



REPUBLIC OF KENYA
THE NATIONAL TREASURY AND PLANNING

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TREASURY CIRCULAR NO. 01/2022

TO: ALL PRINCIPAL SECRETARIES/ACCOUNTING OFFICERS
ALL CHIEF EXECUTIVE OFFICERS OF STATE CORPORATIONS
INDEPENDENT COMMISSIONS/INSTITUTIONS
REGISTRAR, THE JUDICIARY OF KENYA
ALL COUNTY SECRETARIES

**RE: KENYA VISION 2030 FLAGSHIP PROGRAMMES/PROJECTS
IDENTIFICATION CRITERIA**

I. INTRODUCTION

• ***Purpose***

1. This Circular is issued in the spirit of Kenya Vision 2030 and its Medium Term Plans (MTPs) which contain Programmes and Projects scheduled for implementation within five- year Medium Term Plans. The Vision identified various Flagship Programmes and Projects which set the pace in generating rapid and widely shared growth.

2. The Circular therefore provides the Criteria to be followed by Ministries Departments Agencies, and Counties (MDACs) in identification of Flagship Programmes/Projects, ensuring efficiency and effectiveness in the implementation and reporting process.
3. The overall objective of the Criteria is to guide MDACs, Independent Offices and Constitutional Commissions in the determination of Flagship Programmes/Projects. Specifically, the criteria will:
 - (i) Provide a framework for identification of Flagship Programmes and Projects
 - (ii) Provide a framework for vetting of the Flagship Programmes and Projects
 - (iii) Complement the planning processes in Medium-Term Planning, Public Investment Management, and budgeting.

- ***Scope***

4. The Circular becomes effective from the date of issuance and applies to MDACs, Independent Offices and Constitutional Commissions during the identification and approval of Flagship Programmes/Projects. The Programmes/Projects under consideration will include Programmes/Projects funded by Government, Public Private Partnerships (PPPs), Private Sector and Development Partners. The criteria will be applied at the onset of the preparation of National and County Governments Development Plans.

- ***Background Information***

5. Kenya Vision 2030 is the long-term development blueprint for the country and is motivated by a collective aspiration for a better society by the year 2030. Kenya Vision 2030 aspires to create “*a globally competitive and prosperous country with a high quality of life by 2030*”. It aims to transform Kenya into “*a newly industrializing, upper middle-income country providing a high quality of life to all its citizens in a clean and secure environment*”.
6. The Kenya Vision 2030 is based on three pillars: Economic, Social and Political. The Economic Pillar aims to improve the prosperity of all Kenyans through economic development programmes covering all the regions of Kenya and to achieve an average GDP growth rate of 10 per cent per annum. The Social Pillar seeks to build a just and cohesive society with social equity, in a clean and secure environment. The Political Pillar aims to realize a democratic political system founded on issue-based politics that respect the rule of law and protect the rights and freedoms of every individual in the Kenyan society. The Pillars are anchored on Enablers which are the foundations for national transformation.
7. The Kenya Vision 2030 is implemented through successive five-year MTPs spearheaded by the National Treasury and Planning. These Plans contain Programmes and Projects scheduled for implementation within the planned periods. The Kenya Vision 2030 identified various

Flagship Programmes and Projects which then set pace in generating rapid and widely shared growth. The Flagship Programmes and Projects were identified through an all-inclusive and participatory stakeholder consultative process. The process further benefited from recommendations made by local and international experts as well as best practices and experience on shared prosperity from newly industrializing countries around the world.

8. To successfully realize the goals and objectives of the Kenya Vision 2030 and ensure timely implementation of Flagship Programmes/Projects, the Vision 2030 Delivery Board (VDB) and Vision 2030 Delivery Secretariat (VDS) were established through the *Gazette Notice number 1386 of 2009*. The Board plays a policy-making and advisory role and provides overall leadership, oversight, guidance, and policy direction in implementation of Flagship Programmes and Projects for the realization of Kenya Vision 2030. The Secretariat spearheads and coordinates the implementation of Flagship Programmes and Projects through close collaboration with line Ministries, Departments, Agencies and Counties (MDACs). The Secretariat is also responsible for establishing clear institutional linkages with other existing institutions structures and organizations both in public and private sectors to effectively coordinate implementation of Flagship Programmes and Projects.

