ENERGY, INFRASTRUCTURE AND ICT SECTOR REPORT FOR MTEF BUDGET
FY2024/25 – 2026/27

SECTOR PRESENTATION

BY

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SECTOR CHAIRPERSON

Outline

i. Introduction

ii. Key Achievements during FY2020/21-FY22/23

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I. Introduction

Sector Vision

A world-class provider of cost-effective public utilities, infrastructure facilities and services in Energy, Transport, ICT, Maritime industry and built environment.

Sector Mission

To provide efficient, affordable and reliable infrastructure and services for sustainable economic growth and development.

The Sector has 9 Sub-Sectors and 45 SAGAs as follows;

#	Sub-Sector	Number of SAGAs
1	State Department for Roads	6
2	State Department for Transport	7
3	State Department for Shipping and Maritime Affairs	3
4	State Department for Housing and Urban Development	2
5	State Department for Public Works	3
6	State Department for ICT and Digital Economy	5
7	State Department for Broadcasting and Telecommunications	9
8	State Department for Energy	7
9	State Department for Petroleum	3

I. Introduction Cont'd

Sector Strategic Goals

i.   Sustainable infrastructure development.

ii. Universal access to ICT, Transport and built environment services.

iii. Enhanced shipping and maritime industry for socio economic development.

iv. Accessible, affordable, reliable, quality and competitive energy and petroleum products and services.

I. Introduction Cont'd

Sector Strategic Objectives

i.   Formulate/review policies, legal and institutional framework;

ii. Improve infrastructure quality, safety, and security;

iii. Expand, modernize and maintain an integrated, safe and efficient transport system;

iv. Promote maritime and shipping affairs;

v.   Develop and manage decent and affordable housing;

vi. Promote sustainable urban development and management;

I. **Introduction** Cont'd

vii. Develop and maintain cost effective public buildings and other public works;

viii. Regulate the construction industry;

ix. Undertake research and innovation in infrastructure development;

x. Develop ICT infrastructure and enhance services;

xi. Manage data protection complaints;

xii. Develop Broadcasting infrastructure and enhance services

xiii. Provide strategic government communication services and systems;

II. Key Achievements during FY2020/21-FY22/23

1. Roads

i. Constructed 3,805 Km of new roads;

ii. Rehabilitated 240 km of roads;

iii. Maintained 122,736 Km of roads;

iv. Designed 4,923 Km of roads;

v. Constructed 73 bridges; and

vi. Trained 14,603 plant operators, contractors and technicians.

2. Transport

i. Completed 120Km of Nairobi-Naivasha standard gauge railway line and Naivasha inland container depot;

ii. Rehabilitated 69 km of Kisumu-Butere, 65 Km Leseru-Kitale and 78Km Gilgil-Nyahururu rail branch lines

iii. Operationalized the East African Community Regional Centre for Aviation Medicine and Air Navigation Disaster Recovery Centre at JKIA;

iv. Completed construction of three berths of Lamu Port;

v. Constructed Migori Airstrip and rehabilitated Kitale, Kakamega, Wajir and Kotulo Airstrips; and

vi. Installation of the Intelligent Road Safety Management System is 92% complete.

3. **Shipping and Maritime**

i. Trained 7,709 seafarers out of which 1,516 were offered sea time and 2,416 recruited on foreign ships,

ii. Ten (10) Maritime Education and Training institutions were inspected and audited to ensure quality assurance and enhance the quality of trainees,

iii. Inspected and certified 4,817 ships calling Kenyan ports, and 554 small vessels and 14 port facilities for safety compliance as per the International Ship and Port Facility Security (ISPS) code,

iv. Lifted 242 Twenty foot-Equivalent Unit of cargo leading to increased revenue,

v. Signed MOUs with Seychelles, Denmark, Netherlands, Mediterranean Shipping Company, Palau, CMA CGMA and Liberia on maritime matters to provide sea time training and mutual recognition competence certificate.

4.   **Housing and Urban Development**

i.   Constructed 2,250 housing units and 19,414 housing units are ongoing under affordable and social housing programs,

ii.   Completed 9 Markets and 8 markets are ongoing,

iii. Established 13 Constituency Appropriate Building and Construction Technology (ABMT) centers and trained 6150 trainees on ABMTs,

iv. Supported infrastructure development and capacity building in 45 counties in implementing the Kenya Urban Support Program (KUSP),

v.   Facilitated issuance of 1,020 title deeds in informal settlements through the Kenya Informal Settlement Improvement Project (KISIP) to regularize land tenure.

5. Public Works

i. Completed construction of Mtangawanda Jetty, Lamu Terminal Jetty Access and construction of New Mokowe Jetty is ongoing,

ii. Completed construction of 33 footbridges country wide,

iii. Designed, documented and supervised 259 new government building projects and 298 buildings for rehabilitation and maintenance;

iv. Completed construction of Kericho Ardhi House and Mathare Nyayo Hospital;

v. Inspected and audited 5,008 buildings and structures for safety;

vi. Registered 30,661 contractors and accredited 83,105 skilled construction workers for quality assurance.

