Study on Mainstreaming Equity and Poverty Reduction in Policies, Strategies and Programmes in Kenya

(With Special focus on Youth and Women)

Submitted to

Poverty Eradication Commission (PEC)

&

UNDP, Nairobi- Kenya

Ministry of Devolution and Planning

Poverty Eradication Commission (PEC)

By

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Table of Contents

Acronyms and Abbreviations

EPS:	Economic Planning Secretary
ERSEWC:	Economic Recovery Strategy for Employment And Wealth Creation
FDG:	Focused Group Discussions
GDP:	Gross Domestic Product
GoK:	Government of Kenya
IEG:	Inclusive Economic Growth Unit
IMF:	International Monitory Fund
HRBA:	Human Rights Based Approach
KNBS:	Kenya National Bureau of Standards
KII:	Key Informant Interview
KANU:	Kenya National African Union
KNHCR:	Kenya National Commission for Human Rights
MTP:	Medium Term Plan
NESC:	National Economic and Social Council
NGEC:	National Gender and Equality Commission
PEC:	Poverty Eradication Commission
PEAP:	Post Election Action Plan
STI:	Science, Technology and Innovation
UNDP:	United Nations Development Programme
TORs:	Terms of Reference

Executive Summery

Background Information / Introduction

This study was commissioned by Poverty Eradication Commission (PEC) with the support of United Nations Development Programme Kenya Country Office (UNDP-K) Inclusive Economic Growth Unit. The study was carried out between 14th May 2014 and 27th July 2014 and was supposed to among other things identify: the extent to which equity and poverty reduction amongst the youth and women is mainstreamed in the Country's key economic policies, strategies and programmes particularly as it relates to the Second (2013 -2017) Medium Term Plan. In carrying out the study, eight key data collection methods were used, namely: Literature Review; Focus Group Discussions (FDGs), Key informant interviews (KIIs); telephone interviews; case studies; personal observation, ethnography and digital photography.

Additionally, as part of primary data collection, field visits were made to four selected and mutually agreed Counties …..(Viz. between PEC, UNDP and the consultant). The selected Counties were generally believed to have very high incidences of poverty). The counties were thus: Turkana (representing pastoralist communities domiciled in the arid and semi-arid areas of Kenya); Taita Taveta (representing the coastal region); Bungoma (representing the region to the west of the rift valley) and Nairobi County (which was a case study of urban poverty). The rationale for the filed visits was thus, to try and interrogate / corroborate the current as well as the immediate past national policies, strategies and programme from a devolved perspective and their efficacy; while at the same time trying to find out the policy and strategy intervention measures the devolved units of government are currently putting in place to sustainably mainstream equity and poverty reduction; and which well implemented have the potential to ultimately and sustainably deal with the issue of inequality and poverty reduction as envisioned in Vision 2030.

Prior to the visits to the Counties, and for the purpose of the study, preliminary scooping / mapping exercises were done on the active youth groups, women groups and key informants in each of the four Counties visited, following which both FGDs and KII's. The KII's ranged from top duty bearers / technocrats mainly drawn from the ministry of devolution and planning, PEC, key officials in the County Governments, key players from the Civil Society, elected political leaders and ordinary community leaders at the grassroots, among others) . Thus, in total 8 focused group discussions (FDGs) and 35 key informant interviews (KII's), were carried out for the purposes of the study. This was in addition to the substantial desk / internet research done on the key policy and strategy frameworks currently driving the national economic development agenda, with a special focus on Vision 2030 and the MTP II.

Last but not least, using ethnography and personal observations, carefully selected case studies were flagged during the field visits and have been captured verbatim in this report (Captioned as "stories of human interest").

For the purposes of the study, Inequality has been defined as the degree to which distribution of economic welfare generated in an economy differs from that of equal shares among its inhabitants, while Poverty has been defined as a measure of inadequacy or inability to meet basic needs, rights and other range of capabilities, including lack of access to productive assets as well as social infrastructure and markets.

Key Findings and Recommendations

The Key findings

- The government has over the last two decades been making deliberate and very concerted efforts to deal with the issues of equity and poverty reduction through several policy and strategy frameworks, including the World Bank supported SAPS and PRSP.

- The Economic Recovery Strategy for Wealth and Employment Creation Paper (ERSWCEP) of 2003 was the first major home grown policy and strategy framework by the government developed and implemented with the view to dealing with what was perceived then as the root causes of inequality and widespread poverty in the Country. ERSWCEP would in 2006 serve as the foundation in the envisioning, developing and operationalizing Vision 2030.

- Youth and women issues are clearly mainstreamed in all the current key Policy documents in the Country. There is also sufficient strategic intent to see the strategies and policies implemented. However, the Strategies currently in force to some extent abstract and hence, most unlikely to assist the Country (particularly the youth and women) in realizing the desired results. For example, whilst it is a well-known fact that, real economic well-being of the individual will only come about if there is serious capital investment which is matched by either expertise and experience or both, generally, the youth and women lack all the three key ingredients, necessary for real economic prosperity.

- There is sufficient strategic mention of the words equity and poverty in both Vision 2030 as well as in MTP II and goes on to categorically declare that, the over-all goal of Vision 2030 is to "Transform Kenya into a middle income Country where every citizen enjoys a high quality of life by the year 2030" Clearly, from a Policy and Strategy perspective, this candid proclamation is evidence enough that the Country's is firmly commitment to dealing with issues of inequality at all levels of society.

- Nearly all the flagship projects within the productive sectors of the economy seem to be solely focused on development of the "hardware" as opposed to soft skills critical for personal growth. (e.g. the flagship projects in the infrastructure sector put emphasis on the expansion and modernization of aviation facilities, with flagship projects in the trade sector putting emphasis to the construction of wholesale hub markets. Equally, the manufacturing sector puts emphasis on the establishment of special economic zones and SME industrial parks while in the case of the financial sector the strategy is the establishment of the Nairobi International Financial Centre to raise funds for projects and tap into investments into Africa). Clearly, in all these Strategic moves, there is nothing which is either youth and / or women focused.

- Over the years, Government approach to economic development has all along been anchored on GDP growth as the key indicator to a Country's economic growth and hence the general wellbeing of its citizens. However, the biggest weakness of this approach is that, it always tends to assume that the productive sector (mainly the private sector), once provided with all the necessary environment and left on its own, knows best what needs to be done and will go ahead to do it for the benefit of the entire society. Equally, in a robust economy, the rest of society will stand to benefit by way of direct employment, supply of goods and services and through taxes paid to the central government, and in turn trickles down to the less able in society. Unfortunately, the GDP economic growth strategy as currently designed has only succeeded in concentrating economic well-being of just a few (mainly in the middle and upper class).

- The Country's GDP growth has been oscillating around the 5% mark, making it is highly unlikely that the projected annual growth rate of 10% by 2017, and annually thereafter until 2030 is highly unrealistic. Subsequently, there is an urgent need to re-think this Strategy, particularly as it relates to the youth and women, the majority of whom are outside the mainstream economic loop.

- Over the last two decades, the Country's approach to youth and women economic empowerment has mainly been through the provision of micro-loans ostensibly to assist them start and/ grow their small business enterprises. Contrary to this assertion, research done elsewhere has shown that, only a paltry +/- 15% of any Country's population desire to be Entrepreneurs with a whopping 85% preferring to be employed in formal employment. The Current Strategy by the Government of trying making nearly every youth and women within sight entrepreneurs is therefore, populist, very short sighted, ill conceived, and very poorly executed. Indeed, the study was not able to identify any individual or group who in the last two decades has been empowered out of poverty.

- Neither Vision 2030 nor MTP II, or any other specialized government agency has been tasked with the responsibility of dealing with issues of risk management and mitigation. It is now, clearly emerging that, security is the number one priority area for the tourist sector as well as for foreign investors in nearly all the other key sectors of the economy. This fact has clearly been validated by the devastating insecurity situation currently being experienced in the Country which has left the entire tourism sector on its knees.

- The good policy and strategy proclamations as articulated in both Vision 2030 and MTP II is not very well matched with monetary allocations to the main productive sectors of the economy. For example, during the 2010 /2011 financial year, the economic priority sectors were allocated 32.14% of the Total National Budget. This allocation dropped by almost 10% to 23.65% of the National Budget, in 2011/ 2012 final year, only to improve marginally to 25.93% during the 2012 /2013, followed by a further reduction to 23.87% and 21.65% during the 2013 /2014 and 2014 /2015 financial years respectively. The declining trend in budgetary allocation clearly depicts a completely different picture contrary to the government's declared position dealing with issues of equity and poverty reduction through budgetary allocation.

- The Economic stimulus package introduced a couple of years ago, ostensibly to spur economic growth, was never structured in an innovative way and only focused on the general productive sectors of the economy, with very many of the projects started having stalled along the way. Equally, there is no evidence of any of these economic stimulus initiatives having been tailor-made for the youth and women. Perhaps this explains why the government allocated a paltry 0.67% of the National Budget during the 2014 /2015 financial year. Whilst the reduced budgetary allocation may have been caused by a number of external factors, which calls into serious question the government's commitment to its declared strategies for jumpstarting economic growth through innovative interventions.

Key Recommendations

- The current government policy and strategy framework is mainly anchored on economically empowering the youth and women through micro-loans., (Particularly through the youth enterprise fund, the women enterprise fund and now the Uwezo fund). However, not all people are interested in self-employment, with the majority instead preferring to be employed. One sure way of dealing with this challenge is for the government and the key development partners to start focusing on impact entrepreneurship, coupled with value chain mapping and analysis. Thus, through impact entrepreneurship and value chain maps, it is going to be possible to concisely identify how the key productive sectors (particularly, Agriculture, Livestock, Fisheries Manufacturing, Trade, Industrialization, ICT and financing mechanisms, etc…) are going to be accessible for investment. A value chain approach is thus going to make it possible for all the key stakeholders to clearly map out the key processes and products linking with one another; the gaps; the necessary strategies and the human and non-human resources necessary for maximum synergy for optimal social and economic returns for the intended target beneficiaries (youth and women) and (regardless of their social background, academic qualifications, skills and / or experience).

- There is need for both the County and Central Government to identify the most dominant social and economic activities (value chains) in every County and/ or a cluster of Counties, then formulate Policies, Strategies, programs and activities which will help the people in those Counties to commercialize and brand their social and economic potential for sustainable equity and poverty reduction. For Example, due to its athletic Prowess, Uasin Gishu County has branded itself as the "Home of Champions". The County has even gone ahead to erect huge bill boards to announce this fact. Machakos on its part, has branded itself as “The Place to be’ following which it has constructed a beautiful people’s park, and has lately been hosting quite a number of national and international spotting activities etc. However, these are the only these two Counties which have tried to brand themselves around specific themes.

- Skills gaps amongst the youth and women in most of the productive sectors (and more so the infrastructure sector involving mega contracts) were found to be terribly lacking amongst Kenyan youths, particularly those who have gone through formal schooling. We cannot blame anyone for this because this is the very first time, that highly sophisticated, mega infrastructural projects are happening in the Country. However, the Government must as a matter of top priority ensure that all current and future infrastructure contracts have a clause which demands that Kenyan youth at all levels of education (particularly engineering students from diverse disciplines, drawn from public Universities and Technical and vocational training Institutes (TIVETs) are, given internships of between 6 to 12 months as part of their academic programme, with their stipends being met by the government. This is the only way that, the youth will be able to get any meaningful benefits from the mega flagship projects. Equally, through this way, the government will have developed a significant, reliable and qualified pool of Engineers, and contractors, etc…. In this regard, a policy framework should be developed and possibly safeguarded through legislation (both in the County and the National Government level).

- There is need for the National and County governments and other key stakeholders to come up with Challenge funds through which the best of the very best and most innovative ideas are identified, funded, natured / incubated, patented, then assisted for roll out to full commercialization. Evidence through research carried out elsewhere shows that, only 15% of people like running their own business enterprises, with the rest preferring formal employment. Subsequently a strategy which carefully focuses on identifying and supporting the 15 % youth with entrepreneurial potential will in the long run prove much more beneficial, since enterprises created therefrom could eventually provide employment to those who wish to be employed.

- There is need to critically rethink the benefits sharing arrangements with local communities, in all the Counties where vast mineral resources have recently been discovered. Other Policy and strategy interventions areas may include, but should not be limited to: Equitably through preferential employment of the locals; contracting of service providers; procurement of goods from the local companies; improving infrastructure; provision of basic social amenities to the local communities, and offering internship /training opportunities to the local youths and women, among other interventions.

- There is need to restructure PEC into a poverty eradication coordinating organ with a renewed mandate of diagnosing and recommending policy and strategy action areas to both the National and County Governments. This is necessary because, currently over

50% of the Country's population are still living below the poverty line, thus calling for much more focused efforts towards fighting poverty at all levels of society.

1. Introduction and Background to the Study

1.1. Introduction

This study was commissioned by Poverty Eradication Commission (PEC) with the support of United Nations Development Programme (UNDP) within its Inclusive Economic Growth (IEG) unit. The study was carried out between 14th May 2014 and 27th July 2014 and mainly focused in identifying the extent to which equity and poverty reduction amongst the youth and women are mainstreamed in key Economic Policies, Strategies and Programmes in Kenya. In particular, the study focused on the key national policy documents, particularly, particularly, Vision 2030, the 2nd (2013 -2017) Medium Term Plan (MTP II), key Economic Policy and Strategy documents in Ministry of Devolution and Planning, Ministry of Agriculture, Ministry of Trade, Industrialization among others. Additionally, the study goes further to look at other studies done by other key stakeholders. Furthermore, the study also critically looked at the key policy documents at Poverty Eradication Commission (PEC), whose creation and mandate, originates from the National Poverty Eradication Plan (NPEP 1999-2015), one of the long term government blue print/strategy to address poverty.

