



REPUBLIC OF KENYA

# SECTOR PLAN FOR TOURISM SECTOR

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# STATEMENT BY THE CABINET SECRETARY THE NATIONAL TREASURY AND PLANNING

Kenya's long term development blue-print, Kenya Vision 2030, is in its third implementation phase under the Third Medium Term Plan (MTP III) 2018-2022. A total of 28 MTP III Sector Plans have concurrently been prepared through 25 MTP Working Groups and three (3) Thematic Working Groups. The Plans provide in detail policies, programmes and projects to be implemented in each sector for the period 2018-2022. The Plans also incorporate policies, programmes and projects necessary for the effective implementation of the "Big Four" initiatives namely: manufacturing and agro-processing; food and nutrition security; universal health coverage and affordable housing. Ongoing flagship projects and other priority programmes and projects carried forward from the previous Medium Term Plans will also be implemented. The Sector Plans have also mainstreamed key priorities outlined in the Manifesto of the Jubilee Government.

The MTP III and the Sector Plans have been prepared through a participatory and inclusive process involving representatives from the government, development partners, private sector, Civil Society, NGOs, organizations representing vulnerable groups, faith-based organizations and professional associations, among others and in line with the constitutional requirements.

The Sector Plans detail specific programmes and projects for implementation during the plan period, 2018-2022. The programmes and projects outlined in these plans will be implemented in close consultation and collaboration with county governments and in line with the Fourth Schedule of the Constitution. The Public Private Partnerships (PPPs) framework will be the vehicle through which the private sector will contribute to the implementation of programmes and projects highlighted in the plans.

The County Integrated Development Plans, County Spatial Plans and Ministries, Departments and Agencies (MDAs) Strategic Plans (2018-2022) will be aligned to the MTP III and the National Spatial Plan. Implementation of these plans will also be linked to the Results-Based Management Framework through Performance Contracts and Staff Performance Appraisal System.

A robust monitoring and evaluation framework will be put in place. In this regard, National Integrated Monitoring and Evaluation System (NIMES), County Integrated Monitoring and Evaluation System (CIMES) and the electronic Project Monitoring Information System (e-ProMIS) will be fully integrated with other governmental financial systems. This will ensure effective tracking of implementation of programmes and projects and also boost Public Investment Management.

In conclusion, I would like to appreciate the respective Cabinet Secretaries, Chief Administrative Secretaries, Principal Secretaries, staff in the MDAs and all those involved in the preparation of the Sector Plans for their valuable inputs. In addition, I commend staff from State Department for Planning led by Principal Secretary, Planning for the effective coordination of the MTP III preparation process.



**Henry Rotich, EGH**  
**Cabinet Secretary**  
**The National Treasury and Planning**

## FOREWORD

This Tourism Sector Plan (2018-2022), sets out the course of the tourism sector for the next five years. The Plan responds to the changing global trends that are currently shaping the tourism sector. The Sector improved after a long struggle with low performance over the Second Medium Term Plan period 2013-2017. The recent improved performance is expected to act as an impetus as we enter the Third Medium Term plan period. It is on this basis that ambitious targets have been set in line with the sector's objectives. The overarching goal over the medium term will be to transform Kenya into the preferred tourism destination of choice.

The Sector targets to increase its contribution to the intended GDP growth rate of 10% p.a, by working towards achievement of the following: Increase tourism arrivals from 1.44 million visitors in 2017 to 2.5 million by 2022; increase in tourism earnings from Kshs. 119.9 billion in 2017 to Kshs. 175 billion by 2022; increase in bed-nights by domestic tourists from 3.6 million in 2017 to 6.5 million in 2022.

The fundamental strategies during this medium term period will be to improve and rebrand existing products as well as diversifying into new tourism products. Other priorities will include tourism promotion and marketing, enhanced quality training capacity, tourism infrastructure development as well as financing to hoteliers and other innovative products. In pursuit of the above, the initiatives will be driven by Innovation and change, Governance and Institutional Change, Research and Knowledge Management, and Human Capital Development as envisioned in the National Tourism Blueprint 2030.

The Government will continue to provide an enabling policy environment, build basic infrastructure and provide the necessary incentives to enable the private sector operate to achieve the set objectives. This Sector Plan will guide all the sector stakeholders as we strive to achieve the bigger objective of growing the Sector for prosperity and posterity.



**Hon. Najib Balala, EGH**  
**Cabinet Secretary**  
**Ministry of Tourism and Wildlife**

## **PREFACE**

Tourism sector is recognized as among the key sectors that will enable the country achieve the envisaged 10% growth under the economic Pillar of the Kenya Vision 2030. The sector is also an enabler towards achievement of the government manifesto and strategic interventions (Big four) through the demand created along the tourism value chain.

The Tourism MTP III Sector Working Group under the leadership of the Ministry of Tourism and in collaboration with key stakeholders has developed this Sector Plan. The Plan reviews the sector's performance over the last Medium Term Plan period, highlights challenges encountered and builds on positive lessons learnt. It also identifies priority areas and specific objectives, strategies, targets, actors as well as the budgetary requirements for the various programmes and projects.

The Plan will offer structured leadership to the sector players with the aim of achieving the ambitious targets set for the sector. It will also be the basis for Medium Term Expenditure Framework (MTEF) budget proposals specifically on programmes to be implemented through Government funding or Public Private Partnership (PPP) arrangement.

A Monitoring and Evaluation framework will be used to ensure the right levels of inputs are availed and systems are in place to deliver timely outputs in the planned programmes and projects so that the desired outcomes and eventual impacts are realized.



**Joe Okudo**  
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## ABBREVIATIONS & ACRONYMS

ATA	-	Africa Travel Association
BOK	-	Bomas of Kenya
CBI	-	Consumer Brand Index
Ctrip	-	Comprehensive Trip
CNN	-	Cable News Network
CTDLT	-	Catering and Tourism Development Levy Trustees
ESIA	-	Environmental Social Impact Assessment
EU	-	European Union
FY	-	Financial Year
GDP	-	Gross Domestic Product
GoK	-	Government of Kenya
IFC	-	International Finance Corporation
IGAD	-	Inter Governmental Authority on Development
ITB	-	International Tourism Bourse
JPC	-	Japan Pacific Consultants
KICC	-	Kenyatta International Conference Centre
Km	-	Kilometre
Ksh	-	Kenya Shilling
KRA	-	Kenya Revenue Authority
KTB	-	Kenya Tourism Board
KTN	-	Kenya Television Network
KUC	-	Kenya Utalii College
KWS	-	Kenya Wildlife Service
LAPSSSET	-	Lamu Port Southern Sudan and Ethiopia Transport
MCC	-	Mombasa Convention Centre
MDRs	-	Market Development Representatives
MICC	-	Mombasa International Convention Centre
MICE	-	Meeting, Incentives, Conferences & Exhibitions
MTEF	-	Medium Term Expenditure Framework
MTP	-	Medium Term Plan
MTW	-	Ministry of Tourism and Wildlife
MOU	-	Memorandum of Understanding

NAICEC	-	Nairobi International Convention and Exhibition Centre
NEMA	-	National Environment Management Authority
NGO	-	Non Governmental Organization
NTB	-	National Tourism Blueprint
NMK	-	National Museums of Kenya
PPP	-	Public Private Partnership
RNUC	-	Ronald Ngala Utalii College
SME	-	Small and Medium Enterprises
SGR	-	Standard Gauge Railway
TFC	-	Tourism Finance Corporation
TICAD	-	Tokyo International Conference on Africa's Development
TMCs	-	Tourism Management Companies
TRI	-	Tourism Research Institute
TSV	-	Tourist Service Vehicle
UAE	-	United Arab Emirates
UK	-	United Kingdom
UNCTAD	-	United Nations Conference on Trade and Development
UNESCO	-	United Nations Educational, Scientific and Cultural Organization
UN	-	United Nations
USA	-	United States of America
VAT	-	Value Added Tax
WAYN	-	Where Are You Now

## EXECUTIVE SUMMARY

The Tourism Sector continues to play an important role in the country's economic development. The Sector has maintained its position as one of the leading foreign exchange earners, contributing about 10% to the GDP and 9.2% of the total employment per annum.

Tourism performance started on a low note in 2013 instigated by perceived insecurity in some areas prone to terrorist attacks, travel advisories and negative publicity. International visitor arrivals and tourism earnings declined by 11.2% and 2.1% respectively in 2013. The trend continued in 2014 and 2015 where earnings went down by 2.6% from KSh.87.1 billion to KSh.84.6 billion respectively. Similarly, visitor arrivals declined by 12.6 per cent from 1.35 million in 2014 to 1.18 million in 2015.

