



REPUBLIC OF KENYA

**THE NATIONAL TREASURY AND PLANNING
STATE DEPARTMENT FOR PLANNING**

POST COVID-19 ECONOMIC RECOVERY STRATEGY

2020-2022

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FOREWORD

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President of the Republic of Kenya
And Commander-in-Chief of the Defence Forces**

PREFACE

The containment and mitigation measures put in place to curb the spread of the Covid-19 have adversely impacted Kenya's economy leading to a 5.7 percent contraction in real GDP in the second quarter of 2020 compared to a 4.9 percent growth in the first quarter of 2020. In view of the impact of Covid-19, the economy is projected to grow by 2.9 percent in 2020, much lower than the 5.4 percent recorded in the past year. A survey by Kenya National Bureau of Statistics indicates significant job losses over the pandemic period with the number of unemployed increasing to 1.8 million in the April to June period compared to 961,000 in January to March.

Fiscal performance has been adversely impacted by revenue shortfalls due to decline in economic activities, government tax relief measures to cushion individuals and businesses from the economic impact of the pandemic, and increasing demands to fund Covid-19 related expenditures. As a consequence, the fiscal deficit as a ratio of GDP is projected at 8.9 percent in FY 2020/21 which is higher than the 7.5 percent in the budget estimates and the actual outcome of 7.8 percent in FY 2019/20.

Building on the Eight-point Economic Stimulus Programme (ESP) and the Budget for FY 2020/21, this Post Covid-19 Economic Recovery Strategy (ERS) is designed to implement measures to mitigate the adverse socio-economic effects of the pandemic and re-position the economy on a steady and sustainable growth trajectory. It also provides a road map for transition to the fourth Medium Term Plan (MTP) and a new development framework beyond the current Vision 2030.

The Strategy places priority and focus on several key areas including: enhancing budgetary allocations to strengthen health care systems; facilitating the private sector to enhance its role in the recovery and growth of the economy; facilitating the recovery and growth of key economic sectors such as tourism, and MSMEs, manufacturing and transport which have been hard hit by the pandemic; ensuring a green and resilient recovery and growth; investment in ICT and digital infrastructure to support the delivery of public services and facilitate e-commerce; increasing the resilience of the economy to global supply chain shocks; strengthening the national capacity for disaster preparedness; mainstreaming diaspora financial and human resources; enhancing budgetary resources to the police and security related services to enforce compliance to Covid-19 containment rules and regulations; strengthening governance and economic management; expediting implementation of policy, legal and institutional reforms and strengthening monitoring and evaluation systems to ensure its effective implementation.

The production of the ERS has been a collaborative effort involving extensive consultations and input within and outside Government. Its implementation framework will utilize the institutional framework for coordination and implementation of government programmes and projects at the national and county level. It will also prioritize close co-ordination and active participation with private sector, development partners, non-governmental actors and communities.

I take this opportunity to thank His H.E the President for his advice and guidance in the preparation of the ERS. Finally, allow me to thank my colleagues in the Cabinet, Principal Secretaries and all those who contributed to the preparation of this Strategy document

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LIST OF ABBREVIATIONS AND ACRONYMS

AfCFTA	Africa Continental Free Trade Area
ADR	Alternative Dispute Resolution
ASALs	Asals Arid and Semi Arid Lands
AFC	Agricultural Finance Corporation
AML	Anti Money Laundering
ATC	Air Traffic Control
AU	African Union
CBR	Central Bank Rate
CBL	Central Bank Lending Rate
CCF	Climate Change Fund
CIMES	County Integrated Monitoring and Evaluation System
CIS	Collective Investment Schemes
DRM	Disaster Risk Management
EAC	East African Community
EASA	East Africa School of Aviation
ECDE	Early Childhood Development Education
EIA	Environmental Impact Assessment
EPZ	Export Processing Zone
ERS	Economic Recovery Strategy
ESP	Economic Stimulus Programme
EU	European Union
FDI	Foreign Direct Investment
FY	Financial Year
GBV	Gender Based Violence
GDP	Gross Domestic Product
HDU	High Dependency Unit
iCMS	Integrated Customs Management Systems
ICT	Information Communication Technology
IDB	Industrial Development Bank
IGAD	Intergovernmental Authority for Development
ILO	International Labour Organization
IPO	Initial Public Offer
JKIA	Jomo Kenyatta International Airport
KAM	Kenya Association of Manufacturers
KEPSA	Kenya Private Sector Alliance
KERRA	Kenya Rural Roads Authority
KICD	Kenya Institute of Curriculum Development
KICC	Kenyatta International Convention Centre
KIHBS	Kenya Integrated Household and Budget Survey
KIRDI	Kenya Industrial Research Development Institute
KITI	Kenya Industrial Training Institute
KLDC	Kenya Leather Development Council
KNAP	Kenya National Action Plan
KNCB	Kenya National Convention Bureau
KNEC	Kenya National Examination Council
KMC	Kenya Meat Commission
KNBS	Kenya National Bureau of Statistics
KTB	Kenya Tourism Board
KSDS	Kenya Strategy for Development of Statistics
MSME	Micro Small and Medium Enterprises

MDA	Ministries Departments and Agencies
MCDAs	Ministries, Counties, Departments and Agencies
MIA	Moi International Airport
MICE	Meeting, Incentives, Conferences and Exhibitions
MTP	Medium Term Plan
MSEA	Micro and Small Enterprise Authority
NDMA	National Drought Management Authority
NER	Net Enrolment Ratio
NHIF	National Hospital Insurance Fund
NIMES	National Integrated Monitoring and Evaluation System
NSS	National Statistical System
OACPS	Organization of African Caribbean and Pacific States
OVC	Orphans and Vulnerable Children
PAYE	Pay As You Earn
PFM	Public Financial Management
PIM	Public Investment Management
PPDA	Public Procurement and Asset Disposal Act (2015)
PPP	Public Private Partnership
PWDs	Persons with Disability
PPE	Personal Protective Equipment
RDAs	Regional Development Authorities
RIVATEX	Rift Valley Textiles
SACCO	Savings and Credit Cooperatives
SEZ	Special Economic Zone
SEZA	Special Economic Zone Authority
SGR	Standard Gauge Railway
SME	Small and Medium Enterprises
SOEs	State Owned Enterprises
SSNP	Social Safety Net Program
SPV	Special Purpose Vehicle
TICAD	Tokyo International Conference for Africa Development
TVET	Technical Vocational Education and Training
UHC	Universal Health Coverage
UK	United Kingdom
UNICEF	United Nations Children's Fund
USF	Universal Service Fund
VAT	Value Added Tax
WASH	Water, Sanitation and Hygiene
WHO	World Health Organization
WSP	Water Service Provider

EXECUTIVE SUMMARY

The Covid-19 pandemic has created the most severe health and economic crisis in many decades, as a consequence, the IMF projects that the global economy will contract by 4.9 percent in 2020. Kenya's economy is projected to grow at a much lower rate of 2.9 percent in 2020 compared to 5.4 percent in 2019. The pandemic adversely affected key sectors of Kenya's economy including tourism, exports of horticulture, MSMEs, manufacturing, transport and storage, and domestic and external trade. It has also overstretched the health care system capacity to care for the infected and led to closure of schools.

The measures put in place to contain the virus have led to job losses. Between the first quarter (Jan-March) and second quarter (April –June) of 2020, the unemployment rate increased sharply from 5.2 percent to 10.4 percent translating into an increase in the number of unemployed from 961,666 to 1.8 million. The slowdown in economic activities also negatively impacted the performance of other key macroeconomic variables including government revenue, the fiscal deficit and exchange rate.

The Government has established various committees under the National Co-ordination Committee on Response to Coronavirus Pandemic. In May 2020, the Government rolled out an eight-point Economic Stimulus Programme (ESP) to cushion citizens and businesses, protect livelihoods and stimulate the economy. The ESP focuses on measures aimed at improving road infrastructure and urban renewal; improving educational outcomes; enhancing liquidity to business including MSMEs; improving health outcomes; agriculture and food security; supporting tourism recovery; improving environment, water and sanitation; supporting manufacturing and enhancing social protection.

The Government also implemented a range of fiscal measures in the context of the Tax Amendment Act 2020 and Finance Act 2020. In March 2020, the Government removed PAYE for those earning Kshs 24,000 and below, reduced corporate and personal income tax rate from 30 percent to 25 percent, reduced VAT rate from 16 percent to 14 percent and turnover rate from 3 percent to 1 percent. Further, the National Treasury was directed, through a Presidential Directive of 28th September 2020 to consider extending the VAT rate at 14 percent until 1st July 2021, PAYE Income tax rate and the Resident Income Tax (Corporation tax) rate at 25 percent until 1st January 2021 and maintaining the 100 percent tax relief for persons earning gross monthly income of up to Kshs24,000 beyond the Sunset date of 31st December 2020.

The Central Bank of Kenya (CBK) reduced the Central Bank Rate (CBR) from 8.25 percent to 7.25 percent and lowered it further to 7.0 percent at end of April 2020. CBK also reduced the Cash Reserve Ratio (CRR) for commercial banks by 100 basis points with effect from 23rd of March 2020. This released additional liquidity that directly supported borrowers whose businesses and incomes were adversely impacted by Covid-19.

The Budget for FY 2020/21 whose theme is “Stimulating the Economy to Safe guard Livelihoods, Jobs, Businesses and Industrial Recovery” includes the initial Government measures to address the pandemic, stimulate the economy and achieve economic recovery in the near term. This Post-Covid -19 Economic Recovery Strategy (ERS) will build on these earlier government initiatives to protect lives and support jobs and the economy. The ERS is designed to mitigate the adverse socio-economic effects of the pandemic and facilitate opening up of the economy, accelerate economic recovery and attainment of higher and sustained economic growth. It provides a road map for transition to the fourth MTP and a new development framework beyond the current Vision 2030.

The key elements and focus of the ERS include: (i) enhancing budgetary allocations to strengthen health care systems (ii) investment in ICT and digital infrastructure (iii) facilitating the private sector to play a larger role in the recovery strategy (iv) facilitating a green and resilient recovery and growth (v) increasing the resilience of the economy to global supply chain shocks (vi) support to MSMEs (vii) full and timely implementation of the

ESP (viii) enhancement of targeted social protection (ix) strengthening the national capacity for disaster risk management (x) mainstreaming diaspora financial and intellectual resources (xi) enhanced budgetary support to police and security related services to enforce compliance to Covid-19 containment rules and regulations (xii) strengthening governance and economic management (xiii) expediting the implementation of policy, legal and institutional reforms (iv) strengthening monitoring and evaluation systems.

The ERS macroeconomic objectives include: (i) increasing GDP growth from the projected 2.9 percent in 2020 to 5.9 percent in 2022 (ii) targeting fiscal and other support to enterprises to re-employ Kenyans who lost jobs due to the pandemic and creating additional formal and informal sector jobs (iii) reduction in the fiscal deficit as a percentage of GDP from 7.8 percent in FY 2019/20 to 6.7 percent in FY 2022/23 (iv) restructuring public debt to lengthen the maturity structure of domestic debt, and reducing the share of commercial debt as well as refinancing it to obtain better pricing terms (v) increasing private sector financing of infrastructure projects to at least 2 percent of GDP annually (vi) increase in diaspora remittances and investments from Kshs.280 billion to Kshs.500 billion per year (vii) upscaling national efforts to attract FDI (viii) increasing the volume and value and diversification of Kenyan exports (ix) increasing the ratio of savings to GDP from 7.6 percent in 2019/20 to 12.3 percent in 2022/23 and that of investment to GDP from 13.1 percent 2019/20 to 17.2 percent in 2022/23.

Government tax revenue has been negatively impacted by decline in economic activity, this coupled with increase in debt servicing has contributed to a constrained fiscal space. The ERS resource mobilization strategy will thus place emphasis on the following: (i) restructuring and refinancing public debt (ii) engaging creditor nations and multi-lateral institutions to secure debt servicing moratorium and debt cancellation to free up resources and provide the requisite budgetary flexibility (iii) removal of non-beneficial tax exemptions (iv) strengthening KRA capacity to increase revenue collection (v) according the private sector a larger role in financing infrastructure (vi) accessing and utilizing green climate financing mechanisms including carbon offsets (vii) fiscal incentives to attract diaspora investments (viii) expanding and diversifying the donor base to include international philanthropic organizations and non-state actors and (ix) enhancing mobilization of resources from individuals, civil society, corporates and private sector organizations to support the Covid-19 Emergency Response Fund.

To facilitate successful implementation of the ERS the Government will (i) roll out the implementation of the MSME Credit Guarantee Scheme to support MSME businesses and enterprises(ii) enact legislation on Road Toll fees to facilitate private sector investment in construction and maintenance of roads and highways (iii) expedite amendment of the investment guidelines under the Insurance Act to allow insurance companies to invest up to 10 percent of their assets in debt instruments used to finance infrastructure and affordable housing projects approved under the PPP Act or by the Cabinet Secretary in charge of housing (iv) expedite amendments to the Retirement benefits Act to allow scheme members to use 60 percent of their benefits to purchase a house under the affordable housing program through their retirement scheme (v) expedite amendment of the PPP Act (Amendment) Bill 2017 to remove unnecessary approvals and redundant processes and restructuring and strengthening institutions responsible for implementing PPP projects (vi) fully operationalize the SEZ Act 2015 to attract domestic and foreign investment in Special Economic Zones (vii) enact Business Laws (Amendments) Act 2020 to improve ease of doing business (viii) expedite implementation of the Public Service Superannuation Scheme, County Government Retirement Scheme and National Micro Pension Scheme to facilitate increase in domestic saving and investment.

The ERS prioritizes support to six key social sectors to protect Kenyans against the virus and facilitate safe opening of the economy including: (i) enhancing investment in health care to contain the spread of the virus and expand the capacity of required isolation wards and treatment facilities (ii) supporting the education sector to resume safe learning through investment in WASH facilities and on-line learning platforms (iii) upscaling investment in water and sanitation sector to ensure availability and access to adequate water including in low income informal settlements (iv) scaling up social safety net programmes and providing relief and humanitarian assistance to the communities affected (v) conservation and protection of water towers and catchment areas and safe and waste management including effective disposal of Covid-19 medical waste and

face masks (vi) investment in the labour and employment sector to address skill requirements and post Covid-19 needs such as promoting occupational safety and health at the workplace amidst the pandemic.

Eight sectors are identified by the ERS as key in terms of protecting jobs and facilitating economic recovery and growth, these are: (i) the MSME sector; at end of June 2020, 86 percent of MSMEs experienced loss of income and cash flow constraints and meeting their obligations to pay employees and meet operation costs. The Government has put in place a MSME Credit Guarantee Scheme to increase the amount of credit available to MSMEs. The sector will further be supported by other initiatives such as “Build Kenya Buy Kenya” and the 40 percent local content requirement (ii) the tourism sector; the sector has taken the biggest hit in terms of job losses and income. To support the sector’s recovery, the Government set up a Kshs 3 billion stimulus hotel refurbishment fund and Kshs 2 billion to support employment of game rangers in the wildlife conservation sector. The sector will further be supported to train hospitality staff on new safety and hygiene requirements arising from Covid-19 (iii) the horticulture sector; Kenya’s horticulture exports came to a virtual halt following the closure of airspace and lockdowns in the EU and UK. However, by July 2020 exports had reached 80 percent of previous year level due to easing of lockdown measures in Europe. The resumption of lockdowns to contain the second wave of the pandemic in most European countries is expected to adversely impact horticulture exports. To support exports of horticulture, measures will be taken to reduce the cost of air freight, increase the availability of air and sea-cargo capacity and diversification and creation of new markets for horticulture exports (iv) the agriculture, food and nutrition sector; Kenya has a high import dependency for main food commodities such as sugar, wheat and edible oils. In light of the disruption to global trade and supply chains and in line with the Big Four Agenda, the Strategy places priority on attainment of food and nutrition security through implementation of programmes and projects to support local farmers, pastoralists and fishing communities to enhance production to meet demand for local consumption and for export markets (v) the manufacturing sector; the disruptions in global supply chain and imposition of curfew and other containment measures adversely impacted manufacturing sector leading to revenue and job losses across all of its sub-sectors. Various measures will be implemented to support the sector’s recovery and growth including provision of affordable energy and incentives for local and foreign investment in Special Economic Zones (vi) domestic and external trade; the pandemic disrupted both domestic and external trade. To support the trade sector to unlock its potential and enhance its contribution to recovery and growth, various programmes and projects will be implemented including leveraging on digital platforms and establishment of one-stop offices to facilitate ease of doing business (vii) the transport sector; this sector was severely impacted by movement restrictions imposed locally and internationally. To support the sector’s recovery, the Government waived landing and parking fees at airports to assist the aviation sector’s recovery and is further supporting the implementation of hygiene measures at airports, ports, railway terminus and in public transport (viii) the financial services sector; the adverse effects arising out of the pandemic adversely impacted financial markets including the stock market. The CBK and other regulators have instituted the requisite mitigation measures. The banking and financial sector also enhanced use of technology for on-line financial transactions. Several programmes and projects will be implemented to support the financial services sector given its strategic role in economic recovery and growth.

The ERS will be implemented over the next two years, by the end of the period, the economy is expected to have recovered and assumed a growth trajectory. It’s implementation framework will utilize the institutional framework for co-ordination and implementation of government development programmes and projects at the national and county level. It will prioritize close collaboration and co-ordination and active participation of the private sector, development partners, non-governmental actors and communities. As per its mandate, the State Department for Planning will be responsible for tracking and reporting progress on the implementation of the ERS. An ERS implementation Committee chaired by Cabinet Secretary National Treasury and Planning will be set up to steer the follow up, tracking and reporting on the implementation of ERS to the Cabinet on a monthly basis. The National Government Co-ordination Act No 1 of 2013 provides for National Government Administrative Officers (NGAOs) to co-ordinate national and county government functions at the national and county levels of governance. In this regard, NGAOs will liaise closely with MDAs and County Governments to support implementation of the ERS. The Judiciary, Legislature, Constitutional and Independent Offices and Research institutions will also play crucial roles in the ERS implementation. MCDAs will be required to submit timely progress reports on their respective activities using indicators and prescribed format. These reports will

ensure timely corrective action and effective implementation of the ERS. The progress reports of the ERS will be availed to the public and relevant stakeholders.

CHAPTER 1: INTRODUCTION

The outbreak of the Covid-19 pandemic in 2019 and the resultant containment measures has caused the most severe global economic setback in many decades. As of mid-2020, the IMF predicted a global decline in growth amounting to minus 4.9 percent in 2020, calling the results of the pandemic “a crisis like no other”. This setback has negatively affected developing countries like Kenya triggered by decline in demand of goods and services caused by total or partial lockdowns. As a result, Kenya’s economy is expected to record a sharp decline in GDP growth in 2020 with growth estimates ranging from 2.9 percent to 1 percent down from a Pre-Covid 19 projected growth rate of 6.1 percent. This Post-Covid -19 Economic Recovery Strategy (ERS) analyses the impact of the pandemic on the Kenyan economy, the mitigation policies adopted to contain its impact, and proceeds to delineate an economic recovery strategy to restore the country’s path to rapid GDP growth consistent with the projection in Vision 2030 and its Third Medium Term Plan.

Across the globe, the containment measures have resulted in reduced demand and investment, high levels of unemployment and low or negative economic growth. The containment measures put in place by the Kenya Government, including closure of airspace and borders, social distancing, cessation of movement and curfews have adversely impacted economic activities in almost all sectors of Kenya’s economy. Although the full impact of Covid -19 is still under assessment by the Government, it is now clear that the pandemic negatively impacted key productive sectors such as Tourism, Micro, Small and Medium Enterprises (MSMEs), Exports of Horticulture, Transport and Storage, Manufacturing, and Domestic and External Trade. It has also led to severe challenges in the social sectors. The health system faces multiple challenges to contain the spread of the virus and care for the infected. Following the closure of schools, the education system has resorted to conducting classes through online courses with very uneven access among regions and income groups.

The interventions put in place to contain the virus have also led to unintended outcome of job losses. A Recent Quarterly Labour Force Report by Kenya National Bureau of Statistics (KNBS) shows an increase in the unemployment rate to 10.4 per cent in the second quarter (April to June) of 2020 compared to 4.7 percent in the same quarter of 2019. It also shows a sharp increase in unemployment rate between the first quarter of 2020 (Jan - March) and the second quarter (April – June) 2020 from 5.2 percent to 10.4 percent respectively. In terms of numbers of unemployed, the Survey shows that the number of unemployed increased to 1.8 million compared to 961,666 in the first quarter of 2020. A survey carried out in the month of August 2020 by Federation of Kenya Employers (FKE) of its 1,900 member enterprises across all sectors of the economy shows a loss of 173,743 jobs in the formal private sector in the first five months of the pandemic (March-July 2020).

In the months since the pandemic, revenue collections have shrunk due to the slowdown in economic activities and tax incentives introduced to cushion Kenyans from the impact of the pandemic, resulting in a widening fiscal deficit driven in part by a record debt servicing commitment. Inflation remains low and stable reflecting the impact of reduction in VAT and muted demand pressures in the economy.

To alleviate these challenges, a mitigation framework consisting of various committees has been established under the National Coordination Committee on Response to the Coronavirus Pandemic. The Committee coordinates the interventions and mitigation measures by different Ministries, Departments and Agencies (MDAs); county governments, development partners, and the private sector to address and manage the pandemic

To cushion citizens and businesses, protect livelihoods and stimulate the economy, the government in May 2020 committed itself to implementing an Economic Stimulus Programme amounting to Kshs.53.7 billion. The package includes cash transfers to the vulnerable members of society. It also calls for additional hiring in the health sector, more teachers, ICT experts and youth employment in public works.

The Government also moved swiftly to implement a range of fiscal measures in the context of the Tax amendment Act, 2020 and Finance Act 2020. In March 2020, the government reduced taxation rates on individuals and corporations to provide much needed relief to the economy and additional disposable incomes to people and businesses. It removed PAYE for those earning Kshs 24,000 and below, reduced corporate and personal income tax rate from 30 percent to 25 percent, reduced VAT rate from 16 percent to 14 percent and reduced turnover rate from 3 percent to 1 percent. A recent presidential directive (28th September 2020) directed the National Treasury to consider extending the VAT rate at 14 percent until 1st July 2021, PAYE Income Tax rate at 25 percent until first 1st January, 2021, retaining the Resident Income Tax (Corporation Tax) at 25 percent until 1st January 2021 and maintain the 100 percent tax relief for persons earning gross monthly income of up to Kshs 24,000 beyond the Sunset date of 31st December 2020. Additionally, the Central Bank of Kenya has implemented measures to support economic activity through reduction in Central Bank Rate (CBR) and reduction in the cash to reserve ratio.

The strict containment measures implemented from March to June 2020 significantly impacted economic activities. However, these measures, together with investment in expansion of the requisite health facilities, created the conditions for a phased and gradual re-opening of the economy. In his 6th July 2020 Presidential address on Covid, H.E the President, initiated the process of a phased re-opening of the economy by lifting the ban on cessation of movement in and out of the Nairobi Metropolitan area, Mombasa County and Mandera Country. Local air travel within Kenya resumed from 15th July 2020 in strict conformity with all applicable guidelines and protocols from both the Ministry of Health and civil aviation authorities. International air travel in and out of Kenya resumed on 1st August 2020 in strict conformity with all protocols from the Ministry of Health, local and international civil aviation authorities and requirements applicable at the ports of departure, arrival or transit. The government took additional measures to open the economy on 28th September 2020 by easing nation-wide curfew hours as well as restrictions on operations of bars, restaurants and eateries with strict adherence to applicable guidelines. Moving forward, the Government will continue to monitor trends in the positivity rates recorded locally as well as globally and take the necessary measures to protect lives as well as jobs and livelihoods of Kenyans.

The measures being implemented by government to support aggregate demand, including the phased opening of the economy, are intended to protect jobs and support economic growth. The Budget for FY 2020/21 whose theme is “Stimulating the Economy to Safeguard Livelihoods, Jobs, Businesses and Industrial Recovery” was crafted to implement the initial measures to address the pandemic, stimulate the economy and to achieve economic recovery in the near term.

Building on the stimulus package and the FY 2020/21 budget, this Post Covid-19 Economic Recovery Strategy (ERS) is designed to implement measures to mitigate the adverse socio-economic effects and accelerate economic recovery. It is also expected to provide a road map for transition to the fourth MTP and a new development framework beyond the current Vision 2030. The key elements and focus of this recovery strategy include:

- (i) Enhancing budgetary allocations to strengthen health care systems**
- (ii) Facilitating the private sector to play a larger role in economic recovery and growth**
- (iii) Facilitating clean, green and resilient recovery and growth**
- (iv) Supporting recovery and growth of MSMEs**
- (v) Full and timely implementation of the Economic Stimulus Programme**
- (vi) Enhancing Investment in ICT and digital infrastructure to support digital platforms to facilitate e-commerce and delivery of public services**
- (vii) Increasing the resilience of the economy to global supply chain shocks**
- (viii) Strengthening National Capacity in Disaster Risk Management and Preparedness**
- (ix) Enhancing targeted social protection programmes and interventions**
- (x) Mainstreaming diaspora financial and human resources**
- (xi) Enhancing budgetary allocations to the police and security related services to enforce Covid-19 containment rules and regulations**

- (xii) **Improving economic management and governance**
- (xiii) **Expediting the implementation of policy, institutional and legal reforms**
- (xiv) **Strengthening monitoring and evaluation system for timely and effective quality outcomes.**

This Strategy identifies key policy measures that the government will pursue in the period 2020 to 2022 to manage and contain the pandemic and create the necessary conditions to support economic recovery and longer term economic growth. It is organized as follows:

Chapter 2 outlines the macroeconomic objectives and policy framework to support achievement of the targeted economic growth while maintaining macroeconomic and price stability.

Chapter 3 presents the key pillars of the Post-Covid 19 ERS which support the realization of the Strategy's targets and objectives

Chapter 4 highlights the measures being implemented by the government under the Economic Stimulus Program to cushion citizens and businesses from the adverse effects of the pandemic and to stimulate economic recovery

Chapter 5 outlines the policies, programmes, projects and interventions that will support key social sectors such as health and education in mitigating and managing the negative impacts of the pandemic. These interventions will protect lives and assist in opening up of the economy to support livelihoods and the economic recovery

Chapter 6 describes the policies, programmes and projects that will be implemented to assist the recovery and growth of key economic sectors

Chapter 7 describes the ERS monitoring and implementation framework and process that will ensure realization of the Strategy's objectives and expected outcomes.

Implementation Matrix provides details of the specific policy actions, programmes, projects and their timelines and implementing agencies.

CHAPTER 2: MACROECONOMIC FRAMEWORK

2.1 Introduction

A stable macro-economic environment with low inflation will provide a foundation for a quick and sustainable recovery. Due to the Covid-19 pandemic, Kenya's GDP is projected to decline to 2.9 percent in 2020 compared to a growth of 5.4 percent in 2019. Measures put in place to contain the pandemic adversely impacted the performance of other key macroeconomic variables notably employment, government revenue, the fiscal deficit and the exchange rate. The ratio of the fiscal deficit (including grants) for FY 2020/21 is expected to increase to 8.4 percent compared to 7.8 percent in FY 2019/20. The pandemic has led to a weakening of the Kenya shilling against major world currencies. This may adversely impact price stability and the cost of debt servicing.