6. ICT and Digital Economy

i. Deployed 640KM of fibre from Eldoret to Nadapal, and 2,501 KM to 290 sub-county sites;.

ii. Connected and maintained 660 Government buildings, 46 hospitals and 46 Public Wi-Fi sites in markets across the country.

iii. Operationalized the Office of the Data Protection Commissioner in Nairobi, Mombasa, Kisumu and Nakuru regions

iv. Completed Konza National Data Centre with 72 clients on-boarded

v. Fully on-boarded 5,084 Government services to E-citizen portal for enhanced access to Government services

vi. Trained and linked 2,079,658 youths to online jobs (Ajira) and 1,200 ICT graduates in Presidential Digital Talent Programme (PDTP),

vii. Distributed 5,850 Virtual Desktop Infrastructure (VDIs) to 64 TVETs, 300 in 3 Universities and 420 VDIs in 10 High schools.

II. Key Achievements during FY2020/21-FY22/23 cont'd..

7. Broadcasting and Telecommunications

i. Gathered and disseminated news and information in both print and electronic media;

ii. Developed twenty-one (21) media standards which include modules for accreditation guidelines;

iii. Accredited 24,414 journalists and supported on-job trainings of 7,710 journalists in mass media;

iv. Developed twelve (12) curricula at both certificate and Diploma levels and trained 2,027 Media Practitioners in information and cinematic arts;

v. Imparted 1,582 youths with film production skills and supported 55 film industry projects;

vi. Produced, printed and disseminated 9,000 Kenya Yearbook and 40,000 Agenda Kenya publications.

8. **Energy**

i.   Increased the installed capacity from 2840MW as of June 2020 to 3312MW as of June 2023.

ii. Constructed 675Km of transmission line, 4 new high voltage substations, 1,266.7Km of medium voltage distribution lines and 30 distribution substations.

iii. Connected 1,681,404 new customers to electricity, including 1,702 public facilities, leading to a cumulative total of 9.2 million customers connected;

iv. Installed 54,577 street lighting points in different parts of the country to promote 24-hour economy and enhance security

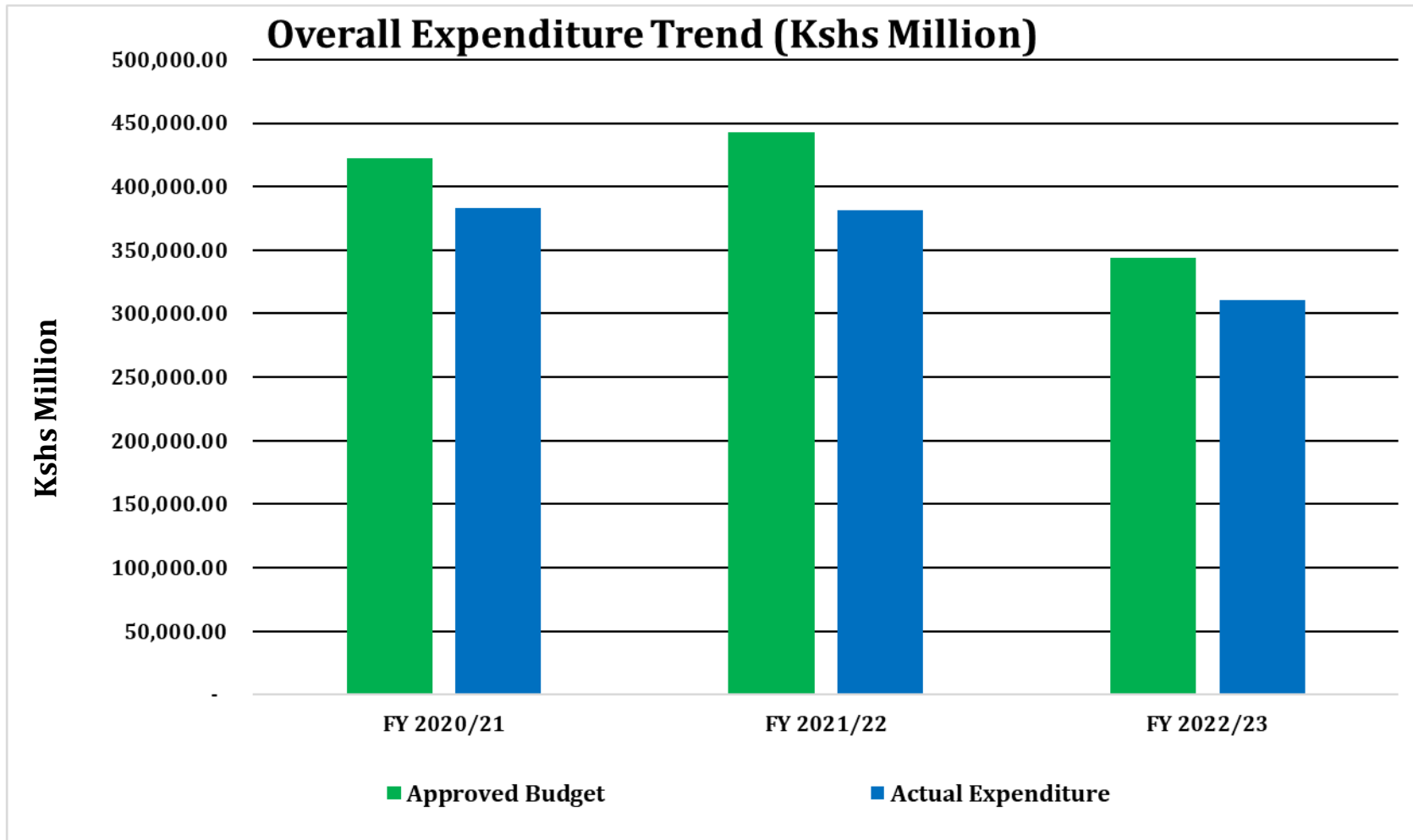v.   Installed 529 domestic biogas systems in 33 counties to promote clean cooking