The year 2016 marked the rebound of the tourism sector due to improved security, lifting of travel advisories, Government incentives program, successful high profile conferences and aggressive marketing strategies. Tourism Earnings improved by 17.8% to KSh.99.7 billion in 2016 while visitor arrivals rose by 13.5% to 1.34 Million in 2016. Domestic tourism recovered almost immediately after the slump of 2013 and remained on an upward trend hitting a high of 3.5 million bed nights in 2016 which was a 10.8% growth from the previous year. In 2017, tourist arrivals and earnings rose to 1.45 million and Kshs.119.9 billion respectively. Domestic tourism, on the other hand, grew by 29.5% from 2.7 million bed nights in 2013 to 3.5 million in 2016.

The trend in tourism dynamics is largely influenced by technology uptake in marketing, booking and decision making. In addition, tourists needs and preferences have changed across generations necessitating product and market segmentation, as well as experiential travel. High competition from similar destinations in Africa calls for designing and development of new and innovative products. The establishment of devolved governance structures requires collaboration in tourism development, security and safety concerns between the two levels of government to ensure sustainability of tourism products.

The Tourism Sector has set ambitious targets over the plan period to be able to contribute towards the realization of the Vision 2030 goal of 10% economic growth annually, Sustainable Development Goals as well as the aspirations of the Africa Agenda 2063. These targets are: increase tourism arrivals from 1.45 million in 2017 to 2.5 million visitors by 2022; increase tourism earnings from Ksh. 119.9 billion in 2017 to Ksh. 175 billion by 2022; and increase bed-nights by domestic tourists from 3.5 million in 2016 to 6.5 million by 2022.

The Sector's strategy towards achievement of the above targets will be to improve and rebrand existing products as well as diversifying the tourism products with emphasis on niche tourism products to give Kenya a competitive edge. This will be executed through the following programmes/projects:- Coastal beach tourism; wildlife/safari product; development of new and niche products in line with the National Tourism Blueprint 2030; development of resort cities; tourism promotion and marketing (International and Domestic); enhancing quality of tourism training; financing of tourism investments; tourism infrastructure and enabling services, among others. Moreover, some policy, legal and institutional changes will be undertaken in light of devolution and National Tourism blue Print 2030.

The targets and corresponding programmes/projects are set against a background of a wide array of natural assets and include; abundant wildlife living in their natural habitat; over 500 kilometer all year warm sandy coastal beaches; rich and diverse cultural heritage products; UNESCO World Heritage sites and archaeological sites, a leading business and conference destination; a robust and thriving, business hub in East and Central Africa; availability of skilled workforce; and a destination bolstered by re-known Kenyan hospitality.

Taking cognizance of the challenges facing the Sector, the proposed programmes and activities in the plan will not only be pursued to mitigate the challenges but turn them into opportunities.



# 1.0 INTRODUCTION

## 1.1 Overview

The Kenya Vision 2030 identifies Tourism as one of the key sectors that will spur the envisaged economic growth rate of 10% per annum. The Sector contributes 9.2% of the total employment per annum and is a catalyst for investment and growth in other sectors. It offers strong potential for environmental and cultural linkages by providing an economic incentive to preserve natural and cultural sites, undertake environmental cleanup efforts, and improve local environmental management. The overall aim of the Tourism Sector is to position Kenya among the top ten long haul and leading regional tourists' destination offering a high end, diverse and distinctive visitor experience.

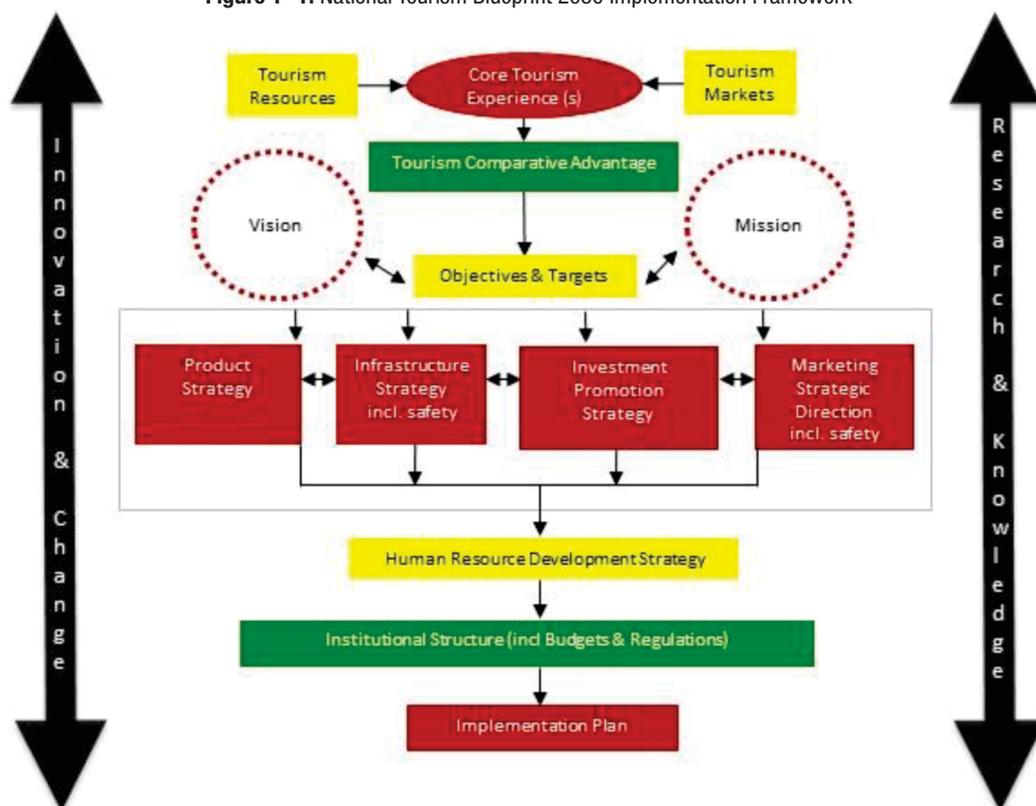
Natural assets form the core of tourism in Kenya since most of the tourism products/ experiences are in their natural form with little innovation to keep abreast with the emerging travel trends. Some of these natural assets include abundant wildlife living in their natural eco-systems; over 500 kilometers of all year warm sandy coastal beaches; a rich and diverse cultural heritage; and unique historical & archaeological sites. Other products are business and conference travel, heritage tours based on a robust and thriving UNESCO World Heritage sites, and business hub in East and Central Africa. The destination also boasts of re-known Kenyan hospitality and availability of skilled workforce. Safeguarding this natural, cultural and business capital is critical for sustainable growth of the tourism sector.

A number of flagship projects/programmes were identified in the Second MTP for implementation so as to facilitate the attainment of this goal. Among these are development of resort cities, under-utilized and premium park initiatives, development of niche products, Meetings, Incentives, Conferences and Exhibitions (MICE), and development of heritage tourism. The sector has undertaken major policy and legal reforms ranging from formulation of tourism policies; enactment of Tourism Act 2011; adoption of IGAD tourism master plan; formulation of National Tourism Blueprint 2030 among other policy interventions. The National Tourism Blueprint 2030 has the following key thrusts:

- i. In the short term, fix and improve existing products and markets that give Kenya a competitive edge particularly beach and safari and re-launching in existing markets;
- ii. In the medium term, diversify into new products and markets; and
- iii. In the long term, sustain the existing and new products and markets.

During the MTP III, the Sector will implement the short term aspects of the Blueprint of Fix and Refresh and partly the medium term of Diversification. These thrusts will be implemented through interlinked strategies as shown in the Figure 1.

Figure 1- 1: National Tourism Blueprint 2030 Implementation Framework



## 1.2 Targets for Third MTP 2018-2022

The following have been identified as the targets for the Sector for the period 2018 to 2022.

- i) Increase tourism arrivals from 1.45 million in 2017 to 2.5 million by 2022;
- ii) Increase tourism earnings from Ksh.119.9 billion in 2017 to Ksh.175 billion by 2022; and
- iii) Increase bed-nights by domestic tourists from 3.6 million in 2017 to 6.5 million by 2022

Table 1-1: Annual Projections for the Tourism Indicators over the Plan Period

Year	Total Arrivals	Revenue (KSh. B)	Domestic Bed-Nights
2016	1.34	99.1	3.49
2017	1.448	119.9	3.64
2018	1.7	120	4.5
2019	1.97	132	5
2020	2.1	145	5.5
2021	2.3	159	6
2022	2.5	175	6.5

## 2.0 SITUATION ANALYSIS

This chapter analyses the performance of implementation of MTP II Tourism Sector Plan (2013-2017). It looks at the implementation status of programmes/projects, supporting policies, institutional reforms and the legal frameworks.