The macroeconomic objectives and the policy framework outlined below has been formulated to address these challenges, maintain macroeconomic stability, support economic recovery, thereby putting the economy back on a steady and sustainable growth trajectory.

2.2 Macroeconomic Objectives

In its commitment to pursue policies that will sustain a stable macroeconomic framework, the Government will undertake policy and institutional reforms that will facilitate rapid recovery in order to meet the challenges of unemployment, poverty and income inequality that have been exacerbated by the pandemic.

The key macroeconomic objectives for 2020-2022 period include:

- **Containing the annual Inflation rate within the range of 5 percent +/- 2.5 percent**
- **Targeting fiscal support to the key sectors of the economy to re-employ Kenyans who have lost their jobs due to the pandemic and creating additional formal and informal sector jobs**
- **Returning the economy back to a steady and sustainable growth path from a projected growth rate of 2.9 percent in 2020 to 5.3 percent in 2021 and 5.9 percent in the medium term.**
- **Reducing the fiscal deficit as percentage of GDP from 7.8 percent in FY 2019/20 to 6.7 percent in FY 2022/23**
- **Increasing national savings as a percentage of GDP from 7.6 percent in 2019/20 to 12.3 percent in 2022/23**
- **Increasing investment to GDP ratio from 13.1 percent in 2019/20 to 17.2 percent in 2022/23**
- **Increasing private sector financing of infrastructure to at least 2 percent of GDP annually**
- **Lengthening the maturity structure of domestic debt by targeting over 80 percent of domestic debt to be held in longer term Treasury bonds**
- **Reduction of stock of Treasury Bills by Kshs 200 billion by end of 2022 to reduce refinancing risks and domestic interest bill**
- **Reducing the high share of commercial public debt in external debt from 35 percent and increasing the share of multilateral and bilateral concessionary debt**
- **Refinancing international commercial debts to obtain better pricing terms of not more than 5 percent and a tenure of 14 years**
- **Increasing the volume and value of exports and diversifying Kenyan products and services marketed outside the country in order to close the balance of trade gap**
- **Targeting increase in diaspora remittances and investments from Kshs 280 billion to Kshs 500 billion per year**
- **Upscaling national efforts in attracting Foreign Direct Investment**

Domestic saving is envisaged to increase following implementation of the contributory pension schemes and other retirement benefits policy reforms as well as reforms in the financial services sector. Investment by the private sector is expected to increase due to implementation of measures such as speedy approvals for PPP projects, investment in Special Economic Zones and changes in retirement benefits and insurance sector legislation that will facilitate increased investment in affordable housing and infrastructure projects. The main sectors expected to lead the economic recovery are agriculture, wholesale and retail trade, manufacturing,

transport and storage, ICT, building and construction and services sector supported by the measures outlined in this ERS.

2.3 Macroeconomic Policy Framework

The Government will adopt a macroeconomic policy framework to drive renewed growth based on reforms in monetary policy and the financial sector, fiscal policy, pensions and retirement benefits, public debt restructuring and debt servicing, public private partnerships, and improved data collection at sectoral and macro levels. These reforms will be supported by the appropriate legal and institutional reforms.

2.3.1 Monetary and Financial Policy Reforms

The main focus of monetary and financial policies will be to support economic recovery through a range of measures aimed at cushioning the banking sector and wider economy from adverse impact of the pandemic. These include monetary, financial, prudential and other regulatory measures. Among the measures put in place are:

Monetary Policy:

- Lowering the Central Bank Rate (CBR) from 8.25 percent to 7.25 percent as from 23rd of March 2020, lowering it further to 7.0 percent at end of April 2020. This was intended to signal commercial banks to lower interest rates on credit facilities and to avail credit to MSMEs countrywide
- Reducing the Cash Reserve Ratio (CRR) for commercial banks by 100 basis points with effect from the 23rd of March 2020. This released Kshs.35.2 billion as additional liquidity to banks, of which Kshs.31.4 billion (89.1 percent) was utilized in the four months to June 2020 to directly support borrowers adversely affected by Covid-19
- Extended the maximum tenor of Repurchase Agreements (REPOS) from 28 to 91 days to enable banks access longer term liquidity
- The Kenya Deposit Insurance Fund (KIDC) extended the payment period of annual premiums (Kshs.5.5 billion) due in August 2020 for 6 months to give a breather to banks experiencing cash-flow disruptions
- Deferral by KDIC of a risk based model that was scheduled to be rolled out in July 2020. The new assessment model would have seen banks pay higher premiums. The stimulus is intended to give banks a one-year breather as they re-organize their business in response to the market shocks

Financial Measures:

- In consultation with authorized Payment Service Providers (PSPs), limits on mobile money transactions were enhanced and charges on low value transactions (of up to Kshs.1,000) eliminated. These measures will remain in effect until end of 2020, and reviewed thereafter
- Strengthening Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) checks to guard against abuses
- Encouraging cashless transactions and use of digital platforms. Over the last four months to June 2020, a notable shift in both transactions volumes and values of transfers between bank and mobile e-wallets was recorded, indicating a gradual shift towards digital platforms and less utilization of physical access channels
- Implementation by KDIC of a new coverage limit of Kshs 500,000 for insured deposits to protect depositors in the unfortunate event of a bank failure

Prudential and Regulatory Measures:

- **Loan Restructuring:** Banks committed to discussing restructuring of loans with customers whose loans were performing as at March 2, 2020 but were adversely impacted by the pandemic. In the four months to June 2020, a total of 260,676 loan facilities valued at approximately Kshs 844.42 billion (29 percent of the banking sector loan book) were restructured to enable borrowers cope with loan servicing challenges

- **Credit Referencing:** On April 14, 2020, CBK issued Banking Circulars Number 7 and number 8 of 2020, which temporarily suspended the sharing of negative credit information on credit facilities that became non-performing for six months from 1st April to 30th September, 2020
- **Business Continuity Planning:** On March 27, 2020, CBK issued guidance to the banking sector on pandemic planning and business continuity. The guidance, which was aligned with protocols from the Ministry of Health, is aimed at monitoring the incidence of the pandemic in the sector and guiding responses thereto. In the pandemic period, over 90 percent of the bank branch network across the country remained open. This includes areas that were under Covid-19 movement restrictions

The CBK and Kenya Deposit Insurance Corporation (KIDC) will continue to monitor the economic situation and take the appropriate measures and interventions to safe guard the health of the banking and financial sector.

2.3.2 Budgetary and Public Expenditure Reforms

Government revenues are highly dependent on GDP growth, prevailing tax rates, tax compliance and tax administration measures. The Covid-19 pandemic has adversely affected economic activities in 2020, thereby adversely affecting revenue performance in FY 2019/20 and in FY 2020/21. Faster implementation of public expenditure reforms is therefore critical to meet this reality and to mobilize resources in order to widen the fiscal space to fight the pandemic and to invest in programmes and projects that will support economic recovery and growth.

The budgetary and public expenditure reforms envisaged by the Government will seek to improve efficiency in public spending, curb wastage of resources, improve project completion rates and increase absorption of development partner funded projects. In addition, the reforms will buttress the MTEF budgeting process by ensuring discipline and prioritization and matching expenditures to available resources to support the fiscal consolidation plan.

Tax Reforms: In the year 2018, tax revenue foregone by Government through incentives/exemptions amounted to Kshs 536 billion or 6 percent of GDP. This is one of the highest ratios globally. Such levels of exemptions have hurt tax mobilization efforts and limited the capacity of government to fund overall expenditures. The government will undertake a comprehensive review of the tax incentive structure with a view to eliminating redundant tax incentive measures that no longer deliver the intended objectives and target incentives to firms, establishments and sectors that yield maximum economic and social benefits. The reforms will also focus on enhancement of revenue performance through measures to expand the tax base and compliance improvement.

In this regard, the Government is committed to the following revenue enhancement measures:

- Removal of non-beneficial tax incentives /exemptions
- Developing national guidelines on provision of tax incentives to guide evaluation and enactments so as to ensure that only beneficial incentives are provided for in law
- Expanding the tax base with a focus on revenue streams not yet fully explored such as taxation of High Net Worth Individuals (HNWI), property taxes, e-commerce, informal sector players, professionals, registered companies, and individuals trading on line who are currently outside the tax net
- Enhanced customs revenue collection through continued implementation of Post Clearance Audits, review of the end-use of exempt products, comprehensive audit of exemptions, profiling and targeting, enhanced scanning, and conducting intelligence-led verification of cargo
- Reduction of the VAT gap from 45 percent to 35 percent through data driven compliance checks as well as validation of VAT credits
- Revamping the tax audit function to identify non-filers, nil-filers, arrears and obligations, and raise assessments on non-compliant cases. Employing data driven mechanism to identify compliance risks and leveraging on Data Warehouse and Business Intelligence Solution to foster compliance

- Enhancing the effectiveness of debt management through issuance of 7-day last reminder notices, follow up on unpaid entries, and engagement of debtors in the Tax Appeal Tribunal (TAT) for faster resolution through Alternative Dispute Resolution (ADR)
- Leveraging on IT solutions (Data Warehouse and Business Intelligence) to identify compliance risks and develop and implement compliance improvement plans at the sector level for various categories of taxpayers
- Fully roll out Tax Invoice Management System (TIMS) to enable seamless filing of tax payers returns hence reducing the cost of tax compliance
- Integrating iCMS and iTax system to enhance tax administration through simple, cost effective and reliable service
- Fast track Tax Appeals Tribunal cases and move cases from Court to Alternative Dispute Resolutions

Public Expenditure Reforms

To check expenditure growth in non-priority areas, the government will implement the following public spending reform measures in FY 2020/21 to strengthen public expenditure management:

- **Implementation of the Public Investment Management (PIM) Regulations:** Implementation of the PIM regulations under the PFM Act 2012 will streamline the initiation, execution and delivery of public investment projects. It will also curtail runaway project costs, eliminate duplications, reduce stalled projects portfolio and improve working synergy among implementation actors for timely delivery of development projects
- **Procurement Reforms:** Implementation of the Public Procurement and Asset Disposal Regulations 2020 will enhance uniformity of operations across procuring entities and improve efficiency in the procurement process. In January 2021, the Government will roll out e-Procurement and implement e-Government Procurement Strategy across the public sector. These measures will reduce cost, improve speed, transparency and accountability of the procurement process
- **Pending Bills:** The Government will ensure clearance and payment of all outstanding eligible pending bills in the public service including in state owned enterprises and county governments. Organizations that have challenges clearing their arrears will be required to present an approved payment plan for all pending bills. Implementation of the approved payment plan will inform the subsequent exchequer releases. Implementation of PIM reforms across the public sector will also ensure no further build-up of expenditure arrears
- **Settlement of Pending Bills in the Road Sector:** The Roads Sector has accumulated a total of Ksh 50 billion in pending bills owed to contractors. The Government will issue infrastructure bonds to raise funds to settle the pending bills. Payment to the contractors will provide an economic stimulus as contractors pay suppliers they owe along the supply chain
- **Parastatal Reforms:** The Government will implement reforms in the State Enterprises sector to consolidate economies of scale through merging state enterprises and strengthening management and governance structures

2.3.3 Pension Reforms

The following policy changes and reforms will be implemented in FY 2020/21 to ease fiscal pressures emanating from unfunded public sector pension system and to facilitate increase in domestic savings and investment:

- Implementation of the Public Service Superannuation Scheme
- Development of a National Retirement Benefits Policy to harmonize all pension laws. This will strengthen the legal and regulatory framework to achieve comprehensive pension coverage across the formal and informal sectors

- Implementation of the County Government Retirement Scheme which provides for establishment of an umbrella retirement scheme for county governments
- Implementation of the National Micro-Pension Scheme that will be open to all informal sector workers who constitute 80 percent of Kenya’s labour force
- Amendments to the Retirement Benefits Act. Retirement Benefits (Mortgages, loans) Regulations, 2009 will be amended to allow scheme members to use 60 percent of benefits as security to purchase a house. This will spur the housing construction sector (including the affordable housing program) and support economic recovery and growth

2.3.4 Debt Restructuring

The accumulation of public and public-guaranteed debt and the challenges of servicing it is now recognized as a major constraint to rapid growth in the country. As at August 2020, the stock of public debt stood at Kshs 7.06 trillion (US \$ 65.4 billion) amounting to 69.2 percent of GDP. This together with committed undisbursed debt of Kshs 1.35 billion translates to a stock of public debt of Kshs 8.41 trillion against a ceiling of Kshs 9 trillion, which implies limited space for additional borrowing. Further, in the current FY 2020/21 debt servicing payments for both domestic and external debt amount to Kshs 904.7 (47 percent of total government revenue).

To address this, the National Treasury will prepare a debt re-structuring strategy covering commercial and bilateral creditors. This will ease fiscal pressure from expensive external commercial debt servicing and decrease issuance of shorter dated domestic government paper to reduce refinancing risk and the public debt burden. Debt re-structuring is intended to achieve the following:

- Lower the cost of debt
- Reduce refinancing risk
- Create the necessary fiscal space to provide much needed resources without undermining fiscal sustainability

In this regard (i) the National Treasury will identify potential debt in the portfolio that need to be restructured and negotiate with creditors and potential lenders (ii) work on the modalities of reducing the stock of Treasury bills and increase the issuance of longer dated Treasury bonds to achieve the average time to maturity of 7 years minimum and (iii) develop guidelines to operationalize the sinking fund for purposes of redemption of public debt by February 2021 (iv) operationalize issuance of sovereign green bonds

2.3.5 Revitalizing the Public Private Partnership Framework

To enhance the role of the private sector in financing capital intensive infrastructure projects and in financing development, the Government will re-engineer the Public Private Partnership framework by:

- Amending the PPP Act (Amendment) Bill 2017 to remove unnecessary approvals and redundant processes
- Introduce a green assets segment within the PPP Act to support financing of green PPP projects
- Restructuring and strengthening institutions responsible for implementing PPP projects
- Streamlining and standardizing the appropriate credit enhancement tools including
- Partner with the Kenya Commercial Bank which is the only local private company accredited by the Green Climate Fund (GCF) under the private sector window to support local companies to access GCF and other green funds to finance green-resilient investments (renewable energy, clean transport, solid waste-to energy projects etc)
- Government Letter of Support, Partial Risk Guarantees and Indemnity Guarantees
- Determining the viability of gap funding where necessary to enhance project bankability

2.3.6 Statistical Reforms

The Government will upgrade the coverage and quality of economic and social data at national, county and sector levels. The Covid-19 pandemic has exposed challenges in collection and production of relevant official statistics. Access to timely, reliable and high quality data is necessary to assess the economic and social impact of crises such as Covid-19 pandemic and to inform timely actions and interventions. Quality data is also needed to design specific policy interventions in the most affected sectors and to assist vulnerable members of society. The public also require timely data that is critical in making rational decisions in their daily life activities to cope with the crisis and to hold the Government accountable.

The restrictions on movement and imposition of curfew adopted to curb the spread of the virus posed unprecedented challenges to the National Statistical System (NSS) in delivering timely data. As part of the NSS, the KNBS therefore put in place various stop-gap measures including data collection through Computer Assisted Telephone Interview (CATI) to ensure continuation of the flow of official statistics. To facilitate data collection in light of the aforementioned challenges, a number of approaches will be employed based on their suitability on the type of data being collected including enhanced use of the following:

- Administrative data
- Big data
- Data collection through Computer Assisted Telephone Interview (CATI)
- Data collection through online self-administered questionnaires

In the FY 2020/21, the Government in partnership with identified development partners, will support the KNBS and other entities of the NSS (which include MDAs and Counties) in investing in requisite state of the art technology and data infrastructure. This initiative will also include capacity building activities for alternative data collection and production approaches across the NSS. In this regard, the Government will expedite the implementation of the Kenya Strategy for Development of Statistics (KSDS) aimed at building capacity across NSS and accelerate uptake of technology and improvement of coordination structures. These initiatives will reduce time and cut down on cost of production of statistics required to cope with the pandemic as well as monitor implementation of this ERS.

Further, the Statistics (Amendment) Act 2006 will be strengthened to facilitate collection of data from alternative sources such as administrative records and big data to enable access for statistical purposes without compromising privacy of personal information.

2.4 Resource Mobilization Strategy

The Post Covid-19 ERS accords high priority on enhanced and accelerated resource mobilization from both traditional and alternative sources in order to deploy additional resources to contain the pandemic and minimize the loss of life and livelihoods and to invest in areas that support economic recovery and long term growth.

The Government tax revenue has been negatively impacted by the decline in economic activity globally as well as locally. This decline in revenue coupled with increase in debt servicing levels has resulted in a steeply constrained fiscal space. Refinancing and restructuring public debt to enhance the fiscal space is thus a key component of the government resource mobilization strategy. The Resource Mobilization Strategy for the ERS also accords a greater role to the private sector in financing infrastructure and development projects. In FY 2020/21 the Government is committed to concluding negotiations for several PPP projects amounting to Kshs 200 billion (about 2 percent of GDP). These projects are planned for implementation in the transport, energy, health, housing and manufacturing sectors among others. Further, in order to attract private sector capital, including FDI and green finance inflows, the National Treasury in collaboration with MDAs will implement the following measures: (i) expedite improvement in ease of doing business (ii) facilitate faster approval of PPP and SEZ projects and (iii) strengthen economic governance (iv) expedite the establishment of Kenya Green Investment Bank (KeGib) to accelerate mobilization of additional, predictable and sustainable

climate/green finances to support MCDAs and private sector to bankable projects for funding by the Green Climate Fund and other climate financing agencies. Additionally, the Nairobi International Financial Services Centre will be fully operationalized before the end of 2020. The Centre will play an important role in attracting investments and private capital.

The other key measures of the ERS resource mobilization strategy are:

- Enhancing fiscal space from savings through the removal of non-beneficial tax exemptions
- Strengthening the capacity of KRA to increase revenue mobilization. In this regard, the Government will allocate 2 per cent of the revenue estimates for the financial year to the Authority towards operational, maintenance and investment expenditures
- In line with the February 2019 Presidential Directive, create a single system of revenue collection to be used across the 47 County Governments and integrated with National Government systems to eliminate duplications and high revenue collection costs, revenue leakages and wastage of resources
- Expanding and diversifying the donor base to include more concessional credit from bilateral and multi-lateral donors such as Green Climate Fund, Climate Investment Fund, Adaptation Fund, international philanthropic organizations and other non-state actors thereby increasing the share of grants and concessional financing in Kenya's total debt portfolio
- Engaging creditor nations and multi-lateral institutions to secure debt servicing moratorium and debt cancellation to free up resources and provide the requisite budgetary flexibility
- Implementation of appropriate policies and administrative measures to secure 100 percent absorption of donor funds
- Accessing and utilizing Green Climate Financing mechanisms including carbon offsets. In this regard, the National Treasury will issue the first "Sovereign Green Bond" in FY 2020/2021 to finance green projects at both the national and county level
- Expedite the development and establishment of the Kenya Emissions Trading System (KEU ETS) by the National Treasury to help Kenya achieve her commitments to limit or reduce green gas emissions in a cost-effective way by allowing participating companies to buy or sell Emission Allowances (Certified Emission Credits)
- Fast track the establishment of the National Carbon Credit Registry
- Undertake valuation of Natural Resources to establish national natural resources base for monetization and application of Natural Capital Asset
- Prioritization of attraction Diaspora Funds by offering 5 year tax holidays to projects of 100 million US\$ and above and issuance of Diaspora Bonds
- Enhancing mobilization of resources from individuals, civil society, corporates and private sector organizations to support the Covid-19 Emergency Response Fund

CHAPTER 3: KEY PILLARS OF POST-COVID-19 ECONOMIC RECOVERY STRATEGY

The fundamental pillar of Post Covid-19 economic recovery is a sound macroeconomic framework. The other key pillars of the recovery strategy include accelerated growth in private sector investment, enhancing allocations to strengthen health care systems; supporting recovery and growth of Micro, Small, and Medium Enterprises (MSMEs); full implementation of the Economic Stimulus Programme; upscaling investment in ICT and digital infrastructure; facilitating a clean, green and resilient growth; enhancing the resilience of the economy to global supply chain shocks; and better disaster preparedness and management. In addition, the Government will pay greater attention to economic governance, inequality, social cohesion, gender, youth, regional integration, and international cooperation.

3.1 Enhancing Budgetary Allocations to Strengthen Health Care Systems

The Covid -19 pandemic has overstretched the country's health care system. To address this, the Government enhanced allocations to the health sector in FY 2020/21 budget amounting to Kshs.111.7 billion (US \$ 1.1 billion). The country has received significant financial assistance from multi-lateral and bilateral development partners including the IMF, World Bank, African Development Bank and European Union. This support will strengthen health care systems with the requisite equipment, supplies and medical personnel.

3.2 Enhancing the Role of the Private Sector in the Recovery Strategy

The private sector in Kenya accounts for 70.5 per cent of the total wage employment in the modern sector. The Covid- 19 pandemic has reduced economic activities in the private sector by a margin not experienced in a long time. This has led to massive job losses, pay cuts and reduced contribution to government revenue.

The private sector will play a significant role in financing implementation of ERS, driving innovation in local production, increasing exports, and creating employment opportunities. The sector is expected to take advantage of opportunities arising from investment in ICT and digital infrastructure and technological innovations, Public-Private Partnership (PPP) framework, investment in Special Economic Zones (SEZs) and increased trade in goods and services as a result of the East African Community (EAC) common market protocol, African Continental Free Trade Area (AfCFTA) and various bilateral trading arrangements. Additionally, the sector will be facilitated to invest in the health, education, and other social sectors to complement government efforts in addressing the pandemic and in economic recovery.

To promote private sector investment and enhance its role in the recovery and growth strategy the government will:

- Fully operationalize the Special Economic Zones Act (2015) to attract both domestic and foreign direct investment (FDI)
- Review the Public Private Partnership Act (2013) to remove unnecessary barriers to facilitate and expedite mobilization of Kshs.200 billion of PPP financing in FY2020/2021
- Expedite passing and implementation of legislation on Road Toll fees that will facilitate private sector participation in construction and maintenance of roads and highways
- Expedite implementation of the requisite reforms to improve Kenya's ranking in the World Bank Ease of Doing Business to at least position 20 by 2022 from position 56 in 2019. This will be achieved through: Enacting Business Laws (Amendments) Act 2020; implementing reforms that reduce the procedure, time and cost of doing business; reviewing enabling regulations to promote small and medium businesses; and cascade Ease of Doing Business across 47 counties

- Prioritize attraction of Diaspora funds for investment in projects through offering incentives such as 5 year tax holidays for projects funded by Diaspora funds above a certain threshold (100 million US \$ and above)
- Roll out implementation of the MSME credit guarantee scheme across the country to support MSME businesses and enterprises
- Operationalize the public procurement regulations and roll-out a new e-procurement platform by December 2020

3.3 Supporting Micro, Small and Medium Enterprises (MSMEs)

The post Covid-19 Economic Recovery Strategy will give priority to renewed growth in Micro, Small, and Medium Enterprises whose contribution to GDP stands at about 34 percent. A Survey of MSMEs by KNBS (2016) indicated that 14.9 million Kenyans were engaged or employed in MSME business. The Survey also showed that micro-enterprises (1-9) employees accounted for 81.1 percent of employment reported in the MSMEs. However, 57.8 percent of the MSMEs were unlicensed enterprises. The sector has been severely impacted by the measures implemented by the government to contain the spread of the pandemic such as restrictions on movement and curfews which has led to significant loss of business by MSMEs.

The ERS accords priority to implementing measures to support the recovery and growth of this important sector of Kenya's economy which provides employment and a means of livelihood to many Kenyans. Chapter 6 outlines the key measures that will be implemented to support the sector.

3.4 Full and Timely Implementation of the Economic Stimulus Programme (ESP)

Full and timely implementation of the government 8-Point Economic Stimulus Programme is an important component of this ERS. Quicker realization of the programme's objectives will stimulate and sustain economic activities intended to cushion vulnerable citizens and businesses, particularly those affected by the Covid-19 pandemic. The Kshs 56.7 billion Stimulus Programme for FY 2020/21 will focus, among other things, on keeping food supply chains functional while promoting the use of locally produced goods and services, thus securing the livelihoods of daily wage earners. Chapter 4 outlines key features of the ESP.

3.5 Investment in ICT and Digital Infrastructure

Kenya is a global leader in utilizing ICT for the benefit of business and households especially through M-pesa mobile money platform. The pandemic has increased the use of ICT in other social spheres of life. Social distancing and working from home measures have highlighted the importance of technology in coping with the pandemic. This has led to increased use of mobile money transactions as compared to bank notes, use of on-line platforms to facilitate on-line courses in the education sector, delivery of government services and on-line shopping. The enhanced use of digital platforms has not only limited the spread of the virus, but in many instances, increased efficiency and cost effectiveness of service delivery. However, in many developing countries like Kenya uneven access to digital technologies has disadvantaged low income segments of the population as well as populations living in remote areas. This is because ICT access is closely associated with rise in personal incomes.

A key component of the Post Covid-19 economic recovery is enhancing investment in development of the requisite ICT and digital infrastructure to facilitate e-commerce and efficient delivery of public services. In particular, focus will be on prioritizing critical connectivity infrastructure and bridging the digital gaps, development of appropriate content, skills development, and enhancing affordability, accessibility and reliability of digital infrastructure.

