
Republic of Kenya

MULTI-ANNUAL INDICATIVE PROGRAMME 2021-2027

1. THE EU'S INTERNATIONAL COOPERATION WITH KENYA

1.1. BASIS FOR PROGRAMMING

Kenya is a crucial partner of strategic interest for the EU in Africa, notably in the areas of stability and security in the Horn of Africa, but also for climate resilience and promoting the green economy agenda. Kenya is an economic hub in the region, a market with growing potential for export and investment for European companies, and a strong partner in the pursuit of universal values and multilateralism. Kenya has a sound policy framework, setting the frame for a partnership that allows for the relationship to grow. The partnership between Kenya, the EU and its Member States is progressively transforming beyond development cooperation into a relationship based on common values and mutual interests, in which the EU aims to holistically support Kenya's attainment of the Sustainable Development Goals and commitments under the Paris Agreement. Kenya and the EU are structuring their partnership through a strategic dialogue, which provides a framework for genuine and fruitful exchanges on their shared political, policy and multilateral agendas.

Since 2008, Kenya has embarked on a transformation process marked by the need to consolidate and strengthen economic growth, the rule of law and democratic governance to fulfil Vision 2030, its long-term development blueprint. Vision 2030 aims to transform Kenya into an industrialising, higher middle-income country providing high quality of life to all its citizens. Implemented through successive five-year Medium-Term Plans (MTPs), the current MTP III (2018-2022) incorporates the key political goals of the presidential Big Four Agenda. The MTP III promotes political stability; a broad-based and inclusive economic growth that generates jobs; environmental protection; the reduction of poverty and inequality; and presents key elements for cooperation in the economic, political and social sectors. Overall, Kenya's policy framework is well aligned with the EU's values and priorities, inviting for partnerships on the Green Deal; jobs and growth – notably for the young population; innovation and digitalisation; governance, peace and stability as well as democratic principles, human rights, gender equality and migration. Kenya is committed to the 2030 Agenda, the Paris Agreement on climate, and works actively with the Nationally Determined Contributions.

Whilst Kenya has shown considerable resilience to Covid-19, the crisis has had a negative impact on the socio-economic outlook, in particular for vulnerable groups, and is putting additional pressure on Kenya's debt sustainability¹. In response, the government launched its Post Covid-19 Economic Recovery Strategy, a three-year plan that prioritises investment in key sectors to stimulate progress towards development objectives. As the outcomes of the Covid-19 crisis are still incalculable, the implementation of the Multi-Annual Indicative Programme (MIP) will be guided by emerging needs, while adhering to the 'Building Back Better' approach.

Based on the Kenya long-term development blueprint Vision 2030, its five-year Medium-Term Plans (MTPs) and guided by the Sustainable Development Goals (SDGs), the MIP identifies the best value-added the EU can contribute to advance the development of Kenya in a transformative,

¹ Debt Sustainability Assessment, IMF, 19 March 2021

inclusive and forward-looking manner, applying a partnership approach and taking into account strategic areas of mutual interest, while aiming to ensure no one is left behind. The transition to a green and digital economy are crosscutting areas. The emphasis on the Team Europe approach sets the frame for a broader partnership with Kenya, including with civil society and the private sector. Policy coherence, political dialogue, trade policy and development cooperation are mutually reinforcing. Synergy with the Economic Partnership Agreement (EPA) will strengthen trade and cooperation, in agreement with the objectives of sustainable development including strong labour and environmental standards. The MIP aims to capitalise on the potential of the European and Kenyan private sector, and contribute to an improved investment and business climate. Innovative SDG and climate financing will be promoted while mitigating risks related to debt sustainability.

The partnership will be supported by tapping into the entire toolbox of instruments available. Grants for projects and programmes, as well as technical assistance with a focus on capacity building, will remain relevant throughout the MIP, underpinned by a Cooperation and Partnership facility. Guided by lessons learnt from previous EU engagement and taking into account the overall donor landscape², the MIP is refocussing the EU's development cooperation with Kenya to reach a critical mass of impact, notably in the cross cutting areas relevant to the TEI's. Synergies will be sought with EU regional and thematic programmes, as well as with humanitarian assistance and crisis response, facilitating burden sharing with other international partners. The European Investment Bank (EIB) and the European Development Finance Institutions (EDFI) will have important roles for leveraging development finance and impact. In addition, Erasmus+, Horizon Europe, TAIEX and Twinning programmes will further broaden the relationship and exchange between the EU and Kenya. The strategic engagement with the United Nations agencies under the coordination of the Resident Coordinator's office will be deepened. Trusted international partners such as the World Bank Group and the International Monetary Fund will remain important.

The principles of 'policy first' and 'do no harm' will guide the work towards strong country ownership. A rights-based approach will guide the MIP to develop the capacities of duty bearers to fulfil their obligations and of rights holders to claim their rights, in particular for women, persons with disabilities and marginalised groups, including forcibly displaced persons. Rising inequalities, corruption and security challenges, as well as climate shocks and other natural disasters, are fundamental risks relevant to Kenya's development agenda that will be addressed, acknowledging the need to capitalise on Kenya's demographic dividend. The political and economic dynamics offer challenges as well as potential solutions to Kenya's role in the region, emphasising the need for regional cooperation, including in the EU-AU partnership.

1.2. STATUS OF JOINT PROGRAMMING

A Joint Cooperation Strategy (JCS) with the Government of Kenya, the European Union, its 19 Member States present in Kenya and the EIB was signed in 2018, building on the previous phases of joint programming since 2014. The current JCS is valid until 2022, the year of the elections in Kenya. The JCS presents the overarching umbrella approach that guides the EU and its Member States' country strategies and programmes to enhance partnership with Kenya and ensure greater development effectiveness and impact. The emphasis on coordination with EU Member States, under the motto *Working Better Together*, has implied that the MIP has been elaborated based on consultations with the EU Member States. This has prepared the ground for an ambitious Team Europe approach to cooperation, partnerships and dialogue. Two Team Europe Initiatives cover the themes of the Green Deal and a Human-Centred Digitalisation.

The successive phases of joint programming in Kenya, each with joint analysis, joint response and joint dialogue, have created a strong collaborative spirit between the EU and its Member

² See annex 2: Donor matrix showing the current indicative allocations per sector

States. The MIP therefore builds on the EU and the Member States' strong coordination, while allowing for cooperation also with non-EU actors, in line with principles of development effectiveness. This collaboration framework allows for coordinated initiatives, flexibly taking advantage of the individual Member State's interests and capacities. The MIP is based on EU fundamental values, founded on mutual interests with Kenya, and focuses on themes where the Team Europe approach has the potential to be impactful and transformative. To effectively pursue these values and interests, the EU and the Member States strive to act as one, leveraging political dialogue, development cooperation and partnership, and engaging with various stakeholders, including civil society and the private sector. The EU will encourage and facilitate further joint initiatives, with a view to respond to emerging opportunities and requests from Kenyan counterparts. This will promote a holistic approach in the implementation of the MIP, further enhancing joint programming.

1.3. PRIORITY AREAS OF THE EU'S COOPERATION WITH KENYA

The MIP is built on three priority areas, with three sectors each:

1. **Green Transition: Environmental Sustainability and Resilience**

- 1.1. **Natural capital and resilience**
(DAC-code: 410 General environment protection)
- 1.2. **Green economy and sustainable business**
(DAC-code: 250 Business & other services)
- 1.3. **Sustainable energy**
(DAC-code: 230 Energy)

2. **Leave no one behind: Human Development and Digital Inclusion**

- 2.1. **Education and skills for employment**
(DAC-code: 110 Education)
- 2.2. **Empowering women and youth**
(DAC-code: 130 Population policies and programmes and reproductive health)
- 2.3. **Inclusive and resilient urbanisation**
(DAC-code: 160 Social infrastructure and services)

3. **Democratic governance, peace and stability**

- 3.1. **Democratic and Economic Governance**
(DAC-code: 150 Government & Civil Society)
- 3.2. **Conflict, peace and security**
(DAC-code: 152 Conflict, peace and security)
- 3.3. **Migration and forced displacement**
(DAC-code: 15190 Migration)

Two **Team Europe Initiatives**, on the **Green Deal** and **Human-Centred Digitalisation**, are crosscutting priorities. A **Cooperation and Partnership Facility** underpins the policy dialogue as part of the support measures.