Additionally, the study also took a critical review of other work on equity and poverty in Kenya, as well as studies (including internet research) by other key stakeholders with interest on equity and poverty reduction. To further illustrate this point, a recent study commissioned by the World Bank on inequality and poverty in Kenya, estimates National poverty at between 34% and 42%. With an estimated National population of 42 million people, this would translate to a whopping 14 million to 18 million poor people. This is in- spite of the supposedly "impressive" economic growth registered in the Country in the recent past, the youth and women have very unequal opportunities in nearly all the economic fronts in the society.[1]

1.2 Methodology

1.2.1 Scope of the Study / Literature Review:

Very extensive and intensive literature on existing key national policy documents was carried out and the salient policy and strategy issues identified and mapped out. Additional literature review was done on other studies about the status of the Kenyan economy with special focus on equity and poverty reduction as they relate to the youth and women. The data collected was further augmented with online research.

Eight key methods of data collection were used during the study. They included: Literature Review; Focus Group Discussions (FDGs), Key informant Interviews (KIIs); Telephone Interviews; Case Studies; Personal Observation, Ethnography and Digital Photography.

Additionally, field visits to four Counties were made between 17th May and 20th July 2014. The selected Counties were generally believed to have high incidences of poverty had been mutually selected and agreed upon between PEC, UNDP and the Consultant. The Counties selected were

[1] Kenya Poverty and inequality assessment report, Vol.1 (2008)

thus, Turkana Country (as a representative of the pastoralist communities domiciled in Arid and Semi-Arid parts of the Country); Taita Taveta County (as a representative of coastal communities); Bungoma County (as a representative of communities to the west of the rift valley) and Nairobi County (as a case study of urban poverty).

1.2.1 Data Collection

In carrying out the study, a total of 8 focused group discussions (FDGs) exclusively made up of women and youth groups were carried out in the four Counties sampled for the study. In determining the groups to be engaged for the FDGs, preliminary enquiries were done in each County, with the view to identifying an active youth and women group with a fairly wide reach. Additionally, a total of 35 key informant interviews were carried out, with key stakeholders and duty bearers. All this was done against the backdrop of very substantial desk and internet research on the key policy and strategy documents currently driving the National economic development agenda, with a special focus on Vision 2030 and the MTP II.

The rationale of the filed visits was thus to try and corroborate / carry out further interrogation on current and immediate past national Policies, Strategies and Programme from a Devolved perspective, while at the same time establishing the polices, strategies and programmes, the County governments have put in place / mainstreamed equity and poverty focused polices, strategies and programmes which if well implemented/ mainstreamed , they are likely to ultimately deal with issues of inequality and poverty reduction , particularly amongst the youth and women and also the full realization of Vision 2030. Using Ethnography and personal observation, carefully selected case studies were flagged during the field visits and are going to be captured as such in the main findings of the report.

1.2.2 Policy and Strategy assessment (analysis) criteria and interpretation

The data collected during the study was then clustered into related issues following which it was carefully assessed / analyzed through the data analysis tool annexed under annex 1. Likewise, a final mapping / in depth analysis was carried out and using triangulation, gaps identified and possible intervention areas identified.

1.3 Key definitions

Inequality: Inequality is the degree to which distribution of economic welfare generated in an economy differs from that of equal shares among its inhabitants.[2] It may also entail comparison of certain attributes or well-being between two persons or a group of people to assess the differences in share of these attributes. Inequality is thus observed not only in incomes but also in terms of social exclusion and the inability to access social services as well as socio-political rights by different population groups, genders and even races.

[2] Okello Duncan & Gitau Mary, "*Introduction to poverty and inequality*" in SID, "*Readings on inequality in Kenya: Sectoral dynamics and perspectives*", Nairobi: Society for International Development, 2004

Inequality is thus a bit different from poverty but related to it. Inequality concerns variations in living standards across a whole population. By contrast poverty focuses only on those whose standard of living falls below an appropriate threshold level

Recent statistics show that there has been a modest reduction in poverty levels in Kenya. According to a June 2008 World Bank report on poverty and inequality in Kenya, there is significant evidence that, indeed the level of poverty in the Country has in fact been reduced. However, the reduction in poverty levels is still not significant as there are still glaring inequality levels among the Kenyan population. The inequalities are particularly visible in terms of income distribution, social and economic exclusion and the inability to access social services by different population groups.

Poverty: Poverty has been described by the UN as the denial of a person's rights to a range of basic capabilities—such as the capability to be adequately nourished, to live in good health, and to take part in decision-making processes and in the social and cultural life of the community.[3] Poverty also refers to a measure of inadequacy or inability to meet basic needs and rights, and lack of access to productive assets as well as social infrastructure and markets[4].In the language of rights, one may say that a person living in poverty is one for whom a number of human rights remain unfulfilled—such as the rights to food, health, political participation and so on. Such rights have constitutive relevance for poverty if a person's lack of command over economic resources plays a role in causing their non-realization. Some human rights are such that their fulfillment will help realize other human rights that have constitutive relevance for poverty. For example, if the right to work is realized, it will help realize the right to food. Such rights can be said to have instrumental relevance for poverty. The same human right may, of course, have both constitutive and instrumental relevance. These Guidelines address the rights that are considered to be particularly relevant to poverty—on either constitutive or instrumental grounds or on both.

1.4 Theoretical Framework

Poverty and inequality studies are rooted in philosophical frameworks on social justice. Classical contractarian philosophers such as Thomas Hobbes and JohnLocke advanced the notion that human beings were born equal and free as the basis of their membership in civil society.[5] Such thoughts are credited with ushering revolutions in Europe that overthrew feudal systems and ushered in republican democracy. However, if equality was to be literally applied, it easily yields inequality as individuals are not equally endowed with talents and inherent abilities. Thus, philosophers like John Rawls conceptualized notions of distributive

[3] United Nations, "Principles and Guidelines for Human Rights Approach to Poverty" Geneva: Office of the High Commissioner for Human Rights, 2005:

[4] Syagga infra note 16 p332

[5] See Morrison Wayne, "*Jurisprudence: from the Greeks to post-modernisms*", London: Cavendish Publishing, 1997 (2005 edition) pp88-102 & 153-160

justice.[6] Rawls held that at a first level, individuals ought to enjoy equal rights and liberties commensurate with maximum rights offered to any member of that society (equality principle). At a second level, inequalities could be permitted, if the benefited the most disadvantage members of the society (hence the difference) principle. The difference principle gives theoretical foundation for affirmative actions.

A related theory is the capabilities approach advanced by Amarty Sen, which holds that human beings though equal are inherently different and hence unequal in a sense and threrefore policy interventions should not seek to equalize humans but rather facilitate their maximization of their capabilities in fulfillment of their life's choices.[7] Amartya Sen's capabilities approach is now the basis for UNDP's Human Development Index (HDI) reports done annually to assess qualitative aspects of development in states globally.

From the foregoing, this study therefore looks at the extent to which policies, programmes and strategies as well as their outcomes are informed by these theories.

1.5 Brief Synopsis of the history of Kenya's key Policy Frameworks

After attaining independence in 1963, the founding fathers of the newly independent Kenya identified three enemies of development, against which they vowed to wedge total war to eradicate. These three enemies were: Poverty, ignorance and diseases. Over the last 50 years, successive governments (at times with the support of development partners) have continued to endeavor to address the same three issues, albeit with varying degree of success[8].

The earliest Government's desire and commitment to address these so called "enemies" of development was clearly demonstrated through sessional paper no. 1 of 1965. This policy document clearly outlined the dos and the don'ts at Policy level for the newly independent Nation.

However, after about a decade and half of fairly sustained economic growth, the first signs that the economic policies, (then in force) were not attaining the desired objectives and needed some adjustments became evident when the Country started experiencing fiscal imbalance, thus forcing it to approach the Bretton Woods Institutions for support. The first round of support came in the form of Structural Adjustment Programmes (SAPs), a critical conditionality for borrowing money from both the International Monetary fund (IMF) and the World Bank at the time. SAPs were created with the goal of reducing the beneficiary Country's (predominantly a 3rd world Country) fiscal imbalance in the short term and medium term. SAPS were also deemed necessary to adjust the national economy to long term growth. Through SAPs Strategic intervention approach, the economies of the developing Country were supposed to become more market oriented, which would in turn force them to concentrate

[6] See Freeman M.D.A. "*Lloyd's introduction to jurisprudence*", London: Sweet & Maxwell, 2008 (2010 edition), pp583-595
[7] See Sen Amartya, "*Capability and well-being*" in Hausman m. Daniel, "*Philosophy of economics: An anthology*" Cambridge: Cambridge University Press, 1984 (Third edition-2008) pp270-294
[8] In the Spirit of Harambee: Discrimination & Inequality in Kenya: Equal Rights Trust and Kenya Human Rights Commission (Feb. 2012)

more on trade and production and thus inevitably spur economic growth and ultimately economic and social prosperity for all its citizens. Unfortunately, SAPs were laced with severe conditionalities, the recipient Country had no choice but to accept as one single package. The main internal ones included privatization of all state controlled enterprises and deregulation of price controls, employment freeze and retrenchment in the public service, with the key external conditions involving the reduction / removal of all forms of trade barriers accompanied by occasional devaluation of the national currencies.

The SAPs economic austerity measures were roundly criticized for introducing, prescribing and implementing a generic free market economic policy frame work, regardless of the specific needs of the borrowing Country. SAPs were also deemed to have been highly paternalistic with nil consultations and / or involvement of the beneficiary Country. Within a relatively very short period of time, there was mass hue and cry in nearly all the developing Countries which had implemented SAPs. It was increasingly becoming evident that they were hurting those at the bottom of the pyramid much more than it were earlier ever envisaged.

The 1990s saw a significant paradigm policy shift, particularly from the World Bank through which the borrowing Countries were encouraged to draw what came to be known as the Poverty Reduction Strategy Papers (PRSPs). In Kenya, SAPs had become synonymous with mass layoffs in the public sector (christened the golden handshake), key public institutions being privatized overnight and ultimately ending in the hands of a few select / politically correct crony's and sudden and completely unregulated influx of all kinds of imported goods, particularly counterfeits goods and second hand clothes.

The PRSP approach saw a small but significant policy shift, through which the government ostensibly organized citizen's consultations through District Forums at every district headquarters of the time. However, most of these consultations were always hurriedly organized, with participation mainly being restricted to government departmental heads, local politicians and a few select women leaders, mainly from the KANU/ Maendelo ya Wanawake organization. The Women invited to these forums mostly had very scanty perspective on the big picture necessary to drive any meaningful economic and social development agenda of their respective areas, thus putting into question the extent to which women had been mainstreamed. [9]

However, even before the PRSP could be fully rolled out in Kenya, the 2002 general elections were held following which the KANU regime was swept out of power and everyone was optimistic that the National Rainbow Coalition Government (NARC), would very quickly put the Country back on the path of economic and social transformation and prosperity.

NARC came to power with enormous goodwill from the international community. After all, a very significant number of those in the new Government had been champions of reforms on

[9] Rono, J.K.: Journal of Social Development in Africa Vol.17. No. 1 (2002)

the need for sound management of public affairs. It was thus, against this back ground that in 2003, the newly elected government (with the blessings and support of international development partners) quickly jettisoned the PRSP approach and replaced it with a new economic framework (The Economic Recovery Strategy for Wealth and Employment Creation (ERSWEP)

ERSWEP was thus anchored on the NARC dream of "Giving Kenyans a better deal in their lives and their struggle to build a modern and prosperous Nation. Additionally, the Policy document sought to provide Kenyans with a political atmosphere which was democratic and in which all the citizens could work hard and freely engage in all manner of productive activities of their choice to improve their lives. The Strategy document also enumerated the key challenges which the Country had faced during the past decade, which in turn had led to a complete reversal of the economic gains of the first two decades after independence.

The draw backs cited thus included: Mega- corruption, bad governance, and political oppression. Additionally, ERSWEP further sought to pay immediate and undivided attention to issues of gross mismanagement of public affairs; un-manageable borrowing in the domestic market; poorly conceived public investments; wasteful and general bad governance in the public sector and adherence to the rule of law. The Strategy Paper further went on to recognize the need for the Country to fix both the physical and social infrastructure, while at the same time acknowledging the key emerging issues likely to hamper the Strategic intent as being the HIV/AIDS pandemic, adverse and unpredictable weather conditions terrorism and political instability.

The ERSWEP Strategy paper dully recognized the fact that, the Country could not operate in a vacuum and had to be in tandem with the regional, continental and global socio–economic perspectives. It was against this background that the National Economic and Social Council (NESC) was formed. NESC served as the dash board against which all manner of possible Public Policy intervention issues were bounced, mirrored, monitored, analyzed, evaluated and finally, policy options formulated in line with new /emerging socio-economic realities.

In preparing the ERSWEP Strategy document, a participatory approach was used, with the process incorporating input from key stakeholders, while at the same time taking due cognizance of a number of key policy documents in existence at the time and especially the PRSP; the Government Action Plan; the NARC Manifesto; and the Post-Election Action Plan (PEAP), among others.

Through this process, the government was able to clearly identify four pillars and five cross cutting issues deemed critical to spur economic recovery. They included, an economic growth embedded in an environment of macro-economic stability as the number one priority area; with strengthening of Governance Institutions being identified as the 2nd most important pillar, while the rehabilitation and expansion of physical infrastructure and investment on social capital for the poor, respectively being identified as the 3rd and 4th most important pillars of the Strategy.[10]

In 2006, the preparation of a much more long term economic blue print (Vision 2030) started in earnest, culminating in its launch in 2008. Vision 2030 is now being implemented in 5 year Medium Term Plans (MTPs), with the 1st MTP having been implemented from 2008 to 2012. The 2nd MTP started being implemented in 2013 and is scheduled to have run its full Couse by 2018. Kenya's Vision 2030 which is anchored on 3 main pillars (Economic, Social and Political), envisions Kenya being a globally competitive and prosperous Nation with a high quality of life for all by 2030. Under the Economic and Social pillar, the overriding goal is to achieve a just and cohesive society which enjoys equitable social development in a clean and secure environment, while the over-riding goal of the political pillar is to ensure that an accountable democratic political system of governance is dully established. [11]

Kenya's Vision 2030, seeks to guide the Country in achieving a middle-income status by 2030 through the realization of a 10% annual growth rate for the period 2012-2030, with the following 10 key areas serving as its foundation. (i.e. Macroeconomic Stability; Continuity in Governance / Public Sector Reforms; Enhanced Equity and Opportunities for Wealth Creation the Poor; Infrastructure; Energy; Science, Technology and Innovation (STI); Land Reform; Human Resources Development; and Security.

