

**General  
Economic and  
Commercial  
Affairs (GECA)  
Sector**

**REPUBLIC OF KENYA**



**MEDIUM TERM EXPENDITURE  
FRAMEWORK**

**FY2025/26 – FY2027/28**

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# Sector Composition

## GECA Sector Comprises Eight Sub-sectors Namely:

- ❑ ASALs and Regional Development;
- ❑ Cooperatives;
- ❑ Trade;
- ❑ Industry
- ❑ Micro, Small and Medium Enterprises (MSMEs)  
Development;
- ❑ Investments Promotion;
- ❑ Tourism; and
- ❑ East African Community (EAC).

# Sector Mandate

## The Sector:

- ❑ Coordinates formulation and implementation of policies, strategies, projects and programmes to fast-track the development of ASALs and basin based regions to build resilience and improve livelihoods;
- ❑ Promotes growth and development of cooperatives through capacity building and provision of appropriate policy, legal and institutional framework;
- ❑ Develops and implement policies that promotes domestic and international trade as well as enforcing fair trade practices and consumer protection;
- ❑ Facilitates an accelerated growth of the industrial sector through provision of an enabling institutional, policy and legal environment;

# Sector Mandate

## The Sector:

- ❑ Promotes growth and development of MSME Sector through provision of infrastructure, affordable credit, market linkages and capacity building;
- ❑ Formulates and implements policies to promote, attract, develop, retain and increase value of both domestic and foreign direct investments;
- ❑ Develops Kenya's tourism sector through policy formulation, standards regulation, research, training, financing, promotion and marketing to appeal for local and international tourist; and
- ❑ Oversees the implementation of the Treaty for establishment of EAC, advance Kenya's interest in the EAC region and monitor implementation of the Northern Corridor Development initiative.

# Sector Vision and Mission

## □ Vision

A prosperous and globally competitive economy fostering innovation, sustainable growth and inclusive social and economic development.

## □ Mission

To promote economic transformation through implementing integrated socio-economic policies and programmes for a rapidly industrializing economy.

# Sector Strategic Goals

## Strategic Goals

- ❑ Enhance Economic Productivity in Arid and Semi-Arid Lands (ASALs) and other regions, to promote sustainable basin based development;
- ❑ Promote and maintain a vibrant and sustainable co-operatives sector for economic transformation;
- ❑ Promote domestic trade and expand market access for Kenya exports while ensuring fair trade practices and consumer protection;
- ❑ Create an enabling environment for sustainable development and management of MSMEs to promote economic transformation;
- ❑ Promote sustainable manufacturing and industrial enterprises;
- ❑ Promote foreign and local investments by improving the business environment;
- ❑ Promote and market Kenya as a premier, sustainable tourism destination; and
- ❑ Strengthen Regional Integration for optimization of benefits and opportunities within EAC and the Northern Corridor.

# Autonomous and Semi- Autonomous Government Agencies

## Autonomous and Semi-Autonomous Government Agencies

The Sector has 4 Autonomous and 36 Semi-Autonomous Government Agencies. These include:

### Autonomous Government Agencies

1. East African Portland Cement Company (EAPCC)
2. Kenya Development Corporation (KDC)
3. Kenya Bureau of Standards (KEBS)
4. Kenya Industrial Property Institute (KIPI)

### Semi-Autonomous Government Agencies

1. Anti-Counterfeit Authority (ACA)
2. Coast Development Authority (CDA)
3. Ewaso Ng'iro North River Basin Development Authority (ENNDA)
4. Ewaso Ng'iro South River Basin Development Authority (ENSDA)
5. Export Processing Zones Authority (EPZA)
6. Financial Inclusion Fund -Hustler Fund (FIF)
7. Kenya Investment Authority (KenInvest)
8. Kenya Tourism Board (KTB)



# Autonomous and Semi- Autonomous Government Agencies

## Autonomous and Semi-Autonomous Government Agencies

9. Kenyatta International Convention Centre (KICC)
10. Kenya Utalii College (KUC)
11. Kenya Industrial Estates (KIE)
12. Kerio Valley Development Authority (KVDA)
13. Kenya Accreditation Services (KENAS)
14. Kenya Industrial Research and Development Institute (KIRDI)
15. Kenya Export Promotion and Branding Agency (KEPROBA)
16. Kenya National trading Corporation (KNTC)
17. Kenya National Multi-Commodities Exchange (KOMEX)
18. Kenya Trade Remedies Agency (KETRA)
19. Kenya Consumers Promotion Advisory Committee (KECOPAC)
20. Lake Basin Development Authority (LBDA)
21. Micro and Small Enterprise Authority (MSEA)
22. National Drought Management Authority (NDMA)