### 2.1 Arrivals and Earnings

Tourist arrivals declined from 1.519 million in 2013 to 1.448 million in 2015 and sector earnings declined from Ksh.94 billion to Ksh.84.6 billion respectively. This was mainly occasioned by negative travel advisories. However, the continued efforts to diversify tourism markets, enhanced security, incentive programs and subsequent withdrawal of travel advisories contributed to improved performance in 2016 with tourist arrivals increasing to 1.339 million and earnings rising to Ksh.99.7 billion.

The Tourism Recovery Taskforce was constituted to enhance recovery of the tourism sector. The team recommended a raft of incentives which included: the Charter Incentive Program and subsidy; Waiver of Visa Fees for children aged under 16 effective 1<sup>st</sup> February 2016; lowering of park-entry fees from \$90 (KSh.9,000) to \$60 (KSh.6,000) through removal of VAT effective 1<sup>st</sup> July 2016; and launching of KShs.30 Million SMS campaign (running from 13<sup>th</sup> Jan to 12<sup>th</sup> April 2016) and Tembea Kenya initiative to promote domestic tourism. In addition the Government introduced a Charter Incentive Program and Subsidy aimed at reducing tourist travel costs and recovering lost business from tourist charter companies, scrapping of landing fees at Mombasa and Malindi international airports for chartered planes from January 2016 till June 2018. Furthermore, a subsidy of US\$ 30 was provided for each passenger who disembarks in the country.

Other recovery initiatives included the engagement of an International Public Relations firm which developed a Digital Global Media Strategy and enhanced the top tier media relations; enhanced awareness/visibility of the Make It Kenya brand by featuring World's first live web broadcast of the great wildebeest migration in partnership with Herd tracker.

The year 2016 marked the rebound of the tourism sector. The lifting of travel restrictions to Kenya by USA, UK, France and Germany provided the much needed impetus to put the sector firmly on the recovery trajectory. Tourism earnings improved by 17.8% from KSh.84.6 billion in 2015 to KSh.99.7 billion in 2016. Similarly, the number of international visitor arrivals rose by 13.5% to 1.34 Million in 2016. In 2017, tourist arrivals and earnings rose to 1.45 million and Kshs.119.9 billion respectively. Domestic tourism, on the other hand, grew by 29.5% from 2.69 million bed nights in 2013 to 3.64 million in 2017. This is illustrated in Table 2-1.

**Table 2-1: Trends in Tourism Performance Indicators (2013-2017)**

Year	Tourism earnings (Kshs. Billion)	Annual growth (%)	Visitors arrival (000)	Annual growth (%)	Bed nights by Kenyans (000)	Annual growth (%)
2013	94	-2.1	1,720	-0.5	2,699.1	-3.2
2014	87.1	-7.3	1,350	-21.5	2,948.7	9.2
2015	84.6	-2.9	1,181	-12.5	3,154.1	7.0
2016	99.7	17.8	1,340	13.5	3,495.9	10.8
2017	119.9	20.3	1,448	8.1	3,645.1	4.3

### Business and Conference Tourism

Business and conference tourism also started on a low note in 2013 with the average percentage occupancy of conference facilities dropping from 6.8% in 2012 to 6.4% in 2013. The number of local conferences held decreased by 14.6% from 3,338 in 2012 to 2,849 in 2013 with number of delegates attending declining by 2.7%.

In 2014, conference activities in the country registered a positive growth. The number of local conferences increased by 8.0% to 3,077 while the number of delegates attending increased marginally. International conferences dropped by 19.4% to 241 while the number of international delegates increased to 77,848 in the same period. In 2015, 218 international conferences held with 59,029 delegates attending. Local conferences held the same period were 3,102 registering 435,436 local delegates. Significant growth was registered in 2016 with the number of international conferences and delegates rising by 4.1% and 41.9 % to 227 and 101,599 respectively, similarly, local conferences and delegates increased by 17.4% and 14.5%, to 3,755 and 532,674 respectively. 2017 was yet another year of growth with local conferences and local delegates increasing by 2.4% and 17.1% respectively, to 3,844 and 623,749.

#### Domestic Tourism

During the period under review, bed nights by Kenyans declined by 3.2% to 2.69 million in 2013 as shown in Table 2-1. However, it bounced back in 2014 registering 2.95 million bed nights which then increased to 3.15 million bed nights in 2015. In 2016, the domestic tourism segment hit a high of 3.49 million bed nights by Kenyans, before growing to 3.64 million in 2017. On the domestic front, the number of bed nights by Kenyans grew by 36.5% from 2.699 million in 2013 to 3.645 million in 2017.

## 2.1 Implementation of Flagship Programmes and Projects

### 2.1.1 Development of Resort Cities

The Second MTP (2013 – 2017) prioritized implementation of the Isiolo, Lamu and Lake Turkana resort cities. Land acquisition process in those areas is at advanced stages.

### 2.1.2 Destination Marketing Programmes

#### a) Magical Kenya Brand Refreshment and Awareness Campaign

The Sector achieved sustained global brand awareness of Kenya as a premier tourism destination through refreshment of the Magical Kenya Brand. The global brand awareness campaign included advertising in international media such as CNN, promotional campaigns in key world travel sites such as Where Are You Now (WAYN) and on Trip Advisor, development and launch of the Magical Kenya Mobile application, international tour operator partnerships such as Comprehensive Trip (CTrip) and strategic partnerships with airlines and premium brands in the market such as Kenya Airways and KWS.

#### b) Source Market Penetration Initiative

Source markets penetration was undertaken by deepening presence in traditional markets and penetrating new and emerging markets in Middle East, Eastern Europe, China, India and Africa region. The Sector participated in key annual international marketing forums such as World Travel Market in London UK, International Tourism Bourse (ITB) in Berlin, 'Galway Kenya Run' in Ireland, Magical Kenya Golf Cup in Italy and Rutland Bird Fair.

#### c) Marketing Domestic Tourism

The sector managed to sustain the growth of domestic tourism at 31% over the period despite the challenges faced. Domestic bed nights were maintained by running various campaigns over this period. These programs included promotion of events that drive traffic across counties such as cultural festivals and expos, local trade and media familiarization and production of

promotional materials for the domestic market, development of the Nairobi Circuit and compilation of the “48”hours in Nairobi” booklet.

**d) Tourist Information**

The Sector disseminated tourist information through distribution of localized tourist maps, destination DVDs, destination passports and brochures, which showcased the diverse experiences. This was done at key international exhibitions & expos, meetings & conferences and at points of entry i.e. airports. Tourist Information Centers were set up at Jomo Kenyatta International Airport for information on the destination.

**2.1.3 Premium Park Initiative**

Under the premium park initiative, infrastructure improvements were realized through routine maintenance of 219 km roads and refurbishment of Eco-lodges. In addition, 2 campsites were rehabilitated, 3 viewpoints rehabilitated & Naishi airstrip restrooms renovated in Amboseli and Nakuru National Parks. This improved visits to Parks. However, incidences of terror attacks suppressed visitors' numbers to the Parks/Reserves between 2013 and 2015. In 2016, total visitors to KWS Parks/Reserves grew by 24% from 1,591,007 in 2015 to 1,979,298. Revenue also went up by 2% in 2016 compared to 2015.

**2.1.4 Under-Utilized Parks Initiative**

The Government undertook to revamp the underutilized parks for revenue maximization. The targeted parks included:

- i. Eco-lodges in Aberdare National Park and Tsavo East National Park were developed;
- ii. Shimoni and Meru cottages were renovated;
- iii. Man Eaters Restaurant is 60% complete in Tsavo West;
- iv. 390km of roads were upgraded to gravel standards in 6 Parks;
- v. 1 airstrip runway was upgraded in Ruma N. Park to bitumen standard;
- vi. 4 Tourism products were enhanced; Kitum Cave in Mt. Elgon, World War site in Tsavo West & Cycling experience in Hells Gate & Kakamega Forest enhanced;
- vii. Works in Aboretum at Eldama Ravine are ongoing, Natural Health Spa in Hells Gate was completed; and
- viii. Grace period for eco-lodge construction was increased from 12 months to 18 months to attract investors.

**2.1.5 Expansion of Tourism Training**

- i. Ronald Ngala Utalii College: The construction of the Ronald Ngala Utalii College is ongoing, with completion rate at 47% of the project works; and
- ii. Kenya Utalii College: During the period under review, Kenya Utalii College (KUC) continued to implement its Master Plan and expanded the training infrastructure through construction of training block (laboratory), renovation of Wataalamu Restaurant, Completion of health club, and equipped kitchens at satellite campuses, Kisumu and Mombasa, and renovation of college buildings. Through collaboration with the University of Nairobi, KUC has introduced two degree programmes in Hospitality Management and Travel & Tourism Management. The number of graduates who pursued various courses at KUC fluctuated between 3,001 in 2013, 2,350 in 2014, 2,324 in 2015 and 2,664 in 2016.

