



REPUBLIC OF KENYA

THE NATIONAL TREASURY AND PLANNING

STATE DEPARTMENT FOR PLANNING

**SECOND PROGRESS REPORT ON IMPLEMENTATION OF THE BIG FOUR
AGENDA
2019/2020**

MONITORING AND EVALUATION DIRECTORATE

January 2021

FOREWORD

It gives me pleasure to present the 2019/20 Second Progress Report on implementation of the “Big Four” Agenda. This report provides an overview of achievements and documents some implementation challenges as well as lessons learnt during 2019/20 financial year. It’s important to note that 2019/20 financial year presented us with a number of difficult challenges, which have undoubtedly had a fundamental impact on how successful we can be in executing the “Big Four” Agenda priorities. Given the difficult financial and economic environment the Country is facing, resources are at a premium and this is forcing us to change our entire approach to how we do things so that we are able to do more with less and handle multiple pressing priorities as efficiently as possible. There has already been adverse effects of the COVID-19 pandemic on several sectors of the economy in particular; tourism, agriculture, manufacturing and trade putting people’s jobs and livelihoods at risk.



Given the integrated nature of the “Big Four” Agenda, inclusive and integrated approaches to its implementation, monitoring and reporting continue to be vital. The National Integrated Monitoring and Evaluation System (NIMES) and the County Integrated Monitoring and Evaluation System (CIMES) are therefore expected to play an important role in tracking and reporting on of the implementation of “Big Four” Agenda and other development initiatives. As we seek to move to real time M&E reporting in the public sector, the Ministry has adopted use of technology by developing the electronic NIMES and CIMES (e-NIMES and e-CIMES). The two systems at national and county level will facilitate real time reporting and present a dashboard with traffic lights that presents at a glance the overall status of implementation of various projects under the “Big Four” agenda and MTP III as well as the post COVID-19 Economic Recovery Strategy. MDACs are therefore encouraged to upload status of implementation of various projects and programmes in the MTP III, Post COVID-19 ERS and the “Big Four” agenda on a timely basis for real time reporting. My Ministry will therefore intensively roll out the e-NIMES/e-CIMES in the third and fourth quarter of 2020/21 financial year to ensure transparency and accountability.

I therefore hope that the report will be useful in informing Kenyans and other stakeholders on the status of the Big Four Agenda and help better focus the policy debates on how to enhance implementation.


HON. (AMB) UKUR YATANI, EGH
CABINET SECRETARY
THE NATIONAL TREASURY AND PLANNING

ACKNOWLEDGEMENT

The second status report on implementation of the “Big Four” agenda was prepared by the State Department for Planning through the Monitoring and Evaluation Directorate (MED) in collaboration with various stakeholders within the NIMES framework. The report is a product of submissions from Ministries, Departments and Agencies and various authorised documents and reports. This report has also acknowledged the contribution of other sectors which play role of enablers to the “Big Four” Agenda.



We would like to thank all those who contributed to the preparation and production of this report, particularly the line Ministries, Departments and Agencies, MED staff led by Mr. Aloyce Ratemo. The hard work of the MED staff is commendable. Your dedication, teamwork and commitment made it possible to produce this report in good time. We would also like to express our gratitude to technical officers from the State Department for Planning led by Economic Planning Secretary Madam Katherine Muoki for their contribution during the preparation process.

Lastly, I would also like to assure users of this report that just like the first progress report on implementation of the Big Four report was widely shared, this report will also be disseminated widely to all stakeholders at national and county level and to both state and non-state actors.

This report can be accessed through the following websites: ([http:// www.planning.go.ke](http://www.planning.go.ke)); www.monitoring.planning.go.ke and the National Treasury and Planning Resource Centres.

A handwritten signature in blue ink, appearing to read 'Saitoti Torome', followed by a horizontal line and a few dots.

**SAITOTI TOROME, CBS
PRINCIPAL SECRETARY
STATE DEPARTMENT FOR PLANNING
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Acronyms and Abbreviations

ADC	Agriculture Development Corporation
AHP	Affordable Housing Program
APR	Annual Progress Report
ASAL	Arid and Semi-Arid Lands
ATDCs	Agricultural Technology Development Centres
CETP	Common Effluent Treatment Plant
CGFC	Credit Guarantee Fund
CHEWs	Community Health Extension Workers
CHMT	County Health Management Team
CIDC	Constituency Industrial Development Centre
CPPMU	Central Project Planning and Monitoring Unit
EAC	East African Community
e-CIMES	Electronic County Integrated Monitoring and Evaluation System
e-NIMES	Electronic National Integrated Monitoring and Evaluation System
EPC	Export Promotion Council
EPZA	Export Processing Zone Authority
FAW	Fall Army Worm
FBO	Faith Based Organization
FDI	Foreign Direct Investment
FY	Financial Year
GDC	Geothermal Development Corporation
GDP	Gross Domestic Product
HCF	Health Care Financing
HISP	Health Insurance Subsidy Programme
ICD	Industrial Cluster Development
ICT	Information Communication Technology
IDB	Industrial Development Bank
IFMIS	Integrated Financial Management Information System
IPA	Intergovernmental Participatory Agreement
JOOTRH	Jaramogi Oginga Odinga Teaching and Referral Hospital
KALRO	Kenya Agricultural and Livestock Research Organization
KDF	Kenya Defence Force
KEMSA	Kenya Medical Supplies Agency
KIE	Kenya Industrial Estates
KIRDI	Kenya Industrial Research and Development Institute
KMTC	Kenya Medical Training College
KNH	Kenyatta National Hospital

KSh	Kenya Shillings
KSUP	Korogocho and Kilifi Slum Upgrading Programme
KUSP	Kenya Urban Support Programme
LAPSSET	Lamu Port South Sudan-Ethiopia Transport corridor
LITS	Livestock Identification and Traceability System
LPG	Liquefied Petroleum Gas
M&E	Monitoring and Evaluation
MDAs	Ministries Departments and Agencies
MED	Monitoring and Evaluation Directorate
MLND	Maize Lethal Necrosis Disease
MOD	Ministry of Defence
MOH	Ministry of Health
MOUs	Memorandum of Understanding
MSE	Medium and Small Enterprise
MSMEs	Micro Small and Medium Enterprises
MT	Metric Tonnes
MTP	Medium Term Plan
MTRH	Moi Teaching and Referral Hospital
MW	Mega Watt
MWe	Mega Watt equivalent
NHIF	National Hospital Insurance Fund
NIMES	National Integrated Monitoring and Evaluation System
NTB	Non-Tariff Barriers
OPIC	Overseas Private Investment Corporation
PPP	Public Private Partnership
REREC	Rural Electrification and renewable Energy Corporation
RRI	Rapid Results Initiative
SDGs	Sustainable Development Goals
SEZ	Special Economic Zone
SEZA	Special Economic Zone Authority
SMEs	Small and Medium Enterprises
TLU	Tropical Livestock Unit
TPCSI	Training and Production Centre for the Shoe Industry
UHC	Universal Health Coverage
UK	United Kingdom
UNOPS	United Nations Office for Project Services
USD	United States Dollars

SECTION 1: INTRODUCTION

The National Treasury and Planning through the State Department for Planning is charged with the responsibility of monitoring economic trends in the country. This is done within the framework of the National Integrated Monitoring and Evaluation System (NIMES). NIMES is coordinated by the Monitoring and Evaluation Directorate (MED). It provides a framework for tracking implementation progress of public sector policies, programmes and projects contained in Kenya Vision 2030 MTPs, the “Big Four” Agenda, Post COVID-19 ERS and other international obligations such as the United Nations Agenda 2030 Sustainable Development Goals (SDGs).

