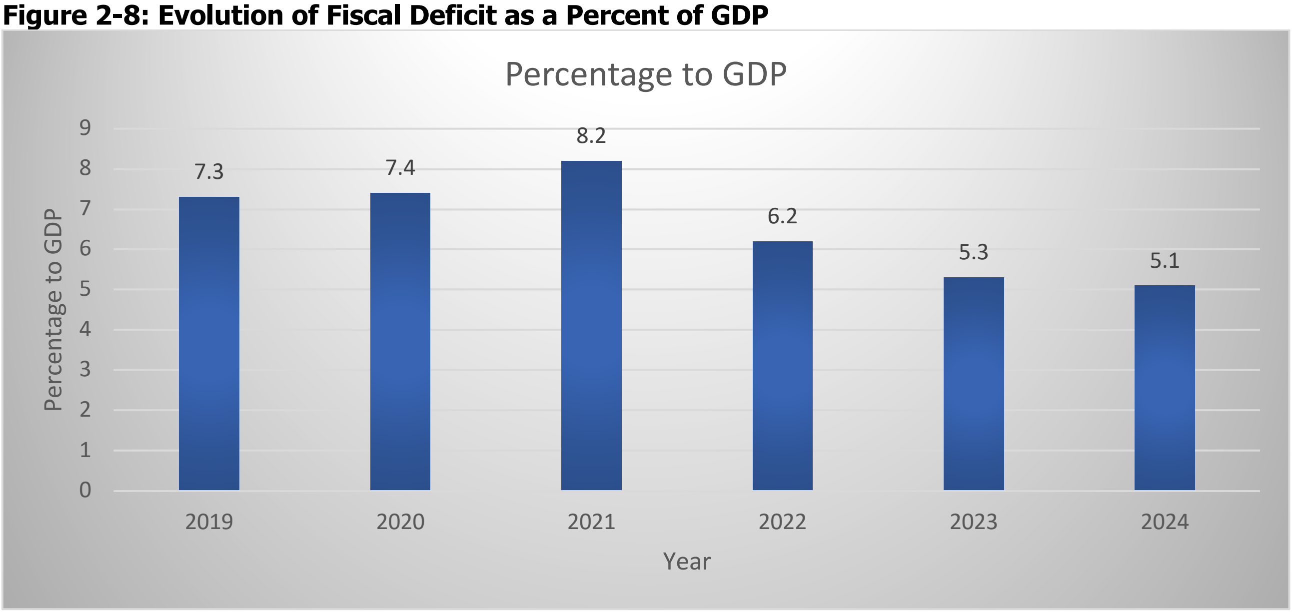
million in FY 2022/23, mainly due to refinancing of the USD 2.0 billion Eurobond. This is illustrated in Figure 2-7:

Figure 2-7: Debt Service



Source: *The National Treasury and Central Bank of Kenya*

Figure 2-8: Evolution of Fiscal Deficit as a Percent of GDP



Source*: KNBS*

The debt stock structure is illustrated in Table 2.7.

Table 2-7: Public and Publicly Guaranteed Debt Stock Structure

	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24*

Total PPG debt stock	6,693,338	7,696,634	8,634,909	10,278,879	10,581,988
O/w External	3,515,812	3,999,541	4,305,835	5,446,561	5,171,704
O/w Domestic	3,177,526	3,697,093	4,329,074	4,832,318	5,410,284
% share of External debt	52.5	52	49.9	53	48.9
% share of Domestic debt	47.5	48	50.1	47	51.1
Nominal GDP	10,175,226	11,304,100	12,752,164	14,274,419	16,106,042
	FY 2019/20	**FY 2020/21**	**FY 2021/22**	**FY 2022/23**	**FY 2023/24***
Total PPG debt to GDP	65.8	68.1	67.7	72	65.7
O/w External	34.6	35.4	33.8	38.2	32.1
O/w Domestic	31.2	32.7	33.9	33.9	33.6
PV of Debt to GDP	55.7	58.8	63.1	64.4	68.2
	FY 2019/20	**FY 2020/21**	**FY 2021/22**	**FY 2022/23**	**FY 2023/24***
Total PPG debt stock	15.2	15	12.2	19	2.9
O/w External	16.3	13.8	7.7	26.5	-5
O/w Domestic	14.1	16.4	17.1	11.6	12
Real GDP Growth	-0.3	7.6	4.8	5.3	5.6

External Financing: Net external financing amounted to KSh. 222.7 billion (1.4 percent of GDP), below the target of KSh. 259.3 billion. The total disbursements stood at KSh. 760.5 billion, comprising KSh. 155.8 billion in project loans, KSh. 317.8 billion in programme loans, and KSh. 286.9 billion from commercial sources. Principal repayments totaled KSh. 537.8 billion. The Government also conducted a Eurobond buyback of USD 1.5 billion to manage the maturity of the USD 2 billion June 2024 bond, with the remaining USD 500 million paid at maturity. The share of external debt initially remained relatively stable, fluctuating between 52.5 percent in 2020 and 52.9 percent in 2023, before experiencing a notable decline to 48.8 percent in 2024.

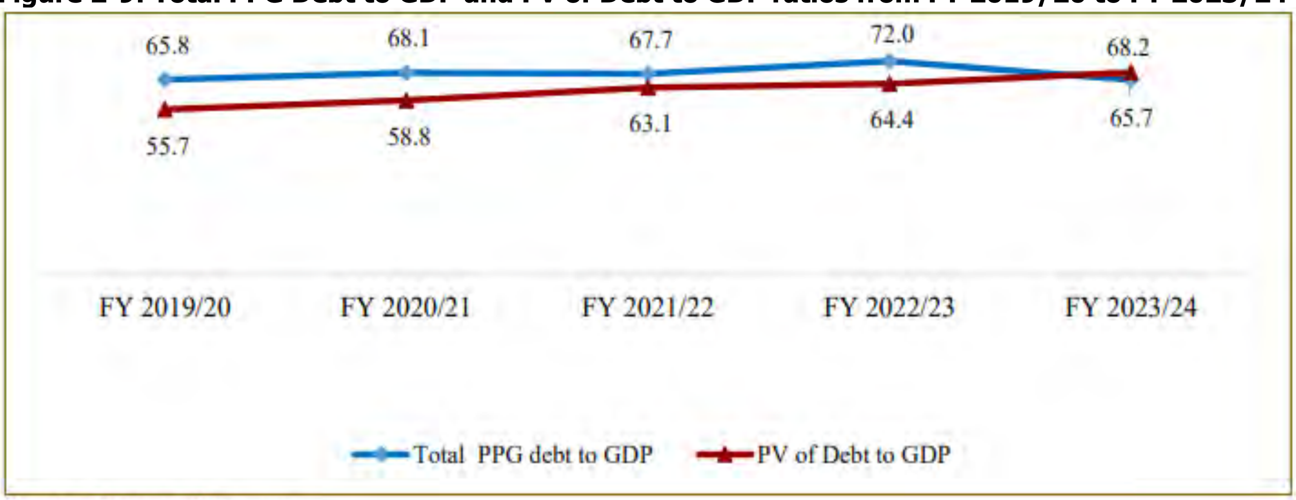
Domestic Financing: Net domestic financing during FY 2023/2024 stood at KSh. 595.6 billion, slightly below the target of KSh. 665.7 billion. This included KSh. 596.6 billion from government securities, offset by a net repayment of KSh. 1.0 billion in other domestic instruments. The domestic debt decreased to 47.1 percent in 2023 before rising sharply to 51.1 percent in 2024. This shift reflects Kenya's increasing reliance on domestic borrowing in FY 2023/24, likely due to constrained access to international credit markets and a deliberate strategy to reduce external debt vulnerabilities.

Debt Stock: As of June 2024, Kenya's total public and publicly guaranteed (PPG) debt stock was KSh. 10,582.0 billion, an increase of KSh. 303.2 billion (2.9 percent) from FY 2022/23. This comprised KSh. 5,410.3 billion in domestic debt (51.1 percent of total) and KSh. 5,171.7

billion in external debt (48.9 percent of total). Public debt as a percentage of GDP increased from 65.8 percent in June 2020 to a peak of 72 percent in June 2023, reflecting rising borrowing needs and economic pressures. However, by June 2024, the ratio declined to 65.7 percent, attributed to currency appreciation and fiscal adjustments. The present value (PV) of debt to GDP followed a similar upward trend, rising from 55.7 percent in 2020 to 68.2 percent in 2024, indicating a growing debt burden even as nominal debt levels eased. While the decline in 2024 is encouraging, the elevated PV indicates persistent sustainability concerns that require continued fiscal discipline and debt management reforms.

Debt-to-GDP Ratio: The ratio of total PPG debt to GDP declined from 72.0 percent in FY 2022/23 to 65.7 percent in FY 2023/24, largely due to the appreciation of the Kenya Shilling against major currencies. However, the PV of debt to GDP increased to 68.2 percent in FY 2023/24 from 64.4 percent the previous fiscal year, reflecting changes in debt composition and repayment obligations. This is presented in figure 2.9.

Figure 2-9: Total PPG Debt to GDP and PV of Debt to GDP ratios from FY 2019/20 to FY 2023/24



Source: *National Treasury*

CHAPTER 3 : ENABLERS OF NATIONAL TRANSFORMATION

3.1 INFRASTRUCTURE

The Infrastructure Sector is a cornerstone for socio-economic development, serving as both a driver and enabler of economic growth as envisioned in the Kenya Vision 2030. The Sector encompasses critical sub-sectors, including Roads and Transport; Energy and Petroleum; Broadcasting and Telecommunication; ICT and Digital Economy; Land, Public Works, Housing and Urban Development; and Water and Irrigation. These sub-sectors collectively provide cost-effective public utilities, infrastructure facilities, and services that are vital for fostering inclusive and sustainable economic progress.

Investments in the Infrastructure Sector have been pivotal in driving Kenya’s annual GDP growth, creating an enabling environment for economic recovery and inclusive development. The Sector’s strategic focus for FY 2023/2024 under MTP IV includes intensifying investments in key areas to enhance efficiency, connectivity, and sustainability. These priorities include strengthening land management systems, constructing water pans, small, large, and mega dams along with associated irrigation infrastructure, and expanding the transport network. Additionally, the Sector is committed to advancing clean energy generation and distribution capacity, promoting the exploration and commercialisation of oil and gas, and supporting affordable housing, urban development, and public works. Upgrading and expanding communication, broadcasting, telecommunication, and fibre-optic infrastructure will further bolster the digital economy, fostering an environment conducive to innovation and growth.

Through these initiatives, underpinned by sound policy and structural reforms, the Sector aims to enhance Kenya’s competitiveness, improve livelihoods, and achieve the transformative goals of Kenya Vision 2030.

3.1.1 Roads Sub-Sector

Since the inception of Kenya Vision 2030, the Government has made significant investments in road development, expansion, and maintenance, resulting in marked improvements in road conditions nationwide. Cumulatively, the sub-sector achieved 673.36 km of newly constructed classified roads out of a targeted 1,000 km and maintained or rehabilitated 50,356.52 km of roads, surpassing the target of 45,351 km, marking an improvement in road accessibility.

Non-achievement of the target set for construction of roads was mainly ocassioned by contractor delays due to payment issues. The timely release of the Road Maintenance Levy Fund (RMLF) significantly contributed to surpasing of the targets in rehabilitation and maintenance of the roads.

The rural road maintenance significantly surpassed its target, with 32,216.9 km improved or maintained against an annual target of 21,755 km. The urban and highway maintenance achieved 18,139.32 km out of a 21,000 km target.

The efforts to alleviate congestion in the cities through the construction of arterials and collectors saw 123.7 km completed, surpassing the 87 km target. Financial limitations and contractor delays impacted the construction of bypasses and other missing links, with no progress made towards these goals. Intelligent Transportation Systems (ITS) infrastructure development was also negatively affected by funding challenges.

For the Financial Year 2023/2024, the Roads Sub-Sector prioritised expanding and upgrading road infrastructure, adopting climate-resilient designs, and leveraging innovative financing models, including public-private partnerships. These efforts were aimed at reducing transport costs, enhancing road safety, and connecting underserved regions to economic hubs, aligning with the broader goals of economic recovery and sustainable development outlined in Kenya Vision 2030.

Below are the key achievements recorded in the Roads Sub-Sector for FY 2023/2024:

i. Urban and Highway Roads Maintenance

Location: Nationwide
Objective: To improve road mobility and reduce transport costs.
Implementing Agencies: Kenya National Highways Authority, Kenya Urban Roads Authority

Project Progress: The target during the financial year was maintaining 105,000 km of highways and urban roads. A total of 2,419.87 km of urban roads were maintained by Kenya Urban Roads Authority (KURA). Further, Kenya National Highways Authority (KeNHA) maintained 14,126.09 km out of a total target of 75,891 km of highway roads.

Implementation Challenges
- Change in scope due to unforeseeable events like floods.
- Retendering due to non-responsive bids for works leading to delays in implementation.
- Vandalism of infrastructure.
- Cases of overloading leading to road damage.
- Competing needs within urban space leading to encroachment on road reserves.

Lesson Learnt: Strengthening collaboration between government agencies, i.e. on clearing encroachment and relocation of utility lines and stakeholders' engagement enhances timely delivery of projects.

Recommendations

- Explore alternative sources of funding to cater for the network's maintenance and development needs.
- Enhance axle load control systems and enforcement.
- Review Kenya's road design manuals to incorporate design of resilient infrastructure in the wake of climate change.
- Foster collaborative engagements with different stakeholders for timely delivery of projects.

ii. Decongestion of Cities, Urban Areas and Municipalities

Location: Nationwide
Objective: To improve urban road mobility and reduce travel time
Implementing Agencies: State Department for Roads, Kenya Urban Roads Authority

a) Construction of Missing Links

Project Progress: Construction of missing links progressed to an overall completion level of 46 percent. This included the upgrade of roads to bitumen standards, as well as the completion of structures (bridges and culverts) and Non-Motorized Transport (NMT) facilities (walkways). As of the reporting period, the status of key projects was as follows: access to Donholm Phase 8 stood at 28 percent; Homa Bay Town Road at 30.5 percent; Maua Town Road at 85 percent; and access to Embu University at 90 percent completion.

Implementation Challenges

- Vandalism of streetlights and traffic signals.
- Delayed payments accruing interest.
- Encroachment within the road reserves.

Lesson Learnt: There is a need for the Ministry of Roads and Transport and roads agencies to engage the National Treasury on a funding model that allows for timely and adequate disbursement of funds for projects based on project requirements.

Recommendations

- Ensure timely disbursement of funds.

- Use of alternative materials for the streetlights that will not attract vandalism.

b) Construction of Arterials and Collectors

Project Progress: During the period under review, 123.7 km of arterial and collector roads were constructed, falling short of the target of 851 km.

c) Installation of ITS infrastructure in 296 junctions in Nairobi, Mombasa, Kisumu, Nakuru, Eldoret and Thika

Project Progress: During the period under review, Phase I of the project was ongoing and had reached 20 percent completion. Phase II was at the procurement consultancy service level.

Implementation Challenge: Long administrative procedures.

d) Construction of Six (6) Traffic Management Centres

Project Progress: No progress was made during the period under review.

Implementation Challenge: Budgetary cuts.

iii. Construction of Footbridges

Location: Nationwide
Objective: To enhance pedestrians' access and safety.
Implementing Agency: Kenya National Highways Authority
Project Progress: During the period under review, five (5) footbridges were under construction.

Implementation Challenge

- Delayed submission of quotations for relocation of services impacted the flow of the project.

Lesson Learnt: Geotechnical investigation is necessary during review to access the initial designs and drawings.

Recommendation: Structures project needs to involve a geologist and hydrologist during project inception.

iv. Rural Roads Maintenance

Location: Nationwide
Objective: To improve rural road access.
Implementing Agency: Kenya Rural Roads Authority
Project Progress: During FY 2023/2024, a total of 28,270.81 km was maintained or improved through funding from RMLF against a target of 101,755 km of rural roads.

v. Construction of 6,000 km of Major Roads

Location: Nationwide
Objectives: To improve domestic and regional connectivity.
Implementing Agency: State Department for Roads

During the period under review, KeNHA undertook several projects as follows:

i. Mau Mau Road Project. Lot 1A (Kiambu-105 km), 1B (Kiambu-112.6 km), 2A/2B (Murang'a-153.8 km) and 3 (Nyeri-100.65 km)

Location: Kiambu and Murang'a Counties
Project Progress: As of 30th June 2024, the project was reported to be ongoing and at varying completion levels as follows: 50.5 percent for Lot 1A (Kiambu), 54.3 percent (60.0 km) for Lot 1B (Kiambu/Murang'a); 53.54 percent (16.6 km) for Lot 2A/B; and 100 percent (67 km) for Lot 3.

ii. MPARD- Package 2: Mwache- Tsunza- Mteza (Dongo Kundu) - 8.96 km

Location: Mombasa and Kwale Counties
Project Progress: During the period under review, the completion of the project was at 93.1 percent out of the expected 8.96 km.

iii. Construction of Lot 1 and Lot 2 Roads from West Pokot to Turkana

Location: West Pokot, Turkana South, East, Central, and Turkana West Sub-Counties

Project Progress: As of 30th June 2024, the project completion level was at 58.2 percent and 63.6 percent respectively.

iv. **Dualling of Lot 1, Lot 2, and Lot 3 Barpello - Tot Junction - Kopasi River - Sigor – Marich Pass - 112.4 km**

Location: West Pokot County
Project Progress: As of 30 June 2024, the project was ongoing and had attained the following levels of implementation: Lot 1 at 7.9 percent, Lot 2 at 7.5 percent, and Lot 3 at 34 percent covering 4.51 km, 3.45 km and 11.01 km respectively.

v. **Construction of Lot 1, Lot 2 and Lot 3: Mamboleo Junction- Miwani- Chemelil- Kipsitet - 119.8 km**

Location: Kisumu and Kericho Counties
Project Progress: As of 30 June 2024, the project had attained implementation levels of 13 percent, 11.44 percent, and 17.82 percent, covering 3.41 km, 4.95 km and 7.57 km respectively.

vi. **Isiolo – Kulamawe (A10/B84) - 77 km**

Location: Isiolo County
Project Progress: During the period under review, the project, which was under construction, achieved cumulative physical completion level to 29.36 percent (22.61 km).

vii. **Kulamawe – Modogashe - 128 km**

Location: Wajir County
Project Progress: This Project, which was under construction, achieved cumulative physical progress to 20.1 percent (25.73 km) completion.

viii. **Mombasa – Kwa Jomvu Road (A109) - 12 km**

Location: Mombasa County
Project Progress: During the period under review, the project was under rehabilitation, bringing the cumulative physical completion to 93.46 percent, based on a revised contract price of Ksh. 11.4 billion. Pending court cases on land acquisition at the Kwa Jomvu Interchange remained unresolved.

ix. **Mombasa – Mtwapa - 13.5 Km**

Location: Mombasa County

Project Progress: As of June 30, 2024, the project under capacity enhancement had reached 12.8 percent (1.73 km) completion level.

x. Mtwapa – Kwa Kadezengo – Kilifi - 40.4 km

Location: Kilifi County

Project Progress: During the period under review, the project under capacity enhancement, achieved a cumulative physical progress of 55.3 percent completion (23.34 km). Delays in the issuance of awards to people affected by the project by the National Land Commission (NLC) in Mtwapa town and Kanamai area hindered progress.

xi. Magongo, Mombasa (A109L) Road: Phase II - 23.1 km

Location: Mombasa County

Project Progress: During the period under review, the project under capacity enhancement had reached 91.4 percent completion (21.74 km). Land acquisition was ongoing at Refinery Road.

xii. Lokichar – Loichangamatak – 40.8 km

Location: Turkana County

Project Progress: During the period under review, the project under rehabilitation achieved a total physical progress of 99 percent.

xiii. James Gichuru – Rironi - 25.1 km

Location: Nairobi County

Project Progress: During the period under review, the cumulative physical progress had reached 72 percent. Additionally, 4 km of collector roads had been under construction, and preliminary works for the Gitaru Interchange had commenced.

xiv. Kenol – Sagana - 48 km

Location: Murang'a, Kirinyaga, Machakos and Embu Counties

Project Progress: During the period under review, the project under capacity enhancement, achieved a cumulative physical progress of 93.83 percent. The project was delayed by land acquisition issues at Sagana.

xv. Sagana – Marua-36 km

Location: Kirinyaga and Nyeri Counties
Project Progress: During the period under review, the project under capacity enhancement, achieved a cumulative physical progress of 85 percent (30.6 km). Land acquisition issues at Karatina Town and Marua Interchange had slowed progress.

Implementation Challenges

- Inadequate resources that impeded the timely completion of road projects.
- Extreme weather events such as heavy rainfall and floods caused damage to road infrastructure.
- Acquisition of land and compensation for road construction was time-consuming, leading to delays.

Lesson Learnt: There is need for the Ministry of Roads and Transport and roads agencies to engage the National Treasury on a funding model that allows for timely and adequate disbursement of funds for projects based on project requirements.

Recommendations

- Ensure timely disbursement of funds from Treasury.
- Review existing policies and align them to support measures that enhance provision of quality and adequate roads.
- Adhere to existing plans and avoid procuring projects that have not been envisioned.

In addition, during the period under review, KURA undertook several projects as follows:

a) Construction to bitumen standards of the 8.5 km Rhino Park & other access roads in Nairobi County - the roads were upgraded to bitumen standards, structures (bridges and culverts) and NMT facilities were developed. The project was at 80 percent completion level.
b) Rehabilitation of Kasarani - Mwiki Road and Innercore Estate Roads in Nairobi County - the roads were upgraded to bitumen standards, while structures (bridges and culverts) and NMT facilities (walkways) were constructed. The projects were 82.0 percent complete.
c) Upgrading to bitumen standards of the 8.5 km Othaya Town Roads - The project had reached 86 percent completion and was under the defect's liability period.
d) Upgrading of 13 km Meru County Headquarters Roads - the project had a completion rate of 80 percent, though still behind schedule.
e) Improvement to bitumen standards of the 5.2 km A3 Jn - Bulla Madina - Sankuri - KenGen Road in Garissa County - the project was at 61.4 percent completion rate.

f) Construction of 6 km Valley Road/Ngong Road/Nyerere Road Interchange and Upper Hill Overpasses in Nairobi - The project was ongoing but had fallen behind schedule with a completion rate of 39.3 percent.
g) Upgrading of 9.6 km Tom Mboya Estate Roads – the project was ongoing but had fallen behind schedule with a completion rate of 40 percent.
h) Improvement of 0.5 km Nakuru Chief's Office - Ndarugu River Road in Nakuru County – The project had reached 16.1 percent but was behind schedule.
i) Upgrading to bitumen standards of 15 km Mlolongo - Athi River Joska Road in Machakos County - the project had reached 61.0 percent completion, remained ongoing, but was behind schedule.
j) Construction of Ngong Road Footbridges in Nairobi County - Two (2) footbridges to 90 percent completion level.
k) Road Annuity Programme Lot 15 (45.1 km) and Lot 18 (35 km) - Lot 15 was at 98.0 percent, while Lot 18 had reached 99 percent completion.
l) Dualling of the 11 km Ngong Road (Dagoretti Corner - Karen Roundabout in Nairobi County) - the project was 96.0 percent complete.
m) Upgrading to bitumen standards of the 3.5 km Mukuyu - Kambwe - Sewerage Road in Murang'a - the project had reached 53.0 percent completion, remained ongoing, but was behind schedule.
n) Upgrading to bitumen standards of the 4.3 km Nyeri Town Roads - the project had reached 40.0 percent completion.
o) Upgrading to bitumen standards of 4.1 km Garissa Township Roads - the project had reached 98 percent completion.
p) Upgrading to bitumen standards of Isiolo Town Roads - the project had reached 48 percent completion.
q) Upgrading to bitumen standards of 7 km Mandera Town Roads Phase II Roads in Mandera County - The project had reached 73 percent completion.
r) Upgrading to bitumen standards of 8 km Kigumo Township Roads in Murung’a County - the project had reached 39 percent completion.
s) Upgrading to bitumen standards of 13 km Tartar Junction and Sakas Roads in West Pokot County - The project had reached 39.5 percent completion.
t) Upgrading to bitumen standards of Kapenguria Town Roads in West Pokot County - the project had reached 98 percent completion.
u) Upgrading to bitumen standards of 7 km Kwale and Ukunda Township Roads - the project had reached 92 percent completion.
v) Upgrading to bitumen standards of 8 km Mwanyaru-Katoloni Roads in Machakos County - the project had reached 45 percent completion.

w) Upgrading bitumen standards of 25 km Kinanie Leather Park Road in Machakos County - the project had reached 45 percent completion.
x) Upgrading to bitumen standards of 7 km Narok Town Roads - the project had reached 80 percent completion.
y) Upgrading to bitumen standards of 10 km Kisii Bypass Phase II Road - the project had reached 17 percent completion.
z) Upgrading to bitumen standards of 7.5 km Bute Town Roads in Wajir County - the project had reached 46 percent completion.
aa) Upgrading to bitumen standards of 5 km Banisa Township Roads in Mandera County - the project had reached 47 percent completion.
bb) Upgrading to bitumen standards of of 7.5 km Eldas Township Roads in Wajir County - the project had reached 52 percent completion.
cc) Rehabilitation of 26.73 km Thika Township Roads in Kiambu County - the project had reached 53 percent completion.

vi. Road Safety Project

Location: Nationwide
Objective: To enhance the road safety management system.
Implementing Agency: National Transport and Safety Authority

a) Upgrading and Reconfiguration of Transport Information Management Systems

Location: Nationwide
Project Progress: The project implementation level was at 20 percent, tender documents prepared and procurement process was on going.

Implementation Challenges
- Payment delays from M-Pesa to e-Citizen.
- Delays in revenue settlement.

Lesson Learnt: Building relationships with multiple donors and partners is critical in avoiding delays that can destruct the entire project.

b) Development of a Model Motor Vehicle Inspection and Driver Testing Unit with Simulators

Location: Thika

Project Progress: At the end of the performance period, the project stood at 20 percent completion level, excavation works for the foundation completed and pillar construction was ongoing.

Implementation Challenge: Works were halted for nine (9) weeks due to non-payment of county rates.

Lesson Learnt: Establishing a working relationship with the county government is key in project implementation.

Recommendation: Secure all required approvals during the planning stage of a construction project to prevent delays in project implementation.

c) Undertaking Road Safety Audits and Accidents Investigations and Inspections

Location: Nationwide

Project Progress: During the period under review, thirty (30) road safety audits were undertaken against the planned 18. This was attributed to increased audits done in conjunction with the roads agencies and support from the European Union's Usalama Barabarani Programme

Implementation Challenge: Roads agencies often submit designs for audit only when the project has already reached the procurement stage. By this point, the design is largely fixed, tender documents have been prepared, and there is very limited room to incorporate substantive safety recommendations without causing delays, redesign, or contractual adjustments.

Lesson Learnt: Funding under the fuel levy does not always cater for implementation of some Road Safety Audit) recommendations. As a result, important safety measures may remain unaddressed even after being identified through the audit process.

Recommendation: Roads agencies should submit projects for Road Safety Audit at the planning, preliminary design and detailed design stages to allow safety concerns to be identified and addressed before projects reach procurement and construction.

c) Upgrading of Manual Motor Vehicle Inspection Centres in Kisumu, Nakuru, Garissa and Eldoret

Location: Nationwide
Project Progress: The Authority secured funding from the African Development Bank; this is attributed to 20 percent of the entire project status.

Implementation Challenge: Prolonged process of acquiring title deeds for the inspection centres.

Lesson Learnt: Owning land with complete and verified title deeds is critical for the Authority

Recommendation: Fast-track issuance/transfer of title deeds.

d) Mobilisation of Transport Service Providers into Co-operatives

Location: Nationwide
Project Progress: During the reporting period, 150 public transport operators - drivers and conductors - were sensitised on road safety against a target of 100 public transport operators and 400 drivers from 100 commercial transport organisations.

Implementation Challenge: Budgetary constraints.

Lesson Learnt: Continuous engagement/sensitisations have resulted in gradual behavioural changes.

Recommendations: There is need for more support from county and enforcement agencies.
- Enhance post-crash care to save lives.

e) Training and Capacity Building for Boda Boda Operators

Location: Nationwide
Project Progress: 6,000 riders against the targeted 5,000 were sensitised on road safety, Sacco formation, and self-regulation, in respect to the motorcycle regulations and the Motorcycle Safety Action Plan

Implementation Challenges

- Budgetary constraints.
- Low literacy levels among some riders, which affected the effectiveness of training.

Lesson Learnt

- Continuous training and capacity building improves knowledge, compliance and safety practices among boda boda operators

Recommendations

- Enhance support from county governments and enforcement agencies to expand outreach and compliance.
- Adapt training materials to accommodate low literacy levels for better understanding.

3.1.2 Ports Sub-Sector

i. Kenya National Shipping Line Cargo Carrying Capacity

Location: Mombasa Port
Objectives: To enhance Kenya National Shipping Line cargo carrying capacity.
Implementing Agency: State Department Shipping & Maritime Affairs

Project Progress: The project aimed at acquiring and chartering two (2) shipping vessels and container equipment. During the period under review, the project had not been implemented.

Implementation Challenge: Delays in implementation of restructured framework agreements.

Lesson Learnt: GoK support is key to the implementation of the framework agreements.

Recommendation: Implement the framework agreement.

3.1.3 Air Sub-Sector

The number of passengers handled at the airports increased by 5.1 percent to 12,831.7 thousand by the end of the review period. International passengers increased by 9.6 percent from 6,644.4 thousand in 2023 to 7,282.6 thousand in 2024. The rise in the number of international passengers is mainly attributed to the introduction of new routes and resuming operations by some airlines.

Brussels Airlines commenced operations while Kenya Airways launched direct flights from Nairobi to Maputo. Additionally, routes from Jomo Kenyatta International Airport (JKIA) to Brussels, New York, Bangkok, Kilimanjaro, and Mogadishu experienced increased traffic. Moi International Airport in Mombasa experienced heightened traffic on routes to Dubai, Zanzibar, and Addis Ababa in the review period.

Major achievements in the sub-sector are as follows:

i. Airports Development

Objective: To facilitate expeditious and safe movement of aircraft in Kenya's airspace and improve passenger handling service in Airports and Airstrips.
Implementing Agencies: State Department for Transport, Kenya Airports Authority

Project Progress

a) Construction of a New Terminal at JKIA

Location: Nairobi

Project Progress: During the period under review, the project was at the pre-contract negotiation phase of a Public-Private Partnership, with a completion level of 5 percent.

Implementation Challenge: Reaching consensus on project terms, financial models and risk sharing is lengthy due to the complexity of agreements.

Lesson Learnt : Streamline negotiation with clear frameworks.

Recommendation: Develop standardised contract templates to streamline negotiations.

b) Upgrading of JKIA Terminal 1E

Location: Nairobi
Project Progress: During the period under review, the Authority established a demolition and methodology plan.

Implementation Challenge: No physical upgrades yet.

Lesson Learnt: Project timelines are often delayed by the initial planning phase.

Recommendation: Adhere to project timelines.

ii. Air Navigation Services

a) Construction of Kisumu Airport Control Tower

Location: Kisumu International Airport
Objective: To allow for adequate visibility of the extended runway for both visual and instrumental landings, take-offs and aprons.
Implementing Agency: Kenya Civil Aviation Authority (KCAA)

Project Progress: The project scope entailed the construction of an Air Traffic Control Tower at Kisumu International Airport. During the period under review, the preparation of architectural designs for the control tower had been completed. Further, the substructure and superstructure work were complete. The project was at a 45 percent completion level.

Implementation Challenges

- Flooding,
- delayed power connection, and
- challenges of airside access by trucks and workers.

b) Construction of Diani Airport Control Tower

Location: Diani Airport, Kwale County
Implementing Agency: KCAA

Project Progress: The project scope entailed the construction of an Air Traffic Control Tower at Diani Airport. During the period under review, the project had not taken off.

Implementation Challenge: Delay due to unavailability of a suitable place for the construction of the Tower.

c) Installation of Area Control Centre and Disaster Recovery System Equipment

Location: Mlolongo
Objectives: To facilitate safe and expeditious movement of aircrafts in Kenya's Flight Information Region and contribute towards the growth of the aviation industry

Implementing Agency: KCAA

Project Progress: Delivery and installation of Very High Frequecy (VHF) Transceivers, Automatic Voltage Regulator, Uninterruptible Power Supply), and air conditioning systems completed. Air Traffic Management System and extended Aeronautical Message Handling System) delivered and at various installation stages. Completed upgrades: Aeronautical Information Management (AIM) System; Digitl Automatic Terminal Information System extension from Wilson to other airports; Voice Control and Communication System installations at JKIA, Lokichogio, and Wajir; VHF Radio Systems for Kisumu and Malindi; Relay Station 118.1 MZ for Wilson. Ongoing installations: Mua Hills VHF area cover (95 peercent); voice recorder systems for JKIA, Mombasa, Kisumu, Malindi (60 percent); Lokichoggio 40 KVA solar power system (60 percent). Routine maintenance and calibration enhanced across all manned airports.

Lessons Learnt: Consistent maintenance and calibration ensures equipment availability of 97.9 percent, exceeding the International Civil Aviation Organization recommended 97 percent threshold.

Recommendations
- Sustain maintenance regime to maintain 97.9 percent availability.
- Prioritise completion of outstanding installations: Mua Hills (95 percent), Voice Recorders (60 percent), and Lokichoggio Solar Power (60 percent).

iii. Aviation Training

a) Installation of Training Equipment and Systems at East African School of Aviation

Location: Nairobi
Objective: To improve the capacity of the East African School of Aviation (EASA) to conduct aviation training and enhance the quality of civil aviation personnel.
Implementing Agency: KCAA

Project Progress: KCAA undertook various projects to improve physical facilities, create a conducive environment for training and build EASA capacity to provide global aviation training. KCAA implemented the following projects during the FY 2023-2024. Procurement and installation of training equipment as follows: 100 percent completion of VHF Omni-Range

System; 100 percent completion of Instrument Landing System; and 100 percent completion of Distance Measuring Equipment for training.

All the projects entailed training of operational and technical staff both at the factory and on-site. In addition, KCAA progressed implementation of the following ongoing projects: Upgrade of the existing 3D Air Traffic Control Simulator installed in 2015 to match the current industry technological developments to ensure currency; installation of aviation security computer-based training system for training in aviation security; and initiated procurement for the AIM System for training in Aeronautical Information Systems.

Implementation Challenges

- High cost of training aviation personnel and acquisition of aviation training equipment and systems.
- Exchange rate fluctuations that have caused deterioration of the local currency affecting implementation of projects denominated in foreign currency.
- Delay in project implementation.

Lessons Learnt

- Involvement of all the stakeholders is key for success of the projects and for sustainability.
- The availability of component technical teams is paramount for effective implementation of the projects.
- There is need to document any challenges causing delay or deviations in the approved projects work plans and actions taken to address them.

Recommendations

- Engagement of stakeholders in all phases of the project cycle.
- Ensure availability of competent Contract Implementation Teams comprising a mix of different expertise required in the specific project's implementation.
- Enforce the contract terms to ensure the vendors always avail competent project teams during project implementation and adhere to the timelines.
- Implement mechanisms to mitigate and cushion the Authority against loss caused by the exchange rate variations.

3.1.4 Rail Sub-Sector

Kenya Railways Corporation (KRC) completed construction of Miritini Metre Gauge Railway (MGR) Station - Mombasa Terminus. KRC also launched the Standard Gauge Railway (SGR) premium class service with a coach capacity of 28 passengers each. MV–Uhuru II wagon ferry was operationalised during the review period. The Riruta/Lenana-Ngong line, which was 12.5

kilometres with an estimated cost of KSh. 1,231.8 million was 12.0 percent complete at December 2024.

The following were achieved during FY 2023/2024:

i. Construction and Rehabilitation of Railways

a) Development of Nairobi Railway City

Location: Nairobi
Objective: To increase rail transport capacity to enhance mass cargo and consumer transport.
Implementing Agencies: State Department for Transport, Kenya Railways Corporation

Project Progress: The project was ongoing. As of 30 June 2024, the non-motorized footbridge and Makadara yard had reached 30 percent completion; the preliminary RIBA 3 design of Nairobi Central Station and its Public Realm had been completed, and land valuation had been carried out.

Implementation Challenge: Late disbursement of funds.

Lesson Learnt: Need for comprehensive stakeholder engagement during master planning.

Recommendation: Early consultation with all project stakeholders.

b) Development of Eldoret Railway City

Location: Eldoret
Objective: To increase rail transport capacity to enhance mass cargo and consumer transport.
Implementing Agencies: State Department for Transport, Kenya Railways Corporation

Project Progress: During the period under review, 170 stakeholders had been engaged, following which the Eldoret Railway City master planning had been completed in September 2023. The Eldoret Railway City had since been gazetted as a strategic national project.

Implementation Challenges: Lengthy master plan approval process and stakeholder engagement.

Lesson Learnt: Need for comprehensive stakeholder engagement during master planning.

Recommendation: Early consultation with all project stakeholders.

c) Completion of 10 km Embakasi Village – Ruai Commuter Line

Location: Embakasi/Ruai
Objective: To increase rail transport capacity to enhance mass cargo and consumer transport.
Implementing Agencies: State Department for Transport, Kenya Railways Corporation

Project Progress: The concept note had been developed, and as of June 2024, KRC was awaiting approval of the concept note from the National Treasury.

Implementation Challenges: Constrained budget allocation and delayed disbursement.

Lesson Learnt: Need for follow up for project approval.

Recommendations: Timely project approval and disbursement of funds.

d) Completion of SGR Phase 2B and 2C

Location: Naivasha, Kisumu
Objective: To increase rail transport capacity to enhance mass cargo and consumer transport.
Implementing Agencies: State Department for Transport, Kenya Railways Corporation
Project Progress: During the period under review, the project was ongoing.

Implementation Challenge: Financing of the project is constrained.

Lesson Learnt: Need for in-depth preliminary planning.

Recommendation: Seek alternative sources of funding for capital intensive projects.

e) Modernisation and Equipping of Central Workshop, Mombasa Depot, Eldoret Depot and Nakuru Depot

Location: Mombasa, Eldoret, Nakuru
Objective: To increase rail transport capacity to enhance mass cargo and consumer transport.
Implementing Agencies: State Department for Transport, Kenya Railways Corporation

Project Progress: During the review period, the State Department for Transport had requested the National Treasury for an allocation of KSh. 750 million as Appropriation-In-Aid (AIA).

f) Purchase, Rehabilitation and Overhaul of Locomotives and Wagons

Location: Nationwide
Objective: To increase rail transport capacity to enhance mass cargo and consumer transport.
Implementing Agencies: State Department of Transport, Kenya Railways Corporation

Project Progress: During the reporting period, the project was ongoing.

Implementation Challenge: Long delivery/lead times.

Lesson Learnt: Monitoring and evaluation of locomotive demand is important.

Recommendation: Undertake locomotive demand forecasting.

ii. Construction and Rehabilitation of Railways

a) Construction of 12 km Riruta/Lenana – Ngong Commuter MGR Line (with 3 Commuter Stations)

Location: Nairobi Metropolitan Area
Objective: To increase rail transport capacity and reduce the cost of transportation.
Implementing Agencies: State Department for Transport, Kenya Railways Corporation

Project Progress: During the reporting period, the project was ongoing.

Implementation Challenge: Delay in land acquisition.

Lesson Learnt: Effective planning on intent to acquire land and proper public participation are key in project implementation.

Recommendation: Timely stakeholder engagement.

b) Rehabilitation of Longonot – Malaba MGR Phase II

Location: Longonot – Malaba
Objectives: To increase rail transport capacity and reduce the cost of transportation.
Implementing Agencies: State Department for Transport, Kenya Railways Corporation

Project Progress: As at the reporting period, this project was ongoing.

Implementation Challenge: Lack of proper planning leading to partial implementation of the project.

Recommendation: Ensure proper and comprehensive planning for successful project implementation.

c) Construction Units for Kibra/Mukuru Relocation Action Plan

Location: Nairobi
Objectives: To increase rail transport capacity and reduce the cost of transportation.
Implementing Agencies: State Department for Transport, Kenya Railways Corporation

Project Progress: During the period under review, 1,101 housing units were not constructed. The State Department for Housing and Urban Development (SDHUD) had been requested to budget for Ksh. 3,966,770,594.10 to construct the pending units.

Implementation Challenge: Lack of budgetary allocation.

Recommendation: Allocate and timely release the funds.

3.1.5 Energy Sub-Sector

The Energy Sub-Sector is a socio-economic transformation enabler towards the achievement of Kenya's development goals as anchored in the Kenya Vision 2030 and its constituent MTPs, as well as international obligations as anchored in the United Nations (UN) Vision 2030, Africa

Agenda 2063 and East African Communuty (EAC) Agenda 2050, among others .The summary of achievements for the Sub-Sector for the period under review are as follows:

Towards Energy Policy, Legal and Institutional Framework, the key milestones include: the Energy (Net Metering) Regulations 2024 and two (2) draft regulations proposed by the Kenya Nuclear Regulatory Authority to operationalise the Nuclear Regulatory Act. Cap 243. Further 16 County Energy Plans were developed towards the establishment of the Integrated County Energy Plan.

Under the Power Generation Programme, the installed power generation capacity stood at 3,243MW (June 2024) with 82 percent from renewable technologies. The renewable energy share of the generation mix stood at 92 percent as at June 2024. The drop in the installed power generation capacity from 3312MW (June 2023) follows the retirement of the 75MW Kipevu I Thermal Power Plant in line with Government focus to increase clean and renewable power generation. Further the construction of the 83MW Olkaria I Unit 6 progressed to 99 percent with the Defects Liability Period (DLP); the 63.3MW Olkaria I Rehabilitation Power Plant progressed to 15 percent; 35MW Globeleg Power Plant progressed to 19 percent; the 8.6MW Gogo Upgrade, the 80.3MW Olkaria VII, 42.5MW Seven Folks Solar PV Plant and Olkaria I AU Turbine Uprating received Cabinet approval during the period under review and procurement of consultants is in progress. Towards promoting geo-exploration, seventeen (5 geothermal wells were drilled in Menengai and Baringo-Silali increasing the cumulative steam equivalent to 251.8MWe. To enhance the country's preparedness for nuclear power generation, 134 people were trained on nuclear power; the nuclear power plant siting progressed to 16 percent; among other initiatives.

Towards the enhancement of the national electricity transmission network, 160 km (route length) of transmission lines and 3 new high voltage sub-stations were constructed. The electricity distribution network was enhanced with 381 km of distribution lines and 7 distribution sub-stations constructed. The number of new customers connected to electricity increased by 465,416 including 653 public facilities. This increased the cumulative number of customers connected to 9,660,005. To promote a 24-hour economy and enhance security, 5,856 street lighting lanterns were installed in different parts of the country. The electrification of Galana Kulalu progressed to 22 percent. The Sub-Sector also enhanced connectivity in off-grid areas by constructing 1No. Hybrid mini-grid.

Towards increased access to alternative energy, the following was achieved: 3 institutional and 207 domestic biogas plants constructed; 19 sites identified for small hydro plants; the green hydrogen power plant progressed to 10 percent; 5 Liquified Petroleum Gas (LPG) systems installed in public institutions; 3,812 subsidised clean cook stoves disseminated; and 2,712 standalone solar home systems installed;

The Energy Sub-Sector's detailed implementation status of key achievements, outputs and BETA priorities for FY 2023/24 were as follows:

Power Generation

a. Olkaria 1 Rehabilitation

Location: Nakuru County
Objectives: To rehabilitate Olkaria 1 Power Plant to replace the old major equipment (turbines and generators) with new modern ones. This would increase the lifespan of the 3 units by more than 25 years and increase the power output from the current 45MW to 63.3MW.

Implementing Agency: Kenya Electricity Generating Company

Project Progress: During the period under review, the dismantling of the existing plant and substation was completed. Overall, works progressed to 15 percent completion with completion scheduled for December 2026. The manufacture of major equipment, including turbines, condensers, and generators, was ongoing and remained on schedule.

b. Olkaria IAU and IV Turbine Uprating

Location: Nakuru County
Objectives: To uprate the existing turbines thus increasing the MW generated by using the same quantity of steam by 40MW.

Implementing Agency: Kenya Electricity Generating Company

Project Progress: During the period under review, the procurement process for the Engineering, Procurement and Construction (EPC) contractor had commenced. The Request for Proposal is scheduled to close on September 12, 2024. The project is ongoing, with commissioning scheduled for 2029.

c. Olkaria I Unit 6

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

Implementing Agency: Kenya Electricity Generating Company

Project Progress: During the period under review, management of DLP progressed to 99 percent as of 30th June 2024, with completion scheduled for 30th December 2024.

Figure 3-1: 83.3MW Olkaria 1 Unit 6 Power Plant

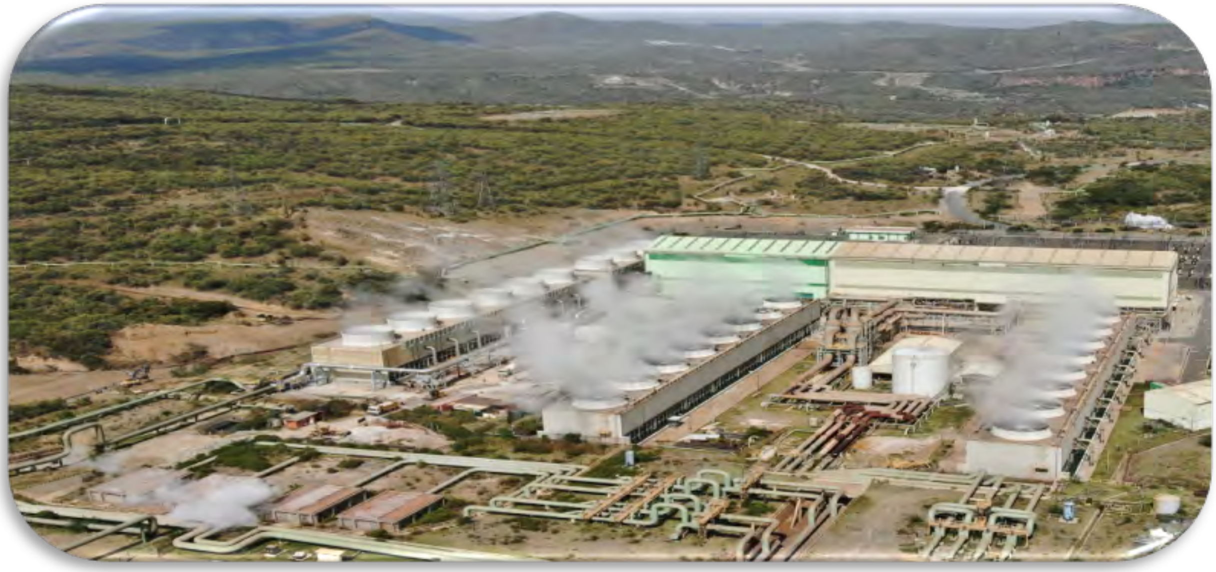


Figure 3-2: 83.3MW Olkaria 1 Unit 6 - Steam Turbine and Generator

Figure 3-3: 83.3MW Olkaria 1 Unit 6 - Steam Turbine and Generator Hall

d. **Gogo Upgrade**

Location: Migori County
Objectives: To enhance volume and security of electric power supply in the Western Region of Kenya by expansion of Gogo Hydro Power Plant from 2MW to 8.6MW capacity.

Implementing Agency: Kenya Electricity Generating Company

Project Progress: At the time of the reporting, Cabinet approval for the project's implementation had been granted on October 9, 2023. Subsequently, the procurement of the implementing consultants commenced on December 19, 2023, and the project is scheduled for commissioning by December 2028. Implementing consultants commenced on December 19, 2023, and the project was considered to be both ongoing and on schedule.

e. **Seven Forks Solar PV Plant**

Location: Nakuru County
Objectives: To enhance volume and security of electric power supply in Kenya by building 42.5 MW capacity Solar PV Plant.
Implementing Agency: Kenya Electricity Generating Company

Project Progress: During the reporting period, Cabinet approval for the implementation of the project was granted on the 13th December 2023 and commenced procurement of the implementing consultants on 19th December 2023, and the implementation is ongoing.

f. **Olkaria VII**

Location: Nakuru County
Objectives: To enhance volume and security of electric power supply in Kenya by building 80.3MW capacity Geothermal Power Plant.
Implementing Agency: Kenya Electricity Generating Company

Project Progress: As at the reporting period, the feasibility study for Olkaria VII had been completed and approved. Application for statutory approval for implementation is ongoing. The project is scheduled for commissioning by June 2029.

g. Nuclear Power Plant Sitting

Location: Nationwide
Objectives: To acquire a sustainable site for nuclear power plants deployment in Kenya.

Implementing Agency: Nuclear Power and Energy Agency

Project Progress: During the period under review, preferred and alternate sites had been identified, the work was behind schedule but had reached 16 percent completion.

Implementation Challenges
- Low funding led to low progress of scheduled work
- Towards the enhanced acceptance of the nuclear power programme, the Agency encountered resistance and has undertaken to address the concerns by both host communities and groups/institutions.

Lesson Learnt: Continuous engagement shall ensure successful project implementation.

Recommendation: Provide sufficient funds for the planned activities.

h. Nuclear Policy and Legislation

Location: Nationwide
Objectives: To have an enabling legal and regulatory framework to support utilisation of nuclear technology.

Implementing Agency: Nuclear Power and Energy Agency

Project Progress: At the time of the review, the project was 15 percent complete and was on schedule. Stakeholders had been identified and engaged for the National Nuclear Policy through public participation. Two draft regulations were proposed: the Nuclear Regulatory (Licensing Requirements for Nuclear Facilities and Related Activities) Regulations, 2024, and the Nuclear Regulatory (Site Evaluation) Regulations.

Lessons Learnt: Continuous engagement ensures successful project implementation.

Recommendation: Onboard stakeholders at all stages of the legislative process.

i. Strategic Environmental Assessment

Location: Nationwide
Objectives: Develop an environmental plan to implement the mitigation actions identified and to enhance the positive impacts identified.

Implementing Agency: Nuclear Power and Energy Agency

Project Progress: During the period under review, 58 percent of the work was complete with the development of a preliminary environmental and social impact assessment (ESIA) report and developed a draft International Atomic Energy Agency coordinated research project report detailing the modelling methodology for nuclear renewable integration using the Low Emission Analysis Platform Tool.

Implementation Challenges

- Low funding has led to slow progress of the scheduled work.
- The process was hampered by delays in land acquisition.

Lesson Learnt: Continuous engagement ensures successful project implementation.

j. Resource Development for Nuclear Power Programme

Location: Nationwide
Objectives: To develop a pool of qualified and competent human resources for development of the nuclear power programme.

Implementing Agency: Nuclear Power and Energy Agency

Project Progress: During the period under review, 134 Kenyans were trained locally and internationally on nuclear science and technology domains including nuclear power infrastructure development, reactor technology assessment for Small Modular Reactors (SMRs), international and national legal frameworks for SMRs, emergency planning and response, technology development, and applications for SMRs genetic users. The project implementation rate was at seven (7) percent.

Implementation Challenge: Low funding has led to slow progress of the scheduled work.

Lesson Learnt: Continuous engagement ensures successful project implementation.

Recommendation: Enhance the budget allocation for this project.

k. Green Energy Industrial Parks and Other Geothermal Resources Direct Use

Location: Olkaria, Menengai (Nakuru County)
Objectives: To promote direct use of geothermal resources.

Implementing Agencies: Geothermal Development Company, Kenya Electricity Generating Company

Project Progress: Strategic Geothermal Resource Parks had been identified to be set up in Olkaria and Menengai in Nakuru County. At the time of the review, 20 percent of the project had been implemented, and one (1) investor had been engaged. In Olkaria, the application for Special Economic Zone (SEZ) designation was approved in June 2024 and submitted to the Ministry of Investments, Trade and Industries for gazettement. The tender for consultancy services for detailed park infrastructure design has been awarded and was in the process of contracting. For Menengai, the Geothermal Development Company (GDC) was in the process of onboarding a private investor for manufacturing mainly using heat from brine for industrial processes. 54 projects were commissioned under the exchequer funding and 49 under the matching fund. The total public facilities commissioned in the financial year were 474. Identification of 273 facilities for installation of solar PV was done. This includes 23 primary and 9 secondary schools, and the projects are awaiting funding.

Implementation Challenges
- Separate energy supply infrastructure construction.
- Lack of adequate funds.

Lessons Learnt

- Partnering with county governments in the development of industrial parks is important.
- Leveraging on development partner financing.

Recommendation: Increase funding for industrial parks.

l. Geothermal Exploration and Steam Development

Location: Menengai (Nakuru County) Paka (Baringo County)
Objective: To increase installed power capacity.

Implementing Agency: Geothermal Development Company

Project Progress: At the time of the review, 70-MW of geothermal steam had been developed at Baringo-Silali Geothermal Fields in Baringo County. This is part of the targeted 100MW for Phase I of the Paka Geothermal Field Power Production.

Implementation Challenges

- Long geothermal development lead time from conceptualisation to availing power to the national grid.
- High risk and upfront cost associated with drilling.
- Insufficient funding.
- Complex land adjudication and compensation processes under the Community Land Act, 2016.

Lessons Learnt

- Embracing the different geothermal development models through strategic partnerships.
- Continued capacity building in geothermal development.
- Enhance community engagement and fast-track land adjudication.

Recommendations

- Implementation of community engagement strategy.
- Enhance stakeholder engagement management.
- Increase funding allocation.

m. Geothermal Plant and Resource Development

Location: Olkaria and Menengai (Nakuru County)

Objective: To increase installed power capacity.

Implementing Agencies: Geothermal Development Company, Kenya Electricity Generating Company, Independent Power Producers (IPPs)

Project Progress: During the period under review, 35MW by one of the IPPs was added to the grid, bringing the total generation from geothermal energy to 606MW. At the same time Globeleq, an IPP at Menengai Geothermal Project, had achieved 19.03 percent of the construction of a 35-MW powerplant.

Implementation Challenges
- Delayed power plant construction.
- IPPs take a long time to reach financial close.

Lesson Learnt:
- It is important to improve stakeholder management with IPPs and Governments.

Recommendations
- The government should support IPPs to reach financial close.
- Enhance stakeholder management.

Power Transmission

a. 132 km 400kV Lessos-Tororo Interconnector (Kenya - Uganda Interconnector)

Location: Nakuru, Nandi
Objectives: To facilitate power exchange between the Nile Equitorial Lakes Subsidiary Action Program countries of Kenya, Uganda, Rwanda, Burundi and Democratic Republic of Congo (DRC).

Implementing Agency: Kenya Electricity Transmission Company

Project Progress: At the time of the review, the Lessos Sub-station project had an overall completion rate of 43 percent . Civil works was at 69 percent completion. The construction of the tower foundations was ongoing, with 63 out of 419 towers (15 percent) having been completed. Tower erection was also in progress, with 48 out of 419 towers (11.5 percent) having been erected.

Implementation Challenges

- Initial contractor (Inabensa Spain) was terminated before the project was completed. The project financing agreement with AfDB was cancelled.
- The case had been in court/arbitration for a long time.

Lesson Learnt: Effective due diligence needs to be undertaken before engagement of contractors.

Recommendations: New contractor to be engaged after successful conclusion of the court case.

b. 96 km 400kV Kenya Tanzania Power Interconnector

Location: Kajiado
Objectives: To facilitate power exchange between Kenya and Tanzania and between East Africa Power Pool and South African Power Pool.

Implementing Agency: Kenya Electricity Transmission Company

Project Progress: During the review period, 96 kilometres of stringing were completed. All 248 tower foundations were constructed, and all 248 towers erected, which marked the project as complete.

Implementation Challenge

- Insufficient budget to pay the contractor, persons affected by the project (PAPs), and supervising works.

Lesson Learnt: Adequate funds from the government to be availed on time.

Recommendation: Advance wayleave corridor clearance is vital before EPC contract commences.

c. Construction of 96 km 132kV Isinya- Namanga Transmission Line and Sub-Station

Location: Kajiado
Objective: To connect load centres of Kajiado and Namanga to high voltage grid to improve access to reliable power.

Implementing Agency: Kenya Electricity Transmission Company

Project Progress: During the review period, 96 km of stringing was completed and energized.

Implementation Challenge

- Insufficient budget to pay the contractor, persons affected by the project (PAPs), and supervising works.

Recommendations

- Advance wayleave corridor clearance is vital before the EPC contract commences.
- Adequate funds from the government to be availed on time.

d. 431 km 132kV Power Transmission System Improvement Project

Location: Nanyuki – Nyahururu; Lessos - Kabarnet; Olkaria-Narok; Mwingi-Kitui-Sultan Hamud - Wote; Bomet - Sotik; Kieni – Ishiara
Objective: To connect load centres of Rumuruti, Kabarnet, Narok, Sotik, Bomet, Mwingi Wote Sultan Hamud, Ishiara and Kieni to high voltage for improved reliability and access.

Implementing Agency: Kenya Electricity Transmission Company

Project Progress: During FY 2023/24, several transmission lines were completed and energized: 26.5 km Bomet-Sotik line; 33 km Ishiara-Kieni line; 42.5 km Sultan Hamud line; 45.6 km Mwingi-Kitui line; 68 km Olkaria-Narok line; 66 km Kitui-Wote line.

The 65 km Lessos-Kabarnet project constructed 185 foundation towers and 185 towers were erected. Stringing for 59.162 km of the line was also completed.

Implementation Challenge: Insufficient budget to pay the contractor, persons affected by the project (PAPs) and supervising works.

Recommendation: Funds should be allocated for payment of the contractor and persons affected by the projects for the contractor to resume the work.

e. 100 km 132kV Sondu - Homabay (Ndhiwa), Awendo Transmission Line

Location: Sondu, Homabay, Migori (Awendo)
Objective: To improve access and reliability of power to South Nyanza

Implementing Agency: Kenya Electricity Transmission Company

Project Progress: During the period under review, 37.3 km of the Ndhiwa-Awendo line had been completed and energized, while in the Sondu-Ndhiwa line, 178 out of 178 tower foundations had been completed, and 156 out of 187 towers erected.

Implementation Challenge: Initial contractor (CG of Belgium) terminated due to insolvency.

Lesson Learnt: Effective due diligence needs to be undertaken before engagement of contractors.

Recommendation: Adequate budget to be allocated for completion of the project on time.

f. Nairobi Ring; Suswa -Isinya Transmission Line and Sub-Stations

Location: Narok (Suswa), Kajiado (Isinya)

Objective: To provide alternative power supply to Nairobi by evacuating power from Olkaria through alternative supply path for redundancy.

Implementing Agency: Kenya Electricity Transmission Company

Project Progress: During the period under review, a 103-kilometre transmission line was completed under the MTP II Programme. The Isinya, Athi River and Kimuka sub-stations were also completed and energized.

