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# Assessment of Public Employment Services and Active Labor Market Policies in Kenya



Kingdom of the Netherlands



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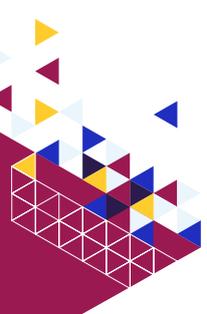
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# Assessment of Public Employment Services and Active Labor Market Policies in Kenya

June 25<sup>th</sup>,2021



A report for the assessment of Public Employment Services and Active Labor Market Policies in Kenya Commissioned by the International Labor Organization (ILO) and the National Employment Authority of Kenya (NEA) under the PROSPECTS Partnership Program.



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# Acronyms

<b>AGAs</b>	Autonomous Government Agencies	<b>KRA</b>	Kenya Revenue Authority
<b>ALMPs</b>	Active Labor Market Policies	<b>KYEOP</b>	Kenya Youth Employment Opportunities Project
<b>APDK</b>	Association for the Physically Disabled Persons of Kenya	<b>LMI</b>	Labor Market Information
<b>BA</b>	BundesAgentur fur Arbeit	<b>LWF</b>	Lutheran World Federation
<b>CHF</b>	Swiss Francs	<b>MoU</b>	Memorandum of Understanding
<b>CUE</b>	Commission for University Education	<b>MSEA</b>	Micro and Small Enterprises Authority
<b>COTU-K</b>	Central Organization of Trade Unions – Kenya	<b>NCPWD</b>	National Council for Persons with Disability
<b>COVID -19</b>	Coronavirus Disease of 2019	<b>NEA</b>	National Employment Authority
<b>CRRF</b>	Comprehensive Refugee Response Framework	<b>NGEC</b>	National Gender Commission
<b>DCA</b>	Danish Church Aid	<b>NITA</b>	National Industrial Training Authority
<b>DRC</b>	Danish Refugee Council	<b>NRC</b>	Norwegian Refugee Council
<b>GCR</b>	Global Compact on Refugees	<b>PES</b>	Public Employment Services
<b>EAC</b>	East African Community	<b>PrEAs</b>	Private Employment Agencies
<b>FGDs</b>	Focus Group Discussions	<b>RAS</b>	Refugee Affairs Secretariat
<b>FKE</b>	Federation of Kenya Employers	<b>SAGAs</b>	Semi Autonomous Government Agencies
<b>HELB</b>	Higher Education Loans Board	<b>TVET</b>	Technical and Vocational Education and Training
<b>IFC</b>	International Finance Corporation	<b>TVETA</b>	Technical and Vocational Education and Training Authority
<b>IHRM</b>	Institute of Human Resource Management	<b>UNHCR</b>	United Nations High Commission for Refugees
<b>ILO</b>	International Labor Organization	<b>UNICEF</b>	United Nations Children’s Fund
<b>IOM</b>	International Organization for Migration	<b>WCAG</b>	Web Content Accessibility Guidelines
<b>KICD</b>	Kenya Institute for Curriculum Development	<b>WEF</b>	Women Enterprise Fund
<b>KII</b>	Key Informant Interviews	<b>YEDF</b>	Youth Enterprise Development Fund
<b>KISEDP</b>	Kalobeyei Integrated Socio-Economic Development Program		
<b>KNQA</b>	Kenya National Qualifications Authority		
<b>KPHC</b>	Kenya Population and Household Census		

# Executive Summary

In October 2020, Elim Capital Limited was commissioned by the International Labor Organization and the National Employment Authority to conduct an assessment of public employment services and active labor market policies in Kenya. This was under the auspices of the PROSPECTS program. Among other objectives, the assignment was to assess in detail the scope for strengthening employment services at the national and local/county level through analysis of the policy and legal frameworks, organizational structure and management, service offer and delivery mechanisms, etc. This assessment report is given as a consequence of this mandate.

## Definitions and Background

The ILO defines employment services thus:

*Employment services match jobseekers with job opportunities and are thus central to a well-functioning labor market. They are provided both by government through their Ministries of Labor and/or by private employment agencies.*

Article 2 of the ILO C088, the convention on employment services states:

*The employment service shall consist of a national system of employment offices under the direction of a national authority.*

For purposes of this assessment, employment service means services and programs for job matching and facilitating the public to access employment or self-employment offered by the public, private and NGO sectors.

The ILO defines ALMPs as policies that provide income replacement and labor market integration measures to those looking for jobs, usually the unemployed, but also the underemployed and even the employed who are looking for better jobs. Active policies are usually targeted at specific groups facing particular labor market integration difficulties: younger and older people, women and those particularly hard to place such as the disabled.

## Historical Background to PES

- Following independence in 1963, the government established the Kenyanization of Personnel Bureau (KPB), which was a unit under the Department for Labor.
- In 1964, Kenya became a member state of the ILO, thereby being party to the ILO convention CO88 on the provision of free public employment services.
- In 1988, the National Employment Bureau (NEB) was established following a Presidential Directive as one of the Departments in the Ministry of Manpower Development and Employment
- The Sessional Paper number 4 of 2013 laid a foundation for strengthening public employment services. It led to the establishment of the National Employment Authority as the lead agency to undertake co-ordination of policy implementation and all employment promotion interventions in the country.
- In 2016, after several years of consultations, the government of Kenya established the National Employment Authority (NEA) through an Act of Parliament. NEA was designated to be the public employment services provider with a national reach.

## Methodology and Approach

The assessment applied qualitative analysis techniques using the ILO analytical framework provided. It employed narrative, phenomenological and case studies approaches. A total of 157 respondents were reached. There were 37 Key Informant Interviews and 20 Focus Group Discussions (FGDs) with an average of six people each. A list of organizations reached is provided in the annexes.

Perhaps the biggest challenge to the assignment was the Coronavirus (COVID-19) pandemic that made access to respondents difficult as many key informants were working from home. Language barrier was another challenge in reaching refugees and forcibly displaced persons in Kakuma and Dadaab camps.

## Findings

Although Kenya has experienced tremendous economic growth in the last 20 years, unemployment still stands at 11.65%. The Kenya Population and Household Census 2019 results showed that the economically active population was 22.3 million, comprising the working (19.7 million) and those seeking work (2.6 million). Females accounted for 50.2 per cent of the total working population.

## Jobseeker Analysis

The assessment established that a majority of jobseekers depended on friends and relatives to pass information on opportunities to them through word of mouth and social media. The number of jobseekers in Garissa County was 172,996 with 49,835 being in Dadaab. In Turkana County, there were 145,174 jobseekers with 45,470 of them being in Turkana West.

Out of the total unemployed youths, 92 percent have no job training other than formal schooling (FKE, 2019). Neither the Public Employment Service nor the private employment agencies offered significant program on career guidance and counselling. Total university enrolment stood at 509,473 in 2019/20 with males being 251,540 and females totalling 161,305. Total enrolment in TVET institutions was 430,598 in 2019; 56% being male and 44% being female.

## Challenges of Jobseekers

The following challenges bedeviling jobseekers were highlighted:

**Costs:** The assessment established that job seeking is too expensive in Kenya. The expenses lie in access to information, documentation, submission of applications, interviews, demands for payments by recruiters, etc.

**Documentation:** Employers demand too many documents from jobseekers.

**Fraud and Scams:** This is a major challenge especially for jobs posted online as many jobseekers end up being conned.

**Corruption:** Respondents complained of nepotism, tribalism and abuse of office in various sectors.

**Lack of Sufficient Qualification/Experience:** young people said that employers demand skills and experience beyond them. This showed the disparity between training and what the labor market needs.

**Few Job Opportunities:** Jobs available are too few, especially in the formal sector.



**No Feedback to Applications:** The majority of respondents said they were unhappy with the fact that most employers do not respond to applications. They said this caused them emotional stress.

## Legal Framework for PES in Kenya

The government has made efforts to provide sufficient legal and policy framework towards employment and a decent work environment. Constitution of Kenya 2010, the Employment Act 2007 and the National Employment Authority Act (NEA Act) 2016 and the Labor Institutions Act all provide a legal basis for employment services.

- Article 41 of the Constitution grants all persons the right to fair labor practices. It also provides for equality in access to employment opportunities.
- Neither the Employment Act nor the NEA Act mentions private employment agencies.
- **Employment Act 2007:** The current employment Act was enacted in 2007 to address labor relations and create an environment for better management of employment relations in the country. The director received notification of vacancies, employer returns and supervised labor migration. The regulatory authority in these clauses is now vested on NEA as per section 45 of the NEA Act..
- Perhaps the most controversial piece of law on governance is article 17 2(d) that provides that the Director General (DG) of NEA must be 35 years old or under at the time of appointment.
- **ILO Conventions:** ILO Convention C088 provides that each member state of the International Labor Organization shall maintain or ensure the maintenance of a free public employment service.

## Policy Framework

All policy framework is anchored in Kenya Vision 2030, the national development blueprint. The blueprint is the long-term development plan for the country, motivated by a collective aspiration for a better society by the year 2030. The vision is further divided into five-year Medium Term Plans (MTPs) tied to the five-year term of the presidency. Kenya is currently implementing the Third Medium Term Plan covering the period (2018-2022) dubbed the Big 4 Agenda.

- The Ministry of Labor and Social Protection is the custodian of the employment policy.
- Creation of productive, decent and sustainable employment opportunities is, therefore, at the core of achieving the country's Vision.
- The current employment policy was formulated in 2013 hence referred to as Sessional Paper number 4 of 2013. The vision of the policy is to generate sustainable livelihoods through productive employment and decent work.
- A study by the African Studies Centre found that policies that promote job creation in Kenya are inadequate because poverty levels have remained high over the years.
- The study further argues that the primary challenge in the Kenyan labor market is not unemployment per se but rather a lack of productive employment and decent work among the poor population given that most people work in the informal sector.

## Findings on Public Employment Services

**PES in Government:** In the Kenyan employment scene, Labor Market Programs and Active Labor Market Policies are formulated and provided by several institutions in different ministries. Provision of employment services is strewn across ministries including Ministry of Labor and Social Protection, Ministry of Transport, Infrastructure and Urban Development, Ministry of ICT, Innovation and Youth Affairs and Ministry of Trade and Industrialization.

Kenya Youth Employment Opportunities Project (KYEOP) is one of the most successful government programs. To date, 33,167 youths have benefitted from training, internships, apprenticeship with master craftsmen and job placement.

**NGOs** have for a long time been interested in poverty eradication through the Grameen Bank model of enterprise development; savings, training and funding. The exception to this is the VSO Jitolee that launched a Job Center in Machakos County in March 2021.

**The private sector** employers (especially banks) seem to thrive in training and skills development in business management and entrepreneurship and business support services. Private employment agencies offer employment promotion through advertisement of jobs online. A few human resource consulting firms provide career guidance, training and interview services for the employers at a premium.

**Private Employment Agencies:** According to NEA's reports, there are more than 367 accredited private employment agencies (PrEAs). Few of these provide employment services to the local market while a majority serve the foreign employment markets.

**PES to PWDs:** Persons with Disabilities (PWDs) find it harder to access employment. The FUZU-NCPWD partnership that brought a WCAG enabled website is innovative and revolutionary. It has enabled many PWDs to access employment services online. The main providers of employment services to PWDs are the NCPWD, a government agency and the APDK, an independent society.

**PES to Women:** The trends in total employment and share of women in wage employment reveal inequities in access to wage employment by women. **The Female Future Leaders Program by Federation of Kenya Employers (FKE)** is the most elaborate program seeking to open up space for the employment of women in high level management positions. **The Women Enterprise Fund (WEF)** provides loan facilities to women individuals and groups towards starting and running small enterprises.

## Refugee Situation

Kenya is home to 494,289 refugees and asylum seekers. The country is signatory to the GCR and the CRRF but has little localized policy framework towards refugee integration. To date, the most comprehensive policy document on refugees in Kenya is the Kalobeyei Integrated Socio-Economic Development Plan (KISEDIP).

- Kenyan government has prioritized Kenyan citizens' labor market access over foreigners, resulting in heavy barriers to refugees and asylum seekers including those from the EAC region. This is happening despite commitments under the EAC Common Market Protocol towards greater regional freedom of movement.
- Refugees have no access to Kazi Mtaani, Youth Enterprise Fund, Women Enterprise Fund or any other ALMP for that matter.
- A study conducted by the International Trade Centre and the Norwegian Refugee Council under the RESI (Refugee Employment and Skills Initiative) in Dadaab revealed that only 17,000 refugees out of 224,462 in the camp were economically active.
- Only 20% of the refugees are skilled.



- The per capita income for Kakuma is about 20 times less than the national nominal per capita.
- The major impediment of refugees' integration is that of documentation.

## Assessment of NEA

The assessment reviewed the policy, structure, services, processes, people and resources of NEA to establish strengths and gaps and thereby propose ways of strengthening the authority to conduct its functions better. It considered operations in Garissa, Kisumu, Siaya, Nyeri, Mombasa and Kasarani which were visited. There were 4 key informant interviews and 21 survey respondents (staff).

- The assessment found that the authority is grossly understaffed. This has resulted in the organization's inability to deliver on public employment services.
- The authority needs to expedite its **delinking** process from the parent ministry to strengthen its structures and deliver the necessary services. The staff in NEA are all civil servants from the ministry of labor, seconded to the authority in the interim.
- There is little or no awareness of the authority or the services it offers.
- There are 30 field offices in 28 counties. Currently, the authority is building a model employment center in Kabete, which will be followed by eight others across the country. Beyond this, the authority may establish satellite offices in every county.
- NEA's vision is on point. However, there is need to tweak the mission statement to reflect the mandate of the authority.
- Stakeholders feel that the officials at NEA do not have an understanding of their mandate and role as a PES
- Labor Market information as a function was retained by the ministry and is not a function of NEA, as per the Act.
- NEA excels in foreign employment services. This has resulted in a power vacuum in the local employment services filled by NGOs, the private sector and other government agencies.
- There is overemphasis on jobseeker registration with some offices still using the old job-seekers cards.
- On employers, NEA lacks an employer's engagement strategy.
- There was no annual reporting of the functions of NEA. Merely the financial reports.
- NEA is primarily funded by the national government through the Exchequer. Additional revenue is generated from licensing fees charged to private employment agencies.
- An analysis of the NEA finances showed that the authority has continuously generated a surplus every year. The managers, however, affirmed that funding is still the major problem.
- The Unemployment Insurance Fund (UIF) scheme proposed by the Ministry of Labor has the potential to fund numerous employment services namely the unemployment benefits by NSSF and the public employment services by NEA.

## Recommendations

**Strategic proposals:** Across the report, pointed proposals are given on specific items. These are further summarised at the end. They include:

**Education and Skills Development:** Introduce continuous professional development trainings for industry trainers and lecturers charged with the responsibility of skills development.

- The country needs to have **skills councils** domiciled **in the Ministry of Labor** inclusive of trainers, employers and government officers for specific industries to learn and formalize new developments in the field with the aim of harmonizing industry practice and training.
- **Documentation:** There is need for the government to operationalize Huduma Number that will replace the ID card, NSSF, NHIF, KRA among others.
- Responsibility **for due diligence** needs to shift to the employer upon recruitment. The employer will use Huduma number to confirm (online) the candidate's qualifications and other details
- The **Job Centre program by VSO** seems promising. Given the fact that NEA also has a similar strategy in its Strategic Plan, a partnership should be forged to roll out the job centers countrywide jointly with VSOs volunteers. This will mitigate the human resource challenges of NEA.
- County governments are designing and offering ALMPs recognizing the need for the youth in their counties to access employment. NEA should provide expertise on these initiatives and negotiate a service delivery framework including shared offices/ job centers. Further, a broad-based partnership with the Council of Governors can see the country governments roll out 47 job centers with NEA's work remaining at support and advisory.
- FKE is NEA's key to accessing employers and thus the partnership should be strengthened.
- NEA should pursue a partnership that takes into account the programs offered within the bank foundations.
- There is evidence that the **MasterCard Foundation** is running a youth empowerment program in Africa that focuses on education, skills development, employability and business development. NEA should pursue a partnership.
- There is need for stronger regulation of PrEAs involved in foreign employment services to manage the cases of mistreatment of Kenyans abroad and workers being charged to access employment. The draft Labor migration policy and bill NEA has developed will significantly improve regulation and service delivery here.
- Facilities should be made accessible to persons with disabilities. The NEA website and NEA-IMS are not accessible to persons with diverse disabilities. These can be made accessible to this unique audience through the use of WCAG.
- To remain visible and build strategic relationships, NEA should hold regular stakeholder engagements. These could be through career fairs (exhibitions and conventions), breakfast meetings, luncheons, LMI report conversations, etc. A stakeholder engagement strategy is required.
- The Ministry of Youth had expressed plans in establishing **youth centers** across the country with internet connectivity. NEA can collaborate with the ministry to co-launch the centers with the youth ministry ensuring access to free internet that the youth can use to apply for employment.



- The congruence of interests presents an opportunity for NEA to train and deploy university and college **placement officers as agents of NEA** to assist them to reach the students from the first day. The placement officers will pass information about registration, processes and available vacancies.
- **Career Guidance:** The authority should hire, train and equip career counsellors to begin offering these services in-house. Further, career guidance virtual classes can be prepared. A mainstream media program on career guidance can equally be rolled out. Additionally, the authority needs to train and certify.
- **Using internet crawlers** and in partnership with PES in the other countries, NEA should get vacancies from across the region.
- **Business Support Services:** NEA should facilitate partners that offer Business Support Services to do so from its job centers. Business advisors can help small scale entrepreneurs do their business plans, spruce up their brand and access bigger markets.
- The authority needs to harmonize its systems and websites to enhance efficacy.
- To solve the problem of no feedback among jobseekers, the portal can have an **automated response mechanism** that will send regret letters to all applicants once the employer makes the recruitment decision.
- Strategic partnerships should be leveraged to cover the resource financing gaps in the authority.

## Broad Based Recommendations

*Staff development and capacity building:* The authority should recruit, train and roll out more officers. Further, there is need for an improved performance management system and a better work-culture.

*Establishment of the Job Centers:* The assessment proposes the roll-out of collaborative job centers with desks for other agencies providing employment services and employers looking to recruit.

*Linkages and Partnerships:* Given the dire lack of capacity, there is need for the organization to invest time and energy on building strategic partnerships and linkages.

## Action Steps

Taking into account the current challenges facing NEA and the need for proper change management in the organization, a phased and progressive approach to the recommendations is proposed. In principle, there are four foreseeable natural steps to optimized service delivery at NEA. These are:

- **Phase 1:** Capacity Development
- **Phase 2:** Forging Strategic Partnerships and Linkages
- **Phase 3:** Roll-out of service delivery
- **Phase 4:** Above and Beyond

## Conclusion

The fact that there are many players from every sector involved in PES, shows how much of a problem unemployment is and how many organizations wish to be part of the solution. NEA is thus well placed to forge partnerships with these organizations and provide PES and ALMPs to solve the problem and ensure a working labor market.



### 01. Introduction

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Kenya has been a member of the ILO since January, 1964. As a partner state, Kenya is a signatory to numerous ILO statutes and conventions. In particular, ILO Convention No. 88 of 1948 governs the provision of public employment services in member countries. The Convention states that “each member (country) of the ILO shall maintain or ensure the maintenance of a free public employment service.” It further outlines the duty of the PES as “to ensure, in co-operation where necessary with other public and private bodies concerned, the best possible organization of the employment market as an integral part of the national program for the achievement and maintenance of full employment and the development and use of productive resources.” The Convention envisages the adoption of specific measures to respond to the needs of certain categories of workers, such as persons with disabilities and young persons.

In 2016, after several years of consultations, the national government of Kenya established the National Employment Authority (NEA) through an Act of Parliament. NEA was designated to be the public employment services provider with a national reach. Previously, the function was executed by the National Employment Bureau in the State Department of Labor.

Other organizations also offer employment services and active labor market policies. NITA has been involved in training (skilling and re-skilling) of the Kenyan workforce since inception. YEDF and WEF have been offering loans to the youth and women respectively geared towards creation of self-employment opportunities. This assessment was commissioned to understand these employment services and the terrain thereby and explore partnerships and strengthening of the service delivery.

The International Labor Organization conducts periodic assessments of public employment services in collaboration with its partner states to establish, among other things, whether the policy and legal framework is adequate and whether the organizations have sufficient capacity to offer quality services. Consequently, this assessment queried the policy framework on employment services and the capacity of NEA to deliver its mandate with the aim of strengthening its capacity and enhancing service delivery.

The report is organized into three parts. The first part is introductory, outlining details of the assessment and the policy and legal framework on employment services in Kenya. The second section addresses employment services offered by the national government, county governments, CSOs, the private sector and services to the vulnerable groups. The final part is an analysis of the National Employment Authority; structure, functions, services among other indicators. Finally, the report concludes with practical steps that can be taken by NEA and other players to strengthen employment services in Kenya.



## Objectives of the Study

The ILO Office in Kenya and the National Employment Authority (NEA) commissioned Elim Capital to conduct a comprehensive rapid assessment of employment services. The aim was to determine the feasibility, nature and scope of employment service strengthening and modernization in the country and in the PROSPECTS target counties of Garissa and Turkana.

The Terms of Reference (ToR) spelt out the following as the assessment's objectives:

- i) To assess in detail the **scope for strengthening** employment services at the national and county level through analysis of the policy and legal frameworks, organizational structure and management, service offer and delivery mechanisms including through partnerships, role of technology in service design and delivery, performance management and results framework, institutional capacity, etc.;
- ii) To propose measures to **strengthen** and modernize public employment services at the national level, possibilities for organizational set-up and collaboration, etc. and at the local level, look at viable options for delivery of employment services where PES presence is extremely weak;
- iii) Assess the likelihood and options for delivering employment services to support jobseekers including refugees and host communities to **integrate** into the labor market through employment (paid or self-employment) as well as boosting their employability;
- iv) Document examples of **international best practices** of PES with focus on countries such as Cambodia, Sweden, South Korea, Morocco and Germany. The emphasis here is to recommend best practices that could be adopted and integrated to strengthen PES in Kenya; and
- v) To explore areas for resource mobilization at national and international level based on the findings of the assessment.

## Study Limitations

In conducting this study, several limitations emerged. These are:

**Subjectivity:** Given the research methodology selected, it is expected that the responses will be subjective and the data may contain biases. All effort was made to validate and clean data received to mitigate this risk.

**Time Constraints:** The assignment was scheduled to take 40 days between December 2020 and February 2021. Given the scope of engagement, however, the assessment was time-barred in getting some responses, especially key interviews. Thus, the assignment spilled over beyond the allocated time.

**Language Barrier:** In engaging with refugees in Dadaab and Kakuma, there were difficulties in communication as some refugees did not speak either English or Kiswahili. In Kakuma, half the refugees preferred Kiswahili (Congolese and Burundian) while the other half preferred English (Sudanese).

**COVID-19 Restrictions:** All the FGDs in Nairobi were virtual. A good number of interviews too. This means that the assessment depended on only words spoken and tone to analyse responses and did not have the benefit of other non-verbal communication cues on some probing questions.

## Commissioning Bodies

### National Employment Authority

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The National Employment Authority is a government agency that was established in 2016 by an Act of Parliament (the National Employment Authority Act, 2016) which effectively provided the legal framework and mandate for its operations. The Authority was created out of the then National Employment Bureau (NEB) which was a department in the Ministry of East African Community, Labor and Social Protection. The Act therefore provided for the transitioning of the Bureau into the National Employment Authority.

NEA's institutional framework was defined to be employment management, enhancement of employment promotion interventions; and increasing access to employment by the youth, minorities and marginalized groups.

### International Labor Organization

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The International Labor Organization (ILO) is a tripartite United Nations agency. Since 1919, the ILO has brought together governments, employers and workers of 187 member States, to set labor standards, develop policies and devise programs promoting decent work for all women and men. The ILO is devoted to promoting social justice and internationally recognized human and labor rights through a decent work agenda.

### PROSPECTS

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PROSPECTS Program is a partnership between the ILO, IFC, UNICEF, UNHCR and the World Bank supported by the Ministry of Foreign Affairs of the Netherlands. It works to provide meso and local level interventions to support livelihoods and decent employment for forcibly displaced persons and host communities in the refugee hosting counties of Garissa and Turkana. Among the key intervention areas identified by constituents is the support for more efficient and effective labor market information systems and public employment services.

The overall outcome of the PROSPECTS project is “improved sustainable living conditions for women, men, girls, and boys in refugee and host communities in Kenya”. This is to be achieved through “increased number of refugees and host community people with enhanced livelihoods and/or employment in safe/decent work”.

Within the setup of the PROSPECTS Program, employment services can support other components. These include the employment intensive investments program, skills and employability as well as entrepreneurship and self-employment support programs to identify and prepare beneficiaries.



## Definition of Key Terms

### Employment Services

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ILO documents reviewed merely outline the function of employment services thus;

*Employment services match jobseekers with job opportunities and are thus central to a well-functioning labor market. They are provided both by government through their Ministries of Labor and/or by private employment agencies.<sup>1</sup>*

There is a definition provided for employment service separate from PES. Article 2 of the ILO C088, the convention on employment services, states;

The employment service shall consist of a national system of employment offices under the direction of a national authority.

Consequently, the convention refers to the PES as the employment service.

For purposes of this assessment, employment service means services and programs for job matching and facilitating the public to access employment or self-employment offered by the public, private and NGOs. In tandem with the outline in the ILO C088, we assessed:

- i) Job matching services (including employment promotion websites);
- ii) Provision of Labor market information;
- iii) Public works;
- iv) Enterprise development geared towards self-employment;
- v) Unemployment benefits; and
- vi) Labor migration.

### Public Employment Services

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According to the Public Employment Services Convention, 1948 (No. 88), the mandate of Public Employment Service is facilitating the matching of jobseekers with enterprises who need workers to fill vacancies. To carry out these tasks, the public employment services usually perform six different functions (WAPES). These are:

- **Job search assistance and matching** by publicly disseminating job vacancies to be filled in order to facilitate rapid matches between supply and demand;
- Provision of **labor market information** by collecting data on job vacancies and potential applicants;
- **Market adjustment** by implementing labor market policies aimed at adjusting labor demand and supply;
- Management of **unemployment benefits** by providing income support for unemployed persons, which includes both unemployment insurance (where benefits are financed by contributions), and unemployment assistance (where benefits are normally financed by taxation and delivery depends on the particular situation of the unemployed);
- Management of **labor migration** by co-ordinating the geographic mobility across borders of persons who want to use and develop their skills in a new working environment. This last function has become an increasing part of the service portfolio in recent years, but is still addressed with some reluctance in labor market policies of countries worldwide; and
- **Regulation** of private employment agencies and collaboration with them.

<sup>1</sup> [http://www.oit.org/wcmsp5/groups/public/---ed\\_emp/documents/publication/wcms\\_140947.pdf](http://www.oit.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_140947.pdf)

The core functions are the first four, with the other two depending on the specific country and local PES. Labor migration management is a detail for a specific labor market group. PES targets the unemployed, the under-employed and those who have stayed from the labor market for a long time (long term unemployed). This therefore means that while the primary target is the youth, the mandate goes beyond those classified as youth by the Constitution of Kenya.

## Active Labor Market Policies

While common understanding of the subject exist, ALMPs are a subject of controversy regarding their definition, their effectiveness and their future direction<sup>2</sup>. Different bodies define active labor market policies differently. The ILO March 2003 paper of the Committee states four broad objectives for ALMPs<sup>3</sup>:

- i) Employment growth;
- ii) Security in change (transitions);
- iii) Equity; and
- iv) Poverty reduction.

These four clearly illustrate the position of the ILO that ALMPs should integrate both economic and social goals.

The ILO defines ALMPs as policies that provide income replacement and labor market integration measures to those looking for jobs, usually the unemployed. However, the underemployed and even the employed who are looking for better jobs can also be included. Active policies are usually targeted at specific groups facing particular labor market integration difficulties: younger and older people, women and those particularly hard to place such as the disabled.

The OECD defines ALMPs as: 'Active labor market programs that include all social expenditure (other than education) which aimed at the improvement of the beneficiaries' prospect of finding gainful employment or to otherwise increase their earnings capacity. This category includes spending on public employment services and administration, labor market training, special programs for youth when in transition from school to work, labor market programs to provide or promote employment for unemployed and other persons (excluding young and disabled persons) and special programs for the disabled.<sup>4</sup>

Active Labor Market Policies are a general denomination for specific policies that could be broadly grouped into four big policy clusters:<sup>5</sup> –

- i) Vocational training;
- ii) Assistance in the job search process;
- iii) Wage subsidies or public works programs, and
- iv) Support to micro-entrepreneurs or independent workers.

<sup>2</sup> INTERNATIONAL LABOUR OFFICE GB.288/ESP/2, <https://www.ilo.org/public/english/standards/relm/gb/docs/gb288/pdf/esp-2.pdf>

<sup>3</sup> GB.286/ESP/1

<sup>4</sup> [https://ec.europa.eu/info/sites/info/files/european-semester\\_thematic-factsheet\\_active-labour-market-policies\\_en\\_0.pdf](https://ec.europa.eu/info/sites/info/files/european-semester_thematic-factsheet_active-labour-market-policies_en_0.pdf)

<sup>5</sup> <https://voxeu.org/article/understanding-what-works-active-labour-market-policies>



## 02. Kenya Country Context on Employment

### Political Landscape

Kenya is a constitutional democracy located along the equator in East Africa, occupying an area of 582,646 square kilometers. The country is home to 47.6 million people with 23.6 million men and 24 million women (KPHC 2019). Kiswahili and English are the national and official languages respectively.

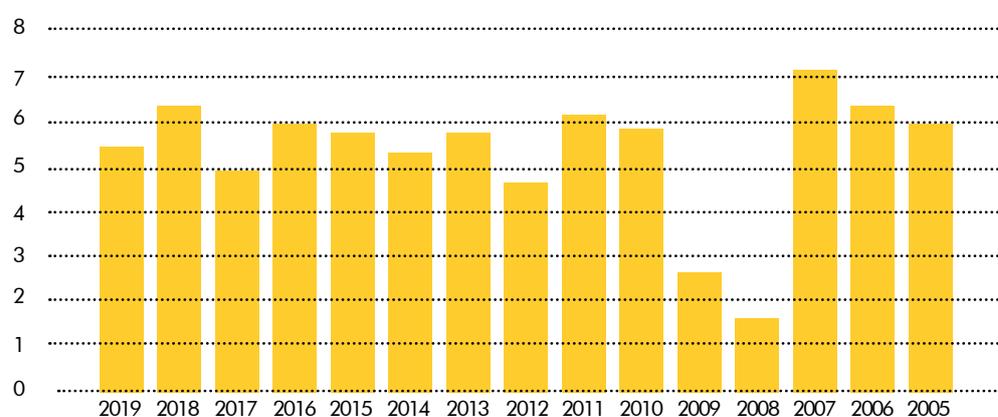
Kenya changed its political and economic governance system with the passage of a new Constitution in 2010 that introduced a bicameral legislative house, devolved county government, a constitutionally tenured judiciary and an independent electoral body.<sup>6</sup>

The country is organized into 47 semi-autonomous administrative units known as counties headed by a governor with a cabinet of at most 10 members. The counties also have legislative units known as county assemblies. The governor, his/her deputy and the members of the county assemblies are all elected officials.

### Socio-Economic Analysis

The country has experienced tremendous economic growth in the last 20 years. In 2019, GDP grew at 5.7%, placing it as one of the fastest growing economies in Africa. Real Gross Domestic Product (GDP) growth is projected to decelerate from an annual average of 5.7% (2015-2019) to 1.5% in 2020 due to the COVID-19 pandemic (World Bank).

Kenya % GDP Growth 2005-2019



Source: KNBS Data (Economic Surveys 2009-2020)

<sup>6</sup> <https://www.worldbank.org/en/country/kenya/overview>

By the time they were retired in 2015, Kenya had met several of the Millennium Development Goals targets. These were reduced child mortality, near universal primary school enrollment, and narrowed gender gaps in education. There were interventions and increased spending on health and education which are now paying dividends. While the healthcare system has faced challenges recently, free maternal health care at all public facilities is expected to improve outcomes and develop a more equitable health care system (World Bank, 2019). Recently, the government commenced the piloting of the Universal Health Coverage (UHC) program that will ensure every citizen has access to affordable health services.

Kenya has a growing youthful population with a median age of 20 years. With unemployment at 11.65%, addressing the challenges of poverty, inequality, governance, the skills gap between market requirements and the education curriculum, climate change, low investment and low firm productivity to achieve rapid, sustained growth rates that will transform lives of ordinary citizens remains a major goal for the country.

## **Employment and Labor**

The KPHC 2019 results showed that the economically active population was 22.3 million, comprising the working (19.7 million) and those seeking work (2.6 million). Females accounted for 50.2 per cent of the total working population. Most Kenyans are employed in the education sector at 20% followed by agriculture, forestry and fishing at 12.2% and manufacturing at 11.1% (KNBS Economic survey 2019).

## **Public Employment Services in Kenya**

After independence, the government established the Kenyanization of Personnel Bureau (KPB), which was a unit under the Department for Labor. Its mandate was to ensure that the vacant employment positions left by expatriates were filled by Kenyans. Kenyans worked as understudies of the expatriates for a given period of time, to ensure smooth transfer of skills and effectiveness in undertaking of jobs upon exit of the foreigners.

The country then joined the International Labor Organization in January 1964, becoming a signatory to convention C088 on public employment services.

In 1988, the National Employment Bureau (NEB) was established through a Presidential Directive, as one of the departments in the Ministry of Manpower Development and Employment. The Bureau was charged with:

- i) Implementation of all policy measures outlined in Sessional Paper No. 2 of 1985 on unemployment (and subsequent Government pronouncements and policy documents);
- ii) Working with both public and private sectors in identifying jobs and placing Kenyans with skills in appropriate positions locally and abroad; and
- iii) Administration of foreign employment through regulation of private employment agencies.

The National Employment Bureau was mandated to establish and maintain Employment Bureaus in every District in line with the Government Policy of District Focus for Rural Development. Before transitioning to NEA, the bureau had 30 employment offices in 28 counties.

The Sessional Paper number 4 of 2013 laid a foundation for strengthening public employment services and the establishment of the National Employment Authority as the lead agency to undertake co-ordination of the policy implementation and all employment promotion interventions in the country.



## ALMPs in Government

In the Kenyan employment scene, Labor Market Programs and Active Labor Market Policies are formulated and provided by several institutions in different ministries.