This report presents in a simplified format the status on implementation of the “Big Four” projects. The “Big Four” Agenda is an economic blue-print developed by the government to foster economic development and provide solution to the various socio-economic problems facing Kenyans. The “Big Four” Agenda identifies four transformative agenda to be implemented between 2018 and 2022 plan period. The priorities include: Food Security and Nutrition; Universal Health Coverage; Affordable Housing and Manufacturing. The four pillars are hinged on the Kenya Vision 2030 and have been mainstreamed in the MTP III hence the potential to FastTrack the realization of the Vision 2030 aspirations. The target is to enhance manufacturing contribution to the GDP from 8.4 per cent to 15 per cent; ensuring 100 per cent food and nutrition security; 100 per cent universal health coverage; and providing 500,000 affordable homes to the low-income segment of the population.

The achievement of the “Big Four” Agenda is strongly anchored on prudent management of available public resources. As such, the Government has continued to strengthen expenditure control and improve the efficiency and effectiveness of public spending through necessary public financial management reforms. In particular, in 2019/20 FY, coupled with the expenditure rationalization and fiscal consolidation efforts, the Government curtailed resources going to lower-priority areas using the adopted zero-based budgeting approach. These resources were redirected to support the “Big Four” Agenda and other public investments in critical sectors such as education, infrastructure, energy and social protection. In the 2019/20 FY, the National treasury allocated approximately KSh 450.9 billion to the “Big Four” drivers and their enabling sectors.

In order to support growth of the manufacturing sector, the Government scaled up reforms to encourage investment in the sector. In particular, the Government heightened the fight against illicit trade and contrabands to protect genuine businesses and traders. A total of KSh 96.6 billion was allocated during the 2019/20 FY to support manufacturing sector. On the other hand, to enhance food and nutrition security, the Government aligned all policies under the agriculture sector towards increasing food production, boosting smallholder productivity and reducing the cost of food. A total of KSh 42.6 billion was allocated in 2019/20 FY towards enhancing food and nutrition security. Similarly, to make Universal Health Coverage a reality, the Government

launched the pilot phase of the universal health programme in four Counties namely, Kisumu, Machakos, Nyeri and Isiolo and a total of KSh 47.8 billion was allocated to the sector during the 2019/20 FY.

On housing, the Government established the National Housing Development Fund which is responsible for mobilizing capital to finance the affordable housing project. Additionally, the Government established the Kenya Mortgage Refinance Company (KMRC) to leverage funds from Development partners and the private sector and provide secure long-term funding to financial institutions thereby increasing the availability and affordability of mortgage loans to Kenyans towards this end, the sector received an allocation of KSh 11.4 billion in the 2019/20 FY.

In addition, a total of KSh 252.5 billion was allocated to the enablers of the “Big Four” Agenda in the 2019/20 FY. The further, the Government has continued to create a conducive business environment through maintaining a stable macroeconomic environment. In the 2019/20 FY, the Government maintained the inflation rate within the target range of 5.0 ± 2.5 per cent to boost economic activity. In addition, the Government fostered a stable and competitive exchange rate to support exports and adequate foreign exchange reserves as a buffer from external shocks.

This report therefore summarizes the achievements, under each pillar of the ‘Big Four’ Agenda and its enablers. The report also provides a summary of the challenges in implementation of the projects as well as the policy recommendations.

SECTION 2: IMPLEMENTATION PROGRESS OF THE “BIG FOUR” AGENDA

This section highlights the implementation status of the planned programmes and projects under the “Big Four” Agenda in the 2019/20FY.

2.1 Manufacturing

The manufacturing pillar is a key driver of economic growth and development under the “Big Four” Agenda. It plays a critical role in contributing to economic growth and generating employment as the Country moves towards realization of the aspirations of the Kenya Vision 2030. The overall goal is to increase contribution of manufacturing to Gross Domestic Product (GDP) by at least 15 per cent by 2022; increase level of foreign direct investments to \$2 billion; and improve ease of doing business ranking from 80 in 2017 to 50 by 2022. This will propel Kenya towards becoming Africa’s industrial hub. The pillar has a high potential of investment attraction, employment creation, export expansion, stimulus for agricultural sector growth and provision of forward and back ward linkages in all other sectors of the economy. It plays a strategic role in technology and innovation as it is a major platform for diffusion of new technologies to other sectors of the economy. The pillar aims to transform life of Kenyans by creating jobs, reducing outward flow of foreign exchange, wealth creation, and lower cost of living, improve livelihoods, and reduce poverty and inequality.

2.1.1 Manufacturing Achievements for the Financial Year 2019/2020

A summary of the achievements in the manufacturing pillar is presented in Table 2.1

Table 2.1: Achievements under the Manufacturing pillar

Priority Project	Output	Indicator	Target 2019/2020	Achievement 2019/20
Special Economic Zones (SEZ) programme	Special economic zones developed	No. of public SEZs	2	2
		No. of private SEZs	5	5
Industrial clusters development programme	Increased textile production in Athi River, Voi, Samburu, Eldoret, Nyandarua, Moyale/Isiolo, Nandi, And Homa Bay	No. of industrial clusters developed for textile production	2	0
	Modernized Rivatex E. A	per cent level of modernization of machinery	100	83
	Kenanie leather park Established	per cent completion of Kenanie leather park	50	35
Agro-food processing programme	Food hub and agro park established at Nakuru, Mombasa, Nyandarua	No. of food hub and agro parks established	1	3
	Aquaculture processing plants established at Kisumu, Turkana, Naivasha and Mombasa	No. of Aquaculture processing plants established	1	0
Establishment of Iron and Steel milling Plant	Iron and steel milling plant established	per cent Completion level iron and steel plant (per cent)	30	0
Manufacture of Machinery, Equipment and Industrial Parts	Investments in the manufacture of Agro Machinery, equipment and tools increased	Amount invested in manufacture of Agro Machinery, equipment and tools (KSh Billion)	10	0
	Increased production of castings and manufacture of transmission parts	Tonnes of castings produced	125	72
		No. of transmission parts	56,000	42,000
Promotion of investments (domestic and foreign)	Increased investment both domestic and foreign	Amount of additional investments (in KSh billions)	140	156.94
Upgrade of research laboratories infrastructure	Research Laboratories upgraded	Level of completion of Industrial Research, Laboratories in Nairobi, South B (per cent)	80	70
		Level of completion of Industrial Research, laboratories in Kisumu (per cent)	100	90
Infrastructural upgrading at Kenya Industrial	Increased student enrolment in KITI	No. of students enrolled	2,700	2,850

Training Institute (KITI)	Infrastructural at Kenya Industrial Training Institute (KITI) upgraded	per cent level of completion	60	45
Accreditation and Standards Infrastructure improvement	Accredited bodies and standards developed	No. of accredited conformity Bodies	40	80
		No.of standards developed	500	564
MSE Development	Improvement on productivity, sustainability and competitiveness	Amount disbursed to MSEs (Millions)	2,820	2,051.1
		No.of MSE trained on entrepreneurial ship	60,000	57,150

Source: State Department for Industrialization Annual Progress Report 2019/20 FY

Special Economic Zones developed: two special Economic zones namely Dongo Kundu and Naivasha Industrial Parks were at different stages of development. Naivasha Industrial Park has been fenced, physical planning done and a master plan developed. For Dongo Kundu SEZ, a resettlement action plan was finalized for compensation of persons affected by the project.