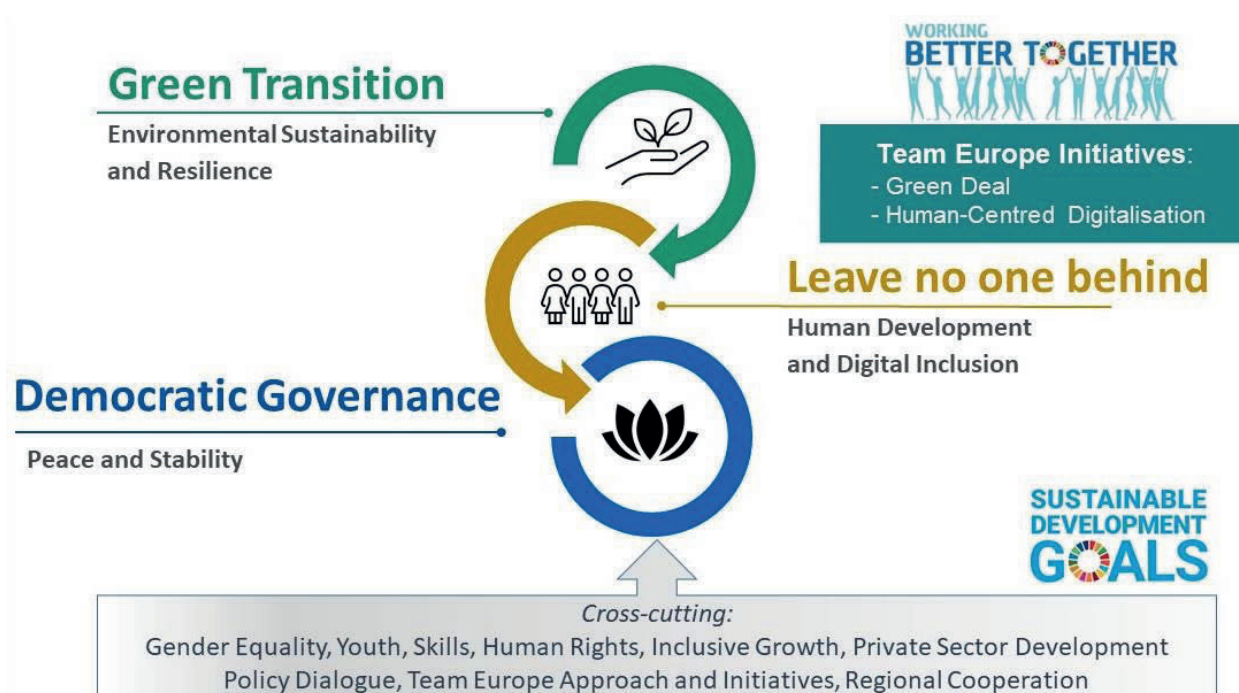


Illustration of the thematic disposition in the Multi-Annual Indicative Programme 2021-2027

1.4. JUSTIFICATION AND CONTEXT

Kenya rests at the intersection of three African regions: The Great Lakes, Eastern Africa and the Greater Horn of Africa. This brings challenges, as Kenya is impacted by the vulnerabilities and fragilities of the region, and opportunities, with Kenya a stabilising factor and a 'beacon of hope'. As a lower middle-income country with the ambition to advance to high-income status, Kenya faces various challenges that threaten its ambitious development objectives. Despite strong economic growth, high levels of poverty and inequality persist in a country that is vulnerable to shocks, be it climate-related or security-related. Whilst the demographic dividend offers an opportunity, the about one million young Kenyans that strive to join the job market every year poses a serious employment challenge. In addition, poverty, inequality, unemployment, and social injustices have been exacerbated as a result of Covid-19, notably among the most vulnerable groups of the population. An increased public debt and a stark decline of revenue leaves the government with reduced fiscal space to address development challenges.

Green Transition, Environmental Sustainability and Resilience

Kenya's economy is highly dependent on climate-sensitive and nature-based sectors. The wealth of natural capital, biodiversity, wildlife and marine ecosystems are under increasing strain by climate change and sub-optimal management of natural resources, as seen in land degradation, de-forestation, wildlife poaching and overfishing. Over 80% of the country's landmass is arid and semi-arid, while coastal ecosystems are under pressure from climate-induced acidification and sea-level rise. This affects the livelihoods and resilience of a large part of the population. Kenya has prioritised transition to a green economy, combining the needs to generate growth and create employment, notably for the young population, with the sustainable conservation of the environment and natural resources, resilience, and a reduced negative climate impact. The proposed approach aims for a paradigm shift and an economic model that combines sustainable growth and job creation with environmental conservation and climate-resilience by creating 'win-win solutions'. The green transition applies to a wide field of socio-economic areas, including a sustainable and circular economy linking environmental sustainability to sustainable agri-food systems, economic development, new technologies, and ultimately job creation and poverty

reduction³. Kenya's successful track record in harnessing its renewable energy potential is an important enabler for further green growth. To fully utilise the potential, barriers stemming from the business environment needs to be addressed, allowing for impact investments and for Micro, Small and Medium Enterprises (MSME's) to grow in a transparent and conducive environment. In this regard, the entrepreneurial spirit of the Kenyan population, coupled with strengthened digitalisation, innovation and financing ecosystems will be an important basis for the EU to contribute to, while building on the potential impact the European private sector can bring to Kenya. As this priority area is key to the TEI on the Green Deal, and contains infrastructural results, it has the largest financial allocation.

Leave no one behind: Human Development and Digital Inclusion

Kenya faces high levels of poverty and inequality. Vulnerable groups of the population, women and youth, remain marginalised with challenges in accessing decent jobs and basic services. Lack of labour market opportunities hampers the economic and political empowerment of women, youth, and marginalised groups. In urban areas, a two million-unit deficit in adequate and affordable housing has led to the proliferation of urban slums. In addition, population growth needs to be factored in to Kenya's attainment of the Sustainable Development Goals. Teenage pregnancy, gender-based violence and discriminatory structures reduce the possibilities for women and girls to fully participate in society. The MIP aims to address these fundamental challenges under the 'Leave No-one Behind' approach, with connection to human development, social inclusion, skills development and decent jobs a prerequisite. The empowerment of women and youth will be both a horizontal priority as well as a 'sector' with specific actions addressing aspects such as gender-based violence and sexual and reproductive health and rights, while also empowering women and youth in political and decision-making processes. Investments in human capital lay an important ground for increased quality of life as well as for employment opportunities and economic growth. In this context, digital solutions are important enablers and catalysers for transformation towards emerging economic opportunities, but also for improved service delivery.

Democratic Governance, Peace and Stability

Kenya's constitution was amended in 2010, reinforcing the commitments to democracy, human rights, rule of law, social justice and public participation. Kenya's democratic consolidation is a genuine but fragile process, which needs to be more inclusive in order not to engender tensions and conflicts. In particular, the devolution process has far-reaching implications on people's lives in terms of access to public services, political representation and growth. Improvements in governance will help advance transparency, accountability and the fight against corruption, boosting efficient service-delivery and legal and judicial empowerment of all people. In this context, the enabling and transformative power of digitalisation in particular will be harnessed.

Kenya has a vibrant and dynamic civil society, which plays a key role in its democratic and developmental objectives as well as in its society's resilience and innovation. While the legal environment for civil society is broadly supportive, Kenya is not spared from negative trends hampering its capacities and challenging its participation in public decision-making, including at county level. In line with the EU's strategic objectives for engagement with civil society, this MIP aims to mainstream civil society's, including social partners, meaningful participation and inclusion in all priority areas, utilising the potential of online tools.

Peace and security are necessary underlying conditions for sustainable development and growth, both in Kenya and in the region. A reinforced cooperation within the Horn of Africa can unlock important opportunities for poverty reduction and equal opportunities, but also in the area of migration. Taking into account the fragile regional context and Kenya's stabilizing role, the EU will

³ Kenya is contributing to the steering of a global transition to Circular Economy, notably through its membership in the Global Alliance on Circular Economy and Resource Efficiency.

be a partner for advancing the peace and security agenda, also supporting Kenya in its role as host of more than 500,000 refugees from the region.

1.5 DURATION OF THE MIP AND OPTIONS FOR SYNCHRONISATION

The MIP will have a duration of 7 years (2021-2027). Kenya's next elections will be held in 2022, with the incumbent likely setting new priorities. Kenya's National Development Plan - the Medium-Term Plan III - is aligned with the political cycle and is likely to be replaced by a new Medium-Term Plan IV in 2023 or 2024.

The mid-term review of this and other multiannual indicative programmes is planned for 2024. Without prejudice to the mid-term review, an ad-hoc review may be conducted in year 2023 in case above replacement of Kenya national programmatic documents requires it. Likewise, the Joint Cooperation Strategy will be renewed based on the new national policy framework.