## **Autonomous and Semi-Autonomous Government Agencies**

23. New Kenya Co-operative Creameries (New KCC)
24. New Kenya Planters Co-operative union (New KPCU)
25. Numerical Machining Complex (NMC)
26. Rivatex EA LTD
27. Special Economic Zones Authority (SEZA)
28. SACCOs Society Regulatory Authority (SASRA)
29. Scrap Metal Council (SMC)
30. Tourism Research Institute (TRI)
31. Tourism Regulatory Authority (TRA)
32. Tourism Fund (TF)
33. Tourism Promotion Fund
34. Tana and Athi Rivers Development Authority (TARDA)
35. Uwezo Fund
36. Warehouse Receipt System Council (WRSC)

## **Autonomous and Semi- Autonomous Government Agencies**

**FY 2021/22  
- 2023/24  
Performance  
Review**

## **Sector Key Outcomes/Achievements**

During the period under review FY2021/22 – 2023/24, the following sectoral outcomes were achieved:

- ❑ Distributed food and non-food items to 818,370 people affected by El nino and floods during October November December short rains in 2023 and March April May long rains in 2024 respectively;
- ❑ Held 6 peace dividend forums to promote peace in six conflict prone Counties and held four (4) cultural peace events in Samburu, Marsabit, Laikipia and Nyandarua Counties;
- ❑ Produced 5,016,631 tree seedlings, distributed 500,000 seedlings to the community and schools/institutions, and grew 5,994,587 trees;
- ❑ Disbursed KSh. 5.4 Billion to farmers across 26 coffee growing counties in Kenya in 2023/24, up from Ksh. 202 Million in 2021/22;
- ❑ Facilitated recovery of outstanding remittances to SACCOS totalling Ksh. 455 Million in 2021/22 to Ksh. 491 Million in 2023/24;

**FY 2021/22 -  
2023/24  
Performance  
Review**

## **Sector Key Outcomes/Achievements cont'd**

- ❑ Capital adequacy in deposit-taking SACCOs improved from 15.81% in 21/22 to 17.67% in 23/24, well above the regulatory threshold of 10%;
- ❑ Increased the value of wholesale and retail trade by 2.74% from Kshs.814 Billion in 2022 to Kshs. 836.7 Billion in 2023;
- ❑ Kenya's earnings from exports grew by 16.3% from Kshs.874.4 Billion in 2022 to Kshs. 1,009.1 Billion in 2023;
- ❑ Kenya-European Union Economic Partnership (EPA) concluded, signed providing market for Kenyan goods and services to 27 countries, €18 trillion;
- ❑ Refurbished and operationalized 21 Constituency Industrial Development Centres across the country creating 3927 jobs directly and indirectly; mapped out and equipped CIDCs in the leather, textile, diary, Construction and building and edible oils priority value chains;

## Sector Key Outcomes/Achievements cont'd

- ❑ The share of the manufacturing sector to GDP stood at 7.6 per cent with the output growing by 2.8 per cent driven by growth in agro- processing subsectors in 2023;
- ❑ Under the Standards, IPRs and accreditation, 1,123 new standards developed, 45 conformity assessment bodies accredited and 700 IPRs registered;
- ❑ Trained 4,670 students on industrial skills and entrepreneurship; and 236 start-ups/youth on rapid-tech skills;
- ❑ Establishment of County Aggregation and Industrial Parks (CAIPs) in eighteen (18) counties commenced to support agro-processing and value addition;
- ❑ On-boarded 24.6 million Kenyans within the Financial Inclusion Fund (Hustler fund) platform with a repeat customer base of 7.5 Million. disbursed Kshs 60 Billion through Personal Loan Product and Kshs 3.3 Billion saved. Ksh.190 Million was saved as Voluntary savings and Kshs. 2.1 Billion as involuntary savings; 2 Million Kenyans borrowers rehabilitated and graduated to higher borrowing scale;

**FY 2021/22 -  
2023/24  
Performance  
Review**

## Sector Key Outcomes/Achievements cont'd

- ❑ Attracted investments worth Kshs 480 Billion in Domestic Direct Investment (DDI), and USD 1.504 Billion in Foreign Direct Investment (FDI);
- ❑ An Increased in international arrivals from 1.65 Million in FY 2022/23 to 2.128 Million in the FY 2023/24 while total tourism earnings increased from 297.3 Billion to Ksh.384.35 Billion in the same period;
- ❑ Eliminated cumulatively 273 Non-Tariff Barriers (NTBs) which resulted to an increase in Kenya's exports to the EAC market from Kshs. 226 Billion to Kshs. 305 Billion; and
- ❑ Capacity built a total of 1,888 cross boarder women, youth and PWDs on EAC trade rules regulations and procedures;

