

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

**REPUBLIC OF KENYA**



**MEDIUM TERM EXPENDITURE  
FRAMEWORK**

**FY2024/25 – FY2026/27**

**Presentation By**

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# Sector Composition

## GECA Sector Comprises Eight Sub-sectors Namely:

1. ASALs and Regional Development;
2. Cooperatives;
3. Trade;
4. Industry
5. Micro, Small and Medium Enterprises (MSMEs) Development;
6. Investments Promotion;
7. Tourism; and
8. East African Community (EAC).

# Sector Mandate

## The Sector:

- ❑ Promotes growth and development of co-operatives through capacity building and provision of appropriate policy, legal and institutional framework;
- ❑ Promotes and develops domestic and international trade as well as enforcing fair trade practices and consumer protection;
- ❑ Promotes and develops MSME Sector through development and promotion of progressive credit policies and practices;
- ❑ Facilitates an accelerated growth of the industrial sector through provision of an enabling institutional policy and legal framework;

# Sector Mandate

## The Sector:

- ❑ Formulates and implements policies to promote, attract, develop and retain both domestic investments and foreign direct investments;
- ❑ Formulates policy and coordinate implementation of strategies aimed at developing sustainable tourism;
- ❑ Coordinates Kenya's participation in the EAC regional integration process and monitor and evaluate the implementation of the Northern Corridor Development and
- ❑ Coordinates and accelerates integrated development in the ASALs and Regional Development Authorities (RDAs).

# 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 acceleration of integrated development in Arid and Semi-Arid Lands (ASALs) and other regions;
- ❑ Enabling cooperative policy, legal and institutional framework;
- ❑ Broaden and deepen the product base and export markets performance;
- ❑ Promote sustainable manufacturing and industrial enterprises;
- ❑ Promote progressive credit policies and practices for MSMEs as well as market development for MSME products and services;
- ❑ Improve competitiveness of investment climate and business environment;
- ❑ Build a refreshed brand image and reposition Kenya as an upmarket, sustainable tourism destination; and
- ❑ Re-engineer Kenya's engagement in regional integration for optimization of benefits from the integration process.

# Autonomous and Semi-Autonomous Government Agencies

The Sector has 40 Autonomous and Semi-Autonomous Government Agencies. These include:

1. East African Portland Cement Company (EAPCC)
2. Kenya Development Corporation (KDC)
3. Kenya Bureau of Standards (KEBS)
4. Kenya Industrial Property Institute (KIPI)
5. Anti-Counterfeit Authority (ACA)
6. Bomas of Kenya (BoK)
7. Coast Development Authority (CDA)
8. Ewaso Ng'iro North River Basin Development Authority (ENNDA)
9. Ewaso Ng'iro South River Basin Development Authority (ENSDA)
10. Export Processing Zones Authority (EPZA)
11. Financial Inclusion Fund (Hustler Fund)
12. Kenya Consumer Protection Advisory Committee (KECOPAC)
13. Kenya Export Promotion and Branding Agency (KEPROBA)

## Autonomous and Semi- Autonomous Government Agencies



# Autonomous and Semi- Autonomous Government Agencies

## Autonomous and Semi-Autonomous Government Agencies

- 14 .Kenya Industrial Estates (KIE)
15. Kenya Industrial Research and Development Institute (KIRDI)
16. Kenya Investment Authority (Ken-Invest)
17. Kenya National Accreditation Services (KENAS)
18. Kenya National Multi-Commodities Exchange (KOMEX)
19. Kenya National Trading Corporation (KNTC)
20. Kenya Tourism Board (KTB)
21. Kenya Trade Remedies Agency (KETRA)
22. Kenya Utalii College (KUC)
23. Kenyatta International Convention Centre (KICC)
24. Kerio Valley Development Authority (KVDA)
25. Lake Basin Development Authority (LBDA)
26. Micro and Small Enterprises Authority (MSEA)
27. National Drought Management Authority (NDMA)
28. New Kenya Cooperative Creameries (New KCC)