Increased textile production in Athi River: During the period under review, the civil works for Athi River industrial cluster were 90 per cent complete. Investments attracted so stood at KSh. 109 billion and exports from Export Processing Zones (EPZs) reached KSh.70.6 billion.

Modernization of RIVATEX Machinery and Factory: Modernization of machinery at RIVATEX was 83 per cent complete and construction of effluent treatment plant and perimeter wall was done. In addition, the *Cotton Revitalization Programme* was introduced with the aim of expanding the cotton production mainly through provision of farm inputs to farmers, extension services and revival of ginneries for processing of cotton which will feed into the modernized factory. Through the programme: adoption of BT cotton was approved; 36000 farmers (consisting of 432 tonnes of seeds & 8,460 litres of pesticides) were provided with inputs; and 72,000 acres of land were put under cotton production.

Kenanie Leather Park established: the Kenya Leather Development Council started the construction of an Effluent Treatment Plant (ETP) which was 35 per cent complete.

Food hub and Agro Park established at Nakuru, Mombasa, and Nyandarua: The land for construction of 3 agro-processing hubs was allocated in Nyandarua, Kisii and Meru Counties. Construction of aquaculture processing plants was not initiated due to inadequacy of funds.

Establishment of iron and steel milling plant: The construction of iron and steel plant was not undertaken due to budgetary constraints.

Increased production of castings and manufacture of transmission parts: A total of 72 tonnes of castings were produced and 42,000 transmission parts /industrial fittings were manufactured. In addition, production of auto parts for local vehicle assembling commenced during the review period.

Promotion of investments (Domestic & foreign): Towards increasing the level of investments and strengthening and operationalizing the one stop shop centre at Kenya Investment Authority, a total of 43 projects proposals worth KSh. 156.94 billion were facilitated.

Upgrade of research laboratories infrastructure: During the period under review the following were achieved: developed and transferred 12 industrial technologies to SMEs; supported 309 SMEs with incubation and common manufacturing facilities; equipped Natural products & Food laboratories (90 per cent complete); and undertook construction (civil works-formwork, steelwork and concrete work) of Industrial Research, laboratories in Nairobi, South B (70 per cent complete)

2.1.2 Achievements under the Enablers of the Manufacturing pillar

Micro Small and Medium Enterprises (MSMEs)

During the review period, 1,582 MSEs were facilitated to access market. Due to the COVID-19 pandemic, innovative ways of promoting the MSMEs were developed, by directly assisting them to get business through introduction to Non-Governmental Organizations, Government and other buyers. The national MSE coordination framework was finalized and the draft is awaiting to be presented to the cabinet. In addition, a proposal for the establishment of Biashara Centers was developed but did not receive budget allocation for construction. With regard to the Kenya Trade Remedies Agency, the Board was appointed and staff seconded to it. Implementation of Kenya Youth Employment and Opportunities Project (KYEOP) activities which are field based were stopped during the period as a result of COVID-19 pandemic.

Water and Irrigation

Water storage and supply networks were developed to connect water for industrial use in Nairobi, Mombasa, Nakuru, Kisumu, Machakos and Uasin Gishu Counties. These projects include supply of water to Naivasha Industrial Park; Kenanie Leather Industrial Park; Dongo Kundu SEZ; and Konza Technopolis Complex.

Cooperatives

Several initiatives were implemented including modernization of New KCC plants through acquisition and installation of new equipment and machinery. A total of KSh. 907.5 Million was disbursed for modernization of Kiganjo, Kitale, Sotik, Eldoret, Kericho New KCC plants and construction of a new processing plant in Nyambene undertaken. Procurement process for

machinery and equipment was completed and equipment delivered.

Interior and citizen services

Provision of security was enhanced to enable a 24 hour economy as well as security of Manufacturing and Industrial zones. This was made possible via operationalization of Integrated Command and Control Centre (IC3) in Nairobi and Mombasa and installation of CCTV cameras. A total of 12,699 work permits were issued to Foreigners who wish to set up business in Kenya or expatriates. In addition, 382,150 passports, 350,934 Visa to expatriates, 694,277 certificates of good conduct, 1,853,008 National Identity cards and 6,335 foreign National cards were issued to make people employable and provide labour for the manufacturing pillar.

Transport

Master planning was undertaken for the SEZs area, including the Free Port facility area for the Dongo Kundu Special Economic Zone. An Environmental Impact Assessment was also conducted and approved. For the Naivasha Special Economic Zone, an Inland Container Depot (ICD) was constructed and an all yard equipment installed; 32 acres of land were acquired; 3.8KM of rail siding were constructed to serve the ICD; and 2.8KM of Kenya Pipeline access road were constructed to support the Naivasha Special Economic Zone. Preliminary works on rehabilitation of Nairobi-Konza Metre-Gauge Railway Line were initiated and were expected to be completed by end of 2020/21 FY.

Correctional Services

During the review period an estimated 167,693 pieces of number plates were manufactured at Kamiti maximum prison industries generating KSh. 233,428,915 in revenue. In addition, the prison industry produced 37,000 litres of detergent, 2,250 pieces of bar soap, 21,000 litres of disinfectant, and 122.5 litres of sanitizers and 277.5 litres of hand gel. In textile, the prison industries was able to stitch and produce 378,106 pieces of face masks, 12,800 pairs of prisoners uniform, 16,000 pairs of trainee uniform and 3,300 pieces of security batons for trainees. During the same period, the prison industries set up a water bottling plant at Prisons Staff Training College and the plant is 50% complete.

2.2 Food Security and Nutrition

Kenya Vision 2030 identifies agriculture as one of the key sectors under the economic pillar expected to drive the economy to the projected 10 per cent economic growth annually as well as the SDG goals 1&2. It has also been identified as one of the sectors that will drive the “Big Four” agenda aimed at achieving 100 per cent food and nutrition security over the next five years. The “Big Four” agenda seeks to: increase large scale production of staple foods including maize, potatoes and rice with some areas put under cultivation in a private/public partnership mainly through irrigation; Boosting the capacity of small scale food producers by providing more

affordable locally blended fertilizer to farmers and waiving duty for the importation of cereal drying equipment and bags; Boosting fishing activities among the fisher-folk, especially along the coast, and provide them with new fishing vessels; and curb illegal fishing in the 200 mile EE2 in Kenya territorial waters; and Setting up measures that will drastically reduce the cost of food to achieve maximum food security through engaging contract farmers to supply strategic food reserve, create a subsidy model for farmers, deploy early warning systems, and eliminate various levies applied to food products along the value addition chain.

Specifically, in the 2019/20 FY, the Pillar targeted to increase the area under crops by 100,000 acres; area under irrigation by 40,000 acres; production of tuber crops to 4.5 Metric Tonnes; production of maize, rice and irish potatoes; production of industrial crops such as cotton, pyrethrum, coffee and tea; production of meat, milk, honey and fish; mechanize agricultural activities; subsidize cost of fertilizer; and establish disease free zones.

2.2.1 Food Security and Nutrition Achievements for the Financial Year 2019/2020

Table 2.2 provides achievements for the 2019/2020 financial year against the expected performance.

