



**PUBLIC SECTOR
HEARINGS**

General Economic and Commercial Affairs (GECA) Sector

MEDIUM TERM EXPENDITURE FRAMEWORK FY2027/28 – FY2029/30

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SECTOR COMPOSITION

GECA Sector Comprises Eight(8) Sub-sectors

■ SUB-SECTORS

1. ASALs and Regional Development
2. Co-operatives
3. Trade
4. Industry
5. Micro, Small and Medium Enterprises (MSMEs) Development
6. Investment Promotion
7. Tourism
8. East African Community Affairs (EACA)



STRATEGIC DIRECTION OF THE SECTOR

Vision, mission and mandate

VISION

“A prosperous and globally competitive economy fostering innovation, sustainable growth, and inclusive social and economic development”.

MISSION

“To promote economic transformation through implementing integrated socio-economic policies and programmes for a rapidly industrializing economy.”

MANDATE — EXECUTIVE ORDER NO. 1 OF 2025

● ASALS

Coordinates and accelerates integrated development in the ASALs and Regional Development Authorities (RDAs).

● CO-OPERATIVES

Promotes growth and development of co-operatives through capacity building and provision of appropriate policy, legal and institutional framework.

● TRADE

Promotes and develops domestic and international trade as well as enforcing fair trade practices and consumer protection.

● INDUSTRY

Facilitates an accelerated growth of the industrial sector through provision of an enabling institutional policy and legal framework.

● MSMEs

Promotes and develops MSME Sector through development and promotion of progressive credit policies and practices.

● INVESTMENTS PROMOTION

Formulates and implements policies to promote, attract, develop and retain both domestic investments and foreign direct investment.

● TOURISM

Formulates policy and coordinate implementation of strategies aimed at developing sustainable tourism.

● EACA

Coordinates Kenya's participation in the EAC regional integration process and monitor and evaluate the implementation of the Northern Corridor Development.



STRATEGIC OBJECTIVES

Strategic Objectives for the eight Sub-Sectors

■ Overall Strategic Goal

To promote inclusive, competitive and sustainable economic transformation through enterprise development, industrialization, trade, investment, tourism, cooperative development, regional integration and balanced regional development.

01

To build resilience through integrated socio-economic interventions in ASALs and other regions.

02

To provide an enabling cooperative policy, legal and regulatory framework

03

To facilitate the growth of domestic and international trade, ensure fair trade practices and consumer protection.

04

To increase the manufacturing sector contribution to GDP and job creation, enhance the competitiveness and market access of the manufacturing sector output.

05

To promote market development, entrepreneurial skills, progressive credit policies and business innovation and incubation for MSME products and services.

06

To increase domestic and foreign investments, access to economic zones and industrial parks and access to information on investments.

07

To develop new customer experiences and niche tourism products

08

To deepen and widen EAC integration and enhance competitiveness of the Northern Corridor.



AUTONOMOUS AND SEMI-AUTONOMOUS GOVERNMENT AGENCIES

■ Autonomous Government Agencies(3)

1. Kenya Development Corporation (**KDC**)
2. Kenya Bureau of Standards (**KEBS**)
3. Kenya Industrial Property Institute (**KIPI**)

■ Semi-Autonomous Government Agencies(37)

● ASALS

1. Coast Development Authority (**CDA**)
2. Ewaso Ng'iro North River Basin Development Authority (**ENNDA**)
3. Ewaso Ng'iro South River Basin Development Authority (**ENSDA**)
4. Lake Basin Development Authority (**LBDA**)
5. Tana and Athi Rivers Development Authority (**TARDA**)
6. National Drought Management Authority (**NDMA**)
7. Kerio Valley Development Authority (**KVDA**)

● CO-OPERATIVES

1. New Kenya Co-operative Creameries (**New KCC**)
2. New Kenya Planters Co-operative union (**KPCU**)
3. SACCOs Society Regulatory Authority (**SASRA**)

● TRADE

1. Kenya Export Promotion and Branding Agency (**KEPROBA**)
2. Kenya National Trading Corporation (**KNTC**)
3. Kenya National Multi-Commodities Exchange Limited(**KOMEX**)
4. Kenya Trade Remedies Agency (**KETRA**)
5. Kenya Consumers Protection Advisory Committee (**KECOPAC**)
6. Ware house Receipt System Council (**WRSC**)



AUTONOMOUS AND SEMI-AUTONOMOUS GOVERNMENT AGENCIES

Semi-Autonomous Government Agencies(Cont.)

