REPUBLIC OF KENYA

MEDIUM TERM EXPENDITURE FRAMEWORK
2027/28 – 2029/30

MINISTRY OF TOURISM AND WILDLIFE

STATE DEPARTMENT FOR TOURISM

AUGUST 2026

1 Contents

Abbreviations and Acronyms

AHIF	-	Africa Hotels Investment Forum
A.I. A	-	Appropriation in Aid
BICC	-	Bomas International Convention Complex
BOK	-	Bomas of Kenya
CBOs	-	Community Based Organizations
CIP	-	Charter Incentive Programme
CPPMD	-	Central Planning Project Monitoring Department
CRA	-	Commission on Revenue Allocation
CRM	-	Customer Relationships Management
EAC	-	East African Community
GDP	-	Gross Domestic Product
ICCA	-	International Congress and Convention Association
ICT	-	Information Communication Technology
JTTC	-	Joint Tourism Technical Committee
KERRA	-	Kenya Rural Roads Authority
KICC	-	Kenyatta International Convention Centre
KTB	-	Kenya Tourism Board
KUC	-	Kenya Utalii College
MICE	-	Meetings Incentives Conferences and Exhibition
MKTE	-	Magical Kenya Travel Expo
MOUs	-	Memorandum of Understandings
MTB	-	Medium Term Budget
MTEF	-	Medium Term Expenditure Framework
M&E	-	Monitoring and Evaluation
NGOs	-	Non-Governmental Organizations
NSSF	-	National Social Security Fund
SAGAs	-	Semi-Autonomous Government Agencies
SMEs	-	Small and Medium-sized Enterprises
SDGs	-	Sustainable Development Goals
TF	-	Tourism Fund
TPF	-	Tourism Promotion Fund
TRA	-	Tourism Regulatory Authority
TRI	-	Tourism Research Institute
TPS	-	Tourist Police Service
TSA	-	Tourism Satellite Account
UNWTO	-	United Nation World Tourism Organization

2 EXECUTIVE SUMMARY

Tourism remains a critical pillar of Kenya's economic transformation, contributing approximately KSh 1.2 trillion (about 7% of Gross Domestic Product) and supporting an estimated 1.7 million jobs, equivalent to over 8% of total national employment. In line with the **Bottom-Up Economic Transformation Agenda** (BETA), the sector is strategically leveraged to advance inclusive and sustainable growth by broadening economic participation at the grassroots level, enhancing foreign exchange earnings, and strengthening inter-sectoral linkages through its strong multiplier effects across the economy.

Over the reporting period, the total approved budget for the State Department increased from **Ksh. 12.84 billion** in FY 2023/24, to **Ksh. 14.37 billion** in FY 2024/25, and further to **Ksh. 17.01 billion** in FY 2025/26.The actual total expenditures in FYs 2023/24, 2024/25, and 2025/26 were **Ksh. 9.39 billion**, Ksh. **12.50 billion**, and **Ksh. 10.14 billion** respectively. The actual expenditures as a percentage of total approved budgets were therefore 73.1%, 86.9%, and 59.6% for FYs 2023/24, 2024/25, and 2025/26 respectively.

During the period under review, the tourism sector recorded steady growth, with international arrivals rising from **2.128 million** in FY 2023/24 **to 2.42 million** in FY 2024/25 and **2.79 million** in FY 2025/26. Correspondingly, tourism earnings increased from **KShs. 384.35 billion** to **KShs. 458.2 billion** and further to **KShs. 564 billion** over the same period.

This growth reflects the sector's resilience, supported by aggressive destination marketing campaigns in the traditional and new source markets, improved access via ETA and new airline routes, and increased spending in high-value market segments and favourable exchange rate dynamics.

However, despite these achievements, the sub-sector continues to face several interconnected challenges, including uneven adoption of green technologies and digital solutions, evolving and diverse traveller preferences, and significant exposure to economic and geopolitical instability that disrupts travel flows and supply chains. Additionally, the sector remains over reliant on traditional beach and wildlife products, which limits diversification, heightens vulnerability to seasonality and climate change, and constrains long-term competitiveness

Over the Medium-Term Expenditure Framework (MTEF) period (2027/28-2029/30), the Tourism sub-sector will implement programs aligned with the **Bottom-up Economic Transformation Agenda (BETA)**. The subsector is focusing on increasing the numbers of tourists both domestic and international and tourism earnings through diversification of tourism products to promote a wider range of tourism offerings beyond traditional wildlife safaris. This includes developing eco-tourism, cultural heritage sites, and community-based tourism projects that directly benefit local economies and preserve cultural heritage. By investing in these areas, the agenda aims to create more diverse and inclusive opportunities for local communities.

The sub sector is actively working on aggressive marketing strategies to promote Kenya as a premier tourist destination. This includes promoting the country as a single destination that requires one visa, making it more attractive to international visitors. The aim is to increase tourist arrivals and revenue, which in turn trickles down to local communities. The BETA agenda highlights the importance of integrating tourism with other economic sectors. The growth of tourism has significant forward and backward linkages with sectors like agriculture (through demand for food and fresh produce) and the creative economy (through demand for local crafts and entertainment). This holistic approach ensures that the benefits of tourism are distributed across the economy.

In the MTEF period 2027/28– 2029/30, the department requires **Kshs.22,649.18 million**, **Kshs.23,867.74** million and **Kshs.24,805.98 million** for the financial years 2026/2027,2027/2028 and 2028/2029 respectively. Out of this, the recurrent expenditure requirement is **Kshs 16,608.18 million**, **Kshs.17,816.54 million** and **Kshs.18,743.98 million** respectively while development expenditure requirement is **Kshs.6,041.00 million**, **Kshs.6,051.00 million** and **Kshs.6,062.00 million** respectively.

3 CHAPTER ONE; INTRODUCTION

3.1 Background

The State Department for Tourism derives its mandate from Executive Order No. 1 of 2025 and is responsible for tourism policy formulation, regulation, promotion, training, research, and positioning Kenya as a competitive global destination, including in the Meetings, Incentives, Conferences and Exhibitions (MICE) segment.

During the period under review, the Department operated under an expanding budgetary framework, with total approved budgets increasing from approximately KSh 12.94 billion in FY 2023/24 to KSh 15.37 billion in FY 2024/25 and KSh 16.97 billion in FY 2025/26. However, actual expenditures amounted to KSh 9.39 billion, KSh 12.60 billion, and KSh 10.15 billion respectively, reflecting absorption levels of about 73%, 82%, and 60%, pointing to implementation challenges.

Notwithstanding these constraints, the tourism sub-sector recorded strong growth. International tourist arrivals increased from 2.42 million in FY 2024/25 to 2.79 million in FY 2025/26 (a 15.3% growth), while tourism earnings rose significantly from KSh 458.2 billion to KSh 654 billion (42.7% growth), driven by enhanced destination marketing, improved connectivity, and recovery momentum. Domestic tourism also expanded, with bed-nights increasing by 13.8% to 5.7 million, supported by the Tembea Kenya campaign and the growth of affordable accommodation options. Tourism levy collections grew by 10.6% to KSh 5.64 billion due to strengthened compliance and multi-agency enforcement efforts.

The sub-sector also made progress in strengthening quality assurance and standards, conducting over 3,000 audits and developing and reviewing key tourism standards to enhance service delivery and competitiveness. In addition, efforts to diversify tourism products, particularly in MICE tourism, continued, supported by increasing conference activity and ongoing investments such as the Bomas International Convention Centre (BICC), which is expected to further position Kenya as a regional hub. Capacity building remained a priority through the expansion of training programmes by Kenya Utalii College and the development of new campuses, alongside ongoing policy and legislative reforms.

Despite these achievements, the sector continues to face several challenges, including uneven adoption of green technologies and digital solutions, shifting and diverse consumer preferences, vulnerability to global economic and geopolitical shocks, and overreliance on traditional beach and wildlife tourism products, which constrain diversification and long-term resilience. Overall, the sector remains a key driver of economic growth, with strong recovery and expansion momentum, while requiring sustained investment and strategic interventions to enhance competitiveness and sustainability.

Over the Medium-Term Expenditure Framework (MTEF) period (2027/28-2029/30), the Tourism sub-sector will implement programs aligned with the **Bottom-up Economic Transformation Agenda (BETA)**. The subsector is focusing on increasing the numbers of tourists both domestic and international and tourism earnings through diversification of tourism products to promote a wider range of tourism offerings beyond traditional wildlife safaris. This includes developing eco-tourism, cultural heritage sites, and community-based tourism projects that directly benefit local economies and preserve cultural heritage. By investing in these areas, the agenda aims to create more diverse and inclusive opportunities for local communities

The overall objective of the tourism sub-sector report is to assess the performance of the sub-sector over the previous medium term (2023/24- 2025/26) and to provide analysis of challenges, emerging issues and cross-sectoral linkages with other sub-sectors. It also postulates the sub-sector's resource requirements for the next MTEF period (2026/2027-2028/2029) and targeted outputs. The findings contained in the report are limited to the defined performance indicators and the data available at the time of compilation

3.2 Sub Sector Vision and Mission

Sub Sector Vision

"An Innovative and Sustainable Tourism Destination"

Sub Sector Mission

"To provide leadership in the management, marketing and financing of the tourism sector for sustainable development"

3.3 Strategic Goals/Objectives of the Sub Sector

a. Strategic Goals

The Sub Sector works towards achievement of goals that are geared toward the promotion and development of tourism as they contribute greatly to the Country's GDP. The strategic goals are:

1. Strengthened policy and legal framework
2. Improved visitor experience and broadened tourism products range
3. Improved destination competitiveness for increased arrivals and earnings
4. Enhanced Tourism research, technology, innovation and capacity development
5. Enhance Financing and Investment for tourism development
6. Improved resilience and adaptation to climate change
7. Improved Governance and institutional capacity for optimal productivity

b. Strategic Objectives

In line with the Ministry’s Strategic Plan (2023-2027), the Sub Sector focuses on the following strategic objectives:

i. To strengthen the tourism policy and legal framework
ii. To improve visitor experience and broaden the tourism product range
iii. To improve tourism infrastructure
iv. To increase tourist arrivals and earnings
v. To increase the number of events and delegates hosted
vi. To promote training research, technology and innovation on sustainable tourism
vii. To promote public communication and awareness
viii. To enhance resource mobilization for tourism development
ix. To promote collaboration and enhance partnerships in the tourism sector
x. To increase tourism investments
xi. To enhance access, equitable benefit sharing and sustainable use of resources
xii. To promote strategies and actions for mitigating and adapting to climate change
xiii. To improve efficiency and effectiveness in service delivery
xiv. To strengthen institutional capacity for improved service delivery

3.4 Sub Sector Mandate

The mandate of the Sub-Sector is as listed below, drawn from the Executive No 1, June 2025.

- Tourism Policy and Standards,
- Development and Promotion of Tourism,
- Tourism Research and Monitoring,
- Protection of Tourism and Regulation,
- Tourism Financing,
- Training on Tourism Services, and
- Positioning and Marketing Kenya for local and International Tourists.

3.5 Autonomous and Semi-Autonomous Government Agencies

The Sub Sector has seven (7) Semi-Autonomous Government Agencies (SAGAs) established by Tourism Act Cap 381, and Bomas of Kenya established under the Company Act 1971 as a subsidiary of Kenya Development Corporation as outlined below:

Table 1.1: Autonomous and Semi-Autonomous Government Agencies

No	State Agency	Mandate
1.	Kenya Tourism Board	To develop co-ordinate and market Kenya locally and internationally as a premier tourist destination
2.	Kenyatta International Convention Centre (KICC):	To Spearhead the Meetings, Incentive travel, and Conference and Exhibitions (MICE) industry and promote Kenya as a MICE destination
3.	Tourism Regulatory Authority	To regulate the tourism sector
4.	Tourism Research Institute	To Undertake and coordinate tourism research and analysis through generating data and research information to inform decision-making
5.	Kenya Utalii College	To undertake tourism and hospitality training, and capacity building for the tourism sector.
6.	Tourism Fund	To finance and mobilize resources to support tourism-related activities
7.	Bomas of Kenya	To preserve, maintain, and promote the rich and diverse cultures of Kenya's ethnic communities, while also serving as a national venue for conferences and events

3.6 Role of Sub Sector Stakeholders

The stakeholders in the Sub-Sector play a crucial role in the achievement of the Sub-Sector goals and objectives. These are either internal or external, whose involvement is key to formulation of policies, implementation, monitoring and evaluation of programmes and projects as well as promotion and development of the Sub Sector. They range from public sector institutions/organizations, private sector, Civil Society, Regional Trading Blocs and Development Partners.

Table 1.2: Summary of the Sub-Sector Stakeholder Roles

S/ No.	Stakeholder	Role	Expectation of the Stakeholder	Expectation of the State Department
1.	The Executive	Provide policy direction on implementation of tourism programmes and projects	• Preparation of Cabinet Memos and briefs, draft policies, and bills.	• Provide Policy direction • Approval of Cabinet Memos and briefs, draft policies, and bills.

