ENERGY, INFRASTRUCTURE AND ICT SECTOR REPORT FOR MTEF BUDGET FY2025/26 – 2027/28

PRESENTATION

BY

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SECTOR CHAIRPERSON

Outline

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ii. Key Achievements during FYs 2021/22-2023/24

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I. Introduction~ Vision and Mission

Sector Vision Statement

A world-class provider of cost-effective public utilities, infrastructure facilities and services in Energy, Transport, ICT, Maritime industry and built environment.

Sector Mission Statement

To provide efficient, affordable and reliable infrastructure and services for sustainable economic growth and development.

I. Intro' ~ Strategic Goals

i. Sustainable infrastructure development;

ii. Universal access to ICT, Transport and built environment services;

iii. Enhanced shipping and maritime industry for socio economic development;

iv. Accessible, affordable, reliable, quality and competitive energy and petroleum products and services.

I. Intro'- Strategic Objectives

i. Formulate, review and coordinate implementation of policies, legal and institutional framework;

ii. Improve infrastructure quality, safety, and security

iii. Expand, modernize and maintain an integrated, safe and efficient transport system;

iv. Promote shipping and maritime affairs;

v. Develop and manage decent and affordable housing;

vi. Promote sustainable urban development and management;

vii. Develop and maintain cost effective public buildings and other public works;

viii. Regulate the construction industry;

I. Intro'- Strategic Objectives Cont'd

ix. Undertake research and innovation in infrastructure development;

x. Develop ICT infrastructure and enhance services;

xi. Manage data protection complaints;

xii. Develop Broadcasting infrastructure and enhance services

xiii. Provide strategic communication services and systems;

xiv. Expand energy infrastructure and services;

xv. Increase energy generation capacity;

xvi. Enhance self-sufficiency and security of supply of petroleum products

I. Intro' – Sector Composition

Energy, Infrastructure and ICT Sector comprises:

a. 9 Sub-Sectors,

b. 12 Autonomous Government Agencies (AGAs) and

c. 35 Semi Autonomous Government Agencies (SAGAs).

Table 1 below presents Sector composition.

I. Intro'- Sector Composition cont'd..

Table 1: Sub-Sectors, AGAs and SAGAs

#	Sub-Sector	Number of AGAs	Number of SAGAs
1	State Department for Roads	1	5
2	State Department for Transport	5	3
3	State Department for Shipping and Maritime Affairs	1	2
4	State Department for Housing and Urban Development	1	4
5	State Department for Public Works	-	2
6	State Department for ICT and Digital Economy	-	4
7	State Department for Broadcasting and Telecommunications	2	7
8	State Department for Energy	1	6
9	State Department for Petroleum	1	2

II. Key Achievements during FYs 2021/22~23/24

1. **Roads Subsector**

i. Constructed 2,766 Km of roads.

ii. Rehabilitated 280 Km of roads.

iii. Maintained 10,320 Km of roads under Performance Based Contracts.

iv. Maintained 117,294 Km of roads under routine maintenance.

v. Maintained 2,389 Km of roads under periodic maintenance.

vi. Constructed 77 bridges.

2. **Transport Subsector**

i. Constructed 23.5Km and rehabilitated 793.74Km of railway lines.

ii. Acquired rolling stock including 300 SGR wagons, 200 MGR wagons, 20 SGR Coaches, and 16 MGR locomotives.

iii. Acquired a wagon ferry dubbed MV Uhuru II.

iv. Completed construction of Kipevu Oil Terminal and expanded landing ramps.

v. Refurbished Terminals 1B and C at JKIA, and rehabilitated 15 aerodromes.

vi. Surveyed and beaconed 249Km of land along LAPSSET corridor.

3. **Shipping and Maritime Subsector**

i. Inspected Ships docking at Port of Mombasa and 1,700 small boats and vessels to improve maritime safety and security.

ii. Trained 10,549 youths in various maritime courses.

iii. Recruited 3,872 seafarers to serve on international vessels.

iv. Signed four (4) Memoranda of Understanding (MoUs) with Seychelles, Angola, Egypt, and South Korea to enhance maritime relations and recruitment of Kenyan seafarers.

v. Developed the National Maritime Transport Policy and Maritime Education and Training Policy.

