

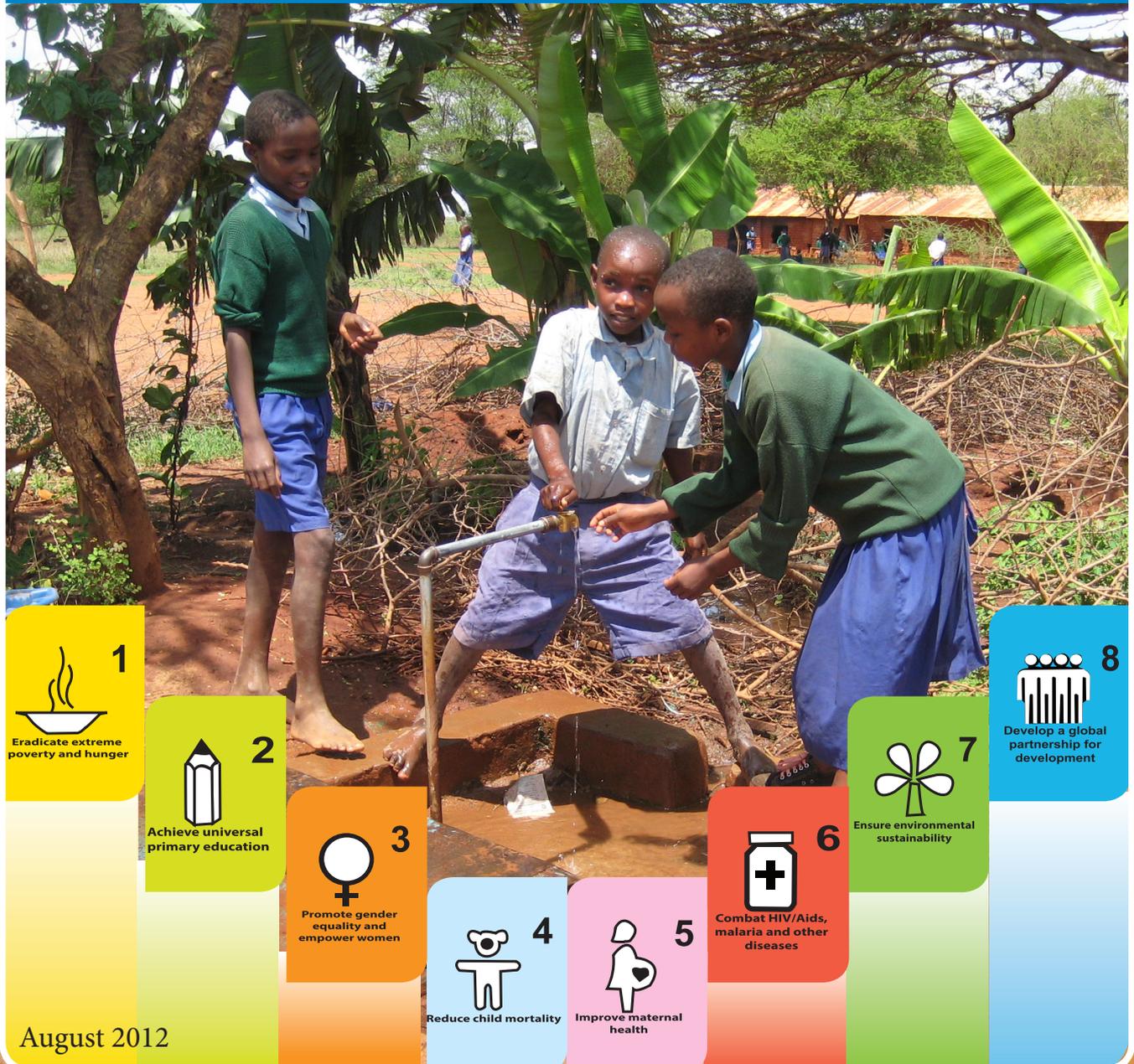


Republic of Kenya

Ministry of State for Planning,  
National Development and Vision 2030

# MILLENNIUM DEVELOPMENT GOALS

## Status Report for Kenya 2011



1  
  
Eradicate extreme poverty and hunger

2  
  
Achieve universal primary education

3  
  
Promote gender equality and empower women

4  
  
Reduce child mortality

5  
  
Improve maternal health

6  
  
Combat HIV/AIDS, malaria and other diseases

7  
  
Ensure environmental sustainability

8  
  
Develop a global partnership for development

August 2012



Republic of Kenya

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Ministry of State for Planning,  
National Development and Vision 2030

## **MILLENNIUM DEVELOPMENT GOALS**

**Status Report for Kenya  
2011**

## Millennium Development Goals (MDGs) Status Report for Kenya 2011

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Kenya



MINISTRY FOR FOREIGN  
AFFAIRS OF FINLAND

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## Foreword

This Millennium Development Goals (MDGs) Status Report (2011) is the fifth publication produced by the Government of Kenya and MDGs stakeholders. The MDGs Status reports are produced every two years as recommended by the United Nations as a way to closely monitor the progress in achieving MDGs targets. The report provides a summary of the current status of all the eight goals highlighting the key achievements and challenges encountered towards the attainment of the MDGs in Kenya.

The MDGs are a set of 8 goals, 18 targets and 48 indicators as contained in the Millennium Declaration of the year 2000. The declaration was signed and adapted by 189 heads of States and Governments as a way to lead to marked human improvements in the new millennium. The MDGs became the world's greatest promise to the world's most vulnerable people.

The MDGs process was entrenched in Kenya in 2004 when the Government of Kenya issued a cabinet memo directing all Government ministries, departments and agencies to mainstream MDGs into their policy, planning and budgeting processes. Since then the MDGs have been mainstreamed into major national policy documents e.g the Kenya Vision 2030, which aims to transform Kenya into a newly industrializing, middle income country providing a high quality of life and secure environment to all its citizens by year 2030. The Vision is implemented through 5 year Medium Term Plans (MTPs) in which MDGs have been adequately addressed.

Since 2005, Kenya has achieved some improvement in the well-being of its people. In Goal 1 the proportion of people living below the absolute poverty reduced from 52% in 2000 to 45.9% in 2006 when the last Kenya Household and Budget Survey was conducted. The launch of Free Primary Education (FPE) policy in 2003 has helped the country to remain on track to achieving universal primary education. The primary school gross enrollment ratio rose from 88 % in 2002 to 115% in 2011. The primary to secondary school transition rate also improved from 67% in 2009 to 73% in 2011. Gender parity has also been achieved in national primary enrolment.

For the health related goals, the infant mortality rate decreased from 77/1,000 in 2003 to 52/1,000 live births in 2009. The under 5 mortality rates also decreased from 115/1,000 in 2003 to 74/1,000 live births in 2009. Full immunization coverage rose to 80% in 2011 from 57% in 2003. The proportion of births attended by trained health personnel improved

marginally from 42% in 2003 to 44% in 2009 although medical health facilities in the country can handle more persons seeking maternal services. The national HIV and AIDS prevalence rate was reported 35.4% in 2000 and was declared a national disaster in Kenya. Since then the prevalence rate dropped to 6.3% in 2008/09 with marked improvements in HIV and AIDs care and management especially access to Anti retroviral Drugs (ARVs).

In Goal 7, the proportion of population with access to an improved drinking water source was estimated to be 52.6% while the population with access to adequate sanitation was 61.2%. The current proportion of land area under forest cover is 4% , having increased from 1.7% in 2003.

The national strategies of achieving the MDGs have included a significant shift of public expenditures to the social sectors, heavy investment in physical infrastructure and increase of financial resources to agriculture to about 11% of total budgetary resources. The Agriculture Sector Development Strategy (2010) aims to ensure food and nutritional security for all Kenyans, the generation of higher incomes as well as employment and to position the agricultural sector as a key driver in achieving the 10% annual economic growth rate anticipated under the economic pillar of the Vision 2030

Although the inadequacy of resources remains a key challenge, the country has made remarkable progress towards achieving the MDGs. The Economic Stimulus Programme has assisted the country to progressively roll back from the setbacks of the post election violence, high prices of fuel and commodities, the effects of the global financial crisis. Emerging challenges include climate change.

We have 3 years remaining in the MDGs timeline; it is my sincere hope that this report will guide the actions of development actors and stakeholders so as to make the MDGs a reality in our beloved country.



Hon. Wycliffe Ambetsa Oparanya

**Minister of State for Planning, National Development and Vision 2030**

## Acknowledgment

The 2011 Kenya MDGs Status Report provides an assessment of the country's progress in achieving the millennium development goals. This fifth report comes at an important time, just three years before the time set for the achievement of the MDGs. The report is a culmination of the efforts of various stakeholders.

I thank the Permanent Secretaries from the respective line ministries for their support towards the preparation of the MDGs status report. I acknowledge the following members of the inter-ministerial MDGs reporting team who helped put together the report: William Migwi (Ministry of Education), Richard Gakunya (Ministry of Finance), Michael Kanyi (Ministry of Livestock Development), Isaac Kimisoi (Ministry of Youth and Sports), James Wekesa (Ministry of Fisheries Development), S.C. Njogu (Ministry of Agriculture), Pinky Zala (Ministry of the Development of Northern Kenya and Other Arid Lands), William Komu (Ministry of Gender, Children and Social Development), Maingi Maundu (Ministry of Cooperative Development and Marketing), Dr. Jumba Nakato (Ministry Public Health and Sanitation), Dr. John Kihama (Ministry of Medical Services), Anthony Mugane (Ministry of Forestry and Wildlife), Joshua Kimulu (Ministry of Trade), Henry Onyanyo (Ministry of Housing), Joseph Katumo (Ministry of Environment and Mineral Resources), Gideon Mwangi (Ministry of Lands), Nancy Muchangi (Ministry of Information and Communications), and Onorata Githendu (Ministry of Water and Irrigation). Their commitment and support to the process of preparing this report is very much valued.

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Dr. Edward Sambili, CBS

**Permanent Secretary, Ministry of State for Planning, National Development and Vision 2030**

## ABBREVIATIONS AND ACRONYMS

|          |   |
|----------|---|
| ACT      | Artemisinin Combination Therapy                                   |
| AGOA     | Africa Growth and Opportunity Act                                 |
| AIA      | Appropriation in Aid  |
| AIDS     | Acquired Immunodeficiency Syndrome                                |
| ARV      | Anti-Retroviral Drugs   |
| ASALs    | Arid and Semi-Arid Lands  |
| AU       | African Union   |
| BOP      | Balance of Payments   |
| BPO      | Business Process Outsourcing                                      |
| CARMMA   | Campaign on Accelerated Reduction of Maternal Mortality in Africa |
| CBO      | Community Based Organization                                      |
| CDF      | Constituency Development Fund                                     |
| CDMA     | Code Division Multiple Access                                     |
| COMESA   | Common Market for Eastern and Southern Africa                     |
| CRC      | Convention on the Rights of the Child                             |
| DEAP     | District Environment Action Plan                                  |
| DFZ      | Livestock Disease Free Zone                                       |
| DOTS     | Directly Observed Treatment Short-course                          |
| EAC      | East African Community  |
| ECDE     | Early Childhood Development Education                             |
| EMCA     | Environmental Management and Coordination Act of 1999             |
| ERSWEC   | Economic Recovery Strategy for Wealth and Employment Creation     |
| ESP      | Economic Stimulus Programme                                       |
| FAO      | Food and Agriculture Organization of the United Nations           |
| FDI      | Foreign Direct Investment   |
| FEWS-NET | Famine Early Warning Systems Network                              |
| FGM/C    | Female Genital Mutilation/Cutting                                 |
| FPE      | Free Primary Education  |
| GBV      | Gender Based Violence   |
| GCCN     | Government Common Core Network                                    |
| GDP      | Gross Domestic Product  |
| GER      | Gross Enrolment Ratio   |
| GoK      | Government of Kenya   |
| HIV      | Human Immunodeficiency Virus                                      |
| HMIS     | Health Management Information System                              |
| ICT      | Information and Communication Technologies                        |
| IEC      | Information, Education and Communication                          |
| IMCI     | Integrated Management of Childhood Illnesses                      |
| IPT      | Intermittent Preventive Treatment of malaria                      |
| KAIS     | Kenya AIDS Indicator Survey, 2007                                 |
| KCA      | Kenya Communications Amendment Act of 2009                        |
| KDHS     | Kenya Demographic & Health Survey                                 |
| KENSUF   | Kenya Slum Upgrading Low Cost Housing and Infrastructure Fund     |
| KENSUP   | Kenya Slum Upgrading Programme                                    |
| KFA      | Kenya Farmers Association   |
| KIHBS    | Kenya Integrated Household Budget Survey 2005/2006                |
| KIPPRA   | Kenya Institute for Public Policy Research and Analysis           |
| KMD      | Kenya Meteorological Department                                   |
| KNBS     | Kenya National Bureau of Statistics                               |

|            |  |
|------------|--|
| Kshs       | Kenya Shillings  |
| KTCIP      | Kenya Communications Infrastructure Project                        |
| KTDA       | Kenya Tea Development Agency                                       |
| LAN        | Local Area Network   |
| LATF       | Local Authority Transfer Fund                                      |
| LLITN      | Long Lasting Insecticide Treated Net                               |
| MDG        | Millennium Development Goals                                       |
| MFN        | Most Favored Nation  |
| MICS       | Multiple Indicator Cluster Survey                                  |
| MoPHS      | Ministry of Public Health and Sanitation                           |
| MPND&V2030 | Ministry of State for Planning, National Development & Vision 2030 |
| MT         | Metric Tonnes  |
| NAAIAP     | National Accelerated Agricultural Inputs Project                   |
| NASCOP     | National AIDS/STI Control Programme                                |
| NCPB       | National Cereals and Produce Board                                 |
| NEAP       | National Environmental Action Plan                                 |
| NER        | Net Enrollment Ratio   |
| NGO        | Nongovernmental Organization                                       |
| NEMA       | National Environment Management Authority                          |
| NFE        | Non-Formal Education   |
| NFS        | Non-Formal Schools   |
| NIB        | National Irrigation Board  |
| NLTP       | National Leprosy & Tuberculosis Control Programme                  |
| NMK        | Njaa Marufuku Kenya  |
| NOFBI      | National Optic Fibre Backbone Initiative                           |
| NYS        | National Youth Service   |
| ODS        | Ozone Depleting Substances   |
| OVCs       | Orphans and Vulnerable children                                    |
| PATTEC     | Pan African Tsetse and Trypanosomiasis Eradication Campaign        |
| PCR        | Primary Completion Rate  |
| PEAP       | Provincial Environmental Action Plan                               |
| PMTCT      | Preventing Mother-to-Child Transmission                            |
| SACCO      | Savings and Credit Cooperative Society                             |
| SADC       | Southern Africa Development Cooperation                            |
| SFT        | Settlement Fund Trustees   |
| SGR        | Strategic Grain Reserve  |
| TARDA      | Tana and Athi River Development Authority                          |
| TB         | Tuberculosis   |
| TDIP       | Technical Data Information Package                                 |
| TEAMS      | The East African Marine Systems                                    |
| TIVET      | Technical, Industrial, Vocational and Entrepreneurship Training    |
| TNTBs      | Tariffs and Non-Tariff Barriers                                    |
| UNDP       | United Nations Development Programme                               |
| WFP        | World Food Programme   |
| WRMA       | Water Resources Management Authority                               |
| WSTF       | Water Services Trust Fund  |
| WTO        | World Trade Organization   |
| WIMAX      | Worldwide Interoperability for Microwave Access                    |
| C-WES      | Constituency Women Enterprise Scheme                               |



## 1.0 INTRODUCTION

Kenya is located in the Eastern part of the African Continent with the South Eastern part bordering the Indian Ocean. The country lies between Latitude 4° North to 4° South and Longitude 34° East to 41° West. It is bordered to the North by South Sudan and Ethiopia, to the northeast by Somalia, to the west by Uganda and to the south by Tanzania. The total land area is about 582,650 km<sup>2</sup>, 2.3% of which is covered by both inland and marine waters bodies. About 80% of Kenya's land area is classified as arid and semi-arid and is considered unfavorable for rain fed agricultural production. This has had a significant effect on the growth of the economy and food security.

### 1.1 Demographics

The population of Kenya was estimated to be 39 million people by the 2009 Kenya Population and Housing Census. The population is predominantly rural with about 60% of the population being employed directly or indirectly in the agricultural sector. The population is mainly youthful presenting both opportunities and challenges to achieving the targets of the MDGs and the Vision 2030.

### 1.2 Macro Economic Context of the MDGs in Kenya

Kenya initiated bold economic and structural reforms from 2003 when the NARC government came to power. The economy made remarkable recovery over the 2003-2007 as real Gross Domestic Product grew from 2.9% in 2003 to about 7.1% in 2007. On average the real GDP grew by 5.3% over the period despite adverse effects of drought and high oil prices. Industrial output expanded by an average of 5.3%, the services sector also expanded by 5.3% while the underlying inflation remained at the target of 5.0 % with poverty declining from 53.6% in 2000 to 45.9% in 2005/6. However, real GDP growth slowed to 1.6% in 2008 as a result of both domestic and external shocks, which included post-election violence, drought, high food and fuel prices and the global financial crisis.

The First Medium Term Plan (2008-2012) prioritized programmes associated with wealth and employment creation and public investments aimed at a higher social impact. Manufacturing is expected to rise from 5% in 2008 to about 10-12% in 2012. The current account deficit is expected to widen to about 6.7% of GDP due to increase in imports. The net inflows of FDI would help the government build up adequate foreign reserves equal to 6 months import cover by end of 2012. The fiscal balance is expected to decline to 3.4% of GDP

and allow domestic debt to stabilize between 21-22% of GDP over the medium term.

To attain the growth target of 10%, the level of investments is projected to expand to 32.6% of GDP. The country will still pursue a stable macroeconomic environment and deepen structural reforms to improve the efficiency in the allocation and utilization of resources and effective public sector service delivery.

A summary of selected macroeconomic indicators is provided in the table below.

| Indicator   | 2011       |
|---|------------|
| Real GDP Growth (%)                               | 4.4        |
| GDP Per capita (constant) Kshs                    | 38969.8    |
| Inflation rate (%)                                | 14.0       |
| Consumer Price Index                              | 121.17     |
| Agriculture Sector Growth (real)                  | 1.5        |
| External Debt service/GDP                         | 1.1        |
| Net Borrowing as % of GDP                         | -9.9       |
| External Reserves as % of GDP                     | 9.9        |
| Overall BOP (Kshs. Millions)                      | -296,023.7 |
| Official Exchange Rate (Kshs/USD)                 | 85.0681    |
| Effective exchange rate (weighted index) for Kshs | 109.33     |

Source: **KNBS, Various Economic Surveys**

However, global economic recovery remains uncertain with the prevailing economic problems in the Euro zone and the United States being likely to cause another round of economic crisis whose effects may be felt in Kenya especially with respect to Kenya's exports to traditional markets.