ALMP	Ministry/ Institution	Programmes
<b>Training, Internship and Apprenticeship</b>	Ministry of Labor <ul style="list-style-type: none"> <li>NITA</li> </ul>	<ul style="list-style-type: none"> <li>KYEOP</li> </ul>
	<ul style="list-style-type: none"> <li>TVETA</li> </ul>	<ul style="list-style-type: none"> <li>Vocational Training</li> </ul>
	Ministry of Public Service, Youth and Gender <ul style="list-style-type: none"> <li>PSC</li> </ul>	<ul style="list-style-type: none"> <li>Civil service internship</li> </ul>
	County Government PSBs	<ul style="list-style-type: none"> <li>County Government internships</li> </ul>
<b>Public Works</b>	Ministry of Transport, Infrastructure and urban Development <ul style="list-style-type: none"> <li>State department of Public Works</li> </ul>	<ul style="list-style-type: none"> <li>Kazi Mtaani</li> </ul>
	Ministry of State for Gender and Public Service <ul style="list-style-type: none"> <li>State Department for youth and Gender</li> </ul>	<ul style="list-style-type: none"> <li>National Youth Service</li> </ul>
<b>Enterprise Development</b>	Ministry of ICT, Innovation and Youth Affairs <ul style="list-style-type: none"> <li>YEDF</li> </ul>	Business loans to groups and individual youth entrepreneurs <ul style="list-style-type: none"> <li>Constituency loans</li> </ul>
	Ministry of Public Service, Youth and Gender <ul style="list-style-type: none"> <li>WEF</li> </ul>	Business loans to individuals and groups of women entrepreneurs <ul style="list-style-type: none"> <li>Constituency loans</li> </ul>
	Ministry of Trade and industrialization <ul style="list-style-type: none"> <li>MSEA</li> </ul>	<ul style="list-style-type: none"> <li>KYEOP</li> <li>Support to businesses</li> <li>Training</li> <li>Business Funding</li> </ul>
<b>Support to PWDs</b>	Ministry of Labor and Social Protection <ul style="list-style-type: none"> <li>NCPWD</li> </ul>	<ul style="list-style-type: none"> <li>National Fund for PWDs</li> <li>Job matching</li> <li>Training and support</li> </ul>
<b>Labor Migration</b>	Ministry of Labor and Social Protection <ul style="list-style-type: none"> <li>NEA</li> </ul>	<ul style="list-style-type: none"> <li>Pre-departure Training</li> </ul>
	Ministry of ICT, Innovation and Youth Affairs <ul style="list-style-type: none"> <li>YEDF</li> </ul>	<ul style="list-style-type: none"> <li>Youth Employment Scheme Abroad (YESA)</li> </ul>
<b>Labor Market Information</b>	Ministry of Labor and Social Protection <ul style="list-style-type: none"> <li>KLMS, NEAMIS</li> </ul>	<ul style="list-style-type: none"> <li>Provide reliable and up to date labor market information</li> </ul>

## Jobseeker Needs Analysis

The findings of the assessment on the profile, needs and challenges of jobseekers in Kenya are outlined below.

### Use of PES

A majority of jobseekers depended on friends and relatives to pass information on job opportunities to them through word of mouth and social media. This is followed by a direct approach to the employer. Less than 2% of the jobseekers used public and private employment services. The low utilization of the employment services may be attributed to a number of reasons. These include limited outreach of the services, lack of awareness on the part of the jobseekers on the existence of such facilities, and real or perceived ineffectiveness of the public and private employment services as a job search model. It is no surprise, therefore, that a majority of respondents did not know of the existence of NEA, leave alone its services.

### University and College Enrolment

Total university enrolment declined by 1.9 per cent to 509,473 in 2019/20 with males being 251,540 and females totalling 161,305. This decline may be partly attributed to the dwindling number of candidates joining universities through self-sponsored programs. (KNBS Economic Survey, 2020).

Total enrolment in TVET institutions increased by 19.7 per cent to 430,598 in 2019; 56% being male and 44% being female. In national polytechnics, enrolment rose by 35.5%

to 102,078 in 2019, while that of public technical and vocational colleges increased by 32.8% to 112,110 in 2019. During the review period, enrolment of male students in TVET institutions accounted for 57.2% of all students (KNBS Economic Survey, 2020).

## Working Population

According to 2019 population census, total employment (formal and informal) is estimated to be 18.1 million with a wage bill for private and public sectors of Ksh 2,279.0 billion. Those in the formal sector are 3.91 million while those in the informal sector are 15.051 million. The census results show that the economically active population is 22.3 million, comprising the working (19.7 million including formal, informal and agriculture and pastoralist activities) and those seeking work (2.6 million) putting real unemployment at 11.65%. Females accounted for 50.2 per cent of the total working population.

The number of jobseekers in Garissa County was 172,996 with 49,835 being in Dadaab. In Turkana County, jobseekers were 145,174 with Turkana West having 45,470 of these.

The assessment found that a majority of jobseekers are aged between 21 and 34 years. On average, they have sought jobs for more than three years. In the process, some have accessed internships, construction work, public works projects like Kazi Mtaani or merely volunteered in organizations. Many remain underemployed in jobs that do not match their skills and talents.

## Training and Skills

Out of the total unemployed youth, 92 percent have no job training other than formal schooling (FKE, 2019). This means that youth unemployment in Kenya is not just about limited employment opportunities but also lack of employability skills. Many respondents had gone through some form of post-secondary school training including computer courses (MS office, Digital skills), business management certifications, crafts, etc. Very few had any training on employability and work-readiness skills.

A research conducted by FKE<sup>7</sup> in August 2020, revealed that most people leave employment because of their inability to work with others. The work-readiness and interpersonal skills training is a significant gap.

Respondents expressed need to train on employability skills, work-readiness, personal finance, interview skills and CV writing. Further, more jobseekers required digital skills training. In the refugee camps, this service is offered by Norwegian Refugee Council (NRC) and Danish Refugee Council (DRC) in conjunction with International Trade Centre in Dadaab and in Kakuma by Danish Church Aid (DCA) and Lutheran World Federation (LWF).

<b>Training Done</b>	Computer Skills (MS Office)
	Business Certification
	Crafts
<b>Training on Demand (Desired Skills)</b>	Work-readiness
	Interpersonal Skills
	Interview and CV writing Skills
	Personal Finance
	Business Management Skills
	More Digital Skills (using the internet for jobs)

<sup>7</sup> THE FKE COVID-19 IMPACT ON ENTERPRISES AND EMPLOYERS SURVEY REPORT 25TH SEPTEMBER 2020



## Career Guidance

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Neither the Public Employment Service nor the private employment agencies offered significant programs on career guidance and counselling. The service is offered by human resource consultants mostly in Nairobi and is charged at a premium. Respondents expressed desire to be guided on interview skills, and career growth.

## Challenges jobseekers face in searching for employment

### Costs

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To seek for a job, one needs to either be equipped with a smart-phone or a laptop with access to the internet as many opportunities come through social media and websites. Constant internet access is also necessary which means spending money on bundles. When applying, there may be need to scan, print or take the application physically to the recruiter's office. In some cases, the applicant is in the counties while the job is in Nairobi. If the applicant is lucky and is short-listed, they must travel for the interview, dressed appropriately. All this is on assumption that all documents required are secured and none of the recruiters asks for a bribe.

All these cost money and the applicant needs significant support not to lose hope.

### Documentation

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Employers demand too many documents from jobseekers. These include copies of identification card, KRA PIN certificate, academic certificates, NSSF card, NHIF card, HELB clearance certificate, CRB clearance and certificate of good conduct from the Directorate of Criminal Investigations (DCI). Many of these documents are obtained on payment of a fee. Some officers issuing them also demand bribes.

### Fraud and Scams

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Fraud is one of the major challenges highlighted. In almost every FGD, respondents complained of coming across fake jobs or being misled to send money for employment. In some cases, demands were made that money be sent to specific persons for generation of certificates of good conduct or release letters. The recipients of the cash were fraudsters who masqueraded as DCI agents. This is especially true with jobs advertised online. Full operationalization of NEA as a trusted PES, providing genuine and verified job opportunities in the labor market will solve this problem.

### Corruption

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Jobseekers lamented that recruiters seem to advertise only for formality when they already have certain candidates in mind. Respondents complained of nepotism, tribalism and abuse of office in many sectors.

### Lack of sufficient qualification/experience

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Young people said that employers demand skills and experience beyond them. This, they said, was either due to the fact that the training institutions did not train them on what the market needs or that they were being denied opportunity to get experience.

### Few formal jobs

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There are more jobs in the informal sector than the formal sector where many jobseekers prefer to work. This has made job seeking too competitive.



## No feedback to applications

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The conventional understanding is that one would expect no feedback when their application is unsuccessful, yet a majority of respondents expressed dissatisfaction with this and said it caused them emotional stress.

## Strategic Proposals to the Challenges

### Education and Skills Development

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To bridge the skills gap between the training institutions and the job market, there should be close interaction between employers and trainers. This will enable training institutions to identify skills gaps in the labor market and train to fill them. To this end, there is need for **continuous professional development trainings** for industry trainers and lecturers charged with the responsibility of skills development. This way, they will keep up with industry developments.

NEA and her partners should start employability improvement programs on job seekers through training on job search skills, internship programs, re-skilling etc. This ensures there is continuous learning and training after formal training.

Secondly, **skills councils** bringing together trainers, employers and government officers for specific industries should be set up. These will study new developments in the field with the aim of harmonizing industry practice and training. Given the high cost of manpower surveys, these will ensure that both academia and industry remain informed of new developments and adapt accordingly. It is proposed that these councils be domiciled in the **Ministry of Labor** so that they are demand-driven.

### Documentation

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Applying for a job in Kenya is tedious because of the number of documents employers require. There is need for the government to **operationalize Huduma Number** that will replace the national ID card, NSSF, NHIF, KRA among others. The Kenya National Qualifications Authority can work with Huduma Number to create a database of all qualifications. In principle, this will reduce a job application to a CV (that has Huduma number) and an optional application letter.

Further, **due diligence** needs to shift to the employer to seek out documentation for the top three candidates or upon recruitment. The employer will use Huduma Number to confirm (online) the candidate's qualifications (KNQA), good conduct (DCI), HELB clearance, creditworthiness (CRB), etc. The employee should only sign an affidavit on the truthfulness of the Huduma Number provided and the data collected on it.

Professional bodies should facilitate young graduates to join with little or no membership fees to build their capacity and create opportunities for mentorship.

There is need to recruit career guidance officers to offer these services and also address the import of TVET training which is currently offering more job opportunities to the youth. Additionally, NEA should pursue **partnership with Teachers Service Commission** to train teachers on career guidance. This will empower them to offer career guidance to their students. Finally, the Authority should develop a comprehensive training content on career guidance and counselling and leverage on technology to offer the service online on its website and the websites of PrEAs.

To mitigate on its low number of staff, the Authority should consider training, accrediting and certifying career counsellors to offer the services across the country.

The phrase 'informal sector' needs to be unpacked and communicated in a better way for young people to see value in the sector.



NEA should consider having a segment for blue-collar jobs in its system and a corresponding segment on the mobile application for informal sector jobs to facilitate welders, plumbers, hair stylists, carpenters, etc.

## Use of Technology in Employment Services

The 2019 Kenya Population and Household Census results show that 20,694,315 individuals aged three years and above owned a mobile phone. More females (10,425,040) than males (10,268,651) owned a mobile phone. The data also shows that 22.6% of individuals aged three years and above used the internet while 10.4% used a computer. More people have access to mobile phones than computers or the internet.

Access to ICT is not a problem among the youth. Some 74% of respondents had smartphones. More people (host and refugees) in Garissa have smartphones than in Kakuma. Among graduates and university students, 99% had smartphones. The major challenge for jobseekers was the internet. Either there was no strong signal or the cost of accessing the internet was too high.

Jobseekers seek opportunities from websites like *Fuzu*, LinkedIn and *Brightermonday*. Others depended on forwards on WhatsApp and were also members of jobseeker WhatsApp groups formed by alumni of the schools/ colleges they attended. Others got information on job opportunities from Facebook.

Internet cafe staff helped jobseekers make their CVs and apply for jobs. No other organization provided support services for job applications. The assessment sought to establish whether use of technology is preferred in accessing employment services. The respondents felt that there was need to move more services online on the ICT platforms. They all preferred online job advertisements.

There are three challenges with technology, however. First, not everyone has a smart-phone and many will not access the services merely due to lack of smart-phones. It might have value to make the right hardware available to these people through job centers in the communities. Secondly, there are many high school graduates in the counties with little or no digital skills at all. This is especially true in the refugee camps as the older generation are ignorant of ICT skills. As part of the training package, there will be need to include a course on digital skills to expose them to use of ICT. Thirdly, internet connectivity in the counties has been a hindrance both to job searching and online jobs with freelancer and other online job portals. The internet signals from all the service providers (Safaricom, Airtel and Telkom) are weak. A partnership with one of the service providers can ensure that internet connectivity is improved and the job centers are provided with adequate internet.

Ironically, while the jobseekers embraced technology, micro and small entrepreneurs shied away from it. Many of them operate in the informal sector and saw no need for using technology, except on the use of mobile money transfer. It is evident that they realized that many of their clients did not know how to use technology and just opted not to lock them out. Priority should be given to these businesses to build capacity and enhance access to online platforms.

## 03. Policy and Legal Framework for Employment Services

### Legal Framework for Employment Services in Kenya

The government of Kenya has made all efforts to provide sufficient legal and policy framework for employment and a decent work environment in the country. The Constitution of Kenya 2010, the Employment Act 2007, the National Employment Authority Act (NEA Act) 2016 and the Labor Institutions Act all provide a legal basis for employment services. These are further supported by the National Industrial and Training (NITA) Act, Micro and Small Enterprises Act (MSEA), Technical and Vocational Education and Training Act (TVETA), among others.

Perhaps one of the most surprising findings in the policy and legal framework, was that neither the Employment Act nor the NEA Act mentions private employment agencies. They are regarded merely as employers or agents in both laws. The Labor Institutions Act of 2007 is the only piece of legislation that extensively covers private employment agencies.

The Act defines PrEAs thus;

- Any person, company, institution, agency or other organization which acts as an intermediary for the purpose of procuring employment for a worker, but does not include newspapers or other publications unless they are published wholly or mainly for the purpose of acting as intermediaries between the employer and the worker; or
- Employment agencies not conducted with a view to profit, that is to say, the placing of services of any company, institution, agency or other organization which, though not conducted with a view to deriving any pecuniary or other material advantage, levies from either employer or worker for the above services an entrance fee, a periodical contribution or any other charge.

Article 41 of the Constitution of Kenya grants all persons the right to fair labor practices. It also guarantees every worker the right to:

- i) Fair remuneration;
- ii) Reasonable working conditions; and
- iii) Form, join or participate in trade union activities and programs and undertake strike action.

Article 43 of the Constitution provides for economic and social rights, which include the right to social security. Additionally, it provides for equality in access to employment opportunities. The Constitution, therefore, advocates for decent work, where freely chosen productive employment is promoted simultaneously with fundamental rights at work, adequate income from work, representation and the security of social protection.

### Employment Act, 2007

The current Employment Act was enacted in 2007 to address labor relations and create an environment for better management of employment relations. It provided for the office of Director of Employment under whom the provision of employment services fell. The director received notification of vacancies, employer returns and supervised labor migration.

Article 76 of the Employment Act, 2007 states that an employer must notify the Director of Employment of every vacancy that occurs in his/her establishment. The article defines



a vacancy as occurring when the post is created or when the person holding the position vacates office. The vacancy notification should have the employer's name and full address, details of the vacant post, minimum qualifications required of the person seeking to be employed in that position, the place of work, the type of work, whether casual, permanent or term contract; and such other information as the director may require. The employer is also required to notify the director when the post is filled or abolished. Additionally, the employer is required to notify the employment service office of the termination of every employment and of each lay-off in writing within two weeks of the termination or lay-off.

At the end of each calendar year, the law required the employer to provide an employer's return to the director not later than 31<sup>st</sup> January of the following year. The return contains a register of all employees engaged by the employer including full name, age, sex, occupation, date of employment, nationality and educational level.

The regulatory authority in these clauses is now vested on NEA as per section 45 of the NEA Act.

The Act further stipulates that a foreign employment contract must have the consent of the prospective employee, provision that the person being engaged is medically fit to enter into contract and must contain the approval of a Kenyan labor officer.

An amendment bill, Employment Bill of 2019 is, however, before Parliament to align the Act to the Constitution of Kenya 2010 and to the current NEA Act. The bill shifts the power and mandate of the Director of Employment to the National Employment Authority. It introduces a one-month maternity leave in case of adoption and restricts employers from engaging a foreigner whose work permit is not regularised. It also introduces flexible working hours, wage payment in foreign currency and assures automatic transfer of employees in case of a merger and acquisition.

## NEA Act, 2016

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To boost the provision of employment services, the government further passed the National Employment Authority Act of 2016 that established NEA.

The NEA Act established the National Employment Authority from the National Employment Bureau, which was an employment office under the state department of labor. It gave NEA the mandate to offer public employment services including labor migration. It further explicitly outlined the roles of training, career counselling and internships as NEA's. On policy, the Act gave NEA the mandate to advise the Cabinet Secretary for Labor and county governments on relevant employment policies. It further directs the Authority to monitor implementation of such policies. Naturally, the policy formulation function remained with the ministry.

NEA is run by a board of directors with representation from Ministry of Labor, National Treasury, FKE, PSC, Association of TVET institutions, two representatives from the National Youth Council, a chair and the Director General. The board has a renewable term of three years. The umbrella workers' trade union, COTU-K, is not represented in the board, and has loudly complained about this marginalization of workers. Article 16 gives the supervision role of the Authority to the Cabinet Secretary in charge of Labor.

Perhaps the most controversial article in the Act is 17 2(d) that provides that the Director General of NEA must be 35 years old or under at the time of appointment. It would be expected that the law would desire that the occupant of this position be most qualified to handle such an onerous assignment, yet it focused on age. On the other hand, the Authority was established to address youth unemployment. Given the youth are considered as a vulnerable group, it is evident the law seeks to protect their interests in NEA. The legal conundrum seems set to ease off as an amendment has been proposed and passed in the National Assembly and is awaiting passage in the Senate. The recently approved staff establishment document requires the Director General to have 15 years' experience, thereby occasioning need to seek amendment and ensure NEA gets a highly skilled DG.

The Act provides for voluntary registration of jobseekers at no cost by NEA. Jobseekers are expected to provide details of their particulars, academic qualifications, work experience if any, areas of specialization and interest, county of origin and disability. Curiously, it requires the jobseeker's ethnicity as well. The Act provides for the registration of Kenyan citizens and residents in Kenya. There is no mention of refugees or members of the East African Community (EAC). The assumption is that EAC members are treated as citizens while refugees are treated as residents.

The jobseeker must authorize the authority to use their data for job opportunities at registration. Additionally, it is the jobseeker's responsibility to update his/her biodata with NEA. Articles 26 and 27 of the Act protect the jobseekers privacy and prohibits the Authority from using the data for any other purpose other than job matching. Registered jobseekers must be prioritized and considered for State jobs without the need for advertisement. The Authority can only advertise after it has established that none of the registered jobseekers is qualified for the vacancy. Private sector jobs must be advertised before any consideration.

The Act is explicit on the need for the Authority to co-operate with employers to get vacancies for jobseekers. However, it gives NEA the responsibility to do due diligence on the employers to ensure they are genuine and the vacancies advertised are in fact, real.

Article 38 provides for NEA's source of funds thus; allocation from the National Assembly, funds raised in operation (appropriations in Aid) and grants/loans from other sources. The law allows NEA to receive funds from partners and other well-wishers but restricts the Authority from receiving any such funds from organizations it regulates. The financial year runs in tandem with the rest of government and ends on 31<sup>st</sup> of June every year.

Other employment services are provided within the context of the NITA Act, the MSEA Act, PSC Act and the National Council for Persons with Disability Act.

## ILO Conventions

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ILO Convention C088 provides that each member state of the International Labor Organization shall maintain or ensure the maintenance of a free public employment service. It further stipulates that the essential duty of the employment service shall be to ensure, in co-operation where necessary with other public and private bodies concerned, the best possible organization of the employment market as an integral part of the national program for the achievement and maintenance of full employment and the development and use of productive resources.

As a member of the ILO, Kenya maintained the National Employment Bureau from 1988 and now NEA from 2016 to register jobseekers and link them up with employment opportunities. Additionally, numerous services affiliated with public employment services are offered by other agencies in government namely NITA, YEDF, WEF, NCPWD, etc.

The convention requires that the employment service consist of a national system of employment offices under the direction of a national authority. The system should comprise a network of local and, where appropriate, regional offices, sufficient in number to serve each geographical area of the country and conveniently located for employers and workers. The full use of employment service facilities by employers and workers must be on a voluntary basis.

Article 4 of the convention requires that suitable arrangements shall be made through advisory committees for the co-operation of representatives of employers and workers in the organization and operation of the employment service and in the development of employment service policy. While this has been achieved through the representation of FKE in the NEA board, COTU, the workers' umbrella union, is not represented presenting an unhealthy balance of influence.

The convention further requires that competent authorities take the necessary measures to secure effective co-operation between the public employment service and not-for-profit private employment agencies. This is further supported in the Private Employment



Agencies Convention C181 article 13 which says that a member state shall, formulate, establish and periodically review conditions to promote co-operation between the public employment service and private employment agencies.

Management of private employment agencies is provided for under ILO convention C181. It defines a private employment agency as any person or organization, independent of the public authorities, which provides one or more of the following labor market services:

- i) Matching offers of and applications for employment, without the private employment agency becoming a party to the employment relationships which may arise therefrom;
- ii) Employing workers with a view to making them available to a third party, which assigns their tasks and supervises the execution of these tasks; and
- iii) Other services relating to job seeking, determined by the competent authority after consulting the most representative employers and workers organizations, such as the provision of information, that does not set out to match specific offers of and applications for employment.

This definition is important as more technology firms like *Fuzu* are providing online job matching services and becoming difficult to identify as PrEAs. The convention requires that PrEAs protect the personal data of workers/jobseekers received during the registration or job application. The PrEAs work should be done in a manner that protects this data and ensures respect for workers' privacy in accordance with national law and practice. Further, the data should be limited to matters related to the qualifications and professional experience of the workers concerned and any other directly relevant information.

Article 7 provides that Private Employment Agencies shall not charge directly or indirectly, in whole or in part, any fees or costs to workers. A member state may, however, authorize exceptions to this provision in respect of certain categories of workers, as well as specified types of services provided by private employment agencies. In Kenya, PrEAs charge commissions to migrant workers sometimes up to six months after recruitment. Locally, the cost is shifted to employers either directly or through advertisements on the web portals.

The convention further provides for the protection of migrant workers against exploitation from PrEAs. It states that;

*"A member [state] shall, after consulting the most representative organizations of employers and workers, adopt all necessary and appropriate measures, both within its jurisdiction and, where appropriate, in collaboration with other members, to provide adequate protection for and prevent abuses of migrant workers recruited or placed in its territory by private employment agencies. These shall include laws or regulations which provide for penalties, including prohibition of those private employment agencies which engage in fraudulent practices and abuses."*

## Policy Context

All Kenyan policy framework is anchored in the Kenya Vision 2030, the national development blueprint. This is the long-term development plan for the country, motivated by a collective aspiration for a better society by the year 2030. It aims to create "a globally competitive and prosperous country with a high quality of life by 2030". Additionally, it seeks to transform Kenya into "a newly-industrializing, middle income country providing a high quality of life to all its citizens in a clean and secure environment". The vision is driven by four pillars -- economic, political and social enablers and macro pillars.

The vision is further divided into five-year Medium Term Plans (MTPs) tied to the five-year term of the presidency. The country is currently implementing the Third Medium Term Plan covering the period (2018-2022) dubbed the Big 4 agenda which focuses on Housing, Food Security, Universal Health Coverage and Manufacturing.

Attainment of this development aspiration hinges on the extent to which Kenya is able to create and nurture a competitive and adaptive human resource base responsive to the rapidly industrializing and globalizing economy. Creation of productive, decent and sustainable jobs is, therefore, at the core of achieving the country's vision.

The Ministry of Labor and Social Protection is the custodian of the employment policy. The current policy was formulated in 2013 hence referred to as Sessional Paper Number 4 of 2013. The vision of the policy is to generate sustainable livelihoods through productive employment and decent work. The policy seeks to:

- i) Promote creation of decent jobs;
- ii) Create green jobs for sustainable livelihoods;
- iii) Build a pool of skilled, adaptive, self-reliant and enterprising labor force;
- iv) Pursue short, medium and long-term employment creation and poverty reduction strategies;
- v) Improve labor market efficiency;
- vi) Strengthen the labor administration system and social dialogue; and
- vii) Promote public-private partnership in job creation.

To achieve these objectives, Kenya will adhere to the following principles:

- i) Employment is multi-dimensional and cuts across all sectors of the country's economy.
- ii) Participation of the private sector is critical for sustainable employment creation, economic growth and development.
- iii) Culture shift from "jobseekers" to "job creators" and self-employment.
- iv) Sound collective bargaining, fundamental principles and rights at work, social and solidarity economy and social dialogue.
- v) Co-ordinated linkages and dialogue between government, education, research and training institutions and the private sector.
- vi) Effective labor market information system.
- vii) Transition to a green economy as a provider of human well-being, source of new decent jobs and supplier of sustenance for poor households.
- viii) Transformative capacity building of institutions and organizations towards employment creation.

In tandem with these principles, the country has seen in the past decade, development of the business space for micro and small enterprises, significant transformation of TVET institutions, and more linkages between government and the education and training institutions. However, gaps still exist in the provision of labor market information and transition to a green economy.

Article 4.12 outlines the government's intent thus;

*To promote employment services, the government will strengthen public and private employment service providers to play a more important role in administration and implementation of active labor market policies; promote access to guidance and counselling, and internet-based job-seeking services; and use of labor market information in job search.*

The policy outlines numerous employment strategies and interventions for Kenya. Of significance are:

- i) Establishment of Special Economic Zones (SEZs);
- ii) Enhancement of growth and development of micro and small enterprises;
- iii) Development and promotion of youth targeted employment programmes;



- iv) Promotion of productivity and competitiveness;
- v) Promotion of adoption of technology;
- vi) Improving linkage between education and training institutions and industry;
- vii) Development and implementation of an integrated industrial training and attachment system;
- viii) Establishment and maintenance of a labor market information system;
- ix) Strengthening the framework for employment services;
- x) Streamlining foreign employment;
- xi) Mainstreaming and promoting gender equity;
- xii) Nurturing and promoting a national values system;
- xiii) Exploiting the potential of social and solidarity economy;
- xiv) Mainstreaming and cascading employment creation; and
- xv) Reinforcing policy, institutional and legal framework.

Consequently, the policy has driven the amendment process of the Employment Act, establishment of NEA and a streamlining of the foreign employment service as envisaged therein.

In the 2018-2022 period, NEA intends to develop and implement a National Internship Program and promote employment. The latter will involve the re-engineering of public employment services; employment creation analysis; development of Guidelines for Employment of Foreigners; labor migration management; and establishment of Labor and Employment Attaché offices.

In tandem with the overall policy of the Kenyan government, the National Employment Authority set targets for itself on its strategic areas namely:

- i) Provision of public employment services;
- ii) Foreign employment management;
- iii) Employment planning and research;
- iv) Policy, legal and institutional reforms; and
- v) Organizational capacity development.

The country has formulated and implemented three broad types of employment-targeted policy interventions. These interventions have been structural in nature, labor-oriented, and macroeconomic based. The structural policies involved Kenyanization (post-independence), rural development, agricultural and industrial promotion and infrastructure development (including the development of the ICT infrastructure under the Kibaki administration aimed at enabling business process outsourcing), productivity promotion and informal sector development. The labor-oriented policies focused on tripartite agreements, wage restraints, provision of labor market information, education and training, and public works programs. The macroeconomic-based policies targeted promotion of economic growth, macroeconomic management, and legal and legislative reforms. The broad policies were augmented with various short-term interventions aimed at addressing particular issues in employment generation.<sup>8</sup>

A study by the African Studies Centre<sup>9</sup>, found that policies that promote job creation in Kenya are inadequate in promoting productive and decent employment. This is so because the poverty levels have remained high over the years. Moreover, the policies have promoted movement of labor towards informal employment and self-employment.

<sup>8</sup> Employment Policy of Kenya, Sessional Paper number 4 of 2013.

<sup>9</sup> Assessment of Productive Employment Policies in Kenya [https://www.researchgate.net/publication/325203172\\_Assessment\\_of\\_Productive\\_Employment\\_Policies\\_in\\_Kenya](https://www.researchgate.net/publication/325203172_Assessment_of_Productive_Employment_Policies_in_Kenya)

The study recommends that to enhance productive employment, rapid increase in labor supply should be accompanied with rapid quality formal employment as opposed to informal employment. Above all, there is need to develop and promote policies that not only encourage growth of formal sector but also formalization of the agricultural sector jobs. Further, the private sector plays a role in creation of employment thus the State needs to encourage private investment through fiscal policy or direct interventions. This will also encourage local production thus ensuring existence of competitive products in the local market.

The study further argues that the primary challenge in the labor market in Kenya is not unemployment per se but rather a lack of productive employment and decent work for the poor. This is more so given the fact that most of the population works in the informal sector. This population tends to be vulnerable and has low productivity and earnings, which effectively undermine the efforts for inclusive and sustainable growth.

### **Strategic Proposals**

The assessment found that there is need for an integrated human resource development policy to guide human resource training in Kenya. Training should be informed by up-to date labor market information.





## PART B

# EMPLOYMENT SERVICES

The assessment found that there are many organizations offering employment services in Kenya. The private sector employers seem to thrive in training and skills development especially in business management and entrepreneurship and business support services in different sectors. Banks, large corporations and business associations excel in these ALMPs. With the exception of FKE, the private sector employers are focused on the informal sector. On the other hand, private employment agencies offer employment promotion through advertisement of jobs online. A few human resource consulting firms provide career guidance, training and interview services for the employers at a premium.

NGOs have for a long time been interested in poverty eradication through the Grameen Bank model of enterprise development; savings, training and funding. There have been questions on the efficacy of the model to eliminate poverty. However, the model still prospers in creating livelihoods for many Kenyans. Leading in this model are Swiss Contact (SC), Norwegian Refugee Council (NRC) and Danish Refugee Council (DRC).

Government provision of employment services is strewn across ministries including Ministry of Labor and Social Protection, Ministry of Transport, Infrastructure and Urban Development, Ministry of ICT, Innovation and Youth Affairs and Ministry of Trade and Industrialization. Little coordination happens between these ministries and the agencies under them creating significant overlaps and gaps that can easily be filled by cooperation. Overall, however, significant developments have occurred in the employment space with the establishment of NITA, MSEA and KNQA in the past decade. The enactment of the new NSSF Act in 2013 equally played a role in equipping the organization to better meet the needs of the labor market.

The section covers an analysis of services offered in the private sector, CSOs and government. Towards the end, it trains its focus on ALMPs both to special interest groups and on a broad spectrum.

## 04. Provision of Employment Services by CSOs

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Throughout the lifetime of the camps in Dadaab and Kakuma, NGOs have continued to work towards enhancing the livelihoods of the refugees and host communities. In Dadaab, the work is anchored on the UNHCR Global Livelihoods Strategy, and it is done through the support of two implementing partners, Danish Refugee Council (DRC) and Norwegian Refugee Council (NRC). In addition, there are four operational partners, Refugee Education Trust (RET), World Vision International, CARE and Lutheran World Federation (LWF). These organizations operate through the support of UNHCR and other donors.

In Kakuma, the UNHCR works in partnership with NRC, Swiss Contact and LWF. All NGOs implement market-based livelihood projects aimed at building the human, financial, physical, social and economic capitals of targeted persons of concern and identified host community members in Dadaab Complex.

These livelihood projects target both refugees and host communities in skills development training. Skilled refugees and host community members access employment (as community workers for refugees and as professional or casual workers for host community) in the camp within the different agencies, international and national NGOs.

In line with the GCR, the NGOs are shifting focus from formal employment to the informal sector through capacity building and measures to strengthen the MSMEs.

The assessment analysed four organizations -- Norwegian Refugee Council (NRC), Danish Refugee Council (DRC), Swiss Contact (SC) and VSO International. NRC and DRC both work in Kakuma and Dadaab, SC in Kakuma and VSO International is national and with no focus on refugees and the host community. SC, NRC and DRC are a representative sample of the UNHCR major implementing partners in the camps while the VSO's job center presented a strategic parallel to NEA's plan.

### Swiss Contact

Swiss Contact is the common brand for the Swiss Foundation for Technical Co-operation. Swiss Contact is a leading organization for the implementation of international development projects. Founded in 1959 and registered under Swiss law, SC is an independent non-profit organization.

It promotes inclusive economic, social and ecological development to make an effective contribution towards sustainable and widespread prosperity in developing and emerging economies.

The organization focuses on vocational education and training, retraining and labor market integration. Additionally, it offers business promotion, focusing on five economic sectors with the best chances for sustainable development: tourism, trade, entrepreneurial ecosystems, green cities, and sustainable agriculture. The focus is meant to create productive jobs, improve incomes, and promote economic well-being without harming the environment.

In Kenya, the organization follows the overall strategic direction of the Swiss government and the Swiss Agency for Development Co-operation (SDC) of focusing on the Horn of Africa and the Arid and Semi-Arid counties in the North.

### Skills for Life Program (S4L)

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Skills for Life is a project funded the Swiss Development Co-operation with the aim of strengthening the income-generating capabilities of unemployed youths between 18 and 25 years (50% refugee and 50% female). It seeks to enhance their access to technical skills training, financial, life and literacy skills for improved livelihoods.



The project targets both members of the host and refugee communities living in Kakuma camp and Kalobeyei Integrated Settlement located in Turkana County. Skills for Life envisions increased youth self-reliance and sustainable contributions to conflict and human rights transformations. This is achieved through better access to jobs, increased income generation and improved livelihood prospects which lead to socio-economic integration of both the refugees and the host community.

Started in 2013, the first phase ran till 2015 graduating 500 youths. Each training cohort goes for two to five months depending on the skills being learnt. The trainees are arranged into learning groups and the skills being taught are dependent on what the trainees actually want. Swiss Contact buys the training equipment and tools shared in the learning groups. Technical skills on offer include welding, plumbing, electrical wiring and mobile repair. Graduates are encouraged to pursue NITA certifications by doing the trade tests. The program is mainly hands-on with little or no theory. Because of its practical nature, some trainees begin to earn from the first month.

The second phase of the project ran between 2016 and 2018 graduating 1,500 youths. Currently, the program is in its third phase that started in 2019 and is expected to run till August 2022. It is targeting 2,000 youths in this final phase.

There are no special space-allocations for PWDs as the project is open to all. In the second phase, however, the project trained a group that had only PWDs as members. At least half of the learners must be women and at least half must be refugees. Recruitment is done through local leaders.

The Skills for Life project seeks to catalyse systemic change in skills development and employment creation. It facilitates flexible, low-cost, market-oriented, and competency-based skills training, which serve to create pathways to decent self-wage employment for the youth.

The project aims to achieve the following objectives:

- i) Increased access to vocational, life, business, financial and when required, basic literacy and numeracy skills among the refugees and the host community;
- ii) Enhanced resilience and livelihood coping solutions through income generation from business groups, self or wage employment, and increased access to financial services;
- iii) Develop a replicable and scalable skills development model for fragile environments; and
- iv) Provide short-term technical and financial support to deliver multiple project interventions and use the Learning Group (LG) model to offer non-formal technical skills training.

The project is executed within three main components:

- i) **The technical skills component** offers training in different sectors within the labor market. These include carpentry, masonry, welding, catering, motorcycle repair, computer and phone repair, hairdressing, bakery, electrical wiring, plumbing, tailoring, barbering, poultry management, screen printing, beadwork, weaving and soap making.
- ii) **The social skills component** spearheads training focused on life skills, sexual and reproductive health, sexual and gender-based violence prevention, sports for development, work readiness and literacy and numeracy sessions.

- iii) **The business support component** delivers training on financial literacy, entrepreneurship, group savings and lending and business support through coaching and mentorship.

Skills for Life is implemented in partnership with the following stake-holders:

- i) United Nations High Commissioner for Refugees (UNHCR);
- ii) Turkana County Government (TVET Directorate);
- iii) Ministry of Education, Sports and Social Protection - Technical and Vocational Education and Training (TVET Directorate);
- iv) Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ);
- v) African Entrepreneur Collective (AEC);
- vi) Faulu Productions;
- vii) Oropoi Pastoralists Poverty Eradication Initiative (OPPEI);
- viii) Seeds of Peace Africa (SOPA); and
- ix) Turkana Christian Development Mission (TCDM).