9. Petroleum

i. Reviewed the South-Lokichar Field Development Plan (FDP) to facilitate development of the oil fields;

ii. Acquired Geoscientific Data in Block L16 covering 1,600KM2 and in Block L17 covering 600KM2 to establish oil and gas potential in the petroleum blocks;

iii. Finalized and Gazetted Petroleum (Importation) Regulations, 2023 and Petroleum (Pricing) Regulations, 2022 to give effect to the Petroleum Act, 2019;

iv. 20.2 million Metric Tonnes of petroleum products imported and distributed ;

v. Tested 62,455 samples of petroleum products to mitigate against adulteration and diversion of petroleum products meant for export;

vi. Produced and trucked 415,032 barrels of crude oil to Kenya Petroleum Refineries Limited (KPRL) storage and 414,777 barrels of crude oil were exported under Early Oil Pilot Scheme (EOPS) to test marketability.
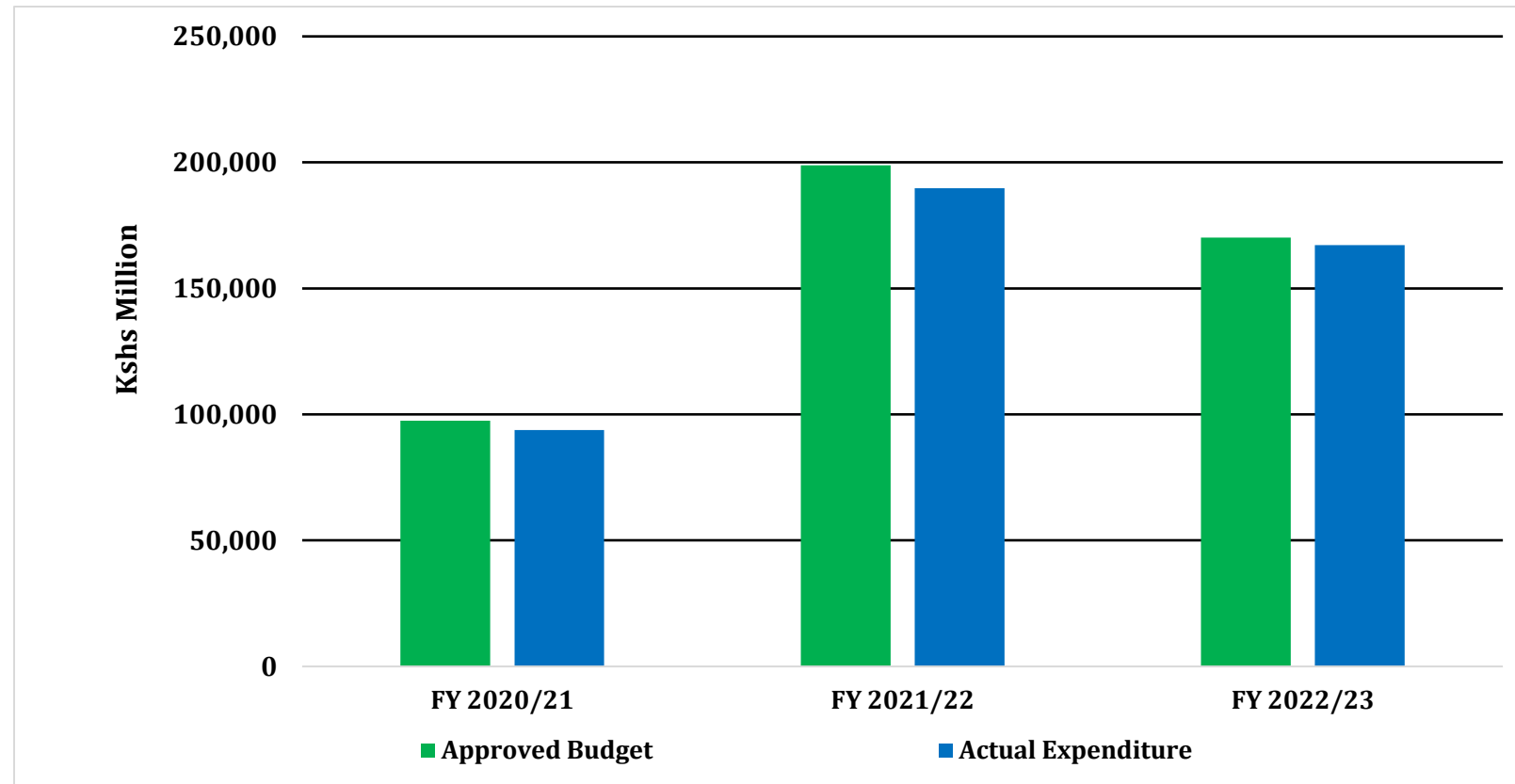
Overall Expenditure Trend (Kshs Million)

The Sector spent Kshs 1.08 trillion against an Approved Budget of Kshs 1.21 trillion translating to an average absorption rate of 89% over the review period.