### 1.3 Overview of the MDGs process in Kenya

The MDGs process began in September 2002 when a national stakeholder's workshop was held to build consensus and promote understanding on the significance of MDGs, their links to the national planning frameworks, and to determine the best mode and frequency of country level reporting. Knowledge on the MDGs was generally low across the country and sensitization was required to give a good understanding of the goals, targets and the indicators. The first assessment of Kenya's performance of the goals was completed and published in July 2003.

In 2005, the Ministry of Planning and National Development carried out a needs assessment to determine the resources required to achieve the MDGs by 2015. Compared to the government resources

available, the financing gap stood at Kshs 4.1 trillion. The report indicated that for Kenya to achieve MDGs, more resources needed to be shifted towards key MDGs sectors and a supportive policy environment was necessary. With these facts, an aggressive mainstreaming and advocacy campaign was launched. The government issued a cabinet memo directing Ministries, Departments and Agencies to mainstream MDGs into Kenya's development process. The Government of Kenya and other development partners have committed substantial resources towards meeting the MDGs.

#### 1.4 National Development Planning and Policy Framework for the MDGs

Since independence, Kenya's economic development focused on alleviation of poverty, improvement of literacy levels, and reducing incidence of disease. The Sessional Paper No. 10 of 1965 focused on the elimination of poverty, disease and ignorance. The paper also supported a policy of rapid economic growth in order to generate resources to meet the equity goal. Subsequent national development plans, the Poverty Reduction Strategy Paper, and the Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC) 2003-07 have pursued goals that were closely focused on growth, poverty reduction, employment and the general well-being of the people. The Vision 2030 and its first Medium Term Plan 2008-2012 went a step further to identify regional development priorities. These processes have the same focus and intended objectives as the MDGs.

The government has placed the MDGs at the epicenter of development in the country. The devolved funds such as the Constituency Development Fund (CDF), the Local Authority Transfer Fund (LATF), the Bursary Fund and Youth and Women's Enterprise Development Funds targets MDGs at the grassroots.

The Constitution of Kenya 2010 provides for the transfer of 15% of budgetary resources to the 47 Counties, which are the new levels of devolvement. The county governments will have great responsibility in the provision of key services most of which are essential to the attainment of MDG targets. With increased allocation of resources to the counties, it is expected that the County governments will adequately address MDGs through the formulation and implementation of their development plans and also give priority to the off-targets MDGs in the respective counties.

# Goal 1: Eradicate Extreme Poverty and Hunger



## 1.0 INTRODUCTION

More than 10 million people in Kenya suffer from chronic food insecurity and poor nutrition, while between one and two million people require emergency food assistance throughout the year. Nearly 30% of children aged five years and below in Kenya are classified as undernourished, and micronutrient deficiencies are widespread. The fact that approximately 80% of land in Kenya is classified as arid or semi arid brings forth challenges to food security, given that agricultural production has for a long time relied on rainfall. These challenges are further exacerbated by the effects of climatic change.

Kenya's Vision 2030 is founded on three key pillars. Under the economic pillar, agriculture is one of the key sectors expected to lead to a sustained annual growth rate of 10%. The policy and institutional framework guiding the sector is the Agriculture Sector Development Strategy (ASDS, 2010-2020), which is focused to increase food production in line with a rapid population growth, reducing cost of agricultural inputs and reducing rural poverty where the majority of Kenyans reside.

### 1.1 Status and Trends of Targets in Goal 1

Table 1.0: Status and trend of target 1. A

| Target 1A   | Indicator   | YEAR            |       |             |             |
|---|---|-----------------|-------|-------------|-------------|
|   |   | Baseline (1990) | 2000  | 2005 -2011* | 2015 Target |
| Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day | Proportion of population living below 1 USD per day     | 43.3 %          | 52.3% | 45.9%       | 21.7        |
|   | Poverty Gap ratio                                       | -               | -     | 16.2%       | -           |
|   | Share of poorest quintile (20%) in national consumption | 4.8%            | 4.8%  | 4.6%        | 9.6%        |

Source: WMS 1997, KIHBS 2005/06

\*figure based on Kenya House hold Budget Survey of 2005/06

### 1.2 Proportion of population living below 1 USD per day

From the table above, the proportion of people living below the poverty line in Kenya was at 45.9% as at

Table1.2. Status of Target 1C

|   | Indicator  | YEAR            |       |       |             |
|---|--|-----------------|-------|-------|-------------|
|   |  | Baseline (1990) | 2000  | 2011  | 2015 Target |
| 1c: Halve, between 1990 and 2015, the proportion of people who suffer from hunger | Prevalence of underweight children under five years old.                                   | 22%             | 23.2% | 16.2% | 11%         |
|   | Proportion of population below minimum level of dietary consumption food poverty headcount | -               | -     | -     | -           |

2006 when the last Kenya Household Budget Survey was conducted. This was a decline from 53.6% in 2000 when the Millennium Declaration was signed. The decline could be attributed to the successful implementation of the Economic Recovery Strategy for Employment and Wealth Creation (ERSWEC) which was implemented under the NARC government from 2003 to 2007. Since then there have been numerous socio-economic changes such as the post-election violence of 2008, internal conflicts especially in the ASALS, climate change leading to high frequency and intensity of droughts, the global financial crisis and the high fuel and commodity prices. As a result, the poverty rate is expected to be slightly higher today against a target of 21.7% by 2015,

### 1.3 Poverty Gap Ratio

This indicator is a product of the incidence and depth of poverty. According to the KIHBS of 2006, the ratio was about 16.2%.

### 1.4 Share of poorest quintile (20%) in national consumption

The share level of the poorest quintile when in national consumption is 4.6% against a target of 9.6% by 2015. The real incomes available to the poorest quintile seem

not to have changed since the 1990s hence their share of consumption is still much lower than was expected. However policies being implemented, such as free primary education, free day secondary school and increase in social protection programmes may have the effect of tax cuts to the poor thus increase in their national consumption. The recent increases in prices of essential commodities and food items especially cereals

are likely to have decreased the disposable income available to the poorest quintile in the country and therefore reduced their share of national consumption.

The formation of county governments is expected to unlock the flow of resources to the rural areas and hence this indicator is expected to significantly improve by 2015.

### 1.5 Employment to population ratio

According to the 2012 Economic Survey, there are about 2,127,700 employed people both in the private and public sector in Kenya out of a total population of approximately 39.5 million people by 2011. This low rate of employment to population ratio denotes a huge dependency among few members of the society.

### 1.6 Prevalence of under weight children below 5 years

Malnutrition among children remains a great challenge in low-income and middle income countries including Kenya. The malnutrition situation in the country requires urgent attention. Amongst children aged 5 years and below, 35.3% are stunted, and 6.7 % are wasted, and malnutrition is an underlying factor in 55% of child deaths. In pregnant women, 55 % have iron deficiency anemia which is a major cause of morbidity and contributes to poor performance of maternal health indicators.

The proportion of underweight children under five years was 16.2% 2011 which represents a 7% reduction from 1997. Another reduction of a similar proportion in the next 3 years will ensure the country attains the desired target of 11% by 2015.

There has been promotion of breastfeeding through mass media, strengthening nutrition surveillance to identify cases early, increasing number of districts offering supplementary feeding from 50 to 70 and those providing integrated management of acute malnutrition services from 50 to 86 districts.

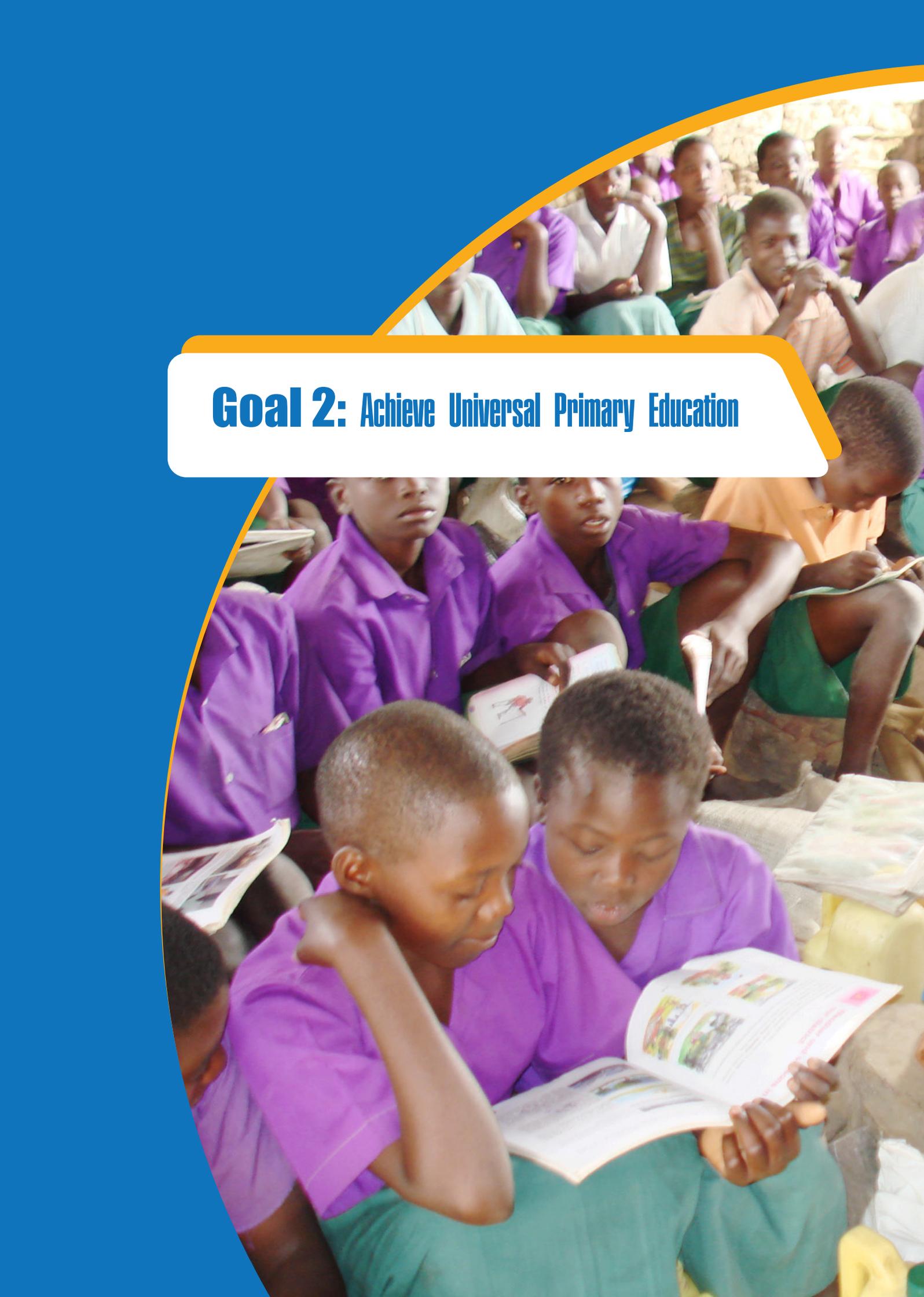
### Challenges on Eradicating Extreme Poverty and Hunger

- Poor agronomic practices, low coverage of extension services and affordability of appropriate technologies e.g. fertilizers and seeds, value added etc.
- Adverse climate changes leading to frequent and intense droughts, floods, reemergence of diseases and pests
- The recent rise of food and fuel prices in the global market has pushed more people into poverty.
- Population pressure and diminishing arable agricultural land coupled with rapid urbanization encroaching on high potential land.

- Poor market integration, inefficient and ineffective marketing systems leading to wastages, exploitation by middlemen, and poor distribution of produce.
- Inadequate capacity to address pests and diseases especially trans boundary outbreaks.
- Limited domestic capacity for deep sea fishing.
- Increasing frequency of social conflicts over resources.
- Insecure land tenure systems
- The outbreak of Maize lethal Necrosis disease in some parts of the country which may lower the expected maize yield.

### Ongoing Strategies to accelerate the achievement of Extreme Poverty and Hunger

1. Njaa Marufuku Kenya that's aimed at capacity building farmers to increase their productivity and improve food security at household level.
2. The NAAIAP assists farmers with fertilizer and seeds, subsidized fertilizer programme through NCPB, bulk importation of fertilizer through Kenya Farmers Cooperative Union as a way of boosting their production.
3. Through the Expanded Irrigation Programme, 10 irrigation schemes with 40,936 acres of land under crop have been operationalized and more will be established over the next two years.
4. Standard Disease Surveillance Procedures have been documented for various livestock diseases alongside the PATTEC project which is expected to eradicate tsetse fly in order to control trypanosomiasis. Disease free zones: two bio safety level three laboratories have been rehabilitated and range land resource survey completed.
5. Small holder Dairy Commercialization Programme, strengthening of the New KCC, private and farmer owned organizations (Githunguri, Miriakani, Siongiroi etc) have enhanced milk production and marketing among the dairy farmers.
6. Settlement scheme programme to provide access to land for Internally Displaced Persons (IDPs), forest evictees and poor landless Kenyans. Finalization of pending land adjudication programmes.
7. Youth empowerment programmes such as Youth Enterprise fund, which provide credit to the youth, allocation of a 5% of all public procurement to youth enterprises, subsidized youth polytechnic tuition fees (SYPT) and 'Yes Jump' Kenya programme to address youth unemployment. The Kazi Kwa Vijana (KKV) programme which provides short term employment to youth across the country.
8. Promotion of Fish Farming enterprises through adoption of aquaculture continue to lead to improvement in food access and incomes for the farmers.
9. Social Protection Programmes for orphans and vulnerable children, Persons With Disabilities, older persons, persons with severe disabilities and urban poor. A social protection policy has also been developed.

A group of young students in a classroom, some wearing purple uniforms, looking at books and papers. The image is set against a blue background with a white banner containing the text.

## Goal 2: Achieve Universal Primary Education

## 2.0 INTRODUCTION

The right to education has become a constitutional right under the Bill of Rights of the Constitution of Kenya 2010. In 2003, the NARC government introduced free primary education. The policy change immediately led to an enrolment of 1.2 Million admissions in primary school across the country. With the increase in enrolments the government later introduced free day secondary in 2008 as a measure to improve transition rates from primary to secondary schools

**Target 2A:** Ensuring that by 2015, children everywhere, boys and girls alike will be able to complete a full course of primary schooling

### 2.1 Indicators:

1. Net Enrolment Ratio (NER) in primary education
2. Proportion of people starting grade 1 who reach the last grade of primary
3. Literacy rates of 15-24 year old women and men.

education and a legal guide its implementation is in the process of being enacted by Parliament. The Policy of integrating Early Childhood Education (ECD) into basic education will further improve the enrolment at primary education level. These measures are a commitment by Government to ensure all children enjoy a full cycle of primary education and further into secondary education by attaining better completion rates.

### 2.4 Literacy Rate of 15-24 year olds nationally

The literacy rate among 15-24 year olds in Kenya is 79.5%. This rate is among the highest on the continent although there is need to ensure an increase to 100% by 2015. The free day secondary school alongside the increase in access to vocational training is expected to increase these numbers.

Table 2.0: Status and Trends of Targets in Goal

| Target 2A  | Indicator  | 1990  | Base Year 2000 | Status in 2011 | Target 2015 |
|--|--|-------|----------------|----------------|-------------|
| Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling | Net Enrolment Ratio (NER) in primary education                             | -     | 73.7%          | 95.7%          | 100%        |
|  | Proportion of pupils starting Grade 1 who reach the last grade of primary. | 43.2% | 48.9%          | 74.6%          | 100%        |
|  | Literacy Rate of 15-24 year olds nationally                                | -     | -              | 79.5(2008)     | 100%        |

Source; Ministry of Education 2012

### 2.2 Net Enrolment Ratio (NER) in primary education

Following the introduction of the Free Primary Education Programme in Kenya in 2003, the Gross Enrolment Rate (GER) has consistently increased to 115% in 2011, a 4.3% increase from or up from 110% in 2009. The Net Enrolment Rate (NER) is currently at 95.7% although the country still experiences regional disparities.

### 2.3 Proportion of pupils starting Grade 1 who reach the last grade of primary

The Pupil Completion Rate (PCR) for primary school education is at 74.6% (Economic Survey 2012) while the primary to secondary transition rose from 66.9% in 2009 to 73.3% in 2011. However, this is still significantly off the 100% target for year 2015. The ASAL regions contribute largely to this variation although informal settlements in urban areas are also pockets where non-completion of primary school is evident. The country has a Constitution that guarantees the right to basic

### Challenges to the Achievement of Universal Primary Education

- Regional disparities continue to exist especially between northern Kenya and the rest of the country
- The Free Primary Education has led to worsening of pupil teacher ratio thereby affecting quality of primary education in public schools
- Continuous existence of Non Formal Schools (Education Centres) in urban slums which offer lower quality learning environment with very little transformation into formal public schools
- Insecurity in pastoralist areas and communities living in border regions has continued to challenge retention of pupils at all levels of education
- Impact of HIV and AIDs on teachers and children resulting in high number of orphans and vulnerable children (OVCs)
- Poor nutritional and health practices at home leave children more vulnerable to diseases and this has negatively impacted on the learning

- Perennial drought in many places of the country has forced children out of school particularly for pastoralist communities thereby increasing dropout rates in this areas
- Overcrowding in urban public primary schools due to low investment in expansion of existing facilities and construction of new schools particularly in ASAL and urban areas
- Inadequate funding to support expansion of secondary schools has hindered the attainment of universal transition from primary level education
- Economic and socio-cultural practises of some communities discourage formal schooling.

#### **Ongoing Strategies to accelerate achievement of Universal Primary Education**

1. Expansion of Free Day Secondary School Education Programme
2. Draft legislation to make primary and secondary school education compulsory for all children aged below 18 years
3. Expansion of the School Feeding Programme to cover all ASAL areas as a mitigation to the effects of famine and drought on access and retention
4. Employment and deployment of more teachers to improve pupil teacher ratios
5. School infrastructure programme to expand facilities in existing schools
6. Creation of Model Schools in each Constituency as a means of improving the quality of education

## **GOAL 3: Promote Gender Equality and Empower Women**



Women Beneficiaries receive cheques from Chief Executive Officer of the women enterprise fund

### 3.0 INTRODUCTION

The Kenyan Government acknowledges that the empowerment of women is an effective way to combat poverty, hunger and disease and to stimulate sustainable development. Gender equality and women's empowerment is an important condition for the achievement of the other goals. The country has implemented numerous gender friendly policies to increase gender equality in the past while the Kenya's constitution 2010 has reserved 33% of the composition of all public bodies to either gender. But presently women and girls still bear the largest and most direct costs of the inequalities, the costs cut broadly across society, ultimately hindering development and poverty reduction.

