REPUBLIC OF KENYA

MITI
MINISTRY OF INVESTMENTS, TRADE & INDUSTRY

COUNCIL OF GOVERNORS
48 Governments 1 Nation

GUIDELINES
ON OPERATIONALIZATION OF COUNTY AGGREGATION AND INDUSTRIAL PARKS

JUNE, 2026

CAIP
COUNTY AGGREGATION & INDUSTRIAL PARKS

STATE DEPARTMENT FOR INDUSTRY

GUIDELINES ON OPERATIONALIZATION OF COUNTY AGGREGATION AND INDUSTRIAL PARKS

JUNE, 2026

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Abbreviations and Acronyms

AIDA	African Industrial Development Action Plan
AfCFTA	African Continental Free Trade Area
BETA	Bottom-up Economic Transformation Agenda
CAAPs	Common African Agro-Parks Programmes
CAIPs	County Aggregation and Industrial Parks
CPICU	County Project Implementation and Coordination Unit
FDI	Foreign Direct Investment
CIDPs	County Integrated Development Plans
COG	Council of Governors
GDP	Gross Domestic Product
GMP	Guaranteed Minimum Prices
IFAD	International Fund for Agricultural Development
KEBS	Kenya Bureau of Standards
KEPHIS	Kenya Plant Health Inspectorate Services
KePROBA	Kenya Export Promotion and Branding Agency
KIRDI	Kenya Industrial Research and Development Institute
KPIs	Key Performance Indicators
KNTC	Kenya National and Trading Corporation
KRA	Kenya Revenue Authority
MIS	Management and Information System
MDAs	Ministries, Departments and Agencies
M,E&R	Monitoring, Evaluation and Reporting
MITI	Ministry of Investments, Trade and Industry
MSMEs	Micro, Small and Medium Enterprises
NSC	National Steering Committee
NPICUs	National Project Implementation and Coordination Units
PICUs	Project Implementation and Coordination Units
PPADA	Public Procurement and Asset Disposal Act
PPPs	Public-Private Partnerships
UNIDO	United Nations Industrial Development Organisation
SDG	Sustainable Development Goals
SPV	Special Purpose Vehicle
SMIs	Small and Medium Industries
SOPs	Standard Operating Procedures
TVET	Technical and Vocational Education

Foreword

"

The CAIP initiative is one of the ground-breaking steps in realizing Kenya's industrialization agenda as envisioned under vision 2030 and the Bottom-up Economic agenda (BETA). Linking Agricultural production with manufacturing and structured market systems, CAIPs will reduce post-harvest losses, enhance value addition, raising farmers' income and strengthen MSMEs.

Kenya's development Blueprint, the Vision 2030 aims to transform Kenya into an industrialized middle-income country providing a high quality of life to all our citizens in a clean and secure environment. The Government's commitment under the Bottom-Up Economic Transformation Agenda (BETA), recognizes the role played by agriculture and manufacturing sectors in income generation, wealth & job creation, foreign exchange earnings, poverty reduction and establishment of a sustainable pool of Micro, Small and Medium Enterprises/ Industries. The Ministry of Investments, Trade and Industry targets to raise manufacturing contribution to GDP from 7.6% in 2023 to 15% by 2027 and to 20% by 2030; grow investments from the current USD 1.5 billion to USD 10 billion by 2030; and increase exports from 10% of GDP to 30% by 2030.

The manufacturing sector continues to experience key challenges that affect its growth and exploitation of its full potential. Kenyan economy is agriculture driven. Some of the challenges affecting manufacturing sector include limited access to suitable land due to its high cost; high post-harvest losses for agricultural products; fragmented small-scale farmers; inconsistency in quality and quantity; inadequate access to specialized agribusiness infrastructure; fragmented approaches and lack of synergies among others. Further, food processing and beverage contribution to GDP is still low. Export of value added agro-products has stagnated at around 16%. Experiences in industrialization through establishment of industrial parks have proofed beneficial to investment and growth of manufacturing. This has been demonstrated in countries such as Egypt, Ethiopia, South Africa, China, India, Vietnam, Malaysia, Thailand among others. These parks serve as hub for manufacturing and economic growth, attracting investments and fostering job creation through specialized infrastructure and incentives.

The CAIP initiative is one of the ground-breaking steps in realizing Kenya's industrialization agenda as envisioned under vision 2030 and the Bottom-up Economic agenda (BETA). Linking Agricultural production with manufacturing and structured market systems; CAIPs will reduce post-harvest losses, enhance value addition, rais farmers' income and strengthen MSMEs.

These parks are not just infrastructure projects but engines of inclusive growth designed to unlock the potential of counties as Agro-industrial excellence. They will serve as hubs for aggregation, processing, storage, innovation and trade competitively fostering Kenya's integration into global and regional value chains.

This guideline clearly set out the establishment, incentives, backward and forward linkages, governance structure, financing models and monitoring frameworks among others that will ensure that there is accountability, efficiency and sustainability. They embody commitment to harnessing public-private partnerships, technology transfer and skills development to drive industrial transformation.

Let me take this opportunity to commend the concerted efforts by the technical team, the council of governors, county government officials and all stakeholders who contributed to the development of this important document. The ministry of Investments, Trade and Industry remains fully committed to supporting counties, investors and local communities in the successful roll out of CAIPs.

I wish to emphasize that through disciplined implementation and strong partnerships these guidelines will position Kenya's industrial space as modern, diversified and competitive enough to unlock our full potential secure shared property for present and future generations.

Hon. Lee Kinyanjui
Cabinet Secretary Ministry of Investments, Trade and Industry

Preface

The CAIP initiative is a landmark in Kenya's journey of devolution, reflecting the shared commitment of the National and County Governments to promote inclusive growth, value addition, and industrialization at the grassroots. The guidelines in this document presents steadfast and firm commitment the government of Kenya is undertaking to achieve these goals through investing in industrial infrastructure and sustainability.

County Aggregation and Industrial Parks will unlock opportunities for farmers, cooperatives, and MSMEs by creating structured markets reducing and enhancing incomes. Bringing aggregation of Agricultural raw materials, processing, and innovation opportunities closer to the people will strengthen county economies and support Kenya's integration into regional and global value chains.

As counties, we recognize that the success of CAIPs will depend on strong intergovernmental collaboration, active private sector participation and inclusive community engagement. These guidelines therefore, emphasize on joint planning modalities, financing, and governance mechanisms to ensure sustainability and accountability in the management of the parks.

I commend the Ministry of Investments, Trade and Industry, the State Department for Industry, development partners, and all stakeholders who contributed whatsoever towards development of this important document. The Council of Governors reaffirms its full commitment to championing the implementation of these guidelines and successful operationalization of the CAIPs. We will also ensure that the implementation aligns well with County

Economic Development Plans and ensure that communities are the primary beneficiaries of this transformative program.

With collective effort CAIPs will become a cornerstone of Kenya's industrialization, job creation and rural development. We therefore invite investors and development partners to embrace this initiative and work together in building a more prosperous, resilient, and inclusive Kenya, may God Bless you.

H.E. FCPA Ahmed Abdullahi, EGH

Chairperson

Council of Governors

"Client perspectives reinforce these institutional assessments. Feedback from the 2025 KCBO Client Satisfaction Survey confirms the strength and credibility of KCBO governance arrangements. Governance and coordination mechanisms were rated at or above satisfactory levels,

Acknowledgement

On behalf of the State Department for Industry, I wish to sincerely acknowledge all the institutions and stakeholders whose concerted efforts and commitment made it possible to develop these County Aggregation and Industrial Parks (CAIPs) Operationalization Guidelines and policy framework.

This document is a product of close collaboration between the Ministry of Investments, Trade and Industry, Council of Governors, the County Governments and other key government agencies. The process was guided by a Joint Intergovernmental Committee whose dedicated work during the Nakuru retreat and subsequent technical engagements ensured that the guidelines are robust, inclusive and practical.

We also recognize the valuable input of the Council of Governors and County Government representatives who enriched the guidelines with their insights and experiences. heir contributions reaffirm the shared vision of making CAIPs a vehicle for driving industrialization through enhancing agricultural value chains and stimulating inclusive economic growth across all regions.

These guidelines will serve as a blueprint to align national and county governments efforts in the establishment and management of CAIPs. They mark a critical step towards realizing Kenya's industrial transformation agenda under Vision 2030, the Bottom-Up Economic Transformation Agenda (BETA) and our commitments to regional and global trade frameworks.

Lastly, I extend my deepest gratitude to all who walked this journey with us. It is our collective responsibility to ensure that these guidelines are effectively implemented to guide and deliver tangible benefits to our people and create sustainable opportunities for generations to come.

Juma Mukhwana PhD, CBS

Principal Secretary

State Department for Industry

Ministry of Investments, Trade and Industry

"These guidelines will serve as a blueprint to align national and county governments efforts in the establishment and management of CAIPs. They mark a critical step towards realizing Kenya's industrial transformation agenda under Vision 2030, the Bottom-Up Economic Transformation Agenda (BETA) and our commitments to regional and global trade frameworks.

Executive Summary

The County Aggregation and Industrial Parks (CAIPs) Guidelines provide a policy and operational framework to guide on the establishment, operationalization, and sustainability of aggregation and industrial parks across the forty-seven (47) counties. These guidelines seek to enhance value addition, promote agro-industrial development, and strengthen national economic integration in line with Kenya's Vision 2030 and Bottom-Up Economic Transformation Agenda (BETA).

The document outlines the strategic rationale for CAIPs as catalysts for industrialization by providing shared infrastructure, aggregation centers for raw materials, and industrial zones for processing and manufacturing. By clustering enterprises and linking them to markets, CAIPs are expected to lower the cost of doing business, improve competitiveness, and enhance the participation of Micro, Small and Medium Enterprises (MSMEs) in value chains.

Key provisions of the guidelines include: Policy and Legal Framework that align with existing laws on land use, investment, environment, and industrial development to ensure compliance and sustainability. Institutional Arrangements: Clear roles for national government, county governments, private sector, and development partners in financing, governance, and operational oversight. Site Selection and Infrastructure Development to guide on the criteria for identifying suitable locations, land acquisition, provision of physical infrastructure (roads, power, water, ICT), and social amenities; investment and financing models frameworks for public–private partnerships, blended financing, and county and national budgetary support to ensure bankability and long-term viability; value chains development that emphasize on agro-processing, manufacturing, and logistics services that leverage county resource endowments while promoting backward and forward linkages; risk management framework, to ensure the successful implementation and sustainability of CAIPs; and monitoring, evaluation, and reporting mechanisms to track progress, measure economic impact, and ensure accountability in implementation.