## Impact

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So far, 3,141 youths (1,916 female) from the refugee and host communities have accessed technical skills training in various trades. Of these, 2,569 youths (1,621 female) from 122 learning groups successfully completed the training. Post-training, 1,227 beneficiaries (822 female) were engaged in wage (190) and self-employment (1,037) as a result of the training.

Some 122 savings groups comprising 1,581 members (253 refugees and 1,281 female) were formed and members saved CHF 303,854 (Ksh. 35 million), loaning out CHF 645,567 (Ksh. 74 million) to each other. Further, 126 business groups were formed and generated income worth CHF 65,586 (Ksh. 7.5 million) from active groups as additional income.



## VSO International<sup>10</sup>

Voluntary Services Organization (VSO) is a network of volunteers present in more than 90 countries. It works through volunteers and partners to empower communities in some of the world's poorest regions. Currently, the organization works through 1,836 volunteers across the globe. Since inception, VSO has worked through more than 80,000 volunteers and reached over 50 million people.

In 2019, the organization spent more than \$56 million across the globe. At least 30% of this was spent on inclusive education, 29% went to resilient livelihoods and 12% spent on healthy communities.

VSO has been working in Kenya since 1959 under the common brand of VSO Jitolee. Its focus has been on three segments – healthy communities, inclusive education and resilient livelihoods.

**Healthy Communities:** VSO works to improve access to, and delivery of, inclusive family planning and sexual and reproductive health services. Focusing on adolescents, people with disabilities and poor rural women, it is reducing inequalities in access to modern contraceptives, supporting women to plan their pregnancies safely. By addressing socio-cultural barriers and collaborating with both public and private sector actors to improve delivery, the organization aims to empower 322,000 women to take control of their sexual and reproductive health.

**Inclusive Education:** VSO works to improve access to Early Childhood Development Education (ECDE), and inclusive education for children with disabilities, with a particular focus on girls. It promotes social inclusion for young people with disabilities, supporting them to benefit not only from opportunities for accelerated learning, but also career and life skills development. The work in ECDE focuses on supporting local governments to improve their provision of early childhood education.

**Resilient Livelihoods:** The VSO youth programming in Kenya focuses on supporting some of the country's most marginalized and disadvantaged young people – particularly those living with disabilities, young girls, young heads of households, and those from informal settlements and pastoralist communities. VSO supports people to develop employability and entrepreneurship skills, empowering them to find employment or establish their own income-generating activities. Currently, the program targets 10,000 young people to benefit from relevant skills development and training, and 5,000 are supported to access entrepreneurship and employment opportunities.

## The VSO Job Center

In March 2021, the VSO country office launched a job Center in Machakos county. This is provided for under the resilient livelihoods program and targets to support the youth in the area to access employment opportunities through employability skills training, career guidance, entrepreneurship training and start-up funding for those keen on starting their own businesses. In the tradition of VSO, the center uses local volunteers to mobilize, train and empower the youth. There are plans to roll out the job centers across the country after the pilot phase is completed in Machakos.

## Norwegian Refugee Council

The Norwegian Refugee Council (NRC) is an independent humanitarian organization working to protect the rights of displaced and vulnerable people during crises. NRC provides assistance to meet immediate humanitarian needs, prevent further displacement and contribute to durable solutions. NRC is Norway's largest international humanitarian organization and widely recognized as a leading field-based displacement agency within

<sup>10</sup> Data from this segment was mainly drawn from the website and interview with beneficiary youth in Machakos. <https://www.vsointernational.org/our-work/where-we-work/kenya>

the international humanitarian community. NRC is a rights-based organization and is committed to the humanitarian principles of humanity, neutrality, independence and impartiality. <sup>11</sup>

NRC works in crises in more than 30 countries, where it helps save lives of vulnerable people in distress. It started relief efforts immediately after World War II when humanitarian needs were critical. Today, NRC works in both new and protracted crises where it provides camp management, food assistance, clean water, shelter, legal aid, and education. In 2019, NRC assisted 9,109,053, needy people in 33 countries.

The agency has worked in Kenya since 2007. The Kenya office works in Kakuma and Dadaab refugee camps with an annual budget of approximately \$5.6 million.

**Education:** NRC provides displaced and vulnerable children and youths with basic education in Dadaab and Kakuma. The education teams in both refugee and host community schools work to:

- i) provide vocational training where students receive professional certification in trades like computer skills, journalism, media and photography, electrical and solar installation, hairdressing and beauty therapy, and tailoring and dress making;
- ii) ensure that children and youths who have missed out on education can catch up with their peers, through accelerated learning and youth programs;
- iii) provide children and teachers with learning materials; and
- iv) conduct continuous professional development for teachers.

**Information, Counselling and Legal Assistance (ICLA):** NRC ensures that vulnerable displacement-affected populations are able to exercise their rights and achieve durable solutions. The organization helps displaced people to understand their rights and provide them with one-on-one legal consultation, assists displaced people to access civil documentation such as birth, marriage and death certificates. It also promotes housing, land and property rights for refugees in camps to support wider protection and self-reliance strategies, supports refugees and vulnerable host community members to register their businesses and formalize community groups with local authorities. Further, it works together with NRC Somalia to provide refugees with information about living conditions in their home countries and inform them about the voluntary repatriation process. It collaborates with government and humanitarian partners to ensure that the legal framework of the country serves to protect displaced people in the long-term.

**Livelihoods and Food Security:** The NRC works to improve living conditions and access to food and livelihood opportunities. Under this program, it provides beneficiaries with higher skills in marketable value chains and increase their basic literacy and numeracy. Further it provides graduates from vocational training courses with business training, grants, start-up packages and multiple services including mentorships and career guidance. It also provides tailored advanced training for young refugees in partnership with social enterprises in pre-identified value chains to access jobs and self-employment. NRC helps refugees and surrounding host communities to form community groups and obtain business licences and access to loans and credits.

**Water, Sanitation and Hygiene Promotion (WASH):** NRC improves access to safe and sufficient water and sanitation facilities, and promotes hygiene awareness in Kakuma and Kalobeyei. It provides clean and chlorinated water, conducts water quality monitoring activities, drills and equips new boreholes with solar power, constructs and maintains water infrastructure and provides latrine cleaning kits and provides materials and labor for construction of household latrine superstructures.



## Danish Refugee Council

Danish Refugee Council (DRC) is a leading private international humanitarian displacement organization, supporting refugees and internally displaced persons in 40 countries. DRC provides protection and life-saving assistance. Founded in Denmark in 1956, DRC employs 9,000 staff and is supported by 7,500 volunteers in Denmark. It is an umbrella organization, including member organizations and volunteer groups. National or humanitarian organizations are eligible for the Danish Refugee Council. However, all member organizations must be non-political.

In Kenya, DRC works in Nairobi, Garissa, Turkana and Mandera counties serving displaced populations. It has an average budget of \$8.3 million. It has one national office in Nairobi and six field offices with a staff establishment of 143. The field offices are in Turkana (three), Garissa (two) and Mandera (one).

### Services and Programs in Kenya

**Protection:** In Dadaab refugee camp near the Somalia border, DRC is one of UNHCR's strategic partners in implementing protection projects such as Sexual and Gender-Based Violence prevention and response interventions. In Kakuma, which is primarily home to refugees from South Sudan, DRC is among UNHCR's lead partners in protection, running initiatives for vulnerable refugees as well as empowerment projects for women, girls and young people. In Nairobi and environs, DRC works with individuals to provide protection against violence and human rights violations and to support self-reliance efforts. The protection interventions undertaken cut across DRC's emergency and durable solutions platforms.

**Livelihoods:** As part of ongoing efforts to promote the self-reliance of refugees and surrounding host communities, DRC is implementing livelihoods projects. These include academic and vocational scholarships for young students, savings and loan groups, market value-chain development, and small enterprise development. Since 2018, DRC has been part of the cross-border project "Building Opportunities for Resilience in the Horn of Africa (BORESHA)" in Kenya, Ethiopia and Somalia. In April 2020, DRC commenced another multi-agency livelihoods initiative with funding from the EU under the Trust Fund for the Horn of Africa, aimed at enhancing self-reliance for refugees and host communities in Garissa County. DRC's approach seeks to promote the attainment of durable solutions for persons and communities affected by protracted displacement.

**Armed Violence Reduction (AVR):** DRC is present in the counties of Turkana, West Pokot, Mandera, Wajir and Garissa contributing to conflict management through education, dialogue and mediation within and between communities. These communities include those across the borders with Uganda and Somalia. The Security governance aspects of the program work on building trust between communities and security/government agencies through promoting conflict management structures and building the capacity of State actors. Analyses of conflict drivers are central to this work, including in connection with large-scale energy and infrastructure investments by external actors. DRC engages in AVR with a view to addressing some of the root causes of conflict and displacement.

### The Youth Empowerment Program (YEP) Centers

In partnership with the UNHCR, DRC runs YEP centers in Dadaab camp. The centers offer:

- i) Vocational and technical skills (recognised national training institutions) training mostly targeting the youth including those out of school; and
- ii) Enterprise development / employment creation; with activities on business training, grants and start-up kit issuance, online jobs / digital work, production activities (bead necklaces, soap production, tie and dye products, agricultural ventures through greenhouse model), community micro-finance scheme through the Village Saving and Loans Association Model (VSLA), market promotion and linkages.

These livelihood projects target both refugees and host community who comprise between 10-20% of the direct beneficiaries in the skills development training.

## Strategic Proposals

The **Job Center program by VSO** seems promising. Given the fact that NEA also has a similar strategy in its strategic plan, a partnership should be forged to roll out the job centers countrywide jointly with VSO's volunteers mitigating the human resource challenges of NEA.

The **DRC YEP centers** present a great opportunity for training and up-skilling of refugees and host community youths on employability skills and awareness creation of NEA services. With NEA rolling out a refugee labor integration program, both DRC and NRC present a good potential for partnership in terms of legal assistance for refugees, training and job placement.

Swiss Contact's **Skills 4 Life** program is the best structured as it encompasses training, funding and business support services. The training is equally multi-faceted with technical, social and business angles. The job placement element still has gaps that can be filled with a strong partnership with a functional NEA.

The human and financial resources available in these organizations can mitigate NEA's weaknesses if the latter can coordinate a common front for reaching the same audience.

## CSOs in employment Services

Organization	Area of Operation	Services Offered
Norwegian Refugee Council (DRC)	Dadaab	<ul style="list-style-type: none"> <li>• Vocational Training</li> <li>• Business Skills Training</li> <li>• Work Readiness Program</li> <li>• Entrepreneurship Grants</li> <li>• Digital Skills Training (for online jobs on freelancer)</li> </ul>
Danish Refugee Council (DRC)	Dadaab	<ul style="list-style-type: none"> <li>• Through the Youth Empowerment Programme (YEP) Centers</li> <li>• Business Skills Training</li> <li>• Work Readiness program</li> <li>• Entrepreneurship Grants</li> </ul>
International Rescue Committee (IRC)	Kakuma	<ul style="list-style-type: none"> <li>• Business Skills Training</li> <li>• Entrepreneurship Grants</li> </ul>
Lutheran World Foundation (LWF)	Kakuma & Dadaab	<ul style="list-style-type: none"> <li>• Business Skills Training</li> <li>• Entrepreneurship Grants</li> </ul>
Danish Church Aid (DCA)	Kakuma	<ul style="list-style-type: none"> <li>• Digital Skills Training (for online businesses)</li> <li>• Business Skills Training</li> <li>• Entrepreneurship Grants</li> </ul>
Swiss Contact	Kakuma	<ul style="list-style-type: none"> <li>• Business Skills Training</li> <li>• Craftsmanship training (mobile repairs, mechanics, carpentry, etc)</li> <li>• Business support services (consistent follow up)</li> <li>• Entrepreneurship Grants (Buying start up equipment for groups)</li> </ul>
USAID's Livestock Market System (LMS)	Kakuma	<ul style="list-style-type: none"> <li>• Work Readiness Skills Training</li> </ul>
World Vision	National	<ul style="list-style-type: none"> <li>• Business Skills Training</li> </ul>
CARE	National	<ul style="list-style-type: none"> <li>• Business Skills Training</li> </ul>
Youth Alive! Kenya	Kisumu	<ul style="list-style-type: none"> <li>• Business Skills Training</li> <li>• Craftsmanship Training in partnership with TVETs</li> <li>• Business support services</li> </ul>
Kenya Youth Employment and Skills (K-YES) <sup>1</sup> USAID/ RTI	National including Garissa county	<ul style="list-style-type: none"> <li>• Training</li> <li>• Business Funding</li> <li>• Labor Market Information</li> <li>• Agribusiness development</li> </ul>



## 05. Employment Services in the Public Sector

Employment service provision in the government is detached, unstructured and often duplicated (Kamau, 2018). This mode of functioning within government has made the provision of employment services costly and to a great degree inefficient. There are many organizations in government offering similar services and are either ignorant of sister agencies or pursue no policies on inter-agency co-operation. There is a need for intergovernmental linkages and interactions on livelihoods and employment services. Agencies like NEA, NITA, NCPWD, NGEC, YEDF among others should interact more as their mandates target the same objectives.

### Ministry of Labor and Social Protection

Even though the NEA Act transferred most of the employment services from the ministry, it still offers numerous services. These include provision of labor market information through KLMIS, and labor policy formulation and co-ordination. Some of these are described below. Apart from the surveys done by the ministry and the KLMIS website, there was little data on the collection of labor market information and how well this is done by the ministry.

On foreign employment, the ministry in collaboration with key stakeholders, has embarked on strengthening labor migration management. There were cases reported of abuse of Kenyan migrant workers in some countries in the Middle East. The abuses include underpayment, excess working hours, contract substitution, assault and confiscation of travel documents. To curb these abuses, the ministry has come up with certain measures listed below.

**Establishment of Labor Attaché Offices:** The Ministry has posted labor attaches to Saudi Arabia, Qatar and the United Arab Emirates. They are mandated to, among other things, address the welfare of Kenyan migrant workers.

**Signing of Bilateral Labor Agreements:** Working with NEA and the Ministry of Foreign Affairs, the Ministry has signed Bilateral Labor Migration Agreements with Saudi Arabia, Qatar and the United Arab Emirates. Further, Bilateral Labor Agreements have been initiated with Oman, Jordan, Kuwait, Bahrain, United Kingdom and Poland. The aim is to conclude these agreements with all the key labor destination countries. Under these agreements, the countries commit to co-operate in the following areas among others:

- i) Recruitment of domestic workers;
- ii) Enforcing the rights and welfare of domestic workers and employers;
- iii) Provision of labor market information;
- iv) Streamlining the recruitment process;
- v) Controlling recruitment cost in both countries; and
- vi) Adopting a standard employment contract for domestic workers, which will be binding among the contracting parties.

**Establishment of Joint Technical Committees:** After signing the agreements, the ministry and her foreign partners have established a joint technical committee to oversee their implementation.

**Labor Migration Data:** The Ministry has enhanced the use of ICT in labor migration management. Recently, NEA rolled out the Kenya Migrant Worker Portal that provides employment services to migrant workers. The portal also collects data on foreign employment. Kenya has also embraced the MUSANED - an electronic platform developed

by Saudi Arabia to facilitate recruitment of domestic workers. MUSANED's benefits include ease of contracting, reduced recruitment costs and increased transparency.

**Pre-departure Training and Orientation:** Pre-departure information has emerged as an important tool for the protection of migrant workers and their families. The challenges associated with lack of pre-departure training mainly affected the unskilled and semi-skilled worker. The program aims at equipping migrant workers with the requisite skills and knowledge which will enable them to overcome the challenges they are likely to face in the host country.

## The Unemployment Benefit

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The ILO convention number 102 article 19 states;

*“Each Member for which this Part of this Convention is in force shall secure to the persons protected the provision of unemployment benefit.”*

In recognition of this article and in response to the massive job losses experienced due to the COVID-19 pandemic, the ministry has commenced plans to roll out unemployment benefits. At this preliminary stage, the ministry is keen on starting it as a contributory benefit to its members.

The ministry and its agencies have commenced the plan to establish Unemployment Insurance Fund (UIF). The Fund's main objectives are to: cushion workers from the loss of income and livelihood; promote active labor market participation; and ensure sustainability in the protection of workers who lose their jobs through situations which are not of their fault or that of their employers.

The specific objectives of Unemployment Insurance Fund will be to:

- i) Provide short-term relief to members and their dependents arising from loss of employment/ livelihood through circumstances not of their own making;
- ii) Provide relief to the dependants of a deceased contributor;
- iii) Facilitate job search to enable return to employment as soon as possible (including retraining, career guidance); and
- iv) Cover employees' statutory contributions (NHIF, NSSF) during the period of receiving the unemployment relief.

To ensure the product meets the needs of the intended clients, the partners have decided to conduct a feasibility and actuarial study to establish viability, the labor market needs, legal and policy framework. The study will answer questions like how much it should be, whether it should be voluntary or mandatory and especially how it can be rolled out to the informal sector. The government is hopeful for a roll-out before end of 2021.

The UIF will support individuals in financial distress by providing them with short-term relief when they become unemployed or unable to work due to illness. The move is supported by both the Central Organization of Trade Unions and the Federation of Kenya Employers.

## National Social Security Fund (NSSF)

The National Social Security Fund (NSSF) was established in 1965 through Sessional Paper Number 10 of 1965 and later on by an Act of Parliament, Cap 258 of the Laws of Kenya. The Fund initially operated as a Department of the Ministry of Labor. This was until 1987 when the NSSF Act was amended transforming the Fund into a State Corporation under the management of a Board of Trustees. In 2014, further transformation happened when the NSSF Act no. 45 of 2013 was enacted.

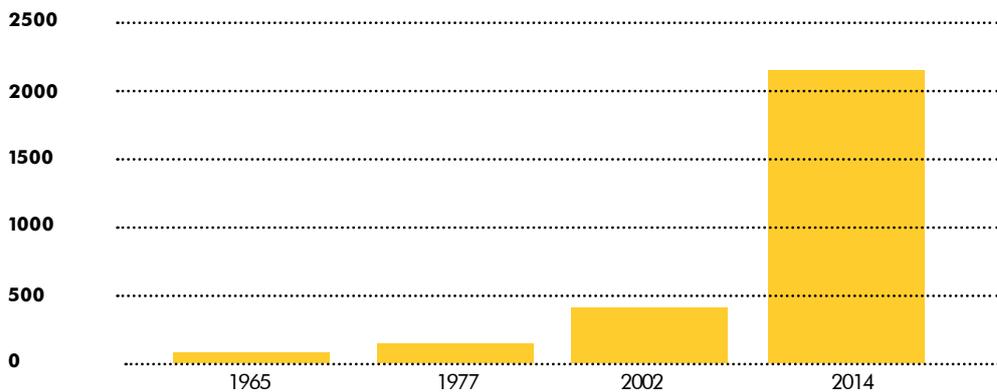


As a tripartite body, the NSSF is managed by a board of trustees with two representatives from government (ministries of labor and finance), two representatives from FKE, two representatives from COTU, three independent trustees and the managing trustee.

NSSF has 59 offices countrywide (48 branches across the counties and 11 sub-branches). It is also present in 52 Huduma Centers offering basic services. The fund has 2.5 million active members and 82,000 employers registered.

In 1965, the contribution to the fund was Ksh. 80 per head. Only men contributed. In 1977, the contribution was raised to Ksh.160 and both men and women were required to contribute. In 2001, contribution went up to Ksh. 400 and later to Ksh. 2,160 in 2014. The last increment brought implementation challenges, however, and many members still contribute Ksh. 400.

### Growth of NSSF Contribution



The fund was established as a mandatory national scheme whose main objective was to provide basic financial security benefits to Kenyans upon retirement. It was set up as a Provident Fund providing benefits in the form of a lump sum.

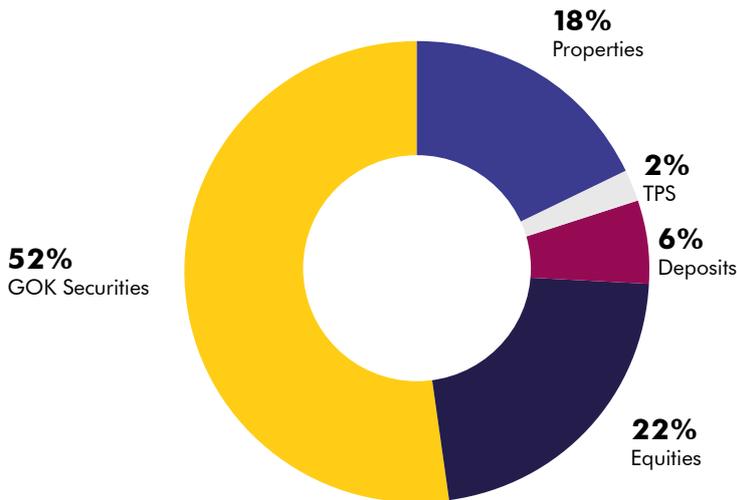
The NSSF Act, No.45 of 2013 was assented to on 24th December, 2013 and commenced on 10th January, 2014. This law transformed NSSF from a Provident Fund to a Pension Scheme to which every Kenyan with an income shall contribute a percentage of his/her gross earnings. Contributors are guaranteed basic compensation in case of permanent disability, basic assistance to needy dependants in case of death and a monthly life pension upon retirement.

The NSSF mandate as stipulated under Section 4 of the NSSF Act 2013 is to register members, receive their contributions, invest the funds prudently, process and ultimately pay out the funds to bona fide members or their beneficiaries. The NSSF provides social security protection to workers in both the formal and informal sectors.

In 2020, member contributions declined by 2.4% from Ksh. 15.10 billion in 2019 to Ksh. 14.733 billion. Benefits paid to members decreased by 10.2% from Ksh. 4.94 billion paid in 2019 to Ksh. 4.43 billion paid in 2020. On the flipside, the investment income increased from Ksh.18.28 billion in 2019 to Ksh. 20.33 billion in 2020. The decline in contribution and benefits is attributed to COVID-19 lockdown which affected businesses and movement in the second quarter of 2020.

A net increase in scheme Funds of Ksh. 14.5 billion was achieved in 2020. The Fund's net assets, therefore, increased by 14% from Ksh.235 billion in 2019 to Ksh.250 billion in 2020. Members' contributions are invested in line with the Retirement Benefits Act investment guidelines and the fund's investment policy. Of these, Ksh. 25 billion are in deposits, Ksh. 126 billion in government securities, Ksh. 53 billion in equities and Ksh. 43 billion in properties. The chart below shows the fund's investment portfolio.

## Portfolio Allocation



**Source:** NSSF Website

According to the NSSF Act of 2013, the NSSF has two types of funds; pension funds and provident funds. However, the fund only has the provident fund currently paid out in lumpsum upon retirement. The pension fund is not yet active even though there are plans to roll it out. .

**Retirement Benefit:** Payment upon the attainment of 60 years and retirement from gainful employment or opting from early retirement from age 50 and above.

**Survivors Benefit:** Payable to dependants upon the death of a member who had contributed for at least 36 months immediately preceding the date of death.

**Invalidity Benefit:** Payable to a member who suffers mental or physical disability of a permanent incapacitation certified by a medical board and who had contributed for at least 36 months preceding the date of incapacitation. Those not meeting the stated requirements will be paid a one-off lump sum.

**Funeral Grant:** Ksh. 10,000 payable to the dependants of a member who had contributed for at least six months immediately preceding the date of death.

**Emigration Benefit:** Payable to a member migrating to a country outside the East African Community with no intention of ever coming back to work/live in Kenya.

**Withdrawal Benefit:** Is payable to a member who wishes to withdraw from the fund, having attained the age of 50 and above and retired from regular paid employment.

The provident fund is payable in lump sum to members above the age of 50 years upon retirement, or their survivors, or in the other cases listed above.

## Partnerships

The NSSF has partnered with the World Bank towards a process re-engineering in line with its Strategic Plan. The objective of the re-engineering is to make its services accessible and user- friendly to members and prospective members.

It has also partnered with mobile telephony firm Safaricom to provide links and connectivity for the branches. Further, Safaricom has helped the fund develop a USSD payment system for the informal clients that do not have access to smart phones and the internet. In addition, Safaricom Loyalty points (Bonga Points) can now be converted to NSSF contributions.

In the informal sector, retention was a challenge as members skipped payments. NSSF worked with Safaricom to provide a direct debit (standing order) feature for the informal sector members. Finally, Safaricom has ensured the presence of NSSF on all its mini applications creating visibility, awareness and ease of transaction.

The fund also has a partnership arrangement with its sister organization, the National Hospital Insurance Fund (NHIF). Because retirement is futuristic, it is not prioritized by many workers. However, health is more present and therefore NHIF tends to receive more attention from workers. To this end, NSSF partnered with NHIF to access its network and offer their services as a package product to the informal sector.

Another strategic partnership the NSSF has forged to access the informal sector is with KCB Bank. Together, they have gone to local markets, created awareness and financial literacy to traders. The sensitization missions have resulted in traders opening accounts with KCB and registering for membership with NSSF. In principle, the partnership has seen the two organizations offer their services as a package. Given the benefits that come from the banking giant, NSSF has benefitted from increased subscription in the sector. KCB Bank-assurance has provided last respect payment to members when the next of kin pass on and convalescent payment of Ksh. 1,500 per day for three weeks when the members are ill and unable to trade. Further, the bank is working on offering loans to the members at concessionary rates. KCB Bank also has a direct debit product to for the informal sector's NSSF contributions.

The final partnership is with the ILO in design and roll out of unemployment benefit. The fund recognizes the wealth of knowledge on the product in the ILO and is collaborating with the latter in the social dialogue forums and the study.

## Employment Services in County Governments

Many county government officials interviewed believed that public employment services should be provided by the public service boards; the human resource management arm of the devolved governments. They expect the public service boards to recruit for them, collect labor market data and provide other labor related functions. But in reality, the boards restrict their functions to human resource management including recruitment, management of civil servants' files and disciplinary action. They do not provide job matching services for the private sector, nor engage with private sector employers as the rest of the devolved governments expect. Further, they do not collect labor market data in the counties or offer any support to jobseekers. In both Turkana and Garissa counties, the only service provided by the public service boards is internship placement within the county government. In the end, there is no intentional structure to offer employment services to the public in the counties analysed.

The County Government of Turkana has partnered with Livestock Market System (LMS) to provide training and career guidance to the youth in schools. The Feed the Future Kenya Livestock Market Systems Activity is a USAID-funded program that will improve people's resilience in the face of stresses and reduce poverty, household hunger, and chronic undernutrition. It hopes to achieve this through collective action; expanded and viable economic opportunities; strengthened formal and informal institutions, systems, and governance; and improved human capital. To achieve these results, approaches must be risk-informed, shock-responsive, and adapted to the distinct characteristics and dynamic context of different groups in northern Kenya's arid and semi-arid lands.<sup>12</sup>

The LMS designed activities based on a comprehensive needs assessment to include youth scholarships, internships, and apprenticeships. Each aspect applies USAID Youth Power's Positive Youth Development framework, which is about building upon the strengths of young people while also creating opportunities to help them achieve their

**12** Source <https://www.acdivoca.org/projects/feed-the-future-kenya-livestock-market-systems-activity/>

goals in adulthood. In Northern Kenya, young people are now gaining work-readiness skills, competencies, and resources, as well as opportunities to enter the economy.<sup>13</sup>

On enterprise development, the county government of Turkana has designed enterprise policies and mechanisms to support youth, women and PWDs to develop and run successful businesses. The Biashara Fund supports individual traders with start-up and expansion capital. Over 2,700 entrepreneurs have benefitted from the fund. Further, the youth and women empowerment fund supports these demographics in business with capital financing. More than Ksh.130 million has been earmarked for the activity. The fund was launched in January 2021 with more than 900 groups applying. The training is over and the fund is due for disbursement.

Moreover, the county government runs an export market product development program. The program provides skill development of packaging and branding to local SMEs making goods for export. Some six SMEs are supported every year with funding, extractive training, and export market access support.

Working with the IFC and UNHCR under the KISED framework, the county government is developing a Biashara Center in Kakuma to serve refugees and host communities. This is a one-stop center for provision of business support services. Services will include licenses, permits, refugee documentation, plot allotments, etc. The UNHCR is constructing the building while the county government will provide staff. NEA will have a desk at the center to provide employment promotion services.

## Strategic Proposals

The overlapping mandates of NEA, PSC, the ministry and other government agencies present an opportunity for collaboration and synergy. Co-operation can be forged towards service delivery. If well executed, the partnerships can ensure NEA's resource weaknesses are mitigated and the organization is still able to deliver services to clients. A common work space for these organizations will ensure that clients have a one-stop shop for employment services and active labor market policies.

County governments are also designing and offering ALMPs recognizing the need for the youth in their counties to access employment. A properly staffed NEA can provide expertise on these initiatives and negotiate a service delivery framework including shared offices.

<sup>13</sup> Source <https://www.agrilinks.org/post/inclusive-market-systems-expand-northern-kenyas-youth-opportunities>



## 06. Employment Services in the Private Sector

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Employment services and active labor market policies in the private sector are offered by business associations, foundations of leading companies especially banks and private employment agencies. Among the associations, the assessment sampled FKE's structure and services. Among the employers, the assessment focused on the services by KCB Foundation and Equity Bank Foundation.

### Employers in the Private Sector

There are three leading business associations in the country; Kenya Private Sector Alliance (KEPSA), Kenya National Chamber of Commerce and Industry (KNCCI) and the Federation of Kenya Employers (FKE).

Principally, employers and associations have contributed to enterprise development of small and micro enterprises through training and funding. A few have ventured into TVET training scholarships for young people interested in developing technical and vocational skills. Among employers, the big banks take the natural lead as they have an interest in the development and growth of these businesses towards their own savings and lending operations. Safaricom Foundation equally finances initiatives of groups. However, their program is unstructured and appears to be more of a competitive funding opportunity available to any worthwhile project as opposed to an elaborate program of training, funding and business support.

### Federation of Kenya Employers

The Federation of Kenya Employers (FKE) is the leading employers' membership body in Kenya. It was established in 1959 under the Trade Unions Act, Cap 233 Laws of Kenya (now repealed) to represent the collective interest of employers. FKE is charged with lobbying and **advocacy** on behalf of employers at the tripartite level involving the Government, Employers and Workers and offering value-added **services** to its members. FKE is represented on the board of the International Organization of Employers (IOE), International Labor Organization (ILO), Business Africa - Employers Confederation whose head office is in Nairobi and the East African Employers Organization (EAEO).

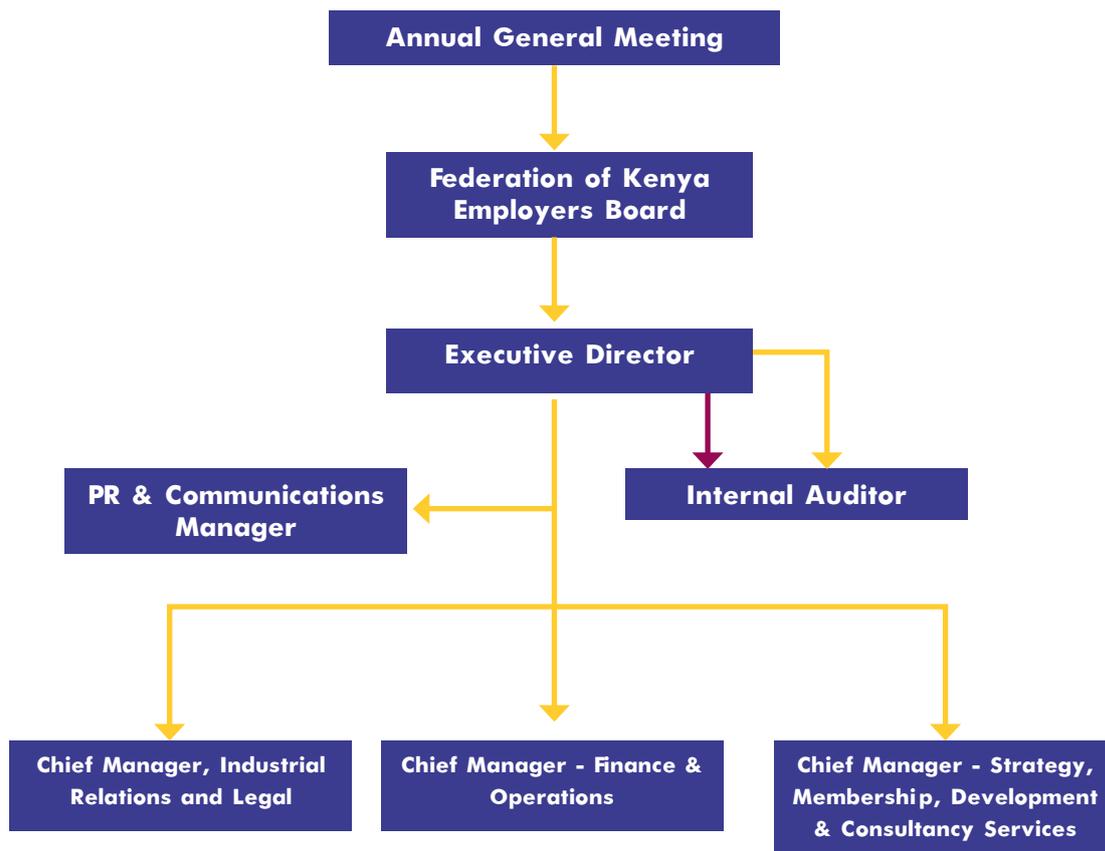
Membership to the Federation is open to all small, medium and large enterprises comprising non-governmental organizations, companies and partnerships both in the private and public sector, including state corporations and County governments. FKE also has membership of employer associations like the Kenya Bankers Association, Motor Industry Association and more recently it welcomed the Boda Operators Association. It has more than 2,500 members across the country who employ more than 1.2 million people. Employers can apply to join the organization anytime through the membership portal on the website.

Members elect a 13-member board consisting of a president, two deputies and 10 members. The board then hires a CEO who becomes the fourteenth member of the board. Functions are devolved into four regions; namely Western, Coast, Rift Valley and Nairobi. Each of the regions has a representative on the board but also have standing committees.

FKE is funded by contributions from members in form of subscription and membership fees and support from partners. In 2019, the federation collected Ksh.189.5 million from its members and made a net deficit of Ksh.100 million given its high-level engagement and numerous activities.

As the leading employers' organization, FKE is represented in high level platforms for advocacy and stakeholder advisory. In 2019, the Business Advocacy Fund (BAF) supported FKE to restart the bipartite discussions with the Central Organization of Trade Unions (COTU) and agree on a joint advocacy strategy to comprehensively review labor laws, the Industrial Relations Charter and eventually advocate for suitable regulatory reforms. FKE held a consultative forum in Mombasa with more than 150 employers. It carried out further internal consultative meetings with its members in Naivasha where proposals on the changes or improvements on the principal Labor Laws and the Industrial Relations Charter were developed.

### FKE's Organizational Structure



The federation runs the following programmes

**Executive Job Matching Services:** The FKE supports members and non-members in the Executive Search and Selection (recruitment) of senior management staff, acting as a private employment agency in that it offers these services at a premium.

