REPUBLIC OF KENYA

VOTE 1097

STATE DEPARTMENT FOR AVIATION AND AEROSPACE DEVELOPMENT
SUB-SECTOR MTEF BUDGET REPORT
2027/2028 – 2029/2030

AUGUST 2026

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ACRONYMS AND ABREVIATIONS

ADREP	Accident Data Reporting
AfDB	Africa Development Bank
AIA	Appropriation In Aid
ANS	Air Navigation Services
BASAs	Bilateral Air Service Agreement
COVID-19	Coronavirus Disease 2019
EASA	East African School of Aviation
EU	European Union
FY	Financial Year
GHGs	Greenhouse Gases
GOK	Government of Kenya
ICAO	International Civil Aviation Organization
ICT	Information Communication Technology
INTP	Integrated National Transport Policy
JKIA	Jomo Kenyatta International Airport
KAA	Kenya Airports Authority
KEBS	Kenya Bureau of Standards
KCAA	Kenya Civil Aviation Authority
KTSSP	Kenya Transport Support Sector Project
MDAs	Ministries, Departments and Agencies
MTP	Medium Term Plan
MTEF	Medium Term Expenditure Framework
NEMA	National Environmental Management Authority
SAGAs	Semi-Autonomous Government Agencies
T1	Terminal 1
TIMs	Transport Integrated Management System
TORs	Terms of Reference
PPPs	Public Private Partnerships
SAF	Sustainable Aviation fuel

EXECUTIVE SUMMARY

This Sub-sector Report presents reviews programme performance, expenditure trends, implementation of capital projects and pending bills during FY 2025/2026. The report also outlines the medium-term priorities and financial requirements for the FY 2027/2028–2029/2030 MTEF period and highlights cross-sector linkages, emerging issues, challenges, conclusions and recommendations.

Chapter One outlines the mandate, strategic objectives and institutional framework of the Aviation and Aerospace Sub-sector. The State Department for Aviation and Aerospace Development was established under Executive Order No. 1 of 2025 and is responsible for aviation policy; development and oversight of airports, airstrips and related infrastructure; promotion of safe and efficient air transport; aircraft accident and incident investigation; coordination of aviation search and rescue; negotiation of Bilateral Air Services Agreements (BASAs); and advancement of aerospace programmes, including satellite development, space exploration and rocket launches. The Sub-sector supports the realization of Kenya Vision 2030, the Fourth Medium Term Plan and the Bottom-Up Economic Transformation Agenda by enhancing domestic and international connectivity, trade, tourism, investment, employment and access to global markets.

Chapter Two reviews the performance of the sub-sector during FY 2025/2026. Key achievements included the negotiation and conclusion of three new BASAs with Guyana, Uruguay and Panama and the review of 10 existing BASAs. The sub-sector-maintained air navigation services availability at 98.27 per cent, exceeding the ICAO threshold of 97 per cent, and attained an Effective Implementation score of 91.77 per cent across the eight Critical Elements of the Aviation Security Oversight System. Other achievements included completion of the Jomo Kenyatta International Airport Master Plan, finalization of the National Aviation Policy, gazettement of 36 Civil Aviation Regulations and enrolment of 3,345 students in aviation and related courses.

Notable progress was recorded in aviation infrastructure development. The contract for the proposed 10 million capacity passenger terminal building at JKIA was awarded, with the contractor mobilized to site, rehabilitation of Kabunde Airstrip was done to 80 per cent completion level, soil stabilization works at Moi International Airport reached 82 per cent, runway rehabilitation at Wilson Airport was done to 46 per cent completion, and construction of the new terminal at Migori Airstrip reached 32 per cent.

Under Aircraft Accident Investigation Services, five final investigation reports were completed and published, preliminary reports for all reported aircraft accidents and serious incidents were produced within 14 days of occurrence, and interim statements were issued for all investigations exceeding one year. In addition, one Memorandum of Understanding was signed with the Liberia Aircraft Accident Investigation Bureau. The Civil Aviation Bill providing for the legal establishment of an independent Aircraft Accident Investigation Directorate progressed to a completion level of 65 per cent.

During FY 2025/2026, the sub-sector had an approved budget of KSh. 15,012.1 million, comprising KSh. 14,359.3 million for recurrent expenditure and KSh. 652.8 million for development expenditure. Actual expenditure amounted to KSh. 14,997 million, consisting of KSh. 14,344.2 million in recurrent expenditure and KSh. 652.8 million in development expenditure. This translated to absorption rates of 99.9 per cent and 100 per cent for recurrent and development expenditure, respectively. The sub-sector recorded pending bills amounting to KSh. 7.23 million arising from lack of budgetary provision and an unpaid court award of KSh. 3 million.

Chapter Three presents the priorities and financial plan for the FY 2027/2028–2029/2030 MTEF period. The sub-sector will implement one programme, namely Aviation and Aerospace Development, through four sub-programmes: Air Transport Services; Aircraft Accident Investigation Services; Space Transportation and Satellite Services; and General Administration, Planning and Support Services. The programme seeks to enhance air transport connectivity, safety and security; strengthen independent aircraft accident investigation; develop Kenya's aerospace capabilities; and improve institutional efficiency and service delivery.

During the MTEF period, the sub-sector plans to negotiate six new BASAs, review 18 existing BASAs and ratify six BASAs. It will finalize the National Airstrips Development Policy, develop the Sustainable Aviation Fuel Policy and Civil Aviation Master Plan, digitize flight schedule services and BASA archives, and strengthen compliance with international aviation safety and security standards. The Sub-sector also plans to complete the Civil Aviation Bill establishing an independent aircraft accident investigation authority, produce 15 final investigation reports, and train six aircraft accident investigators. Infrastructure priorities will include completion of the modernization of JKIA, rehabilitation and upgrading of aerodromes, completion of ongoing works at Moi International Airport and Wilson Airport, construction of airport terminal facilities and maintenance of aviation safety and security systems.

In aerospace development, the sub-sector will formulate the National Aerospace Policy and Master Plan, identify suitable sites for antenna farms and spaceports, establish partnerships with international space agencies and satellite operators, strengthen aerospace research and innovation, and develop national capacity in Earth observation, satellite technology and data analytics.

To implement the planned outputs, the sub-sector requires budgetary allocations of KSh. 17,228.65 million in FY 2027/2028, KSh. 15,897.22 million in FY 2028/2029 and KSh. 15,792.19 million in FY 2029/2030, comprising both recurrent and development expenditure.

Chapter Four highlights the sub-sector's linkages with other sectors such as land and physical planning, health, education, national security, international relations, information technology, tourism, agriculture, labour and employment, and environmental management. Emerging issues include adoption of unmanned aircraft systems and other new technologies, cybersecurity risks, environmental sustainability, aerospace human-capital development, accessibility of air transport to underserved regions and vulnerable groups, and development of local aerospace capabilities.

The main challenges experienced by the sub-sector included lengthy land acquisition and compensation processes, encroachment on land reserved for aviation facilities, inadequate funding, shortage of specialized technical personnel, inadequate monitoring and evaluation, high aviation fuel prices and user charges, climate-change impacts and increasing cybersecurity risks.