To improve investments in ICT and digital infrastructure, the following programmes and projects will be implemented:

- **Telecommunications and Broadband Connectivity Project:** Under the Universal Service Obligation, the Government is implementing Voice Infrastructure and Education Broadband Connectivity projects that connect public secondary schools with high-speed Internet. This project, funded using the Universal Service Fund (USF) has already covered 884 public secondary schools and will be fast-tracked to enable voice communication country wide and universal school broadband connectivity
- **Establishment of Kenya Education Cloud Open Resources Portal:** The project is supported by funding from USF under the Communication Authority of Kenya (CAK). Its objective is to provide for and host educational content for primary, secondary, and tertiary institutions
- **National Fibre Optic Backbone Infrastructure (NOFBI II) Expansion:** The project is being implemented and will be fast-tracked to make internet services more reliable and enable citizens to access government services online with ease across all the 47 Counties
- **County Connectivity Programme (CCP Phase III):** The programme will interconnect all 47 counties through a last mile wired and wireless network. Phase III A of the project covered 14 counties and 164 sites were installed. Phase III B of the project is on-going and e-Data and Voice Services in 140 sites covering 17 counties will be installed and operationalized
- **Digital Broadcast Infrastructure:** The government will complete the roll-out of digital TV broadcast to ensure 100 percent national digital TV signal coverage. So far the digital television coverage has reached 89 percent countrywide
- **Constituency Digital Innovation Hubs:** The project will be implemented to support entrepreneurs and general public to have access to free Wi-Fi in all the 290 constituencies countrywide. It will also enhance awareness and uptake of on-line platforms for employment and business opportunities as well as facilitate and enable employees who can work from home
- **Implementation of National Addressing System:** This will entail development of a nationwide standardized physical address system. It will address the logistical difficulties of delivering goods and services and facilitate e-commerce
- **ICT Integration in Learning Institutions:** The programme will be implemented to provide continuous interactive remote learning through: setting up digital hubs that institutions can use to reach learners remotely and limit the disruption of education
- **Curriculum Adaptation for Inclusive Education Programme:** The programme will be implemented to enable the adaptation of the curriculum for both inclusive education and e-learning that considers learners with special needs. It will entail digitization of content materials for learners with special needs and disabilities, integration of ICT and SNE Teaching, Learning and Training, and provision of assistive technology and devices to learners with special needs
- **Distance Education and On-Line Learning for University Education:** This will entail establishment and operationalization of the National Open University of Kenya, building capacity for university academic staff in ODEL and upgrading ICT infrastructure and internet connectivity in all universities
- **Enhancing ICT Connectivity to Health Sector to Facilitate UHC Service Delivery:** The project aims at increasing access to Health Care services through telemedicine by connecting 123 health facilities to ICT to facilitate UHC service delivery
- **Development of e-Commerce:** The government will support Postal Corporation of Kenya to invest in digital infrastructure and development of ICT systems towards the establishment and positioning of Kenya as an e-commerce hub in the region
- **Co-operative Management Information Systems (CMIS):** The project entails promoting use of ICT in the operations of co-operatives. It will integrate ICT use in national and county co-operative societies
- **Supporting On line Capacity Platform of the National Construction Authority (NCA):** This entails support to NCA to continue to register contractors on line, using the media to create awareness on the online platform and capacity building through training for contractors, construction workers and site supervisors to commence and continue using on line platform
- **Studio Mashinani:** The government will increase the number of established and operational studios from 5 to 25 to harness artistic talent, create employment and generate content for the media industry
- **Development of the Film Industry:** The government will support film industry by providing financial support to bolster local content production in Kenya and establish Film Hubs to create employment and generate content for the media industry
- **Enhancement of National Information Security:** To enhance cyber and information security to prevent cybercrimes and cyber-attacks on ICT systems and applications

To facilitate investment in ICT and digital infrastructure, the following policies, strategies and institutional reforms will be developed and implemented:

- A Digital Economy Strategy
- A Post-Covid 19 Communications Strategy
- Huduma Number Digital Integration Policy
- e-learning legislation and regulatory framework
- ICT Sector Competition Policy
- Spectrum Policy
- Emerging technologies (Distributed Ledger and Artificial Intelligence) Policy
- A Film Policy and Legal Frameworks
- Restructuring Kenya Broadcasting Corporation and Postal Corporation of Kenya (PCK) in-line with emerging technology and market trends

3.6 Facilitating a Clean, Green and Resilient Growth

Although Kenya generates a significant share of its electricity from green and sustainable sources (1,215.5 MW out of total installed capacity of 2,651 MW), there is room to expand generation of green power and green economic activities in many sectors. The Strategy will place emphasis on climate change adaptation and mitigation measures that will exploit green economic activities to put the economy on a green and climate resilient recovery-build back path.

The country has a chance to create opportunities for a green and inclusive economic recovery from Covid-19 pandemic. A green recovery will significantly enhance the resilience of the economy and local communities in the face of both economic and environmental challenges. This Strategy will therefore focus on measures that will drive sustainability while boosting green jobs, income and growth while at the same time reducing drivers of climate change and environmentally damaging activities. Measuring and evaluating the environmental impacts of recovery policies over time will be crucial, and development of a set of green/sustainable indicators, covering a broad array of critical economic and environmental dimensions.

Cleaner air and water quality, effective waste management, and enhanced bio-diversity protection not only reduce the vulnerabilities of communities to pandemics and improve resilience, but have the potential to boost economic activity, generate income, create jobs, and reduce inequalities.

To facilitate a sustainable green recovery the government will undertake the following activities:

- Increased support for Financing Locally led Climate Action-FLLoCA as a pillar of a green and inclusive recovery for all. No one should be left behind.
- Accelerate the transition to a low emissions-climate resilient circular economy
- Leverage finance to invest in the green recovery initiatives
- Fast-track implementation of “Green Segment 8” within the IFMS system to track progress through pertinent, comparable and timely data using Coding, Tracking and Reporting mechanism
- Prioritize the implementation of the Financing Locally Led Climate Action Program (FLoCA)
- Fast-track the finalization of the National Policy Framework on Green Fiscal Incentives to provide fiscal and other necessary incentives for green investment including renewable and green energy projects, clean transport, climate smart agriculture, green water infrastructure, nature-based ecosystem solutions
- Support the introduction of fully electric cars and light trains
- Support MSMEs to set up small recycling facilities to manage waste
- Through the Economic Stimulus Programme under the Green Kenya Initiative employ youth in countrywide tree planting programmes
- Promote the use of solar energy and wind power to support irrigation farming
- Mobilize private sector finance for investment in green and resilient projects and programs

- Position Kenya as a global leader in renewable energy
- Issuance of Sovereign Green and Social Bonds from private sector sources to finance conservation green investments in key climate affected sectors

3.7 Improving Economic Management and Governance

The Economic Recovery Strategy is premised on implementation of prudent economic management policies and strengthening of governance systems to create an enabling environment for accelerated economic recovery and longer term growth. To improve economic management and governance, the following measures will be put in place:

- The government will strengthen transparency and accountability mechanisms to fight corruption through enhanced multi-agency anti-corruption efforts at the national and county level. This will produce more tangible results in terms of prosecution, convictions as well as asset recoveries
- Ensuring strict adherence to PFM Act 2012, PIM Regulations and the Public Procurement and Disposable Act 2015 and its regulations

3.8 Increasing the Resilience of the Economy to Global Supply Chain Shocks

Measures implemented to contain the spread of the Covid-19 pandemic have resulted in disruption of global supply chains following border closures, suspension of air travel and other measures. The global supply chain shocks have negatively affected Kenya's economy hence the need for increasing its resilience through diversifying supply chains and sources of key raw materials and promoting local manufacture and production of vital imported products and inputs.

Implementation of this Strategy will enhance economic diversity by deepening domestic supply and value chains and promoting domestic production of key imported products such as food and pharmaceutical products. To enhance the resilience of the economy and support economic recovery and growth the following will be implemented:

- **Establish a Global Supply Chain Information Centre:** The Centre will serve as a knowledge and information hub mandated to undertake surveillance of global supply chain environment
- **Enhancing Local Production:** Manufacturers will be provided incentives to locally produce goods and services including pharmaceutical and medical products, PPE equipment and products, as well as manufactured products such as fertilizer and other agricultural inputs which can be produced locally. Local farmers will also be supported and offered the necessary incentives to produce sugar cane, wheat, rice and cotton, among others, the bulk of which are currently imported
- **Diversification of Product and Raw Materials Sources:** This will include diversifying sources of key products and raw materials outside the traditional sources
- **Food Security:** The objective is to enhance food production and meet demand for domestic consumption as well as for export. This will be achieved by implementing measures to support the agricultural sector through extension services, accumulating buffer stocks during good harvests, and promoting value addition to improve longevity of perishables

3.9 Strengthening National Capacity for Disaster Risk Management

Kenya will undertake additional measures to strengthen its capability in disaster risk management with emphasis on minimizing vulnerability to disease pandemics. The Corona Virus has highlighted weaknesses of many countries including Kenya in their preparedness to deal with highly infectious diseases and pandemics. A key component of this Post-Covid-19 ERS is strengthening the national capacity to respond effectively to pandemics as well as other disasters. Currently the frameworks for responding to disasters are fragmented across several laws. To address this challenge, the government will develop a harmonized Disaster Risk Management (DRM)

legal framework and also finalize the Disaster Management Fund Regulations to facilitate effective and efficient response to disasters in a more coordinated manner.

The following programmes and projects will be implemented:

County Level Emergency and/or Contingency Plans: The programme aims at strengthening the capacity of counties on disaster response through preparation and adoption of county emergency plans

County Disaster Risk Profiles: The program entails development of county disaster risk profiles to inform disaster preparedness and mitigation

Strengthening Resilience to Disaster Risk in Urban and Water Sectors: This will entail development of urban resilient strategies to enhance disaster preparedness and management in the urban areas and urban water supply.

The following policy initiatives will be fast-tracked to strengthen Disaster Risk Management:

- Alignment of the NDMA Act 2016 with the PFM Act 2012 to allow the National Drought Emergency Fund (NDEF) to be operationalized
- Finalization and implementation the National Disaster Risk Policy
- Operationalization of the National Disaster Management Policy
- Development and enactment of the National Disaster Management bill
- Implementation of the Disaster Risk Financing Strategy
- Strengthening the National Disaster Management and Coordination Framework to ensure effective and efficient disaster management responses
- Alignment of regulations for the County Government Act, 2012 and Intergovernmental Relations Act, 2012 with the Disaster Risk Management Policy
- Establishment of Constituency Disaster Coordination Committees in all 290 constituencies to enable timely response as well as proactively prevent and reduce risks occurrences at the lowest level. National Government Constituency Development Fund (NG-CDF) has committees in every constituency which can provide an avenue for their composition
- Operationalization of the National Risk Assessment Secretariat to enhance disaster response capacity and improve disaster response through capacity building of county officials
- Strengthening of the National Disaster Operation Centre (NDOC)

3.10 Addressing Inequality, Social Cohesion, Community Resilience and Strengthening Social Protection

The Constitution of Kenya emphasizes human equality in access to the basic needs of life as spelt out in its Bill of Rights. The Covid-19 pandemic has clearly demonstrated the difficulty of implementation of effective containment measures in unequal societies. Implementation of social distancing and sanitary measures, for instance, is a major challenge when large segments of the population in cities live in crowded informal settlements. Unequal access to digital infrastructure has disadvantaged many children from poor households and remote parts of the country who cannot benefit from online courses. Such inequities in access to services in turn serve to widen social and economic inequalities thereby undermining the overall goal of social cohesion that is so vital to our society. Persons with Disability (PWDs) are particularly vulnerable during periods of pandemic. Available data also indicates marked increase in gender based violence in most vulnerable segments of society. Teenage pregnancies among the school going girls from the poor and vulnerable households is also reported to have increased.

To address inequality, enhance social cohesion, build community resilience and strengthen social protection, the following will be undertaken.

- **Socio-Economic Empowerment of Women, Youth and PWDs:** The programme will be implemented to increase financial and business support services for women, youth and PWDs

- **Prevention and Response to Gender Based Violence:** Implementation of this programme will mitigate the incidences of GBV. The National GBV Emergencies Working Group will be operationalized to implement the activities targeted to prevent GBV
- **Gender Mainstreaming of Post Covid-19 Pandemic Initiatives:** The programme will integrate a gender perspective in post Covid 19 interventions. This will be realized through the following interventions: Continued implementation of the National Policy on Gender and Development through development of the Kenya National Action Plan (KNAP); development of National Gender Guideline and Checklist and generation of gender disaggregated statistics to inform Covid-19 interventions
- **Socio-Economic Empowerment of Youths in Marginalized Areas:** Youth living in marginalized areas lack exposure and information and sometimes have no information about government supported initiatives. The government will carry out deliberate outreach programs in marginalized counties to scale up their involvement in gainful economic activities
- **Equitable Distribution of Public Resources and Services:** The programme aims to achieve equal access to public resources, services and opportunities by persons of all ethnic, racial and religious groups. It entails: undertaking surveys on equitable distribution of Government resources and services and implementation of feasible recommendations. Implementation of this programme will ensure that data on all government funded programme beneficiaries is disaggregated by county and gender
- **Community Resilience:** The programme seeks to increase Kenya's score in peace index by strengthening structures for inter-communal reconciliation and capacities for peace
- **Community-State Relations:** Implementation of this program will strengthen the cooperation between communities and security agencies. It will involve joint community-security agencies activities to enhance mutual trust and cooperation
- **National Ethos:** The programme will promote a national value system that elevates civic responsibility consciousness. It entails undertaking a survey to establish level of awareness on national values and principles of governance and implement feasible recommendations

The following policy, legal and institutional reforms will be undertaken:

- Finalization and implementation of Women Economic Empowerment (WEE) Policy and Strategy
- Review of National Policy on Gender Based Violence 2014
- Finalization of the regulations on Protection against Domestic Violence Act, 2015
- Review finalization of Sessional Paper No 8 on National Values and Principals of Governance
- Review Sessional Paper No 9 on National Cohesion and Integration
- Review of the National Cohesion and Integration Act No. 12 of 2008

3.11 Coordinated Multilateral and Regional Collaboration Initiatives

Kenya believes in mutually-beneficial African regional cooperation at all levels, and in bilateral and multilateral partnerships at the global level. Properly coordinated, multilateral and regional initiatives are critical in achieving Kenya's national transformative agenda and in furthering the global discourse on Post-Covid -19 sustainable development. The Covid-19 pandemic is a shared global problem that can only be overcome through stronger partnerships and collaborations at the national, regional and global levels.

The Ministry of Foreign Affairs has invested in the requisite infrastructure and continued to engage development partners, regional and international organizations through virtual modes to:

- Seek support and funds in the management of the pandemic
- Facilitate engagement in collaboration initiatives on research and development of vaccines
- Engage Kenyan missions abroad and diplomatic channels to monitor the pandemic situation in different countries to inform the gradual opening up of political, economic and social engagement

To enhance coordination of multilateral and regional collaboration initiatives to address the pandemic and support economic recovery, the Ministry of Foreign Affairs and the relevant MDAs will:

- Advance Economic and Commercial Diplomacy through virtual meetings

- Consolidate and voice the position of developing countries at the UN Security Council including advancing the need for greater international cooperation in addressing the pandemic
- Deepen South-South partnerships and grow Kenya's linkages with the emerging and newly industrializing economies while preserving traditional partnerships with the global North
- Promote deeper and wider integration within the East African region and the African continent at large given that Africa constitutes Kenya's largest export market with immense potential for growth
- Consolidate Kenya's relationship with existing partners such as AU, OACPS, TICAD, China-Africa Cooperation and EU; and expand its horizons to accommodate new partnership agreements
- Continue engagements with the UN system, International Organizations, and other Development Partners for resource mobilization
- Enhance coordination of Diaspora activities

3.12 Mainstreaming Diaspora Resources to Support the Economic Recovery Strategy

The Kenyan diaspora wield significant financial and intellectual resources that can support the Post-Covid 19 economic recovery. Already, diaspora remittances play a big role in supporting Kenya's economy. Between January 2004 and July 2020 the diaspora remitted a total of US \$ 20.5 billion while in the period January to July 2020 such remittances amounted to US \$ 1.79 billion. Mainstreaming diaspora intellectual and financial resources, business networks, and economic diplomacy is a key component of this ERS. In this regard, the Government will provide the requisite incentives for the diaspora to invest in infrastructure projects including in key sectors of ICT and digital infrastructure, housing, health, education, manufacturing and in clean energy and green projects. The Ministry of Foreign Affairs through its diplomatic missions abroad will also engage diaspora associations and their business networks to facilitate such initiatives.

3.13 Enhancing Budgetary Support to Security Related Services

The government will enhance budgetary allocations to facilitate delivery of services by security related agencies as part of the Post-Covid 19 ERS. Police and security officers play a crucial role in maintaining law and order and ensuring adherence to curfews and other rules and regulations put in place to contain the pandemic including in contact tracing. In this regard, the following programmes and projects will be put in place:

- Operationalization of the Newly Gazetted Police Stations and National Government Administration (NGA) offices
- Implementation of border security management system to enhance cross border movements of both passengers and goods
- Acquisition of additional security equipment, vehicles and motor cycles
- Cascading of e-passports and visa automation to help clear backlog and fast track the process
- Complete digitization and automation of Immigration, CRS and NRB services
- Recruitment and training of 200 civil registration officers

3.14 Expediting Policy, Legal and Institutional Reforms

Successful implementation of the Post Covid-19 ERS is predicated on faster implementation of policy, legal and institutional reforms that are necessary for effective implementation of the Strategy. The Government will ensure that all the proposed policies and legislation are implemented within the specified time lines. The capacity of institutions such as State Law Office and National Law Reform Commission to draft legislation in a timely manner will also be enhanced. In this regard, the Parliamentary Calendar will be amended to accommodate the passing of Key Legislation required to facilitate implementation of this Post Covid-19 ERS.

CHAPTER 4: IMPLEMENTATION OF ECONOMIC STIMULUS PROGRAMME

In his seventh presidential address on the Corona virus pandemic, H.E the President, Uhuru Kenyatta, rolled out an eight-point Economic Stimulus Programme amounting to a total of Kshs 56.7 billion. The ESP aims at cushioning vulnerable citizens and businesses against the pandemic and rejuvenate the economy back to a recovery and growth path. The June 2020/21 budget has adopted major tax cuts to complement the ESP measures.

The Government is implementing the ESP with an emphasis on enhancing liquidity to business including MSMEs, improving health outcomes, youth empowerment through “Kazi Mtaani”, and the productive sectors most notably agriculture, tourism, manufacturing, sanitation and rehabilitation of infrastructure.

4.1 Youth Empowerment and Employment Creation

The initiatives under this programme include:

- **“Kazi Mtaani”**: that targets 200,000 unemployed youth in the major cities, urban settlements and other major towns to be engaged in fumigation, storm water drainage, cleaning of markets and informal settlements, rehabilitation of access roads and foot bridges affected by the heavy rains using local labour and materials
- **“Kaazi Mtaani” Capacity Building Programme**: To enhance the impact of: “ *Kazi Mtaani*”, capacity building and sensitization of the youth will be undertaken on Government Affirmative Funds and group dynamics in order to enhance uptake of these initiatives

4.2 Improving Education Outcomes

The initiative entails:

- Recruitment of additional 10,000 teachers to support the 100 percent transition in schools and employment creation
- Rehabilitation and construction of classrooms in 300 secondary schools
- Provision of 250,000 locally fabricated desks for secondary and primary schools
- Capitation and improving infrastructure in low cost boarding schools in ASAL using local labour
- Hiring of 1,000 ICT interns to support digital learning in public schools

4.3 Enhancing Business Liquidity including for MSMEs

The initiative includes:

- Fast-tracking payment of outstanding verified VAT refund claims owed to local businessmen
- Payment of outstanding pending bills owed to local businesses

- Provision of seed capital of Kshs 3 billion to operationalize the MSME Credit Guarantee Scheme

4.4 Improving Health Outcomes

Under this initiative, the Government will:

- Recruit 5,000 additional Diploma and Certificate Level Healthcare workers
- Expand bed capacity in public hospitals through supply of locally sourced beds and beddings
- Purchase additional Oxygen Cylinders with Oxygen and Accessories
- Establish 50 modern walk-through sanitizers at border points and main hospitals across the country

4.5 Agriculture, Food and Nutrition Security

In order to enhance agriculture production, food and nutrition security, the Government will:

- Provide subsidized supplies of farm inputs through the E-Voucher System to about 200,000 small scale farmers to ensure adequate food supply
- Expand community household irrigation to cushion farmers from adverse weather and secure food supply chains
- Provide temporary support to cushion and enable Flower/Horticultural Producers to access international markets
- Enhance working capital for the Kenya Meat Commission to support livestock farmers

4.6 Supporting Tourism Recovery

To bolster the tourism industry, the following interventions will be implemented:

- Issuance of soft loans by Tourism Finance Corporation to hotels to support refurbishment and renovation
- Promotion of aggressive post Covid-19 tourism marketing by Kenya Tourism Board
- Engagement of 5,500 community scouts under the Kenya Wildlife Service
- Providing grants to 160 Community Conservancies

4.7 Improving Environment, Water and Sanitation Facilities

To enhance the provision of water and sanitation facilities, the Government will:

- Work with existing Water Resources User Associations to rehabilitate wells, water pans, spring protections, and djabias (underground tanks) in ASAL areas
- Construct/rehabilitate wells, water pans and sand dams which hold water all year round in the ASAL areas
- Install roof water harvesting tanks in schools for regular hand washing and ensuring high hygiene levels
- Encourage tree planting including in public institutions to contribute towards achievement of 10 percent forest tree cover
- Enhance community/household irrigation
- Put in place flood mitigation and control measures using local labour

4.8 Supporting Manufacturing

Under this initiative the Government will:

- Enforce the Policy of “Buy Kenya, Build Kenya” in furniture, stationery, beverages, and uniforms among others for public institutions
- Promote the purchase of locally assembled vehicles for use by Ministries, Departments, and Agencies in order to support automotive manufacturing sector
- Provide credit to manufacturing MSMEs

4.9 Social Protection

The Government will enhance the budget for cash transfers by Kshs 1 billion to cushion citizens who have been rendered jobless due to the adverse effects of Covid-19

In FY 2020/21 the Government has allocated Ksh 56.7 billion for financing the ESP as enumerated in Table 1 below:

Table 1: Financing of Economic Stimulus Programme (Ksh Billion)

S/No.	Initiative	Programmes / Project	Allocation (Ksh. Billions)
1.	Improving road infrastructure and urban renewal	<i>Kazi Mtaani</i>	10
		Rehabilitation of access roads and foot bridges	5.0
3.	Improving education outcomes	Recruitment of additional 10,000 teachers	2.4
		Rehabilitation and construction of classrooms	2.1
		Cater for fabricated desks for secondary schools	1.9
		Capitation and improving infrastructure in low cost boarding schools in ASALs	0.7
		Hiring of 1,000 ICT interns	0.3
8.	Enhancing liquidity to Business including for MSMEs (Ksh 14.3 billion)	Payment of outstanding VAT refunds	5.0
		Payment of pending bills	5.0
		Seed capital for MSMEs Credit Guarantee Scheme	3.0
11.	Improving health outcomes	Recruitment of 5,000 diploma and certificate level health interns	1.2
		Expansion of bed capacity in public hospitals	0.5
13.	Agriculture and food security	Provision of subsidized supply of farm inputs	3.0
		Provide temporary support to horticultural farmer's	1.5
		Enhance working capital for KMC	0.5
16.	Supporting tourism recovery	Soft loans to hotel and related establishments	3.0
		Promote aggressive post Covid-19 tourism marketing	1.0
		Engage 5,500 community scouts and provide grants to 160 community conservancies	2.0
19.	Improving Environment, Water and Sanitation	Enhance community/household irrigation	3.4
		Flood control measures and mitigation	1.0
		Rehabilitation of wells, water pans and underground tanks in ASALs	0.9
		Greening Kenya campaign	0.5
23.	Supporting manufacturing	Promote purchase of locally assembled cars	0.6
		Provide Credit to MSMEs	0.7
9.	Social Protection	Cash Transfers	1.0
	Total		056.7

CHAPTER 5: SUPPORT TO KEY SOCIAL SECTORS

The Covid-19 pandemic has adversely impacted the social sector since the first reported case in the country on the 13th of March 2020. Subsequently, Kenya has recorded increases in the number of positive cases. By mid - August 2020, all 47 counties had reported positive cases. The pandemic has over stretched the health care system, forced the closure of schools and other institutions of learning and negatively impacted the livelihoods of communities. This has necessitated the implementation of appropriate mitigation measures and the scaling up of social safety net programmes targeted at supporting vulnerable members of society.

From the onset of the pandemic, the government implemented measures to contain and decrease the replication rate of the virus through various protocols and interventions including promoting social distancing, enforcing legislation on mandatory wearing of masks at work and public spaces. Other measures included undertaking public communication campaign on preventive and hygienic measures to guard against infection, ramping up testing and contact tracing capabilities, setting up isolation units and quarantine centers and building up the capacity of the health care system.

Further, the government mobilized domestic and external resources and increased allocations to key social sectors to mitigate and manage the effects of the pandemic. Additional financial resources were allocated to the health sector to recruit extra medical staff, procure PPE and the required medical equipment and increase ICU and bed capacity in public hospitals at national and county level. Budgetary resources were provided for provision of adequate water supply and sanitation and to expand social safety net programmes. Resources were also availed to recruit 1,000 ICT interns to support digital learning in public schools. These measures are critical to ensure the safety of workers and enable the full opening up of the economy, continuation of schooling, and resumption of normal activities of daily life.

5.1 Increasing Investment and Strengthening the Health Care System

The health sector plays a pivotal role in ensuring the country's populace is healthy and actively participates in social and economic activities. The sector is at the core in dealing with the pandemic from all fronts including policy, guidelines, surveillance, testing, management and containment measures. To manage the challenge posed by Covid-19 pandemic, the Health Sector has adjusted its policies, programmes as well as reallocation of resources to focus on management and containment of the pandemic while maintaining the Universal Health Coverage (UHC) aspiration.

The pandemic has overstretched health facilities across the country and exposed inadequacy in preparedness and requisite health infrastructure and equipment including ICT infrastructure and ICU beds to manage the pandemic especially for critical care services. A number of health care workers have been infected by the virus resulting in overworking of the remaining staff. Currently only 50 percent of the health facilities in the country have reliable ICT connectivity, whereas there are only 389 available ICU beds, 177 HDU beds and only 172 oxygen ventilators. The pandemic caused a disruption in the Health Products and Technologies (HPTs) supply chain mainly emanating from closure of borders and Active Pharmaceutical Ingredients (API) restrictions from the innovator countries such as India and China. In addition, the Government call and advice to citizens to stay at home adversely affected donation of blood and blood products.

In response the health sector initiated and implemented the following short term interventions:

- A total of seventy two (72) policy guidelines, protocols, and regulations were developed and disseminated
- The Government is financing testing and tracking of Covid-19 among the populace
- Both National and County Governments targeted to recruit up to 11,000 health workers mostly nurses, clinical officers, public health officers, community health assistants, radiographers and medical lab personnel needed to support health care

- The Government temporarily converted institutions into isolation centres and capacitated counties to have a minimum of 300 isolation beds per county

The following programmes and projects will be implemented to strengthen the sector in managing and containing the pandemic and attaining Universal Health Coverage (UHC):

- **Expansion, Upgrading and Equipping of Health Facilities Infrastructure at all Levels:** The objective of this programme is to improve UHC and containment of Covid-19. This will be achieved through: construction of additional health facilities, enhancing ICT connectivity, upgrading of existing facilities, establishing/expanding strategic level 4 and 5 regional specialized hospitals, expanding specialized centers for non-communicable diseases, commissioning portable medical clinics and equipping health facilities
- **Disease Surveillance and Health Safety Intelligence Programme:** The Government will implement the following interventions: scaling up Integrated Disease Surveillance and Response (IDSR) to all Counties, enhancing community strategies in diseases surveillance and outbreak response, strengthening capacity for epidemic preparedness and response at all levels
- **Containing and Mitigating Covid-19 in Correctional Service Facilities:** Under this programme the government will enhance budgetary support of the State Department of Correctional Services to prevent and control the spread Covid 19 in correctional facilities. This will cover provision of protective equipment and PPEs for prisons, upscaling investment in water supply and sanitation for staff and inmates, screening and prevention control measures, recruitment of additional medical personnel into the uniformed prison personnel, and construction of a referral hospital and 10 health care facilities in prisons
- **Human Resource for Health:** The following interventions will be implemented under this programme: recruitment and training, developing protocols and frameworks, and enhancing regular telemedicine sessions in health care service delivery by leveraging on ICT
- **Health Products and Technologies:** The Government will undertake the following interventions: develop standards for non-pharmaceutical products that will support local manufacturing and engage private sector and MSMEs for manufacture of less complicated equipment and non-pharmaceuticals
- **Financial Risk Protection Programme for Vulnerable groups:** The Government will carry out strategic reforms in management and operation of NHIF; and consolidate and expand existing health financing pools to Health Insurance Subsidy Programme for the poor, Health Insurance Subsidy Programme for the elderly, PWDS, secondary school children and expectant mothers
- **Covid-19 Vaccination Programme:** The Ministry of Health will implement this programme in collaboration with relevant local and international organizations to put in place the requisite infrastructure for delivery of approved Covid-19 vaccines in the country

The Government will develop and implement the following policy, legal and institutional reforms to support the sector:

- A new Social Health Insurance legislative framework
- National Public Health Institute (NPHI) Bill
- National Research for Health Bill
- Food and Drug Authority Bill and
- Modernization of the National Public Health Laboratory

5.2 Education Sector

Education and training is the primary means of social mobility, national cohesion and socio-economic development. The sector is essential in enabling Kenyans to develop job skills and other attributes that enhance their ability to function productively.