**Executive Training:** FKE is a provider of chargeable training services in Kenya for its members and non-member organizations. The training program, which targets managers and senior managers, is aimed at addressing current and emerging business challenges, building members capacity and enhancing business productivity. In partnership with the Institute of Human Resource Management and Law Society of Kenya, FKE ensures that the trainees or participants earn Continuous Professional Development (CPD) points reimbursements from National Industrial Training Authority (NITA). In 2019, 41 in-house training programs and seven open training sessions were conducted for 89 member companies with 1,132 employees in attendance.

The training covers courses on labor laws, outsourcing, discipline management, dispute resolution, negotiation skills, managing employment contracts, compensation management, employee wellness, productivity and Occupational Safety and Health (OSH) among others.

**Female Future Leaders Program:** This program aims at strengthening gender equality in the workplace by improving women's representation in management. It is a training and mentorship program that enhances women's capacity to apply themselves and contribute at a higher level. It was developed in partnership with the Confederation of Norwegian Enterprise (NHO). It is tailor made for the growth-oriented career woman in mid-to-top level management position in the private sector, public sector and civil society, aspiring to be at the apex of both political and corporate leadership. The different modules taught include leadership, rhetoric and board competence which have effectively facilitated all round development of the participants. Since its inception in March 2013, more than 284 women have gone through the program. Some 75% of participants were workers in corporate organizations while 25% were entrepreneurs. All the workers were promoted after the training.

**Kenya Business Disability Network (KBDN):** The KBDN is a network of like-minded companies seeking to address the challenges of PWDs and open up the workplace for them. In partnership with Leonard Cheshire and the APDK, FKE came up with the program to sensitize its members on the need to integrate PWDs and ways of mitigating the challenges therein. The network was launched in November 2020. So far, 152 employers have been briefed and sensitized on the initiative. Some 16 employers have asked for a situational assessment of their policies, facilities and work place culture with the objective of implementing the changes. At least 25 employers are now fully pledged members of the network and 100 PWDs have been employed.

**Better Utilization of Skills for Youth through Quality Apprenticeship (BUSY Project):** The BUSY project is a four-year initiative being financed by the US Department of Labor (USDOL), and implemented by International Labor Organization (ILO) in partnership with the Ministry of Labor, the Federation of Kenya Employers (FKE) and COTU-K.

The overall project goal is to increase decent job opportunities and employability of young people, thereby addressing unemployment, vulnerability and poverty in urban and rural settings. The project's objective is to improve the capacity of Kenyan government and employers to establish and **expand workplace-based training programs** with a focus on vulnerable and marginalized youth. In particular, it targets adolescents at or above the legal working age who are engaged in or at risk of engaging in child labor.

**Global Apprenticeship Network (GAN):** GAN is aimed at encouraging and linking in-country initiatives on skills and employment opportunities for youth and vulnerable groups.



The GAN Member Companies and Partners are leading the way in advocating for Skills for Business and Jobs for Youth. The Program aims at offering a platform for employers in Kenya to share best practices, to advocate and to commit to action around youth employability and skills development. The initiative is driven by business leaders, to promote apprenticeship and internship programs in Kenya.

**Start and Improve Your Business Program (SIYB):** The SIYB program is a system of inter-related training packages and supporting materials for small-scale entrepreneurs to start and grow their businesses. It aims at increasing the viability of Micro, Small and Medium Enterprises (MSMEs) through management principles suitable for the environment of developing countries. The ILO assists Business Development Service (BDS) organizations to develop the skills required to implement, monitor, manage and finance the training program. It also sets up a sustainable training system at the national level, thus contributing to sustainable economic growth and employment generation.

The SIYB program is structured into four separate training packages, Generate Your Business Idea (GYB), Start Your Business (SYB), Improve Your Business (IYB), and Expand Your Business (EYB) which are designed to respond to the progressive stages of business development. Generate Your Business Idea (GYB) targets people who would like to start a business, and who, through the training, develop a concrete business idea ready for implementation. A GYB course typically lasts two to three days. Start Your Business (SYB) is for potential entrepreneurs who want to start a small business and already have a concrete business idea. The program is a combination of training, field work and after-training support, and helps participants assess their readiness to start a business and to prepare a business plan and evaluate its viability. SYB courses are usually delivered in five days.

Improve Your Business (IYB) introduces already practicing entrepreneurs to good principles of business management. Its six modules (marketing, costing, buying and stock control, record keeping, planning for your business, and people and productivity) can be taught individually or all combined in a full course. If the full course using all modules is delivered, its duration is approximately seven days.

Expand Your Business (EYB) gives growth-oriented SMEs the practical tools for business growth, assisting them through training and non-training interventions with a focus on business strategy to expand their business.

The main output from the training program is a business growth plan, which includes chapters on marketing, operations, human resources, financial and strategic management. Chapters can also be used as stand-alone training and support products. If the full content of EYB is delivered, its duration is one to two weeks. Like for the shorter courses above, the course delivery can be spread over a longer time span.

**FKE Human Resource Forum:** The FKE holds roundtable meetings to train members and non-members on emerging issues. Recently, employers from both the private and public sectors in the Western Region congregated in Kisumu to learn how best to make their processes inclusive to facilitate employability of Persons with Disabilities. It did this in partnership with the Central Organization of Trade Unions Kenya (COTU-K), Association for the Physically Disabled of Kenya (APDK) and the National Council of Persons with Disabilities (NCPWDs). The meeting took participants through training that covered language, provisions of the law and its implication for businesses.

**Surveys:** The FKE conducts periodic surveys to inform and support its membership with up-to-date data on key subjects in employment. These include salary surveys, economic surveys, etc. In 2020, FKE conducted a survey on **The COVID-19 Impact on Employers**. With the data learned from the survey, the body was better equipped to advise employers on how to handle the pandemic and to come up with better advocacy with the national government. It generated the return-to-work guidelines and protocols in the face of the pandemic.



## KCB Foundation

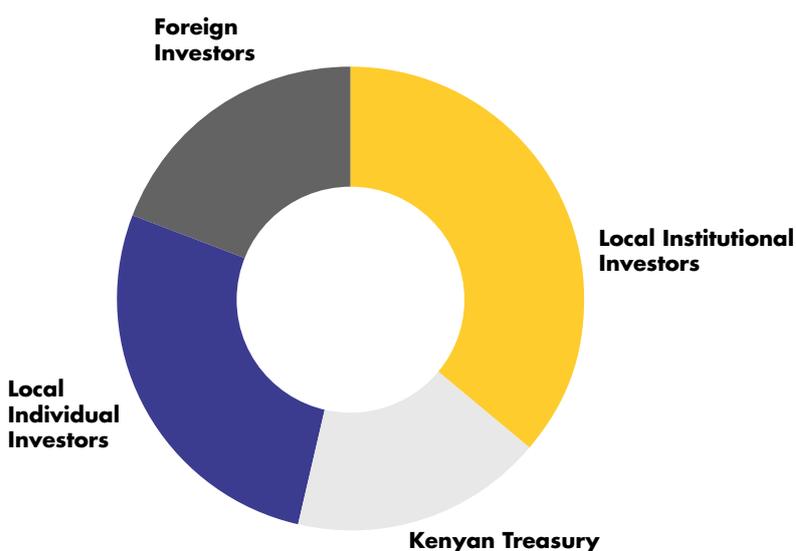
KCB Foundation is part of the KCB Group Plc that houses the KCB Bank (in Kenya, Uganda, Tanzania, South Sudan, Rwanda and Burundi), National Bank, KCB Insurance Agency, KCB Capital and the foundation.

KCB bank started off as the National Bank of India in 1890 in Calcutta before setting up in Kenya. It was renamed Kenya Commercial Bank in 1970 when the government of Kenya bought 60% shareholding. In 2015, after a successful establishment in the region, the bank rebranded to KCB Bank ostensibly to make it neutral beyond the borders.

KCB Bank is the largest bank in Kenya by assets with assets worth Ksh. 988 billion as at December 2020. It is a multichannel bank with the largest branch network in the region standing at 359 as at December 2020. It has more than 20,000 agents and merchants and over 400 Automated Teller Machines (ATMs) spread across the region. KCB employs 5,000 people and boasts of 24 million customers as at December 2020.<sup>14</sup>

The bank is listed at the Nairobi Securities Exchange and cross listed in Kampala and Dar es Salaam Exchanges. The Kenyan government is the main shareholder at 19.76% followed by local institutional investors at 40.31%.

## KCB Group Ownership



Source: KCB Website<sup>15</sup>

The foundation is a wholly owned subsidiary of the KCB Group, established in 2007 to implement the Group's Corporate Social Responsibility programs and as a sign of commitment to sustainable development goals of alleviating poverty. To date, the KCB Foundation has invested an estimated Ksh.3 billion in community programs in Kenya, South Sudan, Rwanda, Tanzania, Uganda and Burundi. The KCB Foundation programs are designed to address issues of relevance specifically within the thematic areas of Education, Enterprise Development, Health, Environment and Humanitarian Intervention. The programs are customized in each of the countries the bank operates to ensure that they are answering to the relevant development priorities.

<sup>14</sup> <https://ke.kcbgroup.com/about-us>

<sup>15</sup> <https://kcbgroup.com/wp-content/uploads/2021/01/KCB-Group-Shareholder-Profile-Dec-2020.pdf>

The foundation is led by a board of seven trustees appointed by the board of KCB Group. The Managing Trustee also sits on the board. The foundation operates one office at Kencom House Nairobi and uses the bank's branch network and web portals to reach its intended audience. Each branch has a champion that leads its operations.

The foundation offers the following services.

**KCB 2jijiri:** 2jijiri is a Ksh.50 billion program whose objective is to empower and equip unemployed and out-of-school youths to grow micro enterprises. This it does by providing them with technical skill training opportunities as well as up-skilling and certifying existing micro-entrepreneurs who wish to move their business from the informal to the formal sector. To date, the foundation through 2jijiri has enabled 34,087 youths across Kenya to access technical skills and financial literacy in agribusiness (17,570), building and construction (9,001), automotive engineering (2,083), beauty and personal care (3,480), domestic services (1,638) and ICT (315).

2jijiri addresses the lack of technical skills through sponsorships to TVET institutions, helping graduates set up businesses and putting them in an ideal position to take loans from the bank and advance their businesses.

**Mifugo ni Mali:** This is a program that seeks to empower smallholder livestock farmers in 10 counties in Kenya through training, funding and support. The program has reached more than 80,000 farmers directly and indirectly through their co-operatives. It trained 71 co-operatives on governance, business plan development and access to credit and spent over Ksh. 20 million in 2019 towards capacity building of livestock farmers. It advances loans to farmers' co-operatives in arid and semi-arid areas.

Since 2017, the foundation has partnered with **GIZs E4D/SOGA-Employment and Skills for Eastern Africa** program. Under this program, 4,000 youths in informal agribusiness and construction sectors in Kenya have been empowered and equipped to increase their employability and income generation. To enable the youths to start their microenterprises, GIZ kitted them with construction starter toolkits.

## Equity Group Foundation<sup>16</sup>

Equity Group Foundation (EGF) is a not-for-profit foundation established in 2008 as the social arm of Equity Group Holdings. It seeks to transform the lives and livelihoods of the people of Africa. The foundation champions the socio-economic prosperity of low-income people via economic opportunities and skills and capacity building tools with a range of financial and technological innovations.

Equity Bank is the largest bank in Kenya by customer numbers and the second largest in assets. It has presence in Kenya, Uganda, Tanzania, Democratic Republic of Congo, Rwanda and South Sudan. In 2020, the bank defied the COVID-19 pandemic and reported a profit of Ksh.22 billion. The group is run by a board of nine members appointed in the Annual General Meetings.

EGF implements high-impact development programs as a unique, innovative model by leveraging Equity Group's infrastructure and resources. This capitalizes on the Group's local presence, mobile tech expertise and significant trust. The foundation forges strategic alliances with development partners, governments, the private sector and local and international organizations to strengthen its work. EGF is committed to impacting the lives of 100 million Africans by 2024.

The foundation is managed by four directors appointed by the bank with the Group CEO as chairman. In 2019, the foundation received donations worth Ksh.1.4 billion.

<sup>16</sup> Data from this segment is adapted from EGF's website. <https://equitygroupfoundation.com/>



## Services

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**Wings to Fly:** The Wings to Fly Scholarship program provides comprehensive secondary school scholarships to academically promising, yet financially disadvantaged youths. Since 2010, some 26,304 scholarships have been offered to scholars from across the country selected through community scholarship selection boards. The scholarship covers school fees, transport, books, pocket money, mentoring, psychosocial support and leadership development. The program is supported by MasterCard Foundation.

Through the Equity Leaders Program (ELP), Wings to Fly graduates get access to professional and leadership development while the top performers are prepared to attend leading global universities. The ELP currently has 13,775 university scholars, with 633 attending, or are alumni of global universities.

**Entrepreneurship Development:** Equity Group Foundation facilitates job creation and economic growth through providing micro and small entrepreneurs with advice, mentorship and entrepreneurship training. The business skills training is based on the International Labor Organization (ILO) Start and Improve Your Business (SIYB) curricula. Digital Literacy training is conducted for micro, small and medium scale enterprises (MSMEs). EGF provides hand holding or aftercare through mentoring and business advisory visits, and also business support and advice through SMS tips. So far, Kshs.44.2 billion has been disbursed to 122,330 MSMEs under the Young Africa Works Kenya program.

**Financial Knowledge for Africa (FiKA):** EGF in partnership with MasterCard Foundation launched Financial Knowledge for Africa (FiKA) in 2010, to deliver quality financial literacy training to women, youths and micro-entrepreneurs from low-income areas. The program, which covers budgeting, savings, debt management and financial services and products has trained over 2.1 million people. EGF developed a tailored training curriculum for the various target groups, delivered in two approaches:

- i) **Classroom approach:** This is on experiential and practical basis, through the use of adult learning principles; and
- ii) **Digital approach:** This is a supplementary learning approach where learning information is embedded in the Equitel SIM in easy-to-read formats.

**Food and Agriculture:** As a member of the Malabo Declaration, Equity aims to accelerate economic growth by commercializing agriculture to help create jobs, improve market access, and expand agricultural production through partnership with farmers and other key players. Through partnerships, EGF has implemented different projects that have improved the lives and livelihoods of agribusiness entrepreneurs. To date, two million farmers have been supported to access agricultural finance. Of these, 39,521 small and medium farmers have been supported with capacity building and/or agricultural finance. The program has also seen enhanced commercialization of 2,616 medium sized farms in Eastern, Central and Rift Valley regions.

As part of the Food and Agriculture program, Financial Access to SME & Rural population in Agriculture using Technology (FASRAT) project targets 60,000 farmers and 5,000 SMEs within a period of three years. So far, 23,629 farmers have been trained on financial education, agribusiness and good agricultural practices and 1,134 SMEs on entrepreneurship.

**Equity Afia Clinics:** Equity Afia (EQA) was established in 2015 under the Equity Group Foundation's health pillar as a response to the growing need for affordable and accessible quality healthcare for Kenyans. EQA operates a franchise of medical outpatient centers, run by qualified and experienced doctors who are alumni of the Equity Leaders Program. Currently, Equity Afia runs 33 medical centers in Ongata Rongai, Kawangware, Buruburu, Kayole, Thika, Ruiru, Nyeri, Nakuru, Kahawa West, Kikuyu, Utawala, Karatina and Kitale among others. To date, 126,503 patients have been served.

**Energy and Environment:** EGF focuses on promoting the conservation of natural resources through expanding forest cover, improving water security and providing renewable energy and energy efficient technologies as smart alternatives with no negative effects on the environment. Because energy is a key resource in household, institutional and industrial operations, access to affordable and suitable clean energy for all is an important goal.

Equity Group Holdings, through EGF seeks to increase awareness of the benefits of clean energy for cooking, lighting and heating for both domestic and industrial use. In this regard it has supported solar-based irrigation, installation of bio-digesters, water storage and purification and distribution of clean energy products. To date 1.4 million trees have been planted and \$13 million worth of clean energy products distributed.

## Social Protection

EGF, utilizing the Equity Group payment system, provides Cash Transfer Programs while at the same time leveraging on innovative delivery models that co-create enrolment and payment solutions for the vulnerable. These include Elderly Persons, Orphans, Persons with Severe Disabilities, persons living in Arid and Semi-Arid Lands (ASALs), Internally Displaced Persons, Refugees and other Vulnerable Persons. In partnership with Governments, Humanitarian and Development agencies, the Foundation transforms lives and livelihoods by providing inclusive financial services to thousands of marginalized and vulnerable people in Kenya, Uganda, Rwanda and South Sudan through these strategic initiatives. To date, 3,330,195 beneficiaries have been reached with social protection programs worth Ksh. 74 billion disbursed via cash transfers.

**COVID19 Response:** Equity Group Foundation, with support from the Mastercard Foundation, announced a commitment of Ksh. 1.1 billion to provide Personal Protective Equipment (PPE) to frontline medical staff dealing with COVID-19 patients in public hospitals in Kenya.

## Strategic Proposals

FKE has offered NEA numerous platforms for partnership and is amiable to expand that partnership. Given the challenges the authority has had in accessing employers, the former is probably its key to employers and thus the partnership should be strengthened.

Both KCB Bank and Equity are potential partners in the provision of active labor market policies especially in enterprise development. The two banks are also natural partners when it comes to refugee livelihoods.

NEA should pursue a partnership that takes into account the programs offered within the bank foundations and ensure access of the same to refugees and host communities. Further, a deepening of these services in respect of the dire need in these camps can be negotiated. Special interventions for women and PWDs can be pursued.

Finally, there is evidence that the MasterCard Foundation is running a youth empowerment program in Africa that focuses on education, skills development, employability and business development. The trend is that the foundation works with established brands in the region to deliver the said objectives. Given its ambitious plans and as the legally empowered PES in Kenya, NEA stands a good chance of forging a partnership with Mastercard Foundation in areas of training and enterprise development.

## Private Employment Agencies

According to NEA's reports, there are more than 367 accredited private employment agencies (PrEAs). Few of these provide employment services to the local market while a majority serve the foreign markets. These agencies are further served by independent human resource consultants. Most of them are located in Nairobi and Mombasa.



The dominant local PrEAs fall into two categories. First, there are technology platforms with job matching services most popular in towns but reaching the rural areas as well with the penetration of internet connectivity. The second category are the human resource consultants recruiting specialized cadre of workers mainly for white-collar jobs. These are predominantly present in Nairobi. Ironically, these PrEAs serving the local market are neither registered, licensed nor monitored by NEA even though, according to the ILO C181, they fall within the purview of PrEAs. The list of registered agencies had none of the most locally active private employment agencies, including some analysed in this report.

The Labor Institutions Act is the only legislation that defines PrEAs and offers guidance on their regulation. The National Employment Authority charges KSh. 500,000 license fee per agency in foreign employment with a renewal fee of Ksh. 250,000 per annum. Agencies in the local employment market pay a fee of Ksh.125,000 with a renewal fee of KSh. 75,000. The agencies complained that the fees are too high given the fact that local recruitment is mostly free with employers only charged a minimal fees and foreign employment is expensive.

The foreign employment service PrEAs are mostly foreign-based but have opened local offices to serve their host country's labor markets. This is especially true with agents from the Middle East. A few are local businesses keen on facilitating Kenyans to work in the global labor market. There is a growing number of Kenyans accessing the labor markets in Europe, South Africa and the Americas courtesy of these agencies. These form the bulk of membership at the Kenya Association of Private Employment Agencies (KAPEA), the umbrella association of PrEAs.

The assessment found no aggregated data on all these private employment agencies. However, the report samples two local agencies and one international one to paint a picture of their operations.

## Fuzu<sup>17</sup>

Fuzu is East Africa's most active career development platform. It offers job vacancies from local, regional and international employers. Jobseekers can browse through the applications, register as users, develop their CVs and make applications. It provides personalized support to job seekers, amplifying their profiles and helping them with their CVs. The platform also facilitates personality and talent tests that make recruitment easier for employers. The machine learning technology used cuts down recruitment time by 80%.

The site provides a digital learning platform for internally developed videos by the staff or users on subjects like interview skills, how to make good CVs, etc. Further, it provides links to learning platforms like Udemy where jobseekers can learn new skills digitally. The learning tools are adapted for local use. While most of these services are free for jobseekers, employers are charged a fee for use depending on their needs.

Currently, the site has more than a million registered users and has processed over five million job applications. Most jobseekers interviewed seemed to know and use online employment platforms like *Fuzu*, *Brightermonday* and *Reliefweb*.

Fuzu has partnered with NCPWD to develop a website that is WCAG (Web content accessibility guidelines) compliant. These are basically a set of recommendations that make web content accessible or easier to use for people with disabilities. WCAG is guided by four principles that provide the foundation for web accessibility: perceivable, understandable, operatable and robust. Jobseekers with varied disabilities can now look for opportunities in the FUZU-NCPWD portal with the link present in both websites.

Fuzu has also partnered with Mercy Corps to provide a website for refugees in Uganda. Through the Fuzu employability initiative, the portal is meant to help people who are marginalized get employment opportunities and career growth. It also protects them from exploitation and ensures fair remuneration.

<sup>17</sup> [www.fuzu.com](http://www.fuzu.com)

## Manpower Services Group

Manpower Services is a recruitment agency based in Nairobi incorporated in 1990 with Manpower Services (K) Ltd. as the first operating company. It operates in Kenya, Uganda and Tanzania.

### Services

**Recruitment / Executive Selection:** Manpower has interviewed more than 100,000 middle level to CEO candidates for the parastatal, private and NGO sectors over the last 30 years. As the leading Executive Selection Consultancy, it has received over 15,000 CEO to lower calibre recruitment orders across all sectors since January 1990, across East Africa and beyond. Its operations stretch to Sudan, Nigeria, Ethiopia, Southern Africa and China. Manpower has recruited eight university Vice Chancellors in Kenya, two bank CEOs including the current group CEO of KCB Bank. In 2000, Manpower recruited the pioneer engineers and staff to launch Safaricom, which has become the biggest and most profitable mobile phone company in East Africa.

**Staff Training:** Manpower has trained more than 100,000 executives and staff across East Africa since 1991. Their trainings include but are not limited to:

- i) Debt collection and credit control;
- ii) World class customer Care;
- iii) Team building; and
- iv) Pre-retirement / job separation Etc.

Other services Manpower has offered organizations over the years are Job Evaluation and Salary Organization/Restructuring.

Recruitment services are charged on the employer paying a one-month salary equivalent plus taxes.

### SoMoServe

SoMo is a management firm incorporated in Kenya as a manpower placement company for all job categories. It is also registered by the National Industrial Training Authority (NITA) to conduct pre-departure training for both skilled and non-skilled workers in all technical areas including home care management and health care.

In Kenya, the company has three offices in Nairobi, Malindi at the coast and in Meru in central Kenya region.

SoMoServe's governance structure comprises of professionals with both national and international experience in the management of human and financial resources. Its day-to-day operations are carried out by a Managing Director who reports to the Board of Directors.

The agency offers professional career coaching and capacity building for both jobseekers and those in employment. Among the training programs offered are job deployment training for local employees and pre-departure training for migrant workers destined for employment outside the country. Others are customer relations, communication, mentorship, facilitation of high-level strategy formulation meetings, team work and strategic planning for employers seeking to enhance their efficiency. Other services include:

- i) Recruitment & job placement;
- ii) Performance management & career development;
- iii) Investment management advisory;
- iv) Training & capacity building; and
- v) Reorganization, realignment and downsizing operations.



In particular, the company has recruited house-helpers to the Middle East, nurses in Europe and drivers in Dubai, among other job cadres.

### Analysis of PrEAs services offered

Services Offered for Free	Job Seekers	Employers
(All)	Job Seeker Registration	Employer Registration
	Job application portals	Job advertisements
	Employment Data and Trends	Employment Data and Trends
	Special service to PWDs (only Fuzu)	N/A
Services offered at a fee	CV writing & Interview Skills Training	Job Matching
	Career guidance and coaching	Interviews

## Strategic Proposals

Given Kenya’s history with labor migration especially to the Middle East, there is a clear need for stronger regulation of PrEAs involved in foreign employment services. The law should be strengthened in this regard to define and provide guidelines of operations for PrEAs. **The draft Labor migration policy and bill** NEA has developed will significantly improve regulation and service delivery here.

Further, it is apparent there are PrEAs that charge jobseekers for accessing employment locally and in the foreign markets. This is illegal as per the ILO provisions on PrEAs. NEA should put in place mechanisms to regulate the industry and eliminate these unethical practices.

As provided for in the NEA Act, a closer collaboration between NEA and the private sector and in particular employers and private employment agencies should be forged. A **service delivery collaboration** between NEA, PrEAs and employers will make the employment market more robust.

This partnership should be through regular roundtables, visibility in the association’s events and provision of quality services.

At an industry level, the service delivery is too weak as most of the services are not personalized. In essence, the service delivery is limited to online registration, access to the job vacancies and applications. The jobseeker does not have access to career mentorship in many cases and lack personalized service. The Kenya Association of Private Employment Agencies (KAPEA) and the Institute of Human Resource Management should work with members to improve the quality of service delivery and enhance peer learning.

## 07. Refugee Integration

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### Governing Policy for Refugees in Kenya

According to the UNHCR, Kenya is home to 494,289 refugees and asylum seekers. A majority of these are from Somalia. Other nations represented include South Sudan, Sudan, Democratic Republic of Congo and Uganda. Some 44% of these reside in Dadaab refugee camp, 40% in Kakuma and 16% in the country's urban areas. 51% are men while 49% are women.

As a member state of the UNHCR, Kenya is party to the Global Compact on Refugees (GCR) whose objectives are to:

- i) Ease pressures on host countries;
- ii) Enhance refugee self-reliance;
- iii) Expand access to third country solutions; and
- iv) Support conditions in countries of origin for return in safety and dignity.

The GCR seeks to achieve these four interlinked and interdependent objectives through the mobilization of political will, a broadened base of support, and arrangements that facilitate more equitable, sustained and predictable contributions among States and other relevant stakeholders. Implementation is done through the Comprehensive Refugee Response Framework (CRRF), which is a major component of the GCR.

There is no localized policy and legislative framework on integrating refugees and forcibly displaced persons. A Bill that will govern the refugee affairs (refugee Bill of 2020) is before Parliament awaiting enactment. The CRRF is yet to be domesticated in Kenya with a corresponding internal policy document.

Kenya's current refugee policy approach remains one of encampment, a major departure from the past policy that allowed refugees to settle and work within the population in towns. The high influx of refugees from Somalia and South Sudan in the 1990s made the government to adopt the encampment policy. Today, if refugees wish to live or travel outside of the camps, they must first obtain special passes, which are only granted for a limited number of reasons (Karen 2020).

The Kenyan government is a signatory to various regional and global policy frameworks that advance refugees' self-reliance and inclusion. The government has been positive on the international stage, espousing support for refugees' inclusion, right to work and freedom of movement. But on the domestic front, narratives have been negative, portraying refugees and other migrants – particularly Somalis – as a threat to national security, while pointing to concerns of criminality and corruption linked to 'illegal migration'. In 2016 for instance, the government announced its decision to close down Dadaab refugee camp, whose population is predominantly Somali. The Kenyan courts ruled the move unconstitutional.

On the contrary, significant progress has been registered at the county levels. Unlike their national counterpart, the county governments have been consistent in their support towards refugee inclusion. The most comprehensive policy document on refugees in Kenya is the Kalobeyei Integrated Socio-Economic Development Plan (KISEDIP). The plan has been developed by the County Government of Turkana, UNHCR and other partners towards an inclusive development of Turkana West in a manner that will benefit both refugees and host communities. KISEDIP has been incorporated into the Turkana County government CIDP (County Integrated Development Plan).



Kenyan policies have not yet fully appreciated and incorporated the development benefits of labor migration. Since independence, the government has prioritised Kenyan citizens' labor market access over foreigners, resulting in heavy barriers to refugees and asylum seekers including those from the EAC region. This is happening despite commitments under the EAC Common Market Protocol towards greater regional freedom of movement. Policy is, however, developing towards informal jobs and small business support.

Delayed enactment of **the Refugee Bill** is a significant impediment to the integration of refugees into the Kenyan economy. There are many recorded benefits to hosting refugees to developing countries. They increase productivity through entrepreneurship, expand the skills in an economy and expose the local population to new technologies and ways of doing things. Before the encampment policy, the Somali refugees in Nairobi and other parts of the country aggressively focused on entrepreneurship. A study done jointly by ILO and OECD in 2018 revealed that immigrants' contribution to a country's economic growth was restricted to the immigrants' engagement in the labor market. A passive labor force in camps will not contribute to significant economic growth.

The Kenyan public has mixed feelings about refugees (Karen, 2020). A majority prefer less migration into the country, but are friendly to the refugees once in the country. 75% of Kenyans prefer that refugees stay in camps and are indifferent about refugees' right to work. Attitudes are more positive towards inclusion in areas of Kenya where refugees are concentrated. Tensions have been documented indicating that host communities feel that refugees are better off in terms of education, health and social support due to the assistance of humanitarian agencies. Yet these tensions are harbored quietly as studies have shown positive interactions and friendship between host community members and refugees in refugee-hosting areas, particularly those surrounding Dadaab and Kakuma.

## Analysing Refugee Integration

A study conducted by the International Trade Center and the Norwegian Refugee Council under the RESI (Refugee Employment and Skills Initiative) in Dadaab revealed that only 17,000 refugees out of 224,462 in the camp were economically active.

There is no program by the government to integrate refugees into the local labor market. While numerous efforts have been made to give Kenyan youths access to livelihood, refugees are neglected. They have no access to Kazi Mtaani, Youth Enterprise Fund, Women Enterprise Fund or any other fund for that matter. There are also no microfinance institutions present in the camps. The only bank in Dadaab at the time of the assessment was Equity Bank and in Kakuma, Equity and KCB Banks.

Refugees need permits to get out of camps given the encampment policy. Even without policy barriers, the remoteness of the camps tends to lock them out of the economic ecosystem of the country. The IFC estimates that the economy of Kakuma is about \$54 million with a population of 509,000 residents (host and refugees). This translates to a per capita of about \$106, 20 times less than the national nominal per capita. All factors constant, the economy of the two camps is too small to sustain significant job creation.

The cash-based initiatives (CBI) department of the UNHCR has partnered with KCB Bank to roll out a **cash transfer** program to refugees. To this end, all refugees in Kakuma have opened accounts to access this cash. This will help to increase the money supply in the local economy thereby creating a greater multiplier effect of the money as opposed to buying items in bulk from kilometres away. The physical food rations need to reduce in favor of cash transfers.

The major impediment of refugees' integration is that of documentation. The refugee ID takes one to five years to come out, it also has an expiry date of five years. Many times, the IDs come after they have expired, making them useless. Without the refugee IDs, refugees cannot access employment, open bank accounts, or get registered as tax payers by KRA. Without the cards, the refugees have no way of being integrated into the job market. The assessment could not establish a valid reason why the refugee ID cards had an expiry date. Given that application is free of charge, pegging it to an expiry date does not generate extra revenue for the government. The expiry date should be removed so that once a refugee has the card, they don't have to apply again.

The refugees have complained about government officials in the Refugee Affairs Secretariat (RAS) demanding bribes to give out the IDs. The proposal by the UNHCR to have an **online portal** to apply for the IDs is commendable as it will speed up the application process. The assessment further proposes that RAS be facilitated to have **printing machines in the camps**, to facilitate ease of printing the IDs as opposed to printing them in Nairobi. This will significantly reduce the turnaround time. Elsewhere in the country, a citizen gets their ID card four to six weeks after application.

Given these challenges, it is competent to conclude that refugee integration in the local job market is not yet a reality. National government argues that unemployment levels are too high to allow the integration of about half-a-million refugees in the job market.

Consequently, a refugee has only two options for livelihood and economic activity. One is the incentive employment program run by humanitarian agencies. The program hires teachers, translators, community health workers, etc from among the educated cohort in the camps. The incentive staff, however, can only be paid up to Ksh.15,000 (the highest one can earn without paying tax) given they are not registered taxpayers by Kenya Revenue Authority (KRA). This is despite the fact that their host counterparts may receive even 10 times what they earn, even if they are doing the same job.

A refugee's second option is in the informal economy; either to start and run a small business with very small margins or to be employed by a micro-enterprise. Both have very slim prospects of economic empowerment.

#### A refugee's options for livelihood



Many young people end up not getting into either possibly due to lack of skills or capital. Only 20% of the refugees are skilled. They thus attend numerous training sessions hoping to get a small stipend to support basic needs.

Tellingly, the situation in the refugee camps is dire. School going children no longer see the importance of education as its fruits are not visible; both the educated and the non-educated stay jobless in the camps. In IFO camp, five young people committed suicide in 2019 due to extreme hopelessness.



Repatriation has become an option for many. In Kakuma, half the refugee population opted for voluntary repatriation to their host countries. Some in Dadaab, after being educated and trained, also volunteered to be repatriated to Somalia to work with international agencies in rebuilding the country.

## Strategic Proposals

NGOs and humanitarian agencies can work with NEA to provide public works opportunities for young people to create avenues for more money to be injected into the camps.

For livelihoods programming, there is need to provide more composite solutions as opposed to merely training. The solutions/programs need to be composite with many facets. The KYEOP model (of training, apprenticeship, funding and/or placement) needs to be studied and applied in the refugee camps.

Perhaps the organization that came closest to a successful model is Swiss Contact that trains and provides start-up tools to groups. SC trains on mobile repair, electrical engineering, welding, plumbing, carpentry, etc. More businesses arise out of the program and by extension, jobs are created. However, the success rate has been low over a measurement period of three years as only a few groups survive. This is perhaps because entrepreneurship and capitalism tend to be individualistic and not communal. Often the tools end up in the custody of one individual at the expense of the rest. It is proposed that the organizations focus on individuals as opposed to groups in their livelihoods programs.

Many organizations are offering one training after the other without funding support, or follow up. Yet the need for training is much lower than business funding. Funding increases money in circulation in the camps which when invested can create new jobs.

Funding also needs to benefit more **established businesses** than start-ups because they are more likely to succeed. Thus if supported, they can create more sustainable jobs than the start-up businesses. Certainly, a mix of the two would produce better results than a single phased start-up funding model.

Skills development needs to shift to an **apprenticeship**-based model as opposed to formal training. With proper arrangement, Dadaab youths can find apprenticeship opportunities in Garissa Town and learn on the job while earning. The same can be applied to Kakuma. Noble as it is, internship in the county governments leaves the youths still dependant on some goodwill to access work. With the skills learnt under a master craftsman and a few contacts as clients, an apprentice can be supported to start their own business. In principle, the strategy to go informal is more practical.

Additionally, to meet all the compliance and documentation needs of the refugees and host communities, **Huduma Centers** (one-stop government service hubs) should set up in Dadaab and Kakuma. UNHCR and the county government are putting up a Biashara (business) Center in Kakuma. However, the center will only offer licensing, permits and business support services from the county government and the Ministry of Trade. Issuance of refugee IDs and work permits by RAS and the Department of Immigration and all the other services available to Kenyans in the host community may not be present at the Biashara Center.

Finally, the refugees are not allowed to move outside the camps. It is thus proposed that they be allowed a bigger movement radius to access services in county headquarters like Garissa Town and Lodwar. The policy should allow for **movement within the host county or the economic bloc** to enhance better economic activity.

Development agencies working in the two counties should formulate a **capacity building training for key officials in the county governments** to enact laws that support refugee integration. The offices to target include the legal office, cabinet and chief officers and the county assembly. A more inclusive engagement of different departments will be helpful as opposed to a cumulative engagement with different offices.

