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**OFFICE OF THE PRIME CABINET SECRETARY AND  
MINISTRY OF FOREIGN & DIASPORA AFFAIRS**

**STATE DEPARTMENT FOR SCIENCE, RESEARCH AND INNOVATION**

**VOTE NO: 1067**

**VOTE NAME: STATE DEPARTMENT FOR SCIENCE, RESEARCH AND INNOVATION**

**MTEF SUB-SECTOR REPORT**

**FY 2027/28 – FY 2029/30**

**20<sup>th</sup> August, 2026**

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

**AfDB** – African Development Bank

**AIA** – Appropriations in Aid

**BETA** – Bottom-up Economic and Transformation Agenda

**BPS** – Budget Policy Statement

**Cap.** – Chapter

**CEIL** –Commercialisation and Entrepreneurial Institutional Leaders’ Summit

**DAAD** – Deutscher Akademischer Austauschdienst

**DeKUT** – Dedan Kimathi University of Technology

**DMM** – Design, Materials and Manufacturing

**FY** – Financial Year

**GDP** – Gross Domestic Product

**GII** – Global Innovation Index

**GoK/GOK** – Government of Kenya

**ICT** – Information and Communication Technology

**IP** – Intellectual Property

**KeNIA** – Kenya National Innovation Agency

**KNRF** – Kenya National Research Festival

**KSh/Kshs.** – Kenya Shillings

**KPI** – Key Performance Indicator

**M&E** – Monitoring and Evaluation

**MDACs** – Ministries, Departments and Agencies and County Governments

**MDAs** – Ministries, Departments and Agencies

**MTEF** – Medium Term Expenditure Framework

**MTP** – Medium Term Plan

**NACOSTI** – National Commission for Science, Technology and Innovation

**NHIF** – National Hospital Insurance Fund

**NPSRL** – National Physical Science Research Laboratory

**NRF** – National Research Fund

**NSSF** – National Social Security Fund

**PE** – Personnel Emoluments

**PSC** – Public Service Commission

**PWDs** – Persons with Disabilities

**R&D** – Research and Development

**R2C** – Research to Commercialization

**SAGAs** – Semi-Autonomous Government Agencies

**SDSRI** – State Department for Science, Research and Innovation

**SDGs** – Sustainable Development Goals

**S/No.** – Serial Number

**SP** – Sub-Programme

**SRI** – Science, Research and Innovation

**SRC** – Salaries and Remuneration Commission

**SRTI** – Science, Research, Technology and Innovation

**STEM** – Science, Technology, Engineering and Mathematics

**STI** – Science, Technology and Innovation

**STP** – Science and Technology Park

**STRI4Society** – Science, Technology, Research and Innovation for Society

**TNT** – The National Treasury

**UN** – United Nations

**V1067** – Vote 1067

**WIBA** – Work Injury Benefits Act

## EXECUTIVE SUMMARY

The State Department for Science, Research and Innovation (SDSRI) is one of the Sub-Sectors under the Education Sector and is mandated to promote, coordinate, and regulate science, research, and innovation in Kenya. The Sub-Sector executes its mandate through three Semi-Autonomous Government Agencies (SAGAs): the National Commission for Science, Technology and Innovation (NACOSTI), the National Research Fund (NRF), and the Kenya National Innovation Agency (KeNIA). These institutions facilitate policy regulation and quality assurance, research funding, and innovation commercialization respectively.

The Sub-Sector draws its mandate from Executive Order No. 1 of 2025 on the Organization of the Government of Kenya. Its core functions include administration of science, research and innovation policies and programmes, strengthening of research and innovation infrastructure, commercialization of research outputs, fostering partnerships between academia, industry and county governments, and guiding the ethical and strategic use of emerging technologies such as artificial intelligence. The Sub-Sector also supports integration of indigenous knowledge systems into modern innovation practice and promotes inclusion in Science, Technology, Engineering, and Mathematics (STEM).

During the FY 2023/24 – 2025/26 period, the Sub-Sector implemented one programme, Research, Science, Technology and Innovation, comprising four sub-programmes, and registered key achievements including support to 31 research projects through research calls, issuance of over 15,000 research licenses, inspection and registration of research institutions, and mainstreaming of Science, Technology and Innovation (STI) across 352 Ministries, Departments and Agencies (MDAs). During the period 440 innovators, institutional leaders and 37 institutional intellectual property (IP) champions were trained. In addition research monitoring, licensing and grant-making were strengthened. Budget absorption, however, declined progressively from 97.6 percent in FY 2023/24 to 90.9 percent in FY 2024/25 and about 79.6 percent in FY 2025/26. The decline in absorption reflected funding and disbursement constraints that also left three flagship capital projects stalled, alongside pending bills of Kshs. 319.52 million relating to a court-awarded construction claim and Kshs. 151.69 million owed under the DAAD programme.

For the period FY 2027/28 – 2029/30, the Sub-Sector will focus on establishment of the Science, Research and Innovation (SRI) clusters, SRI centres of excellence, Research and Innovation Grant challenge, Kenya National Research Information Management system (KenRIMS) and Academic/Scientific Research Chairs. Additionally the Sub-sector will focus on completion of National Physical Science Research Laboratories (NPSRL) and the DeKUT Science and Technology Park. The SDSRI also aims to institutionalize the National STI Observatory for evidence-based policy and strengthen intellectual property systems and linkages between research institutions, industry, and county governments. Emphasis will be placed on STEM inclusion, integration of indigenous knowledge, and ethical adoption of emerging technologies including artificial intelligence, biotechnology and space science.

To deliver its planned programme, the Sub-Sector projects total resource requirements of Kshs. 20,674.42 million in FY 2027/28, Kshs. 7,010.34 million in FY 2028/29, and Kshs. 8,253.18 million in FY 2029/30. Of these amounts, capital investment requirements largely to finance establishment of the Science, Research and Innovation (SRI) clusters, SRI centres of excellence, Research and Innovation Grant challenge, Kenya National Research Information Management system (KenRIMS) and Academic/Scientific Research Chairs.

The Sub-Sector recommends the following to enhance delivery: progressive increase of research and development funding toward the national target of 2 percent of GDP; prioritized allocation of resources to the high-impact initiatives; strengthened institutional coordination through a unified SRI governance framework; accelerated resolution of pending bills; development of national strategies and ethical guidelines for emerging technologies; enhanced SRI data and knowledge management; strengthened international linkages and science diplomacy; support for youth-led startups and innovation hubs; and institutionalized monitoring, evaluation and reporting.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background**

The State Department for Science, Research and Innovation (SDSRI) was established through Executive Order No. 1 of 2025. SDSRI focuses on harnessing emerging frontiers of growth and positioning science, applied research, and innovation as catalysts for accelerated socio-economic development. Science Research and Innovation (SRI) is a key component of social integration, sustainable development and poverty eradication. It is also an essential tool for international co-operation, solidarity and globalization. It is a key enabler of the Kenya Vision 2030 and is expected to drive the national development agenda by ensuring that all sectors of the economy have access to new technologies and adequate knowledge in order to increase productivity and efficiency.

Science, Research, and Innovation is an important driver in the achievement of sustainable social economic development. The role played by Research and Development (R&D) is fundamental in accelerating economic development as well as creating comparative advantage and competitiveness for the country. According to the UN resolutions of May, 2017 (Geneva), science, research and innovation is key in the achievement of all 17 Sustainable Development Goals (SDGs). African Agenda 2063 recognizes science, research and innovation as the epicenter of socio-economic development. The Government's Development Plans - the Kenya Constitution 2010, Kenya Vision 2030, MTP IV and the Bottom-up Economic and Transformation Agenda (BETA) identifies SRI as a key economic driver. The government has established programmes in both private and public sectors to promote science, research and innovation.

The State Department for Science, Research and Innovation (Sub-sector) is responsible for research and innovation funding; new and emerging technologies such as Nanoscience, Material Sciences and new Production Technologies; Technology and Innovation Commercialization; Biotechnology and Biosciences; Natural Products Projects; Space Science Technology development and County Technology and Innovation.

The transition of the economy from a factor-based to a knowledge-based economy is facilitated largely by Science, Research and Innovation. The ability of Kenya's SRI institutions to develop a pool of highly skilled human resources that will sustainably support and spark innovation in priority areas will be crucial to Kenya's future as a prosperous and globally competitive nation as envisaged in the Vision 2030. Additionally, innovation increases consumer choice, inspires responsible behavioral changes, raises public knowledge, and instills the virtues that society needs for cohesion.

The key legal framework governing SDSRI Sub sector in the country other than the Constitution, 2010 which provides for the development, protection, and application of science, technology, and

intellectual assets including indigenous knowledge and technologies across all sectors is the Science, Technology, and Innovation Act, 2013 Cap.511.

The Sub-sector is faced with several challenges among them inadequate human capacity particularly in Science, Technology, Engineering and Mathematics (STEM) fields which compromises on quality and relevance of research and innovation. The sub-sector is also faced with issues of access and equity whereby there is gender disparity in student enrolment, especially in STEM courses as well as low participation of the marginalized groups and persons with disabilities (PWDs). It is also widely recognized that despite the fact that there is rapid global technological changes, the country lags in terms of formulating national frameworks that support and regulate the use of new emerging technologies.

## **1.2 Sub-Sector Vision and Mission**

### **Vision**

A globally competitive Science Research and Innovation ecosystem for sustainable development.

### **Mission**

To provide, promote and coordinate quality science research and innovation for socio-economic growth and transformation.

## **1.3 Strategic Goals/Objectives of the Sub-sector**

The Sub-sector is committed to the provision of quality Science, Research, Technology and Innovation to all Kenyans, to contribute to the socio-economic growth and transformation.

### **1.3.1 Strategic Goals**

The Sub-sector Goals are:

- i. Coordinated research and oversight across Ministries, Departments and Agencies and County Governments (MDACs);
- ii. Aligned formulation, administration and strategic policies in Science, Research and Innovation;
- iii. Increased generation, commercialization and uptake of scientific and technological innovation;
- iv. Coordinated access to funding and support for Research & Development and Innovation;
- v. Improved monitoring, evaluation, reporting and learning on performance and impact of science, research and innovation for socio-economic transformation;

- vi. Enhanced capacity building and human capital development on science, research and innovation at institutional, County and National levels; and
- vii. Fostered Public-Private Partnerships and international collaborations in science, research and innovation.

### **1.3.2 Strategic Objectives**

The following are the broad strategic objectives under the Sub-sector:

- i. To enhance human resources for the SDSRI
- ii. To upgrade SRI infrastructure
- iii. To increase financial resources to support SDSRI structure and operations
- iv. To develop active strategic collaboration and linkages with relevant national and international organizations
- v. To formulate and implement policies and regulations for effective delivery of SRI services
- vi. To enhance investment in national SRI
- vii. To strengthen R&D systems for global competitiveness
- viii. To leverage on existing goodwill to enhance awareness, appreciation and prioritization of SRI
- ix. To attract and retain adequately skilled and motivated human capital for facilitation of competitive SRI ecosystem.

### **1.4 Sub-sector Mandate**

The Sub-sector draws its mandate from the Executive Order No. 1 of 2025 on Organization of the Government of the Republic of Kenya. The mandate entails to;

- i. Administer policies and programmes on science research and innovation;
- ii. Develop an integrated framework for collaboration among research institutions, academia and industry;
- iii. Promote science research and innovation as a key driver of sustainable socio-economic development;
- iv. Support national development goals through evidence-based interventions and multisectoral partnerships
- v. Strengthen institutional and human capacity in science research and innovation;
- vi. Coordinate funding mechanisms and incentives for research and innovation in collaboration with stakeholders;
- vii. Facilitate the upscaling, commercialization and practical application of research outputs in both public and private sectors

- viii. In partnership with the Ministry responsible for ICT, guide the ethical and strategic use of emerging technologies, such as artificial intelligence for the societal benefit;
- ix. Integrate indigenous and traditional knowledge systems into modern innovative practices;
- x. Establish and support research programmes, hubs and centres of excellence to advance scientific and technological progress;
- xi. Foster Public Private Partnerships and international collaborations to enhance knowledge exchange and shared innovation; and
- xii. Strengthen Kenya's innovation ecosystem through global science and technology partnerships.

## **1.5 Semi-Autonomous Government Agencies**

To deliver on its mandate, the Sub-sector oversees the following three (3) Semi-Autonomous Government Agencies (SAGAs): National Commission for Science, Technology and Innovation (NACOSTI), National Research Fund (NRF) and Kenya National Innovation Agency (KeNIA). The SAGAs are state corporations established under the Science, Technology and Innovation Act, 2013 Cap.511.

### **1.5.1 National Commission for Science, Technology and Innovation (NACOSTI)**

The mandate of the Commission is to regulate and assure quality in the science, technology and innovation sector and advise the Government in matters related thereto. The functions of the commission are stipulated in section 6(1) of the Act as follows:

- i. Develop, in consultation with stakeholders, the priorities in scientific, technological and innovation activities in Kenya in relation to the economic and social policies of the Government, and the country's international commitments;
- ii. Lead inter-agency efforts to implement sound policies and budgets, working in collaboration with the county governments, and organizations involved in science and technology and innovation within Kenya and outside Kenya;
- iii. Advise the national and county governments on the science, technology and innovation policy, including general planning and assessment of the necessary financial resources;
- iv. Liaise with the National Innovation Agency and the National Research Fund to ensure funding and implementation of prioritized research programmes;
- v. Ensure co-ordination and co-operation between the various agencies involved in science, technology and innovation;
- vi. Accredite research institutes and approve all Scientific research in Kenya;
- vii. Assure relevance and quality of science, technology and innovation programmes in research institutes;
- viii. Advise on science education and innovation at both basic and advanced levels;

- ix. In consultation with the National Research Fund Trustees, sponsor national scientific and academic conferences it considers appropriate;
- x. Advise the Government on policies and any issue relating to scientific research systems;
- xi. Promote increased awareness, knowledge and information of research system;
- xii. Co-ordinate, monitor and evaluate, as appropriate, activities relating to scientific research and technology development;
- xiii. Promote and encourage private sector involvement in scientific research and innovation and development;
- xiv. Annually, review the progress in scientific research systems and submit a report of its findings and recommendations to the Cabinet Secretary;
- xv. Promote the adoption and application of scientific and technological knowledge and information necessary in attaining national development goals;
- xvi. Develop and enforce codes, guidelines and regulations in accordance with the policy determined under this Act for the governance, management and maintenance of standards and quality in research systems; and
- xvii. Undertake, or cause to be undertaken, regular inspections, monitoring and evaluation of research institutions to ensure compliance with set standards and guidelines.