Table 2.2: Achievements under the Food Security and Nutrition Pillar

Priority Project	Output	Indicator	Targets 2019/20	Achievement 2019/20
Enhancing large scale crop production	Additional land under crop production (maize, potatoes, rice, cotton)	Additional area under Crops (Acres)	100,000	250 acres put under cotton 2400 acres put under Irish potato
	Additional land under irrigated crop production (maize, I/potatoes, rice, cotton, horticultural crops and pasture)	Additional area under irrigation (Acres)	40,000	1146 more acres put under rice production
Nutrition Security Project	Improved production and utilization of root/tuber crops and traditional high value foods	Quantity of root/tuber crops and traditional high value foods produced (MT in millions)	3.5	0
	Annual maize production increased to 67million bags in 2022 (90 Kgs)	Quantity of Maize Produced (90 kgs bags in million)	55	44
	Rice production increased from the current production levels	Quantity of rice produced annually (MT)	148,896	72,000
	Enhanced irish potato production for food sufficiency	Quantity of irish potatoes produced annually (MT)	1.75	2.5

Revitalization of industrial crops	Increased cotton Production	Quantity of cotton produced (Bales where 1 bale= 226.8kg)	75,000	0
	Increased Pyrethrum production	Quantity of dry pyrethrum flowers produced (MT)	600	0
	Increased coffee production	Quantity of clean coffee produced (MT)	48,000	0
	Increased Tea Production	Quantity of tea produced (MT)	474,000	547,000
Improved Agricultural Mechanization	Increased access to agricultural machinery and equipment	No. of tractors and equipment availed to farmers (Disaggregated by sex of household head)	450	315
	5 dams constructed to support irrigation with total capacity of 202 million m3 to serve 59,500 ha. (Kithino, Kamumu, Ruringazi, Thambana& Mara dams)	per cent completion level	40	All at design and tender stages
Drive small scale holder productivity and agro-processing	Targeted production level SMEs established	No. of SMEs established	200	182
	East Africa's premier food hub established	No. of premier food hubs	-	0
	Additional domestic fishing vessels acquired	No. of fishing vessels	15	12
Climate Smart Agriculture	Database inventory for CSA Developed and maintained	Climate Smart Database	1	1
Fertilizer Cost Reduction Programme	Fertilizer Cost Reduction Programme	Quantity of subsidized Fertilizers (MT) (Disaggregated by sex of household head)	200,000	107,000
Disease Free Zone Development	Disease free Zones established (Bachuma, Miritini and Kurawa)	per cent level of Completion of DFZ	70	70
Enhanced Meat production	Feedlots established	No. of feedlots	14	0
	Bull Schemes for breeding established	No. of Bull Schemes for breeding established	2	0
	Tsetse infestation in 5 tsetse belts suppressed for agricultural production	No. of Tsetse belts Suppressed for agricultural production	5	5
	Livestock Insurance and Subsidy Scheme in 14 counties	No. of Tropical Livestock Units under insurance subsidy	110,000	90,060
	Day Old Chicks (DOCs) produced and supplied to farmers	No. of DOCs supplied to farmers (Disaggregated by sex Household (HH) head)	720,000	59,490
	Rabbits produced and availed to farmers	No. of rabbits supplied to farmers (Disaggregated by sex of HH head)	1,200	1,002
	Established 6 poultry agribusiness models	No. of poultry agribusiness	2	0

		for youth and women	business modes established		
Enhanced Milk Production		Daily stakeholders along the value chain capacity built	No. of dairy stakeholders trained (Disaggregated by sex of HH head)	50	0
		Improved feed availability	No. of feed bales available (millions)	2	0
		Improved animal genetics (AI services & research)	No. of improved breeds	1	0
		Enhanced control or livestock diseases and pests	Vaccination coverage (per cent)	60	25
			Completion and equipping of BSL 3 Laboratory (per cent)	70	75
		Livestock identification and traceability	No. of counties covered	15	2
		Improved quality and quantity of hides and skins	Million square feet of Hides and Skins	65	25
			No. of models centres for hides and skins established	3	2
			No. of rural tanneries established	4	0
			per cent Completion of the Leather Institute at Ngong	50	30
		Reduced post-harvest losses in milk	No. of coolers installed (Disaggregated geographically by Urban or Rural)	110	92
			Amount of milk processed (million litres)	700	789
Enhancing honey production		Bee bulking sites for colony multiplication and distribution established	No. of new bulking sites established	2	0
		Bee colonies produced and distributed	No. of colonies produced and distributed	2,500	1,045
		Sentinel bee colonies established	No. of sentinel bee colonies	6	4
Aquaculture Technology and Development and Innovation Transfer Programme.		National Aquaculture Technology and Innovation Transfer resource center constructed in Sagana	Level of completion	100	80
		Catering and value addition block at the National Aquaculture Resource Centre constructed at Sagana.	Level of completion	100	30
		National Aquaculture Resource Centre at Kiganjo Trout Fish Farm Completed	Level of completion	100	100
		Trout Fish Market outlet Completed at Kiganjo Trout Fish Farm	Level of completion	100	100
		Recirculation Aquaculture and Aquaponics Units established in the targeted 35 Institutions of higher learning (one per county).	No of institutions of higher learning with recirculation aquaculture and aquaponics units	47	35

	community dams Restocked with 1,000,000 tilapia fingerlings	No of tilapia fingerlings distributed to community dams	1,000,000	1,260,000
Fish consumption	Increased per capita fish consumption	Per capita fish consumption (kg/person/day)	5.5	5
Fish production	Increased fish production	Mt of fish produced	65	146.5
Rehabilitation of six Fish Lading sites in Lake Victoria Programme	Fish Lading sites in Lake Victoria rehabilitated	Number of fish landing sites rehabilitated	6	6

Source: State Department for Crops Development Annual progress Report 2019/20 FY; State Department for Fisheries Annual Progress Report 2019/20 FY

Enhancing large scale crop production: During the 2019/20 FY, 250 acres were put under cotton while 2400 acres were put under Irish potato against a target of 100,000 acres. Area under irrigation was increased by 46,616 acres against the target of 40,000 acres. This achievement is an aggregate of 17,618 acres under public irrigation projects namely Mwea, Galana, Bura, Lower Nzoia, Turkana, Lower Kuja and Lower Sabor irrigation schemes and 28,998 acres under smallholder irrigation interventions which include National Expanded Irrigation Program, Community based irrigation projects and Household irrigation water harvesting projects. The overachievement was due to the growing demand for irrigation water under the household irrigation water harvesting project and National Expanded Irrigation Programme.



TURKANA IRRIGATION PROGRAMME



Farmers using siphons in Katilu and a crop at Lokubae irrigation Scheme, Turkana County

Source: Ministry of Water & Sanitation and irrigation

Nutrition Security Project – under the “Big Four” Agenda: production of maize increased by 3.7 per cent from 43 million bags to 44.4 million bags; total paddy rice production decreased by 42.6 per cent from 160.6 MT in 2018/2019 to 72 MT despite area under rice going up by 1146 acres. The rice production target was not achieved due to flooding in Bunyala irrigation scheme. The quantity of Irish potatoes produced was 2.5 Million MT surpassing the target of 1.75 Million MT due to distribution of certified planting material by KALRO. The targeted quantity of root crops was not achieved. However, to increase future production, a root crops strategy was developed and disseminated in 13 counties. In addition, about 50,000 cassava cuttings were distributed in West Pokot and Uasin Gishu counties for bulking. A total of 488,793 farmers received insurance cover and KSh. 117 million were paid out in compensation. 250MT of seed maize were procured and distributed to floods affected counties. Nutrition guidelines were developed for sustainable diet under the COVID-19 pandemic. A cabinet memo on commercialization of large-scale farms was also submitted to NDITC for private sector investment.