2. EU SUPPORT PER PRIORITY AREA AND PROPOSALS OF TEAM EUROPE INITIATIVES

2.1. PRIORITY AREA 1: GREEN TRANSITION - ENVIRONMENTAL SUSTAINABILITY & RESILIENCE

2.1.1 Specific objectives⁴

Sector 1.1: Natural capital and resilience

Specific objective: Sustainable and efficient management of natural capital and biodiversity conservation, including improved resilience of vulnerable populations in climate-affected areas

Kenya is highly vulnerable to climate variability. Over 80% of the country's landmass is arid or semi-arid land (ASAL), and coastal ecosystems are under pressure from climate-induced acidification and sea level rise. Kenya's growth is mainly nature-based, however its wealth of natural capital, biodiversity, wildlife and marine ecosystems are facing increased degradation due to poor management of natural resources. Climate change is reducing natural capital and decreasing yield, causing greater shocks and recurring natural disasters, whether droughts, floods, or pests. These have impacts at a human level through poverty, malnutrition and conflict. Kenya has defined food and nutrition security as a priority in the Big Four agenda for 2017-2022.

Through a Team Europe approach, sustainable use and management of natural resources will be promoted through investments in the conservation of wildlife, terrestrial and marine ecosystems and the environmental services they provide; in sustainable livelihoods activities; and in improvement of governance and models for conservation. This will include green recovery at county level, in line with the devolution process. Land governance will be improved as a key element of natural resources management, using digital means. An integrated landscape management approach will be used throughout, balancing competing demands for land use within an area, considering environmental, economic and social objectives. The prospective for creating sustainable livelihoods and decent jobs will be harnessed. This will support the broader resilience-building amongst the most vulnerable populations in Kenya, targeting in particular those living in the ASAL and refugee populations, applying a humanitarian-development-peace nexus approach. Kenya's Nationally Determined Contributions (NDCs) will be supported by *mitigation* -

⁴ Guiding documents: Ending Drought Emergencies Common Programme Framework 2014-2022; Kenya's NDC (update December 2020); Evaluation of EU Approach to Building Resilience to Withstand Food Crises in African Drylands (Sahel and Horn of Africa) 2007-2015, European Commission, 2017; Final Evaluation of the Kenya Rural Development Programme and Supporting Horn of Africa Resilience Initiative, European Commission, April 2020; Kenya Agriculture Transformation and Growth Strategy 2019-2029; Integrated National Export Development and Promotion Strategy 2018; Circular Economy in Africa-EU Cooperation, Country Report for Kenya, European Commission, August 2020; Kenya National Energy Policy 2018

greening and reforestation interventions, improved soil management, agro-forestry and climate smart agriculture approaches - and *adaptation* through building resilience and livelihoods investments in climate-change affected areas. The Farm to Fork Strategy will guide implementation in the agri-food system, and innovative technologies, as well as nutrition, will be mainstreamed where relevant. Opportunities for market-based mechanisms will be prioritised. Regional interventions will be important for buttressing the regions' climate services, food crisis prevention mechanisms and disaster risk reduction, as well as for biodiversity conservation and governance, in order to reduce pressure on oceans, coastal zones, river basins and lakes.

Sector 1.2: Green economy and sustainable business

Specific objective: A stronger and more inclusive economic growth, built on practises which are climate resilient and preserves biodiversity

Kenya has prioritised transition to a green economy as a means of achieving sustainable development, and business operations and investments are key to the transition, as well as a main factor for poverty reduction. The EU, as a major economic partner, has increasing expectations on labour rights and environmental sustainability. Kenya holds high potential for increased job creation, food security, climate resilience and exports in sectors related to green growth, provided the right stimulus for private and public investments are in place. However, the business climate contains numerous challenges for domestic as well as foreign investments, for running a business and trading across borders. Kenya's micro, small, and medium size enterprises (MSMEs) are constrained by lack of access to finance and capacity, while technology and innovation adoption offers additional potential for growth.

The single most important determinant of growth patterns in Kenya over the long term has been the structural reforms, motivating engagement in the business enabling environment and related policy dialogue. In selected climate-smart and sustainable value and supply chains the EU will contribute to job creation and to diffusion of green and circular practices, enhancing exports and competitiveness of the Kenyan industry. In connection, the trade facilitation and corridor infrastructure will be targeted. The AfCFTA will be supported complementing regional interventions. Agri-businesses, smallholders, as well as MSME's and social enterprises in strategic sectors, will gain access to finance and knowledge, while increasing the use of innovative technologies connected to research, innovation and digitalisation ecosystems. Unlocking opportunities for investments in the green economy will contribute to SDG and climate impact⁵. The formalisation of informal economic actors will benefit from the better business environment. Cooperation through a Team Europe approach holds potential not least in green financing and private sector development. At the regional level, synergies should be sought in the areas of resilient and sustainable agri-food systems, sustainable trade, and increased integration of African Markets. The role of the private sector and the green economy policies will be mainstreamed in the implementation of the MIP, and the potential of business partnerships with the EU private sector will be increasingly important to the development impact. In that context, Corporate Social Responsibility (CSR) will be promoted, as will preparations for the upcoming EU due diligence legislation, be it for EU enterprises active in Kenya, for local enterprises from Kenya or for enterprises from third countries active in Kenya interacting with international supply chains linked to the EU market.

Sector 1.3: Sustainable Energy

Specific objective: Strengthening the energy sector in Kenya towards being more sustainable, available to all citizens and as a contributor to wealth

⁵ Including the use of the Global Green Fund Initiative

Kenya has a high share of renewable energy and a significant potential for further development of the renewable energy sector. However, the intermittency of wind and solar energy production combined with injection of geothermal production into a single point of the grid constitutes a challenge for the stability of the power system due to a lack of stabilising energy generation units and grid robustness. Despite new power lines and substations, power supply reliability is a major issue in Kenya. Electricity transmission and distribution systems suffer from frequent outages and substantial technical losses. At household level, access to affordable and sustainable energy remains a challenge, particularly in the remote parts of the country and peri-urban areas. Kerosene and biomass are still primary sources of energy for lighting and cooking, with negative impacts on the environment and health.

The EU will support the public and private sectors in the development of renewable and sustainable energy systems, including the resilience, stability and efficiency of the electricity system, last-mile access to sustainable, reliable and affordable energy, and energy efficiency. Support to renewable energy solutions will envisage Technical Vocational Education and Training (TVET) for officers at national and county level, and to local entrepreneurs. Kenya has a strong track record of harnessing its renewable energy potential, and there is scope and potential for further development both in large scale and smaller tailor-made local solutions. Green Hydrogen and Power-to-X as new and upcoming technologies show great transformative potential and could become game changers for growth and jobs, and is an area where EU Member States have interests. In addition, there is strong potential to develop sustainable bioenergy initiatives in marginalised land areas, including refugee camps, with associated job creation. At the regional level, support to energy grids, reliable and sustainable energy services and energy efficiency will be relevant, aligned with the Africa-EU Green Energy Initiative.

The role of civil society

Through grant support, civil society will play an important role in policy development and implementation, in particular in strengthening accountability, enhancing service delivery, and driving innovation. Civil society will also contribute significantly to mainstreaming the empowerment of women and youth across all sectors, as well as to the social dialogue.

Risk assessment for the priority area

Economic, social and environmental hazards are the major risks associated with this priority area. On the economic side, Kenya's debt sustainability has deteriorated as a result of the Covid-19 crisis, posing threats to prospective investments as well as for the business sector as a whole. In addition, there are social risks such as lack of or inadequate human capital, and challenges to build on full inclusion by local communities. Kenya's high vulnerability to climate variability is reducing natural capital and decreasing yield, causing greater shocks and recurring natural disasters. The MIP is aimed to mitigate these risks, however more serious shocks cannot be prepared for and may call for cooperation between crisis instruments, policy dialogue and joint global initiatives. Continued positive trends in democratic governance, peace and stability, as well as support to TVET, will improve the performance in the sectors.

2.1.2 Expected results

Expected result 1.1a: Kenya's natural capital and biodiversity are better conserved and managed.

Expected result 1.1b: Vulnerable populations have improved preparedness and resilience to climate shocks and livelihood challenges.

Expected result 1.2: Businesses, exports and investments contribute increasingly to green growth and decent jobs.

Expected result 1.3.a: Energy production and distribution systems are more resilient, stable, efficient and sustainable, including increased renewable energy sources.

Expected result 1.3.b: Last mile access to sustainable, reliable and affordable energy is increased.

2.1.3 Indicators

See intervention framework annex 1. The missing baselines and targets in annex 1 'Intervention Framework' will be identified at the start of the relevant action.

2.1.4 Possible use of blending and guarantees for investment under EFSD+

Kenya's nature-based economy, dynamic private sector and large infrastructural investment needs provide options for using blending and guarantees. With a view to strengthen the financing ecosystem relevant to climate and SDG related projects, feasibility studies and technical assistance will be key, in close cooperation with the EIB and the EDFs. Possibilities for engagement include, but are not limited to: renewable energy generation; power transmission and distribution systems; green off-grid solutions; enhancing MSME's and innovative businesses' access to finance and exports opportunities, notably for green and circular businesses; green financial market instruments; commercial aspects of conservation work. Subject to its confirmation through the implementation phase, it is expected that an indicative total amount of EUR 61 million may be used between 2021 and 2024 to provision EFSD+ guarantee operations, including under this priority area.

