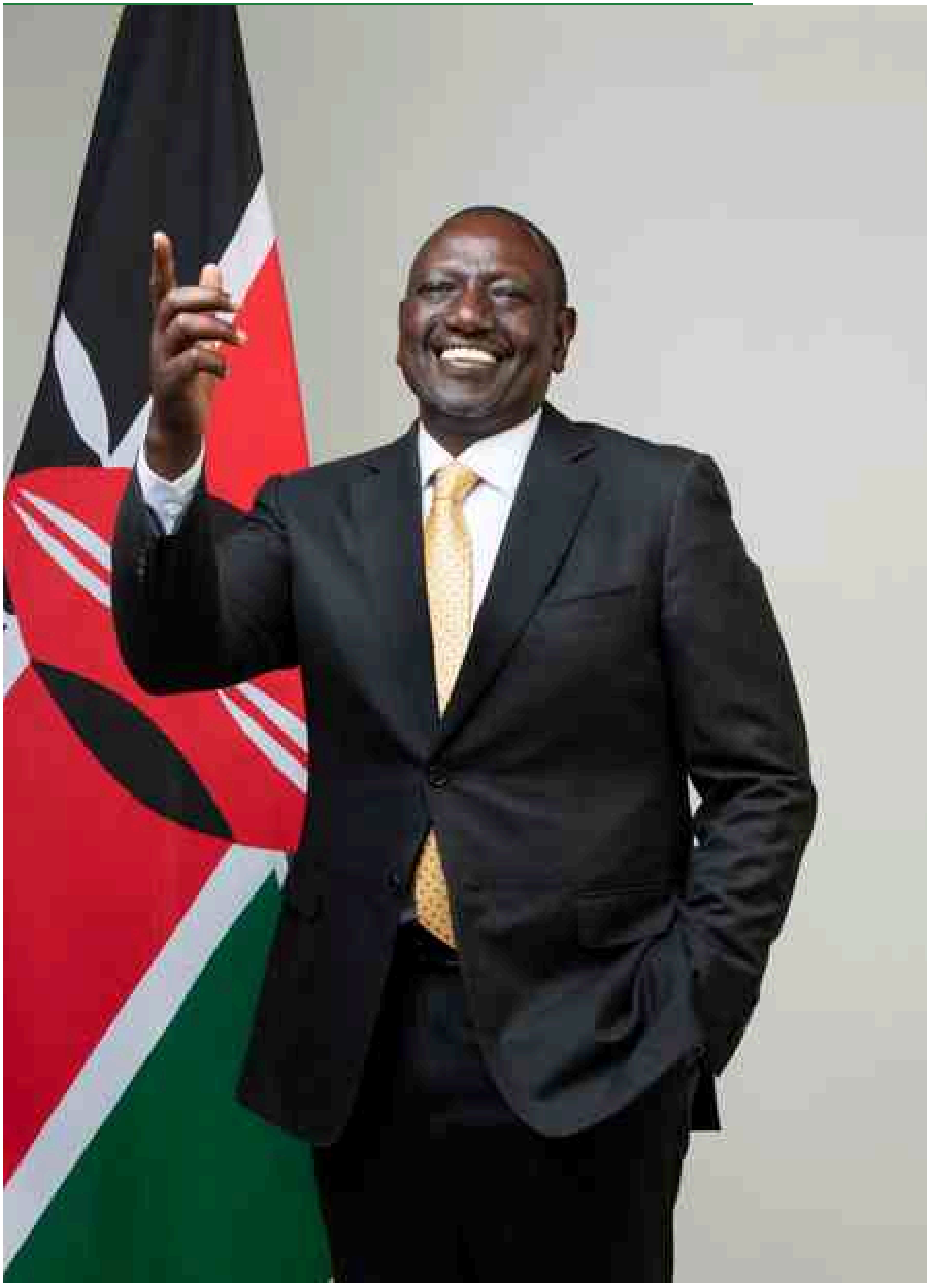


THE PLAN

KENYA KWANZA

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 make choices 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 on getting our economy and development agenda back on track.

It is my firm conviction that our 2010 Constitution is serving us well, 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 resources it adequately needs 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.

When elected President, I intend 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 nor 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 before them.

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

This is an absolutely critical element of our transition to constitutional democracy and rule of law. A constitution is the foundational institution 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 weakening all other contenders for the throne. Second, it is also the case that there cannot be a table big enough to accomodate 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 United Democratic Alliance (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 frustrat-

ed young people eking precarious livelihoods as hawkers, casual labourers and subsistence farmers who hardly produce enough to meet their needs. The number of struggling Kenyans now exceed 10 million, 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: *"The, modern, urban industrial business sector cannot be depended on to employ much of the growing work force"*. The paper was emphatic, and I quote again: *"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 empowering the masses at the base of the economic pyramid 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 10 million struggling Kenyans by Sh200 day, this translates to Sh2 billion a day, Sh730 billion 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 and resourceful as you are. The only reasons our lives have taken different paths is luck or who you know.

On August 9, 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 the imperial presidency, deeper into personalisation of power and to the inevitable and predictable end of economic apartheid that we see so often around the world.

The power is in your hands.



Hon. William Samoei Ruto, E.G.H.
Deputy President, Republic of Kenya and
UDA-Kenya Kwanza Presidential Candidate













Contents

2 Foreword
6 Introduction
8 Why Bottom Up
10 Implementation Framework
12 Agricultural Transformation
18 Housing
21 Healthcare
25 Digital Superhighway
26 ICT
38 Infrastructure
32 Manufacturing
35 Service Economy
38 Sports
41 Environment
45 Education
48 Women Agenda
52 Social Protection
56 Governance
62 Foreign Policy

Introduction

The August 9 General Election will take place just three 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 centralised 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-aggrandisement. 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 so as to maintain careers and in less than 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 of proportion with other Kenyans, it is inevitable that questions be asked as to how this came about."

The commission went on to make the infamous recommendation that legitimised 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 recognised 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 their aspirations by 'failing" them in examinations, neither can we continue to throw crumbs at them such as ***kazi kwa vijana***, exporting a few nurses overseas and such, expecting that it will stem the tide, as we continue with business as usual. Sooner or later, the dam is bound to break.

A Perfect Storm

We are presently confronted by three challenges that have converged into a 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, fertilisers, among others, all of which feed into the rise in the cost of living that Kenyans are experiencing. The rise in interest rates is causing difficulties in refinancing our foreign commercial debt. The foreign commercial debt stood at $10.7 billion (Sh1.3 trillion) contributing 29 per cent of foreign debt as at end of 2021, of which $7 billion (Sh840 billion) is Eurobonds, and the balance is principally syndicated bank loans. Rising interest rates portend refinancing risks, investors having no 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.

It will be recalled that the rationale for going into the sovereign debt market was because it was cheaper than borrowing locally. But our bonds are now trading at upwards of 12 per cent. 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 more challenging and aggravating the problem of crowding out 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 Sh660 billion 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 (Sh550 billion) and dwarfing the county governments' equitable revenue share (Sh370 billion). 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 per cent of the interest cost at Sh515 billion, against Sh144 billion 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 (the SGR and the new Nairobi Expressway, for example), which have very little multiplier effect on the economy.

Government domestic financing 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 per cent of goods imported over the last decade which, in actual terms, translates to a 2.5 fold increase from $1.2 billion to $3 billion. 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 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 19 million people. Of these, just under three million, only 15 per cent work in formal jobs in both public and private sectors, with the private sector employing two million and public sector just under 900,000. The other 16 million (85 per cent) work in micro, small and medium 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 the Kenya National Bureau of Statistics (KNBS) data in 2016, licensed stable MSMEs generated an operating surplus of Sh50,000 an 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 per cent of them started with a capital of Sh50,000 or more, while only 6.5 per cent 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 the one who only has a hoe, while the one with a tractor can plough 10 times more than the one with oxen. A motorcycle will increase the income of a young man, without the harrasment of county askaris from Sh200 a day to Sh400-Sh500.

The primary task of economic policy in development is to mobilise 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, 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 workforce" 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 (Sh4 million today, when adjusted for inflation). It warned that if we did not change the model and direct more capital to agriculture and the 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 Sh1 million to create one manufacturing job in the formal economy compared to $1,000 - $2,000 (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 accidental -- it is a consequence of political and policy choices that we make.

The answer is convergence of political and economic power. As early as 1967, only four years after independence, the National Council of Churches of Kenya (NCCK) found it necessary to set up a taskforce to look into what it saw as worrying concentration of economic power occasioned by Africanisation policies. Its report, *Who owns Industry in Kenya?* warned of concentration of economic power in the hands of a small managerial elite. Four years later, another taskforce commissioned by the International Labour Organisation (ILO) to look into the problem of unemployment and inequality also zeroed in on the concentration of economic power:

"Kenyanisation has radically changed the racial composition of the group of people at 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 unemployment but as a potential engine of industrialisation 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 streets 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") sectors.

Often, people fail to recognise the extent of economically efficient production in the informal sector because of the low income received by most workers. 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 an avenue 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 smallholder agriculture and the informal sector. Financial commitment is absolutely necessary, but far from sufficient.

It also means commitment to end exclusion and criminalization 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 prioritisation, sequencing and financing.

