

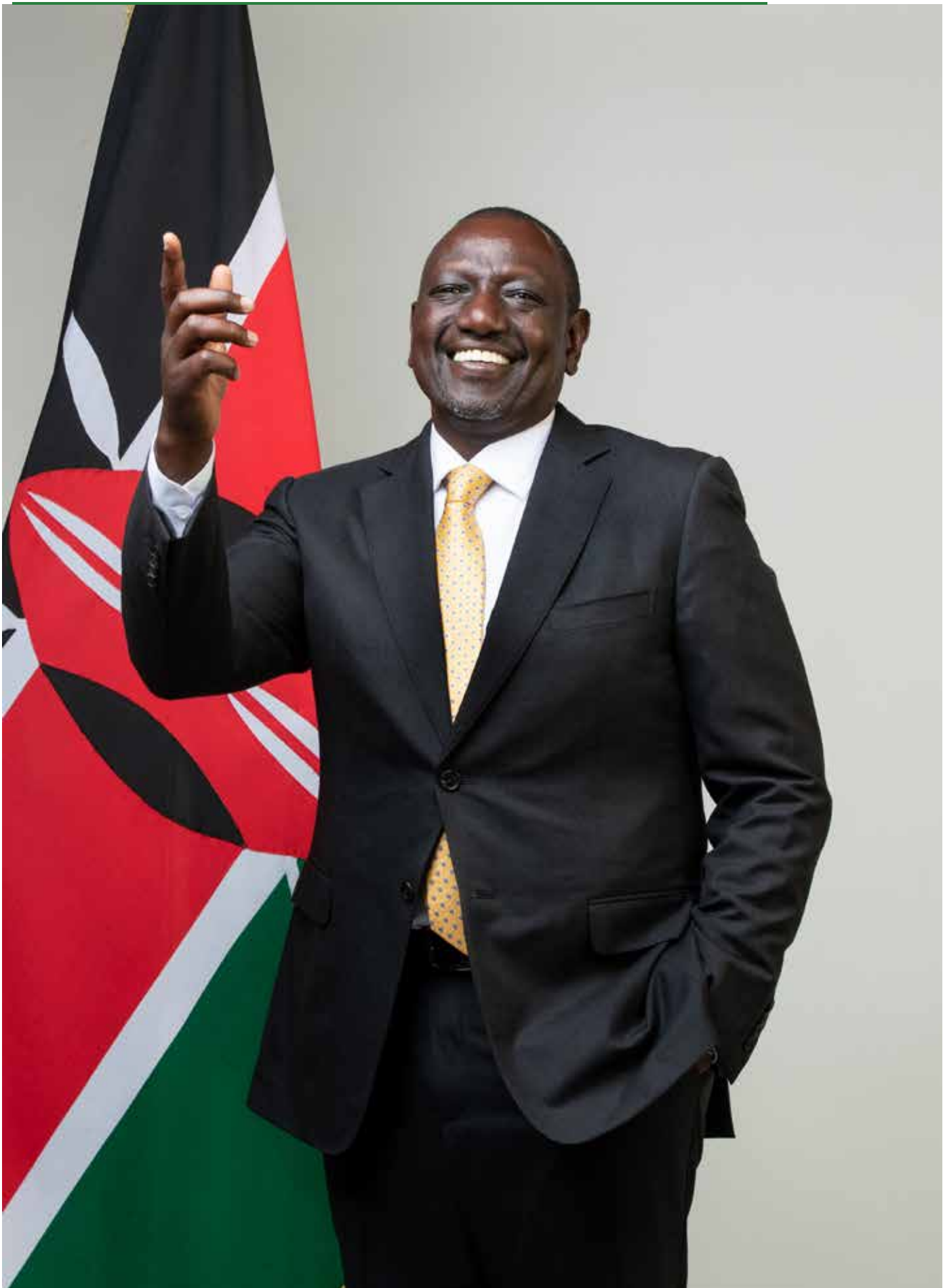


THE  **KENYA**
KWANZA

PLAN

THE BOTTOM UP ECONOMIC TRANSFORMATION AGENDA 2022-2027

Foreword



Why I am running for President

The election ahead of us is a pivotal one. We have three issues on the ballot and how we chose will determine whether Kenya marches forward or backwards.

My first agenda is to defend our Constitution. For the better part of three years, my opponents subjected us to an absurd process aimed at confusing Kenyans into voting to restore an imperial presidency supported by a court of tribal kingpins who will supervise the judiciary, control the legislature and diminish our bill of rights. Thankfully, by the grace of God, the courts ended the circus. But we have been promised that reggae will be back. We must ask ourselves whether we want to go from an election into political battles, or to focus our energies to getting our economy and development agenda back on track.

It is my firm conviction that our 2010 Constitution is serving us well where we have implemented it, and the challenges that remain are largely where we have resisted implementation. We have resisted operationisation of the Judiciary Fund that will give the Judiciary the financial independence and resource it adequately so as to perform its functions effectively. We have similarly resisted appointing an accounting officer for the Police Service, so that the Inspector General of Police and the DCI can do their jobs without fear or favour. This resistance is not by accident. Its purpose is to retain the control of these institutions by the executive so that the system can be weaponised to fight political opponents and shielding allies, business associates and family members. A system where culpability for crimes depends on what side of the political divide one is on at a point in time, and can be changed by simply crossing over to the correct side is unacceptable.

I intend when elected to empower the Judiciary and the criminal justice system immediately as required by the Constitution. As your President, I will want neither the power to persecute my political opponents or the means to shield my allies and friends. It is my solemn pledge to Kenyans that no judge or Inspector General, Director of DCI or Director of Public Prosecutions or any official in the criminal justice system will ever receive a call from William Ruto regarding a matter that is before them.

My second agenda is to institutionalise our politics, which is to say, end personalisation of political power, and governance generally.

This is absolutely critical element of our transition to constitutional democracy and rule of law. A constitution is the foundational institu-

tion of a nation. That said, a constitution is only as good as the political culture. Scholars talk of constitutions without constitutionalism.

It beggars belief that in this day and age, we have leaders among us whose most profound political idea is that our national unity is best promoted by the establishment of a conclave of tribal chiefs. They have gone further and devised a strange contrivance, alien to democracy, that they call a coalition political party. But even before the ink has dried on the mysterious coalition agreement, the edifice is already unravelling. Why? Two reasons.

First, to earn a place at the table, one must first emerge as the undisputed kingpin of his community, by finishing all other contenders for the throne. **Second** it is of course also the case that there cannot be a table big enough to accommodate the kingpins of Kenya 40 plus communities. What has been touted as the panacea for “winner takes all” turns out to be a real life Game of Thrones.

It is my firm conviction that the unity, stability and prosperity of our country lies not in the greatness of men but in the strength of our institutions. Our UDA party is founded on the ideology that the national aspirations—justice, peace, freedom, prosperity—that we pray for as we sing our national anthem is a covenant that binds us to political inclusion and economic empowerment of all Kenyans.

The people of Kenya do not need patrons and political gatekeepers to represent them at the conclave of tribal chiefs. What the people of Kenya need are national democratic political parties that enable them to participate fully in decision making, to hold leaders accountable, and above all to give everyone an equal chance to lead based only on their ability and desire to serve, irrespective of their tribe, gender, physical disability or social background.

My third agenda is jobs.

Every year, 800,000 young Kenyans are joining workforce after completing school, college and university. The corporate sector is only able to employ 50,000 or so. Another 100,000 to 150,000 fortunate ones are able to find stable jobs in successful small businesses. The others, more than half a million, swell the ranks of frustrated young people eking precarious livelihoods as hawkers, casual labourers and subsistence farmers who hardly produce

enough to meet their needs. The number of these struggling Kenyans now exceed 10m, more than half the country's workforce. People are Kenya's most important resource. If half of them are not productive, then it stands to reason that the economy will be like an engine firing only half the cylinders.

Thirty five years ago, the Government wrote in Sessional Paper No. 1 of 1986, and I quote that "the, modern, urban industrial cannot be depended the business sector cannot be depended on to employ much of the growing work force". The paper was emphatic, and I quote again that "limited capital will require that most jobs be created in agriculture and the informal sector." It warned that if we did not change our model six million Kenyans would be unemployed by the Year 2000. That is where we are now, only that we count as employed millions people who go out every day to try their luck on the streets of our cities and towns. One day, they bring home Sh100, Sh300 on good days and nothing on bad days. On very bad days, they are arrested and lose what they would make in a week or more.

We have known for four decades that our economic model is seriously flawed. We have also known that the limited capital available would best be invested in creating jobs in agriculture and in the informal sector— at the bottom of the pyramid. Four decades on, our economic system continues to be structured in ways that channel capital and other resources to the top of the pyramid, creating immense wealth or the few at the expense of jobs for the many, and prosperity for all.

Yet it is so clear that a rising tide will lift all boats.

It is most disconcerting that even when the consequences of economic exclusion are so glaring, and the threat so palpable, many well to do people's response to our bottom up economics platform is to pour scorn on the idea of empowering wheelbarrow pushers.

Yet it is so obvious that the rising tide of an empowering those at the masses at the base of the economic of the base is not at the expense of those at the top. On the contrary, it is a case of a rising tide lifting all boats. Allow

me to illustrate. If, as we intend to, increase the average daily

income of the 10m struggling Kenyans by Sh200 day, this translates to Sh2b a day, Sh730b a year. Where will this income will end up? The bulk of it will be spent on the basic consumer goods that keep those who are pouring scorn on wheelbarrow pushers employed.

When unemployed university graduates ask us how empowering wheelbarrow pushers will do for them, they miss the obvious fact that the demand for the white collar jobs they desire are dependent on the size of the market. Why the disconnect?

It suffices to point out that the narrative that the well to do are where they are by merit, and the poor where they are because they are less able, is the time honored self serving justification of the status quo in class and caste societies. For those who lie to themselves thus, I tell you this, the wheelbarrow pushers are as able, talented resourceful as you are. The only reasons our lives have taken different paths is luck or who you know.

On 9 August you will be called to choose between two roads. One leads to constitutional democracy, institutionalised politics and opening the doors of opportunity to the many. The other takes us back to imperial presidency, deeper into personalisation of power, and to the inevitable predictable end of economic apartheid that we see so often around the world.

The power is in your hands.

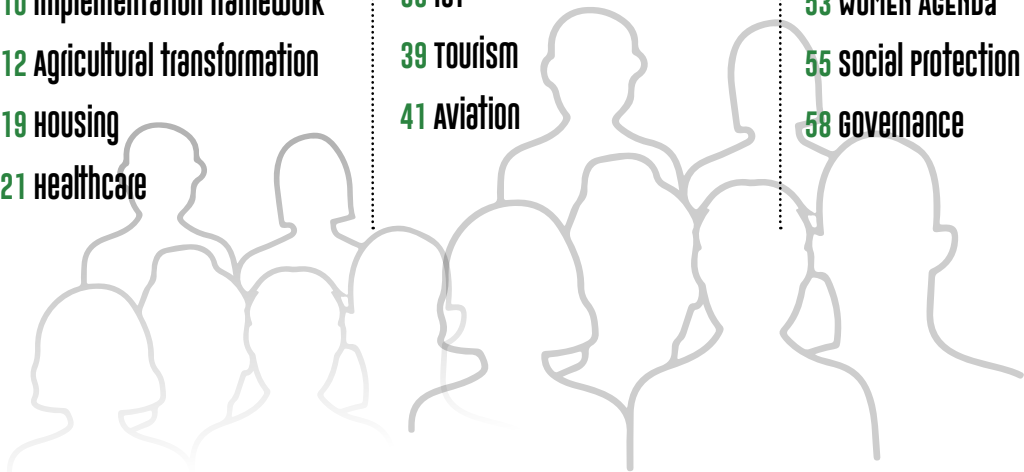


Hon. William Ruto, E.G.H.
Deputy President, Republic of Kenya



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Section 1

INTRODUCTION

The Economic Transformation Imperative

The August 9 General Election will take place just two weeks short of the 12th anniversary of the promulgation of the Constitution of Kenya 2010. In these 12 years, Kenyans have seen glimpses of the nation that we aspire to be. We have seen how independence of the Judiciary is meant to check excesses of Executive authority. Through devolution, we have seen how downward political accountability can be more responsive to people's needs compared to the centralized top down administrative structures of yesteryears.

It is worthwhile to reflect on where we have come from so as to see more clearly where we are on the journey to the nation that we would like to be and deserve. Our aspiration is a united, peaceful, free, just and prosperous nation that we pray for every time we sing our national anthem.