The guidelines are expected to steer the unlocking of industrial potential in counties, generate employment, increase household incomes, and contribute to Kenya's economic transformation. They also provide a harmonized approach that reduces duplication, ensures equitable distribution of industrial opportunities, and fosters regional competitiveness. In conclusion, the CAIP Guidelines serve as a practical tool for counties and investors to establish functional industrial ecosystems. They represent a significant step toward positioning Kenya as a regional manufacturing hub while empowering local communities to participate in and benefit from industrial growth.

01
INTRODUCTION

1.0 Background

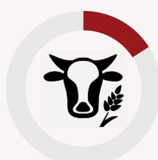
Kenya Vision 2030 aspires to transform the country into a newly industrialized, middle-income economy offering a high quality of life to all its citizens in a clean and secure environment. The Government through Bottom-Up Economic Transformation Agenda (BETA) identifies agriculture and manufacturing as priority sectors for driving inclusive economic growth. These sectors are critical for creating employment, generating wealth, increasing foreign exchange earnings, and reducing poverty particularly in rural areas. Kenya's target is to increase the contribution of manufacturing to GDP from the current 7.6% to 20% by 2030 under an initiative known as Kenya Manufacturing 20 by 30.

Despite its significance, Kenya's agricultural sector continues to face structural constraints including low productivity, inadequate value addition, fragmented production systems, and high post-harvest losses estimated at 20 to 30 percent. Moreover, only about 16% of agricultural and livestock exports are processed, reflecting underutilized potential in agro-processing. These limitations have weakened the sector's capacity to support industrialization and economic transformation. To address these challenges, the Government of Kenya, through the Ministry of Investments, Trade and Industry (MITI), in collaboration with County Governments, United Nations Industrial Development Organization UNIDO, and other development partners, has initiated the establishment of County Aggregation and Industrial Parks (CAIPs) across all 47 counties.

The development of CAIPs is grounded in the national ambition to boost the manufacturing sector's contribution to GDP and realize the objectives of Vision 2030. As outlined in Kenya's economic blueprint, the manufacturing sector is expected to serve as a key driver of job creation, foreign direct investment attraction, technology diffusion, export expansion, and value addition. It also plays a strategic role in achieving the Sustainable Development Goals (SDGs), particularly SDG 8 on decent work and economic growth and SDG 9 on industry, innovation, and infrastructure. Furthermore, the CAIP initiative aligns with Africa's Agenda 2063 and the African Industrial Development Action Plan accelerated industrial development for Africa (AIDA), which call for industrialization and value addition as pathways to continental economic transformation.

20%

Kenya's target is to increase the contribution of manufacturing to GDP from the current 7.6% to 20% by 2030 under an initiative known as Kenya Manufacturing 20 by 30.



16%

only about 16% of agricultural and livestock exports are processed, reflecting underutilized potential in agro-processing.

County Aggregation and Industrial Parks are envisioned as integrated, master-planned industrial zones designed to strengthen backward and forward linkages between production and manufacturing. Each park will serve as a hub for aggregation, storage, processing, and marketing of products. The parks will also feature shared facilities for MSMEs and cooperatives, including cold storage, warehousing, packaging and branding units, and innovation labs. By reducing post-harvest losses, improving access to markets, and promoting value-added production, CAIPs will enhance incomes for producers, aggregators and manufacturers while stimulating rural industrialization. They provide an opportunity to leverage devolution by promoting regionally balanced economic development and unlocking the industrial potential of counties through infrastructure development, investment attraction, public-private sector partnerships and manufacturers. Ultimately, CAIPs are designed to act as engines of inclusive industrial growth—anchoring Kenya's transition into a competitive and diversified economy capable of creating jobs, eradicating poverty, and achieving long-term resilience and prosperity. Include technology transfer.

1.1 Guiding Principles for Establishment of CAIPs

The successful operation of County Aggregation and Industrial Parks (CAIPs) in Kenya requires a multi-faceted approach that considers the broader agricultural ecosystem, the needs of farmers, market demands, and industrial development goals. The effective implementation of CAIPs will rely heavily on guiding principles that ensure inclusive participation, efficiency, innovation, and sustainability. The following principles guided by article 10 paragraph 1 of the Constitution binds all state organs and public officers. The establishment and operationalization of CAIP will be guided by the following guiding principles: -

1. **Respect for the Rule of Law**

   In implementing CAIPs, respect for the rule of law will be demonstrated through adherence to constitutional provisions, relevant statutes and established regulatory procedures at both national and county level

2. **Intergovernmental Collaboration and Coordination between the National and County governments**

   The National and County Governments will collaborate in line with Article 189(2) of the Constitution, which mandates intergovernmental cooperation and the formation of joint committees or authorities to implement shared functions.

3. **Inclusivity**

   CAIPs will foster strategic partnerships with all stakeholders, including farmers, traders, transporters, input suppliers, industrialists, technology providers, communities, and both levels of government. These partnerships will ensure inclusive participation, problem-solving, and mutual benefit.

4. Transparency and Accountability

Operations will be governed by clear and accessible information on market prices, quality standards, quantities, and delivery schedules. Transparent systems will help build stakeholder trust, promote fairness, competitiveness and improve efficiency.

5. Technology Adoption and Transfer

Modern technology, such as mobile and web platforms, will be leveraged to enhance CAIP operations. This includes warehouse management, logistics, real-time pricing, and production efficiency, particularly for Small and Medium Industries (SMIs).

6. Training and Capacity Building

Continuous training will be offered to farmers on improved production, post-harvest handling, and market access. Additionally, Micro, Small, and Medium Industries (MSMIs) will be supported in acquiring value addition skills to enhance competitiveness and productivity.

7. Timely and Reliable Payments

A robust payment system will be established to ensure farmers and other stakeholders receive prompt and fair compensation. This reliability will strengthen stakeholder confidence and promote sustained participation.

8. Fostering Innovation

CAIPs will promote innovative practices and technologies to improve operations and reduce costs. For instance, the use of renewable energy for powering park operations can enhance sustainability and cost-effectiveness.

9. Supportive Policy and Legal Framework

A conducive policy, legislative, and regulatory environment is essential to the competitiveness and sustainability of CAIPs. The legal framework should support investment attraction, fair competition, and long-term viability. The inclusion of investor performance requirements can also be considered to ensure alignment with national development objectives.

10. Sustainable development

The implementation of County Aggregation and Industrial Parks (CAIPs) will be anchored on sustainable development, promoting economic growth, social inclusion and environmental stewardship for the benefit of present and future generations.

11. Public Participation

The implementation of County Aggregation and Industrial Parks (CAIPs) in Kenya will be guided by the principle of public participation to ensure inclusive decision-making, transparency and accountability by actively involving local communities and stakeholders at all stages of the project.

1.2 Context and Relevance to Global Trends

The 2030 Agenda for Sustainable Development highlights inclusive and sustainable industrialization as critical to eradicating poverty and fostering economic growth. However, many developing countries face premature de-industrialization, with manufacturing contributing less to GDP over time. In this context, industrial parks—when well-planned and supported by policy—can act as catalysts for industrial development, job creation, and sustainable economic transformation. Modern trends such as heightened competition for investment, urbanization, climate change, circular economy practices, and the rise of digital technologies (Industry 4.0) are reshaping how industrial parks must operate. Regardless of ownership, the private sector remains pivotal in development and management. These guidelines, drawing from global best practices including those by UNIDO, aim to support the creation and operationalization of competitive, efficient, inclusive, and environmentally sustainable County Aggregation and Industrial Parks (CAIPs) in Kenya. They serve as a practical reference for stakeholders at all stages—from planning to operations—ensuring that CAIPs contribute meaningfully to national development goals and the broader sustainable development agenda.

1.3 Situational Analysis of Kenya's Manufacturing Sector

Kenya's agricultural sector is predominantly composed of smallholder farmers operating on fragmented land, which contributes to inefficiencies in the aggregation of produce. The result is inconsistent quality and quantity of outputs, limiting the sector's competitiveness in both regional and global markets. Inadequate communication channels further exacerbate this issue, leaving farmers with limited access to market information, including quality standards and buyer expectations. Consequently, agro-processors are often unable to source the required raw materials locally, both in terms of volume and standard

The sector also suffers from underdeveloped agri-business infrastructure. There is a notable shortage of essential facilities such as cold storage units, quarantine centers, quality control and certification laboratories, as well as waste management systems including sewage and effluent treatment plants. These infrastructure gaps contribute to post-harvest losses, which are estimated at 20–30% of total food produced. These losses reduce farmers' incomes, worsen food insecurity, and hinder nutritional outcomes.

Despite these challenges, the agriculture sector holds significant potential to drive job creation and economic transformation along the entire value chain—from farm to factory. Recognizing this, the National Government, through the Ministry of Investments, Trade and Industry (MITI), in collaboration with County Governments and supported by the private sector, development partners, and the United Nations Industrial Development Organization (UNIDO), has initiated the establishment of County Aggregation and Industrial Parks (CAIPs). These parks aim to improve value chain efficiency, reduce post-harvest losses, raise farmer incomes, boost agro-processing, and increase exports of processed agricultural products. The CAIP initiative is positioned to unlock the full potential of Kenya's agriculture-manufacturing linkage, enhancing rural livelihoods and contributing to inclusive economic growth.

1.4 Application and Purpose of the Guidelines

These guidelines serve as a practical reference tool to support the planning, development, and management of County Aggregation and Industrial Parks (CAIPs). They are designed to guide all stakeholders involved in the CAIPs ecosystem ranging from policymakers and developers to operators, investors, and partners in aligning efforts toward inclusive, competitive, and sustainable industrial growth. By promoting harmonized implementation and informed decision-making, the guidelines ensure that CAIPs are developed efficiently, managed effectively, and positioned to attract investment, create employment, and accelerate value addition/creation across counties.

02

The Concept of County Aggregation and Industrial Parks (CAIPs)

2.0 Background and Justification

County Aggregation and Industrial Parks (CAIPs) are a flagship initiative in Kenya Kwanza under the Ministry of Investments, Trade and Industry (MITI), developed in partnership with County Governments. The initiative aims to bridge the gap between raw material production and manufacturing by creating dedicated zones for aggregation, processing, and value addition, thereby promoting rural industrialization, reducing post-harvest losses, and enhancing producers' income. The initiative will also target any other raw materials apart from agricultural related materials produced at the rural level.

