REPUBLIC OF KENYA

MINISTRY OF DEVOLUTION & PLANNING

KENYA VISION 2030

Mid Term Review of the Second Medium Term Plan 2013-2017

Mid Term Review of the Second Medium Term Plan 2013-2017

Final Report

Aknowledgements

Table of **Contents**

1.0 Introduction and Background

1.1 Introduction

The Ministry of Devolution and Planning (MODP), is mandated, through **Executive Order No. 2 of 2013,** to provide overall strategic guidance in national development planning. This mandate involves providing leadership in the formulation, implementation as well as monitoring and evaluation of macro and sectoral development policies and programmes. The Ministry, in collaboration with stakeholders, formulated macroeconomic and sectoral policies and programmes that are intended to stimulate and sustain a high economic growth rate, create employment and reduce poverty.

The *Kenya Vision 2030* is the country's long-term development blue print whose aim is to transform the country into a modern, globally competitive, middle-income country, offering a high quality of life for all citizens by the year 2030. It has so far been implemented in five year phases through the *First Medium Term Plan 2008-2012 (MTPI)* and *the Second Medium Term Plan 2013-2017 (MTP II).*

The publication of the MTP II 2013-2017 marked a critical milestone for Kenya's development path because it was the first national development plan to have been formulated under the new Two-Tier governance structure (national and county governments) as provided for in the Constitution of Kenya 2010. The MTP II also captures key priority programmes and projects of the Government of Kenya as espoused in the Jubilee Manifesto.

The Government has been tracking the implementation of the MTP II by preparing Annual Progress Reports (APR) coordinated by the Monitoring and Evaluation Department (MED) within the Ministry of Devolution and Planning. The Department published the First APR on the implementation of the MTP II in May 2015. The APR of the MTP II assesses performance against benchmarks, outputs/outcomes and tracks the progress made in the implementation of projects and programmes at both the national and county government levels.

The Mid-Term Review (MTR) of the MTP II therefore provides an assessment of the extent to which goals, objectives, programmes, projects and the set targets of the MTP II have been achieved. The findings and lessons learnt from the review will inform the design and setting of implementation priorities, over the remaining period of the MTP II and in the development of the MTP III of the *Kenya Vision 2030*.

1.2 Objectives of the Assignment

The broad objective of the Mid-Term Review was to assess the progress made in the achievement of the MTPII goals, objectives, programmes, projects and set targets. The assessment covered the period 2013 – 2015 and was based on agreed benchmarks, targets and outcomes as spelt out in *the Hand Book of National Reporting Indicators* for the MTP II.

The specific objectives of the review included, but were not limited to the following:

- Establishing the extent to which MTP II goals and objectives were met during the first half of its implementation;
- Documenting the challenges and emerging issues experienced during the implementation of the MTPII and providing recommendations on how those challenges can be addressed;
- Identifying and documenting the lessons learnt during the implementation;
- Reviewing the extent to which MDGs were mainstreamed in the MTP, and recommending ways in which future strategies, policies and programmes will be formulated, designed and implemented for the realization of targeted results;
- Reviewing the extent to which gender and disability issues were mainstreamed in the MTP II and giving recommendations on future strategies and programmes to be implemented in order to achieve the targeted results;
- Informing the public on targets and objectives that were achieved in the first half of the MTP II
- Identifying the objectives and targets that were not realized in the first half of the MTP II in order to come up with recommendations on how they can be achieved;
- Giving proposals for the way forward for the future development plans both in the county and for the national government, and most importantly;
- Informing the design and implementation of the MTP III of the *Kenya Vision 2030*

The Terms of Reference (TORs) for the assignment are attached as Annex 1 to this Report.

1.3 Methodology

The review process was conducted in four phases summarised as follows:

i) Phase I - Inception phase

ii) Phase II - Field visits and stakeholder consultations

iii) Phase III - Data collection collation and analysis phase

iv) Phase IV - Reporting Phase

The review process was carried out in a highly participatory manner, entailing extensive stakeholder consultation and involvement. Both qualitative and quantitative data collection methodologies were employed.

The details of the activities carried out under each phase are summarized in figure 1.1 and discussed in the ensuing section of the report.

1.3.1 Inception Phase Activities

The inception activities fall into three main categories:

i) ***Inception Meeting with the MODP and UNDP:*** An inception meeting was held on 28th January, 2016 between the Ministry of Devolution and Planning (MODP), UNDP and the Consultants. The meeting's objectives were to:

- Review and arrive at a common understanding of the TORs between the consultants and the MODP;
- Plan and agree on the execution of the assignment;
- Agree on the roles and responsibilities of the parties involved in the implementation of the assignment.

Figure 1.1: Phases in the Implementation of the Review Process

PHASES	I Inception phase	II Field work visits-stakeholder consultation/ data collection phase	III Data entry, analysis and collation	IV Inception phase
ACTIVITIES	• Briefing meeting with the client (MODP & UNDP) • Desk review of relevant reports and documents • Design of data collection tools & instruments • Preparation of Inception report • Field work planning & logistics	• Confirmation of field visit itinerary • Visits to flagship project sites • Key informant interviews • Focus group discussions (FGDs) • Data collection • Data validation in the field	• Data entry and validation • Data collation and analysis • Data Interpretation	• Compilation of the Draft Rreport • Presentation of draft findings and recommendations • Final report

(ii) Desk Review of Relevant Documents and Reports: A review of key documents, reports, web-sites and all other sources of information relevant to the assignment was carried out by the consultant. The review had several goals in that it:

- informed the planning of the assignment;
- enabled the collation of information on the progress made in the implementation of MTP II;
- helped in identifying the main challenges experienced and lessons learnt;
- established the status of implementation of the MTPII programmes and projects, and the achievement of its set targets;
- provided access to regional and global literature on implementation of similar programmes and projects;
- pointed out best practices from other countries with similar programmes and projects; and
- helped in identifying data and information gaps and potential sources.

The list of the documents and reports reviewed by the consultants is attached as *Annex 2* of this report.

- ***Development of data collection tools and instruments:*** The assignment used both quantitative and qualitative information collected using participatory methodologies and appropriate data collection tools and instruments. The tools included:
- ***Key Informant's Interview (KIIs) Guidelines:*** mainly used for engagement with implementing agencies of the MTPII;
- ***Focused Group Discussions (FGDs) Guidelines:*** mainly used for 'visual observations checklist', to establish the current status of flagship projects;
- ***Transect Walks Guidelines:*** Systematic walks-through selected areas with local guides was undertaken in order to observe, ask, listen and learn more about relevant issues. This was also a means of collecting, confirming and/or verifying data and information, especially as it related to flagship projects.
- ***Picture Complementation:*** The data collected was complemented with pictures capturing actual progress made in the implementation of the MTP II flagship projects.

The data collection tools and instruments used during the review are attached as *Annex 3* to this report.

(i) **Preparation of Inception Report**

An Inception Report (IR) detailing the approach and methodology used by the consultant to carry out the review was prepared and submitted to MODP. The IR provided details on data collection methodologies, sampling of projects, tools/ instruments used for data collection, list of stakeholders interviewed and consulted, as well as the work-plan for the implementation of the assignment. It also specified the specific roles and responsibilities of the consultants, MODP and UNDP. It also provided a draft outline of the final MTP II mid-term review (MTR) report.

The IR was presented to the MODP and UNDP for review, comments and feedback which have since been incorporated into the final IR.

1.3.2 Field visits for Data Collection and Stakeholder Interviews

The consultants carried out field visits to conduct interviews and consultations with the MTP II implementing agencies and stakeholders. The objective was to assess progress and impact made in the implementation of the flagship projects.

The list of the people and institutions interviewed and/or consulted is attached as *Annex 4* of this Report.

1.3.3 Data Collation and Analysis

Using appropriate statistical packages such as SPSS and MS-Excel, the consultant analyzed the data collected from primary and secondary sources. The results of the analyses is presented in this report in form of totals, averages, ranges, frequencies, percentages; in tables, graphs, pie-charts etc., and other forms deemed necessary to enhance understanding.

1.4 Organization of the Report

This report is organized into five (5) chapters. Chapter one lays out the background to the review process by providing this introduction, stating the review objectives as well as the methodology used in carrying out the review in its entirety. Chapter Two gives an overview of the *Kenya Vision 2030* national policy blueprint and the MTPII focus. The findings of the review in terms of key achievements of the MTPII goals, outputs, outcomes, set targets and progress made in the implementation of the flagship projects are discussed in detail in Chapter Three while Chapter Four discusses the challenges and lessons learnt during the implementation of the MTPII. In turn, Chapter Five outlines the pertinent conclusions and recommendations to be made from the review exercise. The last part of the report contains the referral *Annexes 1, 2, 3, 4*, and *5*.


EXIT 6
LANE 1
Outer Ring Road
GSU
Nairobi
A 2

2.0 Overview of the *Kenya Vision 2030* and its Medium Term Plans

2.1 The Kenya Vision 2030

The Kenya Vision 2030 is the country's long term development blueprint, the overarching goal of which is to create "a globally competitive and prosperous country with a high quality of life by 2030". It aims to transform Kenya into "a newly industrializing, middle income country providing a high quality of life to all its citizens in a clean and secure environment". At the same time, the Vision aimed to achieve the MDGs for Kenyans by 2015 and will similarly do so for the SDGs.

The Vision is anchored on the economic; social; and political pillars. The economic pillar aims to achieve an average economic growth rate of 10 per cent per annum and sustaining it until 2030 in order to generate more resources to meet the Vision goals. Under the economic pillar, seven key sectors were identified to deliver the envisaged 10 percent economic growth rate per annum; namely: i) tourism; ii) agriculture, iii) manufacturing; iv)wholesale and retail trade; v) business process outsourcing (BPO); vi) financial services; and vii) oil, gas and other mineral resources sector. It is noted that the seventh sector was added to the economic pillar following the discovery of oil and other mineral resources.

The social pillar seeks to create a just, cohesive and equitable social development in a clean and secure environment by planned transformation in eight key social sectors: i) Education and Training; ii) Health; iii) Environment, iv) Water and Sanitation; v) Housing and Urbanization; vi) Gender, vii) Youth, and viii) Sports and Culture. It also makes special provisions for Kenyans with disability and previously marginalized communities.

The political pillar aims to realize an issue based, people centred, results oriented and accountable democratic system. Transformation in this pillar will take place across six strategic areas: rule of law; electoral and political processes; democracy and improved public service delivery; transparency and accountability; public administration reforms; and security, peace building and conflict management.

The economic, social and political pillar of Kenya Vision 2030 are anchored on key foundations: macro-economic stability; continuity in governance reforms; enhanced equity and wealth creation opportunities for the poor; infrastructure; energy; science, technology and innovation (STI); land reform; human resource development; security; and public sector reforms.

The Kenya Vision 2030 is implemented through a series of successive five year medium term plans (MTPs). For each of the pillars and the foundations, the Vision and its MTPs identifies flagship projects to be implemented over the Vision period and to facilitate the achievement of the desired goals and targets. The flagship projects directly address priorities of the government in key sectors.

2.2 The First Medium Term Plan (2008 – 2012)

The First Medium Term Plan (2008 – 2012) (MTP I) was the first to be produced under the Kenya Vision 2030. The overall objective of the Plan was to realize a higher and sustainable growth for the economy in a more equitable environment, accompanied by increased employment opportunities. The plan focused on improving and modernizing infrastructure and achieving long term structural transformation in terms of increasing the share of manufacturing and industry in GDP, as well as manufactured exports in total exports. In addition, the plan aimed at accelerating the achievements of MDGs by redirecting spending to high priority areas. Strategies to tackle poverty and inequality in the Plan included implementation of policies and programmes that minimize the differences in income opportunities and access to social services across Kenya's geographical regions, and paying special attention to the most disadvantaged communities in the Arid and Semi-arid (ASAL) districts, urban informal settlements and pockets of poverty in high potential areas.

The implementation of the plan started amid the realities of the disruption of the 2007/8 post-election violence. This called for focus on initiatives aimed at national healing and reconciliation; repair of damaged infrastructure; assistance to affected families; and resettlement of IDPs.

Kenya's economy was affected by the multiple adverse domestic (post-election violence and drought) and external (global financial and economic crisis and high international oil and commodity prices) shocks at the initial stages of its implementation. Nonetheless, significant progress was achieved in implementing the plan; notably the following:

i) ***National Healing and Reconciliation:*** the Plan's immediate priority was the implementation of projects that would go towards national healing and reconciliation, as well as rapid reconstruction to reverse the December 2007 post-election violence damage and setbacks.. During the first year, most of the damaged infrastructure was repaired and the government provided assistance to affected businesses that had resumed their operations. The bulk of the internally displaced persons have since been resettled.

ii) ***Infrastructure and enabling environment:*** The achievements recorded in this sector included:

- Installed capacity for generation of electric power increased by 34.2% from 1,197 MW in 2007 to 1,606 MW in 2012;
- A total of 16,000 institutions and 801,921 households were connected with electricity compared to the MTP target of a million households;
- Increased investments were made in green energy projects with investment in a 300 MW wind power project and 160 MW in Geothermal power;
- Roads – cumulative government expenditure on roads amounted to US$ 2.4 billion, of which US$1.8 billion was used on construction of new roads and US $540 million on road maintenance and rehabilitation. A total of 719.4 km of roads were constructed and 1,002 km of roads rehabilitated;
- Laying of the undersea Fiber Optic Cable (FOC) from Mombasa to Fujairah in United Arab Emirates linking Kenya to the global fiber optic submarine system was completed in 2010;
- The laying of 5,500 km of terrestrial fiber optic cables covering most parts of the country was also completed and linked to the undersea fiber optic network resulting in considerable efficiency and reduction in ICT costs; and,
- Significant progress was made in the development and modernization of airports and airstrips.

iii) ***Under the Economic Pillar Targets:*** This target was expected to realize an annual growth rate of 10% by 2012. This was not achieved because growth was constrained by the multiple shocks experienced during the implementation period resulting in the real GDP weakening to about 2% from 7% in 2007. However, recovery was quickly recorded with real GDP growing by 5.6% in 2011. Generally, although the targeted sectors, namely, tourism, agriculture and livestock, wholesale and retail trade, manufacturing, business process outsourcing (BPO) and financial services grew by a lower rate than was recorded during the ERS period, they all recovered positive growth rates in the first three years of the MTP I period. Table 2.1 shows although the growth rates for the priority sectors were generally below those of the ERS era, they were all positive.

Table 2.1: Growth Rates Recorded by MTP I Priority Sectors between 2008-2012

NO.	MTP I -PRIORITY SECTORS	UNIT	BASELINE 2007	2012	
				Target	Achieved
1.	Tourism	Earnings Kshs billions	65.4	250	
2.	Agriculture and livestock	%	5.1		2.9
3.	Wholesale and Retail Trade	%	11		5.5
4.	Manufacturing	%	6.3		3.1
5.	Financial Services	%	6.6		5.8

Source: MTP I 2008-2012 – Mid Term Review, 2012

iv) *Under the Social Pillar:* Great strides were made in this area, including the following:

- Pupil enrolment in Early Childhood Development Centres (ECD) increased from 1,691,093 in 2007 to 2,193,071 in 2011 with the proportion of girl pupils enrolled in Early Childhood Education (ECE) increasing from 48.1% to 49.8%. Over the same period, the ECE Net Enrolment Ratio (NER) increased by 7.9 percentage points from 42.1 to 50;
- The number of pupils enrolled in primary school increased from 8.25 million in 2007 to 9.97 million in 2012, - an additional 1.72 million pupils (or increase of 21%) in the 5 years of the MTP. Progress was achieved in enhancing the quality of education in that between 2007 and 2010/11, the textbook to pupil ratio in lower primary improved from 1:3 to 1:,1 and that for upper primary improved from 1:2 to 1:1;
- Transition rate from primary to secondary education increased from 60% from in 2007 to 72.5% by 2012. The rate for female pupils was higher at 75.3 % compared to 69.9 % for male pupils;
- The number of students enrolled in university increased by 53% from 118,239 in 2007/08 to 180, 978 in 2010/11;
- Regional disparities in school Enrolment improved with significant increase in the Net Enrolment Ratio (NER) in the ASALs increasing from 27% in 2007 to 42.5% in 2011/12;
- Health indicators show significant achievements between 2007 to 2012:
    - ✓ HIV prevalence rate declined from 7.4 % to 6.3 %;
    - ✓ Under-five mortality rate fell from 92 per 1,000;

- ✓ Immunization coverage for children under 1 year increased from 73% to 83 %;
- ✓ The proportion of inpatients with malaria fell from 19 % to 14 %.
- ✓ A total of 251 health centres and dispensaries were rehabilitated and improvement of infrastructure carried out for 72 hospitals.
- ✓ The number of health institutions in the country increased from 5,589 to 7,111, while the number of registered health personnel increased from 95,390 to 100,301.
- ✓ The number of middle level trainees in public medical training colleges increased from 5,932 to 6,699.

- Access to safe water improved with the percentage of urban households with access to safe water increasing from 60% to 70.5%, while that for rural households increasing from 40% to 49.2%; and
- The livelihoods of vulnerable groups in the society improved dramatically with increased transfers/direct disbursement to eligible beneficiaries rising from to Kshs 150 million in 2007 to KShs 2,508.3 million in 2012. The number of beneficiaries from cash transfers also increased over the period. This improvement was attributed to the implementation of the social protection policy prepared during the Plan period.

v) Considerable progress was made in poverty reduction and in the attainment MDG Goals over the period.

The 2013/14 fiscal planning was informed by the priorities of the MTP II of the Vision 2030, emerging global and domestic challenges as well as the transition to the devolved system of government.

Some of the notable achievements of the MTP I period included: constructed of 2,200km of roads exceeding target of 1,500km; linking the country to the global internet networks with 3 submarine undersea optic fibre cables; increased power generation capacity by 22 percent to over 1,600MW; and most notably, the enactment of the Constitution of Kenya 2010.

Among the critical issues, remaining and emerging challenges that needed to be addressed by the MTP II were: low domestic savings and investments; low per capita income growth; high levels of unemployment; high energy costs; high costs of finance; inefficiencies in rail and port operations; major regional economic and social disparities; low agricultural productivity; rapid population growth, proliferation of informal settlements; insecurity; declining share of manufacturing, and low share of export to GDP; slow growth of variety and value of exports; local and global disease epidemics; increase in cyber-crime; and threats from climate change.

2.3 The Second Medium Term Plan (2013 – 2017)

The Second Medium Term Plan (2013 – 2017 (MTP II) is the second in a series of five year medium term plans of the Kenya Vision 2030. The Plan was prepared and implemented under the Kenya Constitution 2010 which significantly altered the governance structure by creating a two tier government – a National Government and 47 county governments. At the same time, in March 2013, Kenyans elected a new government, the Jubilee Coalition and 47 devolved governments. The Jubilee Manifesto ***"Agenda for Kenya 2013-17 and Beyond"*** highlights the government priorities which have been taken into account in the MTP II along with the requirements of the implementation of the Constitution. This forms the basis of MTP II's theme - ***"transforming Kenya: pathway to devolution, socio-economic development, equity and national unity"***.

The MTP II aims to build on the achievements of the MTP I and put the economy on a high, broad based, inclusive and sustainable growth trajectory in order to attain the Kenya Vision 2030 targeted annual average growth rate of 10 per cent. This growth is expected to create jobs; reduce poverty; and increase gross investment by about 10 percentage points of the GDP. The MTP II is also expected to integrate the proposed Sustainable Development Goals (SDGs) as a follow up to the MDGs that Kenya implemented, and for which positive results were achieved.

Key priorities MTP II include:

- *Full Implementation of the Constitution, especially Devolution:* this entails the rapid set up of county institutions, capacity building of counties and improved policy coordination and implementation;
- *National Cohesion:* to build peace, reduce ethnic conflict and promote issue based politics;
- *Security:* to provide safety to individual Kenyans and investors;
- *Drought Emergencies Mitigation and Food Security:* implementation of 'Ending Drought Emergencies Programme'; increasing investment in irrigation; and other initiatives to enhance agricultural productivity and value;
- *Equity and Inclusivity in Access to Opportunities and Lower Cost of Living:* Emphasis will be on addressing regional balance in employment and lowering the cost of living through initiatives aimed at lowering the cost of food, as well as mainstreaming gender, disability and environmental conservation. In this regard, emphasis will be put on planning and budgeting in the two-tier system of governance

- *On Health:* the focus will be on universal access to health care, preventive and primary health care, clean water, management of communicable and non-communicable diseases, maternal and child health;
- *On Education:* the focus is on addressing low enrolment in areas that remain below the national average; retaining students in school up to 18 years of age; providing education more efficiently through use of technology; and improving quality by training and hiring more teachers;
- *On Infrastructure:* the MTP II will build on the successes of the MTP I by focusing on cheaper and more adequate electricity; construction of local and regional rail and road networks that provide safe, efficient and cost effective transport;
- *On Industrialization:* the impetus is on facilitating the growth of the manufacturing sector; making agriculture more competitive; diversifying the economy; and supporting the growth and competitiveness of local entrepreneurs;
- *On Trade:* there will be efforts to expand trade to increase its share in the fast growing regional and other emerging markets. Trade in the region will be backed by joint infrastructure investments with neighbouring countries;
- *Investment to Support Growth:* will be achieved by prudently investing in key sectors; land reforms to make land a productive asset; and new initiatives to encourage the financial sector to mobilize savings and improve resource allocation to key growth sectors;
- *Competitiveness and Rebalancing Growth:* Kenya will increase investment in expansion, development and modernization of roads, rail, ports and ICT in order to make Kenya a leading logistics hub. This will entail the development of the LAPSSET Corridor and the gas, oil and other mineral resources sector to spur higher economic growth. The PPP Act was operationalized in 2013 to facilitate private sector investment in infrastructure;
- *Governance and Public Financial Management Reforms:* Efforts will be geared towards on enhancing public participation in budgeting and planning at both national and county government levels so as to promote transparency and accountability. For public financial management, this will involve implementation of the Public Finance Management Act 2012; the Integrated Financial Management System (IFMIS); and capacity building in budgeting and financial management at national and county levels;
- *Land Reforms:* this includes the review of the National Land Policy (2007); and land adjudication and issue of title deeds to promote secure land ownership and boost investment;

- *Arts, Sports and Culture:* The thrust is on identifying, nurturing talent and supporting its commercialization; and provide necessary infrastructure to position creative arts, cultural heritage and sports as major sources of employment and income especially for the youth.
- *Inclusivity and Equity:* aims at mainstreaming gender, disability and environmental conservation in planning and budgeting in both national and county government levels.

During the MTP II period, measures were taken to realign Kenya's foreign policy with the nation's international trade objectives. These involved capacity building of staff in trade analysis and negotiation; deepening economic and commercial diplomacy, regional integration, and bilateral and multilateral partnerships to boost Kenya's share of international markets. Nairobi was also be elevated as a diplomatic centre, international economic hub, and venue for multi-lateral diplomacy.

2.4 **Institutional framework for Kenya Vision 2030 implementation**

The responsibility for the implementation of the Kenya Vision 2030 is shared among various institutions namely: MODP, line Ministries, Counties governments, Departments and Agencies (MCDAs), all of which are supported by the Vision 2030 Delivery Board (VDB) and Vision 2030 Delivery Secretariat (VDS). The VDB provides overall leadership, oversight, guidance and strategic policy direction in the implementation of the Vision and sustenance of momentum in realizing the goals and aspirations of the Vision. It is, more importantly, is responsible for setting targets and evaluating the results achieved. On the other hand, VDS coordinates and spearheads the implementation of the Vision as the country's blueprint and strategy towards making Kenya a newly industrializing middle-income country capable of providing a high quality of life for all citizens by 2030.

3.0 Key Findings of Progress and Achievements Under The Second Medium Term Period

This chapter reports on progress and various achievements in respective sectors under the second Medium Term Period (MTP II) of the *Kenya Vision 2030*. They are presented in terms of the MTP II goals, objectives and targets as were set up to 2015 which is also the reporting period under this assignment.

3.1 The Macroeconomic Framework

The aim of the medium term macroeconomic framework of the Second MTP for the period 2013-2017 was to put the economy on a high and inclusive growth trajectory by facilitating the country to achieve a double digit growth rate by the end of the plan period. Through the framework, the plan also projected to deliver higher living standards and increased job creation. Such achievements are anchored on a firm macroeconomic foundation that ensures stability in price levels; sustainable fiscal deficits; increased share of infrastructure investments to GDP; sustained levels of public sector debt and external balance; transparent and accountable use of public resources; and a conducive business environment.

3.1.1 Overall Economic Performance

During the review period, the economy recorded growth rates of 5.7% in 2013, 5.3% in 2014 and 5.6%, in 2015, all of which were lower than projected in MTP II as shown in Table 3.1. The reasons for the missed targets can be traced to – among other factors - the insecurity, which impacted on investment and other key sectors such as tourism. Other factors were the slowdown in the growth of the manufacturing sector occasioned by imports of cheaper manufactured products and subsequent reduction in the share of Kenya's manufactured export in the regional market; adverse weather patterns which affected growth of the agriculture sector; high lending rates and the slow uptake of Public Private Partnership (PPP) projects.

Table 3.1: Targeted and Actual Growth Rates of Key Sectors

SECTOR	2012	2013		2014		2015	
	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
Overall (%)	4.6	6.1	5.7	7.2	5.3	8.7	5.6
Agriculture (%)	2.9	5.1	5.4	6.5	3.5	6.8	5.6
Industry (%)	4.2	6.0	5.3	7.6	6.5	8.6	6.9
Services (%)	5.3	6.5	5.9	7.3	5.7	9.4	5.3

Source: Economic Survey 2016

3.1.2 Sectoral Performance

Agriculture Sector: With the exception of the initial year of the MTP II, growth in agriculture sector has been lower than projected. This is on account of slow implementation of key initiatives to support growth of the sector. Key among them was the delay in the construction of High Grand Fall dam to support the irrigation of one million acres flagship project. Further, progress in active promotion of value addition to agricultural produce was slow. However, the government has now prioritized the construction of High Grand Falls dam under Kenya-China bilateral cooperation.

Industry Sector: This recorded an accelerated growth slightly below projected levels at 5.3% in 2013, 6.5% 2014, and 6.9%, in 2015. The steady acceleration in the growth of the sector is attributed largely to continued development of infrastructure such as roads, ports, railway and power plants. However, the growth of the manufacturing sub-sector stagnated averaging at 3.3% between 2014 and 2015 due to low competitiveness of Kenya's manufactured products. To address this, the government enacted the Special Economic Zones Act 2015 which will provide a framework for the establishment of Special Economic Zones in the country. The new Mining Act 2016 is also expected to support investments in the mining and quarry sub-sector and contribute to the growth of the industry sector.

Services Sector: Despite the decline in the tourism, the services sector has registered resilient growth with subsectors such as financial and insurance; real estate; and ICT recording relatively high growth rates. On average, the financial and insurance subsector grew by 8.9% over the three year period. To further boost the growth of the services sector, the government has prepared the Nairobi International Financial Centre Bill 2016 which is awaiting stakeholders' validation before submission to parliament for enactment into law. The Bill provides a framework to facilitate and support the development of an efficient and globally competitive financial services sector in Kenya that generates high levels of national savings and investments.

Table 3.2: Summary of the of Key Macroeconomic Indicators for the period 2012/2013 to 2014/2015

MACROECONOMIC INDICATORS	2012/2013	2013/2014		2014/2015	
	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
Real GDP Growth (%)	5.2	6.7	5.5	7.8	5.5
CPI Index (eop)		5.5	6.8	5.0	6.1
CPI Index (avg)	4.7	6.0	7.1	5.0	6.6
As % of GDP					
Gross National Savings	12.3	16.4	12.7	19.7	14.5
Investment	20.8	24.7	21.7	26.9	23.5
Total revenue	18.8	20.2	19.3	20.4	19.4
Total expenditure and net lending	24.6	29.2	25.8	31.6	28.7
Overall balance (excluding grants)	-5.8	-8.9	-6.5	-11.2	-9.3
Overall balance (including grants)	-5.3	-6.0	-5.9	-10.1	-8.6
Public Debt	38.5	48.3	43.9	45.4	44.9
Current Accounts Incl. official transfers	-8.5	-8.9	-9.0	-8.0	-9.0
Reserves (months of import cover)	3.8	4.1	4.1	4.4	4.6

Source: Economic Survey 2016 and BPS 2016

3.1.3 Medium Term Fiscal Projections

The target for the Second MTP was to pursue prudent macroeconomic policies to ensure fiscal and debt sustainability. Total revenue as a percentage of GDP stood at 19.3% in 2013/2014 and 19.4% in 2014/2015, which were slightly below targets of 20.2% and 20.4% respectively. Expenditure and net lending stood at 25.8% and 28.7% of GDP over a similar period and were far below targets, depicting prudence with regard to aligning public spending to available budgetary resources.

Public debt as a percentage of GDP increased from 43.9% in 2013/2014 to 44.9% in 2014/2015 and was within the set targets. The Second MTP had programmed to reduce the ratio of domestic and external financing to 30:70 by the end of plan period. The ratio of domestic to external financing stood at 66:34 in 2013/2014 and 53:47 in 2014/2015, and is progressing towards the Second MTP target to avoid crowding out the private sector in the credit market. Despite government borrowing of USD2 billion through Sovereign Bond in 2013/2014, and an additional USD750 million from international investors by re-opening (tapping) the Bond in 2014/15, government's external debt remains largely on concessional terms.

Over the review period, the Central Bank of Kenya continued to pursue prudent monetary policy to ensure price stability. The inflation rate averaged 6.8% and 6.1% against target of 5.5% and 5.0% during 2013/2014 and 2014/2015 respectively. International reserves grew from 3.8 months of import cover in 2012/2013 to 4.6

months in 2014/2015, which was slightly higher than the MTP target for that year. Current account balance including official transfers was almost within target in 2013/2014, and was slightly higher compared to the target in 2014/2015.

3.1.4 Medium Term Employment Projections

During the Second MTP, the Government committed to creating an average of one million jobs annually to address youth unemployment and upscale skill training. The government policy also aimed at increasing the proportion of modern sector employment from 12 per cent in 2012 to 40 per cent by the end of plan period. On average, 793,000 jobs were created annually between 2013 and 2015 against an average annual target of 849,000 jobs over similar period. With the exception of initial year of the MTP II, the other two years (2014 and 2015) registered lower than the targeted number of jobs.

Although most of the jobs created during the review period were in the informal sector, it is likely that some of those currently categorized as informal are actually formal sector jobs. These can be re-classified as part of formal modern sector employment through policy review by the relevant authorities. At present, informal sector jobs are characterized as those not formally registered, with the result that many of the jobs in the modern sector jobs are inaccurately classified hence reducing the tax base for raising revenue.

Table 3.3: Employment Projections 2013-2017
000'

	2013		2014		2015	
	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
Formal	108	134.2	164	106.3	250	128
Informal	615	601.7	657	695.9	750	713.6
Total	**723**	**735.9**	**821**	**802.2**	**1000**	**841.6**
Ratio of formal total employment	0.15	0.18	0.20	0.13	0.25	0.15
Ratio of informal to total employment	0.85	0.82	0.80	0.87	0.75	0.85

Source: Economic Survey 2016 and BPS 2016

3.1.5 Structural Reforms

The goal of MTP II is to ensure that Kenya ranks among the top 50 countries in both the ease of doing business, and the Global Competitiveness Index (GCI). According to World Bank 2016 ease of doing business, Kenya's ranking improved 21 places from position 129 in 2015 to position 108 out of 189 countries. Despite not achieving the targeted rank, among the top ten economies, Kenya has recorded the most marked improvement in starting a business, getting electricity, registering property, and getting credit. This is attributed to digitization of company registry, digitization of land registry, rolling out of *Huduma Centres* and last mile electricity connectivity program.

The government continues to re-engineer business processes of six of the 10 World Bank Doing Business Indicators. The process of connecting electricity to businesses, for instance, has been simplified to only three steps and the time taken has reduced from 155 to 70 days. Under the Business Registration Service Act 2015, the process of registering business in Kenya has been made easier by the implementation of other reforms, such as online title search and online reservation of business name. .

The government has enacted the Public Private Partnership Act 2013; the Business Registration Service Act 2015; and the Special Economic Zone Act 2015 to facilitate private sector investment in infrastructure and other sectors of the economy. In addition, the National Productivity Centre and Competition Authority have been strengthened to enable them to effectively perform their mandates in order to enhance competition and efficiency of the economy. .

Further, the Public Finance Management Act, 2012 was revised in 2015 while the Public Finance Management (County Government) regulations, 2015 and Public Finance Management (National Government) regulations, 2015 were issued in order to improve management of public resources. Significant progress has been achieved on implementation of Public Finance Management Reforms 2013-2018 with many activities well on target and likely to be completed by the end of the Strategy as outlined in the recently concluded PFMR Mid-Term Review report..

There are many areas where implementation of the reforms has lagged behind and is likely to affect the achievement of the Plan objectives. Most notable of these include the introduction of the Treasury Single Account (TSA) at National and County levels, payroll and pension reforms, and expansion of PFM systems. However, measures are currently being put in place to operationalize Treasury Single Account (TSA) by September 2016 to ensure efficient and effective cash management. The National Treasury Debt Management Office has also been established and is headed by a Director General

The government, in an effort to address procurement bottlenecks and build capacity both at national and county governments, enacted the Public Procurement and Disposal Act 2015. ICT initiatives such as re-engineered IFMIS have been strengthened both at national and at county levels., Plan to Budget, Procure to Pay (P2P) and, E-Business Suite - three core Modules of IFMIS - have been rolled out at the county level. Other achievements include the development and automation of the Kenya Supplier Portal; training of end users in the County Governments on P2P module; training of suppliers across the 47 Counties on Kenya Supplier Portal; development of Statutory, Management and ad hoc Reports in IFMIS, e.g. Encumbrance and Preferential Groups Reports; and the introduction of approval hierarchy for different levels of Procure to Pay. As well, the strategy to roll out the National Integrated

Monitoring and Evaluation System (NIMES) to county government is in place. Substantial progress has also been made in fast-tracking of the implementation of *e-promis* to integrate projects from the counties.

3.1.6 Statistical Reforms

One of the priorities of the Kenya Government as outlined in MTP II is to strengthen the National Statistical System to support planning, and monitoring and evaluation of government policies and programmes. The Kenya National Bureau of Statistics (KNBS) is therefore, mandated to generate official statistics that are comprehensive, reliable, timely and disaggregated up to the county level. To this end, the Bureau has established offices in each of the 47 counties to coordinate statistical capacity building programmes at the county level and ensure that international standards are applied in the production and dissemination of county statistics. The MTP II also envisaged that a number of surveys and censuses will be conducted during the plan period to improve on the quality of data. Significant progress has been made in the undertaking of these surveys and is projected that all the surveys will be carried out within schedule. Table 3.4 summarizes the status of the surveys:

Table 3.4: Status of the Implementation of Surveys Planned in MTPII

No.	SURVEY	OBJECTIVE	STATUS
1.	Kenya Integrated Household Budget Survey (KIHBS) 2015/16	The survey is expected to: • update parameters used in national resource allocation • update household consumption benchmarks • provide estimates for endline of MDGs and a baseline for SDGs • facilitate compilation of county-specific socio-economic indicators • meet demand for emerging issues such as domestic concept in CPI, domestic tourism, ICT and others.	Basic report is expected to be released by end of third quarter 2016/17.
2.	Census of agriculture	Develop a frame for use in agricultural surveys	Preparatory activities towards undertaking a Census of large agricultural farms ongoing.
3.	Labour force survey	Update the labour indicators, e.g. unemployment rates	Included as a module in the KIHBS 2015/16
4.	Census of Business establishment	Develop and revamp the Business register	Preparatory activities ongoing. The census is expected to be done in this financial year 2016/17.
5.	Generation of county statistical profiles	• Inform counties on the status of various socio economic indicators • assist in planning and policy formulation and; • Monitoring and evaluation.	Drafts county specific statistical profiles already developed.

Source: The Kenya National Bureau of Statistics (KNBS)

3.1.7 Tax Reforms

Various reforms aimed at enhancing government revenue have been implemented during the MTPII period:

- **Integrated Tax Management System (ITMS):** The second phase of the Integrated Tax Management System was in use until February 2014, after which the KRA adopted *iTax* which is a superior IT-based Tax Management System and which is now fully operational. A total of 3.1 million taxpayers are currently registered with *iTax*, with their profiles and details updated on the *iPage*. In this regard, all taxpayers are required to fill tax returns online with effect from August 2015. A total of 13 iTax support centres are operational countrywide to provide necessary assistance to taxpayers.
- **Payments of taxes via mobile money:** The system of payments of taxes via mobile money has been implemented and payments can now be made via Safaricom's *Mpesa* system and Airtel Money.
- **Turnover Tax:** The Turnover tax was revamped and implemented to make it more efficient and easy for tax payers to comply. Brief and simplified procedures handbooks were developed for SME (TOT) taxpayers and disseminated to relevant associations and stakeholders. Recruitment of SME taxpayers as at June 2015 stood at 417,497 against a corporate target of 403,176.
- **Taxation of Real Estate Sector:** The implementation of GEOCRIS – a system that uses geo-spatial to locate property – is yet to be implemented. It is envisaged that this will enhance revenue collection from real estate sector. However, the use of simplified rental income commenced on 1st January 2016. And by the end of financial year 2015/2016, 14,000 new landlords had filed returns.
- **Taxation of High Net Worth Individuals (HNWI):** A unit dedicated to handling taxation of HNWI was established under the DTD Medium Taxpayers Office (MTO), and a framework developed to guide on the identification of the HNWI.
- **Single Customs Territory (SCT):** The SCT and introduction of tax payment at first point of entry is currently being implemented by Customs Services Department (CSD) in collaboration with partner states.
- **Dynamic Risk Management System:** This was implemented as part of the new Integrated Customs Management System (ICMS).
- **Implementation of Electronic Cargo Tracking System (ECTS):** The implementation of ECTS is in progress. As at June 2015, over 1700 trucks had already installed the ECTS while six service providers had been certified

to track trucks and vehicles. Plans are underway to expand ECTS throughout the EAC region.

- **Transfer Pricing:** A review of the governance of the Transfer Pricing program has been undertaken during MTPII period. A Transfer Pricing Unit was created within the Domestic Taxes Department, key achievements of which include strengthening tax information exchange agreements, and treaties signed with various countries. Kenya is now a member of Global Forum on Transparency which exchange information to scale up taxation.
- **Implement Strategy for Taxation of the Mining Sector:** With regard to tax legislation the following Acts were enacted during the 2nd MTP period and are being implemented: the VAT Act 2013; the Excise Act 2015 and the Tax Procedure Act 2015. At the same time, Income Tax Act was amended to include a Ninth schedule for taxation of both mining and oil exploration.
- **County Taxation:** Over the review period, KRA expanded its presence in seven counties by increasing the number of offices from 19 to 26. The Authority has also engaged with all Counties through the Council of Governors Forum to strategize on means through which it can assist counties to collect revenue.
- **Strengthening and Revamping Tax Enforcement Mechanisms:** Among the strategies to strengthen and revamp tax mechanism include use of enforcement tools such as scanners at points of entry, detector dogs and boats; and enhanced usage and compliance with Excise Goods Management System covering tobacco, wines & spirits; continuing expansion of withholding VAT coverage; and completion of IFMIS - iTax linkage thereby enabling KRA to widen supplier data capture.

3.1.8 Recommendations and Issues to be Carried Over to MTP III

i) Raise investment to GDP ratio

ii) Work on ways to mobilize domestic savings through implementation of Contributory Pension Scheme and put in place incentives to promote saving

iii) Expedite implementation of key legislations such as PPP Act 2013, SEZ Act 2015 and Mining Act 2016 to support investment in the country

iv) Address high lending rates with an aim of bringing down cost of credit to support private sector investments, particularly for Small and Medium Enterprises (SMEs)

v) Address the high current account imbalance through export led growth

vi) Measures be taken to improve Balance of Payment statistics

vii) Put in place an effective strategy to address issues and constraint facing manufacturing sector including stemming the imports of counterfeit products.

viii) Reclassify the informal sector employment to widen the tax base.

3.2 Foundations for National Transformation

The successful implementation of the enablers, or foundations are central to the realization of the objectives and targets of the MTP II. Those enablers or foundations include Infrastructure (roads, rail network, sea ports, airports and pipelines); Information and Communication Technology (ICT); Science, Technology and Innovation (ST&I); Land Reforms; Human Resources Development, Labour and Employment; Security; Public Sector Reforms; National Values and Ethics; and Ending Drought Emergencies (EDE).

This chapter outlines the progress made in the implementation of the enablers and foundations during the period under review.

3.2.1 Infrastructure

Overview

The theme of the Infrastructure Sector was spelt out thus: "*Deploying World Class Infrastructure Facilities and Services*". The aim of the Sector in the MTP II is to gradually close Kenya's "infrastructure deficit", while building on the achievements made during the MTP I. Infrastructure is expected to play a pivotal role in steering Kenya's economy towards a middle-income level as envisaged in the *Kenya Vision 2030* policy blueprint. According to the MTP II, efficient, accessible and reliable infrastructure is an enabler for sustained economic growth and poverty reduction. Implementation of infrastructure programmes and projects focus on accessibility, quality, functionality, job creation, disaster preparedness and protection of the environment. Strategies include: strengthening of institutional frameworks; operationalising the public private partnership (PPP) and Annuity legislation to encourage private sector investment in infrastructure development; regular maintenance of infrastructure facilities; raising the efficiency and quality of infrastructure; as well as increasing the rate of implementation of infrastructure projects.

During MTP I, the infrastructure sector recorded good progress in the development, expansion and improvement of all infrastructural components. Some of the key achievements included the following:

- Expansion and modernisation of aviation facilities at the international airports of Jomo Kenyatta, Moi, and Kisumu and selected airstrips countrywide;
- Improvement of maritime facilities including the dredging and widening of Mombasa Port, and the development of container Berth No 19;

- Improvement of rail transport, including the upgrading of Commuter Core System; construction of railway station at Syokimau and Imara Daima; and commencement of preliminary designs for Mombasa to Malaba standard gauge railway;
- Roads expansion, consisting of the construction of 2,200km and rehabilitation of 1,863km of roads; periodic maintenance of 2,649km; and routine maintenance of 236,603km of existing roads. Thika Super Highway was completed; and progress made on decongesting cities, towns and urban centres, including the construction of Nairobi missing links. Rural accessibility was also improved through the Roads 2000 Programme; and the implementation of the Road Safety Programme;
- Installed electricity generation capacity increased from 1,268MW to 1,606MW; installed capacity from new and renewable sources increased from 100MW to 241MW; and new customers increased by 1.3 million to over 2.3 million in 2012 against a target of 1 million;
- The development of Lamu Port South Sudan and Ethiopia Transport (LAPSSET) Corridor was initiated; and
- Key policy, legal and institutional frameworks were formulated to support the development of the sector.

On the other hand, some of the challenges faced at the beginning of the period are also summarised for each implicated sector as indicated here below:

Railway and aviation:

Inadequate capacity in human resources and equipment in the aviation sector; inefficient and lengthy cargo processing procedures; inadequate cargo handling capacity; non-tariff barriers; an aging railway network infrastructure; the huge capital outlay required to construct the standard gauge railway; inadequate skills; and encroachment of railway lines.

Road networks and other public works:

The road network was suffering from rapidly increasing traffic volumes and congestion in cities, towns and on major roads; inadequate enforcement of axle load limits; huge maintenance backlog; inadequate funding; high cost of road construction; inadequate local construction capacity; high land acquisition costs; depletion of local road construction materials; and encroachment of road reserves.

On buildings and other public works, challenges included stalled projects; and the high rental charges in Kenya missions abroad.

Energy:

There was over-dependence on unreliable hydropower; high cost of rural electrification; outdated refinery and pipeline systems; inadequate storage capacity for strategic petroleum reserves; volatility of international crude oil prices; and weak legal and regulatory frameworks for energy resources exploration, exploitation, and development.

Achievements

The progress made in terms of programmes and projects under the various enabler components are further discussed herebelow:

(a) Expansion and Modernisation of Aviation Facilities

The government aims at making Kenya the aviation hub in the African region through construction and modernisation of aviation facilities targeting an annual capacity of 45 million passengers. The MTP II in particular, targeted the expansion and improvement of the international airports and various airstrips throughout the country.

Expansion and Modernisation of Jomo Kenyatta International Airport (JKIA)

During the period, good progress was made in the expansion and modernisation of JKIA. The parking garage was completed and initially converted into a temporally international arrivals facility after a fire gutted the international arrivals building in August 2013. As stopgap measures, two prefab terminal facilities were completed, raising the capacity of JKIA by 2.5 million passengers to 7.5 million per annum. These include: Terminal 1E (T1E); and Terminal 2 (T2). Terminal 1A was also completed and the domestic Terminal 1D extended by one floor. The Primary Security Screening Facility at JKIA was complete and in operation by the time of this review. It includes: eight booths; X-ray vehicle and baggage scanners; handheld explosive detectors; full human body scanners; walk through metal detectors; parking, and un-interrupted power supply for screening all cars and human traffic to the Airport.

Green Field Terminal Project

The Green Field Terminal, a flag ship project launched in 2013, expected to more than triple passenger handling capacity at Jomo Kenya International Airport (JKIA), and planned to be 60% by June 2016, was terminated in March 2016 due to current prevailing operational, financial and economic challenges.

Table 3.5 (a): Passenger Traffic through JKIA

	UNIT	2011	2012	2013	2014	2015
No. of passengers	'000	6,291	6,272	5,947	6,387	6,480
Increase	%		-0.3%	-5.2%	7.4%	1.5%

Source: Economic Survey 2016

The Second Runway at JKIA

A contractor was procured in 2015 for the detailed design and tender documentation for the construction of the second runway and has already started work. This Project is behind schedule as it was expected to be 40% complete by June 2016.

Other International Airports

The works on the taxiways and apron at Kisumu International Airport were completed during the period. However, the rehabilitation of pavements (Phase 2 Stage 2) which involved strengthening and widening of the shoulders to allow for landing larger aircraft is behind schedule with 10 percent completed at the time of this review against the planned completion by June 2017. During the period, security and boundary fence at Moi International Airport in Mombasa was completed. Also, no progress was recorded on expansion and modernisation of the Airport; and the expansion of the runway in Eldoret International Airport expected to be completed by June 2017.

Progress in other aviation facilities include: the completion of Kenya Civil Aviation Authority Headquarter building at JKIA; Upgrading of Air Navigation Systems (communication and navigation aids); purchase of 3D Air Traffic Control Training Simulator at the East Africa School of Aviation (EASA); ongoing upgrade of Isiolo and Manda airports which are part of the LAPSSET Corridor Project; and the development and improvement of airstrips including Homabay, Lodwar, Kitale, Embu, Nyeri, Nanyuki, Suneka, Voi and Tseikuru.

(b) Improvement in Shipping and Maritime Facilities

Total cargo throughput through the Port of Mombasa has been increasing at a rate of up to 12 per cent per annum reaching 26.7 million tonnes in 2015. Total container traffic handled rose by 6.3 per cent to over 1 million Twenty-foot Equivalent Units (TEUs) in 2015. The following table shows traffic volumes through the Port:

Table 3.5(b): Traffic Handled at Mombasa Port

	UNIT	2011	2012	2013	2014	2015
Container Traffic	TEUs	770,804	903,463	894,000	1,012,002	1,076,118
Increase	%		17%	-1%	13%	6%
Cargo volumes	000’ DWT	19,953	21,920	22,307	24,875	26,732
Increase	%		10%	2%	12%	7%

Source: Economic Survey 2016

The objective set out in *Kenya Vision 2030* was to build port capacity of 50 million tonnes and transform Kenya into a maritime hub. This will be achieved through improvement in Port efficiency; construction of a Second Container Terminal and additional handling facilities at the Port of Mombasa; development of the Lamu Port under the LAPSSET Project; development of Dongo Kundu Free Trade Port area; and modernisation of ferry services to increase passenger capacity.