III. Recurrent Expenditure Trends for FY2020/21 – 2022/23

Actual Recurrent expenditure was Kshs 450.73 billion against an Approved Budget of Kshs 466.47 billion translating to an average absorption rate of 97%
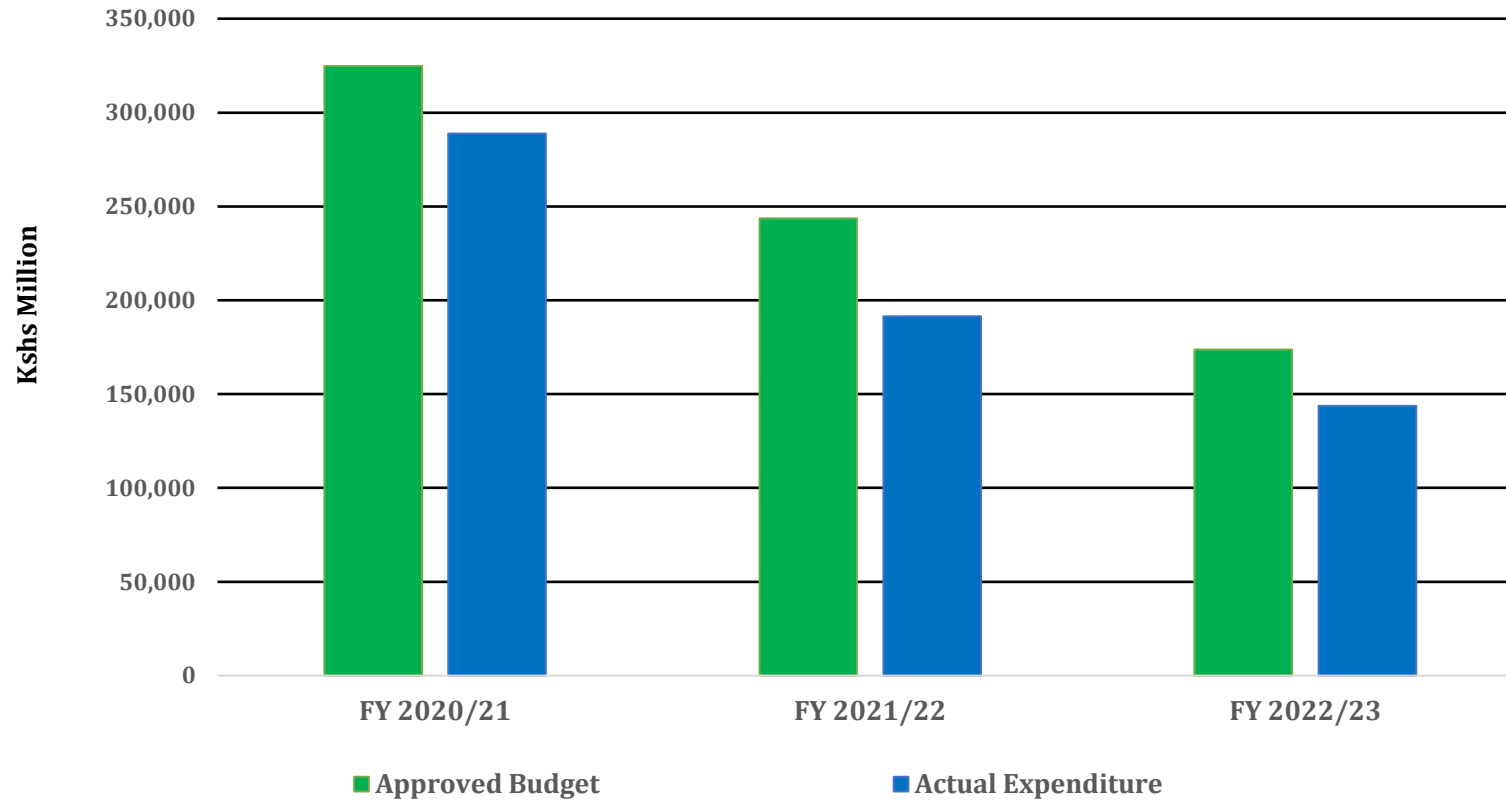
III. Analysis of Recurrent Expenditure Trends by Economic Classification (KSh. Millions)