**FY 2021/22 -  
2023/24  
Performance  
Review**

**Some Pictorials on achievements for  
FY 2021/22 – 2023/24**



## New Kenya Co-operative Creameries (New KCC) and EPZ Athi River Textile Hub





## Meru County CAIP progress and Verification of prover tanks used as standards



## Wananchi cottages in Kilifi





**Analysis of Recurrent Approved Budget Vs Actual  
Expenditure (Amount in Kshs. Millions) for FYs  
2021/22 – 2023/24**

## Analysis of Recurrent Approved Budget Vs Actual Expenditure (Amount in Kshs. Millions) for FYs 2021/22 – 2023/24

Description	Approved Budget Allocation (Ksh. Million)			Actual Expenditure (KSh. millions)		
	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
<b>Gross</b>	19,705.48	29,820.53	46,753.07	18,856.50	27,000.27	39,769.01
<b>AIA</b>	8,946.61	12,461.19	16,181.70	8,719.65	11,214.50	12,564.24
<b>NET</b>	10,758.87	17,359.34	30,571.37	10,136.85	15,785.77	27,204.77
<b>Compensation to Employees</b>	2,076.71	2,057.08	2,349.21	2,015.87	2,002.83	2,202.76
<b>Transfers</b>	15,818.12	24,702.83	39,431.94	15,126.93	22,434.04	33,562.15
<b>Other Recurrent</b>	1,810.65	3,060.62	4,971.92	1,713.70	2,563.40	4,004.10

Vote and Vote Details	Approved Budget			Actual Expenditure					
	2021/22	2022/23	2023/24	2021/22	Absorption Rate(%)	2022/23	Absorption Rate(%)	2023/24	Absorption Rate(%)
Vote 1036 State Department for ASALS and Regional Development	4,030.44	9,713.35	20,865.38	3,505.91	87	8,483.23	87	18,818.54	90
Vote 1173: State Department for Co-operatives	1,494.89	2,137.90	1,883.05	1,578.65	106	1,922.22	90	1,730.98	92
Vote 1174 State Department for Trade	2,520.73	2,952.76	3,502.79	2,431.60	96	2,937.45	99	3,183.05	91
Vote 1175: State Department for Industry	3,310.12	2,672.00	2,999.78	3,137.34	95	2,250.00	84	2,928.44	98
Vote 1176: State Department for Micro, Small and Medium Enterprises (MSMEs) Development	-	587.62	2,090.37	-	-	541.67	92	1,466.30	70
Vote 1177: State Department for Investment Promotion	-	926.00	1,672.00	-	-	899.00	97	1,343.00	80
Vote 1202: State Department for Tourism	7,740.00	10,055.00	12,757.00	7,599.00	98	9,206.00	92	9,338.00	73
Vote 1221: State Department for East African Community	609.30	775.90	982.70	604.00	99	760.70	98	960.70	98
<b>TOTAL (KSh. millions)</b>	<b>19,705.48</b>	<b>29,820.53</b>	<b>46,753.07</b>	<b>18,856.50</b>	<b>96</b>	<b>27,000.27</b>	<b>91</b>	<b>39,769.01</b>	<b>85</b>


**Analysis of Development Approved Budget Vs  
Actual Expenditure (Amount in Ksh. Millions) for  
FYs 2021/22 – 2023/24**

# Analysis of Development Approved Budget Vs Actual Expenditure (Amount in Ksh. Millions) for FYs 2021/22 – 2023/24

Description	Approved Budget Allocation (Ksh. Million)			Actual Expenditure (KSh. millions)		
	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
<b>Gross</b>	18,711.46	42,732.77	32,931.22	16,410.79	27,322.23	14,086.34
<b>GOK</b>	10,143.54	36,534.08	26,976.22	9,562.43	22,560.07	9,712.43
<b>Loans</b>	7,199.24	4,807.90	3,956.00	5,933.38	3,930.86	3,200.52
<b>Grants</b>	1,368.68	1,390.79	1,724.00	914.98	831.30	1,098.81
<b>Local AIA</b>	-	-	275.00	-	-	74.58