4. **Housing and Urban Development Subsector**

i. Completed construction of 1,067 housing units.

ii. Continued construction of 33,081 housing units to an average completion level of 25.7%.

iii. Established 13 Constituency Appropriate Building and Construction Technology centers and trained 4,110 trainees towards promotion of low cost building materials technologies.

iv. Completed construction of 17 markets and continued construction of 6 markets at an average of 82% completion level.

v. Improve urban infrastructure at 59 municipalities in 45 Counties under Kenya Urban Support Program.

vi. Issued 1,020 title deeds in informal settlements in Nakuru and Kilifi to regularize land tenure under Kenya Informal Settlement Improvement Project.

5. **Public Works Subsector**

i.   Completed construction of 6 District Headquarters (Nyamira North, Muranga west, Nyandarua West, Mandera West, Mbeere South and Kenyenya).

ii. Completed construction of Mtangawanda Jetty and of New Mokowe Jetty.

iii. Completed construction of 28 footbridges country wide to ensure safe crossing of rivers and movement in difficult terrain.

iv. Designed, documented and supervised 281 new government building projects and 302 buildings for rehabilitation and maintenance.

v.   Inspected and audited 5,040 buildings and structures for safety.

vi. Registered 32,336 contractors and accredited 69,207 skilled construction workers for quality assurance.

6. ICT and Digital Economy Subsector

i. Laid 13,129 Km of fiber network.

ii. 7,066 public institutions including hospital provided with internet connectivity.

iii. Installed 1,491 public Wi-Fi hotspots across the country.

iv. 1,200 ICT interns recruited and trained under the Presidential Digital Talent Programme (PDTP).

v. 17,668 government services on-boarded to the eCitizen portal.

vi. Completed construction and equipping of Konza National Data Centre.

vii. Construction of Kenya Advanced Institute of Science and Technology progressed to 73% completion level

7. **Broadcasting and Telecommunications Subsector**

i. Produced, printed and disseminated the Kenya Yearbook publications, Agenda Kenya publications, Cabinet Series publications.

ii. Big Four Agenda publications; Standardized and published public sector advertisements in the weekly MyGov publications.

iii. Established two (2) additional Studio Mashinani to create employment opportunities for the youth.

iv. Accredited a total of 27,552 journalists and media practitioners.

v. Trained 2,385 Media Practitioners in information and cinematic arts at Kenya Institute of Mass Communication.

vi. Increased the National Digital TV coverage from 86% to 98%.

8. Energy Subsector

i. Installed additional 193MW of electricity thus increasing total installed capacity from 3,051MW in June 2022 to 3,244MW in June 2023.

ii. Constructed 675 Km transmission lines and built 4 high voltage substations.

iii. Installed 1,266.7 Km medium voltage distribution lines and constructed 30 distribution substations.

iv. Connected 1,681,404 customers to electricity including 1,702 public facilities. Cumulatively 9.2 million customers have been connected to electricity.

v. Installed 54,577 street lighting points to enhance security and promote a 24-hour economy.

9.   Petroleum Subsector

i.   Reviewed South-Lokichar Field Development Plan to facilitate development of the oil fields.

ii. Acquired Geoscientific Data in Petroleum Blocks L16, L17 and L18 in Kilifi, Mombasa and Kwale Counties covering 3,465 Sq. Km.

iii. Developed and gazetted Petroleum (Importation) Regulations, 2023 and Petroleum (Pricing) Regulations, 2022 of the Petroleum Act, 2019.

iv. Demarcated land for development of oil fields in South-Lokichar, and registered 23 of the 63 communities and their Community Land Management Committees in Turkana County.

v.   Imported and distributed 20.072 million Metric Tonnes of petroleum products.

vi. Tested 68,619 samples of petroleum products to mitigate against adulteration and diversion of petroleum products meant for export.

Capital Projects implemented in FYs 2021/22~2023/24

- Energy, Infrastructure and ICT Sector implemented Projects that are at various levels completion.

- A detailed analysis of the Projects is presented in Table 2.7 of the Sector Report.