Economic Classification	Approved Budget			Actual Expenditure		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
ENERGY, INFRASTRUCTURE AND ICT						
GROSS	97,522	198,834	170,115	93,829	189,714	167,189
AIA	82,587	117,461	109,619	79,190	110,010	108,777
NET	14,935	81,373	60,497	14,639	79,704	58,387
Compensation of Employees	4,512	4,731	4,636	4,396	4,459	4,600
Transfers	87,066	109,192	99,098	83,960	102,425	97,690
Other Recurrent	5,944	84,911	66,381	5,473	82,830	64,899
Utilities	101	107	91	85	81	76
Rent	285	609	368	279	590	354
Insurance	63	63	38	63	61	37
Subsidies	16	81,043	63,114	16	79,676	62,514
Gratuity	29	39	146	17	29	143
Contracted Guards & Cleaners Services	189	196	181	180	187	171
Others	5,261	2,854	2,443	4,833	2,206	1,604

Actual Development expenditure was Kshs 624.10 billion against an Approved Budget of Kshs 742.22 billion translating to an average absorption rate of 84%

III. Analysis of Development Expenditure Trends by Economic Classification (KSh. Millions)

Economic Classification	Approved Budget			Actual Expenditure		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
ENERGY, INFRASTRUCTURE AND ICT						
GROSS	**324,886**	**243,686**	**173,648**	**288,890**	**191,520**	**143,686**
GoK	123,358	101,560	71,119	121,677	94,450	67,728
Loans	120,856	98,830	70,808	97,350	70,488	52,004
Grants	3,249	5,053	2,544	974	1,460	729
Local AIA	77,423	38,243	29,178	68,889	25,122	23,225

Resource Allocation Criteria

The allocation of resources to recurrent and development expenditures focused on BETA/MTP IV priority projects and public participation forums' priorities, among other considerations.

Sector Intervention on Feedback from Public Participation Forums

[Click here to view](#)

IV. Medium Term priorities for FY2024/25-2026/27

1. **Roads**

i. Construct 2,794Km of new roads;

ii. Rehabilitate 560Km of roads;

iii. Maintain 137,544Km of existing roads and bridges;

iv. Construct 84 new bridges; and

v. Train 16,230 Plant operators, contractors and technicians.

IV. Medium Term priorities for FY2024/25-2026/27

2. Transport

i. Complete construction of Riruta – Lenana – Ngong Railway Line) and Fast track phase I of Nairobi Railway City (NRC);

ii. Complete the new MGR Link from Mombasa SGR Terminus - Mombasa MGR Station and a Railway Bridge across Makupa Causeway;

iii. Acquire new ferry for Lake Victoria;

iv. Complete construction of Kisumu Airport Control Tower;

v. Complete rehabilitation of terminal building and apron at Ukunda Airport;

vi. Automate and upgrade 9 Motor Vehicle Inspection Centers (Thika) and establish 5 New Motor Vehicle Inspection Centres

IV. Medium Term priorities for FY2024/25-2026/27

3. Shipping and Maritime

i. Develop Bills and regulations;

ii. Develop and implement the Maritime Spatial Plan

iii. Completion of Survival training centre for upscaling of Bandari Maritime Academy;

iv. Develop Maritime Rescue Coordination Centre (MRCC) in Kisumu and four (4) Search and Rescue Centres in Busia, Migori, Homabay and Siaya;

v. Train 21,500 seafarers and recruit 12,000 of seafarers under the Vijana Baharia Programme;

IV. Medium Term priorities for FY2024/25-2026/27

4. **Housing and Urban Development**

i. Constuct 152,981 affordable and 40,992 social housing units;

ii. Construct 5,000 hostel units;

iii. Implement the Second Kenya Informal Settlement Improvement Project (KISIP II) in 33 Counties;

iv. Implement the Second Kenya Urban Support Programme (KUSP II) in 79 Municipalities in 45 Counties; and

v. Construct 434 markets.

IV. Medium Term priorities for FY2024/25- 2026/27

5.   Public Works

i.   Design, document and supervise 825 public buildings belonging to various MDCAs;

ii. Construct 197 footbridges across the country to enable safe crossing of rivers and access to social amenities;

iii. Construct 9 jetties and 1,150 meters of seawall

iv. Complete construction of five (5) County Headquarters (Isiolo, Tharaka Nithi, Lamu, Nyandarua and Tana River);

v.   Inspect and audit 8,500 buildings and structures for safety and test 60 buildings for structural integrity; and

vi. Register 29,500 contractors and accredit 156,000 skilled construction workers and site supervisors.

IV. Medium Term priorities for FY2024/25-2026/27

6. ICT and Digital Economy

i. Install 6,700 Kms of Fiber Cable; provide internet connectivity to 42,697 public institutions and install 15,000 public Wi-Fi hotspots for the Digital Superhighway;

ii. Complete digitalization of government services;

iii. Provide broadband connectivity and smart devices in Digital Hubs in all Wards;

iv. Establish National Cyber Security Centre;

v. Complete operationalization the Office of Data Protection Commissioner in 13 Regions and all Huduma centres to enhance personal data protection;

vi. Complete construction of Horizontal Infrastructure Phase II in Konza;

vii.Operationalize Kenya Advanced Institute of Science & Technology.