Prioritisation

Prioritisation is critical because resources are scarce but also because we do not have the capacity to do everything at once. Limited resources means that we must chose, but choosing one person's preferences over another can create winners and losers, thereby undermining the goodwill needed to have everyone pulling in the same direction. Far too often, this dilemma is resolved by trying to be all things to all people, and spreading resources so thinly across too many things that none is adequately resourced. It is, therefore, imperative that transparent objective criteria are used, and everyone is able to see what is in it for them.

The priorities in this plan have been chosen based on the impact on six objectives which, in our view, hit the most birds with the fewest stones, namely, bringing down the cost of living, eradicating hunger, creating jobs, expanding the tax base, improving our foreign exchange balance and inclusive growth. 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**

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, making it much easier to finance other things. We also have to think about those interventions that have long gestation periods but very significant impact in a few years', and only if they are initiated in good time. For example, for the expansion of coffee or avocado output in three years', seedlings have to be planted now. These considerations have led us to establish four timeframes as follows:

- **Quick wins**. These are interventions that will have economic impact within six 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 programmes, Universal Health Care (UHC), coffee, fruit and nut trees.
- **Long term**. These are interventions whose impact is expected to be felt between 3 and 5 years and beyond, but need to be started in good time.

Financing Principles and Framework

Fiscal consolidation. The plan must be financed within a budget deficit target of 3 per cent by financial year 2026/27. This will be achieved by (a) Ensuring that revenue projection will not exceed the average growth in preceding three years and expenditure growth capped at 75 per cent of the revenue growth rate, and (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 Fund/Bank. An infrastructure fund will be established with initial capitalisation from privatisation 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 prioritised in the utilisation of grants and concessional loans.

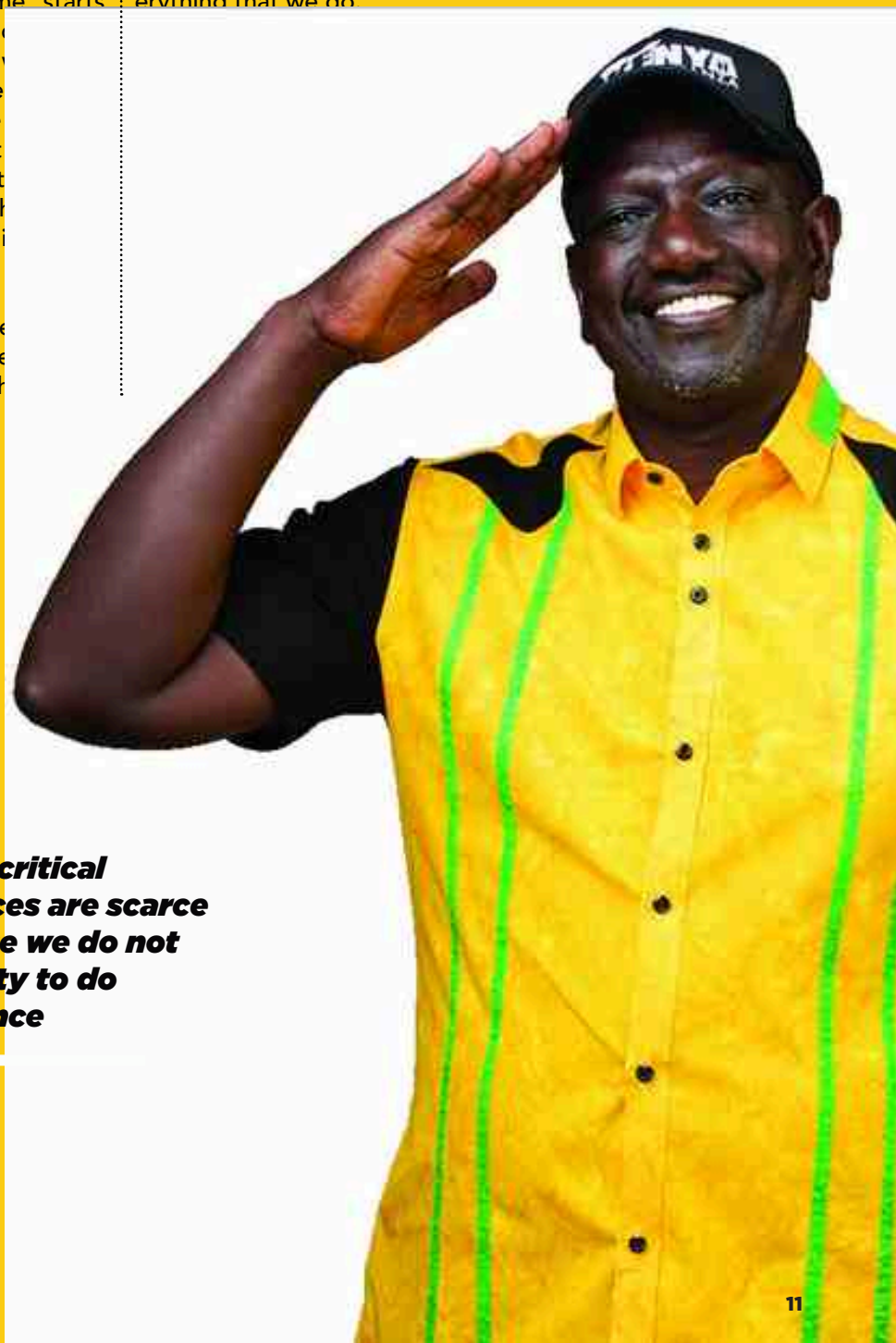
Pending bills. To remove pressure of settling pending bills from the annual budget allocations, a transactions advisor will be engaged to advise on securitisation of the outstanding bills subject to verification.

Delivery: Value Chain Approach

Competition for resources among sectors often undermines rational allocation of resources, and also wastage due to duplication, fragmentation and lack of coordination. To mitigate this, our plan adopts a value chain framework. A 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 creation of value is distributed along the chain.

An illustration is useful. A value chain approach to the housing programme starts with the value proposition to the c i.e. what the target home owner is pay for. The value chain approach e swering the question: How can we house to the customer? It will start question how the customer will buy t (e.g., mortgage finance) and end with tion of raw materials. A supply chai with raw materials and ends with a ed house. The housing value chain mortgage providers, building profe developers, land and real estate age ulators, contractors, cement and oth ing product manufacturers, mining and quarrying, transporters, utilities (electricity, water and sewerage) among others. In the traditional sectoral approach, many of these sectors operate in "silos" that perceive one another as competing for resources, and often work at cross purposes, each focused on maximising their share of the revenue and, in the process, driving up prices beyond the reach of most customers. This is, in fact, the situation that obtains today. We are producing only 50,000 units a year, of which only 2 per cent qualify as affordable housing against an estimated requirement of 250,000 units a year.

Most importantly, focus on value, rather than inputs and outputs, will enable us to address competitiveness and value for money in everything that we do.



Prioritisation is critical because resources are scarce and also because we do not have the capacity to do everything at once

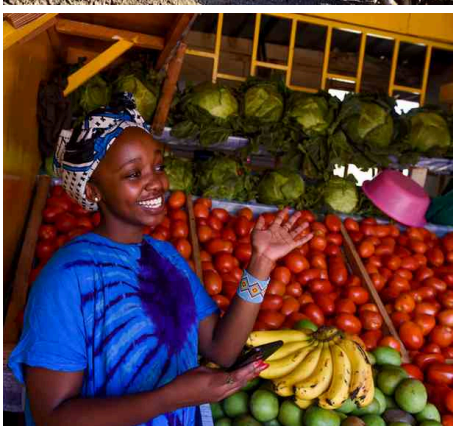
Agricultural Transformation and Inclusive Growth











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* (maize flour) has hit an unprecedented Sh230, the role of agriculture to the cost of living need not be belaboured. Food accounts for 54 per cent of household expenditures, but the poor spend 60 per cent 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 10 to 17 per cent. This, in turn, has increased our exposure to global price shocks.

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

Quick turnaround. 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, fertilisers, pesticides etc) and providing farmers with the working capital to buy adequate supply of the inputs as well as other direct production expenses such as ploughing of land and labour.

Consider the case of the dairy sector. The biggest challenge that farmers face 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 in Kenya, an increase in average productivity by 0.5kg per cow translates to 401 million kilogrammes of milk with a farm gate value of Sh16 billion at Sh40 a kilogramme. We have estimated that provision of Sh4,000 per cow, a total of Sh8.8 billion 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 of Sh500 a bag, while producing 25 bags equates to a cost of Sh200 a bag. So the higher the number of bags produced an acre, the lower the cost of production.

A farmer may see the 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 that yields 10-bag or 25-bag crop takes the same amount of labour. By enhancing productivity through access to affordable inputs, including fertiliser and certified seeds, the farmer will earn more and subsequently reduce the six million bags imported annually and lower the cost to the consumer.