Improving Port Efficiency

Initiatives undertaken during the period to improve Port efficiency include the implementation of the Electronic Single Window System and the operationalisation of the 24 hour operations.

- *Implementation of the Electronic Single Window System:* The Kenya Tradenet System, an electronic single window system, was launched in May 2014. The System allows clients to lodge Port clearance documents electronically through the System to the multiple government agencies involved in clearing cargo at the comfort of their offices. The System is currently linked to 27 Partner Government Agencies (PGAs) with 5 more on the way. These are the agencies with responsibilities for the clearing of goods through the Port and Kenyan borders. At the time of this Review, all import declaration forms (IDFs) were being lodged through the System. The System also links with the KRA iTax payment system which handles payments to the PGAs and will be enhanced to provide users with more payment channels by June 2016.

  Further, the System will seamlessly combine with the Integrated Customs Management System (iCMS) being implemented by KRA to replace the Simba System in use since 2005. It will also integrate with the Real Time Monitoring System (RTMS) which was expected to be in place by end of April 2016; thus, automating the One Stop Border Post (OSBP) processes for efficient and faster clearance of cargo at Kenyan Borders.

  The System reduces delays and lowers the costs of clearing goods at the Port and Kenyan borders. Some of the benefits reported include reduction in the: number of steps necessary to clear goods by up to 50 percent; number of documents required by between 30-50 percent; and, time taken to process client requests by over 50 percent in some instances. The number of times a client needs to visit a government agency has reduced to zero in some instances, while compliance levels have also gone up. After its integration with the RTMS, the result will be to eliminate manual processes and drastically reduce the cost and time taken to move goods across Kenyan borders. It is envisaged that it will take utmost 1 hour to clear goods at borders.

  The System is an international best practice recommended by major international trade bodies including the WTO and is being implemented and managed by Kenya Trade Network (Kentrade), a state corporation under the National Treasury.

  To provide comprehensive information to stakeholders, Kentrade with the support of TMEA and UNCTAD is implementing an E-Portal to provide and maintain up to date online documentation of key input, export and transit procedures. The System will also be integrated with an SMS and USSD gateway to provide real time updates to clients.

  Some of the challenges encountered in the implementation and realisation of the full potential of the System include: conflicting and overlapping mandates of some PGAs resulting in unnecessary, long, and costly clearance procedures; multiple and unimportant documents which present undue burden to traders in terms of cost, effort and time; cumbersome and protracted processes which need to be re-engineered and some of the steps automated; and, inadequate legislative framework necessary to streamline cargo clearance processes.

- *Operationalisation of 24 hour Port Operations:* Key steps have been taken to achieve an operational 24 hour port. First, the necessary infrastructure including 8 high mast floodlights were installed at the Port. Second, the computerisation of some of the processes including the ongoing operationalisation of the electronic Single Window System allows clients to transact on a 24 hour basis. However, not all agencies have been able to adapt to the 24 hour schedule; hence, this opportunity is not being fully exploited for improved efficiency of Port processes.

Increasing Port Capacity

This was to be realised through:

- *The Second Container Terminal* - To increase Port handling capacity, three container berths have been completed during the period under review. Berth 19, with capacity of 250 TEUs, which is part of the First Container Terminal was completed in March 2013 and commissioned on the 28th of August 2013 by the President of Uganda, His Excellency Yoweri Museveni. Berths 20 and 21, with capacity of 200,000 and 250,000 TEUs respectively, which are part of Phase I of the Second Container Terminal were completed and handed over to Kenya Ports Authority in February 2016. Their construction included reclaiming of 49.7 ha of the sea. The three berths combined (19, 20 and 21) have increased Port handling capacity by more than 700,000 TEUs to a total of over 1.5 million TEUs per annum. A new port access road connecting the Port with the existing Port Reitz road is also complete. In addition, Port Reitz road is being upgraded to a highway as part of the expansion of the road from Moi International Airport to a dual carriage way. The Second Container Terminal is strategically built adjacent to the marshalling yard for the Standard Gauge Railway and the Ndogo Kundu bypass for efficient movement of cargo.

  Phase II of the Second Container Terminal targets the construction of Berth 22 which will have a quay length of 320m, will be 15m deep and able to handle 400,000 TEUs per annum. This Phase will cost Kshs. 23 billion and is expected to be completed by the year 2020. Phase III envisions the construction of Berth 23 which will have a quay length of 230m, will be 12m deep, able to handle 350,000 TEUs per annum, and is expected to be completed by the year 2025. Negotiations are in progress with JICA for the funding of the construction of berths 22 and 23. This implies that by the

Newly Installed Cranes in the Second Container Terminal at the Mombasa Port

year 2025 and in line with the current plans, the Port of Mombasa will be able to handle over 2.2 million TEUs per annum.

During the period, KPA also implemented a comprehensive security system. The system includes CCTV cameras, intelligent perimeter fence, electronically controlled gates for vehicles and biometric system for human traffic. This system, implemented with support from the World Bank, makes the Port International Ship and Port Security (ISPS) ready. The Authority also upgraded its electricity supply infrastructure to meet its current and projected demand for the next 10 years.

- *The development of the Lamu Port* - discussed under the LAPSSET Project.

Relocation of Crude Oil Handling Facility

The Kipevu Oil Terminal (KOT) was constructed in 1963 to handle crude oil imports. The development of Berth 19 and the Second Container Terminal west of KOT necessitated its relocation to avoid compromising safety of ships and adversely affecting operations. During the period, detailed feasibility studies were carried out which established a suitable location, type of infrastructure, as well as viability, costs estimates, and funding options for the KOT relocation. However, the Project faces challenges including funding and delays in decision making due to the involvement of several major stakeholders.

Development of Dongo Kundu Free Port

This is one of Kenya Vision 2030 flagship projects. It involves the development of 3,000 acres of land owned by KPA at Dongo Kundu as a Free Trade Zone. The Ministry of Industrialisation and Enterprise Development (MOIED) is spearheading the development while KPA is to build two berths to serve the area. In the financial year 2014/15, KPA and MOIED undertook master planning for the area through consultants hired through a grant advanced to MOIED. An Environmental Impact Assessment was also conducted. However, the Project faces some challenges like coordinating the multiple stakeholders involved, and the encroachment of the area by squatters who are demanding high compensation for resettlement which may delay the Project and increase its costs. At the current pace of implementation, this Project is unlikely to make significant progress by the end of the MTP II period.

(c) Expansion of Railway Transport

Standard Gauge Railway

The standard gauge railway (SGR) is part of a wider regional initiative between the governments of Kenya, Uganda, Rwanda, South Sudan and Ethiopia to provide high capacity and cost effective railway transport within the region. To this end, the countries have signed the SGR protocol for the development of the railway and harmonisation for its management. The SGR initiative in Kenya includes the Northern Corridor SGR from the Port of Mombasa to Malaba on the border with Uganda; and along the LAPSSET Corridor connecting Kenya to South Sudan and Ethiopia. The latter is discussed under the LAPSSET Corridor Project.

Northern Corridor Standard Gauge Railway

The objective of the Government in the MTP II is to increase railway capacity to handle 50% of the freight cargo via the Port of Mombasa through the development of a standard gauge railway (SGR) from Mombasa to Malaba on the boarder to Uganda. The target is to complete the section of the SGR from Mombasa to Nairobi by June 2018. The Project is ahead of schedule and this section is expected to be complete by June 2017.

The Project is divided into two phases. The first phase is the stretch from Mombasa to Nairobi, a distance of 472km (and a total track length of 609km). The second phase is divided into three sub-phases: Phase 2A – from Nairobi to Naivasha (120km); Phase 2B – from Naivasha to Kisumu (262km); and Phase 2C – from Kisumu to Malaba (107km).

The construction of the first phase from Mombasa to Nairobi was commissioned in November 2013 and commenced on the 12th December 2014 with 90% funding from Exim bank of China and 10% from the Government of Kenya (a total of Ksh327 billion). By June 30th 2016, the Project was 88% complete on civil works and 377km

SGR Section being constructed at Tsavo National Park

of railway track line had been laid[1]. The SGR will use diesel locomotives initially but has the provision for electrification at a later stage. The contract includes supply and commissioning of 56 locomotives, 40 passenger coaches, and 1,620 freight wagons; and the supply and installation signalling, communications and control; and maintenance equipment and facilities.

The SGR has impressive features which include: 98 bridges spanning a total length of 29km including 9 underpasses for animal crossings at the Tsavo National Park. Some of these bridges e.g. at Tsavo and Athi River are nearly 3km long. It has 33 terminals 8 of which are for passengers including the one in Nairobi at Syokimau and in Mombasa at Mariakani. The marshalling yard at the Port of Mombasa is being built on land reclaimed from the sea (200m width and 2.8km long) adjacent to the Second Container Terminal, and will have 12 railway tracks expendable to 18.

Upon completion, the SGR will increase railway capacity to 27 million tons from the current railway's 5 million tons per annum capacity and will travel at 80km/h for freight trains and 120km/h for passenger trains. Each freight train carrying double stacked container wagons will have the capacity of carrying 4,000 tons or 216 20ft containers at once (relieving the road of an equivalent of 108 trucks), while each passenger train will have the capacity of 1,096 passengers. The Project includes capacity building with the first batch of 25 out of 60 railway engineering trainees leaving for China in March 2016 for a period of 4 years; and the Railway Technical Institute being upgraded to train staff for the SGR.

Some of the immediate benefits realised during the construction include: employment of over 20,000 Kenyans in the Project, who will also benefit from technical skills; local input including supplies and services so far at Ksh50bn and with a target of Ksh88bn; and the money made available as compensation to project affected persons along the route.

1 According to the Project Coordinator, Mr. Hunda

Financing has been obtained and the contract signed for the 120km Phase 2A from Nairobi to Naivasha whose construction will commence in June 2016; thus, starting ahead of schedule. Phases 2B and 2C are at preliminary design and their commercial contracts are at approval stage.

Development of Light Rail

The plans include the expansion of Nairobi Commuter Railway services system by upgrading Commuter Core System (existing commuter rail line) and in particular the construction of a railway line from JKIA to the Syokimau Railway Station. The Syokimau Railway Station was officially commissioned in 2012 while the Makadara and Imara Daima stations were commissioned on 9th and 11th December 2013 respectively. The extension of the platform at Imara Daima Station (50m) and Syokimau (40m) and an extension loop line (75m) was also completed. Six coaches were refurbished by the 3rd quarter of 2014/2015. The stations have car parks which can accommodate 500 vehicles except Imara Daima which can accommodate 100. This section of the commuter rail is able to handle 35,000 commuters monthly. A contractor has been identified to build the 6.5km branch line from JKIA to Syokimau Station with a state of the art station at JKIA. However, this is behind the MTP II Schedule: the completion of the section from Nairobi CBD to JKIA; and the construction of six (6) additional stations for the Nairobi commuter rail network by June 2016.

Feasibility studies and preliminary designs for Kisumu and Mombasa commuter rail services were completed and detailed designs commenced during the period. Again, this is behind the MTP II schedule that had envisioned detailed engineering designs and identification of EPC contractors for Mombasa and Kisumu commuter rail system by June 2016.

(d) Expansion of Roads Programme

The Programme aims at enhancing domestic and regional trade through upgrading national and county roads network. The targets for the Second MTP include: to construct and rehabilitate 5,500km of roads comprising of 3,825km of trunk roads and 1,675km of county roads; construct 1,700km of non-motorised transport (NMT) including pathways and walkways; design 800km of roads; periodically maintain 4,257km of national trunk roads and 1,735 of county roads; and routinely maintain 200,000km of roads.

The government has undertaken to pave another 10,000km of roads by 2017 under the Annuity Programme composed of 80 per cent rural and 20 per cent urban roads.

Achievements

The overall achievements against targets of the Second MTP are given in the table 3.6.

Highway from Mombasa Port

Table 3.6: Road Network – Targets and Achievements

No.	COMPONENT	UNIT	MTP II TARGET	ACHIEVEMENT BY 2015
1.	Construction and rehabilitation	Km	5,500	1,673 (new construction)
	▪ Trunk		3,825	1,007 (Rehabilitated)
	▪ County		1,675	1,679 (31 trunk roads ongoing construction)
2.	Periodic maintenance and spot improvement		5,992	4,740
3.	Non-motorised roads (NMT)		1,700	
4.	Routine maintenance		200,000	220,744
5.	Design		800	4,839 (completed or in process)

Source: Ministry of Transport and Infrastructure

During the period under review, eight (8) new bridges were completed. To promote safety of pedestrians, five (5) footbridges were constructed on Nairobi roads during the same period.

Various projects by the government with the support from development partners contributed to these achievements. These are discussed in the following paragraphs:

(a) Northern Corridor Transport Improvement Project (NCTIP)

The objective of this Project is to promote regional trade and investments through improved road connectivity. Achievements under this Project during the period under review include: commencement of works to upgrade Moi Airport access road and Port Reitz road to dual carriage; development of Mombasa Southern Bypass to Kipevu Container Terminal; and the completion of the rehabilitation of the road from Mau Summit to Kericho (58km). The rehabilitation of the roads from Kericho to Nyamasaria (A1, 76km), and from Nyamasaria to Kisumu International Airport (24km) are substantially complete. Rehabilitation of the section from Timboroa to Eldoret road (A104, 73km) is also substantially complete; the section from Eldoret to Webuye (A104, 60km) is 97 percent complete; and from Webuye to Malaba (A104, 60km) is 92 percent complete. The work on these road sections are all ahead of schedule.

On ease of doing business, the Government reduced the number of weighbridges on the Northern corridor from seven to four by removing the Eldoret, Mai Mahiu and Malaba weigh bridges. High Speed Weigh in Motion weighbridges were installed at all the 4 weighbridges (Mariakani, Athi River, Gilgil and Webuye) and are operational (Outbound). The Kenya National Highways Authority (KeNHA) also intends to improve efficiency by providing a weighing point on the other side of the carriageway for both Mariakani and Athi River weigh bridges.

The government is also working towards aligning its vehicle load limits with those recommended in the East Africa Vehicle Load Control Act that was passed by the East Africa Legislative Assembly (EALA).

(b) Kenya Transport Sector Support Project (KTSSP)

The objective of this Programme is to improve regional transport connectivity through road improvements. Achievements under this Project during the period under review include the rehabilitation of the road section from Kisumu to Kakamega which is 68 percent complete; that from Webuye to Kitale (A1, 59km) is 76 percent complete; and the one from Kakamega to Webuye (A1, 40km) is 2.5 percent complete (the contract has been terminated due to non-performance and procurement for a new contractor is in progress).

(c) East Africa Transport, Trade and Development Facilitation Project (EARTTDFP)

The objective of this Project is to improve connectivity between Kenya and South Sudan. The governments of Kenya and South Sudan with support from the World Bank Group (WB) are upgrading a vital transport, trade and development corridor linking the two countries. Kenya has secured a US$500 million loan to upgrade the road from Lokichar to Nadapal on the border with South Sudan. Kenya will contribute US$17 million. The work on this section is planned to commence in 2016 and is expected to be completed in February 2019. South Sudan has also obtained a US$80 million loan from WB and support from other development partners to construct the 400km section between the capital Juba to Nadapal on the border with Kenya whose work commenced in December 2015. The Project also involves the construction of a one stop border post at the border between the two countries and a 1,000km optic fiber link between Juba and Eldoret. Other development partners including AfDB, German Development Bank and EU have expressed interest in funding the rehabilitation and upgrade on the rest of the sections from Eldoret to Lokichar whose detailed designs are already in place and the Project for the work has been advertised.

The upgraded route will make trade easier between the two countries; improve livelihoods for those living in the north-west region; and increase regional competitiveness. The project will also support other activities including livestock markets and water and sanitation services for the local pastoral communities; and the extraction of recently discovered petroleum resources. Moreover, the Project will promote economic diversity in the greater north rift region hence reducing cattle rustling in the area. The road section also forms part of the LAPSSET Corridor from Lokichar to Nadapal.

The AfDB has also approved a loan of US$228 million for the rehabilitation of the 172km section between the border towns of Isebania in Tanzania and Ahero in Kenya. This road forms part of the Sirare Corridor which is a trade and transit route between Kenya, Tanzania and South Sudan. The work on this section will start in 2016 and is expected to be completed in 2019.

(d) East African Road Network Project (EARNP)

The objective of this Project is to promote regional trade and investments through improved road connectivity. Completed projects include the rehabilitation of Athi-River Namanga road (136km); construction of Emali-Oloitoktok (100km); and Voi-Mwatate (26km). Ongoing construction projects that were launched during the period include Mwatate-Taveta (90km); and the detailed designs of Mombasa-Malindi-Lungalunga; and Kitale-Endebess-Suam road (45km).

(e) Trade Facilitation – One Stop Border Posts

The construction of the seven (7) one stop border posts (OSBP) to facilitate regional trade is on schedule and expected to be commissioned this year. Taveta, Malaba, Busia, Isebania, Namanga and Lunga Lunga OSBPs are either complete or over 95 percent complete. The OSBP at Moyale is 65 percent complete while the one at Nadapal on the border with South Sudan is planned and already funded as part of the development of the road network between the two countries under the EARTTDFP. The OSBPs will bring efficiency at border crossings and promote regional trade.

(f) Decongestion of Cities, Urban Centres and Municipalities

The objective of this Programme is to decongest major cities and towns through construction of bypasses and expansion of roads through dualing. The Nairobi Southern Bypass (28.6km) which involves the construction of a dual carriage way bypass from Mombasa Road to Kikuyu is 92 percent complete, substantially open to traffic and already helping to decongest the City. The construction of the 5km interchange at City Cabanas; the construction of Nairobi Western Ring Roads; and the rehabilitation of Nanyuki Road are complete. The dualing of the 2.9km section of Langata Road from KWS Gate to Bomas of Kenya; and 1stAvenue Eastleigh and General Waruinge roads (5.5km) are 95 percent complete. The improvement and dualing of Upper Hill roads (5.5km) are 80 percent complete; the upgrading of the 2.7km Githurai to Kimbo link is substantially complete i.e. at 97 percent; the EU funded Eastern Missing Links Project in Nairobi is 30 percent complete; while the dualing of the 13km Outer Ring road is ongoing at 13 percent complete with funding from AfDB.

In addition, dualing of Ngong Road from All Saints Cathedral to Adams Arcade; Waiyaki way – Redhill project; Ngong road- Kibera - Lang'ata Road (missing Link No. 12); dualing of Eastleigh Estate Roads Phase II; Syokimau – Katani Road; Githurai to Kimbo Phase II; Kinunga to Kamuyu Road Phase II have commenced. Dualing of Upper Hill Roads Phase II; and Construction of Quarry Loop Road (renamed Mlolongo – Kware – Kamulu – Katani Link Road) were advertised during the period.

Detailed designs were completed for the construction of the Greater Eastern Bypass linking Lukenya on Mombasa Road near Machakos to Garissa Road near Thika town; Maua Roads (15km); Eastlands Roads (11km); Upper Hill – Mbagathi Way Link Road (1.2km); 18th Street Road Eastleigh (3.5km); access road to Embakasi (Infinity) Industrial Park (2km); Thika Bypass (10km); and Nyahururu Bypass (7km). The detailed designs for the conversion of the section between JKIA to Likoni Road into an expressway; the Uhuru Highway overpass between Likoni Road junction and James Gichuru Road; and the upgrade of the section between James Gichuru Road and Rironi are at various levels of readiness. However, there have been delays in the completion of the designs for the first two road sections because of differing views between key stakeholders.

Notably, construction commenced for the section of Dongo Kundu Bypass in Mombasa from Miritini junction to Mwache junction / Kipevu Link Road; and the Port Reitz / Moi International Airport link road.

Other roads under this category in other parts of the country include the upgrading of 3.17km of roads within the Lodwar Municipality; 2.8km Kibokoni road within Malindi Municipality; the 1.1km Machakos TTC road; Kapsoya roads (8.2km) in Eldoret; Chuka roads (4km) in Tharaka Nithi County; and the upgrading to bitumen standard of the 2km Kinunga to Kimuyu road in Nyeri County which are complete. Construction of the 20.5km Meru Bypass launched in April 2015 is ongoing and at 35 percent complete.

Moreover, a feasibility study is ongoing for the Nyali Bridge II Project.

(g) Other Roads Under Rehabilitation and Construction

The progress achieved on other roads under construction and rehabilitation during the period under review are provided in Table 3.7.

Table 3.7: Other Roads Under Construction and Rehabilitation

No.	ROAD	Km	PERCENT COMPLETION		ROAD	Km	PERCENT COMPLETION
1.	Voi – Mwatate – Wundanyi	45	73	25	Kaloleni to Kilifi		59
2.	Mwatate – Taveta	99	50	26	Chebilat – Ikonge – Chabera		2
3.	Homa Bay – Mbita	43	95	27	Kangema – Gacharage	35	61
4.	Londiani – Forntenan	63	99	28	Chiakariga – Meru		48
5.	Sotik – Ndania – Gorgor	28.7	99	29	Siaya – Ruambwa		62
6.	Enjinja – Bumala	37	88	30	Masara – Suna – Kehancha	60	76
7.	Modika to Nuno		99	31	Rumuruti – Maralal	35	62
8.	Kaloleni to Kilifi		42	32	Oljoro Orok – Dundori	35	34
9.	Chebilat – Ikonge – Chabera		2	33	Sultan Hamud – Machakos Turnoff	55	Complete
10.	Chepterit – Kimondi		85	34	Machakos Turnoff – JKIA	33	Complete
11.	Chiakariga – Meru		40	36	Kericho – Nyamasaria	76	Complete
12.	Siaya – Ruambwa		27	37	Mau Summit - Kericho B1	57	Complete
13.	Masara – Suna – Kehancha	60	68	38	Kisumu Airport – Kisian A1	7	Complete
14.	Rumuruti – Maralal	35	34	39	Timboroa – Eldoret A104	73	Complete
15.	Oljoro Orok – Dundori	35	20	40	Marsabit – Turbi	121	Complete
16.	Loruk – Barpelo B4	62	68	41	Homa Bay – Mbita (C19)	43	Complete
17.	Eldoret – Webuye A104	60	88	42	Londiani – Fortenan C35	63	Complete
18.	Webuye – Malaba A104	59	92	43	Modika – Nuno C81	12	Complete
19.	Kisumu – Kakamega	47	44	44	Chepterit – Kimondi (Baraton) C37	14	Complete
20.	Webuye – Kitale	58.4	65	45	KCC (Sotik)-Ndanai (phase 1) C15	20	Complete
21.	Bachuma Gate - Maji ya Chumvi	53	10	46	Ndori – Ng'iya C28	20	Complete
22.	Sotik – Ndania – Gorgor	28.7	47	47	Nyamasaria – Kisian including Kisumu bypass	14	Complete
23.	Enjinja – Bumala	37	98				

Source: Ministry of Transport and Infrastructure *(h) Roads 2000 Programme*

This Programme aims at improving rural accessibility using labour intensive approaches and locally available resources at the same time promoting employment and incomes for rural youth. The Roads 2000 Strategy is a method of road development and management that ensures optimum utilisation and development of locally available resources. The number of sub-counties participating in the Programme increased from less than 50 during the MTP I to 150 in the current period. During the period under review, 4,216km of roads were improved against a target of 1,960km and over 80,000 jobs created.

(i) The 10,000km Road Annuity Programme

In August 2014, the Government created a special fund (Road Annuity Fund) where the contractors will construct paved roads (Low Volume Seal Roads) and be paid in instalments afterwards with the aim of upgrading 10,000km of roads in the rural and urban areas. Annuity Financing is a modified form of the Build Operate Transfer (BOT) model in which a private operator is remunerated through a fixed, periodical payment ("annuity"). Under this arrangement, the private operator is responsible for designing, financing, constructing and maintaining the road infrastructure for an agreed period of time. However, this model has been restructured into programmes namely: the Low Volume Seal Roads Programme (county roads); and the Highways Programme (national roads). Under the first category, Phase I of the Programme comprising of a total of 3,980km of roads has been tendered for roads prioritised in the 47 counties. Under the second category, the government has obtained funding from the World Bank to support the implementation. Already, 400km of national highways have been identified for construction and are currently under the procurement process.

(j) Other Initiatives

Materials Research and Testing: The objective is to undertake research and test road construction materials, road pavement designs and construction specifications and conduct post construction evaluation of roads, bridges and other civil works projects. During the period under review, seven research initiatives were complete while three were in progress.

(e) Lamu Port, South Sudan, Ethiopia Transport (LAPSSET) Corridor Project

The LAPSSET Corridor Project is the largest integrated transformative infrastructure project in Africa. The Project aims at opening up northern Kenya and providing a reliable transport corridor to Ethiopia, South Sudan and to some extent Uganda. The LAPSSET Corridor Project is the latest addition to the Presidential Infrastructure Championship Initiative Project list during the African Union Heads of State meeting in Johannesburg, South Africa in June 2015.

It includes a sea port, oil refinery and oil terminal at Lamu; a road and a standard gauge railway network to South Sudan and Ethiopia; a crude oil pipeline from Hoima in Uganda through Lokichar to Lamu; and a refined oil pipeline to South Sudan and Ethiopia. The Project also includes international airports at Lamu, Isiolo and Lokichogio; and resort cities at Lamu, Manda Bay; Isiolo and on the shores of Lake Turkana. There are plans for both Special Economic Zones , and ICT and electric power infrastructure on both sides and along the 500m wide corridor respectively. The components of the Project are expected to be substantially implemented through PPP arrangements.

The LAPSSET Development Authority was formed in February 2013 to spearhead the implementation of the Project. The feasibility study covering the seven components of the corridor; comprehensive surveys and mapping for the proposed route for the corridor; a 20 year master plan for the development of the corridor and the Lamu Port; and detailed designs for the dredging and construction of the first 3 berths of the Lamu Port were prepared during the MTP I. The ground breaking for the LAPSSET corridor was done on the 2nd March 2012.

Components where progress was achieved during the period under review include the Lamu Port, the road network and the ICT infrastructure.

Lamu Port

Lamu Port is expected to handle 23 million tonnes of cargo by 2030. Land for the Port has been acquired (20,000ha) and an allotment letter issued by the National Land Commission. Project Affected Persons have already been compensated. The contractor and supervision consulting engineers have been procured and mobilised for the construction of the first of the 3 berths of the Lamu Port which is expected to be complete in 24 months between 2017/18. The other two are expected to take 45 months to complete. The contract for the 3 berths was signed on 1st August 2014 and is expected to cost Ksh42 billion. The Government is expected to concession these berths to the private sector to operate. Other facilities completed during the period under review include an administration block for KPA, a police station, a clinic and other basic facilities.

LAPSSET Highways

The planned highway runs along the Corridor from the Port of Lamu through Garissa to Isiolo where it branches to Nadapal on the border with South Sudan through Lokichar and Lodwar; and to Marsabit through Moyale to Ethiopia. All the road sections are either on schedule or ahead of schedule in their planned implementation. Out of 1,787km of the road network, 29% of the construction is complete or substantially complete; 30% of the roads have detailed engineering designs completed and ready to be tendered for construction works with 62% of these funded mainly by the World Bank; and 41% are in the process of design.

A main achievement during the period is on the 505km of road sections from Isiolo to Moyale (A2 Road) on the border to Ethiopia and from Moyale to Hawassa on the Ethiopian side which are either complete or near completion. The sections: Isiolo to

Merille River; and Marsabit to Turbi are complete. The sections from Merille River to Marsabit and from Turbi to Moyale at over 90% complete and expected to be completed by mid-2016. The One Stop Border Post at Moyale is 65% complete. This year will therefore see the attainment of seamless road connectivity and efficient border crossing between Kenya and Ethiopia through Isiolo.

Detailed designs for the road sections from Isiolo to Nadapal on the border with South Sudan are complete. The World Bank is funding the section from Lokichangamatak through Lodwar to Nadapal under the EARTTDFP with the funding agreement signed in July 2015 for Ksh51 billion. The World Bank is also funding the construction of the Nadapal to Juba section of the highway on the South Sudan side under an agreement signed in May 2014. The GoK has committed to construct the section from Lokichar to Loichangamatak at a cost of Ksh17.6 billion. A one stop border post at Nakodok will also be built under this arrangement.

Engineering designs are complete for the road section between Lamu and Garissa (125km); preliminary designs completed for the section between Garissa and Isiolo (140km); and inception report submitted for the section between Isiolo and Ngiyang (120.5km). Meanwhile, there are plans to rehabilitate the road from Lamu through Garsen to Isiolo to provide an alternative route as progress is made on these road sections.

In conclusion, substantial progress has been made to construct / rehabilitate the road network on the LAPSSET Corridor. However, substantial work still remains to be done especially between Lamu and Isiolo and between Isiolo and Nadapal on the South Sudan border. An efficient road network is critical for this Corridor to achieve its objectives as the implementation of the SGR network is unlikely to be realised in time for the opening of the first 3 berths of the Lamu Port. Consistent focus and resources are therefore necessary in this area.

LAPSSET Railway Network

The planned SGR starts at the Lamu Port to Isiolo, then branches to South Sudan and Ethiopia. Another section will run from Nairobi to Isiolo. Preliminary designs and feasibility study reports for this section of the railway and that of the Ethiopian side were completed in April 2015 The two governments have signed a bilateral agreement and established a Joint Railways Coordination Taskforce for the delivery of the Project between the two partner states.

Feasibility studies for the SGR sections for the LAPSSET Corridor from: 1350km Lamu – Isiolo- Nakodok (bordering South Sudan); and 700km Nairobi – Isiolo – Moyale (bordering Ethiopia) were completed during the period as part of the LAPSSET Project. The railway segments within the participating regional countries will be constructed by the respective governments. At the current pace, the SGR network is unlikely to take off or achieve significant progress during the Second period.

Crude Oil Pipeline

The planned crude oil pipeline is from Lamu Port to Lokichar and from Lokichar to Hoima in Uganda; and to Jonglei in South Sudan to transport crude oil from Kenya, Uganda and South Sudan through the Lamu Port. The feasibility study together with the preliminary engineering designs for the pipeline from Hoima – Lokichar – Lamu was completed in May 2015. However, current indications are that the pipeline will be constructed through Tanzania's Port of Tanga.

Optic Fiber Network

The LAPSSET Project includes the laying of high capacity optic fibre cable along the entire Corridor to enhance communication and connectivity. The key achievement during the period under review was the inclusion of the laying of fibre optic cable as a component of the EARTTDFP signed between GoK and the World Bank in July 2015 at a cost of Ksh2.6 billion. The fibre optic cable will run for 601km from Eldoret to Nadapal. South Sudan also signed with the World Bank to lay the cable from Nakapal to Juba at a cost of Ksh1.5 billion. This cable will significantly improve and lower the cost of communication between Kenya and South Sudan while connecting key facilities along the route such as schools and markets. Other opportunities that exist alongside the laying of the optic fibre network include the establishment of high voltage transmission lines. Such facilities will crisscross the country and also link with neighbouring countries such as Ethiopia. This opportunity should be explored and leveraged on to provide communication backbone along the Corridor and with neighbouring countries.

Airports

The government is improving the capacity of the Lokichogio, Manda and Isiolo airports as part of the LAPSSET Corridor. The construction of 2.3km runway for the Isiolo Airport is complete while the terminal building and the office administration block are 90% and 60% complete respectively. The extension of Manda Airport runway from 1.1km to 2.3km and the improvement of the terminal building; and the planned improvement works on Lokichogio Airport have been completed.

Resort Cities

Resort cities to be built in Lamu, Isiolo and on the shores of Lake Turkana are addressed under the Economic Pillar.

Power

One of the key GoK priorities is to ensure adequate electric power to service key towns and to meet anticipated demand along the LAPSSET Corridor. Electric power supply to the Lamu Port through a 220kv transmission line from Rabai is in place. Transmission lines that are almost complete include: 220KV Kamburu to Isiolo; 132KV Masinga to Isiolo; 220KV Nanyuki – Isiolo – Meru; 132KV Kindaruma - Mwingi – Garissa; and

400KV Loyangalani (Lake Turkana) – Suswa. Other planned transmission lines include: 220KV Lamu – Garissa – Isiolo – Lokichar; and 220KV Garsen – Garissa.

Other activities along the Corridor include the signing of the MOU between the GoK and the Government of the Republic of China for the possible funding of the High Grand Falls Multi-Purpose Dam in Nanighi; surveying of the Corridor which is substantially complete; and the 365 students in session under the Lamu Youth Scholarship Programme.

(f) National Road Safety Programme

The MTP II target for this Programme is the operationalisation of the National Transport and Safety Authority (NTSA) and the implementation of Transport Integrated Management System (TIMS) to automate and integrate data from various agencies that deal with transport and safety. Achievements during the period include the following:

The National Transport and Safety Authority Bill, 2012 which established NTSA was enacted towards the end of 2012. A substantive Director General was appointed on 4th February 2014. On 1st July 2014, NTSA formerly took over the functions which were previously under the Road Transport Department of KRA which include: registration and licensing of motor vehicles and trailers; licensing of drivers, conductors, motor vehicle dealers, driving schools, driving instructors; transfers of motor vehicle ownership; issuance of duplicate registration books, driving licenses, copy of motor vehicle records; and maintenance of motor vehicles and drivers' records.

NTSA is at an advanced stage of implementing TIMS to enhance efficiency of access to and increase reliability of data. The new driving and testing curriculum to improve driving skills and attitudes was developed and launched in April 2016. NTSA is in the process of developing the instructor's manual and implementing the driving and testing curriculum.

NTSA has also rolled out road safety programmes in addition to receiving vehicles, equipment and support from the government. The most recent are 45 highway patrol vehicles and deployment of 100 policemen to support its operations and programmes. Though the overall figure is rising and it is way above acceptable levels, recorded road fatalities against the population and the number of vehicles was lowest in 2015. These fatalities were 6.4 in 2015 against 7.22 in 2013 per 100,000 population; and 12.43 in 2015 against 16.42 in 2013 per 10,000 vehicles[2].

Moreover, to enhance pedestrian security in Nairobi roads, two foot bridges on Mombasa road, two foot bridges on Eastern bypass and one foot bridge at Pangani Girls School have been completed. Also, an intelligent traffic system is being implemented in the western part of Nairobi to enhance pedestrian security.

2 NTSA

(g) The Development of Mass Transit Systems in Major Cities

A feasibility study on the Nairobi Metropolitan Rapid Transit System (NMRTS) has been completed and preparation of the Terms of Reference for detailed designs is in progress. The study recommended a mass transit system integrating heavy rail transit, light rail transit, and a bus rapid transit. The proposal is to develop nine key railway transport corridors linking the Nairobi Railway Station to: Ruiru and Thika; Juja Road and Kangundo Road; JKIA to Athi River; Lang'ata Road to Karen; and Upper Hill to Ngong.

Detailed designs for some of the corridors are being funded by AfDB and the World Bank (WB). WB is funding JKIA through Mombasa Road to Railway Station corridor; Railway Station through Waiyaki Way to Kikuyu corridor; and Juja Road corridor while AfDB is funding detailed designs for Jogoo Road up to Kayole.

(h) Development of 50 Year Transport Master Plan (TMP)

The aim of the 50 years TMP is to ensure that investment and location of transport infrastructure and services are consistent with other public policies. During the period under review, a consultant was engaged to prepare the Plan. The objective of the assignment was to prepare a comprehensive strategy and master plan for the Transport Sector that will facilitate easy movement of goods and passengers, stimulate economic growth, promote social integration and stability, and provide a prioritised transport investment plan and implementation schedule for the country. By the end of May 2015, the inception and diagnostic reports had been delivered and data collection and analysis report had been completed. However, during the time of this review, the consultancy for this assignment was facing challenges and discussions were in progress on the way forward.

(i) Regulation and Development of the Construction Industry in Kenya

The aim during the MTP II period is to strengthen the National Construction Authority (NCA) to effectively regulate standards in the construction industry and perform other functions under its mandate for improved performance. The NCA Regulations, which operationalised the National Construction Authority Act of 2011 were passed on 6th June 2014 and the first Board was appointed on 4th July 2014. During the review period, key staff were employed and 10 regional offices established. In addition, the Code of Conduct for the Industry was developed, research agenda agreed with key stakeholders, and sensitisation meetings held across the country. By mid-2015, the Authority had registered 14,000 contractors, accredited 3,000 workers and site supervisors, and conducted quality assurance exercises in over 260 sites across the country.

(j) Development of Foreign Missions Abroad and Nairobi as a Multilateral Hub

The aim of this Programme is to facilitate provision of decent accommodation of foreign missions and ensure reduction in rental bills while enhancing Kenya's image and prestige. The target is to construct a chancery and ambassador's residence in Kampala; and to put up commercial buildings with chanceries in Juba, Bujumbura and Kigali. After re-prioritising, the Government purchased a chancery in Kampala and plan is underway to purchase an Ambassador's residence. Further, work commenced in 2015 for the construction of an Ambassador's residence, 4 staff houses and the remodelling of the Chancery in Pretoria, South Africa; and also, the construction of a chancery in Mogadishu, Somalia. In addition, the government is in the process of purchasing residence and chancery in New York, USA. During the period under review, the government continued to undertake comprehensive renovation of various government owned properties which include chanceries, staff houses and Ambassadors residences across the globe.

The Programme further aims at developing Nairobi as a multilateral hub. To this end, the government allocated funds for the construction of an ultra-modern office building with a convention centre to house the Ministry of Foreign Affairs and International Trade headquarters, but the availability of land in an appropriate location presented a challenge. The government has, however, obtained support in form of a grant from the Government of the People's Republic of China and identified suitable land for the Project, which is expected to be completed in 24 months.

Significant strides were also made during the period under review towards making Nairobi a multilateral hub and a venue for major conferences. During this period, Kenya successfully lobbied and won bids to host a number of high level meetings.

Kenya Chancery in Kampala

The WTO's 10th Ministerial Conference was held in Nairobi, Kenya, from 15 to 19 December 2015. It culminated in the adoption of the "Nairobi Package", a series of six Ministerial Decisions on agriculture, cotton and issues related to least-developed countries (LDCs). The Conference was chaired by Kenya's Cabinet Secretary for Foreign Affairs and International Trade, Amina Mohamed. Also, the 14th Session of the United Nations Conference on Trade and Development (UNCTAD 14) was successfully held in Nairobi from 17th to the 22nd July 2016. The Session brought together Heads of State and Government, ministers and other prominent players from the business world, civil society and academia to tackle global trade and economic development issues. Moreover, Kenya also hosted the sixth Tokyo International Conference on African Development (TICAD) Summit, which Japan co-sponsors with the United Nations, UNDP, World Bank and the African Union, in Nairobi on 27th and 28th of August 2016. TICAD has, in the past, been held in Tokyo Japan every five years since 1993, but this year it marked the first time it was held in Africa and outside Japan.

During the period under review, the government increased investment in the security and safety of the United Nations Environment Programme (UNEP), UN-Habitat, and other UN and intergovernmental organisations to raise the status of the United Nations Office in Nairobi (UNON). In addition, and as a result of Kenya's lobbying at the Rio +20 Summit in June 2012 and the 67th session of the UN General Assembly in September 2012, UNEP was upgraded, revitalised and it secured regular and predictable funding from the UN Budget. As part of the upgrading process, the UN General Assembly in March, 2013 renamed the UNEP Governing Council as the United Nations Environment Assembly thereby giving it a universal character with membership increasing from 54 to the entire membership of the UN of 193. This means that the Assembly can convene a high-level segment to actualise environmental decisions.

(k) Development and Maintenance of Government Buildings and other Public Works

Living and Working Conditions in Government Buildings

In the Second Medium Term Plan 2013-2017, the State Department of Public Works was expected to improve the living and working conditions in Government Buildings through various initiatives. During the review period, two (2No.) stalled government building projects were completed and are operational: West Park police housing project (595 units) and Mtihani House Phase V. Works on thirteen (13No.) other stalled projects are ongoing at various completion levels and include:

i) Migori District Headquarters is at 75 percent completion level comprising of the District Commissioner's Residence which has been completed and handed over, and 23 housing units (1 Block Type D, and Type E-20 units and 3 Type C Maisonettes);

ii) Voi Primary Teachers Training College which is at 90 percent completion level comprising of Pavilion, Swimming pool, play grounds, landscaping, walkways, and storm water drainage;

iii) Kenya Institute of Business Training that is at 85 percent completion level comprising of 7-storied administration and academic block, Amphitheatre, Fencing, External works, Access road, Electrical works, plumbing and drainage works;

iv) Nyamira Divisional Police Headquarters which is at 95 percent completion level comprising of 3 Office blocks (at Nyamira, Keroka and Nyangusu) totalling 140 housing units. (Nyamira: Type E-48 units, 6 blocks of 48 units and 3 blocks Type D of 12 units; Keroka: 1 Block Type D of 16 units, Nyangusu: 1 block of Type E of 16 units) Highland low level water tank;

v) Kenya Industrial Training Institute, Nakuru is at 50 percent completion level and it comprises of Women's Hostel, Central Storage, Auditorium, Sports field and tennis court, Swimming pool, covered walkways, landscaping, Civil and sewer works;

vi) Kibish Police Housing, AP Lines and GSU Base Camp is at 90 percent completion level and comprises of 211 housing units (Type C-1 unit; Type D- 113 units, Type E-71 units and Type F-26 units; and Police Lines, GSU Base Camp and AP Lines;

vii) Kitui Primary Teacher Training College is at 97 percent completion level and it comprises of an academic block, 9 Dormitory blocks, 9 junior staff Houses, lecture theatres, staff quarters (27 units), support facilities, and external works;

viii) Kericho Ardhi House is at 85 percent completion level and it includes completion of 7th-12th floors (Wing A and B) of Kericho Ardhi House and lifts;

ix) Kabarnet Medical Training College is at 65 percent completion level and it comprises of construction of Women hostel, Administration block, Tuition block, Civil works, External works, and Generator house;

x) Kagumo Primary Teacher Training College Phase II is at 20 percent completion level and it comprises of construction of Classroom block, Multipurpose Hall, generator, mechanical and electrical costs;

xi) Kericho pool housing is at 10 percent completion level and it includes the construction of ninety-six (96) 2-bedroom housing units, Electrical; Mechanical, Fencing, and Civil works;

xii) Voi pool housing is at 40 percent completion level and it comprises of the construction of a total of 107 housing units: sixty-two (60)2-bed-roomed housing units, thirty-three (33) 3-bed-roomed housing units, 11 units 3 bed-roomed Maisonettes;

xiii) Mathare Nyayo hospital in Korogocho is at 36 percent completion level and it includes the construction of Administration block, Mortuary, Workshops, Boiler and incinerator, Kitchen and laundry, External ablution block, Guardhouse, CSSD, Flat E1 and E4, Flats E2 and E3, Flat E5,E6,E7,E8,E9 and E10, Flat D1 and D2, External works and boundary wall, Main access road.

Coastline Infrastructure

During the review period, construction of 300 meters of seawall had been completed in Ndau while 660 meters were ongoing at 64 percent completion. Works at Shimoni Fisheries Jetty were 80 percent complete.

Pedestrian Access

Also, during the review period, 25 foot bridges were completed to enhance safety of people living across rivers/valleys and for accessing health facilities, markets, schools, churches, mosques and other social amenities.

(l) Other achievements under infrastructure

At the time of this review, there were other infrastructure-related achievements, including the following:

i) *Infrastructure Capacity Building:* The objective of the programme is to build human capacity for the implementation of infrastructure projects. During this period: 3,311 Plant Operators trained and; 2,463 contractors, engineers, technicians and supervisors trained;

ii) *Youth and Women Empowerment*: The programme is aimed at increasing the participation of youth and women in development activities in the country. During the last three years, the State Department of Infrastructure targeted to award 30% of its tenders to youth and women annually. In this regard, contracts worth Kshs. 218,743,151 were awarded.

(m) Policy, Legal and Institutional Reforms

Progress of reforms in this area includes:

i) The Roads Act, 2007 is in the process of being reviewed to re-align it to the Kenya Constitution, 2010. To this end, the criterion for reclassification of roads has been agreed upon and the reclassification of National and County roads has now been gazetted;

ii) The Roads Sub-sector Policy, 2015 and the Kenya Roads Bill, 2015 was finalised and submitted to Parliament for enactment.

Challenges

Challenges faced during the implementation included but not limited to:

i) Budgetary constraints which include inadequate provisions for counterpart funds. This was made worse by the increasing cost of infrastructure projects due to fluctuating exchange rates. Other factors include the implementation of the VAT Act 2013 which led to increases in the amounts required to be provided in the budget; the upward valuation of contracts to cover the VAT thus resulting to slow mobilisation of projects; and the high Environmental Impact Assessment fees;

ii) Inadequate/poor participation of the private sector in the development of infrastructural projects as envisaged. This is particularly critical as a number of key projects including the LAPSSET were planned with heavy reliance on the private sector investment in mind;

iii) Institutional challenges particularly with the confusion brought about by devolution. These included conflicts and unclear division of roles between national and county governments;

iv) Instability and turnover in management of implementing agencies. Some of the agencies experienced instability and turnover in management that may have adversely impacted on development momentum;

v) High cost of land acquisition and the need for relocation of public utilities along the transport corridors;

vi) Huge development and maintenance backlog;

vii) Lengthy procurement procedures;

viii) Encroachment of road reserves resulting in delays in projects' implementation;

ix) Vandalism of road furniture which is a major challenge, thus greatly hampering efforts to provide safe and quality highways;

x) Delayed payments resulting from late disbursements of funds from the exchequer;

xi) Inadequate enforcement especially of road traffic rules resulting in overloading of commercial vehicles and poor road safety record;

xii) The shifting positions of neighbouring countries with regard to their commitment to the LAPSSET Project components; and

xiii) The complete destruction of arrivals terminal and offices at JKIA through fire disrupted the pace of the expansion of JKIA to some extent.

Conclusions

Overall, the Transport Sector made significant progress during the period under review. The Sector is well placed to achieve and in many cases exceed the MTP II targets. In particular:

i) On expansion and modernisation of aviation facilities, significant progress was made in the expansion of JKIA to handle increased number of passengers. However, it is important to note that, although 6.5 million passengers were handled in 2015, the Airport's enhanced capacity of 7.5 million passengers per year will be inadequate in 2 - 3 years assuming a passenger traffic growth of 5-10%. Significant increase in passenger capacity is more likely with the probable direct flights to the USA, the growth of budget airlines, and the possible agreement to treat regional flights as local. Nevertheless, the current developments indicate that this capacity can be achieved through expanding the existing terminal.

ii) Good progress was achieved in the development of the Port of Mombasa and that of Lamu during the MTP II period. However, it is important to note that if cargo volumes continue to grow at the current rate, then 50 million tonnes and over 2 million containers per year will pass through the Kenyan sea ports by the year 2022. There is also great potential for improving efficiency and speed in the clearance of goods through the Kenyan Port if critical impediments to the operation of the Port on a 24-hour bases and the success of the Electronic Single Window System are addressed including those related to poor policy and legal framework. This has the impact of further improving Kenya's World Bank ease of doing business ranking.

iii) The development of the SGR from Mombasa to Nairobi is making very good progress and is ahead of schedule. It will significantly increase the capacity of the transport corridor to handle cargo through the Port of Mombasa.

iv) However, the progress in the development of commuter rail systems for the major cities of Nairobi, Mombasa and Kisumu is slow. There was also confusion noted, during the review period, between the national and county governments through pursuit of parallel efforts.

v) Fairly significant progress has been made in the implementation of the LAPSSET Project particularly in the area of the Port of Lamu and associated facilities; the road network especially along the route to Ethiopia; and improvement of the three airports at Lamu, Isiolo and Lokichogio. The LAPSSET infrastructure components in South Sudan and Ethiopia are also progressing well especially the road network. However, the MTP II has not set proper targets for the development of the Corridor and progress appears fragmented with unclear milestones and timelines. Also, a critical aspect of implementation of the Project through the PPP framework is yet to show visible results.

vi) The progress in the development of the mass transit systems for the major cities of Nairobi, Mombasa and Kisumu, which include the development of commuter and light rail systems, is slow and the strategies are unclear. The strategy needs to be agreed upon and a clear road map and action plan drawn up involving all the key stakeholders with a view to making concrete progress in this area during the rest of the MTP II period and the Third MTP.

vii) Overall, the roads subsector performed well during the period under review and it is on course to achieve and even exceed some of the MTP II targets. There is also a lot of work that still remains to be done to open up the country by constructing new roads, rehabilitating and periodically maintaining existing ones. While the sub-sector has responded well to the development of LAPSSET, there is little attention paid to the road connectivity required for the implementation of the Konza Techno City which is a major flagship project.