Vote and Vote Details	Approved Budget			Actual Expenditure					
	2021/22	2022/23	2023/24	2021/22	Absorption Rate(%)	2022/23	Absorption Rate(%)	2023/24	Absorption Rate(%)
Vote 1036: State Department for ASALS and Regional Development	12,428.93	18,066.22	9,599.98	11,541.81	93	12,639.16	70	6,404.48	67
Vote 1173: State Department for Co-operatives	432.71	20,822.49	5,949.85	429.15	99	12,760.57	61	2,082.88	35
Vote 1174 State Department for Trade	2,386.92	1,265.05	50.00	2,004.99	84	794.50	63	50.00	100
Vote 1175: State Department for Industry	2,987.90	1,236.00	5,743.19	1,959.84	66	1,069.00	86	2,485.51	43
Vote 1176: State Department for Micro, Small and Medium Enterprises (MSMEs) Development	-	46.00	5,929.20	-	-	46.00	100	1,720.47	29
Vote 1177: State Department for Investment Promotion	-	1,238.00	5,517.00	-	-	-	-	1,256.00	23
Vote 1202: State Department for Tourism	475.00	59.00	142.00	475.00	100	13.00	22	87.00	61
Vote 1221: State Department for East African Community	-	-	-	-	-	-	-	-	-
<b>TOTAL (KSh. millions)</b>	<b>18,711.46</b>	<b>42,732.76</b>	<b>32,931.22</b>	<b>16,410.79</b>	<b>88</b>	<b>27,322.23</b>	<b>64</b>	<b>14,086.34</b>	<b>43</b>





**FY2025/26 – 2027/28**  
**Sector's Programmes and their objectives**

# FY2025/26 – 2027/28

## Sector Programmes and their Objectives

In the Medium Term Plan, the sector targets to implement sixteen (16) programmes and their objectives are as outlined

S/No.	Programme	Objective
1.	Accelerated ASALs Development	To ensure accelerated and sustained socio-economic development in the ASALs, build community resilience and end drought emergencies in Kenya.
2.	Integrated Regional Development	To promote equitable and sustainable basin-based development and land utilization
3.	Co-operative Development and Management	To promote growth and development of co-operatives through capacity building and provision of appropriate policy, legal and institutional framework.
4.	Domestic Trade Promotion and Regulation	To facilitate the growth of domestic Trade
5.	Fair Trade Practices and Compliance with Standards	To ensure fair trade practices and consumer protection

## FY2025/26 – 2027/28

### Sector Programmes and their Objectives cont'd

S/No.	Programme	Objective
6.	International Trade Development and Promotion	To promote export trade and brand reputation
7.	Industrial Promotion and Development	To promote and facilitate industrial development through value addition, industrial infrastructure, industrial training and technology upgrading.
8.	Standards and Quality Infrastructure and Research	To provide standards, quality infrastructure and industrial research for improved industrial performance.
9.	Promotion and Development of MSMEs	To create a conducive environment for growth and sustainability of MSMEs sector
10.	Product and Market Development for MSMEs	To promote standardization and enhance quality of MSMEs products and services
11.	Digitization and Financial Inclusion for MSMEs	To Increase Wealth Creation through MSMEs Sector

## FY2025/26 – 2027/28

### Sector Programmes and their Objectives cont'd

S/No.	Programme	Objective
12.	Investments Development and Promotion	To increase private investments both domestic and foreign
13.	Tourism Promotion and Marketing	To increase tourist arrivals and earnings by marketing Kenya as a tourist destination.
14.	Tourism Product Development and Diversification	To improve destination competitiveness
15.	East African Affairs and Regional Integration	To coordinate Kenya's participation in the EAC Regional integration process and monitor and evaluate implementation of northern corridor development
16.	General Administration, Support Services and Planning	To strengthen institutional capacity for service delivery

**Sector's Key Priorities for the MTEF Period 2025/26 –  
2027/28**

## **Sector's Key Priorities for the MTEF Period 2025/26 – 2027/28**

- ❑ **Promote regional socio-economic development** through sustainable utilization and conservation of natural resources by planning, developing and implementing integrated projects and programmes on development of water infrastructure, value addition and climate change mitigation and catchment conservation;
- ❑ **Promote sustainable socio-economic development in the ASALs** and build resilience through community integration initiatives, relief and humanitarian assistance, resilience programmes, and peace building;
- ❑ **Promotion and registration of cooperatives** across the identified national value chains and governance support to sustain the aggregation activities;
- ❑ **Promotion and capacity development for cooperatives** across priority value chains. This include developing common user facilities to support aggregation such as cotton ginneries; dairy and coffee processing facilities;
- ❑ **Market access and diversification:** this enables Kenya to export more goods and services, create jobs in various sectors, generating foreign exchange, and attracting foreign investment;