## Autonomous and Semi-Autonomous Government Agencies

29. New Kenya Planters Cooperative union
30. Numerical Machining Complex (NMC)
31. RIVATEX EA Ltd
32. SACCOs Society Regulatory Authority (SASRA)
33. Scrap Metal Council (SMC)
34. Special Economic Zones Authority (SEZA)
35. Tana and Athi River Development Authority (TARDA)
36. Tourism Fund (TF)
37. Tourism Regulatory Authority (TRA)
38. Tourism Research Institute
39. Uwezo Fund
40. Warehouse Receipt Systems Council (WRSC)

## Autonomous and Semi- Autonomous Government Agencies

## **FY 2020/21 - 2022/23 Performance Review**

# **Sector Key Outcomes/Achievements**

During the period under review FY2020/21 – 2022/23, the following sectoral outcomes were achieved:

- ❖ Increased the value of wholesale and retail trade by 12.1% from Kshs.727.6 billion in 2020 to Kshs. 815.9 billion in 2022;
- ❖ Increased the value of Kenya's exports by 35.6% from Kshs. 643.7 billion in 2020 to Kshs. 873.1 billion in 2022;
- ❖ Manufacturing sector output increased from Kshs. 2.376 million to Kshs. 3.175million in 2022;
- ❖ Growth in national SACCO savings from Kshs.846 billion in 2020 to Kshs. 1,047billion in 2022;
- ❖ Registered a total of 720,821 MSEs in the data system and 195,498 MSE Associations and groups in collaboration with other government agencies;
- ❖ Constructed and refurbished 20 Constituency Industrial Development Centres across the country; Completed main works and equipping of the Nyandarua Cold Storage facility;

# Sector Key Outcomes/Achievements cont'd

- ❖ Investments worth Kshs 230.852billion was attracted during the FY 2022/23 against a target of Kshs 100Billion.
- ❖ Coordinated elimination of 267 Non-Tariff Barriers (NTBs)
- ❖ On-boarded 22 million Kenyans within the Financial Inclusion Fund (*Hustler fund*) platform with a repeat customer base of 7.5 million. A total of Kshs. 35 Billion was disbursed in the FY 2022/23
- ❖ An Increase in international arrivals to from 0.871 Million 1.65 million in the FY 2022/23 was realized. Total tourism earnings increased to Ksh.297.3 billion from 146.5 in the FY representing a substantial growth of 37% Domestic bed nights in Kenya recorded a total of 4.52 million
- ❖ Modernization of New KCC has resulted in the increase of processing capacity of milk from 300,000 liters to 800,000 liters per day in the last 5 years.

## FY 2020/21 - 2022/23 Performance Review


**Analysis of Recurrent Approved Budget Vs Actual  
Expenditure (Amount in Ksh. Millions) for FYs  
2020/21 – 2022/23**

| Vote and Vote Details   | Approved Budget  |                  |                  | Actual Expenditure |                    |                  |                    |                  |                    |
|---|------------------|------------------|------------------|--------------------|--------------------|------------------|--------------------|------------------|--------------------|
|   | 2020/21          | 2021/22          | 2022/23          | 2020/21            | Absorption Rate(%) | 2021/22          | Absorption Rate(%) | 2022/23          | Absorption Rate(%) |
| Vote 1222 State Department for Regional and Northern Corridor Development               | 2,356.80         | 2,956.07         | 3,336.35         | 2,274.4            | 97%                | 2,474.41         | 84%                | 2,827.33         | 85%                |
| Vote 1173: State Department for Co-operatives   | 921.73           | 1,494.89         | 2,137.89         | 748.69             | 81%                | 1,578.74         | 105%               | 1,922.18         | 90%                |
| Vote 1174 State Department for Trade  | 2,135.90         | 2,520.73         | 2,952.75         | 2,106.13           | 99%                | 2,431.60         | 96%                | 2,942.19         | 99%                |
| Vote 1175: State Department for Industry  | 2,987.04         | 3,304.85         | 2,672            | 2,932.71           | 98%                | 3,113.78         | 94%                | 2,250            | 84%                |
| Vote 1176: State Department for Micro, Small and Medium Enterprises (MSMEs) Development | -                | -                | 587.62           | -                  | -                  | -                | -                  | 559.81           | 95%                |
| Vote 1177: State Department for Investment Promotion                                    | -                | -                | 975              | -                  | -                  | -                | -                  | 899              | 92%                |
| Vote 1202: State Department for Tourism   | 6,091            | 7,740            | 10,055           | 5,106              | 84%                | 7,599            | 98%                | 9,682            | 96%                |
| Vote 1221: State Department for East African Community                                  | 511.3            | 609.3            | 775.8            | 502.9              | 98%                | 604              | 99%                | 760.7            | 98%                |
| <b>TOTAL (KSh. millions)</b>  | <b>15,003.77</b> | <b>18,625.84</b> | <b>23,492.41</b> | <b>13,670.83</b>   | <b>91%</b>         | <b>17,801.53</b> | <b>96%</b>         | <b>21,843.21</b> | <b>93%</b>         |