Recommendations

The following are the recommendations:

i) On expansion of aviation facilities, the focus should be to complete the second runway; and continue expanding and modernising facilities especially at JKIA to meet the level of demand expected in the coming few years. This includes the effort to achieve CAT 1 Standards that allows for direct flights from JKIA to the USA. Efforts to make regional flights local should also be given high priority to reduce the cost of flying, enhance regional trade and improve the performance of the aviation sub-sector.

ii) In order to maintain the country as a maritime, transit and logistics hub beyond the year 2022, the following needs to done going forward: The phases 2 & 3 of the Second Container Terminal of the Port of Mombasa and the first three berths of the Port of Lamu should be fast-tracked; and initiatives to improve efficiencies in the Port of Mombasa must be given priority and high level attention. The latter requires that effective measures are taken to fully embrace the electronic single window system and also transform the Port into a truly 24-hour operation. Because of the large number of state agencies and stakeholders involved, it is recommended that a high level multi-agency task force under top level leadership is formed to address the issues. This task force should formulate and implement a road map for fast-paced reforms necessary to obtain the improvements desired. This includes fast-tracking the necessary policy, legal and regulatory reforms; and also transforming the internal processes and forms used by the various agencies to be consistent with international best practices.

iii) On SGR, it is recommended that all the sections to Malaba be fast-tracked during the rest of the MTP II and the Third MTP periods.

iv) On the LAPSSET Project, it is essential that the project has a clear road map with milestones that indicate when the Corridor will provide increasing levels of transport and transit functionality. For example, it is necessary that the timelines for the completion of the first 3 berths of the Lamu are synchronised with the delivery of a basic transport corridor infrastructure, such as a road network capable of delivering cargo with reasonable efficiency from the Port of Lamu to South Sudan and Ethiopia. This may include the development of the road sections from Lamu to Ngiyang through Isiolo that will complete the road network for the Corridor. The initiatives to deliver early functionality should be given priority.

v) If the private sector through the PPP framework continues to respond poorly to the development of infrastructure, it would be necessary to re-think the funding model, especially for the LAPSSET Project.

vi) Funding should be sought to achieve the objectives of the Annuity Programme; but also for the construction and rehabilitation of the road sections from Eldoret to Lokichar section; and from Lamu through Isiolo to Ngiyang to fully open up the trade routes to South Sudan and Ethiopia. This will also give shape to the LAPSSET Project. The road sub-sector should also focus on the non-motorised traffic (NMT) infrastructure which appears to be receiving less attention; and engage with partners to increase funds available for maintenance and rehabilitation of roads to reduce the huge backlog.

vii) There is need for capacity building/training to boost capacities at national and county levels by training skilled personnel and contractors. These include the capacity building for women and youth to undertake infrastructural development work and move towards the achievement of the 30% procurement reservation provided under AGPO.

viii) There is need to clarify and harmonise the roles and functions of national government agencies and that of counties to ensure work is not disrupted.

ix) For all critical government priority areas, it is essential that the responsible agencies maintain stable and competent management as far as possible.

x) The GoK should make concerted effort to ensure the demarcation of road reserve boundaries and enforce related laws so as to secure the road reserves from encroachments.

xi) There is need for a serious discussion led by the National Land Commission (NLC) to deal with the challenge of high cost of land acquisition, including valuation and repossession as early as possible.

xii) The government needs to Fast-track the review of the Public Procurement and Disposal Act 2005 and Regulations of 2006 to reduce procurement delays and simplify procedures.

3.2.2 Energy

Overview

The vision of the Energy Sector is to have affordable and reliable energy for all citizens and to support industry. To realise this vision, the government is keen to ensure that the country's energy supply is clean, sustainable, affordable, reliable and secure and offered at least cost while protecting the environment.

Achievements

(a) Increasing Electricity Availability through Power Generation

The MTP II target is to increase installed electricity capacity by 5,538MW to slightly over 6,700MW by 2017 from 1,691MW in 2012. Overall, 61% of the total power generation capacity is expected to come from renewable sources. At the same time, the cost of generation is expected to reduce from USD11.30 cents to USD7.41 cents. Commercial / Industrial and domestic tariffs are expected to reduce from USD14.14 cents and 19.78 cents to USD9.00 cents and 10.45 cents per MW respectively.

During the period under review, the total effective power generation capacity increased by 38% from 1,689MW in 2012 to 2,334MW in 2015. As at November 2015, approximately 86 percent of power generation capacity was from renewable sources: that is, hydro, geothermal and wind which so far surpasses Second MTP target of 61 percent. The table 3.8 here below indicates the increase in installed power generation capacity.

The country's total power generation capacity is therefore expected to be 5,119.1MW by 2018. In addition, the interconnector transmission line from Ethiopia that is expected to be completed in 2018 will have the capacity to import cheap power from Ethiopia of up to 2,000MW although the current power purchase arrangement is for 400MW. Thus, the Energy Sector is on target to meet the Second MTP target.

(b) Increased Access to Electricity

The aim of the MTP II is to increase access to electricity through upgrading and expansion of the national power transmission and distribution network to improve supply and reliability, reduce losses and connect 2 million new customers and 6,304 public facilities by 2017/18.

New Customers Connected to the Grid

The total number of customer connected to electricity increased from 2,038,625 in 2012 to 4,865,100 as at 30th June 2016 representing a growth of 138.6 percent. This means that the country has more than doubled the number of households connected during the period, and therefore achieved more than the preceding years since before the country's independence. This is against the Second MTP target of 600,000 by June 2016. Accelerated connectivity has been achieved through transformer maximisation, pre-investment scheme in densely populated areas, reduced connection costs (from over Kshs. 35,000 to Kshs. 15,000), Global Partnership on Output Based Aid (GPOPA) for electrification of low income high density settlements. The government now targets to achieve 70 percent access rate by 2017 and attain universal access rate by 2020. The major power generation projects commissioned during the period are as indicated in the table 3.9 while the other major projects which are almost complete and are expected to come on board during the Second MTP period are indicated in the table 3.10 here below.

Table 3.8: Installed Electricity Generation Capacity

	UNIT	2011	2012	2013	2014	2015
Installed Capacity	MW	1,627	1,689	1,800	2,195	2,334
Increase	%		3.8%	6.6%	21.9%	6.3%

Source: Economic Survey 2016

Table 3.9: Completed Generation Projects within MTP II

No.	PROJECT	TYPE	MW	COMMISSIONED
1	Thika Power	MSD	87	Aug-13
2	Triumph	MSD	83	June 2016
3	OrPower4 plant III	Geothermal	17.6	Feb-14
4	Olkaria IV Units 1&2	Geothermal	140	Aug-14
5	Olkaria I additional Units 4&5	Geothermal	140	Feb-14
6	Gikira Small Hydro	Hydro	0.5	Jan-15
7	Gulf Power	MSD	80	Dec-14
8	Ngong 1 Phase II	Wind	20.4	Jan-15
9	KenGen Wellheads	Geothermal	50.6	Apr-15
10	Kindaruma optimization	Hydro	4	Jun-13
11	Triumph Power	MSD	83	Jul-15
12	Orpower4 plant IV	Geothermal	29	Jan-16
13	Biojoule	Biogas	2	Jan-16
		TOTAL	**737.1**	

Source: KPLC Annual Reports

Table 3.10: Major projects with expected completion by 2018

No.	PROJECT	TYPE	MW
1.	Olkaria I	Geothermal	670
2.	KenGen Wellhead Generation	Geothermal	70
3.	Meru	Wind	100
4.	Olkaria V- units 1&2	Geothermal	140
5.	Olkaria VI - units 1&2	Geothermal	140
6.	Menengai	Geothermal	105
7.	Menengai	Geothermal	60
8.	Olkaria I Refurbishment	Geothermal	51
9.	MW Lamu	Coal	1,050
10.	Lake Turkana	Wind	310
		Total	**2,696**

Source: Kenya Power and Lighting Co. Ltd.

Table 3.11: Number of customers connected to electricity

	2011/12	2012/13	2013/14	2014/15	2015/16
No. of New Customer	2,038,625	2,330,962	2,767,983	3,611,904	4,865,100
% Increase		14.3	35.8	77.2	138.6
Access Rate (%)		27	37	47	60

Power Connections to Support the Digital Literacy Programme

The Programme was rolled out in July 2013 with the objective to: improve access to electricity across counties; improve learning conditions in schools; and ensure all public schools are ready for the Digital Literacy Programme. By 30th June 2016, 13,965 public schools had been connected to electricity (mainly through on grid connections while some through solar power) increasing the total number to 22,245, an increase of 169 percent and way beyond the Second MTP targets.

Installation of Street Lighting in Nairobi and Other Major Cities

The main aim is to improve security and support economic activities by installing adequate public lighting to Industrial/residential areas, commercial centres, roads, railway and public transport facilities. The project commenced in 2014/15 financial year and was initially aimed at covering only Nairobi city. However, the scope was extended to cover other major cities and towns. As at 30th June 2016 a total number of 35,916 street lights had been installed.

Distribution and Transmission Lines, and Substations

To support the large number of new customers connected to electricity during the period, 20 new 33/11KV distribution substations were completed; and a total of 3,334km of distribution lines were installed.

To evacuate power from new generating plants; increase power stability; reduce losses; open up new geographical areas which were previously without access to the national grid; and interconnect neighbouring countries to facilitate regional power trade, Ketraco planned to build 4,000km of transmission lines. During the period under review, the construction of a total of 1,133 of transmission lines were completed; and the number of projects at various stages for the construction of 132KV, 220KV, 400KV and 500KV transmission lines within the country and with the neighbouring countries of Ethiopia, Uganda and Tanzania puts the government owned Company in a good position to achieve its target and support the implementation of the MTP II and Vision 2030. The Company is also laying optic fibre cables along the lines which will provide efficient communication backbone for use by the Company, and for lease to communication service providers. The latter will contribute significantly to providing high capacity and efficient communication within the country and with neighbouring countries of Ethiopia, Uganda and Tanzania.

To reduce power losses and increase access to electricity, 69 sub-stations were completed between 2013 and 2016 while works on several others are ongoing.

Reduction in Power Tariffs

Through the 5,000+MW road map, the government expected to reduce the cost of power generation from USD cents 11.30 to 7.41; commercial / industrial tariffs from USD cents 14.14 to 9.00 per KWh; and domestic tariffs from USD cents 19.78 to 10.45. Reduction in average tariffs from 2014 to 2015 is: industrial from USD cents.

(c) Construction of Pipeline and Storage Facilities and Expansion of NOCK Market Share

The construction of the 454km 20-inch diameter Mombasa to Nairobi pipeline is on course and was 49 percent complete as at 30th June 2016. All the pipes had been procured, 432km of pipe stringing done and 392km welded. The pipeline will replace the 37 year old 14-inch diameter pipeline and increase product flow from the current 730,000 litres to 1 million litres per hour. The project includes the laying of a high capacity (96 core) fibre optic cable.

The 120km 10-inch diameter pipeline from Sinendet in Nakuru County to Kisumu was completed and commissioned on 28th April 2016. As a result, sufficient petroleum products are available at Kisumu Depot to support the development of an oil jetty. Prequalification was completed for engineering, procurement and construction contractors for the 354km 20-inch diameter Eldoret – Tororo – Kampala – Kigali refined petroleum products pipeline. However, the construction of these pipelines is behind schedule as the target was that it be 40 percent complete by June 2015.

The construction of 4 storage tanks with capacity of 33,328 cubic meters at the Nairobi KPC Terminal commenced during the period is in progress. However, work has stalled for the construction of additional loading facilities at the Eldoret Depot due to non-performance by the contractor.

To ensure access to quality and affordable petroleum products through increased NOCK market share, twenty-five (25) petrol stations were constructed between 2013 and 2016.

(d) Kenya Petroleum Technical Assistance Project (KEPTAP)

This is aimed at developing capacity of Kenyans in the oil and gas sector. A total of 163 Kenyan citizens have been trained in various oil and gas courses.

(e) Development of New and Renewable Energy

During the review period, a number of initiatives were being undertaken for the development of new and renewable sources of energy including solar, wind, small hydros, hybrid power generation involving solar and wind, biogas resources, re-afforestation of water towers, promotion of improved cooking stoves, and biofuel value chain development. The following were achieved during this period:

- To enhance service delivery in public facilities off the grid, solar photovoltaics installation in schools, health facilities, administrative county and sub-county offices in arid and semi-arid land counties were installed;
- Two 400M^3 and 200M^3 pilot projects on production of biogas for electricity generation from flower waste were completed and commissioned;
- A sewage fed 200M3 biogas digester was completed and commissioned at Kaimosi Teachers' College;
- A cow dung fed 100M^3 biogas digester was completed and commissioned at the College of Agriculture and Veterinary Sciences;
- Two improved cook stoves in each of the 25 selected schools were installed in 11 counties;
- Solar water pumping systems for shallow water wells and boreholes including water storage were installed in ASAL counties;
- Afforestation of 41.9 ha of hydro power water catchment areas was completed as at March 2016. However, this work is ongoing.

Challenges

Challenges in the energy sector included the following:

i) The high cost and long lead time in the development of energy generation projects;

ii) Challenges in obtaining way leaves. In some cases, electricity transmission projects have been delayed by resistance from communities along the routes;

iii) Poor road network in some regions making it difficult to transport materials to site; and

iv) Vandalism of the construction materials.

Conclusions

Good progress was made during the period which has the potential to meet and in some cases significantly exceed MTP II targets in the areas of electricity generation capacity; electricity access; petroleum pipeline infrastructure; and in reducing the cost of electricity.

However, while significant progress has been made during the period to reduce the cost of electricity and improve its reliability, the electricity distribution market structure may hinder optimum cost reduction and improvements in operational efficiency.

Recommendations

The recommendations are that:

Current momentum is maintained in the level and pace of investments in the energy sector; and

i) Electricity market structure is further reviewed to ensure continued and unhindered progress in the improvements being experienced in the energy sector.

3.2.3 Information and Communications Technology (ICT)

Overview

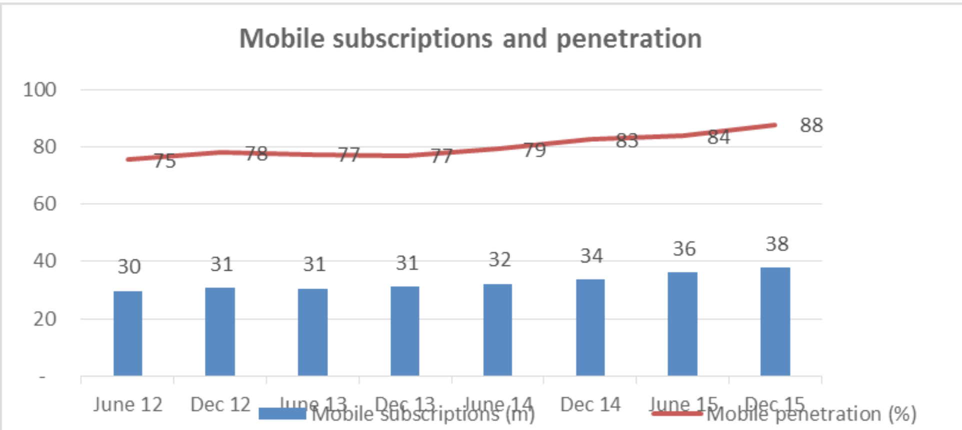
The MTP II aims to build on the gains realised by the ICT sector during the MTP I period. It seeks to actualise this by expanding and upgrading ICT infrastructure; improving public service delivery through ICT; upgrading capacities in ICT; and deepening the ICT-related policy, legal and institutional reforms started during the MTP I period. Key targets for the period include: the expansion of Optic Fibre Networks; establishment of Wide Area Network and Network Operations Centre with outreach to all county headquarters; roll out of 4-G networks to provide faster internet connectivity; and increase bandwidth capacity. Other targets for the sector are establishment of a National ICT Centre of Excellence; promotion of local ICT software development; roll out of the Digital TV Infrastructure in all counties to reach 100 per cent coverage; completion of e-Government initiatives; enhancement of the Kenya Open Data Initiative (KODI) portal; integration of ICT in education; development of Konza Technology City (KTC); and establishment of a National ICT Agency.

Achievements

(f) Key Outcomes

During the period, the ICT Sector continued the significant strides made during the MTP I period. Mobile phone subscriptions grew from 31 million subscribers in 2012 to 38 million by December 2015. This increased the mobile phone penetration ratio from 77% to 88% during the same period which is above the MTP II target of 82% by June 2016.

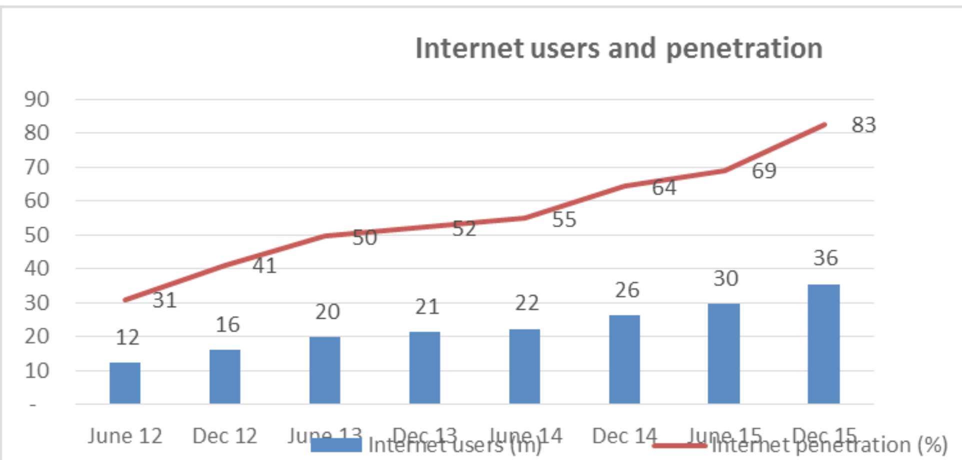
Figure 3.1: Mobile Subscriptions and Penetration



Source: Communications Authority of Kenya

Internet users increased by 225% from 16 million in December 2012 to an estimated 36 million in December 2015. This resulted in increasing the internet penetration ratio of from 41% in 2012 to 83% in 2015. This figure is 23% above the MTP II target of 60% by June 2016.

Figure 3.2: Internet Users and Penetration



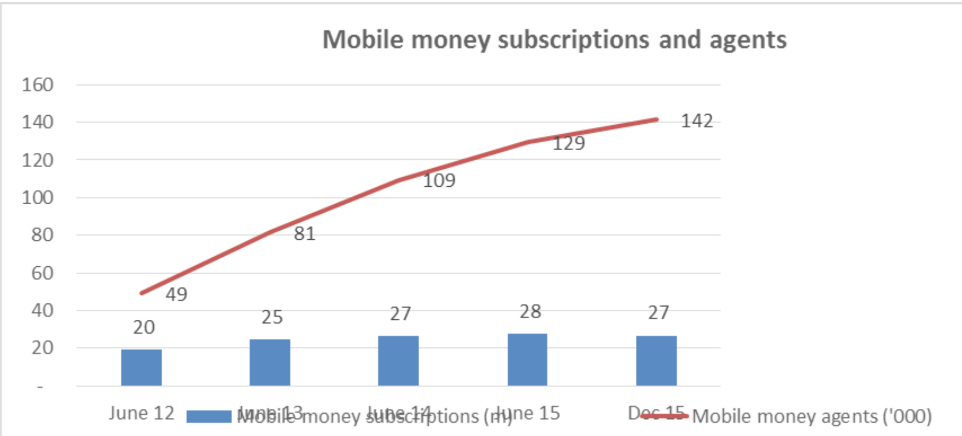
Source: Communications Authority of Kenya

This growth was attributed to reduced costs of ICT equipment and mobile phones whose tax was zero rated but also the aggressive marketing and offers from the mobile service providers cannot be overlooked.

A one network area policy was also implemented within the Northern Corridor Integration Projects Partner States during the period under review. As a result, roaming rates were capped at KSh10 per minute which has reduced the communication and transaction costs for traders within the region. This has the potential of improving regional trade.

The number of mobile money transcriptions grew by 35% from 20 million in 2012 to 27 million in 2015. Mobile money transfer agents grew by nearly 300% from 49,000 in 2012 to 142,000 in 2015.

Figure 3.3: Mobile Money Subscriptions and Agents



Source: Communications Authority of Kenya

A total of Ksh914 billion was transferred through mobile money in 2014 from Ksh672 billion in 2013 representing a growth of 36 percent over the period. This implies that more Kenyans are able to communicate, do business and access financial services thereby raising productivity, increasing incomes and fostering ICT innovation.

The number of radio stations increased by 12 percent from 124 to 139 during the period. The number of TV stations increased by over 440 percent from 14 analogue TV stations to 62 digital TV stations[3]. However, on access to TVs, the digital TV coverage was 60 percent of the population by the end of 2015 and this is expected to reach 69 percent by mid-2016. Also, it was noted, the number of households with TV sets was just above 30 percent. This means that the MTP II targets of reaching 85 percent and 90 percent by 2015 and 2016 respectively are unrealistic[4].

3 Economic Survey 2016

4 CA, ICT Access Gaps Study 2016

(g) Upgrading the National ICT Infrastructure

National Optic Fibre Backbone Initiative (NOFBI) Phase II

The ICT Authority is implementing Phase II of the NOFBI on behalf of the Ministry of ICT and aims at ensuring connectivity in all the 47 counties and improved government service delivery. This involves the laying of 1,600KM of fibre linking all the 47 county headquarters and an additional 500KM dedicated for military use. NOFBI Phase II is building on the achievement of Phase I completed in 2009 in which 4,300km of optic fibre were laid through 58 towns in 35 counties. This cable, which is managed by Telcom, is already in use by the government and communication service providers.

The construction of NOFBI Phase II begun in September 2014 and is expected to be complete by June 2016. The Project will cover all 47 county Headquarters, provide Last Mile Fibre Connectivity to County Headquarters from the Backbone, and also provide network redundancy for NOFBI phase I links. The Kshs. 6 billion Project is funded by the governments of Kenya and China.

To date, 1200km out of the 1600km civil works are completed; 900km backbone fibre laying is complete and fibre installed in all the 47 counties. Metropolitan fibre civil works have been completed in 35 of 47 counties. This is ahead of schedule of the target of connecting 24 counties by 2017. It is also possible within the MTP II period to connect 30 public institutions targeted under MTP II.

County Connectivity Project (CCP)

The ICT Authority is implementing the County Connectivity project that aims at ensuring that county government offices are connected to the internet and to facilitate the provision of online services using telephones, emails and teleconferencing. The offices to be connected include: the county commissioners; Treasury departments; Civil Registration departments; National Registry Bureau; Education departments; and governors' offices. This is expected to result in equal access to high quality and faster delivery of public services from National and County governments.

As at November 2015, 35 county headquarters and 78 public institutions had been connected. The installation, testing and commissioning of the remaining 12 counties was expected to be completed by January 2016. This Programme is ahead of MTP II targets of connecting a cumulative 10 and 24 county headquarters by June 2015 and 2016 respectively. It is also way ahead of schedule of connecting a cumulative total of 10 and 30 public institutions over the same period.

Universal Service Fund

The Kenya Communications (Amendment) Act, 2009, provides for the establishment of a Universal Service Fund (USF) administered and managed by the Communications Authority (CA) of Kenya. The purpose of the Fund is to support equitable access to ICT services; and promote capacity building and innovation in ICT services in the country.

The sources of the Fund include levies on licensees, appropriations from Government as well as grants and donations. The Fund, currently being put in place, is expected to finance national projects that have significant impact on the availability and accessibility of ICTs in rural, remote and poor urban areas. The Fund had Ksh2.9 billion by December 2015 and it is expected to reach at least Ksh8-9 billion by the year 2020[5].

During the period, the CA developed the USF framework and engaged various key stakeholders in the Industry who provided feedback. The Authority also engaged consultants to carry out an assessment of ICT access gaps in the country which was finalised in early 2016. The report, ICT Gaps Study 2016, identifies the gaps and the interventions to be implemented by the Fund to address these gaps. This includes interventions to reduce the gap in voice communications coverage from 5.6% to 2.8% by 2018; laying additional optic fibre cables to reach unserved populations; and connecting some schools and colleges with broadband.

In addition, the Authority also initiated a number of pilot projects aimed at informing future implementation of Universal Access (UA) projects on a nationwide scale. These include: school based ICT centres; community tele-centres; ICT for people with disabilities; and computerisation of health centres.

Roll out of 4G Networks

Safaricom, the biggest mobile service provider, rolled out its 4G LTE network in December 2014 starting with parts of Nairobi and Mombasa. The network has high bandwidth capacity and allows high speed internet access to smartphones, laptops with wireless modems and other handheld devices. CAK gave the go ahead for Airtel and Orange to roll out their 4 G networks in 2015.

Migration from Analogue to Digital TV

Despite many hurdles including court cases, the migration from analogue to digital TV was completed in time to meet the global deadline of 17th June 2015 set by ITU member states at the Regional Radio Communication Conference held in 2006, known as the GE06 Regional Agreement. This provides viewers with additional 200 TV and radio frequencies and a coverage of 60% of the country. The rest of the country is expected to be covered by December 2016. It has also improved the quality of TV images and it is expected to create jobs for over 4,000 youths.

(h) Improving Public Service Delivery Using ICT

Integrated Financial Management Information Systems (IFMIS)

The central purpose of IFMIS is the implementation of a unified financial management system and its adoption across all Government departments at national and county levels. So far, IFMIS has made a tremendous contribution to improving transparency and accountability in Government. The ICT Authority is providing internet connectivity

5 CA, ICT Gaps Study 2016

for the IFMIS project that covers the National Treasury, Ministry offices and county government offices. Three modules currently being implemented include Accounting, Revenue Management and Asset Management.

By November 2015, 1352 users in national and 2149 users in county governments had been trained on IFMIS operations through the IFMIS Academy; IFMIS financial modules had been re-engineered in accordance with business requirements and international best practices and tested by the end users; and IFMIS County roll out had connected all 47 County headquarters.

Kenya Open Data Initiative (KODI)

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

It would be desirable if all government agencies can share their data through this Portal.

Digital Literacy Programme (ICT Integration in Primary Education)

The main aim of the programme is the integration of ICT into teaching and learning for pupils in primary schools. The components of this project include: improvement of ICT infrastructure; development of digital content; capacity building of teachers and implementers; and procurement of ICT devices. After some procurement delay, the ICT Authority early in 2016 picked two winning consortia: Moi University and JP SA Couto; and Jomo Kenyatta University of Agriculture and Technology (JKUAT) for the supply, installation and commissioning of the Digital Learning Solution for the 22,000 public primary schools. The next stage is the proof of concept in selected 150 schools across the country, 3 for each county. The entire programme will be accomplished in two phases in 2016 and 2017 respectively.

The programme is being implemented through a multi-agency approach that includes the Ministry of Education, Science and Technology, Industrialisation Ministry, Ministry of Energy and Petroleum, The National Treasury and the Office of the Attorney General, among other government agencies. The ICT Authority is the main implementing agency.

During 2013 to 2015, the following had also been achieved: 150 teachers trained as Master Trainers at national level; 2555 teachers trained as Trainer of Trainers (ToTs) drawn from all the 47 Counties; training of 62,784 teachers at the Sub-County Level drawn from all public primary schools country wide; and digital Content for standard 1 and 2 developed. Already this content has been piloted in 40 primary schools to ensure that it meets the curriculum objectives. In addition, Software for Special Needs Learners is being developed by Kenya Institute of Curriculum Development (KICD); while the Ministry of Education carried out infrastructural needs assessment and each public primary school received a minimum of KSh 60,000.00 to cater for essential infrastructural upgrades.

(i) ICT Industry Development

Konza Technology City

Development of Konza Technology City (KTC) is expected to position Kenya as the ICT and innovation hub in Africa. The KTC is on a 5,000 acre piece of land acquired and fenced during the MTP I period. Phase 1 Master Plan and NEMA approvals were obtained during the MTP I period while the Cadastral Survey was completed during the current period. Phase 1 implementation is already underway with the development of basic infrastructure including: water with the drilling of seven (7) boreholes and arrangement for additional water from the Nol-Touresh Water Scheme; the installing of electricity to the site and the ongoing construction of 2 substations to guarantee adequate and stable power; potential for high speed fibre connectivity with 6 independent backbone fibre cables passing through the City; and construction to gravel standards of 12km access roads to the first 60 acres with 24 parcels to be available for investors. A request for EOI for these parcels was issued to investors on November 2015 and closed in January 2016. A request for EOI for private schools and universities was issued in December and February 2016. The KTC has received interest from various large investors. The construction of Konza Complex to provide office space and accommodation facilities to KoTDA staff and investors will commence in March 2016.

To anchor the development of the City in a proper legislative framework, a task force has been formed to work on the proposed Konza Technopolis Act and KTC has been incorporated in the Special Economic Zones Bill forwarded to Parliament.

Kenya was marketed as a BPO destination in four (4) international fora to attract potential international investors in the BPO/ITES. BPO jobs created during the period were 15,000 in number which is consistent with the MTP II target.

The concept remains relevant in promoting Kenya as an ICT and innovations hub. However, while discussions may be taking place on this issue, KTC is currently substantially underfunded and the institutional framework under which KTC operates may be undermining its ability to influence actions of key actors to support its development. There is need to increase the level and pace of investment and improve the institutional framework for better coordination of the various agencies involved to deliver on this promise. The funding model also needs to be reviewed to provide much greater involvement of and attract funding from the private sector not only as tenants but also for the rapid development of the necessary infrastructure.

Digital Villages

The target in the MTP II is to set up digital villages to provide over 30,000 opportunities for Business Process Outsourcing (BPO) by 2017 up from 13,000. The setting up of digital villages also known as Pasha Centres was an initiative of the ICT Board with support from the World Bank which started in 2011. Between 2011 and 2012, 63 entrepreneurs got loans of between Ksh850,000 to Ksh2 million to set up the centres in the rural areas and urban centres to bring ICT services closer to the people and support the bridging of the digital divide. The loans are repayable at an interest rate of 10%. However, by the beginning of the MTP II period, the results were not encouraging and many of these centres faced a number of problems and were not doing well. A study by Deloitte was commissioned to look into the Project during the period. This study is expected to inform the new model to adopt for the initiative. The initiative is therefore not expected to achieve the desired outcomes during the period or meet the targets set.

(j) Upgrading ICT Capacity

ICT Incubation Hubs Developed

The aim of this Project is to empower the youth with the necessary training and work experience to develop market ready ICT services and products. The government of Kenya through the ICT Authority gave a grant totalling Kshs 144 million to the Nairobi Incubation Lab (Nailab) to support start-ups who want to implement and scale up their businesses. Two batches of ICT start-ups had been incubated by 2014 with the target being to incubate at least 30 start-ups across the country in 3-years. So far ICT start-ups have been supported in 5 counties.

However, this initiative has not progressed to deliver the targets for the MTP II which are to hold county consultative meetings in the first financial year, and establish 10 and 15 county ICT incubation hubs by June of 2015 and 2016 respectively.

IBM Research Lab Launched

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

MTP II were the development of 3 and 5 ICT innovations in 2014/5 and 2015/6 in identified sectors respectively.

National Physical Addressing System

The aim is to implement a National Addressing System (NAS) which is a programme that assigns an address to properties using a Geo-reference system using attributes including: Property number; Street Name; Land Reference No; Name of the building; and, Geographical coordinates of the property. Some of the benefits of this System includes improving access within the cities; facilitating delivery of mail and emergency services; and improving planning and management of essential services. During the period, a NAS Task Force was formed to develop an integrated NAS database with members from various government agencies and Google Maps. The Task Force has developed an integrated addressing system; addressing standards; NAS memorandum to be forwarded to the Cabinet for approval; NAS policy framework to regulate the system; identified a pilot area within Nairobi CBD; and developed an RRI pilot work plan for implementation within 100 days.

Development of ICT Human Resources

The aim of the MTP II is the development of ICT human resource in government to build the ICT knowledge and skills necessary for improved performance of organisations within the public sector. Career progression with clear ranks, qualification and rewards for government ICT staff were also to be established. Some of the initiatives being undertaken to achieve these ends include: the Presidential Digital Talent Programme; SAP Skills for Africa; Internships under Huawei Telecom Seeds for the Future Program; public sector ICT training; and training through the e-learning platform.

- ***The Presidential Digital Talent Programme***

  By the time of this Review, the ICT Authority was recruiting the second group of 400 ICT graduate trainees for the Presidential Digital Talent Programme (PDTP. The programme saw 100 interns go through training and placement in various private and public sector organisations in 2015. PDTP is a private sector and government collaborative initiative that aims to impart recent ICT graduates with skills in ICT management and excellence in service delivery. The year-long PDTP training is a mix of public and private sector attachments; intense specialised training; and opportunity to work with seasoned mentors for career guidance. Successful PDTP trainees graduate with a merit certificate and may get preference in joining the public sector in ICT-related positions.

- ***Huawei Partnership – 'Telecoms Seeds for the Future'***

  Huawei and ICT Authority signed a capacity building partnership in June, 2014 for supporting a capacity building programme that is expected to benefit 100 students for the next 3 years. The programme is informed by the priorities identified in the ICT Master Plan 2017. The Programme is aimed at providing practical on-the-job ICT skills to top engineering students from all universities countrywide. The programme has so far benefited 28 students since its inception in June 2014.

(k) Policy, Legal and Institutional Reforms in the ICT Sector

Policy reforms planned include the review of National ICT Policy; development and roll out of ICT Master Plan; development of the National Broadband Strategy; and Finalisation and operationalisation of the National Cyber Security Framework. Legal reform includes the review of Media Act 2007 and the enactment of the Kenya Information and Communications Act (KICA) 2013. Institutional reforms include the establishment of a National ICT Agency.

Review of ICT Sector Policy

The government started the process of reviewing the Information, communication and Technology (ICT) Sector Policy to align it with the Constitution 2010 and the MTP II; and to address emerging challenges; and exploit opportunities presented by technological innovations and solutions. The draft National ICT Sector Policy Guidelines will be subjected to stakeholder consultation and is expected to be ready by mid-2016.

The Information and Communication Technology Authority

The Information and Communication Technology Authority (ICTA), a State Corporation under the Ministry of Information Communication and Technology was established in August 2013 to take over the functions previously performed by three government ICT agencies: GITS, DeG and KICTB. The Authority is tasked with rationalising and streamlining the management of all Government of Kenya ICT functions. Its functions include, but are not limited to: setting and enforcing ICT standards in the public service; managing ICT staff in the public service; promoting ICT literacy and capacity; promoting e-Government services; promoting ICT innovation and enterprise; developing ICT infrastructure and systems; and managing critical ICT projects across the public service.

The ICTA finalised its strategic plan for the period 2013-2017 in 2014 which sets out the strategy the Authority will implement in order to realise most aspects of the National ICT Master Plan. The Authority has also developed ICT Standards to guide ICT development in government MDAs for which it is also responsible to oversee and enforce.

National ICT Masterplan

The ICT Authority launched the National ICT Master Plan in 2014 that sets the pace for progression of the country in ICT for the next five years. The master plan, once fully implemented, is expected to completely transform government processes, services and management, and make information access and service delivery more efficient. The master plan will steer the march towards the digital future that will transform the country into a regional technology hub; raise the country's competitiveness; and align it to achieve Kenya Vision 2030 ICT goals.

National Broadband Strategy

The National Broadband Strategy (NBS) was developed in 2013 with a vision to transform Kenya into a knowledge-based society driven by high capacity nationwide broadband network. The overall objective of this Strategy is to provide quality broadband services to all citizens which is connectivity that is always-on and that delivers a minimum of 5mbps to individuals, homes and businesses for high speed access to voice, data, video and applications for development. Thematic areas of the Strategy include: infrastructure; content; capacity building; policy, legal and regulatory environment; and financing and investment.

National Cybersecurity Strategy

Recognising the critical role ICT plays in Kenya's economy, and the growing cyber risks, the Government of Kenya developed and launched the National Cybersecurity Strategy (Strategy) in 2014. The purpose of the Strategy is to minimise the country's susceptibility to cybersecurity risks while exploiting ICT for economic and social development. The goals of the Strategy include: enhancing the nation's cybersecurity posture including protecting critical information infrastructure; building national capacity through training and awareness; fostering information sharing and awareness; and providing national leadership on cybersecurity.

Challenges

The challenges include the following:

i) The slow development of the Konza Techno City in terms of the size and pace of investment. The institutional framework may also not be optimum judging from the lack of synergy with key government ministries and agencies e.g. Ministry of Transport and Infrastructure;

ii) The less than encouraging results of Digital Villages and Incubation centres;

iii) The slow pace of development of local digital content and innovations;

iv) Inadequate human resource capacity for ICT;

v) Increased occurrence of cyber attacks;

vi) Digital divide between rural and urban communities;

vii) Cable vandalism;

viii) Inadequate ICT infrastructure; and

ix) Inadequate policy, legal and regulatory framework.

Conclusions

ICT has experienced impressive growth following the same trend experienced in the MTP I in terms of communications infrastructure; mobile phone and internet access; mobile money expansion and usage; digital TV rollout; and automation. The ICT infrastructure programmes and projects performed beyond expectations in terms of connecting the country and the counties. However, programmes and initiatives aimed at growing ICT businesses and increasing access including Konza Techno City; Digital Villages and Incubation Centres; and ICT content and software development and innovations have not kept pace. ICT human resource capacity is also still not up to speed to exploit the significant ICT infrastructure capacities established in the country.

Recommendations

Recommendations include the following:

i) Complete the good work already started in connecting government at national and county levels; implementing systems that deliver quality services to the public; and optimising on the ICT infrastructure. It is also recommended that the government gets the basics right, for example: ensure systems are available and performing reasonably; get email systems working optimally so government officers do not depend more on public email systems (e.g. gmail and yahoo accounts); ensure government websites are well updated with comprehensive information, while providing online services responsively;

ii) Increase the pace and magnitude of the establishment of the Konza Techno City while reviewing its financing model and institutional framework to rapidly exploit the opportunity that this City presents;

iii) Focus on developing human and business capacity including reviewing strategies for growing small ICT businesses;

iv) Focus on development of content and innovation by exploring strategies to promote innovation within institutions of higher learning, private sector and entrepreneurs;

v) Provide adequate funding and accelerate ICT infrastructure development;

vi) Enhance cyber security;

vii) Continue effort to bridge the digital divide between urban and rural communities; and

viii) Improve policy, legal and regulatory framework.

3.2.4 Science, Technology and Innovation (STI)

Overview

Kenya Vision 2030 recognises STI as one of the most important tools for raising productivity and efficiency; and creating comparative advantage and competitiveness. The theme of STI in the MTP II is "Harnessing Science, Technology and Innovation for Regional and Global Competitiveness". The sector is expected to play a critical role in ensuring other sectors of the economy have the necessary technologies for increasing productivity and quality of products and services.

During the review period, key achievements under MTP I included: sessional papers on STI and TVET were enacted; science and technology parks developed; Biosafety Act enacted and Regulations gazetted; and a National Biosafety Authority, and a National STI Fund established. A review of TVET curriculum was finalised; training needs assessment for BPO and knowledge process outsourcing was conducted; and capacity building for IPR and opening of IPR offices in institutions of higher learning undertaken. A total of Ksh400 million was disbursed as research grants to support innovations in priority areas; and award scheme for recognition of Kenyan scientists established. Annual national and regional technology exhibitions; and four round table forums were held to raise awareness on STI issues.

The Sector has been experiencing a number of challenges including: lack of coordination; inadequate funding; inadequate skills and skills mismatch; inadequate infrastructure and facilities to support the Sector; weak knowledge management information; and low demand for products from the Sector.

The focus of the MTP II is on strengthening the technical capacity and capabilities of individuals and institutions at both national and devolved levels involved in research in order to develop a highly skilled human resource base that can trigger innovation in priority areas.

Achievements During the Period

(a) Key Outcomes

Kenya attained impressive rankings in the World Economic Forum's Global Competitiveness Index on innovation during the period from position 52 in 2012 to 38 in 2014, coming ahead of all African and BRICS countries except China (which was position 32) in innovative readiness and capacity. The ranking was supported by high companies' spending on R&D and the existence of good scientific research institutions.

(b) National Commission for Science, Technology and Innovation

During the period, the National Commission for Science, Technology and Innovation (NACOSTI) was established to replace the National Council for Science and Technology (NCST) as a result of enactment of the Science, Technology and

Innovation Act 2013. The construction of the NACOSTI Headquarters at Kabete was also completed. The Commission developed regulations, guidelines and codes on registration and accreditation of research institutions, quality assurance and licensing during the period under review. It also awarded 54 PhD scholarships in specialised areas in science and technology development at a cost of KSh78 million in each of the financial years 2013/2014 and 2014/2015 and funded 308 research proposals in 2013/2014. This brings the number of research proposals funded since 2008/2009 to 1,283.

Through partnership established during the period, the EU funded research activities in Kenyan universities to the tune of KSh15 million in 2014/2015. Also, three Science and Technology Journals were published; and five scientists from different disciplines benefited from the scheme. Last but least, an ST&I exchange framework was developed during the period.

(c) Progress in the Implementation of Flagship Programme and Projects

These included:

- *Nano-Sciences, Material Science and New Production Technologies Programme*: entails the development of appropriate high strength materials which are low cost, effective and efficient and find wide application in numerous technological developments. NACOSTI, first, developed the strategy for the implementation of the National Physical Science Research Laboratory for Engineering and New Product Technologies and, second, designed the laboratory. There was no progress during the period for the establishment of Kenya Institute of Nanotechnology which was part of the MTP II's target.

- *Energy Technologies Programme*: proposes a power generation mix which includes nuclear energy to meet the country's energy needs. During the period, a secretariat was set up to oversee the activities towards the establishment of a nuclear energy facility. To build capacity for nuclear energy, young graduates from the University of Nairobi are undergoing a Master's degree programme in nuclear energy in South Korea; 11 in KEPCO while 11 are available for study in Slovakia.

  However, the establishment of a Centre for Nuclear Research for Peaceful Applications; the Kenya Institute of Oil and Gas; and the Kenya Institute of Mining and Geology did not take off during the period as envisaged.

- *Coordination of the Technology, Innovation and Commercialisation Programme*: The design for a National ST&I Statistics Observatory was developed for capturing, developing, sharing and storing National ST&I information. In addition, a scheme for awarding outstanding scientists was developed during the period under review. The National Research and Development survey and African Science Technology and Innovation Indicators Survey (ASTII) were also undertaken. The ASTII survey provides a framework for responding to the socioeconomic challenges facing the continent on ST&I issues.

The Innovative Technology Transfer System is on course with an allocation of Ksh312 million for the development of a 10 year master plan for science and technology parks and the establishment of two science parks.

- *County Technology and Innovations Delivery Services Programme*: The Programme aims at delivering science, technology and innovations services to the grassroots in line with the provisions of the Kenya Constitution 2010. The Kenya National Innovations Agency (KENIA) has, thus, been established and is being operationalised. However, no progress was reported on the County Technology and Innovations Advisory and Prospecting Centres at county level; and development and transfer of county specific technologies, which will be included in the master plan for science and technology parks and incubators.

(d) Progress in the Implementation of Other Priority Programmes and Projects:

- *Biotechnology and Biosciences Programme*: A key achievement during the period was the agreement between the National Biosafety Authority and Egerton University for the establishment of state of the art modern biotechnology laboratory at the University. NACOSTI has also established a Bio Aware Programme and financed research activities in Biotechnology.
- *Telecommunications, Electronics and Computer Technologies Programme*: Software development and innovation is a growing industry in Kenya. However, the Project intended to proactively promote this area did not report progress during the review period. Nonetheless, it is envisaged that the Science and Technology Parks' initiative will contain elements of telecommunications, electronics and computer technologies. Other projects under this Programme including the establishment of Kenya Electronics Communications and Computing Research Institute (KETCRI); Manufacture of Electronic Devices; and Baseline Survey and Assessment of National ICT Capacity / Readiness did not report progress during the period.
- *Natural Products Programme*: The Programme aims at building a vibrant natural products industry through development of an effective interface between indigenous knowledge and STIs. Activities to implement this Programme including documenting and profiling of indigenous knowledge did not take off during the period.

(e) Policy, Legal and Institutional Reforms

Sessional papers and bills on Science, Technology and Innovation (STI) and Technical, Vocational Education and Training (TVET) were enacted and implemented during the period. STI Act 2013 was enacted in 2013 and it laid the foundation for the establishment and operationalisation of NACOSTI during the period under review. In addition, the Science and Technology Parks Policy was developed and The Biosafety Authority (NBA) initiated which culminated in the review of the Biosafety Act 2009 during the period.

Challenges

Challenges remain the same as those cited at the beginning of the review period.

Conclusion

Although this area has attained impressive international ranking ahead of all African and BRICS countries (except China) and is highly rated in the Kenya Vision 2030 and its MTPs, there needs to be proactive attention, increased investment and more aggressive development of requisite human resource capacities to fully exploit the potential of this sector.

Recommendations

The recommendations include: that the government give STIs focus and resources; improve institutional capacities; and rapidly develop the human resource capacities necessary for performance as per the spirit and letter of Kenya Vision 2030. The focus should also be on setting clear goals and monitoring their achievement.

3.2.5 Land Reforms

Overview

Kenya Vision 2030 recognises the importance of land as the most important resource the country is endowed with. It is critical to all spheres of the country's development. Secure access to land, proper land use planning, and equitable distribution of land are essential ingredients to food security, growth in investments and industries and general socio-economic development of the country.

During the MTP I, seven (7) land registries were constructed; nineteen (19) rehabilitated; and a banking hall constructed at the Ministry HQs in the effort to modernise land registries. Computerisation of National Land Information Management System was initiated with the establishment of Land Records Conversion Centre at Ministry HQs; acquisition and installation of electronic Lands Records Management System; partial implementation of Integrated Land Rent Information System; and installation of ICT infrastructure in Thika, Kisumu, Nakuru and Isiolo Ardhi houses. Concept papers were prepared for the National Land Use Policy and the National Spatial Plan and institutional framework established for the preparation of the National Spatial Plan. Land cover and land use maps were updated. Environment and Land Court Act 2011; National Land Commission Act 2012; Land Act 2012; and Land Registration Act 2012 were enacted, while Sessional Paper No. 3 of 2009 on National Land Policy was approved. During the same period, 58,009 landless people were settled; 90 land adjudication sections finalised; and 435,650 land titles issued.

Achievements During the Period

The following are the achievements during the period:

(a) National Land Information Management (NLIMS)

This involves the development of a GIS based Land Information Management System. The development of this System is progressing slowly and is at 35 percent completion due to inadequate funds.