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



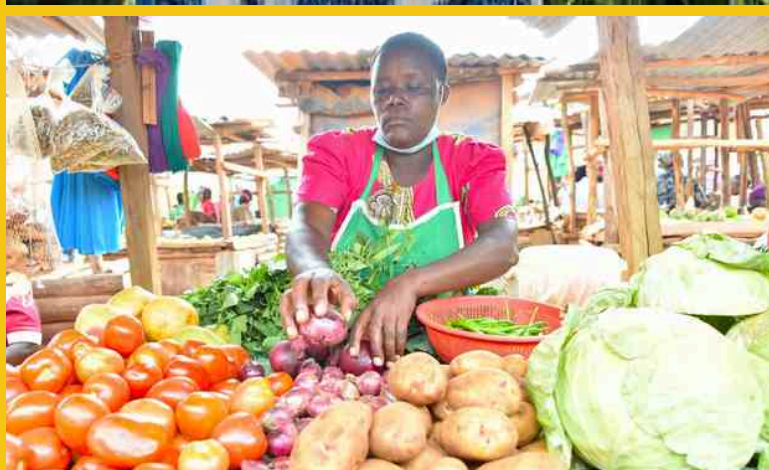
Foreign exchange: As noted, our dependence on food imports has grown considerably in recent years. Edible oils, palm oil primarily, is our second largest import after petroleum, on which we are spending Sh60 billion a year before the recent price surge, which pushed the import bill to over Sh90 billion. Our rice deficit is about 600,000MT, costing Sh25 billion about the same as our coffee export earnings. Three food commodities -- edible oils, wheat and rice -- are consuming an equivalent of 25 per cent of our goods' export earnings. We have the capacity to produce a bigger share of our consumption of edible oils and rice competitively.

Agriculture is also the sector that we are most globally competitive in, 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, cashew nuts and bixa. Kenya was once the world's leading producer of pyrethrum, with over 90 per cent of world market share.

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 are livestock (cattle, sheep and goats), hotels and 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 more money in people's pockets directly than any other sector. This also means that agricultural incomes have the highest income multiplier effect, 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 per cent reduction in cost of food for a middle class household, with a monthly food budget of Sh20,000, translates to a saving of Sh24,000 a year. Nationally, the food expenditure of Sh3 trillion translates to a saving of Sh300 billion that households will spend on other goods and services, equivalent to an economic stimulus of 10 per cent of the budget, or 2.5 per cent of GDP.

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 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 contributing 40 per cent and 48 per cent of manufacturing employment and GDP respectively. When non-food agro-processing 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. 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 Kenya Kwanza Commitment

- Provide adequate affordable working capital to farmers through well-managed farmer organisations;
- 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 in the 1970s. These instruments include crop and livestock insurance schemes, commodity market instruments such as forward contracts, futures contracts and price stabilisation schemes
- Transform two million poor farmers from food deficit to surplus producers through input finance and intensive agricultural extension support, with a target to generate a minimum productivity target of Sh50,000 revenue an acre;
- Raise productivity of key value food chains and other value chains (maize 8 -15 bags an acre, dairy 2.5kg- 7.5kg a cow a day, beef carcass weight from 110kg - 150kg);
- Reduce dependence on basic food imports by 30 per cent (domestic oil crops production from 5 per cent to 25 per cent, rice from 18 per cent to 40 per cent);
- Revamp underperforming and collapsed export crops while expanding emerging ones (coffee, cashew nuts, pyrethrum, avocado, macadamia nuts);
- Boost tea value chain (blending & branding).

Financial Commitment
Sh250 billion in FY2023 - FY2027



TRANSFORMING THE MICRO, SMALL AND MEDIUM ENTERPRISE (MSME) ECONOMY

The MSME economy contributes 85 per cent of non-farm jobs which today translates to 15 million out of 18 million workforce. Presently, it is absorbing nine 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 shows that when properly established, MSMEs contribute very significantly to the economy, generating an operating surplus a worker of over Sh50,000 a month, adding up to Sh600,000 a year. However, an estimated 10 million informal MSME operators and workers generate less than Sh5,000 income a 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 10 million people, who represent half of Kenya's workforce, are the country's most underutilised 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 per cent of GDP i.e., the economy would be 60 per cent larger.



The Kenya Kwanza Commitment

• **End criminalisation of work**. We will enact a right to work law, making trading licences and provision of a trading location an entitlement to every citizen who applies. We will work with county governments to provide one-street trading premises for every 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 rationalise all business licences, cap total licences at 1.5 per cent 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 Sh50 billion a year to provide MSMEs with 100 per cent access to affordable finance through SACCOs, 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
Sh250 billion FY2022/23 - FY2026/27


RUGURU
UNITED

Housing and Settlement







URBAN HOUSING.

Housing is enshrined in our Constitution as one of the basic social and economic rights. It is 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 a year, against a production of 50,000 units, translating to a deficit of 200,000 units. The cumulative deficit is estimated at two million units. As a result, more than 60 per cent of urban Kenyans live in slums and other low-quality housing without adequate sanitation, undermining their dignity and exposing them to health hazards. This is also a reflection of the bias towards upper income housing. Of the 50,000 units built every year, only 2 per cent (1,000 units) are classified as affordable housing. Moreover, our rapid urbanisation rate at 4.4 per cent, equivalent to 500,000 new city dwellers a year, means that 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 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 per annum and per centage of affordable housing supply from 2 per cent to 50 per cent. We will achieve this by structuring affordable long-term housing finance schemes, including a National Housing Fund and Cooperative Social Housing Schemes, that will guarantee off take of houses from developers;
- Grow the number of mortgages from 30,000 to 1,000,000 by enabling low-cost mortgages of Sh10,000 and below;
- Strengthen Jua Kali industry capacity to produce high quality construction productions;
- Give developers incentives to build more affordable housing.

RURAL HOUSING AND SETTLEMENT

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

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

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;
- To stop land fragmentation, 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.

Financial commitment

Sh250 billion FY2022/23 - FY2026/27 of which budget commitment is Sh50 billion, with Sh200 billion to be financed by pension funds. Assets Under Management (AUM) currently stand at Sh1.5 trillion and other collective investment schemes, including diaspora bonds





Healthcare



A good healthcare 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 spent on healthcare to address old and emerging challenges. We need to build on the momentum of recovery from the Covid 19 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 such as cancers, heart disease and diabetes-related complications that, if not addressed urgently, will become a threat not only to health but also to the socio-economic wellbeing of the country. Presently, 36 per cent of Kenyans are at risk of being impoverished by the financial burden of catastrophic illness. There is also the question of financing programmes 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, immunisation, and nutrition programmes are key donor-funded and the gains already realised must be guarded jealously.

The most recent assessment shows that our total health expenditure (THE) stands at Sh550 billion a year, financed by government (63 per cent), by households "out of pocket" (27 per cent) and the balance of 10 per cent also financed by households through insurance schemes. The out-of-pocket share translates to Sh150 billion 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 because of 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 per cent of the population in 2003 to 20 per cent in 2018. That said, the penetration is uneven with Nairobi at over 40 per cent, while Wajir is still below 1 per cent. This increase in contributions was achieved partly by increased enrolment and partly by change of contribution structure from a flat rate of Sh300 a month to a graduated contribution ranging from Sh150 to Sh1,700 a person.

But the NHIF still falls far short of the social health insurance scheme that it ought to be, both in its design as well as operational performance. These shortcomings 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 per cent of Kenya's workforce. While NHIF has sought to expand coverage to the vast majority who are self-employed through voluntary enrolment, this has come with challenges notably intermittent payments of people typically 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 per cent to 29 per cent over the last decade (2010 - 2020), while the preventive care spending declining from 24 to 12 per cent. The shift from cheap to expensive is a systemic problem with insurance financed healthcare systems.
- Fragmented overlapping schemes within the NHIF, for example, Linda Mama, civil servants scheme, school children and elderly support, 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 the enrolment, leading to inefficiency, high administrative costs, and poor responsiveness to its customers and service providers.



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:

- Provide National Health Insurance Fund coverage for all of Kenyans without exclusion in the policy of *"Leaving No One Behind"*;
- Employ and initiate payment for community health workers who shall form part of the Primary Health Care system;
- Prioritise employment of 20,000 healthcare workers- doctors, nurses, clinical officers, laboratory technologists, physiotherapists, among others, to bridge the gap according to WHO recommendations of 23 HC per 10,000 population;
- Set up an emergency medical treatment fund to cater for emergency, cancer treatment and referrals;
- Establish a commission for the management of human resources for health without undermining devolution;
- Set aside Sh50 billion for Kenya Association of Retired Officers medical schemes;
- We shall harmonise the terms of employment for all healthcare workers in the spirit of equal work for equal pay;
- Integrate preventive and promotive services/ establish MDT (a primary healthcare approach) as envisioned in our Afya Bora Mashinani;
- Set aside a seed deposit amount of Sh100 billion into co-funding the strategic programs for HIV, tuberculosis, blood transfusion, malaria, family planning and reproductive health;
- Ring-fence funds for healthcare from facility improvement funds to allocations from the Treasury in collaboration with county governments;
- Bringing the cost of treatment down, (drugs, consultation, laboratory services, imaging services.);
- We will build up our supply chain management system (KEMSA) to ensure efficiency and accountability in the medical supplies to all health facilities;
- Integrate Information Communication and Technology systems to enhance telemedicine and health management information systems. Immediately operationalise a National Health Information System for Electronic Health Records (EHR) to standardise and ensure the portability of patient data

Implementation and Reforms

Primary Healthcare System

We recognise that our healthcare system consists of public, private and faith-based providers, and each of them plays a critical role. Presently, however, public money only goes to public institutions, which means that people who are not insured have to pay out-of-pocket for primary health services at faith-based and private providers, often because the public health facilities are not responsive. We believe that Kenyans should have choice, and they should use their tax money where they get the best value. To this end, we will delink financing of primary healthcare from public facilities by establishing stakeholder managed Primary Health Care (PHC) Funds as strategic purchasers at each "Level 4" facility.