The Women Enterprise Fund (WEF) which was established by the Government and formally launched in 2007 has continued to contribute to the economic empowerment of Kenyan women and their families. The fund has changed the lives of many families and has recently partnered with Private Partner to provide easier, faster, efficient and secure loan repayment method through mobile phone based money transfer services.

**Target 3A:** Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015

#### 3.1 Indicators:

- Ratios of girls to boys in primary, secondary and tertiary education
- Share of women in wage employment in the non-agricultural sector

- Proportion of seats held by women in national parliament

#### 3.3 Ratio of Girls to Boys in primary, secondary and tertiary (Gender Parity Index) by levels

The ratio of girls to boys in primary, secondary, tertiary and university has always shown a decline as you move up the higher levels. In 2011 for instance there were 1,194,518 girls compared to 1,175,000 boys at early childhood centres reflecting a GPI of 1.02 in favour of girls.

At primary school level, there were more boys (4,979,700) than girls (4,880,200) reflecting a GPI of 0.98. Overall, the ratio of girls completing the full cycle of primary education is lower than that of boys.

At secondary school level, there are 86 girls for every 100 boys enrolled, while at tertiary and college education, there are 94 female for every 100 males enrolled. The education level where most improvement is needed is at university education where for every 100 males enrolled, there are only 68 females

#### 3.4 Share of women in wage employment in the non-agricultural sector

In 2011, women constituted 38.2% of the total workforce in the public sector. In 2009, women constituted less than 30% of the labor force in the public sector. For Senior Positions in public service/civil service, women constituted 26.2% in 2011 compared to 20.3% in 2009. The improvement is partly attributed to a 2010

Table 3.0: Status and trends of Targets in Goal 3

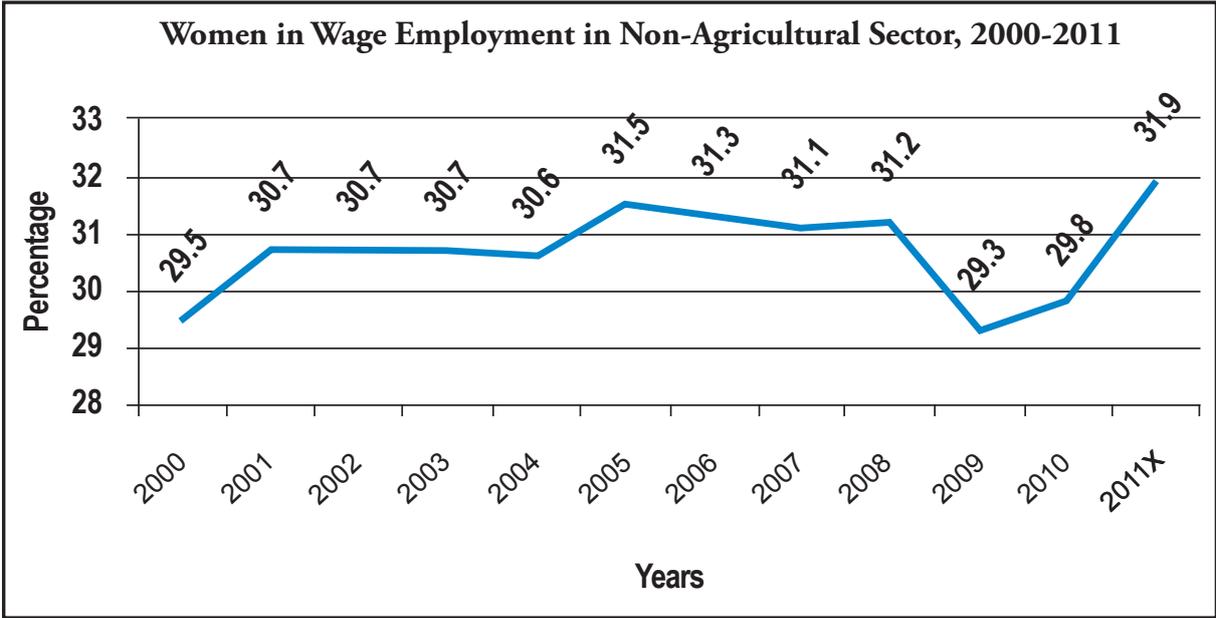
| Target under the Goal  | Indicator   | Base Year 2000   | Status in 2011 | Target 2015 |      |
|--|---|--|----------------|-------------|------|
| 3A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and at all levels of education no later than 2015 | Ratio of Girls to Boys in primary, secondary and tertiary (Gender Parity Index) by levels | Primary  | Girls          | 4,880,200   |      |
|  |   |  | Boys           | 4,977,700   |      |
|  |   |  | GPI            | 0.98        | 0.98 |
|  |   | Secondary  | Girls          | 819,014     |      |
|  |   |  | Boys           | 948,706     |      |
|  |   |  | GPI            | 0.88        | 0.86 |
|  |   | Tertiary   | Female         | 50,587      |      |
|  |   |  | Male           | 53,586      |      |
|  |   |  | GPI            | 0.56        | 0.94 |
|  |   | University   | Female         | 80,560      |      |
|  |   |  | Male           | 117,700     |      |
|  |   |  | GPI            |             | 0.68 |
|  |   | Share of women in wage employment in the non-agricultural sector | 29.5%          | 31.9%       | 50%  |
|  | Proportion of seats held by women in national parliament                                  | 4.1%   | 9.9%(22)       | 50%         |      |

presidential directive to reserve 30% of all positions in the public sector to women. Kenya was the first country in East African Region to have a women Vice Chancellor of a Public University and as at now 2 out of the 7 Vice Chancellors of the 7 Public Universities in the country are women. In the Diplomatic service, women ambassadors/High Commissioners constituted 17.9 % in 2011. The representation of Women Permanent Secretaries in 2011 stood at 15.9%. In the Provincial

Administration, 12.5% (one out of eight) of Provincial Commissioners were women in the same period. Despite efforts by the Kenyan Government to raise the ratio of women participation in economic activities, the proportion of female workforce in areas other than agriculture rose by 1.2% over the last decade (30.7% in 2001 and 31.9% in 2011) as shown in figure 3.1 below.

**3.5 Proportion of seats held by women in national parliament**

Figure 3.0 Wage Employment in Non-Agricultural Sector

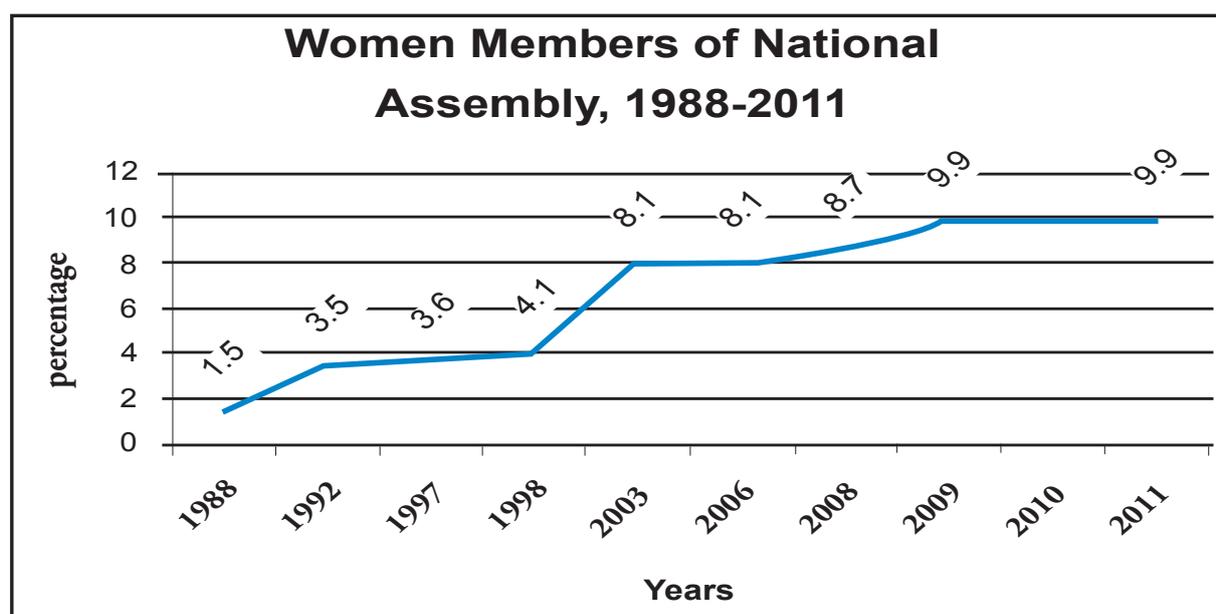


The number of women Members of Parliament has been steadily rising and currently stands at 22 (9.9%). Women Councillors representation has also been on increase from 8.1% in 2000 to 15.8% in 2011. However, the Situation is expected to improve when the next general elections are held. The Constitution of Kenya 2010 guarantees a representation of at least one third of either sex at the level of national and county assemblies.

registered parties which indicate that women constitute 31.4 % in the top management positions. This is as a result of enforcement of the Political Parties Act, 2007. This Act has now been reviewed and enacted as the Political Parties Act, 2011. The proportion of women in cabinet has also increased significantly from 10.6% in 2003 to 14.3% in 2011. Figure 3.2 below shows women representation in National Assembly for the period between 1988 and 2011.

With regard to representation in political parties, the 30% mark for women has been achieved in fully

Figure 3.1 Women Members of National Assembly (1988 - 2011)



#### Challenges to the Achievement of Gender Equality

- Under-representation of women in leadership and decision making levels
- Recurrence of gender violence and vulnerabilities' on women and girls
- Cultural and traditional practices and beliefs that affect women empowerment and girl child education such as Female Genital Mutilation and early marriages.
- Skewed access to and control of resources and opportunities especially in the rural areas
- Poor learning environment which affects girls in primary and secondary schools e.g. lack of sanitary facilities and extra burden of domestic chores especially for adolescent girls resulting in high dropout rate
- Regional disparities continue to exist especially between Northern Kenya and other ASALs, and the rest of the Country
- Inadequate facilities for Gender Based Violence Victims to address prevention, management and rehabilitation programmes
- In areas previously reflecting gender balance in participation of both boys and girls, the boys are increasingly dropping out of school to engage in other social economic activities.

#### Ongoing Strategies to achieve Gender Equality

- Provision of sanitary wares for girls under going through sexual maturation
- Targeted scholarships for girls particularly in marginalized and pastoralists areas
- Ratification of the Protocol to the African Charter on Human Rights on the Rights of women in Africa for the elimination of discrimination against women.

- Passage of the Prohibition of Female Genital Mutilation Act 2011, which criminalizes the practice and seeks to accelerate the abandonment of the practice in communities where it is prevalent.
- Implementation of affirmative action in recruitment, appointment and, promotion in the public sector.
- Encouraging female students to undertake science related courses in public universities by offering them scholarships
- Expansion of boarding schools for girls in Northern Kenya and other ASALs to enhance girl child education
- Re-admission of girls who drop out school after getting pregnant
- Affirmative action in admission to public universities for female students. The Joint Admissions Board has lowered the admission cut off for female students by two points in a bid to see more girls enrolling at the public universities.
- Development of Health Sector Gender Policy to address gender issues in the health sector ongoing
- Strengthening of National Gender and Equality Commission and National Equality and Human Rights Commission by making them Constitutional Offices.
- Women Enterprise Fund has partnered with Export Promotion Council (EPC) to support and facilitate local and international marketing of goods and services produced by women entrepreneurs.
- Development of National Policy on Gender and Development 2011.
- Development of Gender Based Affirmative Action Policy to provide guidelines on implementation of provisions of Affirmative Action in the Constitution

## **GOAL 4: Reduce Child Mortality**



## 4.0 INTRODUCTION

**Target:** Reduce by two thirds, between 1990 and 2015, the under five mortality rate.

The future development of every nation depends on the health of the children. The leading causes of child and infant mortality in Kenya include neo-natal complications, malaria and pneumonia. The efforts to reduce child mortality in Kenya have included various strategies. As a result child mortality rates continue to show a declining trend. The national coverage of full immunization has also been increasing since the year 2000. The main challenge is the significant disparities across various regions. While there have been improvements nationally, regions such as North Eastern and South Rift have higher rates of infant and child mortality.

Table 4.1 below shows the performance of MDG child health indicators nationally.

Table 4.1 **Status of Targets for Goal 4**

| Target   | Indicator   | YEAR            |       |      |             |
|--|---|-----------------|-------|------|-------------|
|  |   | Baseline (1990) | 2000  | 2011 | 2015 Target |
| Target 4a: Reduce by two thirds the mortality rate among children under five | 4.1 Under-five mortality rate                                   | 98.9            | 111.5 | 74.0 | 32.0        |
|  | 4.2 Infant mortality rate                                       | 67.7            | 73.7  | 52.0 | 22.0        |
|  | 4.3 Proportion of 1 year-old children immunized against measles | 48%             | 76.1% | 80%  | 90%         |

Sources; **MICs 2000, Economic Survey, 2012, KDHS 2008-9, KDHS 2003, MoPHS 2012**

### 4.1 Under five Mortality and infant mortality.

The under five mortality rate was 74 for every 1,000 live births while the infant mortality indicated a rate of 52 deaths for every 1000 live births according to the 2008 KDHS survey. While no new survey has been conducted since 2009, it is likely that this rate has reduced further. The improved performance of these indicators can be attributed to measures such as the implementation of the Integrated Management of Childhood diseases strategy and introduction of the pneumonia vaccine for children aged one year and below, campaigns to promote exclusive breastfeeding, recruitment, development and management of community level health workers through the Community Health Strategy as well as the increase in the number of health facilities offering immunization services. It is possible to meet these MDG targets if the challenges are addressed.

### 4.2 Immunization of one-year olds

The proportion of children aged 12-23 months who are

fully immunised was 77.4% in 2009 according to the KDHS 2008/9. While a successive demographic health survey has not been conducted since then, the 2012 Economic Survey indicates that the proportion of one year olds who are fully immunised was 80% in 2011. There is a possibility of meeting this MDG target by the year 2015 if the challenges and bottlenecks mentioned are addressed.

### 4.3 Challenges to the achievement of Reducing Child Mortality

- Retention of health personnel posted to work in arid areas
- Low doctor to population and nurse to population ratio
- Resource constraints
- Increased morbidity and mortality associated with HIV and Aids

#### 4.3.1 Emerging Issues

- The high cost of living may reverse the gains made in the health seeking behaviour and therefore reduce the demand for preventive services such as immunization.

### 4.4 Ongoing Policy and strategies to Reduce Child Mortality

- Construction of model health facilities in 200 constituencies with a focus on maternal and child health under the Economic stimulus program. These, alongside other investments in primary health infrastructure have resulted in the number of health facilities providing immunization services increasing by 27.5% to 4,081 between 2008 and 2011.
- The number of health facilities providing immunization services rose by 27.5% to 4,081 between 2008 and 2011. In addition, new immunization programmes such as the pneumococcal vaccine was launched in 2011 for infants under one year in order to reduce infant mortality.



*H.E President Mwai Kibaki and the Minister for Public Health and Sanitation Beth Mugo at the launch of the pneumococcal vaccine in Nairobi.*

## **GOAL 5: Improve Maternal Health**



## 5.0 INTRODUCTION

Maternal health is a key indicator of the health system's capacity in a country. This is because maternal health is integrated and intertwined into all aspects of the health systems. It is influenced by the quality prenatal, antenatal, intra partum and post partum care.

### Targets

**Target 5a:** Reduce by three quarters between 1990 and 2015, the maternal mortality ratio

**Target 5b:** Achieve by 2015, the universal coverage to reproductive health

### 5.1 Status and Trends of improving maternal health

The performance of the indicators under this goal is mixed. The maternal mortality ratio worsened between 2003 and 2009. While there has been no other survey conducted to provide the current situation, no significant change is expected to have taken place between 2009 and 2011. Table 4.1 below shows the performance of MDG maternal health indicators

### Maternal Mortality and Use of Skilled Personnel for Deliveries

The leading causes of maternal deaths in Kenya are direct and preventable obstetric complications such as hemorrhage, sepsis, eclampsia, abortion and obstructed labor. The maternal mortality rate increased from 414 per 100,000 live births to 488 per 100,000 live births between 2003 and 2009 and is off target. The proportion of births attended to by skilled personnel was in 2011 42.3%. However, there are marked regional disparities.

### 5.1 Contraceptive use and Family Planning

The rate of contraceptive use has also been growing gradually. The proportion of women who use any method of contraception increased from 39% in 2000 to 46% in 2011. A major concern for this indicator is the sharp disparities between regions in the country. The unmet need for family was 25.6% in 2011.

### 5.2 Challenges on improving maternal health

- The high out-of-pocket expenditure for health may reduce demand for health services
- Inadequate skilled care throughout the continuum of pregnancy. – The Ministries of Health are addressing this by providing trainings and training updates to health care workers at facility and community levels. The training materials have been developed and some reviewed.
- Health system challenges- Inadequate supplies, equipment, and human resource)
- Access to health facilities is constrained in many places due to infrastructure and inadequate referral system.
- Health staff to population ratio is unfavourable to the achievement of goal 5
- The attitude of health staff is a major constraint that affects the willingness of pregnant mothers to seek both ante-natal care and delivery services.