2.2. PRIORITY AREA 2: LEAVE NO ONE BEHIND - HUMAN DEVELOPMENT & DIGITAL INCLUSION

2.2.1 Specific objectives⁶

Sector 2.1: Education and skills for employment

Specific objective: Improved education and skills for employment results in new decent job opportunities

Lack of decent job opportunities remains a key challenge, exacerbated by slower economic growth due to the Covid-19 crisis. Youth, women, marginalised groups, victims of crisis and residents of isolated areas too often lack access and skills to participate in an increasingly digital economy. Kenya's ambitions for global competitiveness will depend on the ability to create a human resource base engaged in life-long learning, which has access to up-to-date technological training. Kenya has a clear ambition to build a strong work force, acquainted to modern and innovative technologies. Strengthening the preparedness for the labour market, with a focus on youth, is a priority, empowering the workforce with the required skills, knowledge and qualifications. In that context, improved TVET offers an accelerator to build skills that match labour market needs and stimulates opportunities for entrepreneurship.

Through a Team Europe approach, the strengthened relevance and accessibility of the TVET offering will improve the preparedness for the labour market, with youth and women at the core, ensuring inclusive decent work creation. Focussing on sectors with strong growth potential, the EU will support skills upgrading, including digital upskilling, offering training prospects in an inclusive manner, and facilitating the transition to the labour market. Skills qualification and

⁶ Guiding documents: Strategic Plan 2018-2022 Technical and Vocational Education and Training Authority; National Policy on Gender and Development 2019; Digital Economy Blueprint and National ICT Policy; National Youth Development Plan 2019; Strategic Plan 2018-2022 Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works

recognition will be targeted as a catalyst of internal and regional labour mobility. In addition, the EU will contribute to improving the infrastructure of educational centres and other key social services through 'last mile digital connectivity' in remote and marginalised areas. Policy dialogue will be important, working with Kenya to improve the TVET sector as well as the impact of the digital transformation in general. Particular attention will be paid to reducing the digital gap, targeting groups at risk of being left behind, including vulnerable youth, women and people in rural or borderlands areas. In the Erasmus+ programme, the Erasmus Mundus Joint Masters Degree as well as the capacity building for higher education will be further reinforced, focusing on the areas of green deal, digitalization and social inclusion. Kenya is a leading country for research and innovation in the region, relevant to the Horizon Europe and in EU-Africa innovation partnerships. At the regional level, the Single African Digital Market will be relevant.

Sector 2.2: Empowering Women and Youth

Specific objective: Enhanced human rights for women and youth, including democratic participation and representation, sexual and reproductive health, and reduced gender-based violence.

There is a deficit in terms of access to opportunities, representation and participation for Kenyan youth and women. This highlights the need to acknowledge youth and women as actors of change, with adequate conditions needed to exercise their rights, and with decent opportunities offered for education, work and development. Kenya has clear objectives of creating opportunities for youth, emphasising education, training, and decent and sustainable livelihoods. The rapid demographic growth and the large youth base needs to be factored into Kenya's development goals. Kenya is firmly committed to gender equality, however major pending challenges are discriminatory laws and socio-cultural norms, sexual and gender-based violence (GBV), including female genital mutilation, inequitable access to political representation and economic opportunities, and socio-economic differences related to the high level of female-headed households. During Covid-19, the protection and realisation of basic human rights of women, youth and children regressed. A rise in teenage pregnancies was seen, highlighting the need to strengthen sexual and reproductive health and rights (SRHR).

The EU will seek cooperation through a Team Europe approach to improve access to quality youth-friendly sexual and reproductive health services and information and improved gender-responsive measures for women and youth participation in politics and decision-making processes. Further, a strengthened response to eliminate Gender Based Violence (GBV) and other harmful practices, and to promote and protect the rights of children, at national and county levels will be supported. The empowerment and the rights perspective of women and youth are closely intertwined in the implementation of the MIP, including skills and economic opportunities, reduction of the digital gap, more equal access to information and basic services, also recognizing its significance for peace and security. In addition, the EU will pay due consideration to the inclusion and empowerment of vulnerable groups in general, in line with a rights-based approach.

Sector 2.3: Inclusive and resilient urbanisation

Specific objective: Improved living conditions of the most vulnerable households via access to adequate social green housing, upgraded social infrastructure and improved urban mobility.

Cities are engines of economic growth, but rapid and ad-hoc urbanisation dramatically compromises living conditions and equality. The lack of inclusive land governance and of local supply chains for affordable and green construction services, coupled with land speculation, have contributed to the estimated two million deficit in adequate and affordable housing. This is likely to triple in a decade unless alternative means of supply to scale are established. Underinvestment leads to over-crowding of urban slums where living conditions hamper human development. In parallel, people's reach to jobs is limited by inefficient public transportation, with obsolete buses

operating under fierce competition, causing unsafe and unreliable commuting, hence excluding vulnerable groups. Traffic is characterised by congestion and pollution, worsening health and environmental impacts.

Through a Team Europe approach, the EU will scale up adequate social housing by building on global best practices promoting locally-sourced appropriate technology supply chains. This will be facilitated through TVET supported entrepreneurs and digital applications that stimulate competition among green and affordable construction services. The use of owner and community-led approaches will ensure housing is produced at affordable costs. The EU will promote the commercial viability of developer-led urban affordable housing, as well as the capabilities of cooperatives as additional major contributors to rental housing supply. The respect for human rights in inclusive land tenure security will be promoted. Support to participatory slum upgrading programmes will include educational facilities, water and sanitation in densely populated settlements. Based on the solid cooperation with Kenya and building on European expertise and finance, the EU – through a Team Europe approach – will contribute to a more efficient and green urban mobility in Nairobi, where the mainstreaming of renewably-sourced electric buses, along with non-motorised transport, are important components.

The role of civil society

Civil society will play important roles as regards women and youth, people with disabilities and other marginalised groups, including supporting participation in decision-making processes at national and county level, as well as promoting SRHR and gender equality. Civil society could also contribute to private sector mainstreaming for youth and women empowerment across this objective, in addition to strengthened public accountability, transparency and the fight against corruption. Civil society will also have a role in policy development and the monitoring of the decent work agenda.

Risk assessment for the priority area

Demographic growth, together with rapid urbanisation, exclusion of marginalised and vulnerable groups and rising inequalities are the major risks associated with this priority area. Although the young age pyramid points towards a demographic dividend, a growing disempowered and under-employed youth population can be a source of instability. Women's continued exclusion from decision-making and economic opportunities, and endemic experiences of GBV and other harmful practices represent a risk to the attainment of Kenya's development goals. In addition, rapid urbanisation can further exacerbate urban poverty and slums. Mitigation measures include inclusive and meaningful involvement of vulnerable and marginalised groups, including for persons with disabilities and indigenous peoples.

2.2.2 Expected results

Expected result 2.1a: Enhanced quality, relevance and accessibility of TVET programmes in sectors relevant to Kenya's Vision 2030.

Expected result 2.1b: Increased opportunities for women, youth and other vulnerable groups to access the labour market and sustainable livelihoods.

Expected result 2.2a: Women, youth and children are better protected against all forms violence, including gender-based violence, and have improved access to quality sexual and reproductive health services and information.

Expected result 2.2b: Women and youth are empowered to participate in politics and decision-making processes at national and county levels, including to take on a leadership role.

Expected result 2.3a: Improved human development of poorest households through increased access to affordable, social, green housing and to social services.

Expected result 2.3b: Improved mobility and access to job opportunities of urban dwellers via a more efficient, sustainable and safer urban public transport system in Nairobi.

2.2.3 Indicators

See intervention framework annex 1. The missing baselines and targets in annex 1 'Intervention Framework' will be identified at the start of the relevant action.

2.2.4 Possible use of blending and guarantees for investment under EFSD+

With a view to strengthen the financing ecosystem relevant to climate and SDG related projects, feasibility studies and technical assistance will be key, in close cooperation with the EIB and the EDFs. Possibilities for engagement include, but are not limited to urban housing and slum upgrading, including microcredit lending; the public transport system in Nairobi; and last-mile internet connectivity. Subject to its confirmation through the implementation phase, it is expected that an indicative total amount of EUR 61 million may be used between 2021 and 2024 to provision EFSD+ guarantee operations, including under this priority area.

2.3 PRIORITY AREA 3: DEMOCRATIC GOVERNANCE, PEACE & STABILITY

2.3.1 Specific objectives⁷

Sector 3.1: Democratic and Economic Governance

Specific objective: Strengthened rule of law and democratic governance, built on accountable and transparent public institutions and processes responsive to citizens' rights, at national and local level.