## 2.1.6 Development of Niche Products Programme

### a) Heritage Programmes

- i. National Museum of Kenya (NMK) Nairobi Circuit: Nairobi Heritage Tourism Circuit was developed and actualized. This Circuit includes the Nairobi National Museum, Karen Blixen Museum, Nairobi Gallery. There was also Gazettement of several monuments/buildings within the Nairobi City which have an architectural and historical value.

Nairobi National Museum Night Tours: This tour was very popular with many of the international delegates attending international meetings/conferences hosted in Nairobi during this period. The night tours were also popular with local tourists especially during special occasions such as Valentines and the Easter Holiday. The combined efforts of the Nairobi Circuit and the Night tours have seen the Nairobi National Museum record a 29% increase in visitors from 2013 to 2016.

- iii. Heritage sites and Monuments Rehabilitations and Maintenance: More than five (5) monuments were rehabilitated and new exhibitions mounted within some of these monuments. These included Fort Jesus, Gede Historical Site, Kariandusi Prehistoric Site, Koobi Fora Prehistoric Site, Karen Blixen Museum among others. The rehabilitation saw some of the sites record up to 18% increase in the number of visitors to the site, some being the scientifically or archaeologically inclined tourists. It should also be noted that over fifty (50) new sites and monuments were gazetted all over the country during this period. These sites and monuments form new visitation areas for tourists as they hold unique history and aesthetically unique architectural and historical value.
- iv. Heritage Research Programs: More than 50 Research and Public Programs were developed and undertaken during this period thus giving more information for interpretation and signage in most of the sites, exhibitions and monuments visited by both local and international tourists. Heritage dissemination activities were also undertaken and they included publications, newsletters and brochures used to market and inform visitors during tours of these heritage resources.
- v. Heritage Programme - Cradle of Mankind Niche Product: The above heritage product was meant to be developed in northern Kenya and thus open up the area for economic and tourism activities. A concept paper was developed and initial meetings held with the three counties of Marsabit, Turkana and Samburu for awareness and buy in.
- vi. New Museums and Associated Tourism Establishment: To increase heritage tourism products, two new museums were developed and include the Judiciary Museum of Kenya and the Kenya Ports Authority Museum. Local tourism is expected to rise through visitation to these new museums. In addition, over 10 Counties have entered into working Memorandum of Understanding (MOUs) with the NMK to establish Museums of Heritage Centers within their respective counties. These will also include live exhibit parks especially flora and fauna e.g. Reptile Parks.

There were also activities to promote both World Heritage sites in Kenya as well as other cultural sites in the country. All these were geared towards bringing more visitors and thus increasing tourism revenues.

**b) Cultural Tourism Programmes**

The Sector continued to promote Kenya's cultural heritage through preservation, maintenance of traditional homesteads to their authentic architectural designs. The Sector rehabilitated and maintained traditional homesteads at Bomas of Kenya (BoK). The Sector also hosted Twelve (12) cultural festivals to bring together communities as well as attract tourism. These were facilitated together with several county governments.

**2.1.7 Business and Conference Tourism Initiatives**

Meeting, Incentives, Convention and Exhibitions (MICE) is a fast growing segment of tourism with the potential of bringing in high value tourists. The Sector undertook MICE product mapping in selected areas (Western Kenya and Nairobi) with a view to profiling MICE facilities as well as identifying the existing potential in those areas. International Congress and Convention Association (ICCA) 2016 rankings placed Kenya at position 71, having hosted eighteen international meetings in the year 2016. Kenya is in position three in Africa after South Africa and Morocco while Nairobi takes position six as a M.I.C.E destination in Africa. The Sector in collaboration with other stakeholders continued to submit lead delegation and bidding for international events as well as creating local awareness and promotion of meetings industry.

The KICC expansion which entailed development of a delegates hotel at the Comesa grounds was not achieved due to unavailability of land. However, in pursuit of the expansion strategy, the Sector prioritized development of Nairobi International Convention and Exhibition Centre (NAICEC) which is a Public Private Partnership project. Towards this, the feasibility study for the project was completed and development of the NAICEC Master Plan was initiated.

**2.1.8 Mombasa Convention Centre (MCC) and Marina at Shimoni**

The necessary approvals were obtained from the Public Private Partnership (PPP) Unit for these projects. International Financial Corporation (IFC) of the World Bank was engaged to undertake the feasibility study and source for a strategic partner to finance the two projects. The total cost for MICC and Marina were projected at Kshs.8bn and Kshs.4bn respectively. The government through the IFC is still searching for a strategic financial partner to commence the implementation of these two projects.

**2.1.9 Tourist Information Improvement and Signage Programme**

**a) Roadside Conveniences**

During the MTP II, this project was conceptualized to provide convenient roadside services including a fueling station with other auxiliary services such as a chemist, fast foods, restrooms, ATMs, M-Pesa services, curio/gift shops, etc, where transit visitors/tourists could call in to refresh before proceeding with their journey.

A survey conducted jointly and in partnership with Kenya National Oil Corporation, identified most suitable spots for the project to be along Nairobi – Mombasa Highway; Nairobi - Kisumu;

Nairobi – Nyeri and Nanyuki. This project has taken off and wholly driven by the private investors with the Government providing the necessary infrastructure.

### **2.1.10 Tourism Act, 2011 and Sessional Paper No. 1 of 2010 Implementation**

- a) **Development of National Tourism Strategy**  
The Sector developed a five year National Tourism Strategy (2013-2017). The strategy provided a strategic direction for the tourism sector and guided the way in which it is to be developed and managed. The Sector has also developed the National Tourism Blueprint (2016-2030).
- b) **Establishment of Tourism Regulatory Authority**  
Tourism Regulatory Authority was operationalized in April 2014 as a corporate body, administered and managed by a Board. The Authority now has a fully constituted Board of Directors, staff and has fully taken up its mandate as stipulated in the Tourism Act, 2011.
- c) **Establishment of Tourism Research Institute**  
  
Tourism Research Institute (TRI) was established and a board appointed.

### **2.1.11 National Tourism Status Reporting**

The Sector is required by the Tourism Act 2011 to undertake annual assessment and audit of tourism activities and services and prepare annual tourism sector status report in consultation with the Cabinet Secretary and other lead agencies. The Sector in collaboration with county governments and other agencies has been collecting crucial tourism development data and information which has been used in compiling the Annual Tourism Status Reports for 2015 and 2016. The reports analyzed the performance of the Kenyan Tourism Sector and provided an assessment of the future outlook in the medium term.

### **2.1.12 Tourism Area Plans Development Project**

The Sector worked with other relevant public & private institutions to develop guidelines to facilitate the development of the tourism area plans as required by Sessional Paper no. 1 of 2010 on sustainable tourism development and Tourism Act, 2011.

### **2.1.13 Standards of Tourism Facilities and Services**

During the period under review, the Sector steadily increased the number of establishments inspected from 1,500 per year in 2013 to over 2,700 in 2015/16. The sector undertook national classification of the tourist facilities in the entire country. This was preceded by pre-classification activities focused on sensitizing and training of key stakeholders. A total of 162 tourism facilities were star rated between 1-5 stars.

- a) **Enforcement of standards for Hospitality and Tourism Training Institutions**  
Due to the sector's contribution to employment, numerous training institutions have mushroomed in many parts of the country offering unregulated tourism training. To address the situation, the sector has initiated mechanisms that promote the development of a critical mass of well trained personnel for the sector. To this end, the following regulations have been developed: Tourism Education and Regulations 2016; Draft Workforce and Training Accreditation Regulations; and Draft Tourism Sector Association Regulations.

**b) Incentives and tax breaks to hoteliers and tour operators**

The Sector continued to process applications for duty waiver of materials for construction and refurbishment in line with the provision of the East African Customs Management Act. The resultant recommendations were forwarded to the Kenya Revenue Authority (KRA). In total, duty waiver for goods worth Kshs.3.571 billion and estimated value of exemption of Kshs. 714 million were recommended to KRA.

## **3.0 EMERGING ISSUES, CHALLENGES AND LESSONS LEARNT**

### **3.1 Emerging Issues**

- i. Digital Marketing: The adoption of ICT has positively influenced dynamics in the sector hence the need for tourism players to embrace technology in marketing and booking;
- ii. Multi-generational Travel and Market Segmentation Models: Tourists needs have changed across generations and this necessitates designing products that suits each group;
- iii. Experiential Tourism: Today's traveller wants experiential travel and to interact with the destination through cuisine, culture among others rather than hotel-only offering; and
- iv. Devolution: The establishment of devolved governance structures calls for collaboration in tourism development between the two levels of government to ensure sustainability of tourism products.