The Covid-19 pandemic has disrupted the normal school calendar following the closure of all learning institutions as from 16th March 2020 to safeguard the health, safety and wellbeing of learners, teachers and education officials. Consequently, this disrupted the normal school calendar for over 10 million primary school learners, over 3.4 million secondary school learners, 6,000 learners in special units and integrated programmes at secondary school level, 150,000 learners with disabilities and special needs at primary level, 460,000 TVET trainees and over 560,000 university learners.

The prolonged closure of learning institutions has exposed children to social isolation and stigma, child labour, drug and substance abuse, early marriage and other forms of abuse; and domestic/gender based violence especially for adolescent girls. It has increased inequality due to inability of parents to facilitate distance and home schooling. At the same time, a number of private schools have not been able to meet their financial obligations with a possibility of some closing down and others laying off staff hence affecting the primary to secondary school transition rate. Various services delivered under the Special Needs Education (SNE) have been disrupted since most are on personal contact basis. The sector has experienced inadequate access to technology e.g. radio, TV, digital devices and unreliable or no internet connectivity thus limiting access to learning during the pandemic. TVET institutions also released trainees to go home without any support for continuity in training mainly due to the complexity of training.

Universities have embraced technology and telecommunication platforms to ensure continuity in education, training and research. Most universities have digitized course material uploaded on their websites to be accessed by students online. Some universities have conducted on-line graduation ceremonies, defense of research thesis, registration and orientation of new students. However, not all universities have fully implemented the online teaching and learning due to: lack of requisite ICT infrastructure to support e-learning and online teaching, training and evaluation; insufficient capacity in online libraries for the university students; lack of regulatory framework with a clear quality assurance framework for online teaching, learning and evaluation; lack of capacity of the university teaching staff in the creation of online content and delivery. Despite these challenges, opportunities have also presented themselves to a number of universities that are producing Personal Protective Equipment (PPE), face masks, and sanitizers.

In response to these challenges, the sector adopted a number of short-term measures to mitigate against the adverse effects of Covid-19. These included:

- Continued offering of radio and television educational programs by KICD in addition to e-learning through the Kenya Education Cloud to offer open and distance learning
- Enhanced provision of adequate Water, Sanitation and Hygiene (WASH) facilities in schools
- Budgetary allocation for recruitment of additional teaching staff to bridge the education inequality gaps and increase the teacher-pupil ratio
- Continuous monitoring of the level of containment of Covid-19 pandemic by the sector in partnership with the Ministry of Health and the National Covid-19 Emergency Response Committee
- Partnering with various mass media to provide continued updates and sensitization to children and their parents on Covid-19 containment measures through national and local languages
- Provision of psycho-social support through guidance and counseling to learners/children affected by the effects of Covid-19 pandemic
- Monitoring to enforce compliance of schools infrastructure to the Health and Safety Manual for Schools and the Ministry of Health Covid-19 containment health requirements

The following programmes and projects will be implemented during the ERS period to support the sector in opening up of schools and safe learning:

- **Universal Primary Education Programme:** The programme seeks to increase Net Enrollment Rate (NER) through the following activities: developing a funding framework for financing capital and recurrent costs in public pre-primary and primary education; providing instructional materials and operational subsidy for all students in public pre-primary and primary schools; enhancing the safety of learners by implementing provided health protocols such as provision of face masks to all the learners;

building capacity to implement comprehensive school health policies; strengthening child protection systems within schools; and monitoring compliance with safety standards to ensure hygiene practices in schools are strictly maintained

- **Improvement of Primary School Infrastructure Programme:** The programme will entail disinfecting and fumigating schools used as isolation and quarantine centers; refurbishing classrooms and ablution blocks; strengthening WASH programmes in schools such as access to water, toilets for boys and girls, and hand-washing facilities, and upgrading facilities for children with special educational needs and disabilities. The sector will also focus on expanding classrooms, boarding facilities and learning equipment in order to achieve the social distance requirement
- **School Feeding Programme:** The programme aims at promoting access, retention and transition of vulnerable and marginalized children in ASAL and hardship areas through School Health Nutrition and Meals (SHNM). The interventions under this programme include: expanding school meals programmes to include fortified porridge and hot meals; sensitizing school cooks on hygiene, sanitation and safe food preparation; and training educators to carry out school-based health activities
- **Reforming Primary Education Programme:** The Programme is designed to put in place structures to provide psychosocial support to learners, teachers and school communities. The programme will be operationalized through the following activities: developing a comprehensive emergency response plan for primary education; building capacity of teachers in life skills, guidance and counseling to effectively respond to changes in social behavior; sensitizing learners, teachers and education staff on approaches to deal with post-traumatic stress caused by Covid-19; recruiting more primary teachers; and building capacity of parents and school communities on response to emergencies so that they are better placed to support learners
- **Provision of Essential Instructional Requirements Programme:** The programme will be implemented through: providing instructional materials and operational subsidy for all students in secondary schools; reviewing the Differentiated Unit Cost (DUC) for secondary education; strengthening learner protection systems within secondary schools; and monitoring compliance with safety standards to ensure hygiene practices in secondary schools are strictly maintained
- **Secondary School Infrastructure Improvement Programme:** The programme entails: establishing additional secondary schools in existing urban primary school sites with dense catchment; construction of additional classrooms, libraries, establishment of WASH facilities and science laboratories in existing schools; construction of tuition blocks in extra county boarding secondary schools to accommodate day scholars.
- **Reforming Secondary Education Programme:** The programme is designed to put in place structures to handle the increased number of students and provide psychosocial support to learners, teachers and school communities. The programme will be undertaken through the following activities: issuing scholarships, conditional cash transfers to learners in underserved areas to ensure full re-enrolment of learners; enhancing provision of Guidance and Counseling Services for teachers and learners; providing face masks to secondary schools; and recruitment of more teachers for curriculum implementation
- **Education Broadcasting Project:** The Kenya Broadcasting Corporation will be supported to broadcast education content through radio and television in collaboration with Kenya Institute of Curriculum Development (KIDC). A designated TV channel has been identified for education content
- **National Government Constituency Fund (NG-CDF) Education Programme:** The education sector takes up more than 84 percent of NG-CDF project funds. The NG-CDF will support the sector in opening up of schools and safe learning through construction/rehabilitation of additional classrooms, provision of student bursaries, and purchase of schools buses.
- **University Student Retention and Welfare Programme:** The programme entails the following: provision of loans and bursaries to needy students; establishing a contingency capitation fund to help universities meet emergency tuition and operation costs; and providing a stimulus package for the development of student accommodation facilities in conjunction with the private sector
- **Support of Medical Training and Research in Universities and Research Institutions Programme:** The programme is aimed at enhancing the capacity of public universities to provide adequate human resources to support the health sector in Kenya. It will also provide support and enhance capacity for medical research and development. It entails the following activities: provision of research grants for biomedical research and supporting 20 major research projects on Covid-19 in Kenya; upgrading of university research laboratories with modern research equipment to support

medical research; supporting postgraduate student training in bio-medical research; training more technicians and technologists in the medical field; undertaking reforms in the research institutions with a view of upscaling the research facilities; and designing and implementation of a project to supply laptops to university students targeting those from disadvantaged backgrounds to be implemented through collaboration with Higher Education Loans Board and private sector

To achieve the goals and objectives set out in this Sector, the following policy, legal and institutional reforms will be undertaken:

- Review of the National School Health, Security and Safety Policies
- Review of the Mentorship, Guidance and Counseling Policy
- Policy reform to ensure provision of offline resources to primary school learners from poor, marginalized and vulnerable households
- Review of the Policy on School Feeding Programme
- Development of a Policy to strengthen psycho-social support in schools
- Review of the Basic Education Act, 2013 and its regulations
- Review of the KNEC Act, 2012 and examinations regulations
- Review of the KICD Act, 2013
- Review of the Science, Technology and Innovation Act, 2013
- Review of the capitation guidelines for primary and secondary education
- Change in daily primary school attendance to introduce dual and double tract schooling

5.3 Investing in Water Supply and Sanitation

Availability and access to water for frequent hand washing and maintaining hygienic standards constitutes one of the most cost-effective means of protecting people and communities against the Covid-19 pandemic. Restriction of movement together with curfews negatively affected the progress of implementation of projects and the operation of water supply services. Water Service Providers have been affected in both urban and rural areas leading to significant reduction of revenue due to non-payment of bills occasioned by loss of incomes.

Following the outbreak of the pandemic, the water and sanitation sector instituted various mitigation measures including, provision of 5,634 hand washing facilities across the country and water trucking and provision of boreholes in informal settlements to increase access to water

The following programmes and projects will be implemented to enhance investment in the water supply and sanitation sector:

- **Water and Sewerage Network Improvement Programme:** The programme will improve water network through last mile connectivity targeting 200,000 new water connections annually, and sewerage network targeting 350,000 new sewer connections annually. The programme will also provide sanitation infrastructure in Nairobi and Kisumu Cities
- **Water Supply and Sanitation in Low-Income Settlements:** To improve access to water and sanitation for the urban poor the following interventions will be implemented: up-scaling of Basic Sanitation in Urban Poor (UBSUP), water supply for the urban poor, subsidies to water supply providers, and sewer extensions in informal settlements
- **Rural Water Supply and Sanitation:** Under this project, the following interventions will be undertaken: solarization, where appropriate, of rural boreholes; rehabilitation/construction of community water projects: wells, springs, water points, water kiosks; and construction/rehabilitation of small dams/ pans and flood control structures
- **Water and Sanitation Connectivity to Public Institutions:** The programme will entail construction/ connection of water and sanitation facilities to public institutions. Key projects include: water and sanitation for schools, health facilities, prisons, and market places
- **Water Resources Management Programme:** To enhance recharge to depleted aquifer the following interventions will be undertaken: implementation of Rivers Protection and Pollution Management Programme to improve on the quality and quantity of water flowing in the rivers; and implementation

of Managed Aquifer Recharge programme for selected aquifers in Nairobi, Nakuru, Naivasha and Merti; national hydrological surveys to identify other aquifers for artificial recharge; establishment of a centralized national ground water resources data and information management system; and ensuring administration of water rights and permits is undertaken within sustainable limits and with the participation of community-level institutions

- **Regulation of Water Services and Resources:** The programme entails support to the water sector regulatory institutions for efficient management of water and sanitation

The following policy, legal and institutional reforms will be implemented to facilitate investment in the water supply and sanitation sector:

- Development of Water Sector Financing Strategy
- Development of Water Sector Disaster/Pandemic Management Strategy to deal with emergencies
- Review of Water Sector Investment Plan
- Finalization of the Water Act Amendments, Regulations and Strategies
- Finalization of Rural Water Supply and Sanitation Regulatory Framework 2020
- Development of Sanitation Management Regulations and Standards
- Finalization and implementation of the Water Sector Inter-Governmental Consultation and Co-operation Framework
- Registration and Regulation of water vending and sewage management and register Community Based Organizations (CBOs) to run the water point systems to include the deed of handover and operational guidelines
- Enhance water sector Inter-Governmental collaboration by jointly installing a nation wide performance- based improvement programme for all registered Urban WSPs to address Non-revenue water through improved metering, repair of all water and sewer line leaks, billing and collection and consumer education
- Registration of hand-cart septage services in informal settlements and provision of protective gear and training

5.4 Enhancing Social Safety Net Programmes

Social Safety Net Programmes (SSNP) have positive impacts on food security, education and health. They also promote households ability to generate income that can lead to positive multiplier effects in local economies. The Programme involves cash transfers to Persons With Disabilities (PWDs), older persons, Orphans and Vulnerable Children (OVC), poor in arid and semi-arid lands, distribution of relief food to food insecure ASALs, and rescue and rehabilitation of street families. In addition they provide relief and other humanitarian assistance arising from drought and emergencies such as floods and landslides.

The Kenya Population and Housing Census (2019) shows that 4.6 percent of Kenyans experienced some form of disability, there were 1 million older persons aged 70 years and above, 4 million orphaned children, 46,639 street persons and 1,500 rescued victims of human trafficking. These population segments are prone to the ravages of economic shocks, cyclical drought, climate change and now Covid-19 which severely affect their livelihoods. The advent of the pandemic has led to closure of businesses, reduction in economic opportunities and relief supplies, disruption of service delivery to ASALs, and lost income which is adversely impacting livelihoods of the vulnerable communities.

To address this, a number of mitigation measures have been put in place including:

- Provision of either food or cash transfers to the vulnerable households
- Partnering and engaging with other stakeholders to ensure that vulnerable groups are cushioned through livelihoods support systems
- Implementation of work for pay initiative

The following programmes and projects will be implemented to enhance social protection over the ERS period:

- **National Safety Net Programme (*Inua Jamii*):** The overall objective of this programme is to cushion the vulnerable sections among the population specifically OVC, older persons and PWDs against vulnerabilities. The programme will provide safety nets in the form of bi-monthly stipend targeted to beneficiaries to enable them meet basic human needs and live a dignified life
- **Kenya Social and Economic Inclusion Project (KSEIP):** The project aims at strengthening delivery systems for enhanced access to social and economic inclusion services and shock-responsive safety nets for poor and vulnerable households. It entails establishment of a social registry (database for all poor and vulnerable persons who are in dire need during pandemic). In addition, the project will ensure that all cash transfer beneficiary households have National Hospital Insurance Fund (NHIF) cover paid by the Government. Further, it will provide a top up cash transfer to households with children less than two years of age and pregnant mothers for nutrition improvement
- **Presidential Secondary School Bursary:** The project aims at providing bursaries to OVC from poor households in public boarding secondary schools
- **Rehabilitation of Street Families:** The programme will involve rescue, rehabilitation, reintegration and re-socialization of street families
- **Occupational Diseases Fund (ODF):** The Fund will be established under the Public Financial Management Act 2012 to compensate workers directly affected by infectious occupational diseases such as Covid-19
- **Unemployment Insurance Fund (UIF):** The Government will establish a UIF to cushion workers in financial distress by providing them with short-time relief when they become unemployed, are on unpaid leave or are unable to work because of illness. The amount of contribution to the fund will be 2 percent which will include 1 percent paid by employee from remuneration paid and 1 percent paid by the employers
- **Diversification of Product Portfolio under Social Security:** As a recovery strategy, the National Social Security Fund (NSSF) is exploring alternative investments in various asset classes with a view of offering a better return on investments for members. In addition, through strategic partnership, the fund intends to reach out to the informal sector through the “Haba Haba” product of contributing Kshs 25 per day to enhance social security coverage for the informal sector operators. Further, the Fund will review models of unemployment benefits of various countries with a view of domesticating and developing a similar product with support from the Government
- **Inclusive and Multi-Sectoral Response to Covid-19 and Addressing its Socio-Economic Impact in Kenya:** the project will help cushion ASALs communities whose livelihoods have been disrupted by the outbreak of Covid-19. It will involve providing cash for work and supporting county teams and communities to scale-up livelihood transformative interventions and build their resilience from effects of Covid-19
- **Hunger Safety Net Programme III:** The programme will cushion poor households from hunger in the eight counties (Mandera, Wajir, Turkana, Marsabit, Isiolo, Samburu, Garissa and Tana River) that are vulnerable to droughts and food insecurity. It entails provision of regular predictable and electronic cash transfers to 132,000 poorest households. Besides regular cash transfers, the programme has drought-shock responsive scalability component targeting additional 200,000 households in the same counties
- **Relief and Humanitarian Assistance:** The programme entails scaling up provision of food and non-food items to communities greatly affected by crises including pandemics such as Covid -19. A criteria for and identification of populations vulnerable to crises including the effects of Covid-19 will be developed. In addition, a system for distribution of relief supplies and proposals for technical and financial support resource mobilization will be developed

In order to streamline and ensure effective implementation of Social Safety Net Program (SSNP) the following policy, institutional and legal reforms will be undertaken:

- Review of the Social Protection Policy (2011)
- Review of the National Children Policy (2010)
- Finalization of Persons with Disability Bill of 2017
- Review of the Social Assistance Act, 2013

5.5 Environment Sector

The Environment sector not only provides a livelihood base for majority of Kenyans but also a bedrock for the growth and development for other key sectors of the economy including; agriculture, water, manufacturing, energy, and tourism. The sector is responsible for the protection, conservation and management of the environment and natural resources for socio-economic development.

The extensive use of face masks and other protective equipment in the wake of Covid-19 has aggravated the challenge of waste management especially medical waste. However, interim guidelines on how to handle and dispose the waste have been developed and awareness creation targeted at the general public and waste handlers initiated.

The Covid-19 pandemic has led to increased demand for water for hand washing and general hygiene. This necessitates proper management of water towers to ensure regular supply of quality water.

The following programmes and projects will be implemented over this ERS period:

- **Forests Conservation and Management Programme** – The programme aims to improve management and conservation of forests. It involves production of seedlings, rehabilitation of natural forest areas, protection of existing forests, establishment of commercial forest plantations, rehabilitation of degraded ASAL areas and enhanced tree planting in schools and public institutions. The sub-sector will implement the Protocol to guide the production of seedlings, planting trees, management and conservation resources, and management of ecotourism facilities within forest reserves
- **Waste Management and Pollution Control Programme:** The programme entails research of appropriate technologies and enforcement of statutory mechanisms for the disposal of human and industrial waste, e-waste, and Covid-19 waste: especially those from face masks and other protection devices. It also involves elimination of harmful emissions from factories and motor vehicles as well as public awareness to encourage use of bio-degradable materials
- **Rehabilitation and Protection of the Water Towers Programme.** The programme will entail rehabilitation and protection of the five (5) major Water Towers namely Aberdares Range, Mt. Kenya, Mau Forest Complex, Mt. Elgon and Cherengany
- **Support to Kenya Wild Life Service and Conservancies:** To mitigate the adverse effects of the pandemic, the Government will implement a stimulus package to maintain the security of wildlife and communities in conservation areas. The projected revenue shortfall due to decline in park visitors will be supplemented by provision of funds to meet the costs related to personal emoluments and to enhance security. A grant of Kshs 1 billion will be advanced to conservancies to maintain the 3,500 rangers and other operations. An additional Kshs 1 billion will be allocated to engage 5,500 community game scouts

The following policy, legal and institutional reforms will be implemented:

- Finalization of the Meteorology Policy and Bill
- Finalization of the National Solid Waste Management Policy and Bill
- Finalization of the Water Towers Management Policy and Bill
- Finalization of Forest Conservation and Management Act 2016
- Review of Environmental Impact/Audit Regulations of 2003
- Review of Environmental Management and Co-ordination Regulations, 2009
- Review of the Wildlife Management and Conservation Act, 2013

5.6 Labour and Employment Sector

The Kenyan labour market is characterized by a mixture of both formal and informal sectors. Total employment in Kenya stood at 18.1 million in 2019, out of which 15.05 million (83%) are in the informal sector of which 5.3 million (35.4%) are found within the urban areas while 9.7 million (65%) are found in the rural areas. The formal sector employs 3.091 million out of whom 2.928 million are paid employees with 162,700 being contributing family workers. The total number of paid employees in the private sector was 2.0631 million (66.7%), while the public sector employed 865.2 thousand (29.5 %). According to the Kenya Population and Housing Census (2019) 35.7 million Kenyans are below 35 years while the population of youth aged between 18 and 34 is 13.6 million out of which 61% were working while 1.6 million were seeking work. This implies youth unemployment stood at 39% before Covid-19.

The labour market sector has been severely affected by the pandemic. The pandemic is affecting the health of workers while exposing more Kenyans to unemployment and underemployment. In addition, Kenya migrant workers have been affected across the globe through job losses.

The private sector adopted various measures to remain a float which included: delaying investment, purchase of goods and hiring of workers; salary cuts for employees; temporary layoffs; sending employees on indefinite unpaid leave; and redundancy of workers. These measures adversely affected labour and employment especially those working in the transport industry, tourism, creative and micro enterprises.

The sector developed Workplace Guidelines on Covid-19 to provide guidance on how employers and workers will handle labor employment issues during the pandemic; a toll free line (0800211168) and a dedicated email address (complaints@labour.go.ke) was established to enhance reporting and resolution of employment and labour related complaints. The Sector undertook sensitization of workers on the Covid-19 infections and protection through training on Occupational Safety and Health measures at workplaces and carried out surveillance of workplaces for compliance with OSH and government directives on Covid-19.

The following programmes and projects will be implemented to support the labour market cope with the pandemic and contribute to economic recovery and growth of employment:

- **Survey on the Impact of the Covid-19 Pandemic on the Labour and Employment Sector:** The Government in collaboration with ILO will conduct a rapid survey on the effects of the Covid-19 pandemic on the sector. In particular, the Survey will seek to ascertain the effects of the measures implemented by the Government on productivity, labour relations, skills demand and cost of doing business. In addition, an Impact assessment of effect of Covid-19 pandemic on Labour migration in the IGAD region will be undertaken
- **Emerging Skills Profiling in the Wake of Covid-19:** The programme aims to identify the stock of skills available and profile emerging skill requirements to drive the economy. It will entail development of a skills inventory and labour market information
- **Employment Needs Assessment in Existing and Potential Labour Destination Countries:** The Government will carry out employment needs assessment in existing and potential labour destination countries with special focus on new labour markets. This also includes documentation of overseas employment, post arrival orientation seminar and verification of employment documents and bilateral labour negotiations
- **Promotion of Occupational Safety and Health (OSH) at Workplace:** Given the effects of the Covid-19 pandemic in the workplace and the need to create a safe and healthy workplace, the Government will undertake the following: conduct Occupational Safety and Health Risk Assessments and Audits; carry out Occupational Safety and Health Training; establish and strengthen Safety and Health Committees at Workplaces; and Establish an On-line Occupational Safety and Health Management System
- **Combat Child Labour:** With the Covid-19 pandemic, the country faces a risk of reversing years of progress made in combating child labour. To improve monitoring of child labour, the Government in

collaboration with ILO and UNICEF will carry out an impact assessment of Covid-19 on prevalence of child labour; establish Child Labour Free Zones (CLFZs) in all counties; undertake capacity building programmes; and develop an integrated monitoring and evaluation system

- **Business Turnaround Solutions Programme (BTSP):** The Programme targets to support businesses which have either closed or are struggling to remain afloat. It will entail provision of technical assistance and specialized productivity training on innovation, resilience and sustainability. It will also involve development and implementation of on-line productivity programmes and KAIZEN training. The targeted sector will include manufacturing especially within Export Processing Zones, tourism (hotel), MSMEs and agriculture
- **The “Vijana na Afya Bora Programme” (VINAFYA BORA):** This is an integrated programme linked with Youth Empowerment Centers in all constituencies aimed at socio-economic empowerment among communities countrywide
- **Kenya Youth Employment and Opportunity Programme (KYEOP):** The programme involves up-scaling KYEOP to all the counties to ensure the youth country wide benefit from the programme by availing them training and work experience opportunities as well as offering incentives to employers
- **Youth Enterprise Development Fund:** The Fund targets to address high youth unemployment, reduce inequality and improve youth livelihoods Post-Covid 19. The Fund will extend credit facilities for youth venturing in emerging opportunities during Post Covid-19 period
- **Kikao Mtaani Programme:** This initiative involves engagement of the youth to connect to government opportunities Post-Covid-19. The Kikao forums also provide an opportunity to dialogue and build networks with like-minded partners for youth initiatives with a view to bringing about mind set change and hope, and bring out homegrown solutions, and reverse the effects negative things that have impacted the youth
- **Kenya Youth Development Index:** The Youth Development Index will be developed as a standardized measure to establish how well the youth are developing Post Covid-19. It will further help in getting baseline data to measure the impact of youth programmes Post-Covid-19

During the ERS period, the following policies, legal and institutional reforms will be undertaken:

- Development of Labour Migration Management Policy
- Operationalize and Implement Kenya Youth National Development Policy 2019
- Development of National Green Jobs Strategy
- Review of Labour Laws to accommodate Covid-19 protocols
- Development of Labour Migration Management Bill
- Review of Industrial Relation Charter to align it with Constitution of Kenya and emerging issues like Covid-19
- Strengthen the capacity of Alternative Dispute Resolution (ADR)
- Strengthen the capacity of the National Labour Board and Wages Council

CHAPTER 6: SUPPORT TO KEY ECONOMIC SECTORS

The IMF Regional Economic Outlook for Sub-Saharan Africa predicts that the region's economy will contract by 3.2 percent in 2020. The Kenyan economy is projected to record a slowed growth of 2.9 percent compared to 5.4 percent in 2019. The decline is mainly a result of fall in demand of Kenya's exports like flowers and horticultural products, decline in tourist arrivals due to lockdowns and cancellation of flights from tourist source markets, and slowed economic activities in MSMEs, Transport and Storage, Domestic and External Trade among other sectors of the economy.

The government is implementing an Economic Stimulus Programme to stimulate the economy and revive employment and growth. This Chapter details the various policy interventions and measures that will be put in place to support economic recovery and growth of key economic sectors over the ERS period.

6.1 Micro, Small and Medium Enterprises

Micro, Small and Medium Enterprises (MSMEs) account for 98 percent of all businesses in the country and play a key role in economic development and job creation. The sector accounts for over 90 percent of all private enterprises, 93 percent of the total labour force and it contributes 34 percent of GDP. It provides jobs and income opportunities for economically excluded segments of the population including youth, women, persons with disabilities and low-skilled persons, who experience disproportionately high unemployment. MSMEs also aid industrial development, satisfy local demand for services, innovate and support large firms with inputs and services.