Health Commodity Supply

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

Pharmaceuticals and consumable medical supplies account for an estimated 20 per cent of total health expenditures, which translates to a domestic market worth Sh110 billiom. Pharmaceutical imports in 2020 were Sh76 billion (70 per cent of the Sh110 billion estimated market), meaning that when other imported supplies are factored in, domestic production supplies are less than 20 per cent. Domestic pharmaceutical manufacturers have the capacity to manufacture a bigger share competitively, but are hampered by the high cost of doing business and a hash tax regime (to the extent of shifting manufacturing to neighbouring EAC countries and exporting to Kenya).

We will:
(a) Work with the 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 per 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 centralised system similar to that of teachers, noting that the Teachers Service Comission (TSC) is entrenched in the Constitution.

They have proposed a similar Health Service Commission that should also be entrenched in the Constitution. But county governments consider it very important that the health professionals should be accountable to them. Moreover, the centralised system that preceded devolution was associated with very inequitable distribution of health professionals because they could influence their posting to favourable locations. Many of the historically marginalised 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. 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 of preventive healthcare. Doctors estimate that 70 per cent of cases seen in our hospitals are preventable. It is estimated that Sh1 invested in community health has a return of Sh9 saved in curative health costs. Kenya Kwanza is committed to ensuring that our primary healthcare has, at the very bottom, a well-resourced community health system. Consiquently, 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 a new contribution structure gazetted by the Treasury Cabinet Secretary. People earning Sh100,000 will contribute 1.7 per cent amounting to Sh1,700. Under this structure, a couple earning a combined Sh200,000 will be deducted Sh40,800 a year while a single payer earning Sh100,000 will contribute Sh20,400. The two families will get the same benefits. This is highly inequitable. We have proposed to change the contribution to family/household, rather than individual, as is the case with private insurance.

If the Sh150 million out-of-pocket payments were converted into contributions to NHIF, each Kenyan would have to contribute Sh3,000 a year, or Sh12,000 for each of the 12 million households. To raise Sh200 billion required to cover both the secondary and tertiary pillars works out to an average of Sh4,000 a person which totals Sh16,000 a household. Our preliminary analysis shows that a progressive contribution system can achieve the Sh200 billion requirement with contributions ranging from Sh300 to Sh3,000 a household a month (Sh3,600 to Sh36,000 a year).

Enrolment

We recognise 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 enrolment easier for self-employment Kenyans, including:

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

Governance

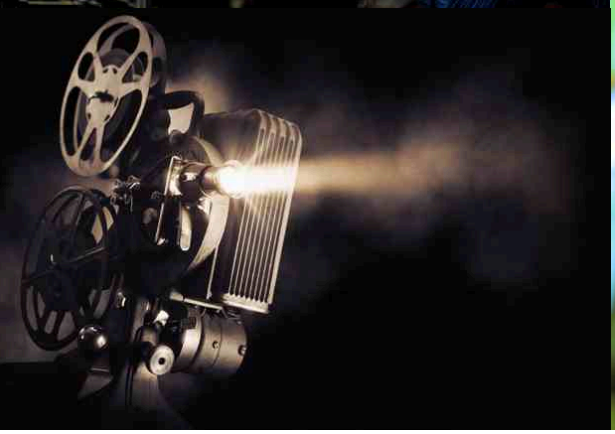
Insurance is a business built entirely on trust. For the NHIF to fulfill the mandate of the social health insurer we need, it must enjoy the confidence of all its stakeholders, in particular contributors and health service providers that it serves directly. We recognise that at present, the NHIF falls 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 includes six submarine fiber-optic cables offering broadband connectivity, 9000km of terrestrial fiber-optic cable connecting virtually all county headquarters, and geographical and population mobile broadband coverage of 56 per cent of the 96 per cent respectively.

Mobile telephone penetration and innovation has enabled Kenya to increase from a quarter to over 80 per cent of the population in less than two decades, making Kenya one of the world's leading users of mobile payments. The Covid 19 crisis demonstrated just how critical digital penetration is in terms of business continuity, as it enabled many essential services to proceed with minimum interruption during the lockdowns.

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 $30 billion and employs an estimated 1.3 million 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.

The digital superhighway will also play a critical role in enabling us to make tremendous achievement in the other four pillars of Health, Agriculture, MSME and Financing as well in enhancing revenue collection via automation of VAT systems. It will ameliorate challenges related to information asymmetry in market access and risk management. It also comes in handy in minimising barriers to entry for new financial providers that are critical in downscaling access to the Hustler Fund via Government risk mitigation mechanism through provision of Enterprise Resource Planning (ERP) system for all participants.

Areas such as public procurement where digital transformation could have delivered huge gains are yet to be realised.

Kenya Kwanza commitment

- Universal broadband availability throughout the country within five years. We shall increase and fast-track broadband connectivity across the country by construction of 100,000km of national fibre optic connectivity network;
- Enhance government service delivery through digitisation and automation of all government critical processes and make available 80 per cent of government services online;
- Establish Africa Regional Hub and promote development of software for export;
- The implementation of the Digital Master Plan will adhere to environmental agreements in which Kenya is a signatory;
- Reduce the cost of calls and data to allow wananchi, and especially the youth, to use online platforms for entertainment, information and business;
- Establish a Presidential Advisory Council on Science and Technology Policy that will ensure a whole of government approach to technological development and use and build necessary capacities across government;
- The administration will strengthen Konza Technopolis to bring together industry, academic institutions and other innovators to co-invest in emerging technologies to create high-quality jobs that leverage on artificial intelligence, robotics and other technologies and thus enhance our regional and global competitiveness.

Financial Commitment

Sh40 billion (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 and craft, 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 and craft industries. 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.

Kenya Kwanza Commitment

- Work with stakeholders to expand the space for creativity, including 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 artistes and creative sector personalities as cultural ambassadors.

Arts and Craft

- 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;
- Promoting arts and crafts galleries leveraging on existing public entities and institutions, including our embassies abroad.

Film

- Pass the Creative Economy Bill that will enable establishment of a Film Fund;
- 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;
- Review the inter-county licensing regime with a view to developing a single permit;
- Establish a green channel immigration scheme and protocol service for international film makers;
- Benchmark on competing film destination for international film makers in Africa and offer comparable or better incentives;
- Establish a film ecosystem that convenes all stakeholders tasked with revitalising growth of the sector.

Develop a Government Powered Arts Crafts industry Information Portal. Portal will help in listing different pla in the industry and market their produ

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: Streamline 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.



Infrastructure





Infrastructure

Water

Water is a constitutional right (Article 43), and the most important enabler of agriculture. Two-thirds of Kenya's agricultural land requires irrigation, against only 4 per cent that is irrigated. Irrigation is the single most important game changer in agriculture. Current policy is centered on domestic use and large dams.

The key issue is financing value for money.

Kenya Kwanza Commitment
Kenya Kwanza is convinced that universal access to safe water can be achieved by 2027. This will be done by:

- Shifting 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);
- Using modern technologies on desalination, develop Turkana aquifers using PPP model (potential to irrigate a million acres of land);
- Deploy climate smart agriculture technologies (micro-irrigation, precision irrigation, hydro and aquaponic technologies).

Roads
Roads are arguably our country's most important infrastructure. The 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 resulting in 6000km completed with another 3800km 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;
- Prioritise 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
Sh200 billion (current MTEF commitment)
Securitization of Road Levy

Roads are arguably our country's most important infrastructure



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 3 million to over 8 million 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. As a result, 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 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 solar 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

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) will be instituted.

Improve reliability, bring down the cost of electricity. We propose a three-point plan to bring down the cost of power namely;

- Mobilise the resources needed to revamp the transmission and distribution network;
- Accelerate geothermal resources development;
- Develop Liquified 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 Energy Regulatory Commission (ERC) to publish quarterly system, financial and operational performance reports.



Strengthen Consumer Protection. The ERC has the mandate to deal with consumer protection issues, but 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 the establishment of a single Consumer Protection Oversight Agency for all utilities and regulated industries.

In the short term, Kenya Kwanza commits to institute an independent inquiry to review all the matters currently being litigated by consumers with a view to arriving at a quick and satisfactory resolution that can also inform the necessary reforms.

E-Mobility The Kenya Kwanza government will:

- Roll out electric vehicle (EV) 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;
- Leverage the financial support that will be provided to the *boda boda* sector, through the Hustler Fund, to develop the nascent electrical vehicle (EV) and 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.