**Sector's Key  
Priorities for the  
MTEF Period  
2025/26 –  
2027/28**

- ❑ **Implementation of negotiated trade agreements:** provides preferential market access to Kenya's products in foreign markets, leads to diversification of export base, eliminate or reduce tariffs and non-tariff barriers, making Kenyan products more competitive in global markets;
- ❑ **Commodity exchange and warehousing:** provides a transparent platform for price discovery, ensuring fair and competitive prices for commodities;
- ❑ **Promotion of fair trade practices and consumer promotion** through accreditation, national legal metrology, trade remedies, protection of industrial property rights and promotion of consumer rights;
- ❑ **Establishment of County Aggregation and Industrial Parks (CAIPs)** in nineteen (19) counties commenced to support agro-processing and value addition;
- ❑ **Train 4700 students on industrial and entrepreneurship skills**, and enhance industrial partnerships for re-skilling & upskilling of industrial worker;

**Sector's Key  
Priorities for the  
MTEF Period  
2025/26 –  
2027/28**

- ❑ **Increase apparel & textile processing** locally through provision of inputs and sourcing of cotton bales from farmers/ginneries;
- ❑ **Capacity built small and medium industrial** through incubation/common manufacturing services, performance improvement grants to SMIs/intermediaries, industrial research and technology transfer, standardization, accreditation and industrial property/brand rights protection;
- ❑ **Promotion of MSME sector** through: regulation; entrepreneurship and business development services upgrading and consultancy; financing and incubation; market linkages; provision of decent work spaces and formalization of the sector while providing affordable credit to MSMEs with specific focus on the BETA Priority Value Chains;
- ❑ **Increase the level of private investments (FDI and DDI)** from the current GDP level of 15% to 20% by 2027 (investments valued at USD 10 Billion) and by 24% of GDP by 2030;
- ❑ **Development of Economic Zones:** flagship export processing zones and Naivasha special economic zone;



**Sector's Key  
Priorities for the  
MTEF Period  
2025/26 –  
2027/28**

- ❑ **Accelerate and sustain the growth in Tourism product development and quality**, tourism earnings and job creation through adequate responsive strategies;
- ❑ **Diversify Kenya tourism** by mapping, developing and promoting tourism niche products like adventures, sports, cultural tourism, and expand source markets with special focus on African market;
- ❑ **Increase trade and market access** for Kenyan goods and services in the EAC market by negotiating for adoption of regional policies aligned to the MTP IV priorities in agriculture, manufacturing and food security and negotiating conclusion of 3 EAC free trade areas agreements i.e UK, UAE, and Pakistan; and
- ❑ **Deepen and widen EAC integration** and elevate Kenya's anchor status through negotiation for adoption of regional policies , projects and framework to enhance free movement of goods, services and persons.

# Analysis of Sector Recurrent Resource Requirement Vs Allocation for MTEF Period 2025/26 – 2027/28 (Ksh. Million)

Economic Classification	Approved Estimates	Requirement (KSh.Millions)				Allocation (KSh.Millions)		
	2024/25	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	
<b>Gross</b>	29,906.50	77,727.17	78,035.50	81,017.14	36,855.60	38,425.87	40,434.47	
<b>AIA</b>	13,960.00	20,343.10	22,072.19	23,865.99	20,407.80	21,326.99	22,280.19	
<b>NET</b>	15,946.50	57,384.07	55,963.31	57,151.15	16,447.80	17,098.88	18,154.28	
<b>Compensation to Employees</b>	2,618.79	3,389.78	3,459.85	3,600.90	2,954.10	3,037.91	3,124.28	
<b>Transfers</b>	24,930.79	58,930.64	58,100.23	58,916.60	29,479.57	31,405.05	34,105.09	
<b>Other Recurrent</b>	2,356.92	15,406.75	16,475.43	18,499.64	2,493.65	2,531.41	2,632.38	