**Analysis of Development Approved Budget Vs  
Actual Expenditure (Amount in Ksh. Millions) for  
FYs 2020/21 – 2022/23**

| Vote and Vote Details   | Approved Budget  |                 |                  | Actual Expenditure |                    |                 |                    |                  |                    |
|---|------------------|-----------------|------------------|--------------------|--------------------|-----------------|--------------------|------------------|--------------------|
|   | 2020/21          | 2021/22         | 2022/23          | 2020/20            | Absorption Rate(%) | 2021/22         | Absorption Rate(%) | 2022/23          | Absorption Rate(%) |
| Vote 1222: State Department for Regional and Northern Corridor Development              | 1,257.90         | 2,548.50        | 3,638.13         | 1,131.90           | 90%                | 2,242.83        | 88%                | 3,638.12         | 100%               |
| Vote 1173: State Department for Co-operatives   | 761.83           | 432.71          | 20,822.50        | 760.58             | 99%                | 429.14          | 99%                | 12,760.61        | 61%                |
| Vote 1174 State Department for Trade  | 1,285.50         | 2,386.92        | 1,265.05         | 1,240.20           | 96%                | 2,004.99        | 84%                | 794.50           | 63%                |
| Vote 1175: State Department for Industry  | 3,639.7          | 2,987.90        | 1,236            | 3,278.23           | 90%                | 1,959.84        | 66%                | 1069             | 87%                |
| Vote 1176: State Department for Micro, Small and Medium Enterprises (MSMEs) Development | -                | -               | 46.00            | -                  | -                  | -               | -                  | 46.00            | 100%               |
| Vote 1177: State Department for Investment Promotion                                    | -                | -               | 1,238            | -                  | -                  | -               | -                  | 0                | 0                  |
| Vote 1202: State Department for Tourism   | 3,464            | 475             | 59.01            | 3,413              | 99%                | 474             | 99%                | 12.65            | 21%                |
| Vote 1221: State Department for East African Community                                  | -                | -               | -                | -                  | -                  | -               | -                  | -                | -                  |
| <b>TOTAL (KSh. millions)</b>  | <b>10,408.93</b> | <b>8,831.03</b> | <b>28,304.69</b> | <b>9,823.91</b>    | <b>94%</b>         | <b>7,110.80</b> | <b>81%</b>         | <b>18,320.88</b> | <b>65%</b>         |





**FY2024/25 – 2026/27**  
**Sector's Programmes and their objectives**

# FY2024/25 – 2026/27

## 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   |

## FY2024/25 – 2026/27


### 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  |

# FY2024/25 – 2026/27

## Sector Programmes and their Objectives

| 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 2024/25 – 2026/27**

## **Sector's Key Priorities for the MTEF Period 2024/25 – 2026/27**

- ❑ **Promotion and registration of cooperatives** across the identified national value chains and the required support to sustain the aggregation activities through capacity building, enforcement of standards, and provision of appropriate policy, legal, and institutional framework as well as infrastructure;
- ❑ **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;
- ❑ **Accelerate and sustain the growth in Tourism product development and quality**, tourism earnings and job creation through adequate responsive strategies;
- ❑ **Improve efficiency in trading systems amongst small holder farmers** backed up by the Warehouse Receipt System. Capitalization of the Exchange; and Acquisition of trading License;
- ❑ **Structure commodity trade in the country** and facilitate small holder farmers and traders to access credit and finance;