- ***Rationale***

9. National economic policy and planning, and capacity building and technical assistance to MDACs are key functions of the National Government as enshrined in the Fourth Schedule of the Constitution. As such, these criteria have been prepared in reference to Article 220 (2) (a, b and c) which also provide that the national government should prescribe the structure of development plans and budget of counties.
10. Since inception, strategies to deliver on the Kenya Vision 2030 were executed through concrete Flagship Programmes and Projects across the sectors. Over time, the number of Flagship Programmes and Projects has steadily increased from the initial 93 as identified in the Kenya Vision 2030 blueprint to 216 as documented in MTP III. Further, in documentation of county Programmes and Projects, there are Programmes and Projects that are identified as Flagships in County Integrated Development Plans (CIDPs) that do not meet the initial conceptualization of Flagship Programmes/Projects. With the increase in the number of Flagship Programmes and Projects both at National and County levels, the scarcely available financial resources have continuously been thinly spread leading to low completion rates and or stalling of these Programmes/Projects.

11. In the past, several challenges have led to the delay or failure of Flagship Programmes and Projects to kick off and or stall due to inadequate stakeholder analysis and participation, weak institutional arrangements during implementation, weak alignment to national development policy priorities and international obligations, and lack of provision for project readiness aspects. This has negatively impacted the efficiency and effectiveness in the implementation and delivery of the Kenya Vision 2030 development aspiration as was earlier envisaged. This therefore calls for a more coordinated approach in the identification and rating of the Flagship Programmes/ Projects.
12. In the spirit of initiating and successfully implementing Flagship Programmes/Projects that are expected to generate rapid and widely shared growth within expected timelines, these criteria have been developed. The criteria will address the gaps by guiding the process of identification of Flagship Programmes/Projects, ensuring efficiency and effectiveness in the implementation and reporting process, guaranteeing value for money as well as the rapid and widely shared growth and prosperity as envisaged in the Kenya Vision 2030.

II. LINKAGES WITH PLANNING FRAMEWORKS

- *Public Investment Management*

13. Public Investment Management (PIM) is generally used as a best practice for fostering fiscal sustainability, allocative and operational efficiency in public finance management as espoused in Section 12 (1) (e) of the PFM Act, 2012. It is aimed at supporting expenditure control and spending of public resources by providing standardized processes for project identification, appraisal, budgeting, monitoring, evaluation, and reporting, to ensure that only priority projects are financed and fully implemented. It is expected that identified Flagship Programmes/Projects will be subjected to the PIM process. Therefore, the Public Investment Management process will support the identification of Flagship Programmes/Projects.

- *Medium Term Planning*

14. Medium Term Planning involves sector situational analysis, identification of sector priorities, stakeholder consultative forums, setting and selecting sector priorities, programmes and projects formulation and identification. During the preparation process of the National and County Governments medium term plans, the criteria will be used by Sector Working Groups (SWGs) for identification of Flagship Programmes and Projects to be implemented under the sector priorities. The national and county stakeholder's fora during the planning process provide a platform where useful information is provided for determination of Flagship Programmes/Projects.

- ***Medium-Term Expenditure Framework (MTEF)***

15. The Medium-Term Expenditure Framework (MTEF) is the government financial planning tool that incorporates a three-year rolling budget, whose main objective is to ensure the linkage between planning and budgeting. The MTEF process ensures sufficient allocation of financial resources for the vetted Flagship Programmes/Projects that have been identified using the criteria.

III. ASPECTS TO CONSIDER IN IDENTIFYING FLAGSHIP PROGRAMMES/PROJECTS

16. The key considerations in identifying Flagship Programmes/Projects have been categorized into two broad categories as presented in this section.

A. MANDATORY REQUIREMENTS

17. A Flagship Programme/Project should: -

- (i) Have been subjected to the PIM process.
- (ii) Be large scale (with respect to area of coverage, impact and financial input).
- (iii) Address felt community needs and be identified through a consultative process.
- (iv) Be aligned to national/county priorities and international obligations/commitments.

B. BASIC REQUIREMENTS

- ***Impact on the Economy (20%)***

- (i) A Flagship Programme/Project should have direct impact on at least five (5) socio-economic sectors, considering horizontal and vertical linkages of the value chain.
- (ii) A Flagship Programme/Project should mainstream cross-cutting issues at conceptual stage e.g., Gender, youth, PWDs, marginalized and vulnerable groups, climate change and green economy considerations, etc.
- (iii) A Flagship Programme/Project should have a favourable return on investment.