S/ No.	Stakeholder	Role	Expectation of the Stakeholder	Expectation of the State Department
				• Release the Executive Order that give Ministry's Mandates and core functions
3	The National Treasury	Leadership in economic and public finance management	• Preparation of Program Based budget. • Preparation of quarterly and annual financial reports • Timely exchequer requisitions • Prudent use of resources	• Provide guidelines and leadership in the budget making process. • Timely release of funds in line with the exchequer requests. • Timely remittances of the statutory UN Tourism subscriptions • Ensure seamless operation of IFMIS
4	Government Ministries, Departments and Agencies	Collaborative and strategic partnerships in implementation of Tourism programmes	• Participation in programmes and projects implementation and policy review. • Effective coordination of programmes and projects • Provide guidance in negotiation process	• Participation in the review of sectoral and cluster policies, strategies programmes and projects. • Implementation of Presidential Directives, programmes and projects • Monitor & evaluate and report on implementation of sectoral programmes and projects • Advisory on sectoral and cluster issues for consideration

S/ No.	Stakeholder	Role	Expectation of the Stakeholder	Expectation of the State Department
				• Participation in formulation and implementation of bilateral and multilateral agreements. • Provision of tourist safety and security, enabling legal and regulatory frameworks (National Police service, Judiciary and AG's Office) • Resource mobilization.
5	Parliament	Legislation and oversight	• Accountability in use of public finances • Timely submission of draft bills and policies • Response to parliamentary questions	• Legislation • Review, approve and oversee the implementation of the budget • Legislation of laws • Oversight role in the implementation of the Budget • Oversight role in the implementation of the Sectoral and Cluster programmes and projects
6	County Government	Implementation and coordination of projects and programmes	• Develop favourable policies. • Capacity building on projects and	• Create an enabling environment to support Collaborate in the implementation of programmes and

S/ No.	Stakeholder	Role	Expectation of the Stakeholder	Expectation of the State Department
			programmes • Collaboration and partnerships • Strengthen linkages	projects • Participate in the formulation of policies • Participate in tourism product development and diversification
7	The United Nations Tourism Secretariat, Organs and Institutions	United Nations Tourism Policy formulation, implementation and oversight	• Payment of statutory subscriptions • Active coordination and participation on United Nations Tourism matters • Report progress of implementation of Directives and outcomes	• Coordination and technical back-up on sectoral issues • Implement Directives. • Prudent use of resources • Representation in international fora
8.	Development Partners	Technical and financial support	• Accountability and prudent use of resources • Joint partnerships in project implementation and policy formulation • Timely implementation of programmes and projects • Progress reports on programmes	• Provide technical and financial support. • Strengthen partnerships and linkages • Timely and consistent disbursement of resources • Capacity building and awareness

S/ No.	Stakeholder	Role	Expectation of the Stakeholder	Expectation of the State Department
			and projects • Implementation of policies and programmes • Resources mobilization	
10.	Private Sector	Promotion and awareness creation	• Advocacy for improvement of tourism investment. • Creation of wealth and employment • Formulation and implementation of various sectorial policies on development of the tourism sector • Joint Public Private Partnership (PPP) initiative for sustainable tourism development and investments • Provision of business information, quality goods and services and self-regulation within the	• Invest, create wealth and employment. • Participate in the Public Private Partnership initiatives. • Provide timely and accurate tourism information. • Ensure self-regulation within the tourism sector. • Innovation and technology transfer for sustainability • Participate in policy formulation through public participation

S/ No.	Stakeholder	Role	Expectation of the Stakeholder	Expectation of the State Department
			business community.	
11.	Civil Society Organizations//Non-State Actors ((NGOS, CBOs, FBOs etc.)	Advocacy and awareness creation	• Effective and efficient communication. • Enabling policy environment • Respect for human rights and rule of law • Accountability and transparency • Creates consumer rights awareness and protection • Contributes to policy formulation and play oversight role in implementation process. • Supports sensitization and advocacy on various sectorial matters. • Provision of social accounting	• Advocacy and awareness creation. • Participation in policy and legislative formulation • Oversight in implementation of programmes.
12.	Academia/Research institutions	Research and innovation	• Provision of data and information • Partnership in research projects and programmes	• Provide information and undertake research to inform policy formulation. • Develop relevant

S/ No.	Stakeholder	Role	Expectation of the Stakeholder	Expectation of the State Department
			• Provision of information to guide policy formulation for skills enhancement and knowledge development • Market intelligence information provision and broaden product base • Consumers of sub sector data and information • Develop innovations and technologies for value addition	innovations and technologies. • Human Resource Capacity Development
13.	Media	Publicity, advocacy and awareness creation.	• Provision of accurate data and information • Dissemination of Government policies and Information • Creation of public awareness	• Responsive and positive coverage • Create public awareness on the projects and programmes • Disseminate accurate data and information
14.	The Citizen/public	Public participation	• Accountability in use of public resources • Effective and efficient	• Public participation • Ownership and beneficiaries of the Programmes and projects

S/ No.	Stakeholder	Role	Expectation of the Stakeholder	Expectation of the State Department
			communication on projects sand programmes • Participate in consultation forums	
15.	Suppliers/contractors	Provision of goods and services	• Information on available opportunities • Adherence to Public procurement and Asset disposal Act • Honour contractual obligations	• Honour contractual obligations • Professionalism and adherence to quality standards

4 CHAPTER TWO

4.1 PROGRAMME PERFORMANCE REVIEW 2023/24-2025/26

During the period under review, Kenya's tourism sector recorded steady growth. International tourist arrivals increased from **2.128 million** in FY 2023/24 to **2.42 million** in FY 2024/25, both surpassing their respective targets, and further rose to **2.79 million** in FY 2025/26, reflecting sustained recovery and growth momentum. However, performance in FY 2025/26 slightly fell short of the target, mainly due to global economic headwinds, particularly the Middle East crisis, which led to flight disruptions and hotel booking cancellations, alongside intensified regional competition.

Tourism earnings demonstrated strong performance, increasing from **KShs. 384.35** billion in FY 2023/24 to **KShs. 458.2** billion in FY 2024/25 and further to **KShs. 564** billion in FY 2025/26, surpassing the set targets across the period. This growth was driven by increased high-value segment spending and favourable exchange rate dynamics, which helped sustain tourism receipts despite external shocks.

Domestic tourism, recorded moderate growth from **4.813 million** in FY 2023/24 to **5.01 million** in FY 2024/25 and **5.1 million** in FY 2025/26. Despite this upward trend, performance remained below targets over the review period. This underperformance was largely attributed to inflationary pressures and the high cost of living, which constrained disposable income and reduced domestic travel demand.

During the review period, the subsector made significant progress in enhancing tourism service quality, customer satisfaction, and fair competition. The number of regulated tourism enterprises audited increased from 6,127 in FY 2023/24 to 7,557 in FY 2024/25, and significantly surpassed the FY 2025/26 target with 10,861 audits conducted against a target of 8,500. Similarly, accreditation performance exceeded expectations, with 505 regulated tourism enterprises assessed against a target of 500 in FY 2023/24, rising sharply to 991 against a target of 550 in FY 2024/25, and 420 against a target of 400 in FY 2025/26. This strong performance was driven by the Authority's improved financial position which strengthened its implementation capacity of planned activities.

During the review period, Tourism levy collections increased from KShs. 4.9 billion in FY 2023/24 to KShs. 5.6 billion in FY 2025/26, driven by a coordinated multi-agency approach that enhanced compliance and registration. However, revenue targets were not fully achieved due to delays in gazetting regulations to expand levy collection to emerging accommodation segments such as Airbnbs, homestays, and villas. The **Ronald Ngala Utalii College** project remains ongoing, with implementation having experienced delays over the years primarily due to budgetary constraints. Despite these challenges, the project has recorded steady progress, with the completion rate improving from 82.93% to 88% over the review period.

During the year under review Tourism Research Institute aimed to conduct 3 research surveys however the Institute conducted 2 surveys namely; Domestic Expenditure Survey and Tourism Skills Gap Audit and Workforce Survey- 1st Draft in place, Tourist Exit Survey data collection and analysis completed, report writing in progress. In addition, the Institute prepared and completed Half year 2025 Tourism Performance Report and Annual Tourism Performance Report 2025.

During the review period, the construction of Bomas of Kenya, which commenced on 1 March 2025 and is expected to be completed by 31 December 2026, is at 38% completion rate, significantly contributing to the disruption of planned activities at the institution during the period.

Under tourism training, **Kenya Utalii College** expanded its training capacity, with 637and 111 certificates and diploma graduate respectively surpassing targets in FY 2024/25 following the introduction of new courses that boosted enrolment. However, the College did not meet its set targets in FY 2025/26, graduating 408 certificate students against a target of 450, and 214 diploma students against a target of 370. The shortfall is attributed to other mushrooming hospitality and Tourism colleges offering similar programmes. The construction of the practical training block was successfully completed, achieving 100% completion.

In policy and legislative development, the review of the Tourism Act (Cap 381) progressed beyond targets, reaching 80% completion, with the Tourism Amendment Bill, 2026 currently before Parliament for consideration and subsequent assent, alongside additional stakeholder-driven amendments. Similarly, the review of the National Tourism Policy 2020 advanced to the validation stage, attaining 80% completion and meeting set targets. Additionally, throughout FY 2025/26, the sub-sector continued to undertake project and programme monitoring and evaluation to support effective implementation

REVIEW OF PROGRAMME PERFORMANCE

Table 2.1: Analysis of Sub Sector Programme Targets Vs Actual targets.

Programme	**Key Outputs**	**Key performance indicators**	**Planned Targets**			**Achieved Targets**			**Remarks**
			2023/24	**2024/25**	**2025/26**	**2023/24**	**2024/25**	**2025/26**	
S.P. 1.1: Destination Marketing	Increased International tourist arrivals	No. of international tourist arrivals (Million)	1.987	2.4	2.80	2.128	2.42	2.79	Target not Achieved. Global economic headwinds (Middle East crisis resulted to flight and hotels booking cancellations) and competitive regional pressures.
	Increased Tourism Earnings	Amount of tourism earnings (KShs. Billions)	359.081	432	529	384.35	458.2	564	Target achieved, driven by a strong recovery in high-value segment spending and favourable5.7 exchange rate dynamics during the period tourism receipts remained relatively on course.
	Increased Domestic Bed-nights.	No. of bed nights (Millions)	5.1	5	5.7	4.813	5.01	5.1	Target not achieved, Domestic travel was affected by local inflationary pressures and high cost of living impacting disposable income
	Increased	Brand	90	81	82	80	81	79	Target not achieved,

Programme	Key Outputs	Key performance indicators	Planned Targets			Achieved Targets			Remarks
			2023/ 24	2024/ 25	2025/ 26	2023/ 24	2024/ 25	2025/ 26	
	Magical Kenya Brand Awareness	awareness index (%)							this was due to restricted marketing and digital campaign budgets and aggressive marketing activities by competitors;
	Partnership established to promote the destination.	No. of partnership established in the source markets.	5	5	5	6	5	16	Target Achieved. Partnerships established with invest kenya, Kenya Rugby,KWS, Kenya Airways, Qatar Aiways,Eat Out, Emirates Airways, Mastercard,Narok County Gov,Mud4fun,IQS,VISA, Perfect Pics,NCBA,Asky Airlines and ICEA
S.P. 1.2 Tourism Promotion	Quality assurance audits undertaken	No. of regulated tourism enterprises audited	8,000	9,000	8500	6,127	7,557	10861	Target was surpassed as a result of enhanced facilitation
	Regulated Tourism Enterprises	No. of Regulated Tourism	500	550	400	505	991	420	The target was surpassed due to the Authority's improved

Programme	Key Outputs	Key performance indicators	Planned Targets			Achieved Targets			Remarks
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
	for Accredited.	Enterprises Assessed for Accreditation.							financial position, which enhanced its capacity to implement planned activities
	Accommodation and catering facilities Star rated	No. of accommodation and catering facilities assessed rating.	-	100	250	-	0	-	Target not achieved. partial funding of the activity, which only facilitated the training of assessors.
	National Tourism Sector Standards developed/ reviewed	No. of National Tourism Sector standards developed/ reviewed	2	2	5	2	2	8	Target Achieved.
	Inventory of Regulated Tourism Enterprises undertaken	% of Inventory of Regulated Tourism Enterprises undertaken	-	50	100	-	100	100	Target achieved. Inventory was carried out through the regular quality audits during the period under review.
	Tourism Research	No. of research	3	3	3	2	1	2	Target not achieved; Tourist exit survey data

Programme	Key Outputs	Key performance indicators	Planned Targets			Achieved Targets			Remarks
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
	Studies	studies conducted							collection and analysis finalized; domestic expenditure survey finalized. Tourism skills gap audit and workforce survey first draft in place.
		No. dissemination fora held	3	4	2	1	4	0	Target not achieved. Delay of funds.
	National Tourism information system and database	% Completion	5	10	50	0	10	50	Target Achieved. Phase 1 completed system design and development.
	Tourism performance reports	No. of Reports	1	2	2	1	2	2	Target achieved. Annual & Half year Tourism report developed and published.
	Global Public and digital media tourism campaigns undertaken	No of Global Public and digital media tourism campaigns undertaken	1	1	1	1	1	1	Target Achieved. One media campaign undertaken with Rwanda

Programme	Key Outputs	Key performance indicators	Planned Targets			Achieved Targets			Remarks
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
	Coastal Beach revamped	No. of beaches revamped	3	1	-	3	1	0	Targets revised during supplementary 2
		No. of beach zones installed with security infrastructure	2	1	-	0	0	0	
S.P 2.1 Niche Product Development and Packaging	Grants to Tourism programmes and projects	No. of Tourism Projects Funded	48	41	-	51	37	-	
		% of TPF funds disbursed	100	90	-	99.8	89.95	-	
	International Conferences	No. of international conferences held	986	1,026	1,077	977	999	998	
	Local Conferences	No. of local conferences events held	10,628	11,261	11,824	10,725	11,225	12,671	
	International Delegates	No. of international	25,416	36,555	38,382	34,814	37,405	38,705	