### **3.2 Challenges**

- i. Security/Terrorism: Kenya experienced major terrorism attacks and acts of violence over the last five years resulting in travel advisories imposed by key source markets leading to reduction in the international arrivals.
- ii. Negative Publicity: The acts of violence and terrorism received significant coverage in both local and international media. This coverage exacerbated the negative publicity on Kenya thereby deterring interest in the destination from both tourist and tourism services suppliers.
- iii. Ebola outbreak in the continent: The aftermaths of Ebola outbreak in the continent further compounded Kenya's problems as it was perceived as an Africa continent epidemic. This partly led to decline in bookings.
- iv. Product Quality and diversification: Kenya's Safari and Beach products have not been innovative and in tandem with changing consumer needs and trends. The coastal product 'fatigue' is in terms of accommodation, animation and shopping experiences.
- v. Incidences of Poaching: The rise in demand for wildlife products in the international market has led to a resurgence of elephant and rhino poaching. Escalating incidences of poaching and smuggling and/or trafficking of their trophies like ivory and rhino horn has led to loss of wildlife in their natural habitat. An increase in poaching is deemed proportionate to tourist security and affects the tourist's interest in the destination.
- vi. Inadequate physical Infrastructure: Infrastructural developments are inadequate in existing and other potential tourist attraction areas. These include roads and communication services, as well as other complimenting services which tourists require to be able to comfortably visit and stay.
- vii. Skewed distribution of bed capacity: The available bed capacity is not well distributed throughout the country since most of them are concentrated in Nairobi, Coast and South Rift. Other regions lack quality accommodation for touristic purposes.
- viii. Funding Challenges: Government funding for tourism development has been inadequate. Development of resort cities, Nairobi International Convention and Exhibition Centre (NAICEC), and

Ronald Ngala Utalii College (RNUC) are capital intensive and requires sustainable funding mechanism to ensure successful implementation. In addition, marketing of destination Kenya is affected by insufficient budgetary allocations.

- ix. Multiple License Regime: Tourism operators are affected by high cost of doing business due to numerous license requirements from both National and County governments. These include tourism license, Single Business permit, Liquor license, National Environment Management Authority (NEMA) License, garbage collection fee, music copy right, catering levy and bed levy among others. There exist positive correlation between high cost of doing business and destination pricing thus explaining why Kenya is regarded as expensive destination.
- x. Industry Associations: The tourism sector in most parts/regions of the country lack strong tourism organizations. As a result, advocacy issues are not well articulated to both the County and National Governments. This has also affected stakeholder coordination, communication and self-regulation among other pertinent issues.
- xi. Inter-Governmental Collaboration: The existing legislations do not adequately cater for the needs of the devolved government. This has led to duplication of legislation, regulation and functions by county governments.

### **3.3 Lessons Learnt**

- i. The need to design and develop new, innovative and sustainable tourism products due to competition from similar destinations in Africa; and
- ii. Collaboration with national, regional and international agencies/governments on security and safety concerns is critical in ensuring a secure environment for tourism investment, visitor security and sustained tourist flow.

## 4.0 PROGRAMMES AND PROJECTS FOR 2018-2022

The planned programmes/ projects will contribute towards attainment of the Sustainable Development Goals on good jobs and economic growth (8), Life below water (14) and life on land (15) as well as aspiration 1 and 5 of the Agenda 2063. The sector will also contribute as an enabler towards achievement of the government manifesto and strategic interventions (Big four) through the demand created along the tourism value chain. This will be achieved through supply of locally produced inputs to tourism entities sourced from the manufacturing and agro-processing sector. Tourism on the other hand will provide the much needed foreign exchange earnings required for importation of inputs and equipments. In addition, tourism will also acts as a catalyst for investment and growth in other sectors through the multiplier effect.

### 4.1 Flagship Projects

#### 4.1.1 Tourism Product Development

##### Coastal Beach Tourism

The coastal beach tourism will comprise of the following initiatives:

- a) Mombasa waterfront development: This will entail redesigning and re-planning the Mama Ngina Drive and Jomo Kenyatta Public beach to an iconic international standard sea front recreation area.
- b) Little Theatre: Development of little theatre in Mombasa will provide diversity to the experiences offered in Mombasa and foster integration of heritage and culture in the region's tourism product.
- c) Develop and implement a beach Strategy: The goal of the strategy is to transform and develop the beach destination to a leading and competitive dream experience. This strategy will entail the following:
  - i. Establishment of Tourism Management Companies;
  - ii. Implementing the beach management program; and
  - iii. Develop and implement a beach promotion strategy.
- d) Blue Economy: The Sector will work towards attainment of the Blue Flag beach status and tap into the blue economy through diversifying the beach product to include cruise, sport fishing games safaris, marina, dolphin and whale watching.
- e) Cruise Ship: The first cruise terminal whose construction is underway will be completed and promoted within the plan period. A cruise ship strategy will be developed and implemented to reclaim and grow the lucrative high end cruise ship travelers.
- f) Incentive Program to Drive Tourist: This is an initiative aimed at attracting more direct flights to Mombasa. Some of the considerations include working with international Airlines to increasing scheduled flights to the coast, direct low cost flights to Kenya and incentivise cruise ships to operate in Kenyan coast.
- g) Establishment of Hotel's refurbishment fund: The Fund is aimed at addressing the challenge of declining quality of beach resorts. The aging facilities are unable to access affordable credit for periodic refurbishment and modernization to meet the changing demands of modern day holiday-makers. The Sector will seek to source for a minimum of US\$100 Million as a seed capital from international development banks through the National Treasury.
- h) Development of Shanzu Creek Tourism Development City: This will entail development of a new tourism city in a 600 acres Land in Shanzu area.
- i) Attract international hotel brands to invest in the coastal region

## **Wildlife (Safari) Product**

- a) **Maasai Mara Strategy** - Maasai Mara is iconic and well known for the Wildebeest migration

The sector will:

- i. Formulate a detailed tourism strategy for the Masai Mara
- ii. Investigate the potential to establish an airport close to the Masai Mara
- iii. Develop a visitor information and interpretive strategy and policy
- iv. Develop one or more visitor centres at strategic locations to serve as activity hubs (with activity operators and guides), information centres and provide services to visitors (i.e. food and beverages, shopping such as crafts and basic provisions)
- v. Enhance interactions and integration of the Maasai people through interpretation and cultural tourism experiences
- vi. Attain world heritage status for the Maasai Mara

- b) **Amboseli National Park**

The sector will work towards elevation of Amboseli's Status to "Must See" through implementation of the following:

- i. Formulate and implement area Tourism Development Strategy & Plan
- ii. Enforce compliance to set standards and practices
- iii. Promote the circuit

- c) **Kenya Signature Wildlife**

This will entail taking measures to develop and transform KWS parks into signature Africa safari product. The sector will:

- i. Develop Strategy for each park
- ii. Develop scenic drives and viewpoints in key scenic areas
- iii. Develop a visitor information and interpretive strategy and policy
- iv. Develop and implement programmes to deal with litter clean-up
- v. Expand and improve tourism support facilities
- vi. Develop an activity hub at parks with nature-based and adventure activities, tourism facilities and services (e.g. visitor information, food and beverages)
- vii. Enhance existing and develop new activities and events
- viii. Promote the circuits (Mt. Kenya-Meru-Samburu Circuit, Tsavo-Shimba Circuit, Amboseli-Nairobi-Nakuru circuit).

## **Niche Tourism Products Development and Diversification**

- a) **Business Tourism Initiatives**

Business tourism is a lucrative and fast growing segment of the world's tourism. To spur investments by the private sector and ensure that Kenya remains competitive, the Sector will undertake the following:

- i. Establish and operationalize the National Convention Bureau;
- ii. Remodel and develop the Nairobi International Convention and Exhibition Centre (NAICEC);

- iii. Develop Mombasa International Convention Centre;
- iv. Establish Baraza Kenya as a state corporation to manage Kenyatta International Convention Centre(KICC) , NAICEC and Mombasa International Convention Centre;
- v. Build new KICC tower;
- vi. KICC Modernization & expansion; and
- vii. MICE Destination Marketing.

**b) Cultural and Heritage Tourism**

To tap into the Kenya's rich culture and heritage, the strategy within the medium term plan period will be to fix existing cultural and heritage products besides promoting development of authentic Kenyan product. Specific interventions to be undertaken will include:

- i. Refresh and revamp Bomas of Kenya to a contemporary, authentic cultural tourism experience;
- ii. Enhance cultural tourism experiences alongside the African safari and nature experience;
- iii. Integrate story telling into existing cultural experiences in all core regions;
- iv. Develop Five (5) Public Program and Cultural Festivals in collaboration with other stakeholders for awareness and also tourism purposes;
- v. Develop visitor interpretive centres, e.g. Lake Turkana Cradle of Mankind visitor attractions, Mau Mau Caves;
- vi. Enhance existing home stay products;
- vii. Refresh and revamp key museums and historical sites – Develop five (5) Heritage Circuits, digitize at least three (3) museums sites, Virtual tours of digitized sites, enhance awareness on heritage sites & Products, and 100 Best Monuments program;
- viii. Rehabilitate and develop heritage assets – The Cradle of Mankind and Fort Jesus Wall Projects; and
- ix. Undertake heritage impact assessments, develop and gazette new Museums and Heritage sites/Monuments.