Table 5.1: MDG maternal health indicators

| Target  | Indicator   | YEAR             |      |       |             |      |
|---|---|------------------|------|-------|-------------|------|
|   |   | Baseline (1990)  | 2000 | 2011  | 2015 Target |      |
| <b>Target 5a:</b> Reduce by three quarters the maternal mortality ratio     | 5.1 Maternal mortality ratio  | 590              | na   | 488   | 147         |      |
|   | 5.2 Proportion of births attended by skilled health personnel             | 44%              | na   | 43.8% | 90%         |      |
| <b>Target 5b:</b> Achieve, by 2015, universal access to reproductive health | 5.3 Contraceptive prevalence rate   | na               | 39%  | 46%   | 70%         |      |
|   | 5.4 Adolescent birth rate   | na               | na   | 103   |             |      |
|   | 5.5 Antenatal care coverage (at least one visit and at least four visits) | At least 1 visit | na   | na    | 91.5%       | 100% |
|   |   | Four Visits      | na   | na    | 52%         | 90%  |
| 5.6 Unmet need for family planning  | na  | na               | 24%  | 0%    |             |      |

Source: Ministry of Health, KDHS 2008/09

### 5.2.1 Emerging Issues

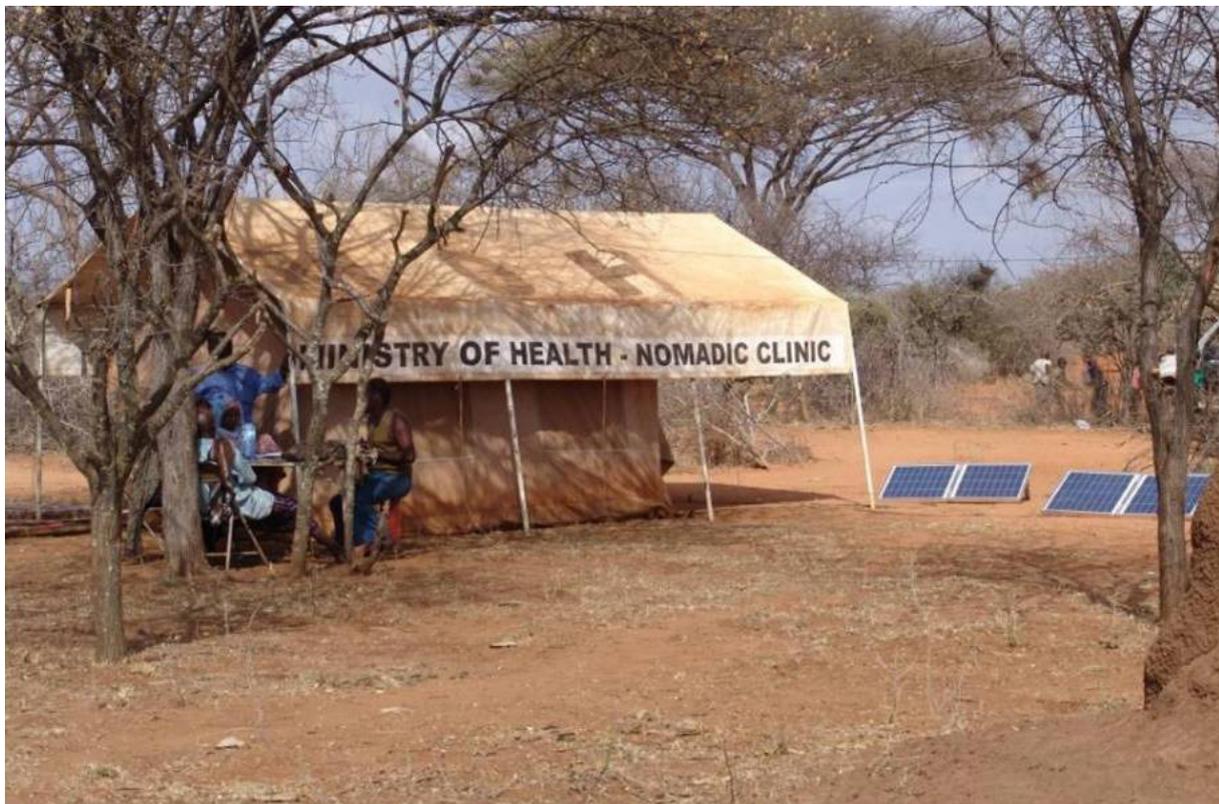
- The rising cost of living as demonstrated in the high fuel and food prices has affected negatively on the individual's ability to spend on health related needs. This is likely to contribute negatively to utilization of maternal health services.

### 5.3 Strategies on Improvement of Maternal health

- The adoption of the Constitution of Kenya 2010 that recognizes quality Reproductive health as a right.
- The African Union launched a Campaign on Accelerated Reduction of Maternal Mortality in Africa (CARMMA) in 2009 to bring attention to the challenge of high maternal mortality rates.

CARMMA was born out of the Maputo Plan of Action, adopted by the AU in 2006, and aims to achieve universal access to comprehensive sexual and reproductive health and rights in Africa by 2015. In Kenya, the campaign was launched in 2010.

- The Output Based Approach (OBA) voucher system has been expanded to now include 5 districts. This system covers Antenatal care services, delivery services, family planning, and gender based violence services.
- Construction of maternal shelter in Northern Kenya where health facilities are not easily accessible due to the terrain is expected to assist in reduction of maternal mortality.



*Mobile health facilities aimed at increasing access to health care for nomadic communities*

## **GOAL 6: Combat Hiv and Aids, Malaria and Other Diseases**



## 6.0 INTRODUCTION

The HIV and AIDS pandemic has reversed the gains made towards attaining health for all Kenyans and has adversely affected the socio-economic development of the nation. Emergence of HIV has resulted in increase in tuberculosis morbidity and mortality. Malaria remains the greatest cause of death especially in children under five and pregnant women.

### Targets

**Target 6a:** Have halted by 2015 and began to reverse the incidence of malaria and other major diseases

### Indicators

- 6.1 HIV prevalence among population aged 15-24 years
- 6.2 Condom use at last high-risk sex
- 6.3 Proportion of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS

- 6.4 Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years

**Target 6b:** Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it

- 6.5 Proportion of population with advanced HIV infection with access to antiretroviral drugs

**Target 6c:** Halt and begin to reverse the incidence of malaria and other major diseases

- 6.6 Incidence and death rates associated with malaria
- 6.7 Proportion of children under 5 sleeping under insecticide-treated bed nets
- 6.8 Proportion of children under 5 with fever who are treated with appropriate anti-malarial drugs
- 6.9 Incidence, prevalence and death rates associated with tuberculosis
- 6.10 Proportion of tuberculosis cases detected and cured under directly observed treatment short course

### 6.1 Status and Trends

Table 6.1; **Status of Targets under MDG 6**

| Target   | Indicator   | YEAR            |      |         |             |
|--|---|-----------------|------|---------|-------------|
|  |   | Baseline (1990) | 2000 | 2011    | 2015 Target |
| <b>Target 6a:</b> Halt and begin to reverse the spread of HIV/AIDS                                       | 6.1 HIV prevalence among population aged 15-24 years  | -               | -    | 2.9     | -           |
|  | 6.2 Condom use at last high-risk sex  |                 |      | 26%     |             |
|  | 6.3 Proportion of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS          | -               | -    | -       | -           |
|  | 6.4 Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years          | -               | -    | -       | -           |
| <b>Target 6b:</b> Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it | 6.5 Proportion of population with advanced HIV infection with access to antiretroviral drugs            | -               | -    | 72.3%   | 80%         |
| <b>Target 6c:</b> Halt and begin to reverse the incidence of malaria and other major diseases            | 6.6 Incidence and death rates associated with malaria   |                 |      | -       |             |
|  | 6.7 Proportion of children under 5 sleeping under insecticide-treated bed nets                          |                 |      |         |             |
|  | 6.8 Proportion of children under 5 with fever who are treated with appropriate anti-malarial drugs      |                 |      |         |             |
|  | 6.9 Incidence, prevalence and death rates associated with tuberculosis                                  |                 |      |         |             |
|  | 6.10 Proportion of tuberculosis cases detected and cured under directly observed treatment short course |                 |      | 85.86 % |             |

Sources; **KDHS 2008-9, 2003 MOPHS**

## Halt and begin to reverse the spread of HIV and AIDS

- The overall HIV prevalence rate among adults 15-49 years was estimated to be 6.3% in 2011 (KDHS 2008-9) down from 7.4% in 2007 (KAIS 2007) and 6.7% in 2003 (KDHS 2003). The HIV prevalence among youths aged 15-24 years was 3.0 in 2011.
- In 2009, the country launched male circumcision guidance document after studies showed that providing circumcision to the non circumcising communities could reduce the risk of HIV infection by up to 60%. By 2011, about 419,000 males from non circumcising communities had undergone the cut majority of whom were from Nyanza, other regions targeted in the campaign include Turkana, Nairobi and Teso.

**Achieve, by 2010, universal access to treatment for HIV and Aids for all those who need it**

## Halt and begin to reverse the incidence of malaria and other major diseases

- The malaria prevalence in children under 5 years in all regions except Western and Nyanza provinces is less than 5 %. This is an indication that malaria may not be a major cause of morbidity in children this age group and should therefore be tested before initiating treatment.
- The net use in children less than 5 years fell due to a reduction in coverage occasioned by delays in getting funding to replace worn out nets in this age group. In 2011, at least 11 million ITNs were distributed to cover all persons at risk of malaria in malaria endemic regions.
- There has been significant improvement in the tuberculosis indicators since year 2000. Kenya is on course towards meeting the MDGs since the burden of tuberculosis has stabilized and is currently showing signs of a reverse trend. Kenya has reached the WHO targets, i.e. case detection rate 70% and achieved 85%, treatment success rate 85% and achieved 86%.
- The HIV and AIDs program is working with the Community Strategy to improve linkages with the HIV program. This will assist in defaulter tracking as well as improve adherence to various interventions implemented by the program
- The country is to introduce incidence testing as part of all population based surveys to get reliable data on the course of the epidemic. This shall triangulate incidence estimates obtained via mathematical modelling and other methods.

## Emerging issues

- The HIV program is currently heavily donor dependent, and most of the donors have now pledged level funding, meaning that the country has to find innovative means to scale up service provision without increasing the cost of programming.
- There has recently been a move to come up with a trust fund for HIV funding. It is expected that the government shall allocate a fixed percentage of the GDP for HIV programming; all other donors will also be expected to contribute to this pool that shall be managed by a board of trustees. There has been an increase in the government allocation for HIV and AIDS in 2010/11 from Kshs 500 million to Kshs 900 million.
- Mosquito resistance to commonly used insecticides for vector control necessitating a change to insecticides that are more costly, and logistically more difficult to use and requiring more frequent applications.
- Implementation of the community health strategy has been delayed in areas with the heaviest malaria burden, thus delaying implementation of community case management.
- There have been increased incidences of multiple drug resistant strains of tuberculosis. An average of 10-15 new cases are reported every month.

## Challenges to combat HIV and AIDs Malaria and other diseases

- Inadequate financing for the HIV and AIDS programs
- Inadequacies in the existing health information systems have resulted to reliance on periodic surveys for HIV and AIDS data for decision making.
- The most at risk populations(MARPs) such as male and female sex workers, men having sex with men(MSM) and injecting drug users who play a crucial role in sustaining and even accelerating the infection rates of HIV need to be targeted for various prevention interventions. However this is hampered by the fact that this behaviours is illegal in Kenya making these groups difficult to reach. The HIV program has conducted sensitization of health workers to ensure these populations are reached with HIV prevention, treatment care and support services hence break the chain infections.
- Inadequate financing for malaria control interventions and in particular malaria diagnosis country wide.
- Staff shortage especially lab personnel

## Strategies to combat HIV and AIDs Malaria and other diseases

- In 2001, African governments signed the Abuja declaration, agreeing to devote 15% of their domestic budget to the health sector as a move towards universal health care. This commitment is restricted to domestic public sources of funding and excludes external funding
- The National Health Strategic Plan II (2005-2012) was approved for implementation in 2005. The strategic focus of the plan was increased equitable access, improvement in the quality of health services and responsiveness, increase in efficiency and effectiveness, fostering of partnership and improvements in healthcare financing.
- To address the problem of data availability on HIV and AIDS amongst other health problems, the country has in collaboration and support from the Danish Development Agency (DANIDA) adopted the use of the web based District Health Information System (DHIS). This system has a reporting module for HIV and AIDS which facilitate the tracking of selected indicators using routine data hence reduce over reliance on survey data.

## **GOAL 7:** Ensure Environmental Sustainability



## 7.0 INTRODUCTION

According to the Brundtland Commission, sustainable development is defined as the development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. Ensuring environmental sustainability is therefore a sure way towards the achievement of the MDGs and the realisation of the Kenya Vision 2030. This is because environment is the backbone of the other sectors of the economy.

The status and trend of performance of indicators for goal 7 is provided in table 7.1 below.

environmental tools like environmental accounting to take into account environmental costs in our System of National Accounting (SNA). The use of environmental accounting will make it easier to analyze sectoral and macroeconomic issues, so as to design policies that reflect a more comprehensive understanding of the relationship between the economy and the environment. The long-term goal for environmental accounting is for Kenya to develop meaningful macroeconomic indicators and also ascertain the value of non market environmental services and products.

**Target 7b:** Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss

Table 7.1 Status of Targets in Goal 7

| Target  | Indicator  | YEAR                 |      |         |             |
|---|--|----------------------|------|---------|-------------|
|   |  | Baseline (1990)      | 2000 | 2011    | 2015 Target |
| <b>Target 7a:</b> Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources |  | na                   | na   | na      |             |
| <b>Target 7b:</b> Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss   | 7.1 Proportion of land area covered by forest                        | 6%                   | 1.7% | 4.0%    | 6%**        |
|   | 7.2 CO2 emissions, total, per capita and per \$1 GDP (PPP)           | 0.07                 | 0.09 | 0.07*   | 0.06**      |
|   | 7.3 Consumption of ozone-depleting substances                        | na                   | na   | na      | na          |
|   | 7.4 Proportion of fish stocks within safe biological limits          | na                   | na   | na      | na          |
|   | 7.5 Proportion of total water resources used                         | na                   | na   | na      | na          |
|   | 7.6 Proportion of terrestrial and marine areas protected             | na                   | na   | na      | na          |
|   | 7.7 Proportion of species threatened with extinction                 | na                   | na   | na      | na          |
| <b>Target 7c:</b> Reduce by half the proportion of people without sustainable access to safe drinking water and basic sanitation                    | 7.8 Proportion of population using an improved drinking water source |                      |      | 39.5*   | 43.6**      |
|   | 7.9 Proportion of population using an improved sanitation facility   | na                   | na   | na      | na          |
| <b>Target 7d:</b> Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020   | 7.10 Proportion of urban population living in slums                  | Census 1989 had this | 70%  | 17.76%* | 17.40%**    |

\*the data is the best proxy value from 2008 study

\*\*extrapolated estimates

**Target 7a:** Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources

Kenya has made attempts to integrate the principle of sustainable development through development and implementation of policies, legislation, regulations, programmes and projects. For example, this has been achieved by revising policies in agriculture, Environment, forestry, wildlife, energy among others. However the value and contribution of environmental services and products to the national economy is yet to be fully incorporated. This is due to absence of using

### 7.1 Proportion of land area covered by forest

Forests perform a number of functions that are important for human survival and livelihood, including the provision of goods and services such as protection against flooding, habitat for biodiversity, carbon sequestration, watershed protection and soil conservation. The various forest ecosystems in Kenya account for a significant proportion of the GDP but have not been accurately valued. In spite of this vital role, the country has for many years experienced reducing forest cover attributed to human factors. This trend is however showing signs of reversal. A forest cover assessment conducted by the Ministry of Environment and Mineral

Resources in collaboration with Department of Remote Sensing and Resource Surveys (DRSRS) and Ministry of Forestry and Wildlife through Kenya Forestry Service (KFS) in 2010 showed the proportion of land area covered by forest to be 3.82%. This increased to 4% in 2011 and represents a significant improvement from the 1.7% previously reported. Forests in Kenya cover a total area of 37.6 million hectares comprising 2.1 million hectares of woodland, 24.8 million hectares in bush land and 1.07 million hectares of wooded grassland. Of these, only 4.5% (2.1% of total country land area) are gazetted and managed by KFS.

The increase in forest cover is attributed to tree planting projects implemented by state and non state actors. This has been realized through natural regeneration, commercial plantation, agro-forestry practice in private and institutional farms and repossession of illegal occupied forest land. The country has been generating between estimated 50,000 and 100,000 hectares of new forest per annum. For example figure 7.1 and 7.2 shows tree planting through Kazi Kwa Vijana (KKV) Programme and regeneration in Naivasha lake basin under Imarishalisha Naivasha Programme launched in May 2011.

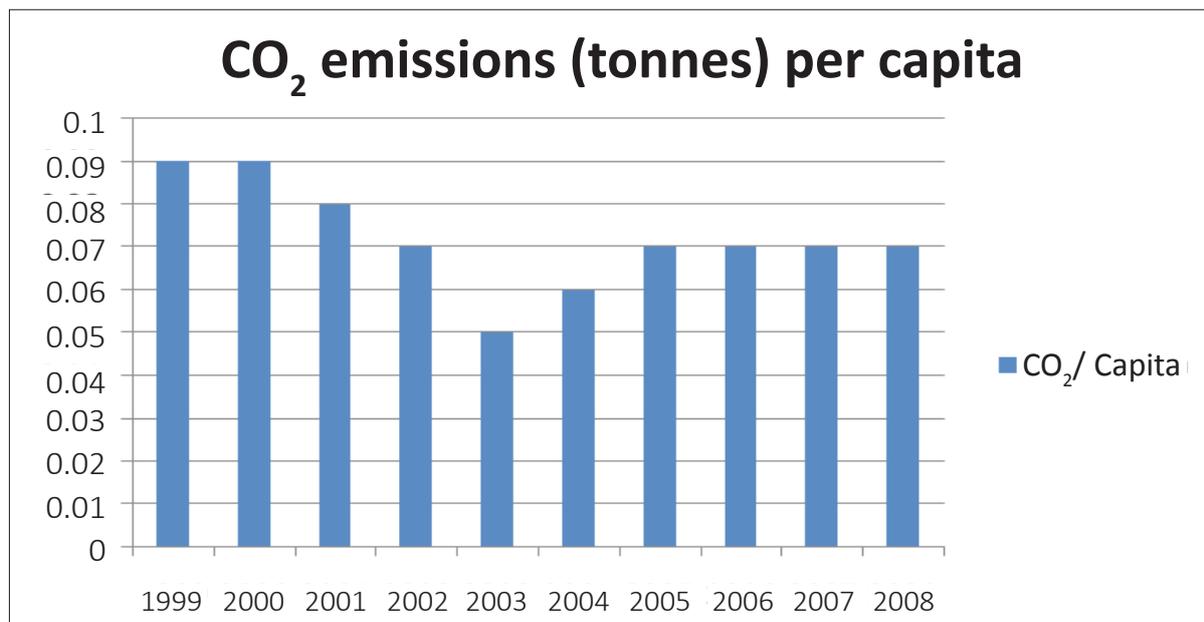


Figure.7 2 Regeneration of Trees in Mau



Figure 7.1: Tree planting site in Naivasha

Table 7.2: Kenya: Carbon dioxide emissions (CO<sub>2</sub>) per capita



Source: Carbon Dioxide Information Analysis Center (CDIAC)

CO<sub>2</sub> emissions, total, per capita and per \$1 GDP (PPP)

According to the Carbon Dioxide Information Analysis Center (CDIAC), Kenya is ranked 98<sup>th</sup> in the world

carbon dioxide emissions. In 2008, the country emitted 2834 thousand metric tonnes (MT) of CO<sub>2</sub>. The trends of Carbon Dioxide Emissions rates for the past 10 years since 2008 are shown in Table 7.2;

Table 7.3 : Electricity Generated (GWh)

| Sources       | FY2008/09 |      | FY2009/10 |      | FY2010/11 |      | FY2011/12 |      |
|---------------|-----------|------|-----------|------|-----------|------|-----------|------|
| Hydro         | 3,488     | 55%  | 2,849     | 44%  | 2,170     | 32%  | 3,427     | 47%  |
| Thermal       | 1,826     | 29%  | 2,411     | 37%  | 3,011     | 45%  | 2,265     | 31%  |
| Geothermal    | 1,020     | 16%  | 1,179     | 18%  | 1,339     | 20%  | 1,453     | 20%  |
| Cogeneration  | 9         | 0%   | 4         | 0%   | 99        | 1%   | 87        | 1%   |
| Wind          | 0         | 0%   | 0         | 0%   | 16        | 0%   | 18        | 0%   |
| Isolated Grid | 14        | 0%   | 16        | 0%   | 19        | 0%   | 21        | 0%   |
| Imports       | 26        | 0%   | 30        | 0%   | 38        | 1%   | 31        | 0%   |
| Total         | 6,383     | 100% | 6,489     | 100% | 6,693     | 100% | 7,302     | 100% |

Source: Ministry of Energy

### 7.1.1 Investment in clean energy

In an effort to reduce the CO<sub>2</sub> emission in the country, Kenya has registered gradual increase in the proportion of electricity being generated from clean sources. Table 7.3 indicates the trends of electricity generation from Clean Development Mechanisms (CDM) from 2008-2011.