IV. Medium Term priorities for FY2024/25-2026/27

7. Broadcasting and Telecommunication

i. Complete rollout of the National Digital Signal Coverage;

ii. Accredit 26,950 journalists and train 9,600 on-job journalists;

iii. Produce 22,000 Kenya Yearbooks and 9,000 Sector Publications (Agriculture, Health, Housing, Digital Superhighway and Manufacturing);

iv. Train 2,696 mass media practitioners;

v. Accredit 9,600 on-job journalist and expansion of media monitoring, community education on media literacy and Artificial Intelligence;

IV. Medium Term priorities for FY2024/25-2026/27

8. Energy

i. Connect 1,350,000 additional customers to electricity including 9,514 public institutions, and install 10,000 stand-alone solar home systems to enhance electricity access (both On Grid and Off Grid);

ii. Add 63MW Geothermal Power to the grid and drill 19 geothermal wells in Menengai, Baringo-silali and Suswa geothermal fields to promote geothermal exploration and development;

iii. Construct 1,362.5Km of high voltage transmission lines, 810Km of medium and low voltage distribution lines and 52 substations to enhance electricity transmission and distribution network;

iv. Construct 900 Household Biogas Digesters and 11 Institutional Biogas Plants, and promote uptake of 10,000 clean cook stoves.

IV. Medium Term priorities for FY2024/25-2026/27

9. Petroleum

i. Acquire Geo-Scientific data in 4,350 Km^2 to establish oil and gas potential in the petroleum blocks;

ii. Complete evaluation of gas potential in Block 9 in Anza Basin in Marsabit and Isiolo Counties;

iii. Provide 227 public learning institution with Clean Cooking Gas (CCG);

iv. Distribute 6Kg LPG cylinders to 210,000 low-income households;

v. Distribute 21.7 Million Metric Tons of imported Petroleum fuels, and conduct monthly random tests on the quality of petroleum fuel at dispensing sites to mitigate against adulteration and dumping;

vi. Complete the land acquisition process in South-Lokichar to facilitate development of the oil fields, and water make-up and crude oil pipelines.

V. Sector's Recurrent Resource Requirement versus Allocation (Ksh. Million) for FY2024/25

#	SUB SECTOR	REQUIREMENT	ALLOCATION
1	State Department for Roads	72,427	72,197
2	State Department for Transport	20,117	16,540
3	State Department for Maritime & Shipping Affairs	7,802	2,665
4	State Department for Housing	1,709	1,364
5	State Department for Public Works	4,376	3,394
6	State Department for ICT & Digital Economy	7,011	3,958
7	State Department for Broadcasting and Telecommunications	10,730	6,296
8	State Department for Energy	11,800	11,566
9	State Department for Petroleum	27,458	27,326
	TOTAL RECURRENT BUDGET	**163,430**	**145,306**

V. Sector's Development Resource Requirement versus Allocation (Ksh. Million) for FY 2024/25

#	SUB SECTOR	REQUIREMENT	ALLOCATION
1	State Department for Roads	406,784	148,257
2	State Department for Transport	75,352	44,806
3	State Department for Maritime & Shipping Affairs	2,767	1,570
4	State Department for Housing	113,093	80,170
5	State Department for Public Works	7,785	1,527
6	State Department for Information, Communication ,Technology (ICT) & Digital Economy	70,207	25,885
7	State Department for Broadcasting and Telecommunications	4,362	795
8	State Department for Energy	159,090	53,316
9	State Department for Petroleum	7,030	4,036
TOTAL DEVELOPMENT BUDGET		**846,470**	**360,362**

VI. Emerging Issues

I. **The evolving technologies:** Rapid technological advancement leading to need for diversification of investment   in ICT infrastructure and systems and a paradigm shift as a result of expansion and use of intelligent technologies. For example unmanned ships known as Maritime Autonomous Surface Ships (MASS) do not require crew to operate thus causing changes in demand for seafarers and infrastructural changes for cargo handling.

II. **Environmentally responsive investments:** The increasing need for environmentally responsive investments to mitigate the effects of climate change.

VI. Emerging Issues Cont'd...

III. **The evolving nature of innovative /creative industry:** This calls for establishment of incubation hubs and centers of excellence to nurture the initiative to full development for more consumer protection.

IV. **Clean energy technologies:** Adoption of cleaner energy technologies such as ethanol, cracking hydrogen from mass water bodies and second-generation biofuels.

V. **Disruptions in global value chains:** The Russia-Ukraine war disrupted access and pricing of materials for construction industry and escalation of oil and gas prices.

VI. Key Challenges

I. **Complexity in acquisition of land :** High cost of acquisition of land for construction of infrastructure leading to project delays and escalating project costs;

II. **Vandalism, theft and encroachment:** This leads to additional maintenance and restoration costs on infrastructural facilities;

III. **High costs and lengthy timelines:** The Sector has continuously experienced escalating costs and lengthy timelines during relocation of utility services e.g energy, water, sewerage and ICT;

IV. **Litigation:** Litigation issues have adversely impacted on projects and programmes implementation thus leading to delays;

V. **Inadequate legal and institutional frameworks:** This delayed development and approval of legal and regulatory frameworks thus affecting execution of Sector mandate;

VI. **Budgetary constraints:** Intensive capital investment requirements in the Sector that are not adequately financed; and

VII. **National commercial fleet:** The maritime industry lacks national commercial vessel for cargo carrying and sea-time training.

