

# COUNTY AGGREGATION AND INDUSTRIAL PARKS

## **Economic Facts and Figures**

1. Manufacturing sector plays a key role in economic development, employment creation; offer new products to market; provide stimulus for growth of the agriculture sector and offer significant opportunities for export expansion. The sector performance has stagnated at around 7% in the last couple of years. According to Economic Survey 2023, the contribution to Gross Domestic Product was 7.8% in 2022 which was a slight improvement from 7.2% in 2021.

## **Challenges facing Agro-Industries**

2. These includes;- Expensive land; fragmented, small dominated with low yield per acre, low productivity by the farmers leading to high aggregation costs; high cost of inputs; limited manufacturing activities for inputs, post-harvest losses, limited capacity on production and value addition; limited processing technologies; inadequate linkages between small-scale production sector and large commercial activities; inconsistency in supply of quality and quantity raw materials for processing; inadequate market and marketing information; inhibitive policies, laws and regulation etc.

## **Goal by the Ministry**

3. The Ministry of Investments, Trade and Industry target to raise manufacturing contribution to GDP from current 7% to 15% by 2027 and to 20% by 2030. This will be achieved through targeted flagship projects and innovative programs.

## **Development of County Aggregation and Industrial Parks (CAIPS)**

4. The Ministry in collaboration with the County Governments is rolling out County Aggregations and Industrial Parks in the forty-seven (47) Counties as a way of promoting value chains approach.
5. The County Aggregation and Industrial Parks will house an aggregation centre that will have the section for collection, sorting, grading, cleaning, packaging and cold storage

facilities. The Industrial Park section will have the value addition, processing equipment and common user facilities. The CAIP will be linked to online warehouses management system to promote market access.

### **Objective of CAIPS**

6. The main objective of CAIP is to grow manufacturing and agro-Industrial investments and enhance competitiveness of agriculture sector in a sustainable manner hence creating inclusive decent jobs, promote productivity at the firm level, increase farmers' income; increase export, increase foreign exchange and growth the economy and provide platform for stakeholders' engagement in promoting industrialization in the country.

### **Progress on implementation of CAIPs**

7. In 2023/2024 FY, the National Government through the State Department for Industry allocated Kshs. 4.6 Billion towards CAIPs Each County will receive Kshs. 250 Million and the County Governments has allocated a matching fund of Kshs. 250 Million. The Phase one of the project comprise eighteen (18) Counties which includes: Busia, Bungoma, Embu, Garissa, Homa Bay, Meru, Mombasa, Nyamira, Siaya, Migori, Trans Nzoia, Kiambu, Kirinyaga, Machakos, Murang'a, Nakuru, Nandi and Uasin Gishu. These Counties were chosen on first come first serve basis.
8. To date the following Counties i.e Busia, Bungoma, Embu, Garissa, Homa Bay, Meru, Mombasa, Nyamira, Siaya, Migori, Trans Nzoia have held ground breaking ceremonies on CAIPS and construction works is ongoing. In total, forty Counties have met minimum criteria for CAIPs.