The adoption of the 2010 constitution raised expectations among citizens that they will see tangible benefits from a democratic government including equal representation, in particular for youth and women, however its implementation remains incomplete. Public confidence in governance and rule of law is eroded by unequal access to public services and rampant corruption at all levels of society. While the Covid-19 pandemic has highlighted the extent of these challenges in the entire governance system, it has also given a new impetus to the fight against corruption, together with a raised awareness among Kenyan citizens of the cost of corruption on public service delivery and on Kenya's overall competitiveness. Challenges to the devolution process - including on financing, accountability and capacities of county governments to fulfil their mandates - are putting at risk the promises of devolution on fostering national unity, recognising diversity, and the enabling of the rights of minorities and marginalised in the locally managed socio-economic development.

Reform in the areas of democratic governance and access to justice is essential to anchor Kenya's culture of democracy. Public institutions will be enabled to more efficiently and transparently deliver public services in an inclusive manner. Supporting public finance management and Kenya's commitment to Open Government, the EU will accompany the development of digital services and technologies. The fight against corruption will be prioritised, relevant also to the business climate. A broad space for civil society is crucial, allowing for civic

⁷ Guiding documents: Policy on Devolved System of Government, 2016; Public Finance Management Reform Strategy 2018-2023; Open Government Partnership – Kenya Action Plan IV (draft) 2021-2023; National Ethics and Anti-Corruption Policy, 2018; National Strategy to Counter Violent Extremism 2016; Draft National Migration Policy; Learning Lessons from the EUTF, European Commission, February 2021

engagement in policy-making, monitoring and accountability mechanisms, utilising the potential of online tools. In addition, the EU will contribute to the justice chain for a more effective access to justice, in particular for marginalised groups, including by alleviating pressure on the prisons, and delivering legal aid. The digitalisation of critical judicial functions will be important, as well as the strengthening of collaboration between key actors. The EU will continue supporting the consolidation of Kenyan democratic institutions and processes, including elections⁸, and in particular the process of devolution, as a key crosscutting priority in all relevant sectors. The capacity of county governments to manage financial and natural resources, and to increase revenues, will be enhanced. The MIP will promote the devolution in terms of public participation, transparency and accountability. Hence, the empowerment of civil society and community-based organisations to engage with local authorities will be important. The EU's thematic programmes on human rights and democracy (including labour rights) will be highly relevant to complement this sector, including elections support, as will regional programmes on civil society networking.

Sector 3.2: Conflict, peace and security

Specific objective: Reduced threats to Kenya's national security and stability, including maritime security.

Security threats and challenges have considerable impact on Kenya and on its ability to achieve its development goals. Conflict and instability in the region, in addition to internal political and security challenges such as income inequality, youth unemployment and the impact of climate change, can fuel unrest, in particular when combined with tribalism, corruption, impunity and unresolved historical grievances. One major factor triggering conflict is competition over natural resources. Climate change, as well as the effects of landscape degradation, have further exacerbated the drivers of local conflict. Violent extremism activity is prevalent in the North Eastern regions bordering Somalia, the Coast province in the south East and Nairobi with the risk of spilling over in other counties. In addition, Kenya's geographic location exposes the country to sea crime, terrorism and the nexus of organised crime and financing of terrorism. Online extremist propaganda plays a central role in the radicalisation of disenfranchised Kenyan youth and exposed communities. Money laundering is a further driver of conflict.

Due to the regional nature of security challenges, a mix of national, cross-border and regional response is required. The EU will build a closer bilateral security cooperation with national authorities, possibly in the framework of an EU-Kenya security compact. The cooperation will support the capacities of key national and county-level authorities in countering and preventing violent extremism (PCVE) and in counter-terrorism (CT), and will explore broader strategic security pillars. Monitoring cyber-security threats, online extremist propaganda and hate speech will be important. The EU will integrate the Women, Peace and Security agenda as well as the triple nexus on humanitarian, development, peace as essential crosscutting elements of this approach. The EU will also seek to mitigate the sources and drivers of local conflict and social exclusion, including by strengthening the resilience of communities through livelihoods support and by dedicated engagements with local peace and decision-making structures. Finally, the EU will strengthen the implementation of the maritime security strategy, and support the implementation of the national action plan on chemical, biological, radiological and nuclear defence (CBRN).

Sector 3.3: Migration and forced displacement

Specific objective: Improved access to services and protection for communities affected by forced displacement

⁸ Including recommendations from EU Elections Observation Missions

Kenya hosts more than 500,000 refugees, predominantly in two refugee camps, Dadaab and Kakuma. Both camp operations are led by UNHCR, while the Kenyan Refugees Affairs Secretariat under the Ministry of Interior and Coordination of National Government provides protection services to refugees and asylum seekers, with county governments also closely associated in service delivery and integration with host communities. UNCHR works jointly with Kenya to ensure alternative solutions for refugees are durable, appropriate and rights-based. However, due to the protracted nature of the refugee situation, Kenya has repeatedly expressed concerns about the large camps on its territory. Kenya is a pilot country for the Comprehensive Refugee Response Framework (CRRF) since 2017, which includes commitments to support the incorporation of assistance to protracted refugee situations into national development plans and to ensure that refugees, returnees, hosts and others living in areas affected by displacement are given equal opportunities to achieve self-reliance and well-being.

Linking closely with regional programmes that address wider migration challenges and EU's humanitarian funding (within a nexus perspective), the EU will bilaterally support Kenya's efforts as a host of refugees and an actor in addressing irregular migration, recognising that refugees and asylum seekers more often than others are marginalised and vulnerable. More specifically, the EU will continue support to national authorities to maintain an open asylum space and meet their commitments under the Nairobi Declaration, the CRRF and the Global Compact for Migration. The EU will continue building the capacities of relevant government authorities which, since 2016, are responsible for unified registration and documentation activities. Finding durable solutions have become a mutually accepted goal, including by national and local governments, refugees and the international community, notably with an emphasis on spatial development and creating livelihoods. The EU will therefore continue to support the development of integrated and locally developed approaches to forced displacement, with the goal of reducing humanitarian needs, increasing integration and self-reliance of both refugee and host communities and provision of basic services.

The role of civil society

In this area, civil society will have a crucial role, in relation to democratic participation and accountability, including anti-corruption. Civil society, especially at local level, may be instrumental in peacebuilding, human rights and outreach to vulnerable populations, as well as in the provision of basic services in relation to refugee challenges. Civil society will also be key in the realisation of the women, peace and security agenda, notably in monitoring, reporting and preventing human rights violations against women and girls in conflict.

Risk assessment for the priority area

Several political and institutional risks have been identified for this priority area. High levels of corruption based on strong and sometimes institutionalised relations between businesses and politics undermines the rule of law and affects public administration capacity to provide basic services to its citizens. In this context, the re-emergence of ethnic divides and related discrimination and marginalisation are also key challenges to the stability of the country. In addition, the porous borders with neighbouring countries pose challenges for cross-border organised crime, human trafficking and terrorism and the proliferation of violent extremism behaviour especially among youth. Mitigation measures include support to legal and judicial empowerment and devolution, addressing drivers of conflict and countering terrorism and violent extremism. In addition, job creation and a stronger private sector are relevant to mitigate risks.

2.3.2 Expected results

Expected result 3.1.a: More accountable, transparent and efficient public institutions provide improved services to citizens.

Expected result 3.1.b: Rule of law and democratic governance are enhanced both at national and county level, offering inclusive access to justice and to decision-making processes.

Expected result 3.2.a: Drivers of conflict are addressed by supporting local peace structures and livelihoods.

Expected result 3.2.b: Kenya's capacity to respond to violent extremism (PCVE) and Counter-terrorism (CT), and emerging threats contributing to instability, is strengthened at national and county level

Expected result 3.3.a: Kenya is supported in maintaining asylum space and providing inclusive national policies and legal frameworks.

Expected result 3.3.b: Integrated approaches to forced displacement are strengthened, with a focus on the continued development of local solutions and livelihoods.

2.3.3 Indicators

See intervention framework annex 1. The missing baselines and targets in annex 1 'Intervention Framework' will be identified at the start of the relevant action.

2.3.4 Possible use of blending and guarantees for investment under EFSD+

No use of blending and guarantees is foreseen for this priority area.

2.4 PROPOSALS OF TEAM EUROPE INITIATIVES

The strong accentuation on the Team Europe approach is part of advancing the relationship with Kenya towards a partnership of strategic nature. Two transformative Team Europe Initiatives (TEIs) of mutual interest to Kenya and the EU and its Member States are being pursued: Green Deal and Human-Centred Digitalisation. Both TEIs are crosscutting through the priority areas, and may be adjusted during the implementation of the MIP.