Despite the sector's important contribution, MSMEs face challenges of accessing credit due to lack of adequate collateral, high cost of credit and informal business structure. These challenges have been aggravated by the Covid-19 pandemic containment measures on social distancing, partial lockdowns, curfew and restrictions on domestic travel which leads to unemployment and reduced incomes in the MSME sector. As at end of June 2020, 37 percent of MSMEs were operating at less than half their production capacity, 30 percent had experienced a loss of between 65-100 percent of their sales turnover and 49 percent reported losses of between 30-64 percent while 86 percent experienced cash flow constraints which affected their ability to meet tax obligations, pay employees or meet operating costs.

The following programmes and projects will be implemented to support the MSME Sector:

- **MSME Credit Guarantee Scheme:** The Government has injected seed capital of Kshs 3 billion to start the Scheme and is working with banks and Development Finance Institutions (DFIs) to increase the amount of funding available for credit to the MSMEs. The Scheme will provide affordable credit to the MSMEs in an efficient and structured manner and it will rely on the best professional standards and practices of private sector credit arrangements
- **MSMEs Capacity Building Programme:** The programme aims at promoting skills development for MSMEs to enhance their operational capacity to participate in wider and more competitive markets
- **Finance Plus:** This initiative aim at re-skilling and retooling of MSMEs so that they can cope with fluctuations in the market as evidenced by the current crisis by diversification and improving product quality
- **Market Opportunities for MSMEs:** The programme aims to expand market access for local products in Kenya, regionally and globally
- **5K Initiative:** The initiative targets to improve productivity, quality and competitiveness of SMI products through provision of technology, design, product development, standardization and protection of innovations
- **MSME ICT Platforms:** The project will build capacity within MSME sector on use of ICT to support their e-business, online marketing and use of webinars for trading as well as enhanced facilitation of trade competitiveness in cross border trade for all traders. This project will collaborate closely with the NG-CDF project being implemented jointly with the Ministry of ICT where 92 constituencies have set aside funds to construct ICT hubs

- **MSME Recyclers in Solid Waste Management:** The project is as part of the National Green Economy Initiative. It aims at increasing investment in waste management and recycling through involving MSMEs in investing in small waste recycling plants
- **Development and Update of MSME Portal:** The project targets to improve access to information for MSMEs and map MSME clusters nationwide to provide targeted support on training, infrastructure development and market access

The following policy, legal and institutional reforms will be implemented

- Finalization and implementation of the Women Enterprise Fund credit policy to support women owned MSMEs
- Operationalization of the Finance – Plus Policy
- Review of framework agreements for procurement of Common User Items (CUIs) to support MSMEs through the Buy Kenya Build Kenya Initiative
- Revamping of Supplies Branch facilities to facilitate implementation of “Buy-Kenya Build- Kenya” initiative by empowering the Jua Kali sector and MSMEs to engage in accelerated local production
- Development and issuance of Credit Guarantee Scheme Regulations
- Finalization of the review of the MSME Act 2012
- Finalization and operationalization of the MSME Fund Regulations
- Implementation of Business Laws (Amendment) Act, 2020

6.2 Tourism

Turnaround of the tourism sector is a key priority in the nation’s economic recovery programme. The tourism sector accounts for about 10 percent of the country’s GDP and 9 percent of the total employment. It is a leading foreign exchange earner, generating Kshs 163.6 billion in earnings in 2019 which translates to about 13.1 percent of total exports of goods and services.

The sector has taken the biggest hit following the containment measures taken by different countries to shut down international and local borders in an attempt to contain the spread of the virus. Tourist performance had been on upward trend prior to the global outbreak of Covid-19. Tourism arrivals stood at 2.03 million in 2018 and 2.05 million in 2019. Growing in tandem, tourism earnings rose by 31.3 percent in 2018 to Kshs 157.4 billion, further increasing to Kshs 163.6 billion in 2019. The outbreak of Covid-19 has wiped out most of the recent gains made by the sector.

April 2020 recorded only 3,101 tourist arrivals compared to 146,258 in April 2019. Cumulatively, total arrivals as at April 2020 stood at 392,691 almost half the number of 619,698 recorded in the same period last year. Research commissioned by the Ministry of Tourism and Wildlife on the impact of Covid-19 on tourism, estimates that the pandemic is likely to cost the industry loss of US\$ 511 million in hotel revenue, US\$ 125 million in associated revenue and Kshs 2.5 billion for catering levy. Furthermore, a significant number of employees face redundancy, termination or salary cuts due to loss of business and incomes for these establishments. The findings reveal that 81.3 per cent of the tourist establishments have reduced their staff complement while 85.5 per cent have effected pay cuts. The number of visitors to national parks have dropped significantly scaling down of park operations and resulting in a 90 percent drop in revenue leading to loss of jobs and livelihoods for conservation workers and.

To cushion and mitigate the sector from the adverse effects of Covid-19 a raft of short-term measures have been implemented which include:

- Setting up a tourism (Covid-19) crisis recovery task force
- Upgrading the standard of service in the sector through the development of protocols for management of restaurants and eateries and hotel accommodation. This will enhance Kenya’s global competitiveness and thereby earn the country higher revenues

- Establishment of a Kshs 3 billion Stimulus Hotel Refurbishment Fund as a low-cost long-term credit facility to upgrade dilapidated hotel facilities
- Provision of Kshs 2 billion support to the wildlife conservation sector to support rangers and community conservancies
- Discounting of park entrance fees to all national parks and game reserves by 50 per cent to promote local tourism and cushion tourist facilities from loss of revenue
- Government directive to discount the cost of Covid-19 tests for bona fide registered tourism establishments by 50 per cent

The following programmes and projects will be implemented during the ERS period:

- **Establishment of a Refurbishment Stimulus Package and Credit Scheme:** The Government established a Refurbishment Stimulus Package and Credit Scheme to support regulated tourism enterprises, activities and services through soft loans. The scheme shall provide financial support to these facilities for renovation and restructuring of their business operations in order to make them competitive and adaptive to the new operating environment
- **Tourism Promotion and Marketing:** The sector will promote tourism marketing in cooperation with Government agencies, airlines and the private sector and use the print and electronic media to rebuild confidence among travelers to Kenya as safe destination. This will entail: developing a robust communication plan to drive the sector’s recovery strategy, providing incentives to airlines and waiver of visa fees. In addition it will entail: establishing a tourism crisis recovery and global public relation programme and digital marketing to maintain continuous online visibility, consumer reassurances, and enhanced virtual tourism marketing
- **Spurring Domestic and Regional Tourism:** The domestic and regional markets are expected to partially sustain the tourism industry in the short term. To spur domestic tourism, the Sector proposes to undertake amongst other things: targeted marketing focusing on the growing middle class; discounted packages on safari in parks and reserves; partnership with low cost carriers to connect tourism destinations; synergy with respective counties to demonstrate destination readiness for travel; incentivized packages; repackage tourism experiences with local market tastes and preferences; and development of circuits with specific itineraries. To stimulate regional tourism, the sector proposes abolishing visa fees for African countries and implementation of open skies policy. The sector will also lobby for harmonization of timelines, procedures, requirements and joint packaging in the region and implementation of single African air transport market
- **E-visa/e-FNS:** This will involve cascading of e-visa to help clear backlog and fast-track the process in seven (7) foreign offices and six (6) regional offices
- **Standards and Quality Assurance in the Sector:** Given that most international travelers are going to come out of the pandemic as “*germaphobic*”, Destination Kenya will market itself globally as a sanitary and safe destination for the increasingly “*germaphobic*” tourist. To restore confidence of visitors in the destination and position it competitively in the international marketplace, the Government will enhance standards for tourism enterprises and food safety and hygiene. The sector will fast-track implementation of the “Magical Kenya Tourism and Travel Health and Safety Protocols” that meet the new normal. The government will also ensure development of enterprise standards for facilities, activities and services as listed in the 9th schedule of Tourism Act 2011 and food safety and hygiene standards
- **Diversification of Tourism Products:** To enhance recovery, the sector will diversify, re-package and promote other tourism products in addition to the Africa safari and beach destinations which the country is best known for. The Sector will establish key Tourism Special Economic Zones and provide incentives to encourage new investments. The government in partnership with the private sector, county governments, travel agencies and the airlines also market the country as a sports, cultural, historical, medical, environmental and agricultural tourism destination.
- **Tourism and Hospitality Training:** To ensure adaptability of the hospitality industry to safety and hygiene requirements arising from the Covid-19 pandemic, the Sector will carry out training of

hospitality staff on new requirements and the strict hygiene and food safety protocols in line with the highest international standards as spelt out by WHO and the AU Centers for Disease Control.

Policy, Legal and Institutional Reforms: To meet the demands imposed on the tourist sector by the pandemic, the sector will fast-track the review of Tourism Policy Framework. The sector is currently undertaking review of the National Tourism Policy 2010 which will culminate in the review of the Tourism Act 2011 and a major restructuring of the existing institutions into five semi-autonomous agencies as indicated herein below:

- Merge KTB and the KNCB in order to harmonize the effort of promoting Kenya as a destination. Presently, there is an overlap between the functions of the two institutions
- To restructure Tourism Regulatory Authority to act as the watchdog that keeps the tourism industry in check within the best global standards of the tourist market
- Merge Tourism Fund and the Tourism Promotion Fund to finance marketing of the destination, product and infrastructure development and investment promotion
- Merge Bomas of Kenya with the KICC including all other public funded MICE venues and outsource management of the Bomas Kenya
- Outsource the management of Kenya Utalii College
- To enhance protection, conservation, sustainable use and management of wildlife, the government will review the Wildlife Management and Conservation Act, 2013

6.3 Horticulture

The horticulture sub-sector is the third largest contributor to agriculture sector GDP after tea and dairy. The Sub-Sector is a source of direct and indirect employment to 6 million Kenyans with production of flowers alone directly employing 200,000 workers. Kenya ranks as the largest horticulture exporter in Sub-Saharan Africa accounting for 16 percent of the European Union (EU) market. More than 80 percent of Kenya's horticulture exports to EU consist of cut flowers, vegetables, herbs and fruits. In 2019, exports of fresh produce and flowers earned the country 1.37 billion US\$.

Kenya's horticulture exports came to a virtual halt following the outbreak of the pandemic and closure of airspace and lockdowns in most European capitals. Over the April to May period, the horticulture industry in Kenya was losing 3.5 million US \$ daily. However, by July 2020 the sector's exports had reached 80 percent of their July 2019 levels, thanks to gradual easing of the lockdown in the EU and UK. Despite this upturn, horticulture exports are facing constraints relating to availability of adequate freight capacity which has led to doubling of freight charges between Nairobi and most market destinations.

The following will be implemented to support full recovery and continued growth of the sector:

- Facilitate measures to increase air and sea-cargo capacity for exports of horticulture
- Liaise with Kenya Airways and other air cargo operators on measures needed to reduce the cost of air freight for horticulture exports
- Diversification of markets to facilitate higher growth of Kenya's horticulture exports
- Maintaining and improving quality standards to meet the requirements of export markets

6.4 Agriculture, Food and Nutrition Security

The Agriculture sector contributes 32 of Kenya's GDP, 65 percent of export earnings and 75 percent of raw materials for the manufacturing sector. The Sector contributes to food and nutrition security and is the largest employer of Kenyan labour force. It has important linkages to the rest of economy through wholesale and retail trade as well other sectors such as transport. Movement restrictions put in place to contain the pandemic negatively impacted economic activity along the agricultural value chain.

Kenya has high dependency on food imports of key consumer items. In 2019, up to 51 percent of sugar consumed locally and 85 percent of wheat sold in Kenya were imported. During periods of poor harvest, the country has resorted to importation of maize, the staple food crop. In view of the disruptions in global supply chains due to the pandemic, and given Kenya's high reliance on key imported foods, this post Covid-19 economic recovery strategy places a high priority to put into effect measures to attain food security through supporting local farmers, pastoralists and fishing communities to enhance production including that of main food crops. This will minimize reliance on food imports and enhance food security which is a major Government commitment under the Big-4 Agenda.

The key measures implemented in the sector to mitigate adverse effects of Covid-19 include:

- **Development of National and County Government Market Protocols:** The State Department of Agriculture, Livestock, Fisheries and Cooperatives in collaboration with relevant stakeholders developed National and County Government protocols and guidelines for use by the different players in the food supply chain covering players in input provision, production, trade, processing, transport, logistics, handling and consumption
- **Exemption of Fishers from Covid-19 Night Curfew:** Fishers who do most of their fishing at night were exempted from the night curfew and granted permission to fish at night

The following programmes and projects will be implemented in the agriculture sector over the ERS period:

- **Inputs Subsidy Programme:** The programme will enhance access to inputs by farmers in order to increase crop production. The input packages will include fertilizers, lime, seed and agro-chemicals as required for the various agro-ecological zones
- **Emergency Locust Control Program:** The programme is designed to respond to the threat posed by the desert locust outbreak to rural livelihoods and to strengthen Kenya's system for disaster preparedness. The interventions include establishment of a National Locust Disaster Co-ordination Centre; establishment of locust control bases; deployment of aircraft; distribution of pesticides for aerial and ground control operations; support to counties (equipment) and Capacity building.
- **1 Million Vulnerable Households Kitchen Garden Kit Support Project:** The project aims to improve household food and nutrition security through dietary diversity targeting vulnerable households. It entails support to vulnerable households to establish kitchen gardens. This will ensure inexpensive, regular and handy supply of fresh vegetables, fruits, herbs and spices which are basic to nutrition
- **Stimulus to Increase Pyrethrum and Cotton Production:** The project aims at boosting pyrethrum and cotton production through provision of quality planting materials and inputs and supporting smallholder farmers access markets. It targets to raise pyrethrum production from 500 MT to 3,000 MT. It also involves increasing cotton production and marketing for 40,000 farmers and revamp cotton extension service provision in 22 counties through digital platforms. Further, the project seeks to modernize cotton ginneries through rehabilitation, acquisition and installation of modern machinery targeting 8 cotton cooperatives across the country
- **Livestock Inputs Subsidy Programme:** The programme involves provision of subsidies to livestock farmers and pastoralists to increase access to a range of inputs and services from service providers through e-voucher system
- **AFC Livestock Credit Support Programme:** The project entails boosting the Agricultural Finance Corporation kitty available to livestock value chain actors and provide lending at concessional terms
- **Livestock Products Cold Chain Support:** The project involves provision of milk chilling coolers, grain driers, milling and storage facilities; establishment of milk testing and disease diagnostic laboratories; and embryo transfer facilities
- **Promotion of Contract Farming of Livestock Feed:** The programme aims at increasing local production of livestock feed resources through partnership between the government, feed manufacturers and producers to ensure steady supply of inputs for feed millers

- **Development of Livestock Water and Marketing Infrastructure:** The project involves development and rehabilitation of livestock markets, holding grounds, outspans and livestock water infrastructure
- **Livestock Breeding Programme:** The programme will facilitate quality assurance of semen released to farmers through Computer Assisted Semen Analyzer (CASA)
- **Leather Value Chain Development:** Kenya currently exports raw and semi processed raw hides and skins and imports finished products. The project will promote value addition across the leather value chain to support local manufacturing of leather and leather products
- **Assessment of the Impact of Covid- 19 on the Fisheries Sector in Kenya Project:** A survey on the impact of Covid- 19 along the fish value chain will be carried out to facilitate policy makers and other stakeholders make informed decisions to move the sector forward. The survey will cover inland fisheries Fresh Water Systems (FWS), marine fisheries (Ocean and Coastal Systems (OCS) and aquaculture (freshwater and marine)
- **Fish Production on Raised Fish Ponds Technologies Project:** The technology opens fish farming opportunities to rural, urban and peri-urban farmers who are faced with the challenges of limited land space. The project targets 14,100 farmers and will be implemented in collaboration with all 47 counties. A total of 300 farmers will be selected per county
- **Development and Refurbishment of Fish Landing Sites Programme:** The Government will prioritize the relocation, refurbishment and development of fish landing sites into modern facilities, including ice-making equipment
- **Development of Fish Market Outlets Project:** The project entails development of fish market outlets in Nairobi and Mombasa counties which include handling containers and cold storage facilities which meet the required standards
- **Acquisition of Equipment and Machinery for New KCC:** The project aims at modernizing all New KCC Plants/Factories by acquiring and installing new machinery and equipment. On completion, it will enhance New KCC's milk processing capacity from 300,000 to 800,000 litres/day.
- **Coffee Industry Revitalization:** The project will rehabilitate coffee processing factories owned by co-operatives and unions, enhance governance in management of coffee co-operatives and create a coffee co-operatives data base. This will improve coffee production both in quantity and quality, increase coffee farmers incomes and create employment
- **Development of the Honey Value Chain:** The project aims at increasing resilience and food security for rural households in arid and semi-arid areas through developing the honey value chain. It includes: provision of modern beekeeping equipment; supporting cooperatives to process, brand, package, market and attain the standardization mark; and capacity building of 5 co-operatives societies
- **Enhancing Community Resilience Against Drought II (ECORAD II):** The project aims at enhancing community resilience against drought through sustainable Natural Resources Management and Livelihood Diversification
- **Irrigation Schemes Production Support:** The programme entails support to irrigation schemes for production of the main staples of maize and rice. It will also support rehabilitation and maintenance of 74,275 acres of irrigation schemes to sustain production of over 120,000 acres of rice and other crops. The programme will further support irrigation in the Yala Swamp for food production
- **Rehabilitation of Existing Irrigation Projects, Small Dams and Water Pans:** This Intervention aims at building communities resilience and increase food production through rehabilitation of existing irrigation infrastructure and water reservoirs to mitigate against effects of climate change frequently experienced in ASALs
- **Construction and Rehabilitation of RDAs Irrigation Infrastructure:** The programme aims to construct and rehabilitate infrastructure destroyed by floods in the areas covered by the six Regional Development Authorities and build capacity of farmers to enhance food production

The key policy, legal and institutional reforms to move forward the sector in post Covid-19 include the following:

- Development of National Agricultural Insurance Policy
- Revision of National Agricultural Extension Policy

- Review of National Agriculture Research Systems (NARS) Policy
- Development of National Fish Marketing Strategy
- Finalization of the Irrigation Regulations 2020
- Review of the Cooperatives Societies Act and SACCO Societies Act to align it with the Constitution of Kenya and the devolved system of Government
- Capacity enhancement at Kenya Veterinary Board (KVB) for regulation in 47 counties
- Strengthening the Kenya Fish Marketing Authority (KFMA)
- Operationalization of Kenya Fishing Corporation Limited (KFCL)
- Support and strengthen fisheries organizations
- Operationalization of County Irrigation Development Units

6.5 Manufacturing

Manufacturing is the key sector in the transformation of the Kenyan economy from lower middle-income mainly -agricultural one into a high middle -income rapidly- industrializing country as foreseen under Kenya Vision 2030 and the Big-Four Agenda. However, the manufacturing sector's contribution to GDP stood at 7.5 in 2019, half of its share of GDP two decades ago.

In 2019, the sector accounted for 15.9 per cent of total formal sector employment, providing employment to 353,300 workers. It has strong backward linkages to agriculture especially in food processing and it has strategic forward linkages to transportation and the services sector. The Covid-19 pandemic has caused disruptions in the manufacturing sector, leading to massive revenue and job losses across all of its subsectors. Transport restrictions have disrupted the supply chain of goods and products resulting not only in a significant rise in the cost of transport, but also limited supply of raw materials to industries, thereby slowing the production process, and hence the supply of goods.

To cushion the sector from the adverse effects of the Covid-19 pandemic, the government adopted a number of short-term interventions namely:

- Presidential directive for 334 locally produced products to be given preferential procurement treatment by Ministries Counties, Departments and Agencies (MCDAs) under the 40 percent local content requirement
- Development of standards for manufactured products (PPEs, face masks, ventilators) and waiving taxes to increase adoption by manufacturers and MSMEs
- Expediting clearing of outstanding bills, VAT refunds and allowing the sector to offset outstanding VAT refunds with Pay As You Earn (PAYE) bills
- Waiver on rent fees by 50 percent for businesses incubated by government agencies

The following programmes and projects will be implemented during the ERS period:

Textiles and Apparel Production Programme: The programme targets fibre production, and textile manufacturing and apparel manufacturing value chains. It entails:

- Completion of 16 industrial sheds and provision of basic infrastructure facilities (roads, electricity, water, sewerage and security fence) at Athi River EPZ
- Revival of KIKOMI textile factory.
- Modernization of RIVATEX machinery through completing modernization of spinning and weaving areas, construction of effluent treatment plant for zero discharge, perimeter wall and firefighting management systems
- Cotton Extension Subsidy through provision of farm inputs to farmers, extension services and coordination of the revival of ginneries

Leather and Leather Products: The programme includes:

- Development of Kenanie Leather Park
- Promotion of value addition in the leather by MSMEs clusters

Value Addition Initiatives: To increase export earnings, employment creation and manufacturing sector growth, the sub sector will implement the following projects:

- Establishing and operationalizing Kenyan Duty-free Tea Centre to develop world class Kenyan tea brands, attract large investors and controlled access to foreign teas for blending with Kenyan teas
- Support co-operatives in establishing warehouses

One Village One Product (OVOP): The programme entails facilitating counties to adopt One Village One Product model for value addition of various locally available materials

Special Economic Zones Development: The programme will improve Kenya's competitiveness as an investment destination through infrastructure provision, simplification of business regulations, value chain integration and clustering, expanded market access for SEZ goods and services and preferential geothermal energy tariffs for SEZs in Naivasha area. The programme will also provide an avenue for imports substitution in view of Covid-19 disruption. This will be realized through the following projects:

- Accelerating construction of the Freeport and Industrial Park at Dongo Kundu Mombasa: This will quicken provision of onsite infrastructure ie access roads, a business centre to house one stop shop; custom- gatehouses and custom -warehouses; a perimeter wall; buffer zone and landscaping
- Development of Naivasha Special Economic Zone: This will entail construction of onsite infrastructure ie access roads, business centre to house one stop shop; apparel and textile training center; custom gatehouses and custom warehouses; perimeter wall; buffer zone and landscaping
- Development of the Kisumu SEZ: This project will support transformation of the region's economy in wake of revival of the Railway line and expansion of the Port of Kisumu

SME Parks and Industrial parks: The parks will provide MSMEs with common manufacturing and business development services with clustered working spaces. This will be realized through:

- Completion and equipping of Constituency Industrial Development Centres (CIDCs)
- Establishment of One Stop Service centres at the County Level to provide integrated services to MSMEs

Provision of Industrial Credit to Industrial Establishments, Firms and MSMEs: To increase access to affordable short and long-term finance, the following projects will be implemented:

- Establishment of MSMEs Fund under the Micro and Small Enterprises Authority (MSEA)
- Provision of Finances to SMEs in Manufacturing sector under Kenya Industrial Estates (KIE)
- Establishment of National Credit Guarantee Scheme
- Provision of Industrial Credit to medium and large enterprises through IDB Capital and Industrial and Commercial Development Corporation (ICDC)

Provision of Incentives for Green Manufacturing: The following will be effected:

- Incentivize manufacturing on energy efficiency
- Provision of incentives for conducting energy audits
- Support manufacturers of energy saving appliances
- Provision of incentives for sustainable efficient resource consumption
- Provision of incentives for utilizing renewable sources of energy

Numerical Maching Complex: This entails modernization of foundry plant and machining facility at the Numerical Machining Complex (NMC)

Training, Research, Technology and Innovation Programme: The Programme will entail:

- Equipping Kenya Industrial Training Institute (KITI)

- Equipping Industrial Research Laboratories at Nairobi, under Kenya Industrial Research and Development Institute (KIRDI) to support MSMEs through training, research and product development
- Operationalization of 130 Technical Training Institutes (TTIs) constructed under the NG-CDF in collaboration with the Ministry of Education to transfer skills and support MSMEs in manufacturing

Development and Enforcement of Standards by the Kenya Bureau of Standards (KEBS): To enable MSMEs products to access local and foreign markets, KEBS will coordinate the development of the required standards in manufacturing and agro-processing, maintain systems of measurements, and promote the use of standards through identification and enforcement.

Provision of Affordable Energy for Manufacturing Sector: The following programmes and projects will be implemented in support of recovery and growth of the manufacturing sector:

- **Electricity Rebate Programme:** This Programme is designed to significantly reduce cost of electricity for both small and large manufacturing firms by deducting taxation on a percentage of electricity bill. This is being effected through amendment of Section 15 of the Income Tax Act of 2018 which provides that 30 percent of electricity bills incurred by manufacturing will enjoy the tax rebate. The framework for its implementation has been developed and it will reduce the cost of doing business for manufacturers and enhance their capacity to produce for local and export markets
- **Strengthening and Expanding the Electricity Network:** This project involved construction of 8 new electricity distribution substations, enhancement of capacities for 23 existing substations and building additional feed-out power lines from these substations. These will enhance quality and reliability of power to the manufacturing sector
- **Commissioning of the Nairobi Gas Insulated Switch (GIS) Gear Substation:** The project entailed construction of 31 kilometers of 66kV underground power lines from GIS substation to 6 substations located in various areas of Nairobi. The GIS substation provides an alternative bulk supply point creating the much needed flexibility and extra capacity for the growing demand of the manufacturing sector
- **Time of Use Tariff (TOU):** The overall objective of the TOU tariff is to spur growth of the manufacturing sector through increased hours of production. Under the TOU tariff, firms are given 50 percent discount on the applicable energy charge rate after attaining defined consumption thresholds
- **Special Tariffs for Special Economic Zones (SEZ):** The Ministry of Energy is developing special tariffs for SEZs and Industrial Parks situated close to energy generation plants

The development and growth of the manufacturing sector will further be supported by fast-tracking the review and finalization of the following policy, legal and institutional reforms:

- Review of the Special Economic Zones Policy
- Review of the Sessional Paper No. 9 of 2012 on National Industrialization Policy (NIP)
- Development of the National Manufacturing Policy and Strategy
- Review of Intellectual Property Rights Policy
- Development of the Quality and Standards Policy
- Review of the Micro and Small Enterprises Authority Policy
- Finalization of the Kenya Leather Development Policy
- Implementation of the Kenya Investment Policy 2019
- Development of the Local Content Policy Sector Guidelines
- Amendment of the Special Economic Zones Act no.16 of 2015
- Review of the Investment Promotion Act, 2004
- Enactment of the KIRDI Bill 2020
- Review of the Micro and Small Enterprises Act, 2012
- Development of the Local Content Act
- Finalization of the Intellectual Property Bill, 2020 and Enact it into law
- Transformation of KIRDI into a world class research institution
- Operationalization of the Accreditation Appeals Tribunal
- Operationalization of the National Investment Council

- Transformation of KITI to be a Centre of Excellence
- Strengthening and operationalization of SEZA
- Operationalization of the Local Content Committee, Local Content Secretariat and Local Content Units
- Operationalization of the Kenya Intellectual Property Authority (KIPA)
- Operationalization of the Kenya Trade Remedies Agency (KETRA)

6.6 External and Domestic Trade

The Trade Sector plays a major role in Kenya's economy. Between 2015 and 2019, wholesale and retail trade contributed an average of 7.4 per cent to GDP. This contribution needs to be enhanced. Overall, the country's engagement in tradeables helps boost production efficiency which benefits all sectors of the economy. In 2019 the value of Kenya's exports of goods and services amounted to Kshs 597 billion.