● INDUSTRY

1. Scrap Metal Council (**SMC**)
2. Kenya National Accreditation Services (**KENAS**)
3. Kenya Industrial Research and Development Institute (**KIRDI**)
4. Numerical Machining Complex (**NMC**)
5. Anti-Counterfeit Authority (**ACA**)
6. Kenya Leather Development Council (KLDC)

● MSME

1. Micro and Small Enterprises Authority (**MSEA**)
2. Kenya Industrial Estates (**KIE**)
3. Uwezo Fund
4. Financial Inclusion Fund -Hustler Fund (**FIF**)

● TOURISM

1. Tourism Research Institute (**TRI**)
2. Tourism Regulatory Authority (**TRA**)
3. Tourism Fund (**TF**)
4. Tourism Promotion Fund
5. Kenya Utalii College (**KUC**)
6. Kenya Tourism Board (**KTB**)
7. Kenyatta International Convention Centre (**KICC**)
8. Bomas of Kenya (BoK)
9. Kenya Safari Lodges and Hotels LTD (KSLH)

● INVESTMENT PROMOTION

1. Kenya Investment Authority (**KenInvest**)
2. Export Processing Zones Authority (**EPZA**)
3. Special Economic Zones Authority (**SEZA**)



KEY ACHIEVEMENTS

DELIVERED OVER FY 2023/24 – 2025/26

- 1 Completed the expansion and upgrading capacity at the Ewaso Ng'iro Leather and Tannery factory processing 269,796 square feet of finished leather and produced 993 pair of shoes.
- 2 Supported inclusive & balanced development through integrated regional development, value addition, food security, water development, drought management & climate resilience.
- 3 Conserved and rehabilitated 1,750 hectares of degraded catchment and riparian lands and put 1,702 hectares of land under irrigation.
- 4 Constructed 24 water pans, 2 small dams and drilled 30 boreholes benefitting over 10,000 traders, 7,000 livestock and 3,000 households.
- 5 Export Growth: Increased from KSh. 1,112.3 Billion in 2024 to KSh. 1,119.4 Billion in 2025.
- 6 Wholesale and Retail: Grew by 58% from KSh. 873.376 Billion in 2024 to KSh. 1,377.45 Billion in 2025.



KEY ACHIEVEMENTS CONT'

DELIVERED OVER FY 2023/24 – 2025/26

- 7 Implemented the Electronic Warehouse Receipt System to protect farmers from exploitation of middlemen and reduction of post-harvest losses.
- 8 SASRA-regulated SACCO membership reached 7.87 million and cooperative savings increased from Kshs.1,126 billion in FY 2023/24 to Kshs.1,324.9 billion in FY 2025/26.
- 9 National trademarks rose from 5,273 to 7,078, IPRs from 95 to 329 and industrial technologies developed and transferred from 124 to 150
- 10 NYOTA Project provided Kshs.5.34 billion in start-up grants to 124,522 youth.
- 11 Financial Inclusion Fund (Hustler Fund) reached 28,103,877 customers across all 47 counties, disbursing Kshs.90.39 billion in cumulative loans and mobilized over Kshs.5.8 billion in savings.
- 12 Created over 39,008 jobs, gazetted 17 SEZs and 23 EPZs, licensed 145 enterprises (SEZA-69, EPZA-76), attracted Kshs.1,529 billion in DDI & USD 3.2 billion in FDI, and recorded Kshs.383.65 billion in EPZ exports.