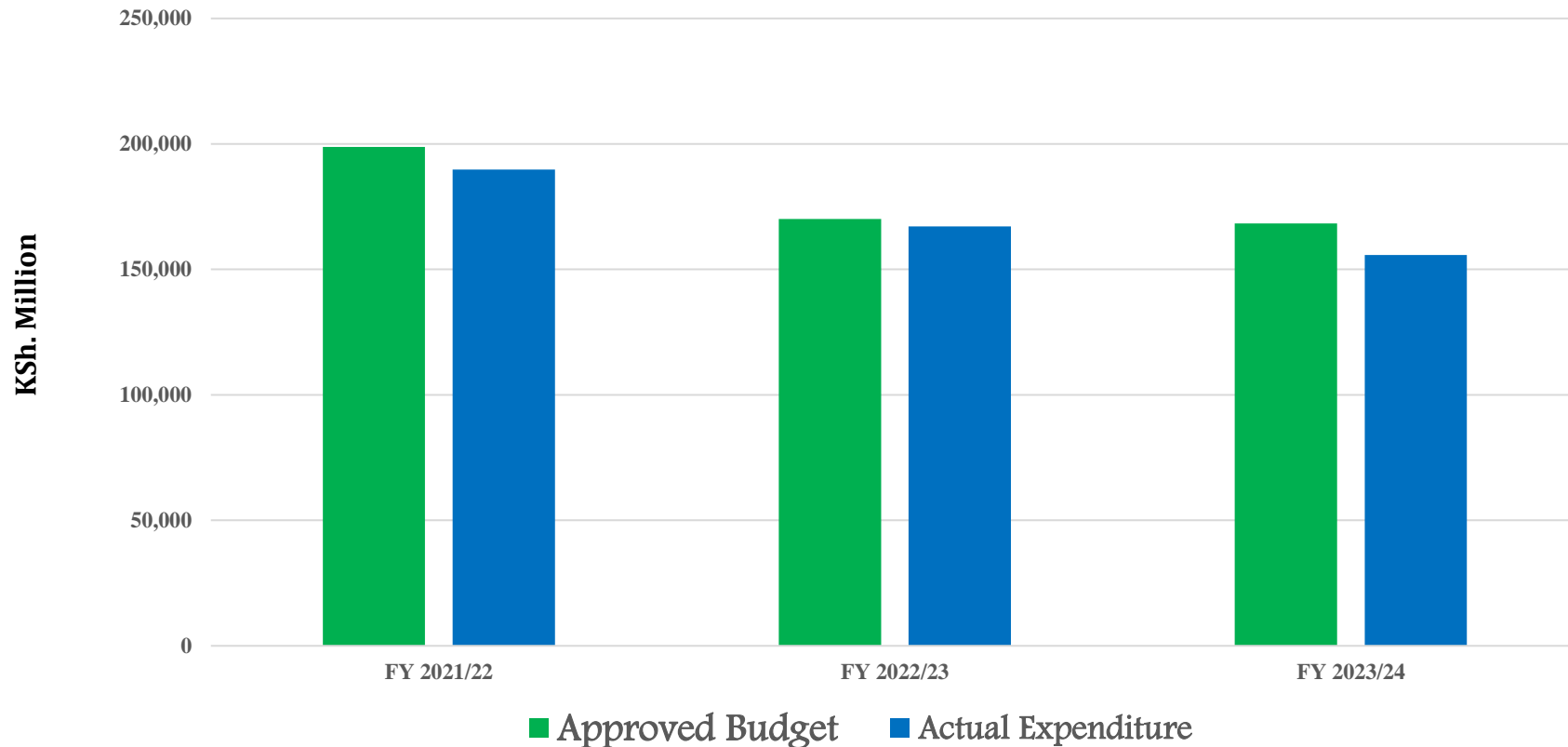# III. Analysis of Expenditure Trends for FYs 2021/22~ 2023/24