Chapters Five and Six present the conclusions and recommendations. The report concludes that aviation and aerospace remain critical catalysts for Kenya's socioeconomic transformation and positioning as a regional aviation and aerospace hub. It recommends continued expansion and modernization of aviation infrastructure; recruitment, training and retention of specialized personnel; strengthening of monitoring and evaluation; improved coordination in land acquisition and compensation; allocation of resources for aerospace development; enhanced cybersecurity; and use of alternative financing mechanisms, including public-private partnerships.

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background

The Aviation and Aerospace subsector is one of the subsectors under the Ministry of Roads and Transport. It was established through the Executive Order No. 1 of 2025 to steer the growth of the aviation and harness the potential of unexploited aerospace opportunities

The Subsectors 2027/2028– 2029/2030 budget proposal is prepared with the aim of growing the sub-sector through the provision of both financial and non-financial resources. Due to resource limitations, the sector has prioritized the projects and programmes based on the guidelines provided, giving priority to those with high impacts on the sub-sector.

1.2 Sub- Sector Vision and Mission

Vision

"A global leader in safe, Secure, sustainable, and innovative aviation and aerospace Systems"

Mission Statement

"To advance safe, sustainable, and innovative aviation and aerospace systems that connect people and power Kenya's economic growth".

1.3 Strategic Goals/Objectives of the Sub-Sector

The strategic goal is to provide a safe, secure and sustainable Aviation and Aerospace system.

1.3.1 Strategic Areas

Strategic Area 1: Policy, Legal and Institutional Framework

Strategic objectives

i. Formulate and review Aviation and Aerospace policies, legal, regulatory and institutional frameworks
ii. Ensure 100% compliance with regulations, guidelines and standards
iii. To position Kenya as an Aviation investment destination for global Aerospace firms and the Africa's aviation hub.

Strategic Area 2: Aviation and Aerospace Infrastructure

Strategic objectives

i. Enhance capacity, efficiency, safety and security for aerodromes and air navigation services
ii. Develop and manage Safe, efficient and reliable aviation system in the country

iii. Strengthen national capacity in Earth Observation (EO) applications, data analytics, and satellite technology development

Strategic Area 3: Research and Development

Strategic objectives

i. Undertake operational research to identify opportunities to reduce Greenhouse Gases (GHGs) emissions in the aviation sub-sector by encouraging the use of SAF
ii. Enhance use of Technology and innovation in the Aviation and Aerospace sub-sector
iii. Establish a satellite operation and control segment within Kenya to manage the spacecraft and data.
iv. Build national capacity in space systems engineering.

Strategic Area 4: Resource Mobilization

Strategic objectives

i. To lobby for funding for the aviation and aerospace sub-sector programmes from Government of Kenya.
ii. Promote public-private partnerships (PPPs) for the Aviation and Aerospace subsector;

Strategic Area 5: Capacity Building

Strategic objectives

i. To attract and retain technical professionals in the aviation and aerospace sub-sector
ii. To enhance competence and technology to meet professional requirements in aviation and aerospace subsector

1.4 Mandate of the Sub-Sector

To ensure safe, secure and efficient aviation system and to promote aerospace development in compliance with international standards

Functions of the Sub-Sector

According to Executive Order No. 1 of June, 2025 on organization of Government, the subsectors functions include; administering and implementation of aviation policies for airlines, airports and related infrastructure; overseeing the development, maintenance, safety and security of airports, airstrips, and air traffic control systems; Promoting the growth of the Civil aviation sector through strategic investments and public private partnerships (PPPs) for air transport expansion and supporting infrastructure; conducting air accident investigations and enforcing safety recommendations; Coordinating search and rescue operations for aviation incidents; establishing Kenya as Africa's Aviation hub; Collaborating with other stakeholders to advance space programmes, including satellite development, space exploration and rocket launches, strengthening civil aviation through management, training and capacity building and to lead negotiation of Bilateral Air Service Agreements (BASAs) with other countries around the world.

1.5 Autonomous and Semi-Autonomous Government Agencies (SAGAs)

As indicated in the mandate of the Department, the sub-sector monitors and oversee service delivery by the State Corporations under the department, these include:

1.5.1 Kenya Civil Aviation Authority and East Africa School of Aviation (Civil Aviation Act, 2013, Amended in 2016) Cap. 394 - KCAA

The Authority is responsible for regulation of air transport industry, provision of air navigation services and aviation training to ensure safe, secure, efficient and effective civil aviation system in Kenya.

1.5.2 Kenya Airports Authority (Kenya Airports Authority Act, Cap.395) - KAA

The Authority's mandate is to construct, operate and maintain aerodromes and other related facilities including those requested on an agency basis by the Government, provide amenities for passengers and other persons making use of the services, and to prohibit, control or regulate the use by any person of the services performed or the facilities provided by the Authority.

1.6 Role of Sub-Sector Stakeholders

The Transport Sub-sector has various stakeholders who play different roles that make the Sub-sector remain relevant. These are analyzed as follows:

Table 1. Stakeholders Roles

Stakeholder	Expectation from State	State Department for Aviation and Aerospace Development Expectation from Stakeholders
The National Treasury	Compliance with Financial regulations/circulars	Timely release of funds
		Provision of adequate financial resources in accordance with proposed budget in the sector.
Attorney General	Operation within the legal requirements	Prompt Legal guidance
Other MDAs	Information sharing	Feed-back on information shared between the ministries
Air Transport operators	Creation of an enabling environment	Compliance with air transport rules, regulations and standards

General Public	Protection against exploitation by air transport operators	Comply with rules and regulations and standards in air transport and provide feedback on violations of the rules
Development Partners	Transparency and accountability in projects and programme management	Support to Aviation and Aerospace developments development programmes
Parliament	Implementation of the sectoral laws	Prompt/timely enactment of sub-sector Bills
Controller of Budget	Timely information on quarterly expenditure and progress of projects/programmes implementation status	Facilitate timely release of exchequer
Auditor General	Maintain proper books of accounts/financial statements	Timely audits of the financial statements and opinion.
Salaries and Remuneration Commission	Prudent salaries and wages management	Advice and recommendation on staff remuneration
County Governments	Development of airports and airstrips policies and regulations	Implementation of national aviation policies
Kenya Space Agency	Partner in advancing the aerospace development	Collaborate for the advancement for effective exploitation of the opportunities in the aerospace

CHAPTER TWO

2.0 PROGRAMME AND PERFORMANCE REVIEW

This chapter reviews the performance of the sub-sector during the period FY2023/2024 - 2025/2026, highlighting key achievements, implementation challenges, lessons learnt and recommendations.