2.4.1 The Team Europe Initiative on the Green Deal

A green transition is of mutual interest for the EU and Kenya, and a fair green transition towards sustainable and inclusive growth will serve Kenya's people and economy. The European Green Deal aims at making Europe climate-neutral and a resource-efficient economy by 2050. This requires a bilateral engagement with partner countries and the use of every cooperation instrument. Kenya has prioritised the transition to a green economy as a means of achieving sustainable development and seeks a continued cooperation with development partners in implementing its objectives, while engaging constructively in the global environmental and climate governance framework and diplomacy. The EU and its member states have for a long time built up their project portfolios and expertise in the sectors relevant to the Green Deal. EU experience in technological and research-based areas, innovative financing and the green economy are highly relevant to Kenya. Based on the principles of joint programming, the TEI will strengthen joint policy analysis and dialogue. 14 Member States⁹, plus EDFIs and the EIB, take part in the analysis, project implementation and financing, however additional Member States could join at a later stage.

⁹ Belgium, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, The Netherlands, Portugal, Slovakia, Spain, Sweden, and the EDFI's AFD, KfW, FMO and EIB

Opportunities will be created for private and public investment, enhanced food safety and food security and improved livelihoods. Climate and environmental impacts will be addressed, building resilience, protecting natural capital and promoting nature-based solutions, including in the blue economy. The creation of decent jobs will be an important result of support to businesses, investments, tourism, exports and trade, value-chains, and access to energy and alternative livelihoods. Synergies with the digital transformation and TEI will be leveraged. The transition to the green economy may affect women and men differently, guiding the TEI. Five areas have been identified as particularly relevant due to their high transformational impact:

1. Circular economy: development and implementation of evidence-based strategies and business cases to link value chains; reduce ecological footprint; unlock green investments; ensure sustainable manufacturing and resource efficiency, including in the blue economy.
2. Climate-smart and sustainable agricultural value chains: transformation of agri-food systems by adapting to climate change, conserving biodiversity, providing ecosystem services, building resilience and minimising negative environmental impacts.
3. Renewable and accessible energy: grid readiness for intermittent renewable sources as well as the development of energy systems based on renewables. Green hydrogen sector and Power-to-x technologies will be targeted.
4. Natural capital and biodiversity: a landscaping approach to degradation and depletion of natural resources and ecosystem services, including the support to diversified ecosystem- and wildlife-based sustainable business models and sustainable fisheries.
5. Sustainable urbanisation and infrastructure: targeting urban transportation, sustainable urban planning, social and green housing supply chains, slum-upgrading, water and sanitation and, waste management, building on circularity approaches.

In the MIP, priority area 1, “Green Transition: Environmental Sustainability and Resilience” is particularly geared to support the TEI implementation, however all priority areas will be relevant. Working modalities will range from support to the policy level and broad-based financial instruments and services, to promotion of a circularity approach throughout the portfolio. The TEI will crowd in the private sector and civil society in the implementation of the policies promoted by the government. The indicative EU contribution that will go to TEI Green Deal during the period 2021-24 is estimated to EUR 188 million. The EU’s indicative contribution to this TEI is subject to the confirmation of the Team Europe partners’ indicative meaningful contribution as early as possible. In the absence thereof, the EU’s indicative contribution may be redirected in accordance with the priority areas of the MIP and their allocations. The obligation of the Union and the Member States to coordinate their development policies following initiatives by the Commission to this effect, as per article 210 TFEU, always applies.

2.4.2 The Team Europe Initiative on Human-Centred Digitalisation

Digitalisation presents opportunities for Kenya in terms of leapfrogging development and in creating decent jobs for youth while reducing divides between women and men, young and old, and urban and rural areas. While the Covid-19 pandemic has debilitated the economy, it has also accelerated the digital transformation. Both in the EU and Kenya, digitalisation is fostering new forms of growth and strengthening resilience. Taken further, the digital transformation can help reduce corruption and improve public services, healthcare, education and governance, but also professional skills, businesses, infrastructure and agriculture, and is an important enabler for the implementation of the MIP. Climate tech offers a nexus synergising with the TEI on the Green Deal. The initiative with EU member states and EDFs seeks to lift synergies to boost development that is inclusive, human-centric, gender-responsive, and rights-based, and that includes youth, women, marginalised groups and remote areas.

The Team Europe Initiative builds on Kenya's interest to tap into the EU's sizeable experience of digital service delivery and business processes, as well as its regulatory experience and capital markets. For the EU, this offers opportunities to promote fundamental values – e.g. inclusiveness, human-centric digitalisation underpinned by a rights-based approach, and the responsible use of technology. This also links up to Kenya's creative potential, treading new grounds while building on existing projects locally and across the continent; the TEI will complement the regional AU-EU digital partnership and synergise with the EU's Digital4Development (D4D) Hub. Some 10 Member States, plus EDFIs and the EIB¹⁰, take part in the analysis, project implementation and financing, however additional Member States could join at a later stage. Three areas of intervention will be pursued, based on their high transformational impact:

1. Digital connectivity: leveraging investment in infrastructure to promote last-mile connectivity, linking with social and governmental bodies (including schools, education centres, health facilities and county governments) to improve public service delivery and reduce the urban-rural digital divide.
2. Jobs and skills: improving digital education and skills, digital business and innovation driven entrepreneurship; e-education; innovative financing mechanisms and support for the start-up ecosystem; promote digital tools and platforms for intra-regional trade facilitation; build data markets; support business environment and regional networks for private sector, civil society and public partners to strengthen digital innovation, digitalise agricultural extension services, digitalise construction supply chains for social green housing.
3. Digital government: improve public service delivery via development of e-services for citizens and businesses; public finance management, relevant regulations and data protection and privacy, improved cybersecurity; county-level digital governance, anti-corruption bodies and mechanisms; e-justice, support to civil society and to enhance civic engagement; promotion and protection of democracy in the use of digital technologies; digitisation of land registries. The TEI will support the government's commitments to the Open Government Initiative and open data standards.

The MIP strongly underpins the TEI in all relevant sectors, including in Education and Skills for Employment; Green Economy and Sustainable Business; and Democratic and Economic Governance. Working modalities may include a combination of grants, blended financial instruments and services, and support to the policy and regulatory environment through dialogue, technical assistance, and other facilities as required. The TEI will take a multi-stakeholder partnership approach to achieving transformative impact by crowding in key partners such as civil society, the private sector, and academia. The indicative EU contribution that will go to TEI Digitalisation during the period 2021-24 is estimated to EUR 137 million. The EU's indicative contribution to this TEI is subject to the confirmation of the Team Europe partners' indicative meaningful contribution as early as possible. In the absence thereof, the EU's indicative contribution may be redirected in accordance with the priority areas of the MIP and their allocations. The obligation of the Union and the Member States to coordinate their development policies following initiatives by the Commission to this effect, as per article 210 TFEU, always applies.

¹⁰ Denmark, Estonia, Finland, France, Germany, Hungary, Italy, The Netherlands, Spain, Sweden and the EDFI's AFD, EIB, and KfW

3. SUPPORT MEASURES

3.1 MEASURES IN SUPPORT OF CIVIL SOCIETY

In complementarity with thematic programmes on civil society, human rights and democracy, the MIP will contribute to the realisation of the objectives and priorities identified in the EU roadmap for engagement with civil society in Kenya, in relation to:

- Supporting an enabling legal and institutional environment for civil society organisations (CSO) and;
- Increasing participation, engagement and oversight by civil society in governance processes, in line with the commitments made in the 2010 Constitution.

The MIP will promote both national and county level engagement, as the process of devolution has created a strong potential for civil society participation and oversight of local governance processes and community-level engagement. Activities to be implemented may indicatively include:

- Monitor and support the effective implementation of Public Benefits Organisations Act and trends on legal and enabling environment for civil society in Kenya;
- Establish a structured dialogue with civil society on priority areas of EU-Kenya cooperation and, when relevant, support national and county-level consultation, transparency and accountability mechanisms;
- Integrate a structural (rights-based) gender perspective in dialogue with civil society, reinforcing partnership with CSO's and grassroots organisations promoting gender equality and women's rights and empowerment; promote women's participation in decision making and representation at political level; and protect women's equal access to decent work
- Capacity building and promotion of sustainable resourcing for civil society organisations;
- Deliver targeted small-scale support to CSOs in sectors of strategic interest for EU-Kenya relations, i.e. in culture, sports, civic engagement, community-based initiatives, etc. as a mean to engage disenfranchised youth and other marginalised groups, and to promote EU fundamental values and the exchange and partnership EU-Kenya.

3.2. COOPERATION AND PARTNERSHIP FACILITY

With a view to promote an integrated connection between development cooperation and policy dialogue, a Cooperation and Partnership Facility will support and enhance the engagement between the EU, its Member States and Kenya. EU Member States representations in Kenya will be stakeholders in relevant activities supported by the Facility. The Facility will:

- Enhance the EU's public diplomacy, allowing for long-term public diplomacy initiatives, engaging durably with target audiences and partners, with a view to build trust, enhance the understanding of the EU, support the implementation of policy priorities and, ultimately, facilitate cooperation across policy areas;
- Promote policy dialogue, thereby enabling mutual understanding and stronger relations including in the political, developmental, trade, investment and societal spheres. As such, it will contribute to relevant areas of the MIP, to the Agenda 2030, to the Paris Agreement on climate and to effective financing for development in line with the Addis Ababa framework.