Overall Expenditure Trend (Kshs Million)
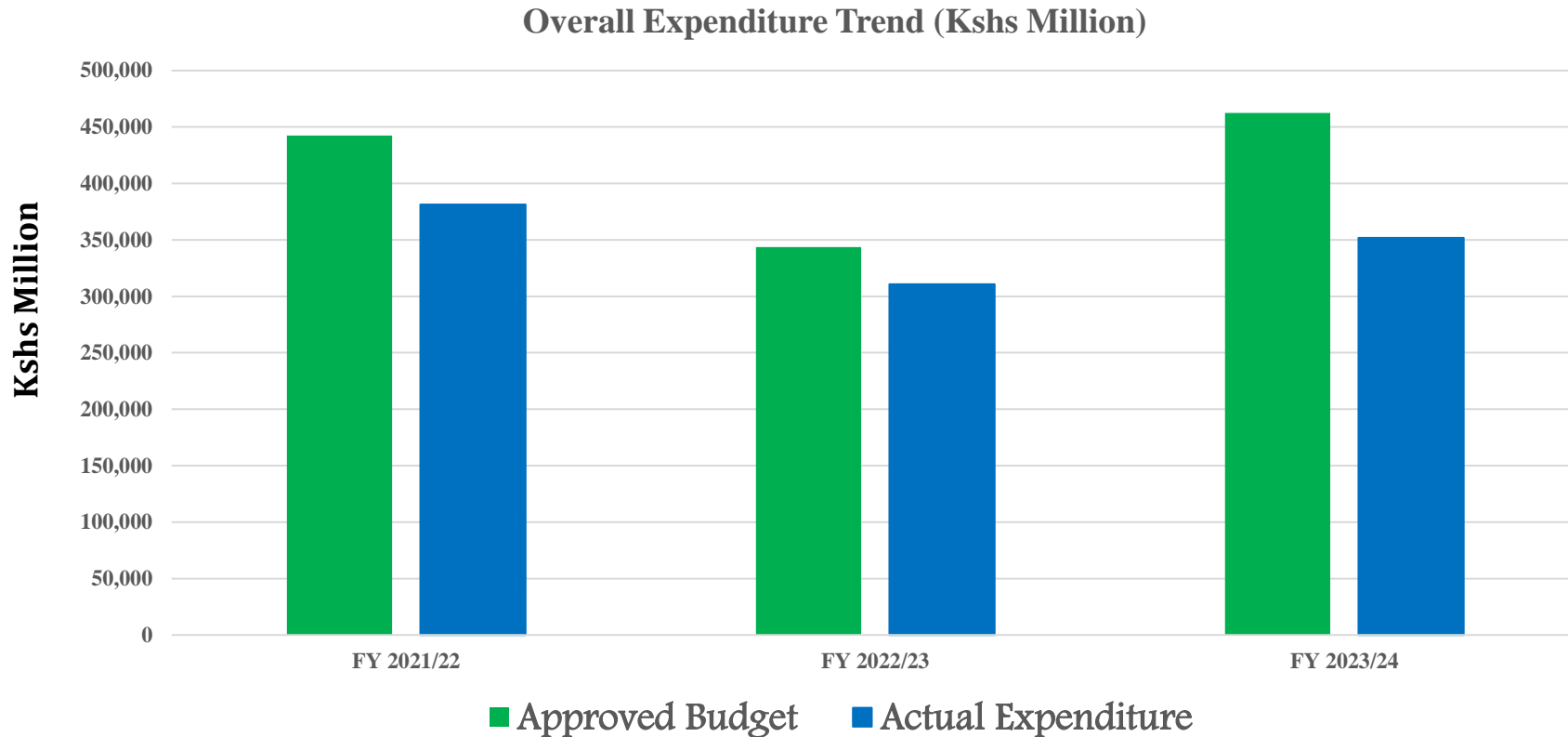
The Sector utilized KSh. 1.04 trillion against an Approved Budget of KSh. 1.25 trillion over the medium term, translating to an average absorption rate of 83%.

Actual Recurrent expenditure was KSh. 512.66 billion against an Approved Budget of KSh. 537.27 billion over the medium term, translating to an average absorption rate of 95%.