Summary of the Key Achievements

During FY 2025/2026, the sub-sector registered the following key achievements:

a) Negotiated and concluded three new Bilateral Air Services Agreements (BASAs) with Guyana, Uruguay and Panama, and reviewed 10 existing BASAs;
b) Maintained Air Navigation Services availability at 98.27 per cent, exceeding the ICAO threshold of 97 per cent;
c) Attained an Effective Implementation score of 91.77 per cent across the eight Critical Elements of the Aviation Security Oversight System, exceeding the 90 per cent target;
d) Completion of the Jomo Kenyatta International Airport Master Plan to support the modernization and expansion;
e) Finalized the National Aviation Policy and Gazetted 36 Civil Aviation Regulations;
f) Produced preliminary reports for all reported aircraft accidents and serious incidents within 14 days of occurrence; and issued of interim statements for all ongoing investigations at every anniversary of occurrence; and

Challenges

During the period under review, the sub-sector encountered the following challenges:

i. Lengthy land acquisition and compensation processes, encroachment on land reserved for aviation facilities, land disputes and delays in the determination of court cases impeded timely project implementation.
ii. Lengthy procurement processes and delays in contract commencement slowed the implementation of projects.
iii. Inadequate staffing and shortage of officers with specialised technical skills affected the conduct aircraft accident investigations, and coordination of aerospace functions.
iv. The new State Department faced transitional institutional challenges, including the establishment of administrative structures, allocation of adequate office space, among others.
v. Limited monitoring and evaluation constrained timely identification of implementation bottlenecks and corrective action on projects.
vi. Inadequate funding constrained the implementation of priority activities, including development of the National Aerospace Policy and regulatory framework, negotiation of BASAs,

establishment of the mini flight data recorder download and read-out facility, specialised training of technical officers, monitoring and evaluation exercises, and preparation of the State Department's Strategic Plan.

Lessons Learnt

The following lessons were learnt during the period under review:

i. Regular project monitoring, enforcement of contractual milestones and prompt resolution of emerging issues are critical to improving performance and ensuring timely delivery of projects.
ii. Investment in specialized technical skills, investigation equipment and institutional systems is necessary to maintain compliance with ICAO standards.
iii. Stakeholders' engagement is critical to the success of projects implementation.
iv. Exploring alternative modes of financing infrastructure projects is critical.

Recommendations

To address the identified challenges and improve performance, the following are recommended:

i. Additional resources for the sub-sector should be considered to support reciprocal visits during BASAs negotiations.
ii. Strengthening of procurement management to minimize delays in project commencement.
iii. Closer coordination by all relevant institutions in land acquisition, compensation, survey and titling.
iv. Recruitment and deployment of adequate staff, and implementation of specialized training for officers.
v. Monitoring, evaluation and reporting should be strengthened to facilitate early corrective action.
vi. Strengthen coordination with national and international stakeholders

2.1 PROGRAMME PERFORMANCE REVIEW FY 2022/23– 2024/25

Programmes, key outputs, key performance indicators, planned targets, achievements, and remarks on the performance in the period under review for the State Department for Aviation and Aerospace Development are as captured in Table 2.1.

Table 2.1: Analysis of Programme Targets and Actual Targets

Programme	Delivery Unit	Key Output	Key Performance Indicators	Planned Target			Achieved Target			Remarks
				2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Air Transport services Programme **Outcome: Enhanced Air Transport Connectivity, Safety and Security** **Sub-Programme 1: Air Transport services**										
SP 1.1: Air Transport Services	Air Transport Department	International Aviation legal Instruments & Conventions	No. of new BASAs negotiated and initialled	-	-	2	-	-	3	Target was surpassed due to Kenya's participation in ICAN meeting of 2025 where many countries meet which provided an opportunity to conclude aligned BASAs.
			No. of Reviewed BASAs and signed MOU on the reviews	-	-	6	-	-	10	Target was surpassed due to Kenya's participation in ICAN meeting of 2025 where many countries meet which provided an opportunity to conclude aligned BASAs.
			No. of BASAs ratified	-	-	2	-	-	1	Target not achieved due to late responses from the counterpart state.
			No. of instruments/Regulations ratified	-	-	1	-	-	1	Target achieved.
		National Airstrips Development Policy	% completion of the Policy	-	-	70	-	-	40	
	Kenya Civil Aviation Authority	Air Navigation Services	% Level of availability of air navigation services (ANS)	-	-	98.30	-	-	98.27	Target was not realized. However, the 97% ICAO standard target was surpassed.

Programme	Delivery Unit	Key Output	Key Performance Indicators	Planned Target			Achieved Target			Remarks
				2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
			% level of compliance with ICAO Security Requirements	-	-	93.50	-	-	91.77	ICAO conducted an audit on Kenya under Universal Security Audit Programme (USAP) in May 2022, in which Kenya attained a level of Effective Implementation (EI) of 91.77% on average of the eight Critical Elements (CE) of an Aviation Security Oversight System. Implementation of CAPs arising out of the Audit is ongoing.
			% level of compliance with ICAO Safety Requirements	-	-	85.0	-	-	75.41	ICAO changed the protocol questions hence negatively impacted the USOAP CMA score. Awaiting the next audit process.
	EASA	Skilled manpower for aviation industry	No. of students enrolled in aviation and other related courses	-	-	3,597	-	-	3,345	The achievement is 7.01% below the target owing to low intake in some courses.
	Kenya Airports Authority	Airports and Airstrips infrastructures	% completion of construction of a new 10 million capacity terminal building (PTB) at JKIA	-	-	10	-	-	0	Target not achieved. However, contract has been awarded and contractor is on site.
			% completion of soil stabilization at Moi International Airport (MIA) civil works	-	-	100	-	-	82	Target not achieved due to delayed procurement process and geo-technical challenges during solid curing process.
			% completion of runway rehabilitation at Wilson Airport	-	-	100	-	-	46	Rehabilitation of one runway (17/25) is 100% complete. However, the scope was increased to include a second runway (14/32) which is ongoing.
			% completion of construction of a new terminal at Migori Airstrip	-	-	50	-	-	32	Target not achieved due to unexpected surface water runoff that delayed progress of works

Programme	Delivery Unit	Key Output	Key Performance Indicators	Planned Target			Achieved Target			Remarks
				2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
			% completion construction of a new terminal at Kitale Airstrip	-	-	50	-	-	0	Target not achieved due to lack of budgetary allocation
			% completion of rehabilitation at Kabunde Airstrip	-	-	80	-	-	80	Target achieved.
	Aircraft Accidents Investigation Directorate	Policy and Legal Frameworks on Aircraft Accidents and Incidents Investigation								
			% completion of the Civil Aviation Bill establishing AAID	-	-	80	-	-	65	Target not achieved due to expanded scope.
			No. of MOUs signed with partner agencies on accidents investigations	-	-	1	-	-	1	1 MOUs was signed with Liberia AAIB
			% production of Preliminary reports of accidents and serious incidents within 14 days from the date of occurrence	-	-	100	-	-	100	Target achieved. 100% of Preliminary Reports for accidents and serious incidents were issued within the required 14-day period.
			No. of final Investigation Reports released	-	-	5	-	-	5	Target achieved. 5 Final Investigation reports were completed and published during the reporting period.
			% of Interim statements of all investigations issued at every anniversary of occurrence	-	-	100	-	-	100	100% compliance achieved. Interim statements were issued for investigations exceeding one year, in line with applicable standards.
			Number of AAID investigators trained	-	-	2	-	-	0	Target not achieved due to inadequate funding

Programme	Delivery Unit	Key Output	Key Performance Indicators	Planned Target			Achieved Target			Remarks
				2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Sub-Programme 2: General Administration, Planning and Support Services										
S.P. 1.2 General Administration, Planning and Support Services	Administ ration	Office space for SDAAD Staffs	% Completion of partitioning and refurbishment of offices on the 3rd, 7th and 8th floors of Transcom house	-	-	100	-	-	86	Target not achieved due to delays in procurement emanating from challenges associated with the new EGP system.
	Central Planning and Project Management Department	Projects Monitoring and Evaluation	No. of Monitoring and Evaluations undertaken	-	-	4	-	-	1	Target was not achieved due to inadequate funds.
		Strategic Plan for the State Department	Strategic Plan	-	-	1	-	-	0	Target was not achieved due to unavailability of funds.