### **1.5.2 National Research Fund (NRF)**

The mandate of NRF (the “Fund”) is to mobilize, allocate and manage financial resources to facilitate an effective national innovation system that would create required knowledge and innovations in all fields of Science and Technology for the growing economy. The oversight of the Fund is provided by a Board of Trustees that has several functions, stipulated in the Science, Technology, and Innovation Act, 2013 as follows:

- i. Mobilize resources for the Kenya National Innovation Agency from the Government, the private sector, venture capital, development partners and other sources;
- ii. Prudently manage and invest the funds so mobilized;
- iii. Support the development of human resources through grants to persons or research institutions or universities pursuing postgraduate programs in prioritized areas of science, technology and innovation with priority being given to marginalized indigent communities;
- iv. Support the development of research capacities in the national priority areas of science, technology and innovation;
- v. Allocate funds for research and promote multi-disciplinary collaboration among universities and research institutions, including the innovation delivery agencies established under section 29;
- vi. Evaluate the needs, status and results of research financed through the Fund;
- vii. Provide financial support for the development of research facilities by universities, research institutions and other bodies identified by the Commission;

- viii. Provide financial support for participation in international scientific activities through maintaining membership to appropriate international science organizations;
- ix. Provide financial support for collaboration, co-operation and sharing of research information and knowledge, including supporting conferences, workshops, seminars, meetings and other symposia;
- x. Promote the provision of an information infrastructure linking research institutions to facilitate co-operation and sharing of research information and knowledge;
- xi. Initiate liaison with bodies involved in the protection of intellectual property rights;
- xii. Compile and maintain a national database of research and innovation funded by the Fund as well as those funded by other agencies.
- xiii. The Board of Trustees may from time to time cause the monitoring and evaluation of the results and impact of the research activities financed out of the Fund.

### **1.5.3 Kenya National Innovation Agency (KeNIA)**

The mandate of the institution is to develop and manage the Kenya National Innovation System. The functions are as follows:

- i. Institutionalize linkages between universities, research institutions, the private sector, the Government, and other actors in that System.
- ii. Cause the creation of science and innovation parks, institutes or schools or designate existing institutions as centers of excellence in priority sectors.
- iii. Develop and continuously benchmark national innovation standards based on international best practices.
- iv. Scout for and nurture innovative ideas from individuals, training institutions, the private sector, and similar institutions.
- v. Establish and regularly update a database on innovation in collaboration with other relevant institutions.
- vi. Monitor, forecast, and maintain a database of the latest and future global technology.
- vii. Increase awareness of intellectual property rights among innovators.
- viii. Ensure the inclusion of science, technology and innovation in the country's programs and policies at all levels.
- ix. Establish and maintain a Presidential or other award system for novel innovations, subject to prescribed conditions.
- x. Implement the national innovation and commercialization policy.
- xi. Disseminate scientific knowledge or technology through any medium.
- xii. Recommend provision of financial and any other assistance to any person, for the purpose of enabling that person to develop any technological innovation.
- xiii. Acquire rights or interests in or to any technological innovation supported by the Agency from any person or assign any person any rights in or to such technological innovation.
- xiv. Create synergies among different technological innovations, incubations initiatives for diffusion of technology in Kenya.

- xv. Develop the national capacity and infrastructure to protect and exploit intellectual property derived from research or financed by the Agency.
- xvi. Facilitate the application for grant or revocation of patents and institution of legal action for infringement of any intellectual property rights.
- xvii. Recommend the provision of financial and any other assistance to any person for the purpose of encouraging the person to develop any technological innovation.
- xviii. Identify strategic fields of innovation
- xix. Provide incubators for innovative ideas.
- xx. Perform other functions incidental to the above.
- xxi. The Agency may for purposes of its functions under this Act establish such offices in the counties as it may deem necessary for the purpose of its functions under this Act.

## 1.6 Role of Sub-Sector Stakeholders

The Sub-Sector collaborates with various stakeholders to deliver on its mandate and functions. Table 1.1 provides a summary of the key stakeholders and the nature of collaboration.

**Table 1.1: List of Sub-Sector Stakeholders and their Roles**

| S/NO. | Stakeholders                               | Role                                                                                                                                                                  | Interest |      | Power |      | Positioning    |
|-------|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------|-------|------|----------------|
|       |                                            |                                                                                                                                                                       | Low      | High | Low   | High |                |
| 1     | National Government and County Governments | Participate in augmenting the development of SRI ecosystem.                                                                                                           |          | √    |       | √    | Key player     |
| 2     | Development Partners                       | Provide funds, technical support, and capacity building for programs in the SRI                                                                                       |          | √    | √     |      | Keep satisfied |
| 3     | Media                                      | Convey information and create awareness of the SRI subsector to the public                                                                                            |          | √    | √     |      | Keep informed  |
| 4     | Other Government Ministries and Agencies   | Formulation and implementation of Government policies as enablers to the objects of SRI                                                                               |          | √    |       | √    | Key player     |
| 5     | Private sector                             | Partnering with private sector in programme development and implementation, linking academia with industry, infrastructural support, commercialization of innovations |          | √    | √     |      | Key player     |
| 6     | Professional bodies                        | Industry regulation                                                                                                                                                   |          | √    |       | √    | Key player     |
| 7     | Research Institutions (private and public) | Collaborate in research, program development and development of policy                                                                                                |          | √    |       | √    | Key player     |

|    |                                      |                                                                                                                        |   |   |   |   |                |
|----|--------------------------------------|------------------------------------------------------------------------------------------------------------------------|---|---|---|---|----------------|
|    |                                      | guidelines as well as capacity building                                                                                |   |   |   |   |                |
| 8  | The National Treasury                | Funding Programme and formulation of financial policies related SRI                                                    |   | √ |   | √ | Key player     |
| 9  | Academia, Innovators and researchers | Participate in SRI activities to generate knowledge and research outputs                                               |   | √ |   | √ | Key player     |
| 10 | Suppliers and Contractors            | Ensure supplies and contracts are executed                                                                             |   | √ | √ |   | Keep informed  |
| 11 | Incubation centers                   | Facilitate uptake of new and promising ideas, nurture new ideas and provide infrastructure for developing innovations. |   | √ | √ |   | Key player     |
| 12 | Parliament                           | Legislation                                                                                                            |   | √ |   | √ | Key players    |
| 13 | Public                               | Provide feedback and consume SRI outputs.                                                                              |   | √ |   | √ | Key players    |
| 14 | Informal sector                      | Provide ideas and market for SRI outputs                                                                               |   | √ | √ |   | Key players    |
| 15 | Financial institutions               | Resource mobilization and financial transactions                                                                       | √ |   | √ |   | Keep satisfied |

## **CHAPTER TWO**

### **PROGRAMME PERFORMANCE REVIEW 2023/24 - 2025/26**

This chapter provides a review of the Subsector's Programme and Performance for the 2023/24 - 2025/26 MTEF period. Section 2.1 reviews the performance of the programmes against the set targets while the Section 2.2 presents a detailed analysis of approved budgetary allocation against actual expenditure for the period FY 2023/24 - 2025/26. Further, it explains the reasons for any deviations from the achievement of planned outputs during the period under review. Section 2.3 and Section 2.4 analyze performance of Capital Projects and review of pending bills respectively.

#### **2.1 Review of Sub-Sector Programmes Performance for FY 2023/24 - 2025/26**

This section reviews the performance of the sub-sector by programme during the 2023/24 – 2025/26 MTEF period. It highlights the major achievements realized over the three-year period and provides an assessment of progress made in the implementation of planned targets. The review captures key milestones across research funding, licensing, monitoring and evaluation, innovation development, commercialization, and international collaborations. It further demonstrates the contribution of the sub-sector to national development priorities through enhanced research capacities, knowledge dissemination, and strengthened linkages with stakeholders. A summary of the progress achieved against planned targets is presented in Table 2.1.

The table 2.1 summarizes summary of outcomes, outputs, KPIs, and targets attained.

**Table 2.1: Sector / Sub-sector Programmes Performance**

**Outcome: Sustainable socio-economic transformation driven by Science, Research and Innovation.**

| Programme                                                          | Key Outputs                                           | Key Performance Indicators                                                         | Planned Target |         |         | Achieved Target |         |         | Remark                                                                                                  |
|--------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------------|----------------|---------|---------|-----------------|---------|---------|---------------------------------------------------------------------------------------------------------|
|                                                                    |                                                       |                                                                                    | 2023/24        | 2024/25 | 2025/26 | 2023/24         | 2024/25 | 2025/26 |                                                                                                         |
| SP 1.1: Research Management and Development sub programme          | Research Funding                                      | No. of Research projects supported through research calls                          | -              | -       | 25      | -               | -       | 31      | Target over achieved due to support from development partners                                           |
|                                                                    |                                                       | No. of postgraduate student research projects funded                               | -              | -       | 50      | -               | -       | 0       | Target Not achieved due to Budgetary constraints                                                        |
|                                                                    |                                                       | No. of research conferences supported                                              | -              | -       | 20      | -               | -       | 19      | Target Not achieved due to Budgetary constraints                                                        |
|                                                                    |                                                       | No. of up-scaled research projects commercialized                                  | -              | -       | 7       | -               | -       | 0       | Target to be implemented during the FY26/27                                                             |
|                                                                    | Innovations Funding                                   | An operational innovation fund (Kshs Millions)                                     | -              | -       | 1       | -               | -       | 0       | Target Not achieved. A presidential directive that was not funded                                       |
|                                                                    | Research Services                                     | No. of bilateral MoUs on research and development signed and implemented           | -              | -       | 3       | -               | -       | 3       | Target achieved                                                                                         |
|                                                                    |                                                       | % of R&D Projects monitored and coordinated                                        | -              | -       | 100     | -               | -       | 100     | Target achieved                                                                                         |
|                                                                    | Research Services                                     | Innovation survey to provide data to Global Innovation Index (GII)                 | -              | -       | 1       | -               | -       | -       | 30M budget cut during Supplementary I, FY 2025/26 affected the implementation of the TWO surveys        |
|                                                                    |                                                       | Undertaking R&D survey to provide data for global competitive index (GCI)          | -              | -       | 1       | -               | -       | -       |                                                                                                         |
|                                                                    | Research Services                                     | National STI observatory established                                               | -              | -       | 1       | -               | -       | -       | There was no budget allocation in the FY 2025/26 since SDSRI was newly established                      |
|                                                                    |                                                       | No. of institutions linked to STI observatory                                      | -              | -       | 10      | -               | -       | -       |                                                                                                         |
| SP 1.2: Knowledge and Innovation Development and Commercialization | Knowledge management and Innovation commercialization | No. of institutions supported in developing institutional SRI policies/ strategies | -              | -       | 1       | -               | -       | 1       | Target achieved                                                                                         |
|                                                                    | Capacity Building conducted                           | No. Innovators trained                                                             | -              | -       | 430     | -               | -       | 440     | The innovation academy has gained much traction with introduction of new courses and a lot of marketing |

| Programme | Key Outputs                                                                                    | Key Performance Indicators                                      | Planned Target |         |         | Achieved Target |         |         | Remark                                                                                            |
|-----------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|----------------|---------|---------|-----------------|---------|---------|---------------------------------------------------------------------------------------------------|
|           |                                                                                                |                                                                 | 2023/24        | 2024/25 | 2025/26 | 2023/24         | 2024/25 | 2025/26 |                                                                                                   |
|           |                                                                                                | No. of STI trainings conducted                                  | -              | -       | 3       | -               | -       | 5       | Target achieved                                                                                   |
|           |                                                                                                | No. of grant capacity trainings conducted                       | -              | -       | 4       | -               | -       | 6       | Target overachieved due to new partners who came on board.                                        |
|           | Research to Commercialization research programme implemented                                   | No. of innovations incubated and scaled into business ventures  | -              | -       | 15      | -               | -       | 15      | Target achieved                                                                                   |
|           | Institutional innovation and commercialization support programme implemented                   | No. of institutions supported                                   | -              | -       | 25      | -               | -       | 25      | Successfully implemented through partner support cumulatively                                     |
|           | Entrepreneurial institutions maturity framework implemented                                    | No. of institutions evaluated                                   | -              | -       | 25      | -               | -       | 25      | Target achieved cumulatively                                                                      |
|           | Technology transfer office as a service piloted                                                | No. of institutions piloted                                     | -              | -       | 5       | -               | -       | -       | Target was not achieved due to change of partner activities                                       |
|           | Student innovation Clubs operationalized in universities                                       | No. of student innovation clubs operationalized in universities | -              | -       | 10      | -               | -       | 11      | Target surpassed due to increased students interest                                               |
|           | Technical and vocational education training TVET) (innovation acceleration programme conducted | No. of TVET institutions in the programme                       | -              | -       | 5       | -               | -       | 5       | Target achieved                                                                                   |
|           | Institutional intellectual property excellence programme implemented                           | No. of institutions administered                                | -              | -       | 3       | -               | -       | 3       | Target achieved                                                                                   |
|           |                                                                                                | No. of IP champions trained                                     | -              | -       | 6       | -               | -       | 37      | Target surpassed. The pilot institutions provided more IP champions than was planned for.         |
|           | Technology readiness levels framework developed and implemented                                | No. of innovators trained on technology readiness level         | -              | -       | 100     | -               | -       | 75      | Only 75 innovators turned up for the webinar that was advertised in various platforms.            |
|           | Entrepreneurial support organization (ESOs) maturity framework                                 | No of ESOs implementing                                         | -              | -       | 3       | -               | -       | 7       | Change of strategy (targeted Nairobi area) enabled provided a wider scope of ESOs at a lower cost |