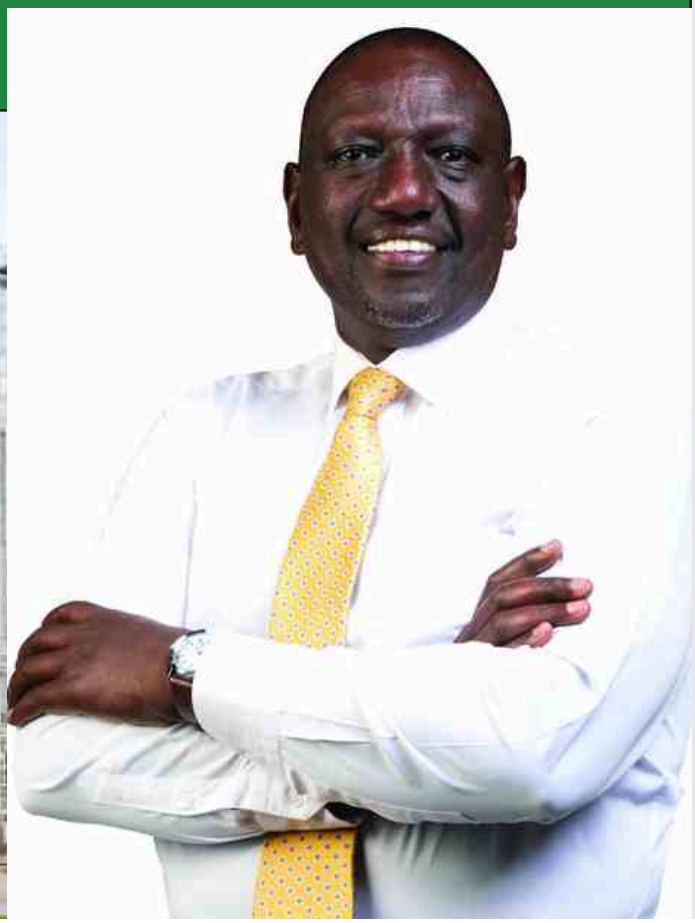
Recent fuel price escalation is a combination of two factors, global price shock and failure of the price stabilisation mechanism, the latter on account of fiscal distress. Global prices are out of our control. As noted, Kenya is well-endowed with cheap renewable power resources. Accelerating transition to electric vehicles is a 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.

Kenya Kwanza Commitment

Set up a legal framework to ring-fence the Fuel Stabilisation Fund;

- 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 industrialising, the manufacturing share of the economy is declining. It has fallen from 9.3 per cent to 7.6 per cent in five years (2016-2020). Paradoxically, manufacturing has borne the brunt of the infrastructure investment drive that is meant to spur industrialisation in crowding out from the credit market by government, and lately, 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 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 the challenges 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 falls short in job creation. This is a reflection of both history, that is, legacy of import substitution industrialisation policies of the 1960s and 1970s as well as geography, namely, 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 for the industry, for the people and for the government. The value chain approach that we have adopted enables us to analyse 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 motocycle/vehicle and plastic waste.

Leather. Kenya has a big potential to develop its leather sector. Currently it is a Sh15 billion industry creating 17,000 jobs (7,000 formal, 10,000 informal), while it is potentially a Sh120 billion industry that can create 100,000 jobs. But the key challenges are low recovery and poor quality of hides and skins, and lack of skills. Hides recovery and quality improvement can be addressed through the provision of feedlot. We can leverage on public procurement to build capacity. There is a potential market in uniformed services and schools. Therefore, Kenya Kwanza commits to set up leather industry clusters in Athi River, Narok, Isiolo and Wajir and secure linkages with and technical support from overseas markets.

Building products. They are already one of Kenya's leading manufactured exports to neighbouring countries (mabati, building steel, etc). There is potential to leverage on housing programmes to scale up and broaden the range of products. Establishing standards will enable Jua Kali to produce mass fittings such as, windows and doors.

Pharmaceuticals and medical supplies: Pharmaceuticals and consumable medical supplies account for an estimated 20 per cent of total health expenditures currently at Sh550 billion, which translates to a domestic market worth Sh110 billion. Pharmaceutical imports in 2020



were at Sh76 billion (70 per cent of the Sh110 billion estimated market), meaning that when other imported supplies are factored in, domestic production is less than 20 per cent. Domestic pharmaceutical manufacturers have the capacity to manufacture bigger share competitively, but are hampered by high cost of doing business and a punitive tax regime (to the extent of shifting manufacturing to neighbouring EAC countries and exporting to Kenya).

Kenya Kwanza Commitment

- Work with the pharmaceutical industry to address the tax regime and cost of doing business;
- Leverage on UHC to identify and scale up manufacturing of essential supplies we can do competitively;
- Leverage on our human per 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 1990s, with limited success. Although garment exports are now our third largest component at Sh60 billion and employing 50,000 people, it pales in significance compared to Bangladesh's Sh4.2 trillion exports and employing 4 million people, and accounting for over 90 per cent of exports. Notably, the Bangladeshi industry is less than a decade older than ours. The difference is the cost of labour. Shop floor wage in Bangladesh is $80 (Sh9600 a month), while ours is more than double, even though productivity is the same output per worker at $10,000 (Sh1.2 million) a year. This is partly because of the comparative advantage. Bangladesh is labour rich/resource poor, with a population density of 1,265 people per sq. km, 13 times that of Kenya (94 people/sq.km). Bangladesh also has high agricultural productivity which makes food cheap and, in effect, low cost of living, hence Bangladeshi workers spend much less on food than in Kenya. This applies to South Asia generally, as well as the Asian Tigers in the 1960s and 1970s. But this is not the only model.

Turkey with a minimum wage of $500 (Sh60,000) before currency collapse, is also globally competitive with exports of $12 billion a year. The difference is that the Bangladeshi industry serves mass market generic garments, while Turkey specialises in the fashion industry. Kenya is stuck between the two: Wages are too high for the mass market, and industry is not sophisticated enough for the fashion market. The original terms of African Growth and Opportunity Act (AGOA) required Kenya to integrate the garment export industry backwards, that is, to use locally manufactured textiles made with locally grown cotton. To date, Kenya has been unable to meet its quota. The industry is still importing over 90 per cent 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 $300 million (Sh300 billion) market. If we are to meet this market, simplistic interventions such as banning mitumba (second-hand clothes) 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. The Kenya Kwanza government will work with the apparel export industry to develop a viable cotton raw material supply chain.







The Services Economy

The Services Economy

Financial Services

High level of financial inclusion driven by M-Pesa has become a double-edged sword for enabling predatory lending by "Fintechs". Other challenges facing financial services include lack of formal credit at the bottom of the pyramid (in part because of Credit Reference Bureau (CRB) listing by predatory lenders), crowding out credit for the private sector by the government. The brunt is borne by MSMEs due to failure of deposit taking microfinance banks to reach those at the bottom of the pyramid as it was intended.

Kenya Kwanza Commitment

- Deploy a credible macroeconomic framework and growth strategy to strengthen external creditworthiness, enabling government to borrow cheaply externally and end crowding out of private sector from the domestic credit market;
- Leverage on Kenya's well advanced SACCO system to develop a tier three financial system that will facilitate disbursement of affordable credit through the Hustler Fund to cushion those affected by the current predatory lending interest rates e.g. market traders, boda boda;
- Develop and deploy a robust financial services consumer protection policy and legal framework that will protect Kenyans from predatory lenders.

Tourism

Tourism is a historically important sector for the economy, in terms of foreign exchange earnings. However, it is a sector in which Kenya punches below its weight. The country's reputation, as one of the world's premier tourism destinations compared to other countries with a similar international profile, is not reflected in its contribution to the economy in terms of visitor numbers and growth of GDP. In Africa, using 2018 data, Kenya was ranked ninth with 1.9 million visitors a year behind Egypt, Morrocco, South Africa and Tunisia with over 8 million visitors, while Cote d'Ivoire, Mozambique, Zimbabwe and Algeria which receive between two and three million visitors a year respectively. Outside Africa, Kenya's global positioning and reputation may be compared to Thailand. Ten per cent smaller than Kenya, and more densely populated (70 million people), Thailand receives 40 million tourists a year.

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 it an expensive destination. To illustrate this, "5 star" hotels and game lodges will typically cost $50,000 (Sh6 million) a room in investment. In effect, a 100-room hotel operating at an average of 40 per cent capacity and assuming 15 per cent cost of capital would need to charge $50 (Sh6000) a room a night just to cover the cost of capital. It would mean charging at least $80 (Sh9,600) to break even. Combined with the fact that Kenya is a long-haul destination from source, these prices put 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 five to 10 guests or less and charge upwards of $3,000 (Sh360,000) a night, of which very little trickles down to the economy. In this sense, tourism is our ultimate trickle-down industry.

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

Kenya Kwanza Commitment

- Nurture a tourism ecosystem that supports independent travel particularly for young people, including quality and secure budget hotels and bed and breakfast facilities, affordable budget air travel to all parts of the country and safe road travel;
- Diversify Kenya's tourism by promoting niche market products, notably adventure, sport and cultural tourism;
- Diversify source markets to include African markets.





Aviation

Aviation is a strategic industry for our economy. It is vital for the tourism industry, for exports of fresh produce and maintainance of Kenya's position as a regional hub. But the potential for the industry itself as an economic sector is also huge. Africa has 15 per cent of the world's population but only 2 per cent of air passenger traffic. Before the Covid 19 shock, Africa's aviation market was projected to double in 20 years. Before it ran into difficulties a few years ago, Kenya Airways had 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 allowed to fail. At the same time, it is not financially prudent to maintain Kenya Airways on life-support indefinitely.

Kenya Kwanza Commitment

Kenya Kwanza commits to develop a turnaround 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 2023.



Sports



Sports

We are a sporting nation. A look at the Olympics medals table will confirm that unequivocally. Sports is one domain that Kenya punches well above its 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, shooting, archery and cricket, among others.

The brand value that Kenyans participating and excelling in on the international sports arena is incalculable. But far too often, the Government lets down our sports people, in terms of facilitation and provision of adequate resources. Given the contribution of sports to Kenya's international standing, we should never see our sportspeople stranded in foreign countries, or complaining about equipment, allowances and hospitality during competition. Our international athletes should also 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 and manufacturing of sports apparel and equipment. For example, many Kenyans are unaware that we are one of the world's leading manufacturers of dartboards. Kenya Kwanza commits to ensure that sports will be adequately funded, facilitated and developed.