Programme	Key Outputs	Key performance indicators	Planned Targets			Achieved Targets			Remarks
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
		delegates hosted							
	Local delegates	No. of Local delegates hosted	676,910	710,756	746,293	676,910	699,469	758,278	
	Modernized KICC	% Completion rate	64.14	80	80	64.14	84.05	78	
	National Tourism Niche Products mapped & developed	No. of Counties mapped	10	15	22	11	15	22	Target achieved. All 47 counties mapped and documented.
	Revised Tourism Act Cap 381	% Completion rate	30	50	75	35	40	80	Target achieved. The tourism amendment bill,2026 is in parliament for incorporation of amendments if any and onward transmission for assent. The Ministry is seeking incorporation of additional amendments developed through stakeholder consultations and public

Programme	Key Outputs	Key performance indicators	Planned Targets			Achieved Targets			Remarks
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
									participation.
	Reviewed National Tourism Policy 2020	% Completion rate	75	100	75	70	80	80	Target achieved. The policy draft is at validation stage.
		No. of tourism Niche Products Developed	-	2	-	-	2	-	Targets revised during supplementary 2
	Cultural Preservation Services	No. of researched and documented traditional cuisines	4	4	4	4	4	0	Target not achieved due Closure for BICC infrastructure development
		No. of traditional dances re-choreographed	16	16	16	16	16	4	Target achieved: Traditional dances from Mijikenda, Masai, Kalenjin and Borana re-choreographed
		No. of traditional homesteads rehabilitated	12	12	12	12	9	0	Target not achieved due Closure for BICC infrastructure development, lack of

Programme	Key Outputs	Key performance indicators	Planned Targets			Achieved Targets			Remarks
			2023/ 24	2024/ 25	2025/ 26	2023/ 24	2024/ 25	2025/ 26	
									funding
	Cultural tourism promoted	No. of cultural festivals held	4	4	4	4	4	0	Target not achieved due Closure for BICC infrastructure development, lack of funding
		Conduct culture talks, lectures and workshops in educational Institutions	4	4	4	4	4	4	Target achieved
		No. of non-resident visitors to BoK	5000	5000	5000	7194	7190	180	Target not achieved in 2025/2026 closure for the ongoing BICC project, resumed cultural shows in June 2026
		No. of Resident visitors to BoK	52000	94147	94147	78604	40976	1198	Target not achieved in 2025/2026 closure for the ongoing BICC project, resumed cultural shows at June

Programme	Key Outputs	Key performance indicators	Planned Targets			Achieved Targets			Remarks
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
									2026
S.P. 2.2: Tourism Training & Capacity building	Kenya Utalii College graduates	No. Hotel Management graduates	62	-		53	-		Targets for individual courses combined as one and reported as detailed below
		No. of Travel and Tourism Management graduates	53	-		49	-		
		No. of food production graduates	81	-		113	-		
		No of Front office graduates	45	-		113	-		
		No. of Food and Beverage service graduates	111	-		256	-		
		No. of Housekeeping and laundry graduates	27	-		52	-		

Programme	Key Outputs	Key performance indicators	Planned Targets			Achieved Targets			Remarks
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
		No. of Travel and tour Operation graduates	39	--		89	-		
		No. of KUC graduates' certificates	-	449	450	-	637	408	The targets of 450 and 370 for Certificate and Diploma respectively, was not met due to low turn up attributed to other mushrooming hospitality and Tourism colleges offering similar programmes
		No. of KUC graduates' Diploma	-	368	370	-	111	214	
	Practical training block constructed	% Completion	100	100	100	95	100	100	The modern ITK is completed and commissioned
	ETK Equipping	% Completion	100	100	100	-	-	90	Target not achieved. The delay has been attributed to untimely supply of equipment
	Vetted Tourism expatriates	% of applications approved	80	100	100	95.6	100	91	Target not Achieved. All the applications received were vetted however, 7 were declined because they

Programme	Key Outputs	Key performance indicators	Planned Targets			Achieved Targets			Remarks
			2023/ 24	2024/ 25	2025/ 26	2023/ 24	2024/ 25	2025/ 26	
									didn't meet the required threshold.
S.P. 2.3: Tourism Infrastructure Development	Ronald Ngala Utalii College	% Completion rate	85	100	100	82.93	85.259	88	This is an ongoing project which has delayed due to budgetary constraints over the years.
	Tourism Fund levy collected	Amount of levy collected (KShs. Billion)	4.75	5.5	6.65	4.9	5.1	5.646	The Fund had anticipated to have regulations that will enable collection of levies from Airbnb's, Homestays and Villas during the Financial Year but the same was not gazetted, hence the shortfall.
	Training and Capacity development grants	Amount disbursed to KUC in (KShs M)	552	630	659	552	630	659	Annual target met.
	Tourism Marketing grants	Amount disbursed to KTB (KShs M)	360	470	757	360	470	757	Annual target met.

Programme	Key Outputs	Key performance indicators	Planned Targets			Achieved Targets			Remarks
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
	Tourism Regulatory grants disbursed	Amount disbursed to TRA	-	50	113	-	37.6	113	Annual target met.
	Tourism Research grants disbursed	Amount disbursed to TRI	-	80	80	-	66	80	Annual target met.
	BICEC grants Disbursed	Amount disbursed to BOMAS	-	500	4600	-	500	1500	Disbursed as per a Securitization Framework that prescribes monthly funding need of Kshs.875
	Development of Bomas International Convention Centre (BICC)	Percentage of Completion			100		5	38	Bomas International Convention Centre (BICC)Project started in 01/03/2025 & Expected completion 31/12/2026
S.P 3.1: General administration	Open Office Space modelling and security system	% Completion rates	100	100	100	98	98	98	Target not met due to financial constraints.

Programme	Key Outputs	Key performance indicators	Planned Targets			Achieved Targets			Remarks
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
planning and support services	project completed								
	Projects/program Monitoring and evaluation	No. of quarterly M&E Reports	4	4	4	4	4	4	Target Achieved.
	Strategic Plan	Strategic plan	1	-	-	1	-	-	Target achieved. A strategic Plan for the organization was developed.
	Feasibility and Prefeasibility Reports	No. of Pre-Feasibility and Feasibility studies undertaken	4	4	3	0	0	-	Target not achieved due to budget constraints

4.2 EXPENDITURE TRENDS ANALYSIS

4.2.1 Analysis of Recurrent Expenditure

The recurrent approved budget for the State Department for the period under review was Ksh.12.7 billion for FY 2023/24, Ksh.13.5 billion for FY 2024/25 and Ksh.11.8 billion for FY 2025/26. The recurrent expenditure during the same period was Ksh.9.3 billion in FY 2023/24, Ksh.12.4 billion in FY 2024/25 and Ksh.8.1 billion in FY 2025/226. These expenditures reflect an absorption rate of 72.8% for FY 2023/24, 86.6% for FY 2024/25 and 69% for FY 2025/26. Table 2.2 illustrates the analysis of recurrent expenditure.

Table 2.2: Analysis of Recurrent Expenditure (Ksh. Million)

Economic Classification	**Approved Budget Allocation**			**Actual Expenditure**		
	2023/24	**2024/25**	**2025/26**	**2023/24**	**2024/25**	**2025/26**
Gross	**12,659.00**	**13,588.38**	**11,758.46**	**9,288.00**	**12,426.74**	**8,112.59**
AIA	**11,750.00**	**13,037.82**	**10,924**	**8,297.00**	**11,986.75**	**7,300.36**
NET	**909.00**	**550.56**	**834.46**	**991.00**	**439.99**	**812.23**
Compensation to employees	200.00	205.27	245.27	191.00	193.63	242.82
Transfers	11,971.00	13,028.37	11,228.41	8,710.00	11,947.84	7,613.03
Other recurrent	488.00	354.74	284.78	387.00	285.27	256.84
Of which:						
Utilities	5.00	4.20	4.20	4.00	3.90	3.61
Rent	50.00	70.80	50.49	48.00	68.02	48.32
Insurance	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-
Gratuity	-	6.69	-	-	6.69	-
Contracted guards & cleaners	12.00	17.81	14.98	5.00	12.37	8.86
Others specify	421.00	255.24	215.11	330.00	194.29	196.05

4.2.2 ANALYSIS OF DEVELOPMENT EXPENDITURE

The Development approved budget for the State Department for the period under review was Ksh.142.15 million for FY 2023/24, Ksh.870 million for FY 2024/25 and Ksh.5.21Billion for FY 2025/26. The Development expenditure during the same period was Ksh.87 million in FY 2023/24, Ksh.98.10 million in FY 2024/25 and Ksh.2.038 billion in FY 2025/26.

These expenditures reflect an absorption rate of 61% for FY 2023/24, 11% for FY 2024/25 and 39% for FY 2025/26, as illustrated below.

Table 2.3: Analysis of Development Expenditure (KShs. Million)

STATE DEPARTMENT FOR TOURISM							
VOTE AND VOTE DETAILS	**DETAILS**	**APPROVED BUDGET**			**ACTUAL EXPENDITURE**		
		2023/24	**2024/25**	**2025/26**	**2023/24**	**2024/25**	**2025/26**
MDA	**Gross**	**142.00**	**870.00**	**5,210.00**	**87.00**	**98.10**	**2,038.81**
	GOK	117.00	-		67.00	-	-
	Grants	-	-	-	-	-	-
	Loans	-	-	-	-	-	-
	Local AIA	25.00	870.00	5,210.00	20.00	98.10	2,038.81

4.2.3 ANALYSIS OF PROGRAMME EXPENDITURE

The absorption rate for the **Tourism Promotion and Marketing Programme** for FY 2023/24, FY 2024/25 and FY 2025/26 was **90%**, **98% and 62%**, respectively. On the other hand, the **Tourism Product Development and Diversification Programme** recorded absorption rates of **71%** in FY 2023/24, **87%** in FY 2024/25 and **59%** in FY 2025/26.

The **General Administration, Planning and Support Services Programme** registered absorption rates of **91%**, **91% and 84%** for FY 2023/24, FY 2024/25 and FY 2025/26, respectively.

Table 2.4: Analysis of Programme Expenditure (KShs. Million)

PROGRAMME	**APPROVED BUDGET**			**ACTUAL EXPENDITURE**		
	2023/24	**2024/25**	**2025/26**	**2023/24**	**2024/25**	**2025/26**
Tourism Promotion and Marketing						
Destination Marketing	437.30	344.12	402.89	437.30	344.12	355.73
Tourism Promotion	492.70	438.45	1,250.35	441.70	379.14	666.35
TOTAL	**930**	**782.57**	**1,653.24**	**879**	**723.26**	**1,022.08**
Tourism product development and diversification						
Niche Tourism Product Development	6,252.00	6,460.28	5,929.70	3,659.00	5,617.29	3,757.84

and Marketing						
Tourism infrastructure development	4,750.00	6,483.39	8,393.00	4,081.00	5,477.91	4,690.07
Tourism training and capacity building	560.00	452.27	685.90	477.00	452.27	423.40
TOTAL	**11,562.00**	**13,395.94**	**15,008.6**	**8,217.00**	**11,547.47**	**8,871.31**
General administration, Planning and Support Services						
General Administration, Planning and Support Services	309.00	279.87	306.63	279.00	254.11	258.10
TOTAL	309	279.87	306.63	279	254.11	258.10
TOTAL VOTE	**12,801.00**	**14,458.38**	**16,968.47**	**9,375.00**	**12,524.84**	**10,151.49**

4.2.4 ANALYSIS BY CATEGORY OF EXPENDITURE: ECONOMIC CLASSIFICATION

The current budget absorption rate for **Programme 1: Tourism Promotion and Marketing** was **95%**, **95% and 96%** for the Financial Years 2023/24, 2024/25 and 2025/26 respectively. The capital absorption rate for the programme was **50%** in FY 2023/24, while there was no capital expenditure in FY 2024/25 and FY 2025/26.

The current budget absorption rate for **Programme 2: Tourism Product Development and Diversification** was **71%**, **92% and 66%** for the Financial Years 2023/24, 2024/25 and 2025/26 respectively. The capital budget absorption rate for the programme was **80%** in FY 2023/24 and **12%** in FY 2024/25 and **44%** in FY 2025/26.

The current budget absorption rate for **Programme 3: General Administration, Planning & Support Services** was **90%**, **111% and 97%** for the Financial Years 2023/24, 2024/25 and 2025/26 respectively. The capital budget absorption rate for the programme was **97%** in FY 2023/24, while there was no capital expenditure in FY 2024/25 and FY 2025/26. **Table 4.5** illustrates the analysis by category of expenditure by economic classification.