Sixty years ago, we achieved political independence, but it did not deliver the freedom that our forebears yearned and sacrificed for. The colonial State's structures of racial domination and political repression were not dismantled. Instead, they were appropriated by those who inherited the positions of power and privilege previously occupied by the white people for their own gain and self-aggrandizement. Political betrayals, fallouts and another political struggle began almost immediately. This struggle was to last another five decades. In 1992, Kenyans secured a new political dispensation and began to roll back the structures of political oppression, but it would be another 18 years before Kenyans would secure the constitutional dispensation that was frustrated shortly after independence.

But throughout all these struggles, there is one domain that has remained outside the purview of political action, and that is economic power. The colonial structures of domination and political repression were not ends in themselves. They were means to an end. That end was economic domination. When

they took over, some of our founding fathers found the opportunities for self-enrichment too much to resist, a sentiment that was captured in the Ndegwa Commission report of 1971:

"The achievement of independence in Kenya has brought with it great opportunities for individual advancement both as to main careers and in other less orthodox ways. It is understandable that public servants should have taken their opportunities like other citizens but if the benefits in some cases seem out to be out of proportion with other citizens it is inevitable that questions be asked as to how this came about."

The Commission went on to make the infamous recommendation that legitimized conflict of interest, thus laying the foundation for the concentration of both economic and political power in the same few hands, prompting the late J.M Kariuki to warn of a nation of 10 millionaires and 10 million beggars, the corruption syndrome that is now universally recognized as State Capture.

For the better part of three years, we have been compelled to defend our constitutional dispensation from the same forces that subverted the independence constitution, and for the same reasons— to preserve State Capture and its counterpart trickle-down economics. The economic crisis that we are in is an ominous sign that we have reached the end of this road. There are not enough white collar managerial jobs in the public service or the small corporate economy to absorb the hundreds of thousands of irrepressible young educated Kenyans with middle class aspirations. It is no longer possible to extinguish those aspirations by 'failing' them in examinations, neither can we continue to throw crumbs at them such as kazi kwa vijana, exporting a few nurses to Britain and such, expecting that it will stem the tide, as we continue with business as usual. Sooner or later, the dam will break

A PERFECT STORM

We are presently confronted by three challenges that have converged into the perfect economic storm. The first is an external shock of rising inflation and interest rates, occasioned by Covid19 related global supply chain bottlenecks, the economic stimulus spending in the major economies, and the Ukraine war.

These shocks are responsible for a surge in prices as well as shortages of commodities, including petroleum, edible oils, fertilizers among others, all of which is feeding into a rise in the cost of living that Kenyans are experiencing. The rise in interest rates is causing difficulties in refinancing our foreign commercial debt. Foreign commercial debt stood at US\$10.7b (Sh1.3 trillion) contributing 29% of foreign debt as at end of 2021, of which \$7b (Sh840b) is Eurobonds, and the balance is principally syndicated bank loans. Rising interest rates portend refinancing risk that is, investors not having appetite to roll-over our bonds when they mature, or only willing to do so at inordinately high interest rates, in which case the government may have to finance the redemption of the maturing debt from foreign exchange reserves. Such, expecting that it will stem the tide, as we continue with business as usual. Sooner or later, the dam will break

It will be recalled that the rationale for going into sovereign debt market was because it was cheaper than borrowing locally. But our bonds are now trading at upwards of 12 percent. Anticipating this risk may be reason why the Central Bank has resorted to rationing foreign exchange. Rising global interest rates will not only increase the cost of borrowing abroad, but may also be transmitted to domestic interest rates, increasing the overall debt service burden on the government, making budget deficit reduction that much more challenging and aggravating the problem of crowding out of the private sector from the domestic credit market.

The second challenge is fiscal distress. That our public finances are not in good order is something that can no longer be denied.

Interest cost this financial year is projected to be Sh660b and total debt service at over a Sh1 trillion, against a projected (and optimistic) Sh2.1 trillion revenue target. Interest cost is now the single largest expenditure item on the recurrent budget, exceeding the National Government wage bill (Sh550b) and dwarfing the county governments' equitable revenue share (Sh370b). It is important to note that although foreign and domestic debt are of the same order of magnitude, domestic debt accounts for close to 80 percent of the interest cost at Sh515b, against Sh144b interest on foreign debt.

This underlines the importance of restoring the country's external creditworthiness.

The third force is the structural weaknesses and imbalances in the real economy. Kenyans continue to be exasperated by a paradox of impressive GDP growth numbers on the one hand, and the economic hardships that they experience on the other. This paradox is not a mystery at all. In recent years, growth has been dominated by large public infrastructure projects (SGR railway and the new Nairobi Expressway for example), which have very little multiplier effect on the economy. Domestic financing of the same has crowded out the productive economy in the use of credit and other resources. One sector where this is clearly evident is agriculture. Food imports have increased from 10 to 17 percent of goods imports over the last decade which, in actual terms, translates to a 2.5 fold increase from \$1.2b to \$3b. In turn, this has increased the country's vulnerability to global food supply shocks such as the one we are currently experiencing.

The saying goes that when in a hole one should stop digging. Kenya Kwanza is very alive to this counsel. The economic turbulence that we are in demands more than a manifesto that makes a catalogue of pledges that if implemented could push the country beyond the tipping point. It requires a credible economic turnaround plan, a plan that gives Kenyans credible, realistic hope.



WHY “BOTTOM UP”?

Fewer things have captured public debate in this election than the idea of “bottom up economics.” This manifesto would not be complete without elaborating what it is, and why we think it is the solution.

The Kenyan workforce is now in the order of 19m people. Of these, just under three million, only 15 percent work in formal jobs in both public and private sector, with private sector employing two million and public sector just under 900,000. The other 16 million (85 percent) work in micro and small enterprises (MSMEs) both formal and informal. The MSME economy itself is extremely diverse. It ranges from well-established small and medium-size firms (SMEs) that offer its owners and employees stable dependable income, to the unlicensed street vendors whose livelihoods are akin to a daily lottery in which they never know when they leave home in the morning whether they will make Sh100 or Sh200, Sh300 on a lucky day, or get arrested and lose everything on a bad day. The economic implications of being one or the other are an eye-opener. According to Kenya National Bureau of Statistics (KNBS) data in 2016, licensed stable MSMEs generated an operating surplus of Sh50,000 per employee a month, while those in the “lottery” economy generated Sh3,250. In other words, the workers in formal MSMEs were 15 times more productive than those in the lottery economy.

There are many reasons for this dichotomy. The most readily apparent reason is the hostile environment that informal MSMEs operate in, that could not be better captured than the sight of street traders chased down the streets and bundled into lorries by the county authorities. Clearly, a trader who anticipates such situations is constrained to carry only the wares that they would be able to flee with, or are prepared to lose. It is also the case that there being low or no entry barriers to informal trade, there are too many businesses for the size of the market, meaning that many of the people are underemployed.

But the core problem is access to capital. Forty-three percent of them started with capital of Sh50,000 or more, while only 6.5 percent of the informal ones started with a similar amount. It takes capital to make labour productive. A farmer with oxen can plough three or four times more land a day than one who only has a hoe, while one with a tractor can plough 10 times more than the one with oxen. A motorcycle will increase the income of a young man dodging city askaris in the “lottery economy” from Sh200 a day on average to Sh400-Sh500.

The primary task of economic policy in development is to mobilize and influence the allocation of capital in the manner that it generates the most benefits for the country. These benefits include employment, equitable distribution of income, economic stability, and adequate tax revenue and foreign exchange earnings.

Thirty-six years ago, the Government wrote in Sessional Paper No. 1 of 1986 that “the modern, urban industrial sector cannot be depended on to employ much of the growing work force” hence “limited capital will require that most jobs be created in agriculture and the informal sector”. According to the paper, it required Sh320,000 to create one job in the modern economy (Sh4m today, when adjusted for inflation). It warned that if we did not change the model and direct more capital to agriculture and informal sector, six million Kenyans would be unemployed by the year 2000.

Today, our industry remains one of the most capital intensive at our level of development where it takes more than Sh1m to create one manufacturing job in the formal economy compared to \$1000 - \$2000 (Sh120,000 - Sh240,000 at current exchange rate). Because other sectors in the formal economy are even more capital intensive, hotel and airline industry, for example, the cost of creating a job across the entire formal economy could still be what it was in in the 1980s. This is not ac-

cidental - it is a consequence of political and policy choices we make.

We have recently inaugurated a firearms factory that cost Sh4b and celebrated the fact that it will create 100 or so jobs. This works out to an investment of Sh40m per job. In the same country, the County Government of Kitui established a garment factory with a capacity for 600 jobs at a cost of Sh168m, Sh280,000 per job. The Sh4b gun factory investment is the equivalent of 24 Kitui garment factories and 14,000 jobs.

"Kenyanisation has radically changed the racial composition of the group of people in the centre of power and many of its policies, but it has had only a limited effect on the mechanisms which maintain its dominance. Indeed, the power of the centre over the periphery may well be greater today than it was before, since there is a closer correlation of interests between the urban elite, the owners of large firms and the larger foreign-owned companies."

The ILO mission also zeroed in on the informal sector as the solution to employment but as a potential engine of industrialization and growth:

"The popular view of the informal-sector activities is that they are primarily those of petty traders, street hawkers, shoeshine boys and other groups "underemployed" on the street of the big towns. The evidence suggests that the bulk of employment in the informal sector, far from being only marginally productive, is economically efficient and profit-making, though small in scale and limited by simple technologies, little capital and lack of links with other ("formal") sector. Often people fail to recognise the extent of economically efficient production in the informal sector because of the low income received by most workers in the sector. From the vantage point of Central Nairobi, with its gleaming skyscrapers, the dwellings and commercial structures of the informal sector look indeed like hovels. For observers surrounded by imported steel, glass and concrete, it requires a leap of the imagination and considerable openness of mind to perceive the informal sector as a sector of thriving economic activity and a source of Kenya's future wealth."

That the ILO mission found it necessary to dispense with diplomatic language and call out

the prejudices against the informal sector it found in the higher echelons of government is instructive.

We cannot postpone these clarion calls for an inclusive, job creating economic model forever, in fact, not for much longer. Bottom up economics is about investing the limited capital available where it will create the most jobs - at the bottom of the pyramid. What does it mean practically? It means a commitment to invest Sh500b over the next five years in small holder agriculture and the informal sector. Financial commitment is absolutely necessary, but far from sufficient. It also means commitment to end exclusion and criminalisation of livelihoods, and level playing field for all investors big and small. Bottom up economics means reforming the National Health Insurance Fund (NHIF) and National Social Security Fund (NSSF) to level the playing field among all Kenyans in terms of health and old age security. It means making it possible for a Jua Kali artisan to afford the cost of these contributions. In a nutshell, it means making Kenya not just a middle income country in terms of GDP averages, but a middle class society in every sense of the word.



IMPLEMENTATION FRAMEWORK

Kenyans are rightfully skeptical of lofty promises and seemingly well-crafted plans that never get implemented. We have developed this plan well aware that it will stand or fall on the how question. There are three tests that a good plan must pass, namely prioritization, sequencing and financing.

Prioritization

Prioritization is critical because resources are scarce but also because we do not have the capacity to do everything at once. The priorities in this plan have been chosen based on the impact on five targets, namely bringing down the cost of living, eradicating hunger, creating jobs, expanding the tax revenue base and improving our foreign exchange balance.

The second criterion is inclusive growth, that is the sectors and intervention that will have the biggest impact at the bottom of the income pyramid. These criteria led us to five sectors that form the core pillars of this plan. These are:

1. **Agriculture**
2. **Micro, Small and Medium Enterprise (MSME) economy**
3. **Housing and Settlement**
4. **Healthcare**
5. **Digital Superhighway and Creative Economy**

Competition for resources between sectors often undermines rational allocation of resources, and also wastage due to duplication, fragmentation and lack of coordination. To mitigate this, this plan adopts a value chain framework. Value chain describes the production to market linkages generating value to the customer. Value chain is often confused with the related concept of supply chain which describes the process of transforming materials into products and delivering the products to customers. Supply chains are primarily about logistics while value chains are about understanding how and where along the production chain the value of the product or service is created and compensated.