2.1 Global Context of Agro-Industrial Development

Globally, the establishment of agro-industrial zones and food parks has gained traction as countries seek innovative solutions to modernize agriculture, enhance food security, reduce poverty, and stimulate inclusive industrial growth. This momentum accelerated in the wake of the 2007–2008 food and financial crises, which exposed vulnerabilities in global supply chains and prompted nations to rethink their agricultural and industrial strategies.

Agro-industrial development models now widely adopted include: (provide facts of the models, citations etc)

i. Agro-processing hubs (industrial parks with shared infrastructure and services),
ii. Rural Transformation Centres (primary processing, farmer support, and capacity building), and
iii. Aggregation Centres (collection, quality assurance, and logistics)

These models aim to integrate smallholder farmers into structured value chains, encourage local value addition, and attract private sector investment in rural economies. Countries such as India (through its Mega Food Parks program), Malaysia, Vietnam, and the UAE have successfully developed agro-industrial corridors that link farmers, processors, exporters, and retailers into coordinated and efficient production systems. In Europe, nations like the Netherlands and Italy have institutionalized agri-tech clusters that promote innovation, sustainability, and high-value exports.

In the African continent, the African Union's Common African Agro-Parks Programme (CAAPs) under Agenda 2063 reflects a continent-wide push to harness agro-industrialization as a pathway to structural transformation. Senegal, Ethiopia, Nigeria, and Kenya are among the frontrunners, leveraging public-private partnerships and policy reforms to establish agro-industrial zones that align with their national development agendas.

Global experience shows that the success of agro-industrial parks relies heavily on:

i. Strong inter-ministerial coordination particularly between agriculture, industry, and infrastructure sectors,

ii. Robust policy frameworks and governance structures,

iii. Reliable industrial infrastructure and utilities, and

iv. Active engagement with the private sector and development partners.

These international trends and best practices provide a critical learning platform for Kenya's County Aggregation and Industrial Parks (CAIPs). By aligning with global principles of integrated agro-industrial development, CAIPs are well-positioned to deliver inclusive growth, job creation, and sustainable value chains across Kenya's counties.

(PDF) Agro-Industrial Sustainability through Business Model: A Systematic Literature Review

Evaluation report on Global Eco-Industrial Parks Programme (GEIPP)

2.2 Kenyan Context and the CAIPs Initiative

Kenya's ambition to become a middle-income industrializing nation by 2030 hinges on inclusive and sustainable economic transformation, with industrialization at the core of its development agenda. Despite the country's strong agricultural base, structural challenges such as low productivity, post-harvest losses, limited agro-processing capacity, and disjointed value chains have hindered the sector's ability to drive meaningful industrial growth. At the same time, manufacturing remains underutilized as a growth engine, contributing just 7.2% to GDP as of 2021—far below its potential.

In response, the Government through the Ministry of Investments, Trade and Industry (MITI), in collaboration with County Governments and development partners, has launched the County Aggregation and Industrial Parks (CAIPs) initiative. This transformative program aims to address key inefficiencies by integrating various priority sectors and industry at the county level through the development of structured agro-industrial ecosystems. These ecosystems will facilitate aggregation of produce, local value addition, and structured linkages to domestic and international markets.

The CAIPs initiative builds on global best practices and lessons from successful agro-industrial cluster models, while also aligning with Kenya's national policies including Vision 2030, the Bottom-Up Economic Transformation Agenda (BETA), and the Africa Continental Free Trade Area (AfCFTA). Through strategic public-private partnerships, CAIPs are envisioned as catalysts for decentralized industrialization, regional economic development, and improved livelihoods.

To contextualize the importance, the subsequent sections elaborate on the national targets and policy mandates guiding CAIP implementation (Section 2.2.1 and 2.2.2), the legislative framework supporting County Government collaboration (Section 2.3), the design and structure of the parks (Section 2.4), their objectives (Section 2.5), and the expected social, economic, and environmental benefits (Section 2.6).

Together, these sections underscore the relevance and transformative potential of CAIPs as a vehicle for inclusive value chain development and industrialization across Kenya's 47 counties.

2.2.1 Ministry of Investments, Trade and Industry

The Ministry aims to increase manufacturing's contribution to GDP from 7.6% in 2023 to 15% by 2027, and 20% by 2030. CAIPs are a strategic vehicle to realize this goal by harnessing agro-industrial potential at the county level.

2.2.2 Mandate of the State Department for Industry

As per Executive Order No. 1 of June 2025, the State Department's mandate includes:

i. To promote and facilitate Domestic and Foreign Investments;
ii. Investment policy and attraction;
iii. Industrial Policy and Planning;
iv. To Promote growth and development of Industries;
v. Buy Kenya - Build Kenya Policy and Strategy;
vi. To Promote Standardization in Industry and Quality Control;
vii. Kenya Intellectual Property Rights Policy (Patents, Trade Marks, Service, Marks, and Innovation);
viii. Promotion of Value Addition and Agro-Processing;
ix. Promotion, Development and Oversight of Aggregation and Industrial Parks;
x. Textile Sector Development;
xi. Leather Industry Development;
xii. Oversight and Regulation of the Scrap Metal Industry;

xiii. Industrial Training and Capacity Development;

xiv. To Combat Counterfeiting, Trade and Other Dealings in Counterfeit Goods; and

xv. Oversight, Administration and Enforcement of the Local Content Policy.

2.3 County Governments

The Constitution of Kenya (2010) devolved key functions such as agriculture, trade, local investment, and environmental management to Counties. Under Articles 6, 176, 186, and 189, counties are required to collaborate with the national government to deliver shared development goals.

This legal framework forms the basis for the joint establishment of CAIPs between the National Government (through MITI) and the Council of Governors (CoG).

2.4 Structure of County Aggregation and Industrial Parks (CAIPs)

The County Aggregation and Industrial Parks (CAIPs) are designed as integrated industrial ecosystems that bring together various actors and services across the targeted value chains. Their structure is deliberately configured to facilitate the seamless flow of products from production units to processing and ultimately to markets, while enhancing value addition, efficiency, and competitiveness. Each CAIP is composed of two core units, the Aggregation Unit and the Industrial Park/Value Addition Zone which function in a coordinated manner to ensure optimal utilization of resources, infrastructure, and market linkages. Together, these units serve as strategic hubs for driving rural industrialization, improving logistics, and promoting sustainable, inclusive economic development at the county level.

2.4.1 Aggregation Unit

A centralized facility for collecting raw Activities include:

i. Sorting, grading, sampling, testing, packaging

ii. Cold or bulk storage

iii. Quarantine and quality assurance

iv. Distribution to processing/value addition units or markets

2.4.2 Industrial Park / Value Addition Zone

A designated industrial zone hosting:

i. Processing factories

ii. Shared infrastructure (water, power, waste management)

iii. Common facilities (labs, packaging units, warehouses)

iv. Innovation and incubation centers.

These zones promote economies of scale, enhance productivity, and support circular economy initiatives.

2.5 Objectives of CAIPs

Main Objective

To catalyse industrial growth through manufacturing, agro-processing, boost agricultural competitiveness, create decent jobs, and increase stakeholder incomes and foreign exchange earnings.

Specific Objectives

i. To drive County economic transformation, growth and development, and employment creation;

ii. To promote priority value chains, and value chain trade for which counties have competitive advantage in;

iii. To promote access to quality value added agro-products from each County;

iv. To increase foreign exchange earnings through export of value added agro-products;

v. To enhance County livelihood opportunities through agriculture and value addition hence reducing poverty;

vi. To Promote competitiveness and improve productivity in agriculture sector;

vii. To enhance innovation, technology adoption and transfer in agriculture and manufacturing sectors;

viii. To facilitate integration of the supply chain to promote efficient flow of produce from farmers to industry and markets;

ix. To enhance access to extension services and capacity building to farmers on production;

x. To promote entrepreneurship skills, enhance capacity Building to MSMEs/ & MSMIs and cooperatives for value addition;

xi. Promote market access for aggregated agricultural products through value addition and common e-marketing platform;

xii. To promote an organised, coordinated and structured growth of Agro-industrial sector in Kenya;

xiii. To promote access to manufacturing facilities through the common manufacturing facilities;

xiv. To promote access to supportive business environment; and

xv. To enhance multi-stakeholder approach in services delivery and development of Industries in Kenya.

2.6 Expected Benefits and Outcomes

2.6.1 General National Outcomes

i. County Industrial and Aggregation Parks established and made operational in the 47 Counties;

ii. Approximately 470,000 jobs to be created nationwide

iii. Growth in manufacturing and increased agro-value added products

iv. Enhanced productivity in agricultural sectors;

v. Increased export of agro-processed products;

vi. Increase in agricultural productivity and value addition

vii. Over KES 1 billion in domestic and foreign investments

viii. Improved infrastructure, competitiveness, and urban development

ix. Strengthened agriculture-industry-private sector collaboration

x. Enhanced market access and export earnings

xi. Technology adoption and university-industry linkages

xii. Environmental and social impact assessments conducted

xiii. Increased competitiveness of local businesses

xiv. Foreign exchange earnings enhanced

2.6.2 Benefits to Farmers

i. Better prices and steady incomes

ii. Reduced post-harvest losses

iii. Increased access to markets and extension services

iv. Improved farming techniques and technology use

v. Elimination of exploitative middlemen

2.6.3 Benefits to Industries

i. Economies of scale due to aggregation and opportunities for bulky buying

ii. Improved value addition techniques, efficiency and control of quality
iii. Readily available quality and quantity raw materials for value addition
iv. Access to common user facilities for value addition
v. Access to dedicated power line/ quality electricity for manufacturing and at cost effective price
vi. Access to water, waste management and sanitation services
vii. Access to public land for manufacturing without the hassle of pursuing documentation of title deeds.
viii. Access to logistical/transport network/internet/Assured Security
ix. Ready market through common e-marketing platform and reduction of costs.
x. Increased competitiveness of local businesses
xi. Improved supply chain management
xii. Opportunity for new enterprises due to green and circular investment opportunities

2.6.4 Benefits to Youth and Start-ups

i. Direct and indirect employment opportunities
ii. Improved access to finance, training, and markets
iii. Greater involvement in agribusiness and value addition
iv. Increased profitability and innovation adoption

Conclusion

CAIPs represent a transformative approach to Kenya's industrialization and agricultural modernization agenda. By creating integrated hubs that connect farmers, processors, investors, and governments, CAIPs are set to unlock the full economic potential of counties, reduce inequality, and position Kenya as a competitive player in regional and global agro-industrial markets.