Revitalization of Industrial crops: During the year under review, the Quantity of cotton targeted to be produced was not achieved due to delay in seed distribution. 700 demos of BT cotton were however established to promote revitalization of cotton and over 20 cooperatives were established to market cotton. Additionally, a total of 343,600 kg of seeds were procured and distributed in 5 counties in western region. The targeted total of 474,000 MT of tea production was exceeded to 547,000 MT due to good rainfall performance. The coffee targets were not realised since the distribution of seedlings were not undertaken. Over the same period Hass avocado, Macadamia nuts and Iron Zinc rich seedlings were propagated and distributed.

Improved Agricultural Mechanization – Towards this, construction and equipping of Ruiru, Mabanga & Siakago ATDC agro processing units for incubation of SME's was undertaken (30 per cent complete); piloting of operationalization of machinery hubs for maize, rice and potatoes with procurement of rice transplanter and harvester for use by rice farmers in Bunyala Irrigation Scheme and potato planter and lifter for use by farmers in Murungaru Potato Aggregation Centre. The overall achievement for improved agricultural mechanization for 2019/20 FY was 70 per cent in terms of targeted activities. The under achievement was due to financial challenges in second half of the financial year. A national mechanization policy was also prepared.

Drive small scale holder productivity and agro - processing –Under the Agricultural technology development in ATDCs , 10 technologies were acquired, tested and promoted per year between 2015/2016 FY to 2019/2020 FY. These included: conservation agricultures; biogas technologies; ground nut processing; soya bean processing; palm oil extraction; grain storage silos; solar drying of farm produce; forage shredding machine; cassava processing; and sunflower oil extraction.

Agriculture engineering technology development and testing at Bungoma and Mtwapa Agricultural Technology Development Centre's (ATDCs) was done. The same was ongoing 50 per cent complete at Bukura. Similarly, incubation centres for value addition at ATDC were established at Katumani, Ruiru, Bukura and Siaya agro-processing. The technologies identified and value addition promoted were peanut processing, sorghum threshing, soya bean processing, solar drying flour blending and cassava processing.

Over 182 SMEs for coconut, cashewnut, tea, coffee, and irish potato, were created and operationalized.

As a way of promoting appropriate post-harvest technologies to reduce post-harvest losses, the following technologies were procured for demonstration and distributed to vulnerable farmers during the period: 70,000kgs of Aflasafe KE-01; 1,000 Hermetic bags; 144 hand shellers; and 24 moisture meters. In addition, Kenya cereal enhancement project-climate resilience agricultural livelihood supported increase in maize productivity from 13.1per cent to 19.6 per cent representing 49.2 per cent rise.

Climate smart agriculture –The Climate Smart agriculture database inventory was established and 68 000 beneficiaries reached.

Disease Free Zones (DFZs) - the Disease Free Zones are 70 per cent complete with the construction of support facilities at Bachuma LEZ as follows: Phase I at 98 per cent completion level; Phase II at 10 per cent completion level where the administration block was completed awaiting painting and fixing of doors, windows and ceiling; Emergency slaughter house was completed; workshop was done to roof level; fodder barn was done to sub surface structure; and

septic pits were excavated.

Enhanced Meat production: the following was accomplished: identified Chemongoch holding ground in Baringo county to house model feedlot; Conducted feedlot stakeholder sensitization in 11 counties namely, Garissa, Isiolo, Marsabit, Taita Taveta, Kwale, Tana River, Lamu, West Pokot, Turkana, Mandera and Wajir; identified 22 sites in ASAL counties to host feedlots and fodder development plots; Mapped feedlots and fodder development sites; Developed Architectural designs and Bill of Quantities for the model feedlot at Chemongoch Holding ground in Baringo; called for Expression of Interest (EOI) to identify potential private feedlot operators and investors in fodder development where 7 applicants expressed interest in fodder production and 10 potential operators in feedlot, 8 potential feedlots investors identified; procured breeding stock (6 Sahiwals heifer and 120 Hampshire sheep) for the feed lots.

In addition, five Tsetse fly belts were suppressed: Lake Victoria Basin, Lake Bogoria Mara belt, Meru/Mwea regions tsetse belt, Galana Kulalu Food Security Project, and Narok/Kajiado regions.

A total of 90,060 of the 110,000 targeted Tropical Livestock Units were covered under the insurance subsidy. However, funds for partial subsidy were not received as expected, which affected the achievement of the target. This subsidy covered 18,012 Households in Garissa, Samburu, Isiolo, Wajir, Marsabit, Turkana, Mandera and Tana-River counties.

A total of 59,490 day-old chicks against a target of 720,000 was supplied The underachievement was attributed to the slow down caused by the COVID-19 pandemic. However, an Environmental Impact Assessment was conducted in 2 sites for construction of poultry houses and hatcheries in Kimose and Marimanti Poultry Breeding and Multiplication Centres and construction of a hatchery and poultry house at Marimanti for multiplication of indigenous chicken was initiated which is expected to actualize realization of the set targets.

In addition, 1,000 rabbits were produced and availed to farmers against a target of 1,200. This variation was due to delays in the importation of 65 breeding stock from Netherlands as a result of change of importation requirements and outbreak of COVID –19.

The supply of 2,000 piglets to farmers was not done as planned. However, a contract for construction of piggery units was initiated, 110 SMEs and Trainer of Trainers (ToT) identified and trained through county consultations in 8 counties.

Enhanced Milk Production: towards increasing the milk production, the following was done: Vaccination coverage was 25 per cent against a target of 60 per cent; Bio-safety Laboratory level 3 (BSL 3) Laboratory was 75 per cent complete with Civil works 100 per cent complete and pending works on equipping the laboratory; Livestock identification and traceability was done in

two counties; In milk post-harvest management the amount of milk processed was 789 million litres against a target of 700 million litres. To achieve this, 92 coolers were installed for management of post-harvest losses. The coolers were distributed in the following counties:- Kericho-1; Busia-1; Nandi-1; Kiambu-4; Tharaka Nithi-2; Meru-11; Wajir-2; Narok-4; Bomet-8; Migori-2; Kisii-2; Uasin Gishu-10; Kakamega-2; West Pokot-2; Trans Nzoia-5; Nyandarua-3; Nyamira-3; Vihiga-3; Laikipia-4; Bungoma-5; Homabay-1; Elgeyo Marakwet-5; Baringo-1; Taita Taveta-1; Kajiado-1; Makueni-4; Embu-3 and Nyeri-1.

Enhancing honey production: During the review period, 1045 Bee colonies were produced and distributed against a target of 2500. 6 beekeeping groups were identified in 3 counties; Baringo, Tharaka-Nithi and Nakuru. The beekeepers were trained on colony multiplication and equipped with the necessary equipment. Four Sentinel bee colonies were established against the six planned colonies. The targeted achievements were affected by COVID-19. In addition, the existing 12 sentinel bee apiaries were monitored.

Agriculture Insurance and Risk Management (Crops Insurance): Insurance coverage was provided to 488,793 farmers across 33 counties in 2019/2020 financial year against a target of 500,000 households in 37 counties. Though the target was not reached, this was an increase from 416,982 farmers in 27 counties in 2018/19 financial year.