The Malaa Sub-Station was ongoing with 96 percent completion. The delays were due to the need to replace damaged equipment that had been handed over to Conco Contractors from Iberdrola Contractors. Stringing for the 4-kilometre LILO off the Suswa-Isinya line was completed and energized.

Transmission Lines from Suswa Sub-Station to Kimuka Sub-Station crossing at Kimuka Suswa Road

Implementation Challenges

- Initial contractor (Iberdrolla) abandoned the works and a new contractor was engaged.
- Delays in tax exemptions.
- Delay in approval of change orders.

Lesson Learnt: Thorough due diligence needs to be contacted before engagement of any contractor.

Recommendation: Fast-track tax exemptions and changing orders to enable the completion of the project.

g. 96 km 132kV Meru- Isiolo- Nanyuki Transmission Line

Location: Isiolo, Meru, Nanyuki
Objectives: To connect load centres of high voltage grid to improve access to reliable power; provide an alternative transmission supply route to Nanyuki and Meru, and evacuate power from the future renewable energy generation and supply the Lamu Port South Sudan-Ethiopia Transport (LAPSSET) Corridor.

Implementing Agency: Kenya Electricity Transmission Company

Project Progress:

i) Meru-Isiolo Line

The Meru-Isiolo transmission line project saw significant progress, with 26 km of the line completed and energized. Additionally, the Nanyuki, Isiolo and Meru sub-stations were fully constructed and commissioned during this period.

ii) Nanyuki-Isiolo Line

The Nanyuki-Isiolo transmission line achieved full completion of its foundational and structural components. All 283 foundation towers and 283 erection towers were completed. Furthermore, 52.15 km of the total 70 km line was finalised.

Implementation Challenge: The initial contractor (Jyoti Structures Ltd of India) left the works uncompleted and another contractor (CAMSE of China) had to be engaged.

Lesson Learnt: Thorough due diligence needs to be contacted before engagement of any contractor.

Recommendation: Money should be availed for payment of the contactor and PAPs for the contractor to resume the works.

h. 138 km 220kV Turkwel Ortum- Kitale Transmission Line and Sub-Stations

Location: Turkana, West Pokot and Kitale
Objective: To provide alternative supply path for Turkwel Hydropower project via Kitale for improved reliability and provide stable supply to Ortum to spur industrial activity.

Implementing Agency: Kenya Electricity Transmission Company

Project Progress: During the period under review, a total of 138 km of stringing was completed. The Kitale Sub-Station reached 96.5 percent completion with transformer installation pending finalisation. The Ortum and Turkwel sub-stations were fully completed, and the 68km Turkwel-Ortum section was energized.

Implementation Challenge: The main contractor *Jyoti* structures Ltd for the sub-stations contract was terminated in September 2018 due to consistent non-performance and finally insolvency.

Lesson Learnt: Thorough due diligence needs to be undertaken before engagement of contractors.

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

Location: Garissa, Tana River (Hola, Garsen)
Objectives: To serve Tana River and Garissa counties with adequate and reliable supply and as catalyst to development of LAPSSET.

Implementing Agency: Kenya Electricity Transmission Company

Project Progress: During the period under review, the manufacture and delivery process was at 46 percent completion. A total of 520 out of 582 foundation towers were completed, and 335 out of 582 towers were erected.

Implementation Challenges: Insufficient budget to pay the contractor, PAPs, and supervising works which led to expiry of loan before completion of project.

Lesson Learnt: Wayleaves should be acquired fully in advance of contract effective date.

Recommendation: Adequate funds to be made available for payments of the contractor and PAPs before the contractor can resume work once loan is negotiated.

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

Location: Kamburu, Embu, Thika
Objective: To supply the loads of Embu and Thika with the power available from Kamburu (Supplied from Gitaru).

Implementing Agency: Kenya Electricity Transmission Company

Project Progress: During the period under review, the manufacture and delivery process had reached 8 percent completion. The design for line conductors, optical ground wire, and insulators was fully completed. In terms of tower erection, 66 out of 138 towers had been erected. Discussions regarding new funding were also underway.

Implementation Challenges: Delays in acquiring sub-station land and associated change in scope and delays in the change approval led to loan expiry.

Lesson Learnt: Scope to be fully affirmed at the onset of projects to avoid major changes.

Recommendation: Adequate funds to be made available for payment of the contractor and PAPs before the contractor can resume work once loan is negotiated.

k. Mariakani Sub-Station

Location: Mombasa

Objective: To step up voltage to 400kV for the 220kV Mombasa-Nairobi transmission line to improve power transfer capacity, reduce power losses and improve security of supply.

Implementing Agency: Kenya Electricity Transmission Company

Project Progress: As at the reporting period, construction had been completed and commissioning tests were underway.

Implementation Challenge: Inadequate budget which delayed completion of the project as initially planned.

Recommendation: Provisions for contractor payments should be planned in advance and funds set aside to avoid delays in the contractor's progress payments.

l. 210 Kenya Power Transmission Expansion Projects

Location: Sultan Hamud, Isinya, Konza, Awendo, Isebania

Objectives: To expand and reinforce power systems in Kajiado and Migori counties and supply reliable power to Konza Techno City.

Implementing Agency: Kenya Electricity Transmission Company

Project Progress: During the period under review, significant advancements were reported under the Kenya Power Transmission Expansion Projects programme:

132kV Sultan Hamud - Oloitoktok (107.82 km): The construction of the 132kV Sultan Hamud Sub-Station reached 97.30 percent completion, while the 132kV Oloitoktok Sub-Station was at 98.05 percent completion. All 345 tower foundations and 345 tower erections were completed. Stringing of the entire 107.82 km line was finalised.

132kV Awendo – Isebania: The construction of the 132kV Awendo Sub-Station reached 95.60 percent completion, and the 132kV Isebania Sub-Station was at 96.36 percent completion. All 96 foundation towers and 96 erected towers were completed. Stringing was finalised for 28.66 km of the line.

400kV Isinya - Konza (40 km): The construction of the 400kV Isinya (extension) Sub-Station stood at 89.75 percent, and the 400kV Konza Sub-Station was at 96.75 percent completion. All 98 tower foundations were completed, with 96 out of 98 towers erected. Stringing was completed for 21.11 km of the 40 km line.

Implementation Challenge: Loan expired in March 2024. This time was not sufficient to complete the 132/66kV Konza Sub-Station extension scope to the contract.

Lesson Learnt: It is important to implement projects without delay to avoid having the loan expire before completion of works.

Recommendation: Seek wayleave clearance before commencement of site works.

m. 53km 220 kV Dongo Kundu- Mariakani Transmission Line

Location: Dongo Kundu, Mariakani
Objective: To supply the load at the Dongo Kundu Special Economic Zone and its environs with reliable, stable and efficient power.

Implementing Agency: Kenya Electricity Transmission Company

Project Progress: During the period under review, the bidding process for project documents was finalised. The tender for the contractor was advertised, with the closure date extended to August 4, 2024.

n. 61vkm 132kV Rabai- Bamburi- Kilifi Transmission Line

Location: Mombasa and Kilifi Counties
Objective: To provide stable and reliable power to existing large power customers to improve industrial productivity.

Implementing Agency: Kenya Electricity Transmission Company

Project Progress: During the period under review, notable progress was achieved in the 61 km 132kV Rabai- Bamburi- Kilifi transmission line project. Engineering designs were completed to 84.61 percent. Procurement and shipping activities reached 83.5 percent completion. A total of 227 out of 241 foundation towers were constructed, and 186 out of 241 towers erected. Stringing was ongoing with 36.45 km completed.

Lesson Learnt: Effective project management is a key driver of successful project implementation.

Recommendation: Replicate the same project management principles across other projects.

o. 17 km 132kV Nanyuki Underground Cable

Location: Nanyuki
Objectives: To enable energization of Nanyuki – Nyahururu and Nanyuki - Isiolo projects through under the ground transmission cable.

Implementing Agency: Kenya Electricity Transmission Company

Project Progress: During the period under review, the procurement of the contractor was completed. Engineering designs progressed to 55 percent completion. Civil works commenced, reaching 1 percent completion, while procurement and shipping activities were at 10 percent completion.

Recommendation: The government should allocate enough funds for advance clearance of wayleave.

p. National System Control Centre

Location: Nationwide
Objective: To establish a dual redundant national system control centre to support the role of systems operator.
Implementing Agency: Kenya Electricity Transmission Company

Project Progress: During the period under review, EPC contract was successfully completed and awarded to a joint venture between General Electric (GE) and Larsen & Toubro (L&T).

Implementation Challenges:
- Delays in financing had initially delayed the project.
- Inadequate budget support led to delays in procurement of contractor/consultant.

q. 136 km 220kV Loiyangalani- Marsabit Transmission Line

Location: Marsabit
Objective: To evacuate power generated from renewable sources in the North.

Implementing Agency: Kenya Electricity Transmission Company

Project Progress: During the period under review, key milestones were achieved in the 136 220kV Loiyangalani- Marsabit transmission line project. The procurement of the contractor was completed. Route firming and the Resettlement Action Plan (RAP) were undertaken, ESIA conducted, and the report submitted to the National Environment Management Authority (NEMA). The project remained ongoing and was on schedule.

Implementation Challenge: Financing agreement expired before contract became effective.

Lesson Learnt: Financing agreement needs to be aligned with contract.

Recommendation: Re-negotiate the loan and re-structure the contract.

r. 241 km 220kV Marsabit - Isiolo Transmission Line

Location: Marsabit, Isiolo
Objectives: To evacuate power generated from renewable sources from the North

Implementing Agency: Kenya Electricity Transmission Company

Project Progress: During the period under review, significant progress was made on the 241 km 220kV Marsabit-Isiolo transmission line project. The procurement of the contractor was completed. Route firming and RAP were undertaken, ESIA conducted, and the report submitted to NEMA. The project remained ongoing and was on schedule.

Implementation Challenge: Financing agreement expired before contract became effective.

Lesson Learnt: Financing agreement needs to be aligned with contract.

Recommendation: Re-negotiate the loan and re-structure the contract.

Power Distribution

a. Distribution Network Expansion and Improvement

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

Implementing Agencies: Rural Electrification and Renewable Energy Corporation (REREC), Kenya Power and Lighting Company (KPLC)

Project Progress: To expand and upgrade the electricity distribution network, a total of 381 km of High, Medium and Low Voltage lines were constructed by KPLC. 7 sub-stations (7 new and 3 upgrades). The new ones were Kitengela 66/11kV, Umoja 66/11kv, Highridge 66/11kv, City Centre 66/11kV, Sabaki 33/11kv, Wundanyi 33/11kV and Thika Road 66/11kv. The upgraded sub-stations included Migori 33/11kV, Gilgil 33/11 and Hola 33/11kv sub-stations. Customer Average Interruption Duration Index was at 2.24 against a target of 2.79, hence the achievement was above the target; while the System Average Interruption Frequency Index was at 44.9 hours against a target of 32.00 hours which was below the target

Implementation Challenges
- Difficulties in wayleaves/sub-station land acquisition
- Delayed release of funds slowed down project implementation
- Difficulties in outages planning and execution

Lessons Learnt
- Acquisition of sub-station land before procurement of contractors is critical in enhancing smooth project implementation
- Adequate planning for shut downs /outages is key in ensuring maximisation of project implementation outputs during outage.

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

7.5MVA, 33/11kV Sabaki Sub-Station

b. Last Mile Connectivity Project

Location: Nationwide

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

Implementing Agencies: State Department for Energy (SDE), KPLC, REREC, Energy & Petroleum Regulatory Authority (EPRA)

Project Progress: The last mile connectivity project is a government initiative towards achieving Universal Electricity Access in the country. Various phases under the project have connected 1,077,728 new customers since its inception. A total of 465,416 customers were connected during FY 2023/24 bringing the cumulative number of customers connected to 9,660,005.

Implementation Challenges

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

Lesson Learnt: Adequate planning and good designs are critical for timely processing of tax exemptions.

Recommendations

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

c. Public Street Lighting Project

Location: Nationwide
Objective: To stimulate a 24-hour economy and promote security.
Implementing Agencies: Ministry of Energy and Petroleum, KPLC, REREC, EPRA

Project Progress: During the year 2023/24, the street lighting project had 5,856 new 5,856 lanterns installed, growing the cumulative number of lanterns to 198,430 since inception of the project.

Implementation Challenges

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

Lessons Learnt

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

Recommendation: The Sub-Sector to sensitise the general public on the importance of the street lighting infrastructure.

d. Electricity Connection to Public Facilities

Location: Nationwide
Objective: To enhance electricity connection to public facilities that include public primary schools, secondary schools, and polytechnics; administration offices; churches and mosques; coffee and tea buying centers and processing plants; health centres and dispensaries: markets and trading centres; beaches; police posts; and water points and boreholes among others.

Implementing Agencies: SDE, KPLC, REREC, EPRA

Project Progress: During the period under review, the Sub-Sector connected 653 public facilities to the grid. These facilities include health facilities, TVETs, food processing centres, educational centres, administrative offices, water points etc. The project is ongoing and currently 45 percent complete for KPLC and 70 percent for REREC.

Implementation Challenge: Delay in completing wiring to facilitate connections

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

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

Alternative Energy Technologies

Location: Nationwide
Objectives: To promote generation and use of clean, affordable and quality renewable energy.

a. Development of Green Hydrogen Guidelines

Implementing Agency: EPRA

Project Progress: EPRA published Kenya's guidelines on green hydrogen and its derivatives.

Lesson Learnt: Leverage on emerging technologies to ensure achievement of the project objective.

b. Development of Alternative Clean Energy Sources

Implementing Agencies: Ministry of Energy and Petroleum, EPRA, REREC, KPLC, Kenya Electricity Generating Company

Project Progress: The project was expected to develop 4,350 Solar PV systems, 50,823 standalone solar systems, 31 energy centres, 300 biogas digesters, 10 small hydro plants, and 2 biofuel plants. At the time of review, EPRA had gazetted one (1) regulation (the Energy Net Metering Regulations, 2024); 273 facilities for installation of solar PV had been identified; no standalone solar systems had been developed; tendering had been in progress for 31 energy centres; 207 biogas digesters had been completed; 19 sites had been identified and were awaiting funding for small hydro plants; a tender had been under evaluation to install two additional wind masts in Kajiado West; no progress had been made for biomass charcoal kilns; 10 percent of a green hydrogen power plant had been achieved; and 5 LPG systems had been installed in public institutions.

Implementation Challenges

- Delayed release of funds.
- Procurement process challenges.

Lesson Learnt: Effective public participation is crucial in ensuring the successful achievement of the Regulations.

Recommendation: Leverage on emerging technologies to ensure achievement of the project objectives.

c. E-Mobility

Location: Nationwide

Objectives: To reduce carbon emissions.

Implementing Agency: EPRA

a) Publication of E-Mobility Charging Infrastructure Guidelines

Project Progress: During the period under review, EPRA published the electric vehicle charging & battery swapping infrastructure guidelines.

Recommendation: Undertake continuous stakeholder engagements on improvements in the Sub-Sector.

3.2 INFORMATION AND COMMUNICATION TECHNOLOGY

The ICT Sector plays a pivotal role in driving socioe-conomic development, innovation and connectivity in the country as a key critical enabler of the Vision 2030. While acknowledging ICT as an enabler, Vision 2030 identified specific ICT related goals to include the establishment of a robust and inclusive digital infrastructure, promotion of a knowledge-based economy and the widespread adoption of ICTs to enhance service delivery and economic growth.

Under MTP IV, ICT and Digital Economy have been identified as one of the BETA priority sub-sectors. The Sub-Sector is responsible for the development of the Information and Communication Sector (including Broadcasting, Multimedia); Data Protection Policy and Regulation of Personal Data Services; National ICT Policy; Promotion of ICT Innovation and Digital Economy; Promotion of E-Government; Promotion of Software Development Industry; Provision of ICT Technical Support to MDAs; Policy on Automation of Government Services; Development of National Communication Capacity and Infrastructure; and Management of National Fiber Optic Infrastructure.

Anchored under the Digital Superhighway and Creative Economy Pillar of BETA, the Sector grew from infrastructure investment and broadband expansion to digital inclusion and public service delivery. Key developments in the Sector included the rollout of advanced broadband solutions, surge in mobile and satellite-based internet access, and a rise in digital financial transactions.

Investment in the ICT Sector, specifically from telecommunication operators, reached KSh. 70.9 billion as at June 2024 with revenue generated amounting to KSh. 384.4 billion. In 2024, KSh. 13.6 billion was invested in Konza Technopolis, which is a flagship smart city and a key driver of digital transformation up from KSh. 10.6 billion invested in 2023. Revenue generated at the Technopolis amounted to KSh. 252.4 million , drawn from diversified streams including land leases, cloud services, and other operational activities.

The following are the major achievements made in this Sector:

3.2.1 Cellular Mobile Networks Infrastructure and Service Development Phase II, III and IV

Location: Nationwide
Objective: To improve access to ICT services in the unserved and underserved areas.

Implementing Agencies: State Department for Broadcasting and Telecommunications, Communications Authority of Kenya

Project Progress: During the period under review, the Authority facilitated the rollout of active infrastructure in three (3) sub-locations under Phase II, increasing the total number of sub-locations covered to 54. Additionally, passive infrastructure was rolled out in 12 additional sub-locations, bringing the total to 66 sub-locations. The Phase II project reached 53.4 percent completion. Under Phase III, passive infrastructure was rolled out in six (6) sub-locations, and active infrastructure was implemented in three (3) sub-locations. The Phase III project was at 4.41 percent completion.

Implementation Challenge

- Accessibility was hampered by insecurity and adverse weather conditions such as flooding in some of the targeted sub-locations.

Lessons Learnt

- Undertaking thorough geographical assessment is crtitical in project planning.
- Collaboration with local authorities ensures accesibility to challenging areas.

Recommendations

- Invest in infrastructure specifically designed to withstand extreme weather conditions.
- Develop a detailed risk management plan to anticipate and mitigate challenges such as inaccessibility and weather-related delays.

3.2.2 Modernisation of Kenya News Agency

Location: Nationwide
Objective: To digitize and enhance effective and efficient Government communication and broadcasting services.

Implementing Agency: State Department for Broadcasting and Telecommunications.

Project Progress: During the period under review, the Department refurbished thirty-five (35) existing offices and acquired part of the modern equipment for content development, management and transmission of news and information.

Implementation Challenge: Inadequate funding.

Lesson Learnt: There is need to allocate adequate resources to support full modernisation of Kenya News Agency.

Recommendation: Timely release of the budgeted resources.

3.2.3 Digital Access and Creative Economy

Location: Nationwide
Objective: To empower the youth to access digital and digitally enabled job opportunities.

Implementing Agency: State Department for ICT and Creative Economy.

i. Installation of 25,000 free WIFI (JiKonnect Hotspots)

Project Progress: During the period under review, 1,491 out of a target of 5,000 free public Wi-Fi hotspots (JiKonnect Hotspots) had been installed across the country. Further, thirty-five (35) existing offices had been refurbished, and part of the modern equipment for content development, management, and transmission of news and information acquired.

Implementation Challenge: Inadequate funding.

Lesson Learnt: There is a need to allocate adequate resources to enable full installation.

Recommendation: Timely release of the budgeted resources.

ii. Connection of Training/Innovation Hubs (Digital Hubs) to Hotspot

Project Progress: During the period under review, 206, against a target of 290 training/innovation hubs were connected to hotspot.

Implementation Challenge: Inadequate funding.

Lesson Learnt: There is need to allocate adequate resources.

Recommendation: Timely release of the budgeted resources.

iii. Ajira Youth Empowerment Centres and Presidential Digital Talent Training Programme

Project Progress: During the period under review, 121,668 youths were trained through Ajira Youth Empowerment Centres against a target of 120,000 youths. The target was surpassed due to high demand for online training. Further, 400 ICT graduates were trained through the Presidential Digital Talent Training Programme as planned.

iv. Equipping TVETs with Creative Economy Facilities (23,000 VDIs)

Project Progress: During the period under review, 288 TVETs, against a target of 400, were equipped.

v. One Million Youths Connected to Online Jobs (ITES/BPOs)

Project Progress: During the period under review, 102,400 youths, against a target of 100,000 youths were connected to online jobs. The programme benefited from enhanced enrolment of young people in the digital hubs following sustained advocacy.

Lesson Learnt: Continuous advocacy by high levels of government is critical.

vi. Establishment of Additional Studio Mashinani

Implementing Agency: State Department for Broadcasting and Telecommunications.

Project Progress: During the period under review, 18 additional Studio Mashinani had been targeted of which seven (7) were established; two (2) in Nairobi, one (1) in Kitui, one (1) in Mombasa, one (1) in Kisumu, one (1) in Machakos, and one (1) in Murang'a. Kenya Broadcasting Corporation had planned to establish an additional forty-one (41) audio-visual recording studios across all counties. The project was on schedule, having reached a 13 percent completion level.

Implementation Challenge

- Lack of funds to develop new studios and recurrent funds to run the studio.

Recommendations

- The project to be given more priority as an avenue for self-employment for the youth and nature talent.
- There is a need to avail funds to develop more studios across the counties as well as funds to operationalise existing studios.

vii. Training of 5,000 Mass Media Practitioners

Implementing Agencies: State Department for Broadcasting and Telecommunications, Media Council of Kenya, Kenya Institute of Mass Communication

Project Progress: During the period under review, 962 mass media practitioners were trained against an annual target of 400. This contributed to the MTP IV target of 5,000.

viii. Construction and Equipping of Kenya Institute of Mass Communication, Eldoret Campus

Implementing Agency: Kenya Institute of Mass Communication

Project Progress: As at the review period, the project was at 23 percent completion level, having implemented Phase 1 that entailed construction of a stone wall and gate house on 10 acres; the structural designs, bill of quantities and approvals for vertical infrastructure are also ready. The students were currently hosted by the county government facility.

Implementation Challenges

- Budget cuts.
- Delay in issuance of ownership title for the 10-acre land at Kiambaa, Eldoret.

Lessons Learnt

- Austerity measures and non-provision of government grant delay project implementation.

Recommendations

- On board donor grant component to fast-track project implementation to provide much needed self-employment skills, mentorship, incubation and entrepreneurship of creative and performance arts talents.
- Declare the project a strategic investment to qualify for support and exempt it from budget cuts to mitigation completion time and cost escalations.

3.3 SCIENCE, TECHNOLOGY AND INNOVATION

Science, Technology and Innovation (ST&I) is crucial in unlocking Kenya's development potential and enhancing national security and public safety. Development and integration of ST&I across sectors of the economy through a whole-government approach is, therefore, essential in accelerating economic transformation and increasing Kenya's competitiveness and employment creation. Adoption of ST&I helps social integration, sustainable development, and wealth creation.

Furthermore, strengthening ST&I capacity will facilitate Kenya's international co-operation in a rapidly globalising work environment. Science, Technology, and Innovation is expected to drive the national development agenda by ensuring that all sectors of the economy have access to new technologies and adequate knowledge to increase productivity and efficiency. Considering climate change and rising pandemics, it is now clear that advances in ST&I will be a game-changer in responding to these challenges.

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

3.3.1 Model STEM Schools Programme for Secondary Schools

Location: Nationwide

Objective: To enhance the capacity of Science, Technology, Engineering, and Mathematics (STEM) schools in the provision of effective STEM education through support with high-end

STEM equipment and training for STEM teachers and principals. Components of the Project/Programme include supporting the STEM Model Schools with STEM resources and training for teachers and school principals, research, and innovation.

i. Training of STEM Teachers

Implementing Agency: Centre for Mathematics, Science and Technology in Education in Africa (CEMASTEA)

Project Progress: During the period under review, the programme was ongoing and would be rolled out every year, depending on the availability of funds.

Implementation Challenges

- Low follow-up visits to the STEM schools.
- Low funding affects schools onboarding.

Lessons Learnt

- Continuous engagement with teachers and learners would sustain the STEM programmes.
- Regular monitoring and feedback mechanisms are essential in identifying challenges and reinforcing teacher practices.

Recommendations

- Enhance funding to support monitoring STEM model schools and increase the reach to more schools.
- More collaboration with institutions that can help increase the pace of impact.

ii. Establishment of STEM Centres of Excellence in Schools

Implementing Agency: CEMASTEA

Project Progress: During the period under review, there was no budget to establish STEM centres of excellence in schools.

Implementation Challenge: Inadequate budgetary allocation.

iii. Strengthening Capacity of Universities and Research Institutes to be Centres of Excellence

Implementing Agency: State Department for Higher Education and Research

Project Progress: The project entailed strengthening the capacity of seven (7) universities and two (2) research institutes to be centres of excellence. During the review period, Egerton, Moi and Jaramogi Oginga Odinga University of Science and Technology centres of excellence were supported through World Bank ACE II Project.

iv. Supporting Universities under Higher Education Science and Technology Project

Implementing Agency: State Department for Higher Education and Research

Project Progress: The project was expected to support ten universities under the Higher Education Science and Technology Project – Phase II. In the fiscal year 2023/24, the development of the project was ongoing and was expected to be concluded in the second quarter of the fiscal year 2024/25.

v. Establishment of Kenyan Node of the National Science, Technology and Innovation Observatory

Implementing Agency: State Department for Higher Education and Research

Project Progress: During the review period, a benchmarking exercise was carried out in Egypt, followed by a stakeholder workshop.

3.3.2 Biotechnology and Bioscience

Location: Nationwide
Objective: To build national capacity on safe application of biotechnology and bioscience.

Implementing Agencies: National Biosafety Authority, Kenya Medical Research Institute

Project Progress: The project aimed at establishing a state-of-the-art Genetically Modified Organism (GMO) testing and reference laboratory and office block complex. During the period under review, five (5) acres of land were acquired from the Directorate of Veterinary Services. The land was awaiting the formal signing of a Memorandum of Understanding (MoU) and titling, and funding from the exchequer as a capital project.

Further, Kenya Medical Research Institute (KEMRI) commissioned the first state-of-the-art Centre of Excellence in Stem Cell and Regenerative Medicine Laboratory at its Headquarters in Nairobi on Thursday, 27 July 2023. KEMRI Stem Cell Research Centre represents a milestone in African medicine by shifting the focus from symptom management to regenerative healing for chronic conditions like diabetes, cancer, and spinal injuries. By localising this advanced technology, the project promotes medical sovereignty, providing Kenyans with affordable, world-class treatments and reducing the need for costly medical tourism abroad.

Implementation Challenges

- Slow process of land tilting to initiate capital investment.
- Lack of exchequer funding to develop key stem cell innovations leaving implementation to aspects that are of interest to external funding agencies.

Lessons Learnt

- Overreliance on external donors for health research and product development poses the risk of skewed/misaligning priorities.
- It is critical to predict and mitigate likely but unforeseen challenges.

Recommendations

- Exchequer should fund development and adoption of new health technologies to ensure data protections, biosecurity and effective disease burden management.
- Fast-track approval of concept note by the National Treasury.

3.4 LAND REFORMS

Land is a key factor in Kenya's socio-economic development, serving as a vital resource for sustainable growth. The land sector is dedicated to enhancing the management of land resources through strategic policies focused on allocation, distribution, and utilisation. This involves a range of programmes, including the National Lands Policy and Management, Physical Planning for Land Use, Land Transactions, Survey and Mapping, Land Adjudication and Registration, National Spatial Infrastructure, Land and Property Valuation, Services Administration, Land Information Systems, Maintenance of a Public Land Bank, Administration of Public Land as mandated by the Constitution, Land Settlement Policy and Management, Land Settlement Matters, and Rural Settlement Planning.

Counties were also empowered to prepare physical and land use development plans for key areas, including Kapsabet Municipality, Chemase Agro-Industrial Park, Lodwar Town Urban Area, Chelimo, Olkalou, and Holili/New Taveta Border Town. To support safe navigation, six nautical charts were produced. Boundary demarcation efforts included establishing 437 boundary pillars, maintaining 52 km along the Kenya-Tanzania boundary, 6.2 km along the Kenya-Uganda boundary, and delimiting, demarcating, and re-affirming 110 km along the Kenya-Tanzania boundary. Digitization of land services was completed in Murang'a County, with ongoing efforts in Isiolo, Marsabit, and Mombasa counties to enhance accessibility and efficiency.

The progress and implementation status of the flagship programmes and projects are as follows for FY 2023/24:

3.4.1 Processing and Registration of Title Deeds

Location: Nationwide
Objective: To guarantee security of land tenure and land rights.

Implementing Agency: State Department for Lands and Physical Planning

i. Issuance of Title Deeds

Project Progress: During the period under review, 422,313 title deeds were issued against a target of 405,000. The target was surpassed due to improved service delivery and increased demand for land services.

Implementation Challenges
- Manual land records hindered expeditious land transactions.
- Inadequate capacity in land administration and management.

3.4.2 National Land Value Index

Location: Nationwide
Objective: To provide for the assessment of land values in respect of compulsory land acquisition.

Implementing Agency: State Department for Lands and Physical Planning

i. Development of National Land Value Index

Project Progress: During the period under review, National Land Value Indexes were developed in five (5) counties, Nyeri, Laikipia, Tharaka Nithi, Kitui, and Makueni out of a targeted 8 counties.

Implementation Challenges

- Inadequate and late disbursement of funds hence affecting timely implementation of projects.
- Unamended laws to allow partial forwarding of completed value index maps to Parliament.

3.4.3 Geo-Referencing Land Parcels

Location: Nationwide
Objective: To minimise land disputes and support land registration.

Implementing Agency: State Department for Lands and Physical Planning

i. Land Parcels Geo-Referenced

Project Progress: During the reporting period, 332 geodetic controls were established. The controls enabled geo-referencing of 44,733 parcels of land to produce cadastral plans and maps against a targeted 300,000 parcels of land.

Implementation Challenge: Inadequate specialised equipment/software to undertake service delivery due to low budget levels and outdated software.

3.4.4 National Spatial Plan and National Land Use Policy

Location: Nationwide
Objectives:

i. To develop a national spatial framework for efficient, effective and rational use of the national space to promote global competitiveness, optimal use of the land resources, balanced regional and rural development, environmental sustainability and create functional and livable human settlements.
ii. To promote legal, administrative, institutional and technological framework for optimal utilisation and productivity of land and land related resources in a sustainable and desirable manner at national and county levels.

Implementing Agencies: State Department for Lands and Physical Planning, NLC

Project Progress: During the period under review, Physical and Land Use Development Plans were prepared for Nairobi City Railway Strategic National Project, Eldoret Railway Strategic National Project, Chemase Agro-Industrial Park, Mombasa Mainland South Resettlement Advisory Plan, Kapsabet Municipality, Lodwar Town, Peri Urban Area, Chelimo, Olkalou and Holili/New Taveta Border Town. In addition, county staffs in Nandi, Turkana, Nyandarua, Taita Taveta, Kericho, Wajir, Mandera, West Pokot, Vihiga, Kakamega and Meru were sensitised on spatial planning.

Further, eight (8) National Spatial Plan (NSP) 2015-2045 and National Land Use Policy (NLUP) implementing agencies and stakeholders were engaged and sensitised. These included the Ministry of Lands, Public Works, Housing and Urban Development; Ministry of Mining, Blue Economy and Maritime; National Land Policy (NLP) Steering Committee; NLP National Coordinating Committee forums; NLP Technical Working Groups forum; Migori, West Pokot and Mandera counties.

Further, 11 County Spatial Plans (CSPs) were guided on preparation by reviewing and making recommendations/advisories to their respective counties. The CSPs reviewed included West Pokot, Isiolo, Samburu, Wajir, Taita Taveta, Mandera, Nyamira, Nyandarua Migori, Tharaka Nithi and Machakos counties.

Implementation Challenges

- Insufficient resources dedicated to monitoring and overseeing the implementation of NSP, NLUP and CSPs.
- The slow pace of the development and approval of CSPs by county governments. Only 14 counties had approved CSPs as at the close of FY 2023/24
- Absence of a centralised forum where all the NSP and NLUP implementing agencies can convene for review, sensitisation, knowledge sharing and stock-taking.
- Stakeholders in the implementation of NSP and NLUP treat reporting discretionally rather than obligation.

Lessons Learnt

- There is a need to use a combination of various communication media including face to face meetings and digital platforms to reach and sensitise as many implementing agencies as possible within the shortest time possible.
- There is need to be innovative in securing funds other than entirely relying on the government funding for example, NLC partnership with the Food and Agriculture Organization (FAO) was instrumental to the successful sensitisation of the county executive committee members responsible for planning and other technical officers from all the 47 counties on various aspects of CSPs.

Recommendations

- Parliament should incorporate monitoring and oversight funds into the planning budgetary allocations
- NLC should close the financing gap by enhancing its resources mobilisation efforts, particularly looking for donors and partners to complement the exchequer allocations.
- NLC should enhance communication, consultation, and cooperation with all agencies involved in the implementation of NSP, NLUP and CSPs to make the process seamless and effective.

i. Implementation of National Spatial Plan and National Land Use Policy

Location: Nationwide
Objective: To align sector plans with the National Spatial Plan

Implementing Agency: State Department for Lands and Physical Planning

Project Progress: During the period under review, seven (7) National Spatial Plan and Land Use Policies were implemented. In addition, five (5) staff in counties were sensitised on development of physical and land use development plans.

Implementation Challenge: Inadequate and late disbursement of funds that affected timely implementation of projects.

ii. Sensitisation of Staff

Location: Countrywide
Objective: To ensure optimal and sustainable use of land.

Implementing Agency: State Department for Lands and Physical Planning

Project Progress: This programme was expected to sensitise staff in 47 counties on development of Physical and Land use Development Plans. During the review period, Nandi, Turkana, Nairobi, Taita Taveta, Nyandarua and Uasin Gishu counties were sensitised.

3.4.5 Settlement of Landless

Location: Nationwide
Objectives: To establish settlement schemes and settle the landless.

Implementing Agency: State Department for Lands and Physical Planning

Project Progress: During the reporting period, 267,899 land parcels were surveyed and mapped, 10,343 landless households were settled across Taita Taveta (1,687), Trans Nzoia (2,654), Makueni (2,764), Kwale (1,139), Mombasa (816), and Tana River (1,283) counties. In addition, acquisition of 11,000 acres in Kedong Ranch was ongoing.

Implementation Challenges

- Llitigation cases have affected and delayed implementation of the projects.
- Delay in exchequer release for the land purchase.

3.4.6 Survey and Maintenance of National and International Boundaries

Location: Nationwide
Objective: To safeguard national and international boundaries.

Implementing Agency: State Department for Lands and Physical Planning

Project Progress: During the period under review, 58.2 km along national and international boundaries were surveyed and maintained, 437 boundary marks/pillars were established, 110 delimitation, demarcation and re-affirmation of the international boundaries between Kenya - South Sudan, Kenya - Uganda and Kenya - Tanzania were undertaken.

Implementation Challenge: Insecurity from hostile communities along the national and international boundaries.

3.4.7 Development of Hydrographic Database

Location: Nationwide
Objective: To establish a hydrographic database.

Implementing Agency: State Department for Lands and Physical Planning

Project Progress: During the review period, the project produced 6 out of the planned 10 nautical charts and 6 out of the planned 10 bathymetric maps.

Implementation Challenge: Inadequate specialised equipment/software to undertake service delivery due to low budget levels and outdated software.

3.4.8 Digitization of Land Services

Location: Nationwide

Objective: To digitize land administration and management processes and services.

Implementing Agency: State Department for Lands and Physical Planning

Project Progress: The programme aims at achieving online land transactions for improved efficient and effective service delivery in all the 47 counties. Nairobi City County was digitalized in FY 2021/22. During FY 2023/24, Murang'a land transactions and processes were digitalized. Re-organisation and scanning of land records were ongoing in Isiolo, Marsabit and Mombasa counties.

Implementation Challenges

- Bulky manual land records and limited office spaces.
- Inadequate human resources.
- Most parcels of land are not geo-referenced due to inadequate equipment.

Lessons Learnt

- A multi-sectoral approach is critical for the implementation of projects and programmes.
- Strong political will is important in achieving land reforms.
- Digitization of land transactions and processes has enhanced public access to information and ease of doing business hence is critical in improving access to services.
- Decentralisation of services and modernisation of land offices has contributed to improved access to land services and ease of doing business.
- Geo-referencing is critical for digitization of land services.

Recommendations

- Promote use of alternative dispute resolution (ADR) mechanism in land disputes.
- Fast-track digitization of all land records and processes by increasing human labour and equipment.
- The State Department for Lands and Physical Planning is a collector of revenue and therefore needs enhancement of funding by the National Treasury.
- Timely approval for the employment of adequate human capacity to improve service delivery.
- The National Treasury should ring-fence funds to support geo-referencing of land.

3.4.9 Public Land Information Management System

Location: Nationwide

Objective: To identify and develop a comprehensive public land inventory and databases.

Implementing Agency: NLC

Project Progress: During the period under review, NLC initiated the rollout of the Public Land Information Management and ICT networking across the 47 counties. Additionally, NLC received and scanned 205 survey plans to develop a comprehensive public land inventory and databases.

Implementation Challenge: Low funding – Development of the web-based public land inventory portal was shelved due to limited funding which was channeled to the development of Ardhi Sasa System by the State Department for Lands.

Lesson Learnt: Sufficient funding is required to successfully roll out public land management and ICT across all the 47 counties of Kenya.

Recommendation: NLC should enhance its resource mobilisation efforts for the rollout of the Public Land Information Management and ICT across the 47 counties.

3.4.10 Development of Natural Resources Inventory and Database

Location: Nationwide
Objective: To inventory all land-based resources in Kenya with a view to creating necessary databases for information sharing, decision making, planning and sustainable management of these resources.
Implementing Agency: NLC

Project Progress: During the period under review, the Kenya Natural Resources Atlas - a Vision 2030 Flagship Project under MTP III was 100 percent done. The policy document was launched in December 2023.

Implementation Challenges

- Kenya Natural Resources Atlas completion was delayed due to inadequate funding necessitating a carry over from MTP III to MTP IV.
- Administrative procedures of various relevant ministries, departments, agencies, county governments and academic institutions delayed access to vital natural resources' data and information.

Lesson Learnt:

- The invaluable technical and financial support of FAO in the development of the Atlas validated the centrality of meaningful partnerships in the effective and successful completion of Vision 2030 flagship projects.

Recommendations

- The Commission, in partnership with relevant stakeholders, should ensure implementation of the proposed intervening measures contained in the Atlas.
- Track pattern changes of the country's natural resources to support review and future update of the Atlas.

3.4.11 Addressing Historical Land Injustices

Location: Nationwide
Objectives: To conduct investigations into historical land injustices (HLI) and recommend appropriate redress.
Implementing Agency: NLC

Project Progress: During the review period, the Commission conducted status conferences and meetings to address 164 out of the 1,137 claims admitted, resulting in 45 historical land injustice resolutions.

Implementation Challenges

- Statutory deadlines limited the Commission from admitting more claims after the lapse of the HLI claims admittance deadline which was 21st September 2021.
- The Commission may not hear, investigate and make determinations with recommendations on the 1,137 admitted HLI claims by 21st September 2026 due to a backlog caused by financial constraints in the implementation of this project.
- The Commission lacks the authority to enforce the implementation of the recommendations it makes regarding the redress of historical land injustices.

Lessons Learnt

- There is a need to work closely with the courts. Courts do not countenance the Commission exercising concurrent jurisdiction. The Commission can exercise its HLI jurisdiction with the leave of the court.
- It is important to work with the local administration to reach the public and for security.
- Multi-agency teamwork of state and non-state actors should be encouraged.
- HLI claims relating to multinationals such as Delmonte LLC, Kakuzi PLC, Broke Bond PLC, and George Williamson PLC (multinational tea companies) should be handled carefully lest we jeopardise international relationships that are important for Kenya and the comity of nations.
- Fundraising for the HLI budget is key.
- Communication and advocacy strategy is imperative.

Recommendations

- Cognisant of the fact that HLI is an overly sensitive issue, the Commission should establish more strategic partnerships and get the buy-in of all stakeholders including local communities.
- The National Assembly to consider amending section 15 of NLC Act to extend the HLI statutory deadlines
- Encourage out-of-court dispute settlement mechanisms such as ADR and Traditional Dispute Resolutrion for their cost and time effectiveness.

3.5 PUBLIC SECTOR REFORMS

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

The Sector is currently domiciled at the Ministry of Public Service, Performance and Delivery Management created under Executive Order No. 2 of November 2023 on the Organization of the Government of the Republic of Kenya. The functions as provided are: Public Sector Reforms and Transformation, including Operational Standards and Process Engineering; Government Human Resource Information System and Services; Internship and Volunteer Policy for Public Service; Government Payroll Policy and Standards; Government Shared Support Services; Research, Development and Public Service Delivery Innovations; Public Service Career Planning and Development; Administration of Insurance and Welfare Programmes for Civil Service, including Comprehensive Group Life, Last Expense, Work Injury Benefits and Group Personal Accident Insurance Cover and; Counselling Policy Service.

During the review period, the public sector implemented various programmes and projects towards the realisation of its key objectives. They include:

3.5.1 Public Service Reforms

Location: Nationwide
Objective: To build a highly skilled, agile and responsive public sector workforce.
Implementing Agency: Kenya School of Government

Project Progress: During the period under review, the Kenya School of Government (KSG) developed priority programmes (Competency-Based and Capacity Building) to include Child Protection Systems and Services; Economic Security for Counties in Arid and Semi-Arid Lands (ASALs); Economic Governance for Public Sector Boards; and Planning for Urban Development. Further, KSG rolled out a Leadership Programme for National Transformation; Wellness and Self-care Programme; Management of Educational Institutions; Alternative Dispute Resolution and Restoration; Building and Sustaining Micro, Small & Medium Enterprises and Creative Arts, and Skills Development Programme.

During the period under review, KSG conducted eight (8) research activities and submitted policy advisories on 'An Assessment of the National Health Insurance Fund (NHIF) and KSG readiness to Meet Training Needs of Community Health Promoters; Universal Health Coverage (UHC) in Kenya: Progress and Challenges of Community Health Promoters; Application of Cyber Security Measures in the Public Service in Kenya: A Case of County Government; County Governments; Handbook on Human Resource Management in Public Service; Universal Health Care; Uptake and Implementation of Access to Government Procurement Opportunities for Persons with Disabilities (PWDs); and Assessment of the Social Protection Policies Development and Implementation Process'.

KSG further held conferences on various thematic areas including "Fostering Inclusive Leadership for Gender Equality in Kenya". Celebrating the gains made and re-dedicating to the goals of gender equality in Kenya and "Bringing Citizens and Government Closer: The Role of Human Resources Management in Service Delivery for Transforming Public Service and Achieving SDGs. Twenty-Nine consultancies in Performance Evaluation, Psychometric and Emotional Intelligence Assessments, Policy Documents Development, Executive Recruitments, Training Needs and Skills Audit Assessments were carried out.

Further, KSG reviewed all its programmes to align with the Bottom-Up Economic Transformation Agenda; trained 11,805 officers from the National Government, State Corporations, Constitutional Commissions and Independent Offices and 3,976 officers from the Counties.

Implementation Challenges

- Budgetary cuts.
- Competition from commercial human capacity building institutions.

Lessons Learnt

- Leverage on technology.
- Strategic partnerships.

Recommendations

- Re-engineer business model.
- MDAs and Counties should remit their training budget to the School for better planning in capacity building of its officers.
- Enhance exchequer allocation.
- MDAs and Counties should increase their training budget.
- Expand KSG portfolio.

i. Career Progression Guidelines Framework for MDAs and Counties

Location: Public sector work force

Implementing Agency: State Department for Public Service and Human Capital Development

Project Progress: During the period under review, Career Progression Guidelines Framework for MDAs and Counties were developed.

ii. Human Resource Development Strategy

Implementing Agency: State Department for Public Service and Human Capital Development

Project Progress: A draft Human Resource Development Strategy to harness and transfer knowledge, skills and competences in the public services was developed in the review period.

iii. Training Revolving Fund

Implementing Agency: State Department for Public Service and Human Capital Development

Project Progress: During the reporting period, 43 public servants, against a target of 700 accessed the funds.

Implementation Challenge: Target not achieved due to lack of information about the facility across the service.

iv. Training on Business Process Re-engineering

Implementing Agency: State Department for Public Service and Human Capital Development.

Project Progress: Training of MDA and Counties on Business Process Re-engineering was ongoing on a continuous basis.

v. County Public Service Transformation Framework

Implementing Agency: State Department for Public Service and Human Capital Development

Project Progress: No progress at the time of review.

Implementation Challenge: Budget Constraints

vi. Health Insurance and Post-Retirement Medical Scheme

Implementing Agency: State Department for Public Service and Human Capital Development

Project Progress: During the period under review, all Cabinet Secretaries, Principal Secretaries and senior officials were provided with medical cover, while approval for the establishment and implementation of the post-retirement scheme was still pending.

vii. Scheme on Last Expense, Group Life, Group Personal Accident and Work Injury Benefit

Implementing Agency: State Department for Public Service and Human Capital Development

Project Progress: During the period under review, all officers in post were covered.

3.5.2 Kenya School of Government

i. Proposed Construction of Convention Centre, Embu

Location: Embu.

Objective: To modernise infrastructure.

Implementing Agency: KSG

Project Progress: During the period under review, the second floor of the Convention Centre was finalised. The project was at 40 percent completion level.

Implementation Challenge: Reduced government funding.

Lesson Learnt: Need to prioritise funding for projects geared towards upgrading of the physical infrastructure to accommodate emerging needs.

Recommendation: Timely disbursement of budgetary allocation by the National Treasury.

ii. Proposed Construction of Tuition Block (Matuga)

Location: Matuga
Objective: To modernise infrastructure.
Implementing Agency: KSG

Project Progress: During the period under review, the second floor of the Tuition Block was finalised. The project was at 39 percent completion level.

Implementation Challenge: Reduced government funding.

Lesson Learnt: Need for effective planning and forecasting to anticipate needs and mitigate the impact of delays.

Recommendation: Timely disbursement of budgetary allocation by the National Treasury.

iii. Construction of Tuition Block (Baringo)

Location: Baringo
Objectives: To modernise infrastructure.
Implementing Agency: KSG

Project Progress: During the period under review, the second floor of the Tuition Block was finalised. The project was at 38 percent completion level.

Implementation Challenge: Reduced funding.

Lesson Learnt: Need for effective financial planning and forecasting to anticipate needs and mitigate the impact of delays.

Recommendation: Timely disbursement of budgetary allocation by the National Treasury.

iv. Proposed Construction of e-Learning Centre (Vihiga)

Location: Vihiga
Objectives: To modernise infrastructure at KSG.
Implementing Agencies: KSG

Project Progress: During the period under review, the advertised contract was awarded. The project was at 10 percent completion level.

Implementation Challenge: Reduced funding.

Lesson Learnt: Need for effective financial planning and forecasting to anticipate needs and mitigate the impact of delays.

Recommendation: Timely disbursement of budgetary allocation by the National Treasury.

3.5.3 Modernised Assorted Equipment for Print Production

Location: Nairobi
Objective: To modernise assorted equipment for print production.
Implementing Agency: Government Printers

Project Progress: The project was 100 percent complete.

Recommendation: Allocate additional resources for continuous modernisation and digitalization.

3.5.4 E-Government Publications Platform

Location: Nairobi
Objective: To develop a digital archiving system to facilitate the storage and retrieval of government documents, enhancing security and access to historical records.
Implementing Agency: Government Printers

Project Progress: During the period under review, the project was fully undertaken awaiting onboarding on the e-Citizen platform.

Recommendation: Continued support be provided for staff training, focusing on digital and sustainable printing technologies.

3.5.5 National and County Archival Services and Public Records Management

Location: Nationwide
Objective: To improve National and County archival services, and management of public records.
Implementing Agencies: State Department for Culture, the Arts and Heritage, Kenya National Archives and Documentation Services

Project Progress: This new project was expected to construct multi-purpose national archives in Nairobi; establish county archives; digitize archive materials; retrieve migrated archives and strengthen the Integrated Public Records and Information Management System (IPRIMS). In the FY 2023/24, a total of 331,606 archive materials were digitized; 307,000 migrated archives were retrieved and strengthening of IPRIMS was 30 percent complete. This project was ongoing but not on schedule at overall completion rate of 35 percent.

Implementation Challenge: Low funding levels

Recommendation: Provide adequate funds for the programme and activities.

3.5.6 Production and Issuance of 3rd Generation ID/Digital National ID

Location: Nationwide
Objective: To enhance citizens' access to various government services
Implementing Agency: State Department for Immigration and Citizen Services

i. Production and Issuance of Digital National ID

Project Progress: During the period under review, a total of 972,630 third (3rd) generation IDs were produced. The system had been piloted for the commencement of the issuance of digital IDs.

Implementation Challenges
- Court cases slowed progress.
- Inadequate budgetary allocation.

Lessons Learnt
- Public participation is key in every project.
- There is a lack of consistency in government funding.

Recommendations
- Enhance budgetary allocation.
- Undertake public participation to deepen buy-in.
- Promote consistency in government funding.

3.5.7 Unique Personal Identifier (Maisha Number)

Location: Nationwide

Objective: To enhance citizens' access to various government services.
Implementing Agency: State Department for Immigration and Citizen Services

i. **Unique Personal Identifier Issued at Birth**

Project Progress: During the review period, the State Department developed the birth and death module, though the project is behind schedule.

Implementation Challenges: Court cases and budget cuts.

Lessons Learnt: Public participation is key in every stage of the project and there is need for consistency in the funding model.

Recommendations: Enhancement of the budget and consistency in funding to ensure public participation is done at every stage and completion of the project.

3.6 LABOUR AND EMPLOYMENT

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

The strategic objectives of the Sector are to: ensure effective coordination, planning, monitoring, evaluation and reporting on labour policies, projects and programmes in the State Department; enhance industrial peace and harmony in the country; and provision of labour market statistics. The Sector performance during the period under review was as follows:

3.6.1 Labour Migration

Location: Nationwide
Objective: To create employment.
Implementing Agency: National Industrial Training Authority

Project Progress: During the period under review, the Authority assessed and certified 35,947 homecare management workers in support of labour migration.

Implementation Challenge: Lack of synergy between the recruitment agencies and the training providers.

Lesson Learnt: Multi-agency approach in regulating and monitoring the operations of private employment agencies is key in routing out unscrupulous recruitment agencies.

Recommendation: Enhance collaboration between industries, training and research institutions to ensure that skills demand is aligned to skills supply by the training institutions.

i. **Bilateral Labour Agreements**

Implementing Agency: State Department for Labour and Skill Development

Project Progress: During the period under review, the programme targeted two (2) Bilateral Labour Agreements, which were not achieved. However, seven (7) draft agreements were at different stages of negotiations with Germany, Ethiopia, Oman, Serbia, Bahrain, Austria and Canada.

ii. **Placement of 2 million Kenyans in Jobs**

Location: Countrywide
Implementing Agency: National Employment Authority

Project Progress: During the reporting period, the National Employment Authority had placed a total of 107,756 Kenyans in employment locally and abroad. Of these, 18,875 were placed locally, while 88,631 were placed in foreign countries. This achievement had been driven by the availability of job orders.

iii. **Assessment of Skills in Demand in Destination Countries**

Project Progress: During the review period, the State Department for Diaspora Affairs conducted a market analysis of the labour market in Canada.

3.6.2 Strengthenng the Linkages between Industry and Training Institutions

Location: Nationwide
Objective: To enhance employability skills for Kenyan youths

Implementing Agency: National Industrial Training Authority

i. **Placement of 20,000 Students and Lecturers in Industrial Attachment**

Project Progress: During the period under review, the Authority coordinated the placement of 37,010 persons on industrial attachment to enhance their skills and placed 110 lecturers and 275 persons in internship programmes. The Authority had also approved training for

62,570 workers in industry to enhance their skills and had registered 213 training providers for the purpose of industrial training.

Implementation Challenges

- Weak linkages between industry and training institutions leading to skills mismatch in the labour market.
- Emerging technologies, including Artificial Intelligence, robotics and big data have led to displacement of existing jobs and creation of new ones. Employers are thus forced to redeploy, reskill or up-skill workers, all of which are resource intensive exercises.

Lesson Learnt: Information and Communication Technology and related technology provide a platform that can be leveraged in creating awareness on labour laws, dissemination of information on the labour market and creating employment opportunities.

ii. Upgrading of One-Industrial Training and Attachment Portal

Implementing Agencies: State Department for Labour and Skill Development, Ministry of Education, State Department for Public Service and Human Development

Project Progress: At the time of review, a firm was awarded an Enterprise Resource Planning (ERP) contract to carry out the upgrade in Q4 of FY 2023/24.

iii. Upgrading of Industrial Training Centres

Objective: To ensure supply of well-trained workers at all levels in industry.

Implementing Agencies: State Department for Labour and Skill Development, State Department for Higher Education and Research

Project Progress: During the period under review, no progress was made on the upgrade of five (5) industrial training centres.

Implementation Challenge: Lack of funds affected delivery of this target.

3.6.3 Strengthen Jua-Kali Industry Capacity

Location: Nationwide

Objective: To enhance employability skills for Kenyan youths.

Implementing Agencies: Kenya National Qualification Authority, National Industrial Training Authority

i. Developmenet of a Criterion for Accreditation and Assessment Tool for Recognition of Prior Learning (RPL)

Project Progress: During the period under review, a criterion for accreditation and assessment tool for RPL were developed.

ii. Review of Accreditation, Training, Assessment, and Certification Standards for Jua Kali Workers in the Construction Sector

Project Progress: During the review period, a total of 76,659 persons were assessed and certified through Government trade testing.

iii. Accreditation of Assessment Centres for Jua Kali Construction Workers

Project Progress: During the period under review, the programme had accredited 51 assessment centres against a target of 10 centres, and 275 assessment centres had been registered.

iv. Assessment of Jua Kali Workers through RPL

Project Progress: The programme was expected to assess 400 jua kali workers through RPL. During FY 2023/24, the programme assessed and certified 1,294 persons under the RPL Programme and accredited and trained 151 RPL practitioners.

Implementation Challenges

- Emerging technologies, including Artificial Intelligence, robotics and big data have led to the displacement of existing jobs and creation of new ones.
- Employers are thus forced to redeploy, reskill or up-skill workers, all of which are resource intensive exercise.

Lesson Learnt: Continuous awareness creation is key in enhancing public participation and ownership of government programmes and projects.

Recommendation: Ensure full implementation of continuous ongoing programmes and projects, and key priorities not executed carried over from MTP III to MTP IV.

3.7 NATIONAL VALUES AND ETHICS

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

In the MTP IV, national values and ethics have been placed under the Governance and Public Administration Sector with greater emphasis on enhancing promotion of national values and principles of governance delving on the State of the Nation address delivered in Parliament by H.E. the President, Honors and Awards exercise undertaken, and diversity management framework developed. The performance was as follows:

3.7.1 Leadership Ethics and Integrity

Location: Nationwide
Objective: To promote good governance and accountability in service delivery.
Implementing Agency: Ethics and Anti-Corruption Commission

Project Progress: During the period under review, 126 corruption and economic crime investigations were forwarded to Office of the Director of Public Prosecutions for further processing; 45 criminal cases on corruption, economic crimes and unethical conduct were finalised, resulting in 12 convictions, 9 acquittals and 24 withdrawals. This translates to a conviction rate of 26.7 percent. KSh. 16 billion was traced in illegally acquired and unexplained assets; recovered KSh. 2.9 billion of corruptly acquired assets and averted loss of KSh. 2.9 billion public funds through proactive investigations. The Commission filed 46 recovery suits valued at approximately KSh.9.2 billion.

In addition, the Commission undertook school outreach programme in 371 institutions of learning reaching 141,882 learners; advised 166 MDAs on prevention of corruption and bribery; conducted 34 media programmes reaching approximately 14 million citizens; issued 712 advisories, 20 cautions and 12 notices to public entities and persons for the violation of Chapter 6 of the Constitution and Leadership and Integrity Act, 2012; trained 794 participants drawn from 35 Corruption Prevention Committees for Ministries, Departments, Agencies and Counties (MDACs); trained 204 persons as Integrity Assurance Officers; provided technical support to seven public entities in developing and implementing codes of conduct and ethics for their officers; undertook compliance monitoring assessments on levels of compliance in implementation of Chapter 6 of the Constitution and integrity laws in 22 public entities and supported 16 institutions on implementation of gifts, donations and conflict of interest registers.

Other achievements accomplished were as follows:

i. **Implementation of Sessional Paper on National Ethics and Anti-Corruption Policy**

Implementing Agency: State Law Office

Project Progress: During the reporting period, Sessional Paper No. 2 of 2018 on National Ethics and Anti-Corruption Policy FY 2023/24 was implemented.

ii. **Establishment of Integrated Public Complaints Referral Mechanism System**

Implementing Agency: State Law Office

Project Progress: During the period under review, the programme entailed the establishment and rollout of the Integrated Public Complaints Referral Mechanism System. However, no progress was made during the review period.

Implementation Challenge: Lack of budgetary allocation to develop the system.

iii. **Confiscation of Proceeds of Crime**

Implementing Agency: Asset Recovery Agency

Project Progress: During the period under review, a 100 percent target for the FY 2023/24 was achieved.

iv. **Implementation of Country Review Reports**

Implementing Agency: State Law Office

Project Progress: During the period under review, the programme targeted to implement the recommendations from country review reports on Kenya's international and regional obligations on governance, ethics, and integrity. One (1) report was implemented in the reporting period.

Implementation Challenges

- Weak legal and policy framework for implementing Chapter 6 of the Constitution.
- Weak legal and institutional framework for management of declaration of income, assets and liabilities.
- Rapid technological advancements.
- Lack of cooperation in obtaining evidence.
- Intimidation and threats to witnesses.
- Non-compliance with system reviews recommendations.
- Inadequate financial human, physical and technological resources.

Lessons Learnt

- Asset recovery and timely adjudication of corruption cases in court are key deterrence to corrupt conduct.
- Strengthening transparency and accountability in the conduct of public affairs promotes the prevention of corruption.
- Value based public education, and awareness promotes attitude and behaviour change and creates grassroots-based coalition against corruption.
- Vigilance in drafting proposals for formulation or amendment of the legal and regulatory framework.

Recommendations

- Strengthen the legal and policy framework for implementing Chapter 6 of the Constitution.
- Strengthen mutual legal assistance arrangements to enhance sharing of information and repatriation of stolen and corruptly acquired assets.
- Adapt new and emerging technological advancements.
- Ensure protection of witnesses and whistleblowers.

3.8 ENDING DROUGHT EMERGENCIES

The Ending Drought Emergencies Sector, as outlined in the Kenya Vision 2030 and Medium-Term Plan IV (2023-2027), is a critical component of the nation's strategy to build resilience and sustainable development in ASALs.

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

Recognising drought as a significant threat to livelihoods, food security, and economic stability, the EDE Sector aims to mitigate the adverse impacts of drought through a multi-faceted approach. Anchored on six pillars—peace and security, climate-proofed infrastructure, human capital development, sustainable livelihoods, drought risk management, and institutional development and knowledge management—the Sector aligns with BETA to foster inclusive growth and resilience.