Further, the Ministry of Energy in 2010 developed the country's Least Cost Power Development Plan (LCPDP) for the period 2010-2030. The LCPDP forecasts was an increase in power demand to 4,220

MW in 2020 and 11,510 MW in 2030 in a Low Case Scenario (LCS). While in a Base Case Scenario (BCS) 4,755 MW in 2020 and 15,026 MW in 2030. This represented an expected average energy growth rate of 14.5 percent for the period upto 2020 in LCS and 13.4 percent for the entire period in BCS. This emphasizes the need to expand Kenya's current installed power generation capacity in order to secure the sustainability of the current growth rate, to support future economic growth, and to improve the quality of life of the population.

### 7.1.2 Carbon Sequestration

Forests play an important role in the global carbon cycle through the long-term sequestration of terrestrial ecosystem carbon (accumulation of carbon in the wood and soils). Thus, deforestation of these long-term, expansive 'carbon banks' has been a major source of CO<sub>2</sub>. The FAO (2006) estimates that Kenyan forests store on average 348 tons CO<sub>2</sub> per hectare in above and below ground biomass. While the global estimates are about 5.45 kg/m<sup>2</sup>.

### 7.3 Consumption of Ozone-depleting substances

Since early 1970s, it was recognized that manmade chemicals were responsible for the depletion of the Ozone Layer. Depletion of the Ozone Layer results in high amounts of sun's rays UV-B radiation reaching the earth's surface causing damages to human health, the environment and impacting negatively on the economy of the country. Table 7.3 below shows the Ozone Depleting Substances commonly used in Kenya.

Table 7.3: Common Ozone Depleting Substances used in Kenya.

| Types of ODS                        | Amount in circulation (tonnes) | Remarks  |
|-------------------------------------|--------------------------------|--|
| Chloroflourocarbon (CFC)            | 0                              | - Importation of CFC Banned effective in January 2009  |
| Hydrochloroflourocarbon (HCFC)      | 168.489                        | - 33 Customs officers were trained on control of imports and exports of Ozone Depleting Substances (ODS) in 2011   |
| Halon(For firefighting)             | 0                              | - The country did not exceed the allowed quantities under Montreal Protocol on HCFCs.  |
| Carbon Tetrachloride (Solvent)      | 0                              | - National Ozone Unit (NOU) in collaboration with GIZ Prolima carried out retrofit of CFC equipment with ozone friendly alternatives in Government health facilities in 2011 |
| Methyl Chloroform (Solvent)         | 0                              | - In 2010 NOU carried out ODS data collection for submission to the UNEP Ozone Secretariat and the Multilateral Fund Secretariat   |
|                                     |                                | - Currently NOU is compiling 2011 ODS data for submission to both, the Multilateral Fund Secretariat and the Ozone Secretariat   |
|                                     |                                | - NOU has made follow up with the Beijing Amendment to the Montreal Protocol   |
|                                     |                                | - 44 Refrigeration technicians were trained in 2011 on the safe use of hydrocarbons refrigerants   |
|                                     |                                | - Kenya NOU in collaboration with GIZ Proklima carried out HCFC survey for the preparation of an HCFC terminal Phase out Management Plan (HPMP) in 2011                      |
|                                     |                                | - HPMP Project for Kenya has been approved at the 66 <sup>th</sup> Meeting of the Executive Committee of the Multilateral Fund   |
|                                     |                                | - Halons have already been phased out- No importation of halons  |
|                                     |                                | - No more importation of Carbon Tetrachloride  |
|                                     |                                | - No more importation of Methyl Chloroform   |
| Methylbromide (Agricultural Sector) | 85.52                          | - Methyl Bromide used for Quarantine and Pre-shipment (QPS)  |
|                                     | 11                             | - Methyl Bromide used for non-QPS ( Mainly in grain sector)  |
| Metham Sodium Concentrates          | 6.8                            | Safer and mainly used in flower farms  |
|                                     | 3.2                            |  |

### 7.4 Proportion of fish stocks within safe biological limits

The trends of fish stocks within safe biological limits for the last 10 years since 2011 is as indicated in Table 7.4

Table 7.4: **Fish Stocks in tonnes**

| Year                   | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    |
|------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Safe Biological Limits | 128,227 | 119,655 | 130,614 | 145,849 | 158,470 | 136,355 | 135,408 | 133,600 | 140,751 | 149,046 |

Source: **Economic Survey, 2003-2012**

### 7.5 Proportion of terrestrial and marine areas protected

Marine protected areas are intertidal or sub tidal terrain areas that have been reserved by law or other effective means to protect part or the entire enclosed environment as shown in Table 7.5. The Protected areas are include 23 terrestrial National Parks, 28 terrestrial National Reserves, 4 marine National Parks, 6 marine National Reserves and 4 national sanctuaries. The country's marine parks and reserves include Kisite, Kiunga, Malindi, Mombasa, Kisite Mpunguti and Watamu. In total the protected areas comprise approximately 0.08% of the total land area

Table7.5: **Protected Terrestrial and Marine areas**

| Protected area           | (km <sup>2</sup> ) |
|--------------------------|--------------------|
| National parks           | 30,348.3           |
| National reserves        | 16,478.4           |
| Marine national parks    | 70.1               |
| Marine national Reserves | 706.0              |
| National Sanctuaries     | 71.3               |
| Ramsar sites             | 286.0              |
| <b>TOTAL</b>             | <b>47,960.10</b>   |

Source: **KWS Annual Reports**

The rich Kenyan marine and coastal life is composed of over 800 species including 169 species of corals, 9 species of mangroves and 11 species of sea-grasses, 344 species of mammals, 5 species of reptiles, besides the countless numbers of species yet to be described or discovered

### 7.7 Proportion of species threatened with extinction

Kenya is home to five hot spots of globally important biodiversity and 61 important bird areas. These unique and biodiversity-rich regions include the Indian Ocean Islands of Lamu and Kisite; the coastal forests of Arabuko -Sokoke and the lower Tana River; the Afro-

montane forests of Mount Kenya, Aberdares and Mount Elgon; Kakamega's Guineo-Congolian equatorial forest; and the Northern dry lands that form part of the distinct horn of Africa biodiversity region.

Kenya's known biodiversity assets include 7,000 plants, 25000 invertebrates (21 575 of which are insects), 1,133 birds, 315 mammals, 191 reptiles, 180 freshwater fish, 692 marine and brackish fish, 88 amphibians and about 2 000 species of fungi and bacteria (NEMA 2009a). Kenya is ranked third in Africa in terms of mammalian species' richness with 14 of these species being endemic to the country (IGAD 2007). The country is famous for its diverse assemblage of large mammals like the African elephant (*Loxodonta africana*), black rhino (*Diceros bicornis*), leopard (*Panthera pardus*), buffalo (*Syncerus cafer*) and African lion (*Panthera leo*) (NEMA 2009a). Protection of these will therefore be crucial to securing livelihoods and to consequently reducing poverty levels.

There are 7,000 plant species occurring in Kenya, 146

species have been assessed according to the IUCN Threat Criteria (2008) and 103 have been categorized as being threatened (critically endangered, endangered or vulnerable). Nevertheless, much of the country's bio capital remains unknown and even with regard to the recorded species, there are information gaps on the proportion of those that are endemic, threatened, critically endangered or extinct.

### 7.8 Proportion of population using an improved drinking water source

According to the 2009 housing and population census, the proportion of the Kenyan population using improved drinking water sources was 52.6 %. Since 2009, an additional 5.9 million people have been given access

to clean drinking water through rehabilitation and expansion of urban and rural water supplies, drilling of boreholes, construction and distilling of water pans and dams.

The National Water Harvesting and Storage Strategy was finalized and is currently being implemented with the construction of water storage infrastructure being realised. At least 77 small dams and pans have been constructed in 72 ASAL districts while 85 boreholes drilled and 24 operationalized throughout the country. In addition the construction of medium sized multipurpose dams identified as flagship projects of the Vision 2030 at various degrees of completion. When completed, these will provide an additional 30 million m<sup>3</sup> of water storage capacity for the country.

Through the Water Services Trust Fund (WSTF) and other partners, the country has continued to improve access to clean water and sanitation to the rural unserved areas and informal settlements. Under the Community Project Cycle (CPC) for rural projects and the Urban Project Cycle (UPC), 46 and 77 projects have been implemented respectively. Under the Water, Sanitation and Hygiene (WASH) program implemented

in collaboration with UNICEF, a total of 268 projects were funded while 67 WRUAs Development Cycle (WDC) were implemented.

### 7.9 Proportion of population using an improved sanitation facility

In the 2009 national population and housing census, the proportion of Kenyan population with access to adequate sanitation was estimated to be 61.2%. In the year 2011, an additional 569,720 people were provided with access to sanitation and sewerage services.

### 7.10 Proportion of urban population living in slums

The high rate of urbanization coupled with the migration to the urban centers continues to pose a challenge to the provision of services. Planning for the urban centers has not been in tandem with the developments. Even though the Ministry is putting a lot of effort in addressing the current status of slums, the contribution is out-grown by the demand. The Ministry has therefore embarked on the development of slum policy that would address the issue of slum prevention. The projection target of 10% in 2015 will have 13.8 million people in urban areas. (Figures 7.10).

Table 7.10 (b) Proportion of Urban Population Living in Slums

| YEAR | National Pop. | Urban Pop. (millions) | Slum Population (millions) | % age Urban | Share of Slums population in total | Urban Pop with access to safe water | Urban Pop. With access to improved sanitation | Urban Population with access to durable housing |
|------|---------------|-----------------------|----------------------------|-------------|------------------------------------|-------------------------------------|---|---|
| 1999 | 29.5          | 10.0                  | 7.0                        | 34.0        | 70.0                               | 75.0                                | 32.0  | 88.0  |
| 2001 | 31.3          | 11.0                  | 8.0                        | 34.0        | 71.0                               | 87.0                                | 53.0  | 80.0  |
| 2005 | 35.1          | 13.0                  | 9.0                        | 36.0        | 71.0                               | 59.0                                | 42.0  | 80.0  |
| 2006 | 36.1          | 15.0                  | 9.0                        | 36.1        | 60.0                               | 45.0                                | 48.0  | 80.0  |
| 2007 | 35.8          | 15.0                  | 10.0                       | 38.0        | 67.0                               | 37.0                                | 30.0  | 80.0  |
| 2008 | 36            | 14.0                  | 10.0                       | 35.0        | 71.0                               | 50.0                                | 28.0  | 81.0  |
| 2009 | 38            | 12.0                  | 2.1                        | 31.3        | 17.8                               | 53.0                                | 28.0  | 87.4  |
| 2010 | 38.5          | 12.2                  | 2.2                        | 31.7        | 17.7                               | 91.3                                | 39.0  | 74.9  |
| 2011 | 39.5          | 12.5                  | 2.2                        | 31.6        | 17.7                               | 98.8                                | 60.2  | 66.6  |
| 2015 | 43.6          | 13.8                  | 2.4                        | 31.7        | 17.4                               | 62.6                                | 44.6  | 73.6  |

Source: KNBS 2009 Census Report

### 7.11 Challenges

#### ■ Climate Change

Kenya faces challenges emanating from the effects of climate change such as instances of severe droughts, flooding and unpredictable weather patterns. The investments of climate change in terms of mitigation and adaptation interventions are huge and require specialized trainings and capacity building. Globally, climate change is resulting in direct physiological impacts on individual species, changes in abiotic factors,

changed opportunities for reproduction and recruitment, and altered interactions among species. Climate change may also produce more conducive conditions for the establishment and spread of invasive species, as well as change the suitability of microclimates for native species and the nature of interactions among native communities.

#### ■ Management and Enforcement of Environmental Guidelines, regulations and Standards

Implementation of the National Environment

Management Act (EMCA), 1999 due to lack of an environment policy and slow pace of institutional reforms for effective enforcement of EMCA including harmonization of other sectoral policies and legislations remain major challenges to the achievement of attaining MDG 7 targets.

■ **Inadequate capacity for the use of economic instruments in environmental management**

There is inadequate capacity for the use of economic instruments such as Clean Development Mechanism (CDMs), Carbon Credits trading, and Polluter Pays Principle for environmental and natural resources management.

■ **Weakness in System of National Accounts**

The absence of a national environmental accounting and valuation system that contributes to the Systems of National accounts (SNA) with a view to integrating environmental consideration with the national planning process remains a major challenge towards the achievement of MDG 7.

■ **Inadequate data for management**

The sector lacks baseline data for environmental management. For example; water and sanitation, forestry and wildlife, and pollution.

■ **Harmonisation of the activities of key players in the slums for ease of assesment of progress made.**

**Interventions**

- In an effort to address the impacts of Climate Change the Government developed National Climate Change Response Strategy (NCCRS). The NCCRS provides a clear road map on how the country should tackle climate change issues. Kenya currently is also preparing a National Climate Change Action Plan to facilitate effective implementation of the NCCRS and mainstreaming of climate change aspects into national macroeconomic and sectoral policies, planning and budgeting. This provides an opportunity to mainstream climate change considerations in all development planning and climate change related sectors.
- Kenya has ratified and domesticated the Montreal Protocol which monitors reductions of ozone depleting substances. It also has developed an Ozone Depleting Substances Regulations of 2007, Solid waste regulations 2006 and Air Quality Regulations 2009. The air quality regulation (2009) is awaiting gazetteement to control emission of toxic and obnoxious substances.
- The Government, in collaboration with UN Human Settlements Programme initiated the Kenya Slum Upgrading Programme with the aim of improving the livelihoods of an estimated 5.4 million slum dwellers countrywide by the year 2020. Through the programme, a number of social and physical infrastructure have been completed and others initiated in slum settlements in the main urban areas.



*Excavators at work at the Soweto East construction site in Nairobi, one of the KENSUP projects*

- The Government with the support of the Swedish International Development Agency (SIDA) and the World Bank is currently implementing the Kenya Informal Settlement Improvement Programme (KISIP). The programme will facilitate installation of physical infrastructure and regularization of land tenure systems to improve living conditions in informal settlements of 15 selected municipalities (Nairobi, Mombasa, Kisumu, Nakuru, Eldoret, Malindi, Naivasha, Kitui, Machakos, Thika, Nyeri, Garissa, Kericho, Kakamega and Embu) which account for over 90% of the slum population in the country.
- In rural areas, different types of technologies are more accepted than in the urban setting such as EcoSan toilets with the reuse of urine and treated excreta. The Community Led Total Sanitation (CLTS) program implemented by the Ministry of Public Health and Sanitation (MPHS) and the EcoSan program carried out by the Ministry of Water and Irrigation has offered such experience on which future action can be built on.
- As a water-scarce country, Kenya is critically exposed to the adverse effects of environmental degradation and climate change. In this regard, the government has prioritised the development of large-scale water storage infrastructure to mitigate water scarcity and control floods. A Water Storage Investment Plan has been prepared and is under implementation, with the construction of five large dams already underway. In addition, 900 small dams and water pans have been constructed mainly in arid and semi-arid areas, resulting in water storage of 17 million cubic metres.
- Funding to the water sector has increased steadily since the commencement of the reforms. In 2011 the sector received an allocation of Kshs 28.6 billion, an increase of 16% from the previous year. Similarly, the development allocation increased by 41% and comprised 85% of the total approved sector budget, while the recurrent allocation increased by 28.5%.
- To address issues of water supply in the underserved areas of the country, the Water Services Trust Fund, a pro-poor funding basket was established. The trust fund has three windows, two of which address water services issues in both rural and urban areas — the Community Project Cycle (CPC) and the Urban Project Cycle (UPC). Water Service providers, through the UPC window of WSTF, are extending formalised water service provision to the urban underserved areas through the use of low cost approaches such as water kiosks and yard taps. This ensures access to quality water at regulated prices.
- Implementation of the Constitution of Kenya, 2010 that requires the responsible Forestry institutions in collaboration with all stakeholders to ensure a tree cover of 10% by 2030.
- Key policies and legislations prepared by the Government include the Environmental Management and Coordination Act (EMCA) of 1999 which is currently under review to be in harmony with the Constitution of Kenya 2010. This provides a comprehensive legislation framework for the management of the environment in the country, Forest Act 2005, Water Act 2002, National Land Policy 2009, National Housing Policy 2004, and other sub-sector specific.
- Other policies and legislations that affect the environment sector and have either been finalized or exist in Draft form include, but not limited to the following: National Livestock Policy, 2006; Draft National Environment Policy, 2008; Draft Fisheries Policy, 2005; Draft ASALs Policy, 2004; Sessional Paper No. 4 of 2004 on Energy; Energy Act, 2006, Draft Forest Policy, 2010; National Water Policy, 1999; Draft Wildlife Policy, 2007; and the Draft National Minerals and Mining Policy, 2011.
- The Ministry of Housing has embarked on the following activities towards achievement of the goal
  - Installation of physical and social infrastructure in slums in 20 urban areas to formalise slums, construction of permanent houses and attracting private investment;
  - Establishing housing technology centres in each constituency to increase access to decent housing by promoting location-specific building materials and low-cost housing;
  - Establishment of secondary mortgage finance corporation to increase access to housing finance
  - Development of the Housing Bill to legislate for a one-stop housing development approval mechanism to fast-track approval of housing plans and reduce the time cost of construction.
  - Development of the building code to guide to address safety, costs and standards of housing development.
  - Development of slum upgrading and prevention Policy

# GOAL 8: Develop Global Partnership for Development



## Targets

Achieving a global partnership for development is important because it is related to the achievement of the other MDG goals. It involves increasing of trade volumes between Kenya and its trading partners and partnerships to ensure the availability of financial resources for implementation of investment programmes for the MDGs as well as access to information and communication technologies.