- ***Relevance (15%)***

- (i) A Flagship Programme/Project should address felt needs of the communities and other stakeholders, be socially acceptable and should have been identified through a consultative process.
- (ii) A Flagship Programme/Project should be aligned to national and county governments development priorities and international obligations/commitments (UN Agenda 2030/SDGs, AU Agenda 2063, and EAC Vision 2050 etc).

- ***Size of the Programme/Project (15%)***

- (i) A Flagship Programme/Project should have wide geographical spread and be conceptualized towards achieving equity. It should directly benefit at least 50,000 Households (HHs) or 200,000 persons through improved service delivery, income generation and employment creation.
- (ii) A Flagship Programme/Project's indicative budget, up to completion level and handover, should be a minimum of KSh 5 billion (at national level) and KSh 500 million (at county level). More emphasis should be on projects to be implemented through the PPPs framework or whose sources of funds is not solely the Exchequer.
- (iii) A planned Flagship Programme/Project should be proposed for implementation within a period of a maximum of 60 months in line with the Medium-Term Plan and the County Integrated Development Plan (CIDP). Programmes/Projects with several (various) components may be implemented in subsequent five-year phases, hence the implementation period may vary.

- ***Competitiveness (15%)***

- (iv) A Flagship Programme/Project should promote competitiveness through reduced cost of production, improved efficiency and improved ease of doing business, effective service delivery and should strive to utilize locally available materials, labour and expertise.
- (v) A Flagship Programme/Project should demonstrate capacity to harness Science, Technology and Innovation (ST&I).

- ***Sustainability (15%)***

- (i) A Flagship Programme/Project should incorporate aspects of enhancing accessibility, availability and affordability of services.
- (ii) At conception, a Flagship Programme/Project should address anticipated issues, for instance land, technological and socio-cultural. It should further map out risks that may affect the Programme/Project together with their probable mitigation measures.
- (iii) A Flagship Programme/Project needs to have identified critical enablers and information disclosed on how the enablers have been catered for.

- ***Linkages (10%)***

- (i) A proposed Flagship Programme/Project should involve holistic planning with capacity to integrate requisite supportive enablers.
- (ii) A Flagship Programme/Project should clearly indicate how inter- and intra-governmental synergies will be harnessed for greater impact. It should demonstrate an effective framework for collaboration with private sector.

- ***Policy, Legal and Institutional Frameworks (10%)***

- (i) A Flagship Programme/Project's policy, legal, regulatory and institutional arrangement for the implementation and sustainability should be clearly outlined from the onset.
- (ii) Policy, legal and institutional reforms that are proposed for consideration as Flagship Programmes/Projects shall be subjected to this criterion.

IV. CONCLUSION

18. The National Treasury and Planning will vet and approve projects seeking to attain the status of Kenya Vision 2030 Flagship Programmes/Projects before their inclusion in the Medium-Term Plans and sector plans. County Governments are advised to use the tenets of this criteria in identification of the flagship projects.

19. Note: The detailed aspects to be considered are further presented in Annex I, while Annex II and III gives the roles of all actors and Kenya Vision 2030 Sectors, respectively.



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

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Head of the Public Service
Executive office of the President
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The Hon. Attorney General
Sheria House
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The Clerk of the National Assembly
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The Clerk of the Senate
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The Clerks of the County Assemblies
Council of Governors
Delta House
NAIROBI

The Auditor General
Office of the Auditor General
NAIROBI

The Controller of Budget
Office of the Controller of Budget
NAIROBI

Chairperson
Kenya Vision 2030 Delivery Board
NAIROBI

ANNEX I: FLAGSHIP PROGRAMME/PROJECT IDENTIFICATION TEMPLATE

FLAGSHIP PROGRAMME/PROJECTS BACKGROUND INFORMATION		RESPONSE
Programme/Project Name		
Project Location (County(ies)/ Sub-County (ies)/ ward(s))		
Kenya Vision 2030/MTP/CIDP Sector		
Sub-Sector		
Lead Implementing Agency(s)		
Key Partners		
Indicative Budget (KSh)		
Project Duration (in Months – from start to completion and handover)		
Programme/Project Description (Describe the Programme/Project by defining the boundaries of the proposed Programme/Project in terms of the output or deliverable, the statement of work that needs to be accomplished to deliver the product, service or results required)		
S/NO.	ASPECT	RESPONSE (YES/NO)
	MANDATORY	
1	Has the Programme/Project been subjected to the PIM process?	
2	Is the Programme/Project large scale? (Area of coverage and Impact /no. of direct beneficiaries)	
3	Does the Programme/Project address felt community needs and identified through a consultative process?	
4	Is the Programme/Project aligned to national/county government priorities and international obligations/commitments?	