However, during the review period, the Ministry developed e-archive and title printing system; and established a national bulk titling centre to fast track the issuance of title deeds. The national one stop titling centre was launched in Nairobi on February 2015 by H E President Uhuru Kenyatta. The centre offers services including land surveys, adjudication and registration within sixteen (16) days from the previous seventy-three (73). It is connected electronically to key Ministry Departments and it has a capacity of processing 12,000 titles per day.

(b) National Land Title Register

According to Land Registration Act 2012, a National Land Title Register will be established to contain all land in the country. This involves geo-referencing all parcels of land; conversion of existing land under various registration statutes to the above Act; transfer of converted records to county registries; and issuance of both hard copy and digital certificate of titles.

During the period, 24,851 plots of land were geo-referenced and land titles for 102,995 parcels were finalised. Further, 4.1 million titles were registered and 643,546 issued.

(c) Modernisation of Land Registries

This involves construction, rehabilitation and equipping of land registry offices to enhance security of land information and in readiness for the implementation of the NLIMS. During the period, mapping of areas for the establishment of land registries was carried out in liaison with county governments.

(d) National Spatial Plan

This involves the development of a long-term framework to guide the sector. During the period, scenario planning was undertaken, key sector players were identified, terms of reference for specialised studies developed, detailed strategies and proposals formulated and the preparation of National Spatial plan is 90 per cent complete.

(e) Kenya National Spatial Data Infrastructure (KNSDI)

During the period, geodetic reference points (pillars) were constructed in Kwale, Wundanyi, Bondo and Koibatek. Tenders for acquisition of satellite imagery have been opened; the creation of the Nairobi database is complete; while the creation of Kiambu and Mombasa databases is in progress. The construction of the KNSDI Centre is 85 percent complete.

(f) Policy, Legal and Institutional Reforms

During the period, County Land Management boards were established; and Environmental and Land Court Act; Land Act; Land Registration Act; and National Land Commission Act were finalised in line with the Constitution 2010. The development of Community Land Bill; Eviction and Resettlement Guidelines; and Rules and Regulations to operationalise the acts were in progress during the review period.

Challenges

The key challenges were inadequate resources. The sector also took some time dealing with the issue of the mandates between the Ministry and the National Land Commission.

Conclusions

While some progress was made especially in issuing title deeds, the systemic changes needed to address land issues; provide efficient land related services; and ensure effective planning on land use moved very slowly during the period. Also, automation of systems at the Ministry including automation of land records did not make much progress during the period.

Recommendations

i) To put more resources and greater focus on building the systems and capacities necessary for improved and proactive management of land issues;

ii) Provision of better services; and

iii) Effective land use planning.

3.2.6 Public Sector Reforms

Overview

The theme of Public Sector Reforms in the MTP II is *"Transforming the Public Service for accountability and provision of efficient and quality services"*. The aim is to transform the sector by building and implementing service delivery systems that will ensure efficiency, quality, convenience, dignity and global competitiveness.

Achievements During the Period

(a) Public Service Transformation Strategy

A draft Public Service Transformation Strategy was developed during the period and it is expected to be finalised during 2016. The system of performance contracting continued during the period including negotiations and vetting of performance contracts of government MDAs. The performance contracting guidelines were reviewed; and capacity building carried out on Performance Management Systems during the period. Performance contracting was rolled out in all government MDAs, tertiary institutions and in some counties.

(b) Institutionalisation of Results Based Management (RBM) in the Public Sector

The aim in the MTP II is the institutionalisation of the RBM with a special focus on the county governments. Rapid Results Approach (RRA), performance appraisal system (PA) and business process reengineering (BPR) were implemented during the period. Capacity building was carried out for all the 47 county governments on RBM.

(c) Huduma Kenya Integrated Service Delivery Model

Huduma Kenya programme is public service innovation that aims at improving service delivery to the public. It uses the concept of Integrated Service Delivery (ISD) model in a one-stop shop service delivery centre that uses a variety of channels. These channels include the physical Huduma Centres; an online portal to provide online services 24hrs daily; mobile phone services; and Huduma Contact Centre customer service using a single dialling prefix (1919) that citizens can use for service enquiries; and a payment gateway, the Huduma Card, to facilitate easy receipt and payment for Government services. ISD is now a globally accepted standard for Public Service Innovation in service delivery and it has been adopted by a number of developed and developing countries such as Canada, Singapore, South Africa, Australia, Brazil and India.

The Programme has been hugely successful. By the end of 2015, a total of 40 Huduma Centres had been established offering a variety of services and it is expected that all the 47 counties will have a Huduma Centre by the end of June 2016. Huduma Centres have won local, regional and international awards for service delivery innovation including from the United Nations. The establishment of Huduma Centres was sighted by the World Bank as one of the reasons that Kenya was able to jump 28 places; the most improved economy in Africa; and 3rd most improved in the World.

(d) Training and Capacity Building

Interdepartmental Technical Committee (IDTC) was appointed to coordinate the Programme. Achievements of IDTC included: Human Resource Development Policy and Competency Standards are in place; 2,500 accountants from the national and county governments were trained on international public sector standards;

manuals were developed on public finance management including budgeting and accounting; draft curriculum and training manual for HRM and HRD were developed with coordination from the Kenya School of Government; and curriculum for five results areas were developed, including on HRM&D, performance management, county integrated development planning, monitoring and evaluation, and leadership. Capacity building on performance management was also carried out in various counties.

(e) Progress in Other Programmes and Projects include:

Tax Reforms

The objective is to implement tax reforms to raise resources to finance government programmes and help to meet the fiscal deficit targets. The following tax reforms were implemented:

- *Integrated Tax Management System (ITMS).* This was implemented up to February 2014 then shifted to a more superior system, iTax system which is now fully operational. Currently a total of 3,090,511 taxpayers are registered on iTax and have updated their details on iPage. There is no more manual filing of returns with effect from August 2015, with all taxpayers filing returns online. A total of 13 iTax support centres are operational countrywide to provide necessary assistance to taxpayers. Percentage uptake of iTax is 41% (of 7.5 Million estimated taxpayer base). 86% of taxpayers rated iTax as Good, Very Good or Excellent in March 2016 in a survey of 1,048 respondents. This was an improvement from previous months.
- *Payments of taxes via mobile money.* This system was implemented and payments are being made via Safaricom Mpesa and Airtel Money.
- *Turnover Tax.* The objective was to revamp the system to make it more efficient and easy for tax payers to comply. This was already implemented by the time of the review. Recruitment of SME taxpayers stood at 417,497 as at June 2015, against a corporate target of 403,176 hence a performance of 104%. Block management approach is being used to recruit traders as well as utilisation of County grassroots networks to net the underground economy. Brief and simplified procedures handbooks were also developed for SME (TOT) taxpayers and linkages established with Kenya Association of Women Business Owners (KAWBO), Chinese Business Community, Strathmore Enterprise Development Centre (SEDC), and United Business Association.
- *Taxation of Real Estate Sector.* Some progress was reported during the period. A real estate sector Division was established in Kenya Revenue Authority (KRA) in July 2012. Publicity campaigns, seminars and creating awareness among taxpayers to enhance compliance were conducted during the period. Use of simplified rental income commenced on 1st January 2016

and so far, 14,000 new landlords are filing returns. In addition, a total of 871 new landlords have applied for Tax amnesty that has been running from June 2015 – June 2017. However, the implementation of GEOCRIS, a system that uses geo-spatial information to locate property was not achieved.

- *Taxation of High Net Worth Individuals (HNWI).* A dedicated HNWI unit handling taxation of HNWI was established under the DTD Medium Taxpayers Office (MTO). A HNWI framework was developed to guide on the identification of the HNWI after which the compliance checks/audits are carried out. As at June 2015, interviews and compliance checks had been conducted for various professionals including two HNWIs with additional taxes assessed and collected.

- *Single Customs Territory (SCT).* Implementation of SCT and introduction of tax payment at first point of entry requires that Customs Services Department (CSD) develop an optimal revenue sharing with partner states. During the period, CSD participated in training on Partner States Customs Business Systems; reviewed the ex-warehousing, re-export and intra-region trade transfers implementation with the findings that all Partner States were ready to go live; and developed processes to cater for goods transported by railway, air and sea. The roll out to Tanzania and Burundi were in progress at the time of this review. CSD also sensitised the business community and clearing agents on SCT Procedures.

- *Dynamic Risk Management System.* This was implemented as part of the new Integrated Customs Management System (iCMS).

- *Implementation of Electronic Cargo Tracking System (ECTS).* The objective is to ensure seamless tracking of cargo throughout the region. The implementation of ECTS is in progress. As at June 2015, over 1700 trucks had already installed the ECTS while six service providers had been certified to track trucks and vehicles. Plans are underway to expand ECTS throughout the region.

- *Transfer Pricing.* The objective is to reduce revenue loss through transfer pricing. During the period, a Transfer Pricing Unit was created within the Domestic Taxes Department. Key achievements include: Strengthening tax information exchange agreements; treaties signed with various countries; and Kenya is now a member of Global Forum. Staff capacity building was undertaken; and practice notes developed for transfer pricing and reference materials for TP audits. Confirmed yield from these initiatives for FY 2013-2014 was Ksh7.89 billion with cash collections of Ksh1.57 billion a figure that has been increasing.

- *Implement Strategy for Taxation of the Mining Sector.* During the period, an Extractive Industries Unit was established to handle the oil and gas sector. Capacity building for the unit staff was initiated through the World Bank fund. At the same time, a new law was developed under Income Tax Act, Ninth schedule for taxation of both mining and oil exploration. Thus, the sector stakeholders were sensitised on the new law and compliance procedures even as the new law is being implemented.

- *County Taxation.* During the period, KRA engaged the County Governments with the aim of: enhancing collection of Pay as You Earn (PAYE) in the counties; collection of withholding tax on county spending on Development budget; and track payments to contractors for ongoing/ completed projects in counties. KRA also increased its presence in 7 counties from 19 to 26. The overall aim is for KRA to have a presence in all 47 counties.

- *Strengthening and Revamping Tax Enforcement Mechanisms.* During the period, strategies continued to be implemented including: renewed focus on nil and non-filers with a task force set up to address the problem; and enhanced compliance checks/market surveillance to identify non-compliant traders. Also, the Electronic Tax Register (ETR) is being overhauled.

  There is enhanced use of enforcement tools such as scanners at points of entry, detector dogs and boats; and enhanced usage and compliance with Excise Goods Management System covering tobacco, wines & spirits.

E-procurement System

This system has been rolled out in all ministries and counties and is operational. Information, Education and Communication (IEC) Strategy was formulated but not rolled out. Other initiatives including: Modernisation of Records Management; Real Time Performance Monitoring System; and Restructuring of Kenya Foreign Service Institute were either not implemented or did not achieve much progress.

Restructuring of the Kenya Foreign Service Institute

The Foreign Service Institute was established in 2007 to develop capacities for Kenyan Diplomats to enhance their skills and knowledge to effectively formulate and articulate Kenya's Foreign Policy. The target for the review period was to transform the institute into a semi-autonomous Foreign Service Academy managed by a Board of Management. This will enable the institute to offer cutting edge training in diplomacy, mediation and negotiation and foreign languages and engage in research and consultancy among others. Towards this end, a Bill, the Foreign Service Bill was developed during the review period and once enacted it will facilitate transformation of the institute into a semi-autonomous Foreign Service Academy with a board of management. Additionally, and as part of the transformation process, the institute curriculum and strategic plan were developed and published. The institute has also conducted diverse training for senior diplomats from EAC, IGAD and The Great Lakes region; and plans are underway to acquire premises to house the institute.

(f) Policy, Legal and Institutional Reforms

The following Acts were reviewed, enacted and are being implemented:

i) The VAT Act 2013;

ii) The Excise Act 2015; and

iii) Tax Procedure Code 2015

Conclusions

Huduma Centres programme and tax reforms made significant progress and had fundamental and far reaching impact during the review period. Both were felt throughout the country as the general public and businesses interacted and experienced improved services. The success of Huduma Centres was noticed nationally, regionally and internationally.

However, other areas of public sector reform seem to have slowed down and taken a "business as usual" posture.

Recommendations

For Huduma Centres programme and tax reforms, it is recommended that the initiatives are taken to their logical conclusion. The government should fund the roll out of the centres and ensure they are implemented and felt throughout the country and an effective model for their sustainability is adopted. KRA is doing a good job using its own resources and this should continue.

On the other areas of Public Service Reform, there needs to be more innovation with the aim of producing the same effect on public services as was felt when performance contracting and Rapid Results Initiatives (RRIs) were first introduced.

3.2.7 Labour and Employment

Overview

Kenya Vision 2030 recognises that an efficient, motivated and healthy human resource base is pivotal for enhanced national productivity, competitiveness and economic growth and development. The Kenya Constitution also advocates for decent work which promotes fundamental freedoms, adequate income, representation and social security. The theme of this Sector in the MTP II is "Every Kenyan with decent and gainful employment".

Despite the achievements of the MTP I, the economy was not able to generate sufficient employment. For instance, the country created 2.7 million against the MTP

I cumulative target of 3.27 million. However, a number policy, legal and institutional reforms were undertaken. National Manpower Survey was conducted in 2009/10 and various policies were developed including: the National Employment Policy and Strategy; National Productivity Policy; National Occupational Safety and Health Policy; National Industrial Training and Attachment Policy; and National Policy on Child Labour. Legislations enacted include: Industrial Training (Amendment) Act 2011; Micro and Small Enterprise Act 2012; and the Industrial Court Act 2011 which elevated the Industrial Court to the status of a High Court and transferred it to the Judiciary. Key labour institutions were established, among them, the National Labour Board; transformation of Directorate of Industrial Training (DIT) into a semi-autonomous government agency: National Industrial Training Authority; and the establishment of Micro and Small Enterprise Authority (MSEA).

Among the challenges at the beginning of the MTP II period included high unemployment rate, lack of timely labour information, poor performance of industrial attachments and weak legal and institutional framework.

Achievements During the Period

The number of persons employed rose by 12.2 per cent from 13,517.0 thousand in 2013 to 15,160.2 thousand in 2015 implying the economy generated an additional 799.7 and 841.6 thousand in 2014 and 2016 respectively against the MTP II target of 723 and 821 thousand. The informal sector constituted 82.7 and 84.8 percent of total employment in 2014 and 2015 respectively.

(a) Implementation of Sessional Paper on National Empowerment Policy and Strategy for Kenya

The Sessional No. 4 of 2013 on the National Employment Policy and Strategy for Kenya was finalised and will be tabled on the floor of the house in the 2015/16 Financial Year. It aims to mainstream employment creation in all aspects of national development. A draft framework and guidelines for monitoring employment in the country (Employment Creation Analysis) which is provided for in the policy was developed during the period under review.

(b) Promotion of Internship and Industrial Training

The Sessional Paper No. 2 of 2013 on the National Industrial Training and Attachment Policy was finalised and submitted to Parliament. The overall objective of the Policy is to provide a framework to guide and harmonise industrial training and attachment to ensure adequate supply of properly trained human resources at all levels in industry for sustainable growth. Two offices were established in Embu and Eldoret for coordinating levy inspection, industrial training and attachments.

National Industrial Training Authority (NITA) placed 13,973 and 15,023 trainees on industrial attachment in 2013/14 and 2014/15 respectively surpassing the targets of 12,000 and 15,000 set for the two years. In addition, the on-line Industrial Training

Attachment Portal (ITAP) (www.nita.go.ke/itap) was modified to make it more user-friendly and interactive for trainees and training institutions.

(c) Development of a Labour Market Information System (LMIS)

An Inter-Agency Technical Working Group (TWG) for the LMIS was constituted and operationalised during the period under review. Terms of Reference (TORs) for the National Steering Committee (NSC) were also agreed upon and nominations from relevant institutions were received. The names of the members of the (NSC) were to be gazetted in the 2015/16 period.

Software for the web-based LMIS was procured and the Module on Job Opportunities Index data capture programme for Kenya was developed. This module sources information on job adverts from the media and generates reports on the characteristics of the labour market demand in the country.

The implementation of this System is behind schedule as the target was to have it operational by 2014/15 financial year. However, its inclusion as part of the proposed Kenya Youth Employment and Opportunities Project (KYEOP) to be funded by the World Bank may speed up its implementation.

(d) Enhancing and Modernisation of Employment Services

The aim of this Programme is to modernise existing public and private employment offices mainly through expansion, adoption of ICT and capacity building of officers. The MTP II also sets a target of 17 new employment offices to be built and staffed; while the administration of private employment agencies is to be enhanced during the period. Towards this end, Construction of a National Employment Promotion Centre as a one-stop-shop for coordination and promotion of employment in the country commenced during the period under review. The five (5) storey building is expected to be completed in the 2017/18 Financial Year. Once operational, the centre will spearhead promotion and coordination of employment in the country. While the building of the centre at Kabete is a major milestone, the performance in this area still falls short and is unlikely to meet MTP II targets.

Other achievements during the period include: A draft framework and guidelines for monitoring employment in the country was developed; and 22,193 job seekers placed in employment through the Public Employment Services.

(e) Strengthening Linkages between Industry and Training Institutions

To strengthen its capacity for industrial training, the National Industrial Training Authority (NITA) upgraded and rehabilitated its five Industrial Training Centres during the period under review. The second phase of upgrading the Technology Development Centre at Athi River was also completed and commissioned during the review period. Fifteen competence assessment schemes and skills guidelines in various trades/sectors were also developed. Curriculum and assessment guidelines were developed in collaboration with stakeholders in the following areas; Mechanical tea harvesting, Programmable Logic Controller (PLC), Biogas, floriculture, Solar Power (PV), solar home systems (SHS), solar water heating (SWH) for plumbers, machine operators course for Apparel making and energy Audit. This is to make them in tandem with modern trends and changes in technology and also to respond to demand for training in emerging occupations.

A total of 63,409 students were trained in relevant industrial skills; and trade test examinations administered to 135,454 candidates for award of government trade test certificates in various trades (Masonry, Motor vehicles Mechanics, Carpentry and Joinery) during the period 2014/15.

(f) Productivity Management

The Sessional Paper No. 3 of 2013 on the National Productivity Policy and the National Productivity Council Bill, 2014 is in its final stages of preparation. A total of 261 Technical Service Providers (TSPs) were trained on productivity management during the review period. The TSPs were drawn from both public and private sector organisations. In addition, productivity improvement programmes were carried out in 25 institutions which will act as model companies/institutions on productivity.

(g) Promotion of Occupational Safety and Health (OSH)

Curriculum designs for six courses on Occupational Safety and Health were developed through the Kenya Institute of Curriculum Development (KICD) during the 2014/15 period. The courses include those for OSH Practitioners, Plant safety, Fire safety, Construction Safety, Occupational Hygiene and Occupational Health practitioners (Medical doctors and Nursing and clinical officer).

Construction of a five-storey building to house the Occupational Safety and Health Institute was at 82 per cent completion by end of the 2014/15 Financial Year. The institute is expected to offer training and research on occupational safety and health. An Occupational Safety and Health Practitioners Bill, 2015 was drafted and circulated to stakeholders for comments in preparation for a stakeholders' workshop. The Bill, once enacted, will regulate the operations of occupational safety and health practitioners in the country.

In addition, sensitisation courses were conducted with 1,240 workers in the micro and small enterprises in 26 counties in collaboration with MSEA; and safety and health awareness campaigns were held during the period. Other achievements include the examination of 15,049 hazardous plant and equipment workers; medical examination of 64,977 workers; and training of 12,594 members of health committees and other workers on safety and health.

(h) Development and implementation of a National Wages and Remuneration Policy

Two consultants (international and local) were recruited to develop a draft National Wages and Remuneration Policy. The draft policy was prepared and submitted to the Ministry in June, 2015. The main aim of the policy is to establish wage setting standards in public and private sectors. The Ministry will review the draft and undertake stakeholder validation for the policy during the 2015/16 period.

(i) Establishment of Conciliation and Mediation Commission

The establishment of an institutional framework for Alternative Dispute Resolution (ADR) for labour and employment disputes is provided for under Article 159 (2)(c) of the Constitution of Kenya for expeditious conclusion of industrial and employment disputes; in the Labour Institutions Bill, 2014; and its operationalisation is further provided for in the Labour Relations Bill, 2014. The two bills were forwarded to the Office of the Attorney for finalisation of the drafting during the period under review. The Commission institutional framework for Alternative Dispute Resolution (ADR) for labour and employment disputes whose objectives are to: establish amicable, faster and cost-effective institutional framework for resolution of labour and employment disputes; promote industrial peace and harmony; promote sustainable job creation and economic growth; reduce the number of employment and labour disputes lodged in the industrial Court; and increase compliance with agreed solutions.

(j) Diaspora Engagement

In an effort to mainstream Kenya Diaspora into the National Development process, the Ministry of Foreign Affairs and International Trade finalised and launched the Kenya Diaspora Policy, the Diaspora Communication Strategy and also a web based Diaspora web portal to facilitate the registration of the Diaspora. The Diaspora policy was officially launched by H.E. the President of the Republic of Kenya, Uhuru

President Uhuru Kenyatta with guests after launch of Kenyan Foreign Policy & Kenya Diaspora Policy documents at KICC

Kenyatta in 2014. The policy aims to deepen the engagement and partnerships of the Kenyan Diaspora in order to leverage and harness their skills and expertise for national development. All the Kenya Embassies Abroad have created databases on the Kenyan Diaspora to facilitate engagement with them. A number of Diaspora investment conferences and meetings have been held both locally and abroad.

(k) The Kenya Diaspora Investment Conferences

The Kenyan Diaspora Conference was held in 2015. It offered an opportunity for all Kenyans in the Diaspora, policy makers and private sector players to build strong partnerships that will enable the Diaspora to seize investment opportunities and thus contribute to the development agenda of the country. As the country goes through economic transformation, the beneficial impact of the Diaspora on domestic demand, trade, job creation and inclusive growth need to be carefully harnessed for greater national development. The conference was an important platform for that allowed discussion of critical Diaspora issues. Other conferences have been held across Kenya Missions abroad.

H.E. Hon William Ruto, EGH, Deputy President, during the official closing ceremony of Diaspora Easter Investment Conference

(l) Establishment of the Africa Union, Africa Institute of Remittance (AIR) in Nairobi

Being fully aware that the country and Africa as a whole stands a great chance in benefitting from the ever-increasing flow of remittances from the Diaspora, the Ministry of Foreign Affairs successfully lobbied the establishment of the African Institute for Remittances (AIR) in Kenya. Consequently, in November, 2014 the AIR was established at the Kenya School of Monetary studies to effectively facilitate the Diaspora with their remittances.

(m) Foreign Employment Management, Orientation and Re-entry Programmes

A task force was formed in October, 2014 to review matters relating to administration of foreign employment and management of labour migration. The task force was also expected to develop guidelines on foreign job placement. An Inter-Ministerial Committee was appointed in the meantime to vet all Private Employment Agencies seeking registration and renewal of license as per the requirement of the Security Act, 2014. Guidelines and regulations for registration of Private Employment Agencies dealing with both foreign and local recruitment were developed and became effective from February, 2015. The task force conducted public hearings locally and toured two countries with active labour migration policies (Philippines and India) and two others which are top destinations for migrant Kenyan workers (Saudi Arabia and the United Arab Emirates). The government also negotiated bilateral labour agreements with the Kingdom of Saudi Arabia, Kuwait, Jordan and the United Arab Emirates aimed at ensuring protection of migrant Kenyan workers, regulating the recruitment processes and providing a framework for resolution of any issues arising from foreign employment contracts.

(n) Transformation of the National Social Security Fund (NSSF) to a Pension Scheme

The National Social Security Fund (NSSF) Act, No. 45 of 2013 was assented to in December, 2013 thus effectively transforming the Fund from a Provident Fund to a Pension Scheme. The objectives of the Act are to: provide basic social security for NSSF members and their dependants for various contingencies; increase membership coverage of the social security scheme in the country as it requires all employers including the government to register their employees and contribute to the Fund; and bring within the ambit of the Act self-employed persons to access social security for themselves and their dependants.

In the year 2014/15, a detailed project implementation framework for the transformation of the NSSF from a provident fund to a pension fund was prepared and a project management office established. The regulations for implementation of the Act were gazetted and circulated to stakeholders and the general public during the period under review. The NSSF carried out media, electronic and print campaigns to inform the public on the proposed transformation. Guide books on the transformation were also developed, printed and circulated free of charge to the public and stakeholders during various forums held across the country to educate the public on the requirement of the Act. The fund further initiated independent audits of the old provident fund assets and valuation. A corporate Strategic Plan 2014-19 based on the new Act was launched in September, 2014 and sensitisation of County Public Service Boards and the media fraternity was carried out.

(o) National Youth Empowerment Policy and Strategy

During the review period, the draft National Youth Leadership and Entrepreneurship Strategy and the draft National Action Plan on Youth Employment (an effort led by AfDB) were combined into the National Youth Empowerment Policy and Strategy, a draft which was further refined and validated during the period. This Policy and Strategy provides a single source of guidance and direction and is already in use in designing and planning youth programmes and projects.

(p) Policy, Legal and Institutional Reforms

Achievements in this area include the following:

- National Social Security Fund was transformed from a Provident Fund to a Pension Scheme in accordance with the NSSF Act No. 45 of 2013;
- Sessional papers drafted and submitted to Parliament during the period include those on: National Employment Policy and Strategy for Kenya; Industrial Training and Attachment; National Social Protection Policy; and National Productivity Policy;
- Policies launched during the period include: National Policy on Occupational Safety and Health; Kenya Diaspora Policy and Diaspora Communication Strategy to mainstream and empower Kenyans abroad in March 2015;
- National Wages and Remuneration Policy to establish wage setting standards for public and private sectors was drafted in 2015;
- Draft Work Injury Benefits Act 2007 was reviewed and draft Work Injury Compensation Bill prepared and submitted to CIC and KLRC in 2014. The objective is to make it enforceable for effective management of occupational injuries and diseases; and includes the establishment of Work Injury Compensation Fund;
- Occupational Safety and Health (OSH) Practitioners Bill 2015 was drafted to provide for training of registration of OSH practitioners and regulate the profession; and OSH Bill 2014 to provide for the transformation of the Directorate of Occupational Safety and Health Services to OSH Injury Compensation Authority (OSHICA) is awaiting legislation in Parliament;
- Employment Act 2007 was reviewed to align it to the Constitution resulting in a draft Employment Act (Amendment) Bill 2015 which has been validated and is awaiting enactment;
- Two bills which seek to establish Conciliation and Mediation Commission were forwarded to the Office of the Attorney General in 2014: Labour Institutions Bill 2014 which establishes the Commission; and Labour Relations Bill 2014 which operationalises it. The Commission will be an amicable, faster and cost effective alternative industrial and employment dispute resolution mechanism;

- Draft National Social Protection Council Bill 2014 has been forwarded and discussed with Parliament; and
- National Council Productivity Bill was drafted during the period.

Challenges

Key challenges included the following:

i) Lack of funding affecting the implementation of flagship and other key programmes and projects. These include: establishment of Conciliation and Mediation Commission; implementation of LMIS; updating of KNOCs; development of National Human Resources Information System; conducting National Skills Audit; conducting the National Labour Force Survey; Establishment of Model Vocational Training Institutions, and County Youth Development Centres of Excellence.

ii) Slow pace of approval of policies and enactment of laws;

iii) Lack of up to date labour market information to be used as a basis for human capital planning, development and utilisation;

iv) There is huge demand for industrial attachment. However, the supply is inadequate. The amount offered to employers (Ksh3,000) is low and does not cover their training costs or motivate employers to participate; and the programmes are uncoordinated; and

v) There is inadequate institutional capacities for the promotion of productivity culture and safety and health issues.

Conclusions

There were significant achievements related to policy, legal and institutional reforms. However, while this sector is considered critical, funding constraints seemed to hinder progress in many of the key programmes and projects.

Recommendation

There is need to finalise many of the policy, legal and institutional reforms in progress before the end of this MTP II period. It is also desirable that funding is available to move forward the key programmes and projects in this sector.

3.2.8 National Values and Ethics

Overview

National Values and Ethics were introduced in the MTP II as part of the implementation of the Kenya Constitution 2010. It is aimed at building a nation with a tolerant culture based on diversity that gives top preference to the common nationhood. Key areas of focus include: education and training to prepare individuals to participate in society effectively and responsibly; monitoring and reporting by the Presidency and county governments; and participation of the private sector and other key players. During the period under review, the country faced incidences that culminated in national discussions on the level of corruption in the public service. This issue relates directly to values and ethics.

Achievements During the Period

(a) Annual President's Reports

As per the requirements of the Constitution, the 2013, 2014 and 2015 Annual President's Reports on National Values and Principles of Governance were presented to Parliament.

(b) Response to Incidences and Public Perception of High Levels of Corruption

During the period, the government took unprecedented steps to respond to incidences and public perception of high levels of corruption. These included the stepping aside of a third of the cabinet and other key officials in the Public Service in 2014; and over 360 cases being prosecuted in Court. A substantial amount of proceeds of corruption were also recovered both within the country and abroad.

(c) Development of Effective Mechanisms for Promoting National Values and Principles of Governance

To build the capacity of government ministries, departments and agencies (MDAs) at national and county levels to develop effective mechanisms for promoting national values and principles of governance: over 120 Focal Point Persons from MDAs were trained on National Values and Principles of Governance; and over 100 MDAs were sensitised on national cohesion and national values mainstreaming processes; National Cohesion & National Values and Principles of Governance were incorporated into the 2014/2015 and 2015/2016 Performance Contracting cycles of MDAs; 46 County Forums on National Cohesion & National Values were held; and 46 County Public Service Boards (CPSBs) were engaged on the promotion of National Values and Principles of Governance.

To build capacity for the promotion of national values and principles of governance, the following was accomplished during the period: a draft National Values and Principles of Governance Training Manual was compiled; the National Cohesion and National Values Research, Tele-Conferencing and Documentation Centre was established; and a Baseline Survey on the status of National Values and Principles of Governance is currently being under taken.

(d) Policy, legal and institutional reforms

The following policy and legal reforms were undertaken during the review period:

i) Sessional Paper 8 of 2013 on National values and Principles of Governance which provides a framework for inculcation and promotion of National Values

& principles of Governance among Kenyans was approved by Parliament in December 2015;

ii) Sessional Paper 9 of 2013 on National Cohesion and Integration which aims at fostering a general understanding of realisation of a cohesive and integrated society for nation building was approved by Parliament in August 2015; and

iii) The government is currently reviewing the National Cohesion and Integration Act of 2008 to align it with the Kenya Constitution 2010, address emerging issues, and enhance coordination of agencies involved in national cohesion, peace and reconciliation in the country.

Challenges

A key challenge cited was lack of resources with the reduction of the budget for the Directorate of National Cohesion and National Values from just over Ksh270 million to below Ksh70 million. This reduction is inconsistent with the effort necessary to make a difference.

Conclusions

While substantial work has been done on making the right decisions, formulating the right policies, building the capacity of government, and implementing mechanisms for the promotion of National Values in the public service, the country's image suffered from manifestations and public perception of corruption and inadequate levels of national cohesion.

Recommendations

To reverse the current state of affairs of poor public perception and low level of cohesion, significant and visible efforts need to be made during the rest of the MTP II period. This will require that a clear road map and action plan involving key stakeholders and resources are made available to implement initiatives with high public visibility. It is essential that the country makes significant and consistent steps to fundamentally alter the adverse perceptions on public service integrity by the end of the MTP II period. There is also need to focus national attention on enhancing national cohesion especially as the country gears towards the national elections of August 2017.

3.2.9 Ending Drought Emergencies

Overview

The government is managing climate related risks by strengthening peoples' resilience to shocks and by improving the monitoring of, and response to, emerging drought conditions. Flagship projects to achieve these ends include: the National Drought and Disaster Contingency Fund (NDDCF); an Integrated Early Warning System; an Integrated Knowledge Management System for Drought (IKDM); and the Hunger Safety Net Programme (HSNP). Other related interventions designed to enhance resilience and manage risk are embedded in the plans of relevant sectors and reported under the Social Pillar.

Achievements During the Period

(e) Common Programme Framework for Ending Drought Emergencies

The Common Programme Framework (CPF) for Ending Drought Emergencies (EDE) was launched 4th November 2015 in Nairobi. The Framework contains the shared commitments of the national government, 23 ASAL county governments and development partners which are designed to end drought emergencies by 2022. There are 6 pillars: peace and security; climate proofed infrastructure; human capital; sustainable livelihoods; drought risk management; and institutional development and knowledge management. The first four are led by the relevant sectors while the last two, and the EDE as a whole, are managed by the National Drought Management Authority (NDMA). The national launch was followed by county launches.

During the period, NDMA finalised the monitoring and evaluation framework for the CPF with technical support from UNDP and the University of Nairobi. The SHARED (Stakeholder Approach to Risk Informed and Evidence-based Decision-making) hub was also established through a partnership between ICRAF, UNICEF, the NDMA and the Turkana County Government.

(f) The Drought Early Warning and Response System

The Drought Early Warning System was strengthened by the integration of additional remote-sensed data obtained through a partnership with Boku University in Austria. This complements data gathered on the ground and ensures that the monthly drought early warning bulletin provides as objective as possible a statement of the possible prevailing drought conditions.

The NDMA began implementing the Drought Contingency Fund (DCF) Project funded by the European Union, while awaiting the formal establishment of the NDEF. By March 2015, Ksh337 million had been disbursed to finance early response in drought affected counties, thus complementing allocations made by the county governments. Contingency funds are approved against priorities in drought contingency plans which all 23 ASAL county governments have development with facilitation by NDMA.

(g) Building Resilience and Adaptive Capacity

Through a partnership between the Kenyan Government and the World Food Programme (WFP), Cash/Food for Assets targeted 691,800 vulnerable residents in 13 ASAL counties who received food or cash in exchange for their labour on 1,000 micro projects.

The Adaptation Consortium, hosted by the NDMA, established the first of five County Adaptation Funds in Isiolo, Wajir, Garissa, Makueni and Kitui. By May 2015 the Consortium had helped 1,425,000 people in these counties cope with climate change by investing in local adaptation projects and by providing climate information services.

The European Union-funded SHARE (Supporting Horn of Africa Resilience) programme is one of several initiatives that are now operational in support of the EDE. Launched in 2015, and over four years, €40 million will benefit 175,000 people directly in 13 ASAL counties, implemented through partnerships with the relevant government sectors (nutrition, water, livestock) and under the oversight of the NDMA.

(h) Policy, Legal and Institutional Reforms

- The EDE Strategy is now an integral part of the national five-year MTP framework having been introduced as a new sector during the planning of the MTP II. During the period under review, the NDMA Bill was submitted to Parliament and it includes a provision for establishing the NDEF.
- The National Council for Nomadic Education in Kenya (NACONEK) was launched by the Ministry of Education, Science and Technology on 15th May 2015. NACONEK was established by the Basic Education Act, 2013, and will lead the development of human capital planned under EDE Pillar 3, prioritising strategies which ensure that quality services reach marginalised communities.
- In January 2013, the Government joined the African Risk Capacity; the African Union's pooled risk insurance mechanism, giving it access to additional funding in the event of severe drought.
- Development partners have continued to provide strong support for the EDE, coordinated through the ASAL Donor Group.

Challenges

The principal challenge is ensuring effective coordination of a complex, multi-sectoral, multi-year and inter-governmental initiative (EDE) by an organisation (NDMA) whose capacity is under-resourced.

Conclusions

The EDE initiative was significantly boosted during the reporting period by a number of factors. The first was devolution, since county governments are able to provide more timely drought response and investments in resilience that are more attuned to the priorities of drought-affected populations, particularly in pastoral areas. The second is the number of partnerships that have developed around the EDE at all levels (county, national, regional and global), which reflect the shared concern of very many actors with the impact of recurrent drought, and which are bringing innovation, expertise and knowledge from which the EDE as a whole is benefiting.

The third is the formal launch of the CPF which re-energised the process and provided a springboard from which to embed EDE commitments still further within national and county development planning, as the Sendai Framework for Disaster Risk Reduction, endorsed in March 2015, requires.

Recommendations

- Fully operationalise the EDE institutional framework and adequately resource its various components, particularly the EDE Secretariat and the County Delivery Units;
- Ensure that EDE commitments are fully integrated in sector and county development plans and resourced, implemented and reported appropriately; and
- Finalise the establishment of the NDEF and resource it in line with EDE commitments and the scale of risk which drought poses to Kenya.

3.2.10 Security, Peace Building and Conflict Management

Overview

Kenya Vision 2030 envisages a nation of peace and stability, and a society free from danger and fear. The economic growth and development anticipated in the Vision can only be achieved and sustained in a peaceful, stable and secure environment. The sector aims at guaranteeing every person in Kenya freedom from danger (protection from physical or direct violence), and freedom from fear (a sense of safety and overall well-being).

During the MTP I, a total of 15,000 police officers were recruited improving police to population ratio to 1:520; District Peace Committees increased to 287; the Independent Police Oversight Authority and National Police Service Commission were established; and a number of policies drafted.

The MTP II period started with unprecedented security challenges posed by the terror group Al Shabab. Among the major incidences included the terror attack on the Westgate Mall where nearly 70 people were killed; the attack on Garissa University where 148 people, most of them students, were killed; the attack in Lamu where over 60 people were killed; and the Mandera bus and quarry attacks. This not only impacted adversely on general public sense of security but also on key economic sectors including tourism. Security was therefore a key priority for the government during the period.

Achievements During the Period

To respond to the security threats experienced at the beginning of the period, major security initiatives have been undertaken.

(a) Forensic Laboratory

The Government is on target to complete the forensic laboratory that is meant to improve forensic investigation capability of the DCI. By April 2016, the laboratory was 74 percent complete and it is expected to be finished by September 2016. This facility is long overdue and effort and resources should be made available to complete and operationalise it.

(b) CCTV Surveillance Cameras

The plan for the review period included the installation of CCTV cameras in Nairobi, Mombasa, Kisumu and Nakuru including the establishment of a command and control centre with an integrated security intelligence and surveillance system to step up war against crime and terrorism. The Integrated Command, Control and Communications (IC3) Centre has been operationalised in Nairobi and Mombasa through a contract awarded to Safaricom of Ksh18.8 billion. The System includes 1,500 and 300 CCTV cameras in Nairobi and Mombasa and their environs respectively, and the training of 3,000 police officers. The System is already achieving results including the recovery of sixty-nine (69) assorted vehicles using the Automatic Number Plate Recognition capability. The System was also used effectively to cover the national events in 2015 including the Global Entrepreneurship Summit that was presided over by the USA President Barack Obama; the WTO Summit; and the visit by Pope Francis.

The main components of the System includes: CCTV cameras; IP phones and handheld police communication devices; command, control and communication (IC3) centres in Nairobi and Mombasa; and capacity building for police officers to use the system. The CCTV cameras include fixed 360^0 rotational cameras and those mounted on police vehicles. The cameras cover a wide area into the outlying towns around the two cities. The IC3, the cameras and other communication devices communicate on the high speed 4G network running on optic fibre network. The Police emergency numbers 999, 112 and 911 are now operational for reporting incidences to the Police that will be received in the IC3 centres. This system has the potential to revolutionise security in major towns and substantially improve the effectiveness and efficiency of the National Police Service to monitor, respond to distress calls / emergencies and deter criminal and terrorist activities.

This system should be fully implemented and operationalised in Nairobi and Mombasa and demonstrate evidence of the promised results to boost public, business and tourist confidence in the systems in place to ensure security. As the system is substantially in place in the two main towns, plans should be put in place to roll out the system in the major towns of Kisumu and Nakuru.

(c) Police Reforms

The National Police Service (NPS) adopted the Report on Police Reforms and appointed the Police Reforms Implementation Committee (PRIC). The NPS Strategic Transformation Framework was developed to guide the implementation of police reforms to provide People Centred Policing services to the Citizens – Aligning Mindsets for Transformation. The PRIC spearheaded the implementation of major police reforms during the period in the areas of legislative, policy and institutional; accountability; professionalism; and administrative, logistical and operational reforms. Among key transformations include a number of policy, legal and institutional reforms; the review of curriculum and training in collaboration with local universities; and the establishment and operationalization of the NPS Board to ensure quality assurance and standardisation of examinations.

Police to Population Ratio and Professionalism

During the MTP II, 20,000 more policemen and women were recruited, trained and deployed. This has resulted in the police to population ratio improving from 1:520 to 1:453 which is very close to the UN recommended ratio of 1:450. In April 2016, 10,000 more police recruits were enlisted and are undergoing training in the various NPS training institutions which will further improve police: population ratio to meet or even exceed the target for 2017 of 1:450.

To promote professionalism in the Police Service and increase performance in service delivery, 2000 police officers for the rank of ASP and above were vetted; and the vetting of inspectorate rank and entire Traffic Department is ongoing. The Police Training Curriculum (2011) was reviewed in collaboration with local universities; and the Police training colleges (KPTC, APTC, DCI Training School, GSU Training School, and Loresho and Emali senior staff colleges) are now accredited to issue diplomas and postgraduate diplomas. New Police ranking structures were operationalised through the gazettement of ranks including: Senior Assistant Inspector General; Assistant Inspector General; and Commissioner of Police.

Police Welfare

Group life insurance for police and prison officers was operationalised during the period. The government continued in efforts to improve the housing for police officers. Achievements included the provision of 2,237 housing units; building of 31 blocks, leasing of 1,573 housing units and 9 office blocks, and a total of 520 projects on housing and 16 office blocks are ongoing.

(d) Safety and Custody of Convicted and Unconvicted Accused Persons

To enhance safety and custody of convicted and unconvicted accused persons, the government established a State Department of Correctional Services to spearhead implementation of custodial and non-custodial corrections. A draft National Correction Services Policy has been developed and is awaiting stakeholder validation. The following initiatives have also been implemented during the period under review.

Construction of Prisons

Construction of six new prisons in Kwale, Mwingi, Rachuonyo, Kaloleni, Vihiga and Nyamira has achieved 40% completion rate against the Second MTP target of 80 percent. However, the projects' progress has been hindered by inadequate funding.

Small Capacity Penal Institution

Efforts are ongoing to decongest prisons through construction of small capacity penal institutions in Loitokitok, Kathwana in Chuka, Yatta, Mutomo, Makueni, Sotik, Kehancha, Kilgoris, Marimanti and Maara. Three stations in Makueni, Kilgoris and Yatta are operational and currently holding over 400 inmates while the other seven have achieved a completion rate of 45%.

Establishment of women Prisons

To help address gender needs and provide facility for custody of female offenders, efforts are ongoing to set up separate women prisons in Busia, Makueni and Kajiado.

Perimeter Walls

Construction of Perimeter walls & watch towers is ongoing in 10 stations namely Shimo Main, Malindi, Kilifi, Hindi, Mandera, Wajir, Garissa, Kwale, Kamiti Girls Borstal Institution, Eldoret and Nakuru Main Prison. The average completion rate stands at 32 percent.

Construction of Kamae Girls Borstal Institution

Construction works for some key buildings at Kamae Girls Borstal Institution is 80 percent complete, with an Administration block, installed standby generator, dining hall, Ablution block, two dormitories and four watch towers complete at a cost of Ksh300 million. The Institution however requires additional resources to set up a perimeter wall, a documentation block and staff houses.

Siaya Girls Probation Hostel

Phase 2 of 3 of the construction of a Probation Girls Hostel in Siaya at a cost of Ksh75 million is at 60 percent complete. The facility has started enrolling girls and is expected to offer temporary accommodation to needy probationers whose home environment is not conducive for immediate resettlement and reintegration.

Staff Houses

A total of 78 prison staff houses have been constructed against the Second MTP target of 5,000 houses at a cost of Ksh156 million. The low number of staff houses constructed is due to inadequate funding.

Office Accommodation

Sixty-five service delivery points were constructed and completed across the country to strengthen and facilitate the rolling out of community services orders at a cost of Ksh303 million.

Modernisation of Prison Service Training College

To enhance skills and build capacity of Kenya Prison officers, a new executive wing facility is being set up at Kenya Prisons Training College in Ruiru which is currently 80% complete. Other facilities being set up at the institution are: the establishment of a water treatment system; revamping of the shooting range by increasing the barrier height and construction of a dais which are complete. The Training facility modernisation programme is expected to cost Ksh1.1 billion when fully complete.

Installation of CCTV Cameras in Prisons

To ensure close surveillance of both convicted and unconvicted inmates in prison, CCTV cameras were installed at Kamiti Prison at a cost of Ksh3.577 million bringing the number of stations currently under CCTV surveillance to two (Nairobi Remand and Kamiti Prison).

(e) Achievements in Other Priority Programmes

Security and Policing

- *On Modernisation of security infrastructure and replacement of aging security infrastructure*: 2,400 police vehicles were acquired on a lease basis and availed to police stations across the country to boost police mobility and improve their presence and response. Police also received 32 Armored Personnel Carriers (APCs) to boost security in volatile areas which will not only protect officers on duty but also allow them to respond effectively.

  The Police acquired a new Agusta Westland helicopter and refurbished the existing two MI-17 helicopters. The Police now have four helicopters and two fixed wing aircraft that are expected to enhance capability for increased aerial patrols, search and rescue operations and to support ground forces during security operations.

- *On Community policing*: Nyumba Kumi Guidelines and Programmes were developed to enhance citizens' participation in security. A website was also created that provides information on the initiative, interacts with the public and post important security information. However, public awareness needs to be raised on the existence of this website.

Conflict Prevention, Management and Resolution

The focus of MTP II is to establish effective peace and conflict structures throughout the country. Since August 2014, the National Cohesion and Integration Commission (the Commission or NCIC), in partnership with Ministry of Education, Science and Technology, has built the capacity of 400 teachers in 10 counties which has resulted in the establishment of Amani Clubs in over 1000 primary and secondary schools allowing students to embrace peace-building practices within their institutions.

NCIC, in partnership with Communication Commission of Kenya and mobile service providers, developed guidelines on undesirable bulk political content/messages. The Commission also developed a training manual on enforcing law on hate speech. This was used to train over 400 police investigators, prosecutors, training of trainers at the Kiganjo police training college, CID Training School, Administration Police Training School, and the GSU Training School. The NCIC also held a judges' and magistrates' colloquium to sharpen their understanding of hate speech as a crime. In partnership with the NPS and development partners, the commission trained and equipped over 320 police officers and 107 social cohesion monitors with voice recording gadgets, and deployed them in all the 47 Counties to monitor political rallies and social gatherings. The role of the social cohesion monitors is to observe the community with the aim of identifying and reporting any issues that might undermine national cohesion. On the other hand, the police were equipped with the capacity to identify, investigate and prosecute the offences of hate speech and ethnic contempt.

Through partnership with various stakeholders, the Commission has trained more than 400 key personnel from state and non-state actors (including the media) in conflict transformation and reconciliation. This has consolidated a significant national pool of peace builders and cohesion champions whose knowledge and skills can be tapped into as and when need arises.

(f) Integrated Population Registration System

Integrated Population Registration System (IPRS) was implemented during the period. Fifty-three (53) users have been connected to the System who include financial institutions, telephony and mobile transfer companies and all credit reference bureaus.

E-passport and e-visa systems were also procured and implemented during the period.