The performance of the Sector during the year under review was as follows:

3.8.1 Hunger Safety Net Programme

Location: Nationwide
Objective: To cushion vulnerable and drought affected households against the effects of drought through cash transfers.

Implementing Agency: National Drought Management Authority

Project Progress: During the period under review, a total of 127,000 households received cash transfers translating to 68 percent achievement level.

Implementation Challenges

- Inadequate budget allocation.
- Some accounts were inactive while some household heads were lost, therefore requiring change of account holders, making it hard to achieve 100 percent achievement.

Recommendation: Ring-fence resources to ensure regular/consistent access of cash transfers by the beneficiaries.

3.8.2 Kenya Drought Early Warning

Location: Nationwide
Objective: To provide drought early warning information.
Implementing Agency: National Drought Management Authority

Project Progress: During the reporting period, 288 bulletins for national and county level were developed and disseminated.

Implementation Challenge: Inadequate budget allocation.

Recommendations

- Enhance budget allocation to at least KSh. 45 million per year.
- Ring-fence resources to ensure implementation of institutional core functions.

3.8.3 National Drought Emergency Fund

Location: Nationwide
Objectives: To protect vulnerable community's livelihood assets and ensure productivity is quickly restored after drought.
Implementing Agency: National Drought Management Authority

Project Progress: During the reporting period, 21 counties were supported to respond to the 2020-2023 drought; 18 drought recovery initiatives were supported; and 5 drought resilience investments were implemented. This translates to a 5 percent completion level.

Implementation Challenge: Inadequate resource allocation - only KSh. 20 million was provided against KSh. 2 billion required per annum.

Recommendation: Timely disbursement of budgeted funds for maximum impact.

3.8.4 Drought Risk Management

Location: Nationwide
Objective: To enhance resilience to drought and other effects of climate change of communities in arid and semi-arid lands.
Implementing Agency: National Drought Management Authority

Project Progress: During the period under review, 18 drought recovery initiatives were supported; and three (3) drought preparedness investments were supported. As at the end of the reporting period, the project was at 10 percent completion level.

Implementation Challenge: Inadequate counterpart funding to match donor funds.

Recommendation: Provide counterpart funding based on the financing agreement.

3.8.5 Towards Ending Drought Emergencies in Kenya

Location: ASAL Counties

Objective: To restore rangelands landscapes for ecosystem-based adaptation

Implementing Agencies: State Department for Livestock Development, Kenya Water Towers Agency, Water Resource Authority, National Drought Management Authority, Directorate of Resource Surveys and Remote Sensing

Project Progress: During the period under review, 93,000 hectres of rangeland were restored/protected against a target of 100,000 hectres. A total of 29,400 households benefited from the project, surpassing the target of 21,000 households.

3.8.6 Construction of Flood Mitigation Structures

Location: Nationwide
Objective: To protect and save lives and properties from the effects of floods.
Implementing Agency: State Department for Irrigation

i. Construction of Dykes

Project Progress: In FY 2023/24, a total of 3 km of dykes was constructed while the targeted length was 70 km.

Implementation Challenge: Low funding.

ii. Maintenance of Flood Control Infrastructure

Project Progress: A total of two (2) out of the targeted 15 flood control infrastructure were maintained during the review period.

3.9 SECURITY, PEACE BUILDING AND CONFLICT RESOLUTION

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

During the review period, the Sector implemented various programmes and projects under MTP IV and carried over other programmes from MTP III. They include:

3.9.1 Modernisation of Passport Services

Location: Nationwide
Objective: To fast-track issuance of passport and reduce the backlog.
Implementing Agency: State Department for Immigration and Citizen Services

Project Progress: During the period under review, two (2) high-capacity printers were acquired. The expected output was at 10 percent completion level.

Implementation Challenge: Delays in signing the contract and in procuring licenses for the printers.

Lesson Learnt: It is importnant to adhere to project timelines.

Recommendation: The National Treasury to timely avail the funds and enhance AIA for the commencement of the works.

3.9.2 Production and Issuance of 3rd Generation Identity/Digital National Identity/Maisha Card and Maisha Digital Card

Location: Nationwide.
Objective: To enhance citizens' access to various government services.
Implementing Agency: State Department for Immigration and Citizen Services

Project Progress: During the period under review, 972,630 third-generation IDs were produced. In addition, the system was piloted in preparation for the commencement of digital ID issuance. The project was ongoing, with a completion level of 26.55 percent.

Implementation Challenges
- Slow progress of court cases.
- Inadequate budgetary allocation.

Lessons Learnt
- Public participation is key in every project.
- There is a lack of consistency in Government funding.

Recommendations
- Enhance budgetary allocation.

- Undertake public participation to deepen buy-in.
- Promote consistency in government funding.

3.9.3 Unique Personal Identifier (Maisha Number)

Location: Nationwide
Objective: To enhance citizens' access to various government services.
Implementing Agency: State Department for Immigration and Citizen Services

Project Progress: During the period under review, the State Department developed the birth and death module though the project was behind schedule.

Implementation Challenges
- Court cases.
- Budgetary cuts.

Lessons Learnt
- Public participation is key in every stage of the project.
- There is need for consistency in the funding model.

Recommendations
- Enhance budgetary allocation.
- Timely release the exchequer funds.

3.9.4 Modernisation of Integrated Population Registration System/Population Master Database

Location: Nationwide
Objective: To create a comprehensive population database.
Implementing Agency: State Department for Immigration and Citizen Services

Project Progress: During the period under review, tender for master plan database was awarded.

Implementation Challenge: Budget cuts.

Lesson Learnt: There is a need for consistency in the funding model.

Recommendation: Consistency in the funding model.

3.9.5 Integrated Border Management Systems/Integrated Border Control and Automated Systems

Location: Kenyan Border Points
Objective: To enhance immigration and border management.
Implementing Agency: State Department for Immigration and Citizen Services

Project Progress: During the period under review, Electronic Travel Authorization was added and integrated into existing systems; Advanced Passenger Information was piloted and currently at implementation stage while electronic gates are at the procurement stage. The project was at 40 percent completion level.

Implementation Challenge: Delays in the procurement of the systems due to the security and nature of the systems.

Lesson Learnt: Procurement process should be initiated early.

3.9.6 Immigration Staff Housing

Location: Kenyan Border Points
Objective: To improve the welfare of immigration staff working at the border stations.
Implementing Agency: State Department for Immigration and Citizen Service

Project Progress: During the period under review, the project, which aimed at constructing staff houses at all border points, had not yet commenced.

Implementation Challenge: Budgetary constraint.

Lesson Learnt: Budget availability is key to completion of a project.

Recommendation: The National Treasury to avail required budget for the commencement of works.

3.9.7 Refugee Management (Shirika Plan)

Location: Nationwide
Objective: To enhance peaceful co-existence among host communities.
Implementing Agency: State Department for Immigration and Citizen Service

Project Progress: The project was aimed at establishing refugee settlement. During the period under review, stakeholder validation was undertaken.

Implementation Challenge: Delay in finalising the financial plan.

Lesson Learnt: A financial plan is key for donor funding.

Recommendation: Fast-track finalisation of the financial plan.

3.9.8 Onboard Government Services

Location: Nationwide
Objective: To provide a one stop shop platform to access Government services.
Implementing Agency: State Department for Immigration and Citizen Service

Project Progress: During the period under review, 15,728 services were onboarded onto the platform.

Implementation Challenges
- Court cases.
- Budget cuts.

Lessons Learnt
- Public participation is key in every stage of the project
- There is need for consistency in the funding model.

Recommendations
- Enhance the budgetary allocation
- Consistence in funding to ensure public participation is done in every stage.

3.9.9 Digitization of Immigration and Citizen Services Records

Location: Nationwide
Objective: To enhance immigration and citizen services
Implementing Agency: State Department for Immigration and Citizen Service

Project Progress: During the period under review, the project had aimed to digitize immigration and citizen services records, but there had been zero progress.

Implementation Challenge: Budget cuts.

Lesson Learnt: There is a need for consistency in the funding model.

Recommendation: There is a need for consistency in the funding model.

3.9.10 Passport Control Centres

Location: Nationwide
Objective: To enhance the issuance of ePassports
Implementing Agency: State Department for Immigration and Citizen Service

Project Progress: The project was expected to establish passport control centres countrywide. During the period under review, two (2) passport centres were operationalised.

Implementation Challenge: Semi manual operations/manual records hindered digitization

Lesson Learnt: Adoption of technology enhances access to services.

Recommendation: Records and processes that are still manual in nature should be digitized for ease of automation.

3.9.11 Modernisation of National Police Service Project

Location: Nationwide
Objectives: To enhance the safety and security of persons and property and modernise the capacity of National Police Service (NPS).
Implementing Agency: National Police Service

Project Progress: During the period under review, assorted security equipment was acquired marking a 14 percent completion rate; the Occurrence Book was digitized and rolled out in the Nairobi Region. The project was at 29.74 percent completion level.

Implementation Challenge: Inadequate funding leading to minimal project milestones.

Lessons Learnt

- Use of technology is effective in combating crime.
- Sustainable allocation of funds is critical to realisation of planned outputs.

Recommendations

- Timely allocation of adequate resources.

- Mobilise alternative funding sources.

3.9.12 Digitization of Police Stations and National Government Administration Services

Location: Nationwide

Objective: To increase efficiency in the provision of security services.

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

i. Networking of Police Stations

Project Progress: During the period under review, no police stations were networked

Implementation Challenge: No funds allocated for the exercise

Lesson Learnt: Adequate funding is critical for the success of ICT infrastructure projects.

Recommendations: The National Treasury to prioritise budget allocation to support ICT connectivity in police stations.

ii. Digitalization of Occurrence Books

Project Progress: During the review period, 76 police stations had digitized Occurence Books despite no funds being allocated for the project.

Implementation Challenge: Lack of dedicated funding hindered full implementation.

Lesson Learnt: Resourcefulness can yield partial results, but sustainability requires proper budgeting.

Recommendation: Allocate sufficient resources for completion and maintenance of OB digitization.

iii. Digitalization of NGA Services

Project Progress: As of the reporting period, 25 percent of NGA services were digitized.

3.9.13 Modernisation of Police, Prison and NGA Facilities

Location: Nationwide

Objectives: To enhance responsiveness and efficiency of police and prison services, village elders and Nyumba Kumi in the country; and strengthen security personnel's efficiency and response to crime.

Implementing Agencies: State Department of Internal Security and National Administration, State Department for Correctional Services

i. Acquisition of Modern Assorted Security Equipment

Project Progress: During the period under review, assorted modern security equipment was acquired. Additionally, the Occurrence Book was digitized and rolled out in the Nairobi Region.

ii. Maintenance of Security Equipment for Police and Prisons

Project Progress: During the review period, the maintenance of security equipment for police and prisons was planned but not undertaken, achieving 0% of the targeted maintenance.

iii. Upgrading of Prison Telecommunication Infrastructure

Project Progress: During the period under review, prison telecommunication infrastructure was not upgraded.

iv. Expansion of Integrated Command and Control Centre

Project Progress: During the period under review, the expansion of the Integrated Command and Control Centre to all cities, major towns, and highways recorded 0 percent completion.

v. Fleet Acquisition for NGA, Police, Prisons and Probation Officers

Project Progress: During the period under review, one (1) motor vehicle was acquired against a target of 5,977.

vi. Motorcycle Acquisition for Chiefs and Assistant Chiefs

Project Progress: During the review period, 20 electric motorcycles were acquired and distributed to Kajiado, Kiambu, Nairobi and Machakos counties as part of a pilot project, against a target of 10,000 motorcycles.

Implementation Challenge: Inadequate funding leading to minimal project milestones.

Lesson Learnt: Sustainable allocation of funds is critical to realisation of planned outputs.

Recommendation: Mobilise alternative funding sources including Public-Private Partnerships (PPPs) and donor support.

3.9.14 National Secure Communication and Surveillance System

Location: Nationwide
Objective: To enhance the safety and security of people and property.
Implementing Agency: Ministry of Interior and National Administration

Project Progress: During the period under review, the National Security Communication and Surveillance System was maintained to the level of 92 percent.

Implementation Challenge: Low budgetary allocation.

Lesson Learnt: There is need to maintain the surveillance system.

Recommendations: Mobilise adequate funding for flagship projects through alternative funding including PPPs.

3.9.15 Recruitment and Training of National Government Administration Officers

Location: Nationwide
Objective: To improve access to national Government services.
Implementing Agency: Ministry of Interior and National Administration

i. Recruitment and Training of NGAOs

Project Progress: During the period under review, no National Government Administration Officers (NGAOs) were recruited despite the target of 2,000 officers. However, 321 of the existing administration officers were trained.

ii. Recruitment and Training of Police Officers

Project Progress: During the period under review, no police officers were recruited or trained despite targeting to train 25,000 police officers.

Implementation Challenge: No budgetary allocation.

Recommendation: There is a need to allocate funds to recruit and train NGAO and police officers.

3.9.16 National Government Administration Field Offices

Location: Nationwide
Objective: To improve access to National Government services
Implementing Agency: Ministry of Interior and National Administration

i. Construction and Operationalisation of Police Stations

Project Progress: During the period under review, only two (2) police stations were constructed against a target of 730 stations.

Implementation Challenge: Insufficient funding.

ii. Operationalisation of Gazetted Administrative Units

Project Progress: During the period under review, the following administrative units were operationalised; 11 Sub-CountieI 36 Divisions, 237 Locations and 453 Sub-Locations gazetted in Third Quarter (Q3). This was against an expected output of 3,460 units.

iii. Construction of National Government Administration Field Offices

Project Progress: This project aimed to construct 500 NGA field offices across the country. During the period under review, 41 field offices were funded and constructed.

iv. Renovation of Field Offices

Project Progress: During the period under review, six (6) offices were refurbished against the target of 2,500.

Implementation Challenge: Lack of funds to operationalise all gazetted administrative units.

Lesson Learnt: There is a need to operationalise gazetted administrative units to improve service delivery.

Recommendation: Allocate adequate funds for the programmes/projects.

3.9.17 Modernisation of NGAO Facilities

Location: Nationwide
Objective: To enhance mobility of National Government Administration Officers.
Implementing Agency: Ministry of Interior and National Administration

Project Progress: During the period under review, there was ongoing procurement of electric vehicles and piloting programs for e-motorcycles.

Implementation Challenge: Inadequate funding.

Lesson Learnt: The government motor vehicle leasing programme enhances efficiency and improves service delivery.

Recommendation: Allocate adequate funds for the projects/ programmes.

3.9.18 Modernisation of the Kenya Coast Guard Service

Location: Nationwide
Objective: To enhance maritime safety and security of people and property.
Implementing Agency: Ministry of Interior and National Administration

Project Progress: During the period under review, the project aimed at constructing Kenya Coast Guard Service headquarters, but this was rescheduled to begin in FY 2024/25. The project also aimed at acquiring modern ships and boats and this was done to the level of 22 percent completion.

Implementation Challenge: Inadequate funding.

Lesson Learnt: There is a need to prioritise the completion of all the ongoing projects.

Recommendation: Allocate adequate funds for the construction of the headquarters and acquisition of boats and ships.

3.9.19 Data Protection and Cyber Security

Location: Nationwide
Objective: To enhance safety of Government systems and data.

i. Operationalisation of Government ICT Security Operation Centre

Implementing Agency: State Department for Information and Communication Technology and Digital economy

Project Progress: The State Department had targeted to operationalise Government ICT Security Operation Centre by June 2024. During the period under review, the tender was awarded for consultancy services and it was ongoing.

ii. Operationalisation of Data Protection Commissioner in Regional Offices

Implementing Agency: Office of Data Protection Commissioner

Project Progress: During the review period, 10 out of 13 planned regional offices for Data Protection Commissioner were established and operationalised. The project is at 77 percent completion level. Regional offices have been established in Nairobi, Mombasa, Nakuru, Kisumu, Eldoret, Nyeri and Machakos. Help Desks were opened at the Huduma Centres in Eldoret, Nyeri and Garissa. The positive variance was due to prioritisation and enhanced budgetary support.

Lesson Learnt: Engagement of the State Department for Housing in office identification and State Department for Public Works in project design and management enhanced the effectiveness and efficiency of the project.

Recommendation: MDAs to continue utilising existing government expertise where necessary.

3.9.20 Construction and Equipping of National Police Service and Magereza Hospitals

Location: Nairobi

Objective: To provide quality, accessible and affordable healthcare to police and prison officers and their families.

Implementing Agencies: State Department for Correctional Services, State Department of Internal Security and National Administration

i. Equipping and Operationalisation of National Police Hospital

Project Progress: During the review period, the construction of the hospital was completed pending operationalisation. The project was at a 76.97 percent completion level.

ii. Equipping and Operationalisation of Magereza Hospital

Project Progress: During the period under review, no progress was made.

Implementation Challenge: Lack of funding leading to non-implementation of the project.

Lesson Learnt: Project prioritisation is critical.

Recommendation: Mobilise alternative funding sources including PPPs and donor support.

3.9.21 Establishment of a Modern Forensic Lab

Location: Nationwide
Objective: To establish a modern forensic laboratory.
Implementing Agency: National Police Service

i. Equipping and Operationalisation of National Police Forensic Laboratory

Project Progress: The project aimed at equipping 11 forensic labs. During the period under review, the project was halfway equipped to a completion level of 52 percent.

ii. Training of Forensic Officers

Project Progress: During the period under review, three hundred and eleven (311) officers were trained, surpassing the projected target of 250 officers.

Implementation Challenge: Inadequate funding delayed full implementation of the project.

Lesson Learnt: Collaboration between government agencies enhances effectiveness.

Recommendation: Mobilise alternative funding sources including PPPs and donor support.

3.9.22 Digitization of Correctional Services

Location: Nationwide

Objectives: To strengthen the rehabilitation, supervision and reintegration of offenders and to enhance offender surveillance.

Implementing Agency: State Department for Correctional Services

i. Development and Operationalisation of Probation Case Management System

Project Progress: During the period under review, no development of the Case Management System was recorded.

ii. Digitization of Prison Services and Implementation of Offender Surveillance

Project Progress: During the period under review, no level of digitization was recorded under Prison Services / Offender surveillance.

Implementation Challenges

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

Recommendations

- Embrace PPP in the implementation of development projects to enhance resource mobilisation, efficiency and sustainability.
- Strengthen capacity building for officers through regular training on emerging and evolving crimes to improve preparedness and response.
- Adopt and integrate modern technology to enhance service delivery, operational efficiency and data management.
- Strengthen enforcement mechanisms to ensure effective implementation of existing policies, guidelines and initiatives.
- Develop and implement a unified offender data and case management system to improve coordination, information sharing, and case tracking across relevant institutions.
- Harmonise policy and legislative frameworks related to peace and security to ensure coherence, consistency, and effective implementation.

3.9.23 Modernisation of National Population Register/Population Master Database

Location: Nationwide
Objective: To create a comprehensive population database.
Implementing Agency: State Department for Immigration and Citizen Services

i. Development and Operationalisation of Business Continuity Plan

Project Progress: During the period under review, tender for master plan database was awarded.

Implementation Challenge: Budget cuts.

Recommendation: There is a need for consistency in the funding model.

3.9.24 Modernisation of Government Chemist Laboratories

Location: Nairobi, Mombasa, Kisumu
Objective: To enhance the capacity of the Government Chemist
Implementing Agency: State Department for Internal Security and National Administration

Project Progress: During the financial year FY 2023/24, no laboratories were constructed. Construction of government chemist laboratories was set to be done in FY 2024/25.

Implementation Challenge: Inadequate funding / non-funding leading to minimal project milestones.

Lesson Learnt: There is a need to prioritise the completion of all the on-going projects.

Recommendation: Allocate adequate funds for the projects/programmes.

CHAPTER 4 : ECONOMIC PILLAR

4.1 AGRICULTURE AND LIVESTOCK

4.1.1 Leather and Leather Products Value Chain

i. Establishment of Leather Aggregation Centres

Location: Countrywide
Objective: To enhance value addition and market of leather products.

Implementing Agencies: State Department for Livestock Development, State Department for Arid and Regional Development, Kenya National Trading Corporation (KNTC).

Project Progress: During the period under review, no collection centres were established against a target of five (5). In addition, the aggregation centre planned for Narok was not established.

ii. Delivery of Hides and Skins to Tanneries

Location: Countrywide
Objective: To enhance value addition and market of leather products.
Implementing Agency: State Department for Livestock Development

Project Progress: This project aimed at delivering quality hides and skins to tanneries. During the period under review 1,234 MT quality hides were delivered to tanneries surpassing the annual target of 1000 MT by 23.4 percent. In addition, 12,977 MT of quality skins were delivered to tanneries, surpassing the annual target of 10,000 MT by 29.77 percent. The over-achievement was due to mopping up of hides and skins.

iii. Provision of Subsidized Animal Feeds to Farmers

Location: Countrywide
Objective: To enhance value addition and market of leather products.
Implementing Agencies: State Department for Tourism, KNTC

Project Progress: During FY 2023/24, the project stalled as the proposal was not funded despite targeting to deliver 2000 MT subsidized animal feeds to farmers.

iv. Establishment of Feedlots and Feed Production Zones

Location: Kiburu and Hadado
Objective: To enhance value addition and market of leather products.
Implementing Agency: State Department for ASALs and Regional Development

Project Progress: Construction of two (2) feedlots was ongoing; Kiburu feedlot in Meru County was at 80 percent completion rate and Hadado in Wajir County feedlot was at 20 percent completion rate.

v. Disease Free Zones-Completion of Bachuma Livestock Export Zone

Location: Bachuma Village, Maisenyi Ward, Vow Sub-County, Taita Taveta County
Objective: To increase market access for animal and animal products.
Implementing Agency: Directorate for Veterinary Services

Project Progress: This project was carried over from MTP III where the construction of a bio-secure quarantine facility, holding ground and emergency slaughterhouse was expected to be completed. In FY 2023/24, the project had stalled at an overall completion rate of 56 percent. Modalities for the completion and operationalisation of the facility through PPP were under consideration.

Implementation Challenge: Budget cuts.

Lesson Learnt : Involvement of the private sector in implementation from the start was important.

Recommendation: There is a need to fast-track PPP arrangements.

vi. Construction and Operationalisation of Lamu Livestock Export Zone

Location: Magogoni Village, Hindi Ward, Lamu West Sub-County, Lamu County
Objective: Increase market access for animals and animal products.
Implementing Agency: Directorate for Veterinary Services

Project Progress: The construction of a bio-secure quarantine facility, holding ground, emergency slaughter facility and marshalling yard at Lamu Port was five (5) percent complete during the period under review.

Implementation Challenges

- Budget cuts

- Land ownership issues.

Lesson Learnt: PPP can go a long way in implementation of such projects.

Recommendation: Timely release of funds.

vii. Completion of Biosafety Level 5 (BSL 5) Lab in Kabete

Location: Kabete, Kiambu County
Objective: Carry out diagnosis of highly infectious pathogens.
Implementing Agency: Directorate for Veterinary Services

Project Progress: This ongoing project was carried over from MTP III, with the completion of the construction and equipping of Biosafety Level 5 Laboratory was at 65 percent.

Implementation Challenge: Budget cuts.

Lesson Learn: Phasing projects can fast-track implementation.

Recommendation: Timely release of funds to fast-track the completion of this important facility.

viii. Refurbishment of Regional Veterinary Laboratories

Location: Nationwide
Objective: Carry out surveillance and diagnosis of animal diseases.
Implementing Agency: Directorate for Veterinary Services

Project Progress: The refurbishment of six (6) regional veterinary and two (2) satellite laboratories was a continuing project from MTP III. In FY 2023/24, the project was at 71 percent completion.

Implementation Challenge: Budget cuts.

Lesson Learnt: Collaboration with counties in maintenance of these facilities can be exploited.

Recommendation: Timely release of funds to ensure these facilities continue offering the much-needed services.

ix. Construction and Refurbishment of Leather Science Institute

Location: Ngong, Kiambu County
Objective: Carry out training of students on leather goods production.
Implementing Agency: Directorate for Veterinary Services

Project Progress: This project was a carry-over from MTP III, and its expected output was the establishment of a training institute and tannery at Ngong. In FY 2023/24, the project was on schedule with a completion rate of 55 percent.

Implementation Challenges

- Budget cuts
- Change of site delayed inception of the project.

Lesson Learnt: There is need to involve other government agencies in the project implementation.

Recommendation: Allocate land and fast-track release of funds.

x. Upgrading of Livestock Industry Training Institutes

Location: Kabete, Nyahururu, Ndomba, Mogotio, Baringo County
Implementing Agency: State Department for Livestock Development

Project Progress: Three (3) livestock industry training institutes (AHITIs) were upgraded, namely Kabete, Nyahururu and Ndomba during the time under review against a target of nine (9) institutions, resulting in 33 percent completion rate. Other livestock industry training institutions upgrading were significantly affected by budget cuts. During the same financial year, a total of 1,176 trainees graduated, surpassing the annual year target of 984 trainees, resulting in an achievement of 120 percent.

Implementation Challenge: Budget cuts.

xi. Livestock Insurance Programme

Location: Nationwide
Implementing Agency: State Department for Livestock Development

Project Progress: During FY 2023/24, a total of 198,095 livestock were saved/insured surpassing the expected target of 125,000, translating to an achievement 158 percent.

xii. MSMEs Mapping and Sensitisation on Leather Value Chains

Location: Nationwide
Implementing Agency: Micro and Small Enterprise Authority (MSEA)

Project Progress: This was a new programme under MTP IV which was expected to map and sensitise MSMEs on the leather value chain. In FY 2023/24, the programme was ongoing and on schedule where a total of 2,020 MSMEs were identified and trained/sensitised. This programme was earmarked as 100 percent complete during the period under review.

Implementation Challenges

- Poor quality of raw materials.
- Limited capacity of tanneries.
- High cost of production.
- Poor skills and inappropriate production technologies.
- Weak legal and impediment regulatory framework and unpredictable taxation environment at national and regional levels that may hinder the Sector's competitiveness and growth.

Lesson Learnt

- Need for more sensitisation and capacity building to provide training from state agencies to stakeholders towards integration and implementation of green sustainable manufacturing processes.

Recommendations

- Promote a dynamic restructuring of the leather industry through launch of a stake-holder driven leather industry strategy implementation process.
- Increase access to markets and induce greater demand for leather and leather products.
- Build quality and standards in the leather industry.
- Construct more tanneries to increase the volumes of leather production in the country.
- Improve standards and by extension the quality of leather products to explore the export markets.

xiii. Incubation of Rural Business Start-Ups

Location: Nationwide

Objective: To enhance value addition and market of leather products.
Implementing Agency: Micro and Small Enterprise Authority

Project Progress: This was a new project under MTP IV whose expected output was to incubate rural business start-ups. However, in FY 2023/24, no implementation was done hence the project had not yet started.

Value Addition

i. **Development of Kenya Leather Industrial Park-Kenanie**

Location: Kenanie
Objective: The overall objective of the Kenya Leather Industrial Park (KLIP) is to transform Kenya's leather value chain from a raw material/semi-processed export-driven sector to a finished leather and leather products manufacturing industry. This is achieved by establishing a world-class industrial hub that will provide modern infrastructure, common-user facilities, and a one-stop-shop for leather manufacturers and investors. Additionally, KLIP aims to centralise leather processing, promote cleaner production technologies, and strengthen linkages across the value chain from hides and skins to finished products.

Implementing Agencies: Kenya Leather Development Council (KLDC), Export Processing Zone Authority (EPZA)

Project Progress: Development of Kenya Leather Industrial Park involves provision of modern infrastructure to support competitive local leather and leather product manufacturing hence transforming the country into a regional manufacturing hub for leather products.

The ongoing project was carried over from MTP III with a cumulative completion rate of 65.33 percent. During FY 2023/24, the construction of an efficient Common Effluent Treatment Plants was 85 percent complete while the establishment of four (4) industrial warehouses was 85 percent complete. However, the construction of serviced industrial plots, accredited laboratories and administration block was not implemented during the period under review.

Implementation Challenges

- Joint implementation: There were challenges in coordinating the different implementers.
- Insufficient/delayed funding: This has led to arbitration proceedings between the joint implementers and the contractor (EPCO Builders Ltd).
- Inadequate funding for enabler Departments/Agencies: This has delayed the completion of enabling infrastructure (Road, Power, Water, ICT and Security).

Lesson Learnt: The project has multiple implementing agencies that require coordination in planning, budgeting and timely funding.

Recommendation: Resolution of the ongoing arbitration proceedings between the joint employer and the contractor.

ii. Establishment of Leather Processing Clusters

Location: Isiolo, Uasin Gishu, Narok, Kisumu, and Mombasa
Implementing Agencies: State Department for Investment Promotion, Kenya Leather Development Council
Project Progress: There was no leather processing cluster established during the period under review despite having a target of one (1) leather processing cluster.

Implementation Challenge: Lack of funds.

iii. Construction of Common Manufacturing Facilities

Location: Kariokor and AHITI Kabete
Implementing Agency: State Department for Livestock Development

Project Progress: The target was not applicable during the period under review. However, two (2) Common Manufacturing Facilities (CMFs) at Kariokor and AHITI Kabete were established and operationalised. The project concept notes for CMFs for leather processing clusters in Isiolo, Uasin Gishu, Narok, Kisumu and Mombasa was finalised.

iv. Optimisation of Ewaso Ng'iro Tannery

Location: Ewaso Ng'iro
Implementing Agency: State Department for ASALs and Regional Development

Project Progress: During the FY 2023/24, a total of 426,592.8 square feet of finished leather were produced, 15 MSMEs were trained on production of leather goods, 10 cottages operationalised to provide leather artisans with working space, ten (10) youths were trained and engaged to produce footwear, and purchase and installation of footwear production equipment was completed during the same period. However, the tannery operations were still closed due to the ongoing expansion works and the collection centre project was not funded.

Implementation Challenge: Delay in release of allocated funds.

Lesson Learnt: Timely release of funds.

Recommendation: Completion of the factory should be completed so that production and revenue is achieved as planned for the project sustainability.

v. Establishment and Operationalisation of Kariokor CMF

Location: Kariokor, Nairobi County
Project Progress: During FY 2023/24, there was no achievement in the establishment and operationalisation of Kariokor manufacturing facility despite having an annual target of 50 percent completion rate.

Implementation Challenge: Limited funds affected implementation of planned activities.

vi. Promotion and Establishment of Leather Cottage Industries

Location: Countrywide
Objectives: To enhance value addition and market of leather products and dissemination and adoption of industrial technologies.
Implementing Agencies: MSEA, Kenya Industrial Research and Development Institute (KIRDI)

Project Progress: This was a new project under MTP IV which targeted to promote and establish 50 leather cottage industries. In the FY 2023/24, six (6) enterprises were promoted by KIRDI, but no implementation was done by MSEA for this ongoing project.

Implementation Challenges
- Limited funding affecting MSME's support
- Increased cost of doing business.

Lesson Learnt: Client funding models initiated to mitigate budget shortfalls.

Recommendation: Provide more resources to support research, incubation and dissemination activities.

vii. Equipping Constituency Industrial Development Centres with Common User Facilities

Location: Nationwide
Objective: To enhance value addition and market of leather products.
Implementing Agency: MSEA

Project Progress: This was a new project under MTP IV which operationalised 21 Constituency Industrial Development Centres (CIDCs) through equipping Common User Facilities in the priority value chains in the FY 2023/24 against a target of 200 CIDCs. This led to creation of 2,240 new jobs during the period under review.

Implementation Challenges

- Lack of funding to fully operate and equip the existing 214 CIDCs and construct new ones in the remaining 76 constituencies.
- Majority of CIDCs lack power connection or are connected to single phase power which is inadequate to power industrial level machines. This has inhibited Micro and Small Entreprises (MSEs) from occupying these CIDCs since they lack power connections.
- Some CIDCs are in very remote areas where they are not easily accessible by road. This has led to MSEs shunning to use these CIDCs as they are in far-flung areas away from their market and supply chains for raw materials.
- Majority of the CIDCs are still not utilised as they are supposed to, due to lack of a clear structure that oversees the general administration of activities that are undertaken at the CIDCs. This involves leadership of the Jua Kali Associations mandated to oversee the day-to-day running of the activities taking place within these facilities.

Recommendations

- Adopt knowledge, skills and technology development and transfer model in the operationalisation of the CIDCs/Enterprise Development Centres (EDCs); where emphasis is on the practical development of the necessary facilitative skills of entrepreneurship, including but not limited to the technical industry skills, financial literacy, and marketing. Embrace the "whole value chain" sensitisation approach at the centres.
- Establish partnerships with local technical training institutes and guarantee avenues for attachment, internship and apprenticeship for the learners. The learners in the village polytechnics, technical and vocational training centres as well as colleges and universities can also be incorporated as incubates at the CIDCs/EDCs. The incubates from these institutions can then be mobilised into associations and supported through the various MSEA initiatives.
- Create a hub of linkages where the CIDCs/EDCs not only host the government agencies in the value addition processes but also provide a platform where the incubates can

interact with and be linked to various financial and marketing processes, agencies and institutions in government, private sector and development partners.

- Establish partnerships with established companies within the specific value chains at the CIDCs/EDCs so that they can facilitate technology transfer, provide markets for some of the products, absorb some of the innovations by the incubates; while also providing job opportunities for the incubates that may not be "natural entrepreneurs", but are well skilled in various value addition processes.

Marketing

i. Linkage of MSMEs with Large Enterprises, Schools, and Government Institutions

Location: Nationwide
Objective: To enhance value addition and market of leather products.
Implementing Agency: MSEA

Project Progress: This was a new project under MTP IV which was expected to link MSMEs with large enterprises, schools, and Government institutions. However, no implementation was done during FY 2023/24.

ii. Sensitisation of Exporters on Market Requirements and Opportunities for Leather and Leather Products

Implementing Agency: Kenya Export Promotion and Branding Agency (KEPROBA)

Project Progress: This was a new project under MTP IV which was expected to sensitise exporters on market requirements, and opportunities for leather and leather products. In FY 2023/24, the project was ongoing and on schedule at an overall rate of 30 percent. Desktop research for leather value chain was undertaken and awaiting stakeholder validation before dissemination and utilisation in sensitising the exporters on the opportunities for leather and leather products in the export markets.

Implementation Challenge: Inadequate budget.

Recommendation: Enhancement of budgetary support for KEPROBA's programmes.

iii. Development and Promotion of Leather Export Market

Project Progress: The expected output of this new project under MTP IV was to develop and promote the leather export market. In the FY 2023/24, eight (8) priority markets were identified for leather and leather products for implementation of market development initiatives therein and to link Kenyan exporters to buyers in these markets. These include the UK, Burundi, Rwanda, South Sudan, Uganda, Italy, Germany and USA.

Four (4) Made-in-Kenya digital activations were undertaken in the FY 2023/24 through the Agency's social media platforms. The project was ongoing and on schedule as at the review period at an overall completion rate of 60 percent.

Implementation Challenge: Budgetary constraints to undertake trade promotion activities.

Recommendation: Enhance budgetary support for KEPROBA's programmes.

4.1.2 Dairy Value Chain

i. Establishment of Dairy Cottage Industries for Animal Feeds

Location: Nationwide
Implementing Agency: MSEA

Project Progress: This was a new project under MTP IV, and its expected output was the establishment of dairy cottage industries for animal feeds. During the period under review, no implementation was done.

ii. Mapping Out Production Clusters and Sensitisation of MSMEs on Opportunities in Animal Feeds

Location: Nationwide
Implementing Agency: MSEA

Project Progress: This was a new project under MTP IV which was expected to map out production clusters and sensitise MSEs on opportunities in animal feeds. In FY 2023/24, a total of 57 MSEs production clusters were identified and 2,020 MSEs identified and sensitised on opportunities in animal feeds.

Implementation Challenges

- Availability of raw materials used in producing animal feeds.
- Cost of raw materials which negatively affected production of animal produce.
- Heavy dependence on imports exposed the industry to all international, financial and political factors that had a significant effect on price and quality of raw materials.

Lessons Learnt

- The increase in domestic production of key raw materials like maize and soya is expected to enhance production of animal feeds.
- Sensitisation on quality control and standards on production of animal feeds is important for growth in the dairy production sector.

Recommendations

- Develop favourable policies to increase the adoption of biotechnology in production of raw materials which will increase production of animal feeds.
- Build quality and standards in the production of animal feeds.
- Undertake sensitisation on the code of conduct on milling animal feeds.

Value Addition

i. Modernisation of New Kenya Co-operative Creameries Plant

Location: Nationwide
Objective: Enhance the processing capacity of New Kenya Co-operative Creameries (KCC) to cater for the growing market and improve efficiency levels.
Implementing Agency: State Department for Co-operatives

Project Progress: This project was a continuation from MTP III, where the modernisation of the new KCC plant was initially scheduled for completion. Although the project was still ongoing and on track, with an overall completion rate of 85 percent, no modernisation occurred during the FY 2023/24.

Implementation Challenge: No budget allocated for FY 2022/23 and 2023/24.

Recommendation: Funding ongoing projects should be a priority.

ii. Establishment of Camel Milk Collection and Cooling Centres

Location: ASAL Counties
Implementing Agency: State Department for ASALs and Regional Development

Project Progress: No coolers were installed despite an annual target of 220 milk coolers in FY 2023/24. 265 milk cooler sites were ready for installation in 34 counties.

Implementation Challenge: Delivery of milk coolers from Poland was constrained by delay in approval of contract execution period by Government of Poland.

iii. Fabrication of Dairy Products, Machinery and Equipment

Location: Nationwide
Implementing Agency: KIRDI

Project Progress: This was a new project under MTP IV. In FY 2023/24, the project was ongoing with two (2) equipment designed and fabricated against a target of 100 machinery.

Implementation Challenge: Inadequate budget to do prototypes thus relying on client funded requests.

Lesson Learnt: Client funding model initiated to mitigate budget shortfalls.

Recommendation: Provide more resources to support research, incubation and dissemination activities.

iv. Capacity Building of Dairy Processing and Animal Feeds Production Enterprises

Location: Nationwide
Implementing Agency: KIRDI

Project Progress: This was a new project under MTP IV. In FY 2023/24, the project was ongoing with 26 enterprises trained in dairy processing and animal feeds production against a target of 200 enterprises.

Implementation Challenge: Inadequate budget allocation.

Lesson Learnt: Client funding model initiated to mitigate budget shortfalls.

Recommendation: Provide more resources to support research, incubation and dissemination activities.

Market Access

i. Completion and Accreditation of National Dairy Laboratory

Location: Nationwide
Implementing Agencies: State Department for Livestock Development, Kenya Dairy Board

Project Progress: During the period under review, the National Dairy Laboratory was 95 percent complete, awaiting accreditation and commissioning.

ii. Sensitisation of Exporters on Market Requirements and Opportunities

Location: Nationwide
Implementing Agency: KEPROBA

Project Progress: This new project stalled in the FY 2023/24. Its target of sensitising exporters on market requirements and opportunities was not achieved due to budgetary constraints and would be prioritised for implementation in FY 2024/25.

iii. Made-in-Kenya Global Campaigns

Project Progress: This was a new project under MTP IV, and it was expected to conduct Made-in-Kenya global campaigns. This activity was not implemented due to budgetary constraints. However, the Agency undertook four (4) Made-in-Kenya digital activations during the reporting period through the Agency's social media platforms. The overall completion rate of the project was 20 percent.

iv. Development of Export Market and Products

Project Progress: This new project under MTP IV was expected to have export markets and products developed and promoted. In the FY 2023/24, seven (7) priority markets identified for implementation of market development initiatives. These included South Sudan, Tanzania, Uganda, DRC, Somalia, Malawi and Ghana. Overall, the project was ongoing and on schedule at a completion rate of 60 percent.

Implementation Challenge: Budgetary constraints

Lesson Learnt: There is need for adequate budget to implement programmes.

Recommendation: Enhance the budgetary support for KEPROBA's programmes.

Other Livestock Programmes

4.1.3 De-Risking, Inclusion and Value Enhancements of Pastoral Economies

Location: ASAL Counties
Objective: To protect pastoral economies against drought risks and improve linkage to markets.
Implementing Agencies: State Department for Livestock Development, ZEP-RE, Kenya Development Corporation.

i. Insurance of Tropical Livestock Units in 21 ASAL counties

Project Progress: During FY 2023/24, a total of 198,095 Tropical Livestock Units (TLUs) were issued which was higher than the annual target of 125,000 TLUs, translating to an achievement of 158 percent.

ii. De-Risking, Inclusion and Value Enhancement of Pastoral Economies

Project Progress: During FY 2023/24, a total of 63,759 pastoralists accessed financial services, and this marked a great achievement as it surpassed the annual target of 25,000 pastoralists by 155 percent. During the same period, 424 pastoralist groups were linked to markets and savings institutions.

4.1.4 Livestock Genetic Improvement

i. Production and Distribution of Semen

Location: Nationwide
Objective: To increase semen production and preservation.
Implementing Agencies: Kenya Animal Genetic Resources Centre (KAGRC), Agricultural Development Corporation (ADC)

Project Progress: The project entails production and distribution of five (5) million doses of semen. During the year under review, 787,439 doses of semen were produced and distributed against a target of 1,900,000 doses translating to an implementation rate of 41.4 percent for the period under review.

Implementation Challenges
- Delay in supply of imported bull semen production inputs by the manufacturer and inconsistent supply of liquid nitrogen due to plants breakdown.
- Periodic power supply.

ii. Production of Liquid Nitrogen

Location: Nationwide
Objective: To increase semen production and preservation.

Implementing Agencies: KAGRC, ADC

Project Progress: This project is aimed at producing 2 million litres of liquid nitrogen in five years. During the review period, 313,552 litres of liquid nitrogen were produced and distributed against a target of 330,000 translating to an implementation rate of 95 percent.

Implementation Challenge: Inconsistent supply of liquid nitrogen due to plants' breakdown.

iii. Completion and Equipment of Dairy Goat Artificial Insemination Centre

Location: AHITI Ndomba, Kirinyaga
Objective: To produce, distribute and conserve goat semen.
Implementing Agency: KAGRC

Project Progress: The project aimed at completing and equipping the Goat Artificial Insemination Centre at AHITI Ndomba in Kirinyaga County. During FY 2023/24, it was 100 percent completed and equipped.

iv. Production and Distribution of Goat Semen Doses

Location: AHITI Ndomba, Kirinyaga
Objective: To produce, distribute and conserve goat semen.
Implementing Agency: KAGRC

Project Progress: During FY 2023/24, 100,000 doses of dairy goat semen were expected to be produced and distributed. However, only 35,053 were produced and distributed resulting in an implementation rate of 35 percent.

v. Production and Distribution of Doses of Sexed Semen to Dairy Farmers

Location: Lower Kabete
Objective: To produce and distribute and conserve goat semen
Implementing Agency: KAGRC

Project Progress: During FY 2023/24, there were no sexed semen produced and distributed to dairy farmers despite having a target of 250,000 doses of semen.

Implementation Challenges

- Delay in the delivery of semen sexing machines.
- Importation of sexed semen done as a mitigation adversely affected the production and distribution of doses of goat semen.
- Inadequate budgetary allocation and austerity measures effected during the financial year.

vi. Modernisation of Livestock Genetic Conservation Centre

Location: Lower Kabete
Objective: To produce and conserve quality breeding stock germplasm
Implementing Agency: State Department for Livestock Development

Project Progress: The project was expected to modernise 15 livestock genetic conservation centres for technology adoption and transfer. There were no livestock genetic conservation centres modernised despite having a target of modernising three (3) centres during the period under review.

Implementation Challenge: Inadequate budgetary allocation and austerity measures effected during the FY 2023/24.

vii. Modernisation of Pharmaceutical Efficacy Trial Centres

Location: Nationwide
Objective: To produce and conserve quality breeding stock germplasm
Implementing Agency: State Department for Livestock Development

Project Progress: The project aimed at modernisation of one (1) veterinary pharmaceutical efficacy trial centre during FY 2023/24, however, this was not achieved.

Implementation Challenge: Inadequate budgetary allocation and austerity measures.

4.1.5 Large Scale Commercialisation of Livestock Feeds Production and Conservation

Location: Countrywide
Objective: To increase area under pasture production.
Implementing Agency: State Department for Livestock Development

i. Livestock Feeds Production

Project Progress: This project aims at increasing the area of land placed under livestock feeds production. During the FY 2023/24, there was no progress despite targeting to put 60,000 Ha of land under livestock feeds production.

ii. TLUs Provided with Livestock Feeds

Project Progress: This project was expected to provide TLUs with livestock feeds and during the time under review the production of feeds under the land commercialisation initiative was yet to be started and operationalised.

4.1.6 Kenya Livestock Commercialization Project

Location: Countrywide
Objective: To improve livelihoods of farmers and pastoral households in project areas.
Implementing Agency: State Department for Livestock Development

Project Progress: The project was expected to empower households to participate in livestock commercialization. During the FY 2023/24, households were empowered surpassing the annual target of 11,000 households due to increased training, asset transfer and investment (rehabilitation) of markets and slaughterhouses, drilling of boreholes, construction of water pans and supply of good quality breeding.

4.1.7 Livestock Disease Management

i. Modernisation of the Kenya Veterinary Vaccine Production Institute

Location: Embakasi, Nairobi.
Objective: To increase production of safe, affordable, and efficacious vaccines for livestock.
Implementing Agency: Kenya Veterinary Vaccine Production Institute (KEVEVAPI)

Project Progress: This project aimed at modernising KEVEVAPI. During the FY 2023/24, no modernisation was done at KEVEVAPI despite having an annual target of 60 percent modernisation.

Implementation Challenge: Inadequate budgetary provision.

ii. Production of Vaccine Doses

Project Progress: During FY 2023/24, a total of (33.9) million doses of vaccine were produced against a target of 35 million doses.

Implementation Challenges

- Inadequate budgetary provision.
- Low market access.

iii. Equipping Veterinary Investigation Laboratories

Location: Eldoret
Objective: To reduce livestock disease and safeguard human health
Implementing Agency: State Department for Livestock Development

Project Progress: During FY 2023/24, no veterinary laboratories were equipped despite targeting to equip two (2) laboratories.

Implementation Challenge: Lack of funds.

iv. Tsetse Fly Control Belts

Objective: To suppress tsetse and trypanosomiasis in affected areas
Implementing Agency: Kenya Tsetse and Trypanosomiasis Eradication Council

Project Progress: During the period under review, seven (7) tsetse control belts were covered surpassing the set target of six (6) control belt and achieving an implementation rate of 116 percent.

v. Conducting of Surveillance

Location: Countrywide
Objective: To eradicate livestock diseases affecting productivity and marketing
Implementing Agency: State Department for Livestock Development

Project Progress: During the FY 2023/24, four (4) surveillances were conducted achieving the set annual target.

vi. Administration of Vaccines

Location: Countrywide
Objective: To eradicate livestock diseases affecting productivity and marketing
Implementing Agency: State Department for Livestock Development

Project Progress: Cumulatively, 30.8 million doses of vaccines were administered against the set target of 35 million doses during the FY 2023/24 resulting in implementation rate of 88 percent for the period under review.

vii. Reduction of PPR and FMD Incidences

Location: Countrywide
Objective: To eradicate livestock diseases affecting productivity and marketing
Implementing Agency: State Department for Livestock Development
Project Progress: There was a five (5) percent reduction in PPR and FMD incidences against the annual target of 10 percent.

Implementation Challenges

- Inadequate budgetary provision.
- Transboundary animal diseases which require regional concerted efforts.

4.1.8 Food Safety and Quality Assurance

Location: Countrywide
Objective: To improve the safety of animal origin
Implementing Agency: State Department for Livestock Development

Project Progress: The project aimed at improving safety of foods of animal origin. It focuses on ensuring compliance with safety and quality of foods of animal origin through the National Dairy Laboratory. During FY 2023/2024, the project was 100 percent compliant, achieving the set target.

4.1.9 Honey Processing Plants

Location: Countrywide
Objective: To enhance the incomes of pastoral communities
Implementing Agency: State Department for ASALs and Regional Development

Project Progress: This was a continuous project carried over from MTP III, with objectives to promote beekeeping in the region, build the capacity of beekeepers and artisans, and establish a honey processing plant.

During FY 2023/24, the project reached an implementation rate of 60 percent. Achievements during the period included the establishment of the honey processing plant, meeting the target of one (1) plant; processing over 1,500 tons of honey; disbursing KSh. 400 million to farmers; producing 1,600 tons of semi-processed honey; and training 500 beekeepers on modern beekeeping methods.

Implementation Challenges

- Inadequate processing equipment.
- Inconsistent supply of semi processed honey due to insecurity and high rainfall.
- Stiff competition from other buyers who offer cash purchases.

Lessons Learnt

- Kerio Valley Development Authority honey is in high demand.
- Increasing competition from honey purchasers.
- Kerio Valley Development Authority needs to widen source markets for honey.

Recommendations

- Engage more beekeepers to guarantee supply of honey in the year
- Explore potential sources of honey outside the traditional areas
- Negotiate with suppliers on long-term engagement with good prices
- Train beekeepers on good practices.

4.1.10 Tea Value Chain

Production

i. Provision of Fertilizer Subsidy

Objective: To enhance production value addition and marketing of Kenyan tea.
Implementing Agency: State Department for Co-operatives

Project Progress: This project was expected to provide farmers with 155,400 MT of fertilizer subsidy. During FY 2023/24, the project reached an implementation rate of 63 percent, farmers were supplied with 97,974 MT of Government subsidized fertilizer at a cost of KSh. 2,500 per 50 Kg bag (92,700 MT procured and distributed under the Kenya Tea Development Agency (KTDA) and 5,274 MT procured and distributed through KNTC). This contributed to a 17 percent increase in tea production for the half-year period of 2024 from 273.64 million Kgs recorded during the same period in 2023 to 321.09 million Kgs.

ii. Promotion of Tea Cottage Industries

Objective: To enhance production value addition and marketing of Kenyan tea

Implementing Agencies: State Department for Industries, KIRDI

Project Progress: This was a new project under MTP IV that was expected to promote 90 cottage industries. During the review period, cottage industries had been promoted and eighty (80) enterprises supported in tea value addition.

Marketing

i. **Development of Export Market and Products**

Objective: To increase the value of tea produced.
Implementing Agencies: State Department for Trade, KEPROBA
Expected Output: Export market and product developed through showcasing, value of exports and sharing market intelligence.

Project Progress: The Agency participated in four (4) other trade promotional events in the USA, Zimbabwe, Germany and Ghana. Other trade promotional events namely the Kenya-Egypt Business Forum which was a sideline event of the 7th Session of the Kenya-Egypt Joint Commission for cooperation hosted in Kenya from 5th to 7th March 2024 at Safari Park Hotel, Nairobi. However, the Agency participated in Fruit Logistics 2024 which was held in Berlin, Germany from 7th to 9th February 2024. Fourteen (14) Kenyan horticultural companies participated in the trade fair. The business generated at the fair by Kenyan firms featured within the Kenya stand demonstrated an impressive total value of USD 2,530,000. This project was ongoing and on schedule as at the reporting period.

One (1) market intelligence report was generated for the tea value chain in line with the guidance by the Board on conversion of the desktop product research (trade flows) into business cases, focusing on the commerciality aspect of the value chain, one (1) draft business cases for tea value chains was also developed. This represented a 100 percent completion rate.

ii. **Sensitisation of Tea Exporters**

Objective: To increase the value of tea produced.
Implementing Agencies: State Department for Trade, KEPROBA

Project Progress: KEPROBA in collaboration with Tea Board of Kenya and KTDA undertook a joint programme targeting ten (10) KTDA tea factories for onsite training on packaging and branding of value-added teas for export markets.

iii. Development of Product and Export Market

Objective: To increase the value of tea produced.
Implementing Agencies: State Department for Trade, KEPROBA

Project Progress: Ten (10) tea companies were visited with a view to explore and support them to develop new product lines. This is still ongoing and will be materialised in the subsequent financial years.

KEPROBA could not undertake the Gulfood 2024 & GCC Road Show in UAE, World Tea Expo (March 2024) in USA and Kenya Trade Week in South Africa due to budgetary constraints. However, the Agency participated in three (3) trade promotion events in the USA, Zimbabwe and Germany during the reporting period. The project was ongoing and on schedule at an implementation rate of 80 percent.

4.1.11 Edible Oil Value Chain

Production

i. Support to Farmers

Objective: To enhance production and processing of edible oils
Implementing Agency: State Department for Agriculture

Project Progress: During FY 2023/24, the project had an implementation rate of 47 percent, it was expected that farmers would access 300 MT of certified oil seeds and seedlings (canola, coconut, sunflower and soya beans) but only 140 MT of certified seeds and seedlings were accessed. This project had an overall implementation rate of 2 percent.

ii. Distibution of Sunflower Seeds

Objectives: To enhance production and processing of edible oils.
Implementing Agency: State Department for Agriculture

Project Progress: During the period under review, the State Department distributed 434 MT sunflower seeds to 35 Counties.

iii. Sensitisation of Farmers

Objective: To enhance production and processing of edible oils

Implementing Agencies: State Department for MSME, MSEA

Project Progress: This ongoing project aimed at sensitising farmers on opportunities available in the edible oil value. During FY 2023/24, a total of 1,760 MSEs were identified and trained in the edible oils value chain. The project was 100 percent implemented as of 30th June 2024.

Implementation Challenges

- Heavy dependence on imports exposes the industry to international, financial and political factors that have a significant effect on price and quality of raw materials.
- Cost of raw materials which negatively affects production of animal produce.
- Inadequacy of raw materials used in producing animal feeds.

Recommendations

- Push for favourable policies to increase the adoption of biotechnology in production of raw materials which will increase production of animal feeds.
- Need to increase domestic production of key raw materials like maize and soya.
- Need for more sensitisation on quality control and standards on production of animal feeds.
- Build quality and standards in the production of animal feeds.
- Push for more sensitisation on the code of conduct on milling animal feeds.

Value Addition

i. Promotion of Cottage Oil Industries

Objective: To enhance production and processing of edible oils
Implementing Agencies: State Department for Industry, Kenya IndustriaL Estate

Project Progress: During the review period, a total of 140 cottage industries were promoted and eleven (11) supported in edible oils processing. This included two (2) cottage industries promoted with KSh. 12.0 million industrial credit from the Kenya Industrial Estate.

ii. Strengthening SMEs and Capacity Building

Objective: To enhance production and processing of edible oils.
Implementing Agency: State Department for Agriculture

Project Progress: During the period under review, the State Department trained 1,100 county officers on edible oil GAP.

Market Access

i. Sensitisation of Exporters

Objective: To enhance production and processing of edible oils.
Implementing Agencies: State Department for Trade, KEPROBA

Project Progress: During the review period, exporters' sensitisation on market requirements and opportunities was ongoing and on schedule, with a completion rate of 30 percent. Desktop research had been undertaken and was awaiting validation with stakeholders before dissemination and use in sensitising exporters.

ii. Development and Promotion of Export Market

Objective: To enhance production and processing of edible oils
Implementing Agency: State Department for Trade, KEPROBA

Project Progress: During the review period, eight (8) priority markets were identified for edible oils products for market development initiatives and to link Kenyan exporters to buyers in these markets. These markets included Uganda, Rwanda, Tanzania, South Sudan, DRC, Burundi, Zambia and Malawi.

4.1.12 Textile and Apparels Value Chain

Production

i. Distribution of Certified Cotton Seeds

Location: Nationwide
Objective: To enhance local production of fibre.

Implementing Agencies: State Department for Agriculture, Kenya Agricultural and Livestock Research Organization (KALRO)

Project Progress: In FY 2023/24, the target for seed support was 19.5 MT of Bt cotton and 20 MT of Open Pollinated Varieties. The seed provided for the March/April season surpassed the target, owing to support from stakeholders.

ii. Development of Athi River Textile Hub

Location: Athi River, Machakos County
Implementing Agency: EPZA

Objective: To promote and facilitate export-oriented investments through provision of basic infrastructure facilities for export processing zones.

Project Progress: The carry-over project was expected to create new jobs in Export Processing Zones (EPZs); increase in value of exports by the EPZ enterprises. During the FY 2023/24, the number of new jobs stood at 4,142 and cumulative value of exports stood at KShs 115.71 billion. Overall, the project was ongoing but behind schedule at 66 percent implementation rate.

Implementation Challenges

- Limited/no budget for the development of the textile hub.
- Exchequer delays
- Inadequate budget for conducting marketing and promotion to attract more investment.

Lesson Learnt

- Project funding should be prioritised to avoid project cost over-runs.

Recommendations

- Funding the project as per the budget to avert a breach of contract and project cost increment resulting from interest earned from delayed payments.
- Explore other alternative sources of funding to complete the projects

iii. Construction of Investors Sheds

Location: Athi River Zone
Implementing Agencies: State Department for Investment Promotion, EPZA
Objective: To enhance local processing fabric, textiles, apparels and accessories.

Project Progress: This new project was expected to create new jobs in EPZs and also increase value of exports by the EPZ enterprises. During the FY 2023/24, the overall project completion rate was at 3 percent.

Implementation Challenge: Limited budget/under-funding for the construction of the investors sheds.

Lesson Learnt: Project funding should be prioritised to avoid project cost over-runs.

Recommendations

- Appeal for more exchequer
- Explore other alternative sources of funding to complete the projects e.g. donors, PPP.

iv. Development of Railway Siding and Related Infrastructure

Location: Athi River Zone
Implementing Agency: EPZA
Objective: To reduce transport inefficiencies from EPZ Athi River to the Port of Mombasa

Project Progress: The expected output of this project was to have railway siding and related infrastructure at EPZ Athi River developed. During the review period, the project had stalled at 2.7 percent implementation rate.

Implementation Challenges

- Limited/no budget for the construction of the railway siding.
- Reduced project funding from exchequer arising from budgetary cuts.

Lesson Learnt

- Project funding should be prioritised to avoid project cost over-runs.

Recommendations

- Appeal for more exchequer
- Explore other alternative sources of funding to complete the projects e.g. donors, PPP.

Market Access

i. Sensitisation of Exporters

Location: Nationwide
Implementing Agency: State Department for Trade
Objective: To enhance local processing fabric, textiles, apparels and accessories.

Project Progress: In FY 2023/24, sensitisation of exporters on market requirements and opportunities was not achieved due to budgetary constraints and will be prioritised for implementation in FY 2024/25.

ii. Made in Kenya Global Campaigns

Location: Nationwide
Objective: To enhance local processing fabric, textiles, apparels and accessories.
Implementing Agency: KEPROBA

Project Progress: By the end of FY 2023/24, Made-in-Kenya global campaigns were ongoing but behind schedule at an achievement rate of 30 percent. Despite targeting Kenya global campaigns, the activity was not implemented due to budgetary constraints. However, KEPROBA undertook four (4) Made-in-Kenya digital activations through the Agency's social media platforms during the reporting period.