An illustration is useful. A value chain approach to the housing programme starts

with the question of who the customer and affordability is. The value chain includes mortgage products, finance, land, professional services, construction, manufacturers of building products and equipment, transportation, mining and quarrying, electricity, water and coordination with county governments. In the traditional approach, many of these sectors operate as “silos” that perceive one another as competing for resources and “turfs”.

Sequencing

The imperative to alleviate the suffering that Kenyans are undergoing makes sequencing critical. In the context of severe resource constraints, interventions that can increase government revenue quickly make it that much easier to finance other things. We also have to think about those interventions that have long gestation period but very significant impact in a few years time, but only if they are initiated in good time. For example, to expand coffee or avocado output in three years time, seedlings have to be planted now.

These considerations have led us to establish four time frames as follows:

- Quick wins. These are interventions that will have economic impact within 6 months. Examples include dairy and seasonal crops and resolution of pending bills.
- Short term. These are interventions that will deliver impact within 6 - 18 months. Examples include establishing feedlots for cattle and rehabilitation of crops such as coffee and cashew nuts.
- Medium term. These are interventions that will deliver impact between 18 - 36 months. Examples include housing programme and Universal Health Care (UHC) and new tree crops (coffee, fruit and nut trees).
- Long term. These are interventions whose impact is expected from year 3 - 5 and beyond, but need to be started in good time.

Financing Principles & Framework

Fiscal consolidation. Plan must be financed within a budget deficit target of 3 percent by FY2026/27. This will be achieved by:
(a) Revenue projection will not exceed the

average revenue growth in preceding three years and expenditure growth capped at 75 percent of the revenue growth rate.

(b) Budget neutrality. For new programmes to be financed, the resources must be released by another programme or project that is either completed or closed.

Infrastructure Bank. An infrastructure fund will be established with initial capitalization from privatization proceeds, with a view to progressively reducing the financing of commercially viable infrastructure projects from the budget.

Aid resources. Water, health, education and environment/climate change will be prioritized for project grants/concessional financing.

Pending bills. To remove pressure of settling pending bills from the annual budget allocations, a transactions advisor will be engaged to advise on securitization of the outstanding bills subject to verification.



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Agricultural Transformation and Inclusive Growth



Section II

Four Pillars of our Plan

Empowering our farmers for an agriculture led recovery Unleashing our entrepreneurs by empowering Micro Small and Medium Enterprises (MSME) Housing and Settlement Pan: A place to call home for every Kenya A healthy nation (is a wealthy nation) : Universal Health Coverage

AGRICULTURE

Agriculture is the largest sector of the economy, contributing half of Kenya's GDP, a quarter directly and another quarter indirectly. Two-thirds of Kenyans derive either all or part of their incomes from agriculture. Agriculture thus remains the foundation of the economy. Many of the challenges that we are experiencing can be traced to agriculture either directly or indirectly..

At a time when the price of unga has hit an unprecedented Sh200,, the role of agriculture to the cost of living need not be belaboured. Food accounts for 54 percent of household expenditures and poor spend 60 percent or more. Agricultural productivity has not kept up with population growth resulting in higher dependence on food imports. Over the last decade, food imports have increased from xxx percent to txx percent. This in turn has increased our exposure to global price shocks.

Extreme poverty and vulnerability is also an agricultural phenomenon. An estimated two million households, one in six, are food poor. is, they are unable to meet the body's food requirements every day. The vast majority of these majority are farmers. They have land but they lack the resources to raise productivity to meet their subsistence needs. Government outlays on cash transfers to support these household consumption needs are now

in the order of Sh.xxxb. Kenya Kwanza believes that this money would be better spent supporting these farmers to raise productivity, because by doing so, the farmers are not only able to feed themselves, but also generate a surplus that contributes to national food security and the economy.

Has highest growth multiplier effect on other sectors due to strong backward/forward linkages (farming accounts for only 20% of agricultural value, rest coming from input supply, processing, logistic and distribution)

Cost of living. Food accounts for 54% of household expenditures and poor households spend 60% and more

Jobs Agriculture has the highest employment multiplier i.e. agricultural growth creates more jobs in other sectors than any other sector, owing to its strong forward and backward linkages to other sectors of the economy.

External balance (exports, imports, foreign exchange Highest potential to increase exports in short time eg. coffee production is now below 40,000MT from a peak of 130,000MT, and potential of 200,000MT+. Huge potential to reduce import dependence on imports of basic foods that country can produce competitively notably edible oils and rice.

The case for investing in agriculture as the sector that will lead the economic recovery is predicated on four factors

Cost of living. Food accounts for 54% of household expenditures and poor households spend 60% and more Jobs Agriculture has the highest employment multiplier i.e. agricultural growth creates more jobs in other sectors than any other sector, owing to its strong forward and backward linkages to other sectors of the economy.

QUICK TURN AROUND

Agriculture First, agriculture offers the quickest payback period for investments. This is because in many cases, there is no new capital investment required. Increasing production only requires addressing the cost, quality and availability of inputs (animal feeds, seeds, fertilizers, pesticides etc), and providing farmers with the working capital to be able to purchase adequate supply of the inputs as well as other direct production expenses such as ploughing of land and labour. Consider the case of dairy sector. The biggest challenge that farmers are facing is the cost of animal feeds. We know that nutrition impacts on milk production in a matter of weeks. With a dairy herd estimated at 2.2 million lactating cows, an increase in average productivity by 0.5kg per cow translates to 400m kilograms of milk with a farm gate value of Sh16b at Sh40 per kg. We have estimated that provision of Sh4000 per cow, a total of Sh8.8b would be sufficient working capital for our dairy farmers.

Cost of living. The cost of living that we are experiencing can only be resolved by raising agricultural productivity. The battle is between farmers needing higher incomes and consumers who want low prices. Maize is a good example: Planting an acre at a cost of Sh5000 and producing 10 bags equates to a cost Sh500 per bag while producing 25 bags equates to a cost pf Sh200 per bag. So the higher the number of bags produced per acre the lower the cost of production. A farmer may see price they are paid and cost of diesel as the main challenge while in fact the problem is low productivity. The same applies to fixed costs such as labour, since weeding an acre with a ten bag or 25 bag crop takes same amount of labour. So by enhancing productivity through access to affordable inputs including fertilizer and certified seeds we will see the farmer earning more money and subsequently reducing the six million bags imported on average annually and lower the cost to the consumer,

Jobs Agriculture has the highest employment multiplier effect i.e. agricultural growth creates more jobs in other sectors than any other sector, owing to its strong forward and backward linkages to other sectors of the



economy. Research conducted by Kenya Institute for Public Policy Research and Analysis (KIPPRA) shows that four of the five value chains with the highest job creating impact are agricultural. The five are livestock (cattle, sheep & goats), hotels & restaurants, poultry, vegetables and rice

Incomes. As noted two thirds of Kenyans derive all or part of their incomes from agriculture. Thus agriculture led growth will put money in more peoples pockets directly than any other second. This also means that agricultural incomes have the the highest income multiplier, that is, when farmers have money, they buy consumer goods and services from other sectors. Moreover, given the large share of food in household expenditures, savings on food costs have a very large multiplier effect on other sectors. A 10 percent reduction on cost of food for a middle class household with a monthly food budget of Sh20,000 translates to a saving of Sh24,000 per year. Nationally, the food expenditure of Sh3 trillion translates to a saving of Sh300b that households will spend on other goods and services, equivalent of a economic stimulus in the order of 10 percent of the budget, or 2.5 percent of GDP.

Foreign exchange As noted, our dependence on food imports has grown considerably in recent years. Edible oils, palm oil primarily, is our second largest import after petroleum, on which we are spending Sh60b a year (\$600m) before the recent price surge, which pushed the import bill to over Sh90b (\$750m). Our rice deficit is in the order of 600,000MT, costing Sh25b (\$208m) about the same as our coffee export earnings. Three food commodities edible oils, wheat and rice are consuming an equivalent of 25 percent of our merchandise (goods) export earnings. We have the capacity to produce a bigger share of our consumption of both edible oils and rice competitively. Agriculture is also the sector that we are most globally competitive both in traditional exports such as tea, coffee, cut flowers and vegetables as well as emerging export crops such as avocado and macadamia nuts. Coffee production has fallen to below 40,000MT from a peak of 130,000MT, against an estimated potential of 200,000MT, which translates to a potential increase in coffee export earnings five-fold. We have several export crops that have collapsed notably pyrethrum, which we were once the world's leading producer with over 90 percent of world market share, cashew nuts and bixa

Ending poverty: Extreme poverty and vulnerability is also an agricultural phenomenon. An estimated two million households, one in six, are food poor. That means they are unable to meet the body's food requirements every day. The vast majority of these are farmers. They have land but they lack the resources to raise productivity to meet their subsistence needs. Kenya Kwanza believes that support to farmers to raise productivity would not only enable them to feed themselves, but also generate a surplus that contributes to national food security and the economy..





Industrialisation

Our manufacturing sector is largely agriculture based, with food processing and beverage manufacturing alone contributing 40 percent and 48 percent of manufacturing employment and GDP respectively. When non-food agroprocessing is added, agro-processing becomes more than half of the manufacturing sector. Moreover, the manufacturing that is not agro-based is highly dependent on imported raw materials such as metals, chemicals and plastics. As noted, agriculture is our most globally competitive sector, and in effect, adding value to our agricultural exports is a more viable route to grow our manufactured exports than industries that are heavily dependent on both imported machinery and raw materials, and which our only value addition is labour.

The garment export industry. Garments exports is the third largest export at \$500m after horticulture (\$1.xxx and tea (\$xxx). This industry is still relying on imported yarn and fabric, even though we have not succeeded in Leather.

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The Kenya kwanza Commitment

- Provide adequate affordable working capital to all farmers through cooperative societies.
 - Deploy modern agricultural risk management instruments that ensure farming is profitable and income is predictable, such as was provided for scheduled crops by the Guaranteed Minimum Returns (GMR) Scheme up to the late seventies. These instruments include crop and livestock insurance schemes, commodity market instruments such as forward contracts, futures contracts and price stabilization schemes.
 - Transform 2m poor farmers from food deficit to surplus producers through input finance and intensive agricultural extension support, with a target to generate minimum productivity target of Sh50,000 revenue per acre
 - Raise productivity of key value food chains value chains (maize 8 -15bags/acre, dairy 2.5kg-7.5kg per cow/day, beef carcass weight from 110kg - 150kg)
 - Reduce dependence on basic food imports by 30% (domestic oil crops production from 5% to 25%, rice from 18% to 40%)
 - Revamp underperforming/ collapsed export crops, expand emerging ones (coffee cashew nuts, pyrethrum, avocado, macadamia nuts)
 - Move up tea value chain (blending & branding)
-

Financial Commitment
Sh250b shillings in FY2023 - FY2027

Transforming the Micro, Small and Medium Enterprise (MSME) Economy

The MSME economy contribute 85% of non-farm jobs which today translates to 15 million out of 18 million workforce. Presently, it is absorbing 9 out of 10 of the young people joining the workforce, 750,000 on average, while the formal wage corporate economy barely absorbs 50,000. KNBS data show that when properly established MSMEs contribute very significantly to the economy generating an operating surplus per worker of over Sh50,000 per month, this is to say 600,000 per year. However, an estimated 10m informal MSME operators and workers generate less than Sh 5,000 income per month on average, which is below the living wage for one person. This is a reflection of the hostile environment that they operate in, criminalisation of their enterprises (e.g hawkers), as well as disguised unemployment. These 10m people, who represents half of Kenya's workforce, are the country's most underutilized resource. Our estimates show that if these workers were as productive as those in established SMEs they would be generating Sh6 trillion a year, which is 60% of GDP i.e the economy would be 60 percent larger.

The Kenya Kwanza Commitment

Ending criminalisation of work We will enact right to work law making trading license and provision of a trading location an entitlement to every citizen who applies. We will work with county governments to provide one street trading premise per 50 urban residents, with a view to increasing average daily income of informal traders by Sh200.

Regressive taxation, bureaucracy and regulatory compliance costs. We will review and rationalize all business licenses, cap total licences at 1.5 percent of turnover, and enact administrative burden law (similar to US Reduction of Paper Work Act) ensuring no business spends more than 4 person hours a month on tax and regulatory compliance.

Access to finance We will commit Sh50b a year to provide MSMEs with 100% access to affordable finance through SACCOs, and venture capital, equity funds and long term debt for start ups and growth oriented SMEs.

Infrastructure & Capacity Building. We will establish MSME Business Development Centre in every ward, and an industrial park and business incubation centre in every TVET institution

Financial Commitment Sh250b FY2022/23 - FY2026/27





Housing and Settlement

Urban housing.