2.2 Analysis of Expenditure Trends for FY 2025/26

During the period under review, the sub-sector Vote 1097 had an approved budget allocation of **Kshs. 15,012.1 million** consisting **of Ksh. 14,359.3 million** and **Ksh. 652.8 million** under Recurrent and Development vote respectively. The actual expenditure during the same period was **Ksh. 14,997 million**, consisting of **Kshs. 14,344.2 million** and **Ksh. 652.6 million** under Recurrent and Development vote respectively. This translates to an absorption rate of 99% and 100% respectively.

The approved budget was expended on the implementation of one key programme, Headquarters Administrative services consisting of two Sub-programmes which are Headquarters Administration Servies and Air Transport Servies.

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

Table 2.2 below presents the analysis of the recurrent approved budget against the actual expenditure during the period under review. The approved budget for FY 2025/26 was **Ksh. 14,359.3 million** against expenditures of **Ksh. 14,344.2 million**. This translated to absorption rate of 99.9%.

Table 2.2: Analysis of Recurrent Expenditure (Kshs.)							
Sub-Sector: State Department for Aviation and Aerospace Development							
Vote Details	**Economic Classification**	**Approved Budget Allocation**			**Actual Expenditure**		
		2023/24	**2024/25**	**2025/26**	**2023/24**	**2024/25**	**2025/26**
1097 State Department for Aviation and Aerospace Development	**Gross**	**-**	**-**	**14,359.3**	**-**	**-**	**14,344.2**
	AIA	-	-	14,100.0	-	-	14,100.0
	NET	**-**	**-**	**259.4**	**-**	**-**	**244.2**
	Compensation to Employees	-	-	68.3	-	-	55.2
	Transfers	-	-	14,100.0	-	-	14,100.0
	Other Recurrent	-	-	191.0	-	-	189.0
	of which	-	-		-	-	
	Utilities	-	-	-	-	-	
	Rent	-	-	-	-	-	-
	Insurance	-	-	-	-	-	-
	Subsidies	-	-	-	-	-	-
	Gratuity	-	-	3.8			3.8
	Contacted Guards and Cleaners	-	-	-	-	-	-

	others	-	-	187.3	-	-	185.2

Table 2.2: Analysis of Development Expenditure:(Kshs. Million)

Table 2.3 below, presents the analysis of the approved budget for development against the actual expenditure. The approved budget allocation was, **Kshs. 652.8 million** against expenditures of **Ksh. 652.8 million**. This represents an absorption rate of 100%.

Table 2.3 ANALYSIS OF DEVELOPMENT EXPENDITURE (KSH. MILLION)						
Description	**Approved Budget**			**Actual Expenditure**		
	2023/24	**2024/25**	**2025/26**	**2023/24**	**2024/25**	**2025/26**
Gross	-	-	**652.8**	**-**	**-**	**652.8**
GOK	-	-	652.8	-	-	652.8
Loans	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Local AIA	-	-	-	-	-	-

Table 2.4 Analysis of Expenditure per Programme of (Ksh. Million)

Table 2.4 below presents the analysis of the approved budget and the actual expenditure based on programmes. The approved allocation for FY 2025/26 was **Kshs 15,012.3 million**. The actual expenditure during the same period was **Kshs. 14,997 million**. This resulted in absorption rate of 99.9%.

TABLE 2 .4 Analysis of Expenditure per Programme (Ksh. Million)						
Programmes	**Approved Budget**			**Actual Expenditure**		
	2023/24	**2024/25**	**2025/26**	**2023/24**	**2024/25**	**2025/26**
Programme 1: Air Transport						
Sub - Programme 1.1: Headquarters Administration Services	-	-	126.7	-	-	126.4
Sub - Programme 1.2: Air Transport Services	-	-	14,885.4	-	-	14,870.4

TABLE 2 .4 Analysis of Expenditure per Programme (Ksh. Million)						
Programmes	**Approved Budget**			**Actual Expenditure**		
	2023/24	**2024/25**	**2025/26**	**2023/24**	**2024/25**	**2025/26**
Grand Total	**-**	**-**	**15,012.1**	**-**	**-**	**14,997**

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

Table 2.5 below, presents current and capital expenditure for the programmes by Economic Classification.

TABLE 2.5 Analysis by Category of Expenditure: Economic Classification (KSh. Million)						
	Approved Budget			**Actual Expenditure**		
Economic Classification	**2023/24**	**2024/25**	**2025/26**	**2023/24**	**2024/25**	**2025/26**
Programme 1: Air Transport						
Sub-Programme 1.1 Air Transport Services						
Current Expenditure			**14,232.6**			**14,217.8**
Compensation of Employees	-	-	49.1	-	-	36.0
Use of Goods and Services	-	-	83.5	-	-	81.8
Grants And Other Transfers	-	-	14,100.0	-	-	14,100.0
Other Recurrent	-	-	-	-	-	-
Capital Expenditure			**652.8**			**652.8**
Acquisition of Non-Financial Assets	-	-	5.5	-	-	5.3
Capital Grants to Government Agencies	-	-	625.2	-	-	625.2
Other Development	-	-	22.1	-	-	22.1
Total Sub-Programme 1.1			**14,885.4**			**14,870.6**
Sub-Programme 1.2: General Administration and Support Services						
Current Expenditure			**126.7**			**126.4**
Compensation of Employees	-	-	23.0	-	-	23.0
Use of Goods and Services	-	-	47.3	-	-	47.0
Grants And Other Transfers	-	-		-	-	
Other Recurrent	-	-	56.4	-	-	56.4
Capital Expenditure			**-**			**-**
Acquisition of Non-Financial Assets	-	-	-	-	-	-

Capital Grants to Government Agencies	-	-	-	-	-	-
Other Development	-	-	-	-	-	-
Total Sub-Programme1.2			**126.7**			**126.4**
Total Programme	-	-	**15,012.1**	-	-	**14,997**

Table 2.6: Analysis of SAGAs Recurrent Budget Vs Actual Expenditure (SAGAs) (Ksh. Million)

Table 2.6: Analysis of SAGAS Recurrent Budget Vs. Actual Expenditure (KSh. Million)						
	Approved Budget			**Actual Expenditure**		
Economic Classification	**2023/24**	**2024/25**	**2025/26**	**2023/24**	**2024/25**	**2025/26**
KENYA CIVIL AVIATION AUTHORITY						
Gross	-	-	13,866.0	-	-	12,302.0
AIA	-	-	13,866.0	-	-	12,302.0
NET	-	-	-	-	-	-
Compensation to Employees	-	-	4,054.0	-	-	3,183.0
Other Recurrent	-	-	6,334.0		-	5,241.0
Of which						
Utilities	-	-	124.0	-	-	102.0
Rent	-	-	23.4	-	-	22.0
Insurance	-	-	340.0	-	-	250.0
Subsidies	-	-	-	-	-	
Gratuity	-	-	87.0	-	-	52.0
Contracted Guards & Cleaners Services	-	-	144.0	-	-	125.0
Others	-	-	5625.0	-	-	4,690.0