03
Operational Incentives

3.0 Introduction

A well-structured incentive framework, supported by coherent policies and stakeholder collaboration, will be critical to attracting investment, creating jobs, and driving county-level industrial transformation. Special provisions must also be made to support youth, women, and marginalized groups to ensure shared prosperity and equitable growth across Kenya.

3.1 Proposed Incentive Framework for CAIPs

To enhance the competitiveness and attractiveness of CAIPs, a robust incentive framework is needed at both national and county levels. The framework should include fiscal and non-fiscal incentives, policy support, and legal provisions for efficient management and investor facilitation. Some of the proposed incentives draw lessons from the Ethiopian Integrated Agro-Industrial Parks model; Export Processing Zones and Special Economic Zones models.

3.1.1 Proposed Fiscal Incentives

1. **Income Tax Exemption:**
    - Up to 10 years for Aggregation and Industrial Park Developers
    - Up to 10 years for Enterprises operating within CAIPs
2. **Import Tax Exemption:**
    - On machinery, equipment, construction materials, spare parts, and raw materials (excluding vehicles)
3. **Investment Deduction:**
    - 100% on capital expenditure for buildings and machinery used in manufacturing
    - 150% allowance for capital investments exceeding Ksh. 200 million outside Nairobi
4. **Zero-rated Railway Development Levy (RDL):**
    - On machinery and inputs not available locally
5. **Value Added Tax**
    - The supply of goods to CAIPs to be exempted from Value Added Tax
6. **Price and Market Incentives**
    - Guaranteed Market Access: CAIPs to act as reliable off-takers, purchasing produce from both smallholder and large-scale farmers at fair prices.
    - Premium Pricing for Quality: Offer better rates for farmers delivering high-grade, traceable produce.

- Collective Bargaining Power: Pool produce to negotiate favorable prices with processors and exporters.

7. Infrastructure and Logistics Support

- Subsidized Storage & Processing Fees: Discounted cold storage and milling services for smallholders.

8. Financial and Tax Incentives

- Credit Guarantees and Low-Interest Loans: Collaboration with KIE, Uwezo fund, Youth Enterprise Fund, Women Enterprise Fund, Agricultural Finance Cooperation, credit guarantee schemes introduced by County Governments and other financial institutions.
- Tax Rebates for Large Farmers: Incentives for large-scale farmers investing in local value chains.
- Input Subsidies: Affordable seeds, fertilizers, and pesticides to encourage participation
- Subsidized tariffs for water and electricity

9. Capacity Building and Extension Services

- Discounted Training: Modern agronomy, post-harvest handling, and value addition training for farmers.
- Technology Transfer: Encourage mentorship between large-scale farmers and smallholders.
- Demonstration Farms: Showcase modern best practices within CAIP facilities.

10. Social and Recognition Incentives

- Farmer Loyalty Programs: Discounts, inputs, or bonuses for consistent suppliers.
- Branding and Export Access: Joint branding and certification for export markets (e.g., organic and fair trade).

11. Equity and Ownership Incentives

- Farmer Equity Participation: Shares in CAIP processing units for both small and large farmers.
- Profit-Sharing Models: Distribute part of CAIP profits to farmer cooperatives and groups.

12. Large-Scale Farmer-Specific Incentives

- Priority Access to Land Leases: Secure land tenure or long-term leases within CAIPs.

- Processing Partnerships: Large-scale farmers to co-own or run processing plants.
- Tax Exemptions on Equipment Imports: Reduce operational costs for mechanization investments.

13. Smallholder Farmer-Specific Incentives

- Guaranteed Minimum Prices (GMP): Protection against price fluctuations.
- Free or Subsidized Inputs through Cooperatives: Strengthening farmer groups for better negotiation.

14. Waivers of business permits.

15. Withholding Tax

- 10 year withholding tax holiday

16. Stamp Duty

- perpetual Exemption

17. Corporate Tax

preferential Rates

- 10-year corporate tax holiday
- Next 10 years: 25%
- Subsequent years :30%

18. No cess and business service permits

19. Provide common user facilities at reduced rates

20. Lower rent rates

21. Give 6 months grace period- Reduced tariffs for water, power, and sewer

22. Duty free importation of machinery

23. Exemption from Stamp duty

3.1.2 Proposed Non-Fiscal Incentives

1. Simplified Customs Procedures:

- Including bonded export factory schemes and customs facilitation

2. Liberalized Foreign Exchange Regime:

- No exchange controls
- 3. Land Lease Incentives:

- Charge-free leases for Industrial Park Developers
- Discounted lease rates for enterprises within CAIPs

4. Utilities and Infrastructure Support:

- Subsidized industrial electricity tariff
- One-Stop-Shop (OSS) centers for investor facilitation
- Provision of essential infrastructure: perimeter wall, power lines, roads, water supply, Fit for Purpose Industrial Sheds, waste management, lighting, health clinics, and day care facilities

5. Shared Transport Hubs: Affordable aggregation and logistics solutions to minimize post-harvest losses.

6. Smallholder Farmer-Specific Incentives

- Aggregation Support: Collection centers within 5–10 km radius for easy produce delivery.

7. Provide housing for staff (construction)

8. No imports of raw materials into the facility (unless with authority from CS, MITI).

3.1.3 Considerations for Effective Incentive Application

i. The investment incentive system should clearly define eligibility criteria for both local and foreign investors, specifying whether incentives apply to investments inside and/or outside CAIPs.

ii. Foreign Direct Investment (FDI) attraction requires targeted and transparent incentives to appeal to international investors.

iii. Special Interest Groups, such as youth, women, and persons with disabilities, are critical to inclusive development and should benefit from tailored incentive schemes, such as:

a) Access to affordable financing (grants and concessional loans)

b) Preferential procurement and investment support, in accordance with the Youth Act and Article 55 of the Constitution

04

Establishment of County Aggregation and Industrial Parks (CAIPs)

4.0 Introduction

Kenya's Vision 2030 envisions the country becoming the regional hub for manufacturing in Eastern and Central Africa, while enhancing its global competitiveness. The Kenya Kwanza Government's Bottom-Up Economic Transformation Agenda (BETA) seeks to uplift livelihoods through inclusive and regionally balanced economic growth. A key strategy to achieve these goals is the establishment of County Aggregation and Industrial Parks (CAIPs) across all 47 counties.

CAIPs are designed to support agro-industrial development by providing essential infrastructure such as cold storage, quality control, processing facilities, and transport logistics. These parks will facilitate value addition, quality enhancement, and increased market access, enabling farmers and MSMEs to deliver competitive products both locally and internationally. In addition to spurring industrial growth, CAIPs will create employment, strengthen value chains, promote cluster development, and attract private investment.

The National Government, through the Ministry of Investments, Trade and Industry (MITI) and the State Department for Industry, in partnership with County Governments through the Council of Governors (CoG), will oversee the establishment and operation of CAIPs.

4.1 CAIP Components

The development of CAIPs will be structured around the following core components:

4.1.1 Park Infrastructure Development

i. Construction of Industrial Facilities: Aggregation and value addition warehouses, office blocks, cold storage, quality control, grading, and packaging areas.

ii. Mechanical, Electrical, and Civil Works: Installation of refrigeration, drainage, lighting, power, and ICT infrastructure.

iii. Shared Services: Security/fire stations, green belts, social amenities (canteens, health facilities, banking), and communication support.

iv. Land Use: Additional land will be reserved for private sector investment through Public-Private Partnerships (PPPs).

4.1.2 Ward-Level Aggregation

- Establishment of satellite aggregation centres using existing under-utilized public infrastructure to strengthen collection and sub-aggregation networks.

4.1.3. Enabling Infrastructure

- MDAs will be funded through normal budgetary processes to provide essential enablers (roads, water, electricity, ICT) to connect CAIPs to national infrastructure grids.

4.1.4 Feasibility Studies

- Each County will conduct feasibility studies, including value chain mapping and business plan development, to determine project viability and tailor CAIP models accordingly.

4.1.5 Specialized Infrastructure

- Development of quality control labs, R&D centres, common service facilities, effluent and water treatment plants, logistics yards, and power substations will be required in near future.

4.1.6 Value Chain Development

- Identification and prioritization of value chains per county.
- Provision of extension services, contract farming promotion, MSME capacity building, and raw material sourcing support.
- Deployment of warehousing and market intelligence systems.
- Market linkage development, including export readiness.

4.1.7 Institutional strengthening and Framework

- Establishment of CAIP management and coordination structures linking national and county governments will be important.
- Capacity building for project implementation teams.

4.1.8 Partnerships and Financing

- Development of PPP frameworks and county investment forums.
- Mobilization of public and private sector financing.
- Capacity building on PPP models at county level.

4.1.9 Education and Skills Development

- Integration of CAIPs into the TVET and education system.
- Demand-driven technical training and support for industrial skills development.
- Review of curriculum to match skills required for industrial development.

4.1.10. Inclusion and Empowerment

- Dedicated common-use facilities for Youth, Women, PWDs, and MSMEs within CAIPs to ensure inclusive participation in industrialization.

4.1.11 Policy, Legal and Regulatory Framework

- Development of enabling legislation, regulations, and policies to support CAIP establishment and sustainability at both levels of government.

4.2 Requirements to Establish CAIPs

The establishment of County Aggregation and Industrial Parks (CAIPs) requires a structured framework to ensure effective collaboration, resource allocation, and compliance with legal and policy provisions. This section outlines the key institutional, legal, and procedural prerequisites that must be fulfilled by both national and county governments to facilitate the successful development and operationalization of CAIPs. These requirements provide the foundation for coordinated planning, phased implementation, and transparent management of resources, thereby enabling CAIPs to achieve their intended economic and social objectives.

4.2.1 General Information

1) Conditional Grant Framework will be developed by the National Government in line with Articles 202 and 218(2) of the Constitution.
2) Intergovernmental Participation Agreement between MITI and County Governments.
3) Intergovernmental Transfer Agreement under the County Government Additional Allocations Act, 2022.
4) Project will be undertaken in phases based on agreed upon criteria and availability of resources

4.3 Funding Structure for CAIP

The successful implementation and sustainability of County Aggregation and Industrial Parks (CAIPs) rely on a well-defined and collaborative funding structure. To ensure ownership, efficiency, and shared responsibility, the CAIPs financing model leverages joint investment by both levels of government—national and county—complemented by strategic participation from the private sector. This blended financing approach not only enhances resource mobilization but also facilitates long-term viability through Public-Private Partnerships (PPPs). The following subsections outline the cost-sharing framework, funding requirements, and the role of PPPs in mobilizing additional capital and expertise.