**Sector's Key  
Priorities for the  
MTEF Period  
2024/25 –  
2026/27**

- ❑ **Promote development and management of County Aggregation and Industrial Parks (CAIPs)** with a view to creating sustainable and inclusive employment foundation, bolstering foreign exchange earnings, reducing post-harvest losses, fostering the production of value-added agricultural products, and providing a platform for collaboration among farmers, processors, exporters, research institutions, industrial organizations, and the Government in advancing agro-industrial development through structural enhancements;
- ❑ **Promote Value Addition and Agro-processing;** Textiles and leather through industrial training and capacity development and providing common manufacturing facilities; and
- ❑ **Promotion and development of Iron and Steel Industry;** Automotive Pharmaceuticals; Building and Construction Materials; Paper and Paper Products; and Machining and Parts Manufacturing.

**Sector's Key  
Priorities for the  
MTEF Period  
2024/25 –  
2026/27**

- ❑ **Engagement on collaborative and clear mechanism of engagement framework** to ensure harmonious relationship between the County Governments, RDAs and other key stakeholders;
- ❑ **Coordinate Kenya's participation in the EAC regional integration process** and monitoring and evaluating of implementation of Northern Corridor Development programmes and projects for socio-economic transformation;



# Analysis of Sector Recurrent Resource Requirement Vs Allocation for MTEF Period 2024/25 – 2026/27 (Ksh. Million)

| Economic Classification          | Approved Estimates | Requirement (KSh.Millions) |           |           |           | Allocation (KSh.Millions) |           |  |
|----------------------------------|--------------------|----------------------------|-----------|-----------|-----------|---------------------------|-----------|--|
|                                  | 2023/24            | 2024/25                    | 2025/26   | 2026/27   | 2024/25   | 2025/26                   | 2026/27   |  |
| <b>Gross</b>                     | 30,061.53          | 72,091.01                  | 78,164.26 | 83,655.18 | 32,305.22 | 35,101.89                 | 40,297.03 |  |
| <b>AIA</b>                       | 11,114.40          | 14,255.84                  | 16,300.48 | 19,679.56 | 14,160.92 | 16,217.59                 | 19,562.53 |  |
| <b>NET</b>                       | 18,947.13          | 57,835.17                  | 61,863.78 | 63,975.62 | 18,144.30 | 18,884.30                 | 20,734.50 |  |
| <b>Compensation to Employees</b> | 2,485.65           | 3,497.58                   | 3,667.47  | 3,870.84  | 2,562.39  | 2,647.67                  | 2,735.01  |  |
| <b>Transfers</b>                 | 23,784.10          | 47,866.20                  | 50,691.20 | 55,267.11 | 26,464.42 | 28,896.97                 | 33,918.24 |  |
| <b>Other Recurrent</b>           | 3,791.78           | 20,727.23                  | 23,805.59 | 24,517.23 | 3,278.41  | 3,557.26                  | 3,643.78  |  |