(g) Policy, Legal and Institutional Reforms

Significant policy, legal, institutional and regulatory reforms were undertaken during the period under review. These include the following:

i) The government established 47 county commands in line with the devolved government structure; appointed and deployed 47 county commanders; as well as implemented the formation of 290 Police divisions including the KPS, APS and the DCI in the sub-counties;

ii) Established county security committees; and finalised County Policing Authority Guidelines;

iii) Internal Affairs Unit was established and operationalised to investigate complaints against Police officers in accordance with section 87 of the NPS Act 2011 No. 11A to enhance Police accountability;

iv) National Police Service Act 2011, Miscellaneous Amendments on appointments of DIG KPS, DIG APS and Director / DCI including redefining the role of the Commission in the appointments;

v) Constitutional Amendments on Security Reforms, 2015 approved by the National Assembly that empowers the President to hire and fire the IG, DIGs and Director/DCI;

vi) National Administration Act was enacted which provides the framework for the coordination of the National Government including security, peace building and conflict management;

i) County Commissioners (47) and Regional Commissioners (8) were deployed; Assistant County Commissioners (700) were recruited and deployed; and 350 vehicles acquired through the leasing programme and deployed to the national administrators in the counties. In addition, 4,970 motor cycles were procured and distributed to chiefs and assistant chiefs;

ii) Construction of service delivery points for sub county commissioners in 31 sub county headquarters were 70 percent complete by the time of this review;

iii) Policy guidelines on recruitment, appointments, promotions, transfers, deployment and discipline of members of the National Police Service by the National Police Service Commission;

iv) Gazetted bond and bail policy; NPSC regulations including those for: Transfer and Deployment; Recruitment and Appointments, 2014; HRM General Regulations;

v) Established 16 new prisons at a cost of Ksh3.2 billion bringing the total number of prisons to 118 by the time of this review from 103 in 2012;

vi) Transfer of Sentenced Prisoners Act was enacted by Parliament in 2015;

vii) Reviewed and forwarded amendments on the Kenya Prisons Act Cap 90; and the Borstal Institution Act Cap 92; and the Community Service Orders Act No.10 of 1998, to Parliament;

viii) Recruited and trained 2,501 prison officers who passed out in February 2016 and were deployed throughout the country. Another batch of 2,700 new recruits started training in Ruiru Prison Training College in June 2016;

ix) Implementation of Integrated Kenya Prison Services Management Information System; and the Integrated Offender Management Records Management System (ORMS) were initiated and the latter piloted during the period under review;

x) Established first girls Borstal institution in Kenya at Kamae within Kamiti Command to facilitate the custody of young female offenders;

xi) Rolled out pre-bail information services to 103 new stations at an estimated cost of Ksh60 million and increasing the number from 22 to 125;

xii) Service Standing Orders were reviewed by the Office of the Attorney General and the Department of Justice in 2015;

xiii) Policy guidelines on oversighting, investigation against police officers, inspection of police premises and operations of IPOA were gazetted;

xiv) DCI was established and strengthened as a semi-autonomous institution under Section 20 of the NPC Act 2011;

xv) A new Border Security Force / Unit was created;

xvi) Forty-seven (47) county offices of the National Integration and Cohesion Commission were established;

xvii) Various NPS policies were developed including: Fleet Management; ICT; Gender; Communication; and Corruption Prevention;

xviii) National Coroner and Private Security Regulation bills were finalised;

xix) Coordinated the review of legislation on SALW; and

xx) Established County Early Warning and Early Response System in the counties.

Challenges

The key challenges under this sector include: current local, regional and international terrorism threats; inadequate resources to fully roll out all the projects necessary to fully equip and reform the National Government including the National Police Service; radicalisation of the youth; cyber-crime; and high levels of poverty and youth unemployment breeding crime. Also, some of the reforms' flagship projects such as housing require huge capital outlay.

There is also slow uptake of technology; poor ICT infrastructure; and low automation of service delivery thereby limiting innovation and improvements in quality of service.

Conclusions

The country has made significant strides in strengthening its security infrastructure and overall capacity, notably by increasing the number of police which now is almost at the UN-recommended ratio of 1:450. The other improvements have been made in terms of equipment, assorted vehicles, and air capability; reforms as well as general capacity building. Through better technology and enhanced capabilities, the police capability to monitor, deter and respond to security threats and crime has been significantly enhanced. Indeed, the introduction of CCTV Surveillance System has the potential to revolutionise the status of security in major towns. What now remains is the need to develop and enhance the human capacities for the utilisation of the new capabilities in order to optimise service delivery and ensure security for all Kenyans. And as already noted, the one area that still requires more work is national cohesion, peace building and conflict management. The prevalent incidences of conflict and negative political posturing are the glaring manifestations of weaknesses in this area.

Recommendations

The ongoing Security Reforms should continue and focus increasingly on building skills and the culture necessary in managing and achieving the improvements possible given the level of investment going into this area. This includes aligning mindsets for the modernisation and transformation of the NPS. In addition, more resources and effort are required in the area of peace building and conflict resolution.

3.4 The Social Pillar

The goal of the Social Pillar of the *Kenya Vision 2030* is "to create a just and cohesive society that enjoys equitable social development in a clean and secure environment". The priority of the social pillar is "to invest in the people of Kenya". The Second MTP priorities are anchored on eight key sectors, namely Education and Training; Health; Environment, Water and Sanitation; Population; Urbanization and Housing; Gender, Youth and Vulnerable Groups, and Sports, Culture and Arts. The Second MTP targets and milestones achieved under each of the result areas of the Social Pillar are presented in the sections that follow.

3.4.1 Education and Training Sector

Overview

The Kenya Vision 2030 goal for the Education and Training sector is "globally competitive quality education, training and research for sustainable development". The aim of the Government is to strengthen the education and training sector with a view to providing free, compulsory EDCE, primary and secondary basic education; equip learners with knowledge and competencies while enabling citizens to develop their full capacity to live and work in dignity and to make informed decisions as citizens.

The Ministry of Education, Science and Technology (MOEST) has embarked on a series of reforms geared towards attaining the education related (MDGs) and Education for All (EFA). Several achievements have been made towards attaining access targets at national level. However, regional inequalities which constrain the country from achieving EFA still exist. In general, education attainment levels remained low in disadvantaged areas such as the Arid and Semi-Arid Lands (ASALs) and urban slums, during the review period.

Achievements made during the period

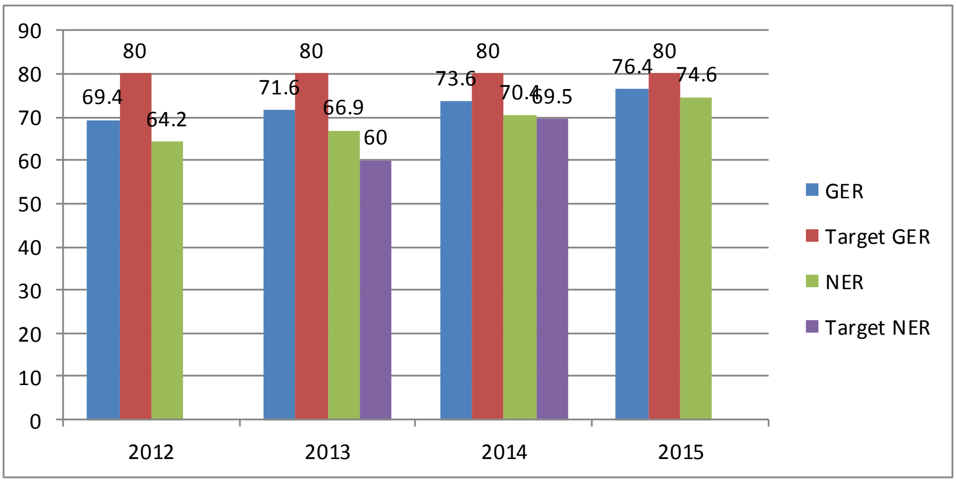
(a) Overall Sector Performance

Early Childhood Development Education

Access and equity in pre-primary education (ECDE) registered remarkable improvement. Enrolment in ECDE increased from 2.71 million in 2012 to 3.2 million in 2015. This represented an increase of 10.2 percent. Enrolment for girls rose from 46.8 percent to 53.24 percent whereas enrolment for boys increased from 48.2 percent to 51.8 percent. Gross Enrolment Rate (GER) increased from 71.6 percent in 2013 to76.4 percent in 2015. The estimated GER was below the recommended 80 percent target for EFA. This could be attributed to low participation rates across the country. The NER in ECDE increased from 66.9 percent in 2013 to 74.6 percent in 2015 (Figure 3.7).

The total number of ECDE teachers rose from 101,062 in 2013 to 107,187 in 2015. The number of trained ECDE teachers increased by 9.8 percent from 83,814 in 2013 to 92,906 in 2015, and remained skewed in favour of female teachers. The increase was mainly due to employment of more teachers by county governments.

Figure 3.7: Enrolment rates at ECDE, 2012-2015



Source: Economic Survey, 2016

Primary School Education

Continued implementation of the Free Primary Education (FPE) programme contributed to an increase in primary school education enrolment over the years. The level of enrolment in primary schools increased from 9.86 million in 2013 to 10.1 million in 2015. GER declined by 1.4 percentage points from 105 percent in 2013 to 103.6 percent in 2015. The GER was attributed to enrolment of over-age and under-age pupils in primary schools. Comparison between the NER at national level and in the regions revealed some disparities especially in ASALs. Despite an increase in NER from 43.5 percent in 2013 to 44 percent, the MTP target of 55 percent was not met. The Pupil Completion Rate (PCR) increased from 78 percent in 2013 to 82.7 percent in 2015, while the primary to secondary transition rate increased from 76.8 percent in 2013 to 82.3 percent in 2015.

During the review period the Gender Parity Index (GPI) at primary school level improved from 0.96 to 0.97, in favour of girls. The total number of teachers in public primary schools grew by 5.4 percent from 199,686 in 2013 to 210,991 in 2015. However, the pupil teacher ratio at remained at 45:1. The positive progress realized at primary level of education can be attributed to a number of initiatives such as FPE, school nutrition and feeding programme; special grants for disaster-prone areas and rehabilitation of schools.

Secondary School Education

Total enrolment in both public and private secondary schools increased by 19 percent, from 2.1 million in 2013 to 2.6 million in 2015. Total enrolment of boys grew by 15.4 percent, from 1.1 million in 2013 to 1.3 million in 2015, while that of girls rose by 1.6 percent, from 976,565 to 1.2 million over the same period. The GER increased from 54.3 percent in 2013 to 62.9 percent in 2015. The NER marginally increased from 38.5 percent in 2013 to 47.8 percent in 2015. This could be attributed to the introduction of Free Day Secondary Education (FDSE) in 2013. Construction of many schools across the country under the Constituency Development Fund (CDF) also assisted in expanding access for secondary education.

The Government also enforced the re-entry policy to address dropout cases of young mothers who conceived while in school. In addition, sanitary towels programme was introduced to enhance girls' participation in the learning. Funds from the Secondary Bursary Scheme assisted selected secondary school students to meet other education expenses not catered for by FDSE. Further, the provision of ASAL and Pockets of Poverty Grants was undertaken. The total number of public secondary school teachers increased from 65,494 in 2013 to 85,438 in 2015.

Special Needs Education

Towards enhancing inclusivity, Special Needs Education is being provided at special schools, integrated schools and special units attached to regular schools. Currently enrolment stands at 102,749. During the review period, 184 special boarding schools (167 primary schools, eight secondary schools and six technical/ vocational institutions) received capitation grants. Financial and material support was provided to 1,703 special units attached to regular schools and three primary teacher training colleges which integrate student with disabilities. AfDB donated four thermoforming machines each valued at Kshs. 10 million which were distributed to three special secondary schools and the Kenya Institute for the Blind (KIB).

Adult and Continuing Education

The number of adults who enrolled as learners increased from 290,935 in 2013 to 300,462 in 2014. 246,215 adults were enrolled under the adult education programme in 2015, of which majority (68.2 percent) were females. The reduction in enrolment could be due to the mass exit of adult instructors from the service.

Nairobi City County recorded the highest number of adult learners while Taita Taveta registered the lowest. The number of adult learners registered for proficiency[6] and KCPE were 19,359 and 7,558 respectively. Garissa County registered the highest number of adult learners registered for proficiency followed by Meru, Migori and Kitui counties. Meru County registered the highest number of adult candidates for KCPE, followed by Nairobi County with 618 learners. No adult learners were registered for proficiency in Wajir, Murang'a and Marsabit counties.

Alternative Provision of Basic Education and Training

A total of 146,002 learners were enrolled in 479 newly established Alternative Provision of Basic Education and Training Institutions (APBET) in 2014. National Government disbursed grants worth Kshs. 400 million to the institutions.

Teacher Education

During the period under review, total enrolment at public TTCs increased from 19,774 (9,578 males and 10,196 females) in 2012 to 21,008 (10,216 males and 10,792 females) in 2013, and further to 21,380 (10,400 males and 10,980 females) students in 2014. Seven new Public Primary Teacher Training Colleges (PTTC) were operationalized in Bondo, Kenyenya, Kitui, Garissa, Narok, Chester and Ugenya.

Technical, Vocational Education and Training

The total enrolment in Technical, Vocational Education and Training (TVET) institutions rose by 4.7 percent, from 148,142 in 2014 to 155,176 in 2015. The increase is partly attributed to expansion of TVET institutions. Table 3.18 shows enrolment in TVET institutions. Total enrolment in national polytechnics and technical universities declined by 5.0 percent during the review period. However, there was a 17.4 percent increase in the enrolment of females while males decreased by 18.6 percent. Further, the number of students enrolled in technical and vocational colleges increased from 50,864 to 55,308. Due to the expansion of youth polytechnics in the counties, enrolment increased by 5.1 percent during the review period.

6 Refers to exams given to adult learners to assess reading, writing and counting skills.

Table 3.18: Student Enrolment in Technical Institutions by Sex, 2013- 2015

INSTITUTION	2013		2014		2015	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Technical University of Kenya	4,814	2,607	4,432	2,769	3,911	2,517
Technical University of Mombasa	3,048	1,506	3,250	1,708	2,835	1,633
Kenya Technical Teachers College	-	-	858	597	913	1,119
Kisumu Polytechnic	2,223	1,267	2,926	1,872	2,078	2,422
Eldoret Polytechnic	3,081	1,949	3,194	1,977	2,189	2,786
Sub-total	**13,166**	**7,329**	**14,660**	**89,23**	**11,926**	**10,477**
Technical and vocational colleges	31,956	23,989	29,632	21,232	32,221	23,087
Youth Polytechnics	42,942	28,627	45,473	28,222	47,625	2,9840
	74,898	**52,616**	**75,105**	**49,454**	**79,846**	**52,927**
TOTAL	**148,009**		**148,142**		**155,176**	

Source: Economic Survey 2016

University Education

Kenya has experienced rapid increase in the demand for higher education. Over time this has inspired considerable expansion of university education in the country, necessitating transformations in the system itself. The number of public universities increased from eight in 2012 to 23 in 2015. Table 3.19 shows the number of universities and enrolled students in the country.

Table 3.19: Number of universities and student enrolment in Public and Private Universities

YEAR	NUMBER OF UNIVERSITIES			STUDENT ENROLMENT	
				PUBLIC	PRIVATE
	PUBLIC	PRIVATE	TOTAL	TOTAL	TOTAL
2011/2012	7	27	34	157,916	60,712
2012/2013	8	27	35	196,737	54,459
2013/2014	22	30	52	289,733	71,646
2014/2015	22	31	54	363,334	80,448

Source: First Annual Progress Report on the Implementation of the Second MTP 2013-2017

Overall university student enrolment rose from 240,551 in 2012/2013 to 324,560 in 2013/2014 representing an increase of 34.9 percent. The total male student population in universities (public and private) rose by 42.6 percent compared to an increase of 25.0 percent for female students. The significant increase in enrolment may be attributed to the rise in the number of higher learning institutions across the country.

The number of Government sponsored students admitted to public universities increased from 32,648 in 2011/2012 to 56,938 in 2014/2015. There was an increase in secondary to university transition rates from 3.1 percent to 5.2 percent.

(b) Mainstreaming of Early Childhood Education

Article 53 of the Constitution provides for free and compulsory education for all Kenyan children aged 4-17 years. The Government's policy is to ensure that all children are entitled to equal opportunities, benefits and services as those enjoyed by children in primary and secondary schools. The ECDE function was devolved to county governments in 2014. In the year 2012/2013, the Government allocated Kshs. 320 million to ECDE which was disbursed as salary top up to support 2,600 teachers. This amount was increased to Kshs. 1.92 billion in 2013/2014 and disbursed to 15,000 ECDE. In collaboration with stakeholders, MOEST developed the Kenya School Readiness Assessment Tool (KSRAT) to guide the transition of pre-primary learners into the primary education cycle.

(c) Curriculum Review and Reform

Excluding university education, the Kenya Institute of Curriculum Development (KICD) is responsible for the development, review and approval of curricula at all levels. During the period under review a needs assessment was conducted and the curriculum policy framework for basic education was developed.

(d) Integrating ICT into Teaching and Learning

This flagship project comprises capacity building and distribution of 11 computers, 11 UPS, one laptop, one printer and LAN at selected schools. To guide the implementation of ICT integration in education, an Institutional Framework was created in 2013. Two specialized units were created namely ICT for education (ICT4E) and National ICT Innovation and Integration Centre (NI3C). The units were established to spearhead the pedagogical utilization of ICT and to ensure that proposed solutions for curriculum delivery are technically sound and appropriate.

(e) Digital Literacy Programme

The Digital Literacy Programme (DLP) is one of the key flagship programmes highlighted in the Jubilee Manifesto. It aims to align integration of ICT into teaching and learning for all standard one pupils across the country. During the MTP II period, the laptop policy was changed through a letter from the President's Office. The mandate to procure electronic learning devices was given to the Ministry of Information. Achievements made during the review period include: assigning of procurement mandate to the ICT Authority; training of 62,784 teachers and 3,000; and development of digital content for all Class One subjects and Class Five to Class Eight Science and Mathematics. A total of Kshs. 1.2 billion was disbursed for infrastructure improvements which were at a completion status of 80 percent.

Training on ICT integration was done at four schools in four counties, which each receiving 25 laptops during the pilot phase of the project.

(f) Establishment of Education Management Information System (EMIS) Centres

Supported by the Global Partnership for Education (GPE) initiative, the national government supplied computers, printers and LAN connectivity to District Education Offices to roll out EMIS. Twenty data clerks were trained to facilitate EMIS implementation at county level.

(g) Basic Educatio n Infrastructure

During the period under review, rehabilitation of 3,000 classrooms at primary and secondary schools was ongoing. Under Special Needs Education, 195 secondary classes for adults and out-of-school youth were initiated and operationalized in different counties. Two boarding schools for out-of-school youth at Isinya and Bungoma offer secondary education.

A total of Kshs. 308 million was disbursed to rehabilitate 295 secondary schools in 2012/2013 and 2013/2014. Subsequently, the support was enhanced to Kshs. 1.56 billion and disbursed to additional schools. Eighteen old national schools (except Maseno and Mangu which received a total of Kshs. 176 million) each received Kshs. 48,000,000 for infrastructural expansion. Further, 85 secondary schools were upgraded to national status. As a result, Form One admissions in national schools increased from 4,000 to 21,000 students in 2015.

(h) TVET Infrastructure and Equipment

During the period under review several TVET institutions were rehabilitated and constructed in selected counties. Achievements made under this project are presented in Annex 1. Narok, Ugenya, Kitui, Chestus, Aberdares and Kaimosi TTCs were under construction during the review period.

Multipurpose Development Training Institutes (MDTIs) in Kitui, Kakamega, Ahero, Kisii and Kajiado were rehabilitated.

(i) Human Resource in Support of University Education

Distribution of modern engineering and applied sciences equipment to eight universities commenced in 2014/2015 and is expected to be complete by December 2016. Universities under the programme include: Technical University of Kenya, Multimedia University of Kenya, University of Nairobi, Technical University of Mombasa, Masinde Muliro University of Science and Technology, Dedan Kimathi University of Technology, South Eastern University of Kenya in Kakamega, Nyeri and Kitui respectively.

A Kshs. 7.9 billion programme was commissioned to rehabilitate infrastructure at public universities. Lecturers and tutors from technical colleges and officers from public institutions were enrolled for Master and Doctorate studies in Engineering and Applied Sciences. Construction of Wangari Maathai Institute of Peace and Environmental Studies has also commenced and is expected to be completed by June, 2017. Construction of the National Commission for Science, Technology and Innovation (NACOSTI) headquarters was 95 percent complete.

(j) Education in Arid and Semi-Arid Lands

A total of 22 low cost boarding (LCB) primary schools in Arid and Semi-Arid Lands (ASALs) were rehabilitated in against a target of 14. Extended financial support was provided to 87 mobile schools and 392 LCBs. In addition, a funding proposal for 16 LCBs was developed while a cash disbursement schedule for the rehabilitation of 41 secondary schools was prepared. 286 mobile school teachers and School Management Committees (SMCs) were trained on financial management while 57 mobile school teachers received training on multi-grade pedagogy.

The National Council for Nomadic Education in Kenya (NACONEK) was launched but has remained largely unimplemented. It was envisaged that the commission would provide an institutional framework that addresses the educational needs and aspirations of the marginalized communities in Kenya.

(k) Other Programmes and Projects

School Feeding, Health and Nutrition

The number of learners benefitting from the regular school feeding programme reduced from 767,000 pupils in 2012/2013 to 667,108 pupils in 2014/2015. During the period under review, the home grown school meals programme increased from Kshs. 800 million to Kshs. 815 million, increasing the number of beneficiaries from 672,715 to 822,715 pupils.

Sanitary Towels Programme

Allocations for the Sanitary Towels Programme were scaled up from Kshs. 200 million in 2013/2014 to Kshs. 400 million in 2014/2015 and 2015/2016. Approximately 1.2 million girls in 13,000 primary schools benefitted from the programme in 2015/ 2016.

Affirmative Action Initiatives

The Science Laboratory Equipment Grant was initiated to support the construction of laboratories and science rooms, particularly in girls' schools. A total amount of Kshs. 251,560,000 and Kshs. 178,255,854 was disbursed to 1,324 and 954 schools in 2013/2014 and 2014/2015 respectively. The fund improved teaching and learning of science subjects.

(l) Policy, Legal and Institutional Reforms

The following were achieved:

i) NACOSTI spearheaded the development of a strategy paper to establish the National Physical Sciences Research Laboratory. The laboratory is expected to start its operations in 2016 at an estimated cost of Kshs. 5.4 billion.

ii) The Draft National Policy on Basic Education was finalized and awaits stakeholder validation.

iii) The Basic Education Act, 2013 was assented to.

iv) County Education Boards were established and operationalized in 2013/2014.

v) Policies outlined in the 2012 Sessional Paper No. 12 were implemented.

vi) The National Education Sector Plan (NESP) was developed in 2013/2014.

vii) The Ministry of Education, Science and Technology 2nd Generation Strategic Plan was developed.

viii) TVET Act, 2013 was legislated.

ix) Technical and Vocational Education Training Authority (TVETA) was established and operationalized.

x) Technical Curriculum Development, Assessment & Certification Council (TCDACC) was established and operationalized.

xi) University Education Act (2012) was legislated and the Commission for University Education (CUE) was established in 2012/2013.

xii) The Kenya Universities and Colleges Central Placement Services (KUCCPS) was established in 2012/2013.

xiii) Compositions of Councils for Universities, University Colleges and TVET Institutions were reorganized to enhance achievement of national values and principles, and to ensure ethnic and gender balance in the management of education and training institutions.

xiv) The Special Board of Adult and Continuing Education (SBACE) was established.

xv) Other achievements include establishment of Education Standards and Quality Assurance Council (ESQAC), operationalization of Institutional Based Quality Assurance and Standards, and Capacity Building of Quality Assurance and Standards Officers, and development of Strategic Plan and Service Charter for ESQAC.

Implementation Challenges and Lessons Learnt

Key challenges in the Education and Training sector include:

i) Insufficient number of trained teachers and care givers at ECDE level; poor enforcement of standards; inadequate number of pre-primary and day care centres; inadequate teaching, learning and play materials at ECDE centres.

ii) Slow implementation of Special Needs Education policies and guidelines.

iii) Social, cultural, economic and geographical inequalities in access to TVET services.

iv) The university education system faces a mismatch between skills acquired by university graduates and demands of the industry.

v) An imbalance between the number of students studying science and arts based courses and disparities in gender and regions.

vi) Migration of teachers from ASALs, due to insecurity.

vii) Widespread malpractice in examinations compounded by intergovernmental conflict at national and county levels.

viii) Weak information management systems.

Lessons learnt

i) Gender Parity Index improved in favour of girls and could be attributed to successful implementation of some initiatives. However, programmes to promote retention of boys in schools and improve their performance should not be neglected.

ii) Governance and accountability plays a crucial role in programme success.

iii) To effectively monitor progress and performance in the sector, there is need to review M&E indicators against targets and activities in the 3rd MTP.

Conclusions

i) Remarkable improvements have been made in the Education and Training Sector. Generally, enrolment rates at all levels were on a rising trend however some regional disparities were revealed.

ii) Gender Parity Index improved in favour of girls at primary and secondary school level.

iii) If programmes such as FDSE, nutrition and feeding; special grants for ASALs and affirmative action initiative continue to be implemented effectively during the remaining period, specific MTP II targets may be met.

Recommendations

i) There is need to fast-track enforcement of ECDE mainstreaming policies to improve low participatory rates across the country.

ii) Implement policies and guidelines for Special Needs Educations.

iii) Undertake structural and curriculum reforms, to enhance adult education.

iv) Implement TVET reforms to address regional and gender disparities.

v) Strengthen data collection, analysis and dissemination to enhance decision making at national and county levels.

3.4.2 Health

Overview

The health sector's goal is, "to attain equitable, affordable, accessible and quality health care for all Kenyan citizens" and thereby, reduce health inequalities while also reversing the downward trend that has been seen in health-related outcome and impact indicators.

Achievements made during the period

(a) Overall Sector Performance

The sector realized significant achievements during the first half of the Second MTP II. The performance of Second MTP health outcome indicators during the period under review are shown in Table 3.20.

Table 3.20: MTP II Health Medium Term Outcome Indicators

OUTCOME INDICATORS	UNIT	BASELINE 2012/13	2013/14		2014/15		2015/16	
			TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
Under-5 Mortality Rate	/1000	74	65	52	60	52	50	52
Maternal Mortality rate	/100,000	488	450	360	350	362	300	360
Children under 1 year full immunized	%	83	85	74	85	71	88	83.5
HIV/AIDS Prevalence rate	%	5.6	5.3	6	5	5.6	4.9	5.6
HIV/aids Male Prevalence	%	4.2	5.6	5.6	5	5.6	4	4.2
Female HIV/aids Prevalence	%	6.9	6.9	7.6	4	4.2	6.5	6.9
Patients on ARVs	%	60	65	78	70	82	75	89
Malaria Incidences	Ratio	22	18	20.2	15	20.5	10	16.5

Source: Ministry of Health Annual Sector Report

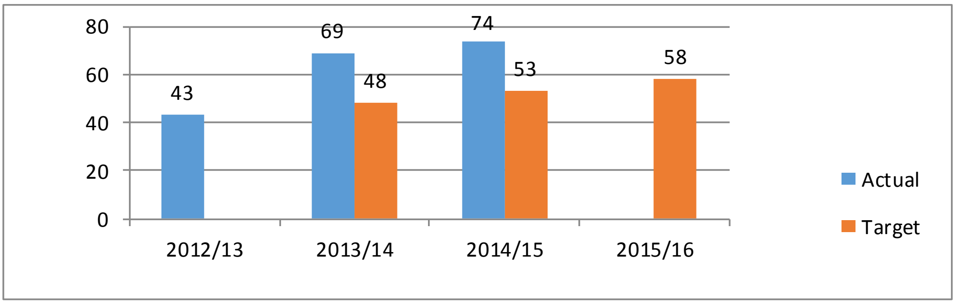
The number of registered medical personnel increased from 104,913 in 2012 to 133,002 in 2015. By December 2015, approximately 43,000 personnel had been transferred to the counties following devolution. The Public Service Commission developed a rewards and sanctions framework which MOH adopted. It aims at motivating the health workforce as they continue to deliver services to the public. Seven HRH schemes of services were reviewed and finalized.

(b) Countrywide Scale Up of Community Health High Impact Intervention

The overall goal of this flagship project is to reduce MNCH mortality and morbidity. The Community Strategy which aims to improve health outcomes through implementing High Impact Interventions (HII) has been recognized as an integral part of the health service delivery system. Level 1 MNCH HIIs will continue to be a priority focus area during the remaining period of MTP II.

Cumulatively, a total of 9.5 million school going children were dewormed across the country against annual target of six million. Free maternity services realized significant progress in maternal utilization. Similarly, skilled attendance at birth increased as depicted in Figure 3.8. Deliveries at home continued to decline while facility deliveries increased.

Figure 3.8: Skilled Attendance at Birth



Source: Ministry of Health

(c) Improved Access to Referral Systems

The National Healthcare Referral Strategy was finalized and piloted in six counties as planned, that is, Turkana, Bungoma, Nakuru, Kilifi and Kirinyaga. Following its implementation Machakos County Level 5 Hospital reported a marked increase in workload. The facility continues to receive many referral patients from Makueni, Kitui, Kangundo, Mbagathi and Mama Lucy Hospital in Nairobi. The referral strategy is currently being rolled out at other counties.

(d) Construction of Model 4 Hospitals

The goal of this project is to improve access to comprehensive KEPH services by different constituents of Kenya's population. Specifically, the project is set to contribute towards acquisition of the requisite infrastructure and equipment to about 100 current Level 4 county hospitals to the accepted norms and standards. Under this project, two key components are being pursued namely Managed Equipment Service (MES) and upgrading of facilities in slum areas.

Managed Equipment Service

The President launched the Managed Equipment Services (MES) project which is fully financed to the tune of Kshs. 38 billion by the national government. It targets 98 hospitals, two in 47 counties and four national hospitals, and aims to decentralize specialized healthcare services from national referral hospitals to the county level. Equipment under this project is categorized into lots. During the period under review, a total of 13 health facilities (six Level 5 and seven Level 4 Health Facilities) were fully equipped as shown in Table 3.21

Table 3.21: Level of completeness of equipping by lot number

KEY MONITORING PARAMETERS		LOT 1	LOT 2	LOT 5	LOT 6	LOT 7
		THEATRE EQUIPMENT	STERILIZATION AND SURGICAL SETS	RENAL EQUIPMENT	ICU EQUIPMENT	RADIOLOGY EQUIPMENT
1.	Target facilities/sites	96	96	49	11	98
2.	Completed sites	32	50	14	2	51
	Achievement progress in %	33.3	52	28.6	18	52

Source: Ministry of Health

With regards to establishing Intensive Care Units (ICU) regionally, 11 hospitals namely Garissa, Coast, Nakuru, Kakamega, Nyeri, Embu, JOOTRH, Thika, Meru, Kisii and Machakos were selected. So far, Machakos Level 5 Referral Hospital is fully equipped as shown in the photograph on the right.

PLATE 1: Facility at Machakos Level 5 Referral Hospital.

Upgrading of Health Facilities in Slum Areas

This project was primarily initiated to address the social and economic challenges that hinder slum dwellers from accessing essential health services. Out of eleven newly established mobile clinics, eight were operationalized in Kibera Slum in Nairobi County. During the remaining MTP II period, an additional 100 clinics in 12 major towns will be established. Mapping of the sites was done during the review period.

(e) Health Care Subsidies for Social Health Protection

This project comprises three components: Scaling up of the Output Based Approach (OBA) programme which is a voucher system for maternal health; Health Insurance Subsidy Programme (HISP), and support to the elderly and People with Severe Disabilities (PWSD). By the end of the review period, a total of 104,657 women were accessing services through OBA. Under the HISP component, the pilot phase was launched in April 2014 and targeted a total of 23,500 households (500 per county). The total number of registered beneficiaries were 82,981 and 198,752 households and persons respectively, at the time of the review.

(f) Establish E-Health Hubs in 58 Health Facilities

Development of the National E-health policy was completed and 62 county health officials were sensitized. Two out of 58 E-health hubs were established in at KNH and Machakos County Referral Hospital. Through telemedicine, medical practitioners at Machakos Hospital are now able to manage difficult cases through the remote assistance of specialists based at KNH. Piloting of Electronic Health Records modules was ongoing at Machakos and Turkana county hospitals.

(g) Re-engineering Human Resource for Health

The Kenya Human Resource Strategy for Health and Health Workforce Norms and Standards was launched and disseminated in 2014. Five HRH schemes of services were reviewed, against a target two, and an incentive mechanism framework was developed to attract and retain laboratory and orthopaedic cadres.

(h) Mainstreaming Research and Development in Health

The National Research for Health Committee and National Health Research Secretariat were established. A project road map was developed based on findings from a baseline survey which was conducted during the period.

(i) Health Tourism

The Health Tourism Technical Working Group (TWG) and multi-sectoral Health Steering Committee were established in 2013. Consultations with County Governments to finalize the Health Tourism Strategy are expected to take place in 2016. State-of-the-art centres of excellence are being established at KNH and Kenyatta University. The cancer treatment centre at MTRH and a bunker linear accelerator at KNH were at a completion status of 90 percent and 60 percent respectively.

Locally Derived Natural Health Products

A road map was developed for locally derived natural health products project. A proposal for mapping was submitted to stakeholders. Guidelines for regulation and registration of natural health products of acceptable standards and varying processes were developed and gazetted in 2013.

(j) Modernization of KNH and MTRH

The KNH ICT Improvement Concept Paper and Feasibility Report on Upgrade of KNH and MTRH was approved by the Cabinet in 2013. Construction of 2,000 accommodation units and a shopping mall was 20 percent complete. In addition, construction of a Burns Centre and a Paediatric Centre were at the approval stage. At MTRH, construction of a 3-storey Cancer Management building and a 3-storey Children's Hospital were at a completion status of 95 percent and 90 percent respectively. The outpatient wing at the Children's Hospital was operationalized.

(k) Policy, Legal and Institutional Reforms

The Kenya Health Policy Framework 2014-2030 and the Kenya National Health Strategic Plan III 2014-2018 were finalized and validated. A draft Health Care Financing strategy was developed. Strategic planning was ongoing at the counties.

Challenges

Key challenges included the high prevalence of preventable communicable diseases and rising incidence of non-communicable diseases including road traffic accidents and violence-related injuries; mal-distribution of health personnel particularly in hard-to-reach areas; inadequate health and social protection for vulnerable groups; heavy reliance on donor-funded projects and programmes; and conflict in management of devolved health functions.

Lessons Learnt

The Community Strategy is an integral part of healthcare service delivery in Kenya. Concerted efforts to roll out Community HIIs contributed largely to improving maternal and child health indicators.

Conclusions and Recommendations

Although remarkable progress was made during the period, more needs to be done to achieve specific MTP II health targets, during the remaining period. To sustain the gains there is a need to strengthen the implementation of HII and functional referral systems. County governments should also develop attractive incentive packages to attract and retain health workers to achieve recommended staffing levels. There is need to fast track finalization of the Draft Healthcare Financing strategy. Finally, it is important to strengthen intergovernmental collaboration mechanisms and relations.

3.4.3 Environment, Water and Sanitation

The Kenya Vision 2030 has identified better management of water resources; upgrading water supply and sanitation systems and implementing water sector reforms, as key strategies for achieving the goals of the environment, water and sanitation sector.

Achievements Made during the Period

(a) Overall Sector Performance

Table 3.22: Indicative Performance of the Second MTP Outcome Indicators

MEDIUM-TERM PLAN OUTCOME	OUTCOME INDICATORS	UNIT	BASELINE VALUE	2013/2014		2014/2015		2015/2016	
			2012/13	Target	Actual	Target	Actual	Target	Actual
Increased access to clean and safe water	Urban households with access to clean and safe water	%	60	65.4	62	67	65	67	59.9
	Rural households with access to clean and safe water	%	45	48.8	47	49.4	48	49	50
Increased access to sanitation	Urban households with individual or shared access to toilet facilities	%	21	22.0	22	24	23.9	25	**
	Rural population with access to individual or shared access to Toilet facilities	%	5	9.3	6	10.2	6.5	7	**
Increased water storage and harvesting capacity	Water storage per capita	Cubic Meter	4.3	4.8	4.6	5.2	5.0	4.3	5.3
Increased forest cover	Proportion of land area covered by forest	%	6.99	8.2	6.99	8. 0	7.1	9.0	7.8*[1]

*Sources: Ministry of Environment Water and Natural Resources; Ministry of Water and Irrigation (MOWI);*Food and Agriculture Organization (FAO)** Data not available*

Strengthening Environmental Governance

The Ministry of Environment Water and Natural Resources facilitated the establishment of county green growth economic models in all the water towers namely Mt. Elgon, Cherangany, Mau, Mt. Kenya and the Aberdares. A total of

Kshs. 2.262 billion was provided by National Government and partners to support environmental governance activities.

(b) Waste Management and Pollution Control

A total of 39 dumpsites were identified in Nairobi during the period under review. Ten were cleared at Dagoretti, Industrial area, Huruma and near City Stadium. The National Framework for Solid Waste Management was developed. National Government and partners provided a total of Kshs. 792 million to support activities aimed at reducing solid waste and pollution in cities and urban areas.

(c) Rehabilitation, Regeneration and Restoration of Nairobi Rivers

Approximately 100 km of urban rivers were rehabilitated in 2013/2014. Under the Youth Empowerment Initiative, a labour intensive programme which involved the physical cleaning of Nairobi River was implemented. Landscaping and beautification of reclaimed lands along the riparian zones at the proposed Michuki Memorial Park and construction and stabilization of 2.5 km river banks were accomplished. A total of 270,000 indigenous trees were planted along Mathare, Ngong, Nairobi, and Sosian river banks.

(d) Modernization and Rehabilitation of Meteorological Services

A total of 36 Automatic Weather Stations (AWS) were installed across the country during the period under review. Two meteo-ocean buoys were installed in Lake Victoria while three seismic stations were installed in Nakuru, Voi and Mombasa under the multi-hazard Tsunami Early Warning and Mitigation Programme. Assorted weather instruments and equipment were procured and distributed. One hundred and nine hydro-metrological stations were established and a roadmap for the Advertent Weather Modification Programme developed. The target to establish seven weather modification and research centres was not achieved. Tenders for Automatic/Airport Weather Observation System (AWOS) supply at Kisumu and Climate Data Management System (CLISYS) were awarded during the period.

(e) Rehabilitation Five Water Towers and Management of Catchment Area

The rehabilitation of the country's five water towers, that is, Aberdares, Cherengany, Mau, Mt. Kenya and Mount Elgon was achieved. A total of approximately 547,074 ha were rehabilitated against a target of 200,000 ha, achieving more than double the MTP II target. In addition, mapping of forests was undertaken; including, 42,000 km^2 of Mau Forest complex, 2,300 km^2 of Aberdares Forest, 800 km^2 of Cherengany and 1,980 km^2 of Mt. Kenya Forest.

Forest Conservation and Management

Natural forest conservation through rehabilitation of 600,000 ha of the five major water towers was realized. Tree planting was carried out on 403,034 ha of farms and dry lands. In addition, 21,031.6 ha of industrial forest plantations and 40,987 ha of commercial forest woodlots were established during the period. Further, 150,000 ha of farm and private commercial forestry and 2,649 ha of nature-based enterprises (non-wood forest products) were established to increase forest cover.

In the western Mau, 19,799 ha of forest land were repossessed and a relocation of forest settlers carried out. In Tana River County, 22,000 ha of forest were declared as a provisional forest by the Government and over 452 million exotic and indigenous tree seedlings were planted, towards attaining the target of 10 percent tree cover. National Government and development partners provided Kshs. 115 million and Kshs. 743 million respectively to support sustainable forest management activities.

(f) Forestry Research and Development

Six high value on-farm tree species, namely Gmelina, Neem, Miliciaexcelsa, *Acacia polyacantha Eucalyptus urophylla* and *E. grandis* were popularized and demonstrated in 2013/2014. Four new commercial tree products were produced, that is, *Melia fungicide*, jatropha seed oil wax, skin ointment from moringa and eucalypts oils, and toothpaste from warbugia and celtis barks. 4,373 kg of seed collected from seasonal tree species were distributed to all counties while 35,923 planting materials including grafts, seedlings and seeds were acquired in various eco-regions.

(g) Wildlife Conservation and Management

The MTP II target to map and secure three wildlife migratory routes by 2015 was surpassed. Five wildlife corridors and dispersal areas were mapped. A rhino conservancy in Ruma was established and mitigation of human-wildlife conflict carried out in Narok. Further 17,000 ha were acquired for Laikipia National Park to establish a migratory route between Laikipia and Samburu. Kanyaboli National Reserve in Siaya was gazetted as a safe wildlife migratory route. Approval was obtained for the extension of Mt. Kenya National Park to include the Lewa Wildlife Conservancy and Ngare-Ndare Forest Reserve in 2013.

(h) Promotion and Piloting of Green Energy

Green Schools and Commercial Tree Growing for a Green Economy programme was established. Twenty projects and pilot eco-community and renewable concepts were developed in eight counties, surpassing the target by 50 percent. A total of 1,335,339 seedlings were produced from 931 schools, which benefited from the programme. The Bamboo Development and Commercialization Strategy (2014-2017), Green Economy Assessment Report and Sustainable Environmental and Restoration Programme were launched.

(i) Water Resources Management Programme

During the period under review, a total 117 Hyromet stations were either rehabilitated or established. Forty-two water catchment and management strategies were developed in 2013/14 against a target of four. In addition, seven sand/surface dams were constructed along seasonal rivers in ASALs. Groundwater Hydrological Mapping was completed in Marsabit and Northern and Central Turkana.

(j) Water Harvesting and Storage Programme

The construction of multipurpose dams was at various stages, for instance, the construction of Theta Dam located in Aberdares forest was completed in December 2015 while the Treatment Works Plant was 90 percent complete. The Kshs. 414 million investment is fully financed by Ministry of Water & Irrigation (MOWI) and is expected to reach additional population of 50,000 within the supply area under the jurisdiction of Gatundu Water & Sanitation Company (GATWASCO). On the other hand, progress on the construction of two large multipurpose dams with storage capacity of 2.4 billion m^3 was noted as follows:

- Nzoia Dam: Final dam development plan was done but the option of constructing several small dams in upper Nzoia River is being undertaken so as to reduce the negative social impacts associated with large dam projects.
- Nyando (Koru) Dam: Resettlement action plan was developed, land compensation surveys done, and finalization of designs and tendering documents.

On the construction of 21 medium sized dams with storage capacity of 2 billion m^3 project, the following dams were completed: Kiserian, Chemususu and Maruba. Completion of Umaaand Badasa dams was hampered by contract disputes.

(k) Trans-Boundary Waters

An Memorandum of Understanding for the joint management of Jipe and Chale lakes and River Umba ecosystems was signed between Kenya and Tanzania in 2013/1014. Under the Nile Basin Initiative, 11 member countries developed a Cooperation Framework Agreement (CFA) for joint sustainable management and development of the Nile waters. Ethiopia and Rwanda ratified the CFA. In Kenya the process is ongoing. Negotiations on Co-operative Agreement for Mara and Sio-Malaba – Malakisi transboundary River Basins were finalized.

(l) Urban Water Supply Sub-Programme

During 2014/2015, an additional 3.3 million people had access to clean and safe drinking water as a result of the construction and expansion of water supply schemes in urban and rural areas of Nairobi, Mombasa, Kisumu, Nakuru, Chuka, Maua, Homabay, Naivasha, Moyale, Machakos, Wote, Kitui, Mavoko, Matuu, Lamu, Nyahururu, Kajiado, Marsabit, Malindi, Mumias, Mandera, Othaya, Murang'a, Siaya-Bondo and Isiolo.

Seven new sewerage schemes were constructed and 14 existing sewerage schemes rehabilitated. In addition, seven exhausters were procured to provide on-site sanitation services to the municipalities of Kisumu, Homabay, Bomet, Kericho and Migori.

Key ongoing projects included the Northern collector which is intended to improve water supply in Nairobi by providing additional 140,000m^3/day; Siyoi-Muruny Dam in West Pokot and Itare Dam in. A list of completed projects is presented in Annex 2.

(m) Rural Water Supply Sub–Programme

Six hundred and forty-seven water pans and 54 small dams were constructed in ASALs; 276 new boreholes drilled and equipped, 199 new water and sanitation projects initiated and 410 existing rural water supplies rehabilitated.

(n) Expanding Water and Sanitation Coverage

A total of 1,194,361 additional people had access to clean, safe water and sewerage services. Water and sanitation projects completed during the review period are presented in Annex 2.

(o) Water Research and Resource Centre Programme

Water Research and Resource Centre Programme (WARREC) was not operationalized as expected. However, a Programme Director was appointed and MoU was signed between WARREC and the MOWI in February 2015 to formalize the engagement.

(p) Provision of water to poor underserved areas including informal settlements

In improving access to water, 67,043 and 191,755 additional people were served under rural and urban programmes respectively; while in improving sanitation access, 7,724 and 30,860 additional people were served under rural and urban programmes respectively.

(q) Irrigation and Drainage Infrastructure

A total of 40,804.5 acres of new land was put under irrigation, as follows: Smallholder Irrigation Programme (Mt. Kenya Region) – 1,185 acres; Small Scale Horticulture Development Project (SHDP) – 4,812.5 acres; Expanded National Irrigation Programme (ENIP) – 34,807 acres; and, under the Galana-Kulalu Food Security Project (GKFSP), the 10,000 acre model farm and supporting dam were completed.

(r) Land Reclamation

Reclamation of the 50,000 ha was undertaken by county governments. A total of 1,331 ha of degraded land were reclaimed in Turkana, West Pokot and Garissa counties. As a result of the construction of 3,700 water conservation and harvesting structures, an additional 5,200 ha were reclaimed during the period under review.

(s) Policy, Legal and Institutional Reforms

The following measures were undertaken:

i) The 2015 Water Bill was approved and is currently in Parliament.

ii) The Ministry of Environment, Water and Natural Resources Devolved Strategy was developed.

iii) Draft Master Plan for the Conservation and Sustainable Management of Water Catchment Areas in Kenya.

iv) Draft National Environment Policy.

v) Draft policy document on Nairobi Rivers Basin Programme (NRBP).

vi) Draft policy to transform the Kenya Meteorological Department (KMD) to a Semi- Autonomous Government Agency (SAGA).

vii) Strategic Environmental Assessment (SEA) Guidelines.

viii) Coastal Zone Pollution Prevention Guidelines.

ix) Shore Line Management Strategy and Guidelines.

x) Integrated Coast Zone Management (ICZM) Plan.

xi) National Water Master Plan 2030.

xii) 42 Sub-Catchment Management plans for the six catchment areas.

xiii) Draft Water Policy.

xiv) Review of the Regional Development Policy.

xv) Implementation of the Water Sector Strategic Plan (WSSP) 2010-2015.

xvi) Development of a draft Trans-boundary policy.

xvii) Review of the Environmental Management and Coordination Act (EMCA) of 1999.

xviii) Review of the Regional Development Authorities Act.

xix) Enactment of the Wildlife Conservation and Management Bill 2013.

xx) Forest Conservation and Management Bill.

xxi) Implementation Challenges

xxii) Delays in the restructuring of the sector severely affected project implementation.

xxiii) Inadequate institutional capacities.

xxiv) Lack of participatory coordination frameworks which allow joint planning, monitoring and reporting by key stakeholders.

xxv) Insufficient counterpart funding from the exchequer; low budgetary allocations coupled with scaling down of revised estimates.

xxvi) Resistance from local communities towards the construction of large dams.

xxvii) Environment pollution and degradation of water catchments due to encroachment, illegal logging, charcoal burning and opening up of lands for farming; low sewerage coverage and insufficient treatment of effluent.

xxviii) Other challenges identified were negative effects of natural calamities; resource based conflicts; slow and cumbersome procurement process.

Lessons Learnt

Active involvement with local communities largely contributes towards the sustainable management of natural resources, such as forests. Not only did community engagement create ownership but also food security.

Conclusions

Most targets were met during the review period, however, inadequate financing and institutional capacity were cited as the barriers to progress. In addition, sustained enforcement of environmental standards and guidelines is crucial in achieving the envisaged transformation in the sector.