## 08. Employment Services to Special Interest Groups

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### Persons With Disabilities (PWDs)

According to the 2019 KPHC, 918,270 people aged five years and above had a disability. More females (523,883) than males (394,330) had disabilities. The common types of disability were mobility (385,417) followed by visual (333,520). A total of 9,729 persons had albinism.

These people find it harder to access employment. The FUZU-NCPWD partnership that brought a WCAG-enabled website is innovative and revolutionary. It has enabled many PWDs to access employment services online.

This section outlines the functions of NCPWD that offers employment services to its members. However, other organizations like APDK, VSO and FKE also offer services to PWDs.

### National Council for Persons With Disabilities (NCPWDs)

The National Council for Persons with Disabilities is a State corporation established by an Act of Parliament; the Persons with Disabilities Act No. 14 of 2003 and set up in November, 2004. The Council representation is drawn from key government ministries and organizations for persons with disabilities. The day-to-day management of the Council is done by a secretariat headed by an executive director.

The Council is mainly funded by government grants and subsidies. Other income comes from contributions from well-wishers, partners and the private sector. In the 2018 financial year, it received an allocation of Ksh.1.7 billion from the Treasury and registered a surplus of Ksh.495 million.

The NCPWD provides numerous services to its clients.

**Registration:** The NCPWD registers clients (PWDs) in every county of operation. The registration captures data on nature of disability, qualifications and other social indicators like whether they are married and/or with children. Registration gives access to opportunities like scholarship programs, bursaries, grants, jobs, etc.

**Data on PWDs:** Given the elaborate nature of their registration process, NCPWD is a major source of data on PWDs countrywide. This data is provided to other government agencies, NGOs, employers and the public at large. There are plans to integrate the PWDs indicator in national surveys.

**Online Portal:** The Council runs an online portal that enables it to offer services to its clients. The portal enables registration, job advertisements, posting of notices, advertisement of other opportunities, job matching and job applications, application for other opportunities, etc.

**Job Matching Services:** the law stipulates that 5% of jobs in the workforce should be made available to people with disability. NCPWD works in partnership with employers and Fuzu to provide employment services to its members through the portal [ncpwd-landing.fuzu.com](http://ncpwd-landing.fuzu.com). PWDs can access and apply for these opportunities from the comfort of their homes.

**Economic Empowerment:** The Council runs an economic empowerment program that facilitates PWDs with an interest in entrepreneurship. The program provides avenues for training and skill development. It also facilitates business grants to PWDs self-help groups of up to Ksh. 100,000 and provides tools of trade.



**Advocacy for PWDs rights:** In addition to its livelihoods programs, the council also leads the advocacy initiatives for PWDs. In particular, it pursues tax and levy exemption for PWDs, retirement extension (PWDs work for an extra five years). It is currently pursuing inclusion of PWDs as a performance contracting indicator in both the public and private sectors.

## The National Development Fund for Persons With Disabilities (NDFPWDs)

The NDFPWDs was established as a permanent fund for the benefit of PWDs in Kenya. It is domiciled in the NCPWD and is administered by a board of trustees appointed by the Council. Through the fund, the Council implements an array of programs targeted at improving the welfare of PWDs. The programs include:

- i) Provision of assistive devices. Over 3,500 PWDs have been assisted to get devices;
- ii) Grant funding to groups who lend to members;
- iii) Education scholarship grants to assist PWDs access education and training at all levels; About 1,000 students have been assisted to access education in universities, TVET institutions and secondary schools;
- iv) Purchase order financing. The fund also supports enterprising PWDs to supply goods through LPO financing; and
- v) Equipment and infrastructure support to institutions of education and training towards inclusion of PWDs.

## Strategic Proposals

Service delivery to PWDs is an important facet of NEA's mandate. However, the resource capacity challenges of the Authority may hinder its ability to deliver on this mandate. A partnership with NCPWD towards the provision of services to PWDs could significantly strengthen it to reach this special interest group.

Facilities should be made accessible to persons with disabilities. For instance, the NEA website and NEA-IMS are not accessible to persons with diverse disabilities. These can be made accessible to this unique audience through the use of WCAG.

## Employment Services to Women

**Gender Mainstreaming:** The trends in total employment and share of women in wage employment reveal inequities. It shows that even though there was some growth in formal sector employment averaging 17.9% per annum between 2014 and 2019, jobs were not accessed equally by women and men as would be expected under the decent work agenda.

FKE's Female Future Leaders Program described in the employment service by the private sector segment is perhaps the most elaborate program seeking to give women access to high level management positions. It is a training and mentorship program that enhances women's capacity to apply themselves and contribute at a higher level. More than 284 women have gone through the program since its inception in March, 2013. Out of these, 75% have been promoted in their workplaces.

## Women Enterprise Development Fund (WEDF)

Women Enterprise Development Fund is a Semi-Autonomous Government Agency in the Ministry of Public Service, Youth & Gender Affairs established in August 2007, to provide accessible and affordable credit to support women start and/or expand business for wealth and employment creation.

Since inception, Ksh. 12.8 billion has been disbursed benefitting more than 1.5 million women countrywide and the repayment rate stands at 94%. The Fund won the Sustainable Development Goals Award for outstanding achievement on promoting Gender Equality and Women Empowerment in 2011. It was also a winner of the ICT Association of Kenya (ICTAK) Award 2014 “Best use of ICT (State Corporation Category)”. It has been at the forefront of employing technology to serve its clients through the use of MPesa for loan repayments, a robust internal system and techno-savvy modes of communication.

## Services and Products

**WEF Jiimarisho Loan for Individual Women Entrepreneurs:** In 2016, the Fund’s Advisory Board approved a revised financial institutions (FIs) lending channel, with key focus on women-led SACCOs and SACCOs with a good credit history with the Fund. This was aimed at supporting the SACCOs to meet demand for loans from members. It loans a maximum of Ksh.10 million for 36 months at 1% interest. Since 2017, the fund has entered into partnerships with 13 SACCOS and disbursed Kshs. 81.5 million to the SACCOS for on-lending purposes, thus actualizing the WEF Jiimarisho Loan. Through this loan, borrowers can access individual loans at a subsidized Interest rate of 8% reducing balance per annum. The terms and conditions are as stated by respective SACCO partners.

**Tuinuke Loan:** This is a loan product at the constituency level also known as Constituency Women Enterprise Scheme (CWES). The Tuinuke loan product is given out through registered women groups interested in expanding or starting new businesses. The group must be a registered self-help group of 10 members and above comprising 100% women or 70% women and 30% men. All leadership positions and account signatories must be held by women. Registration is done either at the nearest Social Services office or a Huduma Center. Groups will be eligible for these loans three months after registration. They must also have an account in a Bank/SACCO FOSA/Post Bank/Deposit Taking Micro-finance (DTM). Groups are trained in business management skills by the WEF officers as a prerequisite for the loan application. CWES loan is interest-free, with only 5% administrative fee with a grace period of one month.

## Strategic Proposals

Employment services to women is certainly a necessary focal point for NEA. With WEF having the mandate to provide loan services to women, NEA should focus on **training and career development**. The FKE approach seems to bear fruits towards empowering women in career growth. A partnership to roll out the program in a bigger way through technology and with the help of digital learning, can ensure that the sterling results are replicated across the country.



## 09. Active Labor Market Policies in Kenya

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This segment highlights public works and enterprise development programs as run by other government agencies. Other ALMPs by the government, CSOs and the private sector are sufficiently covered in the respective chapters. Further, an analysis of the services provided by NEA equally covers any active labor market programs offered by the Authority.

### Public Works

The Ministry of Transport, Infrastructure and Urban Development is responsible for the public works programs launched by the government to give youths jobs. The ministry is responsible for all policies regarding transport and government infrastructural projects. These public works ALMPs are implemented through the State department for Housing and Urban Development. This department is responsible for providing policy direction and co-ordination of all matters related to housing and urban planning and development. The most recent program is known as Kazi Mtaani.

### Kazi Mtaani

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The National Hygiene Program (NHP) dubbed Kazi Mtaani, is a national initiative designed to cushion the most vulnerable but able-bodied citizens living in informal settlements from the effects of the COVID-19 pandemic. It is an extended public works project (EPWPs) aimed at utilizing labor intensive approaches to create sustainable public goods in the urban development sector. Through this initiative, residents from informal settlements are recruited to undertake projects concentrated in and around informal settlements with the aim of improving the environment, service delivery infrastructure, and providing income generation opportunities.

**Objective:** The main objective of the Kazi Mtaani program is to provide a form of social protection for workers whose prospects for daily or casual work has been disrupted by measures put in place to limit the spread of COVID-19. It has, however, also procured project input from local manufacturers with the aim of supporting the economic recovery process.

**Scope:** The first phase of Kazi Mtaani started in April 2020 as a pilot program and focused on select informal settlements in the eight counties of Nairobi, Mombasa, Kiambu, Nakuru, Kisumu, Kilifi, Kwale and Mandera. The program employed more than 26,000 workers from informal settlements.

The second phase was expanded to cover 34 counties and employ 200,000 workers to engage in more urban development projects. Those eligible to work in the program must be Kenyans above 18 years of age, and must hold a valid Identification Card. Because it targets the youth, this meant that it was only open to those below 35 years. However, consideration is given to other workers especially in areas where it is difficult to find youths willing to work.

Currently, enlisted workers from Nairobi, Kisumu and Mombasa earn a daily wage of Kshs. 653.10 while workers from all other municipalities earn Kshs. 600.00 daily. The wages are guided by the Wage Order of 2018. Payments are made weekly through mobile money transfer.

**Activities:** The key activities undertaken in Phase I include: street cleaning or access path clearing; fumigation and disinfection; garbage collection; bush clearing; and drainage cleaning/clearing/unclogging.

Phase II goes beyond the routine service delivery model and focuses on longer term projects that provide benefits to communities.

Projects such as construction of access roads within informal settlements using cobblestones are undertaken in this phase. Other interesting projects include:

- i) Upgrading public sanitation facilities including building toilets, increasing hand wash stations, and even relocating water and sewer lines in places where they are exposed or pose a threat to those living in informal settlements;
- ii) Creating and paving walkways for people so that they are not walking on dusty or muddy paths and creating drainage within informal settlements;
- iii) Creating community gardens within settlements;
- iv) Constructing green spaces and pocket parks where children can play, where land can be made available; and
- v) Repairing and refurbishing public offices, nursery schools, and community halls within informal settlements.

For those projects that anticipate construction, some youths manufacture interlocking stabilized soil blocks at the Appropriate Building Materials and Technologies (AMBT) Centers located in various constituencies across the country. These blocks are used to construct various structures such as community halls, public toilets, dispensaries, etc.

**Project Supervision:** The supervision of daily activities is provided by personnel from the National Youth Service and in some areas, Nyumba Kumi elders have effectively played this role.

The supervisors ensure that work schedules, safety and quality standards are met and adhered to. The supervisors are provided with guidance from technical officers from various implementing agencies such as Kenya Urban Roads Authorities (KURA) and Kenya Rural Roads Authority (KeRRA) who have established standards on such projects. For garbage collection, various County Executives (CECs) in charge of environment as well as municipal managers, provide guidance.

**Funding:** The initial phase of Kazi Mtaani has been funded through existing allocations from the Kenya Informal Settlements Improvement Project (KISIP) and the Slum Upgrading Department (SUD). They are both under the State Department for Housing and Urban Development (SDHUD). Approximately Ksh. 10 billion had been earmarked for the program. However, when the program was extended in March 2021, the National Treasury increased allocation by an additional Ksh. 7 billion.

Additionally, production of face masks was funded by the State Department for Petroleum through Kenya Pipeline Company who worked with the National Youth Service to produce a million masks.

The second phase of the program was financed by the National Government particularly in the provision of monies to pay daily wages. The participation of County Governments was also integrated in the program as they provide input into priority projects; provide tools, materials, equipment as well as technical guidance for various activities. This collaboration between National and County Governments ensured that there is continuity, sustainability and that the institutions mandated to provide urban service delivery are strengthened.

## Entrepreneurship and Self-Employment

The assessment found that many of the businesses run by the youth are informal. They include; retail shops, sale of computer accessories, poultry farming, salon and hairdressing, bakeries, shoe sellers, etc. Main source of funding is from savings, parents, friends and other family members. Few have accessed the Youth Enterprise Development Fund (YEDF) and the Uwezo funds.



A survey done by KNBS established that there were about 1.56 million licensed MSMEs and 5.85 million unlicensed businesses. These establishments are both in the formal and informal sectors. Most of the unlicensed establishments were being operated at the household level. MSME contributed 28.5% of the total economy and 82.3% of the total jobs in 2019. However, several studies have warned that the labor absorptive capacity of the MSE sector is fast approaching saturation point.

Starting a business in Kenya is not easy due to a number of factors, according to the survey. These include high costs of compliance, lack of access to capital, difficulty in getting a suitable business premise, lack of business management skills and access to markets.

### Challenges to Entrepreneurship



The national government has rolled out YEDF, Uwezo fund and KYEOP as a solution to the problems of skill and capital. The county governments equally have tailored solutions for their youths. Turkana has Biashara (business) fund (for individual traders) and the Youth and Women Empowerment Fund for groups. Most youths are, however, not aware of these opportunities as the respective funds only have offices in the county headquarters.

The table below gives a breakdown of the current magnitude of MSMEs in Kenya.

No.	Size of the Firm	Range of Employment	No. of Enterprises	Percentage
1.	Medium Enterprises	50-99	10,923	0.1
2.	Small Enterprises	10-49	110,796	1.1
3.	Micro Enterprises	1-9	1,438,781	14
4.	Informal Enterprises	0-1	8,500,000	84
			10,060,500	100

Source: MSEA

The table indicates that 98% of the MSMEs in Kenya are informal and micro-enterprises followed by 1.1% small enterprises and 0.1% medium enterprises.

## MSEs Contribution to the economy

Modern Sector	2010	2011	2012	2013	2014
Wage Employees	2,016.2	2,084.1	2,155.8	2,283.1	2,370.2
Self employed	69.8	73.8	76.9	83.8	103.0
Sub total	2,086.0	2,157.9	2,232.7	2,366.9	2,473.2
Informal sector	9,371.1	9,958.3	10,548.4	11,150.1	11,843.5
Total	11,457.1	12,116.2	12,781.1	13,517.0	14,316.7
Percent of Wage Employees	17.6%	17.2%	16.9%	16.9%	16.6%
Percent of Informal Sector Employees	81.8%	82.2%	82.5%	82.5%	82.7%

**Source:** Republic of Kenya: Economic Survey 2015

## Micro and Small Enterprise Authority

The Micro and Small Enterprise Authority (MSEA) is a State corporation established under the Micro and Small Enterprises Act No. 55 of 2012. The Act was developed through a stakeholders' consultation process which started as far as 2003 when the MSMEs policy was first established. The Authority is now domiciled in the Ministry of Industry, Trade and Co-operatives.

The Act gives MSEA the mandate to formulate and co-ordinate policies that will facilitate the integration and harmonization of various public and private sector initiatives, for the promotion, development and regulation of the micro and small enterprises to become key industries. Its mission is to promote, develop and regulate globally competitive and sustainable micro and small enterprises.

The MSE Act gives the Authority mandate over micro and small enterprises in the broad sub-sectors of manufacturing, agri-business, trade and service.

MSEA also collaborates with relevant actors in the area of information communication technology (ICT), mining and energy.

In particular, the MSE Act gives the authority the following functions:

- i) Formulate and review **policies** and programs for micro and small enterprises;
- ii) Monitor and evaluate the implementation of existing policies and programs related to, or affecting the micro and small enterprises and advise the Government on appropriate policies and course of action to be taken;
- iii) Co-ordinate, harmonize and facilitate the **integration** of various public and private sector activities, programs and development plans relating to micro and small enterprises;
- iv) Promote and facilitate **research**, product development and patenting in the micro and small enterprises sector;
- v) Promote the **mainstreaming** of youth, gender and persons with disabilities in all micro and small enterprises activities and programs;
- vi) Mobilize **resources** for development of the micro and small enterprises sector;
- vii) Promote access to markets by micro and small enterprises;
- viii) Promote **innovation** and development of products by micro and small enterprises;
- ix) Formulate **capacity building** programs for micro and small enterprises;



- x) Facilitate **technology development**, acquisition and transfer by micro and small enterprises; and
- xi) Develop mechanisms, tools and programs for collection of **comprehensive data** disaggregated by sex, region and age among others, in collaboration with key stakeholders, to enable proper planning for the micro and small enterprises sector.

Further, Section 51 of the statute on Micro and Small Enterprises (MSEA Act) requires the formation of a specific fund to be known as the **Micro and Small Enterprises (MSE) Development Fund**. While the full office and staff of the MSEA is operational, the fund has not been established. The stated reason for this is that Parliament did not authorize appropriation of funds to facilitate the formation of the MSE Development Fund.

MSEA is governed by a Board of Directors responsible for policy and strategic guidance. The Board reports to the Cabinet Secretary for Trade and industrialization. It has a staff force of 112 against an approved establishment of 262.

The Authority receives about Ksh. 500 million annually from the Exchequer. Moving forward, it expects to generate income from the following sources;

- i) MSE Fund;
- ii) MSE Levy;
- iii) Enhanced budgetary allocations from government;
- iv) Appropriation in Aid (operational income) from MSE worksites, Kariobangi Center of Excellence and other centers of excellence;
- v) Development partners and donors; and
- vi) Fines and filing fees from the MSE Tribunal.

MSEA has four major programs ongoing currently. First, to promote industrial activity across the constituencies, MSEA is operationalizing **Constituency Industrial Development Centers** (CIDCs) across the country. These are Common User Manufacturing Facilities equipped with modern machinery and tools to realize industrial dispersion and balanced economic development throughout the country. To date, 120 CIDCs have been refurbished and equipped with modern common user manufacturing facilities. A further 58 centers are set for rollout in the next financial year. More MSE worksites are being modernized. These facilities will enhance quality, quantity and value of MSE products with a focus on local and regional markets.

Secondly, MSEA facilitates the provision of demand driven **capacity building** programs in entrepreneurship and skills upgrading for MSEs. The module used by MSEA is Start and Improve your Business (SIYB) developed by ILO. It offers incubation of MSE operators/start-ups to improve their competence in unique skills. So far, this is done at Kariobangi MSE Center of Excellence. Recently, the authority partnered with Kisumu County Government to establish a Biashara Center in Kisumu to support MSEs in that county.

Finally, MSEA is a key partner in the KYEOP program that is described in detail elsewhere in this report.

## MSEA's Measures to Fight COVID -19

To cushion MSEs from the negative impact of COVID-19, Micro and Small Enterprises Authority, proposed a number of short term and long term measures.

### *Short term Measures*

- i) **Re-opening the suspended/closed fresh produce and livestock markets through stakeholder engagement:** MSEA to work with counties to allocate additional temporary areas where land is available and relocate traders instead of closing markets and ensure the markets operate within government directives on containment.

- ii) **Upscale sharing of simplified information on COVID -19 to MSEs:** Authority to support ground sensitization of MSEs on the need to adhere to the COVID -19 directives such as observing social distance, hand washing and sanitization.
- iii) **Provide hand washing facilities and clean water to MSE clusters:** Establish MSE clusters requiring hand washing facilities and provide tanks and clean water.
- iv) **Expedite Government Procurement Procedures:** The Authority to immediately procure products/services related to the prevention of COVID-19 from local MSEs - e.g. sanitizers, hospital beds, water tanks and dust bins.
- v) **Subsidize operational service fee for MSEs at workspaces:** The Authority to subsidize service fee charges for MSEs accessing the workspace and common machinery.

#### Long term /Post COVID-19 Measures

- i) **Grants for MSEs:** In order to cushion MSEs better, MSEA will lobby the government to give grants to businesses within the MSE sector. This would help in bridging the gap that the current situation has created by addressing financial constraints caused by the effects of the pandemic on the Kenyan Economy.
- ii) **Suspension of Consumer and Small Business Loan Repayments:** Listing of loan defaults were deferred from March 2020 to December 2020. Loan obligations by directly affected persons were deferred by State-owned lenders for nine months in the same period. This helped MSEs to withstand the crisis by eliminating debt payments for the duration of the crisis at a time when many Kenyans were confined in their homes.
- iii) **Tax Rebate for MSEs:** This initiative relieved MSEs since the tax liability reduced to about 50% due to the pandemic.
- iv) **Affordable Loans to ALL directly affected MSEs:** The National Treasury in collaboration with other selected financial institutions made available guaranteed interest-free business loans to MSEs with a moratorium of at least six month or for the duration of the pandemic. These loans are meant to cater for recurrent expenditure like paying salaries and other requisite fixed overheads during the pandemic period.

The Authority observed the following positive progress after the suspension of the lockdown in 2020.

- i) The majority of small businesses have weathered the threat of closure that hangs over them because of COVID-19.
- ii) The businesses are once again thriving, with operators having put behind them the fear of closing down.
- iii) Business is looking up after most of the containment measures were either relaxed or stopped all-together.
- iv) Exports and imports for most businesses are flowing in and out once again in good quantities that are supporting trade.
- v) Business operators who have overcome the fear of closure include cosmetic sellers, second-hand clothes traders, car dealers, eateries and restaurants, public transport vehicle operators, furniture makers and farms growing crops for export.
- vi) For eateries, re-opening the country has come as a huge boost as office workers return to for work.
- vii) Hundreds of small traders have similarly resumed operations, making the food business thrive once again.
- viii) All small businesses, from shopkeepers to mobile money agents, grain and tailoring stores, have taken measures to curb COVID-19.



## Kenya Youth Employment and Opportunities Project (KYEOP)

Kenya Youth Employment and Opportunities Project (KYEOP) aims to empower and uplift the wellbeing of young people in Kenya by equipping them with skills training, internship and business grant opportunities. KYEOP's objective is to increase employment and earning opportunities among targeted young people across the country. The project aims to reach more than 280,000 youths during its period. It is a partnership between the Ministry of Labor and Social Protection, Ministry of ICT, Innovation and Youth Affairs, NITA and MSEA with support from the World Bank.

The main beneficiaries of the project are youths between 18-29 years of age (with some component extending up to 35 years) who are unemployed, have experienced extended spells of unemployment or who are currently working in vulnerable jobs.

The project responds to the need for job creation by helping launch new businesses, improving productivity and job creation potential of existing micro-enterprises. It supports innovative approaches to improving job and earning opportunities among the hard-to-reach youth.

It addresses key constraints and market failures that limit the demand for youth employment and their productivity once in employment.

This component aims at assisting youths in Kenya to acquire the skills and capital required to help them to generate income as entrepreneurs.

It includes two subcomponents:

**Training and Internship:** Participants are trained in one of the trade areas, do an internship in a company or an apprenticeship with a master craftsman. This segment is implemented by NITA.

**Support for Self-employed:** Provides grants and Business Development Services (BDS) to the youths who are in or want to begin a business. Participants get support for their businesses with a Ksh. 40,000 grant and/or business coaching. This segment is implemented by MSEA. The activity involves provision of seed capital for start-ups to invest in tools, inputs and grow existing businesses. Start-up grants are disbursed in two tranches. MSEA holds one-day orientation sessions with beneficiaries before disbursements to develop simple business plans outlining the investments and expenditures to be financed by the grant. Business Development Services encompass a basic package of business and entrepreneurship training program as well as mentoring, specific consulting, and advisory services for marketing and technical issues. The youth also receive Digital BDS where they get training content through their mobile phones. Some, 5,022 youths have received Business Development Services while 9,956 have received business grants of Ksh. 40,000 each.

**Catalytic Interventions for Job Creation:** The MbeleNaBiz Business Plan Competition aims to expand new and existing youth-led enterprises by providing them with grant funding. The competition targets high potential young entrepreneurs. At least 500 participants received a grant of Ksh. 900,000 while another 250 received Ksh.3.6 million for the business idea that had the potential of creating jobs.

**Future Bora Initiative:** This program supports transformational organizations that expand economic opportunities for vulnerable and hard-to-serve youths. Future Bora Initiative is unique in that it does not target the intended beneficiaries directly, but seeks to benefit them through intermediaries (organizations that give specific focus to the hard to serve groups to better their livelihoods). The initiative will, therefore, identify high-potential interventions and fund them to scale. It was launched in October 2020 and several applications received. The targeted segment for the development and delivery of the desired interventions include social enterprises, non-government organizations (NGOs), Private Sector, Community Based Organizations (CBOs), or partnerships among these organizations.

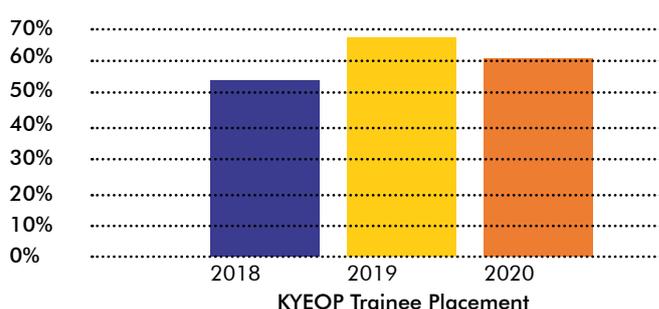
The project is run in cycles and is currently on the fifth cycle. Cycle 1 was implemented in Nairobi, Mombasa, Kisumu, Nakuru and Kwale. Some 1,041 youths received funding while 2,256 benefited from training, internship and job placement. The project is currently running cycle 5.

	Counties	Business Funding	Business Development Support	Training, Internship and Job placement
<b>Cycle 1</b>	Nairobi, Mombasa, Kisumu, Nakuru, and Kwale	<b>1,041</b>	-	<b>2,256</b>
<b>Cycle 2</b>	Nairobi, Mombasa, Kisumu, Nakuru, Kwale, Kiambu, Kitui, Migori and Turkana.	<b>2,486</b>	<b>504</b>	<b>4,749</b>
<b>Cycle 3</b>	Nairobi, Mombasa, Kisumu, Nakuru, Kwale, Kiambu, Kitui, Migori, Turkana, Kakamega, Kilifi, Nyandarua and Mandera.	<b>4,068</b>	<b>1,264</b>	<b>9,869</b>
<b>Cycle 4</b>	Nairobi, Mombasa, Kisumu, Nakuru, Kwale, Kiambu, Kitui, Migori, Turkana, Kakamega, Kilifi, Nyandarua, Mandera, Machakos, Kisii and Wajir	<b>2,327</b>	<b>2,075</b>	<b>16,293</b>
<b>Cycle 5</b>	Nairobi, Mombasa, Kisumu, Nakuru, Kwale, Kiambu, Kitui, Migori, Turkana, Kakamega, Kilifi, Nyandarua, Mandera, Machakos, Kisii, Wajir,	-	-	-

Source: KYEOP Website

To date, 33,167 youths have benefitted from training, internships, apprenticeship with master craftsmen and job placements. 64% of youths who completed Job Specific Skills Training & Internship have been employed. 14,978, youths have received Business Support, with 9,956 receiving a Ksh. 40,000 grant and 5,022 receiving coaching to manage their businesses. 82% of youths who received business grants have started businesses, creating employment for themselves and others.

### KYEOP Success in Placing Trainees



Source: KYEOP Website

While the program has been very successful in placement of its graduates, there is a missing link in employment services. NEA can collaborate with NITA to provide employment services to the graduates through placements and job matching.



## Access to Government Procurement Opportunities (AGPO)

The Access to Government Procurement Opportunities (AGPO) program is a policy initiative founded on the Constitution of Kenya, 2010 Article 227 on fair equitable, transparent and cost-effective public procurement of goods and services, the Constitution of Kenya, 2010 Article 55 on affirmative action and the Public Procurement and Asset Disposal Act, 2015. It was launched in October 2013 to meet the legal requirement for women, youths and persons with disabilities to access 30% of Government Procurement opportunities. The program is aimed at empowering them by giving them more opportunities to do business with Government.

Currently, AGPO is domiciled at the Ministry of Finance and Planning but implemented across board by SAGAs, AGAs and county governments.

To access the AGPO opportunities, one needs to:

- Step 1:** register a business enterprise at the Attorney General's Office in the form of a sole proprietorship, partnership or a limited company. The enterprise owned by youths, women or persons with disabilities shall be a legal entity that -
- i) Is registered with the relevant government body; and
  - ii) Has at least 70% membership of youths, women or persons with disabilities and the leadership shall be one 100% youth, women and persons with disabilities, respectively.
- Step 2:** if the business is a partnership, get a partnership deed from a lawyer, if it is a limited company, get a CR12 from the Registrar of Companies (system generated soft copy).
- Step 3:** acquire a PIN and tax compliance/ tax exemption certificate from the Kenya Revenue Authority website.
- Step 4:** acquire all required certifications from professional bodies and authorities such as National Construction Authority, Insurance Regulatory Authority, ICPAK, LSK, National Council for Persons with Disabilities, NEMA and ERC.
- Step 5:** open a bank account for the business and acquire a bank reference from the bank.
- Step 6:** access the website [www.agpo.go.ke](http://www.agpo.go.ke) and register online or visit your nearest Huduma Center for assistance.

### Target Groups:

**Youth:** 'Youth' as defined by the Kenyan Government, refers to young people between the ages of 18 and 35 years. A youth-owned enterprise refers to a legally registered business in the form of a sole-proprietorship, partnership or limited company. For both the partnership and the limited company, the ownership in form of capital invested or shares should be at-least 70% for the youth.

**Women:** The policy recognizes a person of the female gender who has attained the age of 18 years. This includes a company, association or body of persons, corporate or unincorporated in which at least 70% of the shareholders, members or persons and a majority of its directors are of the female gender.

**Persons with Disabilities:** "Disability" as per the meaning assigned to it under the Persons with Disabilities Act, 2003 means a physical, sensory, mental or other impairment, including any visual, hearing, learning or physical incapability, which impacts adversely on social, economic or environmental participation. All persons with disabilities seeking preference in Government procurement must provide their National Council for Persons with Disabilities (NCPWD) registration number.

A research on AGPO initiative entitled, *Kenya's Efforts to Empower Women, Youth and Persons with Disability through Public Procurement*, commissioned by Hivos found that 40,860 firms have been registered under AGPO from 2013 to 2016. Slightly more than half (54%) of AGPO firms are owned by youths implying that this demography has embraced the program. Those owned by women were 41.1%, while only 4.9% were owned by persons with disabilities. Sole proprietors own the largest stake of AGPO registered firms at 47%; followed by companies limited by guarantee with a 31% stake. Lastly, partnerships account for only 7.8% of the firms assessed.

Additionally, the study reported that the initiative had contributed to an 82% increase in income for the youth-owned enterprises accessing government procurement. It has also created more jobs. Through the initiative, 36% of AGPO registered firms reported to have won a tender, which resulted to an increase in their annual revenue by 71%. The income from these initiatives accounted for 35% of sales and 38% of overall profit.<sup>18</sup>

In the same survey, one out of three respondents reported having completed training on the AGPO process. Most of them were trained by Public Procurement Board (43%). Several organizations which were mentioned as having been trained did so as part of the Corporate Social Responsibility (CSR) activities from various government entities. These organizations are different government entities and parastatals.

The challenges encountered in implementing the AGPO law include late payments for delivered goods, services and works. Unlike established firms that have the capacity to absorb delays in payments, most of AGPO firms are start-ups and operate on borrowed funds. Delayed payments disrupt their cash flow, drive them into debt and erode the benefits gained.

A sample of tenders worth Ksh. 5 million and above, issued between 2013 – 2016, shows that only 7.71% of tenders were awarded under AGPO in the period. This proportion is significantly lower than the prescribed 30% specified by law. This finding was established from a comparison of the listed tenders and the listed certified AGPO firms. Out of the possible 2,232 tenders, only 172 were awarded to AGPO registered firms. The AGPO initiative is also benefitting urban youths, women and Persons with Disability more than their rural counterparts. Further, despite it being a national initiative, it is currently largely serving the capital city, Nairobi. The highest number of AGPO registered firms are in Nairobi County (67%), followed by Mombasa (6%); and Kiambu (5%).

In terms of suitability, there was a major gap. Most tenders awarded under AGPO were for construction related businesses while most AGPO firms are in the service sector, specifically trade. Even those in construction still struggled to make sense of the tenders. The quality of tenders won by these groups was largely aligned to manual work and minimal technical capacities, therefore rewarded with low wages and profit margins. Where significant contracts are awarded, the winning bidders passed them on to more established firms due to funding challenges.

On gender mainstreaming, there is a general view that women shy away from opportunities which are thought of as challenging, hence most of the opportunities go to men, even where equal opportunities are granted. Men also are perceived to be doing better in networking and business development. The same applies to raising capital, which has been seen as a huge challenge in delivering on these opportunities. Culture is seen as a contributing factor in women accessing the AGPO tenders. It was claimed by some that for married women, they have to seek permission from husbands to apply for AGPO tenders. In other cases, women reported being asked for sexual and other favors before being granted the opportunities.

<sup>18</sup> <https://www.openupcontracting.org/assets/2018/04/Agpo-Report-Web-version-Full-Report.pdf>



## Youth Enterprise Development Fund (YEDF)

The Youth Enterprise Development Fund is a state corporation under the Ministry of ICT, Innovation and Youth Affairs. It was gazetted on 8th December, 2006 and then transformed into a State Corporation on 11th May, 2007. The Fund is one of the flagship projects of Vision 2030, under the social pillar. Its strategic focus is on enterprise development as a key strategy that will increase economic opportunities for Kenyan youths and their participation in nation building. The Fund seeks to create jobs for young people through entrepreneurship. It does this by providing easy and affordable financial and business development support services to youths who are keen on starting or expanding businesses.

Legal order No. 67 of 2007 outlines the objects and purpose of YEDF as follows:

- i) Provide **funding** and **business development services** to youth-owned or youth focused enterprises;
- ii) Provide **incentives to commercial banks** through appropriate risk mitigation instruments to enable them increase lending and financial services to youth enterprises;
- iii) Provide **loans to existing micro-finance institutions (MFIs)**, registered non-governmental organizations involved in micro financing, and savings and credit co-operative organizations for on-lending to youth enterprises;
- iv) Attract and facilitate **investment in** micro, small and medium enterprises-oriented commercial infrastructure such as business or industrial parks, stalls, markets or business incubators that will be beneficial to youth enterprises;
- v) Support youth-oriented micro, small and medium enterprises to develop **linkages** with large enterprises;
- vi) Facilitate **marketing** of products and services of youth-owned enterprises in both domestic and international market;
- vii) Facilitate **employment** of youth in the international labor market; and
- viii) Carry out any other activities relevant to its principal mandate.

It is managed by a board appointed by the Cabinet Secretary in the parent ministry. The board reports to the CS on the fund's performance.

### Services

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Apart from its core lending business, the Fund offers other value-adding services to its clients.

**Enterprise Development:** The Fund provides entrepreneurship training and appropriate Business Development Services to youth engaging in business to build adequate skills and identify and tap into business opportunities, while embracing modern business management techniques. The department provides a mandatory pre-financing training program to enhance sustainability of youth enterprises. More than 351,000 youths across the country have benefitted from this training so far. At least 5,000 youths have been sensitized on how to access procurement from the public sector. The Fund has also trained youths in Business Skills and Entrepreneurship Development (BSED) with support from the United Nations Development Program (UNDP). The Fund has also supported two business plan competitions in which more than 10,000 youth entrepreneurs have been trained and winners awarded. Some of the participants of the competitions have started viable enterprises.<sup>19</sup>

<sup>19</sup> <http://www.youthfund.go.ke/enterprise-development/>

**Market Support & Linkages:** The Fund's main obligations is to support youth-owned enterprises in two major ways. First, by helping them to develop linkages with large established enterprises/institutions for business and mentorship. Secondly, by facilitating the marketing of their products and services in domestic, regional and international markets. The Fund has employed the following strategies to achieve this:

- i) Organizing and/or participating in organized marketing events such as trade fairs, exhibitions, conventions/conferences and road shows locally or outside Kenya. These offer the youth entrepreneurs an opportunity to network, showcase and market their products. The Fund has organized County, National and International Youth Trade Fairs in partnership with various county governments and government institutions.
- ii) Facilitating market linkages between small youth-owned enterprises with large established private enterprises or government institutions for business and mentorship. Under these partnerships, the youth entrepreneurs are facilitated to learn from as well as trade with the established enterprise or institution. The linkages take such forms as subcontracting, outsourcing, franchising and business mentorship/business development trainings.