S/NO.	ASPECT	RESPONSE	WEIGHT (%)
IMPACT ON THE ECONOMY			20
1.	How does the Programme/Project directly impact on at least five (5) socio-economic sectors, considering horizontal and vertical linkages of the value chain?		7
2.	How does the Programme/Project mainstream cross-cutting issues at conceptual stage e.g., Gender, youth, PWDs, marginalized and vulnerable groups, climate change and green economy considerations, etc?		6
3.	Does the Programme/Project have a favourable return on investment? Explain		7

S/NO.	ASPECT	RESPONSE	WEIGHT (%)
RELEVANCE			15
4.	How does the Programme/Project address felt needs of the communities and other stakeholders, be socially acceptable and should have been identified through a consultative process?		8
5.	How does the Programme/Project align to national and county governments development priorities and international obligations/commitments (UN Agenda 2030/SDGs, AU Agenda 2063, and EAC Vision 2050 etc)?		7
SIZE OF THE PROGRAMME/PROJECT			15
6.	Does the Programme/Project cover a wide geographical spread? Explain		2
7.	Is it conceptualized towards achieving equity? Explain		2
8.	Does the Programme/Project have potential to directly benefit at least 50,000 Households (HHs) or 200,000 persons through improved service delivery, income generation and employment creation?		5
9.	What is the estimated Programme/Project's indicative budget, up to completion level and handover (in KSh million)?		3
10.	Has the Programme/Project explored implementation through the PPPs arrangement?		2
11.	What is the Programme/Project proposed implementation duration in months?		1
COMPETITIVENESS			15
12.	How does the Programme/Project promote competitiveness through reduced cost of production, improved efficiency and improved ease of doing business, effective service delivery?		5
13.	Does the Programme/Project strive to utilize locally available materials, labour and expertise?		5
14.	Does the Programme/Project have capacity to harness Science, Technology and Innovation (ST&I)? Explain		5
SUSTAINABILITY			15
15.	How does the Programme/Project incorporate aspects of enhancing accessibility, availability and affordability of services?		6
16.	Has the Programme/Project identified critical enablers and information disclosed on how the enablers have been catered for? Explain		2

S/NO.	ASPECT	RESPONSE	WEIGHT (%)
17.	Does the Programme/Project address anticipated issues, for instance land, technological and socio-cultural?		3
18.	Has the Programme/Project mapped out risks that may affect its implementation? Has it identified probable mitigation measures? Explain		4
LINKAGES			10
19.	Does the Programme/Project involve holistic planning with capacity to integrate requisite supportive enablers? Explain		5
20.	Does the Programme/Project clearly indicate how inter- and intra-governmental synergies will be harnessed for greater impact? Has it demonstrated an effective framework for collaboration with private sector? Explain		5
POLICY, LEGAL AND INSTITUTIONAL FRAMEWORKS			10
21.	Is the Programme/Project's policy, legal, regulatory and institutional arrangement for the implementation and sustainability clear? Explain		10
TOTAL WEIGHT			100

Note I: Policy, legal and institutional reforms that are proposed for consideration as Flagship Programmes/Projects shall be subjected to these criteria.

Note II: A Programme/Project that attains a mark of 80 per cent and above, will be considered a Flagship.