III. Development Expenditure Trends for FYs 2021/22- 2023/24

Actual Development expenditure was KSh. 531.35 billion against an Approved Budget of KSh. 711.39 billion over the medium term translating to an average absorption rate of 75%.
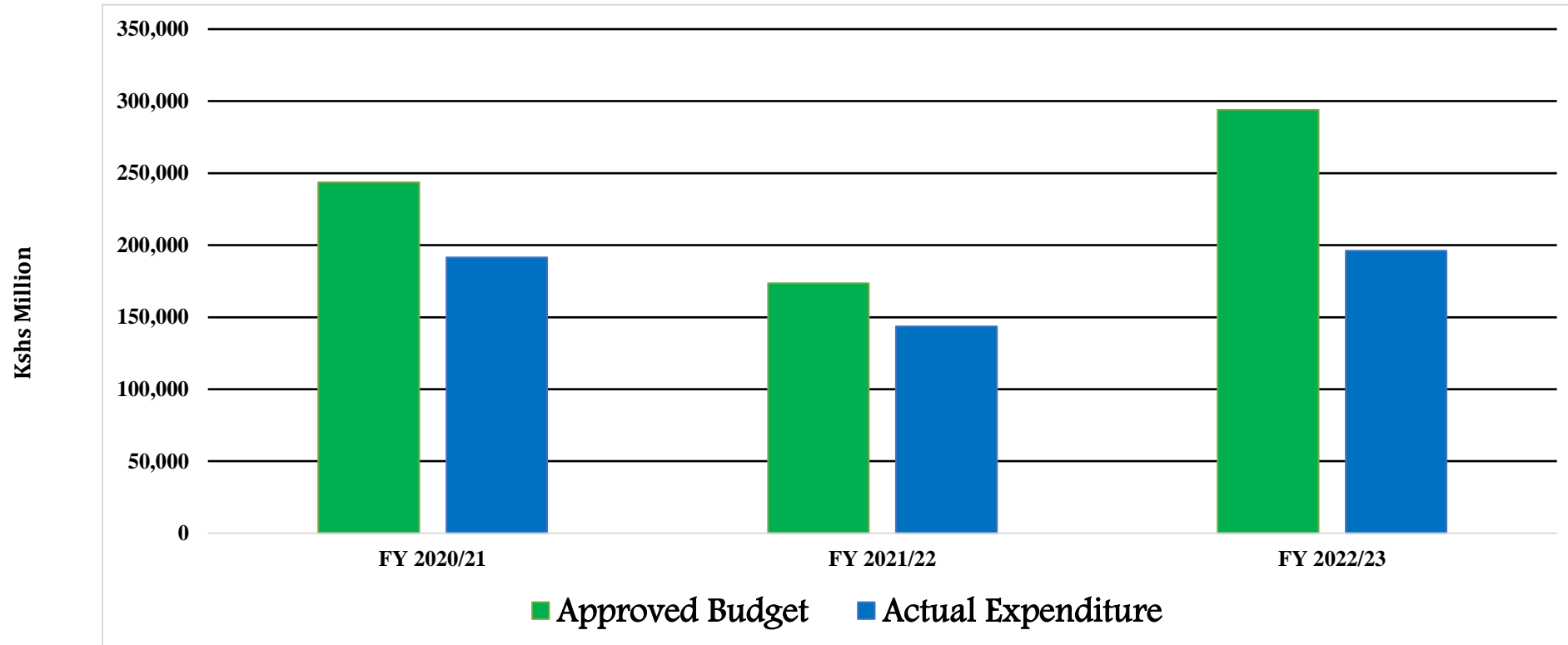
III. Analysis of Recurrent Expenditure Trends by Economic Classification (KSh. Millions)

Economic Classification	Approved Budget Allocation			Actual Expenditure		
	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
ENERGY, INFRASTRUCTURE AND ICT SECTOR						
Gross	198,836	170,118	168,317	189,836	167,144	155,682
AIA	117,461	109,617	125,201	110,009	108,776	114,433
NET	81,375	60,501	43,116	79,827	58,368	41,249
Compensation to Employees	4,731	4,616	4,611	4,459	4,575	4,445
Transfers	109,192	99,098	106,007	102,425	97,679	101,062
Other Recurrent	84,914	66,404	57,699	82,952	64,890	50,175
Of Which						
Utilities	107	91	104	61	76	67
Rent	609	368	507	590	355	502
Insurance	63	38	5	61	37	5
Subsidies	81,043	63,114	54,186	79,676	62,514	47,264
Gratuity	39	146	23	29	143	16
Contracted Guards & Cleaners Services	196	181	219	187	171	213
Others	2,857	2,466	2,656	2,348	1,595	2,108