4.3.1 National and County Government Contribution

- Total Cost per CAIP: Kshs. 500 million
  - National Government: Kshs. 250 million
  - County Government: Kshs. 250 million
- Counties should:
  - Meet conditional grant criteria
  - Open a Special Purpose Account (SPA) at CBK
  - Sign both Participation and Transfer Agreements
  - Allocate their counterpart funding

4.3.2 Public-Private Partnerships

- PPP frameworks and templates will guide private sector investment and collaboration.
- Annexes will provide further guidelines on PPP procedures.

4.4 Land Requirements

1) County Governments will provide 10–100 acres of publicly owned land.

2) Land must meet the following criteria:

- Accessibility to water, electricity (3-phase), roads, and security
- Government ownership
- Suitable topography and soil
- Located near agricultural activities and urban centers
- Approved for industrial use via spatial planning
- A 100 km radius between CAIPs to ensure raw material supply

4.5 Standard Designs and Guidelines

i. The National Government has developed standard designs, drawings, and Bills of Quantities (BoQs) to guide construction.

ii. The County Governments will be expected to domesticate the standard designs based on the priority value chain.

iii. Any design variation will be discussed and jointly cost-shared between the two levels of government.

4.6 County eligibility for funding

To access the National Government conditional grant, each County will:

i. Confirm availability of suitable land

ii. Allocate Kshs. 250 million

iii. Map and identify priority value chains

iv. Provide amenities: roads, water, power, and security

v. Form a multi-stakeholder Project Implementation Team

vi. Submit required documentation: Feasibility Study, Concept Note, ESIA report to State Department for Industry through COG.

4.7 Value chain mapping

Counties will:

i. Conduct value chain mapping and resource assessments

ii. Identify five priority value chains per county

iii. Use criteria such as:

  a. Production volumes and trends

  b. Market demand, surplus and post-harvest losses

  c. Existing facilities and capacity gaps

  d. Export potential

  e. Local infrastructure and connectivity

  f. Suggestions for additional agricultural capacity

4.8 Investor Engagement Strategy

i. Launch a dedicated investment promotion website with patriotic branding (e.g., Buy Kenya, Build Kenya)

ii. Leverage Kenya's diplomatic network, embassies, and consulates

iii. Use media campaigns, PR activities, and strategic investor targeting at trade forums

4.9 Procurement and Contracting Procedures

i. Joint tender notices by National and County Governments
ii. Bid submission at county level
iii. Evaluation conducted by County Governments
iv. Award and Contract Signing handled by County Governments
v. Supervision and contract management by County Governments in collaboration with SDI regional and county office

4.10 Other Operational Procedures

Summary of Key Action Areas for Effective Operationalization of County Aggregation and Industrial Parks (CAIPS)

To transition County Aggregation and Industrial Parks (CAIPs) from infrastructure to fully functional industrial ecosystems are the 10 key priority measures necessary for the effective operationalization. These measures are designed to ensure that CAIPs move beyond physical infrastructure to deliver real impact in industrial productivity, job creation, market access, and inclusive value chain development.

The following outline the priority measures shall be considered;

1. Establishment of a Strong Governance and Management Framework

- Creation of a National CAIP Management unit at both County and National Government, develop Standard Operating Procedures (SOPs) and Onboard technical managers.
- Establish a policy and legislation framework for CAIPs.

2. Anchor CAIPs in Productive Value Chains

- Determine viable agro-processing or manufacturing priorities per county.
- Align CAIP functions with county production strengths and facilitate market access through supply contracts, trade fairs, and E-commerce linkages.

3. Attract and Support Tenants (SMEs, Cooperatives, Startups)

- Create incentive packages to attract manufacturers, aggregators, individual industrialist, SMEs, associations, and cooperatives etc.

4. Operationalize Aggregation Centres

- Empower producer cooperatives and aggregators to run aggregation centres with digital tracking, cold storage, and quality control.
- Implement traceability and digital logistics systems to improve efficiency in the supply chain and create producer incentives for structured aggregation such as

guaranteed offtake, input financing, and quality bonuses.

5. **Mobilize Anchor off takers and Market Linkages**
    - Sign MoUs with national processors, retailers, and exporters to guarantee offtake.
    - Leverage Kenya Export Promotion and Branding Agency (KEPROBA), KNTC, and Trade Support Institutions to link products to export markets.
    - Showcase products from CAIPs.
6. **Leverage Digital Infrastructure for Smart Operations**
    - Develop a CAIP Management Information System (MIS) to monitor production, asset use, SME progress, tenant billing, and service delivery.
    - Enable real-time inventory, warehousing, and logistics tracking.
    - Integrate digital payment systems and facilitate financial inclusion for producers and SMEs.
7. **Institutionalize Capacity Building and Skills Transfer**
    - Partner with TVETs and universities for skills development in value addition, industrial maintenance, machine operations, and quality control.
    - Establish on-site training and demonstration centres for best practices in manufacturing and agribusiness.
    - Mobilize and sensitize farmers and producers for enhanced production and support to the CAIPs
8. **Ensure Utilities, Compliance, and Maintenance**
    - Operationalize essential utilities (power, water, effluent treatment, roads) and establish service-level agreements with providers.
    - Put in place environmental and regulatory compliance frameworks (e.g., KEBS, NEMA certifications).
9. **Facilitate Access to Affordable Financing**
    - Partner with both government and private financial Institutions, Kenya Development Corporation, AFC, and SACCOs among others to offer tailored financial products (equipment leasing, working capital).
    - Explore blended finance models to support tenant capital needs.
10. **Monitor Performance and Scale Learning**
    - Develop and operationalize key performance indicators (KPIs) for each CAIP (e.g., production volumes, jobs created, number of SMEs supported, export value).
    - Set up a National CAIP Coordination Unit to standardize learning, troubleshoot bottlenecks, and guide replication.

05

Backward and Forward Linkages

5.1 Backward linkages

Backward linkages to the CAIP initiatives are essential in agriculture, manufacturing, and raw material supply. These linkages ensure that local producers, farmers, and small-scale suppliers are integrated into the value chains supported by CAIPs, thereby enhancing local production capacity, creating jobs, and stimulating inclusive economic growth at the county level.

5.1.1 Farmer Mobilization

Farmer mobilization is a critical process since it aims at bringing together 'stakeholders' with similar objectives in a bid to jointly tackle the challenges they face in terms of lobbying, advocacy, access to services, finance and market access. Mobilization of farmers will improve their socio-economic status and to strengthen community participation for sustainability and self-reliance -sustainable development. Counties will be expected to continuously mobilize farmers to participate in the project.

The following farmer mobilization strategies are proposed;

1. Continuous Profiling and Mapping of Farmers and Value Chain Actors;
2. Mobilization of farmers through Community Driven Development Committee (CDDC)
3. Linking all farmers to Farmer Producer Organizations (FPO) and cooperatives.
4. Awareness creation through digital media platforms such as Uasin Gishu Agriculture Information System (UGAGRIS) which helps to identify farmers and gather their information.
5. Use of Mobile Applications.
6. Development of product specific promotional packages
7. Use of political/ administrative fora to promote products/Value chains specific to CAIPs.
8. Value Chain specific agricultural officers to encourage intensification of knowledge and Skills.
9. Promotion of research, feasibility & strategy on CAIPs Value Chains and Cascade them to enrolled-farmers.
10. Use of Agripreneur networks to reach a bigger population.

Strategic Roles of Agri-preneurs in CAIP Development

The following strategic roles of Agri-Preneurs (AP) are proposed;

1. Farmer Organization & Digitization - APs mobilize farmers into Common Interest Groups.
2. Advisory Services and Extension Support.
3. Linkages to Inputs, Mechanization and Finance.
4. Virtual Produce Aggregation - Using mobile platforms.
5. Market Access and AgriTech Integration.
6. Cold Storage & Value Addition Support.
7. Quality Assurance & Farmer Insurance

5.1.2. Extension Services

The County Governments will be encouraged to support extension services.

The following extension models are proposed;

1. Model farms: - Through use of a Farmer led demonstration plots to train farmers to promote agricultural best practices, Technologies, Innovation and Management Practices (TIMPs).
2. Capacity building: - Training on best practices that have come up based on upcoming technologies and research, food safety.
3. Research- Continuous improvement of TIMPs and technology transfer.
4. Training centers: - Agricultural Training Centers such Universities and Polytechnics, Transformation Centers that are located in every ward for training farmers and incubation of technologies.
5. Farmer field days: - A model farm (is a farm where different enterprises are produced showing different aspects of production) is created where farmers did
6. Use of Agripreneur networks to reach a bigger population
7. Through digital media platforms that create awareness and link the farmers to market and agronomics support.
8. Using Youth friendly technologies for extension and Digital Agriculture Research kits (DAR).

9. Extension through AGtechs.
10. Promote Access to credit through SACCOs aligned to FPOs in CAIPs prioritized value chains.
11. Promotion of quality and food safety

5.1.3 Contract farming

This is a formal agreement where the farmers' Producer Organizations (FPO) agree to produce a specific crop under specified conditions, while the buyer, usually an agribusiness company, commits to purchasing the produce at a pre-agreed price. CAIPs would look to leverage this model as it helps cushion farmers from market risks while providing a reliable supply of quality products for buyers and opens new investment opportunities

5.1.4 Linkage of farmers' organizations and associations to CAIPs

It is worth noting that smallholder farmers constitute a critical segment in the transformation of Kenya's agricultural sector and are aggregated around specific value chains to form organized entities. These entities include farmers cooperatives and other associations such as Common Interest Groups (CIGs), Federations, Limited Liability Companies, Savings and Credit Cooperative Societies (SACCOs), Vulnerable and Marginalized Groups (VMGs), and Community-Driven Development Committees (CDDCs).

It is recommended the need to build on these farmer organizations, supporting them to form higher-tier structures such as unions and umbrella bodies at both the county and national levels and link all value chains to different aggregation centers.

5.1.5 Validation of the CAIPS value Chains from the 14 CAIPs

Based on the previously mapped value chains for each County, the 14 counties validated these value chains, there is need for the Counties to validate their value chains.

The Counties will be required to develop a matrix of production volume targeting 10 years.