# Analysis of Sub Sectors Recurrent Resource Requirement vs Allocation for MTEF Period 2025/26 – 2027/28 (Ksh. Million)

ANALYSIS BY SUB-SECTOR (STATE DEPARTMENT)							
Sub Sectors	Printed Estimates	REQUIREMENT Kshs. Millions			ALLOCATION Kshs. Millions		
	2024/25	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28
ASALs & Regional Development	4,805.56	16,387.01	16,586.47	18,101.37	4,499.23	4,610.34	5,053.19
Cooperatives	6,709.71	16,816.67	14,323.14	13,526.19	6,871.32	6,947.10	7,009.54
Trade	3,071.74	12,920.46	12,972.43	13,165.06	3,299.85	3,375.65	3,449.78
Industry	2,248.41	4,362.00	5,100.20	5,743.08	2,799.37	3,027.42	3,372.91
MSMEs	1,487.04	2,825.29	3,188.31	3,471.36	1,574.30	1,649.65	1,735.26
Investments Promotion	1,165.69	3,033.89	3,212.08	3,424.70	1,291.44	1,430.18	1,589.66
Tourism	9,845.61	18,212.39	19,263.83	20,063.21	15,932.67	16,776.79	17,592.71
EAC	572.74	3,169.46	3,389.04	3,522.18	587.43	608.73	631.43
<b>Gross Kshs. Millions</b>	<b>29,906.50</b>	<b>77,727.17</b>	<b>78,035.50</b>	<b>81,017.14</b>	<b>36,855.60</b>	<b>38,425.87</b>	<b>40,434.47</b>

# Analysis of Sector Development Resource Requirement Vs Allocation for MTEF Period 2025/26 – 2027/28 (Ksh. Million)

Description	Approved Budget	Requirement (KSh, Millions)			Allocation (KSh, millions)		
	2024/25	2025/26	2026/27	2027/28	2025/26	2026/27	2023/24
<b>Gross</b>	15,759.93	104,673.42	120,758.83	151,902.87	27,273.20	41,675.90	44,483.20
<b>GoK</b>	9,677.02	70,628.53	84,508.17	119,681.07	16,560.00	32,629.30	36,044.60
<b>Loans</b>	3,940.30	23,906.96	24,833.25	21,582.70	7,056.60	5,723.00	5,723.00
<b>Grants</b>	1,672.61	6,863.93	8,466.41	8,649.10	1,672.60	1,672.60	1,672.60
<b>Local AIA</b>	470.00	3,274.00	2,951.00	1,990.00	1,984.00	1,651.00	1,043.00

# Analysis of Sub Sectors Development Resource Requirement vs Allocation for MTEF Period 2024/25 – 2026/27 (Ksh. Million)

ANALYSIS BY SUB-SECTOR (STATE DEPARTMENT)								
Sub Sector	Printed Estimates	REQUIREMENT Kshs. Millions				ALLOCATION Kshs. Millions		
	2024/25	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	
ASALs & Regional Development	3,927.56	36,824.92	54,790.85	61,907.41	2,732.30	6,344.90	7,058.70	
Cooperatives	2,000.00	8,136.00	8,523.94	8,962.45	1,765.50	3,028.49	3,486.14	
Trade	290.00	5,143.98	5,009.96	5,810.98	170.00	1,509.54	1,782.77	
Industry	3,343.87	12,329.52	9,757.18	10,909.20	6,132.36	9,039.94	9,825.46	
MSMEs	4,528.50	23,072.00	23,092.00	17,132.50	10,112.00	12,293.52	13,044.88	
Investments Promotion	1,200.00	16,013.00	16,683.90	45,190.33	4,313.04	7,487.73	7,863.42	
Tourism	470.00	3,154.00	2,901.00	1,990.00	2,048.00	1,971.78	1,421.83	
EAC	-	-	-	-	-	-	-	
<b>Gross Kshs. Millions</b>	<b>15,759.93</b>	<b>104,673.42</b>	<b>120,758.83</b>	<b>151,902.87</b>	<b>27,273.20</b>	<b>41,675.90</b>	<b>44,483.20</b>	

# **Programmes and Projects aligned to BETA Priority Value Chains to be implemented in the FY 2025/2026**

1. ASALs & Regional Development Sub Sector : Implementation of smallholder irrigation projects to address food security and value addition through Agro-Industrialization – RDAs **KSh. 216 Million.**
2. Cooperatives Sub Sector: **KSh. 3 billion** for Coffee Cherry Advance Revolving Fund; **Ksh. 2 billion** for Coffee debt waiver, **Ksh. 1 billion** for milk mop up by New KCC, **Ksh. 500 million** towards expansion of New KCC processing facilities, **Ksh.100 Million** Modernisation of ginnery and **Ksh.127.5 Million** for Digitization of delivery of co-operative services.
3. Trade Sub Sector : Route to Market (All priority value chains) **KSh.120 Million** and Product development for BETA Priority Value Chain **KSh.120 Million**
4. Industry Sub Sector : Value addition (Manufacture of fabrics & apparels) **KSh.40 Million**; Implementation of CAIP **KSh.4.6 Billion**; and Construction and equipping of industrial research laboratories (KIRDI) **KSh.500 Million**; Cotton Value Chain **KSh.20 Million**; Performance Improvement Grants to **SMEs KSh. 796 Million**; and industrial skills training **KSh. 70 Million.**
5. MSMEs Development Sub Sector : Financial Inclusion Fund (Hustler Fund) **KSh.5 Billion**; Construction of CIDC **KSh.100 Million**; and Provision of Finance to SMEs in the Manufacturing Sector – Kenya Industrial Estate - **KSh.50 Million**
6. Investment Promotion Sub Sector : Special Economic Zone at Naivasha **KSh.440 Million** – Flagship Export Processing Zone Hubs **KSh.2.2 Billion.**