Housing is enshrined in our constitution as one of the basic social and economic rights, to wit, the right to “accessible and adequate housing, and to reasonable standards of sanitation” (Art. 43(b)). The requirement for new urban housing is estimated at 250,000 units per year, against a production of 50,000 units, translating to deficit of 200,000 units. The cumulative deficit is estimated at two million units. As a result more than 60 percent of urban Kenyans are living in slums and other low quality housing without adequate

sanitation, undermining their dignity and exposes them to health hazards. This is also a reflection of the bias towards upper income housing. Of the 50,000 units being produced, only two percent i.e. 1000 units are classified as affordable housing. Moreover, our rapid urbanisation rate at 4.4 percent, equivalent to 500,000 new city dwellers a year, means that the housing supply is a moving target.

The Kenya Kwanza Commitment

The Kenya Kwanza housing commitment is to turn the housing challenge into an economic opportunity. Next to agriculture, we see housing production as the sector that will create quality jobs for the 100,000 or so young people that are graduating from TVETs every year directly in the construction sector and indirectly through the production of building products. We will:

- Increase supply of new housing to 250,000 p.a and percentage of affordable housing supply from 2% to 50%. We will achieve this by structuring affordable long term housing finance schemes including a National Housing Fund and Cooperative Social Housing Schemes to that will guarantee offtake of houses from developers
- Grow number of mortgages from 30,000 to 1,000,000 by enabling low cost mortgages of Sh10,000 and below possible
- Strengthen Jua Kai industry capacity to produce high quality construction productions
- Giving developers incentives to build more affordable housing.

Rural housing and settlement

The right to housing as enshrined by the constitution is not limited to urban settlements. Indeed the vast majority of Kenyans live in their owned rural homes. That said, rural Kenya also has its fair share of land and settlement related challenges, including landlessness, insecure land tenure, notably the historical squatter problem in the Coast region. Population pressure on land resources is manifested by land fragmentation, encroachment of forests and other ecologically sensitive areas and human

wildlife conflict.

This is despite the country having considerable amount of un and underutilised agricultural land. Over the years administrative solutions such as that limits on land subdivision, as well as ceilings on land ownership and taxing of idle land have been mooted. Kenya Kwanza are persuaded that such measures should be a last resort, only if more friendly.

The Kenya Kwanza Commitment

Kenya Kwanza commits to establish a Settlement Fund similar to the one that was used to acquire land from settler farmers after independence. In order to avoid only to end up with the same problem of land fragmentation that we seek to solve. To this end, the land purchased by the scheme will be subject to land use planning where beneficiaries will own transferable residential plots in planned settlement, and right to lease non-transferable agricultural land.

Cost and Financing

Sh150b.

Budget neutral, to be financed by pension funds (AUM currently Sh1.5 trillion+ and other investment funds, including diaspora

The Kenya Kwanza Commitment

Sh250b FY2022/23 - FY2026/27

of which budget commitment Sh50b, with Sh200b to be financed by pension funds. (Assets Under Management (AUM) currently stands at Sh1.5 trillion and other collective investment schemes including diaspora bonds)



Health Care

A good health care system is something all countries struggle to achieve. The Covid19 pandemic has demonstrated how important this is, and also shown that even wealthy countries can be badly exposed by health emergencies. One of the lessons from the Covid19 crisis is that although resources matter, the qualitative aspects of the system matter more for health outcomes.

Our country is moving in the right direction, but we need to be more creative, deliberate and ambitious in how we use the substantial resources that we are spending on healthcare to address both old and emerging challenges. We need to build on the momentum of recovery from the Covid19 pandemic to build back better, for we know not when the next health emergency will hit. Of particular concern is the growing burden of non-communicable diseases, cancers, heart disease and diabetes related complications in particular, that if not addressed urgently, will become a threat not just to health but to the socio-economic wellbeing of the country. Presently, 36 percent of Kenyans are at risk of being impoverished by the financial burden of catastrophic illness. There is also the question of financing of programs that are currently heavily donor dependent and yet not properly planned for transition to domestic financing even as donors make plans to transition out. The HIV, TB, Malaria, Family Planning, Immunization, and nutrition programs are key donor funded programs and the gains already realized as a country must be safeguarded

The most recent assessment shows that our total health expenditure (THE) stands at Sh550b per year, financed by government (63 percent), by households "out of pocket" (27 percent) and the balance of 10 percent also by households through insurance schemes. The out of pocket share translates to Sh150b per year, which is a big burden to households. This is the reason that one in three families is at risk of falling into poverty impoverishment by the financial burden of catastrophic illness. The number is growing daily as the non-communicable disease burden grows.

Over the last decade, considerable progress made in enrolling Kenyans in NHIF, has seen insurance penetration double from 10 percent of the population in 2003, to 20 percent in 2018. That said,

the penetration is uneven with Nairobi at over 40 percent while Wajir is still below one percent. This increase in contributions was achieved partly by increased enrollment and partly by change of contribution structure from a flat rate of Sh300 per month to a graduated contribution ranging from Sh150 to Sh1700 per person.

But the NHIF still falls far short of the social health insurance scheme that it ought to be both in terms of its design as well as operational performance.

These shortcoming include:

- NHIF is primarily designed to be funded by statutory payroll deductions from employees in the formal wage economy. As observed earlier in this manifesto, this number is only 15 percent of Kenya's workforce. While NHIF has sought to expand coverage to the vast majority who are self-employed through voluntary enrollment. This has come with challenges notably intermittent payments typically people enrolling when they are unwell. This is a systemic problem of insurance known as adverse selection. The statutory payroll system is also inequitable because deduction is on individuals while benefits accrue to households. Thus households with one payroll worker and those with two or more receive the same benefits even though they contribute different amounts.
- Shift towards curative at the expense of preventive care, with the share of inpatient expenditure increasing from 23 percent to 29 percent over the last decade (2010 - 2020), while the preventive care spending declining from 24 to 12 percent. The shift from cheap to expensive is a systemic problem with insurance financed health care systems.
- Fragmented overlapping schemes within the NHIF, e.g., Linda mama, civil servants scheme, school children and elderly support that undermine the principle and benefits of the widest possible risk pooling, that a social health insurance scheme is supposed to provide.
- The operational capacity has not grown in tandem with enrollment leading to inefficiency, high administrative cost, and poor responsiveness to its customers and service providers.



The Kenya Kwanza Commitment

We are committed and determined to realise the constitutional right to health in the shortest time possible by delivering a Universal Health Coverage (UHC) system built on three pillars as follows:

- Fully publicly financed primary healthcare (preventive, promotive, outpatient & basic diagnostic services), that gives patients choice between public, faith based and private providers, based on a regulated tariff
- Universal seamless health insurance system comprising a mandatory national insurance (NHIF) and private insurance as complementary covers, with NHIF as the primary and private as secondary cover
- National fund for chronic and catastrophic illness and injury costs not covered (or with very restrictive cover) by insurance (cancer, diabetes, strokes & accident rehabilitation, pandemics) to be funded by combination of insurance levy and Government.

Implementation and Reforms

We recognize that even though enrolment to NHIF is now mandatory by law, there are practical challenges of enrolling self employed Kenyans who are the majority. Indeed, the NHIF is already grappling with the challenge of intermittent contributions and people enrolling when they are sick (referred to in economics as adverse selection). A number of initiatives will be deployed to make enrollment easier for self employment Kenyans including

- Leveraging on the proposed Primary Health Funds as platforms for community based group schemes.
- Leverage on the Hustler Fund and farmer organisation initiative to set up occupational schemes for trades e.g boda boda and market women saccos.
- Affordable flexible premium financing schemes e.g contributes financed quarterly in advance, while contributors repay the loans weekly or other interval aligned with their income streams

Health Commodity Supply

We will establish a stakeholder managed national procurement scheme (along the lines of the petroleum products procurement scheme) to leverage on bulk purchase and also to bring transparency and accountability in the public procurement process. KEMSA scandals must end.

Pharmaceuticals and consumable medical supplies account for an estimated 20 percent of total health expenditures, which translates to a domestic market worth Sh110b. Pharmaceuticals imports in 2020 was Sh76b (70 percent of the Sh110b estimated market) meaning that when other imported supplies are factored in, domestic production supplies less than 20 percent. Domestic pharmaceutical manufacturers have capacity to manufacture a bigger share competitively, but are hampered by high cost of doing business and tax regime (to ex-

tent of shifting manufacturing to neighboring EAC countries and exporting to Kenya). We will:

(a) work with pharmaceutical industry to address the tax regime and cost of doing business

(b) leverage on UHC to identify and scale up manufacturing of essential supplies we can do competitively

(c) leverage on our human capita to work towards a regional pharmaceutical manufacturing hub.

Human Resources

Our health professionals feel shortchanged by devolution of health services. They are of the view that they, and health services in general, would be better served by a centralized system similar to teachers, noting that the TSC is entrenched in the Constitution. They have proposed a similar Health Service Commission that should also be entrenched in the Constitution. County Governments on the other hand consider it very important that the health professionals should be accountable to them. Moreover, the centralized system that preceded devolution was associated with very inequitable distribution of health professionals because they could influence their posting to favorable locations. Many of the historically marginalized counties did not have a single specialist. Both positions have merit. In fact, County Governments acknowledge that they do not have the resources to sponsor doctors for further education, or money to pay both the doctor on study leave and the replacement, yet they also acknowledge that the county health services need specialists. We in Kenya Kwanza believe that this conundrum is solvable. What it requires is goodwill and honest mediators. Well will be that honest mediator. We pledge to work together with the health workers and county governments to find a solution within the first 100

days of our administration.

Community health is the bedrock preventive healthcare. Doctors estimate that 70 percent of cases seen in our hospitals are preventable. It is estimated that one shilling invested in community health has a return of nine shillings saved in curative health costs. Kenya Kwanza is committed to ensuring that our primary health care has at the very bottom a well-resourced community health system. In this regard the Kenya Kwanza national government will contribute to the stipends paid to community health workers by county governments on a matching basis.

Health Information Technology

We will leverage on information technology to drive responsiveness, efficiency, seamlessness between providers, transparency and fraud prevention. We will procure as soon as practically possible a state-of-the-art health integrated information management system that will enable every Kenyan to own and control access to their health records and provide them with all the information they need to access health services on their phones.

NHIF Reforms

Contribution structure.

We are aware of new contribution structure gazetted by CS Treasury. People earning Sh100,000 will contribute 1.7 percent amounting to Sh1,700. Under this structure, a couple earning combined Sh200,000 will be deducted Sh40,800 while a single payer earning Sh100,000 will contribute Sh20,400. The two families will get the same benefits. This is clearly highly inequitable. We have proposed to change the contribution to family/household rather than individual as is the case with private insurance.

If the Sh150m out of pocket payments were converted into contributions to NHIF, each Kenyan would have to contribute Sh3000 per year, or

Sh12,000 for each of the 12m households. To raise Sh200b required to cover both the secondary and tertiary pillars works out to an average of Sh4000 per person, Sh16,000 per household. Our preliminary analysis shows that a progressive contribution system can achieve the Sh200b requirement with contributions ranging from Sh300 to Sh3000 per household per month (Sh3600 to Sh36,000 per year).

Enrollment

We recognize that even though enrolment to NHIF is now mandatory by law, there are practical challenges of enrolling self-employed Kenyans who are the majority. A number of initiatives will be deployed to make enrollment easier for self-employment Kenyans including:

- Leveraging on the proposed Primary Health Funds as platforms for community based group schemes.
- Leverage on the Hustler Fund and farmer organization initiative to set up occupational schemes for trades e.g boda boda and market women saccos.
- Affordable flexible premium financing schemes e.g contributes financed quarterly in advance, while contributors repay the loans weekly or other interval aligned with their income streams.

Governance

Insurance is a business build entirely on trust. For the NHIF to fulfill the mandate of the social health insurer we need, it must enjoy the confidence of all its stakeholders in particular, contributors and health service providers that it serves directly. We recognize that at present, the NHIF falls considerably short. Kenya Kwanza is committed to implementing the reforms required so as to build this trust as recommended by stakeholders. Consideration will be given to unbundling the NHIF along the lines of the pension fund system. This would entail separation of the Fund management, claims administration and regulatory functions.