III. Analysis of Development Expenditure Trends by Economic Classification (KSh. Millions)

Description	Approved Budget			Actual Expenditure		
	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
ENERGY, INFRASTRUCTURE AND ICT SECTOR						
Gross	243,686	173,648	294,053	191,519	143,686	196,148
GOK	101,560	71,118	92,707	94,449	67,727	55,472
Loans	98,830	70,808	66,806	70,488	52,004	57,506
Grants	5,053	2,544	3,298	1,460	729	2,125
Local AIA	38,243	29,178	131,242	25,122	23,225	81,045

III. Analysis of Pending Bills by Type/ Nature for FYs 2021/22-2023/24

Summary of Pending Bills for the Sector (KSh. Millions)

Type/Nature	Due to Lack of Exchequer			Due to Lack of provision		
	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
ENERGY, INFRASTRUCTURE AND ICT SECTOR						
1. Recurrent	193	183	69	10,425	10,569	7,479
Compensation of employees	6	23	~	1,015	1,280	755
Use of Goods and Services e.g. utilities, domestic or foreign travel etc.	165	109	24	1,254	996	2,021
Social benefits e.g. NHIF, NSSF	4	6	3	7,375	7,100	3,798
Other expense	18	45	43	781	1,193	905
2. Development	21,586	27,833	25,931	150,008	166,904	198,196
Acquisition of non-financial assets	17,792	24,871	25,305	148,000	164,904	198,186
Use of goods and services	475	492	264	8	~	10
Others-Specify	3,319	2,469	362	2,000	2,000	~
Total Pending Bills	21,779	28,016	26,000	160,434	177,473	205,675

IV. Medium Term priorities for FYs 2025/26~ 2027/28

1.   **Roads Subsector**
    i.   Complete construction of 1,542 Km of roads;
    ii.   Construct 62 bridges across the country;
    iii.   Rehabilitate 675 Km of roads;
    iv.   Maintain 84,988 Km of roads under routine maintenance programme;
    v.   Maintain 1,633 Km of roads under periodic maintenance programme;
    vi.   Maintain 30,234 Km of roads under Performance Based Contracts;
    vii.   Commence the construction of Bus Rapid Transport (BRT) Line 5; and
    viii. Establish the National Intelligent Traffic System (ITS) and Junction Improvement.

2. **Transport Subsector**

i. Complete construction of Riruta – Lenana – Ngong Railway Line) and fast track Phase I of Nairobi Railway City (NRC);

ii. Construct 2.8 Km MGR Link from Mombasa SGR Terminus ~ Mombasa MGR Station and a Railway Bridge across Makupa Causeway;

iii. Acquire a Ferry for Lake Victoria;

iv. Complete construction of Kisumu Airport Control Tower;

v. Complete rehabilitation of terminal building and Apron at Ukunda Airport.

vi. Automate and upgrade 9 Motor Vehicle Inspection Centers and establish five (5) New Motor Vehicle Inspection Centres.

3. **Shipping and Maritime Subsector**

   i.   Develop Maritime Spatial Plan;

   ii. Construct Survival Training and Certification Centre;

   iii. Inspect Ships that dock Mombasa port;

   iv. Train 20,000 and recruit 15,500 Seafarers; and

   v.   Develop five Maritime Regulations.

4. Housing and Urban Development Subsector

i. Constuct 217,654 affordable and 80,909 social housing units;

ii. Construct 65,297 institutional housing;

iii. Complete implementation of the Second Kenya Informal Settlement Improvement Project (KISIP II) in 33 Counties;

iv. Implement Second Kenya Urban Support Programme (KUSP II) in 79 Municipalities in 45 Counties; and

v. Construct 505 markets across the country.