**Youth Employment Scheme Abroad:** The Fund is mandated to facilitate young people, whose services are not engaged locally, to secure employment in foreign labor markets. It has established partnerships with Private Employment Agencies (PrEAs), Training and Professional Institutions to facilitate youth access jobs abroad through: employment promotions, pre-interview training, pre-departure training, financial training and migration loans. The fund provides job-matching services as it receives CVs and applications from applicants and forwards them to employers for consideration then supports the successful applicants to migrate and take up the opportunity.

**Commercial Infrastructure:** Trading space is one of the biggest challenges facing youth-owned enterprises, mainly because of high costs. Under this mandate, the Fund aims to provide decent trading premises/work sites to young entrepreneurs at affordable rates. It has engaged several county governments and private sector players to partner in establishing commercial infrastructure appropriate for youth enterprise needs, such as shops, market stalls and shoe shine units. These partners are also being lobbied to mainstream youth entrepreneurs in their existing market infrastructure.

**In order to achieve commercial infrastructure objectives, the Fund approaches investment with bias to three areas:** Physical commercial infrastructure partnerships with the public and private institutions, Business incubation partnership, Commercial space and serviced offices.

## Loans

**Bid Bond and LPO/LSO Financing:** YEDF offers Bid Bond and Local Purchase Order (LPO)/Local Service Order (LSO) financing to youths participating in government tenders. The loan is available to individuals, registered groups, partnerships and companies owned and run by the youth.

**Business Expansion Loan (VUKA):** The loan is advanced to youths who have existing businesses and are able to provide security. The objective of the loan is to provide friendly large-scale financing for business expansion. Applicants may be individual, partnerships or limited companies.

**Constituency Based Loans:** YEDF provides these loans to groups and individuals at the constituency level.



The amount disbursed cumulatively is Ksh. 13 billion to over a million youths, out of which Ksh. 5.5 billion was disbursed directly and Ksh7.5 billion was disbursed indirectly through leveraging with financial intermediaries.

## **Strategic Proposals**

There is need to study KYEOP closely and document the key lessons for other government agencies to replicate for better programming. Other agencies can adopt the KYEOP strategy of purposeful and targeted training informed by LMS.

The major gap in KYEOP is lack of job placement services for the graduates, provision of employment opportunities and platform for applying for these opportunities by the graduates. This presents a good opportunity for NEA to work with KYEOP to provide job placement services.

On enterprise development in general, there are sufficient programs meant for the youth, women and PWDs. The major problem is accessibility and limited reach. With a nationwide job center network, NEA can facilitate the expansion of these programs to the grassroots.

## PART C

# ASSESSMENT OF NEA

### Overview of NEAs assessment

Using the ILO analytical framework, the assessment reviewed the policy, structure, services, processes, people and resources of NEA to establish strengths and gaps and thereby propose ways of strengthening the authority to conduct its functions better.

The assessment considered operations in Garissa, Kisumu, Siaya, Nyeri, Mombasa and Kasarani which were visited. There were four key informant interviews and 21 survey respondents (staff).

In brief, the assessment found that the Authority is grossly understaffed. This has resulted in the organization's inability to deliver on public employment services. Certainly, the assessment observed significant milestones in establishment of the organization and regulation of PrEAs.

There is little or no awareness of the Authority or the services it offers. Beyond the administrative challenges, the general understanding of the role of a public employment service by management and staff is also in question.

## 10. Public Employment Services in other Countries

Our benchmarking review focuses on five countries with developed Public Employment Services.

### Germany<sup>20</sup>

The German PES is the BundesAgentur für Arbeit (BA). BA is a fully autonomous self-governing institution with structures to the local level and reports to the Federal Ministry of Labor and Social Affairs supported by a number of specialized agencies reporting to it. It is a highly decentralized organogram including the head office, regional directorates and local employment units for service delivery. BA comprises 10 regional directorates and approximately 600 branch offices. It manages 156 employment agencies and runs 408 job centers at the local level for the long term unemployed (LTU).

- i) Jobboerse (Jobs Bureau) - an online job portal for jobseekers and employers;
- ii) VerBIS – the internal IT-system supporting the PES's core functions (employment service and vocational counselling); and
- iii) JobRobot – an online 'job-crawler' that collects job vacancies from company websites and posts them in the PES intranet.

Given its strength on the virtual labor market, the German PES presents a good model for technology benchmarking for NEA. The NEA-IMS can be improved to collect job vacancies from company websites and post them on the NEA website, like the German JobRobot.

### Sweden<sup>21</sup>

The Swedish Employment Service (Arbetsförmedlingen) is hailed as one of the best globally in migrant worker integration. The State is committed to large-scale immigration despite integration challenges in the labor market associated with it. In 2011, 82% of native born Swedes had a job compared to only 57% of the immigrants in the country at the time. For immigrants who have lived in Sweden for less than five years, the employment rate was 41% for men compared to 25% for women. The reality of low employment is prevalent especially among low-skilled immigrants and those who come through family routes. Yet despite these challenges, newcomers to Sweden almost always improve their employment rates, increase their income similar to the natives and move into middle-skilled positions over time.

The integration success in Sweden has been achieved through some well-managed Active Labor Market Policies (ALMPs). First, there is a more liberal structure on temporary employment that allows for immigrants to access work. Some 40% of temporary workers become permanent within a year. Secondly, the Swedish Employment Service has been intentional in helping immigrants access the labor market. In 2007, a new government gave PES the responsibility of assisting newcomers to access the Labor market, moving away from the previous norm of municipality-run integration programs.

In response, the PES took up the introduction programs (including language lessons, civic training and other immigrant-friendly employment services). It also introduced step-in jobs (where employers are incentivized for hiring newcomers and long-term unemployed) with complementary skills training and the new start jobs for the long term unemployed, native

<sup>20</sup> GHK, Case study: A 'Virtual Labor Market Platform' for the Public Employment Service in Germany, 2011

<sup>21</sup> Emilson, Henrik, No Quick-fix Policies to support the Labor Market integration Policies for New Arrivals in Sweden, Washington DC, Migration Policy Institute and the ILO

or immigrant. Migrants who have entered the new start jobs have higher probability of entering the job market in three years.

Statistics and studies show that newly-arrived foreign-born women face more challenges entering the Swedish Labor market compared to their male counterparts (Swedish Public Employment Agency, 2017). The process is often slower for women due to lower levels of education, coupled with family situations including child care (Karlsdóttir et al., 2017) and differences in cultural values.

The challenges faced by foreign-born women in entering the Labor market were recognized by the Swedish government in 2017. The Swedish Public Employment Service was tasked with making an action plan for increased participation of foreign-born women in work and education in 2017–2018. The plan addressed foreign-born women with special focus on those with low levels of education and limited work experience. The activities in the action plan include:

- i) Increasing awareness among employers and co-workers about equality and human rights;
- ii) Mapping the issues that create barriers for foreign-born women to enter the Labor market in order to ensure a sound basis for better decision-making;
- iii) Increasing training and learning opportunities for women; and
- iv) Enhancing the participation of foreign-born women in employment services.

With a high number of refugees and the signing of the CRRF, Kenya is under pressure to support a settlement program as envisaged in the Kalobeyei Integrated Social-Economic Development Program (KISED). The Swedish model of migrant integration into the Labor market can be implemented through a comprehensive program including language training (Kiswahili and English), skills training, work-study and apprenticeship programs, business support services, etc. Further, in recognition of the vulnerability of women and PWDs, such a program must have components that support female refugees and PWDs.

In particular, however, it is evident both from the Swedish experience and local experience that refugees have a positive impact on local economies. Integration will foster economic growth and development of communities.

## South Korea<sup>22</sup>

Public Employment Service in South Korea is organized around the Job Center as the core, implementing the Framework Act on Employment Policy and the Employment Insurance Act. Established in 1998, the Job Center operates under the ministry of Employment and Labor of the central government with 86 centers across the country. It operates in an environment where employment services are required to be decentralized by law. The Job Center profiles job-seekers and matches them with employment opportunities presented by employers. It also provides incentives to employers creating employment opportunities for the unemployed in their databases and minimizing lay-offs.

Perhaps the best program operated by the Job Center is the Successful Employment Package Program for vulnerable groups – people in the low-income bracket. The program targets the youth and middle-aged unemployed earning less than 50 per cent of the minimum cost of living. It consists of a comprehensive process of diagnostics and career path planning through focused consultations and vocational psychological tests, morale and capacity building through vocational training, start-up programs, youth internship

<sup>22</sup> Yang, Sungpil, the public employment service in the Republic of Korea; ILO, Employment - Geneva: ILO, 2015 (Employment working paper; No. 192)



programs and focused job matching services. The beneficiaries of this program have increased every year and 50-60% of its participants obtain a job, higher than other Job Center schemes.

In 2008, the government introduced Job Centers for Women (JCW) to provide a one-stop employment service for women returning to the labor market after a 'career interruption', mostly through child rearing. The centers have expanded steadily to total 150 in 2016. JCW runs maternity care programs to prevent career breaks, promote the rate of female labor force participation, and guarantee work-life balance. Women on maternity leave receive insured-payments for the extra leave days not covered by the employer. In addition, the insured can reduce his/her working hours during the childcare period instead of taking childcare leave, and the benefit for reduced working hours during the childcare period is provided to the insured choosing the reduced working time.

The Job Center co-operates with local governments, outsourcing institutions and private employment agencies sharing job information through their online platform, Work-Net, and delivering job placement services. In collaboration with local governments, the Job Center co-hosts job fairs. South Korea has 244 municipalities consisting of 16 principal level communities, including metropolitan cities and provinces, and 228 municipal level communities, comprised of cities, counties and districts. The Job Center works with all of them even providing advisory services to the local government units when they design their own job creation strategy under the Local Job Creation Strategy Notice System.

The Job Center also works with universities and institutions of higher learning using their staff as employment consultants and sharing costs at a ratio of 60% to 40% . In this partnership, the JC carries the bigger staff weight to mitigate their low number of staff compared to workload.

As job placement is provided by private employment agencies and the outsourcing institutions, a competitive relationship exists between all the organizations providing job placement services. The Job Center is responsible for supervising activities of its outsourcing and vocational training institutions, which have to report to it.

The South Korean Job Center is similar to NEA in that it has a small workforce serving a big country and a large population. Given that they are still able to deliver using innovative technology and partnerships, there is an opportunity for NEA to learn how best to use these tools to deliver services.

The devolved units of government at the counties are potential partners for NEA in the delivery of service, especially as regards office spaces. Numerous NGOs working in the livelihoods space would have officers working from a common space and leveraging on the synergy.

## Cambodia<sup>23</sup>

The Cambodian public employment service is the National Employment Agency. It is mandated to provide employment services and labor market information to job seekers, employers, employees, education/training providers and the public. It comprises of a central unit at the headquarters and local units. It is a public agency with its own organizational structure for service delivery, but it is accountable to the Ministry of Labor. Its legally assigned duties are job placement, collection of labor market information and active labor market policies. It has seven local PES offices and a staff establishment of 84. Its operations are funded by the central government and donors.

Service is delivered through two options; an NEA online platform and through job centers.

The LMIS in Cambodia is outstanding in its substance. Its NEA is worth emulating in the

<sup>23</sup> Morris, Elizabeth, Promoting employment in Cambodia: analysis and options / Elizabeth Morris; ILO Subregional Office for East Asia. – Bangkok: ILO, 2007

Kenyan context. Data is collected through strategic partnerships with devolved units and other players in the labor market. The Kenyan NEA could forge similar partnerships to collect data on employment, skills, labor market gaps and vacancies.

## Morocco<sup>24</sup>

Morocco's National Agency for the Promotion of Employment and Competence (ANAPEC) was formed through an Act of Parliament passed in 2000 and its activities operationalized in 2001. It is the agency charged with executing the country's National Employment Strategy and sits under the Ministry of Employment and Social Services. ANAPEC has 83 agencies across 12 regions in Morocco.

The agency provides the following key services:

- i) Creating linkages between employers and jobseekers;
- ii) Providing advisories to jobseekers and employers;
- iii) Skills training support for jobseekers;
- iv) Prospecting and job placement in foreign markets;
- v) Providing technical support to self-employed entrepreneurs; and
- vi) Providing labor market insights.

However, a number of gaps were identified in the 2000 National Employment Strategy (NES) which adversely affect ANAPEC's operations and subsequent impact. These are:

- i) Primary focus on graduates for job placements thereby neglecting semi and unskilled job seekers;
- ii) Mismatch between formal training in the national institutions of learning and employer needs;
- iii) Limited social protection of jobseekers; and
- iv) Insufficient job placement programs tailor-made for vulnerable segments of the community including women and youth, persons with disability, persons in rural areas or workers requiring retraining.

The current NES (2015 – 2025) recommended a departure from a 'restrictive' approach to a more inclusive one that reaches more segments of the population. The implementation of this recommendation recalibrated ANAPEC's mission to include two more functions in addition to the fundamental job matching services it offers to the Moroccan public. First, it included the active promotion of the employment of women (especially unskilled) who are disproportionately represented in the labor market. Secondly, it sought the development of an innovative service that supports entrepreneurship development that almost operates as a (start-up) incubator targeted at youth.

Under the innovative entrepreneurship or "incubation" support program, mainly via web portal or mobile app, ANAPEC receives business proposals from potential entrepreneurs, reviews the proposals to determine the viability of business idea. If the idea is viable, ANAPEC guides the entrepreneur to possible sources of funding/partnerships and also through the administrative process for registration of a business with a follow up post-business registration. The entrepreneurship support service is highly digitized as the youth, who are the target audience, are mostly digital natives.

This **entrepreneurship development support** is perhaps the most innovative job creation service that is most reflective of the current market trends particularly in developing markets.

<sup>24</sup> Academie Sur L'emploi L'entrepreneuriat Et La Creation D'emploi A L'ere Du Numerique 13/05/2019 Nadia Benabid and <http://anapec.org>



With regards to the holistic accessibility of its services, ANAPEC has invested in the development of its digital platforms and telephone services. In addition to a website that contains relevant information, ANAPEC has a **mobile phone application** available for downloading to its users. They are active across the major social media platforms in addition to emailing and e-learning programs. In a bid to increase inclusivity, ANAPEC has a call-center that fields enquiries from various stakeholders – mainly jobseekers and potential employers. The call center is also responsible for the bulk SMS service.

The languages used across the platforms are French and Arabic which are the national languages of Morocco.

Enterprise development is a function under MSEA in Kenya and as such not within the purview of NEA. However, the reform that focused ANAPEC's strategy to a wholesome approach towards employment services including both formal and informal, is worth emulating both for NEA and MSEA. Small businesses should be empowered to create employment and increase accessibility. However, there is need to convert the local informal jobs into more business institutions that can compete effectively, withstand economic shocks and increase employment opportunities.

### Foreign PES in comparisons to NEA

Country	Strengths	NEA's situation
Germany	Use of Technology in employment Services. Systems well integrated into one	Uses NEA IMIS, migrant worker portal and corporate website  Three systems create problems as clients don't know where to get what.
Sweden	Integration of immigrants into the job market  Strong program for integration including language lessons, work-study programs, training, etc	NEA has no program for integration of migrant workers or refugees.
South Korea	Network of Job Centers  Uses partnerships to deliver services with a small number of staff  Service to vulnerable people groups	28 field offices with very little staff.  Both organizations understaffed.  No significant partnerships on service delivery at the grassroots level
Cambodia	Strong Labor Market Information	No data available on jobseekers' profiles, employers or skills gaps
Morocco	Partnerships with other players  Wholesome approach to employment services (both formal and informal jobs)	Weak approach to strategic partnerships.  There is a focus on lower cadre migrant jobs. This has made employers to doubt NEA's capacity to produce suitable candidates for high cadre formal jobs.

## 11. NEA's Policy and Legislative Framework

The hypothesis that NEA has **sufficient legal and policy framework** to carry out its mandate as a public employment service is accurate. There are certain areas that may require improvement, but generally, there is enough law and policy for the organization to thrive. However, the Authority needs to expedite its delinking process from the parent ministry to strengthen its structures and deliver the necessary services.

Perhaps the biggest need at the moment is political thrust or momentum. NEA's leadership needs to work more closely with the interested political class; Young Parliamentarians and student leaders (university and colleges) with the aim of getting more influence, resources and political goodwill. Additionally, closer collaboration with COTU can give the organization the thrust it needs through lobbying and advocacy.

### PES Policy and Legal Framework

Generally, respondents were agreeable that the current policy and legal framework for public employment services in Kenya is satisfactory to make NEA a functional organization. However, several gaps and challenges were identified as contributors to the Authority's poor performance.

First, the process of delinking NEA from the ministry of Labor is not yet complete. All Instruments have been completed and approved by State Corporations Advisory Committee (SCAC) and the Salaries and Remuneration Commission (SRC). However, Treasury is yet to approve the request by NEA to recruit its own staff to facilitate the delinking process. Further, the NEA staff grading has only been recently approved. Consequently, the staff are all civil servants from the Ministry of Labor, seconded to the Authority in the interim. The ministry, SCAC and SRC have approved a starting workforce of 120, even though NEA had requested for 230.

The delinking process will release NEA to carry out its functions within its mandate without the unhealthy overlapping from the parent ministry and other agencies. Currently, there are functional overlaps between NEA and Public Service Commission on internships and NEA and NITA on attachments. The labor market information mandate remains with the parent ministry. However, elements of LMIS like surveys, jobseeker registry and employer returns are domiciled at NEA. To cure the overlap with NITA, the Authority has gone into an understanding with NITA to allow the latter to facilitate attachments. Given that NITA conducts industrial training, it was best placed to offer attachment opportunities to its trainees through further partnerships with employers and master craftsmen. There is, however, no understanding between the Authority and any other body on shared functions.

The assessment observed that government agencies and offices function in a detached manner. For instance, officers in the same ministry did not know about NEA. Critical sectors like education are unaware of their role in employment creation, and are focused on training without engaging players in the employment spaces like NEA. Additionally, other State and Government Agencies like Public Service Commission, Teachers Service Commission, Judicial Service Commission and Parliamentary Service Commission all recruit independently without involving NEA or using any of its services. Evidently, there is need for awareness creation and co-operation driven by mutual understanding of the mandate of these institutions.

As regards the need for legal and policy adjustments, the Authority has already made recommendations to amend the NEA Act. The legislation does not capture the component of labor migration and the officers feel it is insufficient in addressing the needs in the migration space. This is currently in progress running concurrently with the development of the draft National Labor Migration Policy and Strategy for Kenya.



Additionally, the NCPWD says the Employment Act is not clear on Persons with Disability. For example, when it says 'progressively improve the 5% legal requirement', it is unclear on how this is to be implemented and measured.

Yet with all the challenges, the respondents still felt that there is already enough policy and legal framework to operationalize NEA. The challenge with the PES is not one of policy but rather of function.



## 12. Organizational Structure and Functions

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### Governance

The National Employment Authority is governed by a board consisting of the chairperson and 10 other members as listed below:

- A chairperson appointed by the Cabinet Secretary;
- The Principal Secretary of the Ministry for the time being responsible for matters relating to finance or his representative;
- The Principal Secretary of the Ministry for the time being responsible for matters relating to labor or his representative;
- The Principal Secretary of the Ministry for the time being responsible for foreign affairs or his representative;
- The Secretary of the Public Service Commission;
- The Secretary of the Commission on University Education;
- The Secretary to the Kenya Association of Technical Training Institutions;
- A person appointed by the Cabinet Secretary from the largest representative association of employers (Federation of Kenya Employers);
- The Director-General, who shall be the secretary; and
- Two youths, one man and one woman, nominated by the National Youth Council and appointed by the Cabinet Secretary.

The board discharges its responsibilities through three committees: Finance, Human Resource and Governance; Employment Promotion, Services and Strategy; and Audit, Risk and Compliance. It reports to the Cabinet Secretary for Labor.

The study observed that the board should be fully functional and representative of all major stakeholders. The board needs to establish inclusive working committees on different themes to ensure every aspect of the NEA mandate is well covered. Currently, there is need to include COTU, NCPWD or APDK, NGEK and RAS in the board or working committees.

Further, the board needs to allow for devolved working committees in every county that include county government, KNCCI, CSOs, youth representatives, etc. This will ensure that the Authority's focus is not centralized in Nairobi and Mombasa.

### Management

The authority is managed by a Director General appointed by the board. The Director General leads a team of directors in charge of specific directorates. NEA is organized into five directorates and three departments reporting directly to the Director General. These are:

- Directorate of Local Placement, Internship and Attachment Services which houses the public employment services;
- Directorate of Labor Migration;
- Directorate of Capacity Building, Research and Data Management;
- Directorate of Strategy & Quality Management;



- Directorate of Corporate Services;
- Department of Internal Audit;
- Department of Board Secretary & Legal Services;
- Department of Supply Chain Management; and
- Regional Employment Offices.

## Field Offices

There are 30 field offices in 28 counties. Currently, the Authority is building a model employment center in Kabete, Nairobi, which will be followed by eight others across the country. Beyond this, the Authority may establish satellite offices in every county.

In the capital city, the Authority also has offices in Kayole and Industrial Area. The Kasarani employment office was not functional during the assessment. There is no office in the Central Business District, a hub for jobseekers, nor in the areas with most colleges like Ongata Rongai nor in any of the universities.

In the survey done with all staff, a comment stood out when asked about NEA's goals and objectives in the next five years.

*"This should be set by the executives or policy holders. It has not happened and if it has, then no communication has been made to the field officers to be in the know." – Respondent (NEA staff)*

The other responses were off track and revealed that field officers are not aware of the organization's goals moving forward. The comment thus showed that communication between the head office and field offices is limited and co-ordination ineffective. A Strategic Plan that was launched in 2018 is yet to be made available to the field offices.

The field offices are not fully decentralized. They operate under the Local Placement, Internship and Attachment directorate with need for approvals on many fronts. Ideally, the officers in the county are supposed to seek out partnerships with the county governments, call for meetings with employers in the counties, visit learning institutions and create awareness. They are also expected to deliver on their regular functions of job matching, regulation of PrEAs and collection of labor market information. This, however, does not take place due to significant capacity challenges.

Very few walk-in clients visit the NEA offices, primarily due to lack of awareness. Some offices remained closed for long periods. Consequently, the offices provide jobseeker registration and job matching services to very few people.

Tellingly, the county offices have a significant level of responsibility and authority placed upon them without necessarily seeking approval from head office. The county offices cannot, however, license a private employment agency. They are required to inspect, facilitate the application process and forward the file to head office with a recommendation.

There are no local working committees or boards. Involvement with the county governments is minimal.

In FGDs held with the host communities in Kakuma, residents complained that government services are only available in Lodwar, the headquarters, and never truly reach locals. The Youth Enterprise Fund, for example, does not have offices in Kakuma. In principle, in the large counties of Rift Valley, Eastern, North Eastern and Coast, it is not enough to have an office in the county headquarters. Services must reach the public in the satellite towns. Given complaints of high costs of making job applications, there is need for NEA to expand its horizon to every county and have satellite offices in major towns especially in the regions mentioned above. The Authority should also plan to have presence in Dadaab and Kakuma to facilitate refugee integration. In the meantime as it works on funding,

the Authority can use the Huduma Center network to reach more people without extra investments in buildings, rent or furnishings. Elsewhere, NITA is trying out an idea to roll out mobile service units (trucks equipped with office facilities to offer services to communities). This is a novel idea worth observing for an organization with limited resources but with a nationwide mandate like NEA.

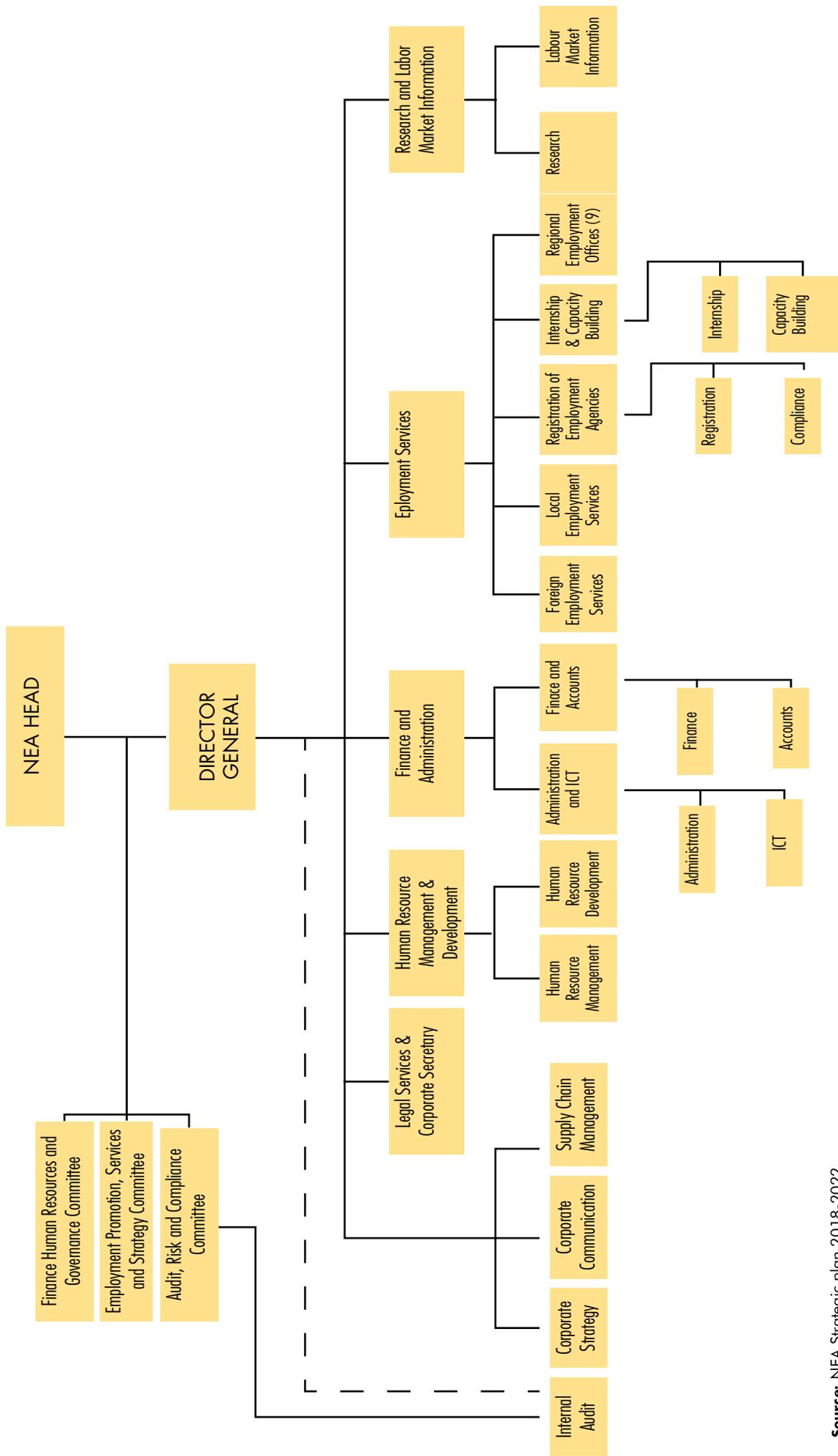
## NEAs Mission Statement

The Mission statement for NEA reads **To formulate and implement employment policies and programs for creation of sustainable employment for all Kenyans**. The activities within the mission statement are accurately reflecting NEA's call and mandate. However, the object differs significantly from what a public employment service pursues. As outlined in the introduction, the first function of a PES is to offer job search assistance and matching by **publicly disseminating job vacancies** to be filled in order to facilitate rapid matches between supply and demand. Evidently then, it follows the function of a PES is one of employment promotion as opposed to employment creation. Neither the NEA Act, nor international best practice suggests NEA is to create employment. Employment creation is a function of the demand side of the labor market (employers) and not a mediator like NEA. Ironically, many members of staff think that their mandate is either employment creation or mere registration of jobseekers. This disparity, minor as it seems, demonstrated a major gap in the organization.

The Authority needs to revise its mission statement to be one focused on employment services, not employment creation. In addition, the super indicator for NEA's performance is number of jobs matched. Focus should be on jobs matched and the strategies of achieving this.

Stakeholders feel that the officials at NEA do not have an understanding of their mandate and role as a PES. The mentality of being a government department is still prevalent in NEA offices, waiting for walk in clients on matters of labor, as opposed to reaching out to engage with the labor market. This functional deficit has thus invited overlaps from other government agencies, led to an increasing number of PrEAs working to fill the vacuum and exacerbated the unemployment problem.





Source: NEA Strategic plan 2018-2022

## Partnerships

NEA is currently developing a comprehensive partnership policy. The Authority already works with several partners in a bid to achieve its mission. There are legacy arrangements with IOM, Kenya Association of Private Employment Agencies (KAPEA) and the African Banking Corporation to offer homeware training to Kenyans going abroad as domestic workers. Further, the partnership with ILO and IOM has produced the Kenya Labor Migrant Worker web-portal.

In conjunction with the parent ministry, NEA offers support to local private agencies to access and operate MUSANED, the online portal for migrant workers to Saudi Arabia.

There are gaps in the organization's collaboration with other agencies in government and the county governments. Some respondents serving in different agencies but within the same ministry did not know of NEA, even though they work in the same space. The offices are marked only with A4 paper printout posters and occupy one room in the ministry's complex. Without regular meetings within the ministry, colleagues in the same ministry cannot know about the existence of NEA.

For instance, the NCPWD offers job-matching services to persons with disabilities. However, even though they are also under the Ministry of Labor and Social Protection, they have never collaborated with NEA on any front. All the respondents within the county government of Turkana have never heard of NEA, interacted with the staff nor collaborated on any front. NEA should reach out to NCPWD and APDK and propose a partnership towards formulating active labor market policies on persons with disabilities. The Authority's operation is currently lean on PWDs yet this is a significant component of its mandate.

In the focus group discussions with TVET and university students and the respective graduates, there was near zero **awareness** of NEA. In principle, the organization has had no engagement with learning institutions hence being significantly isolated from the primary client. There are no partnerships with institutions of higher learning, Kenya Association of Technical Training Institutes (KATTI) or the Kenya Universities Deans of Students Association. Notwithstanding, KATTI and CUE both have representation in the NEA Board of Directors.

While the NEA Strategic Plan recognizes COTU-K as the first stakeholder, the umbrella trade union does not sit in its board nor has the NEA management engaged them on any matter. COTU blamed this isolationism for NEA's poor performance in executing its mandate.

## Strategic Proposals on Partnerships

As a matter of priority, there is need to develop a stakeholder strategy that focuses the organization towards creating linkages with relevant stakeholders. NEA should hold regular stakeholder engagements. These could be through career fairs (exhibitions and conventions), breakfast meetings, luncheons, LMI report conversations, etc.

Additionally, the Authority should create an awareness strategy to make its presence known.

The Ministry of Youth had expressed plans to establish **youth centers** across the county with internet connectivity. NEA can collaborate with the ministry to ensure the centers have free internet that the youth can use to apply for employment. It should collaborate with State Department for Youth and Innovation, universities, TVETs, Public Service Commission, TSC and KICD to develop an employability training curriculum at the centers.

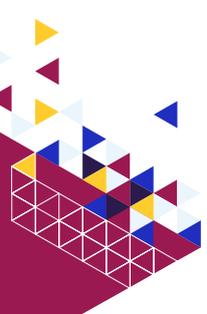
Perhaps the biggest potential for partnership is with learning institutions. Universities and technical colleges are keen on their graduates getting employment after graduation. The congruence of interests presents an opportunity for NEA to train and deploy placement officers as its agents to assist it to reach the students from the first day. The placement



officers will pass information about registration, processes and available vacancies. Additionally, the officers can offer career guidance and counselling to the university students throughout their education. This is in line with the strategy deployed by the South Korean PES that has a partnership with universities and institutions of higher learning to use their staff as employment consultants to mitigate their low number of staff.

To facilitate partnership with universities and to reach their students, NEA should work with the deans' association. The Authority should have in its data base a facility to print out institutional reports indicating how many students from the institution were placed. It should also track their careers for at least five years.

Further, the TVET sector is growing with more students enrolling and graduating. A closer engagement with them will empower NEA to reach their graduates with employment services. The Kenya Association of Technical Training Institutions is another potential partner at the national level. For these partnerships to start and work, NEA field officers should physically visit the institutions.



## Functions

The table below outlines the functions of NEA according to the NEA Act of 2016, and the operationalization status.

Function	Status
Advise on formulation of employment policies and strategies for national and county governments.	NEA is working with the national government towards creating agreements with target countries for migrant workers.
Advise both the national and county governments on any policy matter concerning employment.	<ul style="list-style-type: none"> <li>• The NEA DG sits in the board for approval of work permits.</li> <li>• The NEA DG also sits on the National Labor Board to provide policy advice on employment matters in the country.</li> </ul>
Develop methodologies for employment measurement, management and promotion.	<ul style="list-style-type: none"> <li>• Employer returns</li> <li>• Job advertisements on the NEA website</li> </ul>
Conduct periodic surveys on labor market skills requirements and advice training institutions and job seekers appropriately to ensure that training and skills match the job market requirements.	No survey has been carried out by the authority since inception.
Monitor implementation of employment policies and programs.	No monitoring mechanism on the public works programmes, KYEOP, internship programmes or the self-employment policies advanced in the country.
Facilitate co-operation with the national government, the private sector, the informal sector and foreign governments and institutions to promote and increase access to employment.	There have not been tri-partite meetings between the government, private sector and other institutions towards employment promotion.
Facilitate, continuous training and other activities of Kenyans to improve their chances of employment and work skills.	<ul style="list-style-type: none"> <li>• The Homecare training program for domestic workers heading to the Middle East inherited from NEB.</li> <li>• No other training program instituted internally or in partnership with other institutions.</li> </ul>
Register persons seeking employment.	The authority registers job-seekers physically through cards and electronically on the NEA-IMS. The service reach is however minimal.
Maintain an integrated and up-to-date database of all persons seeking employment.	The NEA IMS is a database of job-seekers who have registered with NEA. Again, the service reach is minimal.
Facilitate the employment and placement of job seekers in formal and informal or any other form of employment, locally and internationally.	Job-matching services are offered at a minimal level through the NEA system or physically. About 58,000 job seekers were matched in 2019/2020 FY.
Circulate in a timely manner job vacancies advertised to job seekers throughout Kenya through appropriate means including use of social media, internet, and published materials.	Done through the website. By the time of the assessment the website had three vacancies only.
Provide counselling to the unemployed and undertake activities to promote employment.	Ideally, officers say they were trained on career guidance and can offer the service. In practice, however, there were no records of any counselling in the last one month in any of the offices visited.
Facilitate the implementation of national policies on employment.	<p>This function is shared with NSSF, NITA, PSC, MSEA, State department of labor and the ministry of youth.</p> <p>NEA's role in the facilitation is limited to its mandate.</p>
Take necessary steps to encourage equal opportunity employment practices for the benefit of the unemployed.	No steps, programs or measures by the authority have been taken to encourage equal opportunity employment for PWDs, refugees, women or other minority groups.
Perform such other function as may be assigned to it by any other written law.	Currently not applicable



## 13. Services and Programmes

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### Overview

The assessment found that NEA's services are significantly underdeveloped. Of the six items under the PES purview, NEA's strength lies in regulation of the private employment agencies and provision of support for labor migration. Job matching, labor market information, career counselling and active labor market program design and implementation functions remain inactive. While there is intent in every segment, there is no activity or a way to measure progress therein. To this end then, the assessment was limited to the plans in place towards the rollout of these services or statements of intent.