ANNEX 4C: ANALYSIS OF PERFORMANCE OF CAPITAL PROJECTS

Table 2.7: Analysis of Performance of Capital Projects FY 2025/2026 (Ksh. Million)

Project Code and Project title	Total Est Cost of Project Ksh Million	Project (Financing)		Timelines		Approved Budget FY 2025/26		Cumulative Exp up to 30th June 2026	Outstanding Balance as at 30th June 2026	Completion Status as at 30th June 2026 (%)	Remarks
		GOK	Foreign	Start Date	Expected Completion Date	GOK	Foreign				
1097100201 Kakamega Airstrip	402	402	-	01/07/2018	30/06/2024	131.38	-	131.38	270.62	23.89	Improves connectivity for the Western Kenya economic corridor, business travel, complement Kisumu International Airport, medical evacuation, attracts private investment in the region on mining (gold) and school visit for learning purposes. Profiled as a profit center airport
1097100301 Kabunde Airstrip	475	475	-	01/07/2016	30/6/2025	69	-	69	406	80	Supports tourism to Lake Victoria, fisheries, regional trade and improves access to Homa Bay County, stimulating local economic activities. Support lake basin related researches by international organizations.
1097100401 Migori Airstrip	280	280	-	01/07/2018	30/06/2027	130.8	-	130.8	149.2	30	Enhances cross-border trade with Tanzania, supports mining, agriculture, tourism, and improves emergency response services within the region. Profiled as a profit center airport
1097100401 Purchase of Aircraft Accident Investigation Equipment	300	300	-	12/07/2020	Continuous	27.6	-	26.6	273.4	10	Procurement of the specialized equipment is ongoing.
1097100801 Eldas Airstrip	94.2	94.2	-	01/04/2026	TBA	50	-	50	44.2	0%	Improves accessibility to underserved regions, facilitates humanitarian operations,

Project Code and Project title	Total Est Cost of Project Ksh Million	Project (Financing)		Timelines		Approved Budget FY 2025/26		Cumulative Exp up to 30th June 2026	Outstanding Balance as at 30th June 2026	Completion Status as at 30th June 2026 (%)	Remarks
		GOK	Foreign	Start Date	Expected Completion Date	GOK	Foreign				
											government services, and livestock trade.
1097100901 Modogashe Airstrip	60	60	-	01/04/2026	TBA	60	-	60	-	0%	Supports livestock marketing, security operations, humanitarian interventions, and improves regional connectivity.
1097101101 Rhamu Airstrip	30	30	-	1/04/2026	TBA	30		30	-	0%	Enhances border security, facilitates cross-border trade, supports disaster response, and promotes socio-economic development.
1097101201 Lafey Airstrip	154	154	-	01/04/2026	TBA	154	-	154	-	0%	Improves accessibility to remote border communities, supports government service delivery, humanitarian operations, and local commerce.
Total VOTE	**1795.2**	**1795.2**				**652.78**		**651.78**	**651.78**		

Annex 4 (D): Analysis of pending bills

Table 2.8 below presents pending bills for State Department for Aviation and Aerospace Development which is as a result of the State Agencies.

Table 2.8: Summary of Pending Bills by Nature and Type (Kshs. Million)

Type/nature	**Due to lack of Exchequer**			**Due to Lack of Provision**		
	2023/24	**2024/25**	**2025/26**	**2023/24**	**2024/25**	**2025/26**
	Kshs. Million	**Kshs. Million**	**Kshs. Million**	**Kshs. Million**	**Kshs. Million**	**Kshs. Million**
SDAAD Headquarters						
Development	-	-	-	-	-	-
Acquisition of non-financial assets	-	-	-	-	-	-
Use of goods and services	-	-	-	-	-	**7.23**
Others - Construction	-	-	-	-	-	-
Total Pending Bills						**7.23**

Annex 4 (E): Summary of court awards

Table 2.9 below presents status of court awards during the period under review. The amounts awarded by court and status of payment is provided in the table 2.9.

Table 2.9: Summary of Court Awards

Details of the Award	**Date of Award**	**Amount**	**Payment to date**
HEADQUARTERS			
ELRCPET No. E.181 of 2024 - The case concerns the non-renewal of Martyne Lurther Lunani's contract as Director of Aircraft Accident Investigation	30th April 2025	Kshs. 3,000,000	Nill

CHAPTER THREE

3.0 MEDIUM TERM PRIORITIES AND FINANCIAL PLAN FOR THE MTEF PERIOD 2026/27-2028/29

3.1. Prioritization of Programmes and Sub-Programmes

Table 3.1: Programmes and their Objectives

In line with the functions outlined in the Executive Order, the Sub-Sector developed one (1) Programme for the Budget:

Programme 1: Aviation and Aerospace Development

Sub-programme 1: Air Transport Services
Sub-programme 2: Aircraft Accidents Investigation Services
Sub-programme 3: Space Transportation and Satellite Services
Sub-programme 4: General Administration, Planning and Support Services

Table 3.1

Programme	Objectives	Strategic Contribution
Aviation and Aerospace Development	To provide safe, secure, efficient and sustainable aviation and aerospace services	Enhancing Kenya's global connectivity, trade competitiveness, and tourism growth through the development of efficient, safe, and sustainable air transport and aerospace systems. It further positions the country as Africa's hub for aviation and space technology innovation, fostering industrial growth, skills development, and broad socio-economic transformation.

3.2: Programmes/Sub-Programmes, Expected Outcomes, Outputs, and Key Performance Indicators (KPIs)

Table 3.2

This section gives a summary of Programme Key outputs, Performance indicators and Targets for the FY 2026/27 and the medium-term period.