Kenya Kwanza Commitment

- Establish a high-level expert task force to identify sustainable sources of sports funding;
- Consider the setting up of a national lottery, tax incentives for corporate sponsorship, a dedicated or ring-fenced tax and public-private partnership framework for infrastructure development.
- Review the Sports Act in line with the recommendations;
- Establish and resource adequately a dedicated function within the Tourism Promotion Council to attract international sporting events;
- Leverage on our international athletics brand to develop a domestic sports apparel manufacturing cluster;
- Expand the National Youth Talent Academy (NYTA) to include all sports and simultaneously devolve it to county level and introduce County Sports Talent Academy with the 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 that will culminate into a national annual sports extravaganza;
- Return Kenya to international football.


.CO.KE



Environment & Climate Change

Informing the environment and climate change agenda is a commitment to reduce emissions by 32 per cent by 2030. Key issues include climate change, impact mitigation, adaptation and resilience. The constitutional mandate to ensure at least 10 per cent land area forest cover calls for ecological sustainable development. Kenya Kwanza will adopt a Bottom up 3P solutions (people, planet, profit). The priority value chains include: Biomass energy (wood fuel), agro-Forestry and solid waste management.

Agro-Forestry

"The greatest potential to increase the tree cover beyond the 12.13 per cent 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 of woodlot (Sh9,300 timber yield a tree net of sawing costs). Additional benefits are soil fertility and drought mitigation. Unlike other tree crops, such as, 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 for smallholder farmers, particularly the poorer ones in the regions with most land (such as Kitui and Tana River counties). Financial instruments that can make farmers become outgrowers, while at the same time securitizing their investment are available. What is needed is a policy and regulatory framework to attract climate finance funds into such ventures.

Kenya Kwanza Commitment

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

Wood fuel

Wood fuel (firewood and charcoal) accounts for 70 per cent of domestic energy (petroleum 20 per cent, electricity 9 per cent, others 1 per cent). Wood fuel is primary rural domestic fuel and mostly non-commercial, while charcoal is a primary urban and peri-urban domestic fuel. Per capita consumption of charcoal is estimated at 250kg per year, making for a $1 billion industry (Sh120 billion at current exchange rates).

Kenya Kwanza Commitment

- To modernise and commercialise the charcoal value chain, specifically the adoption of modern kilns;
- Decriminalise the charcoal trade (studies estimate that bribes account for 20-30 per cent of final price);
- Support scaling up of clean cooking technologies;
- Promote youth-owned and operated briquette-making enterprises where agricultural waste is available in commercially viable quantities (coffee waste, rice husks, maize cobs and coconut husks).



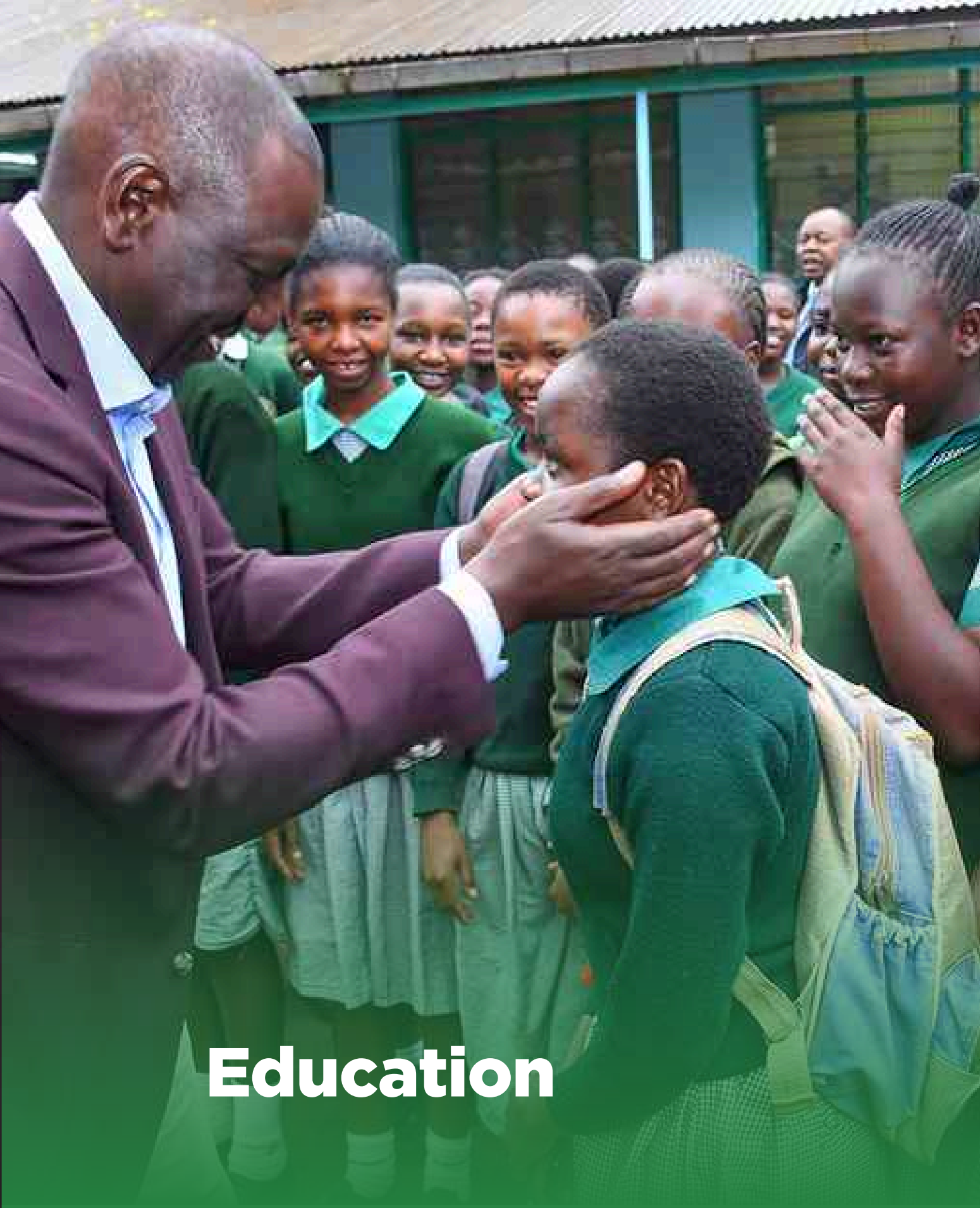
Solid waste

Seventy-three per cent of all plastics waste generated is uncollected. Of the 27 per cent collected, only 8 per cent is recycled. The rest is disposed in unsanitary landfills. There is a 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. Government and private sector have developed a European model called Extended Producer Responsibility (EPR) based on household level separation that is unlikely to be practical beyond the urban middle class. It cannot work in informal settlements.

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

Universal primary education was achieved through Free Primary Education (FPE) in 2003, but education outcomes remain highly inequitable. Considerable progress has been made towards universal secondary education, but the current tiered system places the better-resourced national schools out of the poor's reach. The cost of joining a boarding secondary school is now Sh80,000 which is expensive for ordinary working Kenyans.

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 in such high schools, has become the norm. Earlier this year, a girl in Tharaka Nithi County made news by walking 50km to the school she had been admitted to. In neighboring Embu, a boy sought to pay his school fees with a cockerel!

Kenya Kwanza Commitment

The Kenya Kwanza government commits to address the inequities in our education system so as to level the playing field for all children irrespective of their background. We further commit 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 the current teacher shortage gap of 116,000 within two financial years;
- Establish a Special Service Tariff for all learning institutions for basic utilities such as water, electricity and Internet connection;
- 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 costs. Currently, 72 per cent of learners in secondary schools are in day schools, while only 28 per cent are in boarding schools;
- Establish a National Skill and Funding Council that amalgamates HELB, TVET and University Funding Board and increase funding to bridge the current 45 per cent gap;
- Build a fully equipped Technical Training and Vocational Education Training Institution (TVET) in the remaining 52 constituencies within the first two years;
- Set up a National Open University to increase access and reduce the cost of university education while making 100 per cent transition to higher education a reality;
- Establish a one-year paid National Internship Programme for all students graduating from teachers, technical and medical colleges and universities, by collaborating with industry players;
- Increase funding for research and development from the current 0.8 per cent to 2 per cent of GDP in accordance with the Science and Technology Innovation (ST&I) Act 2013 as per the bottom-up economic agenda. Additionally, incentivise the private sector to contribute towards research;.



- Double the amount of money allocated to the school feeding programme to immediately raise the number of beneficiaries from two million to four million; and to provide conditional grants to county governments to extend the programme and raise the numbers to 8 million in primary and Early Child Development (ECD) schools;
- Domesticate teacher recruitment and deployment at entry level according to the UNESCO teacher deployment practice which treats education as a cultural process conducted within a people's cultural context at the local level. All schools including in marginal areas must affirmatively have enough teachers. To deal with the challenge faced by teachers resulting from delocalisation, we will replace this policy with a nationalisation programme which will incentivise teachers who choose to serve in other parts of the country.

Education is the ultimate means of ensuring an equitable society. Equitable education ensures that every child has a chance to fulfil their potential and rise to the highest level of accomplishment





Women Agenda

Women agenda

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

Health services are 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.