On its part, the MTP II (which came into force in 2013) inter-alia seeks to continue implanting Vision 2030 in line with the original theme of "Transforming Kenya through Devolution, Socio-Economic Development, Equity and Unity". Specifically, under MTP II, the transformation of the economy is mainly pegged on the following key economic intervention areas: Rapid economic growth on a stable macro-economic environment; modernization of infrastructure; diversification and commercialization of agriculture; food security; higher contribution to national GDP through manufacturing and wider access to African and Global Markets, interventions which by 2018 are expected have raised Economic Growth rate to 10 %. However, despite the high optimism, there are a number of emerging issues and challenges which have been recognized in MTP II, key among them: Low and declining share of the manufacturing sector; Low Agricultural Productivity; High cost of energy; Limited transport infrastructure; Narrow export base and Major Economic and Social disparities (Inequality) in nearly all parts of the Country.[12]

A recent world bank study on the state of the Kenyan economy had very interesting findings, key among them the following: That, the Kenyan economy is still very dualistic (i.e. formal and informal), with the formal private sector employing an estimated 2.2 million of which only 32%

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[10] Economic Recovery Strategy for Wealth and Employment Creation (ERSWEP), (2003)

[11] Vision 2030

[12] 2013-2017 Medium Term Plan

were women, yet women make slightly more than 50% of the total national population[13]. Additionally, the World Bank went further to establish that, the formal sector operates side by side with a huge informal sector (the Jua kali sector), with micro, small and medium-sized enterprises accounting for roughly 85% of total employment and contributing about 20% to the GDP. However, the majority of these enterprises were not formally registered, were small in size and hence generally very un-competitive, had very little access to factors of production and market access by the youth and women was extremely limited, with women, (who represent 80% of the agricultural workforce) hold less than 5% of the land, less than 10% of available credit and a miserable 1% of agricultural credit. Last but not least, the study found that of the estimated 10.5 million people employed in informal sector, the majority were youth and women.[14]

1.6 Link between Poverty and Inequality in Kenya

Issues of poverty thus clearly manifest themselves out in many forms and in key sectors of the economy, particularly the following:: Low domestic savings and investments in the Country; national saving rate which during the 2008 -2012 stood at 13% of the GDP, which is just half of the average for low income countries, and less than the 17 per cent of sub Saharan Africa average; Low per-capita income growth; The high costs of finance – high bank lending rates and wide interest rates spread; Major economic and social disparities across regions of the country; The high costs of energy; the rapid population growth rate as well as the high levels of unemployment, particularly amongst the youth. (The last published Kenya National Bureau of Statistics unemployment, based on the 2005/6, Kenya Integrated Household Budget Survey had put youth unemployment at 12.7% of the total population. However, recent non-bureau sources estimates have put youth unemployment rate at 25% of the population suggesting that youth un-employment has almost doubled over the last 8 years. This is in total contradiction to the over-all global youth un-employment rate which is much lower than the Kenyan situation. This is much lower than the estimated national average)[15]

Sectoral studies on poverty and inequality that are of relevance to this study relate to gender, land and agriculture. With regard to gender studies, it is revealed that women continue to suffer from insubordination because of the way society perceives them at household and society at large.[16] Disparities in power and position of women is linked to socioeconomic differences that women face. Thus gender mainstreaming policies are appropriate to address prevalent inequalities. With regards to agriculture which is the backbone of Kenya's economy, there are major variations in poverty and inequality among agro-ecological zones, but variation

[13] National Population and Housing Census (2009)
[14] The World Bank (2012)
[15] Kenya Poverty and inequality assessment report, Vol.1 (2008)
[16] See Chesoni Atsango, "*Ethnic chauvinism, xenophobia and gender inequality in Kenya*" in SID, "*Readings on inequality in Kenya: Sectoral dynamics and perspectives*", Nairobi: Society for International Development, 2004 pp195-252

is more severe within regions.[17] This each region has its fair share of the very poor hence need not to target any region has homogenous. Off-farm income is highest (at 60%) among the poor in less well-off regions as opposed to 40% among poor and non-poor in well-off regions, hence the need perhaps to link agriculture with other sectors with real potential for raising incomes of the poor.

Surprising, it has been concluded that land may not play a an instrumental role in determining the level of development of a region, but rather, complementary factors for ensuring efficient utilization of the same such as rain, good soils, infrastructure and access to markets.[18] This finding gives credence to policies that strive to improve the complementary factors, and availing land to those who can add value to it in an efficient and effective manner. However, it is instructive that in Kenya women held only 5% of titled land in their own name, while they contribute 80% of agriculture labour force, constitute 64% of subsistence farmers and produce 60% of farm-derived income.[19] A policy that seeks to avail more land to women or female-headed households may be more successful.

1.7 Kenya's economic edict against the backdrop of the 2010 Constitution

Kenya's new constitution was promulgated in 2010 after a grueling and at times very acrimonious struggle spanning about two decades. From a perspective of promoting equity and inclusion, the constitution has very important features which merit specific mention. First, the constitution lays down key principles including human dignity, equity, social justice, human rights, non-discrimination and sustainable development.[20] These binding principles form the basis of formulating and evaluating government policies and legislation at all levels. Second, the constitution lays down a rights framework which provides a sound basis for marginalized and excluded groups including youth and women to claim entitlements from duty bearers.[21] Thirdly, the 2010 Constitution put in place numerous statutory bodies with the view to ensuring that the Country is not only properly governed but also, there is equitable distribution of resources to all parts of the Country. Key among the Constitutional offices includes the Commission for Revenue Allocation (tasked with the responsibility of determining the formula for allocating resources and also doing the actual allocation of the resources, including allocations to the Counties. The level of poverty in a given County plays a very big role in determining the amount of revenues allocated a given County). Additionally, the new constitutional order devolved the Country into 47 semi-autonomous Governments, and created the position of Governor as the Chief Executive of the County. Together with his Executive and County Assembly, the two arms of the devolved government are supposed to

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[17] Arwings-Kodhek Gem, "*An inequality and welfare analysis of Kenya's agricultural sector*", in SID op cit pp253-288

[18] Syagga Paul, "*Land ownership and uses in Kenya: Policy prescriptions from an inequality perspective*", in SID op cit pp289-344

[19] *Ibid* p339

[20] Article 10 (2) of Constitution of Kenya 2010

[21] See Articles 52-57 ibid on rights of special categories

formulate and legislate all manner of polices, provided they are in tandem with the constitution and Vision 2030. Besides the Presidency, the other constitutional offices which have been created by the 2010 constitution include: Kenya National Human Rights Commission and The National Gender and Equality Commission (NGEC) were created by the 2010 Constitution specifically to deal with all issues of gender discrimination and inequality.[22] Therefore, the constitution is a progressive document if properly implemented; it could move this country towards addressing poverty and inequality in a fundamental way. The effectiveness (or otherwise) of policies can be evaluated broadly against the constitutional principles enunciated hereinabove.

1.8 Summary of preliminary findings from the literature review

From the above analysis, the following salient points arise:

- Since independence, the government of Kenya has all along been aware of the myriad of economic challenges facing its citizens and more so issues touching on inequality and poverty and has made serious efforts in nearly all the key policy and strategy documents to address the disparities.
- Poverty reduction strategy papers developed in the aftermath of the Structural Adjustment Programs of 1990s laid basis for the formulation of the Economic Recovery Strategy for Wealth and Employment Creation.
- The ERSWER in turn laid the foundation for the Vision 2030 with is the current long term development blueprint that seeks achieve a middle income status for Kenya. Vision 2030 has been operationalized into 5-year Medium Term Plans, which coincide with kenya's electoral cycles and hence linked to the manifestoes of the governing party(ies). Kenya is currently on its second MTP (II), which is heavily influenced by the Jubilee Government election manifesto. MTP (II) therefore provides a good basis for evaluating government's strategies and programmes for addressing poverty and inequality in the short term.
- The 2010 Constitution vividly captures issues of human rights, equity and social justice, while at the same time creating specific state organs (such devolved units, KNHCR, NGEC) as a strategy to deal with inequality in all forms. These principles provide a good basis for evaluating the effectiveness of MTP-II and other policies on poverty and inequality The cumulative efforts have somewhat given rise to the sustained economic recovery witnessed in the Country over the last decade, during which absolute poverty declined from 53% to 46% by 2007. However, despite all these well-meaning intentions, Kenya still remains one of the most unequal societies and one stricken by perennial poverty, with the youth and women bearing the blunt, hence the need for need for new ways.

[22] See Article 59 ibid

1.9 LIMITATIONS OF THE STUDY

- Whereas vast literature suggests the poverty and inequality among vulnerable groups including youth and women is linked to the political and social conditions and structures in society, this study has focused on economic causes and effects of the problem. This was necessitated by the specificity of the terms of reference and the mandate of the Inclusive Economic Growth (IEG) Unit of UNDP-Kenya, which commissioned this study.
- It would have been much more appropriate to sample a few more Counties than was the case. However, time was a major limiting factor.

2. Analysis of key Policy and Strategy documents, Strategies, Programmes and Projects geared towards equity and poverty reduction with special focus to youth and women.

2.1. Introduction

Under this section, a brief synopsis of the key productive sectors of the economy supposed to drive the country's economic, social and development frameworks and unburden the youth and women from inequality and poverty have been critically mapped out, analyzed and gaps identified as outlined herein under:

Key Policy Document	Economic / Productive sector identified in the key policy document	Brief Synopsis of the Sectors identified
MTP II: Economic Pillar	1) **Agriculture Sector:** Flagship projects:	• Over the last one year, the government has provided farmers with subsided fertilizer and certified seeds as a Strategy. Whilst the move is highly commendable, it is way off the mark in addressing the fundamental challenges bedeviling the agriculture sector. • A large scale irrigation scheme was officially launched by the President in the lower Tana delta early last year. However, that was the last time Kenyans got to hear about it. • However, Agriculture is one of the devolved functions and nearly every County has made budgetary provisions, some of the counties with potential for irrigated agriculture going further to make provisions for the same. It is thus hoped that, in the near future, food insecurity will be a thing of the past. • For Agriculture to act as a real catalyst to real economic and social development and transformation there is need for the government and all the other key stake holders to try and critically analyze the entire agriculture value chain. (I.e. ranging from farm inputs; mechanization; extension services; contract farming; post-harvest

		management, as well as strategies for accessing the formal markets). • Additionally, crop diversification, irrigated agriculture and the establishment of a commodities exchange market must all be made key policy / strategy intervention areas by all the key stakeholders.
	2) **Livestock Sector:**	• Turkana County in collaboration with a consortium of some key NGOs have established one of the biggest abattoirs houses , with a number of other livestock rich Counties being at varying levels of establishing their own abattoirs . However, just like in the main stream agriculture, the government and the other key stakeholders are missing the point. The Strategic area of focus should be on mapping / addressing the gaps in the entire livestock value chain. This should include, developing and actualizing well thought out strategies including: Branding some of the rich livestock Counties as livestock Counties; developing disease free zones; improving holistic livestock extension and critically addressing the processing of hides and skins into numerous finished products.
	3) Fisheries Sector	• Since independence, every time the government has talked about the fisheries sector, very little attention is ever given to the fresh marine sector. Recent studies carried out elsewhere on the possibilities of commercializing the fresh marine sector have shown that there is enormous potential which if it is strategically commercialized would give direct and indirect employment to thousands of youth and women. • About 70% of all the fishing currently taking place in the Indian Ocean is done by the youth, with about 90% of all the fish mongers in the Country being women. • Equally, owing to the extremely high cost of electricity, refrigerated fish cold stores developed by the Narc government in mid-2000 have largely remained in total disuse. This again calls for policy and strategy interventions along the entire marine fish value chain, including cost effective storage measures, small and medium community social fishing

		enterprises and access to formal marketing outlets. Additionally, there are a myriad of by-products that could come from fish, thus further assisting in reducing poverty and in-quality. **Flagship Projects under Agriculture sector** • Implementation of the Consolidated Agricultural Reform Legislations • Fertilizer Cost Reduction Strategy • Establishment of Disease Free Zones • Fisheries Development and Management • ASAL Development – Irrigation.
Kenya Vision 2030 Vision 2030 is the overriding policy documents which is supposed to guide the Country economic, social and development transformation and in the process make Kenya, a middle income Country, where the majority of its citizens enjoy a high quality of life. **Key Policy Intervention areas**: The Vision has identified six (6) main priority	4) **Tourism Sector**:	• Tourism is one of the leading foreign exchange earners in Kenya. Tourist arrivals rose from 1.2 million in 2008 to 1.78 million in 2012, while earnings rose from Kshs. 52.7 billion in 2008 to Kshs. 96.02 billion in 2012. Notwithstanding this fact, in most developing Countries (including Kenya) there has been unbridled optimism that the host countries and its people will economically progress through tourism development. In the contrary, despite the encouraging growth experienced in the tourism sector over time, there is nothing to smile about in terms of poverty and inequality reduction in Kenya. • There are controversies involving human and wildlife conflicts in recent times, a significant number of which are yet to be resolved; • There are locals known to have lost their homes and livelihoods often without compensation for the sake of ecotourism. • It can thus ben argued that tourism has in fact contributed very little, if anything, towards benefiting the local communities who have been marginalized. • Some sections of the society have lost confidence in the government's policies and practices as key challenges including tourism's encroachment on shorelines and forests; Displacement of poor villagers; environmental degradation and commercialization of culture among others.

<table>
<tr>
<td rowspan="3">sectors, which has been stated as “having the highest potential to spur the country’s economic growth and development”. These sectors are: Tourism; Agriculture and Livestock; Trade; Manufacturing; Business Process Outsourcing / Technology Based Businesses; Financial Services.

The Strategy:

High economic growth which attains the 10% growth rate by 2017 after which it is then sustained annually up to 2030.