| Programme                                               | Key Outputs                                                       | Key Performance Indicators                                     | Planned Target |         |         | Achieved Target |         |         | Remark                                                                                                             |
|---------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------|----------------|---------|---------|-----------------|---------|---------|--------------------------------------------------------------------------------------------------------------------|
|                                                         |                                                                   |                                                                | 2023/24        | 2024/25 | 2025/26 | 2023/24         | 2024/25 | 2025/26 |                                                                                                                    |
|                                                         | operating standards developed and implemented                     |                                                                |                |         |         |                 |         |         |                                                                                                                    |
|                                                         | Innovators supported and linked to market                         | No. of innovators supported and linked to market               | -              | -       | 10      | -               | -       | 3       | The partner could only support 3                                                                                   |
|                                                         | Innovation maturity framework for SAGAs designed                  | No. of SAGAs implementing the framework                        | -              | -       | 5       | -               | -       | 5       | Target achieved                                                                                                    |
|                                                         | Kenya global innovation index system strengthened                 | GII Index                                                      | -              | -       | 90      | -               | -       | 102     | The index dropped due to missing and outdated data                                                                 |
|                                                         | Start-up portal operationalized                                   | No. of ecosystem players onboarded to the portal               | -              | -       | 200     | -               | -       | 270     | Target surpassed. Due to increased stakeholder awareness forums.                                                   |
|                                                         | Research output disseminated                                      | No. of research outputs uploaded into the NRF repository       | -              | -       | 200     | -               | -       | 264     | The uploaded data is cumulative. 69 additional articles were uploaded to the repository.                           |
| SP 1.3 Science and Technology Development and Promotion | Science Technology and Innovation quality assurance and standards | No of Research Institutes registered                           | -              | -       | 3       | -               | -       | 7       | Target exceeded due to increased institution awareness of RSTI requirements and improved readiness for compliance. |
|                                                         |                                                                   | No of research institutions inspected                          | -              | -       | 5       | -               | -       | 6       | Target exceeded due to the growing number of registered institutions.                                              |
|                                                         |                                                                   | No. of research licenses issued                                | -              | -       | 12,000  | -               | -       | 15058   | Target surpassed due to increased awareness creation and strengthened partnerships with relevant stakeholders.     |
|                                                         |                                                                   | No. of institutional research projects monitored and evaluated | -              | -       | 23      | -               | -       | 24      | Target achieved                                                                                                    |
|                                                         |                                                                   | No. of STEM, Women and Youth programmes undertaken             | -              | -       | 2       | -               | -       | 3       | Target achieved                                                                                                    |
|                                                         |                                                                   | No. of MDAs mainstreamed on STI                                | -              | -       | 350     | -               | -       | 352     | Target achieved cumulatively.                                                                                      |
|                                                         | Presidential Innovation challenge and award                       | No. of innovators Awarded                                      | -              | -       | 33      | -               | -       | -       | The programme did not get partner support as previously anticipated.                                               |

| Programme                                           | Key Outputs                                                                          | Key Performance Indicators                              | Planned Target |         |         | Achieved Target |         |         | Remark                                                                       |
|-----------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------|----------------|---------|---------|-----------------|---------|---------|------------------------------------------------------------------------------|
|                                                     |                                                                                      |                                                         | 2023/24        | 2024/25 | 2025/26 | 2023/24         | 2024/25 | 2025/26 |                                                                              |
|                                                     | SRI promoted                                                                         | Kenya Innovation week                                   | -              | -       | 1       | -               | -       | 1       | FY 2025/26 only the CEIL Summit was conducted and supported regional forums. |
|                                                     |                                                                                      | Multisectoral conference on SRTI                        | -              | -       | 1       | -               | -       | 1       | Target achieved                                                              |
|                                                     |                                                                                      | Kenya national research festival                        | -              | -       | 1       | -               | -       | 1       | The fund organized the 2 <sup>nd</sup> edition of KNRF                       |
|                                                     |                                                                                      | STR14 Society Week                                      | -              | -       | 1       | -               | -       | 1       | Target society                                                               |
| SP 1.4. General Administration and Support Services | Staff trained on career progression courses and performance appraisal.               | % staff trained                                         | -              | -       | 100     | -               | -       | 100     | Target achieved                                                              |
|                                                     | Customer and employee satisfaction survey conducted                                  | Customer and employee satisfaction survey report        | -              | -       | 2       | -               | -       | 2       | Target achieved.                                                             |
|                                                     | Media relations and social media accounts developed, maintained and content uploaded | Operational and Updated Website & social media accounts | -              | -       | 3       | -               | -       | 3       | Target achieved                                                              |
|                                                     | Audio-visual and print materials produced                                            | Level of production (%)                                 | -              | -       | 100     | -               | -       | 100     | Target achieved                                                              |
|                                                     | Citizen service delivery charter developed and displayed                             | No. Citizen service delivery charter developed          | -              | -       | 1       | -               | -       | 2       | Target achieved                                                              |
|                                                     |                                                                                      | Communication and public relations strategy developed   | -              | -       | 1       | -               | -       | 0       | A draft has been developed                                                   |
|                                                     | Non-residential offices Refurbished                                                  | % of Refurbished non-residential offices                | -              | -       | 100     | -               | -       | 0       | SDSRI wasn't able to finalize the lease agreement                            |
|                                                     | Efficiency in management of Transport Services enhanced                              | No. of motor vehicles purchased                         | -              | -       | 19      | -               | -       | 5       | Target partly achieved due to inadequate funds                               |
|                                                     | Planning services                                                                    | No. of SRI projects monitored and reports prepared      | -              | -       | 1       | -               | -       | 0       | M&E framework in progress                                                    |
|                                                     |                                                                                      | No. of downstream institutions on performance contract  | -              | -       | 3       | -               | -       | 3       | Target achieved                                                              |
|                                                     |                                                                                      | No. of policies for SRI formulated                      | -              | -       | 3       | -               | -       | 2       | One is in draft stages                                                       |

| Programme | Key Outputs                                      | Key Performance Indicators                                          | Planned Target |         |         | Achieved Target |         |         | Remark                                                 |
|-----------|--------------------------------------------------|---------------------------------------------------------------------|----------------|---------|---------|-----------------|---------|---------|--------------------------------------------------------|
|           |                                                  |                                                                     | 2023/24        | 2024/25 | 2025/26 | 2023/24         | 2024/25 | 2025/26 |                                                        |
|           |                                                  | % level of development and Implementation of SDSRI strategic plan.  | -              | -       | 100     | -               | -       | 40      | Development of SRISP is at 80%.                        |
|           | Budget planning and preparation reports prepared | No. of Budget reports                                               | -              | -       | 5       | -               | -       | 5       | Target achieved                                        |
|           | Budget implementation reports prepared           | No. of Budget implementation reports                                | -              | -       | 5       | -               | -       | 5       | Target achieved                                        |
|           | Budget Control report                            | No. of budget Control report                                        | -              | -       | 5       | -               | -       | 4       | M&E was not carried out                                |
|           | Procurement Report                               | No. of reports                                                      | -              | -       | 3       | -               |         | 3       | Target achieved                                        |
|           | Statutory reports prepared                       | No. of Statutory Reports                                            | -              | -       | 5       | -               | -       | 5       | Target achieved                                        |
|           |                                                  | No. of Public Accounts Committee Reports                            | -              | -       | 1       | -               | -       | 0       | Audit in progress                                      |
|           | Tree growing and restoration campaign            | No. of trees grown (in Millions)                                    | -              | -       | 2.5     | -               | -       | 0.0053  | Presidential directive                                 |
|           | Risk Management strengthened                     | % level of development and implementation risk management framework | -              | -       | 100     | -               | -       | 20      | Risk management committee and risk champions appointed |

## 2.2 Analysis of Recurrent Expenditure in FY 2023/24- 2025/26

Table 2.2 presents an analysis of the approved recurrent budget and actual expenditures for the sub-sector during the review period

**Table 2.2: Analysis of Recurrent Expenditure (KShs. Million)**

| Sector: Education                          |                            |         |          |                    |         |         | Remark                                                                                                                                                        |
|--------------------------------------------|----------------------------|---------|----------|--------------------|---------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Vote: 1067                                 |                            |         |          |                    |         |         |                                                                                                                                                               |
| Economic Classification                    | Approved Budget Allocation |         |          | Actual Expenditure |         |         |                                                                                                                                                               |
|                                            | 2023/24                    | 2024/25 | 2025/26  | 2023/24            | 2024/25 | 2025/26 |                                                                                                                                                               |
| Gross                                      | -                          | -       | 1,069.55 | -                  | -       | 851.01  |                                                                                                                                                               |
| AIA                                        | -                          | -       | 160.00   | -                  | -       | 123.11  | KeNIA wasn’t able to achieve its full AIA target collection of 70 due to decline in uptake of programs & partners support                                     |
| NET - Exchequer                            | -                          | -       | 909.56   | -                  | -       | 851.01  |                                                                                                                                                               |
| Compensation to employees                  | -                          | -       | 73.90    | -                  | -       | 55.53   | The payroll system was operationalized from November, 2025 and not at the beginning of the FY                                                                 |
| Transfers                                  | -                          | -       | 774.70   | -                  | -       | 614.70  | Fully transferred at Net                                                                                                                                      |
| Other Recurrent                            | -                          | -       | 220.95   | -                  | -       | 180.78  |                                                                                                                                                               |
| Utilities                                  | -                          | -       | 2.00     | -                  | -       | -       | The State Department had no running lease agreement hence no bills were directly associated to it.                                                            |
| Rent                                       | -                          | -       | 30.15    | -                  | -       | 16.70   | The acquisition of additional office space wasn’t finalized on time hence the adoption of the lease agreement from the State Department for Higher Education. |
| Insurance                                  | -                          | -       | -        | -                  | -       | -       |                                                                                                                                                               |
| Subsidies                                  | -                          | -       | -        | -                  | -       | -       |                                                                                                                                                               |
| Gratuity                                   | -                          | -       | -        | -                  | -       | -       |                                                                                                                                                               |
| Contracted Professional (Guards& Cleaners) | -                          | -       | 2.38     | -                  | -       | 1.37    | Contractual obligations for cleaning services were not actualized since there wasn’t a finalized lease agreement for SDSRI.                                   |
| Others                                     |                            |         |          |                    |         |         |                                                                                                                                                               |
| Acquisition of Non-Financial Assets        |                            |         | 96.10    |                    |         | 80.56   | Procurement processes faced hitches at the beginning of the FY                                                                                                |

*Source: Approved Estimates for FY 2023/24 - 2025/26*

## 2.3 Analysis of Development Approved budget Vs Actual Expenditure (Kshs. Million)

Table 2.3 presents an analysis of the approved development budget against actual expenditures. It is important to note that SRI did not have an approved development budget hence no development project was implemented during the period under review.

**Table 2.3: Analysis of Development Approved Budget Vs Actual Expenditures (KShs. Million)**

| Sector: Education                                   |             |                            |         |         |                     |         |         | Remarks                                          |
|-----------------------------------------------------|-------------|----------------------------|---------|---------|---------------------|---------|---------|--------------------------------------------------|
| Vote 1067                                           | Description | Approved Budget Allocation |         |         | Actual Expenditures |         |         |                                                  |
|                                                     |             | 2023/24                    | 2024/25 | 2025/26 | 2023/24             | 2024/25 | 2025/26 |                                                  |
| State Department for Science, Research & Innovation | Gross       | -                          | -       | -       | -                   | -       | -       | SDSRI didn't have an approved development budget |
|                                                     | GOK         | -                          | -       | -       | -                   | -       | -       |                                                  |
|                                                     | Loans       | -                          | -       | -       | -                   | -       | -       |                                                  |
|                                                     | Grants      | -                          | -       | -       | -                   | -       | -       |                                                  |
|                                                     | Local AIA   | -                          | -       | -       | -                   | -       | -       |                                                  |

Source: Approved Estimates for FY 2023/24 - 2025/26

## 2.4 Analysis of Programme Approved Budget Vs Actual Expenditure FY 2023/24 – 2025/26 (Kshs. Million)

Table 2.4 presents an analysis of the approved development budget against actual expenditures for the period under review.

**Table 2.4: Analysis of Programme Approved budget Vs Actual Expenditure (Kshs. Million)**

|                                                                    | Approved Budget |         |                 | Actual Expenditure |         |               |
|--------------------------------------------------------------------|-----------------|---------|-----------------|--------------------|---------|---------------|
|                                                                    | 2023/24         | 2024/25 | 2025/26         | 2023/24            | 2024/25 | 2025/26       |
| <b>Programme: 1 Science, Technology, Research &amp; Innovation</b> |                 |         |                 |                    |         |               |
| SP 1: Research Management and Development                          | -               | -       | 287.45          | -                  | -       | 265.44        |
| SP 2: Knowledge and Innovation Development and Commercialization   | -               | -       | 242.67          | -                  | -       | 172.67        |
| SP 3: Science and Technology Development and Promotion             | -               | -       | 313.34          | -                  | -       | 223.34        |
| SP 4: General Administration Planning & Support Services           | -               | -       | 226.09          | -                  | -       | 189.56        |
| <b>Total for Programme 1</b>                                       | -               | -       | <b>1,069.55</b> | -                  | -       | <b>851.01</b> |
| <b>TOTAL VOTE 1067</b>                                             | -               | -       | <b>1,069.55</b> | -                  | -       | <b>851.01</b> |

Source: Approved Estimates for FY 2023/24 – 2025/26

## 2.5 Analysis by Category of Expenditure: Economic Classification in FY 2023/24 – 2025/26

Table 2.5 provides an analysis of Programme Approved Budget Vs actual expenditure in Ksh. Millions

**Table 2.5 Analysis of Programme Approved Budget Vs Actual Expenditure (Ksh. Millions).**

| Economic classification                                           | Approved Budget  |                  |                  | Actual Expenditures |                  |                  |
|-------------------------------------------------------------------|------------------|------------------|------------------|---------------------|------------------|------------------|
|                                                                   | 2023/24          | 2024/25          | 2025/26          | 2023/24             | 2024/25          | 2025/26          |
|                                                                   | (Kshs. Millions) | (Kshs. Millions) | (Kshs. Millions) | (Kshs. Millions)    | (Kshs. Millions) | (Kshs. Millions) |
| <b>Programme:1 Science, Technology, Research &amp; Innovation</b> |                  |                  |                  |                     |                  |                  |
| <b>Current Expenditure</b>                                        | -                | -                | <b>1,069.55</b>  | -                   | -                | <b>851.01</b>    |
| Compensation of Employees                                         | -                | -                | 73.90            | -                   | -                | 55.53            |
| Use of Goods and Services                                         | -                | -                | 124.85           | -                   | -                | 100.22           |
| Current Grants and other transfers                                | -                | -                | 774.70           | -                   | -                | 614.70           |
| Other Recurrent                                                   | -                | -                | 96.10            | -                   | -                | 80.56            |
| <b>Capital Expenditure</b>                                        | -                | -                | -                | -                   | -                | -                |
| Acquisition of Non-financial Assets                               | -                | -                | -                | -                   | -                | -                |
| Capital Grants to Government Agencies                             | -                | -                | -                | -                   | -                | -                |
| Other Development                                                 | -                | -                | -                | -                   | -                | -                |
| <b>TOTAL PROGRAMME 1</b>                                          | -                | -                | <b>1,069.55</b>  | -                   | -                | <b>851.01</b>    |
| <b>TOTAL VOTE</b>                                                 | -                | -                | <b>1069.55</b>   | -                   | -                | <b>851.01</b>    |

Source: Approved Estimates FY 2023/24 – 2025/26

## 2.6 Analysis of SAGAs Recurrent Budget Vs Actual Expenditure in FY 2023/24 – 2025/26

Table 2.6 provides an analysis of recurrent approved budget allocation versus actual expenditure for Semi-Autonomous Government Agencies (SAGAs) by economic classification.