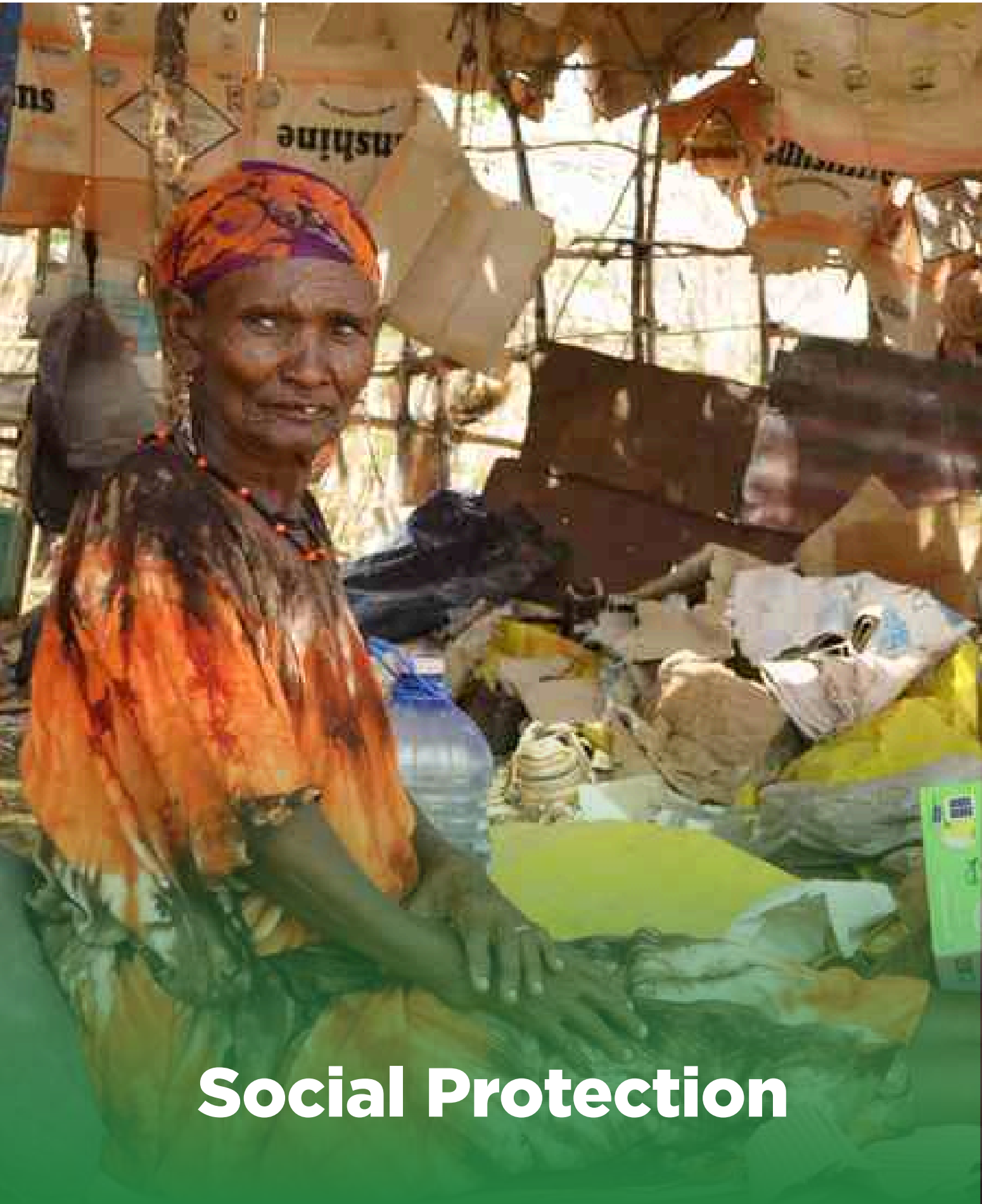


Kenya Kwanza Commitment

- 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;
- Implement the two-thirds gender rule in elective and appointive positions in the public sector within 12 months after the elections including 50 per cent cabinet positions for women;
- Increase the number of, and personnel at, gender desks at police stations;
- Increase funding for the Anti-Female Genital Mutilation (FGM) Board and fully implement the anti-FGM law;
- Establish a social welfare fund for Kenyan 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;
- Take administrative measures to ensure 100 per cent enforcement of the spousal consent legal provisions in land transactions to cushion women and children from dispossession of family land.







Social Protection

Universal Pensions

National Social Security Fund (NSSF) payroll deduction system is not diverse enough in an economy where 85 per cent of workforce is not on formal payrolls. It is also low trust institution because no Kenyan expects to live on NSSF retirement benefits.

Kenya Kwanza Commitment

Establish a universal social security system, encompassing pension, occupational hazard and unemployment insurance.

Children

In Kenya, 26 per cent of children under five years of age (1.5 million children) are chronically malnourished. In several counties, this is over 30 per cent. Twenty-eight per cent 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 per cent 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 a teacher and lowest at 20 pupils a teacher.

The National Safety Net Programme is currently is providing support to 1.4 million beneficiaries. Yet 13 million children are in need of assistance, of whom 7.5 per cent are currently receiving it. This leaves more than 12 million children in need of some form of assistance. Kenya needs to spend at least Sh554 billion every year to be at par with other lower middle-income countries which spend up to 1.7 per cent of their GDP on social protection.

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

Kenya Kwanza Commitment

- Eradicate malnutrition within five years;
- Increase access to early stimulation and learning, and to prioritise an integrated package of services for children;
- Improve learning outcomes by pledging to connect all schools to the Internet



Vulnerable Senior Citizens

Kenya has about 1.8 million people over 65 years of age in a population of 55.6 million. They represent 3.8 per cent of the total population. There are slightly more men than women. About 68 per cent 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 per cent NHIF coverage for senior citizens within three years;
- Revamp the cash transfer programmes for elderly and vulnerable households to improve operational efficiency, prompt payment accountability and coverage;
- Invest in education and training for caregivers and medical staff to fill the gap of skills in the provision of specialised care for older people.

People Living With Disability

4.6 per cent of Kenyans experience some form of disability; More disabled persons live in rural (2.6 per cent or 700,000) than in urban areas (1.4 per cent or 200,000); 15 per cent of PWDs are likely to be affected by environmental factors on a daily basis; 65 per cent 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.

Inclusion in 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

Kenya Kwanza Commitment

- Ensure 100 per cent NHIF coverage for PWDs within 18 months;
- Integrate schools to allow children with disabilities to start interacting with the general public at an early age to restore their confidence and self-esteem;
- Merge the National Fund for the Disabled of Kenya (NFDK) with National Council for Persons with Disabilities (NCPWD) and ensure parliamentary oversight for accountability;
- Increase capitation of pupils with disabilities by 50 per cent. Set aside 15 per cent of all public-funded bursaries for pupils with disabilities;
- Ring fence adequate per centage of the Hustler Fund for PWDs;
- 5 per cent of all market stalls to be allocated to PWDs;
- 5 per cent of AGPO will be reserved for PWDs with an increase in LPO financing;
- Encourage counties to waive licences and fees of new businesses established by PWDs;
- Exempt all assistive devices from import duty and explore possibilities of partnership with domestic manufacturers to produce affordable devices.







GOVERNANCE

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

The Kenya Kwanza Alliance believes that the Constitution is an important issue on the ballot in this election. Specifically, the choice we have on the ballot is between going forward and implementing it fully, or going backwards along the lines of the 70-odd Building Bridges Initiative (BBI) amendments.

We are for completing the implementation of the 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 on peace, justice and strong institutions.

Kenya Kwanza Commitment

Implementation and operationalisation of Constitution by:

- Equipping the Attorney-General's office with the resources and ability it needs to safeguard the public interest in court, legislating, negotiating international agreements, and 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;
- Institutionalising human rights-based approaches to Counter-Terrorism (CT), including strengthening the Special CT Courts to ensure speedy and fair trials;
- Strengthening the Office of the Registrar of Political Parties (ORPP) by opening county offices;
- Ending the weaponisation and politicisation 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 Ethics and Anti-Corruption Commission (EACC) and the police to end their reliance on the Office of the President;
- Entrenching the independence of the Judiciary by operationalising the Judiciary Fund;
- Promoting accountability and openness in the management of public affairs, institutionalising open governance in all State organs and agencies, and publishing an annual State of Openness Report;
- Appointing all judges nominated by the Judicial Service Commission (JSC) to the Court of Appeal within seven days.

Fundamental Rights and Administrative of Justice

- Ending all forms of extra-judicial executions by security services, and amend the National Coroners Service Act of 2017 to establish the Coroner-General's Office;
- Establishing a Special Tribunal for Gross Human Rights Violations and Enforced Disappearances (including in northern Kenya);
- Ratifying and domesticating the International Convention for the Protection of All Persons from Enforced Disappearances;
- Ending all unauthorised evictions and property demolitions, including those that do not follow due process, provide adequate notice, or compensate where necessary;
- Determining, within 60 days, all judgments and orders against the government, and make sure that the government abides by all court rulings;
- Ensuring equal protection for all under the law by implementing and funding the Legal Aid Act of 2016;
- Enhancing the rehabilitation and reintegration aspects of the prisons system by providing greater psycho-social support and educational and technical training opportunities;
- Implementing the Victims of Crime Act;
- Ending ethnic profiling in the issuing 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;
- Respecting, protecting and defending freedom of worship.
- Lifting the moratorium on registration of new religious organisations and expedite the process of 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;
- Implementing Section 93A of the Companies Act 2015 and its regulations to make it easier for organisations 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-Personalising 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 our campaign, as a platform for dialogue whose recommendations will inform the State of the Nation Address to Parliament, and to include appropriate monitoring and evaluation mechanisms as required by Article 132(1)(c) of the Constitution;
- Establish an engagement platform which will recognise and engage micro, small, medium and large business owners, civil society, faith-based groups, youth leaders, women leaders, among others, to address the cohesion and inequality challenges of the country;
- Review the role of the National Cohesion and Integration Commission with a view to repealing the NCIC Act;
- Operationalise the Public Benefits Organisations Act and expand space for government-NGO partnerships and collaborations;
- Legislate an affirmative action framework to implement Article 56 of the Constitution regarding minorities and marginalised groups.