Table 2.5: Analysis by Category of Expenditure: Economic Classification (KShs. Million)

ECONOMIC CLASSIFICATION	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2023/24	2024/25	2025/26	2023/24	2024/25	2025/26
Programme 1: Tourism Promotion and Marketing	**930**	**782.57**	**1,653.24**	**879**	**723.26**	**1,022.08**
Current Expenditure	**930**	**752.57**	**1,069.24**	**879**	**723.26**	**1,022.08**
Compensation of Employees	-	-	-	-	-	-
Use of Goods and Services	53	-	-	52	-	-
Grants and Other Transfers	877	752.57	1,069.24	827	723.26	1,022.08
Other Recurrent (Subsidies)	-	-		-	-	
Capital Expenditure	**-**	**30**	**584.00**	**-**	**-**	**-**
Acquisition of Non-Financial Assets	-	-	-	-	-	-
Capital Grants to Government Agencies	-	-	-	-	-	-
Other Development	-	30	584.00	-	-	-
Programme 2: Tourism Product Development and Diversification	**11,562.00**	**13,395.94**	**15,008.6**	**8,217.00**	**11,547.47**	**8,871.31**
Current Expenditure	**11,437.00**	**12,555.94**	**10,422.60**	**8,147.00**	**11,449.37**	**6,832.51**
Compensation of Employees	78	67.44	78.88	69	67.43	78.67
Use of Goods and Services	106	212.7	184.54	82	157.36	162.97
Grants and Other Transfers	11,087.00	12,275.80	10,159.18	7,883.00	11,224.58	6,590.87
Other Recurrent (Subsidies)	166	-	-	113	-	-
Capital Expenditure	**125**	**840**	**4,586.00**	**70**	**98.1**	**2,038.80**
Acquisition of Non-Financial Assets	103	223	460	52	2.62	195.32
Capital Grants to Government Agencies	-	250	3,326.00	-	-	1,843.49
Other Development	22	367	800.00	18	95.48	-
Programme 3: General Administration, Planning & Support Service	**309**	**279.87**	**306.63**	**279**	**254.11**	**258.10**
Current Expenditure	**292**	**279.87**	**266.63**	**262**	**254.11**	**258.10**
Compensation of Employees	122	137.83	166.39	122	126.2	164.15
Use of Goods and Services	146	135.35	100.24	140	121.22	93.95
Grants and Other Transfers	7	-	-	-	-	-
Other Recurrent (Subsidies)	17	6.69	-	-	6.69	-

Capital Expenditure	**17**	**-**	**40.00**	**17**	**-**	**-**
Acquisition of Non-Financial Assets	-	-	-	-	-	-
Capital Grants to Government Agencies	-	-	-	-	-	-
Other Development	17	-	-	17	-	-
Total for Vote 1202	**12,801.00**	**14,458.38**	**16,968.47**	**9,375.00**	**12,524.84**	**10,151.49**

TABLE 2.6: ANALYSIS OF SAGAS RECURRENT BUDGET VS. ACTUAL EXPENDITURE (KSHS. MILLION)

Table 2.6: Analysis of SAGAs Recurrent Budget Vs. Actual Expenditure (Ksh.Millions)						
	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2023-24	**2024-25**	**2025-26**	**2023-24**	**2024-25**	**2025-26**
KENYA TOURISM BOARD						
GROSS	**546.69**	**344.12**	**402.89**	**546.69**	**344.12**	**356.89**
AIA	270.04	230.06	300	270.04	230.06	254
NET	276.65	114.06	102.89	276.65	114.06	102.89
Compensation to Employees	225.49	114.06	103	225.49	114.06	103
Transfers						
Other Recurrent	321.21	230.06	299.89	321.2	230.06	253.89
Of which						
Utilities	2.37	2	3	2.37	2	2
Rent	26.57	29	40	26.57	29	34
Insurance	1.11	1	1	1.11	1	1
Gratuity	10.34	17	29	10.34	17	27
Contracted professional (Guard & cleaners)	0.78	0.85	1.3	0.78	0.85	0.6
Others Specify. (Quality assurance audits, Standards development and Corporate performance management)	280.04	180.21	225.59	280.03	180.21	189.29

Table 2.6: Analysis of SAGAs Recurrent Budget Vs. Actual Expenditure (Ksh.Millions)						
	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2023-24	**2024-25**	**2025-26**	**2023-24**	**2024-25**	**2025-26**
TOURISM REGULATORY AUTHORITY						
GROSS	**382.8**	**390**	**649.5**	**382.8**	**360.69**	**649.5**
AIA	220.04	390	649.5	220.04	360.69	649.5
NET	162.76	-	-	162.76	-	-
Compensation to Employees	207.6	208.47	294.4	207.6	207.68	294.4
Transfers	-	-		-	-	0
Other Recurrent	175.2	181.53	355.1	175.2	153.01	355.1
Of which						
Utilities	0.61	0.66	0.51	0.61	0.55	0.51
Rent	33.4	50	43.1	33.4	50	43.1
Insurance	29.85	30.23	37.1	29.85	30.23	37.1
Gratuity	6.85	6.5	6.5	6.85	6.49	6.5
Contracted professional (Guard & cleaners)	13.89	12.02	36.8	13.89	12.02	36.8
Others Specify. (Quality assurance audits, Standards development and Corporate performance management)	90.6	82.12	231.09	90.6	53.72	231.09
TOURISM RESEARCH INSTITUTE						
GROSS	**56.91**	**18.45**	**16.84**	**51.44**	**18.45**	**16.84**
AIA	-	-	-	-	-	-
Net	56.91	18.45	16.84	51.44	18.45	16.84
Compensation to Employees	5.00	-	-	1.61	-	-
Other Recurrent	51.91	18.45	16.84	49.83	18.45	16.84
Of which;	1.31					
Utilities						
Rent	8.40	8.40	8.40	8.40	8.40	8.40
Insurance	1.70	1.70	1.70	0.93	1.70	1.70
Gratuity		-	-			-
Contracted Guards &Cleaners Services	1.00	1.50	-	0.50	1.50	-

Table 2.6: Analysis of SAGAs Recurrent Budget Vs. Actual Expenditure (Ksh.Millions)						
	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2023-24	**2024-25**	**2025-26**	**2023-24**	**2024-25**	**2025-26**
Other specify. (Data analysis, Research and Survey, Data Management Platform Dissemination	40.81	6.85	6.74	40.00	6.85	6.74
TOURISM FUND						
GROSS	**4,831.00**	**6,483.39**	**6,733.25**	**4,742.96**	**5,477.91**	**5,732.91**
A.I. A	4,831.00	6,483.39	6,733.25	4,742.96	5,477.91	5,732.91
Net	-	-		-	-	
Compensation to Employees	773.93	829.22	762.34	702.20	689.79	758.20
Transfers	2,608.25		2,518.00	2,608.25		1,575.44
Other Recurrent	**1,448.82**	**5,654.17**	**3,452.91**	**1,432.51**	**4,788.12**	**3,399.27**
Utilities	33.19	33.95	46.60	29.60	24.89	25.10
Rent	31.23	27.00	35.02	31.20	26.47	25.14
Insurance	72.20	65.46	72.00	68.90	65.46	68.24
Gratuity	-	3.03	13.05	-	2.73	13.05
Contracted Professional (Guards & Cleaners)	92.15	67.00	85.55	82.76	67.00	71.30
Others (Levy Recruitment Drive, Fuel expenses, Staff Development-	1,220.05	5,457.73	3,200.69	1,220.05	4,601.57	3,196.44
KENYA UTALII COLLEGE						
Gross	**502.20**	**461.20**	**505.90**	**502.20**	**461.20**	**505.90**
AIA	401.00	410.00	410.00	401.00	410.00	410.00
Net Exchequer	101.20	51.20	95.90	101.20	51.20	95.90
Compensation to Employees	101.20	51.20	95.90	101.20	51.20	95.90
Other Recurent	**401.00**	**410.00**	**409.70**	**401.00**	**410.00**	**410.00**
Utilities	70.00	70.00	78.60	70.00	70.00	78.60
Rent						
Insurance and Medical	28.70	53.00	42.50	28.70	53.00	42.50

Table 2.6: Analysis of SAGAs Recurrent Budget Vs. Actual Expenditure (Ksh.Millions)						
	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2023-24	**2024-25**	**2025-26**	**2023-24**	**2024-25**	**2025-26**
Subsidies	-					
Gratuity	6.00	4.00	4.00	6.00	4.00	4.00
Contracted Profesional (Guards & Cleaners)	32.00	49.00	38.60	32.00	49.00	38.60
Others Specify(Training material finance charges Council)	264.30	234.00	246.00	264.30	234.00	246.30
BOMAS OF KENYA						
GROSS	**352.54**	**402.64**	**271.86**	**498.07**	**464.90**	**285.83**
AIA	103.00	128.00	18.00	248.53	190.26	31.97
NET	**249.54**	**274.64**	253.86	**249.54**	**274.64**	**253.86**
Compensation to Employees	193.58	244.24	254.96	238.60	248.55	259.98
Other Recurrent	**158.96**	**158.40**	**16.89**	**259.47**	**216.35**	**25.85**
Out Of Which	-	-	-	-	-	-
Insurance	33.48	20.00	1.50	20.59	5.71	5.04
Utilities	12.64	3.50	11.39	21.04	16.55	11.87
Rent	-	-	-	-	-	-
Subscription to International Organization	-	-	-	-	-	-
Subscription to Professional Bodies	0.15	0.15	0.15	0.16	0.16	0.16
Contracted Professional(Guards & Cleaners)	1.65	0.50	2.00	2.85	4.03	4.30
Gratuity	7.36	7.00	-	14.12	8.14	-
Others - (Board expenses,core mandate and other expenses)	103.67	127.25	1.86	200.71	181.76	4.48
KENYATTA INTERNATIONAL CONVENTION CENTRE						
GROSS	**1,490.47**	**1,248.14**		**2,040.64**	**1,202.40**	
AIA	1,490.47	1,248.14		2,040.64	1,202.40	

Table 2.6: Analysis of SAGAs Recurrent Budget Vs. Actual Expenditure (Ksh.Millions)						
	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2023-24	**2024-25**	**2025-26**	**2023-24**	**2024-25**	**2025-26**
NET	-	-		-	-	
Compensation to Employees	394.59	307.17		282	293.54	
Transfers	-	-		-	-	
Other Recurrent	1,095.88	940.97		1,758.64	908.86	
Utilities	78.91	90.67		74.4	90.67	
Rent	-	-		-	-	
Insurance	18.49	26.05		-	16	
Subsidies	-	-		-	-	
Gratuity	21.61	21.61		14.05	10	
Contracted Professional service	84.41	85.45		78.35	75	
Others: Other expenses relate to use of goods and services, board expenses and profits	892.46	717.19		1,591.84	717.19	

4.2.5 CAPITAL PROJECTS PERFORMANCE

Annex 4C FY 2023/24 – 2025/26 (KSH MILLION)

Project Code & Project Title	Estimated cost of Project (Financing)			Timeline		FY 2023/24				FY 2024/25				FY 2025/26					Remarks
	Total Est. Cost of Project (a)	**Gok**	**Foreign**	**Start Date**	**Expected completion date**	**Approved Gok Budget**	**Foreign**	**Cum.Exp. As at 30th June 2024**	**Completion stage as at 30th June 2024 (%)**	**Approved Gok Budget**	**Foreign**	**Cum. Exp. As at 30th June 2025**	**Completion stage as at 30th June 2025(%)**	**Approved Gok Budget**	**Foreign**	**CumExp. As at 30th June 2026**	**Outstanding balance as at 30th June 2026**	**Completion stage as at 30th June 2026 (%)**	
						KShs Millions				**KShs Millions**				**KShs Millions**					
1201100300 Open Space Office Modelling and Security System Fitting	185	185		16-Jul	22-Jun	17.15		175.7	98%	0		175.7	98%	40.00		175.70	9.3	98	Project was not funded in FY2025/26
1202100800 Sustaining New Markets & Siting Booths in Tourism Target Markets – KTB	6669	6669		15-Jul	24-Jun	100		2127.9	46%	0		2127.9	46%	-		2,127.90	4,541.10	46	Project is Ongoing, however no funding in the FY 2025/26
1202102801 National Tourism Digital Service Platform	215	215		23-Jul	25-Jun	25		20.03	25%	25		22.65	28%	45.00		29.96	185	35	Project Ongoing; Updating tourism data on the portal before final launch.