**Target 8 A.** Develop further an open, rule-based, predictable, non-discriminatory trading and financial system. Includes a commitment to good governance, development and poverty reduction—both nationally and internationally

**Target 8 B.** Address the special needs of the least developed countries. Includes: tariff and quota-free access for least developed countries' exports; enhanced programme of debt relief for heavily indebted poor countries and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction

## Indicator for monitoring progress

Proportion of total developed country imports (by value and excluding arms) from developing countries and least developed countries admitted duty free

Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries

**Target 8 D.** Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term

## Indicator for monitoring progress

Debt service as a percentage of exports of goods and services

**Target 8 E.** In cooperation with the private sector, make available the benefits of new technologies especially information and communication

## Indicator for monitoring progress

- Telephone lines per 100 population
- Cellular subscribers per 100 population
- Internet users per 100 population

Table 8.1 Status of Targets in MDG 8

| Target  | Indicator  | YEAR            |      |       |             |
|---|--|-----------------|------|-------|-------------|
|   |  | Baseline (1990) | 2000 | 2011  | 2015 Target |
| <b>Target 8a:</b> Develop further an open, rule based, predictable, non-discriminatory trading and financial system ( includes a commitment to good governance, development and poverty reduction-both nationally and internationally | 8.1 Proportion of total country imports from Kenya admitted duty free  | na              | na   | na    | na          |
|   | 8.2 Average tariffs imposed by developed countries on agricultural products and textiles and clothing from Kenya | na              | na   | na    | na          |
| <b>Target 8d:</b> Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term  | 8.1 Debt service as a percentage of exports of goods and services  | na              | na   | na    | na          |
|   |  | na              | na   | na    | na          |
| <b>Target 8e:</b> In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries  |  | na              | na   | na    | na          |
| <b>Target 8f:</b> In cooperation with the private sector, make available the benefits of new technologies, especially information and communications  | 8.14 Telephone lines per 100 population  | na              | na   | 84%   |             |
|   | 8.15 Cellular subscribers per 100 population   | na              | na   | 68.4% |             |
|   | 8.16 Internet users per 100 population   | na              | na   | 44.1% |             |

## Trade and Market Access

### Situational analysis

Trade is a major contributor to GDP and in the realization of the Millennium Development Goals (MDGs). Kenya's Vision 2030 identifies trade as one of the key drivers to industrialization by the year 2030. The MDG on developing a global partnership for development gives international trade indicators that are intended to improve market access of developing countries and least developed countries' exports to the developed economy markets. The wholesale and retail trade sub-sector is crucial in economic development as it links production and consumption processes. Informal and formal trade in Kenya accounts for approximately 10% of GDP and 10% of formal employment.

The main sectors in Kenya's external trade are in services, agriculture and manufacturing. In 2006-2010, trade as a share of GDP was 56%, with exports accounting for 25.5% while imports contributed 35.9%. Merchandise trade contributed about 60.6% of total exports, while services share of exports was about 38.8%.

The Government has undertaken various reforms to enhance trade and ensure the achievement of Millennium Development Goals. These reforms include formation of Private Sector Development Department whose objective is to catalyze private sector growth and competitiveness through the provision of an enabling environment. Others include development of National Trade Policy and its legal framework and development of special economic zones policy and Bill whose objective is to promote value addition; attract both local and foreign investments; expand and diversify production of goods and services for domestic and export markets.

Kenya is a member of the World Trade Organization (WTO) and multiple regional trade arrangements. As a result, the country has undertaken substantial trade liberalization initiatives within the WTO framework, including reduction of the Most Favoured Nation (MFN) tariffs, removal of quantitative restrictions, improvement of the business environment and trade facilitation.

At the regional level, Kenya is signatory to the Cotonou Partnership Agreement in 2000, which provided for non-reciprocal trade between the European Union (EU) and the Africa Caribbean and Pacific (ACP) countries. The Cotonou Agreement has been succeeded by a WTO compatible reciprocal trade arrangement, the Economic Partnership Agreements (EPAs) beginning January 2008. Besides, Kenya is a member of the Common

Market for Eastern and Southern Africa (COMESA) and the East Africa Community (EAC) and the Inter-Governmental Authority on Development (IGAD). In addition Kenya has pursued bilateral trade agreements with various countries such as China, India, South Africa etc in order to enhance market access. Kenya has also established joint trade committee's with India, South Africa, Zambia, Turkey etc whose purpose is to provide forum to discuss and sort out trade disputes hence improve Kenya's market access.

Kenya is among countries of the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC), and the East African Community (EAC), negotiating for the establishment of the COMESA-SADC-EAC Tripartite Free Trade Area which was signed by Heads of State and Government of Member Countries on 12 June 2011. The FTA will establish an integrated market of 26 countries with a combined population of nearly 600 million people and a total Gross Domestic Product (GDP) approaching US dollars 1.0 trillion. The Tripartite Free Trade Area will bolster intra-regional trade by creating a wider market, Free movement of goods and services, increased investment flows, enhance competitiveness and develop cross-regional infrastructure hence increasing market access for Kenyan goods and services.

### Trade Data

The volume of international trade between Kenya and the rest of the world has improved over the years. While exports and imports exhibit an increasing trend, imports have been increasing more rapidly than exports and hence widening trade balance deficit as indicated in figure 1. Similarly, the share of Kenya's trade in the world total trade is low, averaging 0.05 per cent in the period 2006 – 2010.

Kenya's international trade improved during the year 2010 as compared to the previous years. The value of total exports increased by 18.8% to Kshs.409,794 million. Volume of merchandise trade grew by 19.8% over the same period. The value of imports grew by 20.2% to Kshs. 947,382 million. Africa remained the leading destination of Kenyan exports with Common Market for Eastern and Southern Africa (COMESA) accounting for 71.9% of the total exports to Africa in 2010.

Similarly, the value of total imports increased by 20.2% to Kshs.947,382 million which led to trade balance worsen by 21.3 percent in 2010 compared to a 4.1% in 2009. The increasing trade balance has led to a deteriorated export – import ration of 43.3 % compared to 43.8 % in 2009.

Table 8.2: Total Kenya's Exports 2006-2010 (Kshs. Millions)

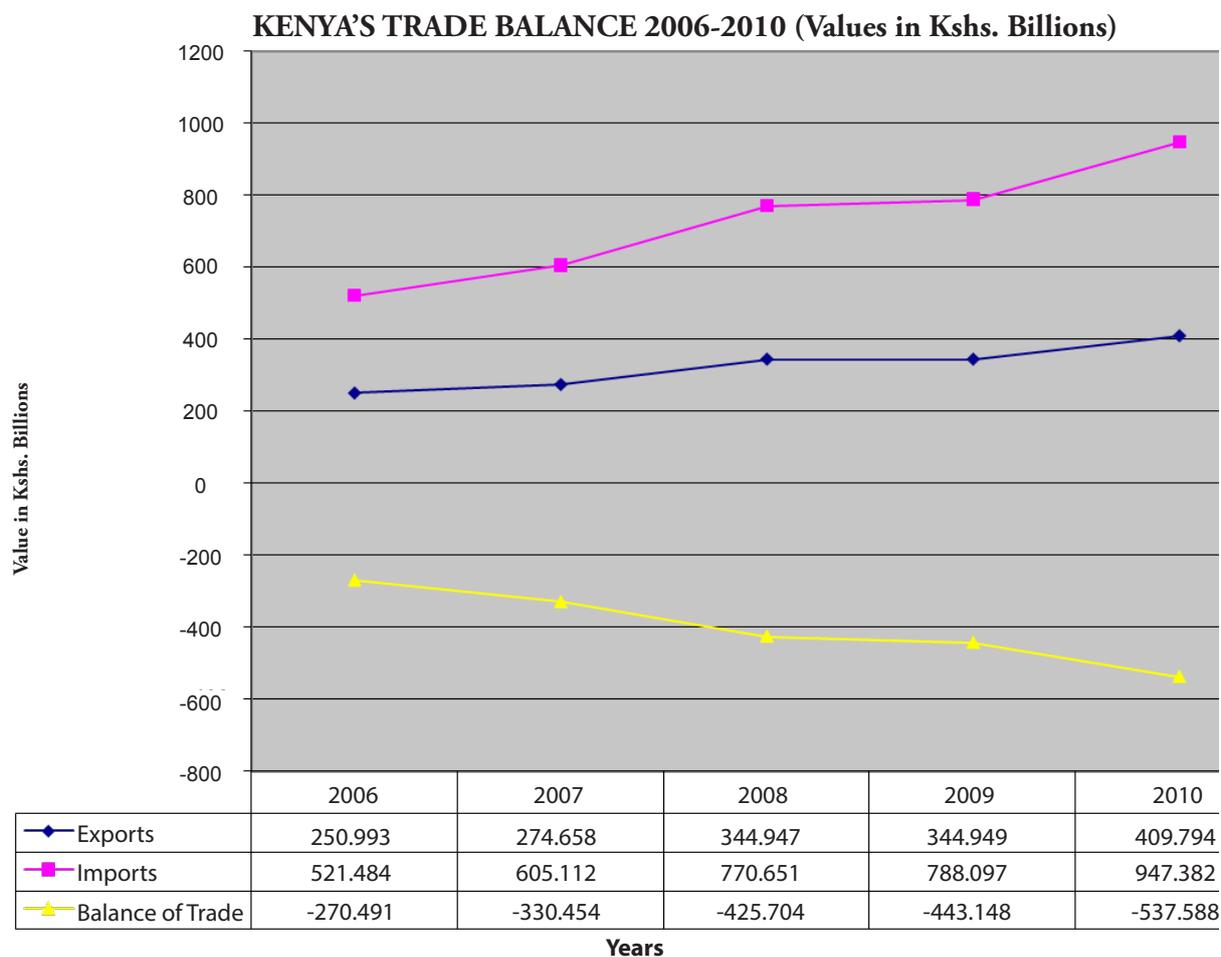
| Destination (Continents) | 2006    | 2007    | 2008    | 2009    | 2010    |
|--------------------------|---------|---------|---------|---------|---------|
| Europe                   | 71,415  | 79,227  | 98,513  | 100,975 | 101,689 |
| Americas                 | 21,487  | 20,520  | 22,054  | 18,961  | 24,387  |
| Africa                   | 108,306 | 124,029 | 162,541 | 162,732 | 188,975 |
| Asia                     | 37,915  | 46,227  | 57,241  | 59,236  | 81,600  |
| Australia and Oceanic    | 723     | 1,232   | 680     | 914     | 759     |
| All other countries      | 11,147  | 3,340   | 3,284   | 2,130   | 4,649   |
| Total Exports            | 250,993 | 274,658 | 344,947 | 344,949 | 409,794 |

Table 8.3: Kenya's Import Statistics 2006-2010 (Kshs. Millions)

| Destination (Continents) | 2006    | 2007    | 2008    | 2009    | 2010    |
|--------------------------|---------|---------|---------|---------|---------|
| Europe                   | 135,534 | 141,095 | 166,459 | 171,878 | 203,914 |
| Americas                 | 32,327  | 55,448  | 43,577  | 64,916  | 55,672  |
| Africa                   | 63,613  | 72,039  | 85,991  | 104,672 | 114,920 |
| Asia                     | 286,292 | 334,108 | 468,770 | 442,125 | 567,921 |
| Australia and Oceanic    | 3,092   | 1,871   | 1,792   | 4,354   | 3,907   |
| All other countries      | 626     | 569     | 155     | 152     | 871     |
| Total Exports            | 521,483 | 605,112 | 770,651 | 788,097 | 947,382 |

Source: Economic Survey 2011

Figure 8.1: Kenya's Balance of Trade



Source: Economic Survey 2011

## Other measures undertaken to facilitate market access

### a) Export market Development

Kenya organized and participated in exhibitions, international trade fairs and expos in Zambia, Malawi, Tanzania, Uganda, Egypt, Rwanda, Sudan, China Democratic Republic of Congo, Zimbabwe, USA and Mozambique with the aim of expanding the traditional markets and products, and diversification into emerging export markets and products. The country also participated in Joint Permanent Commission Sessions on Economic Co-operation (JPC) with the following countries: Tanzania, Botswana, Thailand, India, Turkey, South Africa, Egypt, Ethiopia and China.

### b) Market Research and Trade Policy Facilitation

Kenya undertook trade flow analyses to establish the direction of bilateral trade with Kenya's partners and to evaluate potential trade with specific countries. The analyses provided comprehensive information and insights on potential for product and market diversification or expansion; and also intended to influence trade policy at bilateral and multilateral levels.

### c) Export Production Villages (EPVs)

Kenya established six (6) Export Production Villages which are community based production clusters that are linked to the international market through an established exporter. Through this, micro, small and medium enterprises (MSMEs) have been mainstreamed

into the export business hence enhancing Kenya's export competitiveness and market access.

### d) Participation in Economic Partnership Agreement (EPA) Negotiations

Kenya, along with other EAC Partner States is currently engaged in the negotiation of the comprehensive EPA with the European Union (EU). EPA aims at fostering trade driven development through sustaining and improving the preferential trade regime that Kenya has enjoyed under the Lome Convention (1975-2000) and the Cotonou Agreement (2000-2007).

### e) Launch of the COMESA-EAC-SADC Tripartite FTA Negotiations

In 2011, COMESA-EAC-SADC Tripartite FTA Negotiations were launched and a roadmap for establishing the Tripartite FTA was adopted.

## Indicators for monitoring progress of MDGs

The indicator monitors the international effort made to remove barriers to trade for developing countries in order to encourage the achievement of the Millennium Development Goals. Poor people in developing countries work primarily in agriculture and labour-intensive manufacturing, sectors that confront the greatest trade barriers. Removing barriers to merchandise trade, therefore, could increase growth in those countries by a significant amount. The progress of the indicators are reflected in table 3 below

Table 8.4: Indicators for monitoring progress

| Target  | Indicator   | 1990 | 2000 | 2011    | Target 2015 |
|---|---|------|------|---------|-------------|
| <b>Target 8 B:</b> Address the special needs of the least developed countries. Includes: tariff and quota-free access for least developed countries' exports; enhanced programme of debt relief for heavily indebted poor countries and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction | 8.6 :Proportion of total developed country imports (by value and excluding arms) from developing countries and from LDCs, admitted free of duty |      |      | 97.93%  | 100%        |
|   | 8.7 :Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries                |      |      |         |             |
|   | • Most Favoured Nation (MFN)  |      |      | 8.38%   | 0%          |
|   | • Preferential  |      |      | 2.21%   | 0%          |
|   | 8.8 : Agricultural support estimate for OECD countries as a percentage of their gross domestic product  |      |      | No Data |             |
|   | 8.9 : Proportion of ODA provided to help build trade capacity   |      |      | No Data |             |

Table 8.5: Proportion of total developed country imports (by value but excluding arms) from Kenya admitted free of duty

| Year | Total Traded Value (000 USD) | Free Trade Value (000 USD) | Ratio (%) |
|------|------------------------------|----------------------------|-----------|
| 2000 | 125,048                      | 113,247                    | 90.56     |
| 2001 | 132,576                      | 118,309                    | 89.24     |
| 2002 | 146,931                      | 142,306                    | 96.85     |
| 2003 | 172,471                      | 168,223                    | 97.54     |
| 2004 | 214,515                      | 208,059                    | 96.99     |
| 2005 | 230,591                      | 222,103                    | 96.32     |
| 2006 | 247,534                      | 243,306                    | 98.29     |
| 2007 | 262,474                      | 258,678                    | 98.55     |
| 2008 | 293,770                      | 290,674                    | 98.95     |
| 2009 | 273,252                      | 269,445                    | 98.61     |
| 2010 | 266,632                      | 261,109                    | 97.93     |

Source: International Trade Centre/UNCTAD/WTO

The proportion of value of Kenya's exports admitted duty free to developed countries increased from 90.56% in 2000 to 97.93% in 2010 indicating increased market access for Kenya as depicted in table 4 above.

Table 8.6: Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries.

| Year | Average Tariff (%)         |              |
|------|----------------------------|--------------|
|      | Most Favoured Nation (MFN) | Preferential |
| 2000 | 8.34                       | 4.71         |
| 2001 | 8.21                       | 4.71         |
| 2002 | 8.20                       | 2.67         |
| 2003 | 8.03                       | 2.64         |
| 2004 | 8.05                       | 2.57         |
| 2005 | 7.97                       | 2.73         |
| 2006 | 7.80                       | 2.48         |
| 2007 | 7.99                       | 2.41         |
| 2008 | 8.11                       | 2.27         |
| 2009 | 8.41                       | 2.28         |
| 2010 | 8.38                       | 2.21         |

Source: International Trade Centre/UNCTAD/WTO

The average tariffs imposed on Kenya agricultural products, textiles and clothing by the developed countries reduced from 8.34 to 8.38 and 4.71 to 2.21 for Most Favoured Nation (MFN) and Preferential between 2000 and 2010 respectively which reflect improved access of Kenya products to the developed countries. The tariffs are categorized into Most Favoured Nation (MFN); MFN rule requires members to accord the most favorable tariff and regulatory treatment given to the product of any one member at the time of import or export of like products of all other members. Preferential Treatment is granted to trading partners who have free trade agreements (Between countries and regions who have bilateral agreements).