5.2 Forward Linkages: Route to market

The Route-to-market (RTM) strategies are essential for bridging production at the farm level with end-markets, creating sustainable linkages among producers, aggregators, processors, and domestic and export markets. This helps to address the challenges that have been ailing the farmers and other players in the sector, including but not limited to low-income levels, post-harvest losses and seasonal price fluctuations. The RTMs aim to ensure market access, fair pricing, value addition, and sustainable livelihoods for producers and MSMEs.

5.2.1 Components of Route-to-Market Framework

i. **Aggregation and Collection Infrastructure:** - Establish structured aggregation centres at the ward and sub-county level, link primary aggregation to CAIP-based processing units and standardize product grading, sorting, and traceability systems. There is also a need to make maximum use of the under-utilized facilities in the counties.

ii. **Processing and Value Addition Nodes:** - the CAIPs will be used as value addition hubs, encouraging co-location of SMEs and anchor investors through tax and land incentives, and promoting adoption of clean and efficient processing technologies.

iii. **Logistics and Cold Chain Systems: -** Regional logistics and warehousing systems with last-mile delivery and dispatch models will be developed, state-of-the-art machinery and equipment such as pre-cooling units for perishables (such as horticulture, dairy and fish) will be deployed and be integrated with LAPSSET, SGR, and inland ICDs for export-oriented value chains.

iv. **Market Access Enablement: -** formal contracts and market agreements between producers, CAIPs, and off-takers will be developed, ensuring that CAIPs will utilize online/digital platforms (e-agricultural marketplaces and government e-procurement portals). Relevant government agencies will be tasked to support certification (GAP, HACCP, organic, GMP, ISO) and export licensing (KEPHIS, KLDC, AFA, TBK, KSB, KRA).

5.2.2 State of Play in RTM Strategies

In order to support CAIPs, the Government of Kenya and relevant partners will develop value-chain-specific route-to-market strategies.

So far, the following strategies are at various stages of development as per the attached matrix:

S/No.	Value Chain	Focal Point	RTM Status
1.	Meat	State Department for Livestock	Done
2.	e-Commerce	State Department For ICT & Digital Economy	Done
3.	Leather & Leather Products	State Department for Livestock	Draft
4.	Horticulture	State Department for Trade	Draft
5.	Tea	State Department for Agriculture	Ongoing
6.	Coffee	State Department for Agriculture	Ongoing
7.	Dairy	State Department for Agriculture	Ongoing
8.	Cultural Goods (beadworks, wood carvings and artefacts)	State Department of Culture and Heritage	Ongoing
9.	Fish and fisheries products	State Department for The Blue Economy and Fisheries	Draft

Through help of KENINVEST, each County will be expected to identify one key value chain for profiling.

5.2.3 Marketing Objectives

- **Awareness:** Increase awareness of the CAIPs initiative by 50% among target investors and 70% among local farmers within the next six months.
- **Investor Attraction:** Generate at least 20 serious investor inquiries for each operational or near-completion CAIP.
- **Farmer Engagement:** Recruit farmers and cooperatives to supply produce to the CAIPs across all active locations.
- **Partnership Development:** Establish at least 5 new strategic partnerships with

financial institutions, technology providers, and export promotion agencies.

- **Brand Building:** Position CAIPs as key drivers of value addition, job creation, and economic transformation in Kenya.

5.2.4 Marketing Strategies

Digital Marketing & Online Presence:

- **Website Development/Optimization:** Create and enhance a central CAIPs portal with dedicated sections for each county's park, highlighting their unique offerings, available infrastructure, incentives, success stories, and application processes.
- **Social Media Campaign:** Utilize platforms like LinkedIn, Twitter, Facebook, and agricultural forums to disseminate information, showcase progress, and engage with potential investors and farmers. Use compelling visuals and testimonials.
- **Targeted Online Advertising:** Run campaigns on LinkedIn for investors and Facebook/Google Ads for local businesses and farmers, geotargeting specific counties.
- **Email Marketing:** Build a database of potential investors and send out regular newsletters detailing investment opportunities, success stories, and upcoming events.

5.2.5 Farmer and Community Engagement

- **Sensitization Workshops:** Conduct regular workshops and field days at the county level to educate farmers on the benefits of CAIPs, quality standards required, aggregation processes, and market linkages.
- **Farmer Cooperatives & Groups:** Work closely with existing farmer cooperatives and help establish new ones to facilitate collective bargaining, quality control, and consistent supply.
- **Contract Farming Model:** Promote and facilitate contract farming arrangements between farmers and agro-processors within the CAIPs to ensure stable supply and fair prices.
- **Capacity Building:** Partner with agricultural training institutions, TVETs and NGOs to offer skills development programs for farmers in areas like post-harvest handling, value addition, and quality assurance.
- **Local Media and Outreach**: Utilize local radio, community meetings, and chiefs'

barazas to disseminate information in local languages.

5.2.6 Public Relations and Media Engagement:

- **Press Releases and Media Kits:** Regularly issue press releases on CAIP milestones, investment successes, and economic impact. Develop comprehensive media kits for journalists.
- **Feature Articles and Interviews:** Pitch feature stories to national and international media outlets on the transformative potential of CAIPs. Facilitate interviews with key government officials, investors, and successful farmers.
- **Partnerships with Business Associations:** Collaborate with organizations like the Kenya Association of Manufacturers (KAM), Kenya National Chamber of Commerce and Industry (KNCCI), and sector-specific associations to leverage their networks.

5.2.7 Marketing Plan for CAIPs– Priority Implementation Activities

Context:

- The CAIPs marketing plan has been developed and will be implemented once the brick-and-mortar infrastructure is completed.
- The plan focuses on ensuring competitive products, market linkages, and county–national collaboration.

Priority Activities:

1. **Market Research & Demand Analysis** – Operationalize market intelligence systems to track demand trends locally, regionally, and globally.
2. **Stakeholder Engagement & Consultation**s – Convene structured forums with counties, farmer groups, and private sector to ensure ownership.
3. **Route-to-Market Rollout** – Activate frameworks for aggregation, value addition, logistics, distribution, and digital platforms.
4. **Validation in 13 Counties –** Conduct county-level validation workshops to refine and confirm implementation approaches.

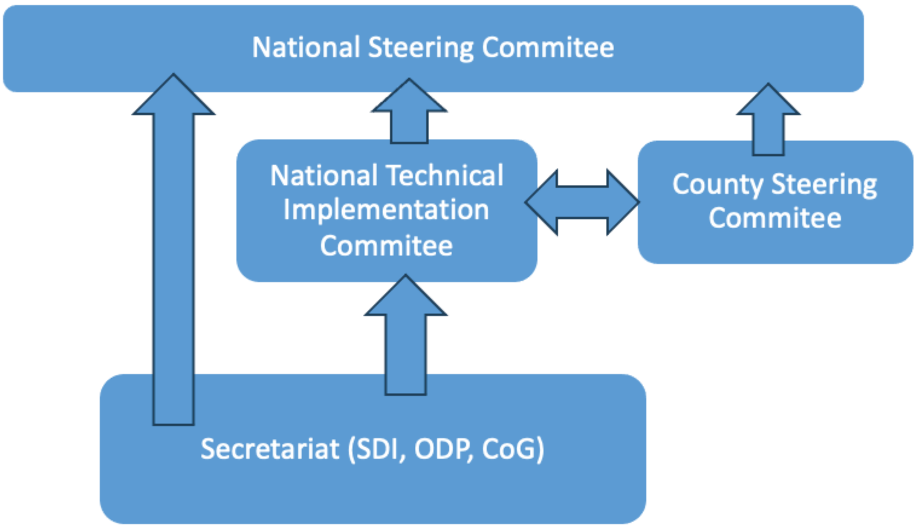
06
Governance Structure

This chapter outlines the proposed governance and management structures for the implementation and operation of the County Aggregation and Industrial Parks (CAIPs), detailing roles of key stakeholders at both national and county levels.

6.1 Management Structure of CAIPs

A National and County CAIP Management Committees have been established, comprising representatives from both the National and County Governments. The proposed structure of the committee is as follows: -

Proposed Structure



6.2 National Governance Structure

A. National Steering Committee (NSC)

In the long run management of CAIPs should be in a dedicated Unit established at national level with County representation. The National Steering Committee is established.

Mandate:

Provides strategic leadership, policy direction, and oversight for CAIPs implementation.

Chair/Co-Chairs:

- Principal Secretary, responsible for Industry
- CEO, Council of Governors

Members Include:

- Principal Secretaries responsible for: Industry, Agriculture, Livestock, Fisheries, Trade, Investment, National Treasury, Cooperatives, MSME, Energy, ICT, Roads, Water, Blue Economy, Irrigation, Mining.
- Solicitor General
- Chief of Staff (Deputy President's Office)
- Governors or appointed representatives with funded CAIPs
- Concerned development partners (foreign or domestic public/private) shall be co-opted into membership as need arises

Key Functions:

- Provide policy, strategic direction and oversight
- Approve CAIPs policies, frameworks, and annual plans
- Facilitate intergovernmental collaboration and private sector investment
- Align CAIPs with national and county development goals
- Guide prioritization and on boarding of counties
- Monitor overall implementation progress
- Foster stakeholder collaboration.

Meetings: Quarterly; quorum of 9 members.

B. National Technical Implementation Committee (NTIC)

Mandate:

Coordinates implementation and provides technical support for CAIPs.

- Chair: PS, responsible for Industry or appointed representative
- Co-Chair: CEO, Council of Governors

Composition:

Senior technical officers from key Ministries, Departments, Agencies, and development partners.

Key Functions:

i. Develop and implement CAIP frameworks, plans, and budgets

ii. Support counties in feasibility studies, value chain mapping, and M&E
iii. Coordinate capacity building and stakeholder forums
iv. Develop and manage Public-Private Partnership (PPP) frameworks
v. Coordinate enabler services (infrastructure, utilities)
vi. Establish a national M&E dashboard

Secretariat for the two committees:

Jointly provided by the State Department for Industry, Office of the Deputy President, PS State Department for devolution and the Council of Governors.