Financial Commitment

Budget neutral

DIGITAL SUPERHIGHWAY & CREATIVE ECONOMY



Kenya has invested heavily in ICT infrastructure and services over the last two decades. This infrastructure include six submarine fibre-optic cables offering broadband connectivity, 9000km of terrestrial fibre-optic cable connecting virtually all county headquarters, and geographical and population mobile broadband coverage of 56 percent of the 96 percent respectively.

Mobile telephone penetration and innovation has enabled Kenya to increase from a quarter to over 80 percent of the population in less than two decades, making Kenya one of the world's leading users of mobile payments. The COVID19 crisis demonstrated just how critical the digital penetration in terms of business continuity, as it enabled many essential services to proceed with minimum interruption during the lock-downs.

Still, important economic benefits expected have yet to materialise. Notably, there was

high hope that the business process outsourcing (BPO) industry would become a leading export and job creating sector. Kenya was ranked together with The Philippines, which exports \$30b and employs an estimated 1.3m people. The industry has yet to take off. The Konza Technopolis has been in the works for two decades and seems no closer to becoming a reality than it was a decade ago.

Digital superhighway will also play a critical role in enabling us to make tremendous achievement in the 4 other pillars of Health, Agriculture, MSME and Financing as well in enhancing revenue collections via automation of VAT systems. It will ameliorate challenges related to information asymmetry in markets access and risk management. It also comes in handy in minimizing barriers to entry for new financial providers that are critical in down-scaling access to the Hustler Fund via Government risk mitigation mechanism through provision of ERP system for all participants.

The Kenya Kwanza Commitment

1. Universal broadband availability throughout the country within five years. We shall increase and fast track broadband connectivity across the country by the construction of 100,000km of national fibre optic connectivity network
2. Enhance government service delivery through digitization and Automation of all government critical processes and make available 80 percent of government services online
3. Establish Africa Regional Hub and promote development of software for export
4. The implementation of the Digital Master Plan will adhere to environmental agreements in which Kenya is a signatory
5. Reduce the cost of calls and data to allow wananchi and especially the youth to use on-line platforms for entertainment, information and business.

Financial Commitment Sh40b (to be financed by the Universal Service Fund).

Creative Economy

Kenya has a highly talented youth on a diverse spectrum of creative work including music, theatre, graphic design, digital animation, fashion, crafts among others. The digital revolution, buttressed by Kenya's good connectivity has opened up opportunities for this sector to be a significant economic actor in its own right.

Additionally, the creative industry can add value to Kenya's exports such as fashion, leather products, craft industries etc. A visit to the now ubiquitous "maasai markets" will demonstrate potential that requires only very little support to grow into a significant craft export industry.

The Kenya Kwanza Commitment

- Work with stakeholders to expand the space for creativity including in the arena of freedom of expression and protection of intellectual property rights
- Mainstream arts and culture infrastructure (theatres, music halls, art galleries) into the infrastructure development programme, and identified dedicated streams of resources for their development.
- Work with stakeholders to identify the incentives, capacity building and other support required from the State to scale up cultural production and the creative economy.
- Mainstream the creative economy in Brand Kenya and commercial diplomacy, including appointing accomplished Kenyan artists and creative sector personalities as cultural ambassadors.



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- Mainstream the creative economy in Brand Kenya and commercial diplomacy, including appointing accomplished Kenyan artists and creative sector personalities as cultural ambassadors.

ARTS and CRAFT

a) Develop a Government Powered Arts and Crafts industry Information Portal. The Portal will help in listing different players in the industry and market their products.

b) Promoting Arts and Crafts Galleries leveraging on existing public entities and institutions including our embassies abroad.

FILM

a) Pass the Creative Economy Bill that will enable establishment of a film fund;

b) Mandate the film fund to facilitate access to modern equipment and entire film production infrastructure available for local film makers on a hire and lease basis

c) Review the Inter- County Licensing regime with a view of developing a single permit

d) Establish a green channel immigration scheme and protocol service for international film makers

e) Benchmark on competing film destination for international film makers in Africa and offer

comparable or better incentives

f) Establish a film ecosystem that convenes all stakeholders tasked with revitalizing growth of the sector.

MUSIC

a) Entrepreneurship: To ensure players are able to turn talents into business, Free investment and basic training skills leveraging on the hustler fund.

b) Enforcement of Copyright Laws: Government to lead an awareness campaign on copyright laws and the enforcement mechanisms as a way of ensuring knowledge about the issue and increase earnings by artists

c) Mobile tunes: streamlines the benefits that accrue to the artists from the skiza tunes and other revenue streams.

Financial Commitment

Establish a similar financing framework as is proposed for sports.





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Section III

Infrastructure

WATER

Water is a constitutional right (Art. 43), most important enabler of agriculture. 2/3 of Kenya's agricultural land requires irrigation, against only 4% that is irrigated. Irrigation is the single most important game changer in agriculture. Current policy is centred on domestic use, large dams. Key issues: financing, value for money.

Kenya Kwanza commitment

Kenya Kwanza convinced that right to water by 2027. Shift focus from large dams to household/community water projects, with emphasis on harvesting and recycling. Where large reservoirs are viable adopt PPP model (using IPP model); develop Turkana aquifers using PPP model (potential to irrigate 1m acres of land) Deploy climate smart agriculture technologies (micro-irrigation, precision irrigation, hydro & aquaponic technologies); S

ROADS

Roads are arguably our country's most important infrastructure. The Jubilee Government has pursued an ambitious road building programme that has doubled our paved roads. This has been achieved by adopting the Low Volume Sealed Roads (LVSR) programme (6000 km with another 3800 km under construction. Hitherto all paved roads were built to the standard irrespective of volume of traffic. The adoption of the LVSR standard has reduced cost of paving low traffic roads substantially. Be that as it may, the need for roads remains immense. One third of the country's 63, 575km of classified roads is in need of rehabilitation or reconstruction. It is readily apparent that the financial constraints we face require very prudent use of resources.

Kenya Kwanza commitment

- Complete all roads under construction
- Prioritize upgrading and maintenance of rural access roads as well as the improvement of roads infrastructure in urban informal settlement and critical national and regional trunk roads that have the highest immediate economic impact.

Financial Commitment

Sh200b (current MTEF commitment)
Securitization of Road Levy



ELECTRICITY

Electricity is a vital economic and social service, critical to production, essential services such as health and security and quality of life of citizens. While generation capacity has increased considerably in recent years, our electricity is expensive and unreliable. This ought not to be the case, given that we are blessed with considerable geothermal, solar, wind and water resources that can provide cheap environmentally friendly power. One of the key contributors to both the cost and quality of power is the aging transmission and distribution network. The investment required to upgrade the network is considerable, more so in the difficult financial situation the country is in, but it is imperative. Cheap clean power can be a strong value proposition for attracting energy intensive production for the global market in Kenya.

The current administration set out an ambitious electrification programme that aimed to achieve universal access to electricity in the shortest time possible. Much progress has been made with total electricity connections increasing from 3m to over 8m today. This rapid pace of connectivity was achieved primarily by changing the business model of KPLC which hitherto required new customers to pay a hefty deposit that many people could not afford such that many transformers had a lot of excess capacity. The Last Mile Connectivity programme changed this to connecting people first and recovering the connection charges from the customer's monthly bills. The connectivity drive has come with some challenges. Consumption has not risen as expected, while the operational costs have increased, and this has adversely affected Kenya Power's financial performance. Partly as a result of these challenges, Kenya Power's responsiveness to consumers has deteriorated.

This is against the backdrop of a disruptive technology landscape that portends transformation of the electricity industry perhaps on the same scale as the mobile phone revolution has disrupted fixed line telephony. This includes rapidly declining costs of renewable power, which as noted, Kenya has in plenty. The cost of utility scale power storage is also declining sharply, which is helping to overcome the limitations of intermittence of so-

lar and wind power. On the consumer side, stand-alone solar power and micro-grids are increasingly cost-effective alternatives to grid power for domestic and even commercial consumers. Transportation is going to be a big consumer of electricity as electric vehicles replace fossil fuel ones.



Kenya Kwanza commitment

Kenya Kwanza government will:

- Turn around Kenya Power. We will delink Government development initiatives, leaving Kenya Power to operate on commercial principles. A policy, regulatory and financing framework for off-grid community owned development projects (mini and micro-grids). Institute a

Improve reliability, bring down the cost of electricity. Three point plan to bring down the cost of power namely;

- **Mobilize the resources needed to re-vamp the transmission and distribution network**
- **Accelerate geothermal resources development**
- **Develop Liquidified Natural Gas (LNG) storage facility in Mombasa, with a view to phasing out heavy fuel oil (HFO) from the power generation portfolio. This will also contribute to meeting Kenya's emission reduction commitments.**
- **Enforce transparency and public accountability of the electricity sector. Require the ERC to publish quarterly system financial and operational performance reports.**



Strengthen consumer protection

The Energy Regulatory Commission has the mandate to deal with consumer protection issues, the resort to litigation in the courts and protests (such as the #SwitchOffKPLC campaign) suggest that this is not working as well as it should. Inadequate consumer protection is a cross-cutting issue. The mobile phone industry also has its fair share of consumer protection issues. Predatory lending by the "fintech" industry, which strangles telecoms and finance is another case. It does seem to be the case in general that when regulatory functions are bundled

together, consumer protection gets the short shrift. Consideration will be given to establishment of a single consumer protection oversight agency for all utilities and regulated industries. In the immediate, Kenya Kwanza commits to institute an independent inquiry to review all the matters currently being litigated by consumers with a view to bringing them to quick and satisfactory resolution that can also inform the necessary reforms.

e-Mobility

Roll out electric vehicle charging infrastructure in all urban areas and along the highways. Provide financial and tax incentives for public service vehicles and commercial transporters to convert to electric vehicles. The Kenya Kwanza government will (a) leverage the financial support that will be provided to the boda boda sector through the Hustler Fund to develop the nascent EV motorcycle assembly industry.



Petroleum

Petroleum, which is Kenya's single largest import, will remain an important fuel for several decades. Price volatility is a challenge for consumers and economic stability. It has been observed rightly that tax is a major factor in the high cost of petroleum products.

Recent fuel price escalation is a combination of two factors, global price shock and failure of price stabilization mechanism, the latter on account of fiscal distress. Global prices are out of our control. As noted, Kenya is well endowed with cheap renewable power resources. Accelerating transition to electric vehicles is win-win proposition in terms of contributing to Kenyans emission reduction commitment, cheaper transport, and leveraging on the large local and regional motorcycle market (~500,000 units a year) to build an electric vehicle industry.



The Kenya Kwanza Commitment

- Set up a legal framework to ring-fence the fuel stabilisation fund.
- Leverage the financial support that will be provided to the boda boda sector through the Hustler Fund to develop the nascent EV motorcycle assembly industry.
- Create incentives for adoption of electric mass transit systems in all cities and towns.





Manufacturing

MANUFACTURING

Our manufacturing sector is headed in the wrong direction. At a time when we should be industrializing, the manufacturing share of the economy is declining. It has fallen from 9.3 percent to 7.6 percent in five years (2016-2020). Paradoxically, manufacturing has borne the brunt of the infrastructure investment drive that is meant to spur industrialisation in terms of the crowding out from the credit market by government, and latterly, by the external debt service pressure on foreign exchange that has seen the government resort to rationing foreign exchange for the first time since the foreign exchange market was liberalised in 1993.

Kenya Kwanza is committed to help our manufacturers weather this storm. Our economic turn-around strategy outlined in this manifesto is meant to put them behind us as quickly as possible.

That said, we need to have an honest conversation about our manufacturing industry. As highlighted earlier on in this manifesto, it is inordinately capital intensive and not sufficiently job creating. This is a reflection of both history, that is, legacy of import substitution industrialisation policies of the 60s and 70s) as well as geography, namely the presence of landlocked hinterland countries that have provided a captive market for capital intensive manufactured products based on imported raw materials.

Kenya Kwanza is confident that transformation of our manufacturing through bottom up is a win win for the industry, for the people and for the government. The value chain approach that we have adopted enables us to analyze our economy from a competitiveness angle and to address the bottlenecks that impede the growth of our manufacturing in a deliberate manner. The value chains highlighted below are examples of this approach and are by no means the only ones. Other value chains elsewhere in this manifesto include edible oil processing, dairy,

electric vehicle and plastic waste.