### Emerging Issues

- a. Climatic change and unsustainable human activities have led to negative environmental effects including global warming and environmental degradation. Agricultural products such as tea, horticulture, coffee and articles of apparel and clothing are our leading export earners jointly accounting for 50.7% of all total export earnings and are directly affected by climatic change.
- b. High fuel prices in the international markets leading to high production costs

### Challenges

The trade sector faces a number of challenges:

- Kenya exports are concentrated within a few product lines, thus reducing the potential to increase world trade share and increase export earning.
- Kenya's export markets are not well diversified. The country mainly depends on traditional markets in Europe and African region (COMESA).
- There still exist tariff and non-tariff barriers (TNTBs) in Kenya's potential markets, making the penetration of exports into these markets difficult.
- d) Supply-side constraints, such as Customs administration procedures and domestic infrastructure make Kenyan products uncompetitive due to high costs of doing business.
- Inadequate trade representation in strategic markets abroad. Currently, there is limited foreign trade representation in terms of manpower, location and operations and commercial offices are based in Kenya's diplomatic missions abroad rather than in commercial capitals. In addition, there is also lack

of commercial representation in some of the key international markets.

- Expiry of the Third Fabric Provision under the Africa Growth and Opportunity Act (AGOA) initiative.
- Agricultural products exports are under threat from standards related regulations involving the European Union standards on maximum pesticide residue levels.

### Policy Recommendations

Diversify into new niche markets and utilize the potential in the existing markets.

Add value into export products and diversify into new products of high value

Secure access to markets and competitiveness in the markets where there is already comparative and competitive advantage, such as COMESA and EAC.

Address supply-side constraints related to business environment that constrain the growth up the value chain, such as roads, railway and trade facilitation logistics.

Revamping Kenya's overseas commercial trade representation by relocating commercial officers from the embassies and political capitals to commercial capitals so as to implement trade policies and strategies, assess impact of bilateral trade as well as contribute to the negotiations of bilateral and multilateral trade agreements

The African Growth and Opportunity Act (AGOA) should be made a permanent trade preference or extended for a reasonable period of time to ensure growth of the apparel sector.

Establish Export Development Fund (EDF) which will provide a dependable and predictable source of funding to take care of critical export development activities.

### Debt sustainability and Foreign Direct Investment

#### Introduction

The government has taken major steps in the drive to meet the MDGs targets by increasing funding to all the MDGs. However, the successful implementation of these plans and strategies has sometimes been hampered by limited financial resources.

A Kenya debt sustainability analysis conducted in January 2011 by WB and IMF's Debt sustainability Framework indicated that debt sustainability has

deteriorated hence a projected fast debt accumulation over the medium term. The public debt the FY 2010/11 was 48.8% of the GDP. Over the medium term, government expenditure as a share of GDP will be moderated so as to guard against the accumulating large debt.

The Government is in the process of strengthening the legislation governing the external and internal borrowing to be set out under subsidiary legislations envisaged in the new constitution 2010. The legislation will set the long term debt management objective that should drive the debt management strategy.

Chart 1: External Funding & as Percentage of Total Government Expenditure

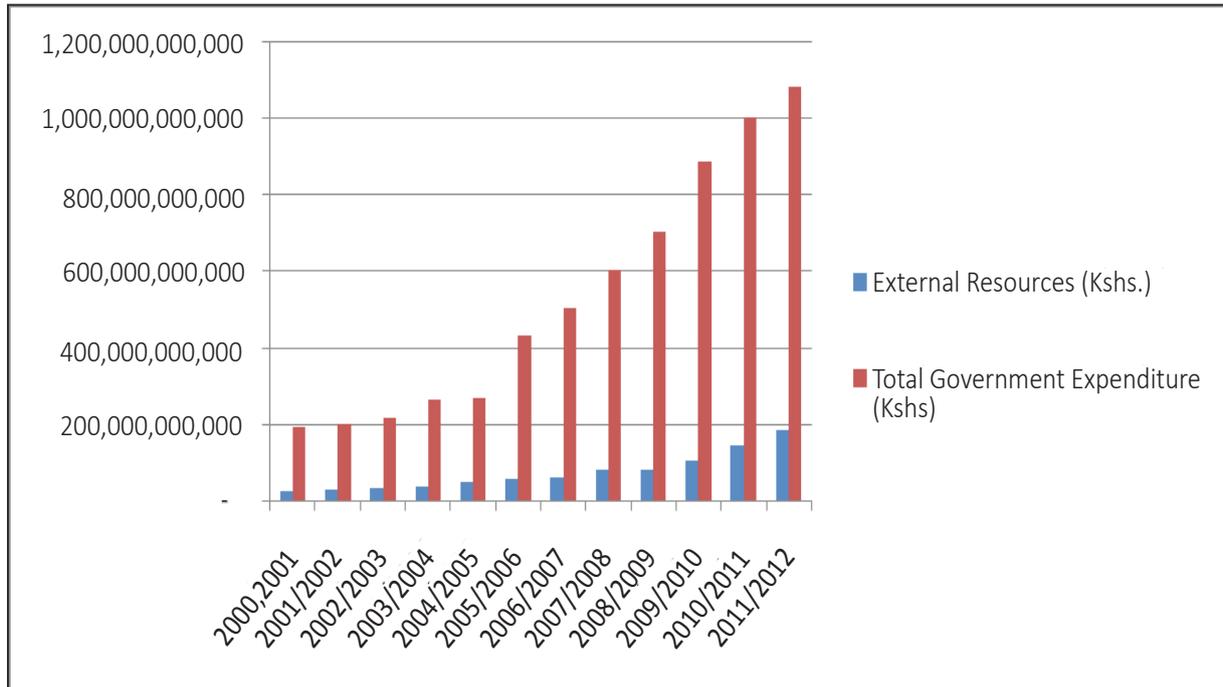


Table 8.7: External Funding & as Percentage of Total Government Expenditure

| FY        | EXTERNAL Resources (Kshs) | Total Government Expenditure (Kshs) | Percentage (%) |
|-----------|---------------------------|-------------------------------------|----------------|
| 2000/2001 | 23,886,133,551            | 189,813,298,972                     | 12.6           |
| 2001/2002 | 26,254,193,746            | 199,082,468,297                     | 13.2           |
| 2002/2003 | 32,259,688,282            | 213,719,206,289                     | 15.1           |
| 2003/2004 | 35,854,696,112            | 263,371,083,985                     | 13.6           |
| 2004/2005 | 45,991,389,060            | 267,022,804,054                     | 17.2           |
| 2005/2006 | 56,872,647,687            | 432,186,604,237                     | 13.2           |
| 2006/2007 | 58,629,251,172            | 504,020,449,053                     | 11.6           |
| 2007/2008 | 81,714,077,449            | 603,194,060,019                     | 13.5           |
| 2008/09   | 81,236,466,814            | 699,994,559,243                     | 11.6           |
| 2009/10   | 103,765,102,530           | 887,017,842,773                     | 11.7           |
| 2010/11   | 143,084,317,804           | 1,002,642,877,272                   | 14.3           |
| 2011/12   | 182,279,965,126           | 1,081,641,651,610                   | 16.9           |

As indicated in chart 1 & table 1, the percentage of the external funding for the past years compared to the total budget has been on average around 15%. And as shown in chart 2 & table 2, the percentage of the

external funding for the past years compared to the total development budget has been reducing, meaning that the government has been financing development activities from domestic resources.

Chart 2: External Resources as percentage of (Development Vote) Expenditure estimates

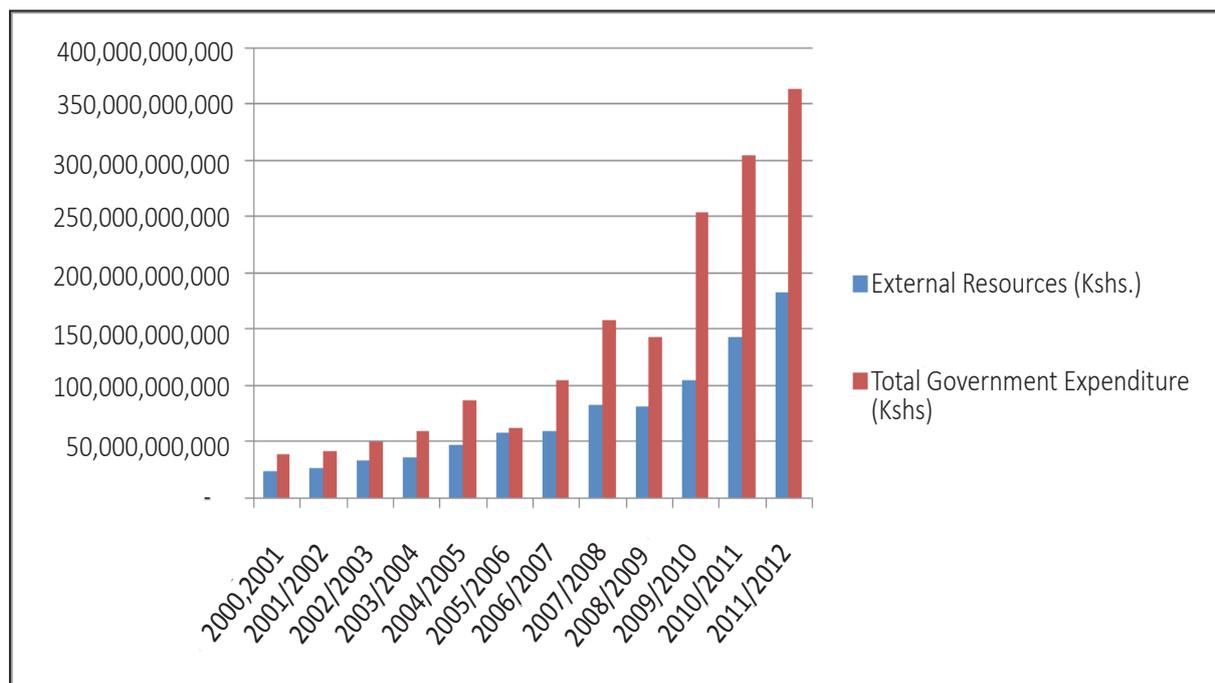


Table 8.9: External Resources as percentage of (Development Vote) Expenditure Estimates

| FY        | EXTERNAL Resources (Kshs.) | Total Government Expenditure (Kshs) | Percentage (%) |
|-----------|----------------------------|-------------------------------------|----------------|
| 2000/2001 | 23,886,133,551             | 38,420,815,667                      | 62.2           |
| 2001/2002 | 26,254,193,746             | 41,637,296,447                      | 63.1           |
| 2002/2003 | 32,259,688,282             | 49,735,616,460                      | 64.9           |
| 2003/2004 | 35,854,696,112             | 59,510,075,815                      | 60.2           |
| 2004/2005 | 45,991,389,060             | 86,751,703,338                      | 53.0           |
| 2005/2006 | 56,872,647,687             | 62,216,055,974                      | 91.4           |
| 2006/2007 | 58,629,251,172             | 103,868,750,980                     | 56.4           |
| 2007/2008 | 81,714,077,449             | 157,026,384,500                     | 52.0           |
| 2008/2009 | 81,236,466,814             | 141,837,961,470                     | 57.3           |
| 2009/2010 | 103,765,102,530            | 253,067,322,472                     | 41.0           |
| 2010/2011 | 143,084,317,804            | 303,793,128,150                     | 47.1           |
| 2011/2012 | 182,279,965,126            | 362,391,110,187                     | 50.3           |

Source: Ministry of Finance

Table 8.9.1: Kenya's Public and Publicly Guaranteed Debt, June 2006- June 2011 (KShs. millions)

|                          | Jun-06         | Jun-07         | Jun-08         | Jun-09         | Jun-10           | Jun-11           |
|--------------------------|----------------|----------------|----------------|----------------|------------------|------------------|
| External                 |                |                |                |                |                  |                  |
| Bilateral                | 154,877        | 141,706        | 153,201        | 185,933        | 196,347          | 256,965          |
| Multilateral             | 255,550        | 240,259        | 271,134        | 331,105        | 352,333          | 440,882          |
| Commercial Banks         | 1,274          | 574            | -              | -              | -                | -                |
| Suppliers Credit         | 19,536         | 18,427         | 18,543         | 23,837         | 20,458           | 25,041           |
| Sub – Total              | 431,237        | 400,966        | 442,878        | 540,875        | 569,138          | 722,888          |
| Domestic:                |                |                |                |                |                  |                  |
| Central Bank             | 41,289         | 36,182         | 45,862         | 39,902         | 50,215           | 39,692           |
| Commercial Banks         | 149,473        | 186,802        | 182,905        | 250,708        | 351,579          | 378,376          |
| Total Banks              | 190,762        | 222,984        | 228,768        | 290,611        | 401,794          | 418,068          |
| Non Banks                | 167,077        | 181,704        | 201,844        | 230,421        | 258,474          | 346,155          |
| Sub-Total                | 357,839        | 404,688        | 430,612        | 521,032        | 660,268          | 764,223          |
| Grand Total Gross        | 789,076        | 805,654        | 873,490        | 1,061,907      | 1,229,406        | 1,487,111        |
| Less On-Lending          | (5,701)        | (5,701)        | (5,701)        | (5,701)        | (5,701)          | (5,701)          |
| Less Government Deposits | (74,437)       | (65,687)       | (92,861)       | (111,115)      | (119,785)        | (133,773)        |
| <b>Grand Total Net</b>   | <b>708,938</b> | <b>734,266</b> | <b>774,928</b> | <b>945,091</b> | <b>1,103,919</b> | <b>1,347,637</b> |

Chart 3: Trends in Kenya's Public and Publicly Guaranteed Debt, June 2006- June 2011 (Kshs- millions)

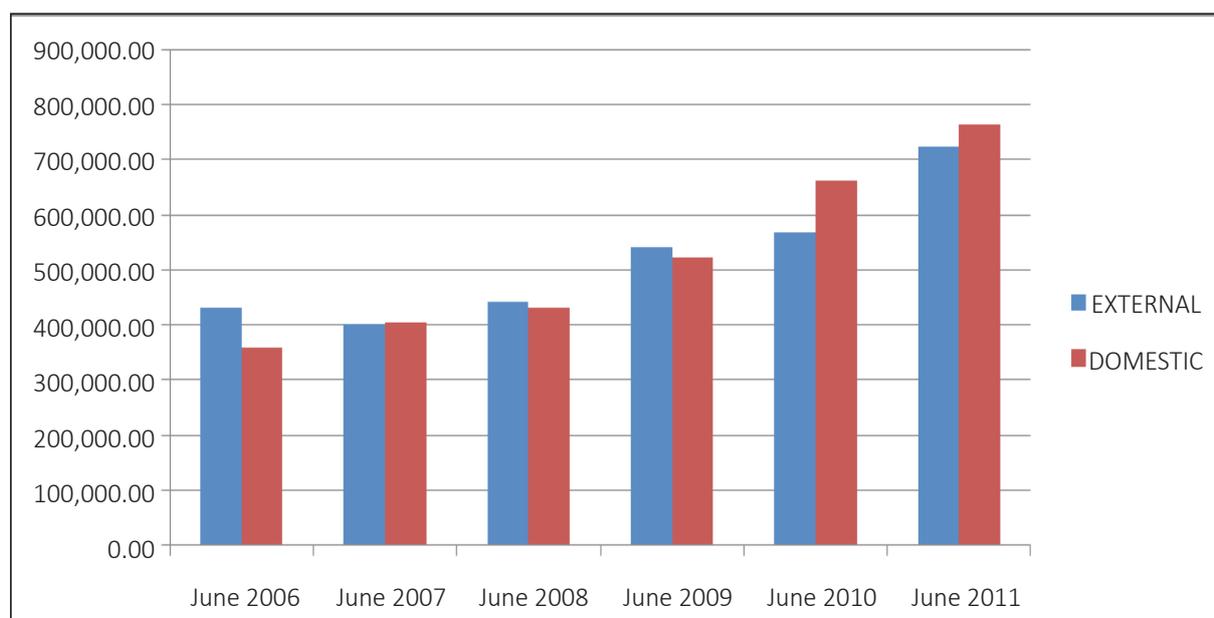


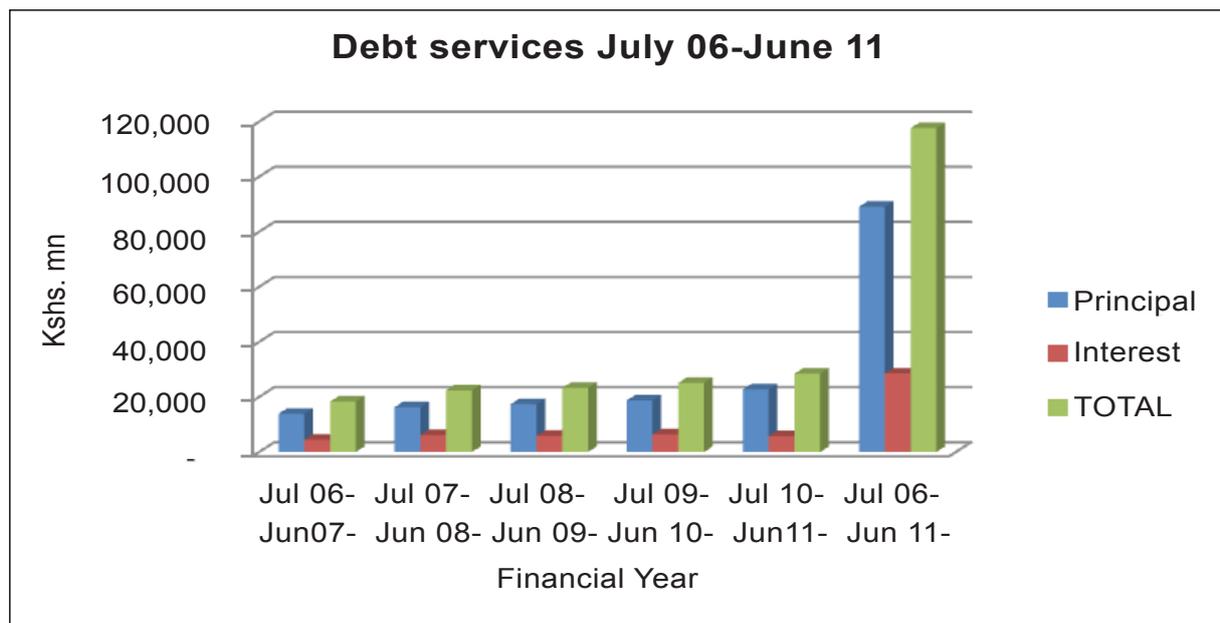
Table 3 & chart 3, shows Kenya's Public and Publicly Guaranteed Debt for the past years to June 2011. The gross public debt increased from Kshs. 1,103.9 billion as at end of June 2010 compared to Kshs. 1,347.6 billion by 30<sup>th</sup> June 2011 an increase of Kshs. 243.7 million in one year.