Aquaculture Technology and Development and Innovation Transfer Programme: The following was achieved during the period: national aquaculture technology and Innovation transfer resource centre at Sagana constructed (80 per cent complete); the catering and value addition block at the National Aquaculture resource centre in Sagana constructed (30 per cent complete); the National Aquaculture Resource Centre at Kiganjo and the National Aquaculture Trout Fish Market outlet at Kiganjo Trout Fish Farm completed; The Recirculation Aquaculture and Aquaponics Units were installed in the targeted 35 Institutions of higher learning against a target of 47 (The institutions of higher learning should be one per county either secondary or tertiary institution).

In addition, community dams were stocked with 1,260,000 tilapia fingerlings as detailed: Kiambu County-210,000 fingerlings, Kajiado County-420,000, Machakos county-210,000 fingerlings, Murang'a County-210,000 fingerlings and Meru County-210,000 fingerlings

Rehabilitation of six Fish Lading sites in Lake Victoria Programme: During the review period, the following was achieved:

- i. **Ogal Landing fish site in Kisumu County-** 40 per cent complete (General renovation works, construction of generator house, high water tank bases and related civil works);

- ii. **Lwanda K'Otieno fish landing site in Siaya County-** 40 per cent Complete (civil, electrical, and mechanical works);
- iii. **Mulukhoba fish landing site in Busia County-** 90 per cent Complete (civil, electrical, and mechanical works);
- iv. **Sori fish landing site in Migori County-** 85 per cent Complete (General renovation work, construction of generator house, installation of generator, high water tank bases, super structure and installation of tanks);
- v. **Wichlum Landing site in Siaya County-** Tender evaluation has been done, awaiting award;
- vi. **Nyandiwa Fish landing site in Homa Bay-** Tender evaluation has been done, awaiting award;

Development of Blue Economy Initiatives Programme: During the review period, the following were achieved:

- i. **Vanga fishing landing site in, Kwale County-**70 per cent complete (New wall tiles installed ceiling replaced, welding of rusted steel, concrete paving to the front of the building and repair of the water tank tower);
- ii. **Kibuyuni fish landing site in Kwale County-**45per cent complete (All substructure works including reinforced concrete footing, columns and ground beam and walling);
- iii. **Gazi fish landing site in Kwale County-**75per cent complete (All substructure works including reinforced concrete footing, columns and ground beam, walling, weed shade strip and slab);
- iv. **Ngomeni fish landing site in Kilifi-**78per cent complete (All substructure works including reinforced concrete footing, columns and ground beam, walling, backfilling and ground floor slab); and
- v. **Kichwa Cha Kati fish landing site in Kilifi County-**75per cent complete (substructure works including reinforced concrete footing, columns and walling done).

2.2.2 Achievements under the Food Security and Nutrition Enablers

Water and Irrigation

During the review period, 59,528 acres of irrigation schemes were developed to yield approximately 66,000 tonnes of rice and 17,000 tonnes of maize annually. Further a total of 170 irrigation projects were constructed through National Expanded Irrigation Programme and Community Based Smallholder across all the 47 Counties covering about 140,000 acres. Some of the water projects that will support Food and Nutrition security include connection of water supply to fish landing sites and fish markets at the coast and supply of water to livestock holding grounds located in various counties across the country.

Cooperatives

To enhance food and nutrition security in milk and milk products, KSh. 500 million was provided to New KCC to enable it mop up excess milk and process it into 1,800 Metric tons of powdered milk for reconstitution during dry periods. The sub-sector continued with the implementation of coffee sector revitalization programme by restructuring the Kenya Planters Co-operative Union Limited (KPCU) which was registered as a Semi-Autonomous Government Agencies (SAGA) and renamed as New KPCU. The New KPCU was mandated to mill and market coffee and to administer the Coffee Cherry Advance Revolving Fund (CCARF). This fund was allocated an initial seed capital of KSh. 3 Billion during the review period.

In addition, modernisation of co-operative cotton ginneries was initiated by contracting a service provider to modernize infrastructure and ginning machinery at Luanda ginnery to support the cotton industry. The sub-sector continued implementing strategies towards financial deepening through co-operatives by facilitating increase of co-operative savings by KSh. 36 Billion from KSh.766 Billion in 2018/19 to KSh.802 Billion as at June 2020 and increasing membership of Deposit Taking Saccos to 4.6 million.

Correctional Services

To increase rice production, Mwea Prison put 120 acres of land under rice production and realized 93.3 tons that were sold to prisons as inmate food and ration raising total revenue of KSh. 23,325,000 in addition, the prisons farms revolving funds acquired; 2 units of Rotavators, 2 units Power harrows, 3 units Rice threshers, 1 unit Rice reaper, 1 Unit New Holland Tractor to help improve rice production.

On vegetable production Embu Prison put 40 acres under production and realized KSh. 6,672,422.50 as revenue. All the vegetable produced was supplied to other prisons as inmate food and ration. 141.6 tons of vegetable were produced at Ruiru Prison generating revenue of KSh. 8,498,089. The industry also installed an irrigation system at Ruiru which is 70% complete.

On industrial crops, Uruku Prison produced 100.3 tons of green leave tea that realized revenue of KSh. 6,525,089.20. A total of 204,545 kgs of Tea was produced at Kericho Prison and realized

revenue of KSh. 5,993,142.50. Ngeria Farm established two hundred (200) acres of sunflower on pilot basis, So far 120 acres has been harvested and 10,550 kg realized. Harvesting is ongoing for the remaining acres. About 54,000 Hass avocado seedlings were also produced in Nyamira Prison.

To increase cereal production, Shikusa farm planted three hundred (300) acres of commercial maize during the period under review. Harvesting has started and 2,000 bags X 90Kg each are ready for distribution. In addition, two hundred (200) acres of commercial maize were planted at Ngeria farm. So far 50 acres have been harvested and 934 bags X 90 Kg each realized. Further, 78 acres of maize were harvested in Kitale main, medium & annex prisons and currently being dried before weighing and bagging.

Under the greening Kenya initiative, the prison industry raised 4 million seedlings in 2019/20 financial year. 1.7 million of these Seedlings were planted within prison land and a further 2.3 million planted externally by other institutions.

2.3 Universal Health Coverage

Universal Health Coverage (UHC) is an integral part of the country's efforts to attain the desired status of health as elaborated in Kenya Health policy 2014-2030 and SDGs goal 3. UHC seeks to ensure that all Kenyans receive quality, promotive, preventive, curative and rehabilitative health services without suffering financial hardships. Further achievement of universal health coverage as one of his 'Big Four Agenda' will lead the transformation of Kenya by 2022. Universal health coverage is therefore essential in addressing our national challenges and will go a long way in achieving the core principle of the Kenya Vision 2030. UHC will ensure that all individuals and communities in Kenya have access to quality essential health services as well as to ease their financial hardships that are incurred due to medical related expenses.

The government planned to achieve 100 per cent universal health coverage through: 100 per cent cost subsidy of the essential health package; 18 per cent increase in the number of health facilities in 14 counties; 54 per cent reduction in out of pocket expenses as a percentage of expenditure; 56 per cent increase in the number of health workers; increasing the National Health Insurance Fund (NHIF) coverage of 36 per cent to 100 per cent by the year 2022; augmenting the budget allocation and spending of the health sector up to KSh. 12 Billion by 2021; overhauling NHIF to extend its services to more Kenyans, deployment of the free maternity programme across private and missionary hospitals; and ensuring there is at least one hospital with CT scan capability in every county. The achievement of UHC during the review period focused on implementing programmes that increase health insurance coverage, increase access to quality healthcare services and offer financial protection to citizens when accessing healthcare.

