

NATIONAL VOLUNTARY PRESENTATION TO THE ECOSOC 2012 ANNUAL MINISTERIAL REVIEW

“Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the MDGs”

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Presentation Outline

1. Profile of Kenya
2. Key Policy Successes and Lessons Learned
3. Key Policy Challenges and Constraints
4. Emerging challenges and new opportunities
5. Further Implementation

1. Profile of Kenya

- Location and size, in East Africa, about 570,000 sq km
- 39.5 million people
- GDP US\$ 36.2 B (current market prices 2011)
- GDP Per Capita: US\$ 917
- Human Development Index:0.509 (2011)
- Life expectancy: 57.1 years
- Multi-party democracy
- Administratively divided into 47 counties

2. Key Policy Successes and Lessons Learned

The Kenya Vision 2030

- Kenya's long term development policy, the Vision 2030, aims at creating a globally competitive and prosperous country with a high quality of life for all its citizens.
- The Vision aspires to transform Kenya into a newly industrializing middle income country by the year 2030.
- This is anchored on existence of a skilled, productive, competitive and adaptive human resource base that can meet the challenges of a rapidly industrializing economy.

2. Key Policy Successes and Lessons Learned

cont.

Achievements of the Kenya Vision 2030: Since the launch in 2008, a number of successes have been made:

➤ Development of Micro and Small Enterprises (MSEs)

MSE sector plays a vital role as it provides opportunities for 74% of the total employed. Development in this sector is anchored on the Sessional Paper No. 2 of 2005 on Development of MSEs for Wealth and Employment Creation for Poverty Reduction.

2. Key Policy Successes and Lessons Learned

cont.

- A Micro and Small Enterprise (MSE) Bill has been developed to give legal recognition to the MSE sector and establish an institutional framework
- A pilot MSE Centre of Excellence is currently under construction to promote technology transfer, capacity building, product design and development, and marketing of MSE products.
- Development of MSE worksites through provision of infrastructure and improvement of the working environment.
- A total of 305 worksites have been developed or rehabilitated since 2008.

2. Key Policy Successes and Lessons Learned

cont.

- Marketing of MSE products both locally and regionally.
- Technology transfer, knowledge sharing and networking among entrepreneurs enhanced.
- The regional activities are organized under the auspices of the East African Community (EAC).
- 1,984 MSEs have been facilitated to participate in local trade fairs.
- 698 enterprises assisted to participate in regional exhibitions and fairs.

2. Key Policy Successes and Lessons Learned cont.

- **Productivity promotion, improvement and measurement**
- Draft National Policy on productivity developed (2012);
- The National Productivity Centre established in 2002 to promote productivity practices in both public and private sectors for enhanced competitiveness.
- Development of 400 Productivity Technical Service providers.

2. Key Policy Successes and Lessons Learned cont.

- Increased labour productivity index from 2.16 in 2008 to 2.38 in 2010
- Development of 47 models of productivity improvement in the public and private sector leading to:
 - ✓ Increased profitability of firms by an average of 10%
 - ✓ Reduced wastage by up to 20%
 - ✓ Increased employment levels by up to 50%

2. Key Policy Successes and Lessons Learned cont.

➤ **Employment promotion**

- Draft Employment Policy and Strategy developed in 2012.
- Created over 500,000 jobs annually.
- Implementation of targeted employment creation programmes across sectors.
- Increase in access to affordable credit mainly from banks, enterprise funds and Micro Finance Institutions resulting in employment creation, especially for the youth.

2. Key Policy Successes and Lessons Learned cont.

➤ Harmonious Industrial Relations

- Establishment of key labour market institutions such as the National Labour Board, Occupational Safety, Health and Injury Benefits Authority, Wages Councils and Rules Board for the Industrial Court.
- Elevation of the Industrial Court to the status of a High Court.