# Interventions to issues arising from countrywide stakeholder engagement

Key Issue	Proposed Recommendations by County Stakeholders	Proposed Interventions by the Sector in FY 2025/26
Poor management of cooperatives	<ul style="list-style-type: none"> <li>▪ Registration of farmers into cooperative societies</li> <li>▪ Sensitization of locals on importance of cooperatives</li> <li>▪ Avail subsidies to cooperatives</li> <li>▪ Enhance monitoring of cooperatives</li> </ul>	<p>Capacity building the County Government officers To Spearhead members recruitment.</p> <p>Audit, inspections and inquiries on the concerned societies be carried out.</p>
Limited access to credit for MSMEs	<ul style="list-style-type: none"> <li>▪ Avail affordable credit facilities for MSMEs .</li> <li>▪ Sensitise local traders on available credit facilities like <i>hustlers' fund</i>.</li> </ul>	<p>Affordable Credit is advanced through FIF, UWEZO and KIE. Sensitization of FIF to be undertaken.</p> <p>Market Linkages and Access provided through MSEA and KIE.</p> <p>Re-engineering Uwezo Fund and KIE to better support MSMEs</p>



# Interventions to issues arising from countrywide stakeholder engagement cont'd

Key Issue	Proposed Recommendations by County Stakeholders	Proposed Interventions by the Sector in FY 2025/26
Unidentified tourism attraction sites in Counties	Identification of tourists attraction sites	Mapping, developing and promotion of tourists sites
Inadequate information on EAC opportunities	Create awareness on the importance of EAC as Kenya's Export Market and also create awareness on the Trade and Investment opportunities within EAC for Kenyans.	Conduct National outreach programmes targeted to create awareness on opportunities available in the Regional Market
Training for youth	To come up with program for youth on training on starting a business, operation, value addition and marketing.	Training of start-ups and incubation of new business ideas already being implemented by MSEA, KIE, KIRDI, KIBT, etc. Sensitization to be up-scaled.
Investments and ease of doing business	To make the business environment more conducive for investment an action plan was developed to address main concerns. Top on the list were cost of energy, cost of capital and high taxation.	To address these concerns, priority will be placed on business laws and amendments, policy changes and legal reviews.



# Interventions to issues arising from countrywide stakeholder engagement cont'd

Key Issue	Proposed Recommendations by County Stakeholders	Proposed Interventions by the Sector in FY 2025/26
Promotion of wholesale and retail trade in the Country.	The need to give attention to domestic trade (Buy Kenya Build Kenya)	<p>FastTrack the Review the National Trade Policy and Trade Development Bill.</p> <p>Promotion of fair trade practices and consumer protection</p>
Promotion of exports	The need to facilitate counties to promote the export of exportable products from the Counties	Review of the Integrated National Export Development and Promotion Strategy
Limited value addition	Capacity of Small And Medium Industries (SMIs) on industrial technologies and access to markets.	<ol style="list-style-type: none"> <li>1. Establishment of County Aggregation and Industrial Parks</li> <li>2. Development and transfer of industrial technologies to SMIs.</li> </ol>

# Sector Emerging Issues

## Emerging Issues

- ❑ **Geopolitical Tensions:** Rising tensions between major powers, such as the ongoing conflict between Russia and Ukraine, Middle East conflict disrupts Supply chain, leading to shortages of essential goods and increased prices. Ongoing geopolitical tensions and other factors can further disrupt these supply chains, impacting economic activity.
- ❑ **Debt Crisis:** Many countries, particularly emerging market economies, are facing high levels of debt. Rising interest rates and economic slowdowns can make it difficult for countries to service their debts, potentially leading to financial crises.
- ❑ **Inflation:** Rising inflation can erode purchasing power, reduce consumer confidence, and make it more difficult for businesses to plan and invest. Central banks may need to raise interest rates to combat inflation, which can slow economic growth.
- ❑ **Technological Disruption:** Rapid technological advancements can create new opportunities for economic growth but also disrupt traditional industries and jobs. Need to adapt to these changes to remain competitive in the global economy.