Programme	Delivery unit	Key outputs	Key performance indicators	Target 2025/2026	Actual Achieved 2025/2026	Target baseline 26/27	Target 27/28	Target 28/29	Target 29/30
Programme: Aviation and Aerospace Development									
Outcome: Safe, Secure and Efficient Air transport									
Sub – Programme 1: Air Transport Services	**Air Transport Department**	Bilateral Air services Agreements (BASAs)	No. of new BASAs negotiated and initialed	2	3	2	2	2	
			No. of Reviewed BASAs and signed MOU on the reviews	6	10	6	6	6	
			No. of BASAs ratified	2	1	2	2	2	
		International Aviation legal Instruments & Conventions domesticated	No. of instruments/Regulations ratified	1	1	1	1	1	
		Approved passengers/ freight Schedules	% of responses on schedules submitted for approval	100	100	100	100	100	
		Aviation Safety and Security audits/airports visits	No. of audits reports on aviation safety and security	4	3	4	4	4	

		Skilled Air Transport Officers	No. of staff trained	0	0	2	3	4	4
		National Airstrip Development Policy	% completion of the policy	20	70	70	100		
		Airstrips projects supervised and monitored	No of progress reports	0	0	2	4	4	4
		Sustainable aviation Fuel (SAF) Policy developed	% completion of the policy	0	0	10	80	100	
		Civil Aviation Masterplan Developed	% completion of the masterplan	0	0	10	80	100	0
		Flight schedule requests services digitalized	% Completion	0	0	20	100		
		BASAs records digitized	% Digitized	0	0	20	30	50	
Sub-Programme 2: Air accidents and incidents investigations	**Air Accidents Investigations Directorate**	Civil Aviation Bill (aircraft accident investigation) on legal establishment of AAID	% completion of the bill establishing AAID	80	80	90	100	100	100

		Revised AAID Policy and Procedure Manual	% completion of reviewing the AAID procedure manual	100	80	100	-	-	-
		Technical Guidance Materials for aircraft accident investigation (Medical examination of flight crew and crew passenger, and assistance of accident victims and families)	No. of Guidance materials	2	0	3	3	3	3
		MOUs with partner agencies for air accidents investigations	Number of MOUs signed	2	1	2	2	2	2
		Aircraft accidents investigation conducted	% production of Preliminary reports of accidents within 14 days	100	100	100	100	100	100
			Number of final investigation reports produced	2	5	5	5	5	5
			% of Interim statements of all investigations released within 12 months of occurrence	100	100	100	100	100	100

		Automated Air Accidents Instigation Procedures	% level of automation	0	0	10	30	100	
		Skilled AAID investigators	Number of investigators trained	2	0	2	2	2	2
		ICAO Effective Implementation (EI) score for Kenya	Effective Implementation score (%)	42	42	51	60	70	80
		Upgraded AAID Equipment	% level of Upgrading	13	13	51	100		
Sub-Programme 3: Space Transportation and Satellite Services	**Space Transportation and Satellite Services Department**	Aerospace policy	% Completion of Policy	-	-	10	70	100	
		National Aerospace Master Plan	% completion of aerospace master plan	-	-	50	100		
		Suitable areas for antenna farms	Number of suitable areas identified for antenna farms	-	-	1	-	-	
		Suitable areas for spaceports	Number of suitable areas identified for spaceports	-	-	1	-	-	
		Improved public knowledge and understanding of the aerospace industry	Number of aerospace awareness campaigns conducted	-	-	-	1	2	3
		Technology transfer in aerospace.	Number of staff trained	-	-	1	1	1	

	Kenya Civil Aviation Authority	Improved aviation safety standards	Level of % compliance with ICAO safety Requirements (ICAO Universal Safety Oversight Audit Program)	82	75.41	85	85	90	
		Improved aviation security standards	Level of % compliance with ICAO Security Requirements (ICAO Universal Security Audit Program)	93	91.77	93.5	94	95	
		Air Navigation Equipment Modernized and maintained	% Level of availability of air navigation services (ANS) equipment and Infrastructure	98.2	98.27	98.3	98.4	98.5	
		Skilled manpower for aviation industry	Student enrolment in aviation and other related courses	3,492	3345	3,597	3,705	3,816	
	Kenya Airports Authority	Airports / Airstrips infrastructures	% completion of construction of a new 10 million capacity terminal building (PTB) at JKIA	-		10	40	50	
			% completion of refurbishment of existing PTBs at JKIA	-		50	100	-	

			% completion of rehabilitation of the airside pavement works at JKIA	-		80	100	-	
			% completion of construction of new taxi ways at JKIA	-		50	100	-	
			% completion of construction of rapid exit taxiways (RETs) at JKIA	-		50	100	-	
			% completion construction of new aprons at JKIA	-		5	45	100	
			%completion of construction of a second runway (JKIA)	-				5	
			% completion of soil stabilization at Moi International Airport (MIA) civil works	30		100	-	-	
			% completion of runway rehabilitation at Wilson Airport	30	46	100	-	-	
			No. of aerodromes rehabilitated	5		5	5	5	
			% completion of runway strengthening at Ukunda Airport	-		-	-	-	

			% completion of construction of Wilson Airport New Terminal Building	-		25	50	100	
			% completion construction of Cargo Shed at Isiolo Airport	100		-	-	-	
			% system availability on security screening machines in all aerodromes	99		100	100	100	
		Improved customer satisfaction	passenger satisfaction score using ACI matrix at JKIA, MIA, KIA and EIA	84		84	84	84	
SP 4: General Administration, Planning, and Support Services	Administration	Office spaces refurbished	% Completion of refurbishment	100	86	100	-	-	-
		Mobile vehicles for the State Department of Aviation and Aerospace Development	No of vehicles purchased	6	0	4	4	-	-
	ICT	ICT Services provided	% maintenance of ICT Equipment	100	100	100	100	100	100

			No. of processes automated (Transport Services)	1	1	1	1	1	1
	Human Resource	Human Resource Services	No. of training Needs Assessment reports	1	-	1	-	-	-
	Central Planning and Project Monitoring Department	Projects Monitoring and evaluation	No. of Monitoring and Evaluation Reports	4	1	4	4	4	4

Table 3.3:Sub-Sector Recurrent Resource Requirement versus Allocation Kshs.Million

Vote and Vote Details	Economic Classification	Approved Estimates	Requirement			Allocation		
		2026/27	2027/28	2028/29	2029/30	2027/28	2028/29	2029/30
1097- State Department for Aviation and Aerospace Development	**GROSS**	**13,281**	**14,886**	**15,332**	**15,792**	-	-	-
	AIA	12,921	14,366	14,797	15,241	-	-	-
	NET	**360**	**520**	**535**	**551**	-	-	-
	Compensation to Employees	98	109	112	116			
	Grants and Transfers	12,921	14,366	14,797	15,241			
	Other Recurrent	**262**	**411**	**423**	**435**	-	-	-
	of Which							
	Utilities	-	-	-	-			
	Rent	-	-	-	-			
	Insurance	-	-	-	-			
	Subsidies	-	-	-	-			
	Gratuity	7	4	4	4			
	Contracted Professionals (Guards & Cleaning)	-	-	-	-			
	Others	255	407	419	431			

Table 3.4 SUB-SECTOR DEVELOPMENT REQUIREMENTS AND ALLOCATION (KSH. MILLION)

Table 3.4: Sub-Sector Development Requirements/Allocations (Amount Ksh. Million)

Energy, Infrastructure and ICT

Vote and Vote Details	Description	Approved Budget Allocation	Requirement			Allocation		
		2026/27	2027/28	2028/29	2029/30	2027/28	2028/29	2029/30
1097- State Department for Aviation and Aerospace Development	**Gross**	**721**	**2,343**	**3,565**	**3,250**	-	-	-
	GoK	721	2,343	3,565	3,250	-	-	-
	Loans	-	-	-	-	-	-	-
	Grants	-	-	-	-	-	-	-
	Local AIA	-	-	-	-	-	-	-

Table 3.5 Analysis of Programmes and Sub Programmes (Current and Capital) Resource Requirement (Kshs.Million)