5. **Public Works Subsector**

i.   Design, document and supervise 855 public buildings;

ii. Construct 44 footbridges to enhance access to social amenities;

iii. Construct 5 jetties and 5,800 meters of seawall in the coastal region;

iv. Inspect and audit 5,000 buildings and structures for safety and test 220 buildings for structural integrity;

v.   Register 29,500 contractors and accredit 156,000 skilled construction workers and site supervisors to regulate construction industry; and

vi. Train contractors, skilled construction workers and site supervisors.

IV. Medium Term priorities for FYs 2025/26~ 2027/28 cont.

6. **ICT and Digital Economy Subsector**

i. Lay 38,871 Km of backbone fibre network.

ii. Provide internet connectivity to 44,575 public institutions and install of 18,510 public Wi-Fi.

iii. Equip and provide internet connectivity to 1,350 digital hubs.

iv. Fully onboard 13,800 Government services on eCitizen platform.

v. Complete construction of Horizontal Infrastructure Phase 1 at Konza Technopolis.

vi. Complete construction and operationalization of the Kenya Advanced Institute of Science and Technology (Kenya-AIST).

IV. Medium Term priorities for FYs 2025/26~ 2027/28

7. Broadcasting and Telecommunications
    i.   Operationalize the National Communications Centre (NCC).
    ii.   Establish 4 Studio Mashinani in Kisii, Eldoret, Kakamega, and Garissa.
    iii. Accredit 27,000 journalists and undertake on-job training for 9,800 journalists.
    iv.   Train 3,000 mass media practitioners.
    v.   Publish Annual Kenya Yearbook Editions and 15 BETA Sector-based Editions.
    vi.   Install solar power in 42 Kenya Broadcasting Corporation (KBC) Stations.

8. **Energy Subsector**

   i. Drill 34 geothermal wells.

   ii. Construct 1,742 km transmission lines and 21 transmission substations.

   iii. Construct 1,050 km distribution lines and 33 distribution substations.

   iv. Connect 1,440,000 new customers and 1,080 public facilities to electricity.

   v. Install 19,500 street lighting points.

   vi. Construct 55 institutional and 1,800 household biogas plants.

IV. Medium Term priorities for FYs 2025/26- 2027/28

9. Petroleum

   i. Acquire Geo-Scientific data in 3,600 Sq. Km to establish oil and gas potential.

   ii. Complete evaluation of gas potential in Petroleum Blocks 9, L4 and L8 in Marsabit, Garissa & Lamu, and Kilifi Counties respectively.

   iii. Provide Clean Cooking Gas to 600 public learning institutions.

   iv. Distribute 6Kg LPG cylinders and accessories to 210,000 low-income households.

   v. Import and distribute 22.6 million Metric Tons of Petroleum fuels.

   vi. Complete land acquisition in South-Lokichar for the development of the oil fields, and water make-up and crude oil pipelines.

V. Recurrent Resource Requirement vs. Allocation (KSh. Million) for FY2025/26

	SUB-SECTOR	REQUIREMENT FY2025/26	ALLOCATION FY2025/26
1	State Department for Roads	104,463	103,911
2	State Department for Transport	22,021	21,009
3	State Department for Shipping & Maritime Affairs	4,001	3,691
4	State Department for Housing	1,622	1,440
5	State Department for Public Works	4,370	3,833
6	State Department for ICT & Digital Economy	5,829	3,489
7	State Department for Broadcasting and Telecommunications	12,375	6,094
8	State Department for Energy	12,694	12,153
9	State Department for Petroleum	26,267	25,998
	TOTAL RECURRENT BUDGET	193,642	181,618

V. Development Resource Requirement vs Allocation (KSh. Million) for FY 2025/26

	SUB SECTOR	REQUIREMENT	ALLOCATION
1	State Department for Roads	399,946	125,028
2	State Department for Transport	77,618	47,440
3	State Department for Shipping & Maritime Affairs	3,349	2,859
4	State Department for Housing	125,408	115,561
5	State Department for Public Works	6,303	1,171
6	State Department for ICT & Digital Economy	49,582	20,184
7	State Department for Broadcasting and Telecommunications	4,259	645
8	State Department for Energy	119,230	55,217
9	State Department for Petroleum	5,161	5,061
	TOTAL DEVELOPMENT BUDGET	790,856	373,166

VI. Emerging Issues

1. **Adoption of E-mobility and Green Hydrogen.** Exploration and investment in emerging technologies to reduce Greenhouse Gas emissions.