2.3.1 Universal Health Coverage Achievements for the Financial Year 2019/2020

A summary of the UHC achievements in the pillar for 2019/20 FY is presented in Table 2.3

Table 2.3: Universal Health Coverage Achievements for the 2019/20 FY

Priority Project	Output	Indicator	Targets 2019/20	Achievement 2019/20
Social Health Protection	Health Insurance accessed by elderly People With Severe Disabilities (PWSDs)	No of elderly persons and PWSDs registered & accessing healthcare	1,640,000	42,000
	Health Insurance subsidy accessed by poor and vulnerable households increased	No. poor and vulnerable households accessing health insurance subsidy	500,000	181,968
	mothers of children under 1 reached under Linda mama programme	No of mothers of children under 1 benefiting	1,260,000	1,102,510
	Free health care accessed by all	Budget allocation to public primary health care facilities (KSh. Million)	900	700
	Increased insurance coverage	Per cent of population needing subsidies covered under mandatory insurance (Health Insurance Coverage)	40	19

Source: Health Sector Annual Progress Report, 2019/20 FY

During the 2019/2020 FY, various categories of persons were registered and provided with National Health Insurance cover (NHIF); 42,000 elderly registration and PWSDs; 1,102,510 expectant mothers at an average of 92,000 registrations per month which is a marked improvement in comparison to previous financial years; and a total of 181,968 indigent households benefited from Health Insurance Subsidy Program (HISP) where a total of KSh. 407,519,311 was paid out for health benefits accessed by the HISP beneficiaries.

2.3.2 Achievements under the UHC Enablers

Interior and Citizen Services

Realization of UHC targets was supported through issuance of 1,853,008 Identity cards and 2,458,853 Birth certificates to enable admission into the UHC programme.

Water and Irrigation

To support Universal Health Coverage, 56 level 4 hospitals, 435 level 3 hospitals and 2576 level 2 hospitals were identified for connection to existing water supplies and individual projects

developed for their water supply. The projects are located in all the counties countrywide. The cumulative cost of the projects is KSh. 25.9 Billion.

Public Service

The Public Service continued to support the implementation of the Universal Health Care by implementing the Medical Scheme for civil servants. During the review period a total of 128,604 civil servants were covered under the Comprehensive Medical Insurance Scheme. In addition, development of a Post-retirement Medical Scheme for civil servants was initiated to ensure the achievement of UHC.

Correctional Services

The prison industry provided medical health insurance to 25,883 Kenya Prisons Staff and also provided assorted pharmaceutical for treatment of inmates within 88 health facilities countrywide.

2.4 Affordable Housing

Affordable housing implies the development of adequate, standardized and well-spaced houses with continuous supply of clean water and electricity. The houses are to be located in decent places and be readily available to both the lower, middle and upper class in the society. The Government targets to have constructed in partnership with the private sector at least 500,000 housing units by 2022. The houses should be affordable enough to enable the occupants meet other basic needs. The Affordable Housing Program was proposed to intervene and resolve the challenges in the housing market that led to limited supply of affordable homes for citizens in the lower income bracket as well as to provide solutions that will increase access to affordable financing for the targeted homeowners. Article 43 of the Constitution clearly states that every person has a right to accessible and adequate housing and to reasonable standards of sanitation. With the continued growth of Kenya’s population, especially in urban centers, providing affordable housing is becoming a challenge. During the 2019/20 FY, the pillar targeted to provide 102,000 affordable and social housing units.

2.4.1 Affordable Housing Achievements for the Financial Year 2019/2020

A summary of the Affordable Housing achievements in the pillar for FY 2019/20 is presented in Table 2.4

Table 2.4: Affordable Housing Achievements for the 2019/20 FY

Priority Project	Output	Indicator	Targets 2019/20	Achievement 2019/20
Provision of Affordable and Social Housing Programme.	400,000 affordable housing units constructed	No. of housing units constructed	80,000	788

	100,000 social housing units constructed	No of social housing units constructed	22,000	462
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Source: State Department for Housing and Urban Development Annual Progress Report, 2019/20 FY

Towards increasing access to affordable housing, the housing sub-sector targeted to complete 80,000 units under affordable houses and 22,000 units under social houses in the 2019/20 financial year. The achievement realised under affordable housing was as follows: 260 of the 1,370 units in Park Road, Nairobi were completed; 200 units were completed in Machakos; 120 housing units for the National Police and Prisons Services were completed in Nyeri; 208 units were constructed by National Housing Corporation through its urban and rural housing programmes. Under Social Housing, 462 housing units were completed in Mavoko. The achievement was lower due to funding challenges occasioned particularly by stoppage of mandatory contribution to Housing Fund by the court.

A total of 16,399 units are at various completion levels in various sites countrywide: 882 units in park road (80 per cent); 193 units in Kiambu (75 percent); 220 units in Embu (80 per cent); 2,104 social units at various levels; 13,000 social housing units in Mukuru, Nairobi (10 per cent); and designs and other preparatory works were undertaken for 4,435 social housing units at Kibera Soweto East Zone B.

2.4.2 Achievements under Affordable Housing Enablers

Water and Irrigation

Interventions identified to support Affordable Housing include water and reticulation for Park Road, Starehe, Shauri Moyo, Utawala, Mihango, Ruai, Githunguri, Kibera B, Mariguini and East Africa Portland Housing Projects. Others include Mavoko water supply and sewerage projects.

Cooperatives

Housing co-operatives were facilitated to deliver on the promise of affordable housing by linking them to providers of affordable credit and building technologies. Towards this end, co-operatives were able to construct 2,300 housing units during the period under review.

SECTION 3: CHALLENGES, LESSONS LEARNT AND RECOMMENDATIONS

3.1 Challenges

3.1.1 Manufacturing

- i. The COVID-19 pandemic disrupted major value chains in the Manufacturing Sector, leading to massive losses in revenue and jobs across all the sub-sectors and abrupt decline in the manufacturing sector output;
- ii. The sector was faced by inadequate basic infrastructure facilities. The implementation of the Special Economic Zones and SMEs industrial parks programs requires huge provision of basic infrastructural facilities (including roads, power, and water) which are costly;
- iii. The non-availability of suitable land and encroachment of public land by squatters hampered the timely implementation of projects and programmes such as SME parks, public SEZs, industrial clusters among others;
- iv. Inadequate budgetary allocation and budget cuts especially in development projects has hampered the implementation and completion of the various projects and programmes; and
- v. Limited access to financial services for industrial development due to bureaucracies and collateral requirements banks impose serves to lock out the majority of MSMEs.

3.1.2 Food and Nutrition Security

- i. Inadequate budgetary allocation, delays/non-disbursement of exchequer, austerity measures and procurements requirements affecting projects implementation;
- ii. Weak collaboration within government (National and County governments) and between government and other stakeholders lead to uncoordinated approach to evidence based policy decisions and implementation of strategies;
- iii. The unforeseen COVID-19 pandemic affected the schedule of planned activities and some resources were diverted from planned programmes and projects to fight the pandemic, thus disrupting agricultural and food systems;
- iv. Climate change and the Desert Locust invasion was a major threat for food safety and social stability. Control of the invasions presented high cost for the affected countries, the international community and a threat to the environment;
- v. Cybercrimes remains a threat to integrity of certification system for imports, exports among others;
- vi. High cost of production since most inputs used in the sector are imported hence lowering farmers' incomes;
- vii. Increased subdivision due to lack of a clear policy guideline on minimum and maximum land holding has led to haphazard developments and conversion of viable agricultural land into real estate leading to decline in land under agriculture; and

- viii. Some policies and legislation remain outdated and inconsistent with the Constitution. This has been occasioned by the lengthy process of review and development which also affects the timely implementation of sector programmes and projects.