The Desired Outcome:

An economic boom with enormous multi-faced trickledown effect on the economic, social and developmental arena.
Very many employment</td>
<td></td>
<td>• Lastly, neither Vision 2030 nor the MTP 2, nor any other special national agency has been tasked with the responsibility of dealing with risk management /mitigation issues in the tourist sector or for that any other sector of the economy, yet security or perceived lack of it is the number one priority area for any serious investor, particularly those from the international arena.
• This fact has clearly been validated by the devastating insecurity situation currently being experienced in the Country which has left the entire tourism sector on its knees.</td>
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<tr>
<td>5) Manufacturing Sector:</td>
<td>• Kenya’s manufacturing sector is among the key productive sectors identified for economic growth and development because of its immense potential for wealth, employment creation and poverty alleviation.
• Lack of polices and strategies in place to fight counterfeit and contra-band goods; Application of modern /technology driven manufacturing of technologically driven manufacturing practices; Narrow product base; Low research on new manufacturing techniques.
• Low quality packaging, certification and branding.</td>
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<tr>
<td>6) Trade</td>
<td>• During the 1st MTP, the government came up with a programme of developing market structures in nearly every major rural town in the Country. The Strategy was to give the local retailers (particularly women fruits and vegetable retail traders) a trading platform from where to operate. Whilst the idea may have been a very noble one, owing to a number of challenges (ranging from nepotism, high cost of renting the stores vs. the gains one would get from the said stores, to date, a very significant number of the said stores are in total disuse, yet hundreds of millions of shillings were pumped to jumpstart the initiate.</td>
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opportunities will spring up and very many youth and women would be gainfully employed hence making it possible for them to "grow" out of inequality and poverty.		• In Nairobi and indeed all the other major urban areas, street hawkers are seen more or less as extremely unnecessary and irritating nuisance, which the central and now the county government must do away without the slightest thought and at whatever cost. This sad state of affairs contrasts very sharply with the way informal traders are handled in many other parts of the world, particularly in the developed countries where whole sections of urban roads are closed to motorists and turned into open air markets for the locals to do business.

2nd Medium Term Plan. The 2nd (2013-2017) MTP is supposed to build on the successes of the 1st (2008 -2012) MTP, particularly in the following key fronts: Macroeconomic stability; Enactment of the 2010 Constitution; Infrastructure Development; Growth of the services sector and Improved access to Education.	**1. Infrastructure Sector**	The Strategy under Vision 2030 is to ensure that, the main projects under the economic pillar are fully implemented with investment in the nation's infrastructure being given the highest priority. Vision 2030 thus aspires to have the Country firmly inter-connected through a network of roads, railways, ports, airports, and water ways, and telecommunications. It is further envisioned that, the country should be able to water and modern sanitation facilities to all her people such that, by 2030, it will not be possible to refer to any region of our country as being "remote". Flagship Programmes and Projects under the infrastructure portfolio: Expansion and Modernization of Aviation facilities, including making Kenya the aviation hub in the African region through construction and modernization of aviation facilities. The infrastructure projects prioritized included: Construction of a second runway at JKIA; Improvement of terminal and airside capacity at Kisumu International Airport; Expansion of the Route Network: The Government will negotiate and conclude additional Bilateral Air Agreement Services (BASAs) and ratify new international conventions and protocols aimed at expanding the route network of Kenya Airways and other designated national carriers; Improvement of Shipping and Maritime Facilities; Expansion of Railway Transport; Expansion of Roads Programme.(including: The Northern Corridor Transport Improvement Project (NCTIP); and the East Africa Road Network Project (EARNP) and the Development of the Lamu Port-Southern Sudan-Ethiopia Transport (LAPSSET) Corridor, among others. If these big flagship projects are built, they are expected to stimulate growth, hire alot of people hence impact on employment, consumption but not direct impact on Poverty and Equity.
	2. Information, Communication Technology (ICT)	The government recognizes ICT as a foundation for economic development. Upgrading National ICT Infrastructure including but not limited to the following: Expansion of Fabre Optic Networks to cover hospitals, schools, police stations and other public service institutions; Establishment of Wide Area Network and Network

		Operations; Roll out 4 G Networks to provide faster internet and increase bandwidth capacity; Establish Data Centers designed to ensure that strategic public data is stored in secure locations with minimal risk and delivered cost-effectively; Set up National ICT Centers of Excellence in order to develop a critical mass of human resource required to support capacity for the industry; Promote local ICT software development and make ICT Software more affordable and accessible through the existing fiscal concessions by the Government; Enhance cyber security to reduce the risk of cyber-attacks and create a more secure network from the level of the major national public gateways to the user; Implement Public Key Infrastructure (PKI) to authorize and authenticate information systems in the country; Build capacity for the Kenya Computer Incidence Response Team and Coordination Center (KE-CIRT/CC) to coordinate computer related incidences in the country; and Roll out of the Digital TV Infrastructure in all the remaining counties (from 60% coverage to 100%) to move from analogue to digital TV broadcasting migration.
	3. Financial Services Sector	The Financial Services Sector (FSS) is critical to achieving the 10 per cent annual average economic growth and requires that the sector drives a significant increase in investment through mobilizing both domestic and international resources. The goal for the sector will be achieved by deepening the financial markets through enhancing its access, efficiency, and stability. The FSS consists of banking, capital markets, insurance, retirement benefits/pensions, development finance and financial co-operatives (SACCOs) sub-sectors. **Emerging Issues / Challenges** • High level of exclusion from financial services • High bank lending rates and wide interest rate spend • Low utilization of financial services • Inadequate access to finance for SMEs • Low insurance penetration; and • Low pension coverage

<table>
<tr><td></td><td></td><td>Flagship Projects
Nairobi International Financial Centre (NIFC): The NIFC will be established to raise funds for projects and tap into new investments coming to Africa.
Deepening of Capital Markets
Promote EAC financial services integration
Stimulate long-term savings and reduce vulnerability
Facilitate the expansion of electronic payments
Climate Change Fund.</td></tr>
<tr><td></td><td>4. Trade</td><td>Flagship Projects under trade
Building wholesale hub markets
Creation and Profiling of Producer Business Groups
Building Tier-1 retail markets
National Electronic Single Window System
Credit Guarantee Scheme:
Establishment of Micro Small Medium Enterprise (MSME)
Centers of Excellence</td></tr>
<tr><td></td><td>5. Manufacturing</td><td>Flagship projects under Manufacturing
Establishment of Special Economic Zones
Development of SME and Industrial Parks
Development of Industrial Clusters
Development of Integrated Iron and Mini Steel Mills
Skills development for technical human resource for the manufacturing sector
Transformation of KIRDI into a world class research institution
Natural Products Initiatives.</td></tr>
<tr><td colspan="3">Critical analysis of the tourism sector

a) Youth and women specific gaps identified.
The capital outlays needed to get established under this sector are way out of reach of majority of the youth.
Previous studies cited earlier clearly show that, due to past policies on land ownership, women have had serious difficulties in having title deeds which they could use as collateral to access capital for serious investment, with the only currently available option being the micro finance schemes on offer by the government and other stakeholders.</td></tr>
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b) General gaps identified.

- The UNWTO (UN World Tourism Organization) has stated, for example: “Tourism, one of the world’s top job creators and a lead export sector, especially for developing countries, can play a significant role in the achievement of MDG1 – eradication of poverty, gender equality, environmental sustainability and global partnerships for development. Responsible and sustainable tourism allows destinations and companies to minimize the negative impacts of tourism on the environment and on cultural heritage while maximizing its economic and social benefits.” (UNWTO, 2010:3);
- There is need to link tourism and basic infrastructural such as energy, telecommunication as well as transport services. There is need to maximize the supply of services to tourists, including financial, retail, recreational, cultural, hospitality and health services. Strong linkages will catalyze economic benefits at the national level as well as create employment opportunities to locals and contribute to poverty reduction at the local level. Without strong tourism linkages, such benefits will not materialize;
- Therefore, there is need to adopt poverty-focused projects so as to enhance the linkages between tourism businesses and poor people at the community level;
- Links with the locals need to be considered. That is, the staff, neighboring communities, land-holders, producers of food, fuel and other suppliers, operators of micro tourism businesses, craft-makers, other users of tourism infrastructure (roads) and resources (water) etc.
- There is no policy in place on how to compensate people affected by tourism projects.

Critical analysis of the infrastructure sector.

a) Youth and women specific gaps identified.

- The capital outlays and experience needed to get established under the infrastructure sector are way beyond the reach of majority of the youth.
- Majority of the youth can only be employed as junior officers or casual laborers, earning just enough to live from one month to the next, with all the key positions being taken by employees of the external investors.

b) General gaps identified

- A closer look at the policies, projects and flagship programmes adopted by the government reveals that the infrastructural distribution is concentrated in urban centers while remote and rural where poverty is prevalent have been ignored or overlooked. When other areas are neglected or overlooked then the gulf of inequality and poverty is set to widen. If Kenya is destined to become an economic hub, then such infrastructure must be distributed in all areas especially the rural areas which have been neglected for decades. The government should employ a uniform approach in infrastructural development in order to minimize poverty and inequality.
- The available infrastructure is not easily accessible by all people.

- There is no policy framework which forces external investors to give a certain number of positions to locals. This means that, local capacity is not being developed and yet this will be necessary after the external contractors have completed the job and gone home.

Critical Analysis of the ICT Sector

a) Youth and women specific gaps identified.

- Business process outsourcing (BPO) concept has in the past been billed as one sub-sector with the greatest potential for youth employment. However, since the official launch of Malili Techno city, nothing much seems to be happening on this front.
- There is a real danger of BPO fading out in the global arena, thus making the BPO agenda obsolete even before it kicks off.

b) General gaps identified

- Kenya is making strides in technological advancement as the same is key to development. Hence the claim that we are in the midst of a 'digital revolution' that is driving us towards an 'information society'. Information and communication activities are a fundamental element of any emerging economy. Focus should however shift to rural areas given the perennial marginalization. Rural areas are often characterized as information-poor and information provision has always been a central component of rural development initiatives. The rural poor typically lack access to information vital to their lives and livelihoods.
- ICT is critical in rural development and by extension reduction of poverty and inequality. The importance of ICT infrastructure development for economic growth is well established but what is the potential for more strategic ICT interventions to promote social development goals and help address equity concerns?
- While acknowledging the complexity and sophistication associated with ICT, it is important to note that proper measures must be put in place in order to accommodate the specific demands of all people. The one shoe fits all approach is un accommodative and illusionary. It is only by combining an in-depth understanding of technological advancement, with calculated measure of the interests at stake, that the Government can develop a more accommodative technological infrastructure to achieve its objectives. ICT is not a 'magic bullet' as it were.
- Improved systems of information and communication play an important role. For instance, supply of information is required by the poor in order to pursue sustainable livelihood strategies, and to supply information required by institutions responsible for making decisions that affect those strategic livelihood options. Improved information can enable people to better defend their interests and articulate their needs. It increases their bargaining power and ability to influence decision-making processes that affect them. Information thus has a catalytic role but the potential of ICTs to support and enhance processes of participation is largely dependent on reforming rural institutions and decision-making structures.

- It is evident the Government is determined to transform our country from an analogue generation to a technological generation or 'digital' generation as it were. But there should be a calculated way to enable the shift. For example there is need to address the knowledge gap in order to reduce information problems. Currently there is unequal distribution of technical knowledge. The government should be in a position to address these barriers in order to maximize the benefits of ICT.
- There should be a proper plan on improving the current approach to technological infrastructure in order to inform future development strategies on the same. There should be a critical assessment of the diversity of information users and their knowledge requirements.
- There is need to take into account constraints to technological advance especially in rural areas. Without a proper understanding of these limitations it will continue to be difficult to achieve the objects set out in Vision 2030 now that new technology makes information sharing much easier and cheaper than ever before

Critical Analysis of Agriculture, Livestock and Fisheries Sectors.

a) Youth and women specific gaps

- There is no proclamation on policy interventions solely focused on the youth and / or women, thus leaving the two categories to compete with everyone else on equal footing.
- All Kenyan agricultural activities have a myriad of challenges (including low returns on efforts, lack of markets during times of high yields and poor financing mechanisms on nearly all agricultural activities.
- The strategies, programmes and activities under the main agricultural, livestock and fisheries sectors are not clear enough to motivate particularly the youth.

b) General gaps

- Since independence, the Kenyan economy has remained predominantly agriculture. Most households in rural areas depend on agriculture to survive. Besides being a source of livelihoods to most rural inhabitants, agriculture impacts directly on the economy. When agriculture thrives, the economy grows and poverty levels go down.
- But we need to do more, and to further improve the quality of our work in order to provide real benefits to poor people.
- A lot of potential lies in the agricultural sector but you find most of the time agriculture has stagnated and failed to deliver its potential. The lack of a sustainable approach to agriculture development seems to suggest that agriculture is still being used to meet the short term food requirements of the country and not long term development needs. In fact little emphasis has been put on agriculture as a lead sector for growth and poverty reduction by policy formulators.
- To maximize the impact of agriculture on poverty reduction, the government should adopt the following strategies:

(Expand the market for farm products and focus on demand; Focus on areas that have been neglected over the years; Spread the benefits of new technology; Invest in less vulnerable means of production such as irrigation).

Critical analysis of oil and other mineral resources.

a) Youth and women specific gaps.

- The capital outlays and experience needed to get established under the infrastructure sector are way beyond the reach of majority of the youth.
- Majority of the youth can only be employed as junior officers, casual laborers or watchmen under this sector, hence earning just enough to live from one month to the next, with all the key positions being taken by employees of the external investors. This section (a) refers to infrastructure not oil and other minerals

b) General gaps.

- There are many floated claims that mineral resources impact negatively on economic growth particularly in developing countries. This could be true but not entirely correct, with the main limiting factor being the over reliance on foreign experts.
- Lack of value addition on minerals so far discovered.
- There is need to improve specific sectors which directly impact on the mining sector such as expansion of roads, pipeline infrastructure, rail transport, etc.
- Under the signed Production Sharing Contracts (PSCs) the division of profits under the Kenya system is regressive through the interpretation of key results such as Undiscounted Government Take, Net Present Value of project cash flows, Internal Rate of Return, Saving Index, Access to Gross Revenues and Effective Royalty Rate.