**c) Events Strategy**

The strategy aims to consolidate all events across the country and establish a single calendar of events for the country. The following will be done.

- i. Compile a database (calendar) of tourism-related events taking place across Kenya;
- ii. Classify events by type and significance (i.e. international, regional, national, local and community);
- iii. Create annual signature events; and
- iv. Profile and promote off-road challenge events as key tourism activities.

**Resort cities**

To bolster the viability and sustainability of the LAPSSET Corridor, three resort cities are planned in Lamu (Mokowe), Isiolo and Turkana (Eliye Springs). These are intended to harness and tap into the rich tourism potential. The concept is to create new tourism corridor based on group tours using the mass transportation network offered by LAPSSET Corridor.

**Isiolo Resort City**

The Isiolo Resort city is premised on a rich bio diversity and habitation to rare and endangered wildlife

species. It will leverage on the 5 National Parks/Reserves and internationally renowned private and community conservancies within the vicinity of the project site. The City therefore presents one of the most unique tourist menu in the country that can be exploited and harnessed to create positive economic impact. The process of procuring land in Isiolo had been initiated under LAPSET Programme. During MTP III, the process of procuring land would be finalized. This will be followed by undertaking of feasibility study, develop the Isiolo resort city master plan and develop support infrastructure such as, roads, sewerage, electricity.

### **Turkana Resort City**

Lake Turkana Resort City is proposed to be located at Eliye Springs on the shore of Lake Turkana and will ride on the following facilities:- Central Island National Park; Sibilo National Park; Southern Island National Park; Eliye Springs; and Loiyangalani sites. The process of procuring land for Turkana Resort City had been initiated under LAPSET Programme. During MTP III, the process of procuring land will be finalized, feasibility study carried out, develop master plan and support infrastructure such as, road, sewerage and electricity.

### **Lamu Resort City**

The Lamu Resort City is proposed to be at Mokowe and is premised on the rich cultural history including the Swahili village, beaches, unique cultural identity, world heritage sites and national reserves/parks. Other tourism attractions include mangrove forests, deep sea fishing, archeological sites and water sporting activities. The construction of the resort city is expected to make Lamu one of the leading tourist destinations in the world.

During MTP III, the process of procuring land will be finalized, Environmental Social Impact Assessment (ESIA) study undertaken, develop master plan and supportive infrastructure such as road, sewage and electricity.

## **4.1.2 Tourism Promotion and Marketing**

### **Destination Marketing**

#### **a) Deliver an exceptional Tourist Experience**

During MTP III, the sector will initiate the following innovative interventions to attain the set targets for 2018-2022.

- i. The top tourist experiences of Kenya: In partnership with tourism stakeholders, the sector will institute a system that will identify 20 key tourist experiences to be promoted globally as Kenya's unique selling points. The top experiences will include hiking & trekking in Kenyan highlands, run with the Kenyans, dhow sailing in Lamu, bird-watching in Kenya, iconic safaris, pristine beaches among others.
- ii. Put in place a system of product sub-brands: The sector will work with tourism stakeholders in the development, packaging and marketing of 13 product sub-brands that are unique and will differentiate Kenya from other destinations. This will improve the quality of Kenya's tourism products and enhance customer satisfaction. Potential product sub-brands will include Kenya Sun & Sea, Kenya Luxury, Kenya Meetings & Events, Kenya

Adventure among others.

- iii. Implement the Safari Innovation and Development Program: The purpose of this initiative is to reinvigorate the Kenya's safari product. This initiative will be implemented through a multi-stakeholder approach. As a result of this initiative Kenya's market share in the safari business will be expected to grow by 20% by 2022.

**b) Inspire the World through a Powerful Brand Kenya**

- i. Implement Brand Kenya initiative: The sector will refresh the Magical Kenya brand to strengthen Kenya's positioning within the regional and international markets. This will involve the development of a new brand visual (identity) and positioning for the destination in line with the new marketing strategy. The sector aims to achieve brand awareness of Kenya as a tourist destination among consumers by 70% by 2022.
- ii. Deploy the 360<sup>o</sup> communication plan: The purpose of this initiative is to develop a comprehensive communication plan that will be implemented across various marketing channels such as TV, print, digital, radio, mobile among others. The aim is to increase the number of travelers from the top 5 key source markets by 30% by 2022.
- iii. Digital marketing program: The sector will take advantage of the latest technologies, insights and opportunities and take a deliberate shift to digital marketing platform to drive the marketing approach to reach targeted tourist segments. The key initiatives will include the refreshing of the Magical Kenya Website, strategic use of social media strategy and engaging in mobile marketing initiatives. This aims to achieve an increase in Magical Kenya Website visitation of +200%, increase social media followers of +150% and achieve 25,000 app downloads.
- iv. Implement a Customer Relationship Management Initiative: The initiative aims to develop highly personal relationships with Kenya's current and potential tourists. The sector will develop a system whereby information on current and potential visitors can be captured for use in strategic decision making and the creation of a loyalty program. This aims at generating a database of 3,000 customers by 2022 and 10 Diaspora effective brand ambassadors.

**c) Improve the Competitive Position of Kenya in the Sales System**

- i. Facilitate distribution and sales of Kenya's tourism products in the source markets: The aims at enhancing Kenya's distribution in the source markets and motivate tour operators and travel agents to sell Kenya to their clients. This will be implemented through training sessions, participation in select exhibitions, specific tour operator events, familiarization trips and one-on-one meetings with the tour operators. The sector aims to increase the number of Kenya specialists in the top 5 markets by 150.

**d) Tourism Industry Engagement**

- i. Implement the Kenyan industry Engagement Program: The initiative aims to build strong win-win relationships with Kenya's tourism industry stakeholders. This will involve the

development of industry engagement programs such as industry briefings, focus groups, workshops, meetings, surveys, task forces among other initiatives.

- ii. Set up a Marketing Education Initiative: The initiative aims to build the capacity of tourism industry stakeholders so as to enhance Kenya's competitiveness as a whole. The sector will endeavor to share information with stakeholders for purposes of enhancing their knowledge, understanding of the various source markets and enhance alignment with national strategy.

#### **e) Improve the Performance of the Tourism Industry Marketing**

- i. Implement Global PR: This refers to defining, securing and promoting one country brand for tourism, investments, exports and culture. In addition, it will entail rethinking and redesigning the country's overseas representation model.
- ii. Implement an aggressive advertising campaign: In order to enhance global presence and visibility of the Kenyan brand, the sector will undertake an aggressive global advertising and public relations campaign across multiple media channels with particular consideration for on-line and social media; the campaign will have three components:
  - a) Regional awareness campaign tailored for the rest of Africa
  - b) International awareness campaign tailored to foreign markets.
- iii. Set up a framework for cascading the marketing strategy locally: The cascading of the marketing strategy will be done through Tourism Management Companies (TMCs)/ Destination Management Organizations (DMO). TMCs are public-private regional entities that will be based at the counties and will be involved in the development and promotion of tourism products in specific regions in line with the National Tourism Marketing Strategy. This framework will link County tourism with national tourism strategy and aim to attain a total of 8 successful TMCs operating by 2022.

#### **Domestic Tourism**

Domestic tourism is on a steady increase in Kenya. The segment is useful not just for tourism growth but also for national cohesion and integration. In collaboration with the County Governments, tourism circuits will be enhanced to ensure that every part of the country optimally benefits from the locally available tourist attraction potential. In addition, County-based events such as cultural weeks geared towards fostering national understanding and integration will be encouraged and supported. The government will also prioritize domestic tourism promotion campaigns, identify domestic consumer segments and formulate segment specific strategies to complement foreign source markets.

#### **Standards of Tourism Facilities and Services**

The classification exercise concluded in 2016 and routine inspections have revealed that the destination is yet to attain the star rating levels envisaged under Vision 2030. To address this challenge, the sector will pursue interventions through development and implementation of standards. These include:

- i. Develop Minimum Standards for Hotels and Restaurants;
- ii. Review the EAC Hotel and Restaurants Classification Criteria;
- iii. Development of other tourism-related enterprises standards;
- iv. Provision of Incentives and tax breaks to hoteliers and tour operators; and

- v. Enforcement of standards for hospitality and tourism training institutions.