According to the report for the financial year 2019-2020, a total of 57,559 jobseekers were placed in employment locally and abroad by NEA. Out of these, 70% were non-skilled or semi-skilled (domestic workers, cleaners, security & protective and in construction industry) while about 30% were engaged in skilled and professional cadre (hospitality, aviation, engineering and technicians, sales and marketing, high and middle level management).

### Services on Offer

Currently, the Authority offers the following services to the public.

**Jobseeker Registration:** Staff of the Authority receive clients in the offices, take their details and key them into the online platform. In other circumstances, the client is assisted to key the details themselves. Some offices still take the details of the jobseeker on the registration card for employment. They then later on transfer the details to the online portal. Either way, the Authority keeps a record of its walk-in clients.

**Job Advertisements:** The Authority collects job vacancies from employers and advertises them on its website. Jobseekers are encouraged to keep track of these advertisements and apply when a job they qualify for is advertised. Sadly, the number of jobs being advertised is insignificant. At the time of the assessment, there were only two jobs advertised on the website.

**Job Matching Services:** The Authority matches the jobs advertised by employers with the job seekers in its database. It was, however, impossible to establish how many jobs are matched in a year.

**Labor Market Information:** The Authority collects labor market information throughout the country through employer returns submitted to it quarterly. Comparing this data with the database of jobseekers, the Authority should be able to tell the jobs that are oversupplied, those in demand and forecast about the future labor needs of the country. Again, the latter part of this function is not yet operational.

**Private Employment Agencies Regulation:** NEA licenses and regulates private employment agencies operating in Kenya either for the local job market or taking migrant workers abroad. To sustain its operations, the Authority charges a registration fee and annual fee to the private employment agencies. Field officers have the duty to facilitate registration, inspect applicant's operations and recommend licensing or otherwise. The national office then approves or disapproves licensing. After licensing, the field officers conduct periodic inspections to ensure compliance of the PrEAs.

### Policy Formulation

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As outlined in the employment services segment, the National Employment Authority has worked in tandem with the Ministry of Labor and Social Protection to sign bilateral

agreements with Middle East countries to facilitate Kenyan migrant workers. Agreements have been signed with three countries – Qatar, Saudi Arabia and the United Arab Emirates.

Consequently, Qatar and Saudi Arabia have received skilled migrant Kenyan workers like chefs and hoteliers. In 2019 alone, Kenya exported 371 engineers to Qatar. Further, Qatar Airways employs about 2,000 Kenyans.

In response to the new markets opening up in the West, Kenya has initiated bilateral labor negotiations with the United Kingdom, Poland and Canada for skilled labor. The Authority expects that the country will export doctors, nurses, engineers and data scientists to these destinations.

Further agreement discussions have been initiated with Oman, Jordan, Kuwait and Bahrain. The aim is to conclude Bilateral Labor agreements with all the key labor destination countries and ensure smooth movement of Kenyan workers to these countries.

## Challenges with Service Delivery

NEA excels in foreign employment services. Internal interviewees agreed that there is a lot of focus on foreign employment services and licensing of private employment agencies. This is perhaps driven by the fact that these two functions generate income for the organization as opposed to the local public employment service - which is offered free of charge. Further, there is a belief that the Authority acts like an employment agency for migrant workers, and not an organization charged with formulating active labor market policies in Kenya. In this pursuit, NEA has excelled in facilitating migrant workers to the Middle East, especially domestic workers. On the other hand, opportunities are opening up for skilled workers in emerging labor markets abroad. These need to be captured in the Authority's strategy and activities.

The assessment observed that the overemphasis on foreign employment service has significantly contributed to NEA's underperforming in the local labor market.

Additionally, there is **overemphasis on jobseeker registration** with some offices still using the old manual cards. There is a change-management problem as staff were not equipped to understand that job matching goes beyond merely registering one as a jobseeker and issuing them with cards. There is little or no career guidance going on. The Authority lacks an employee career tracing system to establish whether the employee retained the job, is productive and/or happy in the job. Beyond this, however, is the fact that few clients walk in for NEA's services.

There is no specialized service for any of the **special interest groups**; refugees and displaced persons, persons with disabilities, women and the marginalized. Being a key element of NEA's mandate, this is a big oversight. Further, there are no programs for the long-term unemployed. There are plans, however, to assist returnees from foreign countries to be rehabilitated to re-enter the labor market. This is yet to be implemented.

NEA lacks substantive services and programs towards enabling more **women** to access and retain employment. Effort has been made to ensure that the Authority is inclusive by having both men and women in the hierarchy. As a matter of fact, the NEA Director General and board chair are both women.

NEA lacks accessibility features in its facilities for **PWDs**. The website is not compliant with WCAG (Web content accessibility guidelines). However, there are plans for braille translation in 2021. There is no deliberate effort to include PWDs in the Kenyan labor market by NEA nor any partnership towards the same.

As previously discussed, the Authority does not have any program to integrate **refugees** into the local labor market. This is in spite of the fact that the NEA Director General is a member of the ministerial committee that approves work permits. The organization cites lack of documentation (class M permit) as a major obstacle to refugees accessing the local labor market.



The Authority lacks sufficient **data** on jobseekers, skills demand and supply, recruitment, and other parameters. This is in spite of the fact that it registers jobseekers. In the 2019/2020 financial year, it received about 6,000 returns which was way below target.

NEA lacks an employer engagement strategy. Upon launch, the Authority had breakfast meetings with employers in Nairobi, Mombasa and Kisumu. It also conducted training on how employers should do the employer returns. Since then, there are no engagements with employers except the frequent emails demanding the returns. Employers need a body that can provide reliable labor market intelligence.

The umbrella employers' body believes that employers would be happy to work with NEA, as long as there is value proposition. The value proposed include periodic and accurate dissemination of labor market information (statistics, trends, new developments) and demonstrated access to quality staff. Many employers do not believe NEA can supply quality candidates in good time.

NEA needs to demonstrate value add through knowledge products (labor market information) and quality recruits. The system predominantly has low cadre jobseekers.

Consequently, the Authority is not getting vacancy listings from employers. As at the time of writing this report, there were only two local vacancies listed on the NEA-IMS and one foreign advert for housekeepers. The number of jobs on the *Fuzu* and *Brightermonday* sites could not be established by a simple count. None of the portals have PWD accessibility facilities.

## Performance Management<sup>25</sup>

As a government agency, NEA follows the Results Based Management approach to performance management. In 2003, the government of Kenya introduced performance management as a way to drive service delivery to citizens. Results Based Management (RBM) was introduced jointly with the World Bank. NEA has implemented three facets of the RBM approach.

**Performance Contracting:** This is defined as a binding agreement between two or more parties for performing, or refrains from performing some stipulated act over a specified period of time. Ministries, Departments and Agencies in the Kenyan government have all adopted PCs, notwithstanding implementation challenges. PC is an individual focused measure as each officer is expected to account for the performance or lack of it. To wit then, it is a contract between the State and the officer.

The chair of the NEA board signs performance measurement mechanisms annually with the minister in charge of labor, outlining the targets and expectations of support from the Cabinet Secretary. The targets are then broken down to the directorates which further break them to the units. The Director General and the management team are responsible for the delivery of the targets. The Chairman and the board provide oversight.

This has, however, been affected in the past as the board did not have a chair for a while. The parent ministry and the Performance Management Unit at the PSC verify targets set by NEA. NEA then is supposed to submit performance reports monthly, quarterly and annually. Poor performance leads to certain injunctions while excellent performance is supposed to be rewarded. However, a majority of the staff we talked to said high performing colleagues had never been rewarded. Further, the incentives are only on paper but are not being applied in practice.

**Rapid Results Initiative:** Rapid Results Initiative is an innovative results-focused tool adopted by the Kenyan Government to enhance efficiency and effectiveness in service delivery. The board of directors identifies a set of strategic priorities from the Strategic Plan that would benefit from RRI. A result leader, strategic leader and team leader are then

<sup>25</sup> Korir et al, 2015, Performance Management And Public Service Delivery In Kenya

appointed for each focus or Strategic Challenge Area. The portfolio of focal areas then moves into the RRI cycle -- Shape, Launch, Implement and Scale-up. As the RRIs move through this cycle the results advance the achievement of organizational overall strategy. The NEA Strategic Plan offers guidance on the implementation of this approach with key focus areas assigned to specific directorates. RRIs tend to measure collective performance of groups (the board, management, directorates, an office etc)

**Service Charters:** A Service charter is a document that clarifies the level and standard of public service citizens can expect. The aim of service charters is to 'translate' constitutional and legal obligations into practical and technical standards for service provision. NEA launched its Service charter in 2020, spelling out service level standards to be expected in its delivery.

While these measures are in place ideally, in practice there was little or no performance management accountability. Officers in the field filled the monitoring forms every quarter with little follow up or accountability for poor performance. Officers were unanimous that there was no reward for performance and the closest to recognition was the DG mentioning in a dinner that Mombasa office led the pack in performance.

## Reporting

Section 42 of the NEA Act requires that the Authority prepares and publishes annual reports at the end of each financial year or upon request by the Cabinet Secretary. The Authority must submit an annual report on the discharge of its functions under the NEA Act.

The NEA reports must include:

- Number of youths registered in the period under review;
- Number of youths who have secured employment during the period under review;
- Any impediment encountered in the discharge of the functions of the Authority;
- Any policy matters that the Authority may require to be addressed by the Cabinet Secretary, national or county governments; and
- Any other matter pertinent to the discharge of its functions under this Act.

The assessment reviewed the financial reports of financial years 2019/2020 and 2017/2018. The reports had messages from the chairman and Director General on the achievements in the year and the challenges therein. However, there was no detailed breakdown of the milestones above.

## Strategic Proposals

**Career Guidance:** The Authority should hire, train and equip career counsellors to begin offering these services. PrEAs are not providing these services.

**Regional Markets:** With the signing of the East African Common Market Protocol, Kenyans can work anywhere in the region. However, the number of Kenyans getting jobs in the region has not changed. NEA needs to partner with the corresponding agencies in the neighboring countries for information sharing to expand their labor markets. Further, the Authority can use internet crawlers to get jobs from PrEAs with regional presence like Fuzu.

**PWDs:** The NEA-IMS needs to be WCAG-compliant and more accessible to PWDs. Additionally, NEA offices and facilities should be accessible to PWDs.

**Labor Market Information:** The assessment proposes that NEA rolls out an aggressive LMIS service that includes data on their website, periodic reports and routine surveys.



## 14. Active Labor Market Policies (ALMPs) by NEA

### Implementation of ALMPs

**Enterprise Development:** The mandate of promoting and supporting micro and small businesses towards creation of self-employment belongs to the Micro and Small Enterprises Authority (MSEA) which is analysed in detail in the second section. NEA's mandate as the key provider of active labor market policies slightly overlaps with that of MSEA. Currently, however, NEA does not have any program to support small businesses and self-employment creation.

**Apprenticeship/ Internship:** Both apprenticeship and attachment programs are offered by NITA in collaboration with employers and master craftsmen partly through their regular programs and partly through the KYEOP program. The national **internship** program envisaged in the policy of 2018 to be run by NEA has not been operationalized. There is a no clarity between the Authority and PSC on which of the two should run the public sector internship program but NEA itself lacks an active internship program. As a matter of urgency, NEA needs to roll out an aggressive and comprehensive internship program that encourages employers to take TVET and college graduates and incentivize them.

**Skills Training:** In partnership with the Ministry of Labor and other institutions, NEA offers work readiness and homecare training to domestic workers migrating to the Middle East. Some 67,521 workers were trained in readiness to take up foreign jobs in 2019. Apart from homecare, there are no employability and work-readiness skills training programs internally or in partnership with other organizations to better equip youths for the local job market.

### Strategic Proposals - ALMPs

**Training:** Internally or in partnership with other organizations, NEA needs to add value to the jobseekers through soft skills, employability, work-readiness, digital and personal finance skills training. The gap in the labor market is huge.

**Prior Learning:** There are many workers in the informal set up who are well trained but lack certification for employment. KNQA is working on certifying this segment of employee/ potential employees. There is need for NEA to link up with KNQA to build awareness on this area for jobseekers registered in their platform to build capacity by getting certification for skills gained in informal employment.

**Labor Migration:** Labor migration is two ways, outgoing and incoming migrant workers. NEA has excelled in placing outgoing labor migrants. In line with international best practice benchmarked especially in the Swedish PES, there is now need to design a program that supports, equips and connects the migrant jobseekers with opportunities. This includes language lessons, other introductory lessons, apprenticeship, access to documentation (work permits) upskilling and job placement

In this program, the Authority will indirectly help solve the problem of refugee integration.

The authority needs to introduce programmes for the long-term unemployed (including convicts re-joining the labour market), persons with disabilities and refugees. The country benchmarks in this report can guide on available strategic and structural options.

In particular, there is need to take the **gender** agenda beyond merely women holding positions of influence. A proper gender program should have modalities of:

- Enhancing the education and training of more women in every sphere of society;
- Ensuring conducive work-spaces for mothers (breastfeeding rooms, playrooms for small children especially if the mother is working on a Saturday;
- Training of all members of staff on sexual harassment;
- Formulating strategies to increase number of women in certain male-dominated jobs; and
- Offering support for young single mothers who were cited to be most vulnerable.



## 15. Workflow and Processes

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### Processes

The auditors have continuously complained of weak internal controls at the Authority. In the year ended June 2020, they said;

*“Analysis of internal controls at the Authority revealed that the entity largely depended on staff seconded from the parent ministry to discharge its mandate which in effect impacts on its operations through reliance on a lean staff establishment. This has in effect led to the operations of the entity being handled by only one personnel in a department such as in the procurement and accounting section. In the circumstances, the entity may not effectively enforce its internal control mechanisms to deter resultant abuse of the systemic weaknesses.”*

The weak systems are not limited to accounting and procurement. The organization is yet to put in place proper operational processes and standards to be used across the satellite offices.

Previously, the field officers in the organization used the ILO manuals on employment services towards service delivery. However, NEA recently developed its own manuals already in use in many field offices. To effectively streamline its operations, the Authority has established a standardization department.

The officers use NEA 6 manual for employers who wish to list vacancies with the Authority and NEA 8 manual for placement. For employees, NEA 7A is used for introduction while 7B is used for interviews. There is no manual for jobseeker training or career counselling and guidance.

The web portal has helped to standardize operations across board. The forms for both employers and employees are the same irrespective of location.

### Technology

The field offices are equipped with laptops, printer combos (a printer with scanner and photocopier) and access to the internet to facilitate smooth linkage with head office. However, there are connectivity challenges across board as many officers are unable to connect to the internet. Further, the majority of people working at NEA are above 45 and find some elements of technology tedious or remain ignorant as regards ICT. For instance, while all staff have been provided with NEA email addresses with the organization's domain, almost all of them use public accounts like Gmail and Yahoo. NEA has also digitized its operations through the online platform thus eliminating cards. Some field offices still use cards to collect jobseeker's data and then key in into the system.

NEA has three web portals. First is the NEA website that gives information about the organization. Second is the NEA IMS that is a database for both employers and employees. Third, it has the Kenya Migrant Worker Portal. While the three appear on the home page of [www.nea.go.ke](http://www.nea.go.ke), there is no further integration between the systems. One has to cross from one portal to another to access it. Additionally, the Authority developed a mobile app that can be downloaded and accessed from a smartphone. However, there were complaints of the application being too rigid. The registration process, in particular, is tedious, slow and marred with many errors.

The NEA IMS is not the only government run portal. The Ministry of Labor has a labor market information system. The Kenya Labor Market Information System (KLMIS) provides online job-matching services and data on labor indicators including a job market index. The Ministry of Youth equally developed Ajira; a web portal for young people to access

employment. To wit then there are too many government-owned portals providing employment services without integration or coordination.

In the financial year ending 2020, the auditors noted;

*“A review of internal controls at the Authority revealed weaknesses that included the absence of documented data recovery strategy and an information technology policy with no indicative measures in place to counter risks. Consequently, the Authority may be under threat in terms of loss of strategic data and information regarding its operations, exposure to cyber-attacks, poor response to fire outbreaks and unsafe storage of information technology resources. ”*

Tellingly, NEA still lacks a proper data recovery mechanism.

The Ministry of Labor in conjunction with NEA also manages MUSANED, the portal for hiring domestic workers going to Saudi Arabia. Saudi Arabia introduced this electronic platform for the direct hiring of domestic workers. Applicants apply directly for the jobs and work VISA on the platforms. The applicants can also confirm the status of the employment agency doing recruitment. This is facilitated by the partners of the originating countries with NEA being the local partner in Kenya.

The system aims to provide a comprehensive umbrella for protection of migrant domestic workers' rights. This includes the issuing of an electronic contract signed between the worker and the employer; provision of a hotline and center for resolving workers' complaints; provision of training on how to lodge grievances; and the issuance of a SIM card, which includes the guidelines and the hotline number, to all the migrant workers upon arrival. The system also registers all violations and includes a blacklist of recruitment agencies who commit abuses.<sup>26</sup>

The Authority's labor market information is minimal at best. It depends on the returns by employers and the registration of jobseekers but there is no system to distil, collate, analyse and share out the data to end users.

<sup>26</sup> Interregional Consultation on Labour Migration and Mobility from Asia and Africa to the Middle East [https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/meetingdocument/wcms\\_611467.pdf](https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/meetingdocument/wcms_611467.pdf)



## Strategic Proposals

The Authority needs to harmonize its systems to enhance efficacy. To this end, a proposal is made that job postings on either KLMIS, Ajira, NEA-IMIs should seamlessly reflect on the other platforms.

The system needs to have a special segment for blue-collar jobs like welders, carpenters, hair dressers, etc. This will help this segment of the labor market to equally enjoy specialized employment services.

Further, it needs to make the systems more user-friendly to employers posting jobs and job-seekers alike. There are also too many downtimes. NEA can work with service providers to ensure website stability.

To solve the problem of no feedback among jobseekers, the portal can have an automated response mechanism that will send regret letters to all unsuccessful applicants. Additionally, NEA should develop guidelines for employers to provide feedback to all the candidates, successful and unsuccessful.

Field job centers must have internet both for staff and job applicants.

## Data

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Half of NEA's constituents (the employers) want data to make sense of NEA's relevance as a partner. Even though the law leaves the LMIS function with the ministry, there is need for NEA to collect data and periodically communicate with the industry. Additionally, there should be a well-structured data collection system. It should capture data on employees, jobseekers, skill gaps, trends and future projections on the market from employers, current employees (in the formal and informal sectors), county governments, national government, the civil service commissions, TVETs, universities, etc. This can be achieved by embracing all these partners as part of the labor market information value-chain and giving them feedback through strategic forms and reporting templates.

The Authority should benchmark on the use of technology to provide employment services in Germany. The German system is well integrated, easy to use and accessible to all.

## 16. Human Resource

The assessment concluded that the biggest impediment to NEA's delivery of its services is the lack of a qualified, trained and well-equipped human resource. The law is sufficient and the policy framework favourable. There is a network of offices inherited from the National Employment Bureau that can be used for service delivery yet many of these offices remain closed or grossly understaffed.

NEA has 69 employees (as at October 2020) with the youngest being about 30 years old. However, the Authority's technical staff (those designated as employment officers or employment assistants) are aging with the youngest in this cadre being 47 years old. In addition, most of the field staff are not proficient in computer applications. A total of 24 members of staff work at the head office in Kasarani while the rest are in the field offices.

In the NEA Financial Report of the year ending 2018, auditors query the absence of a substantive Director General for the third year running. Evidently, all the senior managers of NEA have been serving in acting capacities awaiting the approval of staff categorization by SCAC and the National Assembly. While the approval process is complete, the staff are yet to be confirmed. The auditors observed that this lack of stability has affected the internal controls of the organization. But beyond the controls, it is possible it has affected the operations of the Authority too.

In its delinking process, NEA had requested 230 members of staff. The ministry and SRC only approved 120. These are to serve a job-seeking population of 2.6 million (KPHC 2019) people with about 800,000 graduating from institutions of higher learning and colleges. Taken literally, each member of staff at NEA will be serving 21,670 people before the graduating class of 2021 hits the job market. The assessment observed that for the kind of assignment at hand, a workforce of 120 staff is grossly inadequate and won't get the job done. The board should request for a review of the human resource capacity after delinking.

The approved staff grading system at NEA is as listed below.

GRADE	DESIGNATION
NEA 1	DIRECTOR GENERAL
NEA 2	DIRECTOR
NEA 3	MANAGER
NEA 4	PRINCIPAL OFFICER
NEA 5	SENIOR OFFICER
NEA 6	OFFICER
NEA 7	SENIOR ASSISTANT OFFICER
NEA 8	ASSISTANT OFFICER
NEA 9	SENIOR OFFICE ASSISTANT/DRIVER
NEA 10	OFFICE ASSISTANT

The staff shortage in the organization is extreme. Employment officers are handling two or three stations. For instance, the officer in charge of Kisumu also oversees Siaya and Homa-Bay. Currently, there is no activity to recruit, train and retrain the experienced staff as the Authority awaits the conclusion of the delinking process.

Staff training is minimal and is on a need basis. Training is offered by colleagues on employment services and the new management information system. There is no formal skills development plan on employment services, career guidance or regulating PrEAs. The last external training on PES was before the establishment of NEA when ILO sponsored some officers to attend the training. It is evident there will be need for more than one training event, focused on all staff as opposed to senior officers.



Perhaps the bigger challenge in human resource development is the fact that staff do not understand the vision of the organization, the goals in the next five years and their roles in actualizing these goals. Many respondents when asked what their understanding of the vision is, plainly quoted the NEA vision or talked of employment creation. On the question of their role in attaining the vision, the following are some of the responses given:

- Registration of jobseekers, soliciting for vacancies for jobseekers and career counselling;
- Setting a SMART target towards their realization and being in close communication with immediate supervisor in case of any deviation;
- I'm in-charge of the County Employment Office;
- Ensuring employers and jobseekers demands are met by providing the right information as required by all; and
- Registration of jobseekers, counselling of jobseekers, job referrals, sensitization of employers on their roles as employers and making all to understand the role of National Employment Authority.

The last response was the closest to the idea of job matching. While the responses were accurate, focus continued on registration of job-seekers which is only one aspect of the work. Consequently, it means the targets set are not in tandem with the key performance indicator (number of jobs matched) but are rather geared towards job seeker registration.

Given the challenges outlined above, there are no members of staff dedicated to employers, PrEAs or jobseekers. One customer-facing staff deals with all parties. Some private employment agencies said they were frustrated by the Authority's service as there was hardly anyone to talk to about their challenges.

With the exception of junior casual staff, all staff are legacy civil servants from the ministry merely seconded to NEA. As yet, NEA has no staff of its own until the delinking happens. Consequently, the civil servants are all under performance contracts as provided for by the PSC guidelines. They report on their performance quarterly and bi-annually.

The recently approved grading staff establishment document outlines requirements for recruiting new employment officers. The document demands 15 years' experience for the Director General and four years' experience for grade 7, the senior assistant officer. This might prove to be a challenge as the Authority seeks a young team to put to work.

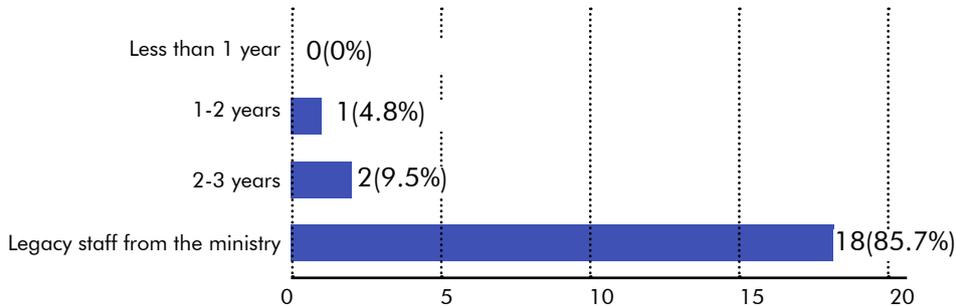
## Analysis of NEA Staff

Out of 21 respondents, only two identified as regular staff. The rest were in management.

### Staff Longevity

#### How long have you worked with NEA?

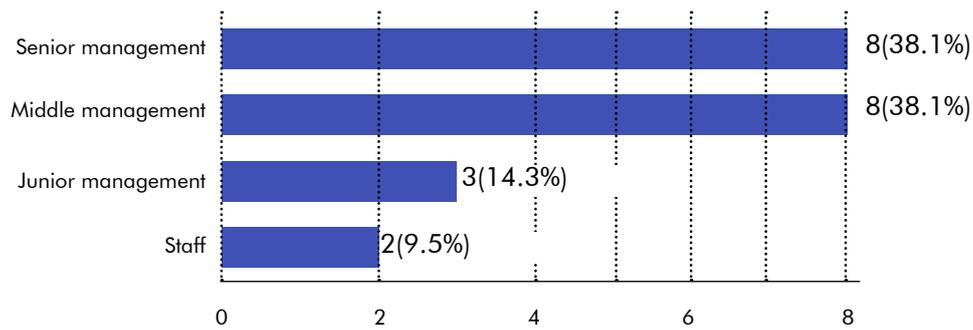
21 responses



### Seniority of staff

#### What are your roles in NEA?

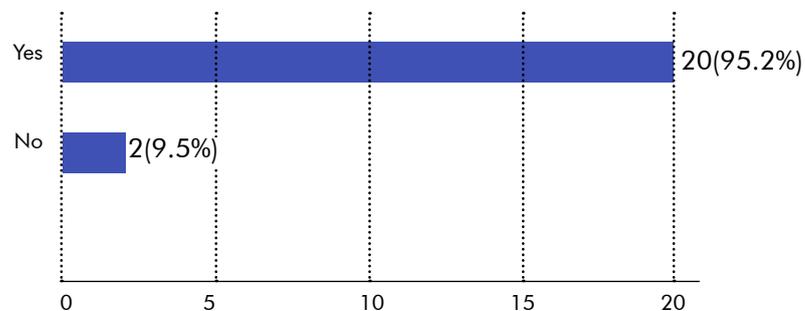
21 responses



### % of Client Facing staff

#### Are you a client facing staff?

21 responses



## 17. Financial Resources

NEA is primarily funded by the national government through the Exchequer. Additional revenue is generated from licensing fees charged to private employment agencies. Significant support towards the organization's activities has also come from development partners like the IOM and the ILO who support specific items like policy development and training.

An analysis of the NEA finances revealed that funding is not a major problem as the Authority has continuously generated a surplus every year (with the exception of 2018), even though many gaps are visible in its operations.

	2016 - 2017	2017-2018	2018-2019	2019-2020
Income from licensing	0	29	47	104
Budget Allocation	195	200	180	230
Expenses	40.1	188.2	279.1	262.2
Surplus	154.9	40.2	-52	65

**Source:** Financial Report for 2019/2020

The NEA budget is mostly operational. The main budget items in its books are the payment of directors and the general expenses. General expenses refer to operational costs like travel, training, workshops, cleaning, etc. On the flipside, however, field offices are often accorded very low expenditure budgets. Last year, they got Ksh. 8,000 per quarter while in the 2020/2021 calendar year, they have received no allocation making their operations to run down.

### Expenses

Below is a breakdown of NEA expenses sourced from the financial report for FY 2019/2020. The reported expense breakdown does not give a narrative of funding to specific functions. This would prove difficult in a case of partnership with organizations keen on specific operational areas. Therefore, there is need for NEA to review its financial reporting approach to cover specific functions like PES, foreign employment Service, surveys, etc.

Item	2019/2020	2018/2019	2017/2018	2016/2017
Use of goods and services	3,695,279	1,172,429	3,836,885	-
Employee costs	1,343,743	3,497,983	1,282,253	731,140
Remuneration of directors	23,832,560	22,962,472	25,087,137	6,072,205
Depreciation & amortization	22,198,487	34,154,781	18,610,271	-
Repairs and maintenance	13,749,010	2,931,986	6,994,704	1,140,000
General expenses	197,368,197	214,306,483	132,332,723	32,170,455
Finance costs/Bank Charges	47,178	122,108	56,330	16,462
<b>Total Expenses</b>	<b>262,234,454</b>	<b>279,148,242</b>	<b>188,200,303</b>	<b>40,130,262</b>

**Source:** NEA financial report 2019/2020

## Breakdown of General Expenses

Description	2019-2020	2018-2019
	KShs	KShs
Advertising	3,537,580	3,269,540
Admin fees	2,140,000	4,409,100
Audit fees		100,000
Catering services, conferences & delegations	64,500,824	47,073,711
Consumables	2,156,000	13,958,103
Subscriptions to Newspapers	464,800	-
Fuel and oil	2,145,067	3,803,332
Insurance	2,499,997	2,686,098
Legal expenses	-	-
Travel & Subsistence Costs	91,456,931	102,800,607
Office & general Supplies	11,026,462	13,301,894
Printing and stationery	9,633,350	4,002,691
Telecommunication	1,988,500	5,316,172
Training	3,224,636	13,585,236
Other (Sanitary & cleaning materials, Supplies & services)	2,594,050	-
<b>Total</b>	<b>197,368,197</b>	<b>214,306,483</b>

There is a deficit in the organization's projections versus the expected budgetary allocation from the Exchequer. The Authority has projected for Ksh.5.086 billion in the period between 2018 and 2022 but is expecting only Ksh.2.078 billion from the Exchequer and a possible Ksh.1.078 billion from donors. With an internal income of Ksh.140 million, the total expected income is Ksh.3.099 billion in the said period.

## External Funding

The Authority is working towards partnership arrangements to get funding from:

- County governments;
- Development partners (ILO, IOM, AfDB); and
- Institutional partners.

In addition, the Authority expects better budgetary allocation from the national government once the delinking process is complete. Allocation is expected to rise to at least Ksh400 million per annum.

The benchmarked PES in the five countries all depended on government budgetary funding and employment insurance fund for their operations. South Korea had additional funding for its operations through a bilateral arrangement with the Swedish government. This presents budgetary funding options to NEA from the national government, joint venture with NSSF on the unemployment insurance fund and/or mid to long-term support towards the rollout of its operations with a foreign PES. The partnership can significantly help the nascent organization to build capacity and benchmark more practically.

The Unemployment Insurance Fund (UIF) scheme proposed by the Ministry of Labor has the

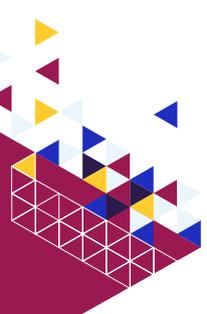


potential to fund numerous employment services such as unemployment benefits by NSSF and the public employment services by NEA. A mutually benefitting agreement between the parent ministry, NEA and NSSF can yield the desired results in funds mobilization through the UIF.

### Strategic Proposal

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The amount allocated to NEA is too small to get the work done. In the long run, the Authority will require at least ten times its regular allocation to roll out in every county and design and deliver its programs and services. In the meantime, the Authority is reporting surpluses with little service delivery. Management must roll out services, increase visibility and use the available resources. Strategic partnerships should cover the gaps in service delivery.



## 18. COVID-19 impact on NEA

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Like many government institutions, NEA's operations were affected by COVID-19. This is especially true because it has an old workforce. Many officers stayed at home during the pandemic thereby occasioning closedown of NEA offices for the better part of 2020. Walk-in clients reduced by half, foreign employment suffered as no workers went abroad and plans were thwarted. Many offices we visited remained closed or opened with no staff like Siaya and Nyeri.

To mitigate this, staff put their numbers and email addresses on office doors to be reachable to clients. In many instances though, the numbers went unanswered or they were off.

### COVID-19 Mitigation

Industry players expected NEA to take the lead in coming up with robust policies to mitigate the impact of COVID-19 in Kenya. They expected this to be done through provision of data, virtual employability training, online career guidance and counselling to those who lost jobs, aggressive job matching, re-skilling partnerships, etc. None of this was actualized.



## 19. Recommendations

In the terms of reference, the second objective outlined for the assessment is; to propose measures to **strengthen** and **modernize** employment services at the national level, possibilities for organizational set-up and collaboration, etc. and at the local level, where PES presence is extremely weak, look at viable options for delivery of employment services. It is expected that a practical and phased action plan for the strengthening of employment services and coordination of Active Labor Market Policies in Kenya will be developed incorporating the measures, including capacity building for the government.

To this end, the assessment explored possible avenues of strengthening employment services and in particular supporting NEA towards delivery of public employment services. This part is segmented into three sections; a summary of the proposals made across the report, broad-based recommendations that should form the organization's strategic direction and practical steps the Authority can take to strengthen its services.

### Summary of Strategic Proposals

Section	Proposals
Kenya Country Context on employment	Education and Skills Development: Introduce continuous professional development trainings for industry trainers and lecturers charged with the responsibility of skills development.
	The country needs to have skills councils domiciled in the Ministry of Labor inclusive of trainers, employers and government officers for particular/specific industries to learn and formalize new developments in the field with the aim of harmonizing industry practice and training. Given the high cost of manpower surveys, these will ensure that both academia and industry remain informed of new developments and adapt accordingly.
	Documentation: There is need for the government to operationalize Huduma Number that will replace the ID, NSSF, NHIF, KRA among others. The Kenya National Qualifications Authority (KNQA) can work with the Huduma Number also to create a database of all qualifications. In principle, this will reduce a job application to a CV (that has Huduma number) and an optional application letter.
	Responsibility for due diligence needs to shift to the employer, for the top three candidates or upon recruitment. The employer will use Huduma number to confirm (online) the candidate's qualifications (KNQA), good conduct (with DCI), HELB clearance (with HELB), creditworthiness (with CRB), etc. The employee only signing an affidavit that the Huduma number they provided and the data collected on the number are true to the best of their knowledge. This can be achieved through advocacy with employers.
Policy and Legal Framework	The assessment found that there is need for an integrated human resource development policy to guide on human resource training in Kenya. Training should be informed by up-to date labor market information.
Employment Services by CSOs	The Job Center program by VSO seems promising. Given the fact that NEA also has a similar strategy in its Strategic Plan, a partnership should be forged to rollout the job centers countrywide jointly with VSOs volunteers mitigating NEA's human resource challenges.
	The DRC YEP centers present a great opportunity for training and up-skilling of refugees and host community youths on employability skills and awareness creation of NEA services. With NEA rolling out a refugee labor integration program, both DRC and NRC present a good potential for partnership in terms of legal assistance for refugees, training and job placement.
	Swiss Contact's Skills 4 Life program is the best structured as it encompasses training, funding and business support services. The training is equally multi-faceted with technical, social and business angles. The job placement element still has gaps that can be filled with a strong partnership with a functional NEA.