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

| ANALYSIS BY SUB-SECTOR (STATE DEPARTMENT) |  |                   |                            |           |           |           |                           |           |  |
|---|--|-------------------|----------------------------|-----------|-----------|-----------|---------------------------|-----------|--|
|   | Sub Sectors                            | Printed Estimates | REQUIREMENT Kshs. Millions |           |           |           | ALLOCATION Kshs. Millions |           |  |
|   |  | 2023/24           | 2024/25                    | 2025/26   | 2026/27   | 2024/25   | 2025/26                   | 2026/27   |  |
|   | <b>ASALs &amp;Regional Development</b> | 9,728.19          | 26,294.06                  | 26,483.97 | 26,834.02 | 9,487.98  | 9,691.01                  | 10,999.83 |  |
|   | <b>Cooperatives</b>                    | 1,927.89          | 2,933.61                   | 3,202.16  | 3,355.74  | 1,856.75  | 1,913.62                  | 1,962.16  |  |
|   | <b>Trade</b>                           | 2,362.90          | 11,946.80                  | 12,671.80 | 13,132.93 | 3,450.35  | 3,692.97                  | 3,930.81  |  |
|   | <b>MSMEs</b>                           | 1,878.97          | 3,930.43                   | 3,929.37  | 4,196.79  | 2,464.82  | 2,567.06                  | 2,620.55  |  |
|   | <b>Industry</b>                        | 2,871.09          | 4,876.80                   | 6,088.04  | 7,116.59  | 2,776.90  | 2,808.00                  | 2,879.60  |  |
|   | <b>Investments Promotion</b>           | 1,485.03          | 2,717.53                   | 2,881.97  | 3,047.67  | 1,357.77  | 1,427.72                  | 1,474.69  |  |
|   | <b>Tourism</b>                         | 9,072.78          | 17,112.94                  | 20,490.36 | 23,386.21 | 10,303.04 | 12,349.84                 | 15,754.93 |  |
|   | <b>EAC</b>                             | 734.67            | 2,279.84                   | 2,416.59  | 2,585.24  | 607.60    | 651.67                    | 674.46    |  |
|   | <b>Gross Kshs. Millions</b>            | 30,061.53         | 72,091.01                  | 78,164.26 | 83,655.18 | 32,305.22 | 35,101.89                 | 40,297.03 |  |

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

| Description      | Approved Budget | Requirement (KSh, Millions) |           |           | Allocation (KSh, millions) |           |           |
|------------------|-----------------|-----------------------------|-----------|-----------|----------------------------|-----------|-----------|
|                  | 2023/2024       | 2024/25                     | 2025/26   | 2026/27   | 2024/25                    | 2025/26   | 2026/27   |
| <b>Gross</b>     | 31,375.85       | 107,418.05                  | 94,487.64 | 68,247.27 | 24,410.00                  | 31,879.60 | 22,063.80 |
| <b>GoK</b>       | 27,377.95       | 100,011.60                  | 89,460.00 | 62,885.77 | 20,129.10                  | 28,011.70 | 18,246.90 |
| <b>Loans</b>     | 2,476.00        | 3,136.84                    | 2,546.76  | 779.50    | 2,288.90                   | 3,471.90  | 3,471.90  |
| <b>Grants</b>    | 1,521.90        | 821.28                      | 607.88    | 3,325.00  | 1,522.00                   | -         | -         |
| <b>Local AIA</b> | -               | 3,448.33                    | 1,873.00  | 1,257.00  | 470.00                     | 396.00    | 345.00    |

# 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 |           |  |
|   |  | 2023/24           | 2024/25                    | 2025/26   | 2026/27   | 2024/25   | 2025/26                   | 2026/27   |  |
|   | <b>ASALs &amp;Regional Development</b> | 6,170.50          | 35,040.08                  | 38,376.54 | 27,265.52 | 5,507.72  | 6,755.80                  | 8,615.40  |  |
|   | <b>Cooperatives</b>                    | 110.00            | 5,920.00                   | 1,177.50  | 691.63    | 503.77    | 139.64                    | 84.06     |  |
|   | <b>Trade</b>                           | 50.00             | 4,443.98                   | 3,575.98  | 5,714.98  | 50.00     | 74.77                     | 77.76     |  |
|   | <b>MSMEs</b>                           | 11,255.20         | 21,526.51                  | 18,105.82 | 14,429.30 | 6,196.84  | 7,294.18                  | 4,007.59  |  |
|   | <b>Industry</b>                        | 7,091.00          | 9,109.65                   | 10,932.48 | 5,524.34  | 6,904.19  | 10,914.30                 | 5,405.98  |  |
|   | <b>Investments Promotion</b>           | 6,552.00          | 27,289.50                  | 20,346.32 | 13,045.50 | 4,605.43  | 6,049.91                  | 3,323.96  |  |
|   | <b>Tourism</b>                         | 147.15            | 4,043.33                   | 1,906.00  | 1,504.00  | 606.65    | 591.19                    | 486.84    |  |
|   | <b>EAC</b>                             | -                 | 45.00                      | 67.00     | 72.00     | 35.40     | 59.81                     | 62.21     |  |
|   | <b>Gross Kshs. Millions</b>            | 31,375.85         | 107,418.05                 | 94,487.64 | 68,247.27 | 24,410.00 | 31,879.60                 | 22,063.80 |  |