Table 8.9.2: External Debt Service, July 2006 – June 2011 (Kshs Million)

| Period        | Principal | Interest | TOTAL   |
|---------------|-----------|----------|---------|
| Jul 06-Jun 07 | 13,884    | 4,433    | 18,317  |
| Jul 07-Jun 08 | 16,318    | 6,111    | 22,430  |
| Jul 08-Jun 09 | 17,389    | 5,903    | 23,291  |
| Jul 09-Jun 10 | 18,762    | 6,375    | 25,137  |
| Jul 10-Jun 11 | 22,737    | 5,736    | 28,473  |
| Jul 06-Jun 11 | 89,089    | 28,559   | 117,648 |

Source: Ministry of Finance

Chart 4: Debt services July 06-June 11



Source: Ministry of Finance, Kenya

The cumulative actual debt service payments to external creditors from July 2006 to June 2011 amounted to Kshs 117.6 billion, table 4 and chart 4. This comprised of Kshs 89.1 billion (75.7%) principal and Kshs 28.6 billion (24.3%) interest. Servicing of the huge public debt (table 3) limits the funds available to implement MDG related programmes.

### Emerging Issues

Kenya's current debt level is sustainable, but in the long-term debt sustainability depends on a number of factors such as real GDP growth, sound macro-economic policy mix, including prudent debt management.

### Challenges

1. Inadequate financial resources to meet the MDGs, especially now that more funds will be required for the county government structure developments.
2. Lack of an effective overall legal framework for management of external resources
3. High transaction costs
4. Unfavorable conditions imposed by the development partners and introduction of other mainstream
5. Non-fulfillment of pre-disbursement and disbursement conditions such as 'no objection' requirement.
6. Inadequate technical/human capacity and necessary equipment.
7. Unpredictability of external resources (some donors suspends the disbursement of some of the MDGs related programmes, which leads to government relocating some of its resources towards MDGs).

### 1. Strategies on developing local partnership on development

The government is in the process of developing the Kenya External Resources Policy that will address matters of external resources affecting both the Central and County governments.

- The Budget Policy statement 2011/2012 outlined a framework for greater fiscal discipline and alignment of resources to development priorities

### ICTs and New Technologies, especially information and communication

#### Situation Analysis

The ICT Sector has continued to have a great impact in the performance of the Kenyan economy. Kenya's ICT industry is growing at a promising rate as ICT was identified as one of the sectors with the greatest potential for economic growth.

The government is committed and appreciates the need to address both the supply side of ICT driven business as well as the demand side. The government invested in the development of an enabling environment with modern communication infrastructure. The completion of the optical undersea fiber cable, The East African Marine Cable System (TEAMS) in 2009 to connect Kenya to the rest of the world through Mombasa and the National Optic Fiber Backhaul Initiative (NOFBI) a 5000km terrestrial fiber optic lay, addressed the most critical infrastructural requirements for the development of ICT. This development in the ICT infrastructure is what we attribute the achievements of the MDG targets.

## II Selected Key Communications and Economic Indicators

Table 8.9.3: Information Communications Technology Statistics as at 31st Dec 2011

| Indicator                                      | 2005      | 2006      | 2007       | 2008       | 2009       | 2010       | 2011       |
|--|-----------|-----------|------------|------------|------------|------------|------------|
| <b>1 Fixed telephony</b>                       |           |           |            |            |            |            |            |
| Wire line Connections                          | 293,364   | 339,229   | 527,064    | 247,972    | 243,656    | 226,587    | 92,275     |
| Wireless Connections                           | -         | 84,107    | 274,449    | 448,529    | 429,289    | 154,161    | 186,939    |
| Total Wire line & Wireless Connections         | 293,364   | 347,226   | 527,064    | 696,501    | 672,945    | 380,748    | 279,214    |
| Fixed Line teledensity (%)                     | 0.86      | 0.86      | 0.90       | 1.8        | 1.7        | 0.96       | 0.71       |
| <b>2 Mobile telephony</b>                      |           |           |            |            |            |            |            |
| Mobile subscribers                             | 6,484,791 | 9,304,818 | 12,933,653 | 17,362,257 | 19,364,559 | 24,968,891 | 26,980,771 |
| Mobile penetration (%)                         | 15.74     | 21.62     | 33.65      | 39         | 49.7       | 63.2       | 68.4       |
| Licensed operators                             | 2         | 2         | 2          | 4          | 4          | 4          | 4          |
| <b>3 Postal and courier services</b>           |           |           |            |            |            |            |            |
| PCK postal Outlets                             | 768       | 721       | 744        | 710        | 702        | 698        | 690        |
| Private letter boxes                           | 400,016   | 411,716   | 414,616    | 412,006    | 410,709    | 414,750    | 427,900    |
| Letter posting boxes                           | 1,049     | 966       | 827        | 890        | 905        | 890        | 890        |
| Public counter positions                       | 1,388     | 1,388     | 1,390      | 1,279      | 1,229      | 1,296      | 1261       |
| Stamp vending licenses                         | 4,242     | 4,125     | 4,609      | 4,505      | 4,454      | 5,205      | 5,260      |
| Stamp vending machines                         | -         | 264       | 246        | 280        | 297        | 280        | 280        |
| Private Courier operator outlets               | 521       | 554       | 606        | 622        | 625        | 840        | 635        |
| <b>4 Internet and Data services</b>            |           |           |            |            |            |            |            |
| Licensed Internet service providers            | 72        | 66        | 96         | 108        | 124        | 68         | 90         |
| Licensed Data carrier network operators        | 2         | 3         | 6          | 8          | 12         | 12         | 17         |
| Number of internet subscribers                 | 527,460   | 555,550   | 1,385,148  | 1,679,776  | 1,981,048  | 3,296,975  | 6,152,664  |
| Number of internet users                       | 1,054,920 | 1,111,000 | 2,770,296  | 3,359,552  | 3,962,096  | 8,884,850  | 17,379,538 |
| Internet penetration (%)                       | 3.0       | 3.0       | 7.5        | 8.7        | 9.7        | 22.1       | 44.1       |
| International Internet leased bandwidth (Mbps) | 160.17    | 174.43    | 485.14     | 1,421.15   | 9,949.9    | 20,209.5   | 53,479.78  |

Source: Ministry of Information and Communication

Note: Provision and use of fixed telephone lines had reached 1.4 lines per 100 people by March 2010 surpassing the 2015 target but has declined to 0.71 lines by December 2011. The demand for this service seems to be on the decline in preference for cellular phones whose subscription was 68% of population by December 2011. Internet use was 44.1% at the end of 2011.

### Ongoing strategies in developing global partnership for development

1. The continued implementation of the Kenya Information and Communication Act Cap 411A 2009 and Kenya Information and Communications Regulations 2010, has led to increased fair competition and greater choice of affordable ICT services.
2. The reduced interconnection rates for mobile termination, fixed termination and fixed transit services by 50%, in later part of 2010 spurred significance reduction in the related retail communications tariffs by the operators. The directive to operators to

renegotiate SMS termination rate downwards was effected during 2011 thus stimulating further demand for mobile services in the country.

- The continued decline in the retail rates partly contributed to the growth in the number of mobile subscribers to 26,980,771 in 2011 from 24,968,891, recorded in 2010. It was however, noted that the total number of line & wireless Connections shrank to 279,214 in 2011 from 380,748 recorded in 2010. The reduction could be attributed to increased competition from mobile service providers and high cost of maintaining fixed lines as a result of cable vandalism, particularly with regard to fixed line services;
3. The growth in available bandwidth that has been driven by access to the three submarine optic fibre cables- The East African Marine Systems (TEAMS); SEACOM; and the East African Submarine Cable System (EASSy). This has also contributed to a decline in the leased capacity of satellite bandwidth. In this respect, the number of internet subscribers increased from 3,96,975 in 2010 to 6,152,664 in 2011 and Internet users from 8,884,850 to 17,379,538,

over the same period. The increases in the internet subscriptions and users could also be attributed to reduced internet charges resulting from increased international leased bandwidth from the three cables, from 202,240 Mbps in 2010 to 311,990 Mbps in 2011.

4. The government is in the process of implementing the Universal Service Fund (USF) as provided for by Kenya Information and Communications Act, Cap.411A. This is expected to address the challenges experienced in the ICT sector such as network roll-out, accessibility, affordability, capacity building and innovation within a proper framework and promote development. In order to develop an appropriate strategy for this fund, the government through the Communications Commission of Kenya carried out ICT Access Gaps study, to identify areas without communication services in the country. The study has defined strategies to be adopted in meeting the objectives of the Fund.
5. Through the Kenya Transparency Communication Infrastructure Program (KTCIP), digital inclusion is being made possible by the creation of Digital Villages with the objective to close the disparities in distribution of ICT facilities between regions and between urban and rural areas. The project has supported 37 centers and these will be increased to 210 centers. The digital villages project going under the banner 'PASHA' are hubs that provide a host of services to the public via computers connected to the internet or by using and marketing other ICT enabled applications. Through KTCIP, grants have also been issued and are ongoing for local content development, digitalization of government records and support of pre-purchase of bandwidth and bandwidth subsidy to support BPO players.
6. Kenya Education network Trust (KENET) is a project to improve connectivity between universities

and research institutions to promote the use of ICT in teaching, learning and research through provision of quality, cost effective and efficient ICT services.

7. National Optic Fiber Backbone Infrastructure (NOFBI): In order to attract and stimulate private sector participation in provision of rural telecommunications services, the Government embarked on a 5,000 km National Optic Fiber Backbone Infrastructure - NOFBI, covering all major towns and Counties. This project is expected to supplement the existing telecommunications infrastructure while complimenting other forms of infrastructure such as roads, railways and power lines in national development. Phase 1 of the project is complete.
8. Konza Technology City: To promote IT Enabled Services (ITES) the government has initiated the development of a modern ICT Park, Konza Technology City on a 5,000 acre parcel of land. The proposed site for the ICT is located 60 miles south of Nairobi and will be Kenya's model of architectural and technological innovation. When complete, the urban and commercial investments are expected to create at least 250,000 new jobs and provide social support to approximately 20,000 families. Investors are currently being invited to take part in this project on a Public Private Partnership (PPP) basis.

### Emerging Issues on developing global partnership for development

- Increase in cyber crime
- Training in Business Process Outsourcing
- Partnership with last mile technologies
- What has prompted the proposed laws aimed at monitoring internet content including emails? Is it an emerging issue?



*An artist impression of a section of the Konza City.*

## Challenges on developing global partnership for development

- Affordable internet capacity in rural areas.
- Sensitising the rural community on the benefits of ICT and continual skills development of staff members working in rural centres.
- Upgrading of the current infrastructure within Universities so that students are able to access the internet anywhere on campus.
- Training Universities IT staff to manage complex campus networks.
- Combating cyber crime and security
- Finances and partnerships for last mile technologies.
- Vulnerability of undersea cable to cuts leading to interruption of connection.

## Definition of Terms and Concepts

**Ante Natal Care Coverage** - Percentage of women who used antenatal care provided by skilled health personnel for reasons related to pregnancy (at least once) during pregnancy, as a percentage of live births in a given time period. It is recommended by WHO that at least four are made during the pregnancy and the timing (ideally, antenatal care should be initiated within the first 12 weeks of pregnancy) of the first visit are more useful

**Adolescent Birth Rate/age** - specific fertility rate for women aged 15-19- The adolescent birth rate measures the annual number of births to women 15 to 19 years of age per 1,000 women in that age group. It represents the risk of childbearing among adolescent women 15 to 19 years of age.

**Biodiversity** - the variety of life at all its levels, from genes (both plants and animals) to ecosystems, and the ecological and evolutionary processes that sustain it.

**Child Mortality Rate** (expressed per 1,000 live births) is the probability of a child aged one year dying before reaching the age of five, subject to current age specific mortality rates

**Condom use at last high-risk sex** is the percentage of young people aged 15-24 reporting the use of condom during sexual intercourse with a non-regular sexual partner in the last 12 months

**Constituency:** a political zone or area that is represented in parliament by an elected representative known as a member of parliament (MP). There are a total of 210 such areas in Kenya, but parliament consists of 222 members (210 elected and 12 nominated)

**Contraceptive prevalence rate** is the percentage of women who are practicing, or whose sexual partners are practicing any form of contraception. It is usually reported for women ages 15-19 in marital or consensual unions

**Debt service as a percentage of Exports of Goods and services:** External debt service refers to principal repayments and interest payments made to nonresidents in foreign currency, goods and services

**Dependency ratio:** This is a measure of the number of people who are unable to work either because of being too young or too old. It is derived by dividing the total number of persons under 15 years or over 65 by the total working-age population (15-64 years)

**Gender parity index (GPI):** ratio of boys to girls in primary, secondary and tertiary education. To standardize the effects of the population structure of the appropriate age groups, the GPI of the Gross Enrolment Ratio (GER) for each level of education is normally used. GPI varies between 0 (maximum gender parity) and 1 (gender parity)

**Gross Enrolment Ratio:** Total enrolment in a specific level of education, regardless of age, expressed as a percentage of the eligible official school-age population corresponding to the same level of education in a given school year

**Infant mortality Rate (IMR)** is the probability (expressed as a rate per 1,000 live births) of a child born in a specific year dying before reaching the age of one, if subject to current age-specific mortality rates

**Levels of Education:** Group's education programs into an ordered series of categories broadly corresponding to the overall knowledge, skills and capabilities required of participants if they are to have a reasonable expectation of successfully completing the program in these categories. These categories represent broad steps of educational progression from very elementary to more complex experiences

**Literacy Rate of 15-24 year-olds,** or the youth literacy rates, is the percentage of the population 15-24 years old who can both read and write, with understanding, a short simple statement on everyday life

**Maternal mortality ratio** - The maternal mortality ratio (MMR) is the annual number of female deaths from any cause related to or aggravated by pregnancy or its management (excluding accidental or incidental causes) during pregnancy and childbirth or within 42 days of termination of pregnancy, irrespective of the duration and site of the pregnancy, for a specified year (expressed per 100,000 live births).

**Net Enrolment ratio in primary Education** is the ratio of the number of children of official school age (as defined by the national education system) who are enrolled in primary school to the total population of children of the official age.

**Non-formal Education:** any organized, systematic and quality education and training programs, outside the formal school system, that are consciously aimed at meeting specific learning needs of children, youth and adults. It may cover educational programs to impart adult literacy, basic education for out-of-school children, life-skills, work-skills, and general culture. Non-formal education programs do not necessarily follow the 'ladder' system and may have differing duration.

**Percentage of population aged 15-24 years with comprehensive correct knowledge of HIV and AIDS** is the share of women and men aged 15-24 years who correctly identify the two major ways of preventing the sexually transmission of HIV (using condoms and limiting sex to one faithful, uninfected partner), who rejects the two most common local misconceptions about HIV transmission and who know that a healthy looking person can transmit HIV. Common local misconceptions can be the context of the country.

**Poverty Gap Ratio** (incidence multiplied by depth

of poverty) is the mean distance separating the population from the poverty line (with the non-poor being a given distance of zero), expressed as a percentage of the poverty line

#### Prevalence and Death Rates associated with malaria

Prevalence of malaria is the number of cases of malaria per 100,000 people, and death rates associated with malaria refers to the number of deaths caused by malaria per 100,000 people

#### Prevalence and Death Rates associated with tuberculosis

Tuberculosis prevalence is the number of cases of tuberculosis per 100,000 people, and death rates associated with tuberculosis refers to the number of deaths caused by tuberculosis per 100,000 people

#### Prevalence of underweight children under 5 years of Age

Prevalence of (moderately or severely) underweight children is the percentage of children under five years old whose weight for age is less than minus two standard deviation from the median for the international reference population ages 0-59 months.

#### Proportion of population below minimum level of Dietary Energy consumption

is the percentage of the population whose food intake falls below the minimum level of dietary energy requirements.

#### Proportion of population with sustainable access to an improved water source, Urban and Rural

is the percentage of the population who use any of the following types of water supply for drinking: piped water, public tap, borehole or pump, protected well, protected spring or rainwater. Improved water sources do not include vendor-provided water, bottled water, tanker trucks or unprotected wells and springs.

#### Proportion of pupils starting Grade 1 who reach Grade 8

is the percentage of a cohort of pupils enrolled in grade 1 of the primary level of education in a given school year who are expected to reach grade 8.

#### Proportion of Land Area Covered by Forests

The indicator is defined as the proportion of forest area to total land area and expressed as a percentage.

#### Proportion of Total Water Resources Used

Proportion of total renewable (fresh) water resources withdrawn is the total volume of groundwater and surface water withdrawn from their sources for human use in the agricultural, domestic and industrial sectors, expressed as a percentage of the total volume of water available annually through the hydrological cycle (total actual renewable water resources).

#### Proportion of Tuberculosis cases detected and cured under Internationally Recommended TB control Strategy

the tuberculosis detection rate is the percentage of the estimated new infectious tuberculosis cases detected under the internationally recommended tuberculosis control strategy. DOTD

combines five elements-political commitment, microscopy services, drug supplies, surveillance and monitoring system and use of highly efficacious regimens-with direct observation of treatment. The cure is the percentage of new, registered smear-positive (infections) cases that were cured or in which full course DOTS was completed.

#### Proportion of children under five who are treated with appropriate anti-malarial drugs

the proportion of children ages 0-59 months who were ill with fever in the two weeks before the survey and who received appropriate anti-malarial drugs. In the period covered by this report, appropriate anti-malarial treatment comprises of Artemisinin Combination Therapy (ACT).

#### Pupil- teacher Ratio

Average number of pupils (students) per teacher at a specific level of Education in a given school year.

#### Share of poorest Quintiles in the National consumption

is the income that accrues to the poorest fifth of the population.

#### Skilled birth attendant

is an “an accredited health professional – such as a midwife, doctor or nurse – who has been educated and/or trained to proficiency in the skills needed to manage normal (uncomplicated) pregnancies, childbirth and the immediate postnatal period, and in the identification, management and referral of complications in women and newborns”.

#### Sustainable development

- development that meets the needs of the present without compromising the ability of the future generations to meet their own needs”.

#### Under-five Mortality Rate

is the probability (expressed as a rate per 1,000 live births) of a child born in a specific year dying before the age of five, if subject to current age-specific mortality rates

#### Unmet Need for Family Planning

– Percentage of Women who are fertile and sexually active but are not using any method of contraception, and report not wanting any more children. The measure points to the gap between women’s reproductive intentions and their contraceptive behaviour. *For MDG monitoring, unmet need is expressed as a percentage based on women who are married or in a consensual union.*



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