**Table 2.6: Analysis of Recurrent Approved Budget Vs Actual Expenditure for SAGAs (KShs. Million)**

| Economic Classification                                                  | APPROVED BUDGET |         |               | ACTUAL EXPENDITURE |         |               | REMARKS FY 2025/26                                                                                           |
|--------------------------------------------------------------------------|-----------------|---------|---------------|--------------------|---------|---------------|--------------------------------------------------------------------------------------------------------------|
|                                                                          | 2023/24         | 2024/25 | 2025/26       | 2023/24            | 2024/25 | 2025/26       |                                                                                                              |
| <b>SAGA 1: KENYA NATIONAL INNOVATIONA AGENCY (KENIA)</b>                 |                 |         |               |                    |         |               |                                                                                                              |
| <b>GROSS</b>                                                             | -               | -       | <b>242.70</b> | -                  | -       | <b>201.70</b> | The gross approved budget was affected negatively by budget austerity measures to the tune of Ksh. 30Million |
| AIA- Internally Generated Revenue                                        | -               | -       | 70.00         | -                  | -       | 29.10         | Target not met due to decline in uptake of programs & partners support                                       |
| <b>NET Exchequer</b>                                                     | -               | -       | <b>172.70</b> | -                  | -       | <b>172.70</b> |                                                                                                              |
| Compensation to Employees                                                | -               | -       | 51.90         | -                  | -       | 48.40         | Different reporting dates for newly recruited staff which affected PE absorption.                            |
| Use of goods & Services                                                  | -               | -       | 190.80        | -                  | -       | 151.16        |                                                                                                              |
| of Which                                                                 | -               | -       |               | -                  | -       |               |                                                                                                              |
| Insurance                                                                | -               | -       | 11.00         | -                  | -       | 9.70          | Different reporting dates for newly recruited staff which affected absorption (Medical)                      |
| Utilities                                                                | -               | -       | 0.70          | -                  | -       | 0.66          | Absorption within target                                                                                     |
| Rent                                                                     | -               | -       | 14.30         | -                  | -       | 14.30         | Target Achieved                                                                                              |
| Contracted Guards & Cleaners Services                                    | -               | -       | 2.50          | -                  | -       | 2.20          | Absorption within target                                                                                     |
| Subsidies                                                                | -               | -       | -             | -                  | -       | -             |                                                                                                              |
| Gratuity                                                                 | -               | -       | 1.60          | -                  | -       | 1.60          | Absorption within target                                                                                     |
| Other Administrative Expenses                                            | -               | -       | 151.70        | -                  | -       | 113.70        | Some planned programs did not take place due to unmet AIA target.                                            |
| BETA allocation – (Kenya Innovation Week)                                | -               | -       | 9.00          | -                  | -       | 9.00          | Target Achieved                                                                                              |
| <b>Sub- Total - KENIA</b>                                                | -               | -       | <b>242.70</b> | -                  | -       | <b>201.70</b> |                                                                                                              |
| <b>SAGA 2: NATIONAL COMMISSION FOR SCIENCE RESEARCH &amp; INNOVATION</b> |                 |         |               |                    |         |               |                                                                                                              |
| <b>GROSS</b>                                                             | -               | -       | <b>313.30</b> | -                  | -       | <b>317.31</b> |                                                                                                              |

|                                       |   |   |               |   |   |               |                                                                                                            |
|---------------------------------------|---|---|---------------|---|---|---------------|------------------------------------------------------------------------------------------------------------|
| AIA- Internally Generated Revenue     | - | - | <b>90.00</b>  | - | - | <b>94.01</b>  | Target surpassed due to increased awareness on the importance of research licences.                        |
| <b>NET-Exchequer</b>                  | - | - | <b>223.30</b> | - | - | <b>223.30</b> |                                                                                                            |
| Compensation to Employees             | - | - | 173.60        | - | - | 146.40        | The commission was not able to get approval for replacement of vacant positions from relevant authorities. |
| Use of Goods & Services               | - | - | 139.70        | - | - | 170.91        |                                                                                                            |
| Of which                              | - | - |               | - | - |               |                                                                                                            |
| Insurance                             | - | - | 19.20         | - | - | 17.80         | Recruited staff reported at different times hence medical insurance was effected at different periods.     |
| Utilities                             | - | - | 4.64          | - | - | 5.50          | Increased due to electricity costs and water bill arrears in the FY 2024/25                                |
| Rent                                  | - | - | -             | - | - | -             |                                                                                                            |
| Contracted Guards & Cleaners          | - | - | 10.75         | - | - | 10.10         | Enhanced security due to increase in the number of tenants                                                 |
| Gratuity                              | - | - | 4.20          | - | - | 4.10          | Absorption within target                                                                                   |
| Rates                                 | - | - | 0.50          | - | - | 0.40          | Absorption is within target                                                                                |
| Other Administrative Expenses         | - | - | 100.41        | - | - | 133.01        | Deferred commitments in the FY 2024/25 were expensed in FY 2025/26 hence the increased expenses.           |
| Sub Total                             | - | - |               | - | - |               |                                                                                                            |
| <b>SAGA 3: NATIONAL RESEARCH FUND</b> |   |   |               |   |   |               |                                                                                                            |
| <b>GROSS</b>                          | - | - | <b>218.70</b> | - | - | <b>218.70</b> | The Budgeted grant was fully received.                                                                     |
| AIA- Internally Generated Revenue     | - | - | -             | - | - | -             | No AIA generated.                                                                                          |
| <b>NET-Exchequer</b>                  | - | - | <b>218.70</b> | - | - | <b>218.70</b> | The Budgeted grant was fully received.                                                                     |
| Compensation Of Employees             | - | - | 30.72         | - | - | 28.38         | The planned recruitment was not concluded though interviews were conducted                                 |
| Transfers                             | - | - | 99.50         | - | - | 102.58        | Research grant disbursed to 31 projects.                                                                   |
| Other Recurrent                       | - | - |               | - | - |               |                                                                                                            |
| of which                              | - | - |               | - | - |               |                                                                                                            |
| Insurance                             | - | - | 4.80          | - | - | 4.08          | Medical and motor vehicle insurance absorption within target.                                              |
| Utilities                             | - | - | 1.75          | - | - | 1.75          | Electricity and general repair costs absorption is within target                                           |

|                                       |   |   |               |   |   |               |                                                                                              |
|---------------------------------------|---|---|---------------|---|---|---------------|----------------------------------------------------------------------------------------------|
| Rent                                  | - | - | 8.31          | - | - | 7.57          | Additional apace planned for was not acquired.                                               |
| Contracted Guards & Cleaners services | - | - | 2.00          | - | - | 2.00          | Cleaning services absorption is within target                                                |
| Gratuity                              | - | - | 5.48          | - | - | 5.48          | Pension and gratuity disbursement target achieved.                                           |
| Other Administrative Expenses         | - | - | 66.14         | - | - | 66.14         | Annual work plan, fuel, audit fees and other general administrative costs - target achieved. |
| <b>Sub- Total</b>                     | - | - | <b>218.70</b> | - | - | <b>218.70</b> |                                                                                              |

*Notes to table 2.6 – SAGA 2 NRF: The transfers in this context represent the grants disbursed to various institutions as research grants.*

In FY 2023/24, the sub-sector absorbed 97.6 percent of its approved budget, demonstrating efficient utilization, strong budget execution with minimal variance between allocation and actual expenditure. However, in FY 2024/25, the absorption rate fell significantly to 90.9 percent, mainly due to inadequate funding and delays in exchequer disbursements. In the FY 2025/26 the absorption declined further to 80 percent of the approved budget. Overall, while absorption remained consistently high in FY 2023/24 (above 97 percent), the decline observed in FY 2024/25 and FY 2025/26 points to emerging challenges in the financial management systems.

## **2.7 Capital Projects Performance**

During the FY 2023/24 – 2024/25, the State Department for Science, Research and Innovation as sub-sector was not established.

2.8 Pending Bills Analysis

Annex 4D: Summarizes pending bills.

Annex 4D: Review of pending bills

| Type/Nature                                                               | Due to Lack of Exchequer |         |         | Due to Lack of Provision |         |         |
|---------------------------------------------------------------------------|--------------------------|---------|---------|--------------------------|---------|---------|
|                                                                           | 2023/24                  | 2024/25 | 2025/26 | 2023/24                  | 2024/25 | 2025/26 |
| 1. Recurrent                                                              | -                        | -       | -       | -                        | -       | -       |
| Compensation to Employees                                                 | -                        | -       | -       | -                        | -       | -       |
| Use of Goods and Services e.g. Utilities, domestic or foreign travel etc. | -                        | -       | -       | -                        | -       | -       |
| Social benefits e.g. NHIF, NSSF                                           | -                        | -       | -       | -                        | -       | -       |
| Other expense (DAAD) <sup>1</sup>                                         | 71.00                    | 151.69  | 151.69  | -                        | -       | -       |
| 2. Development                                                            | -                        | -       | -       | -                        | -       | -       |
| Acquisition of non-financial assets <sup>2</sup>                          | 173.07                   | 173.07  | 319.52  | -                        | -       | -       |
| Use of Goods and Service                                                  | -                        | -       | -       | -                        | -       | -       |
| Others -specify                                                           | -                        | -       | -       | -                        | -       | -       |
| Total Pending Bills                                                       | 244.07                   | 324.76  | 471.21  | -                        | -       | -       |

NOTES:

<sup>1</sup> In the FY 2023/2024, NRF was unable to meet its obligations in full since only **Ksh. 32 million** was disbursed against the required **Ksh. 103 Million**, leaving a deficit of **Ksh. 71 million**. Similarly in the FY 2024/25, an invoice of 80 million was not paid bringing the cumulative pending bill to **Ksh. 151,684,565.50**. The invoice for FY 2025/26 (**KSh. 80 Million**) will be received in November, 2026

<sup>2</sup>The Commission's headquarters building flagship development project, was completed and handed over by the contractor in March 2017, with the Commission taking occupancy in June 2017. However, due to budgetary constraints, the Commission was unable to fully settle payments amounting to **Ksh.173.07 M** due to the main contractor and subcontractors. Despite making efforts to reduce the outstanding obligations based on the availability of funds, pending bills remained at the close of the financial year. The outstanding claims have been the subject of a dispute, with the Project Supervisors from the State Department for Public Works certifying **Kshs. 154,961** million, while the main contractor claimed **Kshs. 362** Million, an amount that continued to attract interest due to delayed settlement. The dispute proceeded to arbitration and was subsequently escalated to the High Court. In its final award, communicated on 28 November 2025, the Court directed the National Commission for Science, Technology and Innovation (NACOSTI) to pay a total of **Kshs. 319,518,491.52** to the main contractor and subcontractors.

## 2.9 Courts awards Analysis

Annex 4E: Gives a summary of Court Awards.

### Annex 4E: Summary of Court Awards

| Details of the Award                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Date of Award      | Amount (Kshs Million) | Payment Date                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------|------------------------------------------------------------------------------------------|
| <p>The Commission's headquarters building, a key development project, was completed and handed over by the contractor in March 2017, with the Commission taking occupancy in June 2017. However, due to budgetary constraints, the Commission was unable to fully settle payments due to the main contractor and subcontractors.</p> <p>The main contractor submitted claims amounting to Kshs. 362 million, significantly higher than the Kshs. 154.961 million certified by the Project Supervisors from the State Department for Public Works. The disagreement over the certified amount resulted in the contractor declaring a dispute and initiating arbitration proceedings, which were subsequently escalated to the High Court.</p> <p>The High Court issued its final award, communicated on 28 November 2025, directing the National Commission for Science, Technology and Innovation (NACOSTI) to pay Kshs. 292,211,351.92 to Millicon's Ltd, Kshs. 9,222,735.08 to Soulco Limited, and Kshs. 18,084,404.52 to Fitness Solutions, bringing the total court award to Kshs. 319,518,491.52.</p> | 28th November 2025 | 319.52                | Not settled due lack of funds. Awaiting for budget allocation from the National Treasury |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                    | <b>319.52</b>         |                                                                                          |

## CHAPTER THREE:

### MEDIUM TERM PRIORITIES AND FINANCIAL PLAN FOR THE MTEF PERIOD FY 2027/28 – 2029/30

This chapter presents the medium-term priorities and financial plans for implementation by the Sub-Sector in the medium-term period **FY 2027/28 – 2029/30**. The Sub-Sector has prioritized programmes and sub-programmes geared towards facilitating the realization of Kenya's Vision 2030 and government priorities. This chapter comprises two broad sections the first one providing a summary of programmes objectives, key outputs, performance indicators, targets, and programmes by order of ranking. The second section presents an analysis of resource requirement by programme and economic classification.

#### Prioritization of Programmes and Sub-Programmes

##### 3.1 Programmes and Objectives

Table 3.1 indicates the approved programme for MTEF funding and shows how it contributes to the strategic goals.

**Table 3.1: Programmes and their objectives**

| Programmes                                              | Strategic Objectives                                                                                       | Strategic contribution                                                                                                                                                                              |
|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>P.1 Research, Science, Technology and Innovation</b> | To develop, harness and integrate science, research, technology and innovation in national STRI ecosystem. | Enhance National productivity, competitiveness and sustainable socio-economic transformation through generation, application and commercialization of Science, Research, technology and Innovation. |

### 3.2 Programmes and Sub-programmes, outcomes, outputs and KPIs

The sub sector focuses on one programme; Science, Research and Innovation and four sub-programmes. Table 3.2 outlines the sub sector outputs that are expected to contribute towards achieving National Development Priorities.