Strengthening Devolution

- Complete transfer of all functions constitutionally earmarked to counties within six months;
- Develop a framework for ensuring that State-owned firms carrying out devolved or shared functions adhere to the principles of governance and ensure 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 and reduce their over-reliance on transfers from the national government;
- Ensure that shareable 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 2016 and the Petroleum Act 2019 within six months, and work with county governments to increase the capacity of the communities to benefit from extractive resources.

Security and Public Service

As government is increasingly called upon to address complex challenges, the need for leaders, managers, technical experts and front-line workers in the right jobs, with the right skills and at the right time has never been greater. Yet government continues to struggle to build a public service 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 capacity necessary to achieve their critical missions and provide services to the public.

Many public employees are of retirement age. As they leave the public service, 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 Kenyans because of inadequate hiring systems and practices. Similarly, the needs of government over the next five to 10 years will be different than that of today. But the public sector does a poor job of continous 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 a public-spirited younger generation and a wave of retirements could provide government at all levels with an opportunity to restructure their workforce to meet modern-day needs.

Kenya Kwanza Commitment

- Build 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 modernising policies and practices for recruitment, retention, training, and development;
- Promote career progression among civil servants to rise from the entry point to the highest cadre.

Security Services

The security sector is critical to long-term sustainable development and poverty alleviation by ensuring safe and fair systems to enable people to work and business to operate. Under-development fuels crime and insecurity. 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 dismal performance, 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 Alliance acknowledges that democratic policing and respect for the rule of law are necessary 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.

Kenya Kwanza Commitment

- Establish a contributory Benevolent Fund for families of fallen and terminal ill officers, including mental health illness;
- Harmonise affordable housing mortgage (similar to that of the Judiciary and Parliament);
- Intrioduce horizontal transfer of service to the rest of civil service;
- Provide insurance cover for loss of life for officers on duty (similar to that of the military);
- Give lower cadre officers (sergeant and below) the option of serving in their home counties or where they chose to retire from the age of 50;
- Provide political will - Security sector reform is good for everyone and police reform efforts must not be wound back;
- Within the first 100 days, Kenya Kwanza will commission a review of remuneration and terms of service for all officers in the security sector to be commensurate with the cost of living.



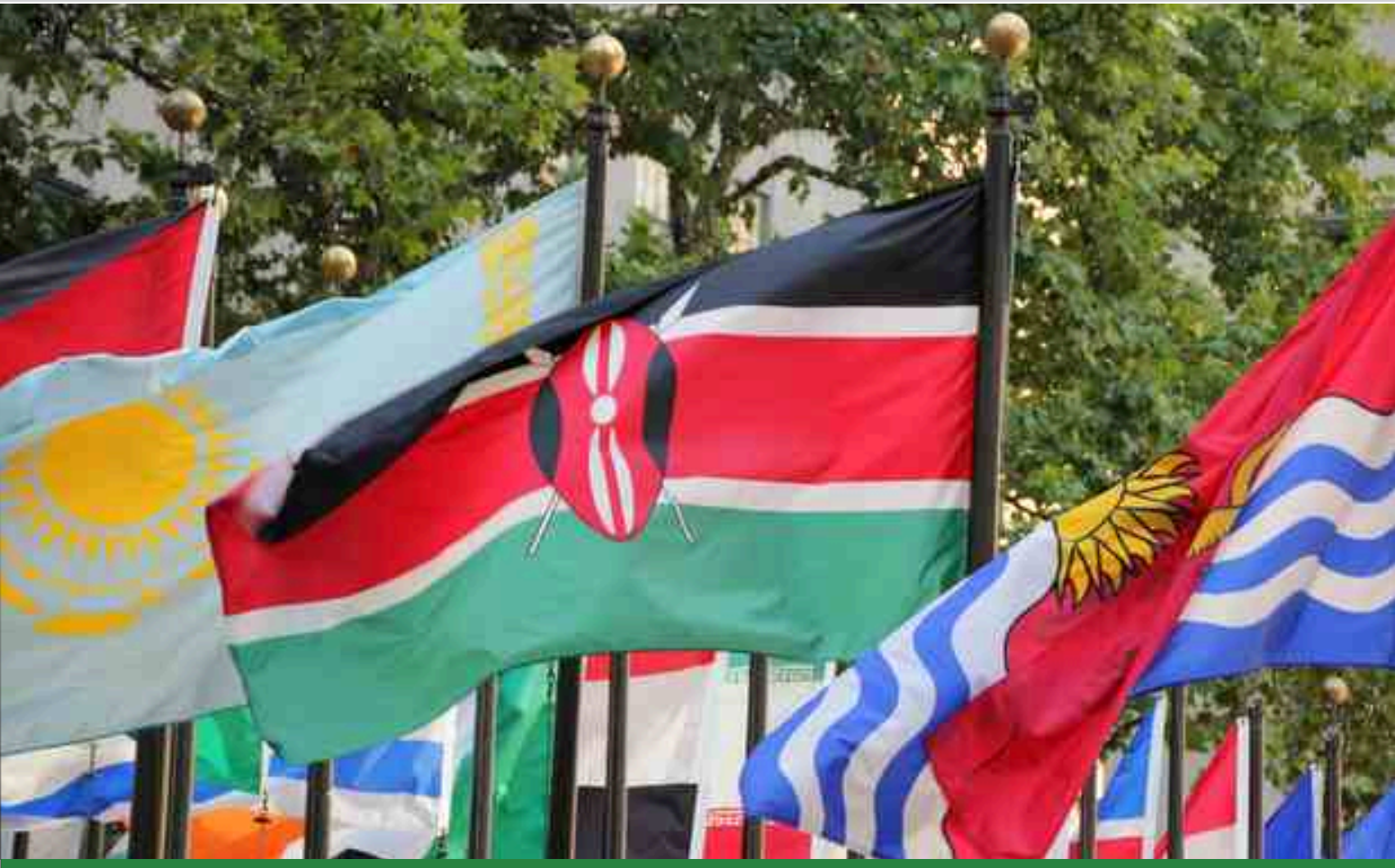


Foreign Policy & Regional Integration

Foreign Policy and Regional Integration

Kenya's significance in world affairs is demonstrated by the fact that it is considered an anchor State in the Eastern African region. It hosts the only United Nations headquarters in the Global South (United Nation Environmental Program and Habitat), serves as a hub for international organisations, and is a key player in peace and security initiatives in the region.

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



Kenya Kwanza Commitment

A creative and robust foreign policy whose pillars will be:

Economic and Commercial Diplomacy

This 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 organisations such as 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). The administration will also take advantage of Kenya's status as tech powerhouse to further drive economic interest of the country.

Anchor State

Kenya Kwanza will strengthen Kenya's role as an anchor State in regional, 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 neighbour.

Deploy robust, creative and engaging foreign policy to raise Kenya's profile as a regional anchor State and amplify our partnership with the rest of the world, including Africa, China, US, Europe, UK and India, among other partners.

Global citizenship

This entails supporting the work and decisions of international organisations that Kenya has joined or ratified. These include the African Union, the East African Community and the UN 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 welfare of Africans worldwide. We will not only deepen our bonds with our long-standing international and bilateral partners, but also extend our friendship to anyone with whom we share a mutually beneficial relationship.



Diaspora

The Kenya Kwanza Alliance is alive to the fact that there are about three million Kenyans living in various parts of the world and constitute Kenya's diaspora community. This population continues to form an integral part of the Kenyan economy and social fabric. Our government, therefore, intends to engage the Kenyan Diaspora in a more constructive and productive manner to unlock and unleash their full potential.

Kenya Kwanza Commitment

- Create a Ministry for Diaspora Affairs;
- Improve delivery of government services through decentralising services and functions of Kenyan missions abroad;
- Establish a diaspora forum which will review progress of national government services to the diaspora and make the necessary recommendations;
- Establish new and enhance trade and investment channels in order to promote further local investment by Kenyans living in the diaspora;
- Facilitate accreditation and endorsement of Kenya's qualifications and skills with those of foreign countries for easy access into higher education and foreign jobs by Kenyans living in the diaspora;
- Facilitate the portability of knowledge, skills, innovation and technical resources available in the diaspora for national development;
- Establish a social welfare system for Kenyans living in the diaspora, by exploring and implementing the portability of social protection;
- Engage our sportsmen and women and other eminent Kenyans to promote patriotism and social cohesion in Kenya and globally;
- Promote the Kenyan brand and appoint brand ambassadors who will market Kenyan services and products and equally increase the global market share of these services and products.




KAZI
NI KAZI
KENYA
KWANZA


KENYA
BOTTOM