#### **4.1.3 Enhancing the Quality of Tourism Training**

##### **a) Tourism Service excellence**

To safeguard against the uncoordinated development of manpower, and unregulated uptake of untrained personnel and deteriorating service quality standards, the sector will:

- i. Undertake Audit of the National tourism skills;
- ii. Review of tourism training curricula; and
- iii. Rationalize tourism training institutions.

##### **b) Kenya Utalii College (KUC)**

KUC is a premier tourism training institution in the country. During the Third Medium Term Plan, the college will conduct an institutional assessment of its courses, automate its processes and restructure into an appropriate model aligned to NTB 2030.

##### **c) Completion of Ronald Ngala Utalii College**

The Government is putting up Ronald Ngala Utalii College and Hotel as a second National Tourism Training Institution. The project is 47 % complete and will be completed within the MTP III period.

#### **4.1.4 Tourism Financing**

The 2016/2017 Budget Statement increased air passenger charges for external travel from US\$40 to US\$50 and for internal travel from Kshs 500 to Kshs 600. The realized revenue is to be used exclusively for tourism promotion. The sector will operationalize the Tourism Transformation Fund, finalize and gazette regulations, and develop disbursement criteria.

In addition, the sector will continue to finance the developments and investments in accommodation facilities for increased bed capacity. Priority will be given to innovative and sustainable projects.

#### **4.1.5 Tourism Infrastructure and Enabling Services**

- i. Tourism Roads: The sector will lobby for prioritization of development key road networks serving key tourism circuits. These include Malindi – Watamu beach road and Mombasa – Malindi Dual carriage among others.
- ii. Air Travel: The sector will implement the Air growth Strategy that will seek to maximize the air travel potential for Kenyan tourism. Key action points will be to pursue a facilitative policy to expand affordable local air travel, incentives for low-cost airline operators, lobby for upgrade of airports prioritized by the National Tourism Blueprint 2030 and implementation of open sky policy.

#### **4.1.6 Tourism Research and other Enabling services**

Successful implementation of the marketing and product strategies will be premised on sound, credible and timely research. In addition, investment into the industry must be underpinned by sound

research and guaranteed safety of the intended beneficiaries/consumers. This will entail:-

- i. Operationalizing Tourism Research Institute;
- ii. Operationalizing the Tourism Protection Service; and
- iii. Operationalizing Tourism Crisis Centre.

## **4.2 Other Programmes and Projects**

- i. **Development of Innovation Hub:** An innovation hub will be developed to spearhead innovation in tourism. The hub will provide incubators competition and challenges to nurture immersive and connected tourism travel experiences that are desired by tourists as well as digital and cyber economy. This will ensure continuous flow of new business models, technology and systems in Kenyan Tourism.
- ii. **Development of Tourism Satellite Account:** Whereas tourism data and information is important for policy and management decisions, the sector lacks a well-coordinated tourism and information management system. This has resulted to data capture, reporting, analysis that is not adequate for timely and informed policy decisions. This project will therefore fast track and expand the on-going Tourism Satellite Account to incorporate a holistic approach that encompasses all aspects of data collection, analysis and reporting systems for the whole sector. The project will facilitate collecting information on the profile and pattern of foreign and domestic tourism expenditure and thereby create a reliable source of tourism information and statistical database.

## **5.0 POLICY, LEGAL AND INSTITUTIONAL REFORMS**

The implementation of programmes/projects during the MTP III period will be supported with review and formulation of policies, institutional reform and the necessary legal frameworks. In this regard, the sector will seek to review the National Tourism Policy and the Tourism Act 2011. During the 2<sup>nd</sup> MTP period, the sector developed the National Tourism Blueprint 2030 which proposes the following institutional reorganization and which will be implemented during the plan period.

- i. Establishment of the National Convention Bureau;
- ii. Creation of Baraza Kenya to manage KICC and proposed NICEC and Mombasa international Convention Centre;
- iii. Establishment of Beach Management Board;
- iv. Establishment of Tourism Council;
- v. Establishment of Tourism Research Institute under Kenya Utalii College; and
- vi. Restructuring of the State Department of Tourism.

### **5.1 County Tourism Product Development and Coordination Mechanism**

With devolvement of local Tourism, there is need to develop an inter-governmental coordination mechanism on tourism product development and promotion. Counties will be grouped into seven (7) tourism destinations for ease of partnership with the private sector and coordination with the national government, development and implementation of tourism and product development strategies, destination marketing and coordination of visitor information provision. The same clustering will assist in conducting spatial planning for tourism.

## ANNEX I: IMPLEMENTATION MATRIX

Programme/ Project	Objective	Expected Output	Indicators	Implementing Agency(s)	Time Frame	Source of Funds	Indicative Budget (KSh. Million)					
							Total	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22
Coastal Beach Tourism	To fix and improve the beach tourism product	Redesigned Iconic Mama Ngina Drive and Jomo Kenyatta Public beach seafront. Little theatre developed Beach Strategy developed Cruise ship Strategy Hotel refurbishment Fund established Shanzu Creek Tourism Development City developed New international hotel brands in Coast Tourism management Companies (TMCs) established	Completion rate %; Beach Strategy Report; Cruise Ship Strategy report; No. of facilities refurbished; Shanzu Creek; Tourism City; No. of new international hotel brand; Number of TMCs established	MTW	2018-2022	GoK	10,863	2,588	3,022	3,696	709	849
Wildlife (Safari) Product	To enhance the value of Wildlife (Safari) Product	Maasai Mara Strategy developed and implemented Maasai Mara declared World heritage status	Maasai Mara Strategy Report; World heritage status award	MTW, Counties, KWS	2018-2022	GOK	1,810	51	258	667	626	208
Amboseli National Park	To elevate Amboseli's Status to "Must See"	Amboseli National Park Tourism Development Strategy & Plan developed and implemented.	Report; % increase in Visitation	MTW KWS Kajiado County	2018-2022	GOK	329	-	75	79	85	90
Kenya Signature Wildlife	To develop and transform KWS parks into signature Africa safari product	KWS Parks Strategy developed and implemented Parks circuits promoted Increased visitation to parks	Park Strategy Reports; No. promoted % increase in Visitation		2018-2022	GOK	2,370	140	429	665	556	581
Niche Products Development and Diversification	To diversify away from nature based tourism products	NAIACEC, New KICC Tower, MICE developed National Convention Bureau operationalized; Baraza Kenya established Increased MICE conference capacity; Increased conference activity	Completion rates; National Convention Bureau; Baraza Kenya; KICC conference capacity; No. of conferences held	MTW KICC BOK	2018-2022	GOK, UNESCO, County Governments	888	21	458	409	-	-

Programme/ Project	Objective	Expected Output	Indicators	Implementing Agency(s)	Time Frame	Source of Funds	Indicative Budget (KSh. Million)					
							Total	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22
Cultural and Heritage Tourism	To fix existing and promote development cultural and heritage products	Enhanced Cultural product New Heritage products & circuits; Cradle of Mankind & Fort Jesus rehabilitated Assessment reports; New Museums & Heritage sites gazetted	No. of cultural Products No. of heritage products & circuits; Completion rates; Report Gazette Notice	MTW BoK MMK	2018-2022	GOK, UNESCO, County Governments	919	-	149	159	296	315
	To consolidate all events into a single calendar of events	Event calendar established	Event calendar	MTW	2018-2022	GOK	3,059	11	-	953	1,015	1,081
Development of Isiolo, Turkana and Lamu Resort Cities	To harness and tap into the rich tourism potential and create new tourism corridor	Master Plans, Model designs, Feasibility Study reports & ESIA done Resource Mobilization Framework Land secured	Reports (Number)	Ministry of Tourism and Wildlife LAPSSET Authority County Governments	2018-2022	GoK	1,917	400	506	78	744	189
		Road network and sewage developed Electricity installed	Completion rates									
Tourism Promotion and Marketing	To market Kenya as a leading tourism destination	Increased tourist earning and arrivals	No. of tourists arrivals and earnings from tourism	KTB, MoT	2018-2020	GOK	13,169	3,054.9	2,583.1	2,354.0	2,507.0	2,670.0
	To promote domestic tourism	Increased Bed nights by Kenyans	No. of bed-nights by Kenyans	MTW, KTB, County Governments	2018-2020	GOK	400	50	70	80	100	100
	To improve the overall quality of products and services in tourism	Classified hotels and restaurant,	No. of graded hotels/restaurants	TRA, MTW, Ministry of Education	2018-2022	GOK	881.8	120.7	140.6	184.5	195.5	240.5