Employment Services in the public sector	<p>The overlapping mandates of NEA, PSC, the ministry and other government agencies present an opportunity for intra-governmental collaboration and synergy and not necessarily competition. Co-operation can be forged towards service delivery. If well executed, the partnerships can ensure NEA's resource weaknesses are mitigated and the organization is still able to deliver services to clients.</p> <p>A common work space for these organizations will ensure that clients have a one-stop shop for employment services and active labor market policies.</p>
	<p>County governments are designing and offering ALMPs recognizing the need for the youths in their counties to access employment. A properly staffed NEA can provide expertise on these initiatives and negotiate a service delivery framework including shared offices/job centers.</p>
Employment Services in the private sector	<p>FKE has offered NEA numerous platforms for partnership and is amiable to expand that partnership. Given the challenges the Authority has had in accessing employers, the former is probably its key to overcoming this challenge and thus the partnership should be strengthened.</p>
	<p>NEA should pursue a partnership that takes into account the programs offered within the bank foundations and ensure access of the same to refugees and host communities. Further, a deepening of these services in respect of the dire need in these camps can be negotiated. Special interventions towards women and PWDs should be pursued.</p>
	<p>There is evidence that the MasterCard Foundation is running a youth empowerment program in Africa that focuses on education, skills development, employability and business development. The trend is that the foundation works with established brands in the region to deliver the said objectives. Given its ambitious plans and as the legally empowered PES in Kenya, NEA stands a good chance of forging a partnership with Mastercard Foundation in areas of training and enterprise development.</p>
Private Employment Agencies	<p>Given the country's history with labor migration especially of Kenyan migrants to the Middle East, there is a clear need for stronger regulation of PrEAs involved in foreign employment services. The draft Labor migration policy and bill NEA has developed will significantly improve regulation and service delivery here.</p>
	<p>As provided for in the NEA Act, a closer collaboration between NEA and the private sector and in particular employers and private employment agencies should be forged. A service delivery collaboration between NEA on one hand, PrEAs and employers will make the employment market more robust.</p> <p>This can be done through regular roundtables and visibility in the association's events.</p>
	<p>The Kenya Association of Private Employment Agencies (KAPEA), ASMAK and the Institute of Human Resource Management should work with members towards improving the quality of service delivery and enhancing peer learning.</p>
	<p>There are reports of PrEAs charging workers for job placement. This is illegal and unethical. The assessment proposes that the Authority instigates stronger regulation especially to agencies working in labor migration and the ones charging job-seekers locally.</p>
	<p>NGOs and humanitarian agencies can work with NEA to provide public works opportunities for young people to create avenues for more money to be injected into the camps.</p>
Refugees Integration	<p>For livelihoods programming, there is need to provide more composite solutions as opposed to merely training. The solutions/programs need to be composite with many facets. The KYEOP model (of training, apprenticeship, funding and/or placement) needs to be studied and applied in the refugee camps.</p>
	<p>It is proposed that the CSO working in Garissa and Turkana focus on individuals as opposed to groups in their livelihoods program.</p>
	<p>Many organizations are offering one training after the other without funding support, or follow up. Given the long history of training, the need for training is much lower than business funding in the refugee camps. This will increase money in circulation in the camps which when invested can create new employment opportunities.</p>
	<p>More funding needs to target established businesses as opposed to start-ups. The established businesses have more likelihood of success than start-ups. If supported, they can create more sustainable jobs than the start-up businesses could. Certainly, a mix of the two would produce better results than a single phased start-up funding model.</p>
	<p>Skills development needs to shift to an apprenticeship-based model as opposed to formal training. With proper arrangement, Dadaab youths can find apprenticeship opportunities in Garissa Town and learn on the job while earning. The same can be applied to Kakuma. Noble as it is, internship in the county governments leave the youths still dependant on some goodwill to access work. With the skills learnt under a master craftsman and a few contacts as clients, an apprentice can be supported to start their own business. In principle, the strategy to go informal is more practical.</p>
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Employment Services to PWDs	Service delivery to PWDs is an important facet of NEA's mandate. However, the resource capacity challenges of the Authority may hinder its ability to deliver on this mandate. A partnership with NCPWD towards the provision of services to PWDs could significantly strengthen it to reach this special interest group.
	Facilities should be made accessible to persons with disabilities. The NEA website and NEA-IMS are not accessible to persons with diverse disabilities. These can be made accessible to this unique audience through the use of WCAG.
Employment Services to Women	Employment services to women is certainly a necessary focal point for NEA. With WEF having the mandate for provision of loan services to women, NEA should train its focus on training and career development. The FKE approach seems to bear fruits towards empowering women in career growth. A partnership to roll out the program in a bigger way through technology and with the help of digital learning, can ensure that the sterling results are replicated across the country.
Active Labor Market Policies (ALMPs)	The major gap in KYEOP is job placement of the graduates,- provision of employment opportunities and platform for applying for these opportunities by the graduates. This presents a good opportunity for NEA to engage with the KYEOP partners towards provision of job placement services. NEA and other agencies should learn from the KYEOP program on what works well in the provision of PES in Kenya.
	On enterprise development in general, there are sufficient programs meant for the youth, women and PWDs. The major problem is accessibility and a small reach. With a nationwide job center network, NEA can facilitate the funds (YEDF, WEF, Uwezo) to access the job seeker and have a presence at the grassroots.
NEA's Structure and Functions	To remain visible and build strategic relationships, NEA should hold regular stakeholder engagements. These could be through career fairs (exhibitions and conventions), breakfast meetings, luncheons, LMI report conversations, etc. A proposal is given for the Authority to develop a stakeholder engagement strategy.
	The Ministry of Youth had expressed plans in establishing youth centers across the county with internet connectivity. NEA can collaborate with the ministry to co-launch the centers with the ministry ensuring access to free internet that the youths can use to apply for employment. The Authority can work with the ministry to design content for these centers that include career guidance and counselling, training on employability skills, etc
	The congruence of interests presents an opportunity for NEA to train and deploy university and college placement officers as agents of NEA to assist them to reach the students from the first day. The placement officers will pass information about registration, processes and available vacancies. This is in line with the strategy deployed by the South Korean PES that has a partnership with universities and institutions of higher learning to use their staff as employment consultants and share the costs to mitigate their low number of staff. It is also proposed that NEA works with training institutions to train the placement officers as career counsellors.
	To facilitate partnership with universities, NEA should work with the deans' association to reach the students. The deans' association can also introduce NEA to the student leaders. In its database, the Authority should have a facility to print out institutional reports indicating how many students from that university were placed and track their career for at least five years.
	Further, the TVET sector is growing as more students enrol and graduate from these technical institutions. A closer engagement with them will equally empower NEA to reach their graduates with employment services. The Kenya Association of Technical Training Institutions (KATTI) is a potential partner for NEA at the national level. At the field office level, however, officers should physically visit the institutions and introduce NEA.

Services and Programs	<p>Career Guidance: The Authority should hire, train and equip career counsellors to begin offering these services that are lacking in PrEAs.</p> <p>Leveraging on Technology, the Authority should develop training modules on career guidance and make them available on its website to be accessed by jobseekers.</p> <p>Further, the Authority should design a training, train, accredit and certify career counsellors across the country to offer the service.</p>
	<p>Regional markets: with the signing of the East African Common Market Protocol, Kenyans are able to work anywhere in the region. However, the number of Kenyans getting jobs in the region has not changed.</p> <p>NEA should work with counterpart PES in these countries to cross post job opportunities in the region. Additionally, it should work with tech platforms like Fuzu that post jobs from across the region to post these opportunities on its website.</p>
ALMPs by NEA	<p>Training: Internally or in partnership with other organizations, NEA needs to add value to the jobseekers through soft skills, employability, work-readiness, digital and personal finance skills training. The gap in the labor market is huge.</p>
	<p>Labor Migration: Labor migration is two ways, outgoing and incoming migrants. NEA has excelled in the outgoing but there is need to develop better programs for incoming migrants to access the local job markets. This is the group that includes refugees and forcibly displaced persons. The program should have language lessons, introductory courses, upskilling, apprenticeship opportunities, etc</p>
	<p>The Authority needs to introduce programs for the long-term unemployed (including convicts re-joining the labor market), persons with disabilities and refugees. The country benchmarks in this report can guide on available strategic and structural options.</p>
	<p>In particular, there is need to take the gender agenda beyond merely women holding positions of influence. A proper gender program should have modalities of:  Enhancing the education and training of more women in every sphere of the society;  Formulating strategies to increase the number of women in certain male-dominated jobs; and  Supporting young single mothers who were cited as the most vulnerable.</p>
NEA's Workflow and Processes	<p>The Authority needs to harmonize its systems to enhance efficacy. Further, it needs to make the systems more user-friendly to employers posting jobs and jobseekers alike.</p>
	<p>Cross-posting: Government job portals can employ a cross posting policy such that when a job is posted in PSC website it automatically appears on the NEA website. This should include KLMIS and Ajira.</p> <p>Additionally, the NEA system needs to have web-crawler that collects job opportunities from across the platforms and shares on its website.</p>
	<p>NEA's system should have a segment for blue-collar or technical jobs including plumbers, carpenters, hair-dressers, etc. A complimenting mobile app will also be necessary.</p>
	<p>To solve the problem of no feedback among job-seekers, the portal can have an automated response mechanism that will send regret letters to all applicants once the employer makes the recruitment decision.</p>
Financial Resources	<p>The amount allocated to NEA is too small to get the work done. In the long run, the Authority will require at least ten times its regular allocation to roll out in every county and design and deliver on the said programs and services. In the meantime, however, the Authority is reporting surpluses with little service delivery. Management should roll out services, increase visibility and use the available resources. Strategic partnerships should be leveraged to cover the gaps in service delivery.</p> <p>The Unemployment Insurance Fund (UIF) scheme proposed by the Ministry of Labor has the potential to fund numerous employment services such as the unemployment benefits by NSSF and the public employment services by NEA.</p>



## Broad Based Recommendations

The assessment presents the following recommendations informed by the findings on the ground, proposals made by stakeholders, best practices and expertise. The recommendations are primarily towards the strengthening of the National Employment Authority.

The assessment proposes three broad-based recommendations:

- Staff Development and Capacity Building;
- Establishment of Job Centers; and
- Linkages and Multi-sectoral Partnerships as a primary strategy.

## Staff Development and Capacity Building

The assessment found that the primary challenge NEA has is insufficient and untrained staff. A staff force of 69 is too low for the 2.6 million jobseekers in Kenya. Even the approved number of 120 will not deliver the services on demand. Further, the current staff are facing retirement and do not seem to fully understand the role of a public employment service. Their uptake of technology is slow and they seem disconnected with the youthful job-seeking community.

**Recruitment:** The Authority must push its staff number to 10 per field office and 100 in head office dealing with policies, foreign employment, linkages, PrEAs supervision and linkages with employers. This certainly will require political goodwill to push the NEA budget upwards and improve its classification as an agency.

A political lobbying strategy that fosters a closer engagement with COTU, student leadership bodies and the youthful Members of Parliament should help the organization to influence favourable budgetary allocations and an expanded staff establishment.

In recruitment, however, there will be a lot of value to recruit younger professionals with a higher ability to adopt new technology, interact with the youth and remain amiable to change. Recruiting more labor officers from the ministry may work against the objectives of the organization.

**Training:** in partnership with the ILO, NEA needs to prioritize training and capacity development of all staff, not just the senior officers. The training needs to be intentional, well planned and strategic, complete with benchmarks of other successful public employment services.

**Performance Management:** the performance measurement system in place is ineffective and broken down. It does not seem to motivate staff nor drive high performance in the organization. There needs to be a home-grown performance measurement system that is easy to implement and measure and motivates staff to work. The current performance indicators need review to reflect the fact that the primary work of NEA is job matching, not merely registration of jobseekers.

**Work Culture:** The Authority should change its work culture internally and externally to that of a relational partner through routine engagement with stakeholders. The culture of waiting for walk-ins is no longer effective, NEA must reach out to jobseekers, employers, county governments and other stakeholders.

**Exchange Programs:** The assessment proposes routine exchange programs between NEA staff and other established PES across the globe for learning and exposure. The partnership between NEA and the Cambodian PES and the South Korean PES seems promising to actualize this.

## Establishment of Job Centers

The NEA Strategic Plan 2020-2024 highlights one of its service delivery goals to be the establishment of employment centers. The assessment found the need for these centers both for service delivery and co-ordination of other employment services delivered by partners. This recommendation recognizes the need to plug into an existing strategy, bolster it and

make it more effective. Bolstering the employment centers into job centers in partnership with other stakeholders presents a greater potential for success. Benchmarking from the South Korean job centers, the Authority should roll out well equipped and connected job centers across the country to assist job seekers, employers and other clients more accessibly.

A job center in every sub-county should be able to meet the demand of the public. It should be the nerve center of the operations of the Authority in the counties. The centers should be standardized to have:

- Computers and other communication equipment to assist jobseekers;
- Internet connectivity;
- Career counselling spaces;
- Training rooms;
- Jobseeker registration assistance;
- PWDs services with proper accessibility;
- Gender desk for services, support, complaints, etc;
- Business Support Services desk; and
- Employers Liaison desk.

In particular, the job centers should have working committees comprising of NEA officers, the county government and relevant organizations and leaders in the sub-county. NEA board should empower these committees to make some decisions about the job centers and ensure service standards are met.

With a budget of Ksh. 200 million annually, this objective might be difficult to achieve in the short to mid-term. However, given the desire of county governments to see their young people access employment and the vast involvement of the CSOs, private sector and other government agencies, there is opportunity to make this attainable faster with partnerships.

A partnership with the Council of Governors for the county governments to provide land, other partners to provide structures and NEA to provide co-ordination of the job centers would ensure each county has a center. A co-owned strategy to the problem would be more effective in the long run.

The services to be offered to jobseekers include:

- Pre-employment and soft skills (How to write a CV, interviewing and presentation skills) for employability;
- A program where graduates register and are placed in employment for six months to learn soft skills;
- Registration of jobseekers, both manually and online;
- Career, vocational, employment guidance and counselling;
- Job placement;
- Collection and dissemination of labor market information;
- Internship placement;
- Career fairs; and
- Employment forums to interview and recruit potential employees.

Services to employers will include:

- Job vacancy announcement;
- Job vacancy matching and jobseeker referrals;
- Access to jobseeker databank;
- Recruitment events (job fairs); and
- Office space for interviewing and selection of jobseekers.

There may be need to start with a model job center as a pilot to test workability before rolling out the rest.



## Linkages and Partnerships

To build capacity and increase impact, NEA needs to improve on its partnership building capacity. At these initial stages, the Authority needs assistance on many fronts and should ask for it to strengthen its operations. Several options are available.

**Inter-governmental collaboration:** It is established that there are numerous overlapping functions of NEA and other players in government. Some of these players have more resources and are better established. NEA should take advantage and seek partnerships with these agencies to increase its delivery.

For instance, given its human resource limitations, the Authority should use staff of MSEA, NGECE, NCPWD in its job centers to assist jobseekers. A common training pack can be developed to align service standards and Job Center objectives.

The Unemployment Insurance Fund by the Ministry of Labor presents an opportunity for fundraising for both NEA and NSSF. Given there is already an ongoing process by NSSF, an intra-ministry bargain could be arrived at to enable both organizations to raise funds for different aspects of employment services.

**County Governments:** The NEA Act recommends a stronger engagement between the Authority and county governments. So far, the engagements have been minimal at best. The assessment proposes a closer engagement and partnership with county governments on job fairs, exhibitions and other events.

**Private Employment Agencies:** While NEA is the regulator of PrEAs, there are still areas of partnership that can be explored. In particular, the Authority will need the support of PrEAs to collect accurate and up-to date labor market information. Further, in appreciating its limited capacity, the Authority should develop career guidance tracks that can be implemented by the PrEAs or self-learning videos that can be uploaded on the websites of the private agencies. Additionally, a linking of a fully functional NEA website with the PrEAs website should help create awareness and enable jobseekers in need of more than just employment vacancies to approach NEA. Certainly, regular training of PrEAs would equally boost their service offering.

**Educational Institutions:** The primary end user of NEA's services are students in TVET institutions or universities. A partnership with these institutions will ensure NEA accesses the students early, creates awareness of its services and offers quality services to the graduates when the time comes. Training and co-opting the job placement offices in these institutions will ensure that NEA's work is done with minimal investment in human resource. The current approach by field officers of merely visiting the institutions once in a while have not yielded the desired results. A deeper engagement is required.

**Associations:** A partnership with associations gives the Authority access to its members. While FKE and KATTI both have representation to the NEA board, the Authority has not leveraged on the governance relations to access these memberships and create stronger ties. Associations like the University Deans Association and COTU Kenya remain untapped yet with immense potential for support, awareness and delivery.

**Development Partners:** There have been engagements with the ILO and the IOM to develop policy documents on labor. Additionally, the ILO trained NEA staff in 2020. More engagements with the development partners will be required to reach refugees and forcibly displaced persons with employment services.

**Foreign Governments:** NEA should seek partnership with foreign governments for funding and building capacity. To this end, the Authority is already in talks with the South Korean government. Benchmarking should be on South Korea's partnership with the Swedish government that has increased the efficiency of its PES.

## Analysis of recommendations

Recommendation	Activities	Objectives
1: Staff Development	Recruitment	Increase staff numbers to a healthy ratio
	Political lobbying	Build political goodwill Increase budgetary allocation Expand the human resource base of NEA
	Training	Build staff capacity for delivery
	Positive Work Culture	Change of staff attitudes
	Performance Measurement	Drive up motivation and performance
2: Establishment of job centres.	Open job centers in every county	Make NEA's services available across the country
	Better facilities with accessibility	Accessibility for PWDs
	Network connectivity and computing facilities	Support poor youths who can't access the internet and Lower cost of job seeking
	Services to all target clients	Multi-faceted programming
3: Create Linkages and Partnerships	Linkages within national government	Leverage on government synergy Staff for the job centers Partner with NSSF towards UIF
	Linkages with county government	Monitor employment policies at the county level Periodic career fairs
	Linkages with PREAS	Labor market information Training of PREAS for better delivery Linking of websites to create awareness
	Linkages with Associations (KATTI, FKE, COTU, etc)	Access to members Awareness creation Synergy
	Educational Institutions	Use of their staff to reach students Awareness creation Registration Collection of labor market information
	Development Partners	Policy formulation Service to refugees and forcibly displaced persons Training and capacity building Funding
	Foreign Governments	Organizational capacity building Funding



## 20. Practical Steps

Taking into account the current challenges facing NEA and the need for proper change management in the organization, a phased and progressive approach to the recommendations is proposed. In principle, there are four foreseeable natural steps to optimized service delivery at NEA. These are:

- Capacity Development;
- Forging Strategic Partnerships and Linkages;
- Roll-out of service delivery; and
- Above and Beyond.

### Capacity Development (6 to 12 months) July 2021 to June 2022

Cognizant of the challenges identified in NEA, this phase seeks to address the **internal** challenges within the Authority to build capacity for service delivery, with respect to PES.

To a great extent, NEA management has laid ground for this phase by its administrative establishment and efforts towards delinking the organization from the parent ministry. In particular, this phase involves the first broad-based recommendation and the proposals therein.

Proposal	Modalities
Delinking from the parent ministry	Engagement with parent ministry, PSC and Treasury
Staff recruitment and training	Hiring of the current borrowed staff Open recruitment of younger staff
Increased funding allocation to NEA	Political lobbying with COTU, student leadership bodies and young parliamentarians
Review of the organizational plans namely the mission statement, strategy, work culture and performance management mechanisms	An internal process involving the board, management and staff. Possibly engage a consultant

With adequate support from the parent ministry and the board, this phase can take up to 12 months. Given the delinking process is almost complete, what follows is staff recruitment, training and commissioning, all of which can be achieved within a year.

## Forging Strategic Partnerships and Linkages (6 to 9 months) - Jan to Sep 2022

NEA's external influence is minimal as there is little or no collaboration in service delivery with other labor market players. This phase thus seeks to strengthen NEA's external influence to be able to do more and reach farther.

In particular, NEA should seek the partnership of the following bodies.

Proposal	Modalities
Linkages within national government	MoUs towards service delivery
Linkages with county government	Develop a working framework with CoG to have a job center in every county. County governments can provide land
Linkages with PrEAs	A link to NEA's website on all PrEAs websites for value added services like career guidance, virtual trainings, etc  Continuous and consistent engagement with associations to enhance quality of service
Linkages with Associations (KATTI, FKE, COTU, etc)	Roundtable engagements with employers will help create a closer relationship and build trust.
CSOs and NGOs	Partner towards service delivery and operationalization of the job centers.
Educational Institutions	Engage the college and university placement officers as NEA agents to offer career guidance, facilitate job seeker registration and keep data of graduates  Roundtable engagements with deans of students to ensure presence and visibility of NEA in every institution of Higher learning and TVET institutions.
Development Partners	Staff training and capacity development  Facilitate roll-out of job centers across the country  Support the adoption of new technology
Foreign Governments	Seek external funding arrangements with foreign governments

Partnership building is an ongoing process throughout the life of the organization. However, a focused effort towards building these partnerships can be timed in a span of six to 12 months after the initial phase of capacity building.



## Roll-out of Service Delivery (2 years) - July 2022 June 2024

Service delivery around PES is still minimal at best. After building capacity and strengthening its influence through linkages, NEA should adopt a progressive roll-out of the job-centers with emphasis on a comprehensive service delivery approach encompassing jobseeker registration, career guidance, training, proper data management and business support services.

Proposal	Modalities
Establishment of job centers	In partnership with county governments, humanitarian agencies, other government agencies and NGOs  Standardized processes across the job centers
Labor Migration programs	NEA to roll-out a program to support incoming migrant workers including refugees.
Programs to vulnerable groups (PWDs, women, LTUs)	In partnership with NCPWD, Fuzu, NGEC and WEF
Effective and extensive use of technology	Integrate the different systems.  Minimize downtimes.  Operationalize the mobile app
Collection and management of LMIS	While this is not a primary function of NEA by law, it is a major need for employers and other labor market players.  Data collection from the job centers and in partnership with employers and county governments will strengthen NEA's LMIS.

In light of the many players in the employment service provision, NEA can adopt a more inclusive approach towards the establishment of the job centers. Following the format of Huduma centers, NEA's approach should be to establish, co-ordinate and facilitate the job centers to support the public on employment services offered across board. The centers will thus have desks manned by staff from other government agencies, associations, CSOs and where possible PrEAs too. Using this format, NEA's staffing challenges can be overcome and service delivered across the country.

Naturally, this inclusive approach to the establishment of the centers will take longer as the organization will need to establish commitments from all parties before launching a center anywhere. This calls for a long-term view for the centers. A progressive development approach of **eight centers per annum for six years** can see a full roll-out in partnership with the named stakeholders.

## Above and Beyond Jan 2024 Onwards

NEA's mandate includes policy advisory and support towards the opening up of labor markets beyond Kenya's borders. Further, it is expected that after the implementation of these recommendations, the organization will go into the optimization phase with excellent service delivery. Consequently, this is a post-service delivery phase of anticipated excellence, policy advisory and expansion of the labor market beyond the borders.

Proposal	Modalities
<p>Excellence</p> <p>A strong well-known brand</p> <p>Quarterly Labor market reports</p> <p>Stronger regulation of PrEAs</p>	<p>A well-resourced communications department</p> <p>A relational approach towards managing the labor market</p>
<p>Policy advisory</p> <p>Preferred advisor on employment policies in government</p> <p>Stronger measures on human trafficking</p>	<p>Establish a think-tank department that handles labor market data and advises the different players.</p> <p>Build trust with workers and job seekers to get information on human trafficking suspects and threats to decent labor</p>
<p>Expansion of the Labor Market</p> <p>Going regional into the EA market</p> <p>Highly skilled migrant workers going abroad</p> <p>Wider market that covers the Middle East, Europe, Southern Africa, Latin America, North America and the Eastern Africa region.</p>	<p>A closer collaboration with PrEAs and other stakeholders will ensure the Authority identifies new markets and makes inroads into these markets.</p>

### Breakdown of phases



## Conclusion

The establishment of NEA was timely and necessitated by Kenya's high unemployment rates. Borrowing from experiences in other countries, the public employment service has capacity to even out the labor market and significantly contribute towards the reduction of the unemployment rates.

Several studies reviewed indicate that the problem is a function of lack of employment opportunities, insufficient or lack of employability skills and/or a skewed labor market. The study by the African Studies Centre<sup>27</sup> cited in the assessment, revealed that policies that promote decent job creation in Kenya are inadequate. This is the cause of the high poverty levels that have been persistent over the years. To wit then, the challenge is no longer merely a question of employment creation, but rather a need for a transparent and open labor market.

On the flipside, there are numerous organizations involved in provision of employment services. The wide spectrum of stakeholders presents an opportunity for a resource starved authority like NEA to leverage on the goodwill, forge partnerships and be the key player in the sector.

The assessment found that the legal and policy framework available is sufficient to see a stronger Authority able to deliver on its mandate. Of course, any law will need review periodically to optimize its utility to the people it serves. The same applies to the NEA Act, Employment Act, and the associated policies.

A clear work plan has been crafted for the strengthening of NEA's functions and in particular towards delivery of public employment services. With proper implementation, NEA can reach optimum service delivery within five years.

In furtherance of the monitoring, evaluation and learning objectives, further studies can be conducted on use of digital employment services and the population's ability to use these services. Further, a comprehensive socio-economic analysis of jobseekers would enable the Authority to design its programs with more information on the target client.

<sup>27</sup> Assessment of Productive Employment Policies in Kenya [https://www.researchgate.net/publication/325203172\\_Assessment\\_of\\_Productive\\_Employment\\_Policies\\_in\\_Kenya](https://www.researchgate.net/publication/325203172_Assessment_of_Productive_Employment_Policies_in_Kenya)

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## Relevant Links

NEA Website: <https://www.nea.go.ke/web/>

# Annexures

## Annex 1: Sample Frame

The study adopted purposive two-tier sampling geared towards getting samples either of people affected or of workers with great knowledge/ understanding of the subject. These are the categories of respondents addressing different objectives of the study;

Tier 1	Tier 2
NEA offices	National Office Garissa Kisumu Siaya Mombasa Nyeri Nairobi (Kasarani Employment Center)
Ministries	State Department of Labor
Other Government Agencies	National Industrial Training Authority (NITA) National Council Persons With Disabilities (NCPWD) NSSF
County government	County Government of Turkana
Private Employment Agencies	Fuzu (digital Platform) Manpower Services Somo Services (foreign employment)
Employers	Dubai Bank ABSA Bank Unilever
Employers & Worker Associations	FKE Kenya National chamber of Commerce and Industry (KNCCI) Central Organisation OF Trade Unions (COTU)
Development Partners	International Labor Organisation United Nations High Commission for Refugees Norwegian Refugee Council Swiss Contact Danish Church Aid
Target Clients	Jobseekers University Students Graduates Entrepreneurs



## Annex 2: Organizations reached

**Table 2:** Interviews and Focus Group Discussion Held

Target Group/Persons	Method	National/ County	No. of Interviews in country/ Nat.	Total No. of respondents
Ministry of Labor	KII	National	1	1
Ministry of Treasury	KII	National	1	1
International Labor Organization, Kenya	KII	National	1	1
UNHCR	KII	Community	5	7
			2	
Norwegian Refugee Council	KII	National	-	-
		Community	1	1
Swiss Contact	KII	Community	1	1
Danish Church Aid (DCA)	KII	Community	1	1
GKE	KII	National	1	1
KNCCI	KII	Community	1	2
COTU	KII	National	1	1
NCPWD	KII	National	1	1
		Community	1	1
NITA	KII	National	1	1
NSSF	KII	National	1	1
County Government of Turkana	KII	Community	4	4
National Employment Authority	KII	National/ County	5	5
Private Sector Employment Agencies	KII	National	4	4
Sample Employers	KII	National	3	3
<b>Total</b>				<b>37</b>
Pre-Test	Mixed Job seekers & Uni Students	Community	4	4 FGDs
Job seekers (including host and refugee communities)	FGD – Job seekers	Community	6	10 FGDs
			4	
University Students	Virtual FGD – University students (Male)	National	2	2 FGDs
University Graduates	Virtual FGD – University students (Female)	National	2	2 FGDs
Entrepreneurs	Virtual	National	2	4 FGDs
		Community	2	
Mixed Group of Jobseekers	Physical	National	2	2 FGDs
<b>Total</b>	<b>37 Key Informant Interviews</b> <b>20 Focus Group interviews (with an average of 6 respondents each)</b> <b>Total Number of respondents targeted = 37 + 120 = 157</b>			

Table of Documents Reviewed

Item	Type	Date
Employment Act	Act of Parliament	2007
National Employment Policy of Kenya (Sessional Paper Number 4)	Executive Decree	2013
National Employment Authority Act	Act of Parliament	2016
NEA Strategic Plan	Strategy Paper	2018
Employment Amendment Bill 2019	Act of Parliament	2019
Financial Reports (FY 2016-2017, FY2017-2018, FY 2019-2020)	Reports	2016-2020
Grading and Staff Establishment Document	Policy	2020
List of Staff and their stations as at October 2020	List	2020
NEA Service Charter	Governance Document	2018
NSSF Act 2013	Act	2013
National Industrial Training and Attachment Policy	Policy	2013
National Internship Policy	Policy	2018
Draft National Labor Migration Policy and Strategy for Kenya	Draft Policy	2020
Labor Migration Management Bill	Proposed Act of parliament	2020
National Youth Development Policy	Policy	2019
Micro and Small Enterprises Authority Act	Act of Parliament	2012
Kenya Vision 2030	Strategy Paper	2006
Constitution of Kenya	Constitution	2010
Global Compact on Refugees	UN Document	2018
Comprehensive Refugee Response Framework	UN Document	2018
Kalobyei Integrated Socio-Economic Development Plan (KISEDPP)	Integrated Plan (Turkana County Gov't & the UN)	2018
Total Number of Primary Documents of Review – 16 *Others are listed in the references		





MLSS/NEB/1 (A)

REPUBLIC OF KENYA  
 MINISTRY OF LABOR, SOCIAL SECURITY AND SERVICES  
 NATIONAL EMPLOYMENT BUREAU  
 INDUSTRIAL AREA EMPLOYMENT OFFICE

APPLICATION REGISTRATION CARD

Date of Application	Occupation	Male	Occup. Code No.
		Female	
	Surname:	Married	1. 2. 3. 4. 5.
	Other Names:	Single	
	Address:	Age	District/Division of Origin
		Reg..No:	
		Serial No:	
		Telephone No.:	
	Work Required/Salary Expected:	Duration of unemployment (Months)	
	Education/Training Certificates:		
	Work Experience:	State of Health:	

DETAILS ABOUT WORK EXPERIENCE

Employer's Name	Nature of Work	Duration

REASON FOR BEING UNEMPLOYED	MEANS OF MAINTAINANCE	METHODS OF JOB SEEKING OTHER THAN EMPLOYMENT SERVICE OFFICE
1. School Leaver	1. Parents	1. Letter of application
2. Laid off	2. Other Relatives	2. Relatives
3. Left Job	3. Friends	3. Friends
4. Lost Job	4. Self	4. Other (Specify)
5. Entrants	5. Other (Specify)	
6. Re-entrants	.....	.....

### Annex 3: NEA Documents



REPUBLIC OF KENYA

MINISTRY OF LABOR, SOCIAL SECURITY AND SERVICES

INDUSTRIAL AREA EMPLOYMENT OFFICE

#### REGISTRATION CARD FOR EMPLOYMENT

NAME:			
OCCUPATIONAL CODE No.		ID. No.	
Date	Signature	Date	Signature

NB: Renew your registration every month

.....





MLSSS/NEB/7(A)

MINISTRY OF LABOR, SOCIAL SECURITY AND SERVICES  
NATIONAL EMPLOYMENT BUREAU

<p>Telegrams: "EMPLOYMENT OFFICER"</p> <p>Telephone: 557366/557396/557433</p> <p>When replying, please quote REF: MLHRD/NEB/IND/VN/01/15</p>		<p>COUNTY EMPLOYMENT OFFICE</p> <p>INDUSTRIAL AREA</p> <p>P.O. BOX 18183-00500</p> <p>NAIROBI</p> <p>Date: 18th June 2015</p>
--	--	---

Dear Sir/Madam

**INTRODUCTION FOR EMPLOYMENT**

I wish to refer the following candidate(s)\* for interview and possible engagement as per your request of.....

Name	Sex	Qualifications	Reg./ID No
------	-----	----------------	------------

Yours faithfully,

Joseph M. Njue  
COUNTY EMPLOYMENT OFFICER,  
INDUSTRIAL AREA, NAIROBI

\*Please complete Form ML/NEB/7(B) and send to this office at the earliest time but in any case not later than seven (7) days after interviews





MINISTRY OF LABOR, SOCIAL SECURITY AND SERVICES  
NATIONAL EMPLOYMENT BUREAU

To The County Employment Officer, Industrial Area, P.O Box 18183-00500 <u>NAIROBI</u>		Name and Address of Employer    Date:
---	--	---

Dear Sir/Madam

**RESULTS OF INTERVIEW**

We have interviewed the candidate(s) referred to us vide your letter Ref.....  
of.....and wish to inform you that we have engaged\*/not engaged\*  
the following:

No.	Name	Sex	ID. No.	Remarks

Yours faithfully,

Name:

Signature:

Designation:

\*Delete whichever is not applicable







REPUBLIC OF KENYA  
MINISTRY OF LABOR AND SOCIAL PROTECTION  
NATIONAL EMPLOYMENT AUTHORITY  
P. O. BOX 25780-00100,  
NAIROBI

EMPLOYER'S ANNUAL RETURN FOR THE YEAR.....

NAME OF EMPLOYER.....TELEPHONE NO:.....

ADDRESS.....

THIS RETURN SHOULD BE MADE FOR ALL EMPLOYEES IN THE ESTABLISHMENT

1	2	3		4	5	6	7	8	9	
Name* or Employee's ID Reg No. or Personal No.	Occupation	QUALIFICATION**		CITIZENS	NON-CITIZENS	Nature of contract e.g. Permanent = p Temporary = T Others (Specify)	Duration of Training by Employer	Age (Yrs)	REMARKS	
		Highest Education Level	Highest Skill Obtained	Sex	Sex				Date Employed	Date Terminated

**NOTES:**

Enter as appropriate whichever is applicable:

- \*\*1. Education Level: state highest form or standard or level of full-time education Attained
- 2. Skill obtained: state trade test or any professional/technical skill obtained

*Note* – This includes added certificates obtained after school, either from private or Public colleges





TOTAL NUMBER OF EMPLOYEES AD THE YEAR

	MALES	FEMALES	TOTAL
Permanent			
Temporary			
Casual			
Others (Specify)			
Total			

TOTAL NUMBER OF EMPLOYEES TERMINATED DURING THE YEAR

	MALES	FEMALES	TOTAL
Permanent			
Temporary			
Casual			
Others (Specify)			
Total			

How many employees were on your pay-roll as at-

(i) 1<sup>st</sup> January, 20...

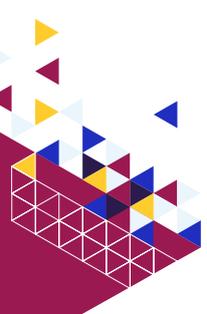
(ii) 31<sup>st</sup> December, 20...

Date.....Signature and Official Stamp of Employer.....

Designation.....

(Footnotes)

1 [https://pdf.usaid.gov/pdf\\_docs/PA00WCC3.pdf](https://pdf.usaid.gov/pdf_docs/PA00WCC3.pdf)







International  
Labour  
Organization

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Kingdom of the Netherlands