VII. conclusion

❑The Energy, ICT and Infrastructure Sector is a strategic enabler for sustained economic growth, development and poverty reduction.

❑Continuous investment in efficient, affordable and reliable infrastructure is expected to strengthen the foundations for national transformation, unlock growth potential, and build the resilience of the economy.

❑ leveraging on appropriate ICT infrastructure and digitalization of services will enhance productivity and increase the country's competiveness..

VII. Conclusion…

❑ Further, the sector is grappling with accumulation of pending bills which are beyond the sector's ceiling

❑ The sector's resource requirements continues to outweigh the sector's allocation over the years. There is a need to explore other innovative and sustainable funding models like the Public Private Partnerships (PPP) to supplement government development partner funding

VII. RECOMMENDATIONS

❑**Land value index:** Development and implementation of a Land Value Index to provide a comprehensive land valuation and compensation framework.

❑**Public participation:** Continuous and enhanced public participation throughout the project life cycle to build consensus among key stakeholders.

❑**Alternative financing models:** Pursuit of alternative financing mechanisms to enhance financing for sector programmes and projects

❑ **Integrated planning:** Development and implementation of an integrated infrastructure projects master plan for coordinated implementation of programmes and projects.

VII. RECOMMENDATIONS Cont'd

❑ **Resolution of land litigation:** Fastracking land litigation and compensation claims to facilitate timely completion of programmes and projects.

❑ **Climate-Resilient Infrastructure:** Enhanced design of infrastructure to withstand extreme weather events resulting from the changing climate patterns.

❑ **Chartering and acquisition of vessels: The** vessesls will enhance capacity to provide sea time training for Kenyan seafarers, thus generating revenue and employment opportunities.

Regional Centre for Aviation Medicine at JKIA

Migori Airstrip

Skyward Express Inaugurates Flight to Migori Airstrip, Marking a Milestone in Regional Air Travel. Migori Airstrip Runaway Rehabilitation, Construction of Apron and Fencing was completed

Construction of Mokowe Jetty and Associated Works
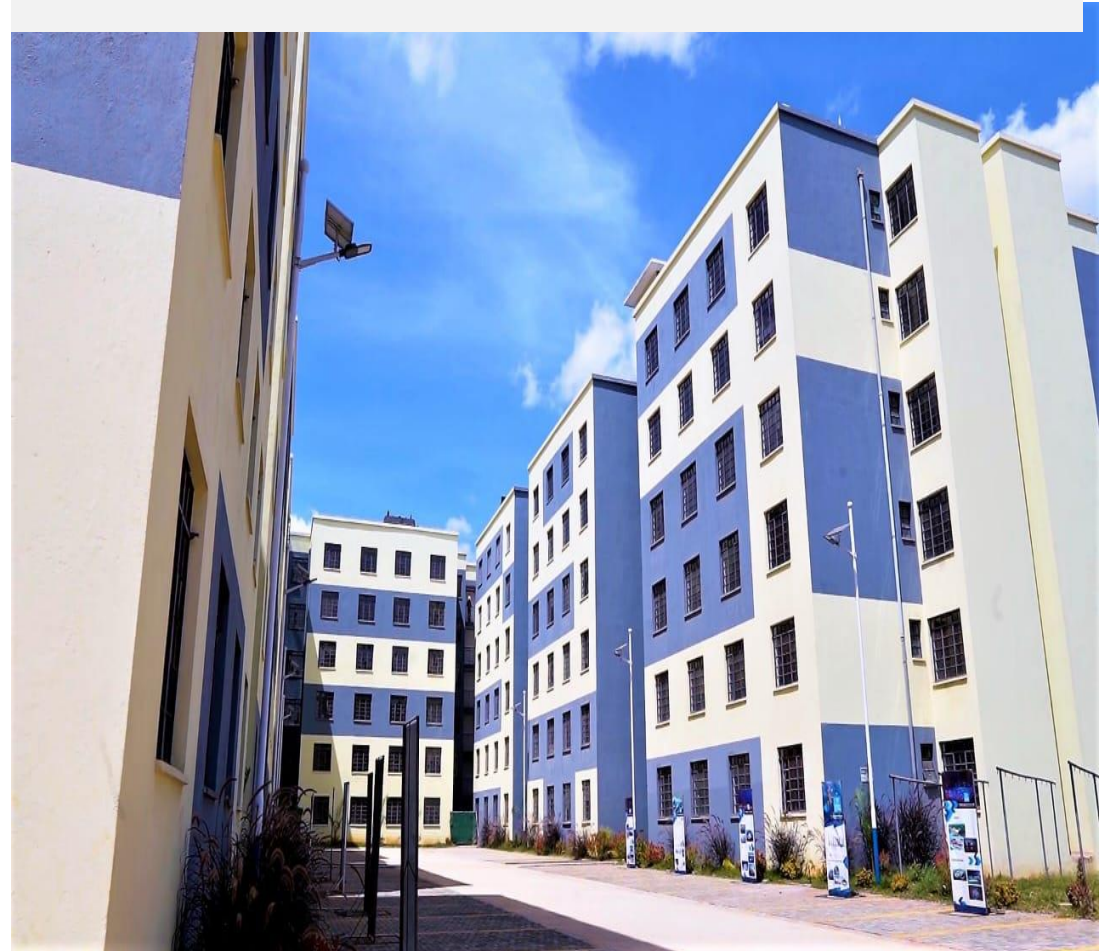
Elwasimbi Footbridge in Mumias East Constituency