- Connect prioritised policy reforms in Kenya and the EU to the EU's development cooperation;
- Contribute to the implementation of the European Joint Cooperation Strategy 2018-2022 with Kenya, strengthening Team Europe Working Better Together, the strategic dialogue with Kenya, and the possible elaboration of a new strategy.
- Engage strategically with Kenyan partners at governmental level, as well as with other agencies and governance institutions, the private sector, civil society, youth platforms, academia and research institutions.
- Interact with other communication and outreach activities of the EU Delegation, contributing to media coverage and visibility.
- Provide technical and funding support for workshops and conferences; capacity building and short-term expertise to develop policy briefs, statistics, thematic analysis and enhance data quality, availability and analysis to further strengthen evidence-based policy making; studies, communication and outreach; study and exchange activities; and other small actions that inform and enrich the dialogue.
- Contribute to project preparation, including helping to mobilise EFSD+ blending and guarantees, as well as to monitoring and evaluation of impact and reform.

4. FINANCIAL OVERVIEW

Although the duration of this MIP is seven years, the indicative allocations for Kenya and for each of the priority areas and support measures laid down in the table below are provided for the 2021-2024 period only. The indicative allocations for 2025-2027, as well as the possible modification of other substantial elements of this MIP, will be subject to a decision by the EU. This decision should be preceded by a review of the implementation of this MIP, which should include a dialogue with the authorities and other stakeholders of Kenya.

	EUR Million	%
Priority area 1: Green Transition - Environmental Sustainability & Resilience	147	45%
Priority area 2: Leave no one behind - Human Development and Digital Inclusion	83.5	26%
Priority area 3: Democratic governance, peace & stability	83.5	26%
Support measures	10	3%
TOTAL for initial period 2021-2024*	324	100%

*Subject to its confirmation through the implementation phase, it is expected that out of the total of EUR 324 million, an indicative amount of EUR 61 million may be used between 2021 and 2024 to provision EFSD+ guarantee operations under the three priority areas.

Annexes

1. Intervention framework
2. Donor matrix showing the current indicative allocations per sector

Annex 1. Intervention framework

Objectives	Expected results	Indicators	Baseline	Source
1. Green Transition: Environmental Sustainability & Resilience				
1.1. Natural capital and resilience				
<p><i>Specific objective:</i> Sustainable and efficient management of natural capital and biodiversity conservation, including improved resilience of vulnerable populations in climate-affected areas</p> <p><i>DAC-code:</i> General environment protection (410)</p>	1.1a: Kenya's natural capital and biodiversity are better conserved and managed.	1.1.a1. Agricultural and pastoral ecosystems where sustainable management practices have been introduced with EU support (km2) - (EURF 2)	0	EU-programmes
		1.1.a2. Areas of terrestrial and freshwater ecosystems under a) protection b) sustainable management with EU support (ha) (EURF 9)	0	EU-programmes
	1.1b: Vulnerable populations have improved preparedness and resilience to climate shocks and livelihood challenges.	1.1.b1. Number of people / communities benefiting from increased resilience to various types of risks and shocks, including climate-related ones, as a result of EU-support, disaggregated by sex (Own)	0	EU-programmes
		1.1.b2. Number of women of reproductive age, adolescent girls and children under 5 reached by nutrition related interventions supported by the EU (EURF 27)	0	EU-programmes
1.2. Green economy and sustainable business				
<p><i>Specific objective:</i> A stronger and more inclusive economic growth, built on practises which are climate resilient and preserves biodiversity</p> <p><i>DAC-code:</i> Business & other services (250)</p>	1.2: Businesses, exports and investments contribute increasingly to green growth and decent jobs.	1.2.1. Number of jobs supported/sustained by the EU, disaggregated for green jobs, sex and age (EURF 14)	0	EU-programmes
		1.2.2. Volume of new private or sovereign investments made available, with contribution from EU development cooperation, relevant to climate finance or SDG's (Own)	0	EU-programmes
		1.2.3 Number of beneficiaries with access to financial services with EU support: a) firms b) individuals, disaggregated by sex and age (EURF 18)	0	EU-programmes
		1.2.4. WB Ease of Doing Business Country score	73.2 (2019)	World Bank
1.3. Sustainable energy				
<p><i>Specific objective:</i> Strengthening the energy sector in Kenya towards being more sustainable, available to all citizens and as a contributor to wealth</p> <p><i>DAC-code:</i> Energy (230)</p>	1.3a: Energy production and distribution systems are more resilient, stable, efficient and sustainable, including increased renewable energy sources.	1.3.a: Renewable energy generation capacity installed (MW) with EU support, disaggregated for (a) bioenergy (b) green hydrogen (c) all (EURF 4)	0	EU-programmes
	1.3b: Last mile access to sustainable, reliable and affordable energy is increased.	1.3.b: Proportion of population with access to electricity (%) (SDG 7)	75% (2018)	World Bank

2. 2. Leave no one behind: Human Development and Digital Inclusion

2.1: Education and skills for employment

<p>Specific objective: Improved education and skills for employment results in new decent employment opportunities</p> <p><i>DAC-code: Education (110)</i></p>	<p>2.1a: Enhanced quality, relevance and accessibility of TVET programmes in sectors relevant to Kenya's Vision 2030.</p>	2.1.a1: - Number of people who have benefited from institution or workplace based VET/skills development interventions supported by the EU, disaggregated by digital skills (EURF15), sex and age	0	EU-programmes
		2.1.a2. Number of schools, other learning centres and other social services connected to higher quality internet with EU support (Own)	0	EU-programmes
	<p>2.1b: Increased opportunities for women and youth to access the labour market and sustainable livelihoods.</p>	2.1.b1: Reduction of youth not in education nor employment (NEET), disaggregated by sex (Own)	0	Statista
		2.1.b3 Number of individuals with improved access to Internet with EU support, disaggregated by sex and age (EURF 11)	0	EU-programmes

2.2 Empowering women and youth

<p>Specific objective: Enhanced human rights for women and youth, including democratic participation and representation, sexual and reproductive health, and reduced gender based violence.</p> <p><i>DAC-code: Population policies and programmes and reproductive health (130)</i></p>	<p>2.2a: Women, youth and children are better protected against all forms violence, including gender-based violence, and have improved access to quality sexual and reproductive health services and information.</p>	2.2.a1. Number of individuals benefitting from EU-funded programmes to counter sexual and gender-based violence (GAP III/ EURF 31)	0	EU-programmes
		2.2.a2. Adolescent birth rate (aged 10–14 years; aged 15–19 years) per 1,000 women in that age group (GAP III/ SDG 3.7.2)	no data/75.1 (2017)	SDG monitoring (aged 10-14 years: no data available)
	<p>2.2b: Women and youth are empowered to participate in politics and decision-making processes at national and county levels, including to take on a leadership.</p>	2.2.b1. Proportion of seats held by women in (a) national parliament and (b) local governments, and by youth (18-35 year) in (c) national parliament and (d) local governments (GAP III/ SDG 5.5.1 + added youth)	(a) 21.8% (b) 34% (c) 0,05% (d) 0.03%	IPU Parline / NDI
		2.2.b2. Number of grassroots civil society organisations engaged in (a) women participation and decision-making (b) youth participation and decision-making (c) at national level and (d) at local level, benefitting from EU support (EURF 38+ added decision-making and national/local level)	0	EU-programmes

2.3. Inclusive and resilient urbanisation

<p>Specific objective: Improved living conditions and human development of most vulnerable households.</p> <p><i>DAC-code: Social infrastructure and services (160)</i></p>	<p>2.3a: Improved human development of poorest households through increased access to affordable, social, green housing and to social services.</p>	2.3.a Number of people who consider their quality of life improved due to upgraded slums funded by the intervention (SDG 11)	0	EU-programmes
	<p>2.3b: Improved mobility and access to job opportunities of urban dwellers via a more efficient, sustainable and safer urban public transport system in Nairobi.</p>	2.3.b Number of additional commuters using clean public transport systems and non-motorised transport ways (disaggregated by age, sex and income) developed with EU support (Own)	0	EU-programmes