.....
Leather Potential \$1b (Sh.120b) industry, 100,000 jobs. currently potential 5. Current: Sh15b, 17,000 jobs (7,000 formal, 10,000 informal). Key challenges are low recovery and quality of hides & skins, skills. Hides recovery & quality improvement to be addressed through feedlot facilities. Leverage public procurement to build capability (uniformed services, school shoes). Build leather industry clusters (Athi River, Narok, Isiolo/Wajir?) and secure linkages with and technical support from markets (Italy)
.....

Building products Building products already one of countries leading manufactured exports to the captive landlocked countries (mabati, building steel etc). Potential to leverage on housing programme to scale up and broaden range of products. Establish fitting standards to enable Jua Kali to mass produce fittings e.g windows, doors etc.
.....

Pharmaceuticals and medical supplies. Pharmaceuticals and consumable medical supplies account for an estimated 20% of total health expenditures currently at Sh550b, which translates to a domestic market worth Sh110b. Pharmaceuticals imports in 2020 was Sh76b (70% of the Sh110b estimated market) meaning that when other imported supplies are factored in, domestic production supplies less than 20 percent. Domestic pharmaceutical manufacturers have capacity to manufacture bigger share competitively, but are hampered by high cost of doing business and tax regime (to extent of shifting manufacturing to neighbouring EAC countries and exporting to Kenya). We will (a) work with pharmaceutical industry to address the tax regime and cost of doing business (b) leverage on UHC to identify and scale up manufacturing of essential supplies we can do competitively (b) leverage on our human capita to work towards a regional pharmaceutical manufacturing hub.



Garments and textiles. This is a huge entry industry for export led industrialisation that has propelled South East Asia. We have pursued this strategy since the early 90s, with limited success. Although garment exports are now our third largest export at ~\$500m, employing 50,000 it pales in significance compared to Bangladesh \$35b exports employing 4m people, and accounting for 90%+ of exports. Notably Bangladeshi industry is less than a decade older than ours. Why the divergence? Big answer is labour cost. Shop floor wage in Bangladesh is \$80 pm (Sh.12,000 pm) ours is more than double, even though productivity is the same output per worker \$10,000 p.a. This is partly because of comparative advantage—Bangladesh is labour rich/resource poor, with population density of 1265 people per sq. km, 13 times that of Kenya (94 people/sq.km) (b) has high agricultural productivity which makes food cheap, and in effect cost of living low, hence Bangladeshi workers can live on much less than Kenya. This applies to South Asia generally, as well as the Asian Tigers in the 60s and 70s. But this is not the only model. Turkey with a minimum wage of \$500 before currency collapse, is also globally

competitive with exports of US\$12b a year. The difference is Bangladeshi industry serves mass market generic garments, while Turkey serves the fashion industry. Kenya is stuck between the two, wages are too high for the mass market, and industry not sophisticated enough for the fashion market. The original terms of AGOA required Kenya to integrate the garment export industry backwards i.e. to use locally manufactured textiles made with locally grown cotton. To date, Kenya has been unable to meet this—the industry is still importing over 90% of the raw materials from Asia. . Since raw material, primarily fabric and yarn is two-thirds of cost/value, current export level translates to a \$300m plus market. It stands to reason that if we meet this captive market, simplistic interventions such as banning mitumba will not solve the problem. We must be able to produce and convert cotton into fabric competitively. Much hope is pegged on BT cotton. Pilot projects over the last two years show good results with irrigation, but high vulnerability to drought. Kenya Kwanza government will (a) work with the apparel export industry to develop a viable cotton raw material supply chain



SERVICES ECONOMY

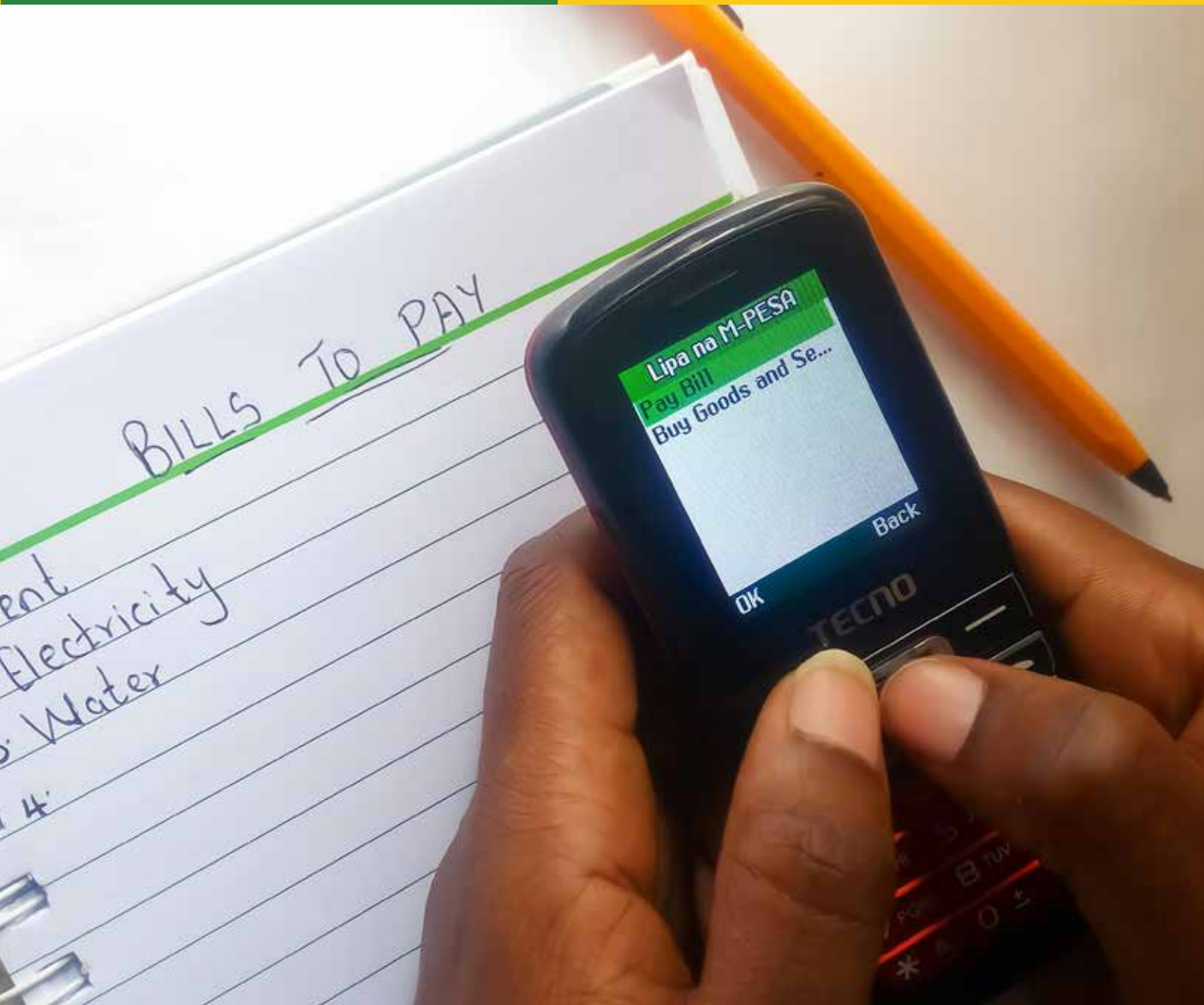
Financial Services

- High level of financial inclusion driven by MPESA has become a double edged sword by enabling predatory lending by “Fintechs”(note full disclosure conflict of interest); lack of formal credit at the bottom of the pyramid (in part because of CRB listing by predatory lenders). Crowding out of private sector by Govt, with brunt borne by MSMEs; Failure of deposit taking microfinance banks to reach bottom as was intended; Systemic agricultural credit/risk market failure

Kenya Kwanza commitment

The Kenya Kwanza government will

- Deploy a credible macroeconomic framework and growth strategy to strengthen external creditworthiness enabling government to borrow externally cheaply and end crowding out private sector from the domestic credit market
- Leverage on Kenya’s well developed SACCO system, develop a tier 3 financial system to provide affordable credit to the unbanked and underserved, with specific focus on smallholder farmers and MSMEs, but also venture finance, affordable housing;
- Develop and deploy a robust financial services consumer protection policy and legal framework that will protect Kenyans from predatory lenders



ICT

Kenya has invested heavily in ICT infrastructure and services over the last two decades. This infrastructure include six submarine fibre optic cables offering broadband connectivity, 9000km of terrestrial fibre optic cable connecting virtually all County Headquarters, and geographical and population mobile broadband coverage of 56 percent of the 96 percent respectively.

Mobile telephone penetration and innovation has enabled Kenya to increase from a quarter to over 80 percent of the population in less than two decades, making Kenya one of the world's uses of mobile payments. The COVID19 crisis demonstrated just how critical the digital penetration in terms of business continuity, as in enabled many essential ser-

VICES to proceed with minimum interruption during the lock-downs.

Still, important economic benefits expected have yet to materialise. Notably, there was high hope that the business process outsourcing (BPO) industry would become a leading export and job creating sector. Kenya was ranked together with The Phillipines which exports \$30b employs an estimated 1.3m people, The industry has yet to take off. The Konza Technopolis has been in the works for two decades, and seems no closer to becoming a reality than it was a decade ago.

Areas where digital transformation could have delivered huge gains such a public procurement that the impact is yet to be felt.

The Kenya Kwanza Commitment

- Commit 5% of the hustler fund (Ksh 2.5b per year to Kenyan ICT start-ups from the Sh50b Hustler Fund.
- Include ICT labs and incubators in each of the industrial parks that will be established in the TVETs. Constitute a stakeholder led task force to review the recently enacted ICT law
- Identify and remove the bottlenecks that stalled Kenya's BPO sector (and gital transform
- Constitute a stakeholder led task force to review the recently enacted ICT law







Tourism

Tourism is a historically important sector for the economy, in terms of foreign exchange earnings. It has to be said however that it is a sector that Kenya punches below weight. The country's reputation as one of the worlds premier tourism destinations when compared to other countries with a similar international profile is not reflected in its contribution to the economy both in terms of visitor numbers and contribution to GDP. In Africa, using 2018 data, Kenya ranked 9th with 1.9 million visitors behind Egypt Morocco and South Africa and Tunisia with over 8 million visitors and Cote D'Ivoire Mozambique Zimbabwe and Algeria between 2m - 3m. Outside Africa, Kenyas global positioning and reputation may be compared to Thailand. Ten percent smaller than Kenya, and more densely populated (70m people) Thailand receives 40 million tourists a year. which is 10 percent smaller than Kenya and more densely populated

What is the challenge. The main reason why Kenya's tourism is so far below potential is because of our focus on exclusive "high end" tourism which makes Kenya an expensive destination.

To illustrate a "5 star" hotels and game lodges will typically cost \$50,000 per room in terms of investment. In effect a 100 room hotel operating at average 40 percent capacity investment of it is arguably Kenyas ultimate "tricke down" industry, and assuming 15 percent cost of capital would need to charge \$50 per room per night just to cover the cost of capital, which means at least \$80 to break even. Combined with the fact that Kenya is a long-haul destination from source, market this prices Kenya out of reach of most budget travellers. Yet tourists don't come to Kenya to enjoy hotel rooms. Kenya is now increasingly famous for exclusive establishments that host 5 - 10 guests or less charge upwards of \$3000 a night, of which very little trickles down to the economy. In the sense, tourism is our ultimate trickle down industry.

We have to decide whether we want a tourism industry to make huge profits for the few or jobs for the many. Kenya Kwanza votes for a bottom up job creating tourism industry.

The Kenya Kwanza Commitment

- Nurture a tourism ecosystem that supports independent travel particular for young people including quality secure budget hotels and bed & breakfast (b&b) facilities affordable budget air travel to all parts of the country and safe road travel.
- Diversify Kenyas tourism by promoting niche market products notably adventure tourism, sports, cultural tourism
- Diversify source markets and especially African markets.





Aviation

Aviation is a strategic industry for our economy. It is vital for our tourism industry, for our fresh produce exports and maintaining Kenya's position as a regional hub. But the potential for the industry itself as an economic sector is also huge. Africa has 15 percent of the world's population but only 2 percent of air passenger traffic. Before the Covid19 shock, Africa's aviation market was projected to double in twenty years. Before it ran into difficulties a few years ago, Kenya Airways

demonstrated that Kenya could become a major African, and even global aviation hub. Kenya Airways financial challenges are a reflection of internal strategic and managerial mistakes rather than the market prospects. Kenya Kwanza is persuaded that a national airline is a strategic asset that should not be let go easily. At the same time, it is not financially prudent to maintain Kenya Airways on life-support indefinitely.