4.1.13 Rice Value Chain

i. Availability of Seeds and Avicides to Farmers

Location: Nationwide
Objective: To increase rice production from 2 tonnes to 2.8 tonnes per acre
Implementing Agency: State Department for Agriculture

Project Progress: Despite setting a target of 2,800 MT of rice seed to be availed to farmers, no rice seeds were availed during the period under review. In addition, an implementation rate of 60 percent was realised, when 1,500 litres of avicides were availed to farmers (Queue Quelea) against a target of 25,000 litre.

4.1.14 Crop Diversification and Food Security

Location: Nationwide
Objective: To increase food and nutrition security.
Implementing Agency: State Department for Agriculture

Project Progress: As at 30th June 2024 the ongoing project was at 46 percent implementation rate where 47.6 million bags of maize were produced against 50 million bags; 150,819 MT of rice were produced against a target of 400,000 MT; 2.3 million MT of Irish potatoes were produced against the targeted 4 million MT of Irish potatoes; and 172 MT of drought tolerant crop seeds were provided to farmers against a target of 250 MT.

Implementation Challenge: Budget cuts affected the achievement of the expected outputs.

Lesson Learnt: Timely and full disbursement of allocated funds is vital in the implementation of projects and programmes

Recommendations: Develop and implement resource mobilisation strategies to bridge the agricultural finance gap.

4.1.15 Agricultural Insurance

Location: Nationwide
Objective: To reduce the risk of crop loss.
Implementing Agency: State Department for Agriculture

Project Progress: To address climate change mitigation, the sub-sector implemented the Area Yield Index Crop Insurance Programme as one of the ways to de-risk the Agriculture Sector and reduce vulnerability of farmers and other value chain actors. This ongoing project was carried over from MTP III targeting access to crop insurance products to 2,000,000 farmers in 38 counties. In FY 2023/24, only 54,000 farmers in 41 counties accessed crop insurance products and the project was 43 percent implemented.

Implementation Challenge: Budget cuts affected the achievement of the expected outputs.

Lesson Learnt: Timely and full disbursement of allocated funds is vital in the implementation of projects and programmes.

Recommendation: Develop and implement resource mobilisation strategies to bridge the agricultural finance gap.

4.1.16 E-Voucher Input System

Location: Nationwide
Objective: To increase agricultural production and productivity.
Implementing Agency: State Department for Agriculture

Project Progress: The project was a carry-over from MTP III and had an overall implementation rate of 23 percent. In FY 2023/24, a total of 807,442 farmers accessed assorted quality farm inputs against a target of 2 million farmers. In addition, 417,798 MT of fertilizer were distributed against a target of 846,260 MT and 2,379 MT of agricultural lime was distributed against a target of 8,900 MT. No agrochemicals were accessed by farmers despite having a target of 315,728 litres.

Implementation Challenges

- Supply constraints associated with global crises such as high currency fluctuations, geopolitics and delivery period due to shipping routes.
- Budgetary and cash flow constraints are not aligned to the seasonality factor that cuts across financial years.
- Delay in the payment of the subsidy component thereby hindering continuous supply on agreed consignment and credit arrangement.
- Operationalisation of last mile distribution has been affected by inadequate facilities, lack of utilities such as power connection and poor road infrastructure.

Lesson Learnt: Enhanced participation of the private sector can lead to improved access to fertilizer by farmers.

Recommendations

- There is a need to review the fertilizer subsidy programme to allow participation of the private sector and registered agro dealers for sustainability and improved access to fertilizer.
- Operationalise multi-agency team to monitor activities within the supply chain and strengthen quality assessment.
- Operationalise the fertilizer and Animal Foodstuffs Board of Kenya as stipulated in the Fertilizers and Animal Foodstuffs Act, Cap 345.
- Develop a policy on farm input subsidies.

4.1.17 Agro Processing

Location: Elgeyo Marakwet

Objectives: To improve food security and enhance incomes of small-holder farmers and to promote Cluster Development Approach in light manufacturing, agro processing, textile and apparel, leather and leather products, and other products from agriculture, fisheries and livestock.

Implementing Agency: State Department for ASALs and Regional Development

Project Progress: The project aims to improve food security and enhance income of small-holder farmers by providing markets for horticultural and fruit produce. It entails the construction of fruit and vegetable processing plants, and establishment of collection centres. The plants will facilitate processing, cooling and storage of potatoes, tomatoes, fruits, and vegetables. As of 30th June 2024, one (1) mango processing plant was established and was in operation and processing of mango into juice progressed.

4.1.18 Coffee Revitalisation

Location: Nandi, Trans Nzoia, Kericho and Kisumu
Objective: To provide farmers with coffee farm inputs, increase production of coffee and modernize coffee cooperative factories.
Implementing Agency: Agriculture and Food Authority

Project Progress: The project entails the provision of 600,000 seedlings,15,000 MT of subsidized fertilizer and modernisation of coffee co-operative factories. Cumulatively, 49,000 seedlings were distributed in four (4) counties: Nandi- 16,000 seedlings to 75 farmers; Trans Nzoia-10,000 seedlings to 62 farmers; Kericho- 15,000 to 75 farmers; and Kisumu - 8,000 seedlings to 94 farmers.

4.1.19 Miraa Industry Revitalisation

Location: Meru, Embu
Objective: To revitalise miraa industry
Implementing Agency: State Department for Agriculture

Project Progress: The project entails sourcing and promotion of miraa market in five (5) countries and capacity building of miraa farmers and strengthening of miraa umbrella co-operatives. To boost farm productivity under the Miraa Industry Revitalisation Project, three (3) dams (Kirundi, Kiangithi, Nthawa) and 2 markets sheds (Tiira Miraa Market Shed in Meru County and BAT Siakago Miraa Market Shed in Embu County) were developed during FY 2023/24.

4.1.20 Strengthening Agricultural Mechanization

Location: Uasin Gishu, Nakuru, Kajiado, Kitui and Kilifi

Objective: To increase access to agricultural mechanization.
Implementing Agency: State Department for Agriculture

Project Progress: The project involved the establishment of five (5) pilot mechanization hubs focused on increasing the production and productivity of maize, potatoes, livestock feeds, pulses, and nuts value chains in Uasin Gishu, Nakuru, Kajiado, Kitui and Kilifi counties, respectively. It also involved the identification of viable farmers' co-operatives involved in the value chains, provision of agricultural machinery and equipment, and capacity building of co-operatives' operations.

During the period under review, seven (7) appropriate technologies including small tractor (walking tractor) - based mechanization technologies; flour blending; oil extraction; baobab jam making; hay baling; cassava harvester; single row corn harvester; three (3) agricultural mechanization hubs and one (1) agro-processing incubation centre were established.

4.1.21 Development of Agriculture Technology Innovation Centres

Location: Homa Bbay
Project Objective: To transform Agricultural Technology Development Centres (ATDCs) into centres of excellence for incubation of Small and Medium Enterprises (SMEs) in agriculture mechanization technologies.
Implementing Agency: State Department for Agriculture

Project Progress: The project was implemented at the ten (10) regional ATDCs. It entailed the construction and equipping of five (5) incubation facilities at ATDCs and acquisition, fabrication, testing and on-farm trials of agricultural mechanization technologies. The facilities would enable incubation of 500 SMEs in various agro-processing and value addition technologies. During the period under study, one (1) Agriculture Innovation Centre was constructed to completion and equipped at Homa Bay ATDC.

4.1.22 Pest and Disease Management

Location: Nationwide
Objective: To reduce yield losses.

Implementing Agency: State Department for Agriculture

Project Progress: The project aimed at reducing yield losses through comprehensive surveillance and early warning response systems for pests, diseases, and weeds such as Fall

Army Worm (FAW), aflatoxin, and locusts, among others. It entailed availing 525,000 litres of FAW pesticides, 750 MT of Aflasafe-KE, and 25 MT of storage dusts; and the construction and equipping of a Pesticide Residue Laboratory.

During the period under review, the Sub-Sector coordinated surveillance and control of key trans-boundary pests for enhanced food security and procured 72,175 litres of pesticides for FAW management.

4.1.23 Agricultural Research

Location: Kabete, Nairobi
Objective: To develop crop Technologies, Innovations and Management Practices
Implementing Agency: KALRO

i. Crop Technologies, Innovations and Management Practices

Project Progress: To increase crop production and productivity, KALRO submitted 40 promising lines of different crop varieties for National Performance Trials, two (2) maize lines resistant/tolerant to Maize Lethal Necrosis Disease and 19,086 soil samples were analysed and recommendations given.

ii. Livestock Technologies, Innovations and Management Practices

Project Progress: To increase livestock production and productivity, KALRO analysed 1,975 animal feed samples, produced 2.9 million clean Napier grass cuttings and availed 210 Sahiwal/Boran breeding bulls to farmers for improvement of livestock breeds.

4.1.24 National Expanded Irrigation Programme

Objective: To provide irrigation water, food security, horticultural production and income generation.
Implementing Agency: National Irrigation Authority

Project Progress: This programme was able to put 353,585 acres under irrigation in the National Expanded Irrigation Programme, schemes expansion and other programmes. Cumulatively, a total of 92,893,553 MCM of water was realised under Irrigation Water Storage Projects.

The following are projects assigned under this programme:

i. Bura Irrigation Development Project

Location: Bura

Project Progress: This project was carried over from MTP III with a target of putting 20,000 acres under irrigation in the Bura Scheme. Regarding rehabilitation, an intake canal, siltation chamber, excavation and lining of canals and infield structures were constructed during the period under review. Lot I of the project entailed the construction of diversion canals, head regulator, siltation basin and associated structures while Lot II entailed the excavation and lining of the 25 km canal and associated structures. The project was ongoing and on schedule with the overall completion rate of Lot I and II being 99.35 percent and 61.50 percent respectively.

ii. Mwea Irrigation Development Project (Thiba Dam and Irrigation Area)

Location: Mwea

Project Progress: This was a carry-over project from MTP III which was expected to put 10,000 acres under irrigation in Mwea Irrigation Scheme. The construction of water conveyance canals, hydraulic structures and drainage structures was completed. Lot 1 of Package 2 entailed construction of Link Canal III, irrigation canals, canal gates and improvement of Link Canal I & II which is ongoing and on schedule with a completion rate of 50.5 percent. Lot 2 of Package 2 entailed construction of drainage canals, road networks, Kathiga bridge and general building works and was 76.05 percent complete.

iii. Galana Kulalu Model Farm

Location: Kilifi and Tana River Counties

Project Progress: This project was carried over from MTP III and was expected to put 10,000 acres under irrigation in Galana Kulalu. In FY 2023/24, the construction of an intake canal, installation of drip and centre pivot irrigation system, construction and logistics centre and supply of machines and equipment was 100 percent complete. Construction of pump house, pump installation, genset installation, associated pipe work and auxiliaries under Lot I was ongoing and on schedule with a 50.40 completion level. Lot II which entailed installation of 36.919 km DN-225-800 pipeline, 25 No. centre pivots, fence with guard houses and electrification was 90 percent complete during the period under review.

Implementation Challenges

- Funding constraints.
- Contractual changes.
- Floods which lead to siltation.
- Poor quality water.

- Change of course of water at intake point.
- Erratic weather conditions .
- Effect of inflation.

Lessons Learnt

- Enhanced collaboration between stakeholders is necessary.
- Strong project management units are key to timely project delivery.
- The programme can address food security when completed.

Recommendations

- Development of wholistic and inclusive project management units for all projects
- Enhance partnerships through PPPs
- Timely release of funds will be key in actualisation of expected outputs.

iv. Turkana Irrigation Project

Location: Turkana
Objective: To increase the area under irrigation and enhance food security.
Implementing Agency: State Department for Irrigation

Project Progress: In the period under review, a total of 3,290 acres of the targeted 1,200,000 acres of land were under irrigation. Moreover, 2,400 existing acres were irrigated and additional 890 acres developed.

Implementation Challenges

- Delay in completion of the projects caused variance in the population.
- Lack of budgetary allocation.

v. Agricultural Loans to Irrigation Schemes

Location: Bura, Hola, Ahero, Mwea and Bunyala
Objective: To enhance food security through the expansion of areas under irrigation.
Implementing Agency: Agricultural Finance Corporation

Project Progress: The expected output of the project was to support expansion by providing loans to farmers. In the FY 2023/24, KSh. 48.587 million worth of agricultural loans was disbursed to farmers in Bura, Hola, Ahero, Mwea and Bunyala irrigation schemes for maize, rice and horticultural production.

Implementation Challenges

- Lack of collateral/security by the farmers.
- Inefficient provision of water services from stakeholders for irrigation.
- Lack of structured markets making it difficult to execute market contracts.
- Lack or low uptake of crop insurance to mitigate against crop failure.
- Persistent insecurity in the irrigation schemes especially in Tana River.

Lesson Learnt: Traditional collateral requirements restrict access to loans.

Recommendations

- Adopt use of alternative collateral e.g. market contracts, credit guarantee.
- Sign MoUs with key water stakeholders for efficient water services.
- Create market linkages to avoid exploitation by middlemen.
- Encourage farmers to take up crop insurance as a form of risk transfer.
- Establish security agencies to curb insecurity menace.

4.1.25 Other Irrigation Projects

i. Tana Delta Irrigation Project

Location: Tana River
Objective: To contribute to the national rice deficit of the country with the aim of eradicating hunger and starvation.
Implementing Agency: Tana and Athi Rivers Development Authority (TARDA)

Project Progress: This project had been carried over from MTP III and was expected to rehabilitate the Tana Delta Irrigation Project by ensuring availability of water within the farm and restoring its infrastructure (Kitere Channel, TDMC, tertiary canals and drains and flood protection dykes.). In the FY 2023/24, the project was ongoing and a total of 1,250 acres of land was opened up for rice production. Overall, 48 percent of the project had been implemented by the period under review.

Implementation Challenge: Flooding at Tana Delta Irrigation Project destroyed infrastructure and rice paddy that was growing.

Lesson Learnt: Resilient infrastructure design is essential for mitigating the impacts of climate-related challenges and protecting agricultural productivity.

ii. Lower Murang'a Integrated Irrigation Project

Location: Murang'a County

Objective: To enhance food security and improve livelihoods by opening up 8,000 hectares for irrigation, serving 8,153 households with a water storage capacity of 20 MCM.
Implementing Agency: TARDA

Project Progress: This was an ongoing project carried over from MTP III that targeted to increase acreage under irrigation and construct weirs at Lower Murang'a Integrated Project**.** During FY 2023/24, one (1) weir was constructed and 75 acres under irrigation infrastructure opened up with 220 households benefiting from the project. Overall, the project was 13.5 percent complete.

Implementation Challenges

- Slow approval process and uptake of PPP projects.
- Project not funded in the financial year 2023/24.

Lessons Learnt

- Delayed implementation of the project leads to high cost of developing the project.
- There is a need to mobilise funding from other sources like grants.

Recommendations

- Regular follow-ups and support by Vision 2030 Secretariat.
- Preparation of a risk management strategy during project conceptualisation.
- TARDA should actively seek funds from other sources.

iii. Kieni Integrated Irrigation Project

Location: Kieni, Nyeri County
Objective: To enhance food security and improve livelihoods by opening up 5,200 Ha for irrigation, serving 52,000 households and building 7 dams with a water storage capacity of 120 MCM.
Implementing Agency: TARDA

Project Progress: The project carried over from MTP III targeted to establish 2,300 Ha irrigation infrastructure out of which 100 acres under irrigation infrastructure were opened up during FY 2023/24. In addition, 450 households benefitted with clean domestic water against a target of 7,500 households. The construction of two (2) dams of 9.4M^3 water storage capacity stalled while implementation of small-scale integration water projects including the installation of a 10 MW hydroelectric power plant was ongoing. Overall, the project was 13.5 percent complete.

Implementation Challenges

- Slow approval process and uptake of PPP projects.
- Project not funded in the FY 2023/24.

Lessons Learnt
- Delayed implementation of the project leads to high cost of developing the project.
- There is a need to mobilise funding from other sources like grants.

Recommendations
- Preparation of a risk management strategy during project conceptualisation.
- TARDA should actively seek funds from other sources.

iv. Tana Integrated Sugar Project

Location: Tana River
Objective: To provide food security, balance the gaping sugar deficit and imbalance in the country, save on foreign exchange, create employment and wealth, reduce wealth imbalance between urban and rural areas and provide technology transfer in the sugar growing sector.
Implementing Agency: TARDA

Project Progress: During FY 2023/24, the carry-over project targeted to construct a sugar mill with cane crushing capacity of 10,000 tonnes per day, establish 20,000 Ha of irrigated sugarcane, generate 35 MW hydro-electric power and produce 212,000 MT of white sugar. However, no progress was made for the period under review, since this project stalled at a 5 percent completion level and negotiation for resumption was ongoing.

Implementation Challenges
- Slow approval process and uptake of PPP projects.
- Lack of funds to review feasibility study and prepare detailed designs.

Lessons Learnt
- Delayed implementation of the project leads to high cost of developing the project.
- There is a need to mobilise funding from other sources like grants.

Recommendations
- TARDA should actively seek funds from other sources.
- Regular follow-ups and support by Vision 2030 Secretariat.

v. Construction of Small Dams and Water Pans

Location: Nationwide

Objective: To enhance availability of adequate and safe water storage for multi-purpose use.
Implementing Agency: State Department for Irrigation

Project Progress: As at FY 2023/24, construction of six (6) out of the targeted 100 dams was completed where most of the dams were at procurement stages. Additionally, a total of 16 water pans were constructed despite targeting 100 water pans.

Implementation Challenges

- Delayed disbursement of funds affected the implementation.
- Low budgetary allocation during Phase I & II.

vi. Water Harvesting for Irrigation and Domestic Use in ASALs

Location: Nationwide
Objective: To harvest water for domestic use, recharge of groundwater and irrigation.
Implementing Agency: State Department for Irrigation

Project Progress: This project was expected to develop water harvesting projects for irrigation in ASAL counties with a capacity of 517.5 million cubic metres. A total of five (5) out of the targeted 1150 water harvesting projects for irrigation were completed during the review period. A total of 450,000 cubic metres of water were harvested well below the targeted volume of water harvested to be realised upon completion of the ongoing small dams/pans.

vii. Drought Resilience

Location: Nationwide
Objective: To enhance availability of adequate and safe water storage for multi-purpose use.
Implementing Agency: State Department for Irrigation

Project Progress: The project targeted to construct water pans to supply 298,282,500M^3 of water in ASALs. A total of ten (10) of the targeted 3,000 water pans were constructed while 500,000M^3 of water was harvested during the review period. The volume of water harvested was set to be realised upon completion of the ongoing small water pans.

viii. Construction of 100 Large Dams for Irrigation

Location: Nationwide
Objective: To increase availability for water supply and food security.
Implementing Agency: State Department for Irrigation

Project Progress: Cumulatively, five (5) of the targeted 55 new feasibility studies were done while four (4) feasibility studies were reviewed out of a target of 45 feasibility studies set to be reviewed during the review period. Feasibility studies were preceded by screening of 265 potential dams and 3,824 pans projects. A total of 50 investment opportunities were recommended after screening with storage capacity of 8.16 billion cubic meters in the financial year 2023/24.

4.1.26 Build Resilience in Food and Nutrition Security in the Horn of Africa

Objective: To build resilience in the Horn of Africa
Implementing Agency: Agricultural Finance Corporation

i. Hectares under Irrigation

Location: Bura, Hola, Ahero, Mwea and Bunyala

Project Progress: The project was a carry-over from MTP III and aimed at increasing acreage under irrigation. As of 30 June 2024, agricultural loans amounting to KSh. 48.587 million had been disbursed to farmers in Bura, Hola, Ahero, Mwea, and Bunyala irrigation schemes, marking a 100 percent implementation rate.

Implementation Challenges

- Lack of collateral/security by farmers
- Inefficient provision of water services from stakeholders for irrigation

Lessons Learnt

- Traditional collateral requirements restrict access to loans.
- Inefficient water provision hampers irrigation.

Recommendations

- Use of alternative collateral e.g. market, contracts, credit guarantee.
- Signing MOUs with key water stakeholders for efficient water services.

4.1.27 Development of a Reference GMO Testing Laboratory

Location: Nairobi
Objective: To establish a state-of-the-art GMO Testing and Reference Laboratory and Office Complex Block.
Implementing Agency: National Biosafety Authority

Project Progress: This was a new project under MTP IV where five (5) acres of land were acquired from the Directorate of Veterinary Services while the establishment of an office block, molecular laboratory and demonstration fields at the reference GMO testing laboratory was at 5 percent completion rate.

Implementation Challenges

- Land acquisition awaiting formal MoU signing and titling.
- Funding from the exchequer as a capital project.

Lesson Learnt: Land titling is cricial to the implementation of the project.

Recommendation: Fast-track approval of concept notes by the National Treasury.

4.1.28 Enhancement of Climate Smart Agriculture

Location: Nationwide
Objective: To improve agricultural productivity.
Implementing Agency: Kenya Plant Health Inspectorate Service (KEPHIS)

Project Progress: This project was transitioned from MTP III. Validation of the two (2) developed classical release protocols for biological control agents for safe introduction and management of invasive species and release facilitation and post release monitoring of classical biological control agents against papaya, *mealybug* and *Opuntia* were finalised during the period under review. Training on FAMEWS as an early warning/modelling software against FAW was done by FAO in Kigali, Rwanda; emergency action for BBTV (Banana plants import halt from Tanzania); Fusarium TR4 simulation exercise to develop Early Warning System (EWS) and emergency response mechanism for plant pests and diseases was done in Kenya.

Participation in management of four (4) emerging pests (Fall Army Worms, Golden Apple snails, Maize Lethal Necrotic Disease (MLND), *Avocado Sunblotch Viriod*) was still ongoing at an implementation rate of 75 percent. KEPHIS also participated in the management of emerging pests i.e. MLND management was done in Kitale and Taveta; management of Opuntia in Laikipia County through release of biological control agent; and collaboration in Avocado *Sunblotch viroid*.

Implementation Challenges

- There is mass rearing of biocontrol agents.

- Golden apple management was not done due to lack of funding.
- Limited resources for implementation of EWS.

Lessons Learnt:

- Collaboration and cooperation with other stakeholders is paramount.
- Bio control agents are effective therefore continuous release and awareness creation is critical.
- It is important to fund the management of the pests as they affect food security and trade

Recommendations

- Conduct continuous training and awareness creation.
- Source for funding for continuous management of pests and diseases.
- Source for funding for implementation of EWS.

4.1.29 Improvement of High Value and Stress Tolerant Crops

Location: Nationwide
Objective: To enable release and availability of new high yielding and nutritious seed varieties.
Implementing Agency: KEPHIS

Project Progress: This was a new project under MTP IV. KEPHIS targeted to undertake variety testing of twenty-five (25) stress tolerant crop varieties out of which 54 maize, bush-bean and sorghum varieties were tested. Two (2) demo sites were also set up for promotion of purple fleshed (high in antioxidant) sweet potato (in Nyanza and Western Region). The programme also facilitated germplasm exchange through virus cleaning, multiplication, indexing, and distribution of purple flesh sweet potato, cassava, sisal and Irish potato vines against a target of 72,000.

Implementation Challenges

- Inadequate funding and delays in exchequer disbursements.
- It is expensive to set up and operate demo sites.

Lessons Learnt

- Partnership with stakeholders for provision of land and security for demo sites established.
- The over-achievement was mainly due to interest by farmers on high value nutritive crops and support from development partners (CIP and others).

Recommendations: Request for donor funding and reallocation of exchequer funding.

4.2 MANUFACTURING

4.2.1 Industrial Property Rights Protection

Objective: To promote industrial property rights protection.
Location: Countrywide

i. Operationalisation of Industrial Property Rights Registration System

Implementing Agency: Ministry of Investments, Trade, and Industry (MITI)

Project Progress: During FY 2023/24, implementation was ongoing and the operationalisation of Industrial Property Rights (IPRs) registration system was 70 percent complete.

ii. Establishment of Technology and Innovation Support Centre

Implementing Agency: Kenya Industrial Property Institute (KIPI)

Project Progress: Technology and innovation support centre was 15 percent complete during the period under review surpassing the set target of 20 percent completion rate.

iii. Registration for Industrial Property Rights

Implementing Agency: KIPI

Project Progress: The project aimed at registering 1,200 IPRs. During the study period, a total of 1,004 IPRs were registered.

4.2.2 Enhancing Protection of Patents, Utility Models and Industrial Designs

Objective: To promote patent, utility models and industrial designs protection

Implementing Agency: Anti-Counterfeit Authority (ACA)

i. Establishment of Anti-Counterfeit Academy

Location: Nairobi.

Project Progress: This was a new project under MTP IV with an overall completion rate of 20 percent. In FY 2023/24, development of training documents, i.e. training curriculum and manual were completed. ACA also planned to conduct pilot training in the financial year, but this was not done.

Implementation Challenge: Inadequate resources for setting up the training academy infrastructure.

Recommendation: There is need to expand the project from a virtual to a hybrid model. This will enable planning and accommodation of more participants as well as attract people with different levels of knowledge and skills.

ii. Recordation of Industrial Property Rights

Project Progress: The ongoing project was new under MTP IV with an overall completion rate of 14 percent. In FY 2023/24, information from 272 owners of IPRs collected and entered in an electronic database out of the targeted 300 owners resulting in achievement of 91 percent for the period under review.

Implementation Challenges

- Inadequate technical capacity
- Stakeholder ambivalence and pushback
- Frequent system downtime

Lessons Learnt

- Stakeholders buy-in has been critical to the success of implementation of the project.
- System stability may impact implementation. It is crucial to have adequate infrastructure and in-house capacity to maintain the system.

Recommendations

- Enhance the internal technical capacity for ICT and related functions.
- Increase stakeholder engagements for specific sectors where there are ambivalence and pushback.
- Improve the system capabilities and capacity to mitigate against downtime.

4.2.3 Decriminalisation of MSMEs in the Informal Sector

Location: Nationwide
Objective: To decriminalise MSMEs.

Implementing Agency: State Department for Micro, Small and Medium Size Enterprises

Project Progress: The project entailed: engagement of county governments to secure working spaces; streamlining of licensing regime by developing policies and laws that will make trading license and provision of trading location an entitlement to every eligible citizen; facilitation of the construction and operationalisation of 20 CIDCs to provide operating spaces to MSMEs; and completion and equipping of Kenya Institute of Business Training Parklands Building**.**

During the FY 2023/24**,** there was no county streamlining licensing regime (licenses, fees & cess), ten (10) counties secured working spaces for MSMEs and no policy was reviewed.

4.2.4 Industrial Infrastructure Development Project

Location: Athi River, Naivasha and Lamu
Objective: To improve competitiveness of business and investment climate.
Implementing Agency: State Department for Investments Promotion

Naivasha Special Economic Zone (SEZ): This is a carry-over project aimed at increasing foreign direct investment in the country. The scope included constructing security & customs gates, constructing perimeter fencing around the custom-controlled area, constructing network of internal access roads, establishing on-site police post, establishing investor support systems, including: water reticulation & fire suppression systems, waste water reticulation systems, and power distribution & street lighting and telecommunication networks. Currently an Internal Container Deport (ICD) has been completed and it is operational. The Administration Block is under construction and is 89 percent complete. The access road from Mai-Mahiu – Narok Road to the ICD and a meter gauge railway connecting the ICD to the old meter gauge railway at Longonot (25 km) is operational.

The implementation rate of this project was 9 percent. Target was not achieved during the FY 2023/24 due to non release of exchequer.

Implementation Challenges

- Non release of exchequer
- Internal roads are still not constructed which can make it harder for investors to access their properties.
- There is inadequate masonry wall which increases chances of theft.

Lesson Learnt: Sensitisation of locals on the importance of SEZs leads to increased co-operation in the development of the zones.

Recommendations

- Appeal for more exchequer allocation/prioritisation.
- Explore other alternative sources of funding to complete the projects eg donors and PPP.

Development of Athi River Textile Hub: The carry-over project was expected to create new jobs in EPZs; increase in value of exports by the EPZ enterprises. During the FY 2023/24, the number of new jobs stood at 4,142 and cumulative value of exports stood at KSh. 115.71 billion. Overall, the project was ongoing but behind schedule at 66 percent implementation rate.

Implementation Challenges

- Limited/no budget for the development of the textile hub.
- Exchequer delays
- Inadequate budget for conducting marketing and promotion to attract more investment.

Lesson Learnt: Project funding should be prioritised to avoid project cost over-runs.

Recommendations

- Funding the project as per the budget to avert a breach of contract and project cost increment resulting from interest earned from delayed payments.
- Explore other alternative sources of funding to complete the projects e.g. donors, PPP.

Dongo Kundu SEZ: Overall, the Special Economic Zones Authority (SEZA) building was 8 percent complete in FY 2023/24 with two investors on site (Taifa Gas SEZ Ltd and United Nations Humanitarian Hub). Additionally, SEZA's Expression of Interest advertisement in January 2023 generated 81 responses worth an investment value of KSh. 460 billion. The Kenya Ports Authority is expected to develop the land and SEZA to issue licenses.

Lamu SEZ: The process of gazettement of the land was ongoing.

Kisumu SEZ: Court case was not yet complete hence impeding implementation.

4.2.5 MSMEs Development

Objective: To improve productivity, sustainability and competitiveness of the MSMEs products.

Implementing Agency: MSEA

i. Training of MSMEs in Entrepreneurship and Value Addition

Location: Countrywide

Project Progress: This was a new project under MTP IV expected to provide capacity in entrepreneurship & value addition. In FY 2023/24, a total of 8,007 MSEs were trained on entrepreneurship and value addition in this ongoing project.

Implementation Challenges

- Existing weak links in promotion of the entrepreneurship culture.
- MSEs lack adequate strategies to mitigate external business risks.
- Lack of a proper coordination and harmonisation strategy that affects implementation support programmes and interventions for the Sector.

Lessons Learnt

- Incubating entrepreneurship skills at all levels is necessary.
- Rebranding the MSE sector would make it appealing to all.

Recommendations

- Develop an integrated approach to profile the success stories and benefits of entrepreneurship.
- Inculcate entrepreneurship skills at all levels of the education system.
- Rebrand the MSEs sector to appeal to all.
- Establish and maintain entrepreneurship award system.
- Mainstream the issues of special interest groups in the entrepreneurship agenda.
- Profile success stories of budding enterprises to entrench a culture of entrepreneurship.

ii. Cetrification of MSMEs Products

Project Progress: During the review period, a total of 14,207 manufactured products were certified. This was against the set target of 15,000 products translating to implementation rate of 95 percent.

iii. Registration of Intellectual Property Rights

Project Progress: The project aimed at increasing the number of IPRs registered by firms and enterprises. During FY 2023/24, a total of 1,004 IPRs were registered, surpassing the target to register 800 IPRs. This was triggered by enhanced outreach programmes on IPRs that led to increased awareness.

iv. Facilitation of MSMEs Access to Markets

Project Progress: The number of firms and enterprises that accessed local, regional and international markets was nine (9) against the annual target of ten (10) during the period under review.

4.2.6 Development of Small, Medium and Large Industries

Objective: To improve productivity, sustainability and competitiveness of the manufacturing industries for jobs and wealth creation.

Location: Countrywide
Implementing Agency: KIE

Project Progress: This was an ongoing project under MTP IV where 87,473 persons were trained on entrepreneurship and value addition and 9,679 linkages created to firms and enterprises accessing local, regional and international markets in the FY 2023/24. This presented an overall achievement of 20 percent of the targeted output, and the project was on schedule.

4.2.7 Investment Attraction, Retention, Facilitation and Enablement

Objective: To attract and retain both local and foreign private investments

i. Development of Public Export Processing Zones (EPZs)

Location: Del Monte Sagana, Egerton, Eldoret, Samburu and Nasewa
Implementing Agency: EPZA

Project Progress: This was a new project under MTP IV whose overall objective was to increase the contribution to the manufacturing sector output and increase employment opportunities in the EPZ's. Phase (1) on the development of the export processing hubs was ongoing with the flagship EPZ in Murang'a (Sagana) being at 45 percent, Busia (Nasewa) 69 percent, Uasin Gishu (Eldoret) 35 percent and Kirinyaga (Sagana) 25 percent. The flagship projects in Nakuru (Egerton) and Kwale (Samburu) have not yet started due to land conflicts. Overall, the project was ongoing at an implementation rate of 43.5 percent for Phase I of the project.

Implementation Challenge: Limited budget/under- funding for development of the Phase I of the flagship export processing hubs.

Lessons Learnt

- When the project funding is delayed, it puts pressure on the project's outcome, including its benefits, and costs of the project increase.
- There is a need to mitigate this funding gap/delays to ensure the success of the project.

Recommendation: Funding the project as per the budget to avert a breach of contract and project cost increment resulting from interest earned from delayed payments.

4.2.8 Promotion of Investment Opportunities and Bankable Investment Projects

Location: Nationwide
Objective: To attract and retain both local and foreign private investments
Implementing Agency: KenInvest

Project Progress: This project had been carried over from MTP III and it was expected to promote investment opportunities and bankable investment projects both locally and internationally. During the reporting period, twelve bankable projects were developed.

Implementation Challenge: Reduction in budget allocated to technical functions.

Lesson Learnt: Need for a more targeted investment promotion.

Recommendation: Increase funding.

4.2.9 Establishment of One Start, One Stop Centre at KenInvest

Location: Nairobi
Objective: To attract and retain both local and foreign private investments.
Implementing Agency: KenInvest

Project Progress: This was a carry-over project from MTP III with the expected output of having One-Start, One-Stop Centre established at KenInvest. The One-Stop Shop Centre (OSC) was already established at the KenInvest Headquarters. The project is currently at 38 percent completion level.

Implementation: Authorisation of services remained centralised at the headquarters of OSC agencies.

Lesson Learnt: OSC improved greatly the service provision for investors.

Recommendation: OSC officers to be given rights for authorisation services offered at the Centre.

4.2.10 Central Repository and Complaint Handling Single Window-Digital One Stop Centre

Location: Nationwide
Objective: To attract and retain both local and foreign private investments
Implementing Agency: KenInvest

Project Progress: This was a new project under MTP IV. The project was intended to cover investor registration and project onboarding, end to end complaints management, job portal and business opportunities marketplace, business intelligence, data analytics and policy advocacy dashboards, AI-enabled co-pilot tools, Customer Relationship Management, ERP, and investor promotion modules and nationwide awareness creation, user training, and stakeholder capacity building. The project is currently at 13 percent completion level.

4.2.11 County Aggregation and Industrial Parks

Location: Nationwide
Objective: To promote and attract investments in value addition of products from agriculture, fisheries and livestock farming through raising productivity of key value chains.
Implementing Agency: State Department for Industry

Project Progress: The ongoing project aimed at promoting and attracting investments in value addition of products from agriculture, fisheries and livestock farming through raising productivity of key value chains. During the year under review, no County Aggregation and Industrial Parks (CAIP) was established despite having a target to establish five (5) CAIPs during the period.

4.2.12 Manufacture of Machinery, Automotive, Equipment and Parts

Objective: To attract investments in the manufacture and assembly of agro-machinery, industrial machinery, automotives, motorcycles, parts of aerospace and ship and equipment.

i. Manufacture of Agro-Machinery, Equipment, Tools and Parts

Location: Nationwide
Implementing Agency: State Department for Industry

Project Progress: The project aimed at manufacturing five agro-machinery equipment, tools and parts but due to limited funds there were no achievements as of 30th June 2024

Implementing Challenge: Limited funds to undertake planned activities.

ii. Manufacture of Industrial Machinery, Equipment and Tools

Location: Nationwide
Implementing Agency: Numerical Complex Machining (NMC)

Project Progress: This was a carry-over project from MTP III targeting manufacturing machinery, automotive parts and equipment out of which 280,577 pieces were manufactured in FY 2023/24. This project was still ongoing with an overall completion rate of 20 percent.

Implementation Challenge: Inadequate budgetary allocation

Lesson Learnt: Collaboration with strategic partners would be vital for the implementation of the project.

Recommendation: Implement supply payment agreements.

iii. Production of Industrial Parts

Location: Nationwide
Implementing Agency: State Department for Industry

Project Progress: This project was expected to produce 200 tonnes of industrial parts. During the review period, this target was achieved as 367 tonnes were produced. The over achievement was as a result of bulk orders from Isuzu East Africa and GDC.

iv. Manufacture of Transmission Parts

Location: Nationwide
Implementing Agency: State Department for Industry

Project Progress: During FY 2023/24, a total of 240,063 transmission parts were produced against the set target of 320,000.

Implementation Challenges

- Downtime of some machines, the key ones being the disamatic machine and sand mixers.
- Delay in delivery of some inputs not locally found, e.g. Slax100.

v. Modernisation of Foundry Plant and Workshops

Location: Nationwide
Implementing Agency: State Department for Industry

Project Progress: The Foundry Plant and Workshops modernisation was at 37.01 percent completion rate as of 30th June 2024 against a target of 48.76 percent.

Implementation Challenges: Delay in disbursement of development funds affected implementation of the planned project activities.

vi. Linking MSMEs to Technology, Raw Materials and Markets

Location: Nationwide
Implementing Agency: MSEA
Project Progress: This new project under MTP IV targets to link MSMEs to technology, raw materials and markets (backward and forward linkages). No implementation was done in this ongoing project during FY 2023/24.

vii. Manufacture of Automotive, Motorcycles, Aerospace and Ship Equipment, Agro-Machinery, Electric Bicycles

Location: Nationwide
Objective: To promote manufacture of agro-industrial automotives
Implementing Agency: State Department for Industry

Project Progress: This project aimed at manufacturing automotive, motorcycles, aerospace and ship equipment, agro-machinery, electric bicycles/motorcycles/motor vehicles locally. During the period under review, seven (7) firms were facilitated to assemble vehicles locally surpassing the set target of three (3) firms. Six (6) firms were attracted to assemble electric vehicles and motorcycles locally surpassing the set target to attract two (2) firms while two (2) firms were attracted to convert internal combustion engines to electric.

viii. Manufacture of Electrical and Electronic Products

Location: Nationwide
Objective: To promote manufacture of electrical and electrical products.
Implementing Agency: State Department for Industry

Project Progress: The project aimed to establish two (2) firms manufacturing computer parts, electrical and electronic products, and information technology related components. During the reporting period, two (2) firms were established, thereby achieving the set target.

4.2.13 Integrated Iron and Steel Mill Plant and Scrap Metal Value Addition

Location: Nationwide
Objective: To increase production of iron and steel products locally
Implementing Agency: Numerical Complex Machining (NMC)

Project Progress: The project focuses on the installation of an integrated iron and steel mill plant and is a continuing initiative from MTP III. The project has stalled, with an overall completion rate of 5 percent. Despite the stalled status, a total of 65.9 tons of foundry casting was produced during the reporting period.

Implementation Challenges

- Inadequate budgetary allocation.
- Inadequate information on the available amounts of iron ore and coal.
- Delayed finalisation and adoption of Iron and Steel Bill and Policy.
- Weak institutional and legal framework to guide project implementation.

Lesson Learnt

- There is need to strengthen collaboration among implementing agencies and strategic partners.

Recommendations

- Strengthen the legal and institution framework of NMC.
- Undertake the feasibility study on the quantities and quality of iron ore and coal deposits in the country.
- Finalise the Iron and Steel Bill and Policy
- Fast-track the acquisition of 750 acres of land.

4.2.14 Industrial Research Technology and Innovation

Objective: To promote industrial research, development and innovation.

i. Construction of Research, Technology and Innovation Laboratories

Location: South B, Nairobi
Implementing Agency: Kenya Industrial Research and Development Institute (KIRDI)

Project Progress: Construction of the research, technology and innovation laboratories at Nairobi, South B was a continuing project from MTP III. The project was ongoing but not on schedule with an overall completion rate of 80 percent during FY 2023/24.

Implementation Challenge: Reduced project funding from exchequer arising from budgetary cuts.

Lesson Learnt: Adequate and timely funding prevents cost over-runs that occur when funding is delayed.

Recommendations
- Strategic funding intervention to complete the project.
- Prioritise funding the project funding to avoid project cost over-runs.

ii. Establishment of Academia, Industry and Government Linkages

Location: South B, Nairobi.
Implementing Agency: Kenya Industrial Research and Development Institute (KIRDI)

Project Progress: This was a new project under MTP IV which was expected to develop 90 prototypes. In the FY 2023/24, no progress was made in this ongoing project.

Implementation Challenge: Limited funding for research and development

Recommendation: There is need to raise funds for joint research and development.

4.2.15 Skills Enhancement for Industrialization

Location: Nationwide
Objective: To develop industrial skills for the growth of business startups, MSMEs and firms.

Implementing Agencies: MITI, Kenya Industrial Training Institute (KITI)

i. Training of Students, Startups and MSMEs

Project Progress: In FY 2023/24, the annual target was to train 4,000 students, startups, and MSMEs on industrial skills. This target was surpassed, with 5,282 students, startups, and MSMEs trained. The higher number trained was attributed to increased enrollment of the Competency Based Education and Training trainees and trainees from National Government Constituency Development Fund, Nakuru Town East Constituency.

ii. Development and Equipping of Training Infrastructure and Facilities

Project Progress: This project aimed at developing and equipping KITI infrastructural facilities. As of 30th June 2024, the project was at 50 percent implementation rate surpassing the set target of 45 percent.

4.2.16 Green Manufacturing

Location: Nationwide
Objective: To promote manufacture of green products
Implementing Agencies: State Department for Industry, KIRDI, Kenya National Cleaner Production Centre

Project Progress: This project aimed at adopting the concept of green manufacturing in production. During FY 2023/24, nine (9) MSMEs adopted green manufacturing technologies against the annual target of 20 MSMEs.

Implementation Challenge: Slow adoption by MSMEs led to negative variance.

4.2.17 Provision of Finances to SMEs in the Manufacturing Sector

Location: Nationwide
Objective: To provide affordable credit for SMEs.
Implementing Agency: KIE

Project Progress: The disbursement of affordable medium term and long-term credit to SMEs was a continuing project from MTP III. In FY 2023/24, the project was on schedule with an overall completion rate of 44.29 percent. A total Ksh. 1,602 million was disbursed to MSMEs leading to 718 enterprises being financed, translating to 48,064 jobs created/supported.

Implementation Challenges
- Budgetary constraints.
- Delayed release of funds.

Lesson Learnt: Timely/early loan disbursement is vital for the success of this project.

Recommendations: More funding allocation and timely disbursement of allocated funds.

4.3 TOURISM

4.3.1 Promotion of Culture and Heritage Tourism

Location: Nationwide
Objective: To diversify Kenyan tourism by promoting niche market products.
Implementing Agency: State Department for Culture, the Arts and Heritage

Project Progress: This was a new project under MTP IV which was ongoing but behind schedule. In FY 2023/24, the overall project completion rate was 40 percent where the targets were implemented as follows:

i. Development of cradle of humankind parks was not done;
ii. Identification and development of 101 best monuments was not implemented;
iii. Reconstruction of Malindi Gere Ruins Complex was at 10 percent completion rate;
iv. Rehabilitation of old PC's Office in Kisumu was not done;
v. Upgrade of Vasco Da Gama walkways was completed;
vi. Thirteen (13) cultural festivals were held;
vii. Four (4) art and food ways exhibitions and national handcraft shows were held;
viii. Nairobi International Convention and Exhibition Centre concept and designs were re-evaluated resulting to a Cabinet approval in August 2023 for the construction of Bomas International Convention Complex;
ix. Construction of a Heritage Collection Centre was not implemented;
x. Development of IPRIMS was 30 percent complete;
xi. Kenya National Archives and Documentation Service (KNADS) was not relocated to Uhuru Gardens as targeted;
xii. Digitization of archival records KNADS was done where 331,606 archival records were digitized;
xiii. National Kiswahili Council of Kenya was not developed as planned;
xiv. Temporal relocation of offices, records and documents was not done;
xv. Construction of Wundanyi (Cultural and Youth) Resource Centre was 24 percent complete; and
xvi. Construction of the perimeter wall at Wajir Museum was 100 percent complete.

Implementation Challenge: Low funding levels.

Lesson Learnt: Implement the programme and activities as per the schedule.

Recommendation: Provide adequate funds for the programme and activities.

4.3.2 Wildlife (Safari) Products

Objective: To diversify tourism experience and earning.

i. Revamping of Signature Parks

Location: Nairobi and Amboseli Park, Lake Nakuru
Implementing Agency: Kenya Wildlife Service (KWS)

Project Progress: During FY 2023/24, Nairobi and Amboseli Park revamping in terms of product was at 80 percent completion. This included the introduction of night game drive, guest house refurbishment and picnic improvement in Amboseli and Lake Nakuru and construction of washrooms.

ii. Rehabilitation of Marine Parks Ecosystem and Infrastructure

Location: Mombasa and Watamu
Implementing Agency: KWS

Project Progress: During the review period, a total of 439 clean up exercises were conducted in Mombasa Marine and Watamu Marine. Pollution Agents and litter weighing 42.5 tonnes were collected and disposed of as of 30th June 2024. Development of draft guidelines was done for water sports which was shared with stakeholders for their input during the same period.

iii. Repositioning and Theming of Parks

Location: Lake Nakuru, Nairobi and Amboseli National Parks
Implementing Agency: KWS

Project Progress: During FY 2023/24, partnerships & collaborations to position and market Lake Nakuru National Park, Nairobi National Park and Amboseli with key partners were undertaken.

4.3.3 Business and Conference Tourism

Objective: To market and promote Meetings, Incentives, Conferences, and Exhibitions (MICE) locally and internationally

i. Holding of Conferences

Location: Kenyatta International Convention Centre (KICC), Nairobi
Implementing Agency: KICC

Project Progress: This ongoing project was carried over from MTP III targeting to host ten (10) international conferences out of which seven (7) were done in the review period. This marked an overall achievement of 70 percent.

Implementation Challenges

- Lack of support from local associations.
- Lack of registered professional conference organisers.
- Lack of subvention funds to support bidding.

ii. Refurbishment and Modernisation of KICC

Location: KICC, Nairobi

a) International Delegates

Project Progress: This project was a carry-over from MTP III. During FY 2023/24, a total of 34,814 international delegates were hosted at KICC, surpassing the set annual target of 5,200 delegates, a 666.93 percent achievement.

b) Local Delegates

Project Progress: This was a carry-over project from MTP III. During the period under review, a total of 676,910 local delegates were hosted at KICC, surpassing the set target of 183,780, a 368.32 percent implementation rate.

Implementation Challenge: Most functions were cancelled during the renovation of KICC.

c) International Expos

Project Progress: The target is to promote KICC in four (4) international expos. However, this project stalled due to the issuance of a circular by the Government banning foreign travel which meant that there was no participation in an international expo during the review period.

Implementation Challenge: Issuance of circular by Government banning foreign travel.

d) Brand Visibility and Awareness

Objective: To create MICE brand visibility and awareness in two blocks (Lake Basin, and Rift Valley).
Implementing Agency: KICC

Project Progress: This project was carried over from MTP III where two (2) brand visibility and awareness creation campaigns were carried out in FY 2023/24 as targeted.

e) Rehabilitation and Modernisation of Tsavo Ballroom

Objective: Rehabilitation and modernisation of Tsavo Ballroom (repairs to Tsavo mechanical, soundproofing provision to internal walls and installation of film to Lenana Hall glazing included).

Project Progress: In FY 2023/24, modifications and upgrades were completed upon which the facilities and the Hall served different functions, such as exhibitions, conferences, high level delegates meetings as well as annual general meetings. Some of the modifications that were made included: installation of LED & video distribution systems and lighting & sound systems; sandblasting exposed concrete surfaces and brightening works at the Ballroom.

Recommendation: Ensure that the planned visual systems and carpets are installed as scheduled to complete the refurbishment project.

f) Renovation of Existing External Fountains

Objective: Optimal functioning and improved ambiance.

Project Progress: Renovation of existing external fountains to working order was expected in this carry-over project. In FY 2023/24, only 75 percent of implementation had been achieved but the project was still ongoing. However, renovation of internal fountains involving new tilling, new backing and waterproofing was completed.

Implementation Challenges:

- The KICC fountains rehabilitation encountered significant leakage issues post-rehabilitation, attributed to problems with concrete, water proofing and tiling. The required reworks involve concrete repair, reapplication of waterproofing membranes, and correction of tiling deficiencies.

Recommendations:

- Post-rehabilitation monitoring: Conduct monitoring and maintenance to ensure the ongoing performance and integrity of the rehabilitated fountains.
- Future installation planning: Develop a detailed plan for the future installation of electrical systems, pool lighting, and mechanical components to ensure seamless integration and functionality.

g) Amphitheater Repair

Objective: To repair the Amphitheater including new carpet at Central Area, varnishing to existing timber surface, renovation of media, control and interpreters' booths.

Project Progress: This was a carry-over project whose expected output was to repair the Amphitheater including new carpet at Central Area, varnishing to existing timber surface and renovation of media. During the period under review, control and interpreters' booths were completed. Part of the work that needed to be done was installation of discussion systems at the Amphitheatre but was not implemented.

Implementation Challenge

- The roof continuously leaked, especially at the sky lights joints
- Renewal of structural silicon joints.
- The existing silicon has gaps and crevices which allows seepage of water.

h) General Building Areas

Project Progress: : The project was carried over from MTP III expected to refurbish and renovate the general building areas which included repainting stairs balustrading, Main Tower renovation works to 3rd, 4th, 5th and 6th floor offices, main building ceiling repairs to ground floor and first floor and waterproofing works.

During FY 2023/24, refurbishment of Main Tower washrooms (3rd, 4th, 5th and 6th floors) and renovation of the main entrance lobby from timber enclosure to aluminum framed glass enclosure were done. Renovation of ceiling and floor for 2nd floor public washroom was also completed.

i) General Works

Project Progress: In the FY 2023/24, the following external works for this carry over project were completed; landscaping, repairs to cabro surfaces, repainting the boundary wall, renovations to the gatehouses, relaying of tarmac, repainting of the flag post, and kerbs and retiling to main entrance.

Other works that were completed in the review period included: KICC electrical installation works involving new light fittings, cabling and ducting both internally and externally in addition to existing pools electric installation; cable management works involving installation of ducts to hold existing haphazardly installed cables; mechanical ventilation repair works; water feature mechanical installation works; installation of new fire alarm system; Installation of permanent signage; and installation of helipad lighting system & rotating restaurant motor control board and equipping the Server Room.

j) Renovation and Refurbishment of Presidential, DP, VIP and First Lady Lounges

Project Progress: Refurbishment of Presidential Lounge (ceiling, floor carpet, glazing, tilling), kitchen and washrooms were completed in the FY 2023/24. Implementation of project also included: Renovation of DP Holding Area and VIP Waiting Room; plumbing, drainage and firefighting works at new VIP toilets; cleaning of dirty water sump; interior design works for DP Holding Room, Presidential Lounge, Prime Cabinet Office, First Lady's Office and VIP Meeting Room and the construction of new VVIP washroom on the first floor.

k) Renovation of Taifa, Shimba Hills Hall and Lower Ground Restaurant

Project Progress: Renovation of Shimba Hills Hall was completed while renovation of Taifa Hall and Lower Ground restaurant stalled during the review period.

Implementation Challenge: Inadequate budgetary provision stalled the renovation of the remaining areas.

Recommendation: Prioritising renovation in budgeting.

4.3.4 Wildlife Revenue

Location: Nationwide

Objective: To enhance revenue collection.
Implementing Agency: State Department for Wildlife

Project Progress: This project was new under MTP IV targeting to digitize revenue management systems in all parks and guest houses and lease *bandas* and tented camps. 100 percent of the revenue was digitized under the e-Citizen platform and nine (9) guesthouses in five (5) parks were 100 percent rehabilitated in FY 2023/24.

4.3.5 Tourism and Wildlife Training and Research

i. Development of Wildlife Research and Training Institute Infrastructure

Location: Malindi
Objective: To enhance wildlife research and training.
Implementing Agency: State Department for Wildlife

Project Progress: This ongoing project targeted to develop infrastructure for the Wildlife Research and Training Institute. During the fiscal year under review, 52 percent of the project had been implemented as the following was achieved: 39 staff houses were rehabilitated; installation of rain water harvesting and solar water heating system in the hostels at the Institute's Headquarters was done; rehabilitation of administration blocks at Kettle, Maasai Mara & Headquarters and rehabilitation of laboratories at the Inland waters and Tsavo field research centres was also completed.

Implementation Challenges: Budget constraints and late disbursement of funds.

Lesson Learnt: Expanding funding sources helps in fast tracking the completion of projects.

Recommendation: Allocate additional funding to complete the project with 24 staff houses remaining.

ii. Construction and Equipping of Wildlife Research Centres

Location: Malindi, Tsavo, Nyeri, Naivasha
Objective: To enhance wildlife research and training.
Implementing Agency: State Department for Wildlife

Project Progress: The ongoing project was expected to construct and equip four (4) wildlife research centres. However, only construction of Malindi Research Centre was completed during the review period marking an overall completion rate of 54 percent.

Implementation Challenges: Budget constraints and late disbursement of funds.

Lesson Learnt: Expanding funding sources helps in fast-tracking the completion of projects.

Recommendation: To consider alternative sources of funding i.e. PPP.

iii. Development of National Integrated Wildlife Database

Location: Naivasha
Objective: To enhance wildlife research and training.
Implementing Agency: State Department for Wildlife

Project Progress: The project involved development of the National Integrated Wildlife Database. In FY 2023/24, an overall implementation rate of 27 percent had been achieved where purchase of necessary hardware including a server was done.

Implementation Challenges: Budget constraints and late disbursement of funds.

Lesson Learnt: Timely allocation of funds is critical to implementation of the project.

Recommendation: Consider funds allocation for this programme.

4.3.6 Wildlife Conservation and Management

Location: Nationwide
Objective: To enhance wildlife conservation.
Implementing Agency: State Department for Wildlife

i. Anti-Poaching Efforts

Project Progress: This ongoing project was expected to enhance anti-poaching of illegal trade in wildlife. During the review period, the project had an overall achievement of 64 percent where the following was achieved: procurement of twenty (20) motor bikes; development of two (2) multi-agency wildlife security hubs at KWS Voi and Kasigau Ranch; a one-week prosecution skills training; purchase of anti-poaching task force VHF radio equipment for the *Maasai Mara* landscape and procurement of the multi-agency units equipment.

Implementation Challenges: Budget constraints and late disbursement of funds.

Lesson Learnt: Collaborative framework between the National and County Governments is essential.

ii. Modernisation of Security Equipment

Project Progress: One (1) vehicle was acquired and the earth-ranger system adopted to enhance real-time wildlife monitoring during FY 2023/24. This marked an overall completion rate of 51 percent as the ongoing project was expected to acquire modern security equipment, technologies and mobile service vehicles.

Implementation Challenge: Budget constraints.

iii. Restoration of Wildlife Habitats

Project Progress: In this ongoing project, a total of 2,151 hectares (Ha) of wildlife habitats were restored against a target of 1,000 Ha during the review period.

Implementation Challenges

- Budget constraints and late disbursement of funds.
- Pressure on natural resources due to population increase.
- Climate change.

Lessons Learnt: Collaborative framework between the National and County Governments is essential.

iv. Construction and Maintenance of Parks and Reserves Fences

Objective: To enhance peaceful co-existence between humans and wildlife.

Project Progress: The expected output of this ongoing project was to have Government of Kenya parks and reserves fences constructed / rehabilitated/ maintained. In the FY 2023/24, 89 km fence was constructed, 46 km rehabilitated and 5,698 km maintained, marking an overall completion rate of 38 percent.

v. Disbursement of Human Wildlife Claims

Project Progress: As at the review period, the overall achievement of this ongoing project was 39 percent where KSh. 1.96 billion human wildlife conflict claims were disbursed.

vi. Operationalisation of Human-Wildlife Insurance Scheme

Project Progress: This project was expected to operationalise the human-wildlife conflict insurance scheme. In FY 2023/24, piloting in six (6) hotspot counties was done which marked a 10 percent implementation of the project.

vii. Establishment of Water Pans, Dams and Boreholes

Project Progress: This ongoing project targeted to construct water pans, desilt dams and drill boreholes. Twenty (20) water pans were constructed; four (4) boreholes drilled and 100 water tanks distributed. The project's overall completion rate was 13 percent as at the review period.

viii. Translocation of Wildlife Species

Project Progress: Translocation involving 10 species; Lion, Elephant, Buffaloes, Giraffes, Rhinos, Elands, Hippos, Mountain Bongos, Impalas and Zebras from different ecosystems was done in the FY 2023/24. This project was still ongoing in the review period.

ix. Establishment of Wildlife Learning Resource Centres

Location: Kisumu, Mombasa, Nakuru and Meru

Project Progress: This ongoing project targeted to establish and refurbish wildlife learning and resource centres. In the FY 2023/24, Kisumu, Mombasa, Nakuru and Meru centres were started which marked an overall completion rate of 73 percent.

x. Mapping and Security of Corridors and Dispersal Areas

Objective: To increase more space for wildlife.

Project Progress: This project was carried over from MTP III and was expected to map and secure corridors and dispersal areas. In the FY 2023/24, only two (2) corridors were mapped.

xi. Establishment of New Conservancies and Community-Managed Marine Areas

Location: Kajiado, Kilifi, Marsabit
Objective: To increase more space for wildlife.

Project Progress: During the review period, four (4) new conservancies were established (Savannah in Kajiado, Sokoke in Kilifi, Enkereyian in Kajiado and Dukana/Buluk in Marsabit) surpassing the set target of two (2) new wildlife conservancies.

xii. Construction & Rehabilitation, Maintenance and Upgrading of Access Roads and Runways

Objective: To enhance accessibility for tourists, anti-poaching security patrols, human wildlife conflict response and fire breaks.

Project Progress: In the FY 2023/24, no new access roads were constructed against a target of 100 km. Additionally, 25 km of access roads were rehabilitated against a target of 200 km; 2,704 km of access roads were maintained against a target of 7,200 km; and 22 km of airstrip runway were maintained against a target of 150 km. No runways were upgraded to bitumen standards despite having a target of 5 runways during the same period. Overall, the project was ongoing at a completion rate of 3 percent.

xiii. Delineation of Geo-hazard Prone Areas

Objective: To enhance accessibility for tourists, anti-poaching security patrols, human wildlife conflict response and fire breaks.

Project Progress: On delineation of geo-hazard prone areas, ten (10) sensitisation exercises were undertaken and one (1) alternative developed to enhance zero use of plastic bottles in protected areas. This project was ongoing at an overall completion rate of 52 percent.

Implementation Challenges

- Budget constraints
- Late disbursement of funds.

4.4 TRADE

4.4.1 Accreditation and Standards

Location: Nationwide
Objective: To enhance the accreditation and standards infrastructure in the country.
Implementing Agency: Kenya Accreditation Service

i. Accreditation Schemes and Scopes

Project Progress: This project was carried over from MTP III expected to establish new accreditation schemes and broaden the accredited scopes. In the FY 2023/24, the project was ongoing at an overall completion rate of 23.40 percent where the feasibility studies were conducted for the launching of the following new schemes/scopes:

a. Textile Exchange Standards for certification of Content Claim, Organic Content, Recycled Claim, Global Recycle and Responsible Down.
b. Certification of Flayers in the Leather Industry.
c. Worldwide Responsible Accredited Production.