ANNEX II: ROLE OF INSTITUTIONS

S/NO.	Institution	Roles
1.	State Department for Planning	<ul style="list-style-type: none"> i. Provide oversight on adherence to the criteria for selecting Flagship Programmes/Projects. ii. Provide technical guidance to Medium Term Plan Sector Working Groups (MTPSWG) on use of the criteria for selecting Flagship Programmes/Projects. iii. In collaboration with VDS offer technical support to counties on selection of Flagship Programmes/Projects for inclusion into the County Integrated Development Plans. iv. Submit proposed Flagship Programmes/Projects to VDS for vetting. v. Provision of feedback on vetted Flagship Programmes/Projects to MDAs. vi. Submit the vetted Flagship Programmes/Projects to the MTP National Steering Committee (NSC) for information. vii. Ensure the Flagship Programmes/Projects are included in National Development Plans.
2.	Vision 2030 Delivery Board (VDB)	<ul style="list-style-type: none"> i. Provide strategic leadership in developing and reviewing the criteria. ii. Submit the developed/reviewed criteria for selection of Flagship Programmes/Projects to the Cabinet Secretary responsible for economic planning for approval and issuance.
3.	Vision 2030 Delivery Secretariat (VDS)	<ul style="list-style-type: none"> i. Develop/review and disseminate criteria for selection of Flagship Programmes/Projects. ii. In collaboration with SDP, provide technical support to MTPSWG on use of the criteria for selecting Flagship Programmes/Projects. iii. Vet proposed Flagship Programmes/Projects before inclusion in National Development Plans. iv. In collaboration with SDP, offer technical support to Counties on selection of Flagship Programmes/Projects for inclusion into the County Integrated Development Plans (CIDPs) on demand basis. v. Undertake audit of the existing Flagship Programmes/Projects.
4.	Ministries, Departments and Agencies	<ul style="list-style-type: none"> i. Participate in the development/review of the criteria for the selection of Flagship Programmes/Projects. ii. Identify Flagship Programmes/Projects in line with the set criteria. iii. Submit the proposed Flagship Programmes/Projects in a prescribed format (Annex I) for vetting to the State Department for Planning. iv. Ensure the vetted Programmes/Projects are incorporated into National Development Plans.

S/NO.	Institution	Roles
5.	State Department for Devolution	<ul style="list-style-type: none"> i. Participate in the development/review of the criteria for the selection of Flagship Programmes/Projects. ii. Assist in the selection of Flagship Programmes/Projects that cut across counties in line with the set criteria. iii. Assist in identifying Flagship Programmes/Projects being implemented by National and County Governments in line with the set criteria.
6.	Council of Governors	<ul style="list-style-type: none"> i. Participate in the development/review of the criteria for the selection of Flagship Programmes/Projects. ii. Communicate the criteria to County Governments.
7.	County Government	<ul style="list-style-type: none"> i. Adopt the set criteria on selection of Flagship Programmes/Projects. ii. Issue circular/guideline to County Departments for identification of county Flagship Programmes/Projects. iii. Provide oversight to County Departments on use of the criteria of selecting county Flagship Programmes/Projects. iv. Ensure public participation in selection of the Flagship Programmes/Projects at county level in line with the set criteria. v. County Departments to submit the proposed county Flagship Programmes/Projects in a prescribed format (Annex I) to County Department responsible for economic planning for vetting. vi. Vet proposed county Flagship Programmes/Projects before inclusion in County Integrated Development Plan.
8.	Private sector	<ul style="list-style-type: none"> i. Participate in the development/review of the criteria for the selection of Flagship Programmes/Projects. ii. Adopt the criteria while identifying Flagship Programmes/Projects being implemented by private sector players.

ANNEX III: KENYA VISION 2030 SECTORS (2021)

S/NO.	PILLAR	SECTOR
1.	ENABLERS/FOUNDATIONS OF NATIONAL TRANSFORMATION	<ol style="list-style-type: none"> 1. Infrastructure 2. Information and Communication Technology 3. Science, Technology and Innovations 4. Land Reforms 5. Public Sector Reforms 6. Labour and Employment 7. National Values and Ethics 8. Ending Drought Emergencies 9. Security, Peace Building and Conflict Resolution
2.	THE ECONOMIC PILLAR	<ol style="list-style-type: none"> 1. Agriculture and Livestock 2. Manufacturing 3. Tourism 4. Trade 5. Business Process Outsourcing 6. Financial Services 7. Oil, Gas and Mineral Resources 8. The Blue Economy
3.	THE SOCIAL PILLAR	<ol style="list-style-type: none"> 1. Health 2. Population, Urbanization and Housing 3. Education and Training 4. Environment, Water and Sanitation 5. Gender, Youth and Vulnerable Groups 6. Sports, Culture and the Arts
4.	POLITICAL PILLAR	<ol style="list-style-type: none"> 1. Devolution 2. Governance and the Rule of Law