**Table 3.2: Programmes and Sub-programmes, Outcomes, Outputs and KPIs**

**Outcome: Sustainable socio-economic transformation driven by Science, Research and Innovation**

| Programme                                                 | Delivery Unit | Key Output         | Key Performance Indicators                                                | Target  | Actual Achievement | Target Baseline | Target 2027/28 | Target 2028/29 | Target 2029/30 |
|-----------------------------------------------------------|---------------|--------------------|---------------------------------------------------------------------------|---------|--------------------|-----------------|----------------|----------------|----------------|
|                                                           |               |                    |                                                                           | 2025/26 | 2025/26            | 2026/27         |                |                |                |
| SP 1.1: Research Management and Development sub programme | NRF           | Research Funding   | No. of Research projects supported through research calls                 | 25      | 31                 | 32              | 100            | 150            | 200            |
|                                                           |               |                    | No. of postgraduate student research projects funded                      | 50      | 0                  | 50              | 350            | 600            | 800            |
|                                                           |               |                    | No. of research conferences supported                                     | 20      | 19                 | 15              | 20             | 22             | 25             |
|                                                           |               |                    | No. of research projects referred to KeNIA for commercialized             | 7       | 0                  | 3               | 3              | 3              | 3              |
|                                                           |               | Research Services  | % of R&D Projects monitored and coordinated                               | 100     | 100                | 100             | 100            | 100            | 100            |
|                                                           | KeNIA         | Innovation funding | Amount of commercialization grant issued (Kshs Millions)                  | 15      | 0                  | 15              | 1,520          | 1,550          | 1,550          |
|                                                           |               |                    | No. of innovations commercialization grants issued                        | -       | -                  | 1,0             | 1,015          | 1,020          | 1,025          |
|                                                           | DSRI          | Research Services  | No. of bilateral MoUs on research and development signed and implemented  | 3       | 3                  | 3               | 3              | 3              | 3              |
|                                                           |               |                    | Innovation survey to provide data to Global Innovation Index (GII)        | 1       | -                  | 1               | 1              | 1              | 1              |
|                                                           |               |                    | Undertaking R&D survey to provide data for global competitive index (GCI) | 1       | -                  | 1               | 1              | 1              | 1              |
|                                                           |               |                    | National STI Information System established                               | -       | -                  | 1               | 1              | 1              | 1              |
|                                                           |               |                    | No. of institutions linked to STI Information System                      | -       | -                  | 10              | 10             | 10             | 10             |
|                                                           |               |                    | No of SRI clusters for technology transfer Created                        | -       | -                  | -               | 6              | 6              | -              |
|                                                           |               |                    | No of Operationalized S&T Presidential Advisory Council                   | -       | -                  | -               | 1              | -              | -              |
|                                                           |               |                    | No of County SRI centers and hubs Established                             | -       | -                  | -               | 8              | 16             | 23             |

| Programme                                                          | Delivery Unit | Key Output                                | Key Performance Indicators                                                                       | Target  | Actual Achievement | Target Baseline | Target 2027/28 | Target 2028/29 | Target 2029/30 |
|--------------------------------------------------------------------|---------------|-------------------------------------------|--------------------------------------------------------------------------------------------------|---------|--------------------|-----------------|----------------|----------------|----------------|
|                                                                    |               |                                           |                                                                                                  | 2025/26 | 2025/26            | 2026/27         |                |                |                |
|                                                                    |               |                                           | K-STEIM Establishment (%)                                                                        | -       | -                  | -               | 50             | 50             | -              |
|                                                                    |               |                                           | Grand Challenge established (%)                                                                  |         |                    | 10              | 100            |                |                |
|                                                                    |               |                                           | No. of institutions supported in developing institutional SRI policies/ strategies               | 1       | 1                  | 1               | 1              | 1              | 1              |
| SP. 1.2 Knowledge and Innovation Development and Commercialization |               | SRI Capacity Development                  | No. Innovators trained                                                                           | 430     | 440                | 500             | 600            | 650            | 700            |
|                                                                    | KeNIA         |                                           | Innovation academy learning management system (LMS)                                              | -       | -                  | -               | 1              | 0              | 0              |
|                                                                    | NACOSTI       |                                           | No. of STI trainings conducted                                                                   | 3       | 5                  | 3               | 3              | 3              | 3              |
|                                                                    | NRF           |                                           | Capacity building organized and conducted on R&D                                                 | 4       | 6                  | 5               | 5              | 5              | 5              |
|                                                                    | KeNIA         | Innovation and commercialization services | No. of innovations incubated and scaled into business ventures                                   | 15      | 15                 | 15              | 20             | 25             | 30             |
|                                                                    |               |                                           | No. of institutions supported for innovation and commercialization.                              | 25      | 25                 | 30              | 35             | 40             | 45             |
|                                                                    |               |                                           | No. of institutions evaluated for entrepreneurial maturity                                       | 25      | 25                 | 30              | 35             | 40             | 45             |
|                                                                    |               |                                           | No. of institutions implementing/piloting TTOAAS                                                 | 30      | 37                 | 0               | 45             | 55             | 60             |
|                                                                    |               |                                           | Number of University spin off SOPs and policies developed                                        | -       | -                  | -               | 45             | 55             | 60             |
|                                                                    |               |                                           | No. of student innovation clubs operationalized in universities                                  | 10      | 11                 | 22              | 33             | 35             | 40             |
|                                                                    |               |                                           | No. of TVET institutions participating in the innovation acceleration programme                  | 5       | 5                  | 5               | 10             | 15             | 20             |
|                                                                    |               |                                           | No. of institutions supported under the Institutional Intellectual Property Excellence Programme | 3       | 3                  | 14              | 20             | 30             | 40             |
|                                                                    |               |                                           | No. of IP champions trained                                                                      | 6       | 37                 | 60              | 70             | 90             | 150            |
|                                                                    |               |                                           | No. of innovators trained on technology readiness level                                          | 100     | 75                 | 150             | 250            | 300            | 350            |
|                                                                    |               |                                           | No. of ESDs implementing the maturity framework operating standards                              | 3       | 7                  | 10              | 12             | 15             | 20             |
|                                                                    |               |                                           | No. of innovators supported and linked to market                                                 | 10      | 3                  | 5               | 5              | 8              | 12             |

| Programme                                               | Delivery Unit | Key Output                                                        | Key Performance Indicators                                                              | Target  | Actual Achievement | Target Baseline | Target 2027/28 | Target 2028/29 | Target 2029/30 |
|---------------------------------------------------------|---------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------|--------------------|-----------------|----------------|----------------|----------------|
|                                                         |               |                                                                   |                                                                                         | 2025/26 | 2025/26            | 2026/27         |                |                |                |
|                                                         |               |                                                                   | No. of SAGAs implementing the Public Sector Innovation Maturity Framework               | 5       | 5                  | 15              | 25             | 35             | 45             |
|                                                         |               |                                                                   | Kenya's Global Innovation Index (GII) ranking                                           | 90      | 102                | 90              | 85             | 80             | 75             |
|                                                         |               |                                                                   | No. of ecosystem players onboarded to the portal                                        | 200     | 270                | 300             | 400            | 500            | 600            |
|                                                         |               |                                                                   | No. of jointly developed products/ventures reaching market validation                   | -       | -                  | -               | 3              | 6              | 9              |
|                                                         |               |                                                                   | Number of innovation hubs supported                                                     | -       | -                  | 10              | 20             | 30             | 40             |
|                                                         |               |                                                                   | No. of innovation clusters operationalized                                              | -       | -                  | 1               | 3              | 3              | 3              |
|                                                         |               |                                                                   | No. of researchers and innovators supported to commercialize in their specific clusters | -       | -                  | -               | 6              | 15             | 30             |
|                                                         | NRF           | Research output disseminated                                      | No. of research outputs uploaded into the NRF repository                                | 200     | 264                | 334             | 404            | 474            | 544            |
| SP 1.3 Science and Technology Development and Promotion | NACOSTI       | Science Technology and Innovation quality assurance and standards | No of Research Institutes registered                                                    | 3       | 7                  | 4               | 4              | 4              | 4              |
|                                                         |               |                                                                   | No of research institutions inspected                                                   | 5       | 6                  | 4               | 5              | 6              | 7              |
|                                                         |               |                                                                   | No. of research licenses issued                                                         | 12,000  | 15058              | 12000           | 14000          | 14500          | 15000          |
|                                                         |               |                                                                   | No. of institutional research projects monitored and evaluated                          | 23      | 24                 | 16              | 24             | 26             | 28             |
|                                                         |               |                                                                   | No. of STEM, Women and Youth programmes undertaken                                      | 2       | 3                  | 3               | 3              | 3              | 3              |
|                                                         |               |                                                                   | No. of MDAs mainstreamed on STI                                                         | 350     | 352                | 360             | 365            | 370            | 375            |
|                                                         | KeNIA         | Presidential Innovation challenge and award                       | No. of innovators Awarded                                                               | 33      | -                  | -               | 125            | 125            | 125            |
|                                                         |               | Innovation excellence awards scheme implemented                   | No. of awards issued                                                                    | -       | -                  | 18              | 20             | 25             | 30             |
|                                                         |               | KeNIA's processes certified                                       | ISO certification                                                                       | -       | -                  | -               | 1              | -              | -              |
|                                                         | KeNIA         | SRI promoted                                                      | Kenya Innovation week                                                                   | 1       | 1                  | 1               | 1              | 1              | 1              |

| Programme                                           | Delivery Unit        | Key Output                                                                           | Key Performance Indicators                                         | Target  | Actual Achievement | Target Baseline | Target 2027/28 | Target 2028/29 | Target 2029/30 |
|-----------------------------------------------------|----------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------|---------|--------------------|-----------------|----------------|----------------|----------------|
|                                                     |                      |                                                                                      |                                                                    | 2025/26 | 2025/26            | 2026/27         |                |                |                |
|                                                     |                      |                                                                                      | No. of innovation forums supported                                 | 5       | 6                  | 6               | 8              | 10             | 12             |
|                                                     | NACOSTI              |                                                                                      | Multisectoral conference on SRTI                                   | 1       | 1                  | 1               | 1              | 1              | 1              |
|                                                     | NRF                  |                                                                                      | Kenya national research festival                                   | 1       | 1                  | 1               | 1              | 1              | 1              |
|                                                     | SDSRI                |                                                                                      | STRI4 Society Week                                                 | 1       | 1                  | 1               | 1              | 1              | 1              |
| SP 1.4. General Administration and Support Services | HR                   | Staff trained on career progression courses and performance appraisal.               | % staff trained                                                    | 100     | 100                | 100             | 100            | 100            | 100            |
|                                                     | Adminstration        | Customer and employee satisfaction survey conducted                                  | Customer and employee satisfaction survey report                   | 2       | 2                  | 2               | 2              | 2              | 2              |
|                                                     | ICT                  | Media relations and social media accounts developed, maintained and content uploaded | Operational and Updated Website & social media accounts            | 3       | 3                  | 3               | 3              | 3              | 3              |
|                                                     | Communication        | Audio-visual and print materials produced                                            | Level of production (%)                                            | 100     | 100                | 100             | 100            | 100            | 100            |
|                                                     | Planning/Procurement | Citizen service delivery charter developed and displayed                             | No. Citizen service delivery charter developed                     | 1       | 2                  | 3               | 3              | 4              | 4              |
|                                                     | Communication        |                                                                                      | Communication and public relations strategy developed              | 1       | 0                  | 1               | 1              | 1              | 1              |
|                                                     | Adminstration        | Non-residential offices Refurbished                                                  | % of Refurbished non-residential offices                           | 100     | 0                  | 20              | 40             | 40             | -              |
|                                                     | Adminstration        | Efficiency in management of Transport Services enhanced                              | No. of motor vehicles purchased                                    | 19      | 5                  | 2               | 3              | 4              | 5              |
|                                                     | Planning             | Planning services and DSRI                                                           | No. of SRI projects monitored and reports prepared                 | 1       | 0                  | 1               | 1              | 1              | 1              |
|                                                     |                      |                                                                                      | No. of downstream institutions on performance contract             | 3       | 3                  | 3               | 3              | 3              | 3              |
|                                                     |                      |                                                                                      | % level of development and Implementation of SDSRI strategic plan. | 100     | 40                 | 100             | 100            | 100            | 100            |
|                                                     |                      |                                                                                      | No. of policies for SRI formulated                                 | 3       | 2                  | 2               | 2              | 2              | 2              |
|                                                     | Finance/Accounts     | Budget planning and preparation reports prepared                                     | No. of Budget reports                                              | 5       | 5                  | 5               | 5              | 5              | 5              |
|                                                     |                      | Budget implementation reports prepared                                               | No. of Budget implementation reports                               | 5       | 5                  | 5               | 5              | 5              | 5              |

| Programme | Delivery Unit    | Key Output                            | Key Performance Indicators                                          | Target  | Actual Achievement | Target Baseline | Target 2027/28 | Target 2028/29 | Target 2029/30 |
|-----------|------------------|---------------------------------------|---------------------------------------------------------------------|---------|--------------------|-----------------|----------------|----------------|----------------|
|           |                  |                                       |                                                                     | 2025/26 | 2025/26            | 2026/27         |                |                |                |
|           |                  | Budget Control report                 | No. of budget Control report                                        | 5       | 4                  | 5               | 5              | 5              | 5              |
|           | Procurement      | Procurement Report                    | No. of reports                                                      | 3       | 3                  | 3               | 3              | 3              | 3              |
|           | SDSRI            | Statutory reports prepared            | No. of Statutory Reports                                            | 5       | 5                  | 5               | 5              | 5              | 5              |
|           | Finance/Accounts |                                       | No. of Public Accounts Committee Reports                            | 1       | 0                  | 1               | 1              | 1              | 1              |
|           | Administration   | Tree growing and restoration campaign | No. of trees grown (in Millions)                                    | 2.5     | 0.0053             | 0.0053          | 0.0053         | 0.0053         | 0.0053         |
|           | Internal Audit   | Risk Management strengthened          | % level of development and implementation risk management framework | 100     | 20                 | 20              | 20             | 20             | 20             |

## Programmes in order of ranking

P.1 Research, Science, Technology and Innovation

SP 1.1: Research Management and Development sub programme

SP 1.2: Knowledge and Innovation Development and Commercialization

SP 1.3 Science and Technology Development and Promotion

SP 1.4. General Administration and Support Services

## Resource allocation criteria

### 3.3 Sector and Sub-sector Resource Requirement Allocation

Table 3.3 indicates the Sub-sector resource requirement and resource allocation.