Before

After

GITHURAI MODERN MARKET

PARK ROAD AFFORDABLE HOUSING PROJECT

Mtangawanda Jetty, Lamu County

Baringo Discharge wells

Athi River Substation

83.3MW OLKARIA 1 ADDITIONAL UNIT 6

Kenya Institute of Mass Communication Nairobi Campus

405 Bed Capacity

Hostel 1

Hostel 2
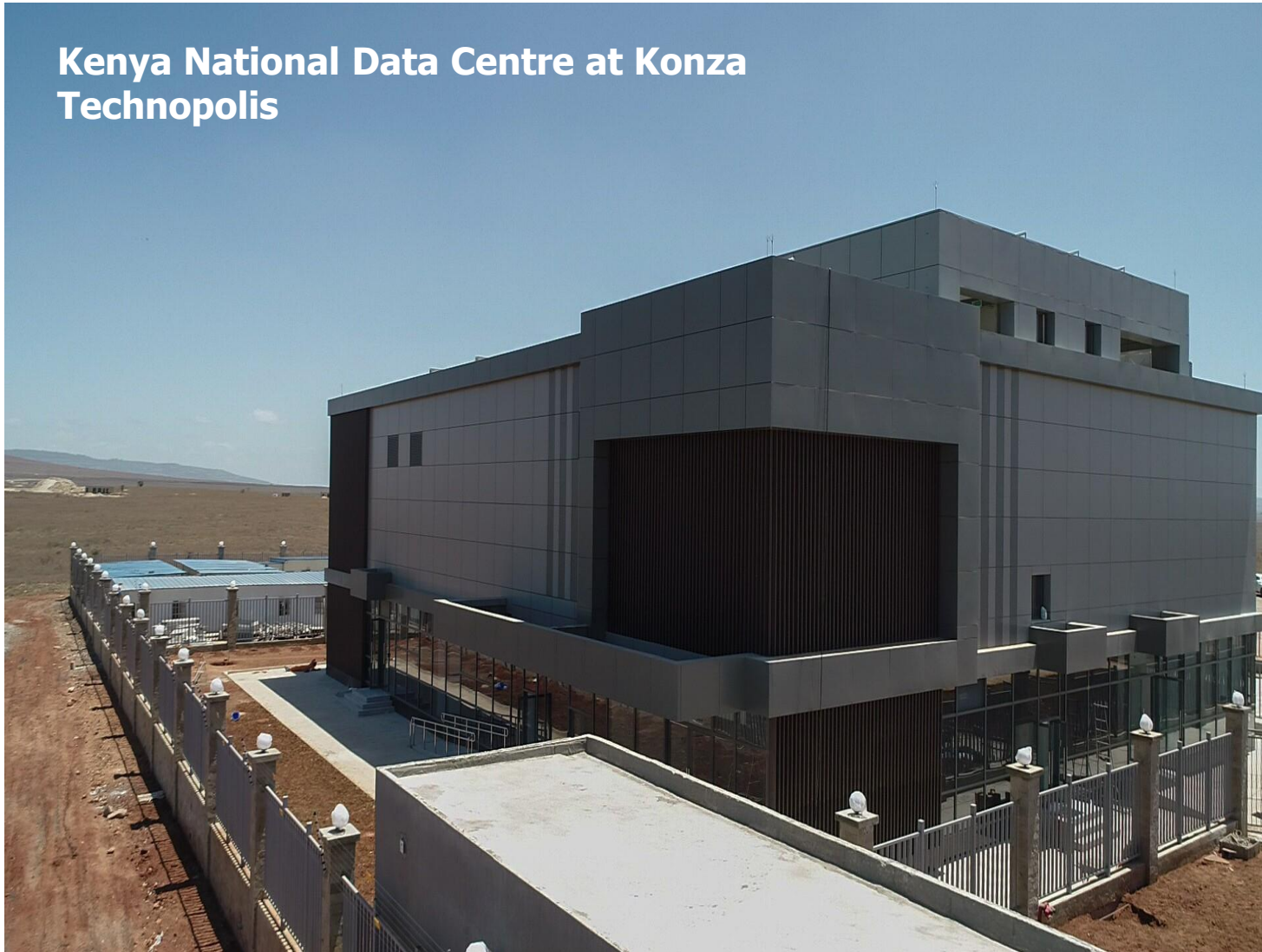
KMA officer conducting a port state control inspection

Kenya Maritime Authority Headquarters

Proposed Jitume HUB at Konza Technopolis

Kenya National Data Centre at Konza Technopolis

THANK YOU