# Programmes and Projects aligned to BETA Priority Value Chains to be implemented in the FY 2024/2025

1. State Department for ASALs & Regional Development : Implementation of smallholder irrigation projects to address food security; water harvesting -construction of small dams and water pans; and value addition through Agro-Industrialization – RDAs **KSh.1,901.6million.**
2. State Department for Cooperatives:- Kenya Coffee Promotion **KSh.200million** and Mop-Up of excess milk into milk powder **KSh.400million**
3. State Department for Trade: Route to Market (All priority value chains) **KSh.270million** and Product development for BETA Priority Value Chain **KSh.114million**
4. State Department for MSMEs Development : Leather Value Chain **KSh.66.4million**; Financial Inclusion Fund (Hustler Fund) **KSh.5,000million**; Construction of CIDC **KSh.114.34**; and Provision of Finance to SMEs in the Manufacturing Sector – Kenya Industrial Estate - **KSh.200million**
5. State Department for Industry: Value addition (Manufacture of fabrics & apparels) **KSh.47million**; Implementation of CAIP **KSh.4,600million**; and Construction and equipping of industrial research laboratories (KIRDI) **KSh.400million**; Cotton Value Chain **KSh.80million**
6. State Department for Investment Promotion: Construction of Investor Sheds at EPZA Athi River – **KSh.1billion**, Special Economic Zone at Naivasha **KSh.600million** – Flagship Export Processing Zone Hubs **KSh.2.7billion.**

# Interventions to issues arising from countrywide stakeholder consultations/participation

| Key Issue                          | Proposed Recommendations by County Stakeholders  | Proposed Interventions by the Sector in FY 2024/25  |
|------------------------------------|--|---|
| 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> </ul> | Capacity building the County Government officers<br>To Spearhead members recruitment  |
|                                    | <ul style="list-style-type: none"> <li>▪ Enhance monitoring of cooperatives</li> </ul>   | Audit, inspections and enquiries on the concerned societies   |
| 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'</i> fund</li> </ul>                      | <p>Affordable Credit is available 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 consultations/participation cont'd

| Key Issue                                   | Proposed Recommendations by County Stakeholders  | Proposed Interventions by the Sector in FY 2024/25  |
|---|--|---|
| Lack of tourism visibility in the Counties  | Improve visibility of tourism  | Proposal noted and is to be considered under domestic tourism campaigns being undertaken by Kenya Tourism Board.                                    |
| 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. | 10 National outreach programmes targeted to create awareness on opportunities available in the Regional Market                                      |
| Youth entrepreneurship                      | 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      | Attract investments into the housing, mining and agro-processing sectors   | SDIP through Ken-Invest to assist with generation of targeted investment pitches  |

# Interventions to issues arising from countrywide stakeholder consultations/participation cont'd

| Key Issue  | Proposed Recommendations by County Stakeholders   | Proposed Interventions by the Sector in FY 2024/25  |
|--|---|---|
| Poor planning of major trading and congested market facilities towns/centres in the county | <ol style="list-style-type: none"><li>1. Ensure proper planning and zoning of trading areas which should be accessible and equipped with necessary facilities/amenities e.g. lighting, access roads, public toilets and security</li><li>2. Designate trading zones and enforce compliance as well as development of requisite guidelines</li></ol> | Construction of strategic market centres on-going progressively throughout the Country by the State Department for Housing and Urban Development. |