2. Key Policy Successes and Lessons Learned cont.

- Implementation of the Labour Relations Act, 2007 allows individuals to file cases directly with the Industrial Court to improve access to justice in the arbitration of labour and employment disputes.
- Incorporation of the prevailing productivity indices in the National Wages Guidelines to promote sustainable industrial harmony.

2. Key Policy Successes and Lessons Learned

cont.

➤ Strengthening the Linkages between Education, Training and Industry

- Data collection for the National Manpower Survey carried out in 2011 to provide baseline information for manpower planning.
- Developed the National Industrial Training and Attachment Policy (2012) and an online portal to promote and enhance industrial training and attachment systems in the country.
- Placed 36,106 trainees on industrial attachment and trained 18,759 individuals in relevant industrial skills.

2. Key Policy Successes and Lessons Learned cont.

➤ Occupational Safety and Health (OSH)

- Established the OSH Institute in 2009 to develop and implement research and training programmes.
- Developed a draft National OSH policy (2011) to provide a framework for integration of OSH issues into management systems in both private and public sectors.
- Establishment of the OSH Fund for effective coordination of OSH systems in the country

2. Key Policy Successes and Lessons Learned

cont.

➤ **Social Protection**

- Incorporation of the Universal Declaration of Human Rights (1948) in the Constitution of Kenya 2010.
- Development of the National Social Protection policy to guide planning and implementation of social protection strategies.
- Operationalization of a number of social protection interventions which include cash transfers to Orphans and Vulnerable Children, hunger safety net and food subsidies for urban poor, and targeted school feeding programmes.

2. Key Policy Successes and Lessons Learned cont.

➤ *Development of the Agricultural Sector*

- Enactment of the consolidated Agricultural Reform Bill.
- Fertilizers cost Reduction initiative implemented
- Establishment of Disease Free Zones – 3 draft contingency plans were finalized.
- National dairy, poultry and bee keeping policies approved by the Cabinet.
- Construction of 40,800 fish ponds in 160 constituencies.
- Stabilization of the agricultural inputs market through cooperative societies.

3. Key Policy Challenges and Constraints

- **MDGs Implementation – Areas of Less Success:**
Kenya has registered significant achievements in the implementation of MDGs but is slow on some of the Goals, most notably 1 and 3.

- **MDG 1: Eradicate Extreme Poverty and Hunger**
 - Progress in regard to target 1B (achieve full and productive employment and decent work for all) and 1C (halve, between 2000 and 2015 the proportion of people who suffer from hunger) has been hampered by the following challenges:-

3. Key Policy Challenges and Constraints cont.

- ✓ High open unemployment rate (12.7%) particularly among the youth;
- ✓ Slow adoption of appropriate technology;
- ✓ Low value addition on raw materials and produce;
- ✓ Environmental degradation and effects of climate change;
- ✓ Inefficiency in marketing and weak distribution systems for agricultural produce;
- ✓ Low access to affordable credit especially for women due to lack of collateral.

3. Key Policy Challenges and Constraints cont.

➤ MDG 3: Promote Gender Equality and Empower Women

- Challenges include:-

- ✓ Gender gaps regarding access to and control of resources, economic opportunities, and political power
- ✓ Low transition rates for girls to secondary schools and other tertiary institutions than boys
- ✓ Discriminative cultural and traditional practices and beliefs against women.

3. Key Policy Challenges and Constraints cont.

➤ Key Policies to accelerate achievement for MDGs include:

- Implementation of the Kenya Constitution 2010
- Development and implementation of the Agricultural Sector Strategy (2010-2020) to transform Kenya's agricultural sector into an innovative, commercially oriented, competitive and modern industry.
- Development of the National Climate Change Response Strategy (2010) and on going development of National Climate Change Action Plan

3. Key Policy Challenges and Constraints cont.

- Development of an Integrated Productivity Management Framework (2008) to increase employment, enhance labour-management cooperation and peg wages on productivity gains
- Development and implementation of Affirmative Action Policy (2010) to ensure at least 30 per cent representation of women in recruitment, promotion and appointment in the public sector.