2. **Rapid technological advancement**. Diversification of investments and exploring adoption of Artificial Intelligence for enhanced economic competitiveness and service delivery.

3. **Rapid growth of digital economy** and,

4. **Enhancing visibility and strategic** communication of progress of programmes and projects.

VI. Key Challenges

i. High cost of **land and wayleaves acquisition.**

ii. **Vandalism and encroachment of critical infrastructure** leads to high maintenance and restoration costs.

iii. **Increased and advanced cyber-security threats** leading to disruption of operations, breach of data privacy and unauthorized access to sensitive information.

iv. **Litigations** leading to delayed project implementation.

VI. Key Challenges cont'd…

v. Inadequate specialized skills in Air Accident Investigation, Aviation Safety Inspection, Nuclear Energy Engineering and Marine Engineering in the labour market.

vi. Slow implementation of climate resilient measures exposing infrastructure facilities to adverse effects of climate change.

vii. Low uptake of Public Private Partnerships (PPPs) in infrastructure projects due to their capital intensive nature.

VII. Conclusion

a) Energy, Infrastructure and ICT (EII) is an enabler for the realization of the Bottom-Up Economic Transformation Agenda (BETA) and the Fourth Medium Term Plan (MTP IV) 2023-2027 of the Kenya Vision 2030.

b) Continuous investment in efficient, affordable and reliable infrastructure will unlock economic growth potential and build a resilient economy.

c) Continuous leveraging on ICT infrastructure and services will enhance productivity and increase the country's competitiveness.

d) The Sector will explore other innovative and sustainable funding models like the Public Private Partnerships (PPP) to supplement government funding.

VII. Key Recommendations

i. Integrated Sector collaboration in infrastructure planning and development.

ii. Strengthening security, community engagements and installation of advanced surveillance systems to mitigate against vandalism, encroachment and high maintenance costs for the critical infrastructure.

iii. Exploring alternative funding sources for projects and programmes and enhancement of uptake of Public-Private Partnerships (PPPs).

iv. Strengthened strategic communication on programmes and projects.

VII. Key Recommendations cont'd

v. Adoption of Artificial Intelligence technology and diversification of investments due to rapid technological advancement;

vi. Enhanced mainstreaming of climate action interventions in development of Climate-Resilient Infrastructure;

vii. Enhanced stakeholder collaboration/engagement in all phases of project cycle.

PHOTOGRAPHS –

CAPITAL PROJECTS

Changamwe Interchange along Mombasa – Kwa Jomvu Road

Regional Centre for Aviation Medicine at JKIA

Migori Airstrip

Skyward Express Inaugurates Flight to Migori Airstrip, Marking a Milestone in Regional Air Travel. Migori Airstrip Runaway Rehabilitation, Construction of Apron and Fencing was completed

KMA officer conducting a port state control inspection

Kenya Maritime Authority Headquarters

Lake Victoria Maritime Search and rescue Centre in Kisumu

Groundbreaking ceremony for the Lake Victoria Maritime Search and rescue Centre in Kisumu by His Excellency the President of Republic of Kenya

Construction of the Survival training and certification Centre

Groundbreaking ceremony of construction of the Survival training and certification Centre and the image of the Survival training and certification Centre upon completion

AFFORDABLE HOUSING PROJECTS

Buxton Point Mombasa – 584 units

Mukuru Met site Nairobi County

Nyansiongo Market, Nyamira County

New Mokowe Jetty in Lamu West Constituency

Mtangawanda Jetty in Lamu West Constituency

Elwasimbi Footbridge in Mumias East Constituency

Before

After

ICT-Baringo Elias Digital Hub - Kabarnet

ICT - Kenya-AIST

ICT - **Konza Technopolis**

ICT - **Konza Technopolis**

Kenya Institute of Mass Communication Nairobi Campus

405 Bed Capacity

Hostel 1

Hostel 2

Energy-Geothermal-Baringo Discharge wells

Energy-Athi River Power Substation

83.3MW Olkaria 1 Additional Unit 6

South Lokichar surveyed and demarcated land

Thank you and God bless