The Kenya Kwanza Commitment

Kenya Kwanza commits to develop a turn-around strategy for Kenya Airways within six months. A critical plank of this strategy will be a financing plan that does not depend on operational support from the Exchequer beyond December 2013.





Sports

We are a sporting nation. A look at the Olympics medals table will confirm that unequivocally. Sports is one domain that Kenya punches above our weight. Kenya is an international giant in middle and long distance athletics and 7s rugby, but we also feature in a wide range of sports including football, volleyball, swimming, golf, motorsport, tennis, cycling sports fishing, shooting, archery among others. The brand value that Kenyans participating and excelling on the international sports arena is incalculable.

But far too often, the Government lets down our sports people, in terms of facilitation and providing adequate resources. Given the contribution of sports to Kenya's international standing, we should never see Kenyan sports people stranded in a foreign country, or complaining about equipment, allowances and hospitality during competition. Our international athletes should never retire to a life of penury.

Our sporting prowess also portends tremendous opportunity to build a sports economy value chain that includes hosting of international sporting events, training facilities, manufacturing of sports apparel and equipment and more, into a significant sector of our economy. Many Kenyans are unaware that we are one of the worlds leading manufacture of dartboards for example. Kenya Kwanza commits to ensure that sports will be adequately funded, facilitated and developed.

The Kenya Kwanza Commitment

- Within 100 days, establish a high level expert task force to identify sustainable sources of sports funding. Consideration should be given to a national lottery, tax incentives for corporate sponsorship, a dedicated or ringfenced tax, and public-private partnership framework for infrastructure development. Review the Sports Act 2013 in line with the recommendations.
- Establish and resource adequately a dedicated function within the tourism promotion function to attract international sporting events
- Leverage on our international athletics brand to develop a domestic sports apparel manufacturing cluster
- Expand National Youth Talent Academy (NYTA) to include all sports and simultaneously devolve it to county level to introduce County Sports Talent Academy with capacity to systematically identify promising sporting talent and provide necessary support through sponsorship to further their skills/talent.
- Promote county leagues and inter-county sports championships
- Establish a sporting heroes benevolent fund.







Environment & Climate Change

Key issues. Climate commitment to reduce emissions by 32 percent relative to “business as usual” by 2030. Climate change impact mitigation, adaptation and resilience. Constitutional mandate to ensure at least 10 percent land area forest cover. Mainstreaming ecological sustainable development. Issues not mutually exclusive. Kenya Kwanza approach: Bottom up 3P (people,planet profit) solutions. Priority value chains: biomass energy (woodfuel), agroforestry, solid waste management]

AGROFORESTRY

Agroforestry “The greatest potential to increase the tree cover beyond the 12.13% is on the farm/agricultural land” (Kenya Forest Resources Assessment 2021)

“Agroforestry provides a particular example of a set of innovative practices that are designed to enhance productivity in a way that often contributes to climate change mitigation through enhanced carbon sequestration, and that can also strengthen the system’s ability to cope with adverse impacts of changing climate conditions”(Verchot et al 2017

Trees are valuable cash crops. Case in point is mukau (*melia volkensii*) a popular agroforestry tree in Ukambani that according to a KEFRI study is earning farmers up to Sh1.5m per acre woodlot (Sh9300 timber yield per tree net of sawing costs). Additional benefits of soil fertility and drought mitigation (see box). Unlike other tree crops eg. coffee or fruits, the return is available on maturity after a long gestation period (mukau takes 8 - 12 years). The long gestation period is a serious impediment for investors, and smallholder farmers, particularly the poorer ones in the regions with most land (e.g Kitui or Tana River counties). Financial instruments that can make the farmers out growers while at the same time securitizing the investment do exist. What is needed is a policy and regulatory framework to attract climate finance funds into such ventures.

The Kenya Kwanza Commitment

- Establish 5m acres (20,000 km²) agro-forestry woodlots in drylands





WOODFUEL

Wood fuel (firewood and charcoal) accounts for 70% of domestic energy (petroleum 20%, electricity 9%, other 1%). Woodfuel is primary rural domestic fuel and mostly non-commercial, while charcoal is primary urban and peri-urban domestic fuel. Per capita consumption of charcoal is estimated at 250kg per year, making for a \$1b industry (Sh120b at current exchange rates). Kenya's emission reduction commitment pegged on 1/3 reduction of emissions from residential cooking. Woodfuel emissions occur during use, while the bulk of charcoal emissions occur during production. The technologies to achieve this exist, An FAO study estimated that "GHG emissions can be reduced by 86% in the charcoal value chain through technological interventions in sustainable wood production, use of alternative sources of biomass energy, briquetting tree and crop wastes, improved kilns, cogeneration of charcoal and electricity, reducing fossil fuel in transportation and use of improved cook stoves."

Accelerating adoption of these solutions also portends significant economic benefits at the bottom of the pyramid in terms of jobs, incomes, and domestic energy cost savings for households, specifically: Over 90 percent of charcoal is produced using traditional earth mound kilns with a charcoal yield of 10% against a 30-35% yield for modern kilns. Assuming biomass of 70kg/tree the 250kg per capita consumption translates to 36 trees, while universal adoption of modern kilns would reduce that to 12 trees, i.e a saving of 600m trees per year! The Three Stone Open Fire (TSOF) which is used by 75 percent of rural households have a thermal efficiency of 10-15 % compared to 30 - 50 % for improved rocket type wood fuel jikos which also translates to a 2/3 saving on firewood. National consumption is estimated at 320kg per person per year (4.6 trees), universal adoption translates to a saving of 150m trees a year. The adoption of clean production and cooking technologies also portends very significant health benefits, in terms of reduction of respiratory diseases. Ministry of Health estimates household air pollution (HAP) related mortality at 21, 460 per year. Production of briquettes from agricultural waste has considerable potential to create rural cottage industry jobs.

The Kenya Kwanza Commitment

- Commitment (a) to modernise and commercialise the charcoal value chain specifically the adoption of modern kilns (b) decriminalise the charcoal trade (studies estimate that bribes account for 20-30 percent of final price) (c) support scaling up of clean cooking technologies (c) promote youth owned and operated briquetting enterprises where agricultural waste is available in commercially viable quantities (coffee waste, rice husks, maize cobs, coconut husks etc)

SOLID WASTE

73% percent of all plastics waste generated is uncollected. Of the 27 percent collected, only 8% recycled, rest disposed in unsanitary landfills. Huge potential for a “bottom up” job creating plastic recycling value chain. Innovative Kenyan SMEs have already shown the way with fencing posts and paving blocks. Govt and private sector have developed a European model Extended Producer Responsibility (EPR) based on household level separation that is unlikely to be practical beyond urban middle class (eg. in informal settlements)

The Kenya Kwanza Commitment

- Complement EPR with a “bottom up” community based/owned value chain. Organise waste collectors into cooperatives. Provide “circular economy” waste separation sites/infrastructure







Education

EDUCATION

Education is the ultimate means of engendering an equitable society. Equitable education ensures that every child has a chance to fulfill their potential and rise to the highest level of accomplishment irrespective of their social background. Conversely an inequitable education system, that is one which favours those from socially and economically advantaged backgrounds, is the surest way of maintaining or developing a class society.

Universal primary education achieved through FPE, but education outcomes remain highly inequitable. Considerable progress has been made towards universal secondary education

but the current tiered system because boarding costs put the better resourced national schools out of the poor's reach. The cost of joining a boarding secondary school is now Sh80,000 which even for ordinary working Kenyans is a big sacrifice. While bursaries mitigate some of this bias, they are far from adequate. Distress calls for and heroic acts of determination by bright children who are unable to take up their places has become the norm. Earlier this year, a girl in Tharaka Nithi made news by walking 50 kilometres to the school she had been admitted. In neighbouring Embu, a boy sought to pay his fees with a cockerel.

The Kenya Kwanza Commitment

The Kenya Kwanza government commitment to addressing the inequities in our education system so as to level the playing field for all children irrespective of their background. In education, commits to equitable universal basic education defined as 12 years of schooling

- Kenya Kwanza government will:
- pay for in service teacher training initiated by government.
- Bridge current teacher shortage gap of 116,000 within two financial years a
- Put in place a Special Service Tariff for all learning institutions for basic utilities to facilitate
- Review the current exam-based system of academic progression, which has excluded millions of learners based on basic education level exit exams, by implementing alternative entry criteria.
- Improve capacity of day secondary schools to guarantee access to quality education and reduce the cost of education. Currently 72% of learners in secondary schools are in day schools while only 28% are in boarding schools
- Establish National Skill & Funding Council that amalgamates HELB, TVET and University Funding Board and increase funding to bridge the current 45% gap.





WOMEN AGENDA

Participation of women in the key sectors of our Country's economy is minimal, and a vast majority of women remain in low income jobs or enterprises and endure poor working conditions; Women remain largely excluded from participation and decision making in our Country's governance and political institutions; Millions of women and girls continue to suffer from sexual and gender-based violence; Health

services remain inadequate, inaccessible and unaffordable to millions of women in our Country. Environmental degradation impacts more women, increases their responsibilities in unpaid care work, at the farms and in the community thereby accelerating poverty, early marriages, childhood pregnancies and other adverse consequences for women.



The Kenya Kwanza Commitment

- Provide financial and capacity building support for women through the hustler fund for women-led co-operative societies, chamas, merry-go-rounds and table banking initiatives and protect them from predatory interest rates charged by unscrupulous money lenders;
- Realization of the two-thirds gender rule in elective and appointive positions in the Public Sector, within 12 months following election including 50% cabinet positions to women.
- Increase the number of, and personnel at, gender desks at Police Stations as well as increase funding for the Anti-Female Genital Mutilation (FGM) Board and Fully Implement the Anti FGM Law;
- Establish a social welfare fund for Kenya women working abroad to provide a safety net for distressed diaspora citizens
- Ensure deployment of adequate numbers of skilled community health workers on a regular stipend paid through a cost-sharing framework between the National Government and County Governments
- Ensure availability of clean, safe, environmentally friendly and affordable cooking fuels Provide free sanitary towels in all schools and public washrooms easily accesible to economically disadvantaged women
- - Take administrative measures to ensure 100% enforcement of the spousal consent legal provisions in land transactions to cushion women and children from dispossession of family land



SOCIAL PROTECTION

Universal Pensions

NSSF payroll deduction system “not fit for purpose” in an economy where 85% of workforce are not on formal payrolls. Also low trust institution. No Kenyan expects to live on NSSF retirement benefits.

The Kenya Kwanza Commitment

Fit for purpose universal social security system encompassing pension, occupational hazard and unemployment insurance.

In Kenya 26% of children under 5 years of age (1.5 million children) are chronically malnourished. In several counties this is over 30%. 28% or 707,000 children (369,310 boys and 337,690 girls) are out of pre-primary schools, with numbers highest in the ASAL counties. In some counties, up to 88% of eligible children are out of school. The average pupil-to-teacher ratio in Kenya is 36 to 1, against the recommended level of 25 to 1. This varies greatly across counties, with the highest ratio being 188 pupils per teacher and lowest at 20 pupils per teacher.

The National Safety Net Program currently is providing support to approximately 1.4 million beneficiaries. Yet around 13 million children are in need of assistance, of which 7.5% are currently receiving it. This leaves more than 12 million children in need of some form of assistance. Kenya needs to spend at least 554 billion KSh every year to be at par with some other lower middle-income countries which spend up to 1.7% of their GDP on social protection.

Kenya is ranked 49th out of 163 countries in terms of the risk to children of climate change. Close to 90% of the burden of disease due to climate change is borne by children under the • age of five, including malaria and dengue fever

The Kenya Kwanza Commitments

- Eradicate malnutrition within five years.
- Increase access to early stimulation and learning, and to prioritize an integrated package of services for young children.
- Improve learning outcomes by pledging to connect all schools to the Internet, starting with primary and increase investments in teacher re/training.
- Prioritize the passage of the Children’s Bill, and ensure there are child protection services in all sub-counties, and support the national Child Helpline



VULNERABLE SENIOR CITIZENS

Kenya has about 1.8 million people over 65 years of age in a population of 55.6 million. They represent about 3.8% of the total population. There are slightly more men than women. About 68% percent of older people are between the age of 65 and 75. This population continues to grapple with lack of income security, inadequate health services, lack of employment and a deteriorating environment

Kenya Kwanza Commitment

- Achieve 100% NHIF coverage for senior citizens within three years
- Revamp the cash transfer programmes for elderly and vulnerable households to improve operational efficiency, accountability and coverage
- Invest in education and training for caregivers and medical staff to fill the gap of skills in the provision of specialized care for older people

PEOPLE LIVING WITH DISABILITY

Inclusion into society and employment opportunities for people with disabilities requires improved access to basic education, vocational training relevant to labour market needs and jobs suited to their skills, interests and abilities, with adaptations as needed; 4.6% of Kenyans experience some form of disability; More disabled persons reside in rural (2.6% or 0.7 million) than in urban areas (1.4% or 0.2 million); 15% of PWDs are likely to be affected by environmental factors on a daily basis; 65% of PWDs regard the environment as major problem in their daily lives; A quarter of PWDs work in family businesses, but a third do not work at all.