6.3 County Governance Structure

A. County Steering Committee (CSC)

Chair: Governor or appointed representative

Members:

- CECMs responsible for Trade, Cooperatives, Finance, Agriculture, Water, Roads
- County Attorney
- Chief Officers for Trade and Agriculture
- National Government County Industrial Development Officers
- Representatives: KIE, MSEA, KIRDI, KEBS, KEPHIS, NEMA
- County Commissioner
- Private Sector Bodies (KAM, KNCCI, Jua Kali, KEPSA)

Key Functions:

- Provide leadership and oversight at the county level
- Align CAIPs with CIDPs and national goals
- Approve work plans, budgets, and reports
- Monitor implementation and report to the NSC
- Promote investment forums and stakeholder mobilization
- Support production and market linkage strategies

6.4 CAIP Project Implementation and Coordination Units (PICUs)

6.4.1. National CAIP Project Implementation and Coordination Units (PICUs)

At the National level, the MDA responsible for Industry will serve as the focal point for CAIPs coordination and implementation. The PICU will comprise of the following; -

1. National CAIP Project Coordinator
2. Deputy National CAIP Project Coordinator
3. Project Finance Officer
4. Project Accountant
5. Project Procurement Officer
6. Project Engineer
7. M&E Person
8. Environmental safeguards specialist
9. 3 Technical Officers from the MDA responsible for Industry.

The function of the CAIP PICU shall comprise:

- Day to Day CAIP operations at the National Level.
- Supervise CAIP operations in collaboration with the CAIP management
- Generate quarterly reports on CAIP performance.
-

6.5 Proposed CAIP Operation Model

Some of the operational and management models that counties could adopt to run County Aggregation and Industrial Parks (CAIPs) effectively, efficiently and sustainably are discussed below.

The following operational models were proposed and discussed:

1. County Government Operated CAIPs Model

Under this model, the County Government retains direct control and oversight of CAIP operations through its respective Department of Trade, Industry, or Economic Planning or County Government Semi-Autonomous Agency. The county is responsible for staffing, maintenance, tenant management and financial operations. This model ensures full public ownership but may face challenges related to technical capacity and commercial agility.

2. Special Purpose Vehicle (SPV) Model

Counties establish a Special Purpose Vehicle (SPV)—a dedicated corporate entity wholly or majority-owned by the county government. The SPV would manage all aspects of the CAIP on behalf of the county, allowing for more autonomous and business-oriented management while retaining public oversight. This model was seen as a way to professionalize management while maintaining public accountability. County investment authorities have been established like Muranga and Laikipia which are considered as SPVs and can be used to run the CAIPs. These SPVs enjoy authority and legal autonomy Guided by PPADA.

3. Lease to Private Entity Model (build to Lease)

An alternative model involved leasing the CAIP to a private entity under a concession or management contract. The private firm would operate the park commercially and pay royalties or lease fees to the county government. This model promotes efficiency and brings in private sector expertise but requires strong regulation and performance monitoring mechanisms to protect public interest. This is anchored in the PPADA.

4. Public–Private Partnership (PPP) Model

This is hybrid PPP arrangements, where the county government partners with private investors to co-develop, co-own and co-manage the CAIP. Responsibilities and risk-sharing mechanisms would be defined contractually. This model allows for capital injection, risk-sharing and operational efficiency, while keeping counties actively involved in governance and policy direction.

The Counties were encouraged to undertake feasibility assessments and stakeholder consultations before settling on a specific operational model, and to ensure all models incorporate transparency, sustainability, and accountability mechanisms. Whatever model is chosen, it should be aligned to the existing legal framework i.e PPP ACT, PPADA.

6.6 Risk Management Framework

To ensure the successful implementation and sustainability of CAIPs, a structured Risk Management Cycle will be integrated at all levels of governance. The NPICU and respective CPICUs shall be responsible for the identification, assessment, and management and monitoring of risk, for developing, operating and monitoring the CAIPs' systems of internal and external control; and for providing assurance to the two levels of Government and investors in CAIPs. This cycle will help anticipate, prevent, and respond to risks that may impact project objectives.


RISK

6.7 Key Components of the Risk Management Cycle

1. Risk Identification

Systematic identification of internal and external risks that could affect the performance of CAIPs—these may include strategic and governance, financial, environmental, operational, legal and compliance, market, and social risks.

2. Risk Analysis

Assessing the likelihood and potential impact of identified risks on timelines, costs, quality, and stakeholder engagement.

3. Risk Awareness and Communication

Ensuring all stakeholders—including county and national teams, contractors, private sector, and community members—are informed of potential risks and their implications.

4. Risk Prevention and Mitigation

Developing and implementing strategies to eliminate or reduce risks. This includes strengthening governance, enhancing stakeholder capacity, securing political buy-in, and setting up early-warning systems.

5. Control Measures and Feedback Loops

Establishing controls to monitor risks and track mitigation efforts. Regular feedback will be collected and used to refine project approaches and decision-making processes.

6. Monitoring and Review

Continuous monitoring of the risk environment and periodic reviews to ensure proactive response. Adjustments will be made based on new developments or emerging risks.

6.8 Risk Integration in Governance

I. The National Steering Committee will provide strategic oversight on national-level risks.

II. The Technical Implementation Committee will coordinate technical risk mitigation across all CAIPs.

III. County Steering Committees will be responsible for localized risk identification and response mechanisms.

IV. A risk register will be maintained at both county and national levels.

07
Monitoring, Evaluation and Reporting Framework

7.0 Introduction

This chapter outlines the Monitoring, Evaluation, and Reporting (MER) framework for CAIPs to ensure timely tracking of implementation progress, effective performance measurement, and impact assessment across all counties.

The CAIPs aims at enhancing value addition, strengthen local supply chains, and provide structured market access for smallholder producers in Kenya.

The Monitoring, Evaluation and Reporting (ME&R) Framework is a structured tool used to systematically track, assess, report and improve the performance of a program, project, or policy. It articulates clear goals, measurable short term, medium term, and long-term objectives and spells out the M&E system, tools and procedures to be used to measure the extent to which interventions implemented contribute to achievement of the results described in the project document. It clearly outlines how the goals, objectives, outputs, and outcomes of a program or project will be monitored and evaluated over time.

7.1 Monitoring Framework

Monitoring will involve systematic and continuous collection, analysis, and use of data to track implementation progress, detect deviations, and guide timely corrective action.

Key Features:

- **Routine Data Collection:** Monitoring will track input delivery, activity completion, and output generation using agreed performance indicators.
- **Performance Indicators:** A set of indicators covering economic (e.g. jobs created, volumes processed), social (e.g. youth and women participation), and environmental (e.g. waste management practices) dimensions will be used. (See Annex for indicators.)
- **Joint Monitoring Visits:** The State Department for Industry (SDI), in collaboration with the Council of Governors (CoG), will conduct joint site visits alongside County Governments to verify progress and address implementation bottlenecks.
- **Quarterly and Annual Reporting:** Counties will submit progress reports using standardized templates. These will be consolidated by the Secretariat and submitted to the National Technical and Steering Committees.
- **Digital Monitoring System:** A centralized CAIP Monitoring Dashboard will be developed to track progress across counties in real-time and enable data-driven decision-making.
- **Stakeholder Forums:** Findings from monitoring exercises will be presented at quarterly and annual stakeholder forums to encourage accountability, feedback, and learning.

This important management and governance tool will help focus the attention of stakeholders and guide efforts towards addressing CAIP goals for improved growth and employment creation. CAIPs are part of Kenya's broader development agenda (Vision 2030, Bottom-Up Economic Transformation Agenda - BETA) and therefore this framework aligns to the Kenya's national development goals, including the Bottom-up Economic Transformation Agenda (BETA) and Vision 2030, while addressing local economic realities at the county level.

In order to ensure that the CAIPs program is not just measuring activities but is also focused on achieving meaningful, measurable development results, a Results-Based Monitoring and Evaluation (RBM&E) Framework will be adopted. This framework will ensure that CAIPs are not just a building/construction but that they effectively work that is: growing manufacturing contribution to GDP, increasing processed and value-added products, they are creating jobs, increasing local incomes/County revenue, addressing post-harvest losses, enhancing agricultural productivity, increasing export, supporting SMEs, and transforming Kenya's economy through exports expansion and foreign exchange earnings.

The Framework serves as a plan for monitoring and evaluation and clarifies the following;

- What is to be monitored, evaluated and reported?
- The activities needed to monitor and evaluate
- Who is responsible for monitoring and evaluation activities?
- When are monitoring and evaluation activities planned (timing)?
- How are monitoring and evaluation carried out (methods)?
- What resources are required and where are they committed?

7.2 Objectives of The ME&R Framework

- Track implementation progress of CAIPs across counties against set goals and Key Performance Indicators.
- Measure outputs, outcomes, and impacts aligned to national and county development priorities.
- Provide timely data for evidence-based decision-making and policy formulation.
- Ensure accountability and transparency in resource utilization and implementation of CAIP.
- Identify implementation bottlenecks and recommend corrective actions.
- Facilitate timely reporting to county and national governments, and development partners.
- Assess long-term impact on socio-economic development, job creation, and industrial growth.

7.3 Data Collection and Reporting Mechanism

- Data Sources: Investors' records, farmers, satellite imagery, County Statistics office/registry/County Department, EPRA, NEMA reports, HR reports (for each warehouse), UN Agencies

- Data Collection Tools: Digital dashboards, Mobile data collection (ODK), surveys and interviews

- Frequency of Reporting: Monthly (Operational), Quarterly (Financial and Economic), Biannual (Environmental and Social Impact), Annual (Annual Performance)

- Reports: M&E Quarterly and Annual Progress Reports, Annual Evaluation Reports, Mid-Term Reviews and End-Term Evaluations

7.4 Evaluation

Evaluation will assess the relevance, efficiency, effectiveness, sustainability, and impact of CAIPs at different implementation stages.

Evaluation Phases

- Baseline Survey: Conducted before start of project implementation.
- Mid-Term Evaluation (FY 2027/28).

To assess the performance of CAIPs at the halfway point, identify challenges, and inform mid-course corrective measures.

- End-Term Evaluation (FY 2029/30).

To measure the overall achievement of outcomes, impacts, sustainability and lessons learnt, including the CAIP model's effectiveness in enhancing agro-industrial development and inclusive growt

Evaluation Methodology

- Utilization of baseline and end-line surveys.
- Mixed methods (quantitative and qualitative) to assess outputs, outcomes, and impact.
- Participation of independent evaluators where necessary to ensure objectivity.
- Evaluations will be guided by the National Evaluation Guidelines issued by the State Department for Economic Planning and will be aligned with the CAIPs Business Plan and Results Framework.

7.5 Reporting Structure

- County Governments will prepare monthly and quarterly progress reports in prescribed templates.
- State Department for Industry and Council of Governors will consolidate county reports and submit national-level reports to the National technical committee and subsequently to the National Steering Committee.
- The Secretariat will manage data collection tools, reporting schedules, and feedback loops to ensure quality and timeliness of reporting.