Critical analysis of the manufacturing and trade sector.

a) Youth and women specific gaps

- The capital outlay, skills and experience needed to get established under this sector are way beyond the reach of majority of the youth.

b) General gaps.

- Trade plays an important role in economic growth and poverty reduction and economic growth is the most powerful tool to reduce poverty. Trade can help in raising living standards and reduce poverty among the people. “For many people economic poverty is rooted in their inability to trade – and trade is a vital route out of poverty.” In order to increase the impact on poverty reduction, trade integration is an important element in achieving sustained economic growth. There is need to expand regional and global markets.

- It is evident that the government has focused its energies within the national confines and the east African region while giving little attention to other international partners in trade.
- Experience has shown that no country has successfully developed its economy by turning its back on international trade and long-term foreign direct investment. Almost every country that has achieved sustained economic growth has done so by seizing the opportunity offered by more open world markets.
- Therefore there is need for our country to adopt trade reforms and market liberalization in terms of trade expansion, growth and poverty reduction.
- Kenya's manufacturing sector is among the key productive sectors identified for economic growth and development because of its immense potential for wealth, employment creation and poverty alleviation. This will go a long way in providing impetus towards achievement of Vision 2030 and help in the eradication of Poverty and inequality in Kenya. The main challenge facing the manufacturing sector is the over reliance of foreign imports. In addition the sector is highly fragmented and underdeveloped. On this back drop, there is need to develop policies which address the current situation. There is need for a paradigm shift from our manufacturing sector being agro-dependent. The government should mobilize resources to open expand the sector out of the confines of agriculture based system.

Critical analysis of micro financing as a strategy for dealing with equity and poverty reduction amongst the youth and women

Preamble:

- Over the last two decades or so, the Government has used micro-financing as a key policy / strategy and programme area for reducing poverty and hence, bottom up economic and social development at the grassroots community level. Simply put, these tinny loans are indented to offer youths and women employment opportunities, through the establishment / expansion of their income generating activities and ultimately escape from unemployment and poverty.

Examples of some of the most celebrated micro financing initiatives in the Country (…..to name but just a few) which have been hailed as a huge "success":

- **Njaa Marufuku:** This initiative is mainly a grant administered mostly through the Drought Management Initiative under the Ministry of Agriculture. The bulk of the money goes to supporting the group with tools and equipment, with some limited support being availed in the form of capacity development.

- **Kazi Kwa Vijana Initiative**: The initiative sought to give the youth some kind of gainful employment, which would give them regular income and hence pull them out of poverty. The Project was administered under the defunct Prime Minister's Office and run for several years before it was christened "Kazi kwa Vijana peza kwa Wazee". Ultimately, was almost nothing to show in terms of success;

  Youth Fund: The main objective of this fund was to empower the youth economically. Using the group based lending model, the youths were supposed to form a group, get funded after which they would undertake an economic activity of their own choice. Government bureaucrats in Nairobi hail it as a great success story with repayment rates of or more than 80%; The Youth Enterprise Development Fund, the Kazi Kwa Vijana and other funds dedicated to poverty alleviation, are necessary but not sufficient to effect lasting impact on the lives of their beneficiaries
- **Women Enterprise Fund:** The fund exclusively targeted women in business and would advance small loans to group based borrowers who would repay within a pre-determined period of time, with the group being eligible for the next round of borrowing after successfully completing the first round; The study established that loans are also given through other micro-credit institutions and banks making the loans expensive. While majority of women-owned enterprises were not eligible for loans because; they lacked up to date business records, engaged in risky and not viable businesses. The study further established that some women entrepreneurs lacked collateral or guarantors for the loan. More so it was also noted that some women entrepreneur had poor credit history. Women who were eligible and applied for the loan were found out to be successful. However, the uses of loan varied from expanding the business, stating a new business to buying a piece of land and meeting recreational expenses

- **Poverty Eradication Commission (PEC) Pilot Micro-Loans:** This has been hailed as one of the most successful fund, particularly in terms of repayment. The PEC funds are usually disbursed through District Development officers, who would, with the assistance of the local leaders, identify the groups to benefit from the funding. Majority of the groups get an average of Kshs. 50,000 regardless of their planned activity or number of members.

- **Uwezo Fund:** The fund was rolled out by the Jubilee Government after it came into power in 2013. Priding itself of an initial capital base of Kshs. 6 Billion, the fund has been devolved to each of the over 200 constituencies Countrywide.The Fund adopts PECs pilot concept of Table Banking for loaning women

a) Youth and women specific gaps.

- The assumption that, once money is availed will solve all the youth and women economic challenges is farce. Money alone is not a panacea to every challenge facing the youth and women, other critical challenges being lack of entrepreneurial skills and lack of interest for self-employment.
- Majority of the micro-finance schemes require that the youth and women must be in groups. This becomes a big challenge in a group where some of the members are not interested in borrowing as a group.
- Over the last two decades, the Country's approach to youth and women economic empowerment has mainly been through the provision of micro-loans ostensibly to assist them start and/ grow their small business enterprises. Contrary to this assertion, research done elsewhere has shown that, only a paltry +/- 15% of any Country's population are desirous of being entrepreneurs with a whopping 85% preferring to be employed in formal employment. There is an urgent need for the Government and the key development partners to critically and urgently re-think this policy and strategy.
- The money given through micro- loans (as the name suggests) is too little for any serious business enterprise. This perhaps explains why there is no documented evidence of any youth or women who have been pulled out of poverty through micro-financing.

b) General gaps.

- Global financial recession has had negative impact to the Kenyan economy and by extension has directly worsened the economic situation of the poor (particularly the youth and women), who are the majority. With stunted purchasing power, the propensity to consume is directly hampered, thus resulting to over-all reduced purchasing power and hence over-all economic growth, enhanced inequality and ultimately increased poverty.
- The policies formulated are not geared towards reducing the inequality gap; they only tend to maintain the status quo. The government must formulate realistic policies which address the needs of the common citizen.
- There is urgent need to integrate the private players while formulating the policies. The private sector has a tremendous influence on policy implementation and goes a long way towards addressing the poverty and inequality conundrum.

Critical analysis of flagship projects and other key cross cutting economic issues as they relate to youth and women.

a) Flagship projects:

- Nearly all the flagship projects in all the productive sectors of the economy seem to be solely focused on the development of the hardware as opposed to software. (e.g. The Flagship projects in the infrastructure sector puts emphasis on the expansion and modernization of aviation facilities; The flagship projects in the trade sector talks of construction of whole sale hub markets; the manufacturing sector talks of the establishment of special economic zones and SME industrial parks, with the flagship projects in the Financial sector talking of the establishment of the Nairobi International Financial Centre to raise funds for projects and tap into investments into Africa. The software development in this case could for example involve investing in the development of enhancing applied skills (including production processes; Trade and trade logistics; business skills development support services; well designed, developed and operationalized grassroots commodities value chains with clear revenue streams and potential rate on investments; and private public partnerships which emphasize on knowledge diffusion / technology transfer.

b) The GDP Strategy to Economic Development and National Prosperity

The biggest weakness of the GDP Strategic approach to mainstreaming equity and poverty reduction amongst women and youth is that, the GDP approach always tends to assume that the productive sector (mainly the private sector), once provided with all the necessary environment then it is left on its own, know best what needs to be done in and will do it for the benefit of the entire society. In a robust economy, the rest of society will stand to benefit by way of direct employment, supply of goods and services and through taxes paid to the central government, which in turn will trickle down to the less productive, and by extension less fortunate in society by way of free or substantially subsidized social services.

- Through this approach, it is expected that, the National GDP would be growing at the rate of 10@ by 2017 and thereafter, by more than 10% annually, up to 2030. Unfortunately, Kenya's GDP growth has been oscillating around the 5% mark, yet 2017 is only 3 years away, thus making the projected target of 10% highly unrealistic and hence, completely unattainable.

a) Youth and women specific gaps

- None of the flagship projects reviewed has any specific provisions for women and youth, thus leaving the two categories to speculation.
- The GDP approach is too general and very heavily relies on the trickle down effects. As a Strategy, it is highly unlikely to ever impact the poorest of the poor. This is because, the poor (particularly the youth and women are generally out of any kind of mainstream economic loop where the effects of the anticipated economic trickle down are ever likely to reach them.

3. Critical analysis of the Country’s annual budget and budgetary allocations to the productive sectors of the economy.

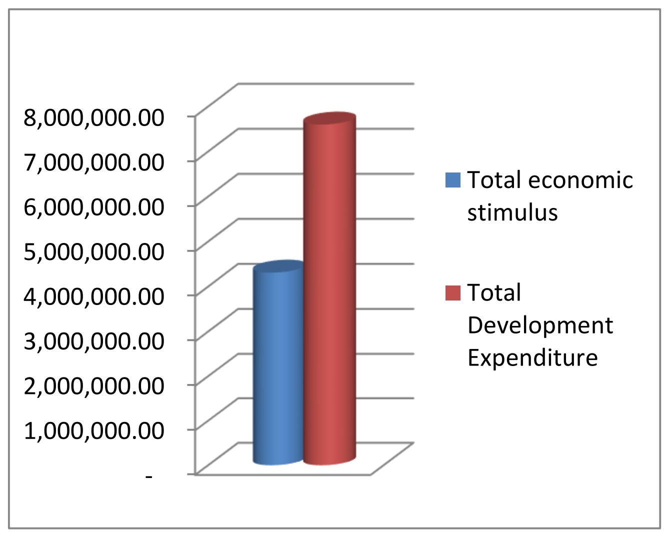
3.1. Preamble

While drawing the annual national budget, the basic assumption is that, once money is allocated to the productive sectors of the economy, it will in turn spur economic growth, which will in turn trickle down to general well-being of a critical number of individuals in the economy and thus result to better standards of living to all citizens.

53.2. Key Economic Sector Allocation in Billions of Kshs.

Year	Total Budget	Agriculture	Irrigation	Environment, Water, Irrigation	Standard Gauge Railway	ICT, Infrastructure And Energy	Economic Stimulus Project
2014/15	1757.4	59.3	9.5	49.4		255.5	11.8
2013/14	1640.9	38.1	55.4	55.4	22	220.8	67
2012/2013	1459.9	53.3	8	49.2	-	268.1	68
2011/12	1155	33.3	10.2	57	6.1	166.6	26.7
2010/211	998.8	5.7					22

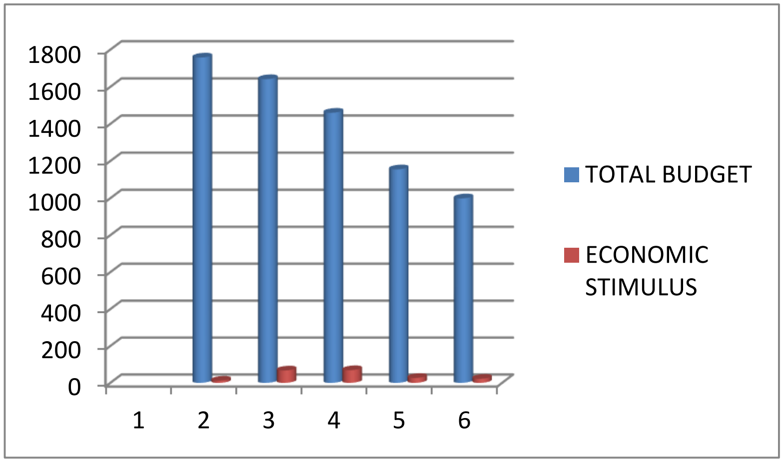
Recurrent Expenditure		% Recurrent expenditure
	14,925,681.00	**58.89%**
Economic stimulus		
Agriculture and livestock development	50,000.00	
Public works & infrastructure	3,638,500.00	
Finance, admiration and Economic Planning	242,500.00	
Trade and Enterprise development	300,000.00	

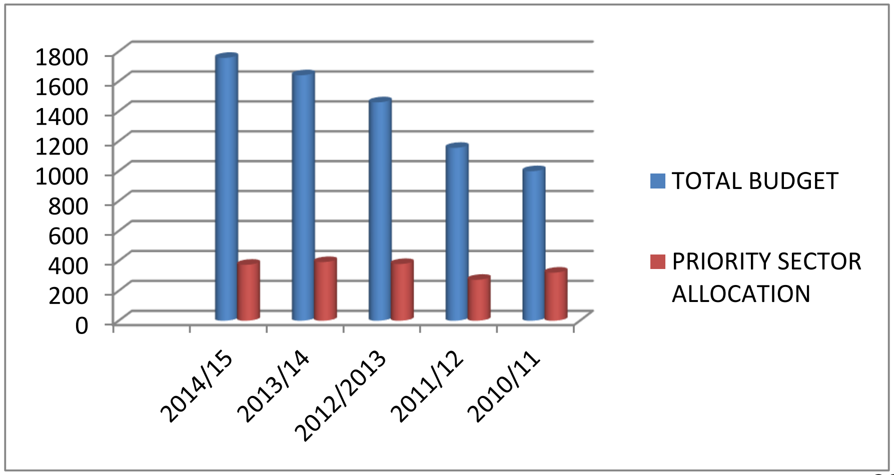


Water, energy and sanitation	80,000.00

Year	Total Budget	Priority Sector Allocation.	Economic Stimulus allocation	%age of allocation based on the total budget.	
				Priority Sector Allocation	Stimulus Allocation.
2014/15	1757.4	373.7	11.8	21.26%	0.67%
2013/14	1640.9	391.7	67	23.87%	4.08%
2012/2013	1459.9	378.6	68.8	25.93%	4.71%
2011/12	1155	273.2	26.7	23.65%	2.31%
2010/11	998.8	321.0	22	32.14%	2.20%

- The 4 financial periods under consideration received less than 50% of the Kenya's total, the allocated funds can't be compared with the vast economic Growth in the country.
- The priority sector allocation almost received equal allocation for the four periods despite and increased budget every year
- The total Economic stimulus allocation for the 2014/ 2015 financial year is less than 1% of total National budgetary allocation.