Additionally, validation and verification based on ISO/IEC 17029 and diagnostic imaging based on ISO 15189 schemes were introduced by developing guidance documents and holding stakeholder forum. New schemes were also piloted and applications for validation and verification and Good clinical practice schemes received.

ii. Conformity Assessment Bodies

Project Progress: This ongoing project was carried over from MTP III expected to accredit new Conformity Assessment Bodies (CABs). In the FY 2023/24, forty-five (45) new CABs were accredited, which marked a 23.40 percent achievement.

4.4.2 National Legal Metrology Laboratories

Location: Nationwide
Objective: To modernise standard national legal metrology laboratories.
Implementing Agency: State Department for Trade

Project Progress: The carry-over project entailed development of essential infrastructure for the assurance of accuracy of measurements in the fields of electricity and water. This project aimed at improving the business environment to spur economic growth through the enhancement of fair-trade practices and consumer protection. Overall, the project was ongoing but only one (1) percent of the project had been implemented within the review period.

Implementation Challenge: Budget constraints.

Recommendation: Explore resource mobilisation from development partners.

4.4.3 Operationalisation of Kenya Trade Remedies Agency

Location: Nationwide
Objective: The project aims to protect domestic industries from unfair import trade practices.
Implementing Agency: Kenya Trade Remedies Agency (KETRA)

Project Progress: The carry-over project was ongoing in FY 2023/24 where the operationalisation of KETRA had reached an implementation level of 38.85 percent at the end of the review period.

Implementation Challenge: Inadequate budget allocation and staff.

Recommendation: Lobby for increased budget from the exchequer to recruit and operationalise KETRA.

4.4.4 National Electronic Single Window System Platform

Location: Nationwide
Objective: To facilitate international and domestic trade through re-engineering and automation of import and export processes.
Implementing Agency: Kenya Trade Network Agency

Project Progress: The project targeted to increase automation of cargo documentation and clearance processes to 100 percent and reduce time taken for trade document approval and cargo clearance to less than one (1) day.

By the review period, automation of cargo documentation and clearance processes had been increased to 96 percent. Kenya Copyright Board processes, E-Citizen and Donor Aid Exemptions (DA1) had all been on-boarded to the system. Additionally, the time taken for trade documents approval had been reduced to an average of 2.3 days from an average of 4.4 days in FY 2022/23. Overall, the project was ongoing and on schedule at a completion rate of 90 percent as of FY 2023/24.

Implementation Challenges
- Inadequate financial resources.
- High cost of ownership of ICT systems.
- Over reliance on the external vendors for ICT solutions.
- Resistance to change by some stakeholders.
- Use of manual processes within some Partner Government Agencies.
- Cyber security threats.

Lessons Learnt
- Engagement of all stakeholders prior to introducing a new process, product, or service is necessary for successful implementation and adoption of the system.

- Building internal capacity to manage the system is critical for its sustainability
- Internal resource generation is key for sustainability of Single Window Services.
- Investing in information technology systems security is a priority.

Recommendations

- Increased budgetary allocation for the implementation system.
- There is need to bring all the stakeholders involved in international trade together through sensitisation.

4.4.5 Commercial Centres

Location: Nationwide
Objective: To market and promote Kenya's goods and services; and provide a platform for market intelligence gathering and promotion of Kenya's goods and services in the export markets.
Implementing Agencies: State Department for Trade, KEPROBA

Project Progress: This new project under MTP IV aimed at establishing fifty (50) commercial centres. No implementation was undertaken by KEPROBA due to budgetary constraints. However, the State Department for Trade established 17 commercial centres during the review period.

Implementation Challenge: Budgetary constraints.

Lessons Learnt: There is need for an adequate budget to implement the project hence there is a need to explore alternative resource mobilisation strategies.

Recommendations

- Enhancement of budgetary support for KEPROBA programmes.
- Lobby for increased budget from the exchequer.

4.4.6 Global Integrated Marketing Campaign

Location: Nationwide
Objectives: To position Kenya's brand in the global market, create and expand global opportunities for goods and services.
Implementing Agency: KEPROBA

Project Progress: This project was expected to conduct global integrated market campaigns. In the FY 2023/24, the project was ongoing and on schedule at a completion rate of 20 percent whereby four (4) Made-in-Kenya digital activations were undertaken through the Agency's social media platforms. Further, the sub-sector coordinated and participated in the "Make-it-Kenya Exhibition and Thematic Forums" in Atlanta, Georgia (in which commercial results of USD 289,185 (equivalent to KShs. 39,040,000) were realised with more than twenty-three (23) export deals secured; 2024 Zimbabwe International Trade Fair; Fruit Logistica 2024 in Berlin Germany and the Kenya Egypt Business Forum which was a sideline event of the 7th Session of the Kenya-Egypt Joint Commission for Cooperation hosted in Kenya. At the Fruit Logistica Trade Fair, fourteen (14) Kenyan horticultural companies participated, and the business generated at the fair by Kenyan firms featured within the Kenya stand demonstrated an impressive total value of USD 2,530,000.

Implementation Challenge: Budgetary constraints.

Lesson Learnt: There is a need for an adequate budget to implement programmes.

Recommendation: Enhancement of budgetary support for KEPROBA programmes.

4.4.7 Establishment of Kenya National Multi-Commodities Exchange

Location: Nationwide

Objectives: To enhance market access & product market diversification; spur investment in various agricultural and non-agricultural commodity value chains thereby promoting access to markets, and post-harvest credit and trade financing using Warehouse Receipt System (WRS) guaranteed by the exchange.

Implementing Agencies: State Department for Trade, Kenya National Multi Commodities Exchange (KOMEX)

Project Progress: This carry-over project was expected to capitalise exchange, end to end testing, acquisition of trading license, mock trading and launching of the exchange platform. During the period under review, the project was ongoing at a 38.4 percent implementation rate and the following was achieved:

i) KOMEX Rulebook 2023 was developed and approved by Capital Markets Authority (CMA).
ii) KOMEX capitalization was at the due diligence stage which resulted in nine (9) local and international private sector investors shortlisted with prospective equity injection

of KSh. 1.405 Billion aimed at transition from Government-led to private sector-led operation.

iii) Draft KOMEX HR instruments were developed for approval by the Public Service Commission
iv) KOMEX digital trading platform was developed for eventual integration with Warehouse Receipt System Council Central Registry.
v) KOMEX deployed/assigned 22 staff and trained 15 on KOMEX technology and trading processes.
vi) Commodities Exchange Trading Suit customised and deployed.
vii) Core ICT equipment including servers, firewall, UPS, display boards, desktop computers, tablets and various computer accessories were acquired and deployed to support the trading platform.
viii) KOMEX Integrated Commodities Exchange Trading Technology Suite acquired and customised and deployed.
ix) KShs. 10 million was allocated by KOMEX as seed investment to setup KShs. 200 million statutory Settlement Guarantee Fund for market risking.
x) Unified business permit was obtained from Nairobi City County Government.
xi) Institutional members were registered and approved by the exchange.
xii) A total of 10 schools in Nandi South Sub-County were onboarded for piloting with an initial commitment of KShs. 17 million for food supplies through KOMEX, and started buying from Saloba Group.
xiii) Mapping of eight (8) rice farmers' co-operatives was undertaken with 100 members selected and trained for piloting in Kisumu, Homabay, Siaya and Busia counties.
xiv) A total of 40 large scale maize farmers/ co-operatives were mapped and sensitised on KOMEX in Uasin Gishu, Trans Nzoia and Nakuru counties.
xv) Mapping and sensitisation of 24 farmers' cooperatives in coffee and pulses value chains was undertaken in Machakos, Makueni and Kitui Counties.
xvi) Joint KOMEX- IFC- WRSC sensitisation, registration and training workshop for rice value chain actors was held in Kisumu.

Implementation Challenges: Inadequate funding, delays in disbursement of funds and budget cuts.

Lessons Learnt

- Adequate and sustainable funding was critical.
- Strong public private partnership is critical in resource mobilisation.

Recommendation: Enhance resource mobilisation through public-private partnership and alternative funding.

4.4.8 Development of Central Registry e-Warehouse Receipt System

Location: Nationwide
Objective: To structure commodity trade in the country and facilitate smallholder farmers and traders' access credit and finance
Implementing Agency: State Department for Trade

Project Progress: The expected output of this carry-over project was to establish a Central Registry, sensitise/train 5,000 small-holder traders and other value chain actors on WRS and certify and license thirty (30) warehouse operators. The Warehouse Receipt System Council completed the establishment of a Central Registry e-suit. The Council also certified a total of seven (7) warehouse operators and issued eleven (11) warehouse receipts in FY 2023/24. Overall, the project was ongoing at a completion rate of 16.67 percent.

Implementation Challenges: Inadequate budget allocation and human resources.

Recommendation: Lobby for increased budget from the exchequer.

4.4.9 Warehouse and Distribution Centres

Location: Nationwide
Objective: To enhance distribution of Kenya's exports in external markets.
Implementing Agency: KEPROBA

Project Progress: In FY 2023/24, through Warehouse Receipts System Development, Central Registry e-suite was established and linked to 47 county level registries. Warehouse Receipt Finance Manual was validated during the review period. Various value chain actors were capacity built (151 county officials, 312 farmers, 109 traders and 112 other stakeholders). The sub-sector also certified 7 warehouses and issued 11 warehouse receipts. The sub-sector, through the Warehouse Receipt System Council, participated in the Homabay International Investment Conference 2024 where participants, especially the farmers, were sensitised about the warehouse receipt system.

Implementation Challenge: Budgetary constraints.

Recommendation: Enhancement of budgetary support for KEPROBA programmes.

4.4.10 Modernisation of Kenya National Trading Corporation Warehouses

i. Refurbishment and Modernisation of Warehouses

Location: Mombasa, Kisumu, Nakuru, Eldoret, Nyeri and Nairobi
Objective: To enhance market uptake of farm products and minimise post-harvest losses.
Implementing Agency: State Department for Trade

Project Progress: The carry-over project was ongoing in the FY 2023/24 and aimed at modernising KNTC warehouses situated in various counties, where 19.85 percent of the refurbishment of KNTC warehouses had been completed as at the review period.

Implementation Challenge: Inadequate staffing levels.

Recommendation: Recruit optimal staffing levels.

4.4.11 Development of E-Commerce in the Promotion of Trade

i. Development of E-Commerce Strategy and Policy

Location: Nationwide
Objective: To promote good governance and management of e-Commerce trade
Implementing Agency: State Department for Trade

Project Progress: This project was carried over from MTP III targeting to develop e-commerce policy, strategy and training manuals as well as finalise the roll out of commercial infrastructure.

In the FY 2023/24, the project was ongoing where the e-commerce strategy was developed and launched. Exports of digitally delivered services from call-centre activities to computer services and from medical transcription to banking services have almost quadrupled in value since 2005 and have grown faster than exports of goods and other services. Today, they make up more than half of global services exports and around 12 percent of total exports. The sub-sector is mobilising resources for implementation of e-commerce strategy, development of e-commerce policy and capacity building of county trade officers.

The Sub-Sector also concluded Protocol on digital trade that aims to establish harmonised rules and common principles to enable and support digital trade across Africa. It focuses on promoting intra-African digital trade, enhancing cooperation on digital matters among state parties, and creating a transparent, secure, and trusted digital trade ecosystem. Key provisions of the Protocol include market access, treatment of digital products, facilitating digital trade, data governance, and consumer trust. It also emphasises digital inclusion, addressing the participation of under-represented groups and MSMEs in digital trade, and outlines institutional arrangements and transparency requirements. Technical assistance, capacity building, and cooperation are highlighted to support implementation, with provisions for dispute settlement and periodic review to ensure relevance and effectiveness.

Implementation Challenge: Inadequate budget allocation.

Recommendations

- Lobby for increased budget from the exchequer.
- There is a need to explore alternative resource mobilisation strategies for implementation.

4.4.12 Export Market Access and Diversification

Location: Nationwide

i. Coordination, Negotiation and Conclusion of Bilateral and Multilateral Trade

Objective: The project aims at increasing the total value of Kenya's exports globally.
Implementing Agency: State Department for Trade

Project Progress: This carry-over project was expected to negotiate regional, bilateral and multilateral trade agreements and strengthen seventeen (17) existing commercial offices and establish sixteen (16) new offices. The project was ongoing in the FY 2023/24, where the following trade agreements were signed: Kenya-EU EPA, Kenya-UAE CEPA, and COMESA-EAC-SADC Tripartite Free Trade Area (TFTA).

Implementation Challenge: Inadequate budget allocation.

Recommendations

- Lobby for increased budget from the exchequer.
- There is need to explore alternative resource mobilisation strategies

ii. Sensitisation of Stakeholders on Trade and Investment Opportunities arising from Negotiated Trade Agreements (RECs, MoUs, FTAs, WTO, EPAs, JTCs)

Objective: The project aims at increasing the total value of Kenya's exports globally.

Implementing Agency: State Department for Trade

Project Progress: During the study period, only one (1) stakeholders' engagement was held against the set target of eight (8).

iii. **Implementation of Protocols and Strategy Negotiation and Development**

Objective: The project aims at increasing the total value of Kenya's exports globally.
Implementing Agency: State Department for Trade

Project Progress: This project involved implementation of Regional Economic Commiunitiees' protocols, SPS (Sanitary and Phytosanitary Measures) protocols, AfCFTA (African Continental Free Trade Area) strategy and Kenya UK EPA. During FY 2023/24, no implementation was done.

iv. **Operationalisation of National Trade Negotiations Council**

Objective: To coordinate trade negotiations with MDAs
Implementing Agency: State Department for Trade

Project Progress: There was no target in this Financial Year. The instruments that created the National Trade Negotiations Council - *Legal Notice Vol. CXIX-136, September 2017* would be reviewed first in the next Financial Year before commencing operationalisation process.

v. **Strengthening of the Existing Commercial Offices and Establishment of New Offices**

Objective: To strengthen and expand commercial representation in priority markets
Implementing Agency: State Department for Trade

Project Progress: During FY 2023/24, no commercial offices were strengthened, and no new offices were established against a target of 16. The project is scheduled for next Financial Year.

4.4.13 Exports Markets Access and Diversification

Location: Nationwide
Project objectives: To increase value of exports globally
Implementing Agency: State Department for Trade

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

During the period, four (4) Non-Tariff Barriers (NTBs) were resolved in the time bound matrix at the Regional Monitoring Committee which was held on 1st - 4th May 2024 in Machakos. During the year 2023, the total export volume of tea increased by 16 percent (72.58 million Kgs) from 450.33 million Kgs recorded in 2022 to 522.92 million Kgs. Owing to increased volume of exports coupled with favourable exchange rate to the USD and stable prices, the export earnings from tea reached a record of KSh. s. 188.7 billion from KSh. 171.4 billion in the previous year.

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

Apart from Pakistan, other key export destinations for Kenya tea were Egypt whose import volume was 65.89 million Kgs worth KSh. 22.05 billion; UK (46.14 million Kgs valued at KSh. 14.67 billion); UAE (28.61 million Kgs valued at KSh.10.15 billion); Yemen (22.69 million Kgs valued at KSh. 9.11 billion); Russia (18.34 million Kgs valued at KSh. 5.25 billion); Iran (12.40 million Kgs valued at KSh. 4.28 billion); Sudan (12.13 million Kgs valued at KSh.2.92 billion); Afghanistan (10.65 million Kgs valued at KSh. 3.69 billion); and Poland (8.11 million Kgs valued at KSh. 2.36 billion). The top ten export destinations, majority of which are traditional markets for Kenya tea, accounted for 83.1 percent of Kenya tea export volume. Compared to the year 2022, more exports were recorded in traditional markets except for UAE, Russia and

Sudan, which for the quite a while have been facing market access challenges occasioned by the Russia-Ukraine crisis and internal conflict in Sudan, respectively. Cumulatively for the year 2023, the quantity of tea exports to Russia was down by 4 percent while in Sudan it was lower by about 39 percent compared to the year 2022.

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

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

4.4.14 The African Continental Free Trade Area

Location: Nationwide
Implementing Agency: State Department for Trade

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

Moreover, the sub-sector held a Joint Trade Committee (JTC) meeting between the Republic of Kenya and United Republic of Tanzania and agreed on holistic harmonisation of levies, fees, charges, and other conditions affecting trade between the two countries. The Committee resolved thirteen (13) outstanding Non-Tariff Barriers (NTBs) and provided a way forward for the remaining NTBs. Further, the sub-sector held the following bilateral trade engagements on FTAs, MoUs, JTCs, JTWGs: *Kenya and Somalia JCC* - discussed the draft MOU of Trade Cooperation between Kenya and Somalia; *Kenya and Ethiopia JCC* - the meeting advocated for the finalisation of the simplified trade regime on the list of common goods and the implementation of the Special Status Agreement; *Kenya and Egypt JTC* - both countries agreed to hold the JTC in Nairobi Kenya; *Kenya and Djibouti Joint Ministerial Commission* - the meeting agreed on the establishment of the Joint Trade Committee Members; *Kenya - Saudi Arabia JCC* was successfully held*; Kenya - Sweden JTC* was successfully launched; *Kenya - Uganda Joint Ministerial Commission* meeting was held and signed agreed minutes on market access; *2nd Session of the Kenya - Ghana Permanent Joint Commission for Cooperation* was successfully undertaken; trade and investment roadshow to increase market access for Kenyan goods in DRC was done; while *Kenya and Morocco MoU* on trade was initiated during the period.

4.4.15 Logistics Bases and Distribution Hubs

Location: Naivasha, Nanyuki, Kisumu and Mombasa
Objective: To increase efficiency in distribution of goods for export
Implementing Agency: KEPROBA

Project Progress: The project aimed to increase efficiency in distribution of goods for export. It involves the construction of physical superstructures for export cargo alignment, export consolidation systems and creating logistics and cargo hubs in Naivasha, Nanyuki, Kisumu and Mombasa. The project also targeted to accelerate export promotion across priority value chains: tea, dairy products and leather. During FY 2023/24, the project was not implemented but was scheduled for FY 2024/25 upon availability of funds.

4.4.16 EAC Uptake Enhancement

Objective: To promote micro and small enterprise effective participation in EAC cross-border trade.
Implementing Agency: State Department for East Africa Community

i. Undertaking of National Outreach and Stakeholder Engagements

Location: Kajiado, Migori, Bungoma, Trans Nzoia, Isiolo, Marsabit, and Taita Taveta Counties

Project Progress: During FY 2023/24**,** stakeholder engagements were held in Kajiado, Migori, Bungoma, Trans Nzoia, Isiolo, Marsabit, and Taita Taveta counties to assess progress in those counties regarding the implementation of the East African Community integration projects and programmes and strengthen the capacities of MSMEs in the counties to trade in the EAC region. The achievement is attributed to support for Trademark Africa.

ii. Enhancement of Kenya's Participation in EAC Trade Fairs

Project Progress: This project was expected to hold trade fairs and increase the number of Kenya's MSMEs and products showcased in trade fairs. During the period under review, one (1) trade fair was held in Quarter 2 in the Republic of Burundi and 700 MSMEs products showcased in trade fairs surpassing the set target of 300 products

iii. Development and Dissemination of EAC Trade and Investment Regulations and Procedures

Project Progress: During the year under study, dissemination was conducted in 10 cross-border and other towns, and one (1) report was disseminated achieving the set target.

iv. Training of Women and Other Small-Scale Traders

Project Progress: A total of 1,200 youth, women and Persons with Disabilities (PWD) traders were trained on Simplified Trade Regime (STR) to enhance their knowledge/awareness on border laws and regulations; elevate traders from small scale to own co-operatives and empowerment on value chains in STR; and reduce cases of smuggling at the border. Further, Namanga and Loitotok EAC Cross Border Trade Associations were revived and trained on STR.

v. Revival and Training of EAC Cross Border Trade Associations

Location: Namanga and Loitotok

Project Progress: Namanga and Loitotok EAC Cross Border Trade Associations were revived and trained on STR during the period under review.

4.4.17 Transformation of Missions into Economic Hubs

Location: Nationwide
Objective: To market Kenya's destination of trade, investment and tourism

Implementing Agencies: State Department for Foreign, KenInvest

Project Progress: This was a new project under MTP IV whose expected output was to empower Kenya Missions abroad to market Kenya as a preferred destination of choice for trade, investment and tourism. During the period under review, the State Department coordinated and participated in 60 investment promotion/business forums aimed at marketing Kenya as the preferred destination of choice for trade, investment and tourism.

Implementation Challenges

- Disjointed promotion efforts across agencies in the national and county governments.
- Austerity measures affect planned activities.

Lessons Learnt

- A more collaborative approach should be applied in marketing Kenya.
- Plan for unforeseen challenges.

Recommendations

- A legal framework should be put in place for investment promotion coordination through the enactment of investment promotion and facilitation bill.
- Empower Kenya missions abroad and improve budgetary allocation.

4.4.18 Co-operative Management Information System

Location: Nationwide

Objective: To enhance service delivery to citizens at both National and County levels and the State Department's capacity to monitor the performance of co-operatives.

Implementing Agency: State Department for Co-operatives

Project Progress: This was a continuing project from MTP III with an expected output of developing a Co-operative Management Information System (CMIS). The project stalled at an overall completion rate of 65 percent and no operationalisation of the CMIS module was done during FY 2023/24.

Implementation Challenge: Budget cuts.

4.5 BUSINESS PROCESSES OUTSOURCING/IT ENABLED SERVICES

4.5.1 Promote Konza Technopolis as a Silicon Savannah

Location: Machakos, Makueni and Kajiado Counties

Objectives: To develop a smart sustainable city and create digital jobs.
Implementing Agency: Konza Technopolis Development Agency

i. Konza Complex Phase 1B (Conference Facility)

Project Progress: During the period under review, this carry-over project had a 76 percent implementation rate against a target of 58 percent. The over-achievement was due to acceleration of work to cover slowdown experienced in FY 2022/23.

ii. Konza Masterplan Consultancy MDP2

Project Progress: The Konza Masterplan Consultancy was expected to be 53 percent complete as of 30th June 2024 and this was achieved.

iii. Supervision of Streetscape and Waste

Project Progress: The annual target during the period under review was 95 percent completion rate and this was achieved as the project was at 99 percent as at 30th June 2024.

iv. Completion of Horizontal Infrastructure (EPC-F)

Project Progress: The horizontal infrastructure was at 99 percent implementation rate surpassing the set annual target of 95 percent completion rate. The over-achievement was due to acceleration of works to cover slowdown experienced in FY 2023/24.

v. Konza Smart City Facilities and Services

Project Progress: The carry-over project was at 80 percent implementation rate achieving the set target during the FY 2023/24.

4.5.2 Konza Data Centre

Location: Machakos, Makueni and Kajiado Counties
Objective: To enhance safety of Government data.
Implementing Agency: Konza Technopolis Development Agency

Project Progress: The project aims to enhance the safety of Government data by onboarding all Government data at the Konza Data Centre. It was expected to complete the Disaster Recovery Centre during FY 2023/24 and this target was achieved.

4.6 FINANCIAL SERVICES

4.6.1 Hustler Fund

Location: Nationwide
Objective: To cushion individuals and enterprises affected by predatory lending rates set by informal money lenders.
Implementing Agency: Micro, Small and Medium Enterprises

Project Progress: During FY 2023/24, loan disbursements under the Financial Inclusion Fund, also known as the Hustler Fund, grew to approximately KSh. 53 billion from KSh. 32 billion in the previous review period. However, the Fund did not perform well in group loan disbursements. Additionally, the Fund was unable to launch the MSMEs product due to reduced funding from the Exchequer from an expected KSh. 10 billion to KSh. 800 million. The low funding also affected government counterpart savings, hence only KSh. 401 million was provided for counterpart savings, which are only provisioned for individual and group loan products. As the MSME loan product has not yet been launched, there are no counterpart MSME savings by the government.

4.6.2 Kenya Credit Guarantee Scheme

Location: Nationwide
Implementing Agency: The National Treasury

Objective: To institutionalise the implementation of Credit Guarantee Scheme (CGS) and enhance MSMEs access to finance through innovations and partnerships.

Project Progress: This project was new under MTP IV and had the following expected outputs: increased MSMEs access to finance; robust legal reforms to support implementation of the CGS, including ongoing drafting of the Public Finance Management Act, 2012; and reforms to support the necessary economic sector classifications for proper accounting of distribution of credit under the CGS. These reforms were ongoing and the project had an overall completion rate of 80 percent as at the end of the review period.

A total of 4,128 credit facilities valued at KSh. 6,252.7 million have been disbursed under CGS since its inception in December 2020. During FY 2023/24, the CGS Management developed an investment framework to facilitate investment of unused scheme funds, and the adoption of an e-board system for effective management of meetings.

Implementation Challenge: Low uptake and utilisation of the facility due to the high number of informal MSME businesses, which are ineligible due to lack of registration and tax compliance.

Recommendations

- There is need to convert CGS into a separate legal entity with regulatory oversight.
- Currently, CGS is funded by the Government of Kenya. There is need to broaden the funding sources to include development finance institutions and the private sector.

4.6.3 Rural Kenya Financial Inclusion Facility

Location: Nationwide
Objective: To enhance access, efficiency and stability of agricultural and rural finance
Implementing Agency: The National Treasury

Project Progress: This project aimed at operationalising Rural Credit Guarantee Schemes. During FY 2023/24, the Rural Credit Guarantee Scheme was not operationalised.

4.6.4 Nairobi International Financial Centre

Location: Nairobi
Objective: To develop a predictable, efficient and globally competitive business environment that encourages domestic and foreign investment, supports innovation and contributes to sustainable and inclusive economic growth of the country.
Implementing Agency: Nairobi International Financial Centre Authority

Project Progress: This project aims to strengthen Kenya's position as an economic hub by developing competitive fiscal and regulatory incentives to attract domestic and foreign capital through the Nairobi International Financial Centre (NIFC) framework. During FY 2023/24, the Authority developed ten (10) incentives proposals against a target of three (3), surpassing the target. The proposals were aimed at enhancing Kenya's competitiveness as a regional financial services hub and facilitating the mobilisation of international capital into priority sectors of the economy.

One incentive proposal was incorporated into the Finance Bill, 2024. However, following the rejection and withdrawal of the Bill, the proposal was not enacted at that time. Subsequently, the amendment was reconsidered and successfully enacted through the Tax Laws

(Amendment) Act, 2024, which came into force on 27th December 2024, enabling implementation of the proposed incentive within the NIFC framework.

4.6.5 Payments Ecosystems Interoperability

Location: Nationwide
Objective: To create an inclusive, competitive, efficient and stable financial services sector.
Implementing Agencies: Central Bank of Kenya, The National Treasury.

Project Progress: This project aimed at developing interoperable payment systems and automating government payment platforms. During the period under review, the development of interoperable payment systems was 60 percent complete. A presidential directive was issued which terminated all non-designated payment platforms and migrated payment for all government services to the designated paybill number 222222 in line with the BETA agenda of digitizing government services. Additionally, 19,888 government payment platforms were automated, surpassing the annual target of 12,000 payment platforms. The tremendous growth was occasioned by the presidential directive to onboard all government services onto the e-Citizen Portal.

4.6.6 Green Financing

Location: Nationwide
Implementing Agency: The National Treasury
Objective: To strengthen the financial environment in order to attract and enhance access to green finance and investments needed to transition Kenya's economy to a low-carbon, climate resilient, and green economy.

Project Progress:
The project entailed accreditation of green finance service providers; training of green finance professionals; and strengthening national and county governments to manage climate risks. During the fiscal year under review, three (3) local green finance service providers were accredited against the set target of one (1) local green service provider, and 149 green finance professionals were trained surpassing the annual target to train 50 finance professionals. Additionally, KSh. 7.3 billion was disbursed to various counties under the Financing Locally-Led Climate Action initiative. Counties were also expected to allocate 1.5-2 percent of their development budgets to their respective County Climate Change Funds.

4.6.7 Measurement of Financial Inclusion and Formulation of a National Financial Inclusion Strategy

Objectives: The project had the following objectives:

- Harmonise financial inclusion initiatives within the Central Bank of Kenya and across other stakeholders;
- Improved measurement of financial dimensions with focus on the impact, green finance and SMEs financing;
- Enhance measurement of financial inclusion for informed decision-making; and
- Quality and most current datasets on financial inclusion.

Implementing Agency: Central Bank of Kenya

i. FinAccess Questionnaire & Financial Inclusion Report

Project Progress: This project was new under MTP IV, it targeted to revise the FinAccess questionnaire and complete the financial inclusion report. In FY 2023/24, the FinAccess questionnaire was revised to capture new areas and enhance measurement of financial inclusion, and data collection was scheduled to begin in July 2024. Thus, the project was 80 percent complete as of 30th June 2024.

ii. Development of National Financial Inclusion Strategy

Project Progress: This new project focused on development of the National Financial Inclusion Strategy (NFIS). Stakeholder engagement was conducted and a situational analysis exercise was scheduled to take place in early 2025. Following approval of the NFIS proposal, it was reviewed to incorporate feedback from the stakeholder engagement exercise. The overall completion rate was 60 percent as of 30th June 2024.

Implementation Challenges

- Funding constraints faced by some of the key partners.
- Constraints in availability of skilled staff
- Infrastructure challenges during the fieldwork and data collection.

Lessons Learnt

- Constant communication among key partners is crucial to identify and mitigate risks, particularly as the NFIS is implemented
- Getting buy-in from top leadership of key stakeholders is essential for successful implementation
- There is need for collaboration and coordination among stakeholders in the financial sector.

Recommendations

- Maintain the momentum in order to complete the project within set deadlines
- Identify skill gaps and seek to fill them through capacity building and hiring where necessary.

4.6.8 Transition to Treasury Single Account

Location: Nationwide
Objective: Effective cash management.
Implementing Agency: Central Bank of Kenya

Project Progress: This project was carried over from MTP III and targeted to operationalise the Treasury Single Account. The project was still ongoing during the review period, and the CBK completed its role in the rollout of the Treasury Single Account.

Implementation Challenge: Lengthy approval processes with multiple stakeholders which slowed down implementation.

Recommendation: National Treasury to complete the remaining part of the process.

4.6.9 Adoption of Forward-Looking Monetary Policy Framework

Location: Nationwide
Objective: Ensure effectiveness of monetary policies in an evolving domestic and global economy.
Implementing Agency: Central Bank of Kenya

Project Progress: This project began in July 2021 and was carried over from MTP III. As of 30th June 2024, the project was 100 percent completed and the following achievements were made:

- CBK adopted an inflation targeting monetary policy framework in August 2023;
- Bimonthly surveys were conducted to obtain information on economic activity and prices from various economic agents; and
- Refinements of the framework were ongoing.

Implementation Challenge: Domestic and external supply side shocks on food and fuel prices presented a challenge to maintaining price stability.

Lessons Learnt

- Continued reforms to strengthen the foreign exchange market have been necessary in the efforts to maintain stability of the exchange rate.
- Collaborations between CBK, national government and development partners such as the International Monetary Fund (IMF) are critical in the ongoing process of refining the monetary policy framework.

Recommendation: There is need for the national government to continue implementing measures to address the supply side of inflation, particularly supporting food production.

4.6.10 Establishment of Legal and Institutional Frameworks for Coordinating Macro-Prudential Surveillance and Crisis Management

Location: Nationwide
Objective: Promote financial sector stability.
Implementing Agency: Central Bank of Kenya

Project Progress: This project was carried over from MTP III and had the following expected outputs: develop macro surveillance tools; conduct surveillance reports; identify data sets and data sources; establish macro prudential policy framework and establish an operational Financial Stability Committee.

In the FY 2023/24, the project achieved an overall completion rate of 50 percent and the following was achieved:

- CBK established a Financial Stability Committee chaired by the Governor;
- Terms of References for the FSC were drafted and are expected to be completed by October 2024;
- The IMF Scoping Mission was completed in June 2024. Additionally, drafting of the ELA framework was ongoing and was expected to be completed by October 2024.
- An FSSR Mission was scheduled for November 2024 to review progress
- Resolvability assessment of KCB was conducted, and training of the Joint Financial Sector Regulators Forum Board of Directors was done in March 2024.

Implementation Challenges

- Getting buy in from the various stakeholders and coordination of their roles takes time
- Limited staffing capacity to carry out additional tasks associated with this project.
- Data gaps that hindered formulation of macro surveillance tools

Lessons Learnt

- Inter-departmental and institutional collaboration is key for successful implementation of macro surveillance in order to maintain financial stability.
- There is need to increase human capital in terms of technical skills and numbers.
- Effective leadership of financial sector regulatory bodies is essential for maintaining stability within the financial sector.

Recommendations

- Maintain the momentum in order to complete the project within the set deadlines.
- Filling of staffing gaps needs to be made a top priority within the affected financial sector regulatory bodies.

4.6.11 Enhancement of Financial Market Infrastructure through Automation of Processes at Primary and Secondary Markets

Location: Nationwide
Objective: Leveraging on the technological gains made by Kenya in digital finance to provide the foundational financial infrastructure for the new digital economy.
Implementing Agency: Central Bank of Kenya

Project Progress: This project was completed during the review period. DhowCSD was rolled out on 31st July 2023 and officially launched in September 2023. Since its implementation, DhowCSD has enhanced operational efficiency of Kenya's financial markets, expanded digital access especially to the Kenyan diaspora hence broadening financial inclusion, and improved CBK's monetary policy operations.

Implementation Challenge: Sub-optimal coordination of responses/actions from external stakeholders in different locations.

Lesson Learnt: Need to keep focus on key objectives of the project in order to create a well-functioning and efficient infrastructure.

Recommendation: Adequate resourcing of time and financing needs to be provisioned to ensure the necessary standards are maintained throughout implementation.

4.6.12 Legal and Policy Reforms in the Financial Sector

i. Review of the Microfinance Act

Objective: To support the rapid growth of the microfinance banking industry to suit the industry's current operating environment.

Implementing Agency: Central Bank of Kenya

Project Progress: This was a new project under MTP IV expected to review the Microfinance Act, 2006 and Regulations. By the end of FY 2023/24, the project was ongoing with an overall completion rate of 60 percent. Further, the National Treasury forwarded the Business Laws (Amendment) Bill to the Attorney General for onward transmission to the National Assembly in August 2024.

Implementation Challenge: Delay in publication of the Business Laws (Amendment) Bill.

Lesson Learnt: Continued collaboration and continuous engagement with the National Treasury, Office of the Attorney General, and other pertinent government agencies/entities is necessary to achieve the desired results.

Recommendation: CBK to continue engaging microfinance banks on emerging and topical issues as well as changes in the regulatory framework.

ii. Review of National Payment Service Act

Objective: Enhanced regulatory environment for payment services.
Implementing Agency: Central Bank of Kenya

Project Progress: This new project was targeted at reviewing the National Payment Service Act, 2011 and Regulations 2014. A gap analysis for the Act was completed, initial engagement with industry stakeholders was held, and the zero draft of the proposed amendments to the Act completed during the review period. As of 30th June 2024, the project marked an overall completion rate of 40 percent.

iii. Development of a Consumer Protection Framework

Objective: Develop a payments consumer protection framework
Implementing Agency: Central Bank of Kenya

Project Progress: The expected output of this new project was to develop a Consumer Protection Framework. In FY 2023/24, the project marked a completion rate of 5 percent. During the period under review, the National Treasury received funding for this initiative through the Supporting Access to Finance and Enterprise Recovery (SAFER) project in collaboration with the World Bank. The SAFER project is currently under implementation by the National Treasury and Kenya Development Corporation.

Implementation Challenge: Lengthy processes among multiple stakeholders slowed down implementation.

Recommendation: Use a consultant to support the CBK team.

4.6.13 Deepening of Capital Markets

Location: Nationwide
Objective: To enhance the depth and diversification of Kenya's capital markets through the introduction and support of innovative capital market products and increased market participation.
Implementing Agency: Capital Markets Authority

Project Progress: During FY 2023–2024, the CMA contributed to the deepening of Kenya's capital markets through initiatives aimed at expanding investment opportunities and strengthening market infrastructure. These included approval of the Nairobi Coffee Exchange Trading Rules (2023) to ensure investor protection in the trading of coffee. This also entailed deployment of the Direct Settlement System. Furthermore, CMA approved the Kenya National Multi Commodities Exchange Trading Rules, 2023. KOMEX is a national multi-commodities exchange expected to operate a spot market segment for over-the-counter traded and Exchange traded spot contracts for physical commodities securitized and warehoused at WRS certified warehouses as well as the derivatives market segment. In addition, CMA supported the introduction and growth of new capital market products, such as exchange-traded funds, green finance instruments, and alternative investment vehicles, facilitating capital mobilisation through the Nairobi Securities Exchange, enabling both public and private entities to access long-term financing. The deepening of the capital markets products was anchored on the CMA developing several regulations such as Margin Trading Regulations, Alternative Investment Funds Regulations, Credit Rating Agencies Regulations and the Public Offers, Listings and Disclosures Regulations to ensure prudent regulation and investor protection. Furthermore, CMA deepened the capital markets through promoting innovation and financial technology through the regulatory sandbox, allowing new capital market solutions to be tested within a controlled regulatory environment and strengthening investor education and protection initiatives to broaden retail investor participation in the capital markets ecosystem.

Implementation Challenges

- Difficult macro-economic conditions and the high cost of living which have impacted on the uptake of capital markets products.
- Macro-economic factors such as inflationary pressures, currency volatility, and competing government securities yields affected investor appetite for certain capital market instruments.

Lessons Learnt

- Early and sustained engagement with issuers, intermediaries, and investors improves market readiness and acceptance of new financial products and instruments. Therefore, mechanisms such as regulatory sandboxes and adaptive regulatory frameworks are effective tools for encouraging financial innovation while managing risks.
- Expanding the range of investment products helps broaden the investor base and reduce reliance on traditional asset classes thus enhancing the need for segmented and focused investor education initiatives to increase awareness, trust, and participation in the capital markets.

Recommendations: The CMA to encourage initiatives that enhance secondary market liquidity, including market-making arrangements and institutional investor participation through enhanced coordination with government institutions, financial sector regulators, and industry stakeholders to support capital market growth and mobilisation of long-term capital.

4.7 OIL, GAS AND MINERAL RESOURCES

4.7.1 National Petroleum Data Centre

Location: Countrywide
Objective: To enhance petroleum exploration in the country.
Implementing Agency: National Oil Corporation of Kenya (NOC-K)

Project Progress: The ongoing project had been carried over from MTP III with the target of upgrading the current NOC platform to the latest enhanced functionality and workflows. In FY 2023/24, verification and enhancement of the core sample catalog was completed and the catalog was uploaded to the NOC system which marked an overall completion rate of 80 percent.

Implementation Challenge: Constant changes in technology.

Lessons Learnt

- Need for strategic partnership in project financing, execution and skills transfer.
- Regular upgrade of NOC platform is necessary.

Recommendation: Undertake regular upgrade of the NOC platform.

4.7.2 Early Oil Monetization of Crude Oil

Location: Tertiary Rift, South Lokichar and Turkana County
Objective: To enhance petroleum exploration in the county, marketing and licensing of petroleum open blocks and capacity building in the sector.
Implementing Agency: State Department for Petroleum

Project Progress: The carry-over project from MTP III was expected to establish Kenya as an oil exporter commencing with testing the international market. The plan by Tullow Oil PLC was to invest more than US$10 million (KSh. 1.4 billion) geared towards the development of 470 million barrels of oil equivalent (mmboe) resources and achieve a production rate of up to 120 thousand barrels of oil per day (kbopd). In FY 2023/24, the Field Development Plan was still under review by EPRA.

4.7.3 Capacity Development for Oil and Gas

Location: Nairobi
Objective: To enhance the capacity in the oil and gas sub-sector by training personnel on oil and gas.
Implementing Agency: State Department for Petroleum

Project Progress: This ongoing project was carried over from MTP III which targeted at enhancing the capacity of institutions for effective management and administration of oil and gas resources through institutional reforms, training and development and implementation of policies. In the FY 2023/24, 258 staff were trained on various individual and group courses.

4.7.4 Enhancement of Petroleum Products Storage Capacity in Mombasa

Location: Mombasa
Objective: To increase and rehabilitate storage capacity for petroleum products.
Implementing Agency: Kenya Pipeline Corporation (KPC)

Project Progress: The project was carried over from MTP III which targeted to increase storage capacity for importation of petroleum products by providing additional ullage of 100,000 m^3 to meet the growing demand through conversion of crude oil tanks at Kenya Petroleum Refineries Limited (KPRL) to refined petroleum products storage. The project was ongoing during the period of review.

As at FY 2023/24, KPC owned/managed storage depots located in Mombasa, Nairobi, Nakuru, Kisumu and Eldoret with total capacity of 887,000 m^3. To create operational efficiency for import handling and reduce demurrage, KPC and KPRL were converting the crude oil tanks at Port Reitz and Changamwe Tank Farms into refined petroleum products storage. Conversion of Crude Oil Tanks in Port Reitz for White Oil Storage was 82 percent done. Connectivity of KPRL Port Reitz Tank Farm to Kipevu Oil Terminal and the Mombasa- Nairobi Pipeline (Line V) was 70 percent done. Connectivity of KPRL Changamwe Tank Farm to Line V was 64 percent complete.

4.7.5 Development of a Regional Hub for Upstream Petroleum Services

Location: Nairobi
Objective: To be a regional hub for upstream services.
Implementing Agency: NOC-K

Project Progress: The project targeted at ensuring Kenya becomes a regional hub upstream service through the growing scope of petroleum exploration activities present in the country. In the FY 2023/24, the project carried over from MTP III was ongoing. The National Data Processing Centre's processing and modelling software was upgraded to the current version. This was aimed at enhancing specialised processing of seismic data for value addition and access to the big data analytics enterprise.

The multi-physics data integration and joint inversion modelling for Block 14T was ongoing. This approach will expand to other blocks and commercial ventures sought. The development frameworks for data integration and onboarding of industry-scale oil and gas data processing capabilities were in progress. All expected lab equipment costing 476M were procured and delivered. The process of customisation of the equipment to the environment specified by the manufacturer was ongoing before installation, testing and commissioning.

Implementation Challenges

- High capital investment required to implement oil, gas projects making it difficult to raise adequate capital to finance projects;

- Declaration of purported Force Majeure by Kenya Joint Venture partners affected the company's operation including production of the crude oil for Early Oil Pilot Scheme;
- High community/stakeholders expectations coupled with divergent interests among the stakeholders affected the project's implementation pace;
- Escalating cost of land acquisition, water access and control issues for developing oil and gas fields causing project delays and increased cost;
- Inadequate local technical professionals in the petroleum industry;
- The global shift from fossil fuels to renewables is driven by concerns about climate change, air quality and energy security and its effects on the focus of development partners funding; and
- Lengthy and costly process of development of policy, legal and regulatory frameworks.

Lessons Learnt

- Enhancing marketing of the country's oil and gas potential and cooperation with key stakeholders is key in attracting investment by oil and gas exploration and production companies;
- Stakeholders engagement is vital in mitigating high expectations and divergent interests;
- Technical capacity in exploration, exploitation and extraction of oil and gas is a prerequisite in harnessing the potential of the oil and gas sector.

Recommendations

- Continuous stakeholder's engagement and the application of the provisions of the Petroleum Act, 2019, in addressing the revenue sharing concerns to unlock the production stalemate.
- Implement capacity building programmes for enhanced exploration, exploitation and extraction of oil and gas.
- Fast-track the implementation of the National Oil and Gas Master Plan.
- Enhance sensitisation of the public on the multiple benefits of explorations to counter the high expectation.
- Enhance allocation of funds for geological mapping to provide baseline data for investment.

4.7.6 Development of LPG Infrastructure

Location: Mombasa
Objective: To increase utilisation of LPG and reduce handling costs
Implementing Agency: Kenya Pipeline Company

i. Construction of LPG Bulk Import Handling and Storage Facilities

Project Progress: This project was a carry-over over from MTP III that was expected to construct LPG bulk import handling and storage facilities in Mombasa with a capacity of 30,000MT. This would unlock the current LPG importation challenges and enable receipt of economic consignments of LPG to deepen competition in the market and bring down price of the product for the consumers. In the FY 2023/24, the project was ongoing where (Front End Engineering Design) designs were completed, and the project was set to be implemented through a PPP after change of the procurement strategy.

ii. Construction of LPG Bulk Storage Facility in Nairobi

Location: Nairobi

Project Progress: This was a carry-over project whose expected output was the construction of LPG bulk storage facility in Nairobi with a capacity of 10,000MT which would deepen competition in the market and bring down price of the product for the consumers. However, during the period under review, the stalled project was yet to commence.

iii. Installation of LPG Truck Loading Facility at Changamwe

Location: Changamwe

Project Progress: This project was carried over from MTP III targeting to complete the installation of LPG truck loading facility at KPRL, which could unlock the current LPG importation challenges and enable receipt of economic consignments of LPG. In the FY 2023/24, construction of a loading gantry with two loading bays and a capacity to load 10 trucks per day targeting 5000MT/month was completed, tested & commissioned and handed over for operations.

Implementation Challenge: Delayed approvals by the parent ministry.

Lesson Learnt: Investment by the Kenyan Government in major infrastructure is necessary to meet the growing LPG demand.

Recommendation: Harmonise the PPP process to fast-track projects.

4.7.7 National LPG Enhancement Project -Mwananchi Gas Project

Location: Countrywide

Objective: To promote use of clean sources of energy by households and learning institutions

Implementing Agency: State Department for Petroleum

i. Household LPG Project

Project Progress: This carry-over project was expected to enhance LPG penetration in the country by scaling up uptake of LPG from 10 percent to 70 percent to reduce use of biomass and kerosene as the primary source of household cooking fuels.

In the FY 2023/24, the following was achieved:

i. Draft LPG Policy was developed and currently undergoing stakeholder engagement and public participation process to inform its incorporation into the National Petroleum Policy.
ii. Draft Open Tender System framework document for LPG handling was developed.
iii. Roadmap and roll-out strategy for both Module I (6kg cylinder, grill and burner) and II (6 kg cylinder, smart meter, 2-burner cookstove and hosepipe) was developed.
iv. Distributors for the eleven (11) sub-counties in Nairobi for the Model I appointed.
v. Contract signed between Ministry and M/S Jambopay Ltd to provide smart meters and software for Model II.
vi. Training of distributors and National Government Administration Officers was done.
vii. A verification committee was appointed to take stock of all procured assets for LPG for household projects.
viii. Procured assets were verified by the Verification Committee in readiness for asset transfer to NOC-K for subsequent roll-out.
ix. Preparations for the roll-out in two of the seventeen (17) constituencies in Nairobi County are ongoing
x. Draft pricing schedule was been prepared.

ii. Public Learning Institutions Project

Project Progress: This carry--over project aims to provide 5,000 public boarding learning institutions with clean cooking gas infrastructure. In the FY 2023/24, the following was done in this regard:

i. Developed Concept Paper for the Clean Cooking Gas (CCG) project.
ii. Developed CCG project implementation plan.
iii. Developed monitoring and evaluation framework.
iv. Completed preparation of CCG infrastructure procurement tender documents/contracts.
v. Developed a data collection tool for a baseline survey on CCG and administered it to public learning institutions in collaboration with the Ministry of Education, where responses were received from over 7,000 institutions. The data is currently undergoing quality control.

vi. Structural designs for the required infrastructure were developed in collaboration with the State Department for Public Works.

vii. A National LPG Stakeholder Workshop and public participation were held to disseminate information to the public on the LPG plan and to collect stakeholders' views on the National LPG Growth Strategy and LPG Policy.

4.7.8 Expansion of Petroleum Products Supply Infrastructure

Location: Mombasa Nairobi and Eldoret
Objective: To increase pipeline and storage capacity to meet the growing demand for petroleum products.

i. Construction of a new Mombasa to Nairobi Pipeline

Objective: To efficiently transport oil by pipeline from Mombasa to Nairobi.
Implementing Agency: Kenya Pipeline Company

Project Progress: This ongoing project was carried over from MTP III, and its target was to construct a new 20- inch 450 km (Mombasa to Nairobi) pipeline (Line 7) and upgrade of the existing 20-inch pipeline with a flow rate of 1,000m^3/hr. In FY 2023/24, the construction of a new 20-inch 450 km pipeline from Mombasa to Nairobi stalled and deferred to FY 2026/27. However, during the review period, the flow rate increased to 1,300m^3/hour through parallel running of the existing pumps. Ultimately, KPC intended to increase the flow rate to 1,800m^3/hour to meet the rising demand.

ii. Upgrade of the Nairobi to Eldoret Pipeline

Objective: To efficiently transport oil by pipeline from Nairobi to Eldorert.
Implementing Agency: Kenya Pipeline Company
Project Progress: This project was carried over from MTP III targeting to upgrade the 14-inch pipeline network from Nairobi to Eldoret from 350m^3/hour to 500m^3/hour. In the FY 2023/24, this project was ongoing through construction of a new pump station at Ngema to meet the growing demand.

iii. Conversion of Crude Oil Tanks in Mombasa to White Oil Storage Facilities

The objectives of the project are:

i. To increase the ullage by 30 percent (124,000m^3) which enhances operational flexibility.

ii. To avail 10,600m^3 of ullage for use in white oil storage at KPRL Changamwe Tank Farm, enabling efficient utilisation of idle facilities.

Implementing Agency: Kenya Pipeline Company

Project Progress: This ongoing project was carried over from MTP III and was expected to connect five (5) tanks rehabilitated and converted for white oils to KOT2/KOSF and Line 5 which would achieve an additional capacity of 48,600m^3 ullage.

In the FY 2023/24, the project was ongoing at an overall completion rate of 90 percent and due for completion in November 2024. The conversion of the five (5) tanks to white oil tanks was 45 percent complete as at the review period.

Implementation Challenge: Budgetary constraints.

4.7.9 Construction of Lokichar-Lamu Crude Oil Pipeline

Location: Lokichar (Turkana County) to Lamp through Garissa, Isiolo, Meru and Samburu Counties
Objective: To facilitate transportation of crude oil for export.
Implementing Agencies: State Department for Petroleum & Kenya Pipeline Company

Project Progress: This carry-over project was ongoing, and it targeted to develop a 824 km 20-inch crude oil pipeline to transport oil from Lokichar to Lamu for export through the partnership of Government of Kenya Joint Venture Partners. In FY 2023/24, community engagement and sensitisation in project-affected area commenced. Survey, demarcation and registration of community land for sixteen (16) communities out of the 63 communities in Turkana County was ongoing.

4.7.10 Geochemical and Petro-Physical Laboratory

Location: Nairobi
Objective: To provide specialised geochemical and petro-physical data analysis.
Implementing Agency: NOC-K

Project Progress: This was a carry-over project that was expected to establish a functioning lab that validates findings by exploring license holders and doing commercial work. This ongoing project had an overall completion rate of 70 percent where equipment was purchased

& delivered, and the laboratory space was in the process of being refurbished and enhanced to accommodate the new equipment.

Implementation Challenge: Complex procurement process due to nature and number of items.

Lesson Learnt: Setting up a laboratory requires specialised know-how especially in identifying specifications for equipment and the expected outcomes as well as all the analytical approaches to being employed.

Recommendation: Continuous review of milestones.

4.7.11 Quality Assurance of Petroleum Products

Location: Countrywide
Objective: To monitor and enforce quality assurance standards to alleviate dumping and adulteration of petroleum products.
Implementing Agency: EPRA

Project Progress: The Petroleum Act, 2019 mandates EPRA to monitor the quality of petroleum products offered for sale in the local market. The monitoring exercise targets to prevent motor fuel adulteration or dumping of export-bound motor fuels.

In the FY 2023/24, the project was ongoing for this carry-over and the following was achieved:

i. A total of 21,190 sample tests were carried out in 5,946 petroleum sites across the country. From the tests, 21,135 of the stations were found to be compliant which translates to 98.67 percent compliance level.
ii. A total of 3,561,548,557 litres of export/duty free motor fuels and 48,367,315 litres of kerosene were marked.
iii. Undertook monitoring of retail sites (jointly with Kenya Revenue Authority), inspected in liaison with the Kenya Bureau of Standards, the fuel marking and monitoring contractor to check on any export dumping or fuel adulteration.
iv. As a deterrent, names of petrol retail stations found retailing adulterated, or export bound motor fuels were published on quarterly basis.

4.7.12 Exploitation of Discoveries at Lamu Basin and Lokichar

Location: Lamu Basin and Lokichar

Objective: To increase availability and access to oil and gas
Implementing Agency: State Department for Petroleum

Project Progress: This project targeted drilling of twenty (20) exploratory and appraisal wells to ascertain commercial viability of oil reserves; drilling of 450 production and re-injection wells; oil and gas exploration, development, production and utilisation of oil and gas; finalisation of South Lokichar Field Development Plan and marketing Kenya's oil and gas potential to promote and facilitate investment opportunities in the country.

In this ongoing project, geo-scientific data acquisition was undertaken in Blocks L17 Zone 2 covering 685 sq.km and L18 Zone 1 covering 396 sq. km in Lamu Basin. Identification of the acreage to be under 3D multi-client contracting and available datasets for review and reprocessing were undertaken; and Request for Information materials was received and under evaluation awaiting physical due diligence within the FY 2023/24.

4.7.13 Development of Kenya-Tanzania Natural Gas Pipeline

Location: Kenya - Tanzania
Objective: To develop Kenya–Tanzania Natural Gas Pipeline.
Implementing Agency: State Department for Petroleum

Project Progress: This ongoing project was carried over from MTP III, and it aimed at establishing Kenya as an oil exporter commencing with testing the international market. In FY 2023/24, project documents (Bilateral Agreement, TOR, EOI and Procurement Rules) to facilitate feasibility study were developed by the Joint Technical Committee for the partner states. An action plan for the project implementation was also developed while internal approval of the Bilateral Agreement and the associated documents by the two partner states had been completed. Signing of the Bilateral Agreement by the two partner states, which would lead to advertising for a consultant to undertake the feasibility study for the natural gas pipeline is pending.

4.7.14 Post-Mining Land Reclamation and Mine Site Rehabilitation

Location: Nationwide
Objective: Rehabilitate the sites into safe and productive status.
Implementing Agency: State Department for Mining

Project Progress: This was a new project under MTP IV looking to rehabilitate mining sites and planting trees around artisanal pits. The project had stalled and no implementation was done in FY 2023/24.

Implementation Challenge: Some sites were abandoned a long time ago so tracing the involved miners was a challenge.

Lesson Learnt: Pre-mining and post-mining activities should well be planned.

Recommendations

- Abandoned mining sites are a greater risk to health and security so funding should be availed to implement the project.
- Miners should take responsibility for rehabilitation as outlined in NEMA Guidelines.

4.7.15 Mineral Value Addition and Processing

i. Equipping of Voi Gem Value Addition Centre

Location: Voi, Gem
Objective: To increase market value of minerals produced in the country.
Implementing Agency: State Department for Mining
Project Progress: This ongoing project was carried over from MTP III which targeted at equipping the Voi Gem Value Addition Centre. Physical infrastructure was completed, and equipping was ongoing at an overall completion rate of 91 percent.

ii. Development of Vihiga Granite Processing Plant

Location: Vihiga
Objective: To increase market value of minerals produced in the country.
Implementing Agency: State Department for Mining

Project Progress: This was a carry-over project from MTP III whose expected output was to develop the Vihiga Granite Processing Plant. In FY 2023/24, the project was ongoing with an overall completion rate of 85 percent. Feasibility and appraisal were conducted, and civil works (fencing and landscaping) were still ongoing.

iii. Establishment of Metallurgy Research Unit

Location: Nairobi
Objective: To increase the market value of minerals produced in the country.

Implementing Agency: State Department for Mining

Project Progress: This project was carried over from MTP III targeting to establish a Metallurgy Unit for research. No implementation was done in the period under review for this ongoing project.

Implementation Challenge: Low funding for equipping the project.

Lesson Learnt: There are many untapped opportunities in mineral value addition.

Recommendation: More efforts should be done to boost the country's levels of mineral value addition.

4.7.16 Mineral Resource Development and Commercialisation

Location: Nationwide
Objective: To optimise utilisation of strategic minerals.
Implementing Agency: State Department for Mining

Project Progress: This was a new project under MTP IV whose expected output was to explore and commercialise strategic minerals. This ongoing project had an overall completion rate of 5 percent in the period under review where only twelve (12) exploration licenses applications were done.

Implementation Challenge: High capital amounts required.

Lesson Learnt: PPPs should be encouraged to promote this project.

Recommendation: Intensive marketing of mineral occurrence in the country should be promoted.

4.7.17 Online Transactional Mining Cadastral System

Location: Nationwide
Objective: To provide a system for licensing of mineral rights and dealings
Implementing Agency: State Department for Mining

Project Progress: This was a carry-over project which targeted to upgrade an online transactional mining cadaster system. In FY 2023/24, the project was ongoing at an overall completion rate of 38 percent. Additional modules were required to support the operationalisation of the new mining regulations.

Implementation Challenge: Low funding which slowed down acquisition of new modules.

Lesson Learnt: It is cheaper to manage a fully owned system.

Recommendations

- The system should be fully housed and administered in Kenya.
- Additional funding is crucial to complete the project.

4.7.18 Mining Revenue

Location: Nationwide
Objective: To enhance revenue collection.
Implementing Agency: State Department for Mining

i. Disbursement of Community Share of Mineral Royalty

Project Progress: This project was carried over from MTP III targeting to disburse community share of mineral royalty. In the FY 2023/24, the project was ongoing at an overall completion rate of 50 percent where Royalty Sharing Regulations, 2024 was at the Attorney General's Office awaiting clearance.

Implementation Challenge: Slow formalisation of Royalty Sharing Regulations, 2024 to facilitate their implementation.

Lesson Learnt: Sustainable mining should be embraced to ensure equity in resource sharing.

Recommendation: State Department for Mining should be mandated to share royalties with the targeted communities to avoid delays.

ii. Acquisition of Mineral Operators Licenses

Project Progress: This ongoing project was carried over from MTP III which targeted 10 percent free carried interest shareholding in all licenses mineral operators acquired. Royalty collection and management regulation were put in place during the period under review.

Implementation Challenge: Low funding to support enforcement.

Lesson Learnt: Royalty payment on mining activities can highly boost national revenue generation.

Recommendations

- Enhance enforcement of the law and policies.
- Part of the collected revenue should be utilised in management and generation of more mineral resources.

4.7.19 Formalisation of Artisanal Mining Operations

Location: Nationwide
Objective: To increase income from the Artisanal and Small-Scale Mining Sector.
Implementing Agency: State Department for Mining

Project Progress: This was a carry-over project whose expected output was to establish 228 Saccos out of which 11 percent was achieved in the FY 2023/24.