Recommendations

i) In order to achieve buy-in and better performance in the 3rd MTP, it will be prudent to start engaging with local communities as early as in the inception phase.

ii) There is a need to harmonize the management of shared resources between National and County Governments.

iii) Towards attaining SDGs in MTP 3, it is crucial to invest in Behavioural Change and Communication (BCC) interventions to influence positive environmental practices among communities in Kenya.

3.4.4 Population, Urbanization and Housing

Overview

The Kenya Vision 2030 goal for population, urbanization and housing sector is "Adequate and Decent Housing in a Sustainable Development". The MTP II puts emphasis on formulation of sound legal and institutional frameworks for rational planning, putting in place a suitable legal framework, and undertaking development and management using the requisite technology to promote sustainable urbanization in the realization of the Kenya Vision 2030.

Population Sub-Sector

The MTP II target for the rate of growth of the country's population was to "slow down to 2.6 percent per annum by 2015". Kenya's demographic statistics shows that the country's population grew at between 2.7 percent and 2.8 percent per annum implying that the target was not achieved.

Housing and Urbanization Sub-Sectors

A number of flagship projects were completed while others were ongoing during the review period.

Achievements made during the period

Preparation and implementation of strategic development and investment plans in six metropolitan regions, viz, Nairobi, Mombasa, Kisumu-Kakamega, Nakuru-Eldoret, Wajir-Garissa-Mandera, Kitui-Mwingi-Meru, and their respective Spatial Plans was not achieved because the drafting of Metropolitan Areas Bill is ongoing.

(a) Production of 200,000 housing units

The National Housing Corporation developed 230 housing units for sale to the general public. Twenty-two housing units for Civil Servants in Kileleshwa were completed while 766 houses were acquired by Civil Servants. Fifty-seven state officers were recommended for mortgage financing through the Civil Servants Mortgage Scheme (at the cost of Kshs. 1.433 billion).

In Turkana, 2,592 housing units were completed for Internally Displaced Persons (IDPs). Five hundred housing units facilitated through Appropriate Building Materials and Technologies (ABMT) were also completed. 595 housing units for Kenya National Police in Westpark, Nairobi were completed. Ongoing police housing projects include 211 in Kibish, Turkana; 140 in Nyamira; and, 96 and 107 pool housing units in Kericho and Voi, respectively.

To open up areas for housing development, 28 km of access roads were upgraded to murram standards including drainages and installation of culverts in Isiolo town, Ongata Rongai, Kajiado and Garissa. A 4.5 km trunk sewer line in Meru and 1.2 km sewer line in Lukenya were installed.

Other achievements: 462 housing units and associated social amenities in Mavoko were 88 percent complete and 250 civil servant housing units in Kisumu were 28 percent complete. Through a PPP initiative, negotiations with private investors for construction of housing units in Park Road (1,800No.) and Starehe (6,036No.) in Nairobi were ongoing. The tendering process for 1,500 housing units in Shauri Moyo, commenced during the period. Construction of 1,850 housing units for National Police and Prisons services at various camps was 15 percent complete.

(b) Development of appropriate building materials and technologies

The tendering process was initiated for the proposed Mavoko Regional ABMT Centre - Phase II (hostel, kitchen and dining hall). Construction and equipping of ten constituency ABMT centres in Baringo, Embu, Kwale, Marsabit, Isiolo, Kisumu, Uasin, Kajiado, Makueni and Migori was 50 percent complete. Fabrication of hydraulic and semi hydraulic interlocking block making machines was ongoing. The prototype for the interlocking block making machine was developed during the period under review.

(c) Installation of physical and social infrastructure in slums and informal settlements in selected urban areas

Projects completed under KENSUP include construction of:

i) 822 housing units (including 245 market stalls) in Kibera Soweto.

ii) London Area Social Hall in Nakuru.

iii) a multipurpose hall in Malindi.

iv) Ziwa la Ngombe Health Centre in Bombolulu Mombasa and ten classrooms, offices and sanitary facilities at Huruma Primary School in Eldoret.

v) 23 high mast floodlights installed in selected informal settlements in Lamu, Mombasa, Makueni, Isiolo and Kakamega counties to enhance safety and security. The National Slum and Informal Settlements mapping pilot covering Meru, Kiambu, Kajiado, Taita Taveta, and Bungoma townships was concluded and a database was created.

(d) Implementation of Kenya Informal Settlement Improvement Programme

Kenya Informal Settlement Improvement Programme (KISIP) projects completed during the period under review in Mombasa, Nakuru, Uasin Gishu, Machakos and Nairobi Counties include the construction and installation of: 15.7 km access roads to bitumen standards, 19 km footpaths; eight ablution blocks; 49 high mast floodlight structures and upgraded drainage systems in Nakuru and Eldoret. 5,600 m of individual water connections and 1,798 m of waterlines were completed in Mombasa while construction of water supply pipelines was completed in Machakos, Naivasha and Nairobi.

Construction of ten classrooms, offices and sanitary facilities at Mukhaweli Primary School in Bungoma was 85 percent complete while market sheds in Langas were 90 percent complete. Cabbro paved footpaths in Lamu informal settlement were 80 percent completion and design and Bill of Quantities (BQ) preparation for re-development of 3,072 housing units in Kibera Soweto East - Zone ''B'' was completed. Design preparation for 2,000 housing units in Mariguini Informal Settlement commenced during the review period.

(e) Achievements under Other Programmes and Projects

i) Preparation of Digital Topographical Maps and Integrated Strategic Urban Development Plans were completed for 10 KMP towns, that is, Cluster 1, Mombasa; Cluster II, Kitui and Malindi; Cluster III, Embu, Thika, Naivasha and Machakos; and Cluster IV, Nyeri, Naivasha and Nakuru. Integrated Strategic Urban Development Plans for: Wajir and Masaku were 95 percent complete while those for Murang'a and Kiambu were at 40 percent completion status.

ii) Forty-two CCTV cameras were installed in the Nairobi Central Business District; 857 streetlights and 206 floodlights were installed in Nairobi Metropolitan Region and other various urban centres.

iii) Seven 5,000 litre foam tender, seven 10,000 foam tender capacity fire engines, two rapid intervention vehicles and 15 all-terrain vehicles were procured and distributed to Nairobi, Kajiado, Murang'a, Machakos and Kiambu county governments.

iv) Construction of a 27-km storm water drainage improvement system was completed in Mombasa. The markets (one in Kakamega, one in Kitui and one in Taita Taveta); Sirisia social hall; seven bus parks and Korogocho Dispensary were also completed at the time of the review.

v) Rehabilitation of Kisii Township road and upgrading of informal settlements in Kilifi were 85 percent and 56 percent complete.

vi) Construction of Non-Motorized Transport (NMT) facilities and storm water drainage systems and associated works were at various stages while the construction of 15 markets (Awendo, Westlands, Homa Bay, Bomet, Sotik, Mbita Point, Kimumu, Daraja Mbili, Busia, Matuu, Mudete, Kongowea, Karatina, Chaka and Eldoret)

vii) One secondary school was completed while construction of 12 secondary and primary schools in poor urban areas was ongoing.

viii) Narok Stadium and Korogocho-Dandora Bridge projects were ongoing.

ix) The MTP II aims to construct strategic roads/link roads to bitumen standards. Those completed during the review period were a 1.6 km Ruiru Hospital Road, 4.6 km access leading to Kikuyu Railway Station, 1.2 km of access road and 1.2 km of Non-Motorized Transport (NMT) leading to Limuru Railway Station, construction of three km of selected roads in Gikomba and rehabilitation of 7.6 km and 5 km roads at bitumen standards at Gitaru–Ndumbuini Road and Nanyuki respectively.

(f) Policy, Legal and Institutional Reform

Achievements made during the period under review are as follows:

i) National Housing Policy Sessional Paper No. 3 of 2004 was reviewed and approved by Cabinet. The Housing Bill was under review and discussions with National Housing Corporation (NHC) were underway.

ii) The Built Environment Bill discussions with the Attorney General commenced in preparation for its submission to Parliament.

iii) Building Code was completed and domiciled in the Built Environment Bill.

iv) The National Maintenance Policy was published as Sessional Paper No. 2 of 2015 and forwarded to Parliament.

v) National Slum Upgrading and Prevention Policy was approved by Cabinet and given a Sessional Paper No.2 of 2016 by the National Assembly.

vi) Approval of Landlord and Tenants Bill was awaiting discussions of the Sub-Cabinet committee on Legal Affairs before full Cabinet deliberations.

vii) Approval for the Urban Areas and Cities Act – Amendment Bill 2015 was pending.

viii) The development of strategic and investment plans in six metropolitan regions was not achieved.

Emerging Issues and Challenges

i) High population growth rate.

ii) Weak enforcement of policies to address rapid urbanization.

iii) High cost of housing and the subsequent effects on the country's socioeconomic dynamics.

iv) Numerous court injunctions.

v) Complexities associated with competing interests in slum upgrading initiatives.

vi) Inadequate participation by private developers in PPP.

vii) Recommendations

viii) Enforce implementation of the Population Policy for National Development.

ix) Upgrading of informal settlements should involve all stakeholders from the initial phase.

x) In addition to identifying more land for housing developments in the country, incentives to attract private sector to participate in housing developments should be designed.

3.4.5 Gender, Vulnerable Groups and Youth

Kenya Vision 2030 envisages gender equity in power resource distribution, improved OVC livelihoods and responsible, globally competitive and prosperous youth.

Achievements Made during the Period

(g) Gender Mainstreaming

During the period under review gender officers from several ministries were deployed to the counties. The Gender Research and Documentation Centre was established and operationalized. Uwezo Fund was established in 2013/14 and a countrywide sensitization on the fund was conducted. The training manual was translated into ten Kenyan languages. As a result, 11,896 women, 7,170 youth, and 456 PWDs were trained on business development, table banking and access to government procurement opportunities.

(h) Women Empowerment

The Public Procurement and Disposable (Preference and Reservation) Regulation was developed in 2013/1014. A total of Kshs.16, 676,812,446 was awarded to women, youth and PWDs. This represented 26.78 percent of total tenders awarded, against a target of 30 percent. Out of this, women were awarded Kshs. 8,807,468,842 which represented 52.8 percent of the total amount set aside, hence surpassing the target for this group. The number of registered women groups increased from 148,190 in 2013 to 150,857 in 2014.

A total of 149,190 women accessed loans through WEDF. The fund promoted women's empowerment through capacity development activities. A total of 213,636 women were trained on basic accounting, business skills and formation of cooperatives during the period under review. Grants by government to WEDF increased from Kshs. 167 million in 2012 to Kshs. 169 million in 2014. Kshs.1.6 billion was disbursed to 165,054 beneficiaries in 2014-2015. Subsequently Kshs. 462.3 million was disbursed to 37,448 beneficiaries in Quarter 2 of 2015/2016. The total disbursement to WEDF since inception is Kshs. 7.36 billion, disbursed to a total of 1,151,645 beneficiaries. A data base for women entrepreneurs was developed during the first half of MTP II.

(i) Vulnerable Groups7

Kenya Vision 2030 outlines two flagship projects to be implemented in the long term including establishment of a Consolidated Social Protection Fund for cash transfers to Orphans and Vulnerable Children (OVC) and the elderly; and full implementation (including appropriate budgetary allocations) of the Disability Fund.

Establishment of Single Registry for Cash Transfer Initiatives

Decentralization of the Single Registry for all cash transfer initiatives was conducted, and ICT equipment procured and distributed to ten counties (Bomet, Kisumu, Nakuru, Nyeri, Mombasa, Busia, Embu, Mandera, and Marsabit).

7 Vulnerable groups include widows and widowers, orphans and children at risk, persons with disabilities, under-age mothers, the poor of the poorest, internally and externally displaced persons and the elderly.

Integrated Management System for Consolidated Social Protection Fund initiatives was established and servers configured to host the new Single Registry. To allow access by multiple individuals, a public Internet Protocol was assigned to the Single Registry. Geographical codes for the entire cash transfer programme were finalized for standard reporting. Twelve and 35 officers at the Ministry headquarters and counties respectively received end-user training on the Single Registry in 2015. A work plan to guide the decentralization of the Single Registry to an additional 14 field offices was prepared. To enhance accountability and transparency, CSACs were established in 290 constituencies. Beneficiary Welfare Committees were established during the review period.

Consolidated Social Protection Fund

The Kenya National Safety Net Programme (NSNP) was established in September 2013. Implementation of National Social Safety Net Programme (NSSNP) comprises the Hunger Safety Net Programme (HSNP) and Cash Transfers to Orphans and Vulnerable Children (OVC); Older Persons (OP) and Persons With Severe Disability (PWSD).

Under the Cash transfers to OVC programme, allocations increased from Kshs. 5.2 billion in 2013/2014 to Kshs. 5.6 billion in 2014/2015. Further, Kshs. 9.3 billion was allocated in 2015/2016. Direct cash disbursement increased from Kshs. 4.9 billion in 2013/2014 to Kshs. 9.4 billion in 2015/2016. Funds allocated towards social protection for older persons increased from Kshs. 2.9 billion in 2013/2014 to Kshs 5.5 billion in 2014/2015 and Kshs 7.3 billion in 2015/2016. A total of Kshs. 20 billion was disbursed during the review period. Kshs. 770 million was allocated to PWSDs in 2013/2014. Between July and December 2015, 22,938 households with PWSDs against a target of 27,000 received cash transfers. The variance could be attributed to the suspension of beneficiaries, natural attrition as well as biometric registration issues. A complaints and grievances system for NSSNP was established at national level. In addition a scale up strategy and monitoring and evaluation framework were prepared and validated.

Scale Up National Development Fund for Persons with Disabilities

A total of 3,133 PWDs received assistive devices which were procured and distributed countrywide in 2013/2014. Nine hundred and seventy-seven learners with disabilities were provided with education assistance in terms of bursaries/ scholarships. The National Council for Persons with Disabilities (NCPWD) provided grants to 660 self-help groups against the annual target of 592. Overachievement was attributed to the finalization of pending applications from the previous year. NCPWD provided financial support to 30 learning institutions for infrastructure and equipment projects. This was against a target of ten, meaning that the target was surpassed. Fifty-five persons were trained on the Kenya sign language.

Child Protection Programmes

Nakuru Child Protection Centre was established and operationalized. The Child Protection Information Management System was developed and implemented in ten counties. In addition, 100 officers and stakeholders were trained on Child Protection Information Management System (CPIMS). In regard to Children Rehabilitation Programmes, the Department of Children Services reviewed and re-launched the guidelines of thorough care and after care services.

One hundred and eighteen children were trained in short vocational courses, undertook the primary 8-4-4 curriculum and sat for KCPE examinations. During the period under review, 3,738 children were reintegrated with their families and 402 adopted by foster families; 403 charitable children institutions were registered; a toll free Child Helpline – 116 – was established and 1.2 million calls responded to. The toll free Services offer counselling, referrals and rescue system. The Government increased funding for the Presidential Bursary Scheme thereby increasing the number of OVCs who received bursary support for secondary school from 50 to 12,470. The project supports 43 students per constituency.

Support to people with albinism

To support people with albinism (PWA), NCPWD and KEMSA procured 19,500 bottles of sunscreen lotion and distributed them to 2,678 PWAs through 120 major health facilities throughout the country.

(j) Youth

Article 55 of the Constitution compels the Government to take measures to promote youth empowerment. Youth empowerment is grounded on the transformational 5-point vision of the National Youth Service (NYS) and prioritized as a flagship project of the Kenya Vision 2030, the Medium Term Plan II (2013-2017).

MTP II sought to review the funds products and services, re-brand and re-launch the Youth Enterprise Fund. During the first quarter of 2014/1015, Constituency Youth Enterprise Scheme (C-YES) and Enhanced Youth Enterprise Scheme (E-YES) disbursed Kshs. 96,771,000 and Kshs. 25,604,500 respectively, increasing youth access to credit facilities. Kshs. 61,728,403 was disbursed to support direct and sector specific funding products such as Angua-Chicks loans, trade finance and Agri-Vijana loans. In 2014/2015, 290 youth were engaged as volunteers bringing the number of youth engaged since inception of the programme to 350.

During the period under review, 153 youth development centres were established against a target of 290 centres. The centres offer mentorship, nation building, vocational and entrepreneur skill development opportunities. Allocation of 2.5 percent of the budget to youth allocation was not achieved. Biashara Kenya enterprise parks were established and operationalized in Kwale and Marsabit counties.

The development of an incentive framework for employers who hire fresh graduates and interns was achieved. 236 entrepreneurs were facilitated to participate in trade fairs while 35 were given job internship placements. A total of 1,102 were facilitated to secure jobs abroad during the period under review.

(k) Policy, Legal and Institutional Reforms

Gender

i) The National Youth Empowerment Strategy (NYES) was completed and awaits stakeholder validation.

ii) A Supreme Court ruling implementation framework on 2/3 constitutional provision was developed and submitted to NGEC.

iii) The Violence against Children Response Plan (2013-1018) was developed.

iv) County Child Protection Systems Guidelines were developed.

v) A Draft National Plan of Action on Children and National Social Protection Policy were developed.

vi) Children Participation Guidelines, 2006, was reviewed and aligned to the Constitution.

vii) Twelve new Area Advisory Councils on children issues were launched.

viii) National Sexual and Gender-based Violence Policy was finalized and launched.

ix) Government MDAs also developed sector specific gender and GBV policies.

x) Vulnerable Groups

xi) The Persons with Disabilities Bill 2014 was prepared and validated.

xii) The National Community Development Policy was developed.

xiii) A Draft National Volunteerism Policy was developed.

xiv) A Draft National Social Protection Council Bill was developed and forwarded to State Law Office for legal advice and subsequently to Parliament.

Youth

Achievements:

i) The National Industrial Training Policy was prepared.

ii) Implementation of Uwezo Fund was established.

iii) The Public Procurement and Disposable (30 percent preference and reservation for youth) Regulations 2013 was implemented.

iv) The National Youth Employment Policy was developed.

Challenges

The main challenges, which constrained effective and efficient implementation of planned gender mainstreaming and women's empowerment programmes include:

i) Insufficient funding for gender and women empowerment activities. The Directorate heavily relies on development partners.

ii) Inadequate numbers of staff in line Ministries and at the county level.

iii) Inadequate capacity to integrate gender perspectives in legislation, policies, planning and budgeting.

iv) Persistence of harmful cultural practices (such as early and forced marriages and FGM) and GBV.

v) Inadequate data and information on GBV which inhibits planning for GBV programmes.

vi) Inadequate infrastructure for addressing GBV issues coupled by low awareness on prevention and response of GBV.

In respect to Vulnerable Groups and Youth, the key challenges were:

i) Identification of genuine beneficiaries for the cash transfer programmes. Local committees and leadership are relied on to identify beneficiaries.

ii) Heavy capital investments and technical expertise were required to establish the Single Registry for the cash transfer programmes.

iii) Minimal reach of due to insufficient and unsustainable funding against the rising numbers of vulnerable groups in need the Consolidated Social Protection Fund

iv) Poor infrastructure in rehabilitation schools, children homes, remand schools and vocational rehabilitation schools.

v) Lack of proper co-ordination mechanisms for the consolidated social protection programmes.

vi) Youth radicalization, armed groups and extremism.

vii) Stringent regulations to access loans and empowerment funds.

viii) High youth unemployment.

ix) Limited household and community parenting.

Conclusions

Gender, vulnerable groups and youth is an important sector towards realization of the Kenya Vision 2030 goals. To effectively integrate these groups in the national economic grid and development agenda, it is important that effective linkages and collaboration with various state and non-state actors be undertaken.

Recommendations

i) Efforts towards gender mainstreaming, social development and involving youth in national development projects should be reinvigorated. Involve community stakeholders in mainstreaming efforts at national and county levels.

ii) Capacity development of youth, women and vulnerable groups with special needs should be continued.

iii) There is need to develop a comprehensive national strategy to address gender stereotypes, to improve public perception and awareness of gender issues.

iv) Resource mobilization from multiple sources should be considered to support registered women's groups.

v) The start-up and operationalization of SGBV centres should be fast-tracked during the remaining period of the plan.

vi) There is need to enhance collection of disaggregate data at all levels.

vii) Promote summative approaches and invest in strengthen skills and competencies through youth programmes.

viii) Encourage youth to enrol in TVET institutions - industrial and training integration.

ix) Implement communal security programmes and initiative such as Nyumba Kumi.

3.4.6 Sports, Culture and Arts

Sports, culture and arts play an important role as source of income and recreation for the population particularly Youth. The MTP II emphasizes on the strategic promotion and exploitation of the country's cultural diversity. It also focuses on the preservation and promotion of national heritage, and development of sports for enhanced economic, social and political development.

Achievements Made during the Period

(a) Establishment of Kenya Sports Academy

The Kenya Sports Academy (KSA) was established at the Moi International Sports Centre, Kasarani and launched in 2013 (see plate 2). The academy sits on 600 acres and is envisioned to be an international high sports performance centre, with up to date sporting facilities including specialized practitioners such as coaches, doctors, and physiotherapists. Phase 1 of the six storey building construction comprising administration block, classrooms and hostels was estimated to be 80 percent complete.

PLATE 2: The Kenya International Sports Academy at 80 percent completion status

Two floors, two boreholes and external works were due to be completed in March 2016. However completion was delayed because construction stalled for over six months, due to delays in the release of exchequer from Treasury.

A total of Kshs. 294 million is required to complete the building including the dining hall and classes at basement level. Four football pitches, two rugby pitches and one basketball court were 40 percent complete. Three hundred acres were allocated to the 18- hole golf course.

Plate 3: En-suite premier room before and after completion.

(b) Construction and Rehabilitation of Sports Stadia

Phase 1 of the refurbishment and renovation of Moi International Sports Centre was completed during 2013/2014. Progress to commence Phase 2 as scheduled was hampered by cash flow constraints due to delays in the release of exchequer. As result, the contractor withdrew from the site. Recommendations on the way forward were hence being awaited. Kshs. 1.8 billion was disbursed for the construction and rehabilitation of five national stadia. Feasibility studies were conducted and designs prepared for model stadia at Shimo la Tewa, Nairobi and Eldoret. Renovation of three county stadia in Mombasa, Kisumu and Eldoret were also in progress during the period under review. Rehabilitation works at Mombasa Municipal Stadium were 60 percent complete. Slow progress was attributed to the delayed clearance of the tartan/synthetic base from the port. Rehabilitation works at Moi Stadium in Kisumu were 70 percent complete and awaiting floodlight installation by the county government. Kipchoge Keino Stadium in Eldoret was 90 percent complete and its hand over is expected to take place in 2016.

(c) Establishment of 'Kenya Houses' in International Sports Competitions

This was not achieved due to lack of funds.

(d) The National Sports Lottery Fund

The National Sports Fund was established as stipulated in the Sports Act, 2013. Kshs. 10 million from national government to support the initiative was received. During the review period board members were appointed and gazetted, and the fund was in the process of engaging a lottery operator.

(e) Construction of Kenya International Arts & Culture Centre

A project concept paper was developed and draft memo submitted to the Cabinet. A feasibility study and site analysis was conducted and a parcel site situated and secured within Kenya National Theatre along Harry Thuku Road in Nairobi CBD. Preparation of BQs was pending due to non-allocation of development exchequer grant over the present and previous financial years.

(f) Other Programmes and Projects

Development and Promotion of Culture

During the period under review, 32 local and international cultural exchange programmes and 61 community cultural festivals were held. A total of 4,638 cultural practitioners participated in capacity development workshops, exhibitions and competitions. Twelve ethnic groups in northern Kenya were brought together for the sixth edition of the Lake Turkana Cultural Festival. The Kaya and Kit cultural projects associated with Mjikenda and Luo communities, respectively, were implemented.

Public Records and Archives Management

A total of 1,725,945 documents were digitized at national archives headquarters. In addition 206,000 documents were microfilmed; 556,000 acquired for permanent preservation and 1,507 research permits issued. 4688 records taken away by Britain at the eve of independence were acquired and returned to Kenya in digital format. The records will be released to the public once launched officially. At county level, a total of 899 offices were surveyed and appraised. One archive – records centre, against a target of 47, was opened in Nyeri County.

Conservation of Heritage

The procurement plan for National Archives Building refurbishment was approved during the review period. High-Density Storage Systems worth Kshs. 38 million and Kshs. 6.1 million were procured and installed at Repository 1 and Nyeri Records Centre, respectively. Restoration of Uhuru Gardens and Shimoni Old Distict Commissioner House near Shimoni Slave caves in Mombasa was carried out. Fort Jesus was gazetted as a world heritage site while refurbishment of the International Karen Blixen Museum was in progress.

Construction and Upgrading of Public Libraries

Construction of an ultra-modern National Library in Nairobi was ongoing during the review period. Health hubs were established in 15 libraries and e-source centres established in ten libraries in rural areas. Public libraries were established in Narok and Nakuru and a table E-learning project piloted in Kibera.

Film Services

In 2013/2014 more than 300 youth were trained on film production. A total of 145 local film agents were registered during the period under review. Other achievements in the media sub-sector include: construction of video and sound archives; roll out of film/media campaigns through print, electronic and internet media platforms including coverage of three MTP II flagship projects namely: Thika Super Highway, Konza Technopolis and Lamu Port Southern Sudan-Ethiopia Transport (LAPSSET) corridor.

(g) Policy, Legal and Institutional Reforms

The following was achieved:

i) Cap 19 of the Laws of Kenya under which national archives and documentation service operate was forwarded to the Kenya Law Reform Commission for review.

ii) National policies for records management and audio-visual archive safeguarding were drafted in 2013; stakeholder validation was pending.

iii) Draft Culture Bill.

iv) The Languages of Kenya draft Policy was finalized and forwarded to the Attorney General and Constitution Implementation Commission.

v) The National Policy on Culture was aligned to the Kenya Constitution 2010 and is awaiting submission to the Cabinet for approval.

vi) The Languages of Kenya draft bill was finalized and forwarded to the Attorney General and the Constitution Implementation Commission.

vii) A Cabinet Memo was prepared to facilitate ratification of the African Union charter on Cultural Renaissance.

viii) The Natural Products Industry (NPI) policy was finalized and is awaiting approval.

Challenges

Inadequate exchequer allocation and declining funding from development partners has affected operations in the subsector resulting in:

i) Loss of elite sportsmen and women to other countries due to a poor incentive system.

ii) Kenya National Library Services being unable to obtain sufficient reading materials.

iii) Kenya Film Commission unable to participate in international film markets as well as holding Kenya international film festivals. In addition, inadequate funding to enable the Kenya Film Commission to implement the development of local content, film infrastructure, screen culture, industry research, film festival and markets.

iv) Failure to fully implement planned programmess and flagship projects as well as settling pending bills.

v) Creative artistic practice not being exploited for its massive potential in employment and national wealth creation.

vi) High staff turnover due to changing dynamics in the job market including shift from national to county governments.

vii) Inadequate capacity in terms of staffing, facilities and infrastructure; for instance, insufficient ICT infrastructure for data storage and retrieval at the national scientific reference collection centre, Kenya Film Classification Board and archived e-learning materials.

viii) The passing of the VAT 2013 legislation although has resulted in increased revenue to the exchequer, it has led to escalated costs of books thus reducing the number of books acquired and made available by KNLS. Similarly, it has also led to escalated cost of filming and sports equipment.

ix) Inadequate Government support for research as well as limited implementation of research findings.

x) Poor appreciation of the role of sports, the arts culture and heritage in national development.

xi) Encroachment and vandalization of monuments and ancient historical sites.

xii) Poor reading culture undermining the harnessing of public information resources.

Conclusions

From the achievements made by the Ministry as listed in the report, it is evident that the Ministry is well on course with implementation of its flagships as well as other projects. However, some projects are lagging behind mostly due to inadequacy of funds.

Recommendations

i) There is urgent need to increase funding to fast track projects that are lagging within the remaining period of the plan.

ii) Explore alternative strategies such as establishing PPPs to raise funds, through hosting athletes in upcoming athlete events in Kenya.

iii) There is need to fast-track the development and approval of policies and laws that will offer the much needed framework necessary in ensuring growth and performance of this sector.

iv) The construction of five sports stadia is a national priority. To meet the MTP II targets, there is need to hasten procurement processes including clearance at the Port of Mombasa.

v) There is need to create partnerships and involve key stakeholders while implementing planned activities who may be likely to supplement resource gaps.

vi) Coordination and integration across sectors and partnerships with county governments are paramount.

vii) Capitalize on corporate sponsorship.

viii) Inculcate sports at school and community level.

3.5 The Political Pillar

The political pillar of the *Kenya Vision 2030* envisaged a democratic political system that is issue-based, people-centred, result-oriented and accountable to the public. The MTPII goal under the political pillar was stated thus: *"Moving to the Future as one Nation."*

Transformation within the political pillar was to take place within the following strategic thrusts: devolution; adherence to the rule of law that is applicable to a modern, market based economy in a state that respects human rights; genuinely competitive issue-based politics; people-centred and politically engaged society; transparent, accountable, ethical and results-oriented government institutions; policy-driven and service-focused government institutions; and security for all Kenyans and their property throughout the Republic.

The pillar is based on two main areas: devolution and governance and the rule of law. The following priority flagship projects were identified under devolution, in line with the targets envisaged under Kenya Vision 2030: capacity building; civic education on devolution; policy, legal and institutional review; and resource mobilization and utilization. Under Governance and Rule of Law, there are six priority programmes namely: Implementation of the Constitution and Legal Reforms, Leadership, Ethics and Integrity, National Cohesion and Integration, Legal Aid and Awareness, Strengthening the Criminal Justice System and Judicial Transformation.

3.5.1 Devolution

Overview

Devolution is by far one of the most significant initiatives in governance undertaken since independence and is the key flagship project under the political pillar. Key milestones have been achieved since MTPI in line with the objectives of devolution outlined in Article 174 of the Constitution. Several programmes and policy, legal and institutional reforms were carried out to facilitate the implementation of devolution. The Transition Authority (TA) has played an important role in facilitation and coordination of the transition to the devolved system of government. In execution of its mandate, the Transition Authority has done the analysis and phased transfer of functions, co-ordinated integrated development planning and funding mechanisms, undertaken a comprehensive human resource audit and capacity development, developed and conducted civic awareness on devolution as well as implementation of policy and laws.

With the two-tier system of government, the forty-seven (47) counties play a key role in the implementation of MTPII projects and programmes. The progress made in the achievements of the flagship projects under devolution for period under review is discussed in the following sections.

Achievements and Progress made

- ***Capacity Building (Training and System Development)***

In 2013, the MODP developed a National Capacity Building Framework (NCBF), which is being implemented in both county and national levels of government. To implement the NCBF, a Medium Term Intervention (MTI) has been developed. The MTI focuses on five key result areas:

i) Training and induction

ii) Institutional strengthening

iii) Technical assistance

iv) Support to inter-governmental relations

The key result areas for the MTI are public finance management, planning and monitoring and evaluation, human capital and performance management, intergovernmental relations, civic education and public participation. All counties have been sensitized and assistance has been provided on a need basis. Following the implementation of MTI, two programmes were designed and are being implemented namely:

i) Kenya Devolution Support Programme – supporting capacity building (World Bank)

ii) Instruments for Devolution Advice and Support (IDEAS) –(EU)

Other donor partners including UNDP and USAID are supporting the capacity building.

During the period under review, the Directorate of Devolution has, in collaboration with the Kenya School of Government, developed a curriculum for training. The Directorate of Devolution in collaboration with the Kenya School of Government, the Transition Authority, and the Directorate of Public Service Management has carried out training in all forty-seven counties. Those trained include the governors, the members of the county executive committees and other county staff. This has facilitated the county governments to become operational and contributed to improved service delivery.

- ***Civic Education on Devolution***

From 2012-2014, civic education was implemented in all counties through the *Bridging the Divide through Accountable Governance (BDAG) Programme* which was a partnership of GoK and European Union and carried out in collaboration with the Kenya School of Government. The main goal of the project was to create and raise awareness on the system of devolved government by conducting Civic education to staff in county assemblies' This project aimed to support ongoing initiatives of transferring roles from local authorities to counties as required by the Constitution of Kenya 2010. The project work involved training of selected county government officers both employed by the county governments and the central government in all the 47 counties, to ensure that there was a well arranged process of transfer of public service delivery to the citizens without a breakdown at any one particular time. The officers were trained on the following areas; how to carry out the inaugural session and county assembly legislative business, County Government Structure and Governance, Public Financial Management (National Government and County Government), County Planning, Urban Areas and Cities Management, Intergovernmental Relations, Public Participation, Transition to Devolved Government and County Public Service.

The initial roll out was done through Kenya Integrated Civic Education (K-NICE) Program. The Programme was pioneered by the Government of Kenya in partnership with non-state actors to provide civic education to Kenyans on the constitution with the broad aim of achieving fundamental national transformation through policy, legal and institutional reforms, as well as creating the necessary awareness, reorienting the national psyche for the new dispensation and engendering robust public engagement in the constitution implementation process. The overall goal of the programme was to provide programmatic and organizational framework for a sustainable national civic education programme that would promote collective national aspirations in the constitution, enhance the participation and engagement of citizens, as well as promote responsive governance.

Currently, standards and norms are being set and the following documents have been developed; Civic education curriculum, Trainers manual on civic education, Civic education handbook and County public participation guidelines. These documents target the duty bearers, civil society and citizens. Resources for the roll out of civic education are being mobilized from the government of Kenya and development partners.

The gaps identified during the first year of the implementation of the MTPII were addressed during the subsequent training sessions. However, there were no funds available to have further training in 2014/2015.

- ***Policy, Legal and Institutional Review***

The five main laws on devolution were implemented after the development and regulations had been adopted. The laws include the Urban Areas and Cities Act, 2011, Intergovernmental Relations Act 2012, County Governments Act 2012, Transition to Devolved Government Act 2012, and the Public Finance Management Act 2012. *The review of the Urban Areas and Cities Act was done and validated during the period under review and the Urban Areas and Cities Act (Amendment) Bill 2014 was forwarded to Cabinet Secretary for the Ministry of Land, Housing and Urban Development for publication.* Other Laws that have been enacted during the period include Coordination of National Government Act, 2013 and the Transition County Allocation Act, 2013.

Two mock fiduciary reviews were carried out during the period under review to get first-hand experience and gauge if there was any improvement on how county governments are handling their public finance management affairs and find ways of enhancing co-operation and supporting county governments in achieving their mandate. An inter-agency committee was set up by the Transition Authority, in collaboration with the Kenya Law Reform Commission, to steer the process of the development of the Legislative Guide aimed at ensuring that both levels of government are informed of the proper processes on developing laws and key constitutional and legal requirements.

The Summit as provided for under the Intergovernmental Relations Act (2012) was established. During the period under review, the Summit has held three meetings *{annually?}* as required by law and dealt with the transfer of functions from the national to county governments. The TA developed a NCBF meant to guide on the management of capacity building initiatives for devolved system of governance. The framework has an inbuilt monitoring and evaluation mechanism for the capacity and capability-building activities.

- ***Resource Mobilization and Utilization***

During the period under the review, there were programmes supported by various development partners and the Government for the implementation of devolution. One such programme is the Kenya Accountable Devolution Programme that is funded by the World Bank. The programme provides technical assistance to support the national and county governments in formulating the relevant policies and implementation of the same on devolution. The Devolution Fund has not been established but the Ministry of Devolution and Planning had developed a funding framework under the Devolution Working Group, which coordinated with the development partners to provide support.

- ***Human Resource Management and Development***

The Capacity Assessment and Rationalization of the Public Service (CARPS) overall objective is to improve efficiency and effectiveness in public service delivery by aligning Strategies, Structures, Systems, Programs and Staffing to implement the provisions of COK, 2010 and the subsequent laws at National and County levels. The consolidated report is awaiting public input before adoption by the Summit. The Transition Authority in collaboration with the Council of Governors, Ministry of Devolution and Planning, undertook the second phase of training of County Attorneys, to arm them with requisite knowledge and skills to adequately conduct their functions.

- ***Change Management, Institutional Development and Coordination***

The county CARPS reports were shared with the county leadership and the national government, and the consolidated report was submitted to the Summit for adoption.

The COG, Ministry of Devolution and Planning and TA undertook the second phase of training of County Attorneys, with the aim of arming them with the requisite knowledge and skills to adequately conduct their functions. This is in line with National Government's obligation to provide support and build the capacity of county governments.

- ***County Infrastructure and Other Facilities***

The Transition Authority carried out a functional analysis and competency assignment as well as costing and transfer of assets. It also dealt with issues of transfer of staff to the county government. The issues of human resource management and development have been included in the CIDPs. The TA carried out the county and public validation of inventory of assets and liabilities of the defunct local authorities and prepared a report. The counties are upgrading existing facilities and infrastructure.

- ***Kenya National Spatial Data Infrastructure***

On the legislative and policy front, three Bills have been finalized and forwarded to the Attorney General, namely the Community Land Bill, Spatial Planning Bill and the Evictions and Resettlement Procedures Bill. The County Land Management Boards have been established.

The Kenya National Spatial Data Infrastructure (KNSDI) is on course, The power connection at the centre has been completed and geodetic reference points (pillars) have been constructed in Kwale, Wundanyi, Bondo and Koibatek. Tenders for acquisition of satellite imagery have been opened, creation of the Nairobi database is complete, creation of Kiambu and Mombasa databases is ongoing and construction of the KNSDI Centre is 85 per cent complete.

All 47 counties have developed County Integrated Development Plans, which include spatial planning.

- ***Comprehensive Data Management System***

The Kenya National Bureau of Statistics is expected to develop a comprehensive data compilation and management system to cater for all sectors of the economy which it will manage and coordinate.

Performance Management The performance management system has over the years been implemented by MDAs and in the recent past, there are some counties that have embraced it. The Performance Management Directorate developed guidelines for county governments in 2014, which were used by 24 counties that signed the performance contracts for the F/Y 2014/2015. Although the development of a performance management system is required under Section 47 of the County Governments Act of 2012, the other 23 Counties did not implement the same due to various reasons. These include lack or limited capacity/competence, lack of understanding on performance management and failure to identify the drivers within the County. The government of Kenya, with support from the World Bank is in the process of developing the County Programme Management System Kenya Accountable Devolution Programme. Currently there is no oversight on the implementation of county performance management plans.

- ***Integrated Development Planning***

The Ministry of Devolution and Planning developed and disseminated Guidelines for County Integrated Development Plans (CIDP) to guide the counties in developing their CIDPs, and produced guidelines for mid-term reviews of CIDPs. The Ministry has worked with the Counties for development of the five-year County Integrated Development Plans (CIDP) 2013-2017. The preparation of the plans also required public participation at county level, which is a legal and Constitutional requirement. The County Planning Units have been established in all the counties to co-ordinate the planning and budgeting processes. The county governments have prepared their CIDPs in line with available resources. It is important to note that some counties are yet to prepare their sectoral plans as well as the spatial plans but the CIDPs are used as a basis for the budgeting process.

- ***Capacity Building for Transition***

The TA developed transitional mechanisms to provide technical support in establishing basic structures, systems and processes. These included identification, induction and deployment of county transition teams and Transition Authority County co-coordinators; transition laws, standing orders, governors guidebooks, frameworks, profiles, guidelines, budgets, financial and human resource management systems, induction and training manuals, among other initiatives. It also facilitated preparation of guidelines and advisories required to make the county assemblies operational. In addition, other instruments such as standing orders, maces and the relevant statutes were provided to the county assemblies and executive.

The TA wound up after its term ended and handed over its functions to the Intergovernmental Relations Technical Committee on March 3, 2016.

- ***Policy, Legal and Institutional Reforms***

Management of the transition process required policy, legal and institutional reforms which were facilitated through the TA. There were several policy reviews spearheaded by line Ministries, Government Institutions and other organizations. Several Bills were submitted to the Senate and the National Assembly, after review and input by the TA. These include the County Governments (Amendment) Bill (No.2), 2014, the County Governments (Amendment) Bill (No. 1), 2014 and the Environmental Management and Co- ordination (Amendment) Bill, 2014.

Implementation of the National Government coordination Act 2012 is ongoing and the Public Finance Management Act of 2012 has been implemented at county level to ensure prudent management of public finances and promote equitable development in Kenya. The Urban Areas and Cities Act, 2011 was revised in 2012 and a draft Urban Areas and Cities (Amendment) Bill, 2014 was prepared and submitted to the Cabinet Secretary of Land, Housing and Urban Development for further action. The relevant regulations to implement the above acts were developed.

Implementation Challenges

iii) The main challenges in implementation of devolution emanate from interpretation of the mandate of the county governments *vis-a-vis* the role of the national government under the CoK 2010.

iv) On performance management, there is no overall agency to oversee the implementation of the performance contracts by the counties.

v) The overlap in some of the functions leads to competition for resources.

vi) The citizens also had high expectations of the county governments, which have been affected by the slow pace of implementation of programmes under devolution.

vii) Weak monitoring and evaluation mechanisms have a negative impact on tracking of performance that would in turn inform programming.

viii) Another problem is competition for resources and influence between counties and national government.

ix) There is also an issue of delayed release of resources as well as major human resource challenges, caused by delay in development and implementation of laws and regulations on devolution.

x) The retention of resources by the national government for functions that have been devolved also poses a challenge.

xi) Corruption, insecurity and political interference are major obstacles in implementation of devolution

xii) Other challenges include legal action, which has occasioned a setback in rationalization of staff within the counties. For instance, following a case filed by the Kenya County Government Workers' Union, the High Court stopped biometric registration of workers in six counties (Kisumu, Kakamega, Bungoma, Busia, Trans Nzoia and Migori counties) affecting the rationalization programme.

Conclusions

There are no quick fixes in devolution. Effective devolution requires massive resources for capacity building and technical assistance, part of which is to be realized through Civic Education. There are several targets that have yet to be achieved due to various factors as outlined in the challenges above. However significant strides have been made in devolution. It is notable that during the period under review, more services have become available to the citizens through the devolved units. The State Department of Devolution has collaborated with all key stakeholders including MDAs, County Governments, Development Partners, and Citizens in implementing devolution programmes.

Recommendations

There is need to ensure clarity as the role of the National government *vis-a-vis* the county governments. Capacity building should target both elected and executive members of the county governments to ensure that the necessary laws at county level are passed and implemented. Financial management and resource utilization especially at county level is not optimal and it is important to have sound financial systems. It is prudent to establish the Devolution fund and ensure that the policy and administrative framework is in place.

3.5.2 Good Governance and the Rule of Law

Overview

During the MTP I, Governance, Justice and Order Sector (GJLOS) initiated several flagship and other high priority programmes and projects including the promulgation of the CoK (2010), establishment of various commissions and committees, and enactment of laws as set out in the Fifth Schedule of the Constitution and adoption of devolution. Under MTPII, County governments and the National governments play an important role in planning and implementation of programmes and projects of *Kenya Vision 2030.* The projects and programmes of key importance are the enactment and enforcement of supportive legislation, creation of strong governance institutions, allocation of adequate budgetary resources and enhancement of human and technical capacities in all counties.

The progress/achievements under the 13 flagship programmes/projects are discussed in the following sections.

Achievements

(a) Implementation of Constitution and Legal Reforms

Development of Laws to Implement the Constitution

The Laws that were enacted in 2011 and 2012, to implement the Constitution became operational.

The Commission for the Implementation of the Constitution (CIC), which was mandated to review Bills on the implementation of the Constitution reviewed a total of 86 laws, issued advisories on 44 laws and had 28 judicial interventions in public interest. This was in line with its compliance oversight. At least 9 Acts were developed to ensure transition to the devolved government during the review period.

During the period under review, the following laws to implement the Constitution under schedule five and harmonize existing laws were passed: The Public Audit Act No. 34 of 2015, The Public Procurement and Asset Disposal Act No.33 of 2015, The County Allocation of Revenue Act No. 10 of 2015, The Organization and Administration of the High court Act No 27 of 2015, Transfer of Prisoners Act 2015, The Magistrates' Court Act No. 26 of 2015, Mining Act 2015, The Business Registration Act No. 15 of 2015, The Kenya Information and Communications (Amendment) Act of 2013, The Law Society of Kenya Act No.21 of 2014, The National Security Fund Act No 45 of 2013, Kenya Heroes Act No. 5 of 2014, Statute Law (Miscellaneous) Amendment

Act 2014, Statute Law (Miscellaneous) Amendment Act (No 2), Prohibition of Anti-Personnel Mines Act No. 21 of 2015, Companies Act No.17 of 2015, Kenya National Qualifications Framework No. 22 of 2014. The following Bills were drafted and forwarded to various government organs and some were published: Access to Information Bill 2015, Data Protection Bill 2013, Development of Financial Institutions Bill 2013, Water Bill 2014, Private Securities Bill 2014, Physical Planning Bill 2015, Legal Aid Bill 2015, National Coroner Service Bill 2014, Fisheries, Management Bill 2014, Insolvency Bill 2015, Climate Change Bill 2014.

Several laws amended to harmonize them with the Constitution or passed in support of the Constitution: The Security Laws Amendment Act No. 19 2014, The Special Economic Zones Act No. 16 of 2015, the Ethics and Anti-Corruption (Amendment) No. 12 of 2015, the Fair Administrative Action Act No.4 of 2015, The Environmental Management and Co-ordination Act No. 5 of 2015, Victims Protection Act No. 17 of 2014, The Public Service (Values and Principles) Act No. 59 of 2015, The Protection Against Domestic Violence Act No. 2 of 2015, Matrimonial Property Act, No.49 of 2013, The National Police Service Management Act No. 11 of 2014, The National Police Service Commission (Amendment) Act No 47 of 2014, Media Council Act No 46 of 2013, and The Wildlife Conservation and Management Act No 47 of 2013. The following Bills were finalized: The Prevention of Marine Pollution Bill 2014, The Kenya Institute of Special Needs Education Bill 2014, The Landlord Tenant Bill 2014, The EAC Industrialization Bill 2014, The Legal Metrology Bill 2015, The Asian Widows and Orphans (repeal) Bill 2015, The Prisons (Amendment) Bill 2015, The Constitution of Kenya (Amendment) Bill, 2015, The Energy Bill 2015, The excise Bill 2015, The Tax Procedures Bill, 2015, The Miscellaneous Fees and Levies Bill 2015, The Trade Descriptions Bill 2015, and The Betting, Lotteries and Gaming Bill 2015.

To ensure Constitutional and Legal Reforms at the County level, 23 draft Bills were developed in consultation with respective County Governments

Civic Education on the Constitution

Civic education programmes were also conducted at both the national and county levels to promote the collective national aspirations in the Constitution and enhance citizens' participation and engagement. A total of 600 people were sensitized on the Constitution in ten counties. Thematic booklets on the Constitution were developed and distributed to all the stakeholders including vulnerable groups. Civic education on the Constitution was carried out in Kisii, Kakamega, Mombasa, Kilifi, Kwale, Trans Nzoia, Busia and Bungoma and Vihiga Counties. IEC material distributed in Kwale, Kilifi, Mombasa, Embu, Meru, Laikipia, Nairobi, Machakos, Kajiado, Lamu, Kisumu, Kakamega, Kisii and Kiambu Counties in liaison with the Kenya Leadership and Integrity Forum. These were also distributed during county civic education trainings. The TA in collaboration with the Kenya Institute of Curriculum Development developed the training manual for civic education. Pilots were carried out in Nanyuki, Meru, Mwingi, Kitui, Garissa and Tana River counties and included the civil society organizations. Guidelines on Public Participation were developed.

Inculcate a Culture of Constitutionalism

All MDAs were required to have targets in their annual performance contracts to ensure the inculcation of constitutionalism. There were various programmes that were carried out including the Kenya National Integrated Civic Education Programme (KNICE) was launched during the MTPI and carried into the MTPII period under review. The main objective of the programme was to ensure countrywide civic education especially on the Constitution and devolution. This included public education. Surveys were conducted under KNICE and the data collected was to be used as the baseline to determine the impact of the civic education carried out. Unfortunately, due to resource constraints, the programme only lasted until 2014. The Government, under the GJLOS sector is currently seeking funding to revive the programme but it is unlikely that the programme will be revived before the end of the MTPII.