4.0 Brief highlight of the key findings from the counties visited

a) Turkana County

Introduction

The Visit to Turkana County took place from Mon.16th June 2014 to Thurs. 19th June 2014. Among the Key informants interviewed were: Hon. Peter Looked, the Deputy Governor of Turkana County; Hon. Emanuel Imana, a former MP for the area and now the political advisor to the Governor and also a Special Peace Ambassador for Turkana County; Mr. Abraham Losinyen- The Chief of Staff, Turkana County; Mr. Jeremiah Apila, the economic Advisor; Hon. Patrick Losik and Mr. Lopeiyok Akom Anthony, a youth leader. Equally, a focused group discussion with youths doing small businesses in Lodwar town and a focused group Discussion with a women group doing irrigated agriculture was also done.

Summary of the key findings

- There was overwhelming support for the devolved type of government by all those interviewed during the visit. This support was mainly due to the following:
- Poverty is multi-faced in Turkana. It is thus not possible to pick one issue and say if you sort out this, poverty would have been sorted out in the Country.
- However, the key contributors in Turkana are inter-tribal livestock raids (leading to massive insecurity); drought and famine and extremely high illiteracy rates amongst the locals.
- Youth and women are the most hardest, with young Moran (mostly 17 to 25 years) being left with very little option but to go for cattle raids from neighboring communities.
- The inter-tribal raids mostly take place amongst the following Turkana and Pokot (in Kenya); The Karanjong (in Uganda); The Topisa (in Southan Sudan) the Rendile in Ethiopia); and the Samburu. Turkanas are sort of, in the middle and bears this entire nightmare from all fronts.
- The extremely devastating drought and famine of the 80's wiped out over 90% of their entire livestock wealth following which, to date, the communities have never sufficiently recovered.
- As a strategy for re-stocking, tribal cattle raids have become the norm than the exception, with even young women now joining the extremely lucrative but equally extremely risky "social business enterprise".
- According to UN security rankings, Turkana County is ranked Level 4, meaning that, if someone is from outside the County, then he /she can never move around freely without security escort.
- The County government is tired of the County being in the News for all the wrong reasons. To counter this extremely sorry state of affairs, the County Government has set the following as their key priority areas of focus:
    - Food Security and County Security: Turkana County has a total of 25, 000 square kilometers of arable land. Over the next 2 years, the County governments plans to have put about 20,000 acres of land under irrigation and in the process have not only enough food to feed about 1,000,000 people all year round but….???. With its current population standing at 800,000 people, this would leave the county with a surplus of about 20% for export to other Counties, including Southern Sudan.

- Additionally, the County is enormously endowed with a very significant amount of natural resources with oil, water, limestone and gold topping the list.
- To mainstream youth and women in the economic policies in Turkana county, first and foremost means peoples security, so that they are able to move around their daily today chores without fear, food security 9mainly through irrigated agriculture (along the Turkwel River); and adult literacy. ???
- Previous efforts meant for youth and women have not benefitted the local community very much, mainly due to political patronage, , lack of viable business enterprises, extremely harsh environment for business to thrive, illiteracy and at times due to outright theft and corruption.

A story of human interest from the County

Anthony Lopeyo Akon is aged 25 and he is married with one child. He is the chairman of Handrikonyen Eye Youth, and holds different positions of leadership in several other youth groups. (A translation of the name of the group means people who are able to see even in total darkness. The group main objective is to try and rehabilitate youths who have taken livestock rustling as a way of life. In 2008, Anthony's Father who was considered as one of the richest men in the community was killed by raiders from the Topisa community and the family estimated wealth of over 300 cows, over 100 camels, over 100 donkeys and over 1,000 goats taken.

In one day, Anthony and his other about 50 siblings from his father's 12 wives had been reduced to paupers, forcing Anthony to drop out of school the same year.
In early 2009, Anthony together with some friends decided to try their luck amongst the Karamonjong to restock and reclaim their family dignity. They were about 40 youths. However, luck was on their side. The Ugandan security forces were on red alert. Anthony and his group lost 10 of their own. Anthony was lucky to get away unscathed. But this was not the case with 4 of his step brothers, including one blood brother.

A few months later, Anthony and his team decided to try their luck amongst the Rendile in Ethiopia. One successful mission can change one's life forever. ….but it can also end it instantly. The mission was successful….. However, as they drove the livestock home. The Rendile caught up with them. Anthony was short on the chest and left leg and left for dead. He only came into consciousness at the Lokichogio Mission hospital where he would spend the next 5 months undergoing mouth reconstruction and nursing his other wounds.

Anthony has a young sister, whom the family has been buying traditional beads since she was 7 years old, with the hope that once she grows up, the family would marry her off to someone rich, who would pay the traditional dowry of about 100 cows, 50 camels and 50 donkeys and get the family back on a sound economic and social footing. Amongst the Turkana and majority of the pastoralist communities in Kenya women have no voice and do not marry for love. However, early this year, Anthony's young sister (now aged about 18 years) eloped with a young man working as a driver in the new County government leaving Anthony and his family devastated.

Today, Anthony spent most of his time mobilizing the youth to get out of cattle rustling and take up other economic activities. Being one of the fairly well educated amongst the locals, he has been assisting the youth groups with proposal writing. However, for the last 3 years, they have not been successful. It has been a very frustrating exercise for the youth in Turkana. One must be politically connected otherwise, one gets nothing. All what he is praying for is to get someone who could sponsor him to go back to school.

b) Taita Taveta County

Introduction

The visit to Taita Taveta County took place from Thursday the 19th of June to Saturday the 21st June 2014, both days inclusive. Among the key informants interviewed were the following: His Excellency Governor Murutu, Mr. Daniel Mulonzi, the County Director i/c of Social Development and Gender; Mr. Mwangombe, the Manager in the office of Hon. Joyce Lay, the Taita Taveta Women Rep.; Mr. Jumannne, the County Chief of staff; Ms. Rozinah Jaluo, a Women Community Mobilizer for a Mombasa based Vegetable exporting company which has contracted about 1,000 small scale farmers in the County. Additionally, focused group discussions were held with the leaders of a boda boda youth group (with over 500 members in the boda boda business) and a women group (which is doing table banking by default).

Summary of the key Findings

The County occupies about 17,000 square kilometers of which approximately 10,000 square kilometers are occupied by the Tsavo National Park. A very significant part of the County comprises of squatters, making it very difficult for the inhabitants to do any serious economic work on the land. They do not own the land.

However, the dry low lands are very ideal for beef cows and there are a number of areas, which had been earmarked by the colonialists as disease free zones, and which plans are at an advanced stage to revive them.
The County is also very rich in mineral wealth, most of which is currently being exploited by outsiders, with the locals getting nothing.

The same case applies to Tsavo National Park, which is not devolved and which the County Government is engaging the national government about the rampant destruction of crops with occasional loss of lives in the County.

Plans are also under way to set up a dry port, which will give employment opportunities to the local youth.

On Youth and Women issues, the County Government has set aside 60 million this financial year to go towards supporting youth and women enterprises, with each category (Youth, Women and people with disabilities) getting Kshs. 20 million.

Since its inception in 2008, the Women Enterprise Fund has been getting Kshs. 3 million per year, except for the 1st year when each constituency got Kshs.2 million, all totaling to Kshs.15 million per constituency or Kshs. 60 million for the 4 constituencies. However, over the said period, Women Enterprise Fund was able to give out loans to 164 women groups in the County, totaling to Kshs. 11.7 million (translating to an absorption rate of about 20%.

A story of human interest from the County

Hatua Women Group, based in Voi town is one of the Groups in the County which consider themselves very lucky. The Group was formed in 2007, and has 10 members, with its main objective being to improve the economic wellbeing of its members through rental houses.

In 2011, the group realized that, owing to the new country status, demand for residential housing was on the increase, following which they applied for Kshs. 100,000 from the Women Enterprise fund to buy a plot, which had been offered to them cheaply. To their disbelief, even though they had hired the services of an expert, who assisted them write what they felt was a good proposal; the Women Enterprise Fund in Nairobi, without the slightest communication slushed the funding to Kshs.50, 000. Not knowing what to do, the women deiced to do table banking amongst themselves and their close friends, following which they fully repaid the loan in 4 months.

They again applied for a 2nd loan of 200,000 for the same project, but were again very disappointed when they got half of what they had applied for. The group again resorted to table banking, repaying the money in 8 months.

The 3rd time, they applied for Kshs.350, 000, or the same, same project of rental housing. The business opportunity was very clear to them. However, after waiting for 4 good months, they were suddenly called to go and collect their cheque which to their great disappointment, they found they had been loaned Kshs.200, 000.00. Now they have decided to abandon their original business idea and buy chairs and tents for rental during special occasions in the area.

There are very many women groups with very good business ideas, but they have no one who can assist them write good proposals.

They are also disappointed by the fact that, Nairobi has never visited them; they have never received any other form of support (including training on busies) from the Women fund or from any other source.

They could not return the money, because they were afraid of being black listed by the fund.

c) Nairobi County

Introduction

Interviews for Nairobi County took place on diverse dates, owing to a myriad of challenges, key among them the non-availability of some of the key officers targeted for focused group discussions. Not with standing this assertion, key informant interviews were held with the following key officials of the County Government of Nairobi: The Deputy Governor- HE. Jonathan Mueke, the Clerk to the County Assembly Mr. Jacob Ngwele; the majority leader, Mr.Joash Otieno. Additionally, Focused Group Discussions were held at the Kangemi road traders in Kangemi and with Kariobangi / Korogocho waste management alliance in Kariobangi.

Summary of the key Findings

The County has an estimated total population of about 4 million people, of which about 50% live slums. Majority of those living in the slums have very little formal or no education. According to the Kenya National Population and housing census 0f 2009, Nairobi had a labor force of 2,148, 605, comprising of 1,034,009 female and 1,114, 596 being male, with the youth and accounting for 561,457 men and 648,756 female respectively.

Levels of unemployment in Nairobi stand at 14.70 % with female unemployment rate standing at 18.99% while that of male stood at 11.55%.
Employment is a major source of income and important determinant of social and economic outcomes, with households with none of their member's employed being the most affected by poverty. Additionally, the "working poor " account for a very substantial number of the poor, the majority of whom work in low productivity industries, and the informal sector
The County inherited a lot of bad debts from the defunct city council of Nairobi, but it is slowly getting on top of things. The County Government has formed a special youth board, whose mandate is to work with the office of the Governor to deal with youth socio-economic issues in the city.

The County government has also allocated very significant amount of money to each ward for development, where issues of poverty and inequality are supposed to be the number one priority. The County Government in conjunction with the central government will soon be embarking on a lot of infrastructure work, where it hopes a lot of the unskilled youths would be engaged as manual laborers.

The County government has been working very hard to keep the city clean, but this is never easy, owing to the problem of hawkers, with the other major issues the County Government has to content with include solid waste management, HIV/AIDS and substance abuse

A story of human interest from the County

Kariobangi Waste management Alliance is an umbrella organization made up of 13 youth groups operating in the Korogocho / kariobangi slums, about 15 minutes' drive, to the east of the City Centre. It has a cumulative membership of about 200 youths, all of whom are involved in collecting waste from the 17 villages in Korogocho and kariobangi slums. The group got into this business about 3 years ago, owing to the County Council of Nairobi inability to regularly collect garbage from their neighborhood, thus exposing the residents to a lot of health hazards.

A number of individuals in the group are involved in petty trading, with some even coming right up to the city Centre where they try to hawk all kinds of stuff 9including 2nd hand clothes, fruits, vegetables, etc…). However, instead of the City Government law enforcement officers seeing them as young people whose crime is to have been born in the midst of poverty and hence given a chance, they are always treated as criminals.

The licensing regime at city hall, the infrastructure for small businesses the corruption are all very much anti-small businesses enterprises, which are currently getting a lot of lip service but no action .

None of the groups in their umbrella organization or any group in Kariobangi and Korogocho they know of, which has ever got funding from any of the devolved funds, with the bulk of their support mainly being from NGOs, churches and individual well-wishers.

Kevin Mwangi, (27) and a member of one of the affiliate self-help groups, lives in Korogocho with his single mother and 3 sisters. Keven's oldest sister (Rose) moved to Mombasa seven years ago, leaving her 3 young girls under the care of their Mother. She has not been in touch with anyone in the family for the last 5 years. Nobody knows where she is, what she does or whether she is still alive. Nancy the second born in the family dropped out of school in class six and got married. Unfortunately, her husband died while in police custody 3 years ago, forcing her and her two daughters to return home. Kevin never went beyond class 8. His mother was a hawker and so was his grandmother, who was also a single mother. He has no formal training on any field, and would have been happy if he could get somewhere to train as a fitter mechanic. To assist his mother feed the increasingly bulging family he works as a tout and a boda boda rider. However, the Police and the County Government Askaris are his biggest nightmare, whom he must bribe daily to stay in business. He only uses his unlicensed gun to "protect "his now ailing mother and grandmother. Occasionally, and as a last resort, he is forced to use his gun to scare people a bit so that they can part with something for food.

Live in the slums in Kenya is cruel, brutal and short and nobody seems to ever care.

d) Bungoma County

Introduction

The visit to Bungoma County took place from Wednesday, 2nd of July 2014 to Saturday 5th July 2014 (both days inclusive). Among the key informants interviewed were the following: Hon. Dr. Simiyu Esseli, MP for Tongareni Constituency, Mr. Ogwae Mosongo, the Clerk to the County Assembly, Mr. Samson Kungu, the Director of Livestock Development, Mr. Alfred Olang, the Deputy Director of Agriculture, Mr. Eric Nambwana, the County Trade Officer, Mr. Wafula Wakoli, the Youth officer incharge at the Bungoma Senator's Office.

Additionally, Focused Group Discussions were held with, Tongaren Self Women Group (the group is mainly involved in rearing and selling indigenous chicken and table banking). Focused group Discussions were also held with the some key Board Members of Bungoma Youth Bunge Forum (This is an initiative with 1,600 affiliate youth groups each with an average individual membership of about 20 individual youths. The groups are drawn from the entire County. The Group is part of the Global Yes, -Youth we can Movement Started and supported by President Obama of the United States.