KEY ACHIEVEMENTS CONT'

DELIVERED OVER FY 2023/24 – 2025/26

- 13 Attracted Kshs. 3,798 billion in domestic investment and USD 1.503 billion in foreign direct investment.
- 14 Launched Kenya-EU EPA 10-year Implementation Strategy; Kenya-UAE CEPA was signed
Kenya-China Early Harvest Arrangement that grants zero-tariff market access for 98.2% of Kenyan goods entering the Chinese market, was signed.
- 15 International arrivals increased from 2.128 million to 2.79 million and tourism earnings from Kshs.384.35 billion to Kshs.564 billion between FY 2023/24 and FY 2025/26.
- 16 Meetings, Incentives, Conferences, and Events (MICE) - number of local and international delegates increased from 638,478 to 736,874.
- 17 Local conferences hosted increased from 10,558 to 12,224 respectively from the FY 2022/23 to FY 2024/25.
- 18 Capacity building of over 2,000 youth, women and PWDs on EAC Simplified Trade Regime.



KEY ACHIEVEMENTS CONT'

DELIVERED OVER FY 2023/24 – 2025/26

- 19 Conducted over 15 bilateral negotiations with the EAC Partner States to enhance trade facilitation for Kenya goods and services, and free movement of people.
- 20 Advanced regional integration through development of key regional policies and frameworks, hosting the 25th EAC MSMEs Trade Fair, & conducting two (2) Simplified Trade Regime forums.
- 21 Operationalized gums and resins factory producing 1,030kg of essential oil, processed 2,047 MT of milled rice and 132 MT of mango juice
- 22 1,958 products, against a target of 800 in FY 2025/2026 were branded with Made in Kenya mark to communicate originality and position Kenya as a source of high quality products
- 23 KIE extended KSh. 4.92 billion in industrial credit to SMEs
- 24 UWEZO disbursed KSh. 1.212 billion to 11,364 groups



CAPITAL PROJECTS

DELIVERED OVER FY 2023/24 – 2025/26

- ❑ The Sector is implementing **140** Capital projects which are at different levels of implementation.
- ❑ Notably 18 have been completed successfully. These include:
 - ✓ Humanitarian Assistance for Addressing the Impact of Drought;
 - ✓ Wei Wei Phase 3 Irrigation;
 - ✓ Drought Mitigation-Turkana, W.Pokot, Samburu, E.Marakwet &Baringo;
 - ✓ Cherengany Watershed Conservation Programme;
 - ✓ Small Holder Irrigation Scheme; Napuu and Kampsiwet;
 - ✓ Lotongot Dam and Lomut Irrigation Scheme;
 - ✓ Dams for Domestic Water Supply Emsoo - Keiyo North);
 - ✓ Kenya Youth Employment and Opportunities Project (KYEOP)
 - ✓ Kenya Industry and Entrepreneurship Project (KIEP)



REVIEW OF PROGRAMME PERFORMANCE

FINANCIAL YEARS 2023/24 – 2025/26

KSh 214.51B

TOTAL ALLOCATION

KSh 181.68B

ACTUAL EXPENDITURE

84.7%

OVERALL ABSORPTION

● Development Absorption — 70.6%

Reflects implementation constraints, procurement delays and budget rationalizations in major capital infrastructure projects over the period.