The Covid-19 pandemic disrupted both domestic and external trade. Domestic trade was affected by cessation of movement in and out of some counties, curfews, ban on public gatherings and enforcement of social distancing measures. International trade was adversely impacted by cross border and international travel restrictions and a fall in global demand. This has resulted in decline in the volume of domestic and international trade as firms cut down on production with some shutting down due to falling local and international demand.

Various short-term measures are being implemented to mitigate adverse effects of the pandemic on the trade sector. These include:

- Urgent consultations with trade experts, state agencies, county authorities and commercial stakeholders on the most efficient ways to boost exports and to diversify the country's mix of domestic and externally traded goods and services
- Leveraging on Digital Platforms for customer interaction and business transactions to present Kenyan products through e-market platforms
- Generating content and undertaking publicity on country presence to the world through mainstream international media
- Enhancing consumption of local products through the Buy Kenya-Build Kenya Strategy
- Increasing surveillance at the points of entry to deter entry of sub-standard goods, counterfeits and contrabands into the country

The following programmes and projects will be implemented during the ERS period to support the trade sector, unlock its potential, and enhance its contribution to growth:

- **Productivity and Efficiency Enhancement of Micro, Small and Medium Enterprises (MSMEs):** The programme aims to improve the efficiency of MSMEs through capacity development for MSMEs dealing with leather, textiles, furniture, metal fabrication and agri-business
- **Establishment of Common-User Cold Storage Facilities:** Common-User Cold Storage facilities will be established for use by farmers for storage of perishable commodities. This will greatly reduce post harvest losses incurred by small scale horticulture farmers as they source for markets
- **Creation of Producer Business Groups:** To address the problems of fragmentation and informality as well as problems resulting from too many intermediaries, the Government will facilitate linkages between the formal market operators and associations of primary producers. This will create economies of scale, mitigate against price fluctuations, product wastage and distribution bottlenecks
- **Implementation of Buy Kenya Build Kenya Strategy:** The Buy Kenya Build Kenya Strategy encourages public and private sector to purchase locally manufactured goods and services. The mark of identity programme will be implemented to enhance monitoring implementation of the 40 percent local content policy and roll out the Buy Kenya campaign
- **Establishment of One Stop Office for Business Information and Licenses:** The programme entails establishing a one stop office to improve access to national and county Government business information and reduce cost of doing business

- **Export Promotion and Country Brand Appreciation:** This will be done through the following: advertisement in mainstream global media, leveraging on digital platforms for customer interaction and business transactions, social media marketing, sales promotion through solo exhibitions in traditional and in new emerging markets, marketing and communication for brand awareness and recognition of Kenya's iconic products, increase product centered engagements based on bilateral negotiations, bilaterally engage Kenya's neighbors on cross border trade, establish strategic partnerships with Business Membership Organizations (BMOs) and establish direct engagements with producers on products export opportunity and challenges, and engaging Kenya diplomatic missions on opening up duty free access to Kenyan products in foreign markets
- **Consolidation and Expansion of Export Product Base:** This aims to expand and consolidate Kenya's product base through carrying out research on opportunities in regional and global markets, collating intelligence and profiling Iconic Products, leveraging on technology and digital platform, finalization of the Buy from Kenya Platform and engagement of cooperatives to produce and consolidate products for export (Export Consolidation Centres)
- **Trade Facilitation:** This involves interventions on logistics and managing freights, provision of information on cross border requirements for movement of goods and persons across borders, revival of Regional Trade Promotion Organizations Consultative forums. Facilitating efficient One-Stop border posts (OSBS) operations to support growth in cross-border trade in the region. Promoting intra-Africa trade agreement within EAC and COMESA region, including allowing transit cargo vehicles to move freely within the region. Removal of tariffs or other trade barriers affecting all products relevant to the Covid-19 pandemic response and streamlining import procedures to ensure that such goods reach those in need as soon as possible
- **Operationalization of the Kenya Multi-Commodities Exchange (KOMEX):** This entails operationalizing KOMEX to provide structured trading system for farmers. The project will also promote linkages, information sharing and market access in the co-operatives sector
- **KETRA:** The Government will operationalize the Kenya Trade Remedies Agency (KETRA) to protect local industries from unfair import competition that cause material injury
- **Establishment of Logistics Bases and Distribution Hubs for Kenya's Exports:** This programme entails establishment of Logistics Bases and Distribution Hubs to support domestic trade and increase exports
- **EMPRETEC Centre:** The programme will entail operationalization of UNCTAD EMPRETEC programme for entrepreneurial training, mentorship, peer networking and knowledge sharing services
- **Consolidate, Diversify and Expand Product Base:** To facilitate market linkages and promotion of on demand products (Pharmaceuticals, PPE) in the following markets; DRC, Ethiopia, Rwanda, Burundi, Tanzania and Uganda

The following policy, legal and institutional reforms will be implemented:

- Finalization of the Credit Guarantee Scheme bill
- Harmonization of county levies and charges to improve exports competitiveness
- Finalization of the National Trade Bill to unlock the potential of the trade sector
- Fast-track finalization of the Local Content Policy (LCP) and regulations to boost consumption of locally produced goods and services
- Development of e-commerce regulatory framework
- Review of the Trade Descriptions Act to align with the devolved system
- Revival and Strengthening National Non-Tariff Barriers Monitoring Committee

6.7 Transport Sector

The transport sector plays a critical role in supporting other sectors through provision of efficient supply chain and logistics. The Shipping and Maritime sub-sector supports over 90 per cent of Kenya's international trade which is sea borne. The outbreak of Covid-19 and subsequent containment measures increased road, sea and air cargo transport cost which negatively impacted sectors such as horticulture exports, while travel restrictions and closure of borders have severely impacted the aviation sub-sector which suffered significant revenue and

job losses. By early April 2020, the national carrier Kenya Airways had furloughed a majority of its 3,900 staff with 80 percent pay cuts.

Several measures have been implemented to mitigate the impact of the virus on the transport sector operations. These include waiving landing and parking fees at the airports in order to facilitate movement of cargo in and out of Kenya and supporting hygiene measures at airports, ports, railway terminus and in public transport. The Government also issued regulations and implemented protocols for Covid-19 tests for long distance truck drivers to facilitate regional trade.

The following programmes, projects and measures will be implemented to support the recovery and growth of the transport sector:

- **Implementation of the National Address System (NAS):** The Covid-19 pandemic has highlighted a pressing need for implementation of a National Address System (NAS) to overcome logistical difficulties of delivery of goods and services. Currently, Kenya lacks a nationwide standardized physical addressing system. Some of the constraints to NAS include unnamed roads and settlement areas. Implementation of the NAS will improve transport sector logistics, facilitate automation of mail handling and application of modern postal systems, accelerate e-commerce, and enhance tax revenue
- **Revitalization of the Thika-Nanyuki Branch Line Project:** This involves the rehabilitation of 177.2Km Thika-Nanyuki railway line
- **Rehabilitation of Nairobi Commuter Railway:** The project entails rehabilitation of the 165Km track and refurbishment of stations and acquisition of 11 Diesel Multiple Units (DMUs)
- **Naivasha SGR-Longonot MGR Line Rail Link:** The project entails the construction of 23Km line to link the Suswa SGR Terminus to the MGR at Longonot. This will facilitate seamless transportation of freight from the Port of Mombasa to Western Kenya and the East African region
- **Construction of Regional Centre for Aviation Medicine:** The project entails construction and equipping the Regional Centre for Aviation Medicine. The Centre will provide medical services to aviation personnel who are required to undertake regular medical examinations and for maintenance of licenses
- **Implementation of Unmanned Aircraft System (UAS) Traffic Management System:** This entails the procurement and installation of a system for controlling Unmanned Aircraft Systems (UAS) in Kenya's airspace
- **Remotely Piloted Aircraft Systems (RPAS) Oversight Management System (ROMS):** This will entail the procurement and installation of a system for managing the registration and oversight of Unmanned Aircraft Systems (UAS)
- **JKIA Facelift and MIA Pavement Projects:** The projects are expected to provide the requisite infrastructure support for economic recovery in the areas of tourism, business and general trade in a Covid-19 contained environment.
- **Rehabilitation of Airstrips:** The Nanyuki, Kitale, Migori, Kakamega and Suneka airstrips currently under rehabilitation for a period of between 12 to 18 months. Once completed, they are expected to enhance network connectivity for commercial, social, security and humanitarian obligations
- **Ferry Infrastructure:** The project entails construction of waiting bays at Mombasa island and construction of Mtongwe ramp at the mainland
- **Rehabilitation and Operationalized of Kisumu Port Phase II:** The project entails improvement of physical infrastructure of Kisumu Port including the links span, paving of yard and strengthening of the quay walls, rehabilitation of 217 Km Nakuru-Kisumu Railway Line, and refurbishment of the berth
- **Building Capacity of Seafarers for the Development of Blue Economy:** There is significant global demand for well-trained and qualified seafarers from developing countries which is estimated at 40,000 officers and 450,000 ratings per year. Kenya has a reputation of supplying hard working and competent seafarers. The government will commit resources to train 20,000 seafarers in the next two years. This is expected to generate foreign exchange earnings of over US\$ 120 million per year
- **Revival of Kenya National Shipping Line (KNSL):** KNSL will be revived to leverage on pre-eminent logistics and transportation hub on the eastern seaboard of the African continent. KNSL will initially charter vessels to build sufficient market share and thereafter acquire own vessels through pooling of resources under consortium and Public Private Partnership (PPP) in order to operate effectively in a highly competitive international arena. For operational sustainability, the shipping line

will carry all Government-related cargo both imports and exports. This will save the country foreign exchange, create employment opportunities and offer on-board sea training to seafarer trainees

- **The National Hygiene Program (NHP):** The programme dubbed the *Kazi Mtaani* initiative, is conceptualized as an extended public works project aimed at utilizing labor intensive approaches to create sustainable public goods in the urban development sector and purchase of boulders for cobblestones to be used in construction of access roads

The following policy, legal and institutional reforms will be implemented

- Enactment of the National Aviation Management Bill 2020
- Finalisation of Air Strip Policy meant to guide their optimal selection, development and operations to support socio-economic and general coordination of security, safety, emergency and humanitarian programmes
- Development of a policy on incentives for materials used in ship building, ship and container repairs, bunkering services, boats, fish processing gears among others
- Approval of the Roads Sector Policy 2016 on alignment of the roads sub-sector with the Constitution and the Kenya Roads Bill 2016 which is awaiting enactment

6.8 Financial Services

Kenya has one of the largest and most diversified financial sectors in Africa, known for innovation especially in fintech and e-commerce. But the country still faces problems of inadequate public access to financial services and the need for more financial depth.

The Financial Services Sector (FSS) is critical in supporting other sectors and promoting inclusive economic growth. The Sector has been adversely affected given the spillover effects of Covid-19 emanating from non-financial sectors of the economy. The adverse effects arising from the pandemic greatly impacted the financial markets, including the stock market which experienced unprecedented turbulence and loss of value. This has impacted investors in the financial markets including pension schemes and insurance companies which are amongst the largest investors in the market.

The closure of operations by many employers, particularly in the travel and hospitality sectors led to staff layoffs occasioning a sharp drop in insurance premiums and pension contributions and in some cases outright withdrawals of pension benefits following retrenchments. A large number of employers have given notice to suspend pension contributions or cancel insurance covers until after the crisis. Overall, the pension industry is estimated to have lost 20 percent (approximately Kshs 250 billion) of total assets from the Kshs 1.3 trillion held as at December 2019 prior to crisis.

The insurance industry with over Kshs 705 billion in assets has also been severely impacted by market losses. Insurance companies are facing increased claims in a number of areas including medical insurance (where they are covering Covid-19 related claims), travel insurance (due to massive cancellations) and life insurance that negatively impacted their Capital Adequacy Ratios (CAR) due to shocks on both sides of their balance sheets.

The government and financial sector players are implementing a raft of measures geared towards cushioning Kenyans against the negative effects of the pandemic. The measures include easing of regulatory requirements and submission of statutory requirements by corporates, waiver of penalties and charges from mobile based transactions, increased transaction limit for mobile money withdrawals and payments, among others. Further,

commercial banks offered relief for personal loans for a period of up to one year, and assessment and restructuring of SME and corporate loans to cushion borrowers from the adverse economic effects of the pandemic. As at May 2020, loans worth of Ksh 82 billion had already been restructured. In addition, the Kenya Depository Insurance Corporation revised the coverage limit from Kshs 100,000 to Kshs 500,000 to cushion depositors in case of bank failure. The Corporation developed a framework for early detection and timely intervention to mitigate against any potential bank failure.

In light of the challenges created by the pandemic, the Cabinet Secretary National Treasury and Planning gazetted a waiver on penalties accruing from late submission of scheme of audited financial statements that were due on March 31, 2020. Similarly, the industry regulators including the Retirement Benefits Authority (RBA) and Insurance Regulatory Authority (IRA) have administratively relaxed certain regulatory requirements given the challenges arising from the pandemic.

The following programmes and projects will be implemented over the ERS period:

- **MSME Credit Guarantee Scheme:** The pandemic has adversely impacted MSMEs and lending institutions. With reduced turnover and disruptions in the market and supply chains, many MSMEs are unlikely to attract affordable and quality credit under traditional arrangements. The National Treasury has taken steps to fast-track the establishment of a credit guarantee scheme for MSMEs. The enactment of the PFM (Amendment) (No. 2) Bill 2020 will empower the Cabinet Secretary for the National Treasury to issue credit guarantees for MSME loans efficiently and effectively. Draft Regulations have been developed to ensure immediate roll-out once the amendment Bill is enacted by the National Assembly
- **Financial Deepening and Inclusion Through Co-operatives:** This involves enhancing access to affordable finance through establishment by co-operatives of credit schemes and revolving funds
- **Deferred Interest on Government Securities:** This entails deferment of interest payments on government securities held by pension funds and insurance companies for a period of one year. The deferred interest will be amortised and paid with the interest due to be paid in the subsequent years up to the maturity of the security. Insurance companies and pension funds currently hold Kshs 913 billion in government securities meaning deferred interest will save the Government approximately Kshs 73 billion in interest payments in the short run and used to address the financing challenges created by the pandemic
- **Enhancing Investment in Government Securities:** The Insurance Regulatory Authority will encourage insurance companies to invest in government securities with a capital adequacy incentive. The insurance companies investing in the Government securities will get 100 percent incentive on capital adequacy for one year
- **Amendments to the Insurance Act and Retirement Benefits Act:** Necessary amendments will be made to the investment guidelines under the Insurance Act and Retirement Benefits Act to allow insurance companies to invest indirectly in government infrastructure and affordable housing projects. Specifically, the schemes will be allowed to invest up to 10 percent of their assets in debt instruments issued to finance infrastructure and affordable housing projects approved under the Private Public Partnership Act or by the Cabinet Secretary, in charge of Housing. These public work projects would provide a stimulus to the economy including job creation and support to private sector suppliers
- **Access to Pension Benefits to Purchase Affordable Housing:** Amendments to the Retirement Benefits Act will allow scheme members to not only use 60 percent of benefits as security for a mortgage but also use it directly to purchase a house under the affordable housing program through the retirement scheme
- **Facilitating Co-operatives Investments in Affordable Housing:** A framework will be developed to facilitate financial resources of co-operatives to invest in affordable housing programme
- **Capital Raising/ Product and Services Uptake:** The following initiatives will be implemented towards revenue mobilization: privatization of identified State-Owned Enterprises (SOEs), full entrenchment of Private Equity firms, support SMEs in capital raising through crowdfunding, facilitating county governments to raise funding through market-based products such as county bonds and infrastructure bonds, promotion of other capital raising initiatives such as issuance of Shariah compliant products, and green finance products.

- **Infrastructure and Liquidity Enhancement:** This will be undertaken through the following initiatives- Securities Lending and Borrowing (SLB), market making through short-selling, market making, through margin trading
- **Promoting Innovation:** Promoting use of technology such as trading of securities through mobile devices such as phones, enabling investors access IPOs through their phones, and facilitating investor participation in Collective Investment Schemes (ICS) through mobile phones

The following policy, legal and institutional reforms will be fast tracked to support the financial services sector:

- Amendments of the Insurance Act and Retirement Benefits Act
- Implementation of policy and regulatory framework for capital raising by Government (Sukus through the National Treasury), SOEs, counties, and county-based corporations. Specifically the Public Procurement and Disposal Act will be amended to provide clarity on transfer of public assets into a Special Purpose Vehicle (SPV)
- Review Public Offers, Listings and Disclosure Regulations for capital raising to allow loss making SOEs to raise capital (with Government Guarantee) through IPOs
- Review Public Offers, Listings and Disclosure Regulations for capital raising to reduce the minimum Free Float from the current 25 percent to a lower percentage such as 5 percent
- The provision of Retirement Benefits (Mortgage Loans) Regulations, 2009 paragraph 4 will be amended to allow scheme members to not only use the 60 percent of benefit as a security but also to allow them to use this amount to directly purchase a house under the affordable housing program through the retirement scheme, whose title of ownership remains with the scheme until the loan is fully paid up by the member. The Investment guideline (Table G) will be amended to have a new asset class providing Debt Instruments for financing of Public Private Partnership projects approved under the Public Private Partnership Act for housing or infrastructure capped at 10 percent
- Development of a National Climate Finance Strategy for climate change finance to clearly identify the major areas of need and opportunity. Once the strategy has been developed specific initiatives to expand the financing of climate change will be pursued. A vehicle will be established for mobilizing and allocating resources from international development partners towards climate change activities in Kenya. The key initiatives include: creation of a national Climate Change Fund (CCF), enhancing access to financing from the Green Climate Fund (GCF), development of and piloting of green bonds, increasing awareness of the Greening Kenya Initiative, increasing provision and uptake of climate financing, increasing availability of climate financing for priority sectors

CHAPTER 7: IMPLEMENTATION FRAMEWORK

The ERS will be implemented over the next two years, by the end of the period, the economy is expected to have recovered and assumed a high sustainable growth trajectory. The Government will facilitate the private sector to play a much larger role in financing and implementing the projects identified in this Strategy across many sectors. Kenyans will be provided with incentives and financial support to play a major role in the recovery in agriculture, the informal sector, MSMEs, tourism, manufacturing and trade.

This chapter outlines the coordination framework and the roles and responsibilities of various actors in implementation of the ERS. The Government will ensure effective coordination of all key players and stakeholders for the attainment of the Strategy's objectives. An implementation matrix detailing the policy actions, programmes and projects, cost estimates, time frames and funding sources is also presented as an Appendix to this document.

7.1 Coordination Framework

More than at any other time when our country has faced a disease pandemic of unprecedented proportions, coordination and team effort will be the key to recovery. A multi-sectoral approach will be adopted to ensure effective implementation of this Strategy, given the nature of the pandemic and its effects on many sectors of the economy. The implementation framework will utilize the institutional framework for coordination and implementation of government development programmes and projects at the national as well as at county level. It will prioritize close collaboration and coordination and active participation of the private sector, non-governmental actors and communities.

To meet that objective, the government has established an institutional framework for managing the pandemic and steering the country toward economic recovery. The framework is made up of the following Committees: (i) the National Co-ordination Committee on Response to the Coronavirus Pandemic (ii) the National Emergency Response Committee (iii) the County Government Coordination and Food Supply Committee (iv) the Security Preparedness and Response Committee, (v) the Committee on Re-opening the Economy and (vi) the National Economic and Business Response Committee. In addition, cabinet has established a post Covid-19 Recovery Sub-committee to oversee the rebuilding of the Kenyan economy.

The State Department for Planning (SDP) is mandated with the responsibility for tracking and reporting of progress on the implementation of the ERS. An ERS Implementation Committee chaired by the Cabinet Secretary National Treasury and Planning will be set up to steer the follow up, tracking and reporting on the implementation of ERS to the Cabinet on a monthly basis.

7.2 The Executive

Kenya's Head of State, H.E President Uhuru Kenyatta has played a leading role in providing leadership and in formulating policy guidelines on countering Covid-19 and the mitigation effects through a series of Presidential Addresses on the Corona Virus Pandemic. The Executive arm of Government will provide leadership on policy,

guidelines development, preparation of budgets, mobilisation of resources and provision of technical support to programmes as well as implementation of planned programmes and projects. The Constitution provides for two levels of government. Health - which is at the forefront in fighting Covid-19 – is a devolved function. Both levels of government will therefore work in harmony in the implementation of this ERS.

7.2.1 National Government

The national government will play a major role in resource mobilization for implementing the ERS. This will include provision of adequate budgetary funds, human resources and legal and institutional support needed for its implementation. Ministries, Departments and Agencies (MDAs) will be responsible for the implementation of policies, programmes and projects highlighted in the ERS and provision of monthly ERS implementation progress reports.

The National Government Co-ordination Act No 1 of 2013 provides for National Government Administrative Officers (NGAOs) to co-ordinate national and county government functions at the national and county levels of governance. In this regard, NGAOs will liaise closely with MDAs and County governments to support implementation of the ERS.

7.2.2 County Governments

In addition to playing the major role in implementing the health measures to contain the incidence of Covid-19, and in providing treatment where necessary, County governments will play a key role in the recovery programme in agriculture, another devolved function, in addition to infrastructure (a concurrent function), facilitation of trade, MSMEs, approval of building plans, special programmes for youth, women and PWDs, ECD, public transport, water and sanitation. Furthermore, county governments are expected to provide public education enabling Kenyans to avoid Covid-19 infection and in monitoring the spread of the disease as restrictions on entertainment, schools and places of worship are gradually lifted. In all these activities, county governments will be expected to provide leadership in coordinating action in the use of resources for all program implementation at the county level. For devolved functions, counties will also be required to provide adequate budgetary, human resources and institutional support for the implementation of interventions highlighted in this strategy in their respective counties. The counties will be required to provide regular progress reports on implementation of the ERS.

7.3 The Judiciary

The adherence to the rule of law in the implementation of the ERS will be critical in achieving the envisaged quick turnaround of the economy. The judiciary will facilitate access and quick dispensation of justice to ensure swift and successful implementation of the ERS. The judiciary will also enhance alternative dispute resolution to facilitate speedy dispensation of justice. This will be done through appointment of sufficient judicial staff, provision of appropriate infrastructure and mechanisms as well as adequate financial resources.

7.4 Legislature

The legislature will play a critical role in fast tracking the enactment of necessary legislation and regulations proposed in the ERS. In addition, Parliament will ensure that there is adequate budgetary allocations at both national and county level. As required under the Constitution, the legislature at the national level will play an oversight role in the implementation of policies, programmes and projects that have been proposed in this Strategy. Through its Public Account Committee and the Public Investment Committee, Parliament will ensure that there is probity, accountability and transparency in the use of resources under the ERS.

At the County level, the County Assemblies will provide appropriate legislation to guide the implementation of selected initiatives. They will also approve requisite budgets and provide oversight on the utilization of county funds in line with the proposed programmes and projects in the ERS. As required under the Constitution, Senate will play an oversight and supportive role in ensuring that county governments meet their obligations to the people of Kenya under this ERS.

7.5 Constitutional Commissions and Independent Offices

Kenya has 10 Commissions and 2 Independent Offices under the Constitution. These institutions will play advisory and oversight roles for both levels of government during the ERS period. They will also collaborate with other state organs in supporting good governance and successful implementation of the Strategy. In connection with this, these commissions and independent offices will recruit qualified personnel and ensure implementing agencies are adequately staffed. The Commissions and independent offices are also expected to provide progress reports on implementation of the ERS.

7.6 Private Sector

As is evident from the previous sections of this document, the private sector is core to the realization of the ERS objectives. This is due to the diminishing fiscal space and the critical role played by the private sector in facilitating post Covid-19 economic recovery. Apart from the financial resources that will be provided in the implementation of the ERS, the private sector is also expected to provide advisory and technical expertise to the various Covid-19 committees. The private sector umbrella bodies (KEPSA, KAM, KNCI, KBA etc) will also coordinate the implementation, tracking and reporting of the programmes and projects funded by private sector. This will also include the tracking and reporting of projects funded under the Private Public Partnership framework. Umbrella organizations representing the private sector organizations will also be coopted as members of the ERS Implementation Committee.

7.7 Development Partners

In the past, Kenya has always counted on its international development partners in mitigating the effects of major emergencies ranging from drought and floods to HIV pandemic. Kenyans value and appreciate this partnership and support. International development partners are therefore expected to play a key role in resource mobilization including financing, lobbying and advocacy and technical support for implementation of this ERS. International development partners will, as in the past, partner with the Government to deliver as one in dealing with the pandemic and complement supply of public goods and services.

7.8 Non State Actors

Kenya hosts one of the largest collectives of local and international non-state organizations in Africa. Over the years many of them have assisted Kenya and the region in meeting challenges faced by emergencies of different kinds. Under this ERS, The Non State Actors play a role in the implementation of various projects through: resource mobilization, capacity building, provision of public goods and services, community mobilization and awareness, ensuring accountability and transparency and buy-in for the implementation of Covid-19 protocols among others. Through mutual consultation with the government, activities of non-state actors will be streamlined and harmonized with those of the government, private sector, development partners and the counties.

7.9 Role of Research

The role of research in the fight against the pandemic and for quicker turnaround time for the economy is critical. Key institutions that will play a critical role in research are KEMRI, KNBS, and KIPPRA for evidence based decisions making in dealing with the pandemic. Medical and policy research will be enhanced through partnerships and collaborations with training and research institutions, universities, development partners, among others.

7.10 Monitoring and Evaluation

It is vitally important that government understand the degree of success achieved and the setbacks encountered. Only then can timely action be taken to ensure achievement of the ERS goals for the benefit of Kenyans. Monitoring and Evaluation of implementation of the ERS Strategy will therefore be conducted through the existing National and County M&E Frameworks (NIMES/CIMES) and as guided by the ERS Implementation Committee. MCDAs will be required to submit timely progress reports on their respective activities using

indicators and prescribed format. These reports will be based on prescribed guidelines with clear timelines to enable timely corrective action in order to ensure effective implementation of the ERS. The reports of the ERS achievements will be availed to the public and relevant stakeholders.