Implementation Challenges

- Low funding.
- Negative attitude of stakeholders towards formalisation of mining activities.

Lesson Learnt: Stakeholder engagement is key to the success of the project.

Recommendations: Improve funding to accelerate formalisation of mining activities.

4.8 BLUE ECONOMY

4.8.1 Blue Economy Investment and Development Programme

Location: Nationwide
Objective: To enhance investments in marine and inland water resources
Implementing Agency: State Department for Blue Economy and Fisheries

i. Development of Fish Hub at Liwatoni

Location: Liwatoni

Project Progress: This ongoing project was carried over from MTP III, and its expected output was to develop an ultra-modern tuna fish hub at Liwatoni. In the FY 2023/24, the following was achieved: 1,000 metric tonnes of cold storage constructed, water supply to the jetty installed, and fresh and frozen fish factory and a tannery factory were constructed. This marked an overall project completion rate of 41 percent.

ii. Development of Lamu Fish Processing Plant

Location: Lamu
Project Progress: No implementation was done in FY 2023/24 as the project had not yet started and was projected for implementation in FY 2025/26.

iii. Development of Kabonyo Fisheries and Aquaculture Service and Training Centre of Excellence

Location: Kisumu
Project Progress: The expected output of this new project was to have the Kabonyo Fisheries and Aquaculture Service and Training Centre of Excellence developed. In the FY 2023/24, the project was ongoing at an overall completion rate of 5 percent where a development partner was secured i.e. the Hungarian Government and site handed over to contractor.

iv. Provision of Fish Production Materials

Location: Aquatic areas
Project Progress: This ongoing project was carried over from MTP III targeting to engage 23,400 rural households in aquaculture farming and provide them with fish production materials. A total of 12,760 rural households and farmers were supported during the FY 2023/24.

v. Kenya Marine Fisheries and Socio-Economic Development Project

Location: Coastal Counties (Mombasa, Lamu, Kwale, Kilifi and Tana River)

Project Progress: This carry-over project was expected to complete the development of Kenya Marine Fisheries and Socio-Economic Development Project. In the FY 2023/24, construction of Uvuvi House was at 23 percent; grants amounting to KSh. 1.5 billion were provided to 622 common interest groups in five (5) counties namely; Mombasa, Kwale, Lamu, Kilifi and Tana River; construction of National Mariculture Resource and Training Centre was at 9 percent and Fisheries Offices in Mombasa and Kipini Fisheries Office were upgraded. During the review period, the project was ongoing at an overall completion rate of 49.4 percent.

4.8.2 Fisheries Resources Development and Utilisation

Objective: To reduce fish post-harvest losses and enhance investments.
Location: Mulukhoba, Sori and Luanda K'otieno
Implementing Agency: State Department for Blue Economy and Fisheries

Project Progress: This ongoing project was carried over from MTP III and was expected to develop and rehabilitate inland fish landing sites. Construction of Mulukhoba, Sori and Luanda K'otieno fish landing sites was completed during the review period which marked an overall completion rate of 2 percent.

i. Development and Rehabilitation of Marine Fisheries Infrastructure

Location: Vanga, Gazi, Kibuyuni, Kichwa Cha Kati and Ngomeni
Implementing Agency: State Department for Blue Economy and Fisheries

Project Progress: The expected output of this carry-over project was to develop and rehabilitate marine fisheries infrastructure. In FY 2023/24, the project was ongoing where the construction of fish landing sites at Vanga, Gazi, Kibuyuni, Kichwa Cha Kati and Ngomeni was completed which marked an implementation rate of 7 percent.

ii. Construction of Seaweed Drying Sheds and Storage

Location: Coastal Counties
Implementing Agency: State Department for Blue Economy and Fisheries
Project Progress: In FY 2023/24, this carry-over project had stalled with no implementation done despite targeting to construct seaweed drying sheds and storage.

iii. Deep-Sea Industrial Fishing Development Project

Location: Coastal Counties
Implementing Agency: State Department for Blue Economy and Fisheries

Project Progress: This ongoing project was carried over from MTP III, and it targeted to complete the deep-sea industrial fishing development project. Sixteen (16) fishing vessels for deep-sea fishing were reflagged in the FY 2023/24 which marked an overall project completion rate of 16 percent.

Implementation Challenges

- Limited fishing capacities for deep sea fishing in terms of skills, facilities and equipment.

- Inadequate policy integration and uncoordinated development in the Blue Economy Sector.
- Limited policies and legislative framework.
- Inadequate training facilities and equipment to offer requisite training for qualification and certification under the Standards of Training Certification and Watch-Keeping (STWC '78) Convention.
- Weak monitoring, control and surveillance.
- Low adoption of appropriate technology and investment in aquaculture.
- Limited value addition and diversification of the fish and fishery products.
- Declining fisheries stocks in inland and inshore marine water bodies.
- Inadequate information/data management systems for fisheries, aquaculture and blue economy processes.
- Inadequate human capacity is mainly technical staff.

Lessons Learnt

- Blue Economy Sector has potential to drive economic growth.
- Emerging issues can be detrimental to the fish value chain.

Recommendations

- Fast-track development/review of necessary policies, legislation and institutional framework to facilitate exploitation of potential in the Blue Economy Sector.
- Avail training facilities and equipment.
- Enhance monitoring, control and surveillance.
  - Increase funds to unlock the potential of the Blue Economy Sector.
  - Leverage on ICT usage to unlock the untapped opportunities within the Blue Economy Sector.

4.8.3 Marine and Fisheries Research for Blue Economy Development Programme

Location: Nationwide
Objective: To provide scientific information, technologies and innovations for development of the Sector.
Implementing Agency: Kenya Marine and Fisheries Research Institute (KMFRI)

Project Progress: This carry-over project was ongoing and on schedule in the FY 2023/24 where the following outputs were achieved:

- One (1) fish stock assessment conducted in the Indian Ocean and one (1) in Lake Victoria.
- One (1) aquaculture species introduced in fish farming

- Three (3) fish seed improved
- Two (2) diets formulated
- Two (2) value added products developed
- One (1) technology for reducing post-harvest losses developed
- Superior tide table developed and disseminated to 150 stakeholders
- Two (2) smart climate technologies up scaled
- One (1) ecosystem friendly fishing technology piloted.

Implementation Challenges

- Limited financial resources due to inadequate allocation and unexpected budget cuts.
- Low uptake of research findings by key stakeholders for cascading to end-users
- Inadequate infrastructure for conducting research
- Natural disasters and calamities such as flooding that occurred in major lakes affecting fisheries and research operations**.**

Recommendations

- Funding to support research activities in the expansive blue economy space.
- Continuous lobbying for increased funding.
- Enhance the diversification of institute income to support research and development

4.8.4 Marine Fishery Stock Assessment Project

Location: Nationwide
Objective: To reduce fish post-harvest losses and enhance investments.
Implementing Agency: KMFRI

Project Progress: This was a new project under MTP IV whose expected output was to conduct marine stock assessment surveys. In FY 2023/24, the project was ongoing and on schedule where one (1) marine stock fishery stock assessment survey was conducted. This marked an overall achievement rate of 20 percent.

Implementation Challenge: High cost of marine vessel leasing for stock survey

Lesson Learnt: Need for procuring marine vessels to conduct the survey.

Recommendation: Procure marine vessels for conducting the fishery stock assessment survey.

4.8.5 Fisheries Management and Conservation

Location: Lake Turkana and Lake Baringo
Project Objective: To enhance fisheries management and conservation
Implementing Agency: Kenya Fisheries Service

Project Progress: During the FY 2023/24, one (1) specific fisheries management plan for marine and inland fisheries was developed while two (2) fisheries critical habitants were identified, mapped and gazetted at Lake Turkana and Lake Baringo against the set target of 10. Additionally, no awareness of the Eat-More-Fish Campaign was created during the period under review.

Implementation Challenge: Limited budgetary allocation

4.8.6 Fisheries Revenue

Location: Vanga, Gazi, Kibuyuni, Kichwa Cha Kati, Ngomeni, Malindi and Likoni
Project Objective: To enhance revenue collection.
Implementing Agency: State Department for the Blue Economy and Fisheries

Project Progress: This project was expected to construct fish landing sites. During the period under review, completion of fish landing sites at Vanga, Gazi, Kibuyuni, Kichwa Cha Kati, and Ngomeni, as well as fish markets in Malindi and Likoni were completed.

4.8.7 Underwater Natural Resources

Location: Nationwide
Objective: To enhance domestication and commercialisation of under-utilised marine and freshwater aquaculture resources products.
Implementing Agency: State Department for Culture, the Arts and Heritage

Project Progress: This was a new project under MTP IV aimed at the commercialisation and domestication of underutilised marine and freshwater aquaculture resources. During FY 2023/24, the project was ongoing but behind schedule, with only 1 percent implementation achieved.

Implementation Challenge

- Low funding levels.

Recommendations

- Provide adequate funds for the programme and activities.
- Implement the programme and activities as per the schedule

4.8.8 Marine Pollution Project

Location: Coastal Region
Project Objective: To develop a framework for implementation of the International Maritime Organization's conventions on prevention and control of marine pollution.
Implementing Agency: Kenya Maritime Authority (KMA)

Project Progress: During FY 2023/24, 11 regulations for full implementation of the International Maritime Organization's conventions on prevention and control of marine pollution were developed. Stakeholder and public participation were undertaken in February and April 2024 when Regulations were finalised and ready for forwarding to the Attorney General for consideration and clearance for publication. During the same period there were no regulations for mitigating against climate change and also there were no developed compensation laws put in place.

4.8.9 Development of a National Maritime Spatial Plan

Location: Nationwide
Objective: To manage and allocate the use of maritime space and resources in a sustainable and efficient manner through mapping and protecting resources within marine ecosystems for socio-economic development.
Implementing Agency: State Department for Shipping and Maritime Affairs

Project Progress: This new project under MTP IV was expected to develop a Maritime Spatial Plan. The project concept note was prepared and approved by the National Treasury in the FY 2023/24. The project was ongoing at an overall completion rate of 10 percent during the fiscal period.

Implementation Challenge: The project had no budgetary allocation which hindered its take-off.

Recommendation: The government to provide funds for the project to be implemented.

4.8.10 Maritime Education and Training Development

Location: Coastal Counties
Project objective: To develop training infrastructure to support maritime skills development for the Blue Economy Sector
Implementing Agency: State Department for Shipping and Maritime Affairs

Project Progress: During FY 2023/24, the construction of Survival Training and Certification Centre stood at 8.6 percent completion rate against a target of 25 percent. Construction of training laboratories, simulation centres, modern lecture halls and marine engineering and nautical science workshops are planned to be undertaken in FY 2026/27.

4.8.11 Vijana Baharia Programme

Location: Coastal Counties
Objective: To sustainably provide employment of youth in international shipping lines.
Implementing Agency: State Department for Shipping and Maritime Affairs

Project Progress: This ongoing project was carried over from MTP III targeting to develop maritime skills. As of 30th June 2024, 4,360 seafarers were trained in various maritime courses and 1,500 employed in foreign ships.

Implementation Challenges

- Insufficient training facilities and equipment to offer the required training for qualification and certification under the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers.
- Lack of vessels to provide sea time which is required for seafarers' training in a sustainable manner.
- Lack of implementation of the restructuring of Kenya National Shipping Line (KNSL) due to a long-standing court case.

Lesson Learnt

- Adequate resources should be provided in order to build capacity in training and provision of sea time which is a key component of the programme.

Recommendations

- Provide adequate financial resources to undertake the project.

- Restructuring of KNSL to lead and acquire vessels that would provide both sea time and employment for the seafarers.

4.8.12 Maritime Safety and Security

Location: Coastal Counties

i. Compliance with International Instruments on Safety and Security

Objective: To implement international instruments on maritime safety and security that Kenya is party to.
Implementing Agency: State Department for Shipping and Maritime Affairs

Project Progress: During the period under review, 12 targeted regulations aligning with international instruments were prepared and shared with the Office of Attorney General; 127 out of the targeted 2,000 Port State Control inspections were done and 3 International Ship and Port Facilities Security Code audits were undertaken.

ii. Training and Certification of Small Vessel Operators

Objective: To train and certify small vessel operators to reduce loss of life and property arising from accidents.
Implementing Agency: State Department for Shipping and Maritime Affairs

Project Progress: During FY 2023/24, there were no small vessel operators certified, there were no compliant vessels despite having an annual target of 2,500 vessels; and 967 boats were inspected against the set target to inspect 2,500 boats.

4.8.13 Kenya National Shipping Line Cargo Carrying Capacity

Location: Mombasa Port
Objective: To enhance Kenya National Shipping Line cargo carrying capacity
Implementing Agency: Kenya National Shipping Line

Project Progress: This new project aimed to achieve the following: acquiring two (2) vessels, shipping vessels chartered and container equipment. The project stalled hence no implementation was done in the period under review.

Implementation Challenge: Delay in implementation of restructuring framework agreements.

Lesson Learnt: There is need for Government support to KNSL in the implementation of the framework agreements.

Recommendation: Fast-track the implementation of the restructuring framework agreements.

4.8.14 Construction of Survival Training and Certification Centre

Location: Mombasa
Objective: To develop a training infrastructure to support maritime skills development for the Blue Economy Sector.
Implementing Agency: State Department for Shipping and Maritime Affairs

Project Progress: This new project under MTP IV was ongoing at an overall completion rate of 8.6 percent where the groundbreaking for the construction of the Maritime Survival Training and Certification Centre was conducted during the review period.

Implementation Challenge: The low achievement was due to the downward revision of the budget estimates at supplementary budget.

Lesson Learnt: Inadequate budget has a direct effect on project implementation.

Recommendation: The Government should explore other funding means such as donors and PPP models considering the budget is not adequate.

4.8.15 Kenya Maritime Data Bank Project

Location: Nationwide
Objective: To increase access to information on maritime investment opportunities, operations and topical issues through an integrated information sharing platform.
Implementing Agencies: State Department for Shipping and Maritime Affairs, KMA

Project Progress: The expected output of this new project under MTP IV was to establish a centralised maritime information/data system. In FY 2023/24, the project was ongoing at an overall implementation rate of 10 percent where consultancy for system analysis and design (Business Analysis) was ongoing.

Implementation Challenges

- Inadequate capacity to develop and manage the implementation of the project.
- Slow procurement process.
- Lack of access to funds in the FY 2023/24.

Recommendations

- Enhance the institutional capacity to undertake the project by approving the Project Implementation Unit to manage the day-to-day implementation of the project
- Revise the Project Concept Note and develop a comprehensive Project Implementation Plan to guide the implementation of the project.
- Provide adequate funding for implementation of the project.

4.8.16 Kisumu Modern Shipyard

Location: Kisumu
Project Objective: To provide modern and efficient services for ship building and repair.
Implementing Agency: State Department for Shipping and Maritime Affairs

Project Progress: The State Department prepared a project concept note, terms of reference for undertaking the feasibility study and a tender advertisement to procure a consultant to undertake the study which was advertised on 23rd January 2024. However, it was agreed that the Kenya Shipyards Limited under the Ministry of Defence would undertake the project since they had a similar project, hence the advert was cancelled.

4.8.17 Maritime Investment Project

Location: Coastal Counties

i. Development of Maritime Investment Policy

Objective: To create a conducive environment that attracts and raises investments in the Maritime Sector.
Implementing Agency: KMA

Project Progress: During FY 2023/24, the draft Maritime Investment Policy was finalised in the Fourth Quarter and was awaiting validation.

ii. Establishment of Centralised Maritime Information/Data System

Objective: To increase access to information on maritime investment opportunities, operations and topical issues through an integrated information sharing platform.
Implementing Agency: KMA
Project Progress: A consultant was procured and onboarded in March 2024 to undertake business analysis of the Kenya Maritime Databank Project. A Project Implementation Committee was also constituted to oversee implementation of the project. The work is set to be completed in the Fourth Quarter.

iii. Development of Multi-Agency Coordination Framework

Objective: To strengthen coordination of development initiatives in Kenyan waters
Implementing Agency: KMA

Project Progress: During the period under review, the level of developed multi-agency framework was 100 percent achieved where the Frontier Counties Development Council multi-agency coordination framework was developed and subjected to stakeholder participation and proposed changes were incorporated.

iv. Public Sensitisation on Proper Use of International Commercial Terms

Location: Lamu, Turkana, Marsabit and Tana River Counties
Objective: To raise the capacity of international traders to manage transportation risks through use of appropriate international commercial terms (INCOTERMS).
Implementing Agency: KMA

Project Progress: During the review period, there were four (4) sensitisation and awareness campaigns on proper use of INCOTERMS in Lamu, Turkana and Marsabit counties on 5th June, 13th June and 20th June 2024 respectively and in Tana River County in November 2023.

4.8.18 Shipping and Maritime Revenue

Location: Lamu, Turkana, Marsabit, Tana River Counties
Project Objective: To enhance revenue collection
Implementing Agency: State Department for Shipping and Maritime Affairs

Project Progress: The project was to license KNSL as a recruiting agency, recruit seafarers, produce life jackets for boat operators and passengers locally and also develop unique water vessel identification for licensing. During the FY 2023/24, only 484 seafarers were recruited by KNSL out of the set target of 1,500 seafarers. There were no life jackets produced during the period since KMA and the National Industrial Training Authority were still undertaking training of 180 youths from five counties including Turkana. In the same period, 27 water vessels were licensed against the set target to license 6,000 water vessels.

4.8.19 Blue Jobs Initiative

Location: Nationwide
Project Objective: To reskill youth on STCW courses and place them on international shipping lines.
Implementing Agency: State Department for Shipping and Maritime Affairs

Project Progress: The project aimed to reskill 3,000 youth in STCW courses, facilitate their placement on international ships, and sign MoUs with international shipping lines. During FY 2023/24, a total of 2,233 seafarers were trained, and 1,500 recruited by international shipping companies.

CHAPTER 5 : SOCIAL PILLAR

5.1 EDUCATION AND TRAINING SECTOR

5.1.1 Education Reforms

Location: Nationwide
Objective: To enhance access, quality and relevant education.
Implementing Agency: State Department for Basic Education

i. Junior Secondary School Transition

Project Progress: During the period under review**,** a total of 214,993 pupils were enrolled in public primary schools meaning that 99.9 percent transition rate from Primary to Junior Secondary School was achieved. The gap of 0.1 was due to natural attrition and dropout.

ii. Development and Dissemination of Curriculum Designs and Support Materials

Project Progress: During the period under review, 126 curriculum designs for Grade 10 to 12 were developed, 1,244 electronic and non-electronic curriculum support materials were provided, and 130 digital items were also curated and disseminated. A total of 139 curriculum support materials for learners in special needs were developed.

Key highlights of curriculum reforms during the review period are as follows,

a. **Platform and Digital Standards Review** – The ICT integration module for teachers on the Elimika platform was reviewed; standards for quality assurance of curriculum support materials were evaluated; and a digital authoring platform for content creators was developed within the publisher's portal on the Kenya Education Cloud (KEC).
b. **Digital Content Development and Adaptation** – Upgraded KEC to support the deployment of digital resources; curated interactive digital content for Grade 7 across twelve (12) learning areas for regular learners; adapted digital content for Grade 5 in ten (10) learning areas for learners with visual impairments and in nine (9) learning areas for those with hearing impairments; adapted 65 Grade 8 course materials to cater for learners with special needs, including Visually Impaired, Hearing Impaired, and Physically Impaired learners; and rationalised and adapted curriculum designs to address diverse learning needs and levels, including pre-vocational level and developed handbooks for Grades 7–9.

c. **Training and Capacity Building** – Fifty (50) interactive digital content developers were trained to enhance access to quality digital curriculum support materials in collaboration with the Teachers Service Commission (TSC), Kenya Education Management Institute (KEMI), and other education agencies while 54,510 curriculum implementers for Junior School were trained.

d. **Resource Production and Dissemination** – Produced 1,617 electronic support materials (comprising 851 radio and 766 TV programmes); disseminated 20,000 educational programmes (18,000 TV and 2,000 radio) through EDU TV and EDU Radio channels and; acquired and uploaded 37 titles of interactive digital content for access via KEC.

e. **Curriculum Design and Review** – Rationalised curriculum designs for pre-primary, primary, and junior schools in line with recommendations from the Presidential Working Party on Education Reforms; reviewed Grade 10 curriculum designs for 36 subjects and developed new designs for Grade 11; finalised the development of General History of Africa matrices for both junior and senior school levels; and evaluated course books and teacher's guides for the Competency-Based Curriculum (CBC) Grade 9.

Implementation Challenges

- **Budgetary constraints** – The Kenya Institute of Curriculum Development (KICD) was among the government agencies affected by budget cuts during the 2023/24 financial year, which has resulted in a slowdown of its crucial activities that are funded by the exchequer.
- **Continuous monitoring and evaluation –** KICD will continuously monitor and evaluate the CBC implementation process to identify success areas, areas that need improvement and address any emerging issues.
- **Adequate resourcing –** implementation of CBC requires adequate resources including funding, infrastructure, and teaching materials. These resources need to be provided in a timely and consistent manner to support effective implementation.

Lesson Learnt

- **Continuous communication and feedback** – effective communication and feedback is important for the successful implementation of CBC. KICD will endeavour to keep all the stakeholders informed and accept feedback throughout the curriculum reforms process.

Recommendation: Sufficient budgetary allocation and timely disbursement of funds be provided to support its effective implementation.

iii. Implementation of Competency Based Assessment

Project Progress: In support of ongoing education reforms, the Kenya National Examinations Council (KNEC) reviewed the Competency-Based Assessment Framework up to the Junior School level. In 2023, KNEC successfully administered the Kenya Primary School Education Assessment to 1,245,582 Grade 6 learners and the Kenya Intermediate Level Education Assessment to 4,071 learners with severe disabilities. Additionally, School-Based Assessments were administered to 2,693,476 learners in Grades 4 and 5 across 36,314 primary schools, and to 1,130,071 learners in Grade 7 across 24,657 junior schools.

Implementation Challenges
- Inadequate understanding of new assessment concepts by stakeholders and the public.
- Inadequate resources to carry out educational assessments.

Lessons Learnt: There is a need to increase awareness and involve stakeholders in the implementation of CBC and Competency Based Assessment (CBA).

Recommendations
- Increase awareness and advocacy of CBA and CBC.
- Create avenues for dissemination of assessment findings.
- Develop and implement strategies to provide for conduct of online assessments.

5.1.2 Automation of Basic Education System

Location: Nationwide
Objective: To integrate technology in curriculum development, delivery and assessment.
Implementing Agency: State Department for Basic Education

i. Development of e-Assessment System

Project Progress: During the period under review, the assessment system in teacher education was developed and rolled out where all teacher education assessments and examinations were conducted on an online platform. Two (2) percent of the e-assessment system rollout has been successfully achieved.

Implementation Challenge: Inadequate network in some areas. Inadequate ICT skills.

Lesson Learnt: E-assessment has been embraced by teachers and learners.

Recommendations:

- Carry out continuous capacity building on ICT skills.
- Provide a hybrid system which incorporates online mode and paper and pen.

ii. Digitization of Teacher Files

Project Progress: Overall, 40 percent of teacher files were successfully digitized during the reporting period.

iii. Operationalisation of Teacher Management and Development System

Project Progress: The operationalisation of the teacher management system has not yet been achieved.

iv. Development of MEAL System

Project Progress. During the period under review, one (1) operational meal system was developed and implemented.

5.1.3 Training Education Managers on ICT Integration in Education

Location: Nationwide

Objectives: To improve the ICT skills and competencies of education managers, enabling them to effectively use digital tools in school administration and management and equip education managers with the knowledge and leadership skills necessary to lead and manage ICT integration initiatives in their schools. Additionally, it aims to establish an ongoing professional development programme focusing on ICT integration to ensure that education managers stay updated with the latest digital tools and trends.

Implementing Agency: Kenya Education Management Institute

i. Empowering of School Managers

Project Progress: During the period under review, 803 education managers were trained in ICT integration. The project was reported to be fully complete.

Implementation Challenge

- The training was delivered via online platforms. However, some education managers faced difficulties accessing and using these platforms due to issues with internet connectivity.

Lessons Learnt

- Poor internet connectivity or lack of adequate digital infrastructure in certain regions may hinder the effective delivery of online training necessitating blended learning options.

- ICT skills require continuous updating due to the fast-evolving nature of technology, emphasising the need for ongoing continuous professional development opportunities in digital literacy
- Many education managers are aware of the strategic importance of ICT but may struggle with its implementation, which highlights the need for training on leadership strategies for managing digital transformation.
- The training experience may cause disparities in ICT readiness across different institutions, encouraging a focus on bridging the digital divide through policies, resources and support systems.

Recommendations

- **Offline access** -Development of downloadable training materials accessed offline, to allow managers to engage with the content without a continuous internet connection.
- **Training and support**- Education managers were offered technical support to help them set up and troubleshoot their internet connections.

5.1.4 Technical Vocational Education and Training Expansion

Location: Nationwide
Objective: To increase access to TVET
Implementing Agency: State Department for Technical, Vocational Education and Training

i. Equipping and Construction of TVET Institutions

Project Progress: As at the end of FY 2023/24, 16 new TVET centres were reported to be at the procurement stage against a target of 52.

Implementation Challenge: Budget delays and lack of allocation for development impact targets.

Lesson Learnt : Delays or non-release of the development budget is likely to affect the visualisation of the Medium-Term Plan.

Recommendation: Proper facilitation of the Plan's key projects is necessary to ensure their realisation.

ii. Recruitment of Technical Trainers and Instructors

Project Progress: A total of 2,000 trainers and instructors were successfully recruited during FY 2023/24.

Implementation Challenges
- Delays in approval of recruits by the Public Service Commission
- Lack of funds.

Lesson Learnt: Rapid global changes in technology require the adoption of modern technology and replacement of obsolete ones.

Recommendation: Recruit trainers and instructors to enhance the quality of training and education.

iii. Induction of Online Learning

Project Progress: During the period under review, online learning programmes were not accessed by either trainers or trainees.

Implementation Challenge
- Insufficient funds to support learning management systems for online learning implementation.

Lessons Learnt
- Adequate ICT infrastructure significantly improves training through e-learning platforms.
- Integrating ICT into teaching is crucial for enhancing education quality.

Recommendations
- Develop digital content, ICT infrastructure, and training capacity building.
- Digitize TVET content and retool trainers for delivery of ODeL/virtual learning and assessment.

5.1.5 Automation and Skills Development (Digital Labs)

Location: Nationwide
Objective: To enhance access to technical and scientific skills development.
Implementing Agency: State Department for Technical, Vocational Education and Training

i. Installation and Operationalisation of Digital Labs
Project Progress: During FY 2023/24, 144 digital labs were installed and operationalised, target achieved.

Implementation Challenge
- Insufficient funds to support the Jitume Programme.

Lessons Learnt

- TVET institutions offer a conducive environment that supports programmes effectively.
- TVET institutions serve as youth training centres that enhance access to technical skills development.

Recommendations

- Allocate adequate funds for reach to a larger population.
- More funding should be directed towards TVET institutions to achieve targets.
- TVET institutions should provide a conducive environment to support programmes.

ii. Training of Youths

Project Progress: During the period under review, 13.4 percent were trained against a target of 120,000.

Implementation Challenges

- TVET institutions provide a conducive environment to support programmes.
- Insufficient funds to support the Jitume Programme.

Lessons Learnt

- TVET institutions offer a conducive environment that supports programmes effectively.
- TVET institutions serve as youth training centres that enhance access to technical skills development.

Recommendations

- Increase funding for reach of a larger population.
- More funding should be directed towards TVET institutions to achieve targets.

5.1.6 Primary Education

Location: Nationwide
Objective: To enhance access to primary education.
Implementing Agencies: State Department for Basic Education, National Council for Nomadic Education in Kenya, TSC

i. Recruitment of Primary School Teachers

Project Progress: During FY 23/24, a total of 9,665 primary school teachers were recruited alongside 2,000 teaching interns against a target of 48,326 teachers.

Implementation Challenge: Implementation affected by austerity measures.

ii. Pre-primary Enrollment

Project Progress: During the reporting period, a total of 80,000 children were enrolled in pre-primary education.

iii. Provision of Day Meals

Project progress: During the period under review, a total of 2.6 million learners, against a target of 4.6 million, benefited from the School Feeding Programme.

Implementation Challenge: Late disbursement of funds from the National Treasury.

Lesson Learnt: The school feeding programme is a strong safety net in societies in nomadic and marginalised regions.

Recommendation: Allocate more funding towards school feeding programme initiatives.

iv. Rehabilitation and Equipping of School Infrastructure

Project Progress: Over the course of the reporting period, a total of 20 infrastructure facilities were renovated, and 250 new classrooms were constructed.

Implementation Challenge: Implementation affected by austerity measures.

Recommendation: Development funds should be released in the 1st and 2nd Quarters to enable the completion of all planned activities before the closure of the financial year.

v. Installation of Water, Sanitation and Hygiene Facilities

Project Progress: A total of 49 schools were offered adequate sanitation facilities during the reporting period, against a target of 49.

Implementation Challenge: Implementation affected by austerity measures.

Recommendation: Development funds should be released in the 1st and 2nd Quarters to enable the completion of all planned activities before the closure of the financial year.

vi. Integration of Duksi and Madrassa

Project Progress: As part of the reporting period activities, so far four (4) counties implemented the integration of *duksi* and *madrassa* into formal basic education.

Implementation Challenge: Shortage of qualified and trained teachers for Duksi Education.

Lesson Learnt: There is a need to improve the education facilities in public schools before undertaking full integration.

Recommendation: The Kenya National Qualifications Authority should ascertain the competencies and qualification of Duski teachers.

5.1.7 Secondary Education

Location: Nationwide
Objective: To enhance access to secondary education by improving infrastructure and equipment for secondary schools.
Implementing Agencies: TSC, State Department of Basic Education

i. Recruitment of Secondary Teachers

Project Progress: During FY 2023/24, a total of 18,000 interns were successfully recruited against a target of 67,674.

Implementation Challenges
- Inadequate allocation.
- Timeliness of disbursement of funds.

Recommendations
- Infrastructure funds to be fully disbursed by the end of the 2nd Quarter.
- TSC should request for additional allocations.

ii. Expansion of Education Infrastructure

Project Progress: During FY 2023/24, a total of 6,270 classrooms, 900 laboratories and 2,859 integrated resource centres were constructed. However, no toilet blocks, no worshops, no special needs or computing packages were provided to public secondary schools.

Implementation Challenge: Inadequate allocation and delayed disbursement of funds.

Recommendation: Infrastructure funds should be increased and fully disbursed by the end of the 2nd Quarter.

iii. Awarding of Capitation Grant

Project Progress: During FY 2023/24, capitation grants were awarded to 4,036,650 students, with the number increasing due to the 100 percent transition policy.

5.1.8 Inclusion in Education and Training

Location: Nationwide
Objective: To increase access and inclusivity in education.
Implementing Agency: State Department of Basic Education.

i. Construction of Persons Living with Disabilities - Friendly Infrastructure

Project Progress: During FY 2023/24, 50 schools were equipped with Special Needs Education /Persons with Disabilities (PWD) - compliant infrastructure, achieving 83.33 percent of the target.

Implementation Challenge: Inadequate allocation and delayed disbursement of funds.

Recommendation: Infrastructure funds should be fully disbursed by the end of 2nd Quarter.

ii. Capacity Building on Special Needs Education

Project Progress: During FY 2023/24, a total of 1,702 teachers and trainers received capacity-building training on Special Needs Education.

Implementation Challenges

- Inadequate allocation.
- Timeliness of disbursement of funds.

iii. Equipping of National Psycho-Education Assessment and Placement Centre

Project Progress: During FY 2023/24, the Centre which is located at Mavoko, Machakos County was fully constructed and partially equipped, reaching 95 percent implementation progress.

Implementation Challenges

- Inconsistency in attending therapy sessions hinders rehabilitation of people with disabilities which is a gradual process.
- People with special needs and disabilities require assistive devices, some of which are not easily accessible and therefore expensive to acquire.
- High maintenance cost of specialised equipment used at the Centre.
- Inadequate human resources to serve at the Centre.

Lesson Learnt: Awareness creation has enlightened Kenyans on managing disabilities to achieve in life.

Recommendations

- Timely and adequate resource mobiliation for efficiency in service delivery. Stakeholders' support in aid of exchequer funding makes services available to vulnerable societies.
- Operationalisation of Sub-County Educational Assessment and Resource Centres to give access to assessment services in the nearby communities.

iv. Establishment, Renovation and Equipping of Low-Cost Boarding Schools in ASALs

Project Progress: During FY 2023/24, a total of 379 low-cost boarding schools in ASALs were renovated and equipped (including dormitories, dining halls, and ablution blocks), achieving 98.44 percent implementation rate.

v. Subsidies and Grants for Learners in ASAL Boarding Schools

Project Progress: A total of 34,000 learners benefitted from subsidies and grants in low-cost boarding schools during the period under review.

vi. Mentorship and Psychosocial Support for Learners

Project Progress: As at the end of FY 2023/24, a total of 387 learners were provided with mentorship and psychosocial support.

Implementation Challenge: Inadequate funds allocation.

vii. Establishment of Model Green Schools

Project Progress: During FY 2023/24, one (1) model green school was established.

Implementation Challenge: Inadequate allocation and delayed disbursement of funds.

viii. Certification of Adult Learners

Project Progress: During FY 2023/24, a total of 22,177 adult learners were certified.

Implementation Challenges

- Massive exit of adult and continuing education instructors without replacement
- The lack of examination waivers for adult learner candidates.

5.1.9 Teacher Management and Development

Location: Nationwide
Objective: To improve quality and relevance in education.
Implementing Agency: Teachers Service Commission

i. **Training of In-Service Teachers under Government Programme**

Project Progress: During FY 2023/24, 77,000 in-service teachers were trained through a cascade model against a target of 50,000

ii. **Retooling Teacher Education**

Project Progress: During FY 2023/24, 40 teachers education were retooled against a target of 20 hence target achieved.

iii. **Empowerment of Teacher's Trainees**

Project Progress: During FY 2023/24, 600 teacher trainees received capacity-building training against a target of 400.

iv. **Competency-Based Training for Pre-Service Teachers**

Project Progress: During FY 2023/24, no teachers graduated from the 35 Teacher Training Colleges against a target of 5,000.

v. **Transition of KEMI to Kenya School of Teacher and Education Management**

Project Progress: During FY 2023/24, the revamp of KEMI into Kenya School of Teacher and Education Management reached 50 percent completion.

vi. **Construction and Equipping of Ultra-Modern Education Resource Centre**

Project Progress: During the review period, establishment of the ultra-modern Education Resource Centre Phase I was reported to be 27 percent complete. However, the project did not receive any budgetary allocation during FY 2023/2024, which affected its pace.

Implementation Challenge: Budgetary Constraint – during the period under review, the project was not allocated funds.

Lesson Learnt: It is critical to ensure timely completion and utilisation and to avoid escalation of the projected cost.

Recommendation: The project should be fully funded to ensure completion and timely utilisation.

5.1.10 Kenya National Education Management System

Location: Nationwide
Objective: To provide authentic data for education planning, management and decision making.
Implementing Agency: State Department of Basic Education

i. Upgrading of KEMIS

Project Progress: The upgrading of KEMIS specifically the capitation and school registration modules was not implemented.

ii. Development of Statistical Booklets and Reporting Dashboards

Project Progress: During the review period, one (1) statistical booklet dataset and reporting dashboard were successfully developed.

5.1.11 Strengthening of Science, Technology, Engineering and Mathematics

Location: Nationwide
Objective: To enhance the capacity of education and training institutions to provide high quality STEM education.
Implementing Agency: CEMASTEA

i. Training in STEM Education and SMASE INSET

Project Progress: During the period under review, the Centre implemented several programmes to enhance the capacity of education and training institutions to provide high quality STEM education. A total of 21,169 STEM teachers and education officers were trained, exceeding the target as the Centre leveraged both existing and new partnerships to expand its training reach.

- **2233** teachers trained in ICT integration in STEM education
- **806** teachers in Juniour Schools trained in STI and coding
- **17261** Teachers in Junior School trained in pedagogical content knowledge relevant to Competency Based Education
- **502** School principals and teachers in STEM model schools trained in climate change education
- **367** Education officers (350 Quality Assurance and Standards Officers and 17 Regional Directors of Education) sensitised on monitoring and supporting SMASE activities at the Counties

ii. STEM Education Research and Knowledge Management

Project Progress: During FY 2023/24, the Centre conducted one classroom based research "*A study to establish the status of pedagogiocal practices and teacher support in the learning of STEM related subjects at Junior School*" and held a workshop to disseminate research of the findings to stakeholders. Additionally, the Centre held a symposium on effective classroom practices and also published one issue of CEMASTEA's "*Practioners Journal of Mathematics and Science Teachers.*"

Implementation Challenges

- Variation in teachers' digital literacy and access to ICT resources constrained the effective application of digital tools in STEM teaching.
- Limited time and competing school responsibilities for teachers and education officers made it difficult for them to fully engage in training programmes and follow-up professional learning activities.

Lessons Learnt

- Continuous professional development for teachers is essential for the effective implementation of Competency-Based Education.
- Research and knowledge sharing strengthen evidence-based practice in STEM education.
- Leveraging ICT and the online platform could increase the Centre's reach to many more teachers

5.1.12 Co-Curricular Development

Location: Nationwide
Objective: To identify and nurture talents in games and performing arts.
Implementing Agency: State Department for Basic Education

Project Progress: During the reporting period, a total of 15,200 learners participated in games and performing arts. Participation increased significantly as more schools resumed co-curricular activities following COVID-19 interruptions.

5.2 HEALTH SECTOR

5.2.1 Health Commodity Security

Location: Nationwide
Objective: To enhance access and affordability of quality essential health products
Implementing Agency: Ministry of Health

i. Attainment of Maturity Level 3 Standards for National Quality Control Laboratory/ Pharmacy and Poisons Board

Project Progress: During the period in review, a Standard for National Quality Control Laboratory/ Pharmacy and Poisons Board was attained. Implementation of institutional development plans was still underway. Eighty-five percent of people have been addressed towards Maturity Level 3.

5.2.2 Human Resource for Health

Location: Nationwide
Objective: To enhance service delivery in the health sector
Implementing Agency: Ministry of Health

i. Payment of Stipends to Community Health Promoters

Project Progress: During the period under review, the 100,000 existing Community Health Promoters (CHPs) were paid their stipends.

ii. Renewal of Contracts for UHC Staff

Project Progress: During the period under review, contracts for 8,550 UHC staff were renewed in Q2 for a period of one (1) year, in accordance with Public Service Commission Circular PSCV/10/1 (2) of 17 May 2023.

iii. Posting of Medical Interns to Training Centres

Project Progress: During the period under review, a total of 3,759 medical interns were posted in Q1 and Q3 of FY 2023/24, surpassing the target of 1,200 interns.

iv. Recruitment of Health Personnel

Project Progress: During the period under review, no human resources for health were recruited despite targeting 20,000 health personnel. This will be achieved in FY 2024/25.

v. Training Specialised and Sub-Specialised Healthcare Workers

Project Progress: During the period under review, specialised and sub-specialised healthcare workers were not trained due to delays in approval of the training projections and a lack of funds.

vi. Mapping, Verification and Certification of Unregulated Health Workforce

Project Progress: During FY 2023/24, a total of sixteen (16) unregulated health workforces were mapped, verified, and certified. The Board approved the recognition of eleven (11) cadres in Q1 and an additional five (5) cadres in Q3.

vii. Development and Maintenance of Master Register

Project Progress: During the review period, no operational master register was developed and maintained. This will be a phased development as indicated in the Kenya Health Human Resources Advisory Council 2024/25 Annual Work Plan.

5.2.3 Community Health High Impact Interventions

Location: Nationwide
Objective: To promote health and wellness, disease prevention and the underlying social determinants of health
Implementing Agencies: Ministry of Health

i. Operationalisation of Primary Healthcare Networks

Project Progress: During the review period, a total of 168 Primary Healthcare Networks (PCNs) were operationalised which fell short of the targeted 315 PCNs.

ii. Establishment of Additional Community Health Units

Project Progress: During the review period, a total of 231 out of 850 community health units were established across the country.

iii. Procurement of CHPs Kits

Project Progress: A total of 100,000 CHPs kits were procured in FY 2023/24.

iv. Roll out of the Community Health Information System

Project Progress: One (1) operational Community Health Information System was rolled out at the end of FY 2023/24.

v. Training of Community Health Promoters

Project Progress: The training of CHPs was reported to be ongoing as of June 2024 and the process was going to the 2nd phase.

vi. Roll Out of Baby Friendly Community Initiative

Project Progress: During the reporting period, a total of 831 Community Health Units were reported to be implementing Baby Friendly Community Initiative (BFCI). The annual target was considered unrealistically high. BFCI was rolled out in Kilifi, Kitui, Turkana, Marsabit, and West Pokot counties under the Nutrition Improvement through Cash and Health Education project, with achievements captured in the NICHE Management Information System.

vii. Scale up of Integrated Management of Acute Malnutrition

Project Progress: During the period under review, a total of 388,378 children with severe or moderate acute malnutrition accessed the Integrated Management of Acute Malnutrition services, with the project reported at 53 percent achievement. Outreach activities and mass screenings in hard-to-reach areas were scaled down due to reduced donor funding. Notable progress was made in achieving Maturity Level 3 Standards for the National Quality Control Laboratory and the Pharmacy and Poisons Board, with 85 percent of Institutional Development Plans addressed towards this goal.

4.2.4 Kenya Health and HIV Situation Room

Location: Nationwide
Objective: To Provide an effective mechanism for surveillance and monitoring that mines data from various sub-systems for effective decision making for the HIV response.
Implementing Agency: National Syndemic Diseases Control Council

i. Situation Room Integrated with Multiple Community Reporting Systems to Promote Access and Utilisation

Project progress: Kenya HIV and Health Situation Room updated with 2023 data and used in the development of the 2024 HIV Estimates accessible via https://analytics.nsdcc.go.ke/. Integration of multiple community reporting systems (CAPR, HIPORS, MAISHA) into one Partner Online Reporting System accessible via https://prs.nsdcc.go.ke/.

Implementation Challenges

- Untimely data submission coupled with discrepancies in the methodologies used to collect and generate data.
- Inadequate access as users require a license to access the platform.
- Sustainability issues as the programme is partly supported by partners.

Lessons Learnt

- Accessing a single information hub that harnesses data from different sub-systems is essential for effective decision making.
- Utilising digital platforms to enhance data access promotes utilisation by various users at all levels.
- Creative content and innovative presentations such as infographics promotes data consumption at source.

Recommendations

- Migrate the system from a license-based system to an open-source platform to increase access by stakeholders.
- Communication capabilities such as live streams, podcasts, and films should be utilised more often to create awareness in order to promote utilisation of the Kenya Health and HIV Situation Room for decision making.
- Efforts should be made towards streamlining data collection and translation processes, as well as increasing data literacy among users.
- More support (technically and financially) to promote country and county ownership of the project.

4.2.5 Elimination of Mother to Child Transmission of HIV-eMTCT (Beyond Zero)

Location: Nationwide
Objective: To reduce mother to child transmission of HIV and Syphilis to less than 5 percent.
Implementing Agency: National Syndemic Diseases Control Council

i. Capacity Building Towards Elimination of Mother to Child Transmission of HIV

Project Progress: During the reporting period, the Mother to Child Transmission rate was at 7.3%. This was attributed to sustained messaging on HIV prevention and treatment. Approximately 10.6 million people were reached with HIV prevention information through in person and media engagement, 105,641 National Government Administrative Officers, Community Health Promoters and other community gatekeepers across the 47 Counties reached with health education on ending the Triple Threat. The Triple Threat refers to untimely pregnancies, sexual and gender based violence and new HIV infections among adolescents aged 10-19 years.

A further 100 science and health journalists and reporters were trained on emerging public health challenges with a focus on informed HIV messaging. Policies were developed to steer the country towards ending AIDS in children by 2027 including the National Multi-Sectoral HIV Prevention Acceleration Plan 2023–2030 and the commitment plan to end the Triple Threat 2023-2030.

Implementation Challenge

- Social & structural barriers that limit access to service uptake and therefore a hindrance to; closing the treatment gap and optimising continuity of treatment for pregnant and breastfeeding women living with HIV; preventing new HIV infections among pregnant and breastfeeding women and addressing rights and gender equality.

Lessons Learnt

- Strengthening prevention and treatment response requires a continued and structured engagement with communities to tackle entrenched social norms that place women and girls in the path of harm and discrimination.
- Community dialogues trigger community support for collective change and act as an effective approach to addressing deeply rooted social and gender norms.

Recommendation

- Strengthen the multi-sectoral whole government approach in addressing the existing challenges to achieve a reduction in new HIV infections among adolescents, women and children.

5.2.4 Health Infrastructure

Location: Nationwide
Objective: To enhance access to quality health services through investments in health infrastructure.
Implementing Agency: Ministry of Health

i. Establishment and Equipping of National Public Health Institute

Project Progress: During the review period, the National Public Health Institute was in the process of operationalisation after being established and equipped.

ii. Construction and Upgrading of KEMRI Research Labs

Project Progress: During the review period, the project, which aimed to construct and upgrade five (5) KEMRI research laboratories in Kirinyaga, Kwale, Kisumu, Busia, and Nairobi, made the following progress: Phase I construction of the laboratory in Kirinyaga was completed, tenders for Phase I construction in Nairobi and Kwale were concluded and contracts signed, while no reports were yet available on the status of the Kisumu and Busia laboratories.

iii. Establishment of KEMRI Centre of Excellence in Precision Medicine

Project Progress: In FY 2023/24, funding for equipping the Centre was secured through sports funds. The project was reported to be ongoing, and the progress was at 3.7 percent during the review period.

Implementation Challenge: Lack of exchequer funding for the project.

Lesson Learnt : Better collaboration between the development partners and Government.

Recommendations

- Need for adequate exchequer funding.
- Explore collaborations towards realisation of the flagship projects.

iv. Upgrading of Kenya Primate Research Institute

Project Progress: Kenya Primate Research Institute was reported to be 15 percent modernised during the review period. Upgrades were made to the Administration Block and landscaping at the Resource Centre. The project was reported to be ongoing.

Implementation Challenge: Lack of exchequer funding for the project.

Lesson Learnt : Better collaboration between the development partners and Government.

Recommendations

- Need for adequate exchequer funding.
- Explore collaborations towards realisation of the flagship projects.

v. Burns and Pediatric Emergency Centre at Kenyatta National Hospital

The project entails the construction of a Burns Management Centre and Paediatric Emergency Centre with 82 general ward beds, 14 Intensive Care Unit (ICU) beds and 6 High Dependancy Unit beds for Burns Unit and 82 general ward beds, 24 ICU and 6 High Dependency beds for the Pediatric Centre. The purpose of the project is to develop a facility that will provide expanded paediatric emergency and burns services that effectively handle disasters involving children. The status of the project is at 53 percent building works and is 114 weeks behind schedule due to suspension of works thrice as a result of delayed payments. The loan agreement with the financiers lapsed in December 2020 and as at 30th December 2021 all the financiers had extended the loan agreement as follows: BADEA 31st November 2023, SFD 31st July 2024 and OPEC 31st December 2023.

Implementation Challenge: Challenge in disbursement of funds where multiple financiers were involved.

Recommendations

- Review of financing structure to ensure efficient disbursement of funds.
- Government of Kenya to handle civil work and financiers to handle equipment.

vi. Strengthening of Cancer Management at Kenyatta National Hospital

Project Progress: As at the end of FY 2023/24, the construction of Cancer Treatment Centre Phase I at Kenyatta National Hospital was reported to be 100 percent complete, consisting of ground floor, first floor and treatment rooms. Completion of two (2) bunkers was 86 percent.

This project involved the construction of a fully-fledged state-of-the-art Cancer Centre of Excellence with research facilities and was reported to be ongoing and on schedule.

Implementation Challenges

- Inflation affected the price of materials and equipment.
- Lead time for procuring imported commodities.
- Delayed funding from donors.
- Delayed disbursement of funds from the Government.

Lessons Learnt

- Comprehensive design should be done and properly reviewed and signed off by all users before commencing technical projects
- Alignment of funding with project implementation plan and expenditure.

Recommendations

- Timely disbursements of project funds from the Government.
- The Government to provide contingency/cushion for delayed donor funding.
- Streamline donor funding payment processes.
- Conduct stakeholder meetings to review and address site progress challenges.

vii. Modernisation of Kenyatta University Teaching Research and Referral Hospital

Project Progress: During the review period, the extension of the Cancer Centre at Kenyatta University Teaching, Referral and Research Hospital was reported to be at 80 percent. The project was to increase capacity and accommodate Chemo Mixing Labs and 70 bed inpatient wards, offices and bone marrow transplant unit.

Implementation Challenges

- Inadequate funding.
- Late disbursement of funds by the National Treasury.
- Price escalation.

Lesson Learnt: There is need for proper planning to avoid any surprises during project implementation.

Recommendation: The National Treasury to disburse allocated funds on time.

viii. Rehabilitation of Mathari National Teaching and Referral Hospital

Project Progress: During the review period, renovation works were carried out at Ward 1M. These included renovation works at the existing rehabilitation centre and the construction of a new building measuring 39m by 9m. Additional works involved the renovation of Ward 2 (female), construction of an external dining area and walkways within the Hospital, rehabilitation of existing sewer lines, and the construction of a masonry perimeter fence around structures. Other developments included the construction of a boardroom, renovation works at Ward 6 (female), renovation of the existing Ward 5 (female), purchase of three power generators, and the construction of a new outpatient department. The project was reported to be at 4 percent implementation. It was ongoing, though not on schedule.

Implementation Challenge: Inadequate funding from the Government.

Lessons Learnt

- Investment into mental health lacks political good will.
- Need to integrate mental health into primary health

Recommendations

- Increase funding.
- Encourage investment in mental health.
- Promote political goodwill on mental health.

ix. Development of Infrastructure for the Kenya Medical Training College

Project Progress: During the review period, renovation and development works were carried out across several campuses, including Singowet, Kwale, Thika, Chwele, Bumula, Makindu, Isiolo, Elgeyo Marakwet, Homabay, and Kaptumo. At the Singowet Campus, the College undertook the drilling and equipping of a borehole, as well as the construction of a pressed steel water tank. These works are currently ongoing. At the Kwale Campus, completed works included re-roofing, interior and exterior painting, ceiling overhaul and re-installation, mechanical installations (gutters and downpipes), electrical repairs, and associated works. In Thika Campus, the construction of 12 classrooms, a ramp, a staircase, and washrooms was completed. At Bumula Campus, Phase 1 of the Administration Block, up to the ground floor level, was undertaken. A multi-storey tuition block was developed at Chwele Campus, while at Makindu Campus, a tuition block comprising ground, first, and second floors was constructed. At Isiolo Campus, a tuition block with four classrooms was completed. In Kitale Campus, Level 16 lecture halls were developed. Further developments included the construction of a five-classroom tuition block at Elgeyo Marakwet Campus. At Homa Bay Campus, classroom construction reached the first-floor level, while at Kaptumo Campus, construction proceeded to the second-floor level.

Implementation Challenge: Lack of adequate funding for the projects.

Lessons Learnt:

- Limited infrastructure affects the demand for Human Resources for Health (HRH) training in Kenya
- Lack of government funding limited the expansion process in KMTC
- Need to link the demand for HRH with requisite infrastructure to enhance training efficiency

Recommendations:

- Increase funding for KMTC to match the increased growth of its students and campuses
- Furnish the infrastructure with skill labs and related ICT components
- Enhance HRH training towards achieving UHC and related government policies.

5.2.5 Biotechnology and Biosciences

Location: Nationwide

Objective: To build national capacity on safe application of biotechnology and bioscience.

Implementing Agencies: State Department for Higher Education and Research, National Research Fund, National Biosafety Authority

i. Establishment of Centre of Excellence for Stem Cell Research, Synthetic Biology and Regenerative Medicine

Project Progress: Centre of Excellence in Stem Cell Research was established, equipped, and commissioned on 27th July 2023. A total of ten (10) staff were trained and initial research work commenced. The project was reported to be ongoing and was implemented at 4.5 percent.

Implementation Challenge: Lack of exchequer funding for the project.

Lesson Learnt: Better collaboration between the development partners and Government is crucial for successful project implementation.

Recommendations

- Need for adequate exchequer funding.
- Explore collaborations towards realisation of the flagship projects.

5.2.6 Natural Products

Location: Nationwide

Objective: To support development, acquisition, deployment and uptake of appropriate indigenous technologies.
Implementing Agency: State Department for Higher Education and Research

i. **Development of Technologies for the Manufacture of Niche Medical Products**

Project Progress: During the review period, KEMRI conducted a study on evaluation of the antiviral herbal product "Zedupex" for management of severe acute respiratory syndrome coronavirus 2 (SARS-COV-2) infection and its resulting disease. The study was was ongoing. Further, KEMRI is conducting two (2) studies on evaluation of a herbal remedy for prostate gland enlargement and diabetes. Authenticated herbal remedy for jiggers' eradication was formulated and was awaiting patenting. The project was reported to be ongoing and was implemented at one (1) percent.

Implementation Challenge: Lack of exchequer funding for the project.

Lesson Learnt: Effective collaboration between development partners and the Government is essential for the successful implementation of programmes, as it enhances coordination, resource mobilisation, and alignment of activities with national priorities.

Recommendations

- Need for adequate exchequer funding.
- Explore collaborations towards realisation of the flagship projects and programmes.

5.2.7 Implementation of Health Insurance

Location: Nationwide
Objectives: To reduce out of pocket spending on health services on the indigent population; and enhance utilisation of health services by the indigent population
Implementing Agency: National Health Insurance Fund

i. **Increase Health Coverage and Financial Protection to the Poor and Vulnerable in Society**

Project Progress: In the Financial Year 2023/24, a total of 254,368 households were covered under this programme and registered with NHIF. An amount of KSh. 2.46 billion was received being premium for the previous years and premiums for the FY 2023/24. Cumulative premium received to date amounts to KSh. 9.79 billion for the period December 2016 to June 2024. Cumulative benefits at the end of the 4th Quarter amounted to KSh. 70 million. The cumulative benefits paid out to date since inception amounted to KSh.1.288billion.

Subsidy for the Elderly and Persons with Severe Disability: The programme targets 58,800 elderly and persons with severe disability. A total of KSh. 527.8 million was received as premiums. Cumulative premium received till date amounted to KSh. 1.927B for the period April 2017 to June 2024. Cumulative outstanding premiums were KSh. 262.3M and a total of 58,800 members had been registered, a 100 percent achievement. At the end of the Fourth Quarter, a total of KSh. 3.2M was paid out as claims for the older people and persons with severe disability scheme members. Cumulative benefits at the end of the FY amounted to KSh. 25.2 million .

Free Maternity Cover: A total of 167,337 expectant mothers were registered. A total of 234,378 deliveries were reported countrywide while 278,471 antenatal visits and 664,343 postnatal visits were recorded. A cumulative total of KSh. 16.34 billion has been paid out for both in-patient and outpatient care for Linda Mama since inception.

Implementation Challenges

- *Financial sustainability:* the sustainability of subsidy programmes is a concern, with budgetary constraints and challenges in mobilising resources. This has led to delays in disbursement of programme funds thus disrupting access and provision of health services.
- *Quality of care:* while access to care has improved, concerns remain about the quality of services provided, particularly in public facilities. There are reports of inadequate staffing, lack of essential medicines and long waiting times.
- *Awareness and enrolment:* many eligible individuals are unaware of the available subsidy programmes or face challenges in enrolling due to lack of information, complex procedures and limited outreach.
- Low resource settings have worse access to healthcare, often worse in rural, and remote areas. E.g. North Eastern counties have very low skilled deliveries.
- Lack of proper documentation**,** especially with minors, refugees, marginalised communities which delays the process of making claims healthcare providers.
- Traditional and cultural practices e.g. Female Genital Mutilation, early marriages, pastoralism, home deliveries.

Lessons Learnt

- *Increased access to healthcare* **–** subsidy programmes have led to increased enrolment in health insurance and improved access to healthcare services for eligible populations. As of 2022, over 90 percent of births in Kenya occur in health facilities, up from 62 percent in 2014. This has led to better health outcomes, especially for preventive care and chronic disease management.

- *Financial protection:* subsidies have provided financial protection to low-income households with 24 price reduction in catastrophic health spending. This has helped to prevent catastrophic health expenditure and impoverishment due to medical bills.
- *Improved health system performance* **–** increased enrollment in health insurance can lead to improved health system performance, as providers have a more stable revenue stream and can invest in infrastructure and quality improvement.

Recommendations

- *Ensure adequate funding* **–** ring-fencing of programme funds and secure sustainable funding sources for subsidy programmes through a combination of general tax revenues, earmarked taxes, and donor contributions.
- *Address health system challenges* **–** the national and county governments should invest in strengthening healthcare infrastructure. Increasing the availability of quality healthcare providers and improving the quality of care to maximise the impact of subsidy programmes on health outcomes.
- *Investing in prevention and primary healthcare* **–** is an urgent priority to meet the needs of populations increasingly affected by non-communicable diseases and health security issues.
- *Monitor and evaluate* **–** regular monitoring and evaluation of subsidy programmes is required to assess their impact on access to healthcare, financial protection and health outcomes and use this information to make data driven adjustments to programme design and implementation.
- *Establish linkages and integration of systems* **–** with broader contributory and non-contributory social protection schemes to improve the capacities and referral systems of Social Health Protection systems in a cost-effective manner.
- *Establish partnerships* **–** with government, aid and philanthropic organisations to provide last mile health interventions to expectant mothers especially in underserved communities.

5.3 ENVIRONMENT, WATER, SANITATION & REGIONAL DEVELOPMENT

5.3.1 Management of Rangelands

Location: Nationwide

Objectives: To map and manage rangeland resources; and monitor inventory and map the vegetation, forestry, wildlife habitat and livestock ranges.

Implementing Agency: State Department for ASALs and Regional Development

Project Progress: During the period under review, mapping of wildlife migratory routes and corridors in Narok County was undertaken. In addition, mapping the status of Maasai Mau and Olposimoru forest blocks in Mau water tower and dryland forest mapping in Marsabit County was done. Land degradation assessment in Lakes Baringo and Bogoria catchment areas was also done.

Implementation Challenges

- Inadequate financial allocation, delay in exchequer release.
- Insecurity in some areas.

Lessons Learnt

- Failure to provide adequate resources coupled with delays in resources allocation can hinder timely execution of the project.
- Security/peace is paramount while undertaking field activities.

Recommendation: Provision of adequate financial resources in a timely manner.

5.3.2 Climate Change Mitigation and Adaptation

Location: Nationwide
Objective: To coordinate preparation and implementation of the National Climate Change Action Plan 2023-2027.
Implementing Agency: State Department for Environment and Climate Change

i. Development of Early Warning Information Management System

Project Progress: Crop forecasting for long & short rains maize production for warning/food security assessment and monitoring in Kenya was done during the review period.