# Challenges

## Sector Challenges

### Economic Challenges

- ❑ Inadequate funding which has hampered the sector's ability to fulfil its mandate
- ❑ High cost of energy making Kenyan goods and services uncompetitive globally

### Policy and Regulatory Challenges

- ❑ The Sector lacks adequate legislations for effective execution of its mandate
- ❑ Misaligned policies and regulations creating obstacles in project implementation.
- ❑ Continuous Re-occurrence of non-tariff Barriers (NTBs) hindering market access for goods and services
- ❑ Multiple Trade Regulations hindering domestic and regional trade.
- ❑ Slow adoption of digital technologies in service delivery across the sector.
- ❑ Lack of clear policies on sovereign guarantees.

# Challenges

## Challenges ...cont'd

### Institutional Challenges

- ❑ Gaps in governance capacity limit effective project management.
- ❑ Weak Business Membership Organizations (BMOs) to advocate for the sector interests.

### External Challenges

- ❑ Climate change impacts agriculture, forestry, and food supply, and price stability of essential commodities locally and the country's exports. affecting the economy.
- ❑ Global economic trends, increased currency volatility and geopolitical dynamics impact the implementation of trade policies in Kenya. Russia and Ukraine conflict and Middle East tension have disrupted supply chains and markets. Health and pandemic risks may lead to future health crises and subsequently have economic impact.

# Recommendations

To ensure that the Sector contributes effectively to the attainment of targets set in the medium term and contribute to the economy, it is recommended that:

## Resources Mobilization

Seek additional funding from development partners and strengthen the PPP framework to enable private sector participation.

## Policy and Regulation Reforms

Fast track completion and enactment of various Sector policies and legal Bills as well as strengthening the sector's legal framework and address inefficiencies;

## Expansion of Exports

Accelerate trade negotiations to enhance market access and increase exports.

Resolve Non-Tariff Barriers (NTBs) with trading partners

Increase foreign commercial service offices globally to grow exports

Expand trade relationships beyond traditional partners/markets

Establish Kenya Commercial/Trade Centres in key foreign markets

Recommen  
ndations

## Recommendations Cont'

- ❑ **Human Capacity Strengthening:** Invest in staff recruitment, development, and succession planning across the sector
- ❑ **Climate Change Mitigation and Adaptation:** adopting sustainable green development and increase in funding for climate change initiatives and drought relief.
- ❑ **ICT Infrastructure Investment:** Invest in ICT infrastructure to improve broadband connectivity and digital service delivery.
- ❑ **Collaboration with County Governments and Private Sector:** Establish a framework for closer collaboration with county governments, the private sector and other stakeholders.
- ❑ **Capacity Building:** Build the capacity of value chain actors to meet market access requirements.

Recommen  
ndations

## Conclusion

## Conclusion

- ❑ The GECA Sector is a crucial driver of Kenya's economic growth and development. It plays a significant role in implementing programs and projects aligned with Kenya Vision 2030, Medium Term Plan IV and the Bottom-Up Economic Transformation Agenda.
- ❑ In the MTEF period, FYs, 2025/26, 2026/27 and 2027/28, the Sector has been allocated **Ksh. 36,855.60 Million**, **Ksh. 38,425.87 Million** and **Ksh. 40,434.47 Million** for recurrent budget and **Ksh. 27,273.20 Million**, **Ksh. 41,675.9 Million** and **Ksh. 36,044.60 Million** for development expenditure respectively.
- ❑ However, implementation of the planned programmes and projects, the sector required a total of **Ksh. 77,727.17 Million**, **Ksh. 78,035.50 Million** and **Ksh. 81,018.14 Million** for recurrent expenditure in the financial years 2025/26, 2026/27 and 2027/28 respectively. For development expenditure, a total of **Ksh. 104,673.42 Million**, **Ksh. 120,758.83 Million** and **Ksh. 151,902.87 Million** was required in the financial years 2025/26, 2026/27 and 2027/28 respectively.

## Conclusion

## Conclusion cont'd

- ❑ The Sector therefore recognizes the role of both internal and external stakeholders across the economy whose engagement is important and is effectively and increasingly becoming a strategic necessity in the formulation and implementation of policies as well as monitoring and evaluation of programmes and projects.
- ❑ The GECA Sector aims to improve service delivery by optimizing resource use, identifying cost-saving measures and enhancing revenue generation measures. This will contribute to the overall socio-economic well-being of Kenyan citizens.



*Thank*

*you*