3. Key Policy Challenges and Constraints cont.

- Establishment of Enterprise Funds – Women Enterprise Development Fund (2007) of US\$ 34 million and Youth Enterprise Development Fund (2006) of US\$ 48 million to provide equal opportunities.
- Establishment of Devolved Funds to promote equity and community participation in development e.g. Constituency Development Fund (2.5% of national budget), Education Bursary Fund, Vulnerable Children, Local Transfer Fund, Roads Levy Fund and Environment Trust Fund.

3. Key Policy Challenges and Constraints cont.

- Development of Public Private Partnerships Bill (2011) and regulations to guide the implementation and safeguard the interests of the parties
- Developed the Kenya Joint Assistance Strategy in 2007 and updated it in 2010 to harmonize external funding and to align it to the Government's long-term development strategy.
- Ongoing development of an external resources policy that will provide a framework for mobilizing and utilizing external resources.

4. Emerging Challenges and New Opportunities

➤ Emerging Challenges

- The impacts of climate change
- Global economic and financial meltdown
- High population growth
- Heavy presence of refugees in the country
- Support to regional peace initiatives
- Piracy along Kenyan Coastline

4. Emerging Challenges and New Opportunities cont.

➤ New Opportunities

- The Kenya Constitution 2010 provides a structured avenue for discussing national agenda including socio-economic and governance issues.
- Regional integration initiatives (EAC, COMESA)
- Adoption of performance-based management enhanced service delivery in the public sector.
- Introduction of mobile money transfer (M-PESA) has positively transformed the financial sector.
- Discovery of oil deposits

5. Further Implementation

- **Planned Country Actions & Regional and International Support**
- **Climate change:** Preparation of a National Climate Change Action Plan to mainstream climate change aspects into national planning and budgeting.
- ✓ **Partnerships** include; Government Ministries and Agencies, Private sector, Civil Society Organizations, Regional institutions (IGAD Climate Prediction application centre Centre, the EAC and COMESA) and international organizations such as the UK's DfID, the Climate and Development Knowledge and Network, DANIDA and Government of Japan.
- ✓ **Resource requirements:** US\$ 3 Billion for a span of 3-20 years (National Climate Change Response Strategy, 2010)²⁶

5. Further Implementation cont.

- **Employment promotion initiatives:** provision of a conducive environment by the Government for the private to create sustainable jobs mainly through policy, legal, institutional and regulatory reforms, and targeted programmes.
- ✓ Partnerships: Training institutions and industry, social partners, Kenyans in Diaspora, EAC, COMESA, bilateral and multilateral institutions.
- ✓ Resource requirements: cost of employment promotion activities (US\$271million)

5. Further Implementation cont.

- **Development of Special Economic Zones (SEZ):-** This will contribute to faster economic growth, employment creation and create higher value technology-based industries, attracting both local and foreign investments. A policy has been developed and a bill prepared to guide the implementation.
- ✓ The ICT City at Konza (60 km from Nairobi) and the Lamu-South Sudan-Ethiopia infrastructure corridor are key investments projects.
- ✓ **Partnerships:** Private sector, international businesses, bilateral and multilateral partners
- ✓ **Resource requirements:** Konza ICT city – US\$7 Billion, Lamu corridor – US\$ 32 Billion

5. Further Implementation cont.

- **Social Protection** :- The Government will enhance assistance and interventions targeting vulnerable groups including cash transfers to Orphans and Vulnerable Children and older persons, safe motherhood health vouchers, hunger safety net and food subsidies for urban poor, and targeted school feeding programmes.
- ✓ **Partnerships:** Kenya Red Cross, Faith Based Organizations, Civil Society, UNICEF, WFP, WHO, Global Fund for HIV & AIDS, Tuberculosis and malaria among others.
- ✓ **Resource requirements:** Cost of social protection (US\$ 157.9 million)

END

Thank You