3.1.3 Universal Health Coverage

- i. Low awareness of benefit package especially in rural and hard to reach areas;
- ii. Delays in finalization of NHIF & MOH Memorandum of Understanding;
- iii. COVID-19 pandemic related restrictions which have reduced visits to hospitals;
- iv. Inadequate skills and competencies of health workers and skewed distribution of health workers across counties;
- v. Delays in disbursement of funds and inadequate funding, inadequate and dilapidated infrastructure, and poor ICT connectivity;
- vi. Shortage or lack of drugs at the healthcare facilities and complaints of poor services at the healthcare facilities; and
- vii. The target group in the OPWD program tend to have a higher prevalence to chronic diseases, physical disabilities, mental illnesses, and other co-morbidities.

3.1.4 Affordable Housing

- i. Low budgetary allocations affect faster project implementation;
- ii. Lengthy process of acquiring land ownership documents, high land compensation and resettlement costs;
- iii. Delays in obtaining necessary approvals and clearances e.g. RAPs, ESIA's;
- iv. Little private sector participation in provision of units that can easily be afforded by low income earners who are the majority; and

3.2 Lessons Learnt

3.2.1 Manufacturing

- i. Measures aimed at promoting green production and consumption can minimize waste through enhancement of environmental compliance, use of appropriate technologies and sound waste management; and
- ii. The huge potential in the Blue economy presents opportunities for exploitation through the manufacturing sector.

3.2.2 Food and Nutrition Security

- i. Disruption by COVID-19 pandemic has also brought to recognition the facilitative role of ICT platforms in fostering efficiency in service delivery;
- ii. Monitoring and evaluation enhance effective and efficient utilization of resources for timely achievement of the desired results, data and information sharing;

Creation of synergy through collaboration with other programmes, stakeholders and development partners in implementation of targeted activities enhance efficient delivery of outputs; and

- iii. A multi stakeholder approach in implementation of various interventions improves the performance of the sector.

3.2.3 Universal Health Coverage

- i. An intergovernmental Participatory Agreement (IPA) frameworks can guide on the roles of the National and County governments;
- ii. Advisory panels are critical in providing expert advice on the needed reforms in key aspects of UHC; and
- iii. Health financing reform can facilitate strategic purchasing for UHC.

3.2.4 Affordable Housing

- i. Implementation of cross-cutting projects among the counties such as storm water drainage, solid waste management, disaster management, sewerage facilities among others are very critical in urban development. Importance of involving stakeholders from the onset of the project through regular public participation;
- ii. Collaboration between National and County governments is very necessary for ease of project activity implementation e.g. in the acquisition of land, ownership documents and processing of the same where necessary;
- iii. Encouraging voluntary contributions to the Housing Fund would mobilize resources to supplement Treasury allocations;
- iv. Private investors are key to delivery of the Agenda; and
- v. Effective coordination among key government players (Drivers and Enablers) is crucial.

3.3 Recommendations

3.3.1 Manufacturing

- i. There is also need for close Collaboration within the Sub-sector and the relevant MDACs and other stakeholders to strengthen and promote micro, small and medium industries through investment in physical facilities and access to affordable long-term financing and credit facilities are key for their development;
- ii. There is also need to strengthen Public Private Partnership legal framework to pave way for private sector to play a key role in the implementation of the programmes especially the flagship projects; and

- iii. The manufacturing sector to produce innovative and appropriate technologies that promote low-carbon emissions / GHG emissions, and that encourages efficient and sustainable use/consumption of energy, water and raw materials.

3.3.2 Food and Nutrition Security

- i. There is need to embrace alternative financing mechanisms such as Private Public Partnerships (PPPs) to supplement the resource requirements gap;
- ii. There is need to embrace climate smart technologies in mitigating impacts of climate change and other emerging issues;
- iii. Parliament to fast track enactment of relevant pending legislations to strengthen legal and institutional framework in the sector;
- iv. Adoption of tax measures such as zero rating of key farm inputs to ensure affordability of farm inputs;
- v. Continued enhancement of linkages and build stronger collaboration with all the stakeholders, particularly between the national and County Governments in order to ensure sustainable food security and efficient service delivery; and
- vi. Enhance response to emerging issues such as climate change, pests and disease and competing land use.

3.3.3 Universal Health Coverage

- i. Roll out an Essential Benefits package and institute necessary reforms in NHIF to become Social Health Insurance provider. Develop a Donor Transition plan to ensure service continuity as domestic Financing of these key essential services are transitioned;
- ii. Fast-track the adoption and implementation of the health care financing strategy (HCF) and UHC Roadmap; elaborate in more detail how some of the targets can be reached;
- iii. Leveraging on technology (mobile technology with hub at level 4 facility) and end to end fiber connections for levels 4, 5 and 6 facilities to facilitate Tele-medicine;
- iv. Strengthen implementation of the partnership framework for inter and intra sector coordination as well as a framework for sharing of specialists across counties, national to counties and private and FBO to public health facilities;
- v. Continuous Strengthening of the working relationship between Counties and National governments;
- vi. Lobby counties in investing in current and additional healthcare facilities as a last mile initiative, address staffing and skills gaps among healthcare workers; and to invest in healthcare infrastructure especially in Level 2 and 3 which will promote access to preventive services;
- vii. There is need to increase government funding and ensure timely disbursement of program funds;
- viii. Finalization of the Memorandum of Understanding between NHIF & MOH;

- ix. Carry out impact evaluation/review of the Linda Mama processes for further refinement and enhance the beneficiary experience;
- x. Lobby counties to extend coverage to other cash beneficiaries under HISP and to OPWD not covered by the National Government, carry out a health profile on all Inua Jamii 70+ program beneficiaries before commencement of benefits which will provide baseline information on health indicators of the beneficiaries; and
- xi. Reducing the process of obtaining necessary approvals and clearances e.g. RAPs, ESIAAs.

3.3.4 Affordable Housing

- i. Increasing budgetary allocation to Housing Fund;
- ii. Strengthening Kenya Mortgage Refinancing Company (KMRC) to enhance affordability of mortgages by refinancing existing and future loan portfolios to the affordable housing segment; and
- iii. Active participation of devolved government in actualizing housing delivery.

SECTION4: CONCLUSION

The period under review was faced by COVID-19 pandemic in the second half of the financial

year leading to delay in implementation of projects as well as reallocation of resources to fight the pandemic. However, though most of the targets were not realized in the “Big Four” Agenda, significant progress was noted in all the four pillars of the agenda. It is envisaged that the Country will have contained and managed the COVID-19 pandemic and therefore the implementation of identified activities will be fast tracked for the ‘Big Four’ to be delivered and subsequently the Kenya Vision 2030. The Post COVID-19 ERS is also expected to steer back the economy back to the anticipated growth path. The government therefore needs to enhance the resource mobilization efforts that will enable adequate funding for the health, manufacturing, food security and housing pillars.

A notable challenge across the pillars was poor coordination across partners especially within the affordable housing pillar. Delivery of the targets for Affordable housing requires active participation of the private sector with support from government in provision of enabling environment such as subsidizing construction materials and provision of requisite approvals. It is therefore important that collaborations and partnerships across private sector, Government (both National and County), development partners and other stakeholders is strengthened to ensure implementation, tracking and reporting in this pillar. The same strategy applies to Food Security and Nutrition, Universal Health Coverage and Manufacturing pillars.