Implementation Challenges

- Inadequate finances
- Unpredictable weather patterns.

Lessons Learnt

- The activity should be implemented in a timely manner because it is based on seasons.
- Real time data collection is crucial.

Recommendation: Provision of adequate financial resources and timely planning.

5.3.3 Water Towers Rehabilitation and Conservation

Location: Nationwide

Objective: To rehabilitate and restore the degraded areas within the five water towers, lands and other selected areas. To contain destruction, encroachment and illegal extraction of water towers resources.

Implementing Agencies: Kenya Water Towers Agency, State Department for Environment and Climate Change, Kenya Forestry Research Institute, Kenya Forest Service

i. Rehabilitation and Restoration of Water Towers

Project Progress: In the FY 2023/24, 160 Ha out of a target of 250,000 Ha of degraded areas in water towers were rehabilitated through planting indigenous seedlings in the following water towers: Maasai Mau Forest, Kieni Forest, MutituHilla, Burnt Forest, Kajulu Hills, Mt. Marsabit Forest, Maragoli Hills and Mwangea Hills. A total of 5,000 seedlings were raised in Marsabit and were at different growth stages.

ii. Fencing of Maasai Mau Fence

Project Progress: During the review period, routine maintenance and monitoring activities were conducted along 30 kilometres out of the targeted 60 kilometres of the Maasai Mau fence. Additionally, two community scouts were trained to promptly address any issues that may arise with the fence.

iii. Establishment of Demonstration Plots for Rehabilitation of Water Towers

Project progress: A total of 10 hectares of demonstration plots were established - 5 hectares in the Tugen Hills and 5 hectares in the South West Mau Water Tower. The plots were developed through participatory tree-planting approaches aimed at showcasing best practices in the rehabilitation and sustainable restoration of water towers.

iv. Reclaiming of Encroached Land in the Mau, Cherangany Hills and Mt Elgon Forest Ecosystems

Project Progress: The Agency continued to coordinate for the protection of 142,601 Ha in the Mau Forest Complex by facilitating the Joint Enforcement Unit (JEU) in containing water towers destruction, encroachment and illegal extraction of water towers resources. The JEU with support from the Agency and the Ministry of Interior and National Administration reclaimed encroached areas of approximately 5,000 Ha in Maasai Mau Water Tower in Sasimwani, Olokurto and Nkareta. The JEU was undertaking continuous patrols in these areas to ensure no illegal activities.

v. Development of Basin-wide Restoration Plans

Project Progress: Draft Rehabilitation Action Plans for both Nyambene and Chyulu Hills water towers were developed during the review period.

Implementation Challenges

- Unclear boundaries leading to encroachment.
- Poor road network in areas of operation.
- Poor mobile network coverage in some areas especially when in need of reinforcement.
- Increase in the intensity and frequency of extreme weather events such as prolonged periods without rainfall.
- Inadequate budget and budget cuts affected the implementation of planned activities, hence achievement of indicators.

Lessons Learnt

- There is a need for more active community engagement as well as sensitisation on conservation and protection of the forest ecosystem to reduce trespass.
- There is a need for employment of more personnel in JEU.
- There is a need to facilitate the Unit with more equipment e.g. vehicles & motorcycles for patrol.

Recommendations

- Law enforcement officers under JEU are enhanced with necessary equipment to enable the Unit to cover all areas earmarked for protection, conservation and rehabilitation.
- Boundaries realignment.
- To cover Mau Forest extensively in terms of patrols, the number of personnel needs to be enhanced and more resources allocated.
- Frequent public *barazas* to be held by the local administration to prevent interference with the fence.
- Increased funding for Vision 2030 projects.

5.3.4 National Tree Growing and Restoration Campaigns

Location: Nationwide.
Objectives: To increase tree and forest cover; to produce tree seedlings matched to different ecological zones for planting; to intensify the national tree planting campaigns; and to enhance protection and conservation of mangroves forests.
Implementing Agency: State Department for Forestry

i. Production of Seedlings by Kenya Forest Service, Private Producers and MDACs

Project Progress: During the financial year 2023/24, 70 tonnes of tree seeds were collected, processed and distributed. Additionally, a total of 1.6 billion out of a target of 7.9 billion seedlings were produced.

Implementation Challenges

- Weather-related challenges inhibited tree growing activities.
- Slow uptake of the campaign.
- Limited resources and technical capacity.

Lesson Learnt: Well planned activities to avoid weather-related challenges.

Recommendation: Improve technical capacity and resources.

ii. Rehabilitation of Degraded Public Natural Forests

Project Progress: During the period under review, a total of 8,397 Ha of degraded public natural forests were rehabilitated against a target of 175,000 Ha.

iii. Establishment of Bamboo Forest

Project Progress: During the period under review, a cumulative total of 6,392 Ha of bamboo forest was established out of the targeted 75,000 Ha.

iv. Production of High-Quality Tree Seedlings of Different Species

Project Progress: During the review period, seedlings production based on quality tree seeds were distributed to MDAs and non-state actors through a whole government whole society approach.

v. Plantation of Tree Seedlings on Different Landscapes

Project Progress: During the period under review, a total of 428,904,328 seedlings were planted across different landscapes against a target of 7.5 billion seedlings. The Presidential directive on tree growing was implemented by all MDAs and non-state actors during the two rainy seasons, with two tree-growing holidays observed on 13 November 2023 and 10 May 2024.

Implementation Challenge: Delay in the disbursement of funds for tree seed collection from the National Treasury led to low achievement.

vi. Rehabilitation of Degraded Mangrove Ecosystem Area

Project Progress: During the period under review, a cumulative total of 4,007 Ha of the targeted 7,000 Ha of degraded mangrove ecosystems were rehabilitated.

5.3.5 Agroforestry and Commercial Forestry

Location: Nationwide
Objectives:
- To increase the area under commercial forest plantations on public land;
- To increase forest cover in private, community and farmland;
- To establish commercial forest plantation on public, private and community lands in drylands;
- To promote establishment of agroforests on farmlands;
- To promote the restoration of degraded landscapes in the Arid and Semi-Arid Lands;
- To promote the greening of schools and other learning institutions;
- To promote commercial bamboo growing; and
- To produce high quality tree seedlings.

Implementing Agency: State Department for Forestry

Project Progress: During the review period, 28,000 Ha of the targeted 1 million Ha of private/community land was mapped.

5.3.6 Agroforestry Woodlots in ASALs

Location: ASALs
Implementing Agency: State Department for Forestry

Project Progress: During the period under review, the project, which aimed to develop agroforestry in 23 ASAL counties for Melia woodlots, gums and resins, sandalwood, and other species, rehabilitated a total of 28,000 Ha out of the targeted 1 million Ha, achieved through partnerships with development partners.

5.3.7 Sustainable "Green" Charcoal Value Chain and Alternative Domestic Energy

Location: Nationwide
Implementing Agency: State Department for Forestry

i. Gazettement and Operationalisation of Draft Charcoal Regulations

Project Progress: During the financial year 2023/24, draft charcoal regulations were developed, with gazettement still pending.

ii. Conducting Sensitisation Regional Meetings for Law Enforcement Agencies

Project Progress: During the period under review, the project, which aimed to conduct regional sensitisation meetings for law enforcement agencies on the implementation of charcoal regulations to decriminalise the production and trade of charcoal and charcoal products, did not conduct any regional sensitisation meetings.

iii. **Establishment and Support for Charcoal Producers Associations**

Project Progress: This project was expected to establish and support Charcoal Producers Associations on adoption of efficient technology, branding and marketing. During the review period, a total of 26 out of the targeted 300 Charcol Producers Associations were established and strengthened, the registration processes were pending and gazettement of the revised rules and review of moratorium was being done. Additionally, situational assessment was undertaken, and producer groups adopted other alternative conservation enterprises promoted under drylands forestry.

iv. **Support and Mentorship to Youth Groups in Briquette Charcoal Production Enterprise**

Project Progress: A total of six (6) out of the 500 targeted youth groups were supported and mentored during the period under review. Charcoal briquettes training was conducted in Narok, Olenguruone in Nakuru, Kiritiri, Embu, Malakisi in Bungoma, Bura, Tana River and Kasigau in Taita Taveta.

5.3.8 Improved Sustainability of Environmental Ecosystem

Location: Nationwide
Implementing Agency: State Department for Forestry

Project Progress: A total of 940,576 Ha targeted area of mountain ecosystem was sustainably conserved and managed during FY 2023/24.

5.3.9 Forest Protection and Management

Location: Nationwide
Objective: To enhance forest conservation and management.
Implementing Agency: State Department for Forestry

i. **Protection of Existing Gazetted Forests**

Project Progress: During the period under review, 2.16 million Ha of existing gazetted forests were protected and a total of 2,664 rangers recruited.

Implementation Challenge: High number of interests compared to available slots Infrastructure costs to sustain the rangers.

Recommendation: Infrastructure to be improved.

ii. Fencing of Natural Public Forest Areas

Project Progress: In the financial year 2023/24, a total of 184 km of natural public forest areas were fenced despite having a target of 4,500 km. Moreover, six (6) km of the fence was constructed around Kakamega Forest and ten (10) marginalised members of the society engaged during the fence construction.

Implementation Challenges

- Encroachment of fence lines by forest adjacent communities.
- Vandalism of the fence line.

Lesson Learnt: Community engagement at the early stages of the fence to be conducted for buying and seamless execution of the project.

Recommendation: Conduct robust community sensitisation and engagements.

5.3.10 Forest Research and Development

Location: Nationwide

Objectives:

- To develop sustainable forest research and allied technologies;
- To develop planting materials that are difficult to propagate;
- To construct seed processing units; and
- To maintain and establish seed sources.

Implementing Agency: Kenya Forestry Research Institute

i. Development of Forest Research and Allied Natural Resources Technologies

Project Progress: During the review period, the Institute successfully developed all 40 targeted forestry research and allied natural resources technologies. The deployment and uptake of these technologies have contributed to improved forest productivity, enhanced ecosystem restoration outcomes, and strengthened climate-resilient natural resource management practices across priority landscapes.

ii. Construction of Seed Processing Units

Project Progress: In FY 2023/24, construction of 11 seed centres was successfully completed in Kakamega, Kitui, Kibwezi, Garissa, Maseno, Migori, Lamu, Gede, Nyeri, Rumuruti, and Taita Taveta. The operationalisation of these centres is expected to significantly enhance the sourcing, processing, and distribution of high-quality tree seeds, thereby supporting accelerated landscape restoration efforts and contributing directly to the achievement of the national 15-Billion Tree Growing Strategy.

iii. Establishment and Maintenance of Seed Sources

Project Progress: During the period under review, a total of 119.4 hectares of tree seed sources were maintained across the country. These seed stands and seed orchards, comprising a wide range of priority indigenous and exotic species, were managed across all ecological zones in Kenya to ensure a consistent supply of high-quality, genetically superior planting material for restoration and commercial forestry programmes.

Implementation Challenge: Limited resources.

5.3.11 Forest Product Revenue

Location: Nationwide
Objective: To enhance revenue collection.
Implementing Agency: State Department for Forestry

Project Progress: By the end of FY 2023/24, public forest concessional rules had been developed.

5.3.12 Waste Management Infrastructure

Location: Nationwide
Objective: To improve waste management infrastructure.
Implementing Agencies: State Department for Environment and Climate Change, State Department for Wildlife

i. Material Recovery Facilities in Mombasa, Kajiado and Nakuru

Project Progress: During the review period, six (6) waste material recovery facilities were established.

ii. Establishment of Waste Material Recovery Centres

Project Progress: In the financial year 2023/24, a total of 168 waste service provider associations were established as follows: Nairobi Region-38, Coast Region- 20, Rift (Nakuru)

-5, North Eastern (Garissa) -16, Central (Nyeri) -20, Eastern (Machakos) -10, Nyanza (Kisumu) -20 and Western (Kakamega) -20.

iii. Construction of Waste Demonstration Centres

Project Progress: In the review period, waste demonstration centres were constructed in Tharaka Nithi, and Whitmund in Kiambu, Junky Bins also established in Kiambu, Taita Taveta and Kisumu.

iv. Construction and Rehabilitation of Ablution Facilities in the Parks/Reserves

Project Progress: In FY 2023/24, a total of 168 plastic recycling value chain service producers were trained while all waste category service providers were trained under the material recovery facility approach.

5.3.13 Pollution Management

Location: Nationwide
Objective: To reduce pollution and improve solid waste management in urban and rural areas.
Implementing Agency: State Department for Environment and Climate Change

i. Training in Waste Service Providers on Waste Recovery

Project Progress: In the review period, six (6) out of the targeted 40 service providers were trained.

ii. Monitoring of Air Quality in Urban Areas

Project Progress: As of June 2024, only one (1) out of the targeted six (6) air quality reports was done.

Implementation Challenge: Inadequate resources hampered target attainment.

5.3.14 Thwake River Upstream Clean-up Pollution Control and Catchment Management

Location: Athi River
Objective: To restore degraded catchment and riparian areas of Athi-Galana-Sabaki River system. To clean up the Thwake River upstream area.
Implementing Agency: State Department for Environment and Climate Change

i. Reduction of Effluent Discharges and Solid Waste Flow in the Athi-Galana-Sabaki River System

Project Progress: As at the end of the financial year 2023/24, five (5) percent of illegal dump sites along the River were removed and capacity development of host communities was ongoing.

ii. **Rehabilitation of Riparian Areas of Athi-Galana-Sabaki River System**

Project Progress: During the period under review, a total of 20 km of riparian areas were rehabilitated out of the targeted 500 km. Capacity development of host communities was also ongoing.

5.3.15 Climate Change Finance

Location: Nationwide
Objective: To enhance resource mobilisation for climate change.
Implementing Agency: State Department for Environment and Climate Change

i. **Development of Carbon Market Frameworks and Regulations**

Project Progress: During the period under review, one (1) carbon market framework and regulations was developed. No revenue had been raised from the carbon market. The Ministry was in the process of establishing carbon registries.

ii. **Initiation of Green and Blue Bond**

Project Progress: During the period under review, a US $41 million green bond was initiated to support green building techniques.

5.3.16 Green Jobs initiatives

Location: Nationwide
Objectives:

- To create employment for women in the green economy;
- To enhance the sustainability of enterprises in the green economy;
- To develop indigenous food crops value chains in range lands; and
- To promote talent development among upcoming artists in the 47 counties.

Implementing Agencies: State Department for Forestry, State Department for Environment and Climate Change, State Department for Wildlife, State Department for Culture, the Arts and Heritage

i. **Registration of Women and Youth Tree Nursery Associations**

Project Progress: During the period under review, a total of 30,000 youths were trained on climate adaptation under the Kenya Green Army against a target of 41,742 youth.

ii. Recruitment of Additional Wildlife Rangers

Project Progress: This project aimed at recruiting 2,000 additional rangers. During the period under review, a total of 350 rangers were recruited against the set target of 2,000 rangers.

iii. Renewal of Contracts for Community Wildlife Scouts

Project Progress: During the period under review, there were no wildlife scouts' contracts renewed as the target of 5,500 was withdrawn by the government.

iv. Registration of Women and Youth Promoting Cultural Products in Co-operatives

Project Progress: During the review period, a total of 2,980 women and youth promoting cultural products were registered in co-operatives. The project is ongoing but behind schedule at an overall implementation rate of 35 percent.

Implementing Challenges

- Low funding levels
- Low uptake of initiatives.

Recommendation: Provide adequate funds for the programme and activities.

5.3.17 Natural Products Industry Initiative

Location: Nationwide
Objective: To preserve and add value to indigenous knowledge through the Natural Products Industry Initiative.
Implementing Agency: National Museums of Kenya

Project Progress: During the reporting period, 378 stakeholders were capacity-built on documentation and digitization of indigenous knowledge and associated assets in Garissa, Kakamega, Kericho, Kilifi, Marsabit, Siaya, Turkana and Vihiga counties. (100.5 percent achieved). 244 youths were trained to champion IK as a tool for national development by 30th June 2024 (101.7 percent achieved). A total of eight (8) agreements between Indigenous Knowledge (IK) holders and users to access IK were signed (100 percent achieved). A total of 18 natural products from traditional health practitioners for testing were acquired. (150 percent achieved). During the reporting period, 31 natural products were analysed and active components identified (100 percent achieved); and 5 active components were tested (100 percent achieved).

Implementation Challenges

- The Initiative experienced late disbursement of funds from the funder. This slowed down implementation of key planned activities leading to some targets being not achieved.
- Aligning schedules of Governors to planned dates for project roll-out in different counties was problematic. This caused frequent changes of dates hence slowing down implementation of key project activities.

Lessons Learnt

- The county governments are receptive to new initiatives which have the potential to contribute to their socio-economic development.
- The success of the IK DoDi Project highlights the importance of a whole-of-society and whole-of government approach in achieving its objectives.
- The high expectations for enhanced compensation by local community stakeholders serving as indigenous knowledge holders/owners.
- Stakeholder trust and engagement: Initially, some stakeholders were suspicious of the IK DoDi Project. However, sustained engagement and visible benefits have led to increased acceptance. It is critical to maintain this momentum and avoid any lapses that might re-ignite old suspicions.

Recommendations

- Evolving role of young champions-for-culture can serve as key drivers of innovation and continuity. Counties have the opportunity in leveraging their skills, to build a cadre of local experts who can sustain and expand the digitization. The champions can also act as mentors for future trainees creating a multiplier effect that strengthens community involvement and technical capacity at the grassroot level.
- National and county governments should launch joint efforts to mobilise resources to support roll-out of IK DoDi Project in the remaining 34 counties to ensure the Project benefits are spread country-wide in line with constitutional and legislative provisions.

5.3.18 Policy & Governance in Environment Management

Location: Nationwide
Objective: To provide policy and governance in management of environment and natural resources.
Implementing Agency: State Department for Environment and Climate Change

i. Development of Environment and Climate Change Policies, Bills and Regulations

Project Progress: During the period under review, two (2) environment and climate change policies were developed. Additionally, one (1) Bill was presented to Cabinet, and one (1) Regulation was developed. A total of four (4) Multilateral Environmental Agreements had been domesticated, and the national chemicals database was 70 percent complete. Further, one Kigali Amendment on the Phase-down of Hydrofluorocarbons was ratified. One (1) National Greenhouse Gas (GHG) Inventory and the National Measurement, Reporting and Verification registry were updated.

ii. Development and Implementation of National Climate Change Action Plan III (2023-2027)

Project Progress: During the review period, 100 percent completion of the National Climate Change Action Plan (NCCAP) III was achieved and launched by H.E the President during ACS 2023. In addition, 90 stakeholders were capacity built on NCCAP implementation.

iii. Development, Updating and Verification of National Green House Gas Inventory

Project Progress: During FY 2023/24, five (5) sectors on National GHG Inventory were updated.

5.3.19 National Environmental Management

Location: Nationwide
Objective: To ensure that people live in a clean, secure and sustainable environment.
Implementing Agency: State Department for Environment and Climate Change

i. Restoration and Rehabilitation of Wetlands

Project Progress: A total of eight (8) wetlands were restored and rehabilitated through collaboration with partners during the review period.

ii. Enhancement of Environmental Enforcement

Project Progress: During the financial year 2023/24, a total of 2,963 inspections were undertaken on existing environmental regulations, in compliance with Environmental Impact Assessment, Waste, Noise, Air Quality and Water Quality Regulations in all the 47 counties. Additionally, 100 percent of environmental crimes were investigated and prosecution files registered in various courts while 6,125 environmental audit reports were reviewed.

iii. **Establishment of Demonstration Site for Best Environmental Practices and Cleaner Technologies**

Project Progress: In the review period, 80 percent completion of the demonstration site for best environmental practices and cleaner technologies was reported, and this project was still ongoing.

iv. **Recognition, Awarding and Incubation of Green Innovations**

Project Progress: During the period under review, 26 green innovations were incubated, upscaled/commercialised and linked to markets and financing opportunities. They were supported under the project "Empowering Youth and Women Entrepreneurship in Agribusiness in Muranga and Kirinyaga Counties Phase II".

v. **Mobilisation and Disbursement of Funds for Environmental Initiatives**

Project Progress: A total of KSh.1,517 million was mobilised and disbursed for environmental initiatives and a positive variance was achieved due to increased efforts in resource mobilisation.

vi. **Conservation of Lake Victoria Basin**

Project Progress: In FY 2023/24, zero (0) Ha of degraded land was rehabilitated in a bid to conserve the Lake Victoria Basin as no implementation was undertaken.

vii. **Establishment of Waste Management Infrastructure**

Project Progress: In FY 2023/24, no water and sanitation facilities were established, no water quality samples were analysed and no hydromet stations were rehabilitated. However, two (2) model waste demonstration centres were established in Kwale and Kiambu Counties (Kang'oki).

Implementation Challenge: Under-achievement due to limited financing.

viii. **Establishment of Material Recovery Facilities and Collection Points for Plastic Recycling**

Project Progress: A total of seven (7) Material Recovery Facilities and collection points for plastic recycling were established in Tharaka Nithi County Material Recovery Facilities, Taka Taka, Whitmund and Junky Bins in Kiambu, Taita Taveta, and two (2) in Kisumu County. A total of 168 Waste Collectors were registered against a target of 130, which represents an over-achievement of 29.4 percent.

5.3.20 Kakamega Forest Restoration and Protection Project

Location: Kakamega

Objectives: To protect, rehabilitate, and restore public forests and degraded landscapes, and to provide for active involvement of vulnerable and marginalised groups in the society in the environmental protection and conservation efforts.

Implementing Agency: National Environment Trust Fund

i. Establishment of Electric Fence for Kakamega Forest

Project Progress: This project was expected to establish a 34 km electric fence around Kakamega Forest. During the reporting period, 6 km of the fence had been constructed.

ii. Provision of Temporary Employment to Vulnerable Members of the Society

Project Progress: This project was expected to provide temporary employment to 30 vulnerable members of the society. During the reporting period, 10 marginalised members of the society were engaged in the fence construction.

Implementation Challenges

- Encroachment of fence line by forest adjacent communities.
- Vandalism of the fence line

Lesson Learnt: Community engagement at the early stages of the fence to be conducted for buy-in and seamless execution of the project.

Recommendation: Conduct robust community sensitisation and engagements.

5.3.21 Empowerment of Youth and Women Entrepreneurship in Agribusiness

Location: Murang'a and Kirinyaga Counties

Objectives: To enhance the production capacity of agribusinesses through business training; provide linkage to market opportunities and; provide seed grants for business expansion

Implementing Agency: National Environment Trust Fund

i. Identification and Support to Entrepreneurs

Project Progress: During the reporting period, 26 agribusinesses were trained on business modelling, financial management, marketing, resource mobilisation and governance against a target of 30.

ii. Linking Entrepreneurs to Markets and Financial Opportunities

Project Progress: In the FY 2023/24, 26 agribusinesses were linked to market and financial opportunities against a target of 20 entrepreneurs.

iii. Grants to Businesses to Enhance Production Capacities

Project Progress: The project was expected to award small grants to 5 businesses to enhance their production capacities. During the period under review, 8 agribusinesses were awarded grants to enhance their productivity.

Implementation Challenges

- Low number of applications received for the empowerment project.
- Delays in disbursement of funds which derailed implementation of project activities.

Lesson Learnt: Allocation of more time for the submission of applications.

Recommendations

- Enhance publicity and awareness creation for the targeted category of applicants
- Fast-track implementation of remaining activities to compensate for the time lost.

5.3.22 Green Enterprise Financing Mechanism

Location: Nationwide
Objective: To develop and operationalise a green enterprise financing mechanism for promotion of private-sector investment in biodiversity conservation.
Implementing Agency: National Environment Trust Fund

Project Progress: The financing mechanism and financial products were designed and developed during the financial year 2023/24. In addition, the private sector engagement framework was designed and developed.

Implementation Challenges

- Delay in implementation due to internal processes.
- Delay in disbursement of second tranche funds by the donor.

Lesson Learnt: Undertake proper risk assessment to mitigate any foreseen challenge.

Recommendations

- Fast-track implementation of project to avoid implementation delays.
- Engage development partners and donors to address the financial gaps.

5.3.23 Support to Community Groups to Establish Nature-Based Enterprises in Beekeeping and Tree Nurseries

Location: Nationwide

Objectives: To create new business opportunities and diversify income sources for local communities and; enhance reforestation initiatives to restore degraded landscapes, enhance biodiversity conservation and combat climate change.

Implementing Agency: National Environment Trust Fund

i.) Provide Community Groups with In-Kind and Financial Support

Project Progress: The project targeted to provide in-kind and financial support to 10 community groups. During the review period, 22 community groups were supported

Implementation Challenge

Budget cuts that limited the magnitude of support rendered.

Lesson Learnt: Ensure sustainability of projects supported for continuity beyond the support offered.

Recommendation: Mobilise resources to compensate for the financial gaps experienced in the project.

5.3.24 Green Innovation Award

Location: Nationwide

Objective: To stimulate and reward green innovations and best practices that contribute to environmental sustainability and climate change action; enhance capacity of green businesses to commercialise their innovations; create awareness on technologies and innovations that contribute to environmental sustainability and climate change actions.

Implementing Agency: National Environment Trust Fund (NETFUND)

Project Progress: The project aimed at recognising and awarding 20 green enterprises. During the financial year 2023/24, cash awards, trophies and certificates were allocated to 22 best practices.

Implementation Challenge: Budget cuts limited the number of green enterprises awarded.

Lessons Learnt

- Documentation of all NETFUND awards programmes is essential for mitigation of challenges faced
- Constant follow-up to establish value add of the grant to the beneficiaries post the awards

Recommendations

- Identify potential investors to support and partner with beneficiaries

- Mobilise resources to meet the financial gaps.

5.3.25 Modernisation of Meteorological Services

Location: Nationwide
Objective: To integrate emerging technologies in the provision of meteorological services.
Implementing Agency: State Department for Environment and Climate Change

Project Progress: As at the end of FY 2023/24, modernisation of meteorological services was reported to be 84 percent complete. In addition, 984 weather forecasts were issued due to robust forecasting.

Implementation Challenge: Target under-achieved due to delayed procurement process.

5.3.26 Advertent Weather Modification

Location: Nationwide
Implementing Agency: State Department for Environment and Climate Change
Project Progress: Capacity development for weather modification was 23 percent complete in FY 2023/24.

Implementation Challenge: Target under-achieved due to insufficient funds.

5.3.27 National and Trans-Boundary Water Resources Management Programme

Location: Nationwide
Objective: To ensure sustainable development, management and conservation of water resources.
Implementing Agencies: State Department for Water and Sanitation, State Department for Irrigation

i. Implementation of Sub-Catchment Management Plans

Project Progress: A total of 31 out of the targeted 200 Sub-Catchment Management Plans were implemented in FY 2023/24.

Implementation Challenge

- Delayed disbursement of counterpart funds affected the implementation of Sub-Catchment Management Plans.

ii. Rehabilitation and Upgrading of Water Resources Monitoring Stations to Telemetry to Relay Real Time Data

Project Progress: A total of four (4) against a target of 350 water monitoring stations were rehabilitated and upgraded during the financial year 2023/24.

Implementation Challenge

- Most of the stations were not rehabilitated due to the high river flow caused by the heavy rainfall experienced in the country.

iii. Establishment of Centre for Hydrometry and Instrumentation

Project Progress: Establishment of Centre for hydrometry and instrumentation was set to be implemented in FY 2026/27.

iv. Ground Water Mapping

Project Progress: The project aimed to map ground water in five counties. In the review period, ground water mapping in Mandera County was at the procurement stage.

v. Construction of Trans-Boundary Multipurpose Dams

Project Progress: No multipurpose dam was constructed during the review period despite targeting two (2) dams. Feasibility and design works were completed during FY 2023/24 and implementation of the dam was set to be realised in FY 2026/27.

vi. Restoration and Management of Athi River

Project Progress: During the review period, a total of 135 km extended sewer lines were upgraded, 6.1 km of river was cleaned, 50,294 water plants planted, 8 ablution blocks were constructed in informal settlements and more tree seedlings planted during the tree growing day in November 2023.

Implementation Challenges

- Late disbursement of funds.
- Low funding.

5.3.28 Completion of Ongoing/Stalled Domestic Water Projects

Location: Nationwide

Objective: To enhance availability of adequate and safe water for domestic use.

Implementing Agencies: State Department for Water and Sanitation, State Department for Irrigation

Project Progress: During FY 2023/24, a total of 62 of the targeted 700 projects were completed.

5.3.29 Sanitation/Sewerage for Urban Centres

Location: Nationwide
Objective: To improve safely managed sewerage/sanitation services in urban areas.
Implementing Agency: State Department for Water and Sanitation

Project Progress: During the period under review, a total of 19 of the targeted 40 sanitation projects were completed and four (4) sanitation schemes were rehabilitated.

5.3.30 Rural Water and Sanitation

Location: Nationwide
Objective: To increase water supply coverage in rural areas.
Implementing Agency: State Department for Water and Sanitation

Project Progress: A total of 133 out of the targeted 4,452 boreholes were constructed, 33 projects in public institutions were implemented against a target of 4,398 projects, 101 of the targeted 4,787 roof catchment structures were drilled/rehabilitated and solarised and nine (9) pans/dams desilted during the review period. In addition, a total of five (5) of the targeted 1,188 springs were protected, no dams/rock catchment structures were protected against the targeted 628 dams/rock catchment structures, and no water supply/pipeline extension projects were protected against a target of 2,115 projects.

5.3.31 Provision of Water and Sanitation to Underserved and Unserved Areas

Location: Nationwide
Objective: To ensure underserved and unserved areas have adequate access to water and sanitation services.
Implementing Agency: State Department for Water and Sanitation

Project Progress: During the financial year 2023/24, a total of 61,206 people were served with water and sanitation services well below the set target of 2,000,000 people.

Implementation Challenge: Delay in completion of the projects caused variance in the population reached.

5.3.32 Reduction in Non-Revenue Water

Location: Nationwide
Objective: To enhance governance of Water Services Providers quality and sustainability of drinking water.
Implementing Agency: State Department for Water and Sanitation

i. Sharing of Non-Revenue Water

Project Progress: During the review period, 43 percent share of non-revenue water was achieved which surpassed the expected share of non-revenue water of less than 15 percent.

ii. Establishment of Unit for Protection of Water Infrastructure

Project Progress: One (1) water protection unit was established in FY 2023/24.

iii. Signing of Inter-Governmental Agreements

Project Progress: In the fiscal period 2023/24, a total of four (4) Inter Governmental Agreements were signed. The Water Sector Inter-Governmental Consultation and Cooperation Framework was signed by both levels of government.

5.3.33 Water Research, Training and Innovation

Location: Nationwide
Objective: To strengthen the capacity of water research and innovation.
Implementing Agency: State Department for Water and Sanitation

i. Development and Adoption of Innovations, Products/Services

Project Progress: During the review period, one (1) out of the targeted ten (10) innovations (products/services) was developed and adopted. Recognition for prior learning policy was also developed.

ii. Modernisation of Kenya Water Institute Infrastructure

Location: Nairobi, Kisumu, Chiakariga and Kitui Campuses

Project Progress: Modernisation of Kenya Water Institute infrastructure in Nairobi Campus was undertaken.

5.3.34 Accessibility to Clean and Safe Water

Location: Nationwide
Objective: To improve access to clean and safe water

Implementing Agency: State Department for Water and Sanitation

i. **National Population**

Project Progress: As of June 2024, 73 percent of the national population was reported to be using improved water services.

ii. **Urban Population**

Project Progress: During the review period, 91 percent of the urban population had access to clean and safe water. This was attributed to completion of projects under the Kenya Towns, Kenya National Urban Water and Sanitation Programme.

iii. **Rural Population**

Project Progress: In FY 2023/24, 65 percent of the rural population had access to clean and safe water. This was achieved through drilling, equipping and solarisation of boreholes in various parts of the country.

iv. **Annual Per Capita Water Availability**

Project Progress: A total of 452 annual per capita water availability was reported in the fiscal period under review. This was a result of rising water demand from key economic sectors, catchment degradation, encroachment of riparian land and wetlands, pollution, uncontrolled and unregulated use of water resources, climate variability and climate change and limited technical and enforcement capacities.

v. **Water Bodies with Good Ambient Water Quality**

Project Progress: During the review period, 87.5 percent of water bodies with good ambient water quality were achieved.

vi. **Completion of Ongoing/Stalled Water Projects**

Project Progress: During FY 2023/24, a total of 62 ongoing/stalled water projects were completed.

Implementation Challenges: Budget cuts and delayed disbursement of funds delayed completion of ongoing projects.

5.3.35 Water Harvesting and Storage Capacity

Location: Nationwide

Objective: To increase the capacity of water harvesting and storage capacity for domestic use.

Implementing Agency: State Department for Water and Sanitation

Project Progress: During the period under review, an additional 0.95 million cubic meters of water capacity was achieved. Construction of large multi-purpose dams was ongoing, and additional water was harvested from completed water pans/small dams.

5.3.36 Water Use Efficiency

Location: Nationwide
Objective: To improve the efficiency of water use.
Implementing Agency: State Department for Water and Sanitation

i. Non-Revenue Water

Project Progress: During the review period, 43 percent of non-revenue water was reported. The focus was on dissemination of non-revenue water management standards to Water Service Providers, and the impact will be realised in subsequent years.

5.3.37 Access to Sanitation

Location: Nationwide
Objective: To increase access to sanitation services.
Implementing Agency: State Department for Water and Sanitation

i. National Population

Project Progress: In the review period, 68 percent of the population was using improved sanitation services.

ii. Urban Population

Project Progress: During the review period, 93 percent of the urban population was reported to be using improved sanitation services.

iii. Rural Population

Project Progress: In FY 2023/24, 56 percent of the rural population was using improved sanitation services.

iv. Urban Population with Access to Safely Managed Sanitation

Project Progress: In FY 2023/24, implementation of projects in underserved and unserved areas was financed hence an additional 157,000 people in urban informal settlements were served with sanitation services. Additionally, 33 percent of the urban population was reported to have access to safely managed sanitation. This could be attributed to completion of projects under the Kenya Towns, Kenya National Urban Water and Sanitation Programme connecting approximately 200,000 people with sewerage services.

5.4 POPULATION, HOUSING & URBANIZATION SECTOR

5.4.1 Affordable Housing

Location: Nationwide
Objective: To enhance access to adequate, decent and affordable housing
Implementing Agencies: State Department for Housing and Urban Development, National Housing Corporation, County Governments

i. Construction of Affordable Housing Units through Budget Support

Project Progress: During FY 2023/24, the National Housing Corporation (NHC) commenced 410 affordable housing units in 4 counties as follows: Homa Bay County 110 units, Embu County 100 units, Kirinyaga County 100 units and Nyandarua County 100 units. By the end of the FY, the four Affordable Housing Programme projects were at an average construction completion level of 71.5% as follows; Homa Bay at 86% completion level, Embu at 75%, Kirinyaga at 67% and Nyandarua at 58% completion.

ii. Market Rate Housing Projects

Project Progress: During FY 2023/24, NHC completed 100 housing units for rental in Changamwe Mombasa County. During the same period, NHC had 742 housing units under construction located in various counties across the country and were at various levels of completion as follows; Voi Infill rental (80 units) at 85 percent, Kisumu Kanyakwar Phase III (100 units) at 68 percent, and Changamwe Phase III (100 units) 30 percent complete; Kakamega Amalemba (60 units) at 48 percent, Kericho Housing (100 units) at 9 percent, Nakuru Mixed Use Development (96 units) at 22 percent, Meru Mixed Use Development (24 units) at 16 percent, Eldoret office and flats (18 units) at 35 percent, and Stoni Athi Sector 2A (164 units) at 59 percent.

Implementation Challenges

- Delays in delivery of projects due to unfavourable weather conditions.
- Delay in project delivery due to labour and political unrest.
- Delay in project delivery due to non-performance on the part of contractors and suppliers for specialised items of work.

Lessons Learnt

- Difficulties in accessing resources to undertake ring-fenced/specialised works by Jua Kali Artisans.

- Organising the artisans into working and legal entities takes relatively long.

Recommendations

- Continuous engagement of the local artisans to enable them to gain necessary experience and project management skills.
- Facilitating the artisans to access resources to undertake the ring-fenced/specialised works.
- Procurement of contractors with adequate experience and resources to deliver projects on schedule and within budget.

iii. Alternative Building Technology

The National Housing Corporation is taking the lead in providing innovative housing solutions using modern and sustainable housing materials to complement the traditional brick and mortar. The Corporation launched the Expanded Polystyrene (EPS) Factory at Mavoko in 2013 where over 745,000 square metres of panels have been produced and over 8,800 artisans and masons trained on the use of the technology. During the FY 2023/24, the Corporation produced 53,240 square metres of EPS panels and trained 1,018 artisans and masons on how to use the technology.

Implementation Challenges

- Low market absorption of EPS technology.
- Emerging competition from other producers of the same and or alternative building technology.

Lessons Learnt

- Most clients do not know much about EPS, so a lot of the work must be done to educate the market first before selling the product. When people understand how the system works, they become more open to it.
- Seeing is believing: When people see actual buildings constructed using EPS, it removes a lot of the doubts they normally have about strength and durability.
- The cost advantage needs to be explained clearly. Many clients assume new technology is expensive, but once it is broken down on the savings in time, labour and materials, customers begin to understand the value.
- Training contractors, artisans and masons is important because when the technical people in the field understand the system, resistance is minimised.
- The EPS marketing in Kenya is less about direct selling and more about awareness, demonstrations, and building trust with both clients and contractors.

Recommendations
- Intensify internal consumption
- Intensify awareness creation

5.4.2 Centre of Excellence for Population and Development

Location: Nationwide
Objective: To support evidence-based policy and development planning.
Implementing Agency: National Council for Population and Development

Project Progress: The National Council for Population and Development (NCPD) established an office at its headquarters for the National Population Centre. This office was equipped with one interactive screen to facilitate knowledge and information sharing on population and development issues including fertility, sexual reproduction, health and family planning, morbidity and mortality and migration among others.

In addition, three (3) advocacy meetings were held in Indonesia, Malawi and New York with potential donors to solicit support for the establishment and operationalisation of this Centre of Excellence on Population and Development. The process of establishing the Centre was estimated to be 10 percent complete. An evaluation was set to be undertaken by an independent entity to determine the actual percentage of the process of the establishment of this Centre of Excellence in population and development.

Implementation Challenges
- Low funding/insufficient funds.
- Shortage of staff with required skills.
- Delays in getting PADIS software from China.
- Lengthy process in acquiring lease agreement.

Lessons Learnt
- Resource mobilisation from multiple sources is essential.
- Leveraging strategic partnerships is important in project implementation.
- Timely seconding of staff instead of waiting for fresh recruitment is critical for project take-off.
- Timely approvals of project commencement are necessary for project success.
- Engaging legal experts to navigate regulatory requirements is necessary for minimising project operational bottlenecks.

Recommendations

- There is a need to diversify funding sources for the implementation of the Centre of Excellence on Population and Development.
- There is a need to conduct high level advocacy for the establishment of the Centre of Excellence on Population and Development.
- There is a need to strengthen collaborations and partnerships for the Centre of Excellence on Population and Development.
- There is a need to ensure timely secondment and recruitment of skilled personnel for the Centre of Excellence on Population and Development.
- There is a need to undertake training needs assessment to facilitate acquisition of the requisite skills to improve the operations of the Centre of Excellence on Population and Development.
- There is a need for NCPD to fast-track acquisition of land to set up the Population Centre and move it to the small office room at NCPD Headquarters.

5.4.3 Implementation of International Conference on Population Development Commitments

Location: Nationwide
Objective: To enhance evidence-based decision making on population and development.
Implementing Agency: National Council for Population and Development

i. Preparation of Reports on Interntional Conference on Population Development (ICPD 25) Kenya Country Commitments

Project Progress: During the period under review, the National Council for Population and Development developed and disseminated the 4th annual project progress report on the implementation of ICPD25 Kenya Country Commitments for FY 2023/24. The report was developed by the multi-sectoral national technical committee with members drawn from relevant MDAs and the Council of Governors under the leadership of NCPD.

It was disseminated to inform national consultations for the ICPD@30 celebrations and the UN summit of the future in September 2024. The report's recommendations were implemented by relevant MDAs to accelerate progress on the ICPD Programme of Action and Sustainable Development Goals by 2030.

5.4.4 Advocacy and Awareness Creation on Population and Development

Location: Nationwide
Objective: To create awareness and advocate for population and development issues

Implementing Agency: National Council for Population and Development

i. **Sensitisation of Parliamentarians and Members of the County Assemblies on Population and Development**

Project Progress: During the period under review, NCPD held advocacy and sensitisation meetings with Parliamentarians and Members of the County Assemblies. A total of 28 Parliamentarians and 162 Members of the County Assemblies from 11 counties - Garissa, Samburu, Siaya, Tharaka Nithi, Nairobi, Kilifi, Nyeri, West Pokot, Machakos, Kisii, and Kakamega - participated. The sensitisation meetings enhanced political and financial support for the implementation of the National Population Policy and Programme and contributed to building consensus on contentious population issues at both national and county levels.

ii. **Public Forums on Population and Development**

Project Progress: During the period under review, NCPD organised awareness campaigns on ending teenage pregnancy which included two national events and one in each of the following counties: Nairobi, West Pokot, Samburu, Kisumu, Elgeyo Marakwet, Kajiado, Kericho, Migori, Kitui, and Wajir. Thirteen reports were prepared from these engagements.

Additionally, NCPD held a virtual research dialogue in Kitui on 31st August 2023 and a physical research webinar in Isiolo County on 14th May 2024. The dialogues focused on population, climate change, and food security. Stakeholders and County Government representatives agreed to implement the recommendations aimed at strengthening the inter-linkages between population dynamics, climate resilience, and food security to accelerate local development aspirations.

5.4.5 Modernisation of National Population Register/Population Master Database

Location: Nationwide
Objective: To create a comprehensive population database.
Implementing Agency: State Department for Immigration and Citizen Services

Project Progress: During the period under review, tender for master plan database was awarded. Further, six agencies were connected to the Intergrated Population Registration System.

Implementation Challenge: Budget cuts.

Lesson Learnt: There is a need for consistency in the funding model.

Recommendation : There is a need for consistency in the funding model.

5.5 GENDER, YOUTH AND VULNERABLE GROUPS SECTOR

5.5.1 Uwezo Fund

Location: Nationwide
Objective: To enhance access to affordable credit to women, youth and PWDs.
Implementing Agency: Uwezo Fund

Project Progress: During the period under review, the Fund disbursed KSh. 517 million to 4,832 groups of youth, women, and PWDs. Since inception, a cumulative total of KSh. 7.8 billion had been disbursed into 82,468 groups against a target of 500,000 groups.

Implementation Challenges

- Delays in the gazettement of Constituency Uwezo Fund Management Committees.
- Manual operations of the Fund.
- Gaps in the legal instrument (Public Finance Management (Uwezo Fund), Regulations, 2014).
- Inadequate and dwindling budgetary allocations.
- Low repayment rates due to the notion that the Fund is a grant.

Lessons Learnt

- Integration of technology in implementation of the Fund will ease loan management and reconciliation.
- The multi-agency approach in the implementation of the Fund improves efficiency.
- Continuous public sensitisation and awareness leads to an increase in demand for loans.
- Continuous sensitisation and follow-up of the beneficiary groups reduces default.
- Training of the target beneficiaries should be demand driven.
- Adequate facilitation for the operations enhances efficiency.

Recommendation:

- Digitalization of the Fund's products and processes.
- Review of the Public Finance Management (Uwezo Fund), Regulations, 2014.
- Diversification of loan products.
- Engagement of the National Treasury for additional funds to cater for increased demand for loans and facilitation of the Constituency Committees.
- Enhancement of partnership development in resource mobilisation for sustainability.

- Engagement of the patrons of the Fund to fast-track the process of nominating members of the constituency committees.
- Involvement of various stakeholders, especially the National Government Administrative Officers, financial institutions, and technical departments from the various ministries in the implementation of the Fund to enhance sustainability, networking and linkages.
- Continuous training and sensitisation of the beneficiaries and the public on the Fund's products.

5.5.2 Youth Skilling, Employment and Wealth Creation

Location: Nationwide
Objective: To impart youth with paramilitary-technical and vocational skills.
Implementing Agency: National Youth Service

i. Training of Youth in Paramilitary, National Service, Technical and Vocational Skills

Project Progress: During the period under review, a total of 25,655 youth were trained in paramilitary skills comprising two cohorts against a target of 40,000. Cohort 1 (May 2023 intake) included 10,728 youth (6,950 males and 3,778 females, including 47 PWDs: 33 males and 14 females), with 10,521 graduating. Cohort 2 (February 2024 intake) included 14,927 youth (10,252 males and 4,675 females, including 32 PWDs: 21 males and 11 females).

However, training in National Youth Service was yet to commence due to the pending development of a national service curriculum. Additionally, 38,054 youth (27,625 males and 10,429 females) were trained in various technical and vocational skills against a target of 40,000.

ii. Engagement of Youth in National Tasks

Project Progress: During the period under review, a total of 21,367 youth (14,672 males and 6,695 females) were engaged in various tasks of national importance including agricultural production, security services, and other field unit activities in line with Presidential Directives.

iii. Youth Engaged in National Youth Service (NYS) Commercial Enterprises

Project Progress: During the period under review, a total of 11,652 youth were engaged in commercial enterprises as follows: agricultural production (9,586), potato seed production (118), fish production (10), security services (1,046), garment production (761), construction services (70), bakery production (53), and water bottling (8). This exceeded the target of 10,000 youths.

iv. Construction of NYS Classrooms, Workshops and Double-Span Barracks

Project Progress: During the period under review, construction of six (6) classrooms at Athi River Field Unit was completed. A double-span barrack, classrooms, workshop, and ablution block at NYS Engineering Institute were fully completed. Rehabilitation of a sewer line at NYS Paramilitary Academy in Gilgil was initiated and reached 68 percent completion.

Implementation Challenges

- Inadequate funding.
- Obsolete and over-stretched infrastructure and facilities.
- Inadequate employment opportunities for the youth.

Recommendations

- Strengthen strategic partnerships and collaborations with both public, private and multilateral organisations
- Map and engage more partners and fast-track implementation of NYS commercial enterprise and collaboration with stakeholders.

5.5.3 Eradication of Female Genital Mutilation

Location: Nationwide
Objective: To enhance prevention and response to Female Genital Mutilation (FGM).
Implementing Agency: Anti-FGM board.

Project Progress: During the period under review, anti-FGM campaign forums were conducted in 22 hotspot counties.

Implementation Challenges

- Inadequate disaggregated updated data (Reliance on 2014 Kenya Demographic and Health Survey only).
- Medicalisation which tends to justify FGM since it is done by health professionals.
- Commercialisation of FGM where girls that are cut fetch a higher pride price.
- Limited prosecution success due to insufficient evidence and lengthy court processes coupled with witness intimidation.

Lessons Learnt

- FGM is rooted in religious and socio-cultural norms, requiring involvement of both state and non-state actors.
- Engagement of religious and cultural elders is vital.
- Political will (e.g., Presidential directive) enhances anti-FGM efforts. Male allies play a key role.

Recommendations

- Collaborate with KNBS to include more FGM indicators in surveys.
- Intensify training for duty bearers and collaborate with Ministry of Health and Non-Governmental Organizations.
- Offer alternative livelihoods to practitioners.
- Engage cultural and religious leaders.
- Work with the Ministry of Interior and National Administration for rapid response.

5.5.4 Implementation of the Children Act, 2022

Location: Nationwide
Objective: To promote and protect the rights and welfare of children.
Implementing Agency: State Department for Social Protection and Senior Citizens Affairs

Project Progress: This project aimed to conduct nationwide sensitisation on the Children Act, 2022. During the review period, a total of 27 counties were sensitised and a concept paper was done to the Cabinet Secretary for the National Treasury. In addition, a multia-gency taskforce was formed to develop regulations to guide the operations of the Child Welfare Fund.

Implementation Challenges

- Inadequate funds.
- Competing interest between the Directorate of Children's Services and the National Council for Children's Services.
- Lack of clear information makes processes take a long time to be accomplished.
- Resistance by Charitable Children's Institutions to embrace care reform.

Lessons Learnt

- The importance of accurate cost forecasting and adequate resource allocation to ensure smooth programme implementation and prevent disruptions during the implementation phase.

- The need for strong communication and collaboration mechanisms for effective sharing of information and data among stakeholders in order to avoid duplication of efforts.
- The value of clearly defined roles and responsibilities among implementing agencies to minimise ambiguity and clearly establish institutional boundaries.
- The importance of continuous awareness creation on care reform for owners and managers of Child Care Institutions to help shift perceptions and encourage positive attitudes towards the reform process.
- The effectiveness of implementing care reform through a phased or gradual approach, helps minimise disruption and allows stakeholders to adjust to the changes.

Recommendations

- Timely and adequate funding to ensure that the objective of the programme is met.
- Have defined roles between the National Council for Children's Services and the Directorate of Children's Services on the operations of the Child Welfare Fund.
- Have a clear accountability for specific tasks and outcomes and transparency mechanisms in place to ensure that decision making processes are transparent and are open to scrutiny.
- More sensitisation needs to be held to all stakeholders to enable them to understand the benefits of taking care of children in the family and community as opposed to institutional care.
- Conduct independent reviews to assess the progress of care reforms and identify areas of improvement.
- Develop a clear evaluation mechanism to monitor the progress of care reform and evaluate its effectiveness.

5.5.5 National Development Funds for Persons with Disabilities

Location: Nationwide
Objective: To promote and protect the rights of persons with disabilities through mainstreaming disability in society.
Implementing Agency: National Council for Persons with Disability

i. Inclusive Education Strengthened for Learners with Disabilities

Project Progress: A total of 2,232 learners with disabilities were supported with scholarships and bursaries during the review period.

Implementation Challenges

- Delays in release of exchequer funds.
- Increased vulnerability leading to increased demand for services.

Lesson Learnt: Increased demand affects service quality due to limited budget.

Recommendation: Timely release of funds by the National Treasury.

ii. Enhanced Socio-Economic Inclusion of Persons with Disabilities

Project Progress: Under the Economic Empowerment Programme, the Council linked 574 self-help groups to affirmative funds in FY 2023/24. Additionally, 30 PWD-owned businesses received Local Purchase Orders financing and 57 PWDs were provided with start-up capital.

Implementation Challenges

- Delays in release of exchequer funds.
- Increased demand for services.

Lessons Learnt

- Capacity building PWDs can minimise loan default.
- Partnering with financial institutions can reduce repayment issues.

Recommendations

- Partner with KCB to put in place mechanisms to fast-track loan repayment.
- Increase sensitisation on public awareness about PWD rights.

iii. Enhanced Mobility and Independent Living for Persons with Disabilities

Project Progress: During the period under review, a total of 4,222 people with disabilities were provided with assistive devices.

Implementation Challenges

- Delays in release of exchequer funds.
- Increased demand for services.

Lesson Learnt: Increased demand affects service quality due to limited budget.

Recommendation: Timely disbursement of resources to improve service delivery.

iv. Improved Livelihood Opportunities for Households of People with Severe Disabilities

Project Progress: In the fiscal period under review, cash transfer support was provided to 44,603 households of people with severe disabilities. This marked an overall implementation rate of 89.4 percent.

Implementation Challenge: Delays in release of exchequer funds.

Lesson Learnt: Consistent funding is critical for reliable social protection.

Recommendation: Ensure timely and adequate funding from the National Treasury.

v. **Enhanced Socio-Economic Inclusion of Persons with Albinism**

Project Progress: In FY 2023/24, a total of 3,840 persons with albinism (PWAs) received sunscreen lotion and 500 PWAs were supported with eye care.

Implementation Challenges: Increased demand for specialised care and support services

Lesson Learnt: Access to targeted health interventions improves welfare and reduces stigma.

Recommendation: Maintain consistent funding and expand services for wider reach.

vi. **Improved Quality of Life for Persons with Autism through Early Support Services**

Project Progress: During the period under review, 10,860 beneficiaries received therapy, essential drugs, and incontinence supplies.

Implementation Challenges

- Delays in funding release.
- High demand for autism-related support services.

Lesson Learnt: Specialised services are in high demand and require adequate investment.

Recommendation: Allocate sufficient resources to scale the autism support programme.

5.5.6 National Government Affirmative Action Fund

Location: Nationwide

Objective: To empower affirmative action groups through access to financial facilities totaling to KSh. 6.8 billion.

Implementing Agency: National Government Affirmative Action Fund

Project Progress: During the period under review, bursaries and scholarships were awarded to needy students whereby KSh. 518.7 million was utilised, representing 99 percent implementation rate.

Implementation Challenges

- Inadequate funding compared to demand.
- Some beneficiaries may benefit from other bursaries at the expense of others.
- Difficulties in reaching out to affirmative action groups in the ASAL counties.

Recommendations

- Consolidate all bursary kitties.
- Reduce the number of group members or customise products/services to ASAL Counties.

5.5.7 Social Security Coverage to the Informal Sector

Location: Nationwide
Objective: To enhance social security coverage.
Implementing Agency: National Social Security Fund

Project Progress: In FY 2023/24, a total of 948,000 members out of the targeted 6 million new members were registered. The process did not kick-start in the period under review as it was yet to get the required approval from the Central Bank of Kenya.

Implementation Challenges: Lack of consistency in remittance of contributions.

Lessons Learnt

- The importance of comprehensive marketing efforts in creating product awareness and encouraging adoption among the target audience.
- The value of having a well-structured marketing plan with clear messaging, targeted outreach, and effective promotional strategies to generate interest and support recruitment.

Recommendations

- Segregation of formal and informal sector.
- Create a separate unit for the informal sector.

5.5.8 Kenya Youth Employment and Opportunities Project

Location: Nationwide

Objective: To increase employment and earnings opportunities for targeted youth.
Implementing Agency: State Department for Youth Affairs and Creative Economy

i. **Enhancement of Youth Employability through Skills and Job Creation Initiatives**

Project Progress: During the review period, a total of 208,694 beneficiary youths received life skills, technical, and entrepreneurship training, and internship. Additionally, 85,951 youths received a startup grant and/or business development services while there were 2,150 beneficiaries of the business plan competition.

Implementation Challenge: Natural attrition due to socio-economic challenges.

Lessons Learnt

- *Holistic Approach:* Addressing youth unemployment requires a multifaceted approach. The success of the Kenya Youth Employment and Opportunities Project (KYEOP) was partly due to the collaboration between various government agencies and stakeholders, ensuring comprehensive support for young people.
- *Targeted Interventions:* Tailoring programmes to meet the specific needs of different youth groups, including vulnerable and marginalised populations, significantly improved the project's impact.
- *Monitoring and Evaluation:* Continuous monitoring and evaluation helped identify challenges and areas for improvement, ensuring the project remained responsive and effective.

Recommendation: There is a need to support KYEOP through expansion of the current counties to increase absorption.

5.5.9 Youth Enterprise Development Fund

Location: Nationwide
Objective: To facilitate youth economic empowerment.
Implementing Agency: Youth Enterprise Development Fund

Project Progress: During the period under review, a total of KSh. 324.5 million was disbursed to 25,014 youth beneficiaries. Additionally, a total of 2,142 youth was provided with and facilitated to access affordable business trading spaces and business incubation/innovation services.

Implementation Challenge:

- Inadequate budgetary allocation.

Lessons Learnt

- Public Private Partnerships and collaboration with development partners are critical for bridging service delivery gaps and supplementing government funding.
- It is necessary to increase the Youth Enterprise Development Fund kitty to support the growing demand for business loans and to enhance youth engagement in economic development.

Recommendations

- Promote mobilisation of resources from the private sector and development partners to supplement government funding.
- Enhance the Youth Enterprise Development Fund kitty to meet the growing demand for business loans amongst the youth.

5.5.10 Kenya Association of Youth Centres

Location: Nationwide.
Objective: To develop a framework for Kenya Association of National Youth Centres
Implementing Agency: State Department for Youth Affairs and Creative Economy

Project Progress: During the review period, a total of 100 youth centres were mapped. In addition, a draft framework for the operationalisation of youth centres was developed.

Implementation Challenge: Inadequate budgetary allocation.

Lessons Learnt: Public Private Partnerships and collaboration with development partners are critical for bridging service delivery gaps and supplementing goveernment funding.

Recommendation: Promote mobilisation of resources from the private sector and development partners to supplement government funding.

5.5.11 Gender Mainstreaming

Location: Nationwide
Objectives: To mainstream gender in the public and private sector. To develop and recommend a framework to Parliament for the implementation of the two-thirds gender principle.

Implementing Agencies: State Department for Gender and Affirmative Action, National Gender Equality Commission

Project Progress: During the period under review, a total of 100 MDACs were capacity built on gender mainstreaming and gender responsive budgeting. In addition, gender mainstreaming status reports were submitted by 167 MDAs for the gender audit, and the audit report is currently being prepared. Further, a legislative framework on the implementation of constitutional provisions on the more than two-thirds gender principle was developed and submitted to the National Assembly by the Multi-Sector Working Group for adoption. Male engagement and inclusion were operationalised in 15 counties.

Implementation Challenge: Insufficient financial resources allocation.

Lesson Learnt: Awareness of gender equality issues has risen through national and local campaigns, resulting in higher levels of women's participation in political, social and economic spheres albeit slowly.

Recommendation: Enhance budgetary allocation commensurate to the State Department's mandate to ensure efficient and seamless service delivery.

5.5.12 Compliance with International and Regional Gender Treaties and Obligations

Location: Nationwide
Objective: To domesticate international treaties/conventions on gender.
Implementing Agency: State Department for Gender and Affirmative Action

Project Progress: During the period under review, the State Department participated in the negotiation of five (5) normative frameworks on gender.

5.5.13 Prevention of and Response to Gender Based Violence

Location: Nationwide
Objective: To reduce the prevalence of Gender Based Violence (GBV).
Implementing Agency: State Department for Gender and Affirmative Action

Project Progress: During the period under review, 360 male champions were engaged and trained in five (5) counties. A total of 1,500 dignity kits were distributed in Kisumu and Busia counties during the 16 Days of Activism and sanitary towels were distributed to 45 counties, reaching 2,239,174 girls. In addition, 195 police officers were capacity built in Machakos, Bomet, Nyamira, Kakamega, Embu, Homabay, Samburu, Bungoma, Kilifi, Marsabit, Kwale, and Kitui counties. Further, 2,391 duty bearers were trained in mediation, counselling, and community policing through KFP. An additional 500 chiefs and opinion leaders were trained in Baringo, Bungoma, Turkana, Narok, Kwale, Nairobi, and Garissa through the support of the United Nations Population Fund.

Implementation Challenge: Retrogressive social cultural norms such as FGM, forced marriage, child marriage hinders women and girls from engaging in economic empowerment activities.

Lessons Learnt: Despite efforts, GBV remains a significant issue, with cultural barriers, stigma, and limited legal support slowing progress. This has made access to justice for survivors to remain a challenge due to systemic delays and inadequate resources.