Kenya Kwanza Commitment

- Ensure 100% NHIF coverage for PWDs within 18 months.
- Integrated schools to allow children with Disabilities to start interacting with the general public at an early age to restore confidence and their self-esteem.
- Merge the National fund for the disabled of Kenya (NFDK) with National Council for Persons with Disabilities (NCPWD) and endure parliamentary oversight for accountability.
- Increase capitation of pupils with Disabilities by 50%. Set aside 15% of all public funded bursaries set aside for pupils with Disabilities.
- Ring fence adequate percentage of Hustler Fund for PWDs. Ensure that all markets
- 5% of all market stalls to be allocated to PWDs,
- 5% of AGPO should be for PWDs with an increase in the LPO financing fund.
- Encourage Counties to waiving license fee of new businesses opened PWDs.
- Exempt all assistive devices from import duty and explore possibilities of partnership with domestic manufacturers to produce affordable devices.







THE JUDICIARY

GOVERNANCE

Although the Kenyan government has made progress in putting the 2010 constitution into effect, more work still needs to be done. Many of its provisions have not been implemented, and some in positions of authority have abused it for their personal gain and to the detriment of those it is meant to protect.

The Kenya Kwanza Alliance believes that the Constitution of Kenya 2010 is the most important issue on the ballot in this election. Specifically, the choice we have on the ballot is between going forward and finalising its

realisation, or going backwards or sideways as the case may be along the lines of the seventy odd BBI amendments.

On which way, the Kenya Kwanza Alliance is unequivocal. We are for completing the implementation of the 2010 constitution, strengthening the rule of law, increasing access to justice, ensuring respect for human rights, and respecting the United Nations Sustainable Development Goal number 16, which focuses on peace, justice, and strong institutions.

Kenya Kwanza Commitment

- Implementation and operationalisation of Constitution of Kenya 2010 by:
- Equipping the Attorney General's office with the resources and ability it needs to safeguard the public interest in court, in legislating, in negotiating international agreements, and in the signing of contracts. By doing so, the government will avoid needless litigation and costly fines.
- Bolstering the financial and technical capabilities as well as the independence of all independent (Chapter 15) institutions to make sure they are capable of defending the national interest and the people's sovereignty.
- Institutionalizing human rights-based approaches to Counter-Terrorism, including strengthening the Special CT Courts to ensure speedy and fair trials.
- Transferring the Office of the Registrar of Political Parties to the IEBC, which is responsible for protecting article 38 rights under the constitution. This will guarantee its independence and assist in addressing any electoral issues that arise as a result of its functioning as a separate entity.
- Ending the weaponization and politicization of the anti-corruption efforts by allowing the relevant institutions to freely exercise the independence given to them by the constitution.
- Granting financial independence to the EACC and the police to prevent their reliance on the President's Office.
- Entrenching the independence of the judiciary by establishing and operationalizing the Judiciary Fund.
- Establishing, by statute, the Office of the Leader of Opposition, with a mandate to receive reports from the Ombudsman, the Human Rights Commission, the Auditor General, the EACC, the Parliamentary Oversight Committees, and IPOA among others.
- Promoting accountability and openness in the management of public affairs, institutionalizing open governance throughout all state organs and agencies, and publishing an annual State of Openness Report.
- Appointing all judges nominated by JSC for appointment to the Court of Appeal within seven days.

Fundamental Rights and Administrative of Justice

- Ending police abuse, especially against urban youth, through enhancing police oversight (IPOA and NPSC) and creating an ombudsman to monitor human rights violations.
- Ending all forms of extra-judicial executions by security services , and establishing the Coroner General’s Office as per the National Coroner’s Service Act of 2017.
- Establishing a Special Tribunal for Gross Human Rights Violations and Enforced Disappearances (including by police and military actors in Northern Kenya).
- Ratifying and domesticating the International Convention for the Protection of All Persons from Enforced Disappearances.
- Ending all unauthorized evictions and property demolitions, including those that don’t follow due process, provide enough notice, or provide compensation where necessary.
- Determining, within 60 days, all judgements and orders against the Kenyan government, and creating a plan to make sure that the government abides by all court rulings.
- Restoring the public interest where it has been lost as a result of the executive’s disregard for court orders or in signing of treaties and contracts that go against the law, the interests of the country, and foreign policy.
- Ensuring equal protection for all under the law by implementing and funding the Legal Aid Act of 2016. Additionally, we will evaluate the Sentencing Guidelines for minor offenses and promote the Diversion Policy as well as the Alternative Justice Systems Policy.
- Enhancing the Rehabilitation and Reintegration aspects of the Prisons system, by providing greater phyco-social support and educational and technical training opportunities.
- Implementing the Victims of Crime Law.
- End ethnic profiling in the issue of identity documents. Specifically, establish an *administrative appeals tribunal* to ensure a fair and transparent process in the registration of persons, with clear appeal procedure of not more than 14 days, if a person is denied registration.



Ending State Capture

- Establishing, within 30 days, a quasi-judicial public inquiry to establish the extent of cronyism and state capture in the nation and make recommendations.
- Granting independence to institutions involved in the fight against corruption, thus ending the weaponization and politicization of their work.
- Implementing Section 93A of the Companies Act 2015 and its Regulations in order to make it easier for organizations doing business with the government to share information about their beneficial owners. This information will be publicly available.
- Strengthening Mutual Legal Assistance arrangements with partner states with respect to sharing of information and repatriation of stolen assets.

Strengthening leadership accountability and de-personalizing our politics.

- Hold an Annual State of the Nation Forum, as an extension of the country-wide consultative economic forums that have been a core component of this campaign, as a platform for dialogue whose recommendations and input prior to the State of the Nation Address to Parliament, per article 132(1)(c), and to include appropriate monitoring and evaluation mechanisms.
- Establish an engagement platform similar to the defunct Economic and Social Council which will recognize and engage Micro, Small, Medium and Large business owners, civil society, faith-based groups, youth leaders, women leaders, and other to address the cohesion and inequality challenges of the country.
- Review the role of the National Cohesion and Integration Commission.
- Operationalize the Public Benefits Organizations Act and expand space for Government-NGO partnerships and collaborations, while still maintaining their independence.
- Legislate an Affirmative Action framework to implement article 56 of the Constitution regarding minorities and marginalized groups.



Strengthening Devolution

- Complete transfer of all functions constitutionally earmarked as devolved functions to counties within 6 months.
- Develop a framework for ensuring that state-owned firms carrying out devolved or shared functions adhere to the principles of devolved governance and ensuring that the principle of “funding follows functions” is adhered to with respect to all devolved functions.
- Improve county governments’ capacity to generate their own income in order to reduce their over-reliance on transfers from the national government.
- Ensure that sharable revenue is transferred to counties in a timely and predictable manner and in accordance with the law.
- Transfer funds owed to the beneficiary counties and communities under the Mining Act of 2016 and the Petroleum Act of 2019 within six months, and work with the county governments to increase the capacity of the communities to benefit from extractive resources.

PUBLIC SERVICE

As government is increasingly called upon to address complex and interconnected challenges their need for leaders, managers, technical experts, and front-line workers in the right jobs with the right skills at the right time has never been greater. Yet government continues to struggle to build a public service workforce that can meet the unique demands of our time due to laborious and time-consuming hiring practices, limited salary flexibilities, and promotion rules that value longevity over expertise and performance. Public managers and employees are also struggling to adapt to the rapidly changing nature of work. For all these reasons, we face a significant risk that many public institutions will not have the workforce capacity necessary to achieve their critical missions and provide services to the

public.

Many public employees are of retirement age. As they leave the workforce, the result can be a major brain drain given that government struggles to quickly bring new talent on board. We are at risk of losing a generation of younger workers because of inadequate hiring systems and practices. Similarly, the needs of governments over the next 5 to 10 years will be different than that of today, but the public sector does a poor job of continually training and developing its workforce. It also is too resistant to bringing in outside talent, especially at senior levels. That said, the unique combination of public-spirited younger generations and a wave of retirements could provide governments at all levels with an opportunity to restructure their workforce to meet modern-day needs.

The Kenya Kwanza Commitment

- Building a highly-skilled, agile, and responsive public sector workforce with appropriate roles for civil servants and other service providers;
- Develop strategic foresight mechanisms to anticipate and address changing workforce requirements;
- Ensure long-term institutional knowledge capacity amidst the retirement wave;
- Design new human capital systems consistent with merit-system principles including modernizing policies and practices for recruitment, retention, training, and development;

SECURITY SERVICES

Security sector is critical to long-term sustainable development and poverty alleviation, by ensuring that safe and fair systems to enable people to work and business to operate. Underdevelopment fuels criminalisation and insecurity, and vice versa. Despite steps towards reform, many challenges still exist in effective implementation of security sector reforms as is evident in continued cases of political interference; poor leadership and performance management; corruption; excessive use of force and torture; extrajudicial killings; and a lack of effective oversight and accountability.

Critically, independent and fair policing is vital for the protection of human rights, particularly the rights of the most vulnerable and the poor, who often suffer disproportionately from insecurity. The Kenya Kwanza coalition acknowledges that democratic policing and respect for the rule of law is vital to improve development by ensuring safe, secure and fair environments for people to work, travel, invest, participate in national affairs and to enjoy their lives.

The Kenya Kwanza Commitment

- Contributory benevolent fund for families of fallen and terminal ill officers (including mental health illness).
- Harmonization of affordable housing mortgage (similar to that of judiciary and parliament)
- Horizontal transfer of service to the rest of civil service
- Insurance cover for loss of life on duty (similar to that of military)
- Lower cadre officers (sergeant and below) to be given the option of serving in their home counties from the age of 50 (or where they chose to retire)
- Political Will - Security sector reform is good for everyone and police reform efforts must not be wound back.

FOREIGN POLICY

Kenya's significance in world affairs is demonstrated by the fact that it is considered an anchor state in the Eastern African region. It is the only UN headquarters in the global south, serves as a hub for international corporations and organizations, and is a key player in peace and security initiatives in the region.

The Kenya Kwanza government will see to it that the country is respected and valued abroad. It will promote friendly relations with our neighbors, play a leading role in regional and pan-African affairs, collaborate with our international partners, and uphold our commitments to the international community.



The Kenya Kwanza Commitment

A creative and robust foreign policy. Pillars:

- Economic and commercial diplomacy, which entails leveraging our international engagements to create opportunities for our citizens, businesses, and investors. In particular, we aim to expand the market for our products and services by taking advantage of our membership in regional organizations like the East African Community, the Common Market for Eastern and Southern Africa (COMESA), the African Continental Free Trade Area (AfCTA), and the Intergovernmental Authority on Development (IGAD).
- Positive influence, which means using Kenya's role as an anchor state to strengthen its voice in local, continental, and global affairs. We will continue to lead efforts to advance regional stability and peace, aid global initiatives to counteract violent extremism, and cooperate with other countries as a reliable ally or neighbor.
- Diaspora engagement, which aims to unlock the full potential of Kenyans living overseas. Since they generate most of our foreign revenue (\$3.7 billion in 2021), we will facilitate their investment locally and include them in the development and execution of policy.
- Global citizenship, which entails supporting the work and decisions of international organizations that Kenya has joined or ratified. These include the African Union, the East African Community, and the United Nations and its affiliates. Our foreign policy will be global in scope, but it will have a more pan-Africanist stance, placing more focus on causes that improve the situation of Africans worldwide. We will not only deepen our bonds with our long-standing international and bilateral partners, including the United States, the European Union, the United Kingdom, China, and India, but we will also extend our friendship to anyone with whom we believe a mutually beneficial relationship can be formed.



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KENYA
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**BOTTOM
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