Project Code & Project Title	Estimated cost of Project (Financing)			Timeline		FY 2023/24				FY 2024/25				FY 2025/26					Remarks
	Total Est. Cost of Project (a)	Gok	Foreign	Start Date	Expected completion date	Approved Gok Budget	Foreign	Cum.Exp. As at 30th June 2024	Completion stage as at 30th June 2024 (%)	Approved Gok Budget	Foreign	Cum. Exp. As at 30th June 2025	Completion stage as at 30th June 2025(%)	Approved Gok Budget	Foreign	CumExp. As at 30th June 2026	Outstanding balance as at 30th June 2026	Completion stage as at 30th June 2026 (%)	
						KShs Millions				KShs Millions				KShs Millions					
1202100500 Ronald Ngala Utalii College – TF	13,078	13,078		13-Jul	24-Jun	0		10,200.56	78%	0		14,423.30	85%				-1,345.30		This is an ongoing project which has delayed due to budgetary constraints over the years.
1202101900 Coastal Beach Management Programme-BETA.	499	499		23-Jul	30-Jun					30			5.00%	134.00		32.40	466.6	6.5	Ongoing project. Code of conduct developed
1202103000 National Mapping and Development of Tourism niche products	500	500		23-Jul	30-Jun					425		55	25%	200.00		178.17	445	35.6	Project ongoing. GIS Mapping/situational analysis of tourism Products

Project Code & Project Title	**Estimated cost of Project (Financing)**			**Timeline**		**FY 2023/24**				**FY 2024/25**				**FY 2025/26**					**Remarks**
	Total Est. Cost of Project (a)	**Gok**	**Foreign**	**Start Date**	**Expected completion date**	**Approved Gok Budget**	**Foreign**	**Cum.Exp. As at 30th June 2024**	**Completion stage as at 30th June 2024 (%)**	**Approved Gok Budget**	**Foreign**	**Cum. Exp. As at 30th June 2025**	**Completion stage as at 30th June 2025(%)**	**Approved Gok Budget**	**Foreign**	**CumExp. As at 30th June 2026**	**Outstanding balance as at 30th June 2026**	**Completion stage as at 30th June 2026 (%)**	
						KShs Millions				**KShs Millions**				**KShs Millions**					
																			across 47 counties done
1202103100 National Tourism Amenities.	480	480		23-Jul	30-Jun					100		5	5%	200.00		-	475	5	Project Documentation Including the BQs Completed For amenities in – Kwale, Baringo, Kisumu, & Embu

Project Code & Project Title	**Estimated cost of Project (Financing)**			**Timeline**		**FY 2023/24**				**FY 2024/25**				**FY 2025/26**					**Remarks**
	Total Est. Cost of Project (a)	**Gok**	**Foreign**	**Start Date**	**Expected completion date**	**Approved Gok Budget**	**Foreign**	**Cum.Exp. As at 30th June 2024**	**Completion stage as at 30th June 2024 (%)**	**Approved Gok Budget**	**Foreign**	**Cum. Exp. As at 30th June 2025**	**Completion stage as at 30th June 2025(%)**	**Approved Gok Budget**	**Foreign**	**CumExp. As at 30th June 2026**	**Outstanding balance as at 30th June 2026**	**Completion stage as at 30th June 2026 (%)**	
						KShs Millions				**KShs Millions**				**KShs Millions**					
1202102900 Tourism Policy and Legislative Reforms.	400	400		23-Jul	30-Jun					40		34.99	80%	80.00		49.40	350	80	National Tourism Policy & Act; Drafts prepared, Stakeholder consultations done and completed; Awaiting stakeholder Validation
Eco tourism Project-Likuyani, Kakamega	300	300		30th Jan 2025	30th June 2027					50				50.00		-	300		Advertising of the tender done by Tourism Fund.

Project Code & Project Title	Estimated cost of Project (Financing)			Timeline		FY 2023/24				FY 2024/25				FY 2025/26					Remarks
	Total Est. Cost of Project (a)	Gok	Foreign	Start Date	Expected completion date	Approved Gok Budget	Foreign	Cum.Exp. As at 30th June 2024	Completion stage as at 30th June 2024 (%)	Approved Gok Budget	Foreign	Cum. Exp. As at 30th June 2025	Completion stage as at 30th June 2025(%)	Approved Gok Budget	Foreign	CumExp. As at 30th June 2026	Outstanding balance as at 30th June 2026	Completion stage as at 30th June 2026 (%)	
						KShs Millions				KShs Millions				KShs Millions					
Mawe Tatu Heritage site	200	350		30th Jan 2025	30th June 2026					200				100.00		-	200		BQs are currently being developed by Tourism Fund and State Department of Public Works
Tourism Sector Capacity Development	500	500												100.00		-	500		Project was not funded in FY2025/26
Tourism Data Integration	497	497		7-Jan										50.00		-	497		Project was not funded in FY2025/26
Promotion of Kenya Home of Human Origin	525	525												300.00		-	525		Project was not funded in FY2025/26
Ecotourism and Resilience	497	497												120.00		-	497		Project was not funded in

Project Code & Project Title	Estimated cost of Project (Financing)			Timeline		FY 2023/24				FY 2024/25				FY 2025/26					Remarks
	Total Est. Cost of Project (a)	Gok	Foreign	Start Date	Expected completion date	Approved Gok Budget	Foreign	Cum.Exp. As at 30th June 2024	Completion stage as at 30th June 2024 (%)	Approved Gok Budget	Foreign	Cum. Exp. As at 30th June 2025	Completion stage as at 30th June 2025(%)	Approved Gok Budget	Foreign	CumExp. As at 30th June 2026	Outstanding balance as at 30th June 2026	Completion stage as at 30th June 2026 (%)	
						KShs Millions				KShs Millions				KShs Millions					
																			FY2025/26
Community Based Tourism Initiatives	495	495												105.00		-	495		Project was not funded in FY2025/26
Tourism Innovation and Sustainability	500	500												110.00		-	500		Project was not funded in FY2025/26
Tourism Promotion and Marketing	450	450												100.00		18.00	450		Project was not funded in FY2025/26
Hirola Ishakbini Eco-Tourism Project	200	200												200.00		-	200		Project was not funded in FY2025/26
Kamuthe Grevy?s Zebra Eco-Tourism Project	100	100												100.00		-	200		Project was not funded in FY2025/26
Mt. Kenya Routes Eco-Tourism Project	300	300												300.00		-	300		Project was not funded in FY2025/26

Project Code & Project Title	Estimated cost of Project (Financing)			Timeline		FY 2023/24				FY 2024/25				FY 2025/26					Remarks
	Total Est. Cost of Project (a)	Gok	Foreign	Start Date	Expected completion date	Approved Gok Budget	Foreign	Cum.Exp. As at 30th June 2024	Completion stage as at 30th June 2024 (%)	Approved Gok Budget	Foreign	Cum. Exp. As at 30th June 2025	Completion stage as at 30th June 2025(%)	Approved Gok Budget	Foreign	CumExp. As at 30th June 2026	Outstanding balance as at 30th June 2026	Completion stage as at 30th June 2026 (%)	
						KShs Millions				KShs Millions				KShs Millions					
KICC Premises Commercialization	85	85												85.00		-	85		Project was not funded in FY2025/26
Chorlim - Mt Elgon National Park Road	25	25												25.00		-	25		Project was not funded in FY2025/26
Eco-Tourism Project?Lake Kanyaboli	25	25												25.00		-	25		Project was not funded in FY2025/26
Capital Grants to SAGAs														2,741.00		1,843.49			
Totals	**26,725.00**	**26,875.00**	**-**			**142.15**	**-**	**12,524.19**		**870**	**-**	**16,844.54**		**5,210.00**		**2,611.53**	**9,925.70**		

4.3 PENDING BILLS ANALYSIS

Annex 4D: REVIEW OF PENDING BILLS

Over the review period, the State Department's pending bills rose progressively from Ksh.29.4 million in FY 2023/24, and further to Ksh.167.6million in FY 2025/26, largely driven by recurrent expenditure on goods and services, while smaller amounts were linked to development expenditure on acquisition of non-financial assets.

Summary of Pending Bills

	DUE TO LACK OF EXCHEQUER			**DUE TO LACK OF PROVISION**		
Type/nature	2023/24	2024/25	2025/26	2023 /24	2024 /25	2025 /26
1.RECURRENT	24,618,498.90	75,784,810.90	50,948,387.15			
compensation to employees						
Use of goods and services e.g utilities, domestic or foreign travels etc	24,618,498.90	75,784,810.90	50,948,387.15			
social benefits e.g NHIF,NSSF						
Other expense						
2.DEVELOPMENT	4,834,409.09	2,216,408.09	116,673,320.00			
Acquisition of non-financial assets	4,834,409.09	2,216,408.09	116,673,320.00			
Use of goods and services						
Others-specify						
Total pending bills	29,452,907.99	78,001,218.99	167,621,707.15			

4.4 COURT AWARDS ANAYSIS

Annex 4E: SUMMARY OF COURT AWARDS

S/No.	Details of the Award	Date of Award	Amount(million)	Payment to Date
1	NBI CMCC No. 1417 of 2011 Monica Nthikwa Vs PS Tourism		3,500,650	Nil
2	Nairobi HCCC No. 374 of 2007Edith Kweya Ekume -vs- Hon. Attorney General & Another. The plaintiffs sued as the legal representatives and administrators of the estate of the late Moses Ernest Kweya Ekume. The case relates to a road accident involving motor vehicle registration number GK A222E (KAN 524Y) as a result of which the deceased suffered fatal injuries.	1st November 2013	1,188,348.16	Whole amount paid in 2024/2025 financial year
TOTAL			4,688,998.16	

5 CHAPTER THREE; MEDIUM TERM PRIORITIES AND FINANCIAL PLAN FOR THE MTEF PERIOD 2027/28 – 2029/30

5.1 PRIORITIZATION OF PROGRAMMES AND SUB-PROGRAMMES

Over the 2027/28–2029/30 Medium-Term Expenditure Framework (MTEF) period, the tourism sub-sector will prioritize programmes drawn from the **Bottom-up Economic Transformation Agenda (BETA)**, focusing on product diversification, infrastructure development, aggressive marketing, and skills enhancement to drive higher tourist arrivals, earnings, and job creation. Interventions will emphasize eco-tourism, cultural heritage, and community-based projects to broaden Kenya's offerings beyond traditional safaris while fostering inclusive economic growth through linkages with agriculture and the creative economy. These priorities align with the sector's vision and strategic plan but are shaped by a constrained financial envelope, requiring Kshs.22,649.18 million, Kshs.23,867.74 million and Kshs.24,805.98 million for the financial years 2026/2027,2027/2028 and 2028/2029 respectively.

5.2 PROGRAMMES AND THEIR OBJECTIVES.

PROGRAMMES	OBJECTIVES
Tourism Promotion and Marketing	To increase tourist arrivals and earnings by marketing Kenya as a tourist destination.
Tourism Product Development and Diversification	To improve destination competitiveness
General Administration, Planning and Support Services	To provide efficient support service delivery

5.3 PROGRAMMES OUTCOMES, OUTPUTS AND KPIS.

Table 3.2: PROGRAMME/SUB PROGRAMME, OUTCOMES, OUTPUTS, AND KPIs

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY2025/26		Target	Target(Baseline)	Target	Target
				Target	Actual achievement	2026/27	2027/28	2028/29	2029/30
P 1: Tourism Promotion and Marketing **Outcome:** Increased Kenya's tourism market share and earnings									
S.P 1.1: Destination Marketing	Kenya Tourism Board	Increased International tourist arrivals	No. of international tourist arrivals (Million)	2.8	2.79	3	3.36	3.76	4.21
		Increased Tourism Earnings	Amount of tourism earnings (KShs. Billions)	529	564	612	686	768	861
		Increased Domestic Bed-nights.	No. of bed nights (Millions)	5.7	5.14	5.7	6.15	6.64	7.18
		Increased Magical Kenya Brand Awareness	Brand awareness Index (%)	82	79	82	83	84	85
		Partnership established to promote the destination.	No. of partnerships established in the source markets.	5	16	10	10	10	10
S.P 1.2 Tourism Promotion	Tourism Regulatory Authority	Quality assurance audits undertaken	No. of regulated tourism enterprises audited	8,500	10,861	12,490	14,364	16,518	18,996

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY2025/26		Target	Target(Baseline)	Target	Target
				Target	Actual achievement	2026/27	2027/28	2028/29	2029/30
		Regulated Tourism Enterprises assessed for Accreditation.	No. of Regulated Tourism Enterprises Assessed for Accreditation.	400	420	250	1000	600	400
		Accommodation and catering facilities assessed for Star rating	No. of accommodation and catering facilities assessed for Star rating.	100	-	350	50	0	0
		National Tourism Sector Standards developed/ reviewed	No. of National Tourism Sector standards developed/ reviewed	2	2	5	5	5	5
		Inventory of regulated tourism enterprises undertaken	% of Inventory of regulated tourism enterprises undertaken	100	100	100	0	0	0
		Stakeholder Sensitization forums on Developed Standards Conducted	No. of stakeholder sensitization forums conducted	0	0	0	8	10	12

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY2025/26		Target	Target(Baseline)	Target	Target
				Target	Actual achievement	2026/27	2027/28	2028/29	2029/30
	Directorate of Tourism promotion Development	Global Public and digital media tourism campaigns undertaken	No of Global Public and digital media tourism campaigns undertaken	1	1	1	1	1	1
		Themed Cultural Tourism Festivals	No. of Themed cultural tourism events promoted.	-	5	7	7	7	7
		Promote Halal Cuisine	No. of Halal cuisine promoted	1	1	1	1	1	1
		Organize Swahili food festival	No. of Swahili food festival organized			-	1	1	1
		Stakeholder engagements roundtable Foras/Meetings	No. of tourism Stakeholder engagement Meetings held	-	3	3	3	3	3
		Tourism Desks established at foreign missions	No. of tourism desks established	**-**	**-**	2	2	2	2
		UN Tourism activities/events, International Conferences, Expos, Exhibitions, Trade	No. of international Events/conferences supported and participated	**-**	**3**	13	14	15	17

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY2025/26		Target	Target(Baseline)	Target	Target
				Target	Actual achievement	2026/27	2027/28	2028/29	2029/30
		Shows							
		Tourism agreements /MOUs Signed and Implemented	No. of MoUs signed and implemented	-	2	4	6	8	8
		Stakeholder capacity building forums	No. of capacity building forums Held	-	3	5	5	5	5
		Coastal Beach revamped	No. of beaches revamped	-	-	2	2	2	2
			No. of beach zones installed with security infrastructure	-	-	2	2	2	2
	Tourism Research Institute	Tourism Research Studies conducted	No. of tourism research studies conducted	3	2	4	4	4	5
		National Tourism information system and database developed	% completion rate of National Tourism information system and database	50	50	80	100	-	-
		Tourism performance reports developed	No. of Reports	2	2	1	1	1	1