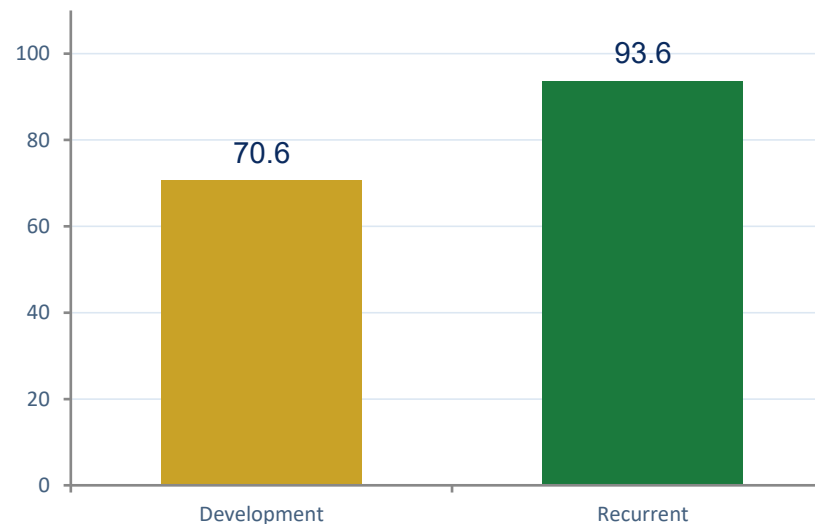
● Recurrent Absorption — 93.6%

Reflects consistent utilization of recurrent budget lines across the sector during the period.

FY 2025/26 Expenditure Snapshot

Total expenditure stood at KSh 66,742.41 Million against a KSh 74,942.45 Million approved budget. Recurrent expenditure reached KSh 38,327.74 Million and development KSh 28,414.67 Million — **90.62%** and **87.02%** respectively.

Absorption Rate by Vote (%)





DELIVERED OVER FY 2023/24 – 2025/26

Analysis of Recurrent Approved Budget Vs Actual Expenditure (Amount in Kshs. Millions) for FYs 2023/24 – 2025/26



Analysis of Recurrent Approved Budget Vs Actual Expenditure (Amount in Kshs. Million) for FY 2023/24 – FY 2025/26

DELIVERED OVER FY 2023/24 – 2025/26

Economic Classification	Approved Budget Allocation			Actual Expenditure		
	2023/24	2024/25	2025/26	2023/24	2024/25	2025/26
Gross	46,034.47	43,328.01	42,292.82	43,502.83	41,337.21	38,327.74
AIA	16,229.30	18,761.89	17,456.30	15,625.79	17,285.78	13,818.50
NET	29,805.17	24,566.12	24,836.52	27,877.04	24,051.42	24,509.23
Compensation to Employees	2,331.05	2,450.34	2,856.34	2,175.45	2,362.67	2,669.41
Transfers	38,759.68	36,805.03	35,399.95	37,346.86	35,240.53	31,822.58
Other Recurrent	4,943.74	4,072.64	4,036.53	3,980.52	3,734.00	3,835.74



Analysis of Recurrent Approved Budget Vs Actual Expenditure by Sub-sector

DELIVERED OVER FY 2023/24 – 2025/26

Vote and Vote Details	Approved Budget Allocation			Actual Expenditure			
	2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	2025/26 Absorption Rate(%)
Vote 1036 State Department for ASALS and Regional Development	19,845.64	11,202.70	9,622.66	19,321.02	10,857.19	9,498.95	98.7%
Vote 1173: State Department for Cooperatives	1,883.05	5,324.53	5,944.11	1,730.98	5,339.36	5,883.41	99.0%
VOTE 1174: State Department for Trade	3,502.79	5,292.32	5,083.02	3,183.05	5,138.79	4,238.50	83.4%
VOTE 1174: State Department for Industry	3,279.61	3,167.42	4,734.24	3,127.79	3,137.09	4,084.47	86.3%
Vote 1176: State Department for Micro, Small and Medium Enterprises (MSME) Development	2,103.98	2,046.02	2,257.00	1,466.30	1,803.23	2,209.50	97.9%
Vote 1177: State Department for Investment Promotion	1,678.92	1,862.93	1,612.11	1,342.66	1,827.31	1,804.31	111.9%
Vote 1202: State Department for Tourism	12,757.77	13,588.38	11,758.45	12,365.32	12,411.96	9,349.66	79.5%
Vote 1221: State Department for East African Community (EAC)	982.71	843.71	1,281.23	965.71	822.28	1,258.93	98.3%
TOTAL (Kshs.. millions)	46,034.47	43,328.01	42,292.82	43,502.83	41,337.21	38,327.73	90.6%