3. Democratic governance, peace & stability

3.1: Democratic and Economic Governance

<p><u>Specific objective:</u> Strengthened rule of law and democratic governance, built on accountable and transparent public institutions and processes responsive to citizens' rights, at national and local level.</p> <p><i>DAC-code: Government & Civil Society (150)</i></p>	<p>3.1.a: More accountable, transparent and efficient public institutions provide improved services to citizens.</p>	3.1.a1. World Bank Worldwide Governance Indicators a) Control of Corruption b) Government Effectiveness c) Voice and accountability	(a) score -0.78; rank 24.52; (b) score -0.38; rank 38.46; (c) score -0.29; rank 36.45 (2019)	World Bank Worldwide Governance Indicators
		3.1.a2. Number of areas in which Kenya made commitments under the Open Government Partnership that received EU support (Own)	0	Kenya OGP Action Plan IV
	<p>3.1.b: Rule of law and democratic governance are enhanced both at national and county level, offering inclusive access to justice and to decision-making processes.</p>	3.1.b1. Number of people directly benefiting from legal aid interventions supported by the EU, disaggregated by sex and age (EURF 36)	0	EU-programmes
		3.1.b2. The financing and spending of counties is improved by a) larger % of GDP as revenue b) number of Counties that receive an Unqualified Audit Opinion from the Auditor General Reports (Own)	(a) 4.25% of GDP (2019) (b) 3 with Unqualified, 67 Qualified, 16 Adverse and 8 with Disclaimers (2017/2018)	CRA revenue sharing report, Central Bank of Kenya, OAG reports

3.2: Conflict, peace and security

<p><u>Specific objective:</u> Reduced threats to Kenya's national security and stability, including maritime security.</p> <p><i>DAC-code: Conflict, peace and security (152)</i></p>	3.2.a: Drivers of conflict are addressed by supporting local peace structures and livelihoods.	3.2.a1. World Bank WGI – Political stability and absence of violence/terrorism	score -1.12; percentile rank 12.38 (2019)	World Bank Worldwide Governance Indicators
	<p>3.2.b: Kenya's capacity to respond to violent extremism (PCVE) and Counter-terrorism (CT), and emerging threats contributing to instability, is strengthened at national and county level</p>	3.2.b1. Number of state institutions and non-state actors supported on security, border management, countering violent extremism, conflict prevention (EURF 34)	0	EU-programmes
		3.2.b2. Number of individuals directly benefiting from EU supported interventions that specifically aim to support civilian post-conflict peace-building and/or conflict prevention, disaggregated by sex and age (EURF 35)	0	EU-programmes

3.3. Migration and forced displacement

<p><u>Specific objective:</u> Improved access to services and protection for communities affected by forced displacement.</p> <p><i>DAC-code: Facilitation of orderly, safe, regular and responsible migration and mobility (15190)</i></p>	3.3.a: Kenya is supported in maintaining asylum space and providing inclusive national policies and legal frameworks.	3.3.a1 Number of National and County Government officials with EU support trained on policies aligned with the CRRF and the Global Compact for Migration, disaggregated by sex and age (Own)	0	EU-programmes
	3.3.b: Integrated approaches to forced displacement are strengthened, with a focus on the continued development of local solutions and livelihoods.	3.3.b1. Number of migrants, refugees and IDPs or individuals from host communities protected or assisted with EU support, disaggregated by sex and age (EURF 22)	0	EU-programmes

Annex 2 - Donor Matrix

Explanatory note: 1) Data extracted from IATI database on 17 February 2021. 2) Financial figures show ongoing commitments for DAC sectors available for Kenya in IATI up to 2027 (although with different budget cycles), 3) Missing data will be completed with other sources of information, 4) The financials are computed per DAC sector, covering all sectors available for Kenya data in IATI.

	110	120	130	140	150	160
Donors	Education	Health	Population Policies/Programmes & Reproductive Health	Water Supply & Sanitation	Government & Civil Society	Other Social Infrastructure & Services
1 EU DPs	21,509,692	30,414,869	9,862,334	378,336,172	216,137,455	151,577,679
Austria						
Belgium	778,400	4,584,970		10,540,000		580,976
Denmark						
EU		748,139		-	63,300,000	10,000,000
Finland	1,338,718		630,845	159,199	15,498,800	150,000
France		2,215,821		245,000,000	60,268,687	120,526,991
Germany	15,000,000	20,293,607	6,500,000	91,000,000		
Ireland					-	
Italy		1,791,502	720,000	141,464	12,623,127	3,359,133
Netherlands		-		10,116,150	1,465,070	2,414,899
Slovakia	490,629					
Sweden	3,901,945	780,830	2,011,489	21,379,358	62,981,770	14,545,681
2 Non-EU DPs	49,061,134	111,479,992	39,458,967	9,496,612	98,328,568	50,819,870
Australia	4,988	1,295,568				
Canada	25,321,817	31,488,357	2,463,898	899,313	12,381,962	1,099,955
China						
India						
Japan					48,438	
Korea	224,639	1,333		3,349,496	429,961	-
Norway	335,476		68,742	1,112,503	4,514,805	543,978
Switzerland	3,670,146				950,018	177,966
UK	19,504,068	39,045,236	15,646,358		37,904,542	39,992,914
USA		39,649,498	21,279,968	4,135,300	42,098,843	9,005,057
3 Multilateral	471,575,552	165,412,000		1,536,033,461	1,464,847,128	537,589,000
AfDB	305,573,858			891,082,269	950,928	
World Bank	166,001,694	165,412,000		644,951,191	1,463,896,200	537,589,000
4 UN	8,373,814				44,986,739	52,302,485
FAO						
IFAD						
UNDP					44,986,739	31,349,254
UNEP						
UNHCR	8,373,814					
UNICEF						20,953,231
UNOPS						
WFP						
Sector Total	550,520,192	307,306,861	49,321,301	1,923,866,244	1,824,299,889	792,289,035

Sector % for Total - ALL donors	5.61%	3.13%	0.50%	19.61%	18.60%	8.08%
Sector % for Total - EU DPs	1.53%	2.16%	0.70%	26.91%	15.38%	10.78%

Annex 2 - Donor Matrix

	210	220	230	240	250	310
Donors	Transport & Storage	Communications	Energy	Banking & Financial Services	Business & Other Services	Agriculture, Forestry, Fishing
1 EU DPs	-	11,468,285	187,804,763		5,826,382	124,166,273
Austria						242,329
Belgium		11,468,285	9,512,000			4,097,236
Denmark						
EU	-		23,000,000			2,753,119
Finland			14,634,713			9,500,000
France			127,016,836			
Germany			5,000,000			41,552,558
Ireland						
Italy					1,903,230	8,522,830
Netherlands					3,699,640	3,262,680
Slovakia						249,847
Sweden			8,641,214		223,512	53,985,676
2 Non-EU DPs	144,619,771	3,821,469	761,127,282	2,689,967	21,083,354	50,172,892
Australia					-	2,784,095
Canada					8,482,169	19,472,959
China						2,150
India						118,060
Japan	120,015,637		441,893,044			6,738
Korea		25,420	25,420			4,818,904
Norway		405,103	475,250	188,020		4,577,106
Switzerland						2,151,545
UK	24,604,134		-	2,501,947	12,396,994	2,534,428
USA	-	3,390,946	318,733,568		204,191	13,706,906
3 Multilateral	756,022,158		573,345,018	120,966,891	74,435,400	473,243,264
AfDB	756,022,158		242,521,018	90,365,671		75,418,603
World Bank			330,824,000	30,601,220	74,435,400	397,824,661
4 UN			1,554,170			77,725,240
FAO						2,255,618
IFAD						49,760,891
UNDP			1,554,170			
UNEP						25,691,792
UNHCR						
UNICEF						
UNOPS						
WFP						16,938
Sector Total	900,641,929	15,289,754	1,523,831,233	123,656,859	101,345,136	725,307,669

Sector % for Total - ALL donors	9.18%	0.16%	15.54%	1.26%	1.03%	7.39%
Sector % for Total - EU DPs	-	0.82%	13.36%	-	0.41%	8.83%

Annex 2 - Donor Matrix

	320	330	410	430	740	Sector Total
Donors	Industry, Mining, Construction	Trade Policies & Regulations	General Environment Protection	Other Multisector	Disaster Prevention & Preparedness	
1 EU DPs	56,435,546	5,000,000	17,335,187	129,288,284	60,580,729	1,405,743,647
Austria						242,329
Belgium						41,561,867
Denmark	114,511					114,511
EU	20,000,000	5,000,000	-	16,981,788	60,500,000	202,283,045
Finland				549,310		42,461,585
France	18,655,293			88,516,667		662,200,294
Germany	8,240,000		14,000,000	2,721,606		204,307,770
Ireland						-
Italy	1,814,698			1,214,760		32,090,745
Netherlands						20,958,439
Slovakia						740,476
Sweden	7,611,043		3,335,187	19,304,153	80,729	198,782,586
2 Non-EU DPs	43,643,155	48,180,291	60,124,217	239,588,338		1,733,695,879
Australia	62,066			12,413,115		16,559,833
Canada	28,370,287		3,576,926	6,272,677		139,830,320
China						2,150
India						118,060
Japan			806,468			562,770,325
Korea		1,