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY2025/26		Target 2026/27	Target(Baseline) 2027/28	Target 2028/29	Target 2029/30
				Target	Actual achievement				
		Tourism Satellite Account reviewed	No. of TSA Reports	-	-	-	1	1	1
	Directorate of Finance and Investment	National Investment Foras organized	No. of Investment Foras held	2	1	-	1	1	1
		Tourism investments profiled and packaged	Tourism investments profiled and packaged in 47 counties	-	-	30	60	80	100
		Tourism incentives created	No. of Tourism Incentives created	-	-	2	2	2	2
		Innovative financing mechanisms developed	No. of innovative financing models developed	-	-	1	2	2	2
P 2: Tourism Product Development and Diversification Outcome: Improved destination competitiveness									
S.P 2.1: Niche Product Development and Packagi	Kenyatta International Convection Centre	Meetings, Incentives, Conferences and exhibitions (MICE) held	No. of international conferences held	1,077	998				
			No. of international delegates hosted	38,382	38,705				

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY2025/26		Target	Target(Baseline)	Target	Target
				Target	Actual achievement	2026/27	2027/28	2028/29	2029/30
ng			No. of local conferences events held	11,824	12,671				
			No. of Local delegates hosted	746,293	758,278				
		KICC modernized	% completion	100	78				
		Coast Convention Centre Developed	% Completion Rate				20	50	100
	Tourism Police Unit	Tourism Police Unit(s) equipped and trained	No. of Tourism Police Unit equipped	-	-	1	1	1	1
			No. of Tourism police officers trained	-	-	100	100	120	120
		Tourism Police Unit land in Maasai Mara Fenced	No. of acres fenced	-	-	4	-	-	-
		Administration block constructed	No of Admin blocks constructed	-	-	-	1	1	1
	Directorate of Tourism Promotion	National Tourism Niche Products mapped &	No. of Tourism Niche Products mapped	22	22	-	-	-	-

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY2025/26		Target	Target(Baseline)	Target	Target
				Target	Actual achievement	2026/27	2027/28	2028/29	2029/30
	Development	developed	No. of Tourism Niche Products mapped Developed	-	-	3	3	3	3
		Youth mainstream tourism initiatives developed	No. of youth centric tourism initiatives and innovations developed	-	-	2	2	2	2
			No. of youth engaged in tourism initiatives	-	-	100	200	300	400
		Sustainable Community based tourism initiatives promoted	No. of community members trained in tourism sustainable practices, eco-tourism, and entrepreneurship	-	-	100	150	200	250
			Number of community-based tourism initiatives promoted	-	-	5	7	7	7

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY2025/26		Target	Target(Baseline)	Target	Target
				Target	Actual achievement	2026/27	2027/28	2028/29	2029/30
		Agro tourism products promoted (Coffee, Tea)	No. of agro tourism products promoted			-	2	2	2
	Directorate of Finance and Investment	Kenya, Home of human origins Tourism products mapped, and promoted	No of niche tourism products in the region Mapped and promoted	-	5	1	2	2	2
			No. of community-trained on sustainable tourism in the region	-	-	50	100	200	200
			No. of information and communication centre developed - Kenyatta House - Lodwar, Marsabit	-	-	2	2	2	2
			Marketing strategy for Kenya, origin of humankind	-	-	1	1	-	-

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY2025/26		Target	Target(Baseline)	Target	Target
				Target	Actual achievement	2026/27	2027/28	2028/29	2029/30
			developed						
	Directorate of Policy, Research and Innovation	National Tourism Policy, Tourism Act Cap 381 and Legislative Reforms Reviewed	National tourism Policy reviewed	1	-	1	-	-	-
			Tourism Act Cap 381 reviewed	1	-	1	-	-	-
			No. of tourism regulations reviewed	1	-	-	-	-	-
		Tourism strategies developed	National tourism strategy developed	-	1	1	-	-	-
			Tourism Domestic Growth strategy developed	-	-	-	1		
		National Tourism Service Digital Platform established	% Completion of National Tourism Service Digital Platform	100	100	-	-	-	-
		Three Niche Tourism products development strategies reviewed (Agro, Cultural and sports)	No. of strategies reviewed	3	-	3	-	-	-

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY2025/26		Target	Target(Baseline)	Target	Target
				Target	Actual achievement	2026/27	2027/28	2028/29	2029/30
	Administration	Climate resilient Tourism strategies developed.	No. of climate change units mainstreamed	1	-	1	1	1	1
			No. of Tourism climate resilient action plans developed	1	-	1	-	-	-
			No. of trees planted & grown	50 million		50 million	50 million	50 million	50 million
	Bomas of Kenya	Cultural Preservation Services	% of Tourism and Hospitality expatriates vetted	100	91	100	100	100	100
			No. of researched and documented traditional cuisines	4	0	4	4	4	4
			Develop a traditional dance for inclusion into the national repertoire	1	0	1	2	3	3
			Maintain costumes and accessories for traditional dances	4	3	4	4	4	4

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY2025/26		Target	Target(Baseline)	Target	Target
				Target	Actual achievement	2026/27	2027/28	2028/29	2029/30
			Conduct culture talks, lectures and workshops in educational Institutions	4	4	4	4	4	4
			New Immersive Cultural Experiences for Bomas Digital Cultural Heritage Centre (BDCHC)	-	-	-	2	2	2
			No of participation in MICE exhibitions			-	6	8	8
			No. of traditional homesteads rehabilitated	12	0	8	12	12	12
		Cultural tourism promoted	No. of cultural festivals held	4	0	4	4	4	4
			No. of non-resident visitors to Bomas of Kenya	5000	180	5000	5500	6000	6500
			No. of Resident visitors to Bomas	94147	1158	20000	50000	60000	100000

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY2025/26		Target	Target(Baseline)	Target	Target
				Target	Actual achievement	2026/27	2027/28	2028/29	2029/30
			of Kenya						
		Meetings, Incentives, Conferences and exhibitions (MICE) held	No. of international conferences held				10	12	15
			No. of international delegates hosted				5000	8000	9000
			No. of local conferences events held				20	25	30
			No. of Local delegates hosted				10000	15000	20000
S.P. 2.2: Tourism Infrastructure Development	Tourism Fund	Ronald Ngala Utalii College constructed	% completion rate	100	88	100	-	-	-
		Tourism Fund levy collected	Amount of levy collected (KShs. Billion)	6.65	5.64	8.32	8.74	9.17	9.63
		Training and Capacity development grants disbursed	Amount disbursed to KUC in (KShs. Million)	659	659	1000	1050	1100	1150
		Tourism Marketing grants disbursed	Amount disbursed to KTB (Kshs M)	757	757	1000	1050	1100	1150
		Tourism Regulatory grants disbursed	Amount disbursed to TRA (Kshs M)	113	113	216	227	239	251

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY2025/26		Target	Target(Baseline)	Target	Target
				Target	Actual achievement	2026/27	2027/28	2028/29	2029/30
		Tourism Research grants disbursed	Amount disbursed to TRI (Kshs M)	80	80	144	151	159	167
		State Department for Tourism grants disbursed	Amount disbursed to SDT (Kshs M)			300	300	310	320
		Grants to Tourism Programmes and projects	% of grants disbursed (Air Passenger Service Charge)			90	90	90	90
	Directorate of Tourism Promotion Development	National Tourism Amenities Established	No. of National tourism Amenities established	-	-	1	1	1	1
	Bomas of Kenya	Bomas International Convention Centre (BICC) developed	% of Completion	100	38	100	-	-	-
		Bomas Digital Heritage Centre developed.	% of Completion	-	-	-	3	-	-
S.P. 2.3: Tourism Training & Capacity	Kenya Utalii College (Nairobi)	Tourism and Hospitality graduates	No. of KUC graduates' certificates	450	408	656	853	1109	1442
			No. of KUC graduates'	320	214	344	444	577	750

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY2025/26		Target	Target(Baseline)	Target	Target
				Target	Actual achievement	2026/27	2027/28	2028/29	2029/30
building			Diploma						
			No. of KUC graduates' short-courses	1200	1343	1545	1777	2043	2349
			No. of KUC graduates' Refresher courses	1800	1997	2297	2641	3037	3493
			No. of KUC graduates' Management Development Programmes (MDPs)	380	448	515	592	680	782
		Practical training block equipped	% of Practical Training Block Equipped	-	85	100	-	-	-
		% of Phase one KUC Kilgoris Campus	% construction of Main Guard Gate and chain-link fencing	100	100	-	-	-	-
		% of Phase Two KUC Kilgoris Campus	% construction of Administration block and Classes	-	-	50	100	-	-
	Kenya Utalii College	Tourism and Hospitality	No. of graduates' certificates	-	-	656	853	1109	1441

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY2025/26		Target	Target(Baseline)	Target	Target
				Target	Actual achievement	2026/27	2027/28	2028/29	2029/30
	Ronald Ngala-Kilifi	graduates	No. of graduates' Diploma	-	-	344	444	577	750
			No. of graduates' short-courses	-	-	960	1056	1162	1278
			No. of graduates' Refresher courses	-	-	1360	1496	1645	1809
			No. of graduates' Management Development Programmes (MDPs)	-	-	300	345	396	456
S.P 3.1: General administration planning and support services **Outcome:** Strengthened governance, and service delivery in tourism administration									
	Administration	Open Office Space modelling and security system project completed	% completion rates			-	100	-	-
	CPPMD	Monitoring & Evaluation reports	No. of M&E reports	4	4	4	4	4	4
		State Departmental plans	Annual Work Plans	1	1	1	1	1	1
		Feasibility and Prefeasibility Reports	No. of Pre-Feasibility and Feasibility studies undertaken	3	1	3	3	3	3

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	FY2025/26		Target	Target(Baseline)	Target	Target
				Target	Actual achievement	2026/27	2027/28	2028/29	2029/30
	Finance	Budgets preparation and implementation reports	No. of MTEF reports	3	3	3	3	3	3
			No. of budget implementation reports	4	4	4	4	4	4
	Accounts	Annual accounts and Financial Statements	Annual Financial report	1	1	1	1	1	1
	Human Resource Development	Staff training Conducted	%. of officers/staff trained	-	-	100	100	100	100
		Staff performance appraisal system implemented	% of staff appraised under SPAS	100	100	100	100	100	100
	Supply Chain Management	Annual procurement plan	No. of procurement plans	1	1	1	1	1	1
	ICT	Magical Kenya Digital Tourism Platform developed	% completion rate	-	-	100	-	-	-
		Tourism data hub established	No of tourism products on boarded			10	15	20	30

5.4 SECTOR AND SUB-SECTOR RECURRENT REQUIREMENTS / ALLOCATION (AMOUNT KSH MILLION)

Sector Name	**Economic Classification**	**Estimates**	**Requirement**			**Allocation**		
Vote and Vote Details		**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2027/28**	**2028/29**	**2029/30**
1202 State Department for Tourism	**Gross**	**11,937.70**	**16,608.18**	**17,816.54**	**18,743.98**			
	AIA	11,297.88	11,812.83	13,251.62	14,259.64			
	NET	**639.82**	**4,795.35**	**4,564.92**	**4,484.34**			
	Compensation to Employees	265.91	303.93	309.96	316.17			
	Grants and Transfers	11,385.86	14,732.77	15,610.98	16,459.79			
	Other Recurrent	285.93	1,571.48	1,895.60	1,968.02			

5.5 SECTOR AND SUB-SECTOR DEVELOPMENT REQUIREMENTS/ALLOCATIONS (AMOUNT KSH MILLION)

Sector Name	**Description**	**Approved Budget Allocation**	**Requirement**			**Allocation**		
Vote and Vote Details 1202 State Department for Tourism		**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2027/28**	**2028/29**	**2029/30**
	Gross	**6,018.00**	**6,041.00**	**6,051.00**	**6,062.00**			
	GoK	77.00	100.00	110.00	121.00			
	Loans							
	Grants							
	Local AIA	5,941.00	5,941.00	5,941.00	5,941.00			

5.6 ANALYSIS **OF PROGRAMMES AND SUB- PROGRAMMES (CURRENT AND CAPITAL) RESOURCE REQUIREMENTS (KSHS. MILLION)**

Programmes and Sub-Programmes	**Approved Budget**			**Projections (Requirement)**								
	FY 2026/2027			**FY 2027/2028**			**FY2028/2029**			**FY2029/30**		
	Current	**Capital**	**Total**	**Current**	**Capital**	**Total**	**Current**	**Capital**	**Total**	**Current**	**Capital**	**Total**
PROGRAMME 1: Tourism Promotion and Marketing												
S.P: 1.1 Destination Marketing	360.00		360.00	1,120.71		1,120.71	1,173.05		1,173.05	1,229.73		1,229.73
S.P:1.2: Tourism Promotion	800.00		800.00	1,165.78		1,165.78	1,370.10		1,370.10	1,376.68		1,376.68
Total Programme	**1,160.00**		**1,160.00**	**2,286.49**		**2,286.49**	**2,543.15**		**2,543.15**	**2,606.41**		**2,606.41**
PROGRAMME 2:Tourism Product Development and Diversification												
S,P: 2.1 Niche Tourism Product Development and Diversification	1,770.10		1,770.10	1,559.48		1,559.48	1,630.79		1,630.79	1,839.43		1,839.43
S.P:2.2 Tourism Infrastructure Development	8,324.81	6,018.00	14,342.81	8,830.00	6,041.00	14,871.00	9,267.00	6,051.00	15,318.00	9,726.00	6,062.00	15,788.00
S.P: 2.3 Tourism Training & Capacity Building	410.00		410.00	2,486.90		2,486.90	2,608.70		2,608.70	2,739.20		2,739.20
Total Programme	**10,504.91**	**6,018.00**	**16,522.91**	**12,876.38**	**6,041.00**	**18,917.38**	**13,506.49**	**6,051.00**	**19,557.49**	**14,304.63**	**6,062.00**	**20,366.63**
PROGRAMME 3: General Administration Planning and Support												
S.P: 3.1 General Administration Planning and Support Services	272.79		272.79	1,445.31		1,445.31	1,766.90		1,766.90	1,832.94		1,832.94
Total Programme	**272.79**		**272.79**	**1,445.31**		**1,445.31**	**1,766.90**		**1,766.90**	**1,832.94**		**1,832.94**