(b) Leadership, Ethics and Integrity

The programme seeks to strengthen legislative, policy and institutional framework for ethics and integrity. The Ethics and Anti-Corruption Commission and the Office of the Attorney General and Department of Justice worked together to undertake a survey on compliance with financial declaration provisions of the Public Officers' Ethics Act. The Task Force on the Review of the Legal, Policy and Institutional Framework for Fighting Corruption in Kenya appointed by the Attorney General prepared elaborate proposed amendments to various Acts of Parliament, with a view to strengthening the legal regime for preventing and combating corruption in Kenya; a Draft National Ethics and Anti-Corruption Policy was developed The Ethics and Anti-Corruption (Amendment) Act No 12 of 2015 was passed.

The Ethics and Anti-Corruption Commission draws its mandate from Chapters 6 and 15 of the Constitution of Kenya 2010, and three Acts of Parliament namely the Ethics and Anti-Corruption Act (as amended by Act No.12 of 2015), Leadership and Integrity Act, 2012, and the Anti-Corruption and Economic Crimes Act.

In terms of Performance, EACC received 5, 660 reports in 2014/2014, compared to 4, 006 in 2013/2014 and 3,355 in 2012/2013. Of these cases, the relevance of cases within the EACC mandate has increased from 42.4% at the beginning of the review period to 48.5 %. Three hundred and thirty seven forensic investigations were carried out in several counties. The number of corruption and economic crimes cases investigated increased from 55 in 2012/2013 to 107 in 2014/2015. A total of 28 corruption networks were disrupted during the period under review.

To enhance awareness on corruption, integrity and ethical issues, several training sessions were carried out at various levels. Members of County Assemblies were trained on their oversight, representative and legislative roles in areas of good governance, transparency, accountability and the rule of law. IEC material was developed and distributed, to schools, tertiary institutions and public and private institutions. 15,900 people received IEC materials against a target of 15,000. 1,979 officers from both the public and private sector were trained on ethics and leadership. The number of students, teachers and non-academic staff trained increased from 21,426 to 58,445.

The National Anti-Corruption Campaign Steering Committee (NACCSC) was established and operationalized Anti-Corruption Civilian Oversight Committees (ACCOC) in 19 counties to implement the campaigns. Various Anti-corruption Public Service Announcements, documentaries with anti-corruption messages and messages through the social media were developed and disseminated. The ACCOCs were reconstituted in FY2014/2015. A total of 34 sensitization workshops were held for the public, partners and vulnerable groups, and 170 social audits conducted.

During the period under review, 3, 781 Integrity Assurance Officers were trained and Members of Corruption Prevention Committees within the public sector. In addition, 365 MDAs, 4 County Government, 145 MCAs and 405 County Staff were trained. This ensures mainstreaming of preventative measures against corruption. An advisory programme on corruption prevention was carried out in 14 counties.

The EACC has partnered with the performance contracting division to ensure that all government departments and other public entities implement measures in their operations to mainstream corruption eradiation, ethics and integrity.

The Office of the Attorney General and Department of Justice helped in the development of the draft National Ethics and Anti-Corruption Policy, made proposals for amendment to Public Officer's Ethics Act, reviewed and finalized implementation of the United Nations Convention Against Corruption (UNCAC) and carried out anti-corruption programmes in 10 counties; Kakamega, Bungoma, Busia, West Pokot, Garissa, Uasin Gishu, Elgeyo Marakwet and Baringo.

The Office of the Director of Public Prosecution (ODPP) developed the Corruption and Economic Crimes Prosecution Guidelines and implemented the Anti-Corruption and Economic Crimes (Amnesty Restitution) Mechanism. Prosecution of Anti-Corruption Cases falls under the Department of Economic, International and Emerging Crimes within the ODDP. The ODPP has a pilot programme for corruption cases, which is awaiting approval of funds from the National Treasury. The Kenya Integrity plan was developed in 2015.

Assets valued at more than KES 2.321 billion were recovered or restituted during the period under review. The Ethics and Anti-Corruption Act was amended in 2015 to strengthen the legal framework.

(c) National Cohesion and Integration

Sessional Paper 9 of 2013 on National Cohesion and Integration and Sessional Paper No. 8 of 2013 on National Values and Principles of Governance were finalized in 2014. In August 2015, Parliament adopted Sessional paper.................. on the National Policy on Peace Building and Conflict Management. The National Cohesion and Integration Commission (NCIC) also developed the draft-training manual on National Values and Principles of Governance in 2015. All Ministries, Departments and Agencies (MDAs) were facilitated to include the National Values and Principles in their performance contracts during the period under review.

Training was conducted for one hundred and eighty nine (189) Focal Point Persons from Ministries, Departments and Agencies (MDAs) and institutions on National values and Principles of Governance and 42 Counties by December 2014. 77 trainings on were conducted, 17 community exchange *for a* convened and 4 social contracts and peace agreements signed between communities, well within the targets set by mid-term.

402 complaints were registered out of which 28 were processed and forwarded to the ODPP for prosecution. A Cybercrime unit was established in 2013 to monitor social media. So far, 8 persons have been identified and prosecuted for breach of the provisions of the NCI Act. A total of 47 ethnic audits were conducted to foster accountability and ethnic inclusion.

The Directorate of National Cohesion and National Values also established a research, documentation and teleconferencing centre. An Annual Presidential Reporting Process was held during the period under review.

(d) Legal Aid and Awareness

Legal Aid and Legal Education

The main objective of the National Legal Aid and Awareness Legal Programme (NALEA LP) is to enhance access to justice for the poor, marginalized and vulnerable. This is done through facilitating the provision of legal advice, assistance and representation, creating legal awareness training and supporting paralegal work and promoting the use of Alternative Dispute Resolution (ADR) mechanisms. During the period under review, NALEAP undertook two baseline surveys; one the use of Alternative Dispute Resolution in Kenya and the other on access to justice by persons living with disabilities. They also carried out an evaluation of the six pilot projects of the NALEAP Programme for the period 2009 to 2012. These reports, informed the development of the draft National Legal Aid Policy was approved by Parliament and subsequent enactment of the Legal Aid Bill No 6 of 2016.

The Legal Aid Act No. 6 of 2016 creates the National Legal Aid Service. The Attorney General is in the process of appointing the Board and the regulations to implement the Act are in the process of development.

Pilot Programmes on legal aid and awareness including the Mombasa Capital Offences Legal Aid Programme, Nairobi Children's Court, High Court Family Division Legal Education and Awareness Programme, Nakuru Children Justice Project, Paralegals Advice Office and Moi University Law Clinic. To create awareness, NALEAP also works with other offices at national and county level including children offices, civil society and other government departments.

Through NALEAP, over 3,000 vulnerable members of society have received legal aid including 200 who were offered legal counselling and advice during the legal open days and legal aid clinics as well as through the six pilot programmes. They also trained staff on ADR, Management and Kenya Sign Language. NALEAP also established three Legal Resource Centres in Nairobi, Kisumu and Eldoret for lawyers, paralegals and students within the regions.

The programme facilitated and offered legal aid through legal advice, awareness and representation to over 3,500 vulnerable members of the society, developed and disseminated 1,000 IEC materials (500 on child rights, 250 on capital offences and 250 on alternative dispute resolutions). In the FY2014/2015, NALEAP trained 150 stakeholders in the justice sector (judicial and non-judicial) on mediation and conducted legal open days and clinics in collaboration with International Commission of Jurists-Kenya Section. The programme was carried out in Mathare in Nairobi, Shimo la Tewa main and female G.K prisons in Mombasa, Nyalenda-Kisumu, Nakuru/Naivasha and Eldoret/Iten. The Programme further offered legal aid through legal advice, provision of legal representation through *pro bono l*awyers to over 4,420 vulnerable persons.

Professionalize the Cooperation of Non-State Actors in the Provision of Legal Aid

The professionalization of cooperation of Non-State Actors is on course after the enactment of the Legal Aid Act No. 6, of 2016. The non-state actors will be represented on the Board. They have worked with the government under the NALEAP Programme to offer legal aid. The Programme will now focus on implementing the *pro bono* legal aid services to vulnerable groups. In the past, most of the non-state actors trained their own paralegal officers but NALEAP, in consultation with the Council for Legal Education is working on a curriculum to standardize the training. The initial consultations have been done and should continue once the implementing regulations are in place. This process is likely to be concluded before the end of the MTPII.

On the issue of remuneration of paralegals, not much progress has been made even after brief consultations with the Law Society of Kenya. The Law Society deals with remuneration of advocates and remuneration of the paralegals is seen to be a gray area. The code of conduct for paralegals will be developed once funds are available. NALEAP has requested for funding from the European Union to develop the code of conduct.

(e) Strengthening the Criminal Justice System

Strengthening of the criminal justice system requires independent institutions with a clear mandate as well as formal collaboration mechanisms amongst the relevant institutions such as the police service, the Office of the Director of Public Prosecution, the Judiciary, Correction services and the EACC among others.

Prosecution Services

The ODPP is fully operational and has professionalized all the prosecution services. During the Period under review, the ODPP had 933 Members of staff with 420 prosecutors. The DPP has so far gazetted 254 prosecutors from sixteen agencies to exercise delegated prosecutorial powers. The Office has taken over control of prosecutions from the police in all the 117 court stations in the country. Consequently, the overall conviction rate is steadily rising and currently stands at 89.4% up from 82% in the previous reporting period. The inter-agency approach has helped in strengthening the criminal justice system during the period under review.

Table 3.23: ODPP Staff Complement

CURRENT STAFFING LEVELS 2011/2012		2012/2013 2013/2014		2014/2015
Total No. of Staff	185	357	671	933
Growth		93%	88%	39%

Source: ODPP

The ODPP implemented the ODPP Act of 2013 which gives effect to Articles 157 and 158 of the Constitution of Kenya 2010 and also implemented the Strategic Plan 2011-2015. Appointment of SPP/DDPPs was done and Advisory Board is in place and executing its mandate. The services of the ODPP have been decentralized to all one hundred and seventeen court stations in the Country with presence in each of the 47 counties.

The following policy documents were developed; The Conduct and Ethics for Public Prosecutors, Corruption and Economic Crimes Prosecution Guidelines, General Prosecution Guidelines, Corruption and Economic Crimes Prosecution Guidelines and National Prosecution Policy. The ODPP contributed to development of the Victim Protection Act 2014 and participated in its implementation Board.

To foster collaborations with investigators from different agencies, liaison contact persons have been appointed in certain thematic areas, namely; terrorism, wildlife, human trafficking. Standards Operating Procedures (SOPs) were developed and several inter-agency trainings developed.

Correction Services (Prison and Probation Services)

An audit was carried out and the following two laws were developed and enacted; Transfer of sentenced Prisoners Act, 2015, Persons Deprived of liberty Act 2014.

Three laws were reviewed and amendments forwarded to the Parliament, namely the Kenya Prison Service Act Cap 90, Probation and After Care Act cap 64 and the Borstal Institution Act Cap 92. To reduce the congestion in prisons, the Community Service order No. 10 of 1998 and the Probations and After Care Act Cap 64 were reviewed and amendments proposed to facilitate alternatives to custodial sentences.

During the period under review, the number of prisons was increased from 103 to 120. The level of completion stands at 40%. To improve the welfare of the prison warders, 335 staff houses were constructed. The healthcare services for prisoners were improved with construction of 5 health facilities and 75 wards completed.

In order to enhance and diversify prisoners' rehabilitation programmes, a total of 18, 913 inmates were offered formal education, 36, 000 received vocational training, 4 902 were offered professional education and 16 rehabilitation programmes introduced. These programmes help in the effective reintegration of offenders once they are released from prison.

A girls' borstal institution has been established and the construction is 80% complete. This will strengthen correctional and rehabilitation of youthful female offenders.

Decongestion of prisons can also be done though alternative non-custodial sentences such as probation and community service. During the period under review, the number of probations orders issued by courts and supervised dropped from 10,403 in 2012/2013 to 10,285 in 2014/2015. There were special category cases supervised, support for needy school going probationers to continue with their formal education, vocational skills provided and empowerment of probationers.

The Probation Service has recently partnered with the Swedish Prisons and Probation Services and the National Prisons Service to offer training programmes to their staff. The programme started in July 2015 and is expected to run until June 2019. This will enhance the capacity of the probation staff and ultimately strengthen alternatives to custodial sentences.

Witness Protection Services

The Witness Protection Agency provides special protection, on behalf of the State to persons in possession of important information facing potential risk or intimidation due to their cooperation with prosecution and other law enforcement agencies. The Witness Protection Agency, The Judiciary and the International Commission of Jurists (Kenya) developed the Witness Protections Rules, 2015 that guide courts and interested parties in trials on judicial witness protection measures and procedures. The Rules were gazetted vide Legal Notice No. 225 of 2015 by the Hon. Chief Justice on 30th October 2015 and become operational on 30th November 2015. The Witness Protection (Amendment) Bill 2015 was approved by Cabinet and tabled in Parliament.

The number of persons admitted to the protection programme has increase from 18 to 90 during the period under review. It now takes 30 days to process applications. The satisfaction level has increased from 80 to 90%. It takes up to three months to reintegrate the witness into the society registering a success rate of 100%. The number of witnesses under the programme has gone up during the period under review. The programme provides the framework and procedures to provide special protection to such persons to ensure an effective and efficient administration of justice. The table below illustrates the growth in the last three years.

Table 3.24: Growth of Witness Protection Programme

CATEGORY	2012/13	2013/14	2014/2015	TOTAL
Applications received for witness protection	72	130	207	469
Applicants admitted into WPP	18	55	97	180
Total number of dependants	76	242	198	560
Applications closed - interventions made and advice given on the right authority to report the matter	54	72	107	253
Witnesses who were discharged	6	13	16	40
Witnesses harmed in the programme	0	0	0	0
Witnesses fallen out of the programme	2	1	6	9
Applicants who successfully testified	11	29	14	63

Source: State of the Judiciary and Administration of Justice 2014-2015

The inclusion of the Agency in the special Taskforce on children will improve the protection of child witnesses and victims of crime. This will be through development of appropriate policies and guidelines for the criminal justice players and enactment of legislation to protect Vulnerable Child Witnesses.

(f) Judicial Transformation

The Judiciary developed an Integrated Judiciary Transformation Framework (IJTF) to transform the Judiciary into an effective and independent custodian of justice through ensuring access to and expeditious delivery of justice to all. The National Council for Administration of Justice extended the Court User Committee program by constituting them in all court stations across the country and strengthening their capacity. The Judiciary has initiated and completed procurement of an Integrated Performance Management and Accountability System (IPMAS).

To ease the court processes, the Court of Appeal developed and gazetted new Practice Directions on Civil Appeals and Applications that were issued in March 19, 2015. Plans are underway to develop criminal appeal practice directions to clarify processes to litigants and advocates. A new system on cause lists was implemented in the 2014/2015 financial year, which has led to improved service delivery. The Magistrate

Courts have adopted the payment of traffic fines through the Mpesa Paybill System, introduced in December 2013. The system is not only convenient to the users but has also reduced the level of cash handling by court staff. The Magistrates and Kadhis Courts Registry Manual (MKCRM) was developed to simplify and standardize registry procedures and improve functional access to courts & court services across the country. The Judiciary is involved in continuous people-centred public engagement and Courts regularly collaborate with members of the public and stakeholders with a view to improving access at all levels. This includes the setting up of customer care desks and open days which have been held in stations such as Nairobi, Maralal, Marimanti, Marsabit and Kapenguria to name a few. Other *fora* include the Agricultural Shows of Kenya.

One key initiative is the launch of High Court Transformation Pilot Programme in Machakos on 3rd March, 2015, which is envisioned to spearhead transformative change in the High Court and consequently enhance access to justice.

Electoral and political dispute resolution rules have been established and a document that seeks to reduce conflicting rules on political party disputes developed. Other documents that have been developed include Rule of procedure, which has enhanced processes to facilitate efficient resolution of political disputes and The Compendium, a comprehensive handbook on the legal framework and analysis of decided cases. The Judiciary established systems for case management and automated them. Seventeen High Court stations, six magistrate courts and four offices are networked to enhance communication and interconnectivity. The Judiciary has developed and distributes IEC materials and has set up customer care desks at the courts to assist litigants.

A performance management and measurement steering committee was established. A draft report on performance measures and standards for courts, registries directorates and judicial staff was prepared by benchmarking with USA and Australia. A performance Appraisal System (PAS) framework was developed.

(g) Other Programmes and Projects

Other programmes and projects implemented during the period under review include the following:

i) Implementation of the Bill of Rights

The National Policy and Action Plan on Human Rights

The National Policy and Action Plan on Human Rights was implemented and is currently being reviewed. The Office of the Attorney General and the Department of Justice prepared a draft national policy on public participation, which is still being subjected to stakeholder review.

Human Rights Based Approach to Development

The Department of Justice is working with the office of the High Commissioner for Human Rights to raise awareness on development of common and appropriate human rights indicators to assess realization of human rights. Sessional Paper No. 3 of 2014 on the National Policy and Action Plan was tabled in Parliament for adoption and 200 public officers were sensitized on the National Policy and Action Plan on Human Rights disseminated to all public officers; a concept paper and a national implementation framework to guide the development of a Policy on Public participation was developed. 200 Public officers were trained on the Human Rights-Based Approach to programming and planning.

Human Rights Reporting Mechanism

The OAG& DJ prepared and submitted to the Committee the fifth periodic report on the International Convention on the Elimination of Racial Discrimination (ICRED) and presented the second Universal Periodic Report at the 21st Session of the Human Rights Council. The office reported on all core Human Rights Covenants. The 2nd to 5th State report on the International Convention on Economic, Social and Cultural Rights were submitted to the Committee on Economic, Social and Cultural Rights.

ii) Coordination of Sector Reforms

GJLOS- Policy and Results Framework

The GJLOS policy was approved by Parliament and is being implemented. Four baseline surveys were conducted during the period under review through the NCAJ. The GJLOS coordination office was strengthened. The Draft Public Engagement Policy was done and has been forwarded to the Cabinet for approval.

National Council on Administration of Justice

The National Council on the Administration of Justice (NCAJ) Secretariat started its operations. The comprehensive monitoring and evaluation and reporting framework has been developed and implemented. During the period under review, the NCAJ sent two of its officers, for further studies at Harvard University. In 2014/2015, the NCAJ held three council meetings. The NCAJ and the Council of Governors (COG) convened the first Conference on the Administration of Justice within the Context of Devolution.

The NCAJ facilitated the establishment of Court User Committees at County level and helped in the mobilization of resources for the purposes of efficient administration of justice. The OAG&DJ has contributed to the state of justice in the country through formulation and review of policies, development of bills towards reviews and enactment of different legislation and providing guidelines on implementation of the Constitution.

National Collaboration for Oversight and Accountability

Court User Committees were established at county levels. The roll out of county pilots of the GJLOS institutions for reform monitoring and coordination at county levels have all been done except one. The joint sector investment plan has been developed within the framework of the GJLOS second strategic plan. GJLOS collects information and data from the various institutions within the sector but us yet to develop a comprehensive monitoring, evaluation and reporting framework due to resource constraints.

iii) Political and Economic Governance

Electoral and Political Processes

The Office of the Attorney General and Department of Justice reviewed the Elections Act 2011 and the Political Parties Act 2011 and made recommendations for amendments to the same. This resulted in amendment of Section 34A (1) and 34A (3) of the Political Parties Act through the Statute Law (Miscellaneous) Amendment Act 2014. The Campaigning Finance Act No. 42 of 2013 was passed to provide for the regulation, management, expenditure and accountability of election campaign funds during election and referendum campaigns; and for connected purposes. The IEBC started the process of developing the Election Financing Campaigning regulations. The draft regulations have been prepared and are undergoing stakeholder consultation.

Economic Governance

The Anti-Corruption and Economic Crimes Regulations 2011, were implemented. The Proceeds of Crime and Anti Money Laundering Regulations of 2013 was passed to implement the Proceed of Crime and Anti Money Laundering Act of 2009.

iv) Judicial Transformation

The Judiciary has adopted innovative and strategic approaches to improve access to justice. These initiatives include: increase of judicial officers and staff; establishment of new court stations, sub-registries and mobile courts; initiatives to improve case clearance such as Justice@Last; reducing procedural and administrative barriers to justice; and people centred public engagements.

Construction of three courts has been completed in Mbita, Migwani and Githongo. The construction and rehabilitation of nine courts is on course and expected to be completed by September 2016. These include Engineer, Chuka, Kigumo, Molo, Nyamira, Nyando, Oyugis, Tamu and Vihiga courts. This is against the target of 19 Magistrates Courts and 10 refurbishments by the end of the second mid-term plan.

Thirty-three additional Mobile Courts were introduced which have also reduced distance travelled by litigants in far flung areas including but not limited to Lodwar, Mandera, Wajir & Garissa. The new mobile courts are at: Kisanana (Elama-Ravine), Baragoi (Maralal), Kasigau (Voi), Rumuruti (Nyahururu), Kiambere (Siakago), Nyatike (Migori), North Horr & Loiyangalani (Marsabit), Etago (Ogembo), Murua Dikirr

(Kilgoris), Kathangacini (Marimanti), Kuresoi (Molo), Sio Port (Busia), Ngobit (Nanyuki), Olo Kurto (Narok), Bura (Hola), Habasweini & Bute (Wajir), Elwak & Rhambu (Mandera), Borabu (Keroka), Migwani (Mwingi), Kikima (Tawa), Kendu Bay (Oyugis), Navakholo (Kakamega), Mikinduri (Tigania), Kabiyet (Kapsabet), Gaitu (Githongo), Garbatulla (Maua), Tot (Iten), Wamunyu (Machakos), Alale (Kapenguria) and Marafa (Malindi). The use of mobile courts in collaboration with the Traffic Department, NTSA and ODPP has led to faster disposal of traffic cases.

Three additional High Court Stations were established in Homa Bay, Kerugoya and Murang'a, with a total of 21 High Courts established during the 2013-2014 financial year. The target is to ensure that a high court is established in each county by the end of the second medium term plan. Two Court of Appeal Circuits established in Mombasa, and Nakuru and the Court of Appeal permanently sits in Kisumu, Malindi and Nyeri.

Access to justice demands speedy disposal of cases. During the period under review, the Judiciary finalized and launched Performance Measurement and Management Units (PMMUs) to enhance performance in all courts, registries and directorates including case clearance rate and backlog reduction. The Judiciary has an average case clearance rate of 76% and targets to have a case clearance rate of over 100%. The Judiciary's commitment to improve case clearance rates is yielding results. The Justice@Last Programme was launched in February 2015. The first phase saw the appointment of 15 High Court Judges at Malimani Courts and the second phase carried out in nine high courts in Mombasa, Kisumu Nyeri, Machakos, Eldoret, Kisii, Kakamega, Meru and Nakuru. A total of 48 163 cases were handled by the above-mentioned courts and 40, 953 resolved.

The total number of pending cases, which is a reflection of the workload of courts, stood at 612,309 cases at the end of the FY 2014/15 up from 519,107 cases at the end of the previous review period. The trend on pending cases is presented in Table 3.26.

Between the FY 2012/13 and 2013/14, there was a 22 per cent increase in pending cases as compared to 17 per cent increase between the FY 2013/14 to 2014/15. It is notable that though pending cases are increasing, the rate of increase is declining. Overall, 73 per cent of all pending cases are in Magistrate Courts, 25 per cent in High Court while the rest of the courts combined have 2 per cent.

To establish and encourage the use of Alternative Dispute Resolution (ADR) mechanisms as well as Alternative Justice Systems, NALEAP has a training programme that created a pool of 150 professional mediators including 37 community elders. NALEAP has also trained 30 judicial officers in ADR. They have carried out training on Alternative Dispute Resolution, which included 37 community elders from Meru, Mbeere, Embu, Isiolo, Nanyuki and Laikipia and created a pool of 150 professional mediators in Nairobi, Mombasa, Kisumu, Nakuru and Eldoret. NALEAP also trained *pro bono* lawyers in ADR.

v) Legal Education Programme

The National Legal Education and Training Policy was adopted and the Council for legal education was re-established in FY2012/2013 to promote legal education and training and ensure maintenance of high standards. The Council, fully accredited 1 Diploma in law programme and provisionally accredited 4 in Kenya; Fully accredited 6 LL.B programmes and provisionally accredited 7 programmes in legal education training institutions; Provisionally accredited 1 programme in LLM and PHD; During the period under review, several universities lost their accreditation for failure to meet the standards required to offer legal education.

The table above shows the status of accreditation as on May 10. 2016. Kisii University (Main Campus) is accredited to offer the Diploma in Law until 2 October 2016.

To further enhance the capacity to the CLE, sensitization of legal education providers on the onsite inspection for accreditation was carried out including a stakeholder conference to enhance collaboration. The Kenya School of Law Act No 12 of 2012 was also implemented. Clinical training was institutionalized through introduction of moot courts. The Advocates Training Programme (ATP) was introduced. The Kenya School of Law has undertaken various programmes and projects to institutionalize the reform agenda. This includes the implementation of the Report on the Task Force on the Legal Framework for Legal Education and training and the revised strategic plan.

vi) Victim of Offences Programme

The ODPP supports enhanced protection and facilitation of victims and witness through all the stages of the criminal sectors from reporting to conviction. The ODPP has an operation a specialized thematic division on Children, Witness and Victim Support. The Victims Protection Act was passed in 2014. NCAJ has a Children’s Special Working group that seeks to implement the Victims’ Protection Act, 2014 and the Protection against Domestic Violence Act, 2015.

vii) Democracy and Public Participation

Under GJLOS, a draft Public Engagement Policy was developed and will soon be forwarded to Cabinet for approval through the OAG&DJ.

viii) Parliament

With the increase in members of Parliament and introduction of the Senate, there was need to provide adequate accommodation to cater for the increased numbers of legislators as well as other parliamentary staff. Parliament in a bid to create a parliamentary square acquired several buildings including Red Cross Building, the Juvenile Courts and Protection House. They are in the process of acquiring the St

John’s and Scouts Building. They have not been able to acquire professional centre as the offer price from the owners is above market price. Both houses, Senate and Parliament have additional offices for the leadership (the Whips, Speakers and leaders of majority and minority). As of June, 2016, only 30 Members did not have offices within the Parliament Square and are forced to rent offices in other parts of the city. This should however be sorted out when the construction of the new building is completed by December 2017. Both Chambers have been refurbished and are fully functional. The Senate moved to the Old Chambers in 2013.

The Members of staff doubled to 900 to cater for the expanded National Assembly and the Senate. This was done based on the workload analysis that was carried out by a consultant prior to the 2013 elections. All members of staff have gone through induction and basic training. However, the issue of funding for training remains a challenge as limited funds are allocated in the budget for training. It is notable that the quality of report writing has improved. The Centre for Parliamentary Studies and Training, revised the curriculum in 2014 to include the interests of minority groups. Since 2013, all MPS, MCAs and staff at both National and County Assembly levels have been trained under the six thematic areas. The main courses include Public Finance Management; Hansard; Litigation and Procedure; the Role and Responsibilities of County Assembly Service Board, Role and Mandate of Committees, Public participation, Scrutiny and Oversight and Parliamentary Leadership. The training centre is in the process of purchasing more land for expansion and Parliament has put in a proposal to host the East Africa Parliamentary Institute at the centre. Parliament also seconded staff to the various country assemblies to help set up.

Parliament is in the process of implementing their ICT Strategy. The main achievements are installation and use of the electronic voting system in both Houses of Parliament, automation of procurement through the IFMIS system, Human resource and accounts processes. However, they are yet to implement the paperless system, which involves purchase of IPads for all Members of Parliament and Senators. The Hansard is still recorded and then manually transcribed. The catering system has yet to be automated.

(h) (b) Policy, Legal and Institutional Reforms

Policy Reforms

In order to guide decisions on implementation of programmes and projects within the sector, the following policy documents were developed during the period under review; National Cohesion and Integration Policy, GJLOS Sector Policy, National Ethics and Anti-Corruption Policy, National Policy and Action Plan for Human Rights, National Legal Education and Training Policy, Prosecution Policy, Victim of Offences Policy, Sentencing and Bail Policy and the Plea Bargaining Policy. The policy on Urban Development was also finalized.

Legal Reforms

The sector undertook various legal reforms that led to the development, review and implementation of laws relating to the reform in governance, access to justice and rule of law. This led development of the following laws; Victims Protection Act No. 17 of 2014, Legal Aid Act No 6 of 2016, Small Claims Court Act No. 2 of 2016 and Transfer of Prisoners Act No 22 of 2015. Pending Bills include the National Cohesion and Integration Amendment Bill 2016, Prisons Service (Amendment) Bill 2015 and the Borstal Institutions (Amendment) Bill 2015. The Kenya Communications Act was amended in 2013. In 2015, a task force was appointed to work on amending the regulations.

To ensure quality and consistency in delivery of legal services, the sector, through the Council of legal education accredits Universities offering legal education. It ensures that the standards are maintained and will not accredit any institution that fails to meet the standards as we the case with Moi University School of Law. Since the CLE was re-established, it has developed guiding standards and instituted reforms in the legal education sector.

Institutional Reforms

i) Prosecution Services

The office of the ODPP is fully operational and has professionalized all the prosecution services. During the Period under review, the ODPP had 933 Members of staff with 420 prosecutors. The ODPP implemented the ODPP Act of 2013which gives effect to Articles 157 and 158 of the Constitution of Kenya 2010 and also implemented the Strategic Plan 2011-2015. Appointment of SPP/DDPPs was done and Advisory Board is in place and executing its mandate. The services of the ODPP have been decentralized to all one hundred and seventeen court stations in the Country with presence in each of the 47 counties.

This is a repetition of statements and a graph on ODPP

ii) Office of the Attorney General and Department of Justice Reforms

Under the OA&DJ reforms, there were several strategies that were implemented. The Nairobi Centre for International Arbitration (NCIA) was established in 2013 by an Act of Parliament, the Nairobi, Centre for International Arbitration Act No 26 of 2013 to promote international commercial arbitration and other ADR mechanisms. The Arbitration Rules were passed in 2015. The centre is in the process of customizing their offices to ensure that they have a fully customized office by October 2016. The centre also handles court mandated Mediation and Arbitration and offers the facilities for mediation and arbitration. NCIC will be hosting its inaugural conference from 4-6 December 2016 in Nairobi. This will create awareness and increase the visibility of the centre.

The Civil litigation department has decentralized its services to the county levels. The OA&DJ has established the Business Services Registration Board and all their services are available online except Marriages. This is due to the problem of verification of information online for people intending to get married so the services are still offered from the various marriage registries in the country.

The Asset Recovery Agency was established by an act of parliament in 2009 but only came into operation in 2014 when the Attorney General appointed an Acting Director and staff from his office. The Treaty Registry was not established as there was an issue as to where it should be domiciled. It was moved to the Ministry of Foreign Affairs, then back to the OAG&DJ and then moved back to Foreign Affairs.

iii) Correctional Service Reforms

Three laws were reviewed and amendments forwarded to the Parliament, namely the Kenya Prison Service Act Cap 90, Probation and After Care Act Cap 64 and the Borstal Institution Act Cap 92. The amendments under Cap 90 and Cap 64 incorporate modern offender management schemes and provide options for non-custodial sentences. The training curriculum was reviewed and prisons now offers professional, vocational and the 8-4-4 education system to the inmates as well as those serving non-custodial sentences.

Rehabilitation of offenders into the community can be quite difficult especially due to various social issues including the nature of the crime that one had committed. The Probation Service, in collaboration with the Prisons Service and Philemon Trust has some facilities that are used as halfway houses for released offenders before they are re-integrated into community. In 2016, the Probation Services submitted a proposal to collaborate with the Swedish Prisons and Probation Services to set up the halfway houses and community reception centres, which should be done before the end of the MTPII. In the meantime, as there are more prisoners likely to be release under Power of Mercy, there are certain facilities where halfway houses are set up. Examples are the hostel at Makadara and the Siaya Girls Hostel. The Probation Services established more wings in different institutions to cater for the prisoners released under the power of mercy. The table 3.28 gives an indication of the ongoing projects.

Offender assessment tools were developed to help in assessment of the level of risk and classification of offenders for purposes of rehabilitation. Rehabilitation modules are tailored to suit the different offenders. An offenders' record management system has been developed to ensure that reporting by probation services is standardized and this also reduces cases of bias by the probation offices in different cases and aids in the generation of reports that can be accessed from different stations.

To ensure the implementation of curriculum for prisons, probation and aftercare services, the Probation Service, and the Prisons Services have embarked on a training of trainers programme that has been in place since July 2015. The programme is expected to run until June 2019 and is done in collaboration with the Swedish Prisons and Probation Services.

The Electronic Surveillance system for prolific offenders will soon be implemented. The Probation Service prepared a concept note that was subsequently forwarded the Minister. A meeting was to be held in July inviting various service providers to demonstrate how the system would work and what can be adopted in Kenya given the existing communication system and other environmental factors. The system should be in place before the end of the MTPII.

Table 3.25: Progress on Construction and Rehabilitation of Courts

PROJECT	LOCATION	EXPECTED COMPLETION DATE	CONTRACT COMPLETION DATE	COMPLETION STAGE		
				2012/13	2013/14	2014/15
Migori court	Migori	02.09.13	07.10.13	80% Complete	95% complete	Completed
Naivasha court	Naivasha	complete	Complete	Phase I complete	complete	Complete
Narok court	Narok	-	-	Phase I complete	Phase I complete	Phase II tendering process begun
Busia court	Busia	-	Complete	90% complete	complete	complete
Prefabricated courts	Bomet	15.07.15	4.10.13	Tendering complete	75% complete	75% complete
Prefabricated courts	Othaya	18.04.14	31.10.13	Tendering complete	70% complete	80% complete
	Marimanti	18.04.14	1.11.13	Tendering complete	50% complete	60% complete
	Wanguru	18.04.14	4.11.13	Tendering complete	40%	60% complete
Prefabricated courts	Garsen	25.09.13	15.11.13	Tendering complete	35%	65%
	Tawa	26.09.13	22.12.13	Tendering complete	65%	70%
	Runyenjes	13.11.13	30.11.13	Tendering complete	15%	55%
Rehabilitated Court	Kangema	30.06.15	-	-	-	100%
Rehabilitated Court	Kitui	25.11.14	-	-	-	100%
Rehabilitated Court	Engineer	31.12.15	-	-	-	10%
Rehabilitated Court	Chuka	31.12.15	-	-	-	23%
Rehabilitated Court	Kiambu	25.11.14	-	-	-	95%
Refurbishment of Court	Kwale	25.05.15	-	-	-	75%
Refurbishment of Court	Limuru	6.02.15	-	-	-	100%

PROJECT	LOCATION	EXPECTED COMPLETION DATE	CONTRACT COMPLETION DATE	COMPLETION STAGE		
				2012/13	2013/14	2014/15
Refurbishment of Court	Maseno	30.06.15	-	-	-	50%
Refurbishment of Court	Tigania	4.01.15	-	-	-	85%
Refurbishment of Court	Wajir	30.05.15	-	-	-	100%
Construction of Court	Embu	15.09.16	-	-	-	25%
Refurbishment of Court	Busia	12.02.15	-	-	-	60%
Construction of Court	Nakuru	24.04.15	-	-	-	75%
Construction of Court	Nakuru	24.04.15	-	-	-	75%
Construction of Court	Kitale	30.11.15	-	-	Phase 1-85%	Phase 2-25%
Construction of Court	Nkubu	30.06.16	-	-	-	10%
Construction of Court	Hamisi	03.11.15	-	-	-	75%
Construction of Court	Siaya	30.06.16	-	-	-	0
Construction of Court	Iten	30.06.16	-	-	-	-
Refurbishment of Court	Meru	30.06.16	-	-	-	90%
Refurbishment of Court	Kerugoya	30.06.16	-	-	-	80%
Refurbishment of Court	Kisii	30.06.15	-	-	-	85%
Construction of Court	Butali	09.03.16	-	-	-	40%
Construction of Court	Mpeketoni	30.10.15	-	-	-	50%
Construction of Court	Mandera	15.11.16	-	-	-	40%
Construction of Court	Port Victoria	15.02.16	-	-	-	55%
Construction of Court	Eldama-Ravine	03.03.16				40%
Construction of Court	Eldoret	30.06.16			Phase 1 -100%	Phase 2-25%
Construction of Court	Kigumo	30.06.16				20%
On-going constructions	Lodwar	stalled				stalled
On-going constructions	Kisumu	Completed				100%
Refurbishment of Court	Homa Bay	30.06.15				100%

Source: State of the Judiciary and Administration of Justice 2014-2015

Table 3.26: Trend Analysis of Pending Cases by court and broad Type Case

	2012/13 2013/14						2014/15		
COURT TYPE	**CRIMINAL**	**CIVIL**	**OVERALL**	**CRIMINAL**	**CIVIL**	**OVERALL**	**CRIMINAL**	**CIVIL**	**OVERALL**
Supreme Court	-	6	**6**	-	46	**46**	0	60	**60**
Court of Appeal	2,514	1,815	**4,329**	506	2,186	**2,692**	641	1926	**2,567**
High Court[2]	13,666	131,93	**145,59**	15,144	149,52	**164,66**	19783	13532	**155,10**
ELRC	-	4,234	**4,234**	-	5,537	**5,537**	0	8,121	**8,121**
Magistrate	77,976	196,67	**274,64**	139,545	209,79	**349,32**	203242	24038	**443622**
Kadhi Court	-	1,940	**1,940**	-	2,376	**2,376**	0	2,834	**2,834**
All Courts	**94,156**	**336,598**	**430,754**	**155,195**	**369,469**	**519,107**	**223665**	**388644**	**612309**

Source: State of the Judiciary and Administration of Justice 2014-2015

Table 3.27: Status of Accreditation of Universities Offering LLB Degrees

NAME OF INSTITUTION	STATUS
Riara University School of Law (Main Campus)	Licence valid until 05.07.2016
Kisii University School of Law (Main Campus)	License valid until 02.10.2016
Africa Nazarene University School of Law (Main Campus)	License valid until 29.05.2019
University of Nairobi School of Law (Parklands Campus)	License valid until 07.08.2019
University of Nairobi School of Law (Mombasa Campus)	License valid until 19.02.2021
Kabarak University School of Law (Main Campus)	License valid until 08.09.2020
Egerton University School of Law (Nakuru Town Campus)	License valid until 12.02.2021
Strathmore University School of Law (Main Campus)	Applied for renewal of License on 19.10.2015
Kenyatta University School of Law (Parklands Campus)	Applied for renewal of License on 29.02.2016

Source: Council for Legal Education

Table 3.28: Progress on Construction of Probation Centres

No.	PROJECT	LOCATION	PROGRESS
1.	Construction of Siaya probation Girls hostel	Siaya county	On -going
2.	Construction of Msambweni Probation office	Kwale County	On -going
3.	Construction of Murang'a East Probation office	Murang'a County	On -going
4.	Construction of Makueni Probation office	Makueni County	On -going
5.	Construction of Turkana West Probation Office (kakuma)	Turkana County	On -going
6.	Construction of Nyeri central Probation office	Nyeri County	On -going
7.	Construction of Kisauni probation office	Mombasa County	On -going
8.	Kapsabet (Nandi) probation office	Nandi County	On -going
9.	Construction of Nyandarua South (Engineer) Probation office	Nyandarua County	On -going

Source: Probation Services

i) Policing Services

The National Police Service (NPS) was established under the National Police Service Act of 2011 and the National Service Commission Act of 2011. Priority has been given to implementation of Constitutional reforms as spelt out in Article 243 to 247 of the Constitution. The implementation of the Ransley Committee Report on Police reforms is underway with the following achievements already realised:

- Accommodation: 2,237 houses were constructed/acquired and 1573 leased
- Salaries and Benefits: 83, 165 police officers are covered under group life insurance
- Transport: 1,200 motor vehicles were acquired and 360 leased and 120 motorcycles acquired and deployed.
- Equipment: The Government installed an Integrated Communication Command and Control Centre with surveillance and monitoring CCTV Cameras as well as synchronized emergency call lines (999, 112) from across the country. This has reduced crime in Nairobi and Mombasa.
- All the police officers were kitted and 1,500 CCTV Cameras installed in Nairobi and 300 in Mombasa. This has increased the surveillance in Nairobi, Mombasa and their environs.
- Forensic laboratory: as of April 2016, the forensic laboratory was 75% complete
- To enhance protection of officers serving in operational areas, the Police Service has procured armoured personnel cameras and contracts issued to overhauls the troop carrier helicopters. This will improve deployment of police officers in troubled areas.

The Private Securities Regulation Act No.13 of 2016 was enacted and the National Coroner's Bill 2015 is awaiting Cabinet and Parliament approval.

ii) National Council on the Administration of Justice

NCAJ is constituted by high-level members, with the authority and power to make decisions relating to the administration of justice. NCAJ is the statutory organ mandated to oversee and promote sector-wide partnership through regular Council meetings; issue based special working committees and the implementation of the recommendations of Court Users Committees (CUCs). The NCAJ formulates policies relating to administration of justice across the sector. It has a technical committee. Whose work is to generate work for the council through development of policies, strategic issues among other issues affecting Administration Justice. There are various Special Committees and Special Working Groups namely Land, Children, Traffic, Illicit trade, SGBV, CUCS, Resource Mobilization.

iii) National Collaboration for Oversight and Accountability

GJLOs provides a forum to ensure the mainstreaming of cross-cutting sector reform ethics and integrity and provide a forum for engagement with wider public sector reforms.

Implementation Challenges

The main challenges to implementation of the activities under governance and rule of law are limited resources including capacity and financial resources that lead to under-achievement of targets set within the MTPII. This is exacerbated by delayed release of resources, slow implementation of the legal and policy framework and limited public participation in the policy, legislative and planning as well as budget process, slow pace in the decentralization of functions, limited civic awareness on the Constitution, lack of values.

Other challenges include limited knowledge of the functions of both national and county governments, perceptions that people have about these institutions weak inter-agency cooperation as well as cross agency collaboration, inadequate housing for the disciplined forces, weak data management systems, blatant disregard of court orders, radicalization of citizens, polarity of national borders and the increased risks of terrorist attacks.

Development and harmonization of key policies is hampered by lengthy and complex processes which in turn delays the development and enactment of key legislation necessary for the implementation of the Constitution and access to justice for Kenyans. It is notable that by the time the term of the CIC came to an end in December 2015, there were at least 28 Bills pending which were yet to be reviewed by the Commission. The TA also wound up before it had completed its task.

Use of archaic and outdated systems poses a major challenge. Automation and digitization of services has taken longer due to financial constraints and long drawn procurement processes.

Fragmentation and lack of coordination between the institutions in the sector causes under-utilization of resources and creates a risk of overlapping roles as is the case with civic education and inculcating the culture of constitutionalism.

It is important to note that the sector is not well funded and some areas are not prioritized as they are not part of the flagship projects under Vision 2030. The development budget has been greatly decreased hampering the progress on implementation of the strategies under the Political Pillar.

Conclusions

During the period under review, there were flagship programmes that were completed and these include enhanced prosecution services where the ODPP is fully operational with offices in all 117 court stations. Most of the targets in the sector have been achieved. There are several challenges as noted in the previous section. Lack of or limited resources have delayed some of the progress especially in the implementation of the Constitution. It is possible to develop and pass the necessary laws to enact the Constitution although having the deadline for passing these laws also helped. There were some capacity constraints that led to some of the laws not being passed before the deadline.

Recommendations

The setting of targets for the MTPs should be done in full consultation with the relevant government Ministries and Agencies so that they can be able to monitor and evaluate the progress made and ensure that all targets are met. Where the MDAs are well resourced, they are able to meet their targets. For the NCIC to function properly, they will require additional funds, training of staff and more office space. There is need for increased public awareness, partnerships and stakeholder engagement as well as faster decentralization of services.

There are several areas that need to be prioritized such as the Correctional services and attendant reforms, capacity building and more support from the Government to ensure that the targets are achieved. The Political Pillar is very important in the achievement of Vision 2030 as it lays the foundation for the other pillars to be effectively implemented. It is important to identify high impact flagship programmes within the sector.

3.7 National Integrated Monitoring and Evaluation Systems

Monitoring and Evaluation (M&E) is recognised in the Constitution of Kenya (COK) as an integral part of ensuring transparency, integrity, access to information and accountability principles are embraced in resource allocation and management at national and devolved levels of government. A robust M&E system is considered essential for the effective and efficient implementation of the MTP II, County Integrated Development Plans (CIDPs), MDAs strategic plans and SDGs.

National Integrated Monitoring and Evaluation System (NIMES) was established in 2004 to provide the government with a reliable mechanism and framework for measuring and reporting on progress in the implementation of policies, programmes and projects. In the MTP II, all government agencies and county governments were expected to establish M&E units with specific budgets; employ qualified M&E officers; and acquire appropriate M&E equipment for the effective implementation of NIMES. Capacity building is expected to be carried out throughout the period at national and county levels. A draft M&E Policy and Bill were prepared during the MTP I period with the aim of supporting further implementation of NIMES; establishment of structures at national and county levels; and definition of M&E functions.

3.7.1 **Achievements During MTP II**

The Second Handbook of National Reporting Indicators for the MTP II was prepared by the Monitoring and Evaluation Directorate (MED) of the MODP. This Handbook contains outcome and output indicators and targets for the five years; flagship projects' monitoring with a list of all flagship projects and expected progress over the five years; and monitoring frameworks for county, gender and human rights.

Ministries produced the Ministerial Annual Monitoring and Evaluation Reports (MAMERs) for the 2013/14 and 2014/15 financial years which were very useful in providing information for this exercise. MED produced the Annual Progress Report (APR) for the year 2013/14 that also proved critical; and the Comprehensive Public Expenditure Review (CPER) Report including its popular version; and NIMES Communication Strategy.

The Vision Delivery Secretariat (VDS) produced the Progress Report on Flagship programmes and projects (2016) which was an invaluable source of information on the progress of flagship programmes and projects.

The Kenya Bureau of Statistics produced the Kenya Demographic and Health Survey (KDHS, 2014) and Economic Survey (ES) for each year: 2013, 2014, and 2015; whereas, the Communications Authority of Kenya produced and maintained up to date quarterly reports on ICT indicators on its website (up to 1st quarter of 2016) which was impressive. The current KDHS has significantly improved compared to the last one produced in (2009) as the former has data disaggregated to county level. These documents provided the key source of outcome indicators; but, some of the MDAs also provided useful online information on the progress of programmes and projects under them, although some of these were out of date.

Other achievements during the period include: the review of NIMES in line with the Constitution of Kenya 2010; development of County Integrated Monitoring and Evaluation System (CIMES) to provide guidance to county governments in M&E; and the development of county specific Indicator Handbooks for all counties. Indeed, County M&E committees have been established in some counties (e.g. Homabay, Kilifi and Nairobi). In addition, MED in collaboration with the Commission for Higher Education (CHE) and a number of local universities developed a generic curriculum for M&E training at Master degree level and built the capacity of lecturers in those Universities on M&E training. Hence, this has generated the requisite human resource capacities required for the government and the country as a whole.

During the review period, MED also developed a National M&E Capacity Building Strategy and Plan to support systematic development of M&E capacity within the ranks of the Government of Kenya. The directorate also trained its own M&E officers and those from partners and devolved units as well as a number of officers to serve as M&E TOTs.

On the implementation of ICT systems to support M&E, an e-NIMES Dashboard is currently being developed and data uploaded on systems such as e-ProMIS. The government also holds the Annual National M&E Week every 45th week of the year. M&E indicators were also reviewed in terms of usage in order to highlight areas of weakness such as lack of baselines and targets.