**Table 3.3: Sector and Sub-Sector Recurrent Requirements/Allocations (Amount KSh. Million)**

| Education Sector |                                  | Approved Estimates | REQUIREMENT     |                  |                  | ALLOCATION |         |         | REMARKS |
|------------------|----------------------------------|--------------------|-----------------|------------------|------------------|------------|---------|---------|---------|
|                  |                                  | 2026/27            | 2027/28         | 2028/29          | 2028/30          | 2027/28    | 2028/29 | 2029/30 |         |
| Vote Details     | Economic Classification          |                    |                 |                  |                  |            |         |         |         |
| <b>VOTE 1067</b> | <b>Gross</b>                     | <b>1,256.13</b>    | <b>9,742.79</b> | <b>11,123.58</b> | <b>12,500.92</b> | -          | -       | -       |         |
|                  | <b>AIA</b>                       | <b>160.00</b>      | <b>170.00</b>   | <b>175.00</b>    | <b>180.00</b>    | -          | -       | -       |         |
|                  | <b>NET</b>                       | <b>1,096.13</b>    | <b>9,572.79</b> | <b>10,948.58</b> | <b>12,320.92</b> | -          | -       | -       |         |
|                  | Compensation to Employees        | 137.31             | 254.10          | 259.34           | 252.13           | -          | -       | -       |         |
|                  | Transfers, Grants & Subscription | 926.98             | 6,463.36        | 7,669.10         | 9,046.64         | -          | -       | -       |         |
|                  | Other Recurrent                  | 191.84             | 3,025.33        | 3,195.14         | 3,202.15         | -          | -       | -       |         |

**Table 3.4 Sector and Sub-sector Development Requirements/Allocations (Amount Ksh Million)**

|                  |              |         | Requirement |           |           | Allocation |         |         |
|------------------|--------------|---------|-------------|-----------|-----------|------------|---------|---------|
| Education sector |              | 2026/27 | 2027/28     | 2028/29   | 2029/30   | 2027/28    | 2028/29 | 2029/30 |
| Vote 1067        | Description  |         |             |           |           |            |         |         |
|                  | <b>Gross</b> | -       | 18,568.97   | 33,986.17 | 34,312.88 |            |         |         |
|                  | GOK          | -       | 18,568.97   | 33,986.17 | 34,312.88 |            |         |         |
|                  | Loans        | -       | -           | -         | -         |            |         |         |
|                  | Grants       | -       | -           | -         | -         |            |         |         |
|                  | Local AIA    | -       | -           | -         | -         |            |         |         |

Table 3.5 gives analysis of programmes and sub-programmes Resource Requirements.

**Table 3.5 Analysis of Programmes and Sub Programmes (Current and Capital) Resource Requirements (Ksh Millions)**

| Programme Details                                                             | Approved Estimates 2026/27 |         |                 | 2027/28         |                  |                  | 2028/29          |                  |                  | 2029/30          |                  |                  |
|-------------------------------------------------------------------------------|----------------------------|---------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                                                               | Current                    | Capital | Total           | Current         | Capital          | Total            | Current          | Capital          | Total            | Current          | Capital          | Total            |
| <b>Programme:1 Research, Science, Technology and Innovation</b>               |                            |         |                 |                 |                  |                  |                  |                  |                  |                  |                  |                  |
| Sub-Programme 1.1: Research Management and Development                        | 439.24                     | -       | <b>439.24</b>   | 6,156.73        | 18,274.26        | <b>24,430.99</b> | 7,232.41         | 33,986.17        | <b>41,218.58</b> | 8,393.56         | 34,312.88        | <b>42,706.44</b> |
| Sub-Programme 1.2: Knowledge and Innovation Development and Commercialization | 266.59                     | -       | <b>266.59</b>   | 2,360.73        | -                | <b>2,360.73</b>  | 2,696.49         | -                | <b>2,696.49</b>  | 2,884.88         | -                | <b>2,884.88</b>  |
| Sub-Programme 1.3: Science and Technology Development and Promotion           | 306.64                     | -       | <b>306.64</b>   | 554.43          | 294.71           | <b>849.14</b>    | 650.32           | 146.83           | <b>797.15</b>    | 678.32           | 97.89            | <b>776.21</b>    |
| Sub-Programme 1.4: General Administration and Support Services                | 243.66                     | -       | <b>243.66</b>   | 670.91          | -                | <b>670.91</b>    | 544.34           | -                | <b>544.34</b>    | 544.17           |                  | <b>544.17</b>    |
| <b>Total Programme 1</b>                                                      | <b>1,256.13</b>            | -       | <b>1,256.13</b> | <b>9,742.80</b> | <b>18,568.97</b> | <b>28,311.77</b> | <b>11,123.56</b> | <b>34,133.00</b> | <b>45,256.56</b> | <b>12,500.93</b> | <b>34,410.77</b> | <b>46,911.70</b> |
| <b>TOTAL VOTE</b>                                                             | <b>1,256.13</b>            | -       | <b>1,256.13</b> | <b>9,742.80</b> | <b>18,568.97</b> | <b>28,311.77</b> | <b>11,123.56</b> | <b>34,133.00</b> | <b>45,256.56</b> | <b>12,500.93</b> | <b>34,410.77</b> | <b>46,911.70</b> |

**Table 3.6 Analysis of Programmes and Sub-Programmes (Current & Capital) Resource Allocation (Ksh.Million).**

| Programme Details                                                             | Approved Estimates |          |                 | Allocation |          |          |          |          |          |          |          |          |
|-------------------------------------------------------------------------------|--------------------|----------|-----------------|------------|----------|----------|----------|----------|----------|----------|----------|----------|
|                                                                               | 2026/27            |          |                 | 2027/28    |          |          | 2028/29  |          |          | 2029/30  |          |          |
|                                                                               | Current            | Capital  | Total           | Current    | Capital  | Total    | Current  | Capital  | Total    | Current  | Capital  | Total    |
| Programme:1 Research, Science, Technology and Innovation                      | 1,256.13           | -        | 1,256.13        | -          | -        | -        | -        | -        | -        | -        | -        | -        |
| Sub-Programme 1.1: Research Management and Development                        | 439.24             | -        | 439.24          |            | -        | -        |          |          | -        |          |          | -        |
| Sub-Programme 1.2: Knowledge and Innovation Development and Commercialization | 266.59             | -        | 266.59          |            | -        | -        |          |          | -        |          |          | -        |
| Sub-Programme 1.3: Science and Technology Development and Promotion           | 306.64             | -        | 306.64          |            | -        | -        |          |          | -        |          |          | -        |
| Sub-Programme 1.4: General Administration and Support Services                | 243.66             | -        | 243.66          |            | -        | -        |          |          | -        |          |          | -        |
| <b>TOTAL PROGRAMME 1</b>                                                      | <b>1,256.13</b>    | <b>-</b> | <b>1,256.13</b> | <b>-</b>   | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> |
| <b>TOTAL VOTE</b>                                                             | <b>1,256.13</b>    | <b>-</b> | <b>1,256.13</b> | <b>-</b>   | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> |

Note: Vote 1067 was allocated Ksh. 1312B for development at BPS level for FY2026/27.

Table 3.7 Programmes and Sub-Programmes by Economic Classification (Amount Ksh.Million)

| Economic Classification                                                | Resource Requirement |                  |                  | Resource Allocation |         |         |
|------------------------------------------------------------------------|----------------------|------------------|------------------|---------------------|---------|---------|
|                                                                        | 2027/28              | 2028/29          | 2029/30          | 2027/28             | 2028/29 | 2029/30 |
| <b>Programme:1 Research, Science, Technology and Innovation</b>        |                      |                  |                  |                     |         |         |
| Current Expenditure                                                    | <b>9,742.79</b>      | <b>11,123.58</b> | <b>12,500.92</b> | -                   | -       | -       |
| Compensation of Employees                                              | 254.10               | 259.34           | 252.13           | -                   | -       | -       |
| Use of Goods and Services                                              | 683.38               | 686.96           | 766.71           | -                   | -       | -       |
| Grants and other transfers                                             | 6,463.36             | 7,669.10         | 9,046.64         | -                   | -       | -       |
| other recurrent                                                        | 2,341.95             | 2,508.18         | 2,435.44         | -                   | -       | -       |
| <b>Capital Expenditure</b>                                             | <b>18,568.97</b>     | <b>34,133.00</b> | <b>34,410.77</b> | -                   | -       | -       |
| Acquisition of non-financial Assets                                    | 9,274.26             | 23,339.34        | 23,714.99        | -                   | -       | -       |
| capital grants to Government Agencies                                  | 294.71               | 146.83           | 97.89            | -                   | -       | -       |
| other development                                                      | 9,000.00             | 10,646.83        | 10,597.89        | -                   | -       | -       |
| <b>TOTAL Programme 1: Research, Science, Technology and Innovation</b> | <b>28,311.76</b>     | <b>45,256.58</b> | <b>46,911.69</b> | -                   | -       | -       |

Table 3.8 provides economic classification for the SAGAs.

**Table 3.8. Analysis of Recurrent Resource Requirement Vs Allocation for SAGAs (Ksh.Million)**

| Economic Classification                          | Approved Estimates | Requirement |          |          | Allocation |         |         | Remarks                                                                                     |
|--------------------------------------------------|--------------------|-------------|----------|----------|------------|---------|---------|---------------------------------------------------------------------------------------------|
|                                                  | 2026/27            | 2027/28     | 2028/29  | 2029/30  | 2027/28    | 2028/29 | 2029/30 |                                                                                             |
| SAGA 1: Kenya National Innovation Agency (KeNIA) |                    |             |          |          |            |         |         |                                                                                             |
| GROSS                                            | 266.50             | 790.72      | 1,126.00 | 1,314.90 |            |         |         |                                                                                             |
| AIA                                              | 70.00              | 70.00       | 70.00    | 70.00    |            |         |         | AIA may not be realized as certain partners scale down their support                        |
| NET EXCHEQUER                                    | 196.50             | 720.72      | 1,056.00 | 1,244.90 |            |         |         |                                                                                             |
| Compensation to Employees                        | 109.90             | 142.78      | 155.30   | 175.60   |            |         |         | To cater for increment in number of officers to help improve service delivery               |
| Other Recurrent                                  | 156.60             | 647.94      | 970.70   | 1,139.30 |            |         |         |                                                                                             |
| of which                                         |                    |             |          |          |            |         |         |                                                                                             |
| Insurance                                        | 10.50              | 19.30       | 21.80    | 25.10    |            |         |         | This caters for employee medical insurance WIBA/Personal insurance and motorcycle insurance |
| Utilities                                        | 3.80               | 6.70        | 7.30     | 7.50     |            |         |         | This is electricity expense for the agency.                                                 |
| Rent                                             | 22.50              | 24.90       | 24.90    | 28.80    |            |         |         | Office Rent as per lease agreement                                                          |
| Subscriptions to International Organization      |                    |             |          |          |            |         |         |                                                                                             |

| Economic Classification                                                               | Approved Estimates | Requirement   |               |               | Allocation |         |         | Remarks                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------|--------------------|---------------|---------------|---------------|------------|---------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                       |                    | 2026/27       | 2027/28       | 2028/29       | 2029/30    | 2027/28 | 2028/29 | 2029/30                                                                                                                                                                                                                                                                                                                                               |
| Subscriptions to Professional Bodies                                                  | 0.26               | 0.50          | 0.50          | 1.80          |            |         |         | Officers subscription to professional bodies                                                                                                                                                                                                                                                                                                          |
| Contracted Professional (Cleaning and Security)                                       | 1.60               | 5.60          | 5.80          | 6.50          |            |         |         | Contracted services for the Agency- Security and cleaning services                                                                                                                                                                                                                                                                                    |
| Gratuity                                                                              | -                  | -             | -             | -             |            |         |         | -                                                                                                                                                                                                                                                                                                                                                     |
| Others                                                                                | 117.94             | 590.94        | 910.40        | 1069.60       |            |         |         | Key operational expenses consist of core programmes, including the R2C Programme, Presidential Innovation Challenge and Award , and the Institutional Support Programme, Innovation Funding programme as well as board expenses and administrative costs required for smooth office operations (fuel, printing, communication, ICT connectivity, etc. |
| <b>SAGA 2: NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY &amp; INNOVATION (NACOSTI)</b> |                    |               |               |               |            |         |         |                                                                                                                                                                                                                                                                                                                                                       |
| <b>GROSS</b>                                                                          | <b>306.64</b>      | <b>849.14</b> | <b>797.15</b> | <b>776.21</b> |            |         |         |                                                                                                                                                                                                                                                                                                                                                       |
| <b>AIA</b>                                                                            | 90.00              | 95.00         | 100.00        | 105.00        |            |         |         | Through increased awareness campaigns on research licensing, the Commission anticipates increase in income from research licensing activities, however, increased requirement for office space for the projected recruitments may cause reduction in rental income.                                                                                   |
| <b>NET</b>                                                                            | 216.64             | 455.00        | 484.43        | 545.32        |            |         |         |                                                                                                                                                                                                                                                                                                                                                       |
| Compensation to Employees                                                             | 180.41             | 228.13        | 268.35        | 321.32        |            |         |         | The Commission has sought approval to replace various vacant positions, which have arisen due to staff exits for different reasons, in order to                                                                                                                                                                                                       |

| Economic Classification                         | Approved Estimates | Requirement |         |         | Allocation |         |         | Remarks                                                                                                                                                                                                                                                                            |
|-------------------------------------------------|--------------------|-------------|---------|---------|------------|---------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                 | 2026/27            | 2027/28     | 2028/29 | 2029/30 | 2027/28    | 2028/29 | 2029/30 |                                                                                                                                                                                                                                                                                    |
|                                                 |                    |             |         |         |            |         |         | strengthen its capacity and ensure the effective fulfillment of its mandate                                                                                                                                                                                                        |
| Other Recurrent                                 | 139.75             | 321.87      | 286.08  | 329.00  |            |         |         |                                                                                                                                                                                                                                                                                    |
| of which                                        |                    |             |         |         |            |         |         |                                                                                                                                                                                                                                                                                    |
| Insurance                                       | 19.20              | 27.00       | 27.95   | 27.95   |            |         |         | Projected increase in medical insurance due to projected increase in staffing level.                                                                                                                                                                                               |
| Utilities                                       | 4.64               | 7.30        | 7.80    | 8.00    |            |         |         | The increase in the utilities budget is intended to accommodate inflationary pressures as well as the projected higher consumption resulting from the addition of the replaced staff                                                                                               |
| Rent                                            | 0.40               | 0.40        | 0.40    | 0.40    |            |         |         | This cost relates to the standard land rates applicable to the property                                                                                                                                                                                                            |
| Subscriptions to International Organization     | -                  | -           | -       | -       |            |         |         | The commission has not subscribed to any International Organization                                                                                                                                                                                                                |
| Subscriptions to Professional Bodies            | 0.25               | 0.30        | 0.40    | 0.40    |            |         |         | Projected increase in subscriptions due to projected increase in staffing level.                                                                                                                                                                                                   |
| Contracted Professional (Cleaning and Security) | 9.00               | 10.00       | 10.00   | 11.00   |            |         |         | Contracted services are projected to increase due to established need to enhanced security measures around the premise, this has led to the onboarding of administrative police services to complement the existing security guards. Inflationary pressures are also provided for. |
| Gratuity                                        | 4.17               | 5.63        | 5.82    | 6.39    |            |         |         | Gratuity is calculated based on the basic salary of contract staff (directors), which is progressively increased annually as per the SRC rates salary bands                                                                                                                        |