Total for Vote	11,937.70	6,018.00	17,955.70	16,608.18	6,041.00	22,649.18	17,816.54	6,051.00	23,867.54	18,743.98	6,062.00	24,805.98

5.7 ANALYSIS OF PROGRAMMES AND SUB-PROGRAMMES (CURRENT AND CAPITAL) RESOURCE ALLOCATION (KSHS. MILLION)

PROGRAMME 1: Tourism Promotion and Marketing												
Programmes	**Approved Budget**			**Allocation**								
	FY 2026/2027			**FY 2027/2028**			**FY2028/2029**			**FY2029/30**		
	Current	**Capital**	**Total**	**Current**	**Capital**	**Total**	**Current**	**Capital**	**Total**	**Current**	**Capital**	**Total**
S.P: 1.1 Destination Marketing	360.00	-	360.00									
S.P:1.2: Tourism Promotion	800.00	-	800.00									
Total Programme	**1,160.00**	**-**	**1,160.00**									
PROGRAMME 2: Tourism Product Development and Diversification												
S,P: 2.1 Niche Tourism Product Development and Diversification	1,770.10	0.00	1,770.10									
S.P:2.2 Tourism Infrastructure Development	8,324.81	6,018.00	14,342.81									
S.P: 2.3 Tourism Training & Capacity Building	410.00	0.00	410.00									
Total Programme	**10,504.91**	**6,018.00**	**16,522.91**									
PROGRAMME 3: General Administration Planning and Support												
S.P: 3.1 General Administration Planning and Support Services	272.79	-	272.79									
Total Programme	**272.79**	**-**	**272.79**									

Total for Vote 1202	**11,937.70**	**6,018.00**	**17,955.70**									

TABLE 3.7: PROGRAMME AND SUB-PROGRAMMES BY ECONOMIC CLASSIFICATION (AMOUNT KSH MILLION)

ECONOMIC CLASSIFICATION	Resource Requirements			Resource Allocations		
	2027/28	2028/29	2029/30	2027/28	2028/29	2029/30
PROGRAMME 1: Tourism Promotion and Marketing						
Current Expenditure	**2,286.49**	**2,543.15**	**2,606.41**			
Compensation to Employees	-	-	-			
Use of Goods and Services	-	-	-			
Current Transfers to Govt. Agencies	2,286.49	2,543.15	2,606.41			
Other Recurrent	-	-	-			
Capital Expenditure	**-**	**-**	**-**			
Acquisition of Non-Financial Assets	-	-	-			
Capital Grants to Govt. Agencies	-	-	-			
Other Development	-	-	-			
Total Programme	**2,286.49**	**2,543.15**	**2,606.41**			
PROGRAMME 2:Tourism Product Development and Diversification						
Current Expenditure	**12,876.38**	**13,506.49**	**14,304.63**			
Compensation to Employees	105.75	108.21	110.75			
Use of Goods and Services	324.35	330.45	340.50			
Current Transfers to Govt. Agencies	12,446.28	13,067.83	13,853.38			
Other Recurrent	-	-	-			
Capital Expenditure	**6,041.00**	**6,051.00**	**6,062.00**			
Acquisition of Non-Financial Assets	-	-	-			
Capital Grants to Govt. Agencies	6,041.00	6,051.00	6,062.00			
Other Development	-	-	-			
Total Programme	**18,917.38**	**19,557.49**	**20,366.63**			
PROGRAMME 3: General Administration Planning and Support Services						
Current Expenditure	**1,445.31**	**1,766.90**	**1,832.94**			
Compensation to Employees	198.18	201.75	205.42			
Use of Goods and Services	1,247.13	1,565.15	1,627.52			
Current Transfers to Govt. Agencies	-	-	-			
Other Recurrent	-	-	-			
Capital Expenditure	**-**	**-**	**-**			
Acquisition of Non-Financial Assets	-	-	-			

Capital Grants to Govt. Agencies	-	-	-			
Other Development	-	-	-			
Total Programme	**1,445.31**	**1,766.90**	**1,832.94**			
Total Vote 1202	**22,649.18**	**23,867.54**	**24,805.98**			

TABLE 3. 8: ANALYSIS OF RECURRENT RESOURCE REQUIREMENT VS ALLOCATION FOR SAGAS (AMOUNT KSHS. MILLION)

Economic Classification	**Approved Estimates**	**Requirement**			**Allocation**		
	2026/27	**2027/28**	**2028/29**	**2029/30**	**2027/28**	**2028/29**	**2029/30**
KENYA TOURISM BOARD							
GROSS	**360**	**1,120.71**	**1,173.05**	**1,229.73**			
AIA	360	696	735.6	779.16			
NET	-	424.71	437.45	450.57			
Compensation of Employees	-	296.67	305.54	314.67			
Other Recurrent	**360**	**824.04**	**867.51**	**915.06**			
of which							
Insurance	-	44.88	47.12	49.48			
Utilities	3.3	3.62	3.81	4			
Rent	-	47.8	48.27	48.62			
Subscriptions to international organization							
Subscriptions to Professional Bodies							
Contracted professional (Guards & Cleaners)	1	1.1	1.16	1.21			
Gratuity	-	30.64	31.55	32.59			
Others (destination marketing costs, board expenses, repairs & maintenance & other operational expenses	355.7	696	735.6	779.16	-	-	-

Economic Classification	**Approved Estimates**	**Requirement**			**Allocation**		
	2026/27	**2027/28**	**2028/29**	**2029/30**	**2027/28**	**2028/29**	**2029/30**
TOURISM REGULATORY AUTHORITY							
GROSS	**800**	**1,000.00**	**1,200.00**	**1,200.30**			
AIA	800	1,000.00	1,200.00	**1,200.30**			
NET	-	-	-	-			
Compensation to employees	**378.18**	**477.75**	**484.92**	**484.99**			
Other Recurrent	**421.82**	**522.25**	**715.08**	**715.31**			
Of which							
Insurance	49.22	53.24	53.51	53.51			
Utilities	1.05	1.08	1.11	1.11			
Rents	56.54	60	81.34	81.35			
Subscription to International Organization							
Subscription to Professional Bodies	0.65	0.45	0.53	0.53			
Contracted professional (Guard &cleaners)	32.31	50.76	78.81	78.83			
Gratuity	7.8	7.8	7.92	7.92			
Others(Board expenses, Repairs, Fuels, communication,Hospitality, Staff Welfare, Advertising, CSR,Presidential Directives, Subsistence)& Core Mandate Activities(Enforcements & Compliance, Regulations, standards development,quality	274.25	348.92	491.86	492.06			

Economic Classification	Approved Estimates	Requirement			Allocation		
	2026/27	**2027/28**	**2028/29**	**2029/30**	**2027/28**	**2028/29**	**2029/30**
assurance) &Capital Items							
TOURISM RESEARCH INSTITUTE							
Gross	**18**	**165.78**	**170.1**	**176.38**			
AIA	0	0	0	0			
NET	18	165.78	170.1	176.38			
Compensation to employees	0	136	139.4	142.89			
Transfers							
Other recurrent	**18**	**29.78**	**30.7**	**33.49**			
Of which							
Insurance	2	2.2	2.2	3			
Rent	8.4	9.14	9.14	9.14			
Suibscriptions to professional bodies	0						
Subsidies	0	0	0	0			
Gratuity	0	0	0	0			
Other specify. (Data analysis, Research and Survey, Data Management Platform ,Dissemination	7.6	18.44	19.36	21.35			
TOURISM FUND							
GROSS	**8,414**	**8,830**	**9,267**	**9,726**	**-**	**-**	**-**
AIA	8,414	8,830	9,267	9,726			
NET							
Compensation of Employees	932	978	1,027	1,079			
Other Recurrent	**7,482**	**7,852**	**8,240**	**8,647**	**-**	**-**	**-**
of which							
Insurance	72	72	72	72			
Utilities	37	39	41	43			
Rent	28	29	31	32			
Subscription to International Organization							

Economic Classification	Approved Estimates	Requirement			Allocation		
	2026/27	**2027/ 28**	**2028/ 29**	**2029/3 0**	**2027/ 28**	**2028/ 29**	**2029/3 0**
Subscription to Professional Bodies							
Contracted Professional (Guards & Cleaners)	118	123	129	135			
Gratuity							
Others (Grants and Subsidies, Repairs and Maintenance, Levy Education and Recruitment Drive, ICT Network & Security Expense, Staff Development-Training, Telephone, Performance Contracting,	7,227	7,589	7,967	8,365			
KENYA UTALII COLLEGE-NAIROBI							
GROSS	**410**	**1,355. 00**	**1,363. 00**	**1,369.0 0**			
AIA	410	535	540	545			
NET	-	820	823	824			
Compensation to Employees	210	814	816	817			
Other Recurrent	**200**	**541**	**547**	**552**			
Of Which							
Insurance	46	47	50	52			
Utilities	75	89	90	90			
Rent	-	-	-				
Subscriptions to international organization	-	-	-				
Subscriptions to professional bodies	-	-	-				
Contracted	40	42	43	45			

Economic Classification	Approved Estimates	Requirement			Allocation		
	2026/27	2027/28	2028/29	2029/30	2027/28	2028/29	2029/30
Professional(Guards & Cleaners)							
Gratuity	5	6	7	7			
Others							
Repeat as above for SAGA 3,2 etc:							
Others specify(Training Materials,Council Expenses,General and Finance Costs)	34	357	357	358			
KENYA UTALII COLLEGE RONALD NGALA KILIFI							
GROSS	**-**	**1,131.90**	**1,245.70**	**1,370.20**			
AIA		243	267	294			
NET	-	888.9	978.7	1,076.20			
Compensation to Employees		389	428.2	471			
Other Recurrent	**-**	**742.9**	**817.5**	**899.2**			
Of Which							
Insurance		44	48.5	53.3			
Utilities		103	113.4	124.7			
Rent	-	-	-	-			
Subscriptions to international organization	-	-	-	-			
Subscriptions to professional bodies	-	-	-	-			
Contracted Professional(Guards & Cleaners)		37	40.8	44.8			
Gratuity		-	-	-			
Others							
Repeat as above for SAGA 3,2 etc:							

Economic Classification	Approved Estimates	Requirement			Allocation		
	2026/27	2027/28	2028/29	2029/30	2027/28	2028/29	2029/30
Others specify(Training Materials,Council Expenses,General expenses and Finance Costs)	-	558.9	614.8	676.4			
BOMAS OF KENYA							
GROSS	**298.86**	**1,429.38**	**1,502.13**	**1,708.18**			
AIA	50.00	501.83	1,235.02	**1,708.18**			
NET	248.86	**927.55**	**267.11**	**-**			
Compensation to Employees	273.75	624.70	662.18	808.09			
Other Recurrent	**25.11**	**804.68**	**839.95**	**900.09**			
Out Of Which	-	-	-	-			
Insurance	1.50	45.57	47.85	50.25			
Utilities	11.39	103.38	108.55	113.97			
Rent	-	-	-	-			
Subscription to International Organization	-	2.00	2.00	2.00			
Subscription to Professional Bodies	0.15	0.46	0.57	0.58			
Contracted Professional(Guards & Cleaners)	2.00	32.14	34.07	36.11			
Gratuity	-	21.31	15.00	15.75			
Others - (Board expenses,core mandate and other expenses)	10.07	599.83	631.92	681.43			

6 CHAPTER FOUR; CROSS-SECTOR LINKAGES AND EMERGING ISSUES/CHALLENGES

6.1 Cross Sector Linkages

The sub-sector is instrumental in realizing the goals of the Economic Pillar under Kenya Vision 2030 and serves as a key catalyst in advancing the Bottom-Up Economic Transformation Agenda (BeTA) through creation of employment, expand tax revenue base, foreign exchange earnings and digitization. By its very nature, the subsector has forward and backward links with other sectors of the economy thus supporting socio-economic growth and development as illustrated in table 4.1:

Table 4.1: Summary of Cross Sector Linkages

Sector	Linkages
Agriculture, Rural and Urban Development	The sector ensures provision of agricultural produce and supplies that support the tourism industry. Further, it also plays a role in planning and developing tourism areas, including allocation of land for tourism projects. In return, the tourism sub-sector creates a ready market for farm products and encourages the growth of agro-tourism opportunities.
Energy, Infrastructure and ICT	The Sector is key in the provision of transport (air, water, road and Rail network) and related infrastructure. It further does provide a reliable and affordable energy supply for tourism to prosper. Finally, the sector supports tourism by ensuring seamless network connectivity, access to digital payment platforms and partner with travel sites to allow easy information access and reviews posting. Likewise, the earnings from tourism activities finance the development of requisite infrastructure.
Health	The Health Sector supports the tourism sub-sector through provision of disease prevention and control measures; and general medical health care services, which are important for destination competitiveness. The sector also provides nutrition, public health, animal and veterinary disease control services as well as pest and vermin control services. It also plays a major role in the provision of services for medical tourism. On the other hand, the sub-sector is critical in generating resources, which are necessary for provision of health care infrastructure, medical and wellness tourism.
Education	The Education Sector assists in provision of skilled manpower necessary for tourism development and growth, whereas the tourism

	sub- sector provides training and employment opportunities for graduates. Further, the subsector further provides refresher training opportunities for employees in the hospitality industry.
Governance, Justice, Law and Order	The Sector provides security and surveillance to ensure that the tourists are safe and instill confidence in the country as a secure tourist destination. Safety is a prerequisite for thriving tourism and investment opportunities in the economy. This sector also facilitates administration of justice and rule of law for both tourists and the public through application of code of conduct. This subsector sets the policies and rules that shape how the country's hospitality industry is governed.
Public Administration and International Relations	The Sector provides overall national development planning and public Expenditure management, budget tracking, monitoring and evaluation of development programs and activities as well as access to support services. The sector also facilitates bilateral and multilateral engagement frameworks with different countries through memoranda of understanding. The sub-sector conduct tourism promotion and provision of incentives to attract tourists and tourism investments. The sub-sector supports the Administration and international relations through revenue generated from tourist visa applications and tourist expenditure.
Social Protection, Culture and Recreation	The Sector supports preservation of cultural heritage and development of sports which attracts tourists. It also develops regulations, policies and guidelines which assist in the protection of children and the workforce. In addition, the sector provides accurate information on gender in balance, vulnerable groups and youth talents and viable areas of investment which is critical for proper planning in the subsector the subsector provides market for cultural and recreational products.
Environment Protection, Water and Natural Resources.	The Sector ensures provision of tourism resources, clean and safe water for tourism sector. It also ensures provision of a clean environment through enforcement of strict regulations to ensure proper waste management and pollution control. The sub sector facilitates sustainable consumption of natural resources as well as providing market for forests and wildlife which are the main tourist attractions. Additionally, the sub-sector puts in place strategies to reduce and adapt to the impacts of climate change. The sub sector also supports sustainable use of natural resources through payment of conservation fees.

National Security	The sector provides border surveillance and security as well as intelligence services that ensure safety and security in the destination and along the border points thus ensuring Kenya is a safe and secure as tourist destination. The sub-sector supports National Security through its revenue generation to the economy.

6.2 Emerging Issues and Challenges

The Sub-Sector continues to face several emerging issues and structural challenges that require strategic interventions to enhance competitiveness, resilience, sustainability and inclusive growth. These issues are influenced by evolving global tourism trends, technological advancements, climate change, shifting consumer behaviour, geopolitical dynamics and the increasing demand for sustainable tourism practices. The following are the key challenges and emerging issues:

6.2.1 Emerging Issues

i. Changing Consumer Preferences and Demand for Experiential Tourism

Global tourism trends indicate a growing preference for authentic, personalized and immersive travel experiences over traditional sightseeing. Travellers are increasingly seeking cultural heritage tourism, gastronomy tourism, wellness tourism, sports tourism, adventure tourism, agro-tourism, eco-tourism, community-based tourism and digital nomad experiences. This shift calls for accelerated investment in diversified tourism products, innovation and destination experiences that appeal to emerging market segments while enhancing visitor satisfaction and increasing average length of stay.

ii. Rapid Digital Transformation and Artificial Intelligence (AI)

Rapid advances in digital technologies, including Artificial Intelligence (AI), big data and smart tourism platforms, are transforming the tourism industry. Travellers increasingly rely on digital platforms and AI-enabled tools to plan and book travel. While these innovations enhance destination marketing, operational efficiency and visitor experience, they also require increased investment in digital infrastructure, cybersecurity, digital skills and smart tourism solutions.

iii. Balancing Blue Economy Development with Environmental Conservation

The growing Blue Economy presents significant opportunities for tourism development through marine tourism, cruise tourism and coastal recreation. However, increasing competition for marine and coastal resources among fisheries, aquaculture, maritime transport, offshore renewable energy, marine conservation, seabed resource exploration and coastal development continues to pose sustainability challenges. Balancing economic utilization with conservation of marine ecosystems remains critical for sustaining coastal tourism and protecting biodiversity.

iv. Climate Change, Biodiversity Conservation and Sustainable Tourism

Climate change continues to pose significant risks to tourism through prolonged droughts, floods, coastal erosion, coral bleaching, biodiversity loss and increased human-wildlife conflicts. These impacts threaten Kenya's natural attractions, tourism infrastructure and destination competitiveness. Increasing global emphasis on low-carbon tourism, sustainable destination management and regenerative tourism requires greater investment in climate adaptation, ecosystem restoration, green infrastructure and carbon reduction initiatives.

v. Growing Demand for Sustainable and Responsible Tourism

Tourists are increasingly choosing destinations that demonstrate strong environmental, social and governance (ESG) practices. There is growing demand for destinations that promote responsible tourism, community participation, conservation, accessibility and inclusive tourism. The sub-sector must therefore strengthen sustainable tourism certification, responsible tourism practices and community benefit-sharing mechanisms.

vi. Increased Global Competition for Tourism Markets

Countries continue to invest heavily in destination branding, tourism infrastructure, signature attractions, digital marketing and incentive programmes aimed at attracting international visitors. This increasing competition requires Kenya to continuously innovate, strengthen destination branding, diversify tourism offerings and improve service quality to maintain and expand its market share.

vii. Emerging Health Security Risks and Crisis Preparedness

The tourism sector continues to experience vulnerabilities arising from emerging infectious diseases, global health emergencies and other unforeseen crises that can disrupt international travel. Strengthening destination preparedness, crisis communication, health surveillance and business continuity planning has become increasingly important for enhancing sector resilience.

6.2.2 Challenges

i. Limited Diversification of Tourism Products and Visitor Experiences

The tourism sector remains heavily dependent on wildlife safaris and coastal tourism, making it vulnerable to seasonal fluctuations, changing travel patterns and external shocks. Limited development of niche tourism products constrains market expansion and reduces destination competitiveness.

ii. Inadequate Funding for Tourism Development

Tourism development continues to face inadequate financing for destination marketing, product development, infrastructure, research, standards enforcement and institutional strengthening. Delayed and unpredictable release of funds further affects timely implementation of planned programmes and projects.

iii. Uneven Distribution of Tourism Infrastructure and Attractions

Tourism investments and attractions remain concentrated in a few regions, limiting equitable distribution of tourism benefits across the country. Many destinations with high tourism potential continue to experience inadequate infrastructure, poor accessibility and limited investment.

iv. Limited Research, Innovation and Tourism Intelligence

Inadequate investment in tourism research, market intelligence, innovation and data analytics limits evidence-based planning and policy formulation. The sector requires stronger research institutions and improved use of tourism statistics to respond effectively to changing market dynamics.

v. Low Compliance with Tourism Quality Standards

Enforcement of tourism quality standards remains inadequate due to limited financial and human resources for inspections, awareness creation and compliance monitoring. This affects service delivery, visitor satisfaction, destination reputation and international competitiveness.

vi. Inadequacy in Climate Change Adaptation and Disaster Risk Management

Although climate change increasingly affects tourism assets, investment in climate resilience, disaster preparedness and sustainable tourism infrastructure remains inadequate. The sector requires stronger adaptation measures to protect tourism resources and infrastructure.

vii. Weak Collaboration and partnerships; There is weak collaboration and partnership on policy implementation between the two levels of Government.

viii. Safety, Security and Destination Image

Incidents of public unrest, demonstrations, insecurity, misinformation and negative travel advisories continue to affect destination image and visitor confidence, despite the security of major tourism circuits. Effective crisis communication and destination reputation management remain essential.

ix. Low Adoption of Digital Technologies among Tourism Enterprises

Many tourism enterprises, particularly Micro, Small and Medium Enterprises (MSMEs), have not fully adopted digital marketing, e-commerce, online booking systems, customer relationship management tools and AI-enabled business solutions, limiting their competitiveness in the global tourism marketplace.

x. Inadequate Skills Development and Human Capital

Rapid technological changes, evolving customer expectations and new tourism products require continuous upskilling and reskilling of the tourism workforce. Existing capacity development programmes remain insufficient to meet emerging industry needs.

7 CHAPTER FIVE; CONCLUSION

Kenya's tourism sector has continued to demonstrate resilience and steady growth, reaffirming its strategic contribution to economic development, employment creation and community livelihoods. As the country's second-highest foreign exchange earner, the sector remains a key pillar of the economy. Continued growth in international arrivals, domestic tourism, tourism earnings and the Meetings, Incentives, Conferences and Exhibitions (MICE) segment reflects the positive impact of sustained destination marketing, policy reforms, institutional strengthening and continued investment in tourism development, further strengthening Kenya's position as a leading tourism and business events destination in the region.

Despite these achievements, the sector continues to face structural challenges, including limited tourism product diversification, inadequate financing, uneven distribution of tourism infrastructure, insufficient research and innovation, weak enforcement of quality standards, low adoption of digital technologies, inadequate skills development and the growing impacts of climate change. Weak collaboration between the two levels of Government also continues to affect coordinated planning and implementation of tourism programmes.

At the same time, emerging trends such as changing consumer preferences, rapid digital transformation and Artificial Intelligence (AI), increasing demand for sustainable and responsible tourism, climate change, the Blue Economy, global competition for tourism markets and emerging health security risks are reshaping the tourism landscape. These trends present both opportunities and challenges, requiring the sub-sector to strengthen innovation, embrace digital technologies, diversify tourism products, promote sustainability and enhance resilience.

Going forward, the sub-sector will continue to align its programmes with the Bottom-Up Economic Transformation Agenda (BETA), Vision 2030, the Fourth Medium Term Plan (MTP IV) and other national, regional and international tourism frameworks. Addressing the identified emerging issues and challenges through coordinated policy implementation, strategic investment and strengthened partnerships will enhance Kenya's destination competitiveness and enable the tourism sector to make an even greater contribution to sustainable socio-economic development.

8 CHAPTER SIX; RECOMMENDATIONS

To enhance destination competitiveness, sustainability, resilience and inclusive growth, the sub-sector proposes the following recommendations:

1. **Diversify Tourism Products and Experiences** by investing in eco-tourism, cultural tourism, heritage tourism, community-based tourism, wellness tourism, sports tourism, medical tourism, cruise tourism, agro-tourism, adventure tourism, film tourism and digital nomad tourism to respond to changing consumer preferences.
2. **Accelerate Investment in Tourism Infrastructure** through public-private partnerships to improve accessibility, destination connectivity, visitor facilities, digital infrastructure and development of new tourism attraction sites across all regions.
3. **Strengthen Research, Innovation and Tourism Intelligence** by investing in tourism research, market intelligence systems, data analytics and partnerships with academia and the private sector to support evidence-based planning.
4. **Enhance Development and Enforcement of Quality Standards** through increased funding, regular inspections, digital compliance systems, awareness programmes and certification to improve service quality and destination competitiveness.
5. **Promote Climate Change Mitigation, Adaptation and Regenerative Tourism** by supporting climate-smart tourism investments, ecosystem restoration, sustainable resource management, renewable energy adoption, carbon reduction initiatives and disaster risk management.
6. **Strengthen Governance, Institutional Coordination and Partnerships** by enhancing collaboration between National Government, County Governments, development partners, local communities and the private sector while clarifying institutional mandates and strengthening tourism governance frameworks.
7. **Accelerate Digital Transformation and Smart Tourism** by promoting adoption of Artificial Intelligence, digital marketing, online booking systems, smart destination management, tourism data platforms, cybersecurity measures and digital skills development across the sector.
8. **Promote Sustainable Blue Economy Development** by strengthening integrated coastal zone management, marine conservation, sustainable cruise tourism and collaboration among Blue Economy stakeholders to ensure balanced utilization of marine resources.
9. **Strengthen Domestic and Regional Tourism** through affordable travel initiatives, innovative promotional campaigns, tourism packages, youth and

school tourism programmes and targeted incentives that enhance resilience against global market shocks.

10. **Increase Investment and Innovative Financing for Tourism Development** by expanding public-private partnerships, blended financing mechanisms, green financing and investment incentives to support tourism infrastructure, destination marketing and product development.
11. **Expand and Modernize MICE Infrastructure** including completion of the Bomas International Convention Centre (BICC), modernization of existing convention facilities and development of regional conference centres to improve Kenya's competitiveness in business tourism.
12. **Strengthen Crisis Preparedness, Safety and Destination Resilience** by developing integrated tourism crisis management frameworks, enhancing destination security, improving emergency response systems and strengthening crisis communication to safeguard visitor confidence.
13. **Invest in Human Capital Development** by strengthening tourism education, professional certification, digital skills, hospitality excellence, entrepreneurship and continuous workforce reskilling to meet emerging industry demands.
14. **Promote Inclusive and Sustainable Tourism Development** by strengthening community participation, women and youth empowerment, universal accessibility, responsible tourism practices and equitable benefit-sharing to ensure tourism contributes to inclusive socio-economic development.