5.5.14 Socio-Economic Empowerment

Location: Nationwide
Objective: To increase women participation in socio-economic empowerment programmes and activities.
Implementing Agency: State Department for Gender and Affirmative Action

Project Progress: During the period under review, 90 women were trained on climate smart agriculture in Embu, Makueni, and Nyeri; 1,161 women were trained in digital platforms; 247 women were capacity built on inter-county and cross-border trade; 105 women were trained on Sacco formation in Isibania, Namanga, and Taveta; and 831 women were trained on access and control over productive resources in collaboration with UN Women. In addition, the National Care Policy was developed and was awaiting launch and dissemination while the National Policy on Women Economic Empowerment was developed and submitted to the Cabinet for adoption.

5.5.15 Women Enterprise Fund

Location: Nationwide
Objective: To enhance access to affordable credit to women led enterprises.
Implementing Agency: Women Enterprise Fund

Project Progress: During the period under review, a total of KSh. 941,901,105 digital loans were disbursed to 208,505 women entrepreneurs from 18,955 groups against a target of KSh. 2.8 billion. Additionally, 120,556 beneficiaries were trained on financial literacy against a target of 100,000 and 294 women trained on value addition against a target of 100. Further, a total of 2,851 women and PWDs were trained on Access to Government Procurement Opportunities against a target of 1,500.

Implementation Challenges

- Limited exchequer funding.
- High default experienced within digital lending.
- The stopping of lending deprived women from accessing loans.

Lessons Learnt

- An effective loan recovery strategy is crucial in ensuring high recovery.
- Retaining human contact in digitized microlending to groups is key.

Recommendations

- Follow-up with the Ministry to implement the Presidential Directive on enhanced funding/development exchequer.
- Resume lending under a human centric digital model.
- Implement adequate risk mitigation measures.
- Develop effective strategies to recover defaulted loans.

5.5.16 Social Welfare System for Kenyans Living in the Diaspora

Location: Nationwide
Objective: To safeguard the rights and promote welfare of Kenyan migrant workers
Implementing Agency: State Department for Labour and Skills Development

Project Progress: As at the end of FY 2023/24, establishment of the Kenya Migrant Workers Welfare Fund had not been done. The multi-agency technical committee, drawing membership from relevant agencies involved in labour migration, developed a policy framework and road map towards establishment of the Fund.

The committee reviewed benchmarked studies of four countries (Philippines, Sri Lanka, Vietnam, Nepal) with similar funds and sought advisory from Office of the Attorney General and the National Treasury on the legal anchorage for the Fund. It also reviewed the existing legal and policy frameworks to best anchor the Fund and developed a policy matrix and appropriate model for the Fund in Kenya and developed draft regulations for the Fund.

5.5.17 Relief Assistance

Location: Nationwide
Objective: To save lives and livelihoods and to eliminate suffering.
Implementing Agency: State Department for ASALs and Regional Development

Project Progress: A total of 2.3 million beneficiaries were provided with relief food and cash transfer during the review period. The long rain's effects increased the number of beneficiaries.

5.6 SPORTS, ARTS AND CULTURE

5.6.1 Talanta Hela

Location: Nationwide
Objective: To promote talent among the youth and revitalise the creative economy.
Implementing Agency: State Department for Sports

Project Progress: Successfully implemented the inaugural Talanta Hela Inter-County Football Tournament and the National Talent Camp. A total of 3,983 youth were offered training in over 10 sports disciplines. Further, over 1,400 coaches and referees were trained in over 10 sports disciplines.

Implementation Challenges

- Inadequate sports infrastructure and low funding for projects and programmes;
- Resource constraints limit the programmes' ability to reach a wider pool of potential sportspersons.

Lesson Learnt: Enhance alternative funding sources, such as partnerships with private sector or international organizations, is critical to supplement government funding.

Recommendation: Need for enhanced funding, technical support and partnerships

Photo: Football trainees during skill drills in August 2023 National Talent Camp, Starehe School, Nairobi

Photo: Kwale and Taita Taveta Girls Battling it out During a match at Shanzu TTC in Mombasa County

Photo: The Girls Champions being Awarded by H.E The President Dr. William Samoei Ruto flanked by C.S Ababu Namwamba. The winning teams were awarded by H.E. the President. The teams and outstanding players were awarded trophies, medals and prize money.

5.6.2 Sports and Arts Infrastructure Development

Location: Kasarani
Objective: To enhance elite sports performance at national and international level.
Implementing Agency: Kenya Academy of Sports, State Department for Sports

i. Kenya Academy of Sports Complex (Phase 1B)

Project Progress: As of FY 2023/24, the Kenya Academy of Sports Complex (Phase 1B) was reported to be seventy percent complete. The works entailed completion of interior works of the 500-bed capacity hostel building from second floor to seventh floor i.e. partitioning, tiling, ceiling installation, installation of the lifts, and installation of the kitchenette, furnishings and beddings, internal painting, electrical works among others.

Implementation Challenge: Delayed disbursement of allocated funds.

Lesson Learnt: High level coordination amongst stakeholders was critical.

Recommendation: Strengthen project implementation committee at Ministerial level.

Photo: KAS 8-storey hostel with 500+ bed capacity at Kasarani.

5.6.3 Sports and Arts Infrastructure Development

Location: Nationwide
Objective: To enhance elite sports performance at national and international level.
Implementing Agencies: Sports Kenya, State Department for Sports.

I. Construction of International Standard Stadiums

Project Progress: Various activities have been undertaken in several stadiums across the country as follows:

a) ***Moi International Sports Centre & Kasarani Stadium**:* had been undergoing comprehensive upgrades, prioritised to meet the hosting requirements for the African Nations Championship (CHAN) 2024 and Africa Cup of Nations (AFCON) 2027. As of June 2024, the project completion rate was 47 percent. Key milestones include: full removal of legacy seating, pitch grassing, demolition of the existing roof structure, and modernisation of changing rooms.

Implementation Challenges

- Budgetary constraints and delays during the design and commencement phases.

- Revisions to the project scope and technical designs were necessary to ensure full alignment with the Confederation of African Football (CAF) and Fédération Internationale de Football Association (FIFA) international standards.

Lessons Learnt

- There is a critical need for the early finalisation of architectural designs and the establishment of secure financing frameworks to prevent mid-cycle delays.

Recommendations

- Maintain the strategic partnership with the Ministry of Defence, leveraging their leadership in procurement and project management.
- Increase allocations to the Sports, Arts, and Social Development Fund. This is a vital intervention required to meet the strict project delivery deadlines of December 2024 and December 2025.

b) *Wote Stadium*: was being constructed to a standard-size football pitch integrated with an eight-lane athletic track. Additionally, the Facility is undergoing an upgrade to reach a spectator capacity of 1,500.

Implementation Challenges

- The project experienced significant deviations from the original implementation schedule, resulting in extended timelines.
- Budgetary constraints and inconsistent funding flows.

Recommendations

- Maintain the strategic partnership with the Ministry of Defence, leveraging their leadership in procurement and project management.
- Increase allocations to the Sports, Arts, and Social Development Fund. This is a vital intervention required to meet the strict project delivery deadlines of December 2024 and December 2025.

c) *Kiprugut Chumo (Kericho Green) Stadium:* had undergone a comprehensive upgrade to meet the standards required for hosting regional sporting events. The Facility is complete featuring: A 9,050-seater spectator stand, 6-lane murram athletics track, 520 m boundary wall alongside completed electrical and mechanical installations.

Implementation Challenges

- Sports infrastructure for AFCON 2027 & CHAN 2025 requires huge investment beyond the entity budgetary ceiling.

- Low exchequer allocations have resulted in inconsistent cash flows, affecting project timelines and completion schedules.
- The temporary closure of facilities for renovation works led to a marked decline in Own Source Revenue, creating a short-term fiscal gap.

Lessons Learnt

- There is a critical need to foster strategic partnerships with diverse stakeholders to mobilise the resources necessary for large-scale project implementation.

Recommendations

- Explore alternative financing mechanisms—such as PPPs to supplement the Sports, Arts, and Social Development Fund.
- Formalise the local organizing committee to provide dedicated oversight and leadership for the AFCON 2027 preparation process.
- Ensure ring-fenced budgetary allocations for Presidential Directives, routine facility maintenance, and robust M&E frameworks to safeguard project longevity.

d) ***Kamariny Stadium in Iten, Elgeyo Marakwet:*** was designated for comprehensive upgrade and rehabilitation to meet the standards required for hosting regional sporting events. However, the initial contract was terminated due to non-performance or strategic realignment. Subsequently, the project scope was redesigned to align with the standardised prototype models developed by the Kenya School of TVET. The project is currently staged for re-advertisement and procurement based on these updated architectural frameworks.

Implementation Challenges

- Legal and administrative delays resulting from the termination of the initial works contract.
- Initial deviations from national sporting standards necessitated a complete overhaul of the project blueprints.
- Extended timelines involved in the transition from bespoke designs to the integrated TVET prototype models.

Lessons Learnt

- Utilising prototype designs from the onset reduces architectural discrepancies and ensures cost-effectiveness across regional projects.
- The termination underscores the need for more stringent due diligence during the initial tender evaluation phase to mitigate risks of project stalling.

- The integration of the Kenya School of TVET's designs highlights the value of leveraging internal institutional expertise to solve infrastructure bottlenecks.

Recommendations

- Ensure ring-fenced budgetary support to prevent further work stoppages once the new contract is awarded.
- Initiate an accelerated re-advertisement process to regain lost momentum and restore community confidence.

e) ***Marsabit Stadium:*** was scheduled to undergo upgrade to FIFA standard football pitch but as at FY 2023/24, construction of the VIP pavilion stalled due to identified structural integrity concerns. Consequently, the Kenya School of TVET was commissioned to conduct a comprehensive cost review to facilitate the re-advertisement of the remaining works. Despite these setbacks, the project's overall completion rate was at 85 percent as of June 2024.

Implementation Challenges

- Discovery of critical integrity shortfalls in the VIP pavilion necessitated a suspension of works to ensure public safety and compliance with building codes.
- The transition from the original contractor to a re-advertisement phase created a gap in project momentum.
- Fluctuating costs of construction materials required a formal budgetary review to ensure the project remains financially viable.

Lessons Learnt

- Implementing stricter oversight and periodic structural audits during the early phases of construction can prevent late-stage stalls.
- The importance of vetting technical capacity to ensure contractors can meet international (FIFA) standards.
- Developing a roadmap for stalled project transitions helps minimise the time between identifying a failure and re-initiating the procurement process.

Recommendations

- Finalise the cost review by the Kenya School of TVET immediately to prevent further site deterioration.
- Ensure the re-advertisement process includes stringent technical requirements specifically for FIFA-standard sporting facilities.

f) ***Ruringu Stadium in Nyeri County:*** was at 75 percent completion rate as of June 2024. Following a strategic review, the initial contract was terminated. The remaining works have been integrated into the standardised prototype designs developed by the Kenya School of TVET, and the project is currently being prepared for re-advertisement in alignment with these new specifications.

Implementation Challenges

- The termination of the previous contract suggests a failure to meet stipulated timelines or quality standards, leading to project stagnation.
- Integrating partially completed works into a new "prototype" framework requires meticulous technical reconciliation to ensure structural integrity and aesthetic consistency.
- The transition period between termination and re-advertisement naturally extends the project's delivery timeline.

Lessons Learnt

- Utilising prototype designs from the School of TVET highlights the efficiency of adopting centralised, vetted architectural standards to ensure uniformity across regional projects.
- The ability to pivot the project scope mid-way through construction demonstrates the value of flexible project governance in the face of under-performance.

Recommendations

- Prioritise the re-advertisement process to minimise site deterioration and mitigate further cost escalations.
- Conduct a comprehensive structural audit of the existing 75 percent build-out to ensure it is fully compatible with the TVET prototype designs before the new contractor commences.
- Implement a stricter supervision framework for the remainder of the project to ensure the transition to the new design scope is seamless and adheres to the revised delivery schedule.

g) ***Kirubia Stadium in Chuka, Tharaka Nithi:*** was practically complete during the period under review achieving 99 percent completion rate. The scope of work, including a 2,000-seat pavilion, a FIFA-standard football pitch, and six-lane athletics track with field event facilities, has been finalised. Completion of the remaining 1 percent is contingent upon a Presidential directive to incorporate additional VIP holding rooms and a Presidential dais.

Implementation Challenges

- Scope creep resulting from mid-project directives.

- Logistical delays in integrating unplanned VIP infrastructure into a nearly finished site.

Lesson Learnt

- The importance of engaging high-level stakeholders during the initial design phase to minimise late-stage structural modifications.

Recommendation

- Expeditious allocation of supplementary funds to fulfill the Presidential directive and ensure the Facility is officially commissioned without further delay.

h) ***Karatu Stadium in Gatundu South, Kiambu:*** the rehabilitation and upgrade to FIFA international standards was 90 percent complete in the financial year 2023/24.

Implementation Challenges

- Scope creep resulting from mid-project directives.
- Logistical delays in integrating unplanned VIP infrastructure into a nearly finished site.

Lesson Learnt

- The importance of engaging high-level stakeholders during the initial design phase to minimise late-stage structural modifications.

Recommendation

- Expeditious allocation of supplementary funds to fulfill the Presidential directive and ensure the facility is officially commissioned without further delay.

i) ***Bukhungu Stadium in Kakamega County:*** was designated as a host venue for the 2024 CHAN. To meet international standards, comprehensive upgrades were commissioned. As of the close of FY 2023/24, the project was at 20 percent completion.

Implementation Challenges

- Delays in the timely disbursement of funds hindered the procurement of specialised materials and disrupted the construction schedule.
- Challenges in sourcing high-specification stadium components that comply with CAF/FIFA requirements.
- Adverse weather conditions in the Western Region occasionally impeded structural works, leading to project downtime.

Lessons Learnt

- The reliance on erratic disbursement schedules highlights the need for ring-fencing funds to ensure continuous site activity.
- Engaging suppliers for long-lead items early in the project cycle is critical to mitigating global supply chain volatility.
- Enhanced coordination between the County Government and National oversight bodies is essential for streamlining regulatory approvals.

Recommendations

- Implement a double-shift work schedule to recover lost time and ensure the Facility is ready well ahead of the CHAN 2026 commencement.
- Conduct monthly technical reviews to ensure all construction works align with international tournament hosting standards.

j) ***Muliro Kanduyi Stadium in Bungoma County:*** was designated for comprehensive upgrades to meet the standards required for hosting the CHAN 2024 tournament. As of June 2024, the project reached an implementation milestone of 85 percent.

Implementation Challenges

- Delays in the procurement and delivery of specialised sporting equipment and high-grade turf materials.
- Managing inflationary pressures on construction raw materials, which challenged the initial budgetary allocations.
- Ensuring all structural modifications strictly adhered to evolving CAF/FIFA international stadium requirements within a condensed timeline.

Lessons Learnt

- Early-stage sourcing of specialised materials is critical to mitigating supply chain disruptions in large-scale infrastructure projects
- Regular coordination between the County Government and national sports authorities is essential for maintaining technical alignment and project momentum.
- Incorporating contingency buffers into the project timeline allows for unforeseen structural or weather-related interruptions without compromising the final deadline.

Recommendations

- Prioritise the immediate disbursement of the remaining funds to ensure the final 15 percent of the project is completed without further delay.
- Initiate a preliminary inspection by the relevant sporting governing bodies to identify and rectify any minor compliance issues before the final handover.

- Develop a post-tournament facility management strategy to ensure the stadium remains a viable and well-maintained asset for the local community.

k) *Nyayo National Stadium:* was designated for comprehensive upgrades to meet FIFA/ CAF international standards in preparation for the CHAN 2024 and AFCON 2027 tournaments. As of June 2024, project completion was at 10 percent.

Implementation Challenges
- Budgetary constraints.
- Administrative delays during the design and commencement phases.

Lessons Learnt
- There is need for proactive finalisation of architectural designs and the establishment of robust financing frameworks prior to project kickoff to ensure seamless execution.

Recommendations
- Maintain the strategic partnership with the Ministry of Defence, leveraging their leadership in procurement and technical project management.
- Funding by the National Treasury as a strategic intervention to complete the project within strict timelines of December 2024.
- Increase allocations to the Sports, Arts, and Social Development Fund as a critical strategic intervention to complete the project within strict timelines of December 2024.

l) *Kipchoge Keino Stadium, Eldoret:* was earmarked for comprehensive upgrade to meet FIFA and CAF international standards in preparation for the AFCON 2027 tournament. During the period under review, the project was 5 percent complete.

Implementation Challenges
- Critical bottlenecks occurred at the design finalisation and project commencement stages.
- Budgetary constraints impacted the pace of execution.

Lesson Learnt
- Timely securing finalised technical designs and a robust financing framework prior to project rollout to ensure seamless project continuity.

Recommendations
- Maintain the strategic partnership with the Ministry of Defence, leveraging their leadership in procurement and technical project management.

- Increase allocations to the Sports, Arts, and Social Development Fund as a critical strategic intervention to complete the project within strict timelines of December 2025.

m) ***Talanta Sports City Jamhuri Grounds, Nairobi:*** was initiated to meet FIFA/CAF international standards in preparation for hosting the AFCON 2027 tournament. The scope of the project encompasses a 60,000-seat stadium, a FIFA-standard football pitch, and three dedicated training grounds. As of FY 2023/24, groundbreaking and foundational works were proceeding on schedule, reaching a 15 percent completion rate. The project remains a high-priority initiative to ensure readiness for the 2027 championships.

Implementation Challenge

- Substantial capital requirement for large-scale infrastructure could not be funded through the Sports, Arts, and Social Development Fund.

Lessons Learnt

- There is need to secure alternative financing mechanisms and diversified funding streams to ensure the continuous development of the Talanta Sports City without fiscal interruptions.

Recommendations

- Maintain the strategic partnership with the Ministry of Defence, leveraging their leadership in procurement and technical project management.
- Ensure funding by the National Treasury as a strategic intervention to complete the project within strict timelines of December 2025.

5.6.4 Promotion and Development of Creative and Film Industry

Location: Nationwide
Objective: To market Kenya as a film destination.
Implementing Agency: State Department for Youth Affairs and Creative Economy

Project Progress: During the period under review, two (2) exhibitions were hosted. The Kenya Cultural Centre hosts the annual Macondo Book Festival in September, and it is in partnership with the Kenya International Theatre Festival which takes place every year in the month of November.

Implementation Challenges

- *Inadequate policies, legal and regulatory frameworks:* Being one of the oldest government institutions in Kenya, the Centre was established through the Kenya Cultural Centre Act, Cap 218, enacted in 1951. This renders the Act obsolete as it does not capture the aspirations of the Centre in its effort to inspire cultural and creative inspirations.

- Lack of sufficient sector-specific policies touching on the Cultural and Creative Industry has affected the implementation of some of the planned programmes and strategies and effective coordination of the Creative Economy.
- *Infrastructural constraints:* Currently, the theatre facilities offered are not sufficient to cater to the growing number of performing artists and cultural practitioners. The existing spaces are equally small and can only accommodate small numbers of audiences. This translates to limited revenue generated by artists from the events they stage, and, in most instances, they fail to break even and generate losses instead. Additionally, the structures of the national theatre are old, having been established in the 1940s-1950s, and therefore require occasional renovations which have huge cost implications.
- Lack of adequate performance space remains a huge challenge, even though the situation of the Centre has improved significantly under the contemporary regimes, investment in the development of cultural spaces is still low.

Recommendations

- Review of the Kenya Cultural Centre Act, and Kenya Cultural Centre/National Theatre human resource instruments including the human resource policies & procedures manual, the Centre's career guidelines, and the organisation structure, grading & staff establishment, and other policies and legal frameworks to conform to the recent dynamics of the Cultural and Creative Industry.
- There is a need for more allocation to provide for the renovation of existing spaces and the acquisition of new spaces to support the growing number of creatives. Artist training and capacity building to nurture talent in creative pursuits not only enriches their lives but also has a profound impact on cognitive development and idea generation.

5.6.5 Anti-Doping Promotion

Location: Nationwide
Objective: To promote clean sports and protect athletes' right to participate in doping-free sport.
Implementing Agency: Anti-Doping Agency of Kenya

Project Progress: During the financial year 2023/24, the programme was ongoing hence no achievements.

Implementation Challenges

- 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.
- Lack of an accredited laboratory in Kenya made it very expensive in analysing doping tests hence low coverage in testing.
- Late disbursement of funds hampered timely implementation of the programmes**.**
- Limited staff led to burn-outs since the tasks involved were very engaging and demanding.
- Influx of requests from sporting organisations which the Anti-Doping Agency of Kenya could not meet.
- Uncooperative athletes, some even refused to appear before the Sports Disputes Tribunal for hearing and others were presenting forged documents which led to problems in tracing athletes for service of court documents.
- Lack of cooperation by some medical facilities during the authentication process.

Lessons Learnt

- Research on matters of doping to inform evidence based anti-doping programmes.
- Technological advancement in the use of prohibited substances by some athletes that seem to be ahead of doping measures taken.
- The adoption of new technologies will go a long way in effectively managing the anti-doping programmes.

Recommendations

- Promote values-based anti-doping education by integrating the curricula of learning institutions to cover this area to impart values among students/athletes for prevention of doping at an early age.
- Establish a World Anti-Doping Agency accredited laboratory to reduce the cost of analysis of anti-doping tests.
- Increase surveillance and research on doping.
- Adopt and fund new technologies for use in the fight against doping.
- Provide adequate and timely disbursement of funds to enable timely implementation of the programmes.
- Recruit more staff to ease the burden on the current staff.

5.6.6 Establishment of National Sports Lottery

Location: Nationwide

Objective: To mobilise resources for supporting the sports industry in the country.
Implementing Agency: National Sports Fund
Project Progress: The project stalled.

Implementation Challenges

- Legal hurdles have inhibited the establishment and implementation of the National Sports Lottery.
- The National Sports Fund (the Agency which was responsible for operationalising the National Sports Lottery) became defunct after the repeal of the Sports Act 2013 in FY 2018-2019.

Recommendations

- Going forward, reporting on the progress of the National Sports Lottery should be done under the Ministry of Interior where the target is now domiciled.
- There is a need for inter-ministerial collaboration in the implementation of the National Sports Lottery since its main objective is to promote sports besides the security concerns it poses to the nation.

5.6.7 Conservation of Culture and Heritage

Location: Nationwide
Objectives:

- To promote neglected, underutilised, and emerging foods and medicinal resources;
- To empower cultural practitioners; and
- To commemorate heroic deeds of Kenyan heroes and heroines.

Implementing Agency: National Museums of Kenya

i. Revitalisation of Production of Underutilised Indigenous Food Crops

Project Progress: During the period under review, production of 600 underutilised indigenous food crops was revitalised.

ii. Training of Cultural Practitioners

Project Progress: A total of 1,673 cultural practitioners had been trained as at June 2024.

iii. Conducting Cultural Exchange Programmes

Project Progress: During the period under review, one (1) cultural exchange programme was held.

iv. Establishment of National Arts Gallery

Project Progress: The establishment of the National Arts Gallery was 50 percent complete.

Implementation Challenge: Low funding levels.

Lesson Learnt: Implement the programme and activities as per the schedule.

Recommendation: Provide adequate funds for the programme and activities.

5.6.8 Cultural Products Revenue

Location: Nationwide
Objective: To enhance revenue collection.
Implementing Agency: State Department for Culture, the Arts and Heritage

Project Progress: During the review period, 250 out of the targeted 500 women and youth were trained on modern designs and technology. Operationalisation of Ushanga State Agency was 2 percent complete by the close of FY 2023/24. A total of three (3) catalogues were developed and commercialised. The construction progress of Ushanga Mall at Sekenani Gate in Narok County was reported to be at one (1) percent during the review period. Other achievements include development of non-hormonal natural contraceptives (Mturituri) was at 90 percent implementation rate; a total of five (5) herbal immune boosters had undergone evaluation; and commercialisation of African indigenous vegetables were 70 percent complete.

Implementation Challenge: Low funding levels.

Lesson Learnt: Implement the programme and activities as per the schedule.

Recommendation: Provide adequate funds for the programme and activities.

5.6.9 National and County Archival Services and Public Records Management

Location: Nationwide
Objective: To improve National and County archival services and management of public records.
Implementing Agency: Kenya National Archives and Documentation Services

Project Progress: During the review period, 331,606 archive materials were digitized, and 307,000 migrated archives were retrieved. In addition, strengthening of Integrated Public Records and Information Management System was at 30 percent completion.

Implementation Challenge: Low funding levels.

Lesson Learnt: Implement the programme and activities as per the schedule.

Recommendation: Provide adequate funds for the programme and activities.

5.6.10 Promotion of Inter-Cultural Interactions and Enhancement of Awareness on Cultural Heritage

Location: Nationwide
Objective: To foster mutual respect, social cohesion, and the preservation of traditions in a globalised world
Implementing Agency: State Department for Culture, the Arts and Heritage

Project Progress: During the review period, three (3) workshops to operationalise the Protection of the Traditional Knowledge and Traditional Cultural Expressions Act (2016) were held. The World Kiswahili Language Day, World Day for Cultural Diversity for Dialogue and Development and Kenya Music and Cultural Festival were marked and celebrated. In addition, elements of the Akamba community and the narrations in traditional marriages or naming ceremonies were documented. Further, three (3) intangible cultural heritage elements inventory were prepared from three communities in Kenya, i.e., Suba, Kalenjin and Meru as a means of safeguarding the intangible cultural heritage.

5.6.11 Preservation of National Documentary Heritage

Location: Nationwide
Objective: To safeguard, digitize, and provide access to historically significant records, ensuring their protection from deterioration, decay and loss.
Implementing Agency: State Department for Culture, the Arts and Heritage

Project Progress: The publication of Kenya National Bibliography was achieved during the review period. In addition, 750 publishers were issued with ISBN and 962 rare books were digitized.

5.6.12 Promotion of Reading Culture

Location: Nationwide
Implementing Agency: State Department for Culture, the Arts and Heritage

Project Progress: During the review period, 465 people participated in the reading and international literacy day was celebrated.

5.6.13 Certification and Registration of Musicians

Location: Nationwide
Implementing Agency: Permanent Presidential Music Commission Performance
Project Progress: During the period under review, 1,003 musicians were registered in the National Music Database.

5.6.14 Music and Dance Talent Identification and Development

Location: Nationwide
Implementing Ageny: Permanent Presidential Music Commission Performance
Project Progress: During FY 2023/24, 233 talented out-of-school youth were trained in music and dance. In addition, seven (7) new talented musicians were developed.

5.6.15 Nurturing and Promotion of Music Talents

Location: Nationwide
Implementing Ageny: Permanent Presidential Music Commission Performance
Project Progress: During the financial year 2023/24, a total of 471 upcoming musicians were supported with rehearsal spaces & equipment and 372 musicians were recorded. Further, 2,222 musicians were provided with income-generating performance opportunities.

CHAPTER 6 CHAPTER SIX: POLITICAL PILLAR

6.1 DEVOLUTION SECTOR

6.1.1 Management of Devolution Affairs

Location: Nationwide

Objectives: To institutionalise performance management framework for devolution, performance standards, assessments and reporting; to enhance effective service delivery in counties; to improve public participation and citizen's engagement in governance; to facilitate value addition to local resources for socio-economic development; and to enhance inter-governmental cooperation.

Implementing Agency: State Department for Devolution

i. Integrated Results Framework

Project Progress: During the period under review, a multi-agency committee was established, data was collected on all devolved functions, and a draft Result Framework was developed, thus this target was achieved. This Framework was important to provide a standardised approach in the assessment of devolved functions to determine the required support.

Recommendations

- The National Treasury should provide adequate funding throughout the year
- The National Treasury should consult MDAs before scaling down budgets of ongoing programmes during supplementary estimates.

ii. Development of County Service Delivery Norms and Standards

Project Progress: During the period under review, data was collected on devolved functions which informed the development of County Service Delivery Norms and Standards.

Lesson Learnt: Core mandates and activities of the Public Service Commission (PSC) which are statutory should have a ring-fenced budget.

Recommendation: Continued funding for the next financial year.

iii. Development of a Framework of Norms and Standards for Counties Staff

Project Progress: During the period under review, the Framework was developed through stakeholder engagement and a review of staffing structures across counties.

Implementation Challenge: Budget cuts affected implementation of the activity.

Lesson Learnt: There is need to embrace technology for efficiency in delivering services.

Recommendation: Continued funding for the next financial year.

iv. Implementation of National Civic Education Framework and Public Participation Guidelines in Counties

Project Progress: During FY 2023/24, PSC supported 35 counties in establishing County Budget and Economic Forums (CBEFs). It trained and inducted 13 CBEFs. County leadership embraced the involvement of these forums in public participation during the budget-making process. After training, PSC monitored their operations to assess the effectiveness of the CBEFs.

Implementation Challenges
- Budget rationalisation
- Delays in exchequer release
- Lack of adequate funding which limited PSC's capacity to fully implement the project.

Lessons Learnt: Prioritisation of the activities is critical to ensure completion of activities.

v. Development and Implementation of National Capacity Building Framework II

Project Progress: During the review period, the draft National Capacity Building Framework II was submitted to the Cabinet for approval.

vi. Development of Local Economic Development Framework

Project Progress: The draft Local Economic Development framework was submitted to the Cabinet for approval during the review period.

vii. Convening of Inter-Governmental Sector Forums on Devolution

Project Progress: During the period under review, inter-governmental sector forums were held bringing together relevant stakeholders for exchange of knowledge and to address devolved function challenges.

viii. IBEC Summit and Council of Governors Engagements

Project Progress: During the financial year 2023/24, consultative meetings, including the Intergovernmental Budget and Economic Council Summit and engagements with the Council of Governors were held to address various sectoral challenges and fiscal issues affecting counties.

Implementation Challenges

- Budget rationalisation
- Delays in exchequer release.

ix. Advisory on Equitable Revenue Sharing for FY 2024/25

Project Progress: In FY 2023/24, Parliament allocated counties KSh. 400.1 million. The Commission on Revenue Allocation (CRA) submitted its recommendations to Parliament and supported the preparation of Bills related to revenue sharing, including the Division of Revenue Bill, County Allocation of Revenue Bill, and County Government Additional Allocation Bill. This process was 100 percent complete.

Recommendations

- The National Treasury should provide adequate funding throughout the year
- The National Treasury should consult MDAs before scaling down budgets of ongoing programmes during supplementary estimates.

x. Enhancing County Own Source Revenue Collection

Project Progress: During the review period, CRA enhanced counties own-source revenue collection by promoting the capacity of county governments through the development of a model tariffs and pricing policy via an inter-agency committee. This initiative aligned with the national policy for enhancing county governments own-source revenue, aiming to support counties in complying with Section 120 of the County Governments Act.

6.1.2 National and County Governments Coordinating Summit (The Summit)

Location: Nationwide

Objective: To prove a consultative platform to discuss matters of mutual interest to the two levels of government.

Implementing Agency: Inter-Governmental Relations Technical Committee

i. Advancing Harmonious Inter-Governmental Relations

Project Progress: During the period under review, 15 resolutions were made and implemented.

Implementation Challenge: Irregular convening of Summit meetings.

Lesson Learnt: Harmonious inter-governmental relations are key to success of devolution.

Recommendation: Develop Summit guidelines.

6.1.3 Transfer of Functions to Counties

Location: Nationwide

Objective: To transfer functions and attendant resources to county governments as per the Fourth Schedule of the Constitution

Implementing Agency: Inter-Governmental Relations and Technical Committee

i. Transfer of Functions and Resources

Project Progress: During the period under review, a total of 14 draft Gazette Notices to effect the transfer of functions was developed and forwarded to the Office of the Attorney General for publication. Attendant resources (financial and assets) for libraries and museums functions were transferred to county governments.

Implementation Challenges

- Existence of pending contentious issues.
- Existence of legislation inhibiting effective roll-out.

Lesson Learnt

- The process of transfer needs to be phased out as it is time-consuming.

Recommendations

- Need for robust civil education.
- Need to capacity build the recipient of the functions and resources.

6.1.4 Valuation of Registrable Assets of the Defunct Local Authorities

Location: Nationwide
Objective: To value all registrable assets of defunct local authorities for transfer of ownership to county governments.
Implementing Agency: Inter-Governmental Relations Technical Committee

i. Documentation on Asset Value and Transfer of Ownership

Project Progress: During the reporting period, a total of 8,186 vehicles and equipment, valued at KSh. 3 billion were handed over to the 47 counties. Additionally, 65 percent of fixed assets in 30 counties were valued.

Implementation Challenges

- Inadequate data to conclude on the valuation.
- Inadequate technical capacity to carry out huge assignments in all 47 counties.

Lesson Learnt:

- The challenge of tracing some assets and the absence of ownership documentation highlighted the importance of maintaining proper records and documentation for identified assets to ensure accountability and effective asset management

6.1.5 Inter-Governmental Disputes Resolution

Location: Nationwide
Objective: To prevent and resolve inter-governmental disputes through alternative dispute resolution mechanisms.
Implementing Agency: Inter-Governmental Relations Technical Committee

i. Harmonious Inter-Governmental Relations

Project Progress: During the reporting period, the Inter-Governmental Relations Technical Committee facilitated the resolution of three inter-governmental disputes through mediation.

Implementation Challenge: Lack of collaboration from parties to the disputes, impacting timely resolutions.

Lesson Learnt: There is a need to strengthen existing inter-governmental structures for effective conflict management using ADR.

Recommendation: Amendment of IGR Act to strengthen IGRTC role in inter-governmental disputes resolution.

6.2 GOVERNANCE AND THE RULE OF LAW

6.2.1 Public Sector Reforms

Location: Nationwide
Objective: To foster a citizen-focused and result-oriented public service.
Implementing Agency: State Department for Cabinet Affairs

i. Implementation of Public Sector Reforms

Project Progress: During the review period, one report on the implementation of public sector reforms was prepared.

Implementation Challenges

- Inadequate working space, tools and equipment.
- Inadequate staff.
- Delay in submission of status reports by relevant agencies.
- Budget cuts.

Recommendations

- Continue embracing the whole government's approach to enabling fast-tracking on implementation of planned programmes and projects.
- The government should continue supporting digitalization of services as it improves service delivery.
- Promote strong collaboration and partnerships with stakeholders to bring about effectiveness and efficiency in service delivery.

6.2.2 Partnerships, Collaborations and Linkages

Location: Nationwide
Objective: To ensure supply of well-trained workers at all levels in industry.
Implementing Agency: State Department for Cabinet Affairs

i. Framework for Stakeholder Engagement

Project Progress: As at the end of FY 2023/24, one (1) stakeholder engagement framework was successfully achieved.

Implementation Challenges

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

Recommendations

- Continue embracing the whole government's approach to enabling fast-tracking on implementation of planned programmes and projects.
- The government should continue supporting digitalization of services as it improves service delivery.
- Promote strong collaboration and partnerships with stakeholders to bring about effectiveness and efficiency in service delivery.

6.2.3 Institutional Capacity Strengthening

Location: Nationwide
Objective: To strengthen the capacity of the institutions.
Implementing Agency: State Department for Cabinet Affairs

i. Provision of Technical and Secretariat Support to Cabinet Committees

Project Progress: During the review period, this project was 100 percent achieved where technical and secretariat support was provided to Cabinet committees.

Implementation Challenges

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

Recommendations

- Continue embracing the whole government's approach to enabling fast-tracking on implementation of planned programmes and projects.
- The government should continue supporting digitalization of services as it improves service delivery.
- Promote strong collaboration and partnerships with stakeholders to bring about effectiveness and efficiency in service delivery.

ii. Framework for Risk Management

Project Progress: As at the end of FY 2023/24, one risk management framework was approved.

iii. Development and Implementation of Resource Mobilisation Strategy

Project Progress: A resource mobilisation strategy was developed and implemented during the review period.

iv. Printing and Dissemination of the Strategic Plan

Project Progress: During the period under review, the strategic plan was approved and implementation commenced.

v. Development of M&E Framework

Project Progress: During the period under review, the monitoring and evaluation framework for the State Department for Cabinet Affairs was developed.

6.2.4 Rehabilitation and Re-integration of Offenders

Location: Nationwide
Objective: To enhance rehabilitation, supervision, and reintegration of offenders.
Implementing Agency: State Department for Correctional Services

i. Provision of Supervision, Psychosocial Support and Skills to Offenders

Project Progress: During the period under review, 100 percent of offenders were successfully rehabilitated and re-integrated into the community. A total of 252,000 offenders were supervised and provided with psycho-social support, while 23,158 offenders participated in educational and technical training programmes. The State Department ensured that 100 percent of offenders were properly contained and monitored throughout the rehabilitation process.

Implementation Challenges

- The increasing inmates' population strained both human and infrastructural resources in penal institutions.
- Inadequate budgetary allocation to the State Department leading to pending bills for recurrent and development programmes and projects.
- Frequent financial austerity measures.
- Limited resources to undertake comprehensive training for officers to build competencies to address emerging demands in offender management.
- Lack of an integrated case management system within the criminal justice system.
- Inadequate ICT equipment to support service delivery.

Recommendations

- Embrace PPP in the implementation of development projects to enhance resource mobilisation, efficiency and sustainability.
- Strengthen capacity building for officers through regular training on emerging and evolving crimes to improve preparedness and response.
- Adopt and integrate modern technology to enhance service delivery, operational efficiency and data management.
- Strengthen enforcement mechanisms to ensure effective implementation of existing policies, guidelines and initiatives.
- Develop and implement a unified offender data and case management system to improve coordination, information sharing, and case tracking across relevant institutions.
- Harmonise policy and legislative frameworks related to peace and security to ensure coherence, consistency and effective implementation.

6.2.5 Development and Expansion of Prison Infrastructure

Location: Nationwide
Objective: To enhance security in penal institutions.
Implementing Agency: State Department for Correctional Services

i. Construction of Perimeter Walls

Project Progress: During the period under review, perimeter walls were constructed in 13 prisons against a target of 90 to improve security and containment measures.

Implementation Challenges

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

Recommendations:

- Embrace PPP in the implementation of development projects to enhance resource mobilisation, efficiency and sustainability.
- Strengthen capacity building for officers through regular training on emerging and evolving crimes to improve preparedness and response.
- Adopt and integrate modern technology to enhance service delivery, operational efficiency and data management.
- Strengthen enforcement mechanisms to ensure effective implementation of existing policies, guidelines and initiatives.
- Develop and implement a unified offender data and case management system to improve coordination, information sharing and case tracking across relevant institutions.
- Harmonise policy and legislative frameworks related to peace and security to ensure coherence, consistency and effective implementation.

ii. Construction of Watchtowers

Project Progress: During the period under review, two (2) watchtowers were constructed against a target of 25 to improve surveillance and security oversight within correctional facilities.

iii. **Construction of Guardrooms**

Project Progress: During the period under review, three (3) guardrooms against a target of 65 were constructed in various penal institutions.

6.2.6 Miritini Treatment and Rehabilitation Centre

Location: Miritini, Mombasa County
Objective: To improve the health and well-being of security personnel and the public.
Implementing Agency: State Department for Internal Security and National Administration

i. **Completion and Operationalisation of Miritini Treatment and Rehabilitation Centre**

Project Progress: During the review period, the multipurpose hall at the Miritini Treatment and Rehabilitation Centre was fully completed (100 percent), while the workshop reached 45 percent completion. The overall project implementation rate was reported at 17 percent, with ongoing works.

Implementation Challenge: Inadequate funding /non-funding leading to minimal project milestones.

Lesson Learnt: There is a need to prioritise the completion of all the ongoing projects.

Recommendation: Allocation of adequate funds and timely release of exchequer for the project.

6.2.7 Security Enterprises Revenue Generation (Prisons)

Location: Nationwide
Objective: To enhance efficiency in security enterprise operations and revenue generation.
Implementing Agency: State Department for Correctional Services
Project Progress: This project targeted to commercialise Kenya Prisons Enterprises for sustainability. During the review period, the Kenya Prisons Enterprises generated KSh. 4,682,085 in revenue, marking progress toward transforming the institution into a revenue-generating enterprise.

6.2.8 Modernisation of Government Press

Location: Nationwide
Objective: To enhance security, quality, and production of Government documents.
Implementing Agency: Government Printer

i. Acquisition of Modern Printing Equipment

Project Progress: During the period under review, modern assorted equipment for print production was acquired. The project was complete with an implementation rate of 100 percent.

ii. Automation of Operations and Digitization of Records

Project Progress: During the period under review, the e-government publications platform was 80 percent achieved, with the remaining 20 percent awaiting implementation by e-Citizen.

Implementation Challenge: Budgetary constraints.

Recommendations

- Additional resources should be allocated to fast-track modernisation and digitization efforts.
- Continued support should be provided for staff training focusing on digital and sustainable printing technology.

iii. Decentralisation of Government Press Services

Project Progress: During the period under review, decentralisation was not achieved.

6.2.9 Police and Prisons Welfare

Location: Nationwide
Objective: To improve the welfare of police and prison officers and their families.
Implementing Agencies: State Department for Correctional Services, National Police Service, National Police Service Commission, Kenya Prison Service

i. Establishment and Operationalisation of Contributory Benevolent Fund

Project Progress: During the period under review, the operationalisation of the Contributory Benevolent Fund recorded 0 percent progress. No officers were enlisted under the Fund.

ii. Provision of Insurance for Officers

Project Progress: During the period under review, 106,469 officers were covered. All officers were covered for loss of life while on duty.

iii. Provision of Affordable Housing Mortgage for Security Officers

Project Progress: During the period under review, no officers were enlisted, and the framework for acquiring affordable housing had not been finalised.

6.2.10 Diaspora Service Delivery

Location: Nationwide
Objective: To enhance diaspora engagement.
Implementing Agency: State Department for Diaspora Affairs

i. Diaspora Integrated Information Management System

Project Progress: During the period under review, 100 percent of the Diaspora Information and Investment Management System was developed and operationalised.

ii. Diaspora Emergency Response Centre

Project Progress: During the period under review, the establishment of a 24-hour emergency response centre was initiated to enhance the response to distress cases and ensure timely feedback for Kenyans in the diaspora.

Implementation Challenge: Inadequate human resource capacity in missions abroad to support full-time emergency response.

Lesson Learnt: Timely and effective emergency response requires both infrastructure and trained personnel.

Recommendation: Recruit and train sufficient staff to operationalise the centre and allocate an emergency fund.

iii. Technology and Skills Transfers and Cooperation for the Diaspora

Project Progress: During the period under review, a concept note on a framework for technology and skills transfers and cooperation among the diaspora was developed and was awaiting stakeholder engagement.

Implementation Challenge: Weak structures and uncoordinated mechanisms for diaspora knowledge and skills transfer.

Lesson Learnt: Engaging diaspora experts require structured coordination and collaboration.

Recommendation: Convene a national stakeholders forum to validate and launch the framework.

iv. Diaspora Offices in Missions

Project Progress: During the period under review, a baseline survey was conducted in 26 missions abroad to assess their capacity to host diaspora officers.

Implementation Challenge: Inadequate human resource and infrastructure capacity in Kenya's foreign missions.

Lesson Learnt: Effective diaspora engagement requires institutional capacity and staffing in missions.

Recommendation: Scale-up staffing and facilities in missions with high diaspora populations to support the establishment of diaspora offices.

v. Diaspora Engagements

Project Progress: During FY 2023/24, a total of 19 high-level diaspora engagements were held, surpassing the initial target.

6.2.11 Elevate Kenya's Anchor State Status

Location: International

Objectives: To protect Kenya's sovereignty and territorial integrity and promote national and international peace, security, and stability; strengthen Kenya's foreign relations; promote international cooperation and a rule-based multilateral system; strengthen Kenya's presence and influence in international organisations; improve Kenya's global peace index; and promote Nairobi as a hub for multilateral diplomacy and preferred destination for international meetings, conferences, and events.

Implementing Agencies: State Department for Foreign Affairs

i. Engagement in Regional, Continental and Global Peace Initiatives

Project Progress: During the period under review, the State Department for Foreign Affairs participated in a total of 16 peace and stability engagements aimed at strengthening regional, continental and global peace.

ii. Coordination of EAC Peace and Security Initiatives

Project Progress: During the period under review, the State Department for Foreign Affairs participated in peace and security coordination efforts within the East African Community, including stakeholder consultations and planning meetings.

iii. Coordination and Management of Trans-Boundary Resources

Project Progress: During the period under review, the State Department for Foreign Affairs engaged in cross-border resource coordination through bilateral and regional mechanisms, enhancing peaceful co-management of shared natural resources.

iv. Monitoring of Implementation of Resolutions of Joint Border Commissions

Project Progress: During the period under review, the Joint Border Commissions agreed minutes were implemented, monitored and documented.

v. Facilitation of High-Level State and Official Exchange Visits

Project Progress: During the period under review, the State Department for Foreign Affairs facilitated a total of 27 inbound and 31 outbound state/official visits.

vi. Conclusion of Bilateral Frameworks

Project Progress: As of the reporting period, State Department for Foreign Affairs coordinated the conclusion of 79 bilateral cooperation frameworks on various areas of cooperation.

vii. Opening of New Missions, Consulates General and Liaison Offices

Project Progress: During the review period, the State Department for Foreign Affairs opened and operationalised the Kenya Mission to Rabat, Morocco. Operationalisation of Kenya missions in Jeddah, Saudi Arabia and Abidjan, Cote D'Ivoire were ongoing following appointment of ambassadors and deployment of officers. Land was identified for the establishment of humanitarian hubs in Nairobi, Naivasha and Mombasa, with land allocation for Naivasha completed.

Implementation Challenges

- Budget cuts.
- Austerity measures

Lesson Learnt: Mitigation strategy for emerging issues is critical.

Recommendation: Ring-fence budget for budgeted and approved expenditures.

6.2.12 Modernisation and Improvement of Diplomatic Infrastructure

Location: International
Objectives: To enhance Kenya's image and prestige; enhance consular and diaspora services; and digitize the government's register of Kenya's international commitments.
Implementing Agency: State Department for Foreign Affairs

i. Modernisation and Re-Development of Government-Owned Properties

Project Progress: During FY 2023/24, the ambassador's residence in London was refurbished, and the construction of embassy properties and other works in Mogadishu was undertaken. Additionally, government-owned properties in Washington, D.C., were renovated, and the GoK properties in London were upgraded and renovated.

Implementation Challenges

- Budgetary cuts.
- Austerity measures limit the implementation of the planned activities.

Lesson Learnt: Plan for unforeseen issues.

Recommendation: Improve budgetary allocation.

ii. Development of Diplomatic Enclave

Project Progress: During the review period, the State Department finalised a draft diplomatic enclave master plan with the goal of simplifying the process of land acquisition for embassies and multilateral diplomatic organizations. The plan, outlining, zoning, infrastructure, and security measures, was launched in August 2022 and circulated to the diplomatic corps, who have since expressed interest in land allocation.

iii. Enhancement of Security and ICT Infrastructure in Missions

Project Progress: During the period under review, the State Department rolled out Integrated Financial Management Information System in 25 missions, upgraded communication in 66 missions using VPN and enhanced the security of web-based systems with SSL certificates. In collaboration with the National Treasury, necessary ICT infrastructure such as VPN laptops and storage devices was deployed to enable further roll-out in an additional 25 missions, with plans underway for the remaining ones.

iv. Establishment and Operationalisation of the Foreign Service Academy

Project Progress: During the period under review, the State Department operationalised the Foreign Service Academy by selecting the inaugural Council of the Foreign Service Academy, which is awaiting formal appointments and gazettement by the Cabinet Secretary.

v. **Implementation of the Foreign Service Act 2021 and its Regulations**

Project Progress: During the review period, the implementation of the Foreign Service Act 2021 and its Regulations was ongoing.

vi. **Reviewing of Foreign Policy**

Project Progress: During the period under review, the review of the Foreign Policy was ongoing.

vii. **Development of Treaty Integrated Monitoring System**

Project Progress: During the period under review, the development of the Treaty Integrated Monitoring System was ongoing.

6.2.13 Transformation, Decentralisation and Digitisation of State Law Office

Location: Nationwide
Objective: To enhance the efficiency of legal services; improve ease of doing business.
Implementing Agency: State Law Office

i. **Construction and Equipping of State Law Office Headquarters and Regional Offices**

Project Progress: During the reporting period, two (2) State Law Offices were constructed and equipped, and 1 additional regional State Law Office was constructed and equipped against a target of 9.

ii. **Automation and Digitization of Legal Services and Business Processes**

Project Progress: During the reporting period, 25 percent of legal services and business processes were digitized.

Implementation Challenge: Shortage of necessary equipment like computers and scanners.

Lesson Learnt: Advancement in technology enables consistency in legal references.

Recommendation: Explore innovative service delivery models such as online legal clinics.

iii. Establishment of Virtual Courts and Smart Boardrooms at the Headquarters and Regional Offices

Project Progress: During the reporting period, three (3) virtual courts were established. However, no smart boardrooms were established.

Implementation Challenges: Inadequate infrastructure and lack of smart equipment.

Lesson Learnt: Use of technology such as virtual courts can enhance efficiency.

Recommendation: Invest in smart infrastructure and ICT systems.

iv. Outsourcing of Specialised Legal Services

Project Progress: During the reporting period, six (6) specialised legal services were outsourced.

Implementation Challenge: Budget limitations to outsource high-quality services.

Lesson Learnt: Collaboration with experts improves service quality.

Recommendation: Leverage partnerships with private legal practitioners and firms.

v. Registration of Business Entities

Project Progress: During the reporting period, a total of 136,209 business entities were registered, surpassing the target.

Implementation Challenge: High workload with limited technical staff.

Lesson Learnt: Digitization facilitates registration and improves turnaround time.

Recommendation: Expand automation and e-services to handle increasing demand.

6.2.14 Legal Aid and Awareness

Location: Nationwide
Objective: To enhance access to legal aid services by the indigent, marginalised and vulnerable.
Implementing Agency: National Legal Aid Service

i. **Establishment of Legal Aid Offices**

Project Progress: During the reporting period, four (4) additional legal aid offices were established against a target of 16.

ii. **Legal Representation for the Underrepresented**

Project Progress: During the reporting period, a total of 32,789 indigents, marginalised, and vulnerable people were offered direct legal aid.

6.2.15 Promotion of Human Rights

Location: Nationwide
Objective: To strengthen human rights protection.
Implementing Agency: State Law Office

i. **Sensitisation on the Victim Protection Act**

Project Progress: During the reporting period, a total of 12 county awareness forums on the Victim Protection Act were conducted.

ii. **Human Rights Reporting**

Project Progress: During the review period, one (1) treaty report on human rights was prepared and defended.

6.2.16 Constitutional and Legal Reforms

Location: Nationwide
Objective: To facilitate effective implementation of the Constitution and legal reform
Implementing Agencies: State Law Office, Kenya Law Reform Commission (KLRC)

i. **Development, Review and Harmonisation of Laws and Subsidiary Legislation**

Project Progress: During FY 2023/24, 78 laws and subsidiary legislation were developed, reviewed and harmonised. KLRC provided technical assistance in formulation of 8 policies. Further, KLRC supported various county governments in drafting/reviewing 13 bills and subsidiary legislation.

Implementation Challenges

- High turnover of skilled and competent staff, mostly due to retirement of senior and skilled drafters.
- Inadequate budgetary allocation and financial support which hinders service delivery.
- Severe shortage of experienced drafters.
- Shortage of necessary equipment like computers, printers, photocopiers, scanners etc.
- Inadequate office accommodation, leading to separation of officers working in shifts.

- Inadequate finances to undertake the requisite training of staff.
- Changing legal landscapes due to changes in laws, regulations and court procedures, requiring training to enable KLRC to adapt.

Lessons Learnt

- Advancement in technology has enabled KLRC to access existing law electronically, which helps with consistency, cross-referencing and law revision.
- Alignment of work plans, budget and procurement plan to the strategic plan enhances implementation.
- Effective monitoring, evaluation and reporting framework enhances implementation.
- Training and professional development are necessary to ensure staff are equipped with relevant skills and knowledge.
- Partnerships and collaborations with other social service providers, community organisations and pro bono lawyers enhance service delivery.
- Adopting a client-centered approach improves responsiveness to public needs.
- Public awareness campaigns are essential to inform citizens about KLRC's services and importance of access to justice.

Recommendations

- Appropriate provision of the specified KLRC budgetary allocation.
- Procurement of additional equipment and office space.
- Build capacity of staff through training and professional development opportunities for drafters to ensure they stay up to date with best practices and emerging issues in legislative drafting.
- Collaborate with legal organisations, community groups, universities and pro bono networks to share resources, knowledge and expertise.
- Conduct regular assessments of operational processes to improve efficiency and implement cost-effective technologies and best practices.
- Explore innovative service delivery models such as online legal clinics, remote consultations and self-help resources to expand access to services while minimising costs.

ii. Roll-Out of Legal and Civic Education

Project Progress: During the review period, a total of 14 legal and civic education fora or sessions were conducted.

iii. Comparative Analysis of Laws, Policies and Regulations

Project Progress: During the period under review, three (3) legal research and comparative studies were undertaken.

6.2.17 Leadership, Accountability and Legislative Agenda

Location: Nationwide

Objective: To strengthen overall policy direction and leadership in Government; and strengthen coordination of policy and legislation development and implementation across MDAs.

Implementing Agencies: Executive Office of the President, State Department for Parliamentary Affairs.

i. Executive Directives, Orders, Presidential Proclamations and Cabinet Decisions

Project Progress: During the period under review, no specific transmission activity was reported.

ii. Coordination of Policies and Legislations

Project Progress: During the period under review, one framework for coordination of policies and legislations was developed and implemented.

iii. Vetting of Proposed Policies and Legislation

Project Progress: During the period under review, 100 percent of proposed policies and legislation were vetted. Vetting was undertaken through the development of the Government Legislative Agenda Report.

iv. Analysis and Review of Legislation and Policies

Project Progress: During the period under review, analysis and review of existing legislation and policies were not undertaken due to budgetary cuts and inadequate staffing.

Implementation Challenges:

- Budgetary cuts.
- Inadequate staff hindered implementation.

v. Standard Guidelines on Legislation and Policy

Project Progress: During the period under review, one (1) guideline was developed and implemented. Guidelines for development of National Government Policy and Legislation were prepared and approved by Cabinet.

vi. Policy and Legislative Tracking Information System

Project Progress: A total of 40 operational tracking information systems were established during the review period.

vii. Training on Parliamentary Liaison, Policy and Legislative Processes

Project Progress: During the period under review, no capacity building for MDAs was conducted due to the late approval of key documents. This activity is scheduled for FY 2024/25.

Implementation Challenge: Delay in approval of key documents hindered implementation.

viii. Liaison Framework between the Executive and Parliament

Project Progress: During the period under review, the draft Parliamentary Liaison Framework was developed.

ix. Digitization of Parliamentary Liaison Services

Project Progress: During the period under review, no specific digitization of parliamentary liaison services was reported.

6.2.18 Alignment of Government Legislative Proposals and Policies with National Development Agenda

Location: Nationwide
Objective: To ensure robust and successful implementation of the national development agenda.
Implementing Agency: State Department for Parliamentary Affairs

Project Progress: During the period under review, 100 proportions of policies and legislation were audited and reviewed. The proposed policies, legislation and statutory instruments were also reviewed during preparation of the Government Legislative Agenda report.

Implementation Challenges

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

Recommendation

- The Public Service Commission should fast-track and prioritise recruitment of staff to the new State Department for Parliamentary Affairs.

6.2.19 Administrative Justice and Access to Information

Location: Nationwide
Objectives: To promote fairness in the administration of justice; and promote the right to information in the public and private sectors.
Implementing Agency: Commission on Administrative Justice

i. Resolution of Public Complaints on Administrative Justice

Project Progress: During the period under review, 65.6 percent of public complaints on administrative justice were resolved.

Implementation Challenges

- Unresponsiveness and delays by public institutions in resolving complaints lodged with or referred to them.
- Failure by complainants to provide required information to facilitate resolution.

Lessons Learnt

- Undertaking a rapid results initiative enables reduction of the backlog of pending complaints.
- Collaboration with institutions complained against facilitates timely resolution of complaints.

Recommendation: Review of the Commission on Administrative Justice Regulations, 2013.

ii. Decentralisation of Ombudsman Services

Project Progress: During the period under review, the establishment of regional offices and complaints desks at Huduma Centres was at an implementation level of 49.4 percent.

Implementation Challenges

- Lengthy procurement processes and inadequate funds for office refurbishment/ partitioning in Meru and Makueni counties delayed acquisition and operationalisation.
- Inadequate budgetary allocation to carry out the activity.

Lesson Learnt: Leveraging national and county governments' buildings for office space can be a cost-effective approach to decentralisation of services.

Recommendations

- Prioritisation of funds for the completion and operationalisation of the two offices in the FY 2024/25 budget.
- There is a need to mobilise resources beyond the exchequer to address budget deficits.

iii. Publication of Annual State of Openness Report

Project Progress: During the period under review, no report was developed on the annual state of openness.

Implementation Challenges

- Inadequate budgetary allocation.
- Lack of sufficient resources and partnerships.

Lesson Learnt: Synergies created through partnerships can benefit the Commission with both resources and expertise for the development of the report.

Recommendation: Mobilise additional resources beyond the Exchequer by exploring alternative funding sources and partnerships to address budget deficits and support effective programme implementation.

iv. Determination of Information Access Appeals

Project Progress: During the reporting period, 100 percent of appeals on requests for information were successfully resolved.

Implementation Challenge: The culture of secrecy in the public and private sectors has hindered access to information by citizens.

Lesson Learnt: Effective follow-ups and oversight on public and private entities promote implementation of the right to information.

Recommendation: Continuous advocacy and awareness creation on the right to information for both the public and private sectors.

6.2.20 Legal Education and Training

Location: Nationwide
Objective: To enhance access to quality legal education and training.
Implementing Agency: Kenya School of Law

i. Establishment of Regional Campuses

Project Progress: During the period under review, a feasibility study on regional campuses was undertaken in three constituencies: Tharaka Nithi, West Mugirango and Mukurwe-ini. The report was awaiting Board approval.

Implementation Challenge: Inadequate budgetary allocation and financial support which affected service delivery.

Lessons Learnt

- Alignment of the work plans, budget, and procurement plan to the strategic plan enhances implementation.
- Effective monitoring, evaluation and reporting framework enhances implementation.

Recommendation: Provision of requested budgetary allocation.

ii. Establishment of ATP Examination Centres

Project Progress: During the period under review, one out of two ATP examination centres was established, achieving 50 percent of the target.

Implementation Challenge: Inadequate budgetary allocation and financial support which affected service delivery.

Lessons Learnt

- Effective monitoring, evaluation and reporting frameworks enhance implementation.
- Training and professional development: Invest in continuous training and professional development for staff and volunteers to ensure they are equipped with the necessary skills and knowledge.

Recommendation: Appropriate provision of the specified budgetary allocation.