N/B: Vote 1173: The over expenditure by SD Cooperatives in FY2024/25 is due to over collection of AIA by the New KPCU

Vote 1177: The over expenditure by SD Investment Promotion in FY2024/25 is due to over collection of AIA by SEZA while in FY2025/26 the over collection is by both SEZA and Ken Invest



DELIVERED OVER FY 2023/24 – 2025/26

Analysis of Development Approved Budget Vs Actual Expenditure (Amount in Kshs. Million) for FYs 2023/24 – 2025/26



Analysis of Development Approved Budget Vs Actual Expenditure (Amount in Kshs. Million) for FY 2023/24 – FY 2025/26

DELIVERED OVER FY 2023/24 – 2025/26

Description	Approved Budget Allocation			Actual Expenditure		
	2023/24	2024/25	2025/26	2023/24	2024/25	2025/26
Gross	32,631.37	17,571.51	32,649.63	13,885.82	16,208.95	28,414.67
GOK	26,676.37	12,617.99	15,504.85	9,511.91	12,595.39	15,310.84
Loans	3,956.00	3,303.58	11,007.25	3,200.52	2,968.87	10,385.41
Grants	1,724.00	779.94	927.53	1,098.81	546.89	678.47
Local AIA	275.00	870.00	5,210.00	74.58	97.80	2,039.96



Analysis of Development Approved Budget Vs Actual Expenditure by Sub-sector

DELIVERED OVER FY 2023/24 – 2025/26

Description	Approved Budget Allocation			Actual Expenditure			
	2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	2025/26 Absorption Rate(%)
Vote 1036 State Department For ASALs And Regional Development	9,599.98	3,651.86	4,975.69	6,404.48	3,336.57	4,676.76	94.0%
Vote 1173: State Department For Cooperatives	5,649.85	3,014.00	3,371.38	2,082.88	2,998.00	3,349.22	99.3%
Vote 1174: State Department for Trade	50.00	290.00	299.85	50.00	290.00	299.85	100.0%
Vote 1175: State Department for Industry	5,743.19	4,424.57	5,690.08	2,284.99	4,348.27	5,690.08	100.0%
Vote 1176: State Department For Micro, Small And Medium Enterprises (MSME) Development	5,929.20	4,376.50	9,841.60	1,720.47	4,296.50	9,313.86	94.6%
Vote 1177: State Department for Investments Promotion	5,517.00	944.58	3,261.03	1,256.00	841.81	3,044.94	93.4%
Vote 1202: State Department for Tourism	142.15	870.00	5,210.00	87.00	97.80	2,039.96	39.2%
TOTAL (Kshs.. millions)	32,631.37	17,571.51	32,649.63	13,885.82	16,208.95	28,414.67	87.0%



DELIVERED OVER FY 2027/28 – 2029/30

FY2027/28 – FY 2029/30

Sector's Programmes and their objectives



FY2027/28 – FY 2029/30 Sector Programmes (16) and their Objectives

No	Programme	Objective	Strategic Contribution
1.	Accelerated ASALs Development	To ensure accelerated and sustained socio-economic development in the ASALs, build community resilience and end drought emergencies in Kenya.	Building resilience, transformation of livelihoods and promotion of peaceful co-existence of communities in the ASALs
2.	Integrated Regional Development	To promote equitable and sustainable basin-based development and land utilization	Promoting integrated development and sustainable utilization of natural resources in the Basin Based Regions
3.	Co-operative Development and Management	To promote growth and development of co-operatives through capacity building and provision of appropriate policy, legal and institutional framework.	Improving long-term sustainability of cooperatives as vehicles for economic development.
4.	Domestic Trade Promotion and Regulation	To facilitate the growth of domestic trade	Strengthening local economies, creating sustainable jobs, and reducing reliance on foreign markets