Programme Details	Approved Budget			Projections								
	2026/27			2027/28			2028/29			2029/30		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
PROGRAMME 1: Aviation and Aerospace Development												
SP1.1: Air Transport Services	12,967	574	**13,541**	14,448	2,243	**16,691**	14,881	3,565	**18,897**	15,328	3,250	**18,578**
SP1.2: Administration and Support Services	178	-	**178**	252	-	**252**	260	-	**260**	267	-	**267**
SP1.3: Air Accidents Investigation Services	131	77	**208**	178	100	**278**	183	-	**193**	189	-	**189**
SP1.4: Space Transportation and Satellite Services	6	-	**6**	8	-	**8**	8	-	**8**	8	-	**8**
TOTAL PROGRAMME 1	**13,281**	**721**	**14,002**	**14,886**	**2,343**	**17,229**	**15,332**	**3,565**	**18,897**	**15,792**	**3,250**	**19,042**

Table 3.6 Analysis of Programmes and Sub Programmes (Current and Capital) Resource Allocation (Kshs.Million)

Programme Details	Approved Budget			Allocation								
	2026/27			2027/28			2028/29			2029/30		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
Programme 1 : Aviation and Aerospace Development							-	-	-			
SP1.1 : Air Transport Services	12,967	574	**13,541**	-	-	-	-	-	-	-	-	-
SP1.2: Administration and Support Services	178	-	**178**	-	-	-	-	-	-	-	-	-
SP1.3: Air Accidents Investigation Services	131	77	**208**									
SP1.4: Space Transportation and Satellite Services	6	-	**6**									
TOTAL VOTE	**13,281**	**721**	**14,002**	-	-	-	-	-	-	-	-	-

TABLE 3.7 Programmes and Sub-Programmes by Economic Classification (KSh. Million)

Economic Classification	Approved Estimates	Resource Requirement			Resource Allocation		
	2026/27	2027/28	2028/29	2029/30	2027/28	2028/29	2029/30
Programme 1: Aviation and Aerospace Development							
Current Expenditure	**13,281**	**14,886**	**15,332**	**15,792**	**-**	**-**	**-**
Compensation To Employees	105	113	116	120	-	-	-
Use Of Goods and Services	222	374	385	397	-	-	-
Grants And Other Transfers	12,921	14,366	14,797	15,241	-	-	-
Other Recurrent	34	33	33	34	-	-	-
Capital Expenditure	**651**	**2,343**	**3,565**	**3,250**	**-**	**-**	**-**
Acquisition Of Non-Financial Assets	15	21	-	-	-	-	-
Capital Grants to Government Agencies	504	1,763	483	-	-	-	-
Other Development	132	559	82	-	-	-	-
Total Programme 1	**13,932**	**17,229**	**18,897**	**19,042**	**-**	**-**	**-**
Sub-Programme 1.1: Air Transport Services							
Current Expenditure	**12,967**	**14,448**	**14,881**	**15,328**	**-**	**-**	**-**
Compensation To Employees	24	25	26	27			
Use Of Goods and Services	21	56	58	59			
Grants And Other Transfers	12,921	14,366	14,797	15,241			
Other Recurrent	1	1	1	1			
Capital Expenditure	**574**	**2,243**	**3,565**	**3,250**	**-**	**-**	**-**
Acquisition Of Non-Financial Assets	-	-	-	-			
Capital Grants to Government Agencies	504	1,763	483	-			
Other Development	70	480	82	-			
Total Sub Programme 1.1	**13,541**	**16,691**	**18,446**	**18,578**	**-**	**-**	**-**
Sub-Programme 1.2: Administration and Support Services							
Current Expenditure	**178**	**252**	**260**	**267**	**-**	**-**	**-**
Compensation To Employees	38	42	43	45			
Use Of Goods and Services	108	180	185	191			

Grants And Other Transfers	-	-	-	-			
Other Recurrent	32	30	31	32			
Capital Expenditure	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Acquisition Of Non-Financial Assets	-	-	-	-			
Capital Grants to Government Agencies	-	-	-	-			
Other Development	-	-	-	-			
Total Sub-Programme 1.2	**178**	**252**	**260**	**267**	**-**	**-**	**-**
Programme 1.3: Air Accidents Investigation Services							
Current Expenditure	**131**	**178**	**183**	**189**	**-**	**-**	**-**
Compensation To Employees	43	46	47	49			
Use Of Goods and Services	88	132	136	140			
Grants And Other Transfers	-	-	-	-			
Other Recurrent	-	-	-	-			
Capital Expenditure	**77**	**100**	**-**	**-**	**-**	**-**	**-**
Acquisition Of Non-Financial Assets	15	21	-	-			
Capital Grants to Government Agencies	-	-	-	-			
Other Development	62	79	-	-			
Total Sub-Programme 1.3	**208**	**287**	**183**	**189**	**-**	**-**	**-**
Sub-Programme 1.4: Space Transportation and Satellite Services							
Current Expenditure	**6**	**8**	**8**	**8**	**-**	**-**	**-**
Compensation To Employees	-	-	-	-			
Use Of Goods and Services	5	6	6	7			
Grants And Other Transfers	-	-	-	-			
Other Recurrent	1	2	2	2			
Capital Expenditure	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Acquisition Of Non-Financial Assets	-	-	-	-			
Capital Grants to Government Agencies	-	-	-	-			
Other Development	-	-	-	-			
Total Sub-Programme 1.4	**6**	**8**	8	8	**-**	**-**	**-**
Total Vote	**13,932**	**17,229**	**18,897**	**19,042**	**-**	**-**	**-**

Table 3.8 Analysis of Recurrent Budget Requirements and Allocation for SAGAs (KSh. Million)

	Approved Budget	Requirement			Allocation		
Economic Classification	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**202/27**	**2027/28**	**2028/29**
KENYA CIVIL AVIATION AUTHORITY							
GROSS	**12,861**	**14,306**	**13,150**	**13,397**			
AIA	12,861	14,306	13,150	13,397			
NET	-	-	-	-			
Compensation of Employees	4,239	5,335	4,626	4,924			
Other Recurrent of which;	**8,622**	**8,971**	**8,524**	**8,473**			
Insurance	*32*	*33*	*33*	*34*			
Utilities	*346*	146	*373*	*393*			
Rent	*122*	47	*126*	*128*			
Subscriptions to International Organiazations	*86*	94	*87*	*89*			
Subscriptions to Professional Bodies	*4*	4	*4*	*5*			
Contracted Professional Services (Guards & cleaners)	*156*	186	*158*	*163*			
Gratuity	*84*	106	*88*	*90*			
Others	*7,791*	*7,849*	*7,655*	*7,571*			
KENYA AIRPORTS AUTHORITY							
GROSS	**25,595**	**27,414**	**29,688**	**30,199**			
AIA	**25,595**	**27,414**	**29,688**	**30,199**			
NET	**-**	**-**	**-**	**-**			
Compensation to Employees	8,903	9,600	9,760	10,686			
Other Recurrent of which;	**16,692**	**17,814**	**19,928**	**19,513**			
Insurance	*368*	*380*	*391*	*417*			
Utilities	*838*	*1,055*	*1,143*	*1,155*			
Rent	*0*	*0*	*0*	*0*			
Subscriptions to International Organiazations	*0*	*0*	*0*	*0*			
Subscriptions to Professional Bodies	*0*	*0*	*0*				