Summary of the key Findings

There is a lot of income Poverty in Bungoma, against the backdrop very fertile soils, sufficient rainfall, characterized by several perennial rivers.

The biggest root cause of this income poverty is Sugar cane farming; returns from the crop have been on the decline in recent years. This decline has mainly been attributed to low yields due to nonstop growing of one crop (Sugar), expensive farm inputs (particularly fertilizer) unpredictable and quite often very low sugarcane prices at the point of milling, importation of cheap sugar which forces the factories to delay paying the farmers, at times for more than a year.

Cartels and outright corruption in the sugar industry are some of the most serious challenges facing bona-fide sugar farmers in the County and the entire sugar growing belt. Surprisingly, despite all these challenges, to date, more than 50% of the inhabitants of Bungoma County still grow sugarcane as their main cash crop.

To Counter this income poverty, the County Government has put in place several policy intervention measures. They include, a scheme to develop dairy cows, an initiative for indigenous chicken (Under this initiative, plans are at an advanced stage to revive an indigenous chicken slaughterhouse which had stalled.

Through the trades office, there are plans to start a dry port, which would be handy to traders not only from next door neighbor, Uganda, but other land locked Countries such as Rwanda, and DRC Congo.

The County Government has come up with several loan scheme targeting entrepreneurs at the grassroots level.

A Ward Loans Trade Scheme, with an initial Capital of kshs.1.1 million per ward. The scheme will primarily be targeting small scale entrepreneurs in the County, with the minimum loan being Kshs.10, 000 and the maximum at Kshs.100, 000.

A County Loans Scheme which will be targeting bigger business enterprises and will be giving loans ranging between kshs.100, 000 and kshs.500, 000.

The Clerk to the County Assembly opined that, he was facing considerable challenges in the sense that, very few youths in the County were going for the tenders reserved for them.

Additionally the absorption capacity on all the devolved funds in the County was descripted as being less than 30%, the officers interviewed attributing the low absorption rate to laziness, the culture of handouts and pre-occupation with negative politics.

Story of human interest from the County

Bungoma Youth Bunge Forum is a member of the Yes- Youth Can Movement (a mammoth grouping of youths which brings together a total of 1,600 active youth groups drawn from the entire Bungoma County. Each individual group has an average of 20 members translating to approximately 32,000 individual members. The main objective of the group is to equip the members with skills on sound management of public resources in the County in particular and the Country in general. The bulk of their support comes from an American NGO which has not only been training them locally but has also taken some of their leaders for advanced training in the US, under President Obama youth empowerment programe.

Less than 5% of their affiliate groups in their network has ever got funding from any of the devolved funds. Political patronage, strident requirements before a group can access the funds, diversity in financial needs of group members and low funding entry level were cited as the main reasons for the low uptake of devolved funds meant for the youth in the County.

Dream Stars Youth group is one of the few youth groups which managed to get funding of Kshs.50, 000 from the youth Enterprise Fund in early 2012. The group had 30 members and its main activity was brick making. Over a period of six months, the group was able to make 15,000 bricks, which they hoped to sell at kshs.8.000/- each after baking them, thus earning them a gross income of Kshs.120, 000/- However, after they had stacked the bricks, complete with firewood and ready to bake them, it rained none stop for 3 days and all the bricks were reduced to one big heap of mud resting on firewood. That was the end of the group and to date; the group has never repaid the loan.

A simple calculation on the group projected cash inflows for 6 months of hard labour clearly shows the following: Gross Revenues of Kshs.120, 000/ less Direct Expenses we computed at kshs.30,000 /- would have left the group with a net income of Kshs. 90,000/-. Assuming they were to repay the loan in full at the end of the 6 months. This would have left the group with net earnings of Kshs. 40,000/- for the group.

The 40,000/- shared amongst 30 members would translate to each member taking home kshs.1, 330/- But this is income for 6 months effort which would translate to kshs.220/-member per month or a misery Kshs.7.30 /- per day.

The collapse of the brick project marked the end of the group. Since 2012, the individual group members never bothered to repay the loan and none of them has ever bothered to go for another loan from any of the devolved.

5.0 Key Findings and Recommendations

5.1. The Key findings

1) The government has over the last two decades been making deliberate and very concerted efforts to deal with the issues of equity and poverty reduction through several policy and strategy frameworks, including the World Bank supported SAPS and PRSP.

2) The Economic Recovery Strategy for Wealth and Employment Creation Paper (ERSWCEP) of 2003 was the first major home grown and comprehensive Policy and Strategy framework by the government developed and implemented with the view to dealing with what was perceived then as the root causes of inequality and widespread poverty in the Country. ERSWCEP would in 2006 serve as the foundation in the envisioning, developing and operationalizing Vision 2030.

3) Youth and women issues are clearly mainstreamed in all the current key Policy documents in the Country. There is also sufficient strategic intent to see them implemented. However, the Strategies currently in force are a bit abstract and hence, most unlikely to assist the Country in realizing the desired results. For example, whilst it is a well-known fact that, real economic well-being of the individual will only come about if there is serious capital investment which is matched by either expertise and experience or both, generally, the youth and women lack all the three key ingredients, necessary for real economic prosperity.

4) There is sufficient strategic mention of the words equity and poverty in both Vision 2030 as well as in MTP II and goes on to categorically declare that, the over-all goal of Vision 2030 is to "Transform Kenya into a middle income Country where every citizen enjoys a high quality of life by the year 2030" Clearly, from a Policy and Strategy perspective, this candid proclamation is evidence enough that the Country's is firmly committed to dealing with issues of inequality at all levels of society.

5) Nearly all the flagship projects within the productive sectors of the economy seem to be solely focused on development of the "hardware" as opposed to soft skills critical for personal growth. (E.g. The flagship projects in the infrastructure sector put emphasis on the expansion and modernization of aviation facilities, with flagship projects in the trade sector putting emphasis to the construction of wholesale hub markets. Equally, the manufacturing sector puts emphasis on the establishment of special economic zones and SME industrial parks while in the case of the financial sector the strategy is the establishment of the Nairobi International Financial Centre to raise funds for projects and tap into investments

into Africa). Clearly, in all these Strategic moves, there is nothing which is either youth and / or women focused.

6) Over the years, Government approach to Economic development has all along been anchored on GDP growth as the key indicator to a Country's economic growth and hence the general wellbeing of its citizens. However, the biggest weakness of this approach is that, it always tends to assume that the productive sector (mainly the private sector), once provided with all the necessary environment and left on its own, knows best what needs to be done and will go ahead to do it for the benefit of the entire society. Equally, in a robust economy, the rest of society will stand to benefit by way of direct employment, supply of goods and services and through taxes paid to the central government, and in turn trickles down to the less able in society. Unfortunately, the GDP economic growth strategy as currently designed has only succeeded in concentrating economic well-being in just a few hands (mainly in the middle and upper class).

7) The Country's GDP growth has been oscillating around the 5% mark, making it highly unlikely that the projected annual growth rate of 10% by 2017, and annually thereafter until 2030 highly unrealistic. Subsequently, there is an urgent need to re-think this Strategy, particularly as it relates to the youth and women, the majority of whom are outside the mainstream economic loop.

8) Over the last two decades, the Country's approach to youth and women economic empowerment has mainly been through the provision of micro-loans ostensibly to assist them start and/ grow their small business enterprises. Contrary to this assertion, research done elsewhere has shown that, only a paltry +/- 15% of any Country's population desire to be Entrepreneurs with a whopping 85% preferring to be employed in formal employment. The Current Strategy by the Government of trying to make nearly every youth and women within sight an entrepreneur is therefore, populist, very short sighted, ill conceived, and very poorly executed. Indeed, the study was not able to identify any individual or group who in the last two decades has been empowered out of poverty.

9) Neither Vision 2030 nor MTP II, or any other specialized government agency has been tasked with the responsibility of dealing with issues of risk management and mitigation. It is now, clearly emerging that, security is the number one priority area for the tourist sector as well as for foreign investors in nearly all the other key sectors of the economy. This fact has clearly been validated by the devastating insecurity situation currently being experienced in the Country which has left the entire tourism sector on its knees.

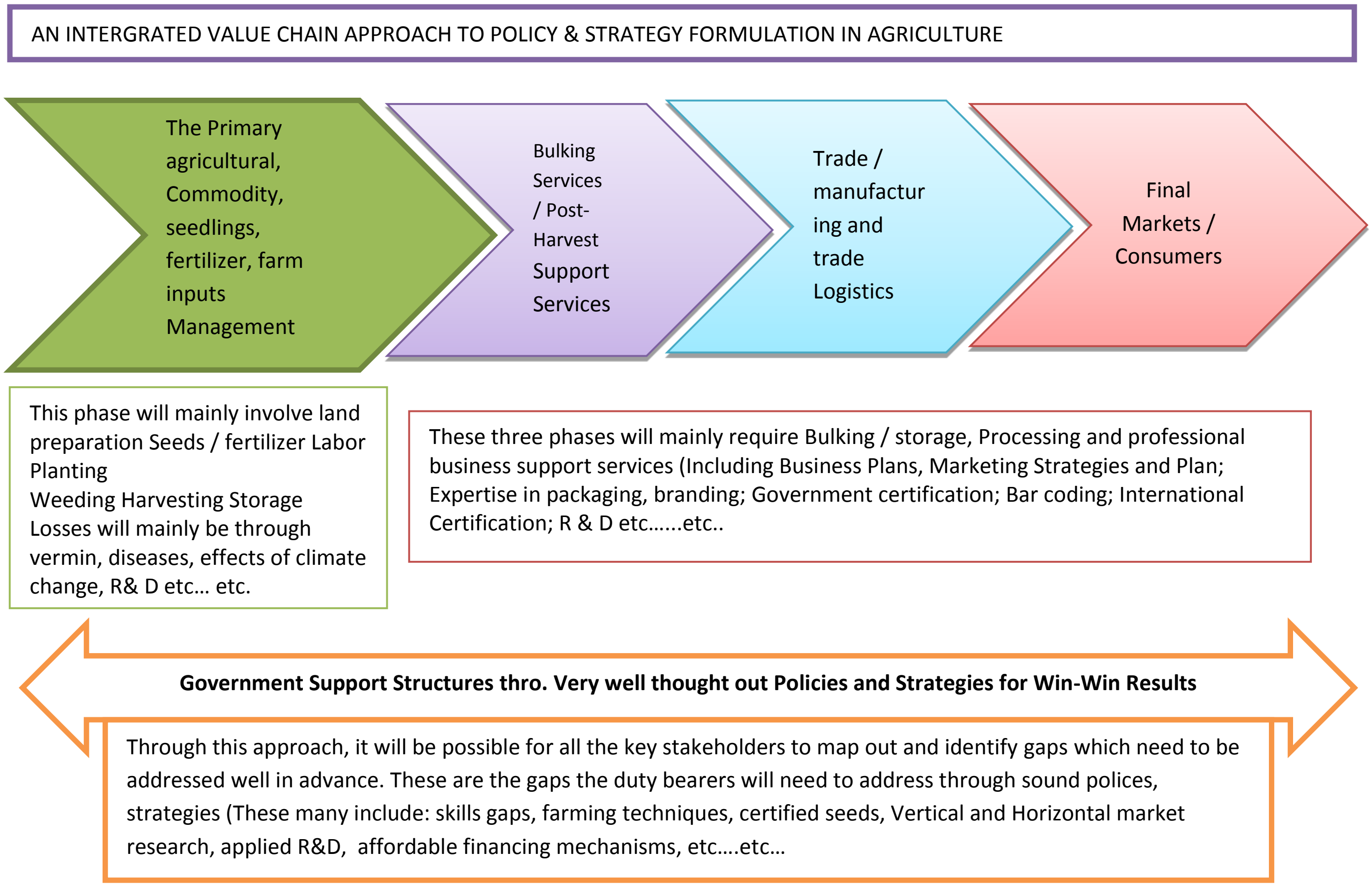
10) The good Policy and Strategy proclamations as articulated in both Vision 2030 and MTP II is not very well matched with monetary allocations to the main productive sectors of the economy. For example, during the 2010 /2011 financial year, the

economic priority sectors were allocated 32.14% of the Total National Budget. This allocation dropped by almost 10% to 23.65% of the National Budget, 2011/ 2012 final year, only to improve marginally to 25.93% during the 2012 /2013, followed by a further reduction to 23.87% and 21.65% during the 2013 /2014 and 2014 /2015 financial years respectively. The declining trend in budgetary allocation clearly depicts a completely different picture contrary to the government's declared position dealing with issues of equity and poverty reduction through budgetary allocation.

11) The Economic stimulus package introduced a couple of years ago, ostensibly to spur economic growth, was never structured in an innovative way and only focused on the general productive sectors of the economy, with very many of the projects started having stalled along the way. Equally, there is no evidence of any of these economic stimulus initiatives having been tailor-made for the youth and women. Perhaps this explains why the government allocated a paltry 0.67% of the National Budget during the 2014 /2015 financial year. Whilst the reduced budgetary allocation may have been caused by a number of external factors, it calls into serious question the government's commitment to its declared strategies for jumpstarting economic growth through innovative interventions.

5.2. Key Recommendations

1. The current government policy and strategy framework is mainly anchored on economically empowering the youth and women through micro-loans., (Particularly through the youth enterprise fund, the women enterprise fund and now the Uwezo fund). However, not all people are interested in self-employment, with the majority instead preferring to be employed. One sure way of dealing with this challenge is for the government and the key development partners to start focusing on impact entrepreneurship, coupled with value chain mapping and analysis. Thus, through impact entrepreneurship and value chain maps, it is going to be possible to concisely identify how the key productive sectors (particularly, Agriculture, Livestock, Fisheries Manufacturing, Trade, Industrialization, ICT and financing mechanisms, etc…) are going to be accessible for investment. A Value Chain approach is thus going to make it possible for all the key stakeholders to clearly map out the key processes and products linking with one another; the gaps; the necessary strategies and the human and non-human resources necessary for maximum synergy for optimal social and economic returns for the intended target beneficiaries (youth and women) and (regardless of their social background, academic qualifications, skills and / or experience).