FY2027/28 – FY 2029/30 Sector Programmes (16) and their Objectives

No	Programme	Objective	Strategic Contribution
5.	Fair Trade Practices and Compliance with Standards	To ensure fair trade practices and consumer protection	Enhancing fair practices and consumer protection
6.	International Trade Development and Promotion	To promote export trade and brand reputation	Driving economic growth, boosts international competitiveness, and builds global trust
7.	Industrial Promotion and Development	To promote and facilitate industrial development through value addition, industrial infrastructure, industrial training and technology upgrading.	Driving economic growth and job creation by enhancing industrial productivity, value addition, skills development, and technology adoption.
8.	Standards and Quality Infrastructure and Research	To provide standards, quality infrastructure and industrial research for improved industrial performance.	Enhancing industrial competitiveness by strengthening standards, quality infrastructure, and research to improve product quality, innovation, and industrial performance.



FY2027/28 – FY 2029/30 Sector Programmes and their Objectives Cont.

No	Programme	Objective	Strategic Contribution
9.	Promotion and Development of MSMEs	To create a conducive environment for growth and sustainability of MSMEs sector	Contributing to inclusive economic growth, employment, creation, enterprise development and poverty reduction by creating an enabling environment for MSMEs to start and grow
10.	Product and Market Development for MSMEs	To promote standardization and enhance quality of MSMEs products and service	Fostering competitiveness and market access for MSMEs
11.	Digitization and Financial Inclusion for MSMEs	To Increase Wealth Creation through MSMEs Sector	Promoting inclusive wealth creation by expanding MSMEs' access to finance, digital technologies thereby enhancing productivity, enterprise growth & resilience and investment.
12.	Investments Development and Promotion	To increase private investments both domestic and foreign	Improving investment climate, increase private investments and create employment opportunities.
13.	Tourism Promotion and Marketing	To increase tourist arrivals and earnings by marketing Kenya as a tourist destination.	Increasing visibility of Kenya as a preferred tourist destination.



FY2027/28 – FY 2029/30 Sector Programmes and their Objectives Cont.

No.	Programme	Objective	Strategic Contribution
14.	Tourism Product Development and Diversification	To improve destination competitiveness	Enhancing development and diversification of tourism niche products, strengthen regulatory framework, capacity building, strengthen tourism intelligence and automation for improved visitor experience, increased length of stay, average spend and position Kenya as a competitive and sustainable destination.
15.	East African Affairs and Regional Integration	To coordinate Kenya's participation in the EAC Regional integration process and monitor and evaluate implementation of northern corridor development	Increasing the share of Kenyan goods and services in the EAC markets and other markets where EAC is a signatory; and strengthen the coordination and participation in the formulation and implementation of EAC and NCIP policies, decisions and Directives
16.	General Administration, Support Services and Planning	To strengthen institutional capacity for service delivery	Enhancing institutional capacity, governance, planning and resource management to ensure equitable, efficient and accountable service delivery



Sector's Key Priorities for the MTEF Period FY 2027/28 – FY 2029/30



MEDIUM-TERM PRIORITIES

MTEF PERIOD FROM FY 2027/28

● Sector's Key Priorities for the MTEF Period FY 2027/28 – FY 2029/30

■ STRATEGIC CONTRIBUTION

- ✓ Priority interventions will focus on strengthening BETA priority value chains;
- ✓ Job and wealth creation interventions;
- ✓ Accelerating industrialization and manufacturing through value addition, processing and innovation;
- ✓ Enhancing MSME competitiveness and formalization;
- ✓ Expanding Co-operative development and governance reforms;
- ✓ Promoting sustainable and inclusive investments in priority value chains;



MEDIUM-TERM PRIORITIES CONT.