Contracted Professional Services (Guards & cleaners)	*710*	*730*	*750*	*766*			
Gratuity	*44*	*46*	*47*	*49*			
Others	*14,732*	*15,603*	*17,597*	*17,126*			

CHAPTER FOUR

CROSS-SECTOR LINKAGES AND EMERGING ISSUES/CHALLENGES

4.1 Linkages between Aviation and Aerospace Sub-Sector and Other Sub-Sectors

The aviation and aerospace subsector interlinks with other sectors as;

i. Land and physical planning – development and expansion of aerodromes require acquisition of private or community land, necessitating structured legal compensation and adjudication reforms.
ii. Health – The aviation and aerospace sub-sector depends on MOH for occupational health, medical certifications of aviation personnel, public health measures at airport, emergency medical response and management of health risks associated with air travels.
iii. Education (MoE) – the sub-sector's collaboration with MoE is essential for skill development and innovation.
iv. Public Administration and International Relations – the subsector requires effective policy formulation, regulations, implementation and enforcement of aviation laws, Bilateral and Multilateral Air Services Agreements, domestication of international conventions, resource mobilization and coordination with international aviation organization.
v. National Security – aviation and aerospace infrastructure and capabilities support boarder surveillance, aviation security, search and rescue, disaster response, protection of critical infrastructure and national defense operations.
vi. Labour and employment – aviation and aerospace sub-Sector provides employment opportunities for skilled and semi-skilled labor and support personnel while stimulating employment in related sectors such as tourism, hospitality, logistics, construction and maintenance services.
vii. **Information Technology:** Flight navigation, air traffic management, weather tracking, and digital booking platforms depend heavily on software and telecommunications
viii. **Tourism and Hospitality-**Air Transport facilitate domestic, regional and global travel by improving accessibility and connectivity to tourist destinations.
ix. Agriculture and Food Security- Air transport supports the export of fresh produce, flowers, fish and other perishable agricultural products to international markets. Aviation also facilitates the rapid transportation of agricultural inputs, technologies and specialized services.
x. Environment and climate change- the sub-sector has implications for greenhouse gas emissions, noise pollution, waste management and land use. The subsector therefore encourages the use of sustainable aviation practices, energy efficiency, climate resilient infrastructure and environmental management measures.

4.2. Emerging Issues

i. Need to ensure sustainable and environmental compliance in the growth of aviation and aerospace subsector.
ii. Need to strengthen aviation and aerospace human capital development including addressing skills gaps, specialized training and retention of skilled personnel.
iii. Need to adopt new technologies within the aviation and aerospace sub-sector (Unmanned aircraft systems and drones)

iv. Need to enhance inclusion and accessibility of air transport for persons living with disability, vulnerable groups and underserved regions
v. Need to address the concerns on workforce and geopolitics
vi. Need to strengthen cybersecurity and protection of aviation information systems
vii. Need to promote local aerospace industry development- develop local capabilities in aircraft maintenance, satellite applications and unmanned aircraft systems.

4.3. Challenges

This section presents challenges faced during the review of the aviation and aerospace Sub-sector.

i. Regulatory and Policy Obstacles -bureaucratic red tape and heavy visa restrictions limiting cross-border passenger movement.
ii. Economic and Financial Pressures- high aviation fuel prices, taxes, and user charges which increase operating costs and affect competitiveness and affordability of air transport.
iii. Operational and Infrastructure Limits- suboptimal air navigation facilities and outdated air traffic control systems coupled with fragmented route networks resulting in low intra-regional connectivity and high-ticket prices.
iv. Land acquisition and compensation variations between market value and owner's expectations leading to lengthy negotiations and delays.
v. Encroachment of land earmarked for aviation facility developments.
vi. Inadequate and delayed provision of funds for implementation of aviation and aerospace projects.
vii. Inadequate specialized human resource capacity and low retention rate of experienced/technical staff.
viii. Conflicting developments of infrastructure around airport resulting in safety and security challenges.
ix. Air space management challenges caused by rapid growth of unmanned Aircraft Systems (UAS).
x. Climate change and environmental challenges emanating from emission of greenhouse gases (GHGs)- there is need to reduce aviation related emissions, manage noise and waste, and develop climate resilient and environmentally sustainable aviation infrastructure.
xi. Cybersecurity and digital infrastructure risks- increasing reliance on digital aviation, air traffic management and airport systems exposes the subsector to cyber security threats, system disruptions and data security risks.

CHAPTER FIVE

CONCLUSION

The Aviation and Aerospace sub-sector remains a crucial catalyst for Kenya's social economic transformation, playing a fundamental role in realising the Bottom-Up Economic Transformation Agenda (BETA) and the Fourth Medium Term Plan (MTP IV) 2023-2027 under Kenya Vision 2030. While aviation enhances national and international trade, connectivity, and tourism, the emerging aerospace industry offers significant economic frontier for high-tech manufacturing, attract foreign investment, create employment, and establish Kenya as a regional hub for space technology and innovation, as well as space-related technologies.

To deliver on its mandate during the 2026/2027-2028/2029 Medium Term Expenditure Framework (MTEF) period, the Aviation and Aerospace Sub-sector has structured its focus around four strategic sub-programmes:

1. **Air transport Services**: Modernizing aerodromes, enhancing air navigation systems, expanding bilateral air service agreements (BASAs), and ensuring full compliance with international aviation safety and security standards.

2. **Aircraft Accidents Investigations Services**: Operationalization independent accident investigation, reducing reporting turnaround times, and strengthening technical capacity to maintain international safety compliance.

3. **Space Transportation and Satellite Services**: Formulation dedicated aerospace master plans, establishing ground infrastructure, and developing satellite capabilities.

4. **General Administration, Planning and Support Services**: Enhancing institutional capacity, operational facilities, and monitoring frameworks to drive public service efficiency.

The programmes indicated above align with the government's broader development goals and the Bottom-Up Economic Transformation Agenda (BETA).

To fully achieve the planned strategic outputs and outcomes, the sub-sector requires a total resource allocation of KSh.17,229 million, KSh.18,897 million and KSh.19,042 million in FY 2027/28, FY 2028/29 and FY 2029/30, respectively.

Timely financial provision and targeted policy implementation will be critical to sustaining Kenya’s competitive edge as a secure, innovative, and regional aviation and aerospace hub.

CHAPTER SIX

RECOMMENDATIONS

i. There is need to improve the efficiency, safety and security for the aviation and aerospace sub-sector for sustainable growth
ii. Expansion and modernization of aviation infrastructure should be supported in order to meet the demand necessary for an Africa's Aviation Hub
iii. Adequate capacity building for sub-sector staff of the dynamism in the sector
iv. Establish Aircraft accident investigation fund to support compliance with air accidents investigations standards as set by ICAO
v. The National Treasury to ring-fence funding for advancing the aerospace activities for economic growth.

REFERENCES

- The Constitution of the Republic of Kenya
- Executive Orders
- Public Finance Management Act (2012)
- The National Treasury Circulars and Guidelines
- Kenya Vision 2030 and MTP IV 2013-2027