7.6 Continuous Learning and Adaptation

- A feedback mechanism will be established to incorporate lessons learned into planning and implementation.
- Results from monitoring and evaluations will be used to refine strategies, policies, improve service delivery, and inform the scaling up of CAIPs.
- Quarterly learning reviews with park stakeholders and value chain actors
- Bi-annual knowledge-sharing forums with counties and trade networks
- M&E Learning Briefs summarizing key successes, challenges, and innovations
- Adaptive dashboards that flag early warnings and real-time market disruptions

7.7 Risks and Assumptions

Risks and assumptions in carrying out planned monitoring and evaluation activities are anticipated and therefore considered and included in the framework.

Risks	Mitigation Measures
Delays in funding/disbursements	Strengthening inter-agency coordination and financial planning
Land acquisition disputes	Community sensitization and legal compliance.
Ensure titling of the land and change of user to industrial use	
Investor withdrawal	Risk-sharing mechanisms and incentives
Poor data quality	Capacity building on data management

7.8 Institutional Framework

Lead Ministry responsible for: Investments, Trade and Industry (MITI) through State department responsible for Industry

Collaborating Agencies: County Governments, Ministry/State Department responsible for Agriculture and livestock, Ministry of transport, Ministry of Energy/KPLC, Ministry of devolution, The National Treasury, Ministry of MSMEs & Cooperatives, Council of Governors Agencies responsible for KEBS, KenInvest, NEMA.

Oversight: Office of the Deputy President, the National Treasury (for PPPs), Office of the Auditor General, Parliament/County Assemblies.

Stakeholders: Farmers, cooperatives, SMEs, industrial investors, development partners, traders.

Level	Lead Entity	M&E Role
National	Ministry of Trade & Industry / CAIPs Secretariat	Oversight, National Coordination, policy alignment, national reporting, M&E
Inter-county	Council of Governors	Inter-county engagements, trade, policy alignment and M& E
County	County Trade and Agriculture Departments	Data collection, field verification, capacity building
Park Level	CAIP Management Units	Operational monitoring, coordination with off-takers
Private Sector	Anchor tenants, off-takers, logistics firms	Transactional data, quality feedback
Development Partners	FAO, UNIDO, AfDB, IFAD, World bank (For Example)	Technical support, funding M&E innovation

7.9 Data Collection Methods

i. Digital dashboards linked to e-logistics, trade, and inventory systems
ii. Surveys and Interviews with farmers, SMEs, and buyers
iii. Transaction audits and export data from KRA, KEPHIS, and customs
iv. Field inspections at aggregation and distribution points
v. Geospatial monitoring for transport efficiency and perishability tracking

7.10 Monitoring and Evaluation Framework for CAIPS

Below is the detailed Monitoring and Evaluation (M&E) Framework for the County Aggregation and Industrial Parks (CAIPs). This matrix links each level of the results chain to clear indicators, targets, data sources, collection methods, and responsible actors thus making it a practical tool for tracking progress and assessing effectiveness.

Level	KPI	Key Indicators	Baseline(year of start of operations)	Target	Means of Verification (Data Sources)	Frequency.	Responsible Parties	Assumptions	Report-ing(Where will it be reported)
Goal	Economic, Social and Environ-mental	✓ Poverty rate reduction ✓ Increasing manufacturing contribution to GDP by 5percent by 2030	7.6%	12.6%	• KNBS Econom-ic Surveys	• Annually	MITI, County Gov-ernments, KNBS	Fully opera-tional CAIPS Industrial investors are mobilized and CAIPS are operational	
Impact	DP, Em-ployment, Sales, Export, Liveli-hoods	• % increase in county GDP from industrial activities • % reduction in rural unemployment • % of population lifted out of poverty • % increase in agro-industrial exports (value and volume) • % increase in the manufacturing sector's contribution to National GDP • % increase in foreign exchange earnings from pro-cessed agri-exports • % reduction in national postharvest losses	TBD (Baseline Study)		• KNBS eco-nomic survey reports • National pover-ty index • World Bank data	• Annually	• KNBS • State Dept. for Industry • KNBS County Governments • Council of Governor	All the CAIPS are opera-tional	
Outcome		• % increase in value-added production • % increase in farmers/SME incomes/beneficiary • KES value of private sector investments in CAIPs • Number of jobs created (Both formal direct and informal)indirect • % Increase in agricultural productivity • Increased environmental sustainability • % Increase in export of agro-processed products • % Reduction in post-harvest losses • Increased industrial investment	TBD (baseline survey)		• Producer/farm-er surveys • Investment tracking reports • Tax records	• Bi-annually	• KNBs • County Trade & Investment Department • Kenya Invest-ment Authority • County Agricultural department		

Level	KPI	Key Indicators	Baseline(year of start of operations)	Target	Means of Verification (Data Sources)	Frequency	Responsible Parties	Assumptions	Report-ing(Where will it be reported)
	Customer Satisfac-tion & Retention	• Customer satisfaction index (retailers, bulk buyers) • Repeat purchase rate from wholesale clients			• Buyer surveys, CRM reports	• Semi-an-nually	• County Govern-ments • Business Devel-opment Units, Off-takers		
	Revenue & Invest-ment Growth	• % growth in turnover for park-based enterprises • Number and value of investment deals secured via forward linkages			• Financial records, • investment reports • Reports from the park	• Annually	• CAIP Investment Units, National Treasury • Park manage-ment		
Outputs		• Number of operational CAIPs • Number of operational value addition warehouses. • Number of CAIPS promoting circularity and green initiatives • Volume/value of products processed at CAIPS • Number of Investors attracted to CAIPS • % completion of park infrastructure (roads, power, water) • Number of SMEs and cooperatives linked to CAIPs • % of youth and women employed • Number of SMEs trained • Number of SMEs linked to CAIPs • % of parks with approved EIA licenses • Number of staff trained • % of CAIPs with functional Management structure • Number of farmers contracted to supply CAIPS • Power consumption in CAIPS in KWHr • Market Access expansion • Number of new domestic and export markets accessed • Number of trade partnerships/MoUs signed • Increase in sales volume/value through CAIPs	0 0 0 0 0 TBD (baseline survey)	7 CAIPs	• Site verification reports • Training atten-dance sheets • Project implementation reports	• Quarterly	• County Govern-ments • MITI • Contractors • National Indus-trial Training Institute		

Level	KPI	Key Indicators	Baseline(year of start of operations)	Target	Means of Verification (Data Sources)	Frequency	Responsible Parties	Assumptions	Report-ing(Where will it be reported)
	SME and Producer Inclusion	• % of park products sourced from SMEs and farmer groups • % of women and youth in forward market linkages • Number of MSMEs linked to value chains			• Cooperative data, SME registries, partner NGO reports	• Bi-annually	• County M&E Teams, Cooperatives, NGOs		
Activities		• Number of CAIPS construction projects initiated and completed • Number of CAIPS connected with enablers • Number of CAIPS operationalized • Volume of raw materials utilized • Number of training SMIs trained sessions conducted • Number of investment forums held • Number of marketing promotional events held • Number of CAIPS management boards established • Number of sensitization forums held • Number of CAIPS connected with power • Number of farmers/SMEs • capacity build • KRA 2: Product Distribution Efficiency • Average time-to-market (from park to shelf/export point) • % reduction in logistics costs • Number of operational distribution centres / cold chains	TBD	47 investor forum	• Construction logs • Training reports • Event report • HR/ governance records Reports	• Monthly	• County Planning & Works Department • Private contractors • COG Secretariat		

Level	KPI	Key Indicators	Baseline(year of start of operations)	Target	Means of Verification (Data Sources)	Frequency	Responsible Parties	Assumptions	Report-ing(Where will it be reported)
	Quality & Standards Compli-ance	• % of products meeting KEBS, HCAAP, Global G.A.P standards • • Number of rejected shipments due to non-compliance			• QA lab reports, buyer feed-back, export rejections	• Monthly / Quar-terly	• Quality Control Units, Export Authorities		
	Market Integration & Visibility	• Number of products listed on digital trade platforms • % increase in online sales/queries			• E-commerce data, trade fair reports	• Quarterly	• Trade and Marketing Units, EAC/COMESA Liaisons		
		• % increase in online sales/queries							
	Farmer Organiza-tion	• Number of farmers organization/cooperatives /off-tak-ers linked to CAIP • Number of Sacco's offering financial products and services • Volume aggregated by organization • Number of farmers linked through the CAIP via farmers organization • Total Value of credit accessed by FPOs from financial Institutions							
	SACCOs	• Number of new farmers accessing input credit/loans through e-voucher • Amount of new loan/credit disbursed to SACCO member under CAIP • No. of Public-Private Partnerships (PPPs) established							

08
Conclusion

8.0 Conclusion

The operationalization of the County Aggregation and Industrial Parks (CAIPs) marks a transformative shift in Kenya's agro-industrial landscape. These guidelines provide a comprehensive framework for planning, implementing, managing, and evaluating CAIPs across all counties to ensure the realization of their full potential.

CAIPs are designed to be the cornerstone of inclusive, county-led industrial development by strengthening agricultural value chains, fostering agro-processing, promoting enterprise growth, enhancing market access, and generating employment—especially for youth and women. Anchored in the principles of public-private collaboration, decentralization, and sustainability, these guidelines offer clear direction on governance structures, management models, risk mitigation, and performance monitoring.

Effective implementation will require strong coordination between the National and County Governments, active involvement of the private sector, and full engagement of local communities and producer groups. The structured approach to governance—from the National Steering Committee to the County Implementation Units—will ensure alignment with national priorities and county development plans.

Furthermore, the inclusion of robust monitoring and evaluation frameworks guarantees accountability, adaptive learning, and results-based implementation. Regular assessments and stakeholder engagement forums will serve as critical feedback loops for continuous improvement and scalability.

Ultimately, CAIPs present a unique opportunity to unlock Kenya's industrial potential from the grassroots, stimulate rural economies, reduce post-harvest losses, and create a self-sustaining ecosystem of value addition. These guidelines are a living document and will be periodically reviewed to remain responsive to emerging realities, lessons learned, and innovation opportunities.

Through disciplined execution, stakeholder collaboration, and commitment to excellence, CAIPs will contribute significantly to Kenya's socio-economic transformation and support the realization of Vision 2030, the Bottom-Up Economic Transformation Agenda (BETA), and relevant County Integrated Development Plans (CIDPs).

"Ultimately, CAIPs present a unique opportunity to unlock Kenya's industrial potential from the grassroots, stimulate rural economies, reduce post-harvest losses, and create a self-sustaining ecosystem of value addition.

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