3.7.2 Adequacy and Relevance of Indicators in the National Handbook of Reporting

Indicators

The successful implementation of the *Kenya Vision 2030* and MTPs require an efficient and effective national monitoring, evaluation and reporting system (MES). The purpose of the indicators is to facilitate tracking of the progress of implementation of the Second Medium Term Plan 2013-2017 and reporting on the performance of the programmes and projects. In this regard, the adequacy and relevance of the indicators is critical. The indicators are fairly comprehensive in terms of coverage and representation of the expected outputs and outcomes of the MTP II that needed to be tracked. These indicators substantially conform to best practice. However, there are areas that need improvement as discussed below:

i) The number of outcome indicators has increased from less than 20 for the monitoring of the Economic Recovery Strategy (ERS) to 77 for the MTP II. The more the indicators, the more comprehensive the monitoring system is in tracking progress; but, the less focused and more difficult to communicate development results (audiences have a problem comprehending too much detail). To deal with this issue, it is recommended that the outcome indicators be divided into levels: that is, national and sectoral to increase focus and yet report on critical sectoral indicators more comprehensively. This means that at the highest level of the National Dashboard will be national indicators. Drilling down would thus reveal the sectoral indicators and so on;

ii) Additional indicators are necessary to track critical areas of the national economy, for example, for tracking the performance of our ports and transit corridors (in terms of efficiency) which are critical for Kenya's but also the neighbouring countries' economies;

iii) Some indicators are inappropriate for measuring progress such as the examples provided in the table below;

iv) Some indicators do not have targets for the five years just like some flagship programmes and projects. While coming up with targets has some practical difficulties, it is essential that as far as possible, targets are included to help measure progress;

v) There is need to review the number of flagships to make them fewer. For instance, every single planned truck road, and every electricity transmission line is listed as a flagship, thereby making them too many. A good example is the LAPSSET and the Konza Techno City, which have a number of interrelated deliverables but still appear as independent flagship projects. Thus, a reduction in the flagships would make them more meaningful and easier to visualise;

vi) Considering that the number of indicators will always be many at national, county and sector levels, and since cost, timeliness and reliability of information is an issue, there is need to introduce the key performance indicators (KPIs) concept. This will allow the management of MTP implementing agencies and institutions to give priority to the KPIs for the purposes of day-to-day decision making of the organisation; and

vii) Related to KPIs is the need to introduce the "Dashboard Monitoring System" of tracking performance of MTP II implementation. This is a quick and effective way to review performance at a glance. It is a simple visual representation tool, which uses a colour band ranging from red for poor performance to green for excellent performance to identify accomplishment of various indicators grouped into broad sections. The tool is widely used in the corporate world, World Bank funded projects and programmes here in Kenya as well as in the public sector in countries like South Africa, Malaysia, and Singapore. The good news is that MED is already in the process of introducing this system in Kenya. We were reliably informed that the consultant is already on board to help design the system.

Specific examples are provided in table 3.29 herebelow.

3.7.3 Reporting Against Indicators, Flagship, and Other Programmes and Projects

Reports from the ministries, MED, and VDS provided substantial material to measure progress during the review period. However, none of the sources could provide a single source of the truth on progress. Significant amount of work and consultations were needed to develop the whole picture. There is need to think about establishing a single source of comprehensive truth on progress on the achievement of the Kenya Vision 2030.

A key weakness in the reporting was a lack of following of the structure of the MTP II, and providing information required as per the plan. Only a few ministries did these and it made work much easier.

The MTP II also had its shortcomings. There were inconsistencies between what was provided in the MTP II itself, the Sector Plans and the Handbook of Indicators. For example, for the Port of Mombasa, "dredging of the port" is provided as the only flagship project in the Handbook of Indicators while this particular project was completed during the MTP II. There were also duplications with similar initiatives appearing in two different parts of the MTP II, for example, initiatives to do with the youth and sports appearing in Foundations under "Labour and Employment" and in Social Pillar under "Youth and Sports".

3.7.4 Institutional Arrangements for Monitoring Reporting

Currently, there are a number of institutions involved in monitoring progress on Kenya Vision 2030. These include the MED and VDS under the Ministry of Devolution and Planning; and the Presidential Delivery Unit under the Office of the President. There are also organisations that stand to benefit from the information in the performance of their mandates including the National Treasury, and the Director of Budget. Line Ministries and agencies also monitor the progress in the implementation of the projects. To improve effectiveness and efficiency in monitoring and dissemination of information, it may be desirable to review the institutional setup to reduce duplication of effort, and establish complimentary and coordinated framework of M&E responsibilities to ensure coherent availability of credible and reliable information on progress of achieving the Vision to stakeholders.

Table 3.29: Issues with Indicators, Targets, and Flagship Projects

<table>
<tr><th>No.</th><th></th><th></th><th>COMMENT</th></tr>
<tr><td colspan="4">Some indicators that are no longer appropriate</td></tr>
<tr><td>1.</td><td>Improved Telecommunications Infrastructure</td><td>Cost per MB (Kshs)</td><td>The high cost of data communication was a major factor in data communication and telecommunications in general during MTP 1. However, this cost has come down dramatically from a baseline of Ksh500 per MB to as low as below Ksh0.10 and is no longer a critical factor. Access is more critical and is determined more by network coverage and quality.</td></tr>
<tr><td>2.</td><td>Improved Quality of Rail Transport</td><td>Standard gauge rail line constructed (km)</td><td>This is an output and not an outcome indicator. It will also become irrelevant in the Third MTP when the SGR is expected to be in place from Mombasa to Malaba. Indicators on the effective and economic use of the railway line in transporting cargo and passengers are more appropriate here.</td></tr>
<tr><td>3.</td><td>Access to Justice</td><td>Pending cases (No.)</td><td>Pending cases are not a good measure of access to justice. The number of pending cases may actually be as a result of a larger proportion of the population seeking justice. A better measure may be the average time it takes to dispense off a case.</td></tr>
<tr><td colspan="4">Additional indicators needed</td></tr>
<tr><td rowspan="2">4.</td><td rowspan="2">Improved Port efficiency</td><td>Ship turnaround time (hr)</td><td rowspan="3">The efficiency of Kenyan sea ports and the transit corridors are critical to the growth and competitiveness of Kenya's and neighbouring countries' economies. The performance of both need to be watched closely as a matter of national importance.</td></tr>
<tr><td>Container dwell time (hr)</td></tr>
<tr><td>5.</td><td>Improved Transit corridor efficiency</td><td>Transit time (days)</td></tr>
</table>

No.			COMMENT
6.	Need indicators for Devolution and Governance and the Rule of Law	These do not exist	Unless these exist, it is difficult to measure progress and hold duty bearers to account. Effort should be made to ensure these are included in the 3rd MTP.
Issues with targets			
7.	Unrealistic Targets	E.g. 100% access to TV by 2017	This is not possible as the TV coverage was only 60% by 2015 and is unlikely to be 100% by 2017. At the same time, households with TV are only at 32%. It is important to review the targets so they are realistic.
8.	Missing Targets	These are found throughout the Indicators Handbook for both outcomes and flagship projects.	It is essential that performance is measured against set targets. While there are practical difficulties in setting targets, it is desirable that for the Third MTP this area is significantly improved.
9.	Targets that don't change	e.g. No. 17 "Time taken to settle reported industrial disputes"	The target for this indicator remains at 3 months throughout the period. This is inconsistent with a goal which must indicate continuous improvement. If this is not the case, then the goal itself for which the target is set is not useful.
Issues with flagship projects			
10.	Flagship projects in the Indicators Handbook that don't exist on the ground	E.g. Dredging of the Port of Mombasa	This Project was completed in MTP1 and was not included in MTP2.
11.	Too many flagships	e.g. Every trunk road is a flagship	LAPSSET or Konza City is a good example of a flagship project. They combine a number of different initiatives to deliver a strategic and complex set of interrelated functionality. When there are too may flagships, they are difficult to remember and they fade in importance or relevance.
12.	Flagships in the 2nd MTP but not in the Indicators Handbook	A number of these exist	Effort should be made to reduce this shortcoming.
13.	Inconsistencies between the 2nd MTP flagships and those in the Sector Plans and Indicator Handbook	A number of these exist	Effort should be made to reduce this short coming.

Source: Stakeholders Views

Challenges

Some of the noted challenges include the following:

i) ***Challenges related to devolution:*** The Ministry in charge of the Planning function no longer has a direct footprint in the counties, a role played effectively by DDOs before devolution[8]. This has resulted in a gap in M&E information available. The counties do not have the requisite capacity for M&E; and there are issues of whether they should report to a national government Ministry;

ii) Lack of legal and institutional framework that makes it difficult to institutionalise M&E at both national and county levels. The current institutional setup for M&E in Government is disjointed and uncoordinated. Thus, the draft M&E policy and bill have taken long to be concluded;

iii) Lack of incentives for institutions to engage in Monitoring and Evaluation;

iv) Lack of punitive measures/sanctions to facilitate Monitoring and Evaluation e.g. disbursement of funds;

v) Lack of linkages with other processes such as performance contracting, budgeting, etc.;

vi) Inadequate qualified human resources for M&E. Many of the officers deployed to do M&E are not M&E experts and M&E is not their core responsibility;

vii) Inadequate allocation of resources for Monitoring and Evaluation; and

viii) The process of preparing MTP II was not directly linked to the process of preparing the Handbook which resulted in inconsistencies between the two documents.

Conclusion

The NIMES is a fairly adequate framework for reporting and it can be said that the country has the requisite capacity in monitoring and reporting both at outcome level and also for programmes and projects. Whereas some good overall progress has been made, there are some areas that require improvements in the planning for and during the third MTP. Those areas include, the need to get the counties fully involved in M&E within their own areas and also reporting for national consolidation; further improvements in the structure, number and quality of indicators and targets as well as in flagship programmes and projects. Other areas include further improvement in reporting; planning documents including the MTP itself, the handbook of indicators and sector plans as well as the overall institutional framework for monitoring and reporting.

Recommendations and proposed interventions going forward

The following are the notable recommendations and proposed interventions going forward:

8 This is expected to be addressed through the M&E Policy and M&E Act which are preparation.

i) Expedite the finalisation and adoption of the National Monitoring M&E Policy and Bill;

ii) Lobby for the establishment of M&E Units at the Ministerial and County Levels. This would involve lobbying the National Treasury (for ministerial level) and the Council of Governors (for the County level);

iii) Review the institutional framework for monitoring and reporting to improve on efficiency, reduce duplication and establish a single source of truth on progress on the achievement of the Vision;

iv) Institutionalise a deliberate and formal process of integrating Monitoring and Evaluation in the budgeting and performance contracting processes;

v) Roll out County Integrated Monitoring and Evaluation Systems (CIMES) and establish County Integrated M&E Committees in all the 47 Counties. Fully resolve the issue of county M&E reporting as early as possible so the necessary structures, human resources capacities and capabilities can be built for effective monitoring and evaluation of county policies, programmes and projects;

vi) Scale up capacity building on Monitoring and Evaluation at the County and National Level and Institutionalise incentives for Monitoring and Evaluation;

vii) There is need to introduce the Key Performance Indicators;

viii) Further improve indicators in terms of structure, number and quality. This includes restructuring the outcome indicators into national and sectoral;

ix) There is need to review and structure the flagship projects so that they are fewer and more meaningful;

x) Further improve the quality and consistency of the 3rd MTP planning documents including the MTP itself, handbook of indicators and sector plans. In particular, there is need to develop the MTP and the Indicator Handbook concurrently using the same actors; and

xi) Further improve reporting and in particular having MDAs report against the headings and the specific programmes and projects in the MTP.

3.8 Mainstreaming of MDGs and Gender issues in the MTP II

The MTPII has reasonably mainstreamed the MDGs, gender and issues of the disadvantaged members of the society under the various sectors of the three pillars and especially under the social pillar. However there still is room for reinforcement of ongoing interventions. The National Social Safety Net programme (NSNP) whose objective is to improve the well-being of and increase resilience among specific vulnerable groups in Kenya is one of the major government initiatives to help meet the MDGs. The programme targets the vulnerable groups who are faced with multiple challenges in their daily life such as poverty and various forms of deprivation. The NSNP comprises of four cash transfer programmes namely: Hunger Safety Net Programme Cash Transfers (HSNP-CT); Orphans and Vulnerable Children (OVC-CT), Older Persons (OP-CT) and Persons with Severe Disability (PWSD-CT). Data available shows that the GoK's budgetary allocation for social protection has increased over the review period. For example, the budget allocation for the elderly increased from Kshs 3.2 billion in 2013/14 to Kshs 5.1 billion in 2014/15, a 59.4 per cent increase (KNBS, 2015). In addition, direct cash disbursement to the elderly increased substantially from KSh 2.9 billion in 2013/14 to KSh 4.9 billion in 2014/15 whilst the direct cash disbursement to Orphans and Vulnerable Children (OVC) increased from Kshs 4.55 billion in 2013/14 to KSh 5.8 billion in 2014/15, indicating a 27.5 percent increment.

The implementation of Free Primary Education (FPE) and other initiatives implemented during the period under review, such as the School health, Nutrition and Feeding Initiative infrastructure grants programme have contributed to an increase in primary school education enrolment over the years. The level of enrolment in primary schools increased from 9.76 million in 2012 to 10,090,800 million in 2015. Further, the proportion of boys enrolled in primary schools declined gradually from 51.21 percent in 2010 to 50.77 percent in 2014. Conversely, the proportion of girls enrolled in primary schools increased from 48.79 percent in 2010 to 49.23 percent in 2014. Consistent with the increasing trend in enrolment and slow pace of employment of teachers, the public primary school pupil-teacher ratio worsened from 41:1 in 2013 to 43:1 in 2014. The public primary school pupil-teacher ratio of 41:1 and 43:1 was, however, better than the MTP II target of 45:1 at the national level. The gap between GER and NER has been declining over the years; hence, this could imply that the Government's policies on repetition and promotion have impacted positively on access to education. The NER for primary school age children in ASALs was 50 percent in 2014 compared to the MTP II target of 55 percent. The implication is, therefore, that the MTP II target for the two years was not met.

During the review period officers from several ministries were deployed to the counties to coordinate implementation of gender and women empowerment activities. The Public Procurement and Disposable (Preference and Reservation) Regulation was developed in 2013/4. Women were awarded Kshs. 8, 807, 468, 842 which represented 52.8 percent of the total amount set aside. This surpassed the 30 percent target for this group. During the same year, the Uwezo fund was established. The fund is meant to expand access to finances in promotion of women and youth businesses and enterprises. The number of registered women groups increased from 148,190 in 2013 to 150,857 in 2014. Unfortunately, since 2012, no women groups have received grants. This may be due to constraints in the government budget. A total of 149,190 women accessed loans through WEDF. The fund promoted women's empowerment through capacity development activities. Grants by government to

WEDF increased to Kshs. 169 million in 2014 up from Kshs. 167 million in 2012. The total disbursements to WEDF since its inception was Ksh.7.36 billion at the time of this review, thus reaching a total of 1,151,645 beneficiaries.

The health sector made significant progress towards achieving its goals; however, much more needs to be done to improve maternal health and to combat malaria and HIV. Infant mortality dropped from 52 to 39 deaths per 1000 births between 2009 and 2014. The under-five (U-5) mortality dropped from 74 to 52 deaths per 1000 births, against a target of 32 deaths per 1000 live births. This means that the target was achieved during the review period; however, to sustain the declining trend, scale up of community health high impact interventions and fully functioning referral systems must be prioritised over the remaining MTP II and MTP III periods. But, the immunisation coverage target for the MTP II period was not achieved. There was a drop in the number of children Under 1 year fully immunised, from 83% to 71% in 2014 against a target of 85%. Intensive immunisation campaigns must therefore be scaled up during the remaining period of the term. Similarly, malnutrition or stunted growth continues to affect Children in Kenya. According to the KDHS, 35% of children under 5 were stunted/short for age in 2009 while those in 2014 were 26 against a target of 11%. Skilled birth attendance at delivery increased from 43% to 74% surpassing the target of 53%. This marked an achievement of 72%. Despite a slight improvement in the national maternal mortality rate from 488 to 360 per 100,000 live births, a lot still needs to be done to improve maternal health. Several flagship projects under implementation are expected to improve maternal health in Kenya. The key strategies include: community health high impact interventions; improvement in access to referral systems; construction of model level 4 hospitals and implementation of health care subsidies for social health protection. During the period under review the HIV prevalence rate was 5.6 against a target of 5. This could mean that HIV prevention, care, and treatment interventions are being implemented effectively. During the same period 89% of HIV patients were on ARVs against a target of 65%. On the other hand, Malaria incidence was reported at 22% in 2014 against a target of 12%, implying that the MTP II target to reduce malaria incidence was not met in spite of the rollout of numerous programmes and the concerted efforts aimed at controlling it.

Towards environmental sustainability the following flagship projects commenced and are ongoing: strengthening environmental governance; waste management and pollution control; rehabilitation of urban rivers; rehabilitation and protection of the water towers; forest conservation and management; implementation of the water resources management programme; mapping and management of trans-boundary waters; water harvesting and storage programme; provision of water to poor un-served areas including informal settlements; management and expansion of irrigation and drainage infrastructure; and land reclamation. The tables 3.30 and 3.31 show how MDGs and gender issues are mainstreamed in MTP II.

Table 3.30: Mainstreaming of MDGs Issues in MTP II

PILLAR	AIM/OBJECTIVE	MDG GOAL TARGETED
Economic Pillar	To maintain a 10% economic growth rate annually.	• To eradicate extreme poverty and hunger; • To achieve gender equality and empower women; • To build global Partnerships for development; and • Achieve Environmental Sustainability[3].
Social Pillar	To build a just and cohesive society that enjoys equitable social development in a clean and secure environment. All social pillar flagship programmes and projects support MDGs	• To build global partnerships for development; • Achieve universal primary education; • Reduce child mortality; • Improve Maternal health; and • Combat HIV/AIDs Malaria and other diseases.
Political Pillar	To strengthen rule of law and ensure good governance in the country.	Millennium Declaration that Developing countries will spare no effort to promote democracy and strengthen the rule of law, respect internationally recognised human rights and fundamental freedoms, including right to development

Table 3.31: Mainstreaming of Gender Issues in MTP II

SOCIAL PILLAR FLAGSHIP PROJECTS	PROPOSED INTERVENTIONS IN MTP II
Gender Mainstreaming	• Coordinate monitoring of gender mainstreaming across MDAs; • Operationalise and monitor compliance to the COK 2012 provision of not more than 2/3 of either gender representation in all appointive and elective positions; • Development and implementation of the National Gender and Development policy; • Develop and implement a National Gender and Development policy in line with COK 2012 and international and regional gender related commitments and instruments; • Collect, analyse and utilise gender disaggregated data to update the gender development index; • Establish gender research and documentation centre and equip it with requisite resources; • Establishment of integrated one stop sexual and gender based violence response centres in all healthcare facilities in Kenya; and • Develop and implement a national sexual and gender based violence policy and operationalise the FGM Act 2011.
Women Empowerment	• Implementation of the 30 percent public procurement preference for women entrepreneurs; • Implementation of the Uwezo Fund; and • Review the funds product and services, re-brand and re-launch the Women Enterprise Fund.

4.0 Notable Challenges Under MTP II and The Main Lessons

4.1 Introduction

This short chapter provides a crisp summary on a global scale, of the key challenges encountered during the entire period of implementing the initiatives and projects that were envisaged for the second Medium Term period of the *Kenya Vision 2030*. The chapter also touches briefly on the key lessons learnt during the implementation period.

4.2 Challenges Pertaining to Land Acquisition

It is apparent from the review that prohibitive costs and at times, the non-availability of land negatively impacted on the implementation of some flagship projects. The problem was further compounded by land brokers and speculators who were definitely seeking to capitalize on the prevailing circumstances. This situation resulted in lengthy and protracted negotiations and in instances, litigations, which affected many projects, such as the non-commencement of the establishment of SEZs in Lamu and Kisumu. On the other hand, where land was available, the market value set against local expectations, were often at variance, a situation that nearly stalled the SGR project.

4.3 Funding and Disbursement Issues

Most projects reported to have experienced inadequate funding for the planned activities. On the other hand, where the level of funding was adequate, disbursement from the National Treasury was often late. A significant number of projects reported receiving about 80% of the budget during the last quarter of the year meaning that with only a few months left to the end of the financial year, very little could actually be absorbed and utilised in the execution of planned activities.

4.4 Implementing Devolution

The slow pace of reaching consensus between the national and county governments on the extent to which some functions should be devolved to the county governments created conflicts that negatively impacted on the implementation of flagship projects and service delivery as a whole. The greatest casualties in this regard were health care, road construction and the requisite routine maintenance. Moroever County governments raised questions on the role of the national government in the implementation of some flagship projects in areas or sectors that had already been devolved. One good example concerned the implementation of the SEZs and Tier I markets which were and continue to be areas of contention between the two levels of government.

4.5 High Expectations on PPP Arrangements

The financing and establishment of several flagship projects was pegged on the realization of the full gains of PPP arrangements. The expectations were based on the fact that the PPP Bill had been enacted into law and would therefore attract investment in flagship projects. Unfortunately, it appears that investors are attracted by a total "package" that not only caters for the requisite legal framework but also addresses the totality of the business environment; hence such elements as the cost of doing business, security, cost of energy , human capital as well as the elimination of corruption. Thus, it is clear that for the PPP to deliver the intent and fill the gaps in up-take of projects, much more needs to be done in order to create a totally and more enabling business environment.

4.6 Slow Pace of Approval of Policies and Enactment of Laws

The speed of approval of policies by the Cabinet and the subsequent enactment of laws by Parliament appear to have slowed down the pace at which the wheels of reforms turned over the review period. A notable case in point is the *Water Act 2014* which was noted to had been in parliament for close to three years but had not been officially legislated or enacted.

4.7 Legal and Institutional Reform Challenges

Although there was significant progress made in the implementation of proposed legal reforms during the review period, there is still much to be done in order to address identified bottlenecks that potentially undermine progress in nearly all the sectors.

4.8 Insecurity as Challenge

By their very nature, sectors such as tourism are extremely sensitive to insecurity and to indications of economic instability. During the review period, tourism in particular, and to some extent, other projects in general, were hurt in the wake of the incidences of terrorism and insecurity that were experienced in the country.

4.9 Limited Cooperation between Government Agencies

Inadequate cooperation between the various government agencies may also have slowed down the pace of progress made in the achievement of the targets. The 'silo' or closed type of management surrounding the flagship projects was a drawback.

4.10 Institutional Challenges of Multi-Agency Projects

Projects that were implemented through the initiatives of various agencies faced unique challenges that are clearly the result of divergent motivations and interests. What such projects need are higher level attention and coordination where the lead agency also has the institutional capability and resources; clear accountabilities for results as well as effective monitoring and follow through mechanisms.

4.11 Inadequate Infrastructure

Some of the flagship projects did not have access to the huge tracts of land, vast financial investment as well as the infrastructure (electricity, water and roads) that were required. This was made worse by the sub-optimal cooperation between various governments agencies, the presence of which would have resulted in the resolution of some of the challenges encountered.

4.12 Inadequate Community Involvement

The implementation of a number of projects suffered because of resistance by the host communities. In some cases, electricity transmission projects have delayed because landowners deny wayleaves. These types of bottlenecks call for a re-think on better approaches with communities in order to ensure their co-operation and participation and also in order to promote ownership and thereby accelerate the completion of projects.

5.0 Conclusions and Final Recommendations

This final chapter attempts to outline in a more succinct manner, some of the important conclusions as well as the recommendations that can be made, arising from the entire review of the MTP II tenure.

5.1 Conclusions

5.1.1 Conclusions Relating to the Macroeconomic Framework

In overall terms, the economic performance as reflected by GDP growth rate can be said to have underperformed since the targets for the period were not met. This is because the projected GDP growth rates were 6.7 percent for 2013, 7.8 percent in 2014 and 8.7 percent in 2015, while the actual growth rates were 5.7 percent for 2013, 5.3 percent in 2014 and 5.6 percent in 2015. However, even though the targets were not met, it is important to note that GDP growth rate improved from 5.3 percent in 2014 to 5.6 percent in 2015, thus laying a fairly good ground for improvements in 2016.

It is to be noted that other key sectors similarly underperformed. For instance, the growth rate in the agricultural sector increased from 3.8 percent in 2012 to 5.2 percent in 2013 but declined to 3.5 percent in 2014, before increasing again to 6.2 percent in 2015. The sector thus missed the targets by 1.5 percent in 2014 and surpassed the target by 0.2 percent in 2015 during the MPT II period. By more less the same trend, the manufacturing sector that had projected to grow by 6 percent in 2013, 7.6 percent in 2014 and 8.6 percent in 2015 missed all the targets :(-6.0) percent in 2012, 5.6 percent in 2013, 3.4 percent in 2014 and 3.5percent, in 2015. Low earnings for farmers from their primary products, technology adoption, climate variability and vulnerability, and runaway insecurity affected productivity negatively and constrained the growth of the relevant sector.

5.1.2 Foundations for National Transformation

i) Overall, the Transport Sector made significant progress during the period under review and was well placed to achieve, and in many cases exceed, the MTP II targets. However, it is important to note that the country is playing catch up with all the subsectors. Passenger and cargo volumes are increasingly exponentially and the need to have efficient transport connectivity with neighbouring countries is long overdue. On aviation, while JKIA has been upgraded to handle 7.5 million passengers, this capacity is likely to be outstripped in a few years. As well, the delay in the completion of the second runway undermines the status of JKIA as a regional hub.

ii) Good progress was made in the development of the Port of Mombasa (with the completion of two berths of the Second Container Terminal) and the commencement of construction of the first berth of the Lamu Port. As cargo volumes continue to grow, this calls for additional capacity and greater efficiency to enable the Port of Mombasa to perform effectively.

iii) The Standard Gauge Railway from Mombasa to Nairobi and onwards to Naivasha was ahead of schedule. However, the remaining sections especially to Kisumu and Malaba are critical for the railway network to have its full impact on the economies of Kenya and neighboring countries.

iv) The roads subsector performed well during the period under review and was on course to achieve and even exceed some of the MTP II targets. However, sub-optimal success of the Annuity Programme may impact on the extent of the results expected by the end of the MTP II.

v) Significant progress was made in the implementation of the LAPSSET Project especially in the development of the road network and the commencement of construction of Lamu Port. However, the Project lacked clear targets on delivery of corridor capabilities that could point to timely implementation. In addition, the proposed PPP framework did not yield apparent results.

vi) The development of the mass transit systems for Nairobi, Mombasa and Kisumu, which include commuter and light rail systems, had not started taking shape in the review period.

vii) Good progress was made in the areas of electricity generation capacity; electricity transmission and access; petroleum pipeline infrastructure; and in reduction in the cost of electricity. However the current electricity distribution market structure may hinder the full development of operational and cost efficiencies necessary for this sector.

viii) The ICT sector experienced the same impressive growth as in the MTP I in terms of development of communications infrastructure; mobile phone and internet access; mobile money expansion and usage; and automation. However, programmes and initiatives aimed at growing ICT businesses and increasing access, and the development of Konza Techno City did not show impressive results.

ix) The *Huduma Centres* Programme; Tax Reforms especially in the use of ICT; Security including Police Reforms, improved police to population ratio, and in equipment and mobility registered impressive.

x) On Land Reform, the institutional setup stabilized and a huge number of titles were issued during the period, notwithstanding the slow, but nevertheless, systemic improvements. Public Service Reform slowed down significantly against the level attained when the performance contracts were first introduced. On Labour and Employment, there were significant achievements related to policy, legal and institutional reforms. However, while this sector is considered critical, funding constraints hindered progress in many of the key programmes and projects. On National Values and Ethics, while substantial work was done on making the right decisions, formulating the right policies, building the capacity of government, and implementing mechanisms for the promotion of National Values in the public service, the country's image suffered from manifestations and public perception of corruption and inadequate level of national cohesiveness. Peace building and conflict resolution performed below per as incidences of conflict and adverse political posturing threatened peace during the period.

5.1.3 **Economic Pillar**

Substantial progress was made in the implementation of the flagship projects and programmes under the economic pillar, with many of the projects and programmes having realized the planned outputs and outcomes. Arising from this, the tourism sector was on its way to recovery due to enhanced security with international airlines such as the Lufthansa; resumption of direct tourist flights to Malindi; and the introduction of China Southern Airlines services into the country. This was augmented by the increasing number of international conferences being held in Kenya. The agricultural sector's growth rate rose to 6.2 percent in 2015, surpassing the projected target of 6.0%, and achieving 30% contribution to the national GDP. The manufacturing sector also registered an upward trend in growth rates with 2014 and 2015, recording rates of 3.2% and 3.5% respectively. The Financial services sector played a crucial role in scaling up the link between savings and investment through deepening of the capital markets. However, despite this, a number of flagships programmes and projects missed their targets. This was mainly attributed to insufficient budgetary allocation which resulted to slow and delayed implementation of some planned policy, legal and institution reforms.

5.1.4 Social Pillar

The Implementation of flagship projects under the social pillar was ongoing, with a majority of the targets met and others were surpassed.. The missing of targets was attributed to the poor performance, inadequate funding and weak legislation. However, the performance for some projects was difficult to evaluate due to inconsistencies in the national indicator monitoring handbook.

5.1.5 Political Pillar

The second Medium Term Plan built on the achievements of the MTP I and prioritized resolution of the challenges. The Third MTP should likewise look at the achievements of the MTPII and address the gaps and challenges arising from the same. It is important to ensure that all the MDAs participate in the preparation of the MTPII through their respective sectors and set SMART targets.

The outcome/output should be related to the development or enhancement of the lives of the citizens. If training is carried out, therefore, one should be able to measure the outcome/output.

Laws without implementation or enforcement remain laws and will be of no use to those they seek to protect. MTPIII should be clear on the implementation and enforcement of the laws, and policies.

Sectoral Recommendations

Devolution

Increased funding to address the programmes under devolution, governance and rule of law especially the civic awareness and legal aid programmes.

Implementation of the curriculum developed by the TA is important for continued civic education at all levels. The national government should release the devolved functions with the necessary funding.

Ensure that there is a comprehensive resource mobilization programme for financing of devolution and for the creation of the Devolution Fund.

Governance and the Rule of Law

Have specific timelines for development and passing of the necessary legislation both for implementation of the Constitution and in support of the Constitution. Most of the legislation in support of the Constitution was been passed, although the pending Bills have to be passed into law and those passed into law should be implemented with the supporting administrative mechanisms.

The strategies adopted for leadership, ethics and integrity have to a certain extent yielded the desired result but it is important to ensure that positive values are inculcated among the citizens through appropriate civic education mechanisms.

Efforts have been made to put the legal awareness scheme into place but these have been affected by inadequate human resources and financial support. It is important to have the necessary backing to ensure that the programmes run and improve access to justice. The Bill on Legal Aid should be fast tracked and the guidelines adopted, which will help in developing new strategies. Training of paralegal staff should be made a priority since during the period under review, 450 mediators including chiefs, police, teachers, lawyers and pastors were trained.

The Office of the Director of Public Prosecutions was fully operational and now has offices in all the courts at county level. More prosecutors were recruited and there are policy and legislative initiatives including the Witness and Victims of Crimes support mechanism. The Anti-corruption and prosecution guidelines are in place but more needs to be done to enhance inter agency collaboration to fight corruption. Although the institutional reform and restructuring had a positive impact in the operation of the ODPP, there is need to enhance the capacity at the ODPP's Office and ensure that the recruited staff are retained..

The National Council for Administration of Justice has a secretariat in place and the roll out on the sessional paper is on course. They are in the process of developing a comprehensive monitoring evaluation and reporting framework.

The Judiciary initiated and completed the procurement of Integrated Performance Management and Accountability System (IPMAS). The Integrated Judiciary Transformation Framework contributed to judicial reforms including the construction of new court houses, establishment of courts in all counties and increase in High courts and courts of appeal which ultimately contributed to increased access to justice.

The GJLOS coordination office was strengthened and the NCAJ Secretariat operationalized. The roll out of county pilots of the GJLOS institutions for reform monitoring and coordination at county levels were done except for one. The comprehensive monitoring and evaluation and reporting framework was been developed and implemented and the joint sector investment plan developed.

The Office of the Attorney General and Department of Justice reviewed the Elections Act 2011 and the Political Parties Act 2011 and made recommendations for their amendments. This resulted in amendment of Section 34A (1) and 34A (3) of the Political Parties Act through the Statute Law (Miscellaneous) Amendment Act 2014. However, there are some reforms that are pending which need to be passed by the National Assembly.

5.1.6 Monitoring and Evaluation

Through NIMES, a project tracking system, the country has the requisite capacity and achieved good progress in monitoring and reporting on progress, both at outcome level and programme and project implementation. However, some areas require improvements including: effectively getting the counties fully involved in M&E within their own areas and reporting for national consolidation; further improvements in the structure, number and quality of indicators and targets; and flagship programmes and projects. The current institutional framework for M&E and reporting requires review to reduce duplication and enhance efficiency.

5.2 General Recommendations

On the basis of the review undertaken, there are a number of recommendations that can be made to strengthen the general process of execution and implementation, and which, hopefully should inform the process during both the planning and implementation during the third medium term. There are both the general and more specific recommendations as summarised herebelow:

i) ***Leveraging on Technology***
Technology provides the country with the opportunity to optimize on the benefits of the Kenya Vision 2030 and its MTPII projects and programmes. Technology can be used to increase efficiency in resource allocation and utilization, minimize corruption, and increase productivity. One only needs to reflect on the impact of the mobile telephone technology in the country to appreciate the importance of leveraging on technology.

ii) ***Performance Contracting***
For the country to realize the full benefits of the MTPII projects and programmes, there is need for an effective performance evaluation/ management system for implementing institutions. This was the essence of introducing the performance contracting system (PCs) in government in 2004. The gains made need to be safeguarded and up-scaled.

iii) ***Stiff Sanctions and Penalties for Corruption***
Corruption has impacted negatively on the implementation of not only the MTP II projects and programmes but also on nearly all projects in the country.

The list of projects that have stalled as a result of corruption related cases is long. These include flagship projects such as the NYS, Tana Delta irrigation scheme, and school laptops. To deter these, there is need to introduce stiff penalties for those implicated and involved.

iv) ***Introduction of Specific Courts and Good Lawyers for Dealing with Issues of Investments***

Investment is a highly technical area that requires to be handled specialized courts and lawyers who are well trained, well versed and experienced in the subject. Most importantly, time is of great essence in investments as the concept of "time value of money" is more real in the sector. It is not surprising the investment related cases that have dragged on in court for years on account of busy schedules of the court. According to the sector players, this happens because there are no specialized investment courts in the country.

v) ***National values and good leadership***

Questions on whether anybody cares about the country's national values have been raised at many forums and the answers have been as diverse as the number of voices. A survey by the Synovate Group that sought to know the views of students on issues considered key to the national values brought to the fore the challenges which the country faces with regard to national values. The findings showed a proportionately high percentage of students reporting that they would like to get rich irrespective of the means used. That was a rather scary and negative finding on the country and good pointer to the low depths to which desirable and positive national values had fallen.

vi) Wealth Audit for public servants and politicians

This has been suggested as one way of dealing with corruption by public servants, some of whom have accumulated wealth far beyond what their earnings can support. The recent vetting of senior police officers and judges brought to light the magnitude of the problem as many of them could not account for their wealth. Going forward, and to deal firmly with corruption, life style and wealth audits need to be introduced in both the public and private sectors.

vii) ***Involvement of communities in the design of projects***

In order to reduce the number of projects are suffering from resistance by the host communities, there is need for better framework to promote ownership by adopting a participatory approach. For example, some electricity transmission projects have delayed as communities do not appreciate the value, and therefore deny way leaves.

5.3 Specific Recommendations

The following are the more specific recommendations.

5.3.1 On the Macroeconomic Framework

i) Raise the levels of investment to GDP ratio

ii) Work on ways to mobilize domestic savings through implementation of a contributory pension scheme, and put in place, incentives to promote saving;

iii) Expedite implementation of key legislations such as PPP Act 2013, SEZ Act 2015 and Mining Act 2016 in order to support investment in the country

iv) Address high lending rates with an aim of bringing down cost of credit to support private sector investments including Small and Medium Enterprises (SMEs)

v) Address the high current account imbalance through export led growth

vi) Measures be taken to improve Balance of Payment statistics

vii) Put in place an effective strategy to address issues and constraints facing the manufacturing sector, including imports of counterfeit products

viii) Reclassify the informal sector employment to increase the tax base.

5.3.2 On the Foundations for National Transformation

i) There are significant benefits to bridging the infrastructure gap as soon as practicable and spare no efforts to maintain and even grow the country as a logistics and transit hub. All the subsectors need to make further progress, including:

- Upgrading of the JKIA with a second runway and increased passenger handling capacity to cope with the growth in passenger numbers and maintain the Airport as an aviation hub in the region;
- Continue with the development of the 3rd and 4th berths of the Second Container Terminal; and the development of the 1st 3 berths of the Lamu Port. There is also need to optimize efficiency to effectively achieve the 24 hour Port operations and fully optimizing and operationalizing the Single Electronic Window System. This is necessary to cope with the growth of the cargo through the two ports;
- Continue the rapid progress on the SGR to reach Kisumu and Malaba as soon as practicable to fully realize the potential of this network;

- There is significant work to be done to construct and rehabilitate the road network. This needs to continue being given priority. An alternative to the Annuity Programme needs to be sought to achieve the desired results. There is also need to focus on the road sections necessary to open up the LAPSSET corridor which are still unfunded e.g. Lamu to Isiolo to Ngiyang;
- On LAPSSET, provide clear milestones and a road map for realizing integrated transport capabilities along the Corridor in the foreseeable future. This includes providing a road network to transport cargo from the Port of Lamu once the 1st berth is completed in 24 months; and
- There is need to agree on the strategies for the development of mass transit systems for the major cities of Nairobi, Mombasa and Kisumu, which include commuter and light rail systems. It would be desirable if these systems are fully designed by end of the MTP II period.

ii) The intensity and pace of investments be continued for the energy sector to achieve the target of 5,000MW of electricity generation; transmission; access and reduction in the cost of electricity. There is also need to review the institutional setup for distribution to ensure the full development of operational and cost efficiencies necessary for this sector.

iii) The government should continue with its efforts to ensure ICT access throughout the country through the User Access Fund and also through other funds. There should be emphasis on initiatives aimed at growing ICT businesses and human resource capacity, especially for the Konza Techno City.

iv) On Public Sector Reforms, the focus should be on Huduma Centers which should be rolled out throughout the country for all citizens to enjoy the benefits of improved services.

v) On security, the good progress on increasing the police to population ratio; equipping and providing mobility to the police; and installing critical infrastructure such as CCTV cameras in major towns and completing the forensic laboratory should continue. However, the focus should now shift to building the capacity of the security services to manage and deliver improved services. Specifically, while the CCTV cameras and the IC3 system has the potential to revolutionize security in the major cities, it is their effective use by the security personnel that will really make the difference.

vi) On Land Reform, the government should focus on the systemic changes necessary to improve the sector. This includes the implementation of the essential ICT systems which are long overdue.

vii) There is need for special focus on STIs so they can play their critical role in the achievement of Kenya Vision 2030. The rest of the MTP II should be used to develop the road map for this to happen.

viii) There is need for focus and innovativeness to revise the pace of Public Service Reform to the level attained when the performance contracts were first introduced. There is need to agree on key priorities and provide resources for initiatives in Labour and Employment.

ix) For National Values and Ethics, there is need for high visibility initiatives to counter the high perception of corruption that emerged during the period. There is also need for the government to implement proactive initiatives aimed at reducing cases of conflict and enhancing national cohesion.

5.3.3 On the Broad Economic Pillar of KV 2030

The following need to be done for all the targets to be achieved:

i) Ensure adequate funding for Kenya Vision 2030 and MTPII's flagship projects

ii) Intensification of private-public partnerships to fill the resource gap and promulgation of more appropriate financing mechanisms to fund the subsectors development programmes

iii) Fast track the implementation of proposed policy, legal and institutional reforms of the relevant sectors

iv) Ensure an integrated approach in projects design and implementation for timely implementation, ownership and sustainability.

For specific economic sectors, the following specific recommendations are also pertinent:

The Tourism Sector

Security is of concern especially in some parts of the country like the Coastal region, which are key tourism markets. Human resource capacity needs to be developed for effective management and development of the sector.

The Agriculture Sector

- Technology adoption is still low and this constrains agricultural productivity therefore research and technology development should be supported
- Trade in primary products hurts farmers through low farm incomes. Relevant sector ministries should therefor enhance value addition and marketing of sector products and services

- Due to changing weather patterns, there is a need to increase investment in irrigation projects and reduce over-dependence on rain-fed agriculture. Collaboration with the private sector is necessary.

For Wholesale and Retail

Due to institutional reorganization leading to conflict in implementation of some projects, government departments need to be well separated to avoid the conflicts that delays implementation

For the Manufacturing Sector

There is need to provide a favourable business environment due to high input costs, low productivity levels and inefficient flow of goods and services.

Business Process Outsourcing and IT-Enabled Services Sector

There is need to keep abreast with rapid technological development in the ICTs. The slow adoption and utilization of ICT services is negatively affecting the upgrading and expansion works.

Oil and other Mineral resources sector [The Extractive Sector]

In order to enhance donor funding absorptive capacity, there is need to create adequate and effective human capacity for projects identification, planning and execution. This can be achieved by partnering with institutions of higher learning to provide graduates with necessary skills for the sector. The government can also partner with other countries to promote technology transfer in specialized field such as oil and gas exploration.

5.3.4 On the Social Pillar

Education and Training

There is need to continue implementing all the initiatives which have contributed to improved performance in the sector i.e., FPE, FDSE , secondary bursary scheme, ASAL and Pockets of Poverty Grants; school nutrition and feeding programme; and sanitary towel programme. Other recommendations based on the evaluation include: recruitment of teachers at basic and post basic education levels; increasing ECDE day care centres, learning materials and care givers; encouraging ECDE participation; special needs education data generation and management; enforcement of standardized guidelines on special needs education; and completion of electrification at DLP beneficiary schools.

Health

To sustain the gains made in the health sector, improve maternal health and increase immunization coverage and implementation of community high impact interventions.

Other flagship projects, such as fully functional referral systems should be intensified. There is a need for county governments to recruit health workers to achieve staffing levels as recommended in the national HRH norms and standards.

Environment, Water and Sanitation

It is important to actively involve local communities in the sustainable management of natural resources such as forests to increase ownership, and subsequently, food security. Sustained enforcement of environmental standards and guidelines is key to achieving the envisaged transformation in the sector.

Population, Housing and Urbanization

There is need to mobilize resources from multiple sources to support implementation in the sector. The use of PPPs in the provision of housing and upscaling investments should be explored. For Kenya to benefit from population control interventions, strategies to increase access to and uptake of family planning services should be scaled up.

Gender, OVC and Youth

Efforts towards gender mainstreaming, social development and the involvement of youth in national development projects should be reinvigorated to supplement the impressive achievements in in this sector. Capacity development of youth, women and vulnerable groups with special needs should be continued. Resource mobilization from multiple sources should be considered to support registered women's groups. However, the establishment of one stop SGBV centres was not achieved and the operationalization should be fast tracked during the remaining period of the plan.

Sports, Culture and Arts

Alternative strategies such as Sports Kenya establishing a PPP with a quality hotel, could contribute towards raising funds, through hosting athletes in the upcoming World Youth Athletes event in Kenya. Building of five sports stadia is a national priority, and completion of their construction would require facilitation of clearance of the stadia synthetic base from the port at Mombasa.

5.3.5 On the Political Pillar

The second Medium Term Plan built on the achievements of the MTP I and prioritized some key challenges. The Third MTP should likewise look at the achievements of the MTPII and address the gaps and challenges arising from the same. It is important to ensure that all the MDAs participate in the preparation of the MTP III through their respective sectors and work on having SMART targets. The long term outcomes as well as the more immediate outputs should be related to development or the enhancement of the general lives of the citizens. It is considered that with more

MDAs training such indicative outcomes and outputs would be more measurable. For instance, the mere passage of laws without ensuring their implementation or enforcement implies they are essentially of no use to those they seek to protect. The MTPIII should therefore be clear on aspects of implementation and enforcement of laws and policies.

Devolution

There should be increased funding to address the programmes undertaken in the name of devolution, good governance and the rule of law; more so, as it relates to civic awareness and legal aid programmes. The implementation of the curriculum that was developed by the TA is important for continued civic education at all levels. The national government should therefore release the devolved functions accompanied with the necessary funding.

On the other hand, a comprehensive resource mobilization programme for the financing of devolution should developed and that the Devolution Fund be created by the government.

Good Governance and the Rule of Law

It is an imperative to have specific timelines for the development and passing of the necessary legislation both for implementation of and in support of the Constitution. It has been noted that a good number of the legislations that were to be passed under the Constitution of Kenya 2010 in support of the anchoring of the constitutional have been passed. The few pending bills however require to be expedited and passed into law while those already passed into law should be enforced along with the supportive administrative mechanisms.

The strategies adopted for leadership, ethics and integrity have to a certain extent yielded the desired result, but it is important to ensure that positive values are inculcated among the citizens through the appropriate civic education mechanisms.

Efforts have been made to put the legal awareness scheme into place but these have been affected by inadequate of human resources and financial support. It is important to have the necessary backing to ensure that the programmes run and improve access to justice. The Bill on Legal Aid should be fast-tracked and the guidelines be adopted as it will also help in developing new strategies. Training of paralegal staff should be made a priority. During the period under review, 450 mediators including chiefs, police, teachers, lawyers and pastors were trained.

The Office of the Director of Public Prosecutions is fully operational with offices in all the courts at county level. More prosecutors have been recruited and there are policy and legislative initiatives, including the Witness and Victims of Crimes support mechanism. The Anti-corruption and prosecution guidelines are in place but more needs to be done to enhance inter agency collaboration to fight corruption. There is need to enhance the capacity at the ODPP's Office and ensure that the recruited staff are retained.

The National Council for Administration of Justice has a secretariat in place and the roll out on the sessional paper is on course. They are in the process of developing a comprehensive monitoring evaluation and reporting framework.

The Judiciary initiated and completed the procurement of the Integrated Performance Management and Accountability System (IPMAS). The Integrated Judiciary Transformation Framework has contributed to judicial reforms including the construction of new court houses, establishment of courts in all counties and increase in High courts and courts of appeal which ultimately contribute to increasing access to justice.

The GJLOS coordination office was strengthened and the NCAJ Secretariat operationalized. All but one of county pilots of the GJLOS institutions for reform monitoring and coordination at county levels were done. The comprehensive monitoring and evaluation, and reporting framework were developed and implemented, and the joint sector investment plan was developed.

The Office of the Attorney General and Department of Justice reviewed the Elections Act 2011 and the Political Parties Act 2011 and made recommendations for their amendments. This resulted in amendment of Section 34A (1) and 34A (3) of the Political Parties Act through the Statute Law (Miscellaneous) Amendment Act 2014. However, there are some reforms that are pending which need to be passed by the National Assembly.

5.3.6 Monitoring and Evaluation

Fully resolve the issues hindering county M&E reporting as early as possible; further improve indicators in terms of structure, number and quality for the 3rd MTP. These includes restructuring the outcome indicators into national and sectoral; consider reviewing the number and structure the flagship projects so that they are fewer and more meaningful; further refine the quality and consistency of the 3rd MTP planning documents including the MTP itself, handbook of indicators and sector plans; further improve reporting particularly against outcomes, programmes and projects in the MTPs; consider reviewing the institutional framework for monitoring and reporting to improve on efficiency, reduce duplication and establish a complimentary network providing progress on the achievement of the Kenya Vision 2030.

REPUBLIC OF KENYA

MINISTRY OF DEVOLUTION & PLANNING