| Economic Classification                     | Approved Estimates | Requirement     |                 |                 | Allocation |         |         | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------|--------------------|-----------------|-----------------|-----------------|------------|---------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                             | 2026/27            | 2027/28         | 2028/29         | 2029/30         | 2027/28    | 2028/29 | 2029/30 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Others                                      | 95.27              | 275.67          | 329.60          | 302.86          |            |         |         | Other expenses include board expenses, various administrative costs (such as travel, printing, training, repairs, and maintenance), and costs that support the core mandate activities. Repairs and maintenance for the Commission's operational hostel facility have been factored in, with the expectation that the facility will generate additional income through accommodation services, gym and restaurant with a projected revenue of 5M per month. Additionally, progressive replacement of outdated laptops and upgrading of utility vehicles is essential to maintain operational efficiency and effectively support the Commission's activities. |
| KeNRIMS (Development)                       | -                  | 294.71          | 146.83          | 97.89           |            |         |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>SAGA 3: NATIONAL RESEARCH FUND (NRF)</b> |                    |                 |                 |                 |            |         |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| GROSS                                       | 353.75             | 2,048.20        | 2,322.29        | 3,483.44        |            |         |         | Based on projected research grants to support SRI projects, conferences and seminars as per STI ACT 2013, Cap. 511                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| AIA                                         |                    |                 |                 |                 |            |         |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| NET                                         | <b>353.75</b>      | <b>2,048.20</b> | <b>2,322.29</b> | <b>3,483.44</b> |            |         |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Compensation to Employees                   | 46.06              | 87.87           | 136.73          | 170.91          |            |         |         | NRF anticipates to recruit new staff based on the approved staff establishment to boost the implementation of the strategic objectives.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Other Recurrent                             | <b>99.18</b>       | <b>197.32</b>   | <b>320.09</b>   | <b>334.33</b>   |            |         |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

| Economic Classification                         | Approved Estimates | Requirement |          |          | Allocation |         |         | Remarks                                                                                                                  |
|-------------------------------------------------|--------------------|-------------|----------|----------|------------|---------|---------|--------------------------------------------------------------------------------------------------------------------------|
|                                                 | 2026/27            | 2027/28     | 2028/29  | 2029/30  | 2027/28    | 2028/29 | 2029/30 |                                                                                                                          |
| of which                                        |                    |             |          |          |            |         |         |                                                                                                                          |
| Insurance                                       | 5.00               | 12.25       | 16.31    | 24.47    |            |         |         | To cater for the increase in anticipated NRF operations and new staff.                                                   |
| Utilities                                       | 0.75               | 2.00        | 2.00     | 2.00     |            |         |         | There is also plan to acquire more office space.                                                                         |
| Rent                                            | 8.31               | 8.31        | 10.00    | 10.00    |            |         |         | NRF anticipates to acquire more space to accommodate new staff and increase in operations.                               |
| Subscriptions to International Organization     |                    |             |          |          |            |         |         |                                                                                                                          |
| Subscriptions to Professional Bodies            | 0.12               | 0.20        | 0.40     | 0.40     |            |         |         |                                                                                                                          |
| Contracted Professional (Cleaning and Security) | 8.73               | 32.00       | 33.00    | 39.50    |            |         |         | To cater for various operations of NRF. Cleaning, systems upgrade, and asset revaluation.                                |
| Gratuity                                        | 3.95               | 7.43        | 30.67    | 38.34    |            |         |         | To cater for the proposed increased number of staff.<br>Remittance paid to CEO and Deputy Directors annually to LAPFUND. |
| Others                                          | 346.74             | 1898.14     | 2093.19  | 3197.83  |            |         |         | To cater for new and ongoing programmes in critical areas, and emerging issues.                                          |
| Total Vote                                      | 926.98             | 6,463.36    | 7,669.10 | 9,046.64 |            |         |         |                                                                                                                          |

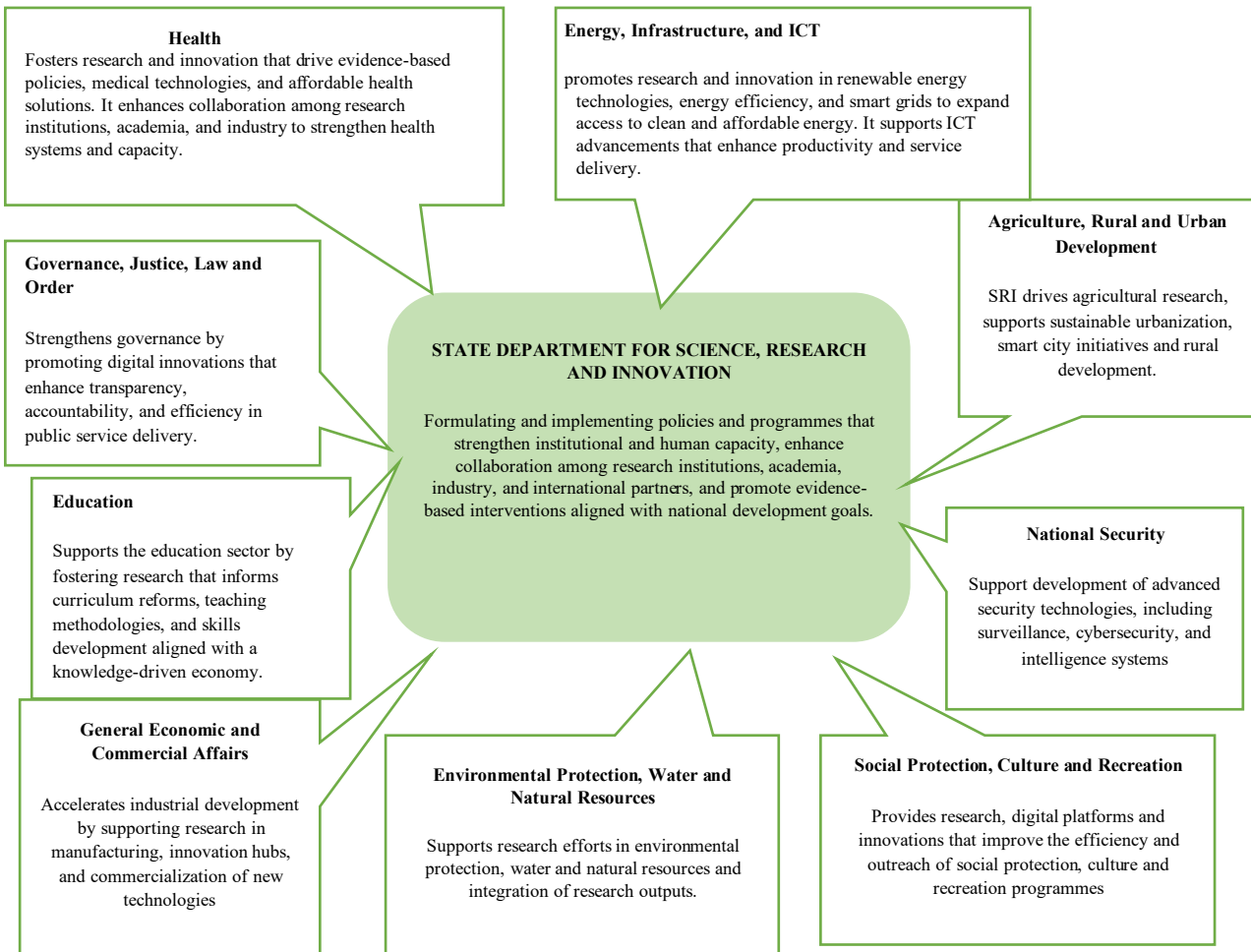
## CHAPTER FOUR

### CROSS-SECTOR LINKAGES AND EMERGING ISSUES/CHALLENGES

#### 4.1 Cross Sector Linkages

The State Department for Science, Research and Innovation as a sub-sector, interacts with other sub-sectors in implementing its mandate. The linkages help to capture and accommodate the views of the key stakeholders as a way of creating synergy among the players for optimal utilization of resources, avoidance of overlaps, duplications and gaps. They are also aimed at harmonizing and ensuring effective and efficient service delivery. The sub-sector spearheads the development and promotion of science, research, and innovation as a driver of sustainable socio-economic transformation. Additionally, the sub-sector coordinates funding and incentives, facilitate commercialization and application of research outputs, integration of indigenous knowledge with modern innovation, and guiding the ethical use of emerging technologies. The linkages are illustrated in *Figure 1*.

**Figure 1: Linkage between SDSRI and other sectors**



## 4.2 Emerging issues

The sub-sector plays a critical role in driving science, research, and innovation as a foundation for sustainable socio-economic transformation. Given its cross-cutting mandate, it is directly and indirectly influenced by emerging issues that shape national development priorities and service delivery. The following are some of the key emerging issues that defined the sub-sector during the review period.

- i. **Artificial Intelligence and Digital Transformation;** The rapid growth of Artificial Intelligence (AI), machine learning, and big data analytics is reshaping sectors such as health, agriculture, education, and governance. For the SRI sub-sector, this presents opportunities to harness digital technologies for innovation, service delivery, and competitiveness. However, technological advancement and AI introduce ethical, regulatory, and employment-related risks that require proactive policy responses.
- ii. **Biotechnology and Genomics;** Advances in biotechnology and genomics are creating new possibilities in agriculture, health, and industrial development. Genetically improved crops, personalized medicine, and bio-manufacturing are areas where Kenya can benefit significantly. At the same time, these technologies raise concerns around biosafety, ethics, and intellectual property rights that must be carefully managed.
- iii. **Climate Change and Green Innovation;** Climate change is emerging as both a challenge and an opportunity for the sub-sector. Demand for green technologies, renewable energy solutions, and climate-smart innovations is rising rapidly as countries seek to adapt and build resilience. This positions Kenya to lead in sustainable innovation, though financing and adoption of green technologies remain critical hurdles.
- iv. **Integration of Indigenous Knowledge into Modern Innovation Systems;** There is growing recognition of the value of indigenous knowledge in promoting sustainable practices in health, agriculture, and environmental management. Harnessing this knowledge alongside modern science offers opportunities for inclusive innovation and cultural preservation. The emerging concern lies in safeguarding intellectual property and preventing exploitation of local communities.
- v. **Science Diplomacy and Global Competitiveness;** Globally, science, research, and innovation are increasingly being used as tools of diplomacy and competitiveness. For Kenya, strengthening international partnerships in innovation offers access to funding, technology transfer, and global markets. However, failure to keep pace with global innovation trends risks weakening the country's position in the international arena.

- vi. **Space Science and Satellite Technology;** Space science is emerging as a new frontier of research with applications in agriculture, climate monitoring, disaster management, and national security. Kenya has an opportunity to leverage satellite technology for socio-economic transformation and regional competitiveness. Nonetheless, the high costs, technical expertise requirements, and regulatory gaps present significant risks.
- vii. **Cybersecurity and Data Privacy;** As the sub-sector embraces digital transformation, issues of cybersecurity and data privacy are becoming more prominent. Secure handling of research data and personal information is vital to maintaining trust and protecting national interests. Ensuring that innovation advances without compromising security will remain a key emerging concern.
- viii. **Youth, Startups, and Innovation Ecosystems;** The growing number of youth-led startups and innovation hubs presents an opportunity for job creation, entrepreneurship, and economic transformation. With proper support in financing, mentorship, and incubation, these ecosystems can drive Kenya's knowledge economy. However, without structured interventions, many promising innovations may fail to scale and achieve impact.

### 4.3 Challenges

- i. **Insufficient and Fragmented Funding;** Funding for research and innovation from the exchequer remains below the targeted 2% of Kenya's GDP, limiting both the scope and impact of initiatives. In addition, available resources are fragmented across institutions due to duplication of mandates, weakening the coherence of National research efforts.
- ii. **Multiplicity of Legislations and Overlapping Mandates;** The existence of multiple legislations and overlapping mandates among institutions has posed serious coordination challenges, thereby hindering effective policy implementation. This has created duplication of roles and inefficiencies within the sub-sector.
- iii. **Human Resource Constraints;** The sub-sector continues to face a shortage of personnel in STEM fields as well as innovation management. This has affected the quality of research outputs and limited the scaling up of innovations.
- iv. **Limited Recognition and Prioritization of the Sub-Sector as a development driver;** The contribution of science, research and innovation to national development remains insufficiently recognized and prioritized. This has resulted in inadequate resource allocation, limited policy support, and under-investment in research and innovation

initiatives, constraining the sector's potential to drive economic transformation, social development and sustainable national growth.

- v. **Absence of SRI Representation Abroad;** Kenya lacks strong SRI representation in strategic missions abroad, missing opportunities to harness new and emerging technologies. This has constrained the country's ability to benefit from international technology transfer, adoption, and diffusion.
- vi. **Inadequate SRI Infrastructure;** Many Science, Research and Innovation institutions face inadequate and, in some cases, outdated research and innovation infrastructure. These infrastructure gaps constrain research capacity, limit access to advanced technologies and equipment, and hinder the generation of high-quality, globally competitive research and innovation outputs. in producing world-class research and innovation outputs.
- vii. **Suboptimal Monitoring and Evaluation:** Research programmes and projects face weak monitoring, evaluation, accountability and learning, partly due to inadequate funding and limited institutional capacity. This constrains the systematic tracking of results, assessment of impact, and generation of credible evidence to inform policy formulation, decision-making and practice.
- viii. **Fragmented SRI Data Systems** Institutions often operate in silos, leading to fragmented SRI data. As a result, Kenya's global competitiveness is weakened by the lack of official statistics for national, regional, and international benchmarking and comparisons.
- ix. **Weak Linkages Across the Ecosystem;** The linkages between Government, academia, research institutions, industry, and society remain weak. This disconnect has limited collaborative innovation and the practical application of research outputs.
- x. **Limited Commercialization of Research Outputs;** Despite significant research efforts, commercialization remains limited. The weak transfer of research outputs to industry hinders their translation into market-ready solutions.
- xi. **Limited Science, Technology and Innovation Culture;** A limited culture of science, technology and innovation within society has constrained the acceptance, adoption and uptake of emerging technologies. It has also contributed to declining interest in STEM-related careers, entrepreneurship and innovation, thereby limiting the development of a strong pipeline of talent and the translation of research and innovation into practical solutions.

- xii. **Inadequate Information that leads to Public Resistance;** Limited information dissemination has fueled resistance to the adoption of research-driven technologies. This has slowed the uptake of innovations that could address pressing national challenges.
- xiii. **Limited Public Awareness on Research Outputs;** Inadequate dissemination of information on research findings, emerging technologies and innovations has contributed to public uncertainty and resistance to their adoption. This has slowed the uptake and application of research-driven innovations that could contribute to addressing pressing national challenges.
- xiv. **Lack of Robust Knowledge Management Systems;** The absence of a robust national knowledge management system has constrained the coordination, storage, and dissemination of research outputs. This has led to duplication of efforts and reduced accessibility of research knowledge for decision-making.