2. There is need for both the County and Central Government to identify the most dominant social and economic activities (value chains) in every County and/ or a cluster of Counties, then formulate Policies, Strategies, programs and activities which will help the people in those Counties to commercialize and brand their social and economic potential for sustainable equity and poverty reduction. For Example, due to its athletic Prowess, Uasin Gishu County has branded itself as the “Home of Champions”. The County has even gone ahead to erect huge bill boards to announce this fact. Machakos on its part, has branded itself as “The Place to be’ following which it has constructed a beautiful people’s park, and has lately been hosting quite a number of national and international spotting activities etc. However, these are the only these two Counties which have tried to brand themselves around specific themes.

3. Skills gaps amongst the youth and women in most of the productive sectors (and more so the infrastructure sector involving mega contracts) were found to be terribly lacking amongst Kenyan youths, particularly those who have gone through formal

schooling. We cannot blame anyone for this because this is the very first time, that highly sophisticated, mega infrastructural projects are happening in the Country. However, the Government must as a matter of top priority ensure that all current and future infrastructure contracts have a clause which demands that Kenyan youth at all levels of education (particularly engineering students from diverse disciplines, drawn from public Universities and Technical and vocational training Institutes (TIVETs) are, given internships of between 6 to 12 months as part of their academic programme, with their stipends being met by the government. This is the only way that, the youth will be able to get any meaningful benefits from the mega flagship projects. Equally, through this way, the government will have developed a significant, reliable and qualified pool of Engineers, and contractors, etc.... In this regard, a policy framework should be developed and possibly safeguarded through legislation (both in the County and the National Government level).

4. There is need for the National and County governments and other key stakeholders to come up with Challenge funds through which the best of the very best and most innovative ideas are identified, funded, natured / incubated, patented, then assisted for roll out to full commercialization. Evidence through research carried out elsewhere shows that, only 15% of people like running their own business enterprises, with the rest preferring formal employment. Subsequently a strategy which carefully focuses on identifying and supporting the 15 % youth with entrepreneurial potential will in the long run prove much more beneficial, since enterprises created therefrom could eventually provide employment to those who wish to be employed.

5. There is need to critically rethink the benefits sharing arrangements with local communities, in all the Counties where vast mineral resources have recently been discovered. Other Policy and strategy interventions areas may include, but should not be limited to: Equitably through preferential employment of the locals; contracting of service providers; procurement of goods from the local companies; improving infrastructure; provision of basic social amenities to the local communities, and offering internship /training opportunities to the local youths and women, among other interventions.

6. There is need to restructure PEC into some kind of a poverty eradication coordinating organ with a renewed mandate of diagnosing and recommending policy and strategy action areas to both the National and County Governments. This is necessary because, currently over 50% of the Country's population are still living below the poverty line, thus calling for much more focused efforts towards fighting poverty at all levels of society.

Annexes 1:

The Data Analysis Tool:

Key Policy Issue(s) / areas unto which Equity & Poverty Reduction has been focused in the past	**Strategies & Programmes currently in place.**	**Youth & Women Involvement**	**Gaps Identified**	**Suggested / Possible ways of addressing the gap.**
Agriculture				
Micro-Financing				
Industrialization and Trade				
The 2010 Constitution; (Devolution, Judiciary & State Institutions to safeguard the Constitution).				
Mining Extractives (Oil, Coal and Other Minerals)				
Flagship Projects.				
External Funding and Support.				
Cross Cutting Issues.				

Annexes 2:

Check List for Key Informant Interviews (KIIs):

<table>
<tr><td colspan="2">County Government</td></tr>
<tr><td colspan="2">Key Informants Interviewed (KIIs) were drawn from the following:
• Governor or his Deputy
• County Executive in charge of Planning and Finance.
• County Secretary.
• The Speaker / Clerk to the County Assembly.
• Majority Leader
• Minority Leader
• MCA with Disability.
• Woman MCA.
• Youthful MCA.
• Civil Society Organizations dealing with issues of poverty / equity.
• Key officials in the Ministries of Devolution and Planning, Trade and Agriculture.</td></tr>
<tr><td>Focus Area</td><td>Key issues / thematic area to guide the interviews.</td></tr>
<tr><td>Background Information</td><td>• History of poverty in the County.
• Respondent’s general understanding of poverty and equity.
• Root causes of poverty in the County.</td></tr>
<tr><td>Situational Analysis</td><td>• Past government and Civil Society organization’s interventions on poverty in the County (What has worked and why; what has not worked (gaps) and why; Success rate / Failure rate.
• Current plans for combating poverty and inequality in the County; (Draft Bills being debated, Laws enacted so far, budgetary allocation in the current financial year.
• Future Plans: What the county government is doing to address the gaps identified.</td></tr>
<tr><td>Flagship projects and programmes in the County
• Inherited from the Central Government.
• Initiated by the County Government and perceived implications.</td><td>• History of the flagship project and programme in the County and their correlation (+ve and /or –ve) to poverty reduction and equity.
• Respondents views of the flagship project and programme and their ability to positively deal with issues of poverty reduction and equity.</td></tr>
<tr><td>Innovative Interventions (ongoing and proposed) aimed at dealing with</td><td>What in the opinion of the respondent:
• Will work in combating equity and poverty in the area, why and how.</td></tr>
</table>

poverty reduction and equity in the County	• New and innovative ways the County could adapt to sustainably deal with inequality and poverty.
Cross cutting policy issues directly and/ or indirectly contributing to increase in poverty and inequality.	• Employment / under-employment / unemployment in the County and how the County Government is addressing the same. • Skills development / transfer and knowledge diffusion amongst the marginalized in the County (particularly the Youth, Women, people with special needs, etc.…). • Level of substance abuse (youth, Women and others) in the County. • Climate Change issues, coping and adaptation mechanisms in the County.

Annexes 3:

Checklist for Focused Group Discussions (FDGs)

<table>
<tr><td colspan="2">One Women group and/ or one youth group in in each County visited.</td></tr>
<tr><td>Focus Area</td><td>Key issues / thematic area to guide the interviews.</td></tr>
<tr><td>Background Information</td><td>History of the group (Date formed, registered, membership, average age of members, sex, age and main activities, kind of support they have got over the last five years and from whom).
In it was financial support, how from whom and how much.
Community general understanding about poverty and equity, the toot causes and what needs to be done to sustainably deal with it.
Community understanding of past, current and proposed Policies, Strategies, Projects and programmes aimed at dealing with poverty and equity in their area.
Level of Community participation in decision making under the current devolved Government.</td></tr>
<tr><td>Situational Analysis</td><td>Past government and Civil Society organization’s interventions on poverty in the County (What has worked and why; what has not worked and why; Success rate / Failure rate.
Current government plans (in their opinion) for combating poverty and inequality in the County; (Draft Bills being debated, Laws enacted so far, budgetary allocation in the current financial year.
Future Plans : What does the group think needs to be done and why</td></tr>
<tr><td>Flagship projects and programmes in the County
Inherited from the Central Government.
Initiated by the County Government.
Perceived implications.</td><td>History of the flagship project and programme in the County and their correlation (+ve and /or –ve) to poverty reduction and equity.
Community views on the flagship project and programme and their ability to positively deal with issues of poverty reduction and equity.</td></tr>
</table>

Innovative Interventions (ongoing and proposed) aimed at dealing with poverty reduction and equity in the County	What in the opinion of the Community: • Will work in combating equity and poverty in the area, why and how. • New and innovative ways the County could adapt to sustainably deal with inequality and poverty.
Cross cutting Policy issues directly and/ or indirectly contributing to increase in poverty and equity.	• Employment / under-employment / unemployment in the County and how the County Government is addressing the same. • Skills development / transfer and knowledge diffusion amongst the marginalized in the County (particularly the Youth, Women, people with special needs, etc….). • Level of substance abuse (youth, Women and others) in the County etc…..

Annexes 4:

List of key persons interviewed

Turkana County	
Name of the Person Interviewed	**Position**
Hon. Peter Looked	Deputy Governor of Turkana County.
Hon. Emanuel Imana	Former MP for the area and now the political advisor to the Governor and also a Special Peace Ambassador for Turkana County.
Mr. Abraham Losinyen	The Chief of Staff, Turkana County.
Mr. Jeremiah Apila	Economic Advisor
Hon. Patrick Losik	Majority Leader
Mr. Lopeiyok Akom Anthony,	Yuth leader.
Taita Taveta County	
His Excellency Governor Murutu	Governor- Taita Taveta County
Mr. Daniel Mulonzi,	County Director i/c of Social Development and Gender
Mr. Mwangombe	Manager i/c the office of Hon. Joyce Lay, the Taita Taveta Women Rep.
Mr. Jumannne	County Chief of Staff
Miss Rozinah Jaluo	Youth Leader / Coordinator of a Mombasa based vegetable exporting company with over 1,000 small scale vegetable farmers based in Wundanyi.
Nairobi County	
Jonathan Mueke	Deputy Governor- Nairobi County
Mr. Jacob Ngwele	Clerk -Nairobi County Asssembly
Mr.Joash Otieno.	Majority Leader- Nairobi County Assembly
Mr. Stephen Wainaina	Economic Planning Secretary
Mr. Mailu	Director- MDGs
Mr. Leonard Obitha	CEO- PEC
Miss Caren Wakoli	• Director- Uwezo Fund • Chair- Nairobi County Youth Empowerment Initiative. • Founder Director- Emerging Leadership Foundation.
Bungoma County	
Hon. Dr. Simiyu Esseli, MP	MP for Tongareni Constituency
Mr. Ogwae Mosongo	Clerk to the County Assembly.
Mr. Samson Kungu,	Director of Livestock Development.
Mr. Alfred Olang,	Deputy Director of Agriculture.
Mr. Eric Nambwana	County Trade Officer.
Mr. Wafula Wakoli,	The Youth officer in charge at the Bungoma Senator's Office.

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ToRs

1.1. Problem Statement

Although Kenya has in recent years experienced economic growth, poverty remains a key concern and priority of the Government. While the poverty level has in fact been reduced, it is still estimated to range between 34 and 42 percent[1] with more specific numbers being unavailable, as a household surveyhas not been carried out in the country since 2005.

Inequality levels in Kenya are high and for example in terms of inequality of household consumption, in 2005/06 the ratio in consumption between the top and bottom 10 % was at 20:1 and 12:1 between rural and urban areas. This is significantly higher than in other countries in the region, compare for example to Tanzania with 5:1 and Ethiopia with 3:1[2]. Similarly in terms of income inequality, the levels are similarly high.The distribution of income, (measured by the Gini coefficient) was estimated at 39% in rural areas and 49% in urban areas. In the absence of interventions, these trends are likely to continue as the wealthiest quintiles and urban residents seem to have enjoyed higher average welfare gains than those in lower quintiles. The question therefore is whether the current socio-economic policies and programmes are inclusive and adequately address inequality and poverty reduction.

1.2. Justification

The Second Medium Term Plan of Kenya, published in October 2013 outlines among others, policies towards accelerated growth, reduced poverty and a transformed structure of the economy. Equity in access to opportunities and lower cost of living are among the key priority areas that Government of Kenya will implement under MTP II. Secondly, the macroeconomic framework of MTP II refers to 'the socio-economic objectives of tackling poverty and income inequality.' In line with this, it is important to ensure that socio-economic policies and flagship programs under MTP II take into account the need to address both poverty as well as inequality in order to achieve the priorities of MTP II. In order to facilitate this process, the Poverty Eradication Commission, with support from UNDP Kenya, seeks to carry out a study assessing whether socio-economic policies and programs are inclusive and adequately address the reduction of poverty and inequality.

1.3. Scope of Study

The Scope of the study was outlined as herein under:

- Carry out a detailed study of the key socio-economic policies, strategies and flagship programs with the view to assessing the extent to which they address poverty and inequality issues;
- Provide a comprehensive assessment of whether these policies, strategies and programs are inclusive and adequately address and prioritize reduction of poverty and inequality;
- Develop / define an appropriate assessment criteria;
- Identify/ establish if there is need for revision of relevant socio-economic policies, strategies and programmes;
- Provide recommendations on how the Policies, Strategies and programmes se could be strenthened.
- Provide guidelines on how to ensure that future socio-economic policies are inclusive.

1.4. Objective of the study

The main objective of the study was outlined as being:

To assess whether the key social economic policies, strategies and programs are inclusive and adequately address and prioritize reduction of poverty and inequality; To provide a basis for mainstreaming equity and poverty reduction in Kenya's policies, strategies and programs.

To achieve this objective the consultant will be required to:

1.4.1. Define the assessment criteria for determining whether socio-economic policies are inclusive and target poverty and inequality reduction

1.4.2. Analyze the policies against the assessment criteria, in order to gain a comprehensive understanding of how poverty and inequality is addressed in socio-economic policies and strategies in Kenya and whether these policies are inclusive.

1.4.3. Highlight factors hindering previous efforts in mainstreaming equity for poverty reduction

1.4.4. Provide recommendations on the need to revise and develop relevant socio-economic policies, and how these could be strengthened to ensure regional balance and inclusion vulnerable groups.

1.4.5. Develop and share guidelines for mainstreaming and fast tracking delivery of equity in poverty reduction.

1.5. Outputs

The key output from the study was supposed to be: A report on the current status of inequality in Kenya and the way in which tackling inequality has been mainstreamed into current socio-economic policies and strategies.

The report was thus supposed to include the following:

1.5.1. Policy assessment of key socio-economic policies, strategies and flagship programs outlined under MTP II in terms of how they address poverty and inequality

1.5.2. A comprehensive review of how poverty and inequality is addressed in socio-economic policies and strategies in Kenya and whether these policies are inclusive.

1.5.3. Recommendations on the need to revise and strengthen relevant socio-economic policies, and provide

1.5.4. Guidelines on how to ensure that future socio-economic policies are all inclusive.