MTEF PERIOD FROM FY 2027/28

● Sector's Key Priorities for the MTEF Period FY 2027/28 – FY 2029/30

■ STRATEGIC CONTRIBUTION

- ✓ Deepening regional integration through the EAC and continental trade frameworks;
- ✓ Diversifying tourism products and embracing digital transformation in marketing and service delivery;
- ✓ Developing and implementing policies that promote domestic and international trade as well as enforcing fair trade practices and consumer protection; and
- ✓ Strengthening resilience and adaptive capacity in ASAL and regional development programmes.

**Analysis of Sector Recurrent Resource Requirement Vs Allocation
for MTEF Period FY 2027/28 – FY 2029/30 (Kshs. Million)**

Description	FY 2026/27 Estimates	Requirement			Allocation		
		2027/28	2028/29	2029/30	2027/28	2028/29	2029/30
Gross	39,908.73	71,071.89	71,731.03	74,287.68	38,594.20	42,926.87	44,088.26
AIA	17,898.33	19,233.56	19,763.61	20,131.01	18,900.80	19,312.37	19,495.36
NET	22,010.40	51,838.33	51,967.42	54,156.66	19,693.40	23,614.50	24,592.90
Compensation to Employees	3,041.98	3,882.16	3,963.08	4,061.94	3,127.90	3,225.30	3,325.80
Grants and Transfers	32,439.94	53,242.25	53,258.02	54,982.72	31,782.40	35,833.47	36,700.96
Other Recurrent	4,426.80	13,947.48	14,509.93	15,243.02	3,683.90	3,868.10	4,061.50



Analysis of Sub Sectors Recurrent Resource Requirement vs Allocation for MTEF Period FY 2027/28 –FY 2029/30 (Kshs. Million)

Vote and Vote details	FY 2026/27 Estimates	Requirement			Allocation		
		2027/28	2028/29	2029/30	2027/28	2028/29	2029/30
1036 : State Department for the ASALS and Regional Development	7,486.86	14,839.15	14,933.54	15,148.40	7,542.80	9,564.48	9,842.27
1173 : State Department for Cooperatives	5,731.28	8,554.28	6,586.66	6,315.56	4,801.68	5,894.50	5,982.34
1174: State Department for Trade	4,795.65	11,601.51	11,798.14	12,836.03	4,842.42	5,326.61	5,500.52
1175: State Department for Industry	5,107.91	7,628.28	8,240.23	8,804.17	4,974.21	5,347.69	5,665.26
1176: State Department of Micro Small and Medium Enterprises Development	2,338.69	4,017.73	4,092.24	4,168.39	2,315.86	2,495.01	2,644.25
1177: State Department for Investments Promotion	1,701.22	4,300.75	4,677.65	5,013.51	1,573.04	1,670.68	1,752.60
1202: State Department for Tourism	11,937.70	17,907.29	19,125.81	19,656.07	11,738.01	11,781.41	11,818.81
1221 State Department for EAC	809.42	2,222.90	2,276.77	2,345.55	806.18	846.50	882.21



Analysis of Sector Development Resource Requirement Vs Allocation for MTEF Period FY 2027/28 – FY 2029/30 (Kshs. Million)

Description	2026/27 Estimates	Requirement			Allocation		
		2027/28	2028/29	2029/30	2027/28	2028/29	2029/30
Gross	21,311.47	95,450.73	65,207.72	47,197.51	23,692.40	25,448.09	23,577.91
GoK	8,644.93	65,986.70	49,763.12	32,850.78	9,455.80	11,211.49	9,341.31
Loans	4,905.54	21,777.26	7,831.00	6,733.13	6,623.00	6,623.00	6,623.00
Grants	1,520.00	1,672.60	1,672.60	1,672.60	1,672.60	1,672.60	1,672.60
Local AIA	6,241.00	6,014.17	5,941.00	5,941.00	5,941.00	5,941.00	5,941.00



Analysis of Sector Development Resource Requirement Vs Allocation for MTEF Period FY 2027/28 – FY 2029/30 (Kshs. Million)