#### 4.4 Opportunities, risks and mitigation measures

The subsector faces various risks. Table 4.1 provides an overview of potential risks that could affect effective implementation of the subsector's programmes, opportunities that can be leveraged to maximize impact as well as mitigation measures designed to reduce the likelihood and impact of the identified risks.

**Table 4.1: Summary of opportunities, risks and mitigation measures**

| OPPORTUNITIES                                                                                             | RISKS                                                                                                                                                                                                        | MITIGATION MEASURES                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Goodwill from Government and political stability                                                          | Weak intergovernmental relations                                                                                                                                                                             | Advocacy and Strengthening intergovernmental relations                                                                                                     |
| Positioning of the SDSRI under the office of the Prime Cabinet Secretary                                  | SDSRI's classification under the Education sector poses challenges in budget allocation, limiting its ability to effectively fulfil its mandate of providing, promoting, and coordinating the SRI ecosystem. | Recognition of Science, Research and Innovation as a national strategic priority, in its potential to transform and drive economic growth and development. |
| Existing legal frameworks supporting the establishment and operations of the SRI Department and its SAGAs | Changes in Government policies and priorities                                                                                                                                                                | Realignment with changes in policies and priorities                                                                                                        |
|                                                                                                           | Inadequate SRI policies                                                                                                                                                                                      | Develop/Review SRI policies                                                                                                                                |
|                                                                                                           | Inadequate human Capital                                                                                                                                                                                     | Enhance training and Employment of staff                                                                                                                   |

| OPPORTUNITIES                                                            | RISKS                                                                                                                                                                       | MITIGATION MEASURES                                                                                                                                           |
|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial Support from the National Treasury                             | Inadequate funding from the Exchequer<br>Few programmes and Projects executed<br>Delay in execution of SRI programmes and projectss                                         | Steadily Increase the level of Funding to atleast 2% of GDP in line with the STI Act, 2013.                                                                   |
|                                                                          | Budget reviews and cuts<br>Removal of funding to SRI development projects(BPSs)<br>Exposure to Court battles and increased expenditure due to interests on delayed payments | The National Treasury(TNT) to adhere to the budget process<br>Timely disbursement of GoK Recurrent Grants and Capital Grants                                  |
| Availability of Research data in various institutions                    | Lack of National centralized data repository                                                                                                                                | Establish a centralized National Data repository                                                                                                              |
| Highly skilled and qualified manpower                                    | Lack of centralized data on the number of existing expertise in different technical areas                                                                                   | Conduct skills audit, collect and maintain data on the number of expertise in the Sub-Sector                                                                  |
|                                                                          | Difficulty in attracting and retaining skilled manpower                                                                                                                     | Creating employment opportunities in the Sub-Sector. Establish a competitive remuneration package and incentive for the Sub-sector                            |
| Availability of development partners willing to work with the Government | Over reliance on donor funding may lead to shifts in priorities                                                                                                             | Government to fund key priority areas in the SRI ecosystem                                                                                                    |
| New and emerging Technologies/Rapid technological advancements           | Misuse of New and Emerging Technologies                                                                                                                                     | Government to put in place policies to mitigate misuse of new and emerging Technologies                                                                       |
|                                                                          | Risk of technological obsolescence                                                                                                                                          | Establish technological framework for adopting new and emerging technology while preserving useful old technology.                                            |
|                                                                          | Inadequate professional expertise in emerging Technologies                                                                                                                  | Capacity building in emerging technologies                                                                                                                    |
|                                                                          | Limited adaptability to rapid changes in Technology                                                                                                                         | Increased awareness of emerging technologies.                                                                                                                 |
| Availability of R&D equipment in Institutions                            | Lack of information on the availability of R&D equipment.                                                                                                                   | Monitoring and Evaluation of all the research institutions in the ecosystem.<br>Mapping of R&D equipment.<br>Establish a framework for sharing R&D Equipment. |

| OPPORTUNITIES                                                          | RISKS                                                                                  | MITIGATION MEASURES                                                                                                                                                                                                    |
|------------------------------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Devolved Government                                                    | Lack of SRI framework on engagement with the County governments.                       | Establish frameworks for engagement with the County Governments.<br>Establish county SRI liaison offices                                                                                                               |
| Specialized research and Innovations generated from local institutions | Lack of protection and commercialization of generated research outputs and innovations | Create awareness on Intellectual Property rights and commercialization of research products.                                                                                                                           |
| Existence of relevant private sector to participate in R&D activities  | Limited private sector investment in R&D                                               | Development of comprehensive private sector- linkage frameworks for R&D.<br><br>Advocate for establishment of a supportive legal framework that provides incentives for private sector participation in R&D activities |

## **CHAPTER FIVE:**

### **CONCLUSION**

The Sub-sector has continued to demonstrate its pivotal role in driving Kenya's socio-economic transformation through advancements in research management, innovation development, and technology adoption. Over the review period, significant achievements were recorded in research data sharing, promotion of commercialization of innovations, strengthening of institutional support, and fostering youth-driven entrepreneurship. These milestones reflect steady progress in building an innovation-led economy, despite persistent challenges related to financing, coordination, and emerging global disruptions.

#### **Expenditure Patterns During the MTEF Period 2023/24– 2025/26**

In FY 2023/24, the sub-sector absorbed 97.6 percent of its approved budget, demonstrating efficient utilization, strong budget execution with minimal variance between allocation and actual expenditure. However, in FY 2024/25, the absorption rate fell significantly to 90.9 percent, mainly due to inadequate funding and delays in exchequer disbursements. In FY 2025/26 the absorption declined further to 79.6 percent of the approved budget.

#### **Performance of the Capital Projects During the MTEF Period 2023/24– 2025/26**

During FYs 2023/24– 2025/26, the Sub-sector was not fully established, however, it reported three stalled capital projects due to limited resources. The three stalled projects are; National Physical Science Research Laboratory (NPSRL) in Konza Technopolis, The Science and Technology Park (STP) at Dedan Kimathi University of Technology (DeKUT) and The National Observatory for Science, Technology and Innovation.

#### **Contingency liability During the MTEF Period 2023/24– 2025/26**

The sub-sector continued to face pending bills, the most significant being KSh. 319.52 million related to the construction of NACOSTI's headquarters and DAAD programme amounting to 151 million.

#### **Strategic Outlook**

The Sub-sector is a critical driver of socio-economic transformation, national competitiveness, sustainable development, and resilience. Its contribution to addressing emerging national challenges and unlocking new opportunities underscores the need to position SRI as a national strategic priority and integrate it more deliberately into national development planning and resource allocation. Kenya should therefore progressively increase investment in research and development towards the national target of 2% of GDP, while strengthening the prioritization of

SRI in the national budgeting process. This will require directing resources towards high-impact areas that generate tangible economic and social returns, including strategic research, innovation development and commercialization, technology transfer, human capital development, and world-class research and innovation infrastructure.

## CHAPTER SIX:

### RECOMMENDATIONS

In light of the challenges, emerging issues, and lessons outlined in this report, it is clear that the Sub-sector requires bold and targeted measures to unlock its transformative potential. The recommendations presented below are aimed at strengthening policy and institutional frameworks, securing sustainable financing, fostering innovation ecosystems, and enhancing Kenya's global competitiveness. Implementing these actions will position SDSRI as a central driver of socio-economic transformation and ensure long-term benefits for future generations.

- i. **Increase R&D funding** progressively from the current 0.8% to at least 2% of GDP by FY 2030, in line with the STI Act 2013 Cap.511, to ensure sustainable financing for high-impact programmes and world-class infrastructure.
- ii. **Prioritize allocation of resources towards stalled projects and high-impact initiatives.** The stalled projects are DeKUT STP, National physical labs and the National observatory, while the high impact initiatives include research on priority areas, commercialization of research, innovation ecosystem strengthening, and technology parks.
- iii. **Strengthen institutional coordination** by establishing a unified SRI governance framework that eliminates overlapping mandates, harmonizes legislation, and improves accountability across government, academia, and industry.
- iv. **Accelerate resolution of pending bills** through provision of budgetary allocations.
- v. **Develop national strategies for emerging technologies** including AI, biotechnology, genomics, and space science, with clear ethical guidelines, biosafety safeguards, and intellectual property protection mechanisms.
- vi. **Promote climate-smart and green innovations** by prioritizing funding for renewable energy, sustainable agriculture, and eco-friendly technologies, with incentives for private sector participation.
- vii. **Integrate indigenous knowledge systems** into research and innovation frameworks, supported by strong policies to protect intellectual property and prevent exploitation of local communities.
- viii. **Enhance SRI data and knowledge management** by establishing a centralized digital platform for real-time collection, analysis, and reporting of SRI outputs to guide policy and global benchmarking.
- ix. **Strengthen international linkages and innovation diplomacy** by appointing Science Attachés to strategic missions abroad and negotiating partnerships for technology transfer and market access.

- x. **Support youth-led startups and innovation hubs** through dedicated financing schemes, mentorship, and incubation programmes to expand entrepreneurship, job creation, and technology adoption.
- xi. **Build public trust and awareness** by scaling up science communication, public exhibitions, and education campaigns to foster a culture of innovation and reduce resistance to new technologies.
- xii. **Institutionalize regular monitoring and evaluation** of SRI programmes with regular reporting to ensure impact measurement, accountability, and policy alignment with Kenya's development agenda.

## **REFERENCES**

1. Constitution of Kenya, 2010
2. Executive Order No. 1 of 2025
3. Science, Technology and Innovation Act, 2013 (No. 28 of 2013)
4. Public Finance Management Act, 2012
5. State Corporations Act (Rev. 2015)
6. Public Procurement and Asset Disposal Act, 2015.
7. Treasury Circular No. 8/2025
8. Budget Review and Outlook Paper for 2025
9. Budget Estimates
10. Medium Term Plan 2023-2027
11. Kenya Vision 2030
12. Economic Surveys
13. Circular on Staff Establishment (PSC)
14. Legal Notices/Gazette Notices
15. Respective Institutional Strategic Plans
16. Expenditure Returns
17. Annual Progress Reports

| S<br>/<br>No | Project<br>Code &<br>Title                                                         | Financing                        |           |         | Timeline       |                                 | Actual<br>Cumulative<br>Expenditure as<br>at 30th June<br>2025 |         | Outstanding Project<br>Cost as at 30th June<br>2025 |         | %<br>Project<br>comple<br>tion<br>(physic<br>al) as<br>at 30th<br>June<br>2025 | Approved<br>Budget<br>2025/26 |         | Requireme<br>nts<br>for FY<br>2026/27 |         | Requirement for FY<br>2027/28 |         | Requirement for FY<br>2028/29 |         | Requirement for FY<br>2028/29 |         | Remarks        |
|--------------|------------------------------------------------------------------------------------|----------------------------------|-----------|---------|----------------|---------------------------------|----------------------------------------------------------------|---------|-----------------------------------------------------|---------|--------------------------------------------------------------------------------|-------------------------------|---------|---------------------------------------|---------|-------------------------------|---------|-------------------------------|---------|-------------------------------|---------|----------------|
|              |                                                                                    | Total Est Cost of<br>Project (a) | GoK       | Foreign | Start<br>Date  | Expected<br>Completi<br>on Date | GoK                                                            | Foreign | GoK                                                 | Foreign |                                                                                | GoK                           | Foreign | GoK                                   | Foreign | GoK                           | Foreign | GoK                           | Foreign | GoK                           | Foreign |                |
|              |                                                                                    |                                  |           |         |                |                                 |                                                                |         |                                                     |         |                                                                                |                               |         |                                       |         |                               |         |                               |         |                               |         |                |
|              |                                                                                    | Ksh. Million                     |           |         |                |                                 |                                                                |         |                                                     |         |                                                                                |                               |         |                                       |         |                               |         |                               |         |                               |         |                |
|              | Kenya<br>National<br>Research<br>Information<br>Managemen<br>t System<br>(KeNRIMS) | 539.43                           | 539.43    |         | 01-11-<br>2025 | 01-11-<br>2028                  | -                                                              | -       | -                                                   | -       | -                                                                              | -                             | -       | -                                     | -       | 294.71                        | -       | 146.83                        | -       | 97.89                         | -       | New<br>Project |
|              | County<br>Science<br>Research<br>and<br>Innovation<br>(SRI)<br>Centers<br>(47)     | 80,248.02                        | 80,248.02 |         | 10-07-<br>2027 | 30-06-<br>3031                  | -                                                              | -       | -                                                   | -       | -                                                                              | -                             | -       | -                                     | -       | 16,998.61                     |         | 31,686.70                     |         | 31,832.71                     |         | New<br>Project |
|              | Kenya Sri<br>Grand<br>Challenge<br>Programme<br>(KSRI-GCP)                         | 858                              | 858       |         | 01-7-<br>2027  | 30-6-<br>2028                   | -                                                              | -       | -                                                   | -       | -                                                                              | -                             | -       | -                                     | -       | 26                            | 767     | 30                            |         | 35                            |         | New<br>Project |
|              | Kenya<br>Science,<br>Technology<br>and<br>Engineering<br>Map (K-<br>STEM)          | 152                              | 152       |         | 01-7-<br>2027  | 30-6-<br>2028                   | -                                                              | -       | -                                                   | -       | -                                                                              | -                             | -       | -                                     | -       | 107                           |         | 20                            |         | 25                            |         | New<br>Project |

|  |                                         |           |           |  |           |           |   |   |   |   |   |   |   |   |   |           |  |           |  |           |  |             |
|--|-----------------------------------------|-----------|-----------|--|-----------|-----------|---|---|---|---|---|---|---|---|---|-----------|--|-----------|--|-----------|--|-------------|
|  | Science and Technology Parks at Konza   | 5,780.49  | 5,780.49  |  | 01-7-2027 | 30-6-2030 | - | - | - | - | - | - | - | - | - | 1,025.65  |  | 2,382.64  |  | 2,372.28  |  | New Project |
|  | National STI Information System (NSTIS) | 187       | 187       |  | 01-7-2027 | 30-6-2028 | - | - | - | - | - | - | - | - | - | 117       |  | 50        |  | 20        |  | New Project |
|  | Total Vote                              | 86,868.02 | 86,868.02 |  |           |           |   |   |   |   |   |   |   |   |   | 18,568.97 |  | 33,986.17 |  | 34,312.88 |  |             |