ANNEX I:

IMPLEMENTATION MATRIX

KEY PILLARS OF POST-Covid-19 ECONOMIC RECOVERY STRATEGY

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million Kshs)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
A1: INVESTMENT IN ICT AND DIGITAL INFRASTRUCTURE									
Telecommunications and Broadband connectivity	To provide high speed broadband Internet connectivity	Connectivity to public secondary schools and tertiary institutions provided.	No of schools and tertiary institutions connected	MoICT	2020-2022	Universal Service Fund	919	417	502
Studio Mashinani	To harness artistic talent, create employment and generate content for media industry	20 new studios	No. of studios established and operationalized.	MoICT/ MoSC&H	2020-2022	GoK	400	200	200
Development of the film Industry	To support the development of local film content	Local films and Film Hubs	No of local films shot in Kenya	KFC	2020-2022	GoK	700	450	250
National Fibre Optic Backbone Infrastructure (NOFBI II) Cable Expansion	To improve access to government services through enhanced Broadband Connectivity To reduce cost of doing business	Broadband Connectivity to learning, government and social institutions.	No. of km maintained/rehabilitated	MoICT	2020-2022	GoK	1,087	404	683
County Connectivity Programme Phase III	To interconnect	Data and voice services	No. of sites interconnected	MoICT/ Counties	2020-2022	GoK	2,000	1,000	1,000

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
	all the 47 counties	connectivity enhanced in 140 sites							
Constituency Digital Innovation Hubs	To enhance awareness and uptake of online platforms for employment and business opportunities	Constituency Hubs in place	No. of Constituency Hubs established and operationalized	MoICT/ Counties/NG-CDF	2020-2022	GoK	1,000	300	700
Enhance ICT systems by refurbishing vide conference end to end encryption/decryption software and offsite data recovery centre	To increase the effectiveness and efficiency of virtual meeting and security of information	Enhanced virtual engagements and security of information	No. of video conference refurbished; No. of system in secondary backup; Encryption/ decryption software installed	MFA	2020-2021	GoK	19	10	9
ICT Integration in Primary Schools Programme	To provide for continuous interactive remote learning.	94 Digital hubs established in primary schools	Number of schools with Digital hubs	MOE/MoICT/ KNEC	2020-2022	GoK	1,800	800	1,000
		4 Digital primary schools Set up	Percentage establishment of the 4 digital schools	MOE/MoICT/ KNEC	2020-2022	GoK	250	100	150
		Internet enabled learning provided to all public primary school learners with updated digital content	No. of schools provided with Internet enabled learning	MOE/MoICT/ KNEC	2020-2022	GoK	1,140	500	640
		Education officials and teachers capacity built on interactive remote learning methodologies;	No. of Education officials and teachers capacity built on interactive remote learning methodologies;	MOE/MoICT/ KNEC	2020-2022	GoK	2,000	500	1,500
ICT Integration in	Improve	94 Digital hubs	Number of schools	MOE/MoICT/	2020-2022	GoK	2,800	1,000	1,800

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
Secondary Schools	teaching and learning processes and learning environment in secondary education	established in secondary schools	with Digital hubs	KNEC					
		Internet enabled learning provided to all public secondary schools learners with updated digital content	No. of schools provided with Internet enabled learning	MOE/MoICT/KNEC	2020-2022	GoK	1,500	500	1,000
		2 Digital schools Set up	No. of digital schools set up	MOE/MoICT/KNEC	2020-2022	GoK	2,400	800	1,600
		e-books provided to public secondary schools	No. of e-books	MOE/MoICT	2020-2022	GoK	948	474	474
		Education officials and teachers capacity built on interactive remote learning methodologies;	No. of Education officials and teachers capacity built on interactive remote learning methodologies;	MOE/MoICT/KNEC	2020-2022	GoK	108	54	54
Curriculum Adaptation for Inclusive Education	To enhance digital learning in Special Needs Education	Digitized content material developed	No. of content materials digitized	MOE/MoICT/KNEC	2020-2022	GoK/DPs	870	430	440
		Appropriate Assistive devices provided	No. of learners provided with assistive devices	MOE	2020-2022	GoK/DPs	200	100	100
		ICT integration enhanced in SNE Teaching, Learning and Training institutions	No. of institutions integrating ICT in teaching & learning	MOE/MoICT/KNEC	2020-2022	GoK/DPs	200	100	100
Digital Learning Content in TVET Institutions	Avail digital learning content to TVET trainers	Digital resources provided in TVET institutions	Digital resources in TVET institutions	SDVTT/MoICT/KNEC	2020-2022	GoK	100	30	70
		Existing open educational	No of existing open educational resources (OERs)						

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
		resources (OERs) suitable for use in TVET Identified and pooled together	suitable for use in TVET pooled together						
Distance Education and Online Learning for University Education	To establish of the National Open University of Kenya	Operational Open University	per cent completion of NOUK	SDUE&R/CUE	2020-2022	GoK	500	250	250
	To build capacity for university academic staff in ODEL	30per cent of staff trained in ODeL	No. of staff trained	SDUE&R/CUE	2020-2022	GoK	90	45	45
	To upgrade ICT infrastructure and internet connectivity in all universities	ICT infrastructure and interment connectivity in all universities upgraded	No. of Univrarsities with upgraded ICT infrastructure	SDUE&R/CUE	2020-2022	GoK	5,000	2,500	2,500
ICT connectivity to health facilities	To increase access to health care services through telemedicine	123 Health facilities connected to ICT	Number of Health care facilities connected through ICT	MoICT/MoH	2020-2022	GoK	4,756	3,567	1,189
Co-operative Management Information Systems(CMIS)	To promote use of ICT in the operation of co-operatives	ICT use in National cooperatives, Counties co-operatives and other Co-operatives societies	Number of co-operatives linked with ICT Infrastructure.	MoICT/SDC	2020-2022	GoK	149.99	34.22	115.77
		E-co-op Platform	Platform developed	MoICT/SDC	2020-2022	GoK	1	0	1
TOTAL FOR A1:							30,937.99	14,565.22	16,372.7

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
									7
A2: STRENGTHENING NATIONAL CAPACITY FOR DISASTER RISK MANAGEMENT									
Strengthening resilience to disaster risk in the urban and water sectors	To develop urban resilience strategies to enhance city management	3 Urban resilient strategies developed	Meeting/Workshop reports 3 Urban Resilient Strategy Reports	MoTIHUD	2020-2022	GoK	125	57	68
County level emergency and/or contingency plans	To strengthen the capacity of the Counties on disaster response.	8 County emergency plans adopted	Meeting/Workshop reports 8 County Emergency Plans	MoTIHUD MODA	2020-2022	GoK	8	5	3
County Disaster risk profiles	To inform the implementation of County Integrated Development Plans.	5 County Disaster Risk Profiles developed	Meeting/Workshop reports 5 County Disaster Risk Profiles Documentation	MoTIHUD MODA	2020-2022	GoK	11	7	4
TOTAL FOR A2:							144	69	75
A3: ADDRESSING INEQUALITY, SOCIAL COHESION, COMMUNITY RESILIENCE AND STRENGTHENING SOCIAL PROTECTION									
Socio-economic empowerment of women, youth and PWDs	To increase financial and business support services for women, youth and PWDs	Increased financial and business support services for women entrepreneurs Increased opportunities for trade	Amount disbursed to Women entrepreneurs	SDfG/WEF	2020-2022	GoK	6,780	3330	3450
			No of women linked to big enterprise	SDfG/WEF	2020-2022	GoK			
			275,000 women trained on entrepreneurship	SDfG/WEF	2020-2022	GoK			
			13,500 women trained on value addition	SDfG/WEF	2020-2022	GoK			
			1150 women supported to market their products and	SDfG/WEF	2020-2022	GoK			

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
			services in local and international markets						
		Improved business activity	Amount of Top-up loans issued	Uwezo Fund	2020-2022	GoK	1,700	800	900
		Increased financial and business skills support for affirmative action groups	Amount disbursed for table banking and AAG SACCOS	NGAAF	2020-2022	GoK	2,326	387.7	1,938.3
		Increased retention of students and trainees in schools	Number of students and trainees provided with bursaries	NGAAF	2020-2022	GoK			
Prevention and Response to GBV	To eradicate GBV in Kenya	Increased awareness on GBV	Nationwide media advocacy campaign against GBV undertaken	SDfG	2020-2022	GoK	58	29	29
			Community opinion leaders (chiefs, religious leaders, MCAs and Nyumba Kumi) sensitized to speak out against GBV	SDfG	2020-2022	GoK	50	25	25
		Improved wellbeing and access to mental and psychological support services for survivors of GBV	No of GBV survivors supported through mental and psychological support	SDfG	2020-2022	GoK	20	10	10
Equitable distribution of public resources and services	Promote equal access to public resources, services and opportunities	Increased access to public services	Perception of ease of access to specific public resources by the communities	NCIC	2020-2022	GoK & Development partners	50	25	25

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
	by persons of all ethnic, racial and religious groups								
Community Resilience	Strengthen structures for inter-communal reconciliation and capacities for peace	Improved community resilience against conflict and violent extremism	Peace index for Kenya	NCIC	2020-2022	GoK& Development partners	100	50	50
Community State Relations	Strengthen the cooperation between the community and security agencies	Enhanced cooperation between communities and security	No. of joint interventions by the community and security	NCIC	2020-2022	GoK	100	50	50
National Ethos	Promote a national value system with civic responsibility consciousness	Survey on level of awareness on national values and principles of governance undertaken	Survey Report	NCIC	2020-2022	GoK& Development partners	80	20	60
TOTAL FOR A3:							11,264	4,726.7	6,537.3
A4: ENHANCING BUDGETARY SUPPORT TO SECURITY RELATED SERVICES									
Recruitment and training of 5,000 police officers	To enhance security human capacity	5,000 police officers recruited and deployed	Number of officers recruited and deployed	National Police Service	2020-2022	GoK	5,200	1,200	4,000
Acquisition of 2,000 assorted vehicles and 3,000 motorcycles	To enhance mobility of security personnel	2,000 assorted vehicles acquired	Number of vehicles acquired	National Police Service	2020-2022	GoK	8,600	4,600	4000
		3,000 Motorcycles acquired	Number of Motorcycles acquired	State department for interior and Citizen services	2020-2022	GoK	3,100	1,600	1500
Operationalization of	To enhance	Number of	percentage of	State	2020-2022	GoK	4,500	2,500	2,000

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
Newly gazetted police stations and NGA agencies	service delivery	operational police stations and NGA offices operationalized	operational police stations and NGA offices operationalized	department for interior and Citizen services					
TOTALFOR A4:							21,400	9,900	11,500
SUPPORT TO KEY ECONOMIC SECTORS									
B1: MICRO, SMALL AND MEDIUM ENTERPRISES									
MSMEs National Credit Guarantee Scheme	To provide affordable credit to MSMEs	Increased credit to MSMEs	Amounts disbursed to MSMEs No of SMEs provided with funds	TNT/MoITED	2020-2022	GoK	4,000	2,000	2,000
Enhancing Entrepreneurial Culture	To nature the spirit of entrepreneurs hip	Increased mentorship	No. of success stories	MSEA	2020-2022	GoK/ Private Sector	1,000	500	500
MSMEs capacity building	To harness skills for MSMEs operation	MSMEs capacity built	No. of MSMEs capacity built	MSEA, KIE, KIRDI	2020-2022	GoK/Private Sector	400	100	300
Market opportunities for MSMEs in the country and in the region	To increase market access for local products.	Increased market access	No. of local products accessing regional and international markets.	MSEA, EPZA	2020-2022	GoK, Private Sector	400	150	250
Access to Finance by MSMEs	To provide affordable credit to MSMEs	Increased amounts disbursement	Amount disbursed to MSMEs (Ksh M)	KIE, MSEA, IDB	2020-2022	GoK, Private Sector	4,000	2,500	1,500
Develop 5K medium small industries (MSI)	To increase productivity, quality and competitiveness of SMI products	Increased productivity, quality and competitiveness of SMI products	No of products with competitive nitche	MoIT&ED/ KNTC/ KIRDI/ KIPI/ KEBS/ KIE	2020-2022	GoK	500	200	300

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
The Green Jobs	To strengthen youth engagement in increasing forest cover by 10per cent	Increased youth participation in tree planting	No. of youth engagement in tree planting	State Department for Youth Affairs	2020-2022	GoK	800	300	500
Support small scale recyclers	Investing in Recovery and Disposal facilities	Increased investment in waste recovery and disposal facilities	Support scheme for small scale recyclers	Ministry of Environment and Forestry	2020-2022	GoK	20	-	20
TOTAL FOR B1:							11,120	5,750	5,370
B2: TOURISM									
Refurbishment Stimulus Package and Credit Scheme	To avail affordable credit to regulated tourism enterprises, activities and services.	Credit availed to Tourism establishments	Amount in KSh disbursed	TFC/SDT	2020-2022	GoK	10,000	3,000	7,000
		Tourism enterprises supported	Number of enterprises supported						
Tourism Promotion and Marketing	To attract tourist traffic and bolster visitors' confidence in the destination	Increased Tourist arrivals	Number of Tourist arrivals	SDT/KTB	2020-2022	GoK	4,000	1,000	3,000
Spurring Domestic and Regional Tourism	To stimulate domestic and regional tourism	Increased Domestic Bed-Nights	No. of Bed-nights by Kenyans	SDT/KTB	2020-2022	GoK	400	200	200
		increased Regional tourism	per cent share of regional tourists						
e-Visa/e-FNS	To enhance access to e-Visa	e-FNS deployed	No of foreign offices with e-FNS	MoICNG	2020-2022	GoK	1,450	750	700
Standards and Quality Assurance in the	To restore confidence of	Standards developed and	No. of Standards developed and	TRA	2020-2022	GoK	500	10	490

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
sector	visitors in the destination	implemented Competitive destination	implemented						
Tourism Product Diversification	To promote tourism infrastructure development in coastal region and Maasai Mara	Tourism Special Zones established	Number of Tourism Special Zones established	SDT	2020-2021	GoK	500	200	300
		Integrated Destination Management System developed	Integrated Destination Management System	SDT	2020-2022	GoK	100	-	100
Tourism and Hospitality Training	To enable tourism establishment to adapt and respond effectively to Covid-19 safety concerns.	Trained Hospitality employees on COVID -19 protocols	No. of Employees trained	KUC	2020-2022	GoK	1,127	556	571
TOTAL FOR B2:							18,077	5,716	12,361
B3: AGRICULTURE, FOOD AND NUTRITION SECURITY									
Programmes/Project	Objective	Outcome/Outputs	Performance Indicator	Implementing Agency(s)	Time Frame	Source of Funds	Indicative Budget (Ksh Million)		
							Total	2020/21	2021/22
Inputs subsidy programme	To increase access to inputs by farmers	farmers accessing inputs subsidies	No. of farmers accessing inputs subsidies	SDCD&AR/ADC	2020-2022	GoK	6,000	3,000	3,000
Emergency Locust Recovery Program	To prevent and respond to the threat to livelihoods posed by the Desert Locust outbreak	Land area (Ha) sprayed for locust control	No. of (Ha) sprayed for locust control	SDCD&AR	2020-2022	GoK/DPs	3,010	1,290	1,720
1 Million Vulnerable	To Improve	vulnerable	No of vulnerable	SDCD&AR	2020-2022	GoK/ ADB	3,000	1,500	1,500

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
Households Kitchen Garden Kit Support project	household food and nutrition security	households supported through the project	households						
Stimulus for Increased Pyrethrum and Cotton Production	To Increase pyrethrum and Cotton production	pyrethrum produced	MT of pyrethrum produced	SDCD&AR	2020-2022	GoK/ IFAD	227	100	127
		cotton produced	MT of cotton produced	SDCD&AR	2020-2022	GoK/ IFAD	247	100	147
		Modern machinery Acquired and installed in eight (8) cotton cooperatives	No. of machineries acquired and installed	SDC	2020-2022	GoK	151	81	70
Livestock Credit Support Programme	To stimulate investment in production, value addition and trade along livestock value chains	Improved access to capital for production and trade	No. of farmers accessing credit	SDL/AFC	2020-2022	GoK/Private Sector/PPP	300	200	100
			No. of MSMEs supported						
Livestock products cold chain support	To promote value addition, market access and competitiveness of the dairy industry	farmers provided with milk coolers, grain driers, milling and storage facilities	No. of farmers provided with milk coolers, grain driers, milling and storage facilities	SDL	2020-2021	GoK/Private Sector/PPP	500	300	200
		milk testing and disease diagnostic laboratories; and embryo transfer facilities provided	No. of laboratories and embryo transfer facilities						
Development of livestock water and marketing infrastructure	To improve livestock production and marketing in ASALs	Reduced livestock mortalities	No. of watering and market infrastructure developed	SDL	2020-2022	GoK/Private Sector/PPP	1,500	1,000	500
		Increased producer income							

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
Livestock Disease Control	To reduce disease incidences and livestock mortalities	reduced livestock disease prevalence	No. of livestock vaccinated	SDL	2020-2022	GoK	300	150	150
		Livestock vaccines produced	No. of vaccine produced	KEVEVAPI	2020-2022	GoK	108	58	50
Livestock Breeding Programme	To improve quality assurance for semen	Improved livestock production and productivity	No. of straws of semen analysed	SDL	2020-2021	GoK	26	26	0
Contract farming for livestock feeds	To increase availability of local feed resources for feed manufacturers	Improved access to high quality feed	Acreage under the targeted fodder crops	ADC	2020-2022	GoK/Private Sector			
		Lower cost of production							
Leather Value Chain Development	To promote value addition in the leather value chain	Kenya Leather Industrial Park established and MSMEs supported in value addition	No. MSMEs supported and Kenya Leather Industrial Park in place	KLDC	2020-2022	GoK	3,160	2,115	1,045
Fish production on raised fish pond technologies project	To diversify and enhance food and nutrition security	Farmers involved and benefited from the project	Number of farmers involved and benefited from the project	SDFA & BE and County Governments	2020-2022	GoK	1,300	600	700
Development and refurbishment of fish landing sites programme	To develop appropriate fish landings	Improved fish landing facilities	No. fishing landing sites developed and refurbished	SDFA & BE and County Governments	2020-2022	GoK	550	200	350
Development of fish market outlets project	To facilitate fish marketing and trade	fish market outlets developed	Number of fish market outlets	SDFA & BE and County Governments	2020-2022	GoK	200	100	100
Acquisition of equipment and machinery for New KCC.	To improve efficiency and production capacity of	Enhance NKCC milk processing capacity from 300,000 to 800,000	Litres processed/day	SDC/New KCC	2020-2022	GoK	240	0	240

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
	NKCC	litres/day							
Coffee Industry Revitalization	To increase coffee production and farmers income	coffee production and price increased	Kgs of coffee produced Price/kg	SDC/New KPCU	2020-2022	GoK	260	210	50
Honey value chain	To Increase honey production	quantity of honey produced	Tonnes of honey produced	SDC SDL SR&NCD	2020-2022	GoK/IFAD	710	710	-
Enhancing Community Resilience Against Drought II (ECORAD II)	To enhance community resilience against drought	Enhanced livelihood diversification in Turkana County	No. of households benefiting from livelihood diversification	SD-ASALs	2020-2022	JICA/GoK	220	122	98
		Enhanced natural resource sustainability among pastoral communities	Acreage of rangeland rehabilitated						
Irrigation schemes production support	To ensure fully utilization of area under irrigation	74,275 acres of irrigation schemes rehabilitated and maintained	No. of acres under irrigation	National Irrigation Authority/RDAs	2020-2022	GoK	8,200	3,000	5,200
TOTALFOR B3:							30,209	14,862	15,347
B4: MANUFACTURING									
Textiles and Apparel Production Programme	To enhance production of textile and apparel	5 million Square feet of industrial sheds constructed at Athi River EPZ	No. of Square feet of industrial sheds constructed	EPZA, Financiers, Private Developers	2020-2022	GoK	2,000	1,000	1,000
		RIVATEX upgraded and modernized	Volume of textile produced	MoIT&ED (SDI)/ RIVATEX	2020-2022	GoK/ Private Sector	2,509	1,250	1259
Leather and Leather Products	To increase supply of leather and leather products	Leather Industrial Park – Kenanie completed	Completion rate	MoITED/ KLDC	2020-2022	GoK/ Private Sector	2,161	550	1,611
		Modern technology on	Tonnes of leather processed	MoITED/ Ewaso Ngiro	2020-2022	GoK	100	50	50

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
		leather developed		South Development Authority					
Development of Local Content Bill	To enforce implementation of local content policy and buy Kenya build Kenya strategy	Maximized in country value addition and retention	Local content bill enacted	MoIT&ED/TNT/State Law Office	2020-2022	GoK	50	30	20
Value Addition Initiatives	To encourage counties to adopt One Village One Product (OVOP) model for value addition	Counties adopting one village one product model for value addition	No. of one village one product model for value addition established	MoIT&ED/SDI/SDT&ED/MO ALF&C	2020-2022	GoK/Private Sector	550	250	300
MSME Parks and Industrial Parks	To provide MSMES with common manufacturing and business development services with focused and clustered working spaces	Constituency Industrial Development Centres (CIDCs) equipped	No of CIDCs equipped	MSEA	2020-2022	GoK	480	281	199
		One stop service centres established	No of service centres established	MSEA	2020-2022	GoK	1,200	800	400
Provision of Industrial Credit to medium and large enterprises	To provide industrial credit to firms	Increased credit to firms	Amount disbursed to firms No of SMEs provided with funds	IDB/ICDC	2020-2022	GoK	12,000	6,000	6,000
Training, Research, technology and Innovation Programme	To provide a conducive environment for skills	Industrial research laboratories equipped	No. Industrial research laboratories equipped	MoIT&ED/KITI/KIRDI	2020-2022	GoK	1,000	200	800

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
	development								
Development and enforcement of standards	To enable access to markets through use of standards	MSMEs products standardised and access local and foreign markets,	No. of Standards developed for MSMEs and large firms No. of products certified under MSMEs and large firms	MoIT&ED KEBS	2020-2022	GoK	1,000	300	700
Policy, Legal and Institutional Reforms	To provide policy direction and reforms.	Increased manufacturing sector contribution to GDP	No. of Policies, Legal and Institutional undertaken	MoIT&ED SL&DJ	2020-2022	GoK	430	230	200
Co-operatives value addition, manufacturing and market access	To support co-operatives in establishment of standardized warehouses	Increased commodity production and value addition	Number of co-operatives with standardized warehouses	SDC	2020-2022	GoK			
	To promote linkages, information sharing and market access in the co-operatives sub-sector	Co-operatives linked to commodity exchange (KOMEX)	Number of commodity co-operatives linked	SDC	2020-2022	GoK	30	5	25
TOTAL FOR B4:							0	10,946	12,564
(NOTE: FIGURES CO-OPERATIVES VALUE ADDITION NOT INCLUDED:TO BE VERIFIED)									
B5: EXTERNAL AND DOMESTIC TRADE									

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
Kenya Multi-Commodities Exchange.	To address the challenges facing farmers in the liberalized market place	Operational KOMEX	% Increase in value and volumes of traded commodities.	SDT&ED	2020-2022	GoK/ Development Partners	800	400	400
Buy Kenya Build Kenya Strategy	To promote competitiveness and consumption of local products and services	A profile of specific local products and services	Consumption levels of locally produced goods and services.	SDT&ED/ KEPROBA	2020-2022	GoK	35	20	15
		Kenya mark of identity rolled out and in use	No of companies using the mark	KEPROBA	2020-2022	GoK	40	20	20
Strengthening Business Membership Organizations (BMOs) in the trade sector	To enhance participation of SMEs in the regional trade.	CBTAs revived	No of CBTAs revived	SDT&ED	2020-2022	GoK	25	15	10
		Reports on sensitization and Capacity buildings	No BMOs sensitized						
Export Credit Guarantee Scheme	To protect exporters from external exposure to international trade risk	National export credit guarantee scheme established and operationalized	No. of exporters benefiting from the scheme	KEPROBA	2020-2022	GoK/ Development Partners	4,000	2,000	2,000
One stop office for business information and licenses	To improve access to business information and reduce cost of doing business.	One stop office for accessing National and County governments business information	one stop office operational	SDT&ED	2020-2022	GoK	25	15	10
Establishment of Logistics Bases and Distribution Hubs for Kenya's Exports	To consolidate goods for export	Warehouses and Logistics hubs established.	No of warehouses and logistics hubs established	SDT&ED	2020-2022	GoK/ TMEA/ PPP	4,000	2,000	2,000
Establishment of EMPRETEC Centre	To enhance entrepreneurial skills	EMPRETEC Center established	No. of trained entrepreneurs	KIBT	2020-2022	GoK/ UNCTAD	90	45	45
Consolidate and	To facilitate	Firms engaged in	No. of	KEPROBA	2020-2022	GoK	200	100	100

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
expand product base	market linkages and promotion of on demand products	the manufacture of on demand products	Pharmaceutical manufacturing firms						
		Iconic Products branded	No. of Products (Tea, coffee, Horticulture, Textile and medical supplies)	KEPROBA	2020-2022	GoK	100	50	50
TOTAL FOR B5:							9,315	4,665	4,650
B6: TRANSPORT AND STORAGE SECTOR									
National Address System (NAS)	To improve transportation and delivery of goods	National Address System developed	National Address System in place	SDPW	2020-2022	Gok	100	30	70
Revitalization of the Thika – Nanyuki and Nairobi commuter rail	To Develop an integrated rail network and provide efficient and reliable rail services	177.2Km of rail rehabilitated	No. Km rehabilitated	KRC	2020-2021	GoK/KR	3,000	3,000	-
		165km track rehabilitated, stations refurbished, and 11 DMUs acquired	No. of km rehabilitated No. of stations refurbished No. of DMUs acquired	KRC	2020-2022	Gok/ DPs	6,000	5,800	200
Rehabilitation and Operationalization of Kisumu Port	To develop an integrated rail network and provide efficient and reliable rail services	217Km Nakuru - Kisumu Railway Line rehabilitation	No. of Km rehabilitated	KRC	2020-2022	GoK	10,000	5,000	5,000
		Refurbished berth	No. of berths completed; Port Capacity (TEUs); per cent Completion rate	KPA	2020-2021	KPA	1,200	1,200	-
Naivasha SGR – Longonot MGR line link	To facilitate seamless transportation of freight	23Km Link rail constructed	No. of Km constructed	KRC	2020-2022	GoK	9,000	4,500	4,500
Regional Centre for Aviation Medicine	To provide office space for offering of aviation	Completed Office Building	Level of completion of building	KCAA	2020-2022	GoK/ KCAA	174	89	85

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
	medicine services								
Area Control and Disaster Recovery Centre (DRC)	To enhance capacity and back up management of air traffic	Completed Area Control and DRC	Level of completion	KCAA	2020-2021	KCAA	55	55	-
		Installed equipment at the DRC	Level of Completion	KCAA	2020-2022	KCAA	873	170	703
JKIA Facelift and MIA Pavement Projects	To provide additional space for security screening, passenger seating and retail	Terminals 1B,1C&1D at JKIA organized	Seating capacity available	KAA	2020-2022	GoK	1,000	280	720
		JKIA T1A and MIA, Nanyuki, Migori, Kitale, Kakamega & Suneka Airstrips Pavement Rehabilitation	No. of metres Paved	KAA	2020-2022	KAA	6,341	5,533	808
Ferry Infrastructure	To expand infrastructure for queuing and pedestrian management	Waiting bays constructed	Per cent of completion	Kenya Ferry Services	2020-2021	GoK	200	200	-
		Ramps constructed at Mtongwe mainland	Per cent of completion	Kenya Ferry Services	2020-2022	GoK	392	100	292
National Hygiene “Kazi Mtaani” Program	To create short term employment opportunities for the youth	200,000 youths hired	No. of youth hired	SDH&UD/ NYS/SDYA	2020-2022	GoK	62,114	17,538	44,576
Electric Power Supply and Distribution Network Deepening and Enhancement	To deepen grid and off-grid electricity access to productive, education and health sectors	Productive, education and health sectors connected to electricity	No. of Health care facilities No. of schools Naivasha No. of productive sectors	MoE/KPLC/ ERC/MoH	2020-2022	GOK	1,052	850	202
TOTALFOR B6:							101,501	44,345	57,156