Programme/ Project	Objective	Expected Output	Indicators	Implementing Agency(s)	Time Frame	Source of Funds	Indicative Budget (KSh. Million)					
							Total	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22
Tourism Training and Capacity Building	To improve skilled manpower for the hospitality industry	National Tourism Skill Audit undertaken Tourism Training Standards developed & enforced Increased KUC Graduates Ronald Ngala Utalii College (RNUC) developed	National Tourism Skill Audit report Tourism Training Standards report, No. of KUC Graduates Completion rates	TF, KUC, MTW	2018-2022	GOK Development Partners PPP	5,482	1,780	1,100	1,133	861.4	607.9
Tourism Financing	To avail fund for tourism promotion and development of tourism facilities	Tourism Transformation Fund operationalized, New Tourism facilities financed and or developed	Tourism Transformation Fund No. of facilities financed	MTW TFC	2018-2022	GOK Development Partners PPP	83,550	16,010	17,510	17,510	16,010	16,510
Tourism Infrastructure	To lobby for improvement of infrastructure aligned to NTB strategies	Improved Tourism Circuits road Network; Air growth Strategy developed & implemented	No. of Tourism Circuits Road network; Air growth Strategy Report	MTW, OP, KPA, KWS, counties and MoT&I	2018-2022	GOK, Development Partners	22,437	4,246	5,455	4,195	2,130	6,411
Tourism Research & Enabling services	To provide meaningful, timely and relevant information and safety of tourists	Operationalize Tourism Research Institute; Tourism Protection Service & Crisis Centre operationalized	Tourism Research Institute; Tourism Protection Service & Crisis Centre	MTW TPU	2018-2022	GOK Development Partners	359	28.4	37.3	94.8	96.1	102.3
Innovation Hub	To spearhead innovation in tourism	Innovation Hub developed	Innovation Hub	MTW	2018-2022	GOK	4,369	867.8	924.2	984.3	852.2	740.6
Tourism Satellite Account	Promote tourism information	Tourism Satellite Account developed	TSA system in place TSA Reports	MTW, SAGAS, Counties	2018-2022	GOK Donors	543	130	115	110	95	93
<b>GRAND TOTAL</b>							<b>153,449</b>	<b>29,500</b>	<b>32,872</b>	<b>33,402</b>	<b>26,884</b>	<b>30,791</b>

# MONITORING AND EVALUATION MATRIX

Programme/ Project	Objective	Expected Output	Indicators	Implementing Agency(s)	Time Frame	Source of Funds	Yearly Targets					
							2018/2019	2019/20	2020/21	2021/22	2022/23	
Coastal Beach Tourism	To fix and improve the beach tourism product	Redesigned Iconic Mama Ngina Drive and Jomo Kenyatta Public beach seafront.	Completion rate %	MTW	2018 /19	GOK	100%					
		Little theatre developed	Completion rate %	MTW	2018 /19		100%					
		Beach Strategy developed	Beach Strategy Report	MTW County Governments	2018 /19		1					
		Tourism management Companies (TMCs) established	Number of TMCs established	MTW County Governments	2018-2022		2	2	2			
		Cruise ship Strategy	Cruise Ship Strategy report	MTW KPA	2018 /19		1					
		Hotel refurbishment Fund established	Hotel refurbishment Fund	MTW	2018 /19		1					
		Hotels Refurbished	No. of facilities refurbished	MTW Private Sector	2018-2022			20	30	40	50	
		Shanzu Creek Tourism Development City developed	Shanzu Creek Tourism City	MTW County Government	2018-2022				1			
		Wildlife (Safari) Product	To enhance the value of Wildlife (Safari) Product	Maasai Mara Strategy developed and improved	Maasai Mara Strategy Report	MTW, Counties, KWS	2018 /19	GOK	1			
				Revamped Maasai Mara World heritage status attained	Completion rate		2018-2022		20%	40%	60%	80%
Amboseli National Park	To elevate Amboseli's Status to "Must See"	Amboseli National Park Tourism Development Strategy & Plan developed and implemented.	Report	MTW KWS Kajiado County	2018 /19		1					
		KWS Parks Strategy developed and implemented	% increase in Visitation		2018-2022		15%	20%	25%	30%	35%	
		Parks circuits promoted	Park Strategy Reports	MTW KWS	2018 /19		1					
Kenya Signature Wildlife	To develop and transform KWS parks into signature Africa safari product	Increased visitation to parks	Number of circuits promoted	MTW KWS	2018-2022		1	1				
			% increase in Visitation to parks		2018-2022		10%	10%	15%	15%	10%	
Niche Products Development and Diversification	To diversify away from nature based tourism products	NAIPEC, New KICC Tower, MICC developed	Completion rates	MTW KICC	2018-2022	GOK, County Governments	10%	25%	50%	75%	100%	
		National Convention Bureau operationalized	National Convention Bureau	MTW	2018 /19		1					
		Baraza Kenya established	Baraza Kenya	MTW KICC	2019/20				1		10,000	
		Increased KICC conference capacity	KICC delegates capacity		2018-2022							

Programme/ Project	Objective	Expected Output	Indicators	Implementing Agency(s)	Time Frame	Source of Funds	Yearly Targets				
							2018/2019	2019/20	2020/21	2021/22	2022/23
Cultural and Heritage Tourism	To fix existing and promote development cultural and heritage products	Enhanced Cultural product	No. of cultural Programs/Festivals	MTW	2018-2022	GoK, UNES	1	1	1	1	1
		New Heritage products & circuits	No. of heritage products & circuits	BoK	2018-2022	CO, County Govts	1	1	1	1	1
	Cradle of Mankind & Fort Jesus rehabilitated	Completion rates	Completion rates	NMK	2018-2022	50%	75%	100%			
		Assessment reports	Report	NMK	2018	1					
Events Strategy	To develop a single calendar of events	New Museums & Heritage sites gazetted	Gazette Notice	NMK	2018-2022	2	2	2	2	2	
		Event calendar established	Event calendar	MTW	2019/20	1					
	To harness and tap into the rich tourism potential and create new tourism corridor	Master Plans, Model designs, Feasibility Study reports & ESIA done	Reports (Number)	Ministry of Tourism and Wildlife LAPASSET Authority County Governments	2018-2022	3	3	3	3	1	
		Resource Mobilization Framework Land secured	Completion rates	Ministry of Tourism and Wildlife LAPASSET Authority		25	50	75	100		
Tourism Promotion and Marketing	To market Kenya as a leading tourism destination	Increased tourist arrivals	No. of tourists arrivals and	MTW, KTB	2018-2022	GoK	1.7	1.97	2.1	2.3	2.5
		Increased tourism earnings	Tourism earnings (KShs)				120	132	145	159	175
	To promote domestic tourism	Increased Bed- nights by Kenyans	No. of bed-nights by Kenyans	MTW, KTB, County Governments	2018-2022	GoK	4.5	5	5.5	6	6.5
		Classified hotels and restaurants	No. of graded hotels/restaurants	TRA, MTW	2018-2022	GoK	80	50	350	200	100
Tourism Training and Capacity Building	To improve the overall quality of products and services in tourism services	National Tourism Skill Audit undertaken	National Tourism Skill Audit report	MTW, KUC	2018-2022	GoK	80	50	350	200	
		Tourism Training Standards developed & enforced	Tourism Training Standards report	TRA, KUC	2018-2020	GoK	1	1			
	Ronald Ngala Utaili College (RNUC) developed	Completion rates	Completion rates	MTW, TF	2018-2022	GoK	60%	75%	85%	100%	60%

Programme/ Project	Objective	Expected Output	Indicators	Implementing Agency(s)	Time Frame	Source of Funds	Yearly Targets				
							2018/2019	2019/20	2020/21	2021/22	2022/23
Tourism Financing	To avail fund for tourism promotion and development of tourism facilities	Tourism Transformation Fund operationalized	Tourism Transformation Fund	MTW NTMOP	2018 /19	GOK	1				
Tourism Infrastructure	To lobby for improvement of infrastructure aligned to NTB strategies	New Tourism facilities financed and or developed	No. of facilities financed	TFC	2018-2022	PPP	60	80	100	115	120
					2018-2020	GOK, Development Partners	1	1	1	1	1
					2018 /19	MTW, KCAA, Airlines	1				
Tourism Research & Enabling services	To provide meaningful , timely and relevant information and tourist safety	Improved Tourism Circuits road Network (Malindi-Watamu, Mombasa Malindi) Air growth Strategy developed & implemented	No. of Tourism Circuits Road network	MTW, KWS, counties and MoT&D	2018-2022	GOK		25%	50%	75%	100%
					2018 /19	MTW	1				
					2018-2020	GOK	1	1			
Innovation Hub	To spearhead innovation in tourism	Operationalize Tourism Research Institute	% implementation	MTW, KCAA	2019/20	GOK		1			
					2018 /19	MTW	1				
Tourism Satellite Account	Promote tourism information	Tourism Protection Service & Crisis Centre operationalized	Tourism Protection Service & Crisis Centre	MTW MolCNG	2018-2022	GOK	25%	50%	75%	100%	