Vote and vote details	2026/27 Estimates	Requirement			Allocation		
		2027/28	2028/29	2029/30	2027/28	2028/29	2029/30
1036 : State Department for the ASALS and Regional Development	3,947.04	10,143.34	12,803.70	11,303.37	4,477.89	4,854.12	4,453.38
1173: State Department for Cooperatives	551.76	6,217.00	1,230.00	855.00	551.71	654.15	545.04
1174: State Department for Trade	416.28	2,309.16	2,133.77	1,593.30	416.28	493.57	411.24
1175: State Department for Industry	3,577.55	19,347.30	5,653.37	4,146.02	3,677.52	4,341.77	3,634.24
1176: State Department of Micro Small and Medium Enterprises Development	3,394.82	19,512.65	10,280.00	9,251.90	4,246.00	4,417.56	5,542.69
1177: State Department for Investment Promotion	3,406.02	26,280.14	21,306.88	8,852.93	4,302.00	4,651.07	2,971.29
1202 State Department for Tourism	6,018.00	11,641.14	11,800.00	11,195.00	6,021.00	6,035.85	6,020.03
1221 State Department For EAC	-	-	-	-	-	-	-



SECTOR EMERGING ISSUES

- During the period under review the Sector was exposed to external pressures arising from:
- ✓ Geopolitical tensions;
 - ✓ Changing global trade policies;
 - ✓ Non-tariff barriers;
 - ✓ Climate change;
 - ✓ Inflation; and
 - ✓ Technological disruption.



SECTOR CHALLENGES AND RECOMMENDATIONS

Challenges	Recommendations
➤ Inadequate and Unpredictable Financing	➤ Enhance budgetary allocation, financial planning, and budget execution;
➤ Regulatory and Legal Gaps	➤ Fast-track the review, enactment, and operationalization of critical pending legal instruments, to address the gaps within the sector;
➤ High Cost of Doing Business	➤ Improve the business environment and investment climate;
➤ Limited Access to Affordable Finance	➤ Recapitalize and expand the credit guarantee scheme, re-engineer affirmative action funds, and leverage digital tools (such as the National Credit Score) to expand affordable long-term financing for MSMEs;
➤ Low Enterprise Graduation and High Informality	
➤ Market Access and Global Trade Uncertainties	➤ Expand market access by strengthening competitiveness, compliance, and regional integration; ➤ Strengthen regional integration, trade facilitation, and market expansion;
➤ Technology, Digitalization, Artificial Intelligence and Cybersecurity	➤ Accelerate the adoption of technology, digitization and artificial intelligence;



SECTOR CHALLENGES AND RECOMMENDATIONS CONT'

Challenges	Recommendations
➤ Insecurity and Resource-Based Conflicts	➤ Integrate peacebuilding and conflict management within the sector to support peaceful coexistence and social inclusion;
➤ Climate Change and Environmental Risks	➤ Integrate climate resilience by prioritizing investments in climate-smart production; ➤ Mobilize affordable green finance, and affordable compliance and traceability systems to minimize climate risk and access premium markets;
➤ Inadequate Data and Information Systems	➤ Strengthening evidence, coordination, and accountability through integrated data systems;
➤ Land, Infrastructure and Project Implementation Constraints	➤ Support Land acquisition and infrastructure development;



CONCLUSIONS

THE WAY FORWARD

- ❑ GECA Sector remains a critical driver of Kenya's economic transformation;
- ❑ Prioritize completion and operationalization of ongoing projects;
- ❑ Fast-track policy and institutional reforms;
- ❑ Strategic public-private partnerships and alternative financing mechanisms;
- ❑ Accelerate digitalization;
- ❑ Enhanced collaboration with the private sector, development partners and
- ❑ Continue strengthening coordination across government and with external stakeholders.



GENERAL ECONOMIC AND COMMERCIAL AFFAIRS (GECA) SECTOR

REPUBLIC OF KENYA

Thank you so much! Asante sana!