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
B7.FINANCIAL SERVICES									
Kenya Credit Guarantee Scheme	To enhance access to credit for MSMEs	Retain employment in MSME sector	Value of MSMEs loans guaranteed Amount of seed capital allocated for the guarantee scheme	TNT/CBK	2020-2022	GoK/DPs	10,000	3000	7000
Digital Finance	To establish Digital Identities	Facilitate establishment of digital identities	Number of people using digital Identity	TNT/CBK	2020-2022	GoK/DPs	40	20	20
	To enhance Real-time Money transfer	Real time money transfer platform established	Full interoperability of real-time money transfer	TNT/CBK/CAK	2020-2022	GoK/DPs	40	20	20
	To facilitate cash digital interface	Efficient conversion of digital cash	Efficient conversion of cash-digital and digital-cash interface	TNT/CBK/CAK	2020-2022	GoK/DPs	40	20	20
	To facilitate efficient payment addressing and interface	Efficient and seamless routing of value.	Universal payment addressing system established	TNT/CBK/CAK	2020-2022	GoK/DPs	40	20	20
	To enhance efficiency in government payments	Digitized government payment system	Percentage of government payments digitized	TNT/CBK/CAK	2020-2022	GoK/DPs	400	200	200
Programme for Rural Outreach in Financial Innovation & Technology (PROFIT)	To unlock private sector lending to MSMEs	Provision of lines of credit to smallholder farmers through banks and other Financial Institutions	Amount of money available for lending Number of people accessing (PROFIT) credit lines	SDA/DPs	2020-2022	GoK/DPs	40	20	20
National Climate finance strategy	To promote climate change adaptation and mitigation	Increased access to climate finance Identify priority climate projects and link them to	Number of projects benefiting from climate financing	ME&F/DPs	2020-2022 GoK/DPs		50	40	10

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
		appropriate financing instruments							
TOTALFOR B7:							10,650	3,340	7,310
SUPPORT TO KEY SOCIAL SECTORS									
C1: INCREASING INVESTMENT AND STRENGTHENING THE HEALTH CARE SYSTEM									
Expand /upgrade Health facilities infrastructure standards and equipment at all levels of care									
Construction of additional Health facilities in 47 Counties	To increase access to health care services	100 new health facilities constructed	Number of Health facilities Constructed	MoH	2020-2022	GoK	2,500	1,875	625
Improve capacity of laboratories in level 2,3 and 4 Health facilities	To improve the capacity and standard of health facilities to respond to emerging cases of COVID 19	42 Health facilities renovated/expanded across 47 counties	Number of health facilities renovated/upgraded	MoH	2020-2022	GoK	500	375	125
Establish/Expand strategic level 4 and 5 regional specialized hospitals	To provide specialized and critical care services	5Level 4 and 5 specialized health facilities expanded	Number of Level 4 and 5 Health facilities expanded	MoH	2020-2022	GoK/BADEA/SAUDI	4,729	3,547	1,182
Expanding specialized centers (Cancer) for non-communicable diseases	To increase access to Cancer care	5 cancer centers constructed and equipped	Number of Cancer centers constructed and equipped	MoH	2020-2022	GoK	400	300	100
Commission portable medical clinics	To increase access to health care services through portable medical clinics	100 portable Clinics commissioned	Number of Portable Clinics Commissioned	MoH	2020-2021	GoK/Sport Fund	800	800	0
Equipping of health facilities through locally assembled innovations and	To increase access of specialized equipment	Number of Health facilities equipped and by type of	Number of Health facilities equipped and by type of equipment	MoH	2020-2022	GoK	500	375	125

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
products.	through uptake of locally assembled equipment	equipment							
Disease Surveillance, health safety intelligence Programme									
Enhancing Community strategy in diseases surveillance and outbreak response	To improve disease surveillance performance indicators to pre pandemic levels	Weekly IDSR reporting timeliness and completeness will improve and be maintained	Proportion of complete reports received and shared	MoH	2020-2022	GoK	224	168	56
Case Management, infection Prevention, Logistics and supplies	To improve on treatment, care and response to outbreak	Reduction of Case Fatality Rate (CFR) by early outbreak detection and response	Case fatality rate	MoH	2020-2022	GoK	2,500	1875	625
Strengthening partnership and resource mobilization	To ensure sustained, basic and surge capacities of public health resources to prevent, plan for, respond to, and recover from public health events	Resources mobilized for implementation of DDSR plans	Proportion of budgetary allocation to surveillance	MoH	2020-2022	GoK	33	24.75	8.25
Strengthen Capacity building for epidemic preparedness and response at all levels	To sustain technical capacity of health care workers across all levels of the health system	Improved Knowledge, Skills and resources to influence risk reduction of disease outbreaks and public health	Proportion of Surveillance officers trained	MoH	2020-2021	GoK	103	103	0

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
	through continued training and sensitization	events							
Strengthen cross border surveillance and joint outbreak response	To implement recommendations from after-action review following containment of the Covid-19 pandemic	Improved Monitoring of trends for priority diseases at National and sub-national levels	Stakeholders engagement	MoH	2020-2022	GoK	100	75	25
Operationalize one health approach in disease surveillance	To enable real time surveillance data sharing	Improved timeliness in surveillance data sharing	Number of systems established	MoH	2020-2022	GoK	25	18.75	6.25
Human Resource for Health									
Recruitment of additional and critical targeted skill mix health care workers	To increase the number of critical skill Health Workers	5000 critical Health workers recruited	Number of Health Workers recruited by cadre	MoH	2020-2022	GOK	3,750	2,568	1,182
Capacity building of health workers	To enhance skills and competencies levels amongst health workers through training to competently respond health care service demands	Health care workers trained	Proportion of Health Workers trained on different aspect of competencies	MoH	2020-2022	GOK	234.5	117.2	117.3
Health Products and Technologies:									
Develop standards for non-pharmaceutical	To promote quality of	Standards developed	No. of standards developed	MoH	2020-2022	GOK	10	5	5

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
products and basic equipment	locally manufactured non-pharmaceutical products and basic equipment								
Research and Development									
Fostering Partnership in research and development intervention	To improve coordination of health research as well as utilization of findings	Partnership and research coordination frameworks developed	Number of partnership frameworks implemented	MoH	2020-2021	GOK	5.6	1.3	4.3
Enhancing capacity in research institution	To increase resources available to health research,	Budgetary allocation to research institutions increased/ Skills Research officer is enhanced	Proportion of budget allocated to Research institutions/ Number of research officers trained	MoH	2020-2022	GOK	4,500	1,900	2,600
Financial Risk Protection Programme for the Vulnerable Groups									
Free maternity services	Enhance the uptake of safe delivery for expectant mothers	Increased reach of free maternity service programme	Number of beneficiaries	MoH	2020-2021	GoK	8,400	4,200	4,200
Orphans and vulnerable groups	Enhance health insurance coverage amongst the population	Increase reach of health insurance amongst the poor	Number of families supporting orphans and vulnerable children under insurance	MoH	2020-2021	GoK	4,800	1,800	3,000
Elderly and people living with disability	Enhance health insurance coverage amongst the	Increase reach of health insurance amongst the elderly and people living	Number of elderly and people living with disabilities under insurance	MoH	2020-2021	GoK	9,000	3,000	6,000

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
	population	with disabilities							
TOTALFOR C1:							43,114.1	23,128	19,986.1
C2:INVESTING IN WATER SUPPLY									
Water Supply and Sanitation in Low-Income Settlements	To improve access to water and sanitation services for the urban poor	74,000 additional urban poor households with access to sanitation services	No. of households served	MWSI	2020-2022	GoK/DPs	1,310	600	710
Rural Water Supply and Sanitation	To improve rural water supply and sanitation	100 projects/bore holes installed with solar energy	No. of projects/bore holes with solar energy installed	MWSI	2020-2022	GoK/DPs	160	60	100
		300 Community Water and sanitation Projects	No. of projects completed	MWSI	2020-2022	GoK/DPs	3,000	1,000	2,000
		100 small dams/pans constructed	No. of dams/pans constructed	NWWSA/WRA	2020-2022	GoK	2,500	1,000	1,500
		150 kms of dykes constructed	Kms. of dykes constructed	NWWSA/WRA	2020-2022	GoK	1,800	800	1,000
Water and Sanitation Connectivity to Public Institutions	To improve water supply connectivity to public institutions	500 schools connected	No of schools connected	MWSI/WRA	2020-2022	GoK	2,000	800	1,200
		56 level 4 hospitals, 435 level 3 hospitals and 2576 level 2 hospitals supplied with reliable water supply	No. of health facilities connected	MWSI/WRA	2020-2022	GoK	10,000	2,000	8,000
		200 prisons and police stations connected with water supply	No. of prisons connected	MWSI/WRA	2020-2022	GoK	2,000	600	1,400
		1000 markets connected to water and	No. of markets centers connected	MWSI/WRA	2020-2022	GoK	2,000	600	1,400

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
		sanitation							
Water Resources Management Programme	To enhance recharge to depleted aquifers and rivers	Aquifers managed	No. of aquifers managed	MWSI/WRA	2020-2022	GoK	220	100	120
		10kms of Nairobi rivers cleaned	Kms cleaned up/restored	MWSI/WRA	2020-2022	GoK	200	100	100
National Water and Sanitation Programme	To improve access to water and sewerage/sanitation facilities	21 urban centers connected to sewerage facility	No of additional people served	MWSI	2020-2022	GoK/DP	30,000	15,000	15,000
		200,000 new water connections	No. of new water connections	MWSI	2020-2022	GoK/ DPs	4,000	2,000	2,000
		350,000 new sewer connections	No. of new sewer connections	MWSI	2020-2022	GoK/ DPs	6,000	3,000	3,000
		Sanitation infrastructure implemented in Nairobi City	No of additional people served	MWSI	2020-2022	GoK/DP	20,000	10,000	10,000
		Sanitation infrastructure implemented in Kisumu City	No of additional people served	MWSI	2020-2022	GoK/DP	10,000	5,000	5,000
TOTAL FOR C2:							95,190	42,660	52,530
C3:ENHANCING SOCIAL SAFETY NET PROGRAMS									
National Safety Net Programme (Inua Jamii)	To cushion the vulnerable section among the population specifically OVC, Older Persons, and PSWDs against vulnerability.	Households with vulnerable persons supported	No. of households with older persons supported with cash transfers	State Department for Social Protection	2020-2022	GoK	49,543	23,511	26,032
			No. of households with OVC supported with cash transfers				20,942	9,841	11,101
			No. of households with PSWDs supported with cash transfers				4,738	2,369	2,369
Kenya Social and Economic Inclusion Project (KSEIP)	To strengthen delivery systems for enhanced	Strengthened Social Protection delivery systems	Social Registry with all poor and vulnerable data	SDSP	2020-2022	GoK/DPs	400	120	280
			Social Registry	SDSP	2020-2021	GoK/DPs	50	50	-

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
			with all poor and vulnerable data						
	access to social and economic inclusion services and shock	Increased access to Social and Economic Inclusion interventions	No. of households receiving nutrition-sensitive cash transfer	SDSP	2020-2022	GoK/DPs	140	52	88
			No. of Counties where Economic Inclusions initiated	SDSP	2020-2022	GoK/DPs	400	200	200
Presidential Secondary school bursary	To ensure Orphans and Vulnerable Children (OVC) from poor households are retained in secondary school.	Orphans and Vulnerable Children (OVC) from poor households provided with Presidential Bursary	No. of OVC supported with Presidential Bursary	SDSP	2020-2022	GoK	900	400	500
Rehabilitation of street families	To rehabilitate street families and integrate them into the society.	Rehabilitation of street families enhanced	No. of partner institutions supported	SDSP	2020-2022	GoK/DPs	250	120	130
			No. of street persons identified and nurtured	SDSP	2020-2022	GoK/DPs	80	30	50
			No. of street persons provided with psychosocial support services	SDSP	2020-2022	GoK/DPs	150	70	80
			No. of street persons supported for rehabilitation, education and training	SDSP	2020-2022	GoK/DPs	160	80	80
		Reintegration of street families enhanced	No. of street persons reintegrated to families and the community	SDSP	2020-2022	GoK/DPs	100	50	50

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
		Drop in centres established	No. of drop in centres established	SDSP	2020-2022	GoK/DPs	140	70	70
Occupational Disease Fund	To compensate workers who die or get disability from occupational diseases	A system for compensation of workers who get disability or die from occupational diseases	Occupational Disease Fund established	SDSP	2020-2022	GoK/DPs	2,000	1,000	1,000
Unemployment Insurance Fund	To cushion workers against loss of income	Financial Relief for those who loose employment	Employment Insurance Fund established	SDSP	2020-2022	GoK/DPs	300	100	200
Migrant Workers' Welfare Fund	To enhance protection of Kenyan Migrant workers in distress	Migrant Workers' Welfare Fund	No. of migrant workers in distress supported	SDSP	2020-2022	GoK/DPs	2,000	1,000	1,000
Diversification of Product Portfolio under Social Security	To enhance social security products	Alternative investment venture implemented	No. of products developed	SDSP	2020-2022	GoK/DPs	400	200	200
	To enhance social security coverage	Social security reach enhanced to cover both informal and formal workes	No. of beneficiary reached	SDSP	2020-2022	GoK/DPs	400	200	200
Inclusive and Multi-Sectoral Response to Covid-19 and Addressing its Socio-Economic Impact in Kenya	To cushion the ASAL communities whose livelihoods have been disrupted by the outbreak of Covid-19	Livelihood transformative interventions scaled up	No. of beneficiary HHs	NDMA	2020-2021	GoK/DPs	30	30	-
Hunger Safety Net Programme III	To enhance food and	Vulnerable HHs. Supported	No. of HHs receiving cash	NDMA	2020-2022	GoK/DPs	10,682	5,341	5,341

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
	nutrition security of vulnerable households, especially for women and children and generate sustainable livelihoods and protect productive assets		transfers						
Relief and humanitarian assistance	To cushion households affected by Covid-19	Relief and humanitarian support provided	No. of HHs supported	SDD	2020-2022	GoK/DPs	10,000	5,000	5,000
TOTAL FOR C3:							103,805	49,834	53,971
C4:EDUCATION									
Universal Primary education	To increase access, equity and inclusiveness in Primary Education	A framework for funding primary education developed	Funding framework in place		MOE	GOK	20	10	10
		Increased enrolment at primary education level	Number of students provided with instructional materials and operational subsidy	2020-2022	MOE	GOK	28,000	14,000	14,000
		All schools supplied with masks, soaps and sanitizers,	Number of Schools supplied with masks, soaps and sanitizers,	2020-2022	MOE	GOK	1,100	500	600
		Child Protection systems within schools Strengthen	Child protection system in place	2020-2022	MOE	GOK	1,100	500	600
		Learners provided with psychosocial support	No of learners provided with psychosocial support	2020-2022	MOE	GOK/DPs	500	300	200

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
		Monitor compliance with safety standards to ensure hygiene practices in schools are strictly maintained.	Number of monitoring of compliance with safety standards to ensure hygiene practices in schools done	2020-2022	MOE	GOK	900	400	500
		Teachers, Learners and education staff able to deal with post-trauma stress	No. of teachers, Learners and education staff able to deal with post-trauma stress	2020-2022	MOE	GOK	1,100	600	500
Improve Primary School Infrastructure	To develop Additional infrastructure and refurbish the existing ones, to meet the prescribed health measures	No. of schools refurbished	Classrooms and ablution blocks refurbished.	2020-2022	MOE	GOK	1,200	700	500
		Schools with WASH programmes	No. of schools with WASH programmes	2020-2022	MOE	GOK	5,000	2,500	2,500
		Schools whose facilities for children with special educational needs and disabilities have been upgraded	No. of schools with upgraded facilities for children with special educational needs and disabilities	2020-2022	MOE	GOK/DPs	500	300	200
School Feeding Programme	To increase retention in public primary schools	National wide school meals programmes expanded	No. of schools providing hot meals	2020-2022	MOE	GOK/DPs	5,000	2,500	2,500
		Head teachers and schools' boards of management able to implement comprehensive school health policies	% Levels of implementation	2020-2022	MOE	GOK/DPs	500	100	400
		Educators and	No. of schools	2020-2022	MOE	GOK/DPs	100	40	60

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
		learners able to carry out school-based health activities	benefiting						
Reforming Primary Education	To provide Psychosocial Support to Learners, Teachers and School Communities	A comprehensive emergency response plan for primary education developed and implemented	Emergency response plan in place	2020-2022	MOE	GOK	20	10	10
		teachers capacity built in life skills, guidance and counseling	No. of teacher trained	2020-2022	MOE	GOK	100	30	70
		Teachers, learners, education officials and school communities sensitized on continuous health, sanitation and hygiene practices.	No. of teachers, learners, education officials and school communities sensitized on continuous health, sanitation and hygiene practices.	2020-2022	MOE	GOK	200	30	170
		Primary School Teachers recruited	No. of teachers recruited	2020-2022	MOE	GOK	4,000	2,000	2,000
		Communities capacity built on emergency response	No. of Parents and school communities capacity built	2020-2022	MOE	GOK	100	10.	90
Provision of Essential Instructional requirements	To increase access, equity and inclusiveness in Secondary Education	Students supported by FDSE grants	No. of students supported by FDSE grants	2020-2022	MOE	GOK	152,148	73,182	78,966
		DUC for secondary education reviewed and developed 100%	Percentage of review and development of DUC	2020-2022	MOE	GOK	20	5	15

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
Secondary School Infrastructure Improvement	To improve infrastructure in secondary schools	100 tuitions blocks constructed in Extra County boarding schools	Number of Tuition blocks constructed	2020-2022	MOE	GOK	2,560	1,280	1,280
		6,352 classrooms 4,838 Sanitation facilities and 4,366 Laboratories constructed	Number of classrooms constructed	2020-2022	MOE	GOK	20,957	5,000	15,957
		272 WASH facilities established in 50% of the schools found in urban slums, ASAL areas	Number of sanitation facilities constructed	2020-2022	MOE	GOK	136	30	106
Reforming Secondary education	To provide psychosocial support to learners teachers and school communities	Learners in boarding schools provided with scholarship grant	Percentage of learners in boarding schools provided with scholarships	2020-2022	MOE	GOK	4,000	2,000	2,000
		Conditional cash transfer programme for learners in underserved areas	% Increase in Net Enrolment Rate (NER) in the targeted regions	2020-2022	MOE	GOK	1,000	500	500
		Masks provided to public secondary schools	No. of public secondary schools provided with masks	2020-2022	MOE	GOK	1,000	800	200
		Professional counselors recruited	No. of counselors recruited	2020-2022	MOE	GOK	645.2	322.6	322.6
		Secondary school teachers recruited	No of secondary school teachers recruited	2020-2022	MOE	GOK	6,000	3,000	3,000
		Counseling units set in sub counties	No. of counseling units set up	2020-2022	MOE	GOK	672	336	336

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
KBC Education Broadcast for Schools	To enhance learning through TV and Radio Broadcast	Broadcast learning in Schools	KBC Channel airing education content	2020-2021	MoICT&YA	GoK	1,200	600	600
University Student and Welfare Retention	To increase university student retention	Undergraduate students provided with HELB Loans	No. of student loanees	2020-2022	HELB	GOK	35,557	16,932	18,625
		Capitation grants allocated through DUC	No. of students funded through DUC	2020-2022	SDUE&R	GOK	103,320	50,400	52,920
		Additional 8,000 students accommodation capacity	Capacity of additional student accommodation	2020-2022	SDUE&R	GOK	1,400	700	700
Support of Medical training and research in Universities and research institutions	To enhance the capacity of public universities to provide adequate human resources to support the health sector in Kenya	Research grants provided	No. of research projects	2020-2022	National Biosafety Authority	GOK	800	400	400
		University research laboratories upgraded	No. of laboratories upgraded	2020-2022	Public Universities	GOK	1,600	800	800
		postgraduate student training in bio-medical research funded	No. of students	2020-2022	National Research Fund	GOK	100	50	50
		Laptops provided to disadvantaged university students	No. of students provided with laptops	2020-2022	National Research Fund	GOK	500	100	400
		Research outputs funded for commercialization	No. of research outputs commercialized	2020-2022	NACOSITI	GOK	500	250	250
TOTAL FOR C4:							383,555.2	181,217.6	202,337.6
C5: ENVIRONMENT SECTOR									
Waste Management and pollution Control	To improve solid waste management	Statutory mechanisms for the disposal of e-	No of statutory mechanisms enforced	ME&F/NEMA	2020-2022	GoK/DP	1,708	854	854

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
	in urban and rural areas	waste, human and industrial waste enforced							
		Public awareness on biodegradable materials and proper disposal of waste created	No. of awareness creation forums						
Forests Conservation and Management	To increase forest cover	Seedlings produced	No of seedlings produced	MEF, KFS	2020-2022	GoK	3,000	1,500	1,500
		Degraded Natural Forest areas rehabilitated	Area (Ha) rehabilitated	MEF, KFS	2020-2022	GoK	2,000	1,000	1,000
		Existing forest cover protected	Area (Ha) protected;	MEF, KFS	2020-2022	GoK	4,000	2,000	2,000
		Commercial forests plantation established	Area (Ha) of commercial forest established	MEF, KFS	2020-2022	GoK	1,800	800	1,000
		Rehabilitation Degraded forest areas in ASALs enhanced	Area (Ha) rehabilitated	MEF, KFS	2020-2022	GoK	2,500	1,000	1,500
		Tree planting in Schools and other public institution, enhanced	No of trees planted	MEF, KFS	2020-2022	GoK	800	400	400
		Establishment of research plots	No. of technologies developed	KEFRI	2020-2022	GOK/	600	300	300
Rehabilitation and Protection of Water Towers	To rehabilitate and restore five water towers	Five (5) water towers rehabilitated and restored	No. of hectares rehabilitated/restored	ME&F /KWTA/KFS	2020-2022	GoK/ DP	2,628	1,314	1,314
Stimulus package to Conservancies and the Kenya Wildlife Service	To maintain security of wildlife and communities in	3500 Rangers in 160 conservancies supported	Amount in Kshs	SDW	2020-2021	GoK	1,000	1,000	-
		5,500	Number of	KWS	2020-2021	GoK	1,000	1,000	-

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
	conservation areas.	Community scouts engaged	community scouts						
		KWS Personal Emolument (PE) for rangers	Amount in KShs	KWS	2020-2021	GoK	5,200	5,200	-
		Parks Security enhanced and Standards developed	per cent Reduction on poaching incidences	KWS	2020-2021	GoK	2,600	2,600	-
		Human Wildlife Conflict Claims compensated	Number of Claims	SDW, KWS	2020-2021	GoK	524	524	-
		Boreholes in conservation areas constructed	No. of boreholes in Parks and Reserve and adjacent communities	SDW, KWS	2020-2021	GOK	33	33	-
TOTAL FOR C5							29,393	19,525	9,868
C6: LABOUR MARKET									
Profiling emerging skills in the wake of Covid-19 Pandemic	To identify the stock of skills available and profile emerging skill requirement to drive the economy	Up-to-date and relevant labour market information Skills inventory	List of new and emerging skills and occupations	State Department for Labour, MOE, NITA, Training Institutions	2020-2021	GoK/DPs	45	45	-
Survey the impact of the Covid-19 Pandemic on the Labour and Employment Sector	To determine the effects of the pandemic in the labour markets	Policy proposals to address the emerging issues in labour & employment sector	Covid-19 Survey Report	State Department for Labour, ILO, KNBS, Social Partners	2020-2021	GoK/DPs	50	50	-
Employment needs assessment in existing and potential labour destination countries	To enhance employment opportunities for Kenyan Migrant	Job opportunities identified	No. of labour destination countries identified No. of BLAs signed	SDL, NEA, MFA, Immigration, AG, Private Recruitment	2020-2022	GOK/DPs	100	50	50

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
	workers		No. of Migrant workers placed in employment	Agencies					
		8 Regional job Centre's established	No. of youth placed in employment	State Department for Labour, NEA, State Department for youth,	2020-2022	GOK/DPs	240	120	120
Promotion of Occupation Safety and Health (OSH) at workplace	To enhance safety and health at workplace	Occupational safety and Health risk assessment and audit of workplaces undertaken.	Health risk assessment and audit report	SDL/MoH/Private Sector/DPs	2020-2021	GOK/DPs	25	25	-
		Guidelines on post Covid-19 safe and health return to work	Guidelines on safe return to work	SDL/MoH/Private Sector/DPs	2020-2021	GOK/DPs	125	125	-
		Strengthened Occupation Safety and Health Committees at workplace	No. of Occupation Safety and Health Committees established at workplace	SDL/MoH/Private Sector/DPs	2020-2021	GOK/DPs	125	70	55
		Increased awareness on occupational safety and health at workplace	No. of workers and enterprises trained on OSH	SDL/DPs	2020-2022	GOK/DPs	90	60	30
		Real-time collection of occupational safety and health and work injury information	On-line Occupational Safety and Health Management System established	SDL/DPs	2020-2021	GOK/DPs	75	60	15
		Combat child labour	To enhance initiatives towards combating	All worst forms of child labour eliminated	No. of Child Labour Free Zone (CLEZs) established	SDL/DPs	2020-2022	GoK/DPs	30

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
	child labour		No. of children withdrawn from child labour. No. of institutions capacity built to deal with matters on child labour						
A Business Turnaround Solutions Programme (BTSP)	To improve productivity of ailing enterprises for optimal production and employment creation	Productivity improvement undertaken in four key sectors (Manufacturing, Tourism, SMEs & Agriculture) Labour productivity improved	Number of enterprises implementing productivity improvement programmes Number of workers trained Number of jobs safeguarded Number of enterprises turned round	SDL/SDI/DPs	2020-2022	GoK/DPs	280	130	150
The “Vijana na Afya bora” programme (VINAFYA BORA)	To enhance youth participation in Community Health	Improved health among the youth and local communities Youth engaged in Community Health	No. of Youth engaged in Community Health	SDY	2020-2022	GoK	97	47	50
Kenya Youth Employment and Opportunities Project (KYEOP)	To Increase employment and earning opportunities for youth aged between 18-29 years	Increased employment and earning opportunities for youth aged between 18-29 years	No. of youth trained No. of youth employed	SDY/SDL	2020-2022	World Bank	5,000	3,000	2,000

Programme/Project Name	Objective	Outcome/output(s)	Performance Indicator(s)	Implementing Agency/Agencies	Time Frame	Source of funds	Total Budget (Million)	Estimated Budget (Million Kshs)	
								2020/21	2021/22
Kenya Youth Development Index (KYDI)	To enable measurement of Government empowerment initiatives and programmes	Development of standardized youth measurement tool	KYDI tool in place	SDY/SDL	2020-2022	GoK	20	10	10
TOTAL FOR C6:							6,302	3,807	2,495