# Challenges

## Sector Challenges

1. Inadequate funding hampering implementation of flagship programmes and projects.
2. Delays in disbursement of funds, budget cuts, and non-allocation of funds to ongoing programs.
3. High cost of land acquisition affecting a number of programmes and projects undertaken in the sector.
4. Improper land use patterns and illegal occupation of earmarked land.
5. Insecurity incidents affecting some projects under implementation located in areas prone to terrorism, cybercrime, cattle rustling, tribal clashes among others.
6. Skills gap in the approved establishments affecting Human Resource capacity hindering the effectiveness of the sector.
7. Low prioritization and underfunding of Research and Development (R&D) resulting in low innovation and adoption of technology.

# Challenges

## Challenges ...cont'd

8. Weak intergovernmental Coordination Framework between the National and County Governments leading to unintended conflicts that affect service delivery.
9. Unharmonized Trade Regulations and Non-Tariff Barriers in foreign markets leading to unfair competition and affecting the ease of doing business for value chain actors.
10. Climate Change and other environmental challenges such as unsustainable land uses, pollution, fire outbreak and land use conflict.
11. High cost of doing business due to multiplicity and complexity of licensing regimes at both National and County levels which slows down investment attraction effects.

## Emerging Issues

### Sector Emerging Issues

- Multi-generational travel and market segmentation that has shifted from family travelers to silver-haired tourists, millennials, Gen-Z, solo travelers, and digital nomads seeking and willing to spend more on authentic experiences rather than on products.
- Digitization of services like travel and tourism that require funding to facilitate investments and installation of new or upgrading the existing systems.
- Striking a balance between the extractive nature of the blue economy and the conservation requirements is a key concern.
- Unpredictable and extreme weather patterns evidenced by prolonged droughts and out-of-season floods which negatively impact agricultural, dairy and livestock production.
- Digital/social media platforms can be applied to shape opinions and undertake brand campaigns that make it possible for seamless communication and linkages with stakeholders in the GECA sector.
- Supply chain disruptions from current geopolitics and alignments continue to shape investments and trade flows.
- Rising global inflation has led to global economic down-turn and deteriorating exchange rates which have dampened demand for exports from Kenya.

## Conclusion

## Conclusion

The GECA Sector plays a key role in the coordination and implementation of socio-economic programmes and projects as outlined in the Fourth Medium Term Plan of Kenya Vision 2030 and the Bottom-up Economic Transformation Economic Agenda (BETA). The sector continues to play a major role in contributing to the aggregation of agricultural produce for improved marketing, streamlining financial services, promotion of Manufacturing, trade and investments, developing niche tourism products, basin based and ASALs development while promoting use of technology.

The Sector is instrumental in accelerating economic growth through financing, provision of infrastructure, market access, manufacturing, entrepreneurship and management training for the MSMEs which is in line with the Sustainable Development Goals (SDGs), EAC Vision 2050 and the Africa Agenda 2063. The programmes and projects implemented by the sector stimulate economic growth, create employment, and reduce poverty levels.

In order to accomplish its goals and respond to the challenges and emerging issues, the sector continues to collaborate with other departments, development partners and relevant stakeholders to enhance delivery of services.

# Recommendations

- Providing for a stimulus package for the sector by strengthening and promoting micro, small and medium industries/enterprises through investment in physical facilities and access to affordable long-term financing and credit facilities
- Increasing investment in ICT infrastructure and adoption of emerging technologies to improve the broadband capacity for fast and ultra – fast internet connectivity;
- Investing in renewable energy sources and energy-efficient initiatives to reduce manufacturing energy costs. Special tariffs, particularly for the textile sector, and incentives for adopting energy-efficient technologies should be explored;
- Streamlining the development, finalization, and approval of policies and the enactment of legislation by Parliament to support the sector;
- Building the capacity of Kenya's value chain actors (producers, manufacturers, traders, regulators and other service providers) to enhance compliance with the domestic and international market access requirements
- Fast-track the approval process of Public Private Partnership (PPP) projects submissions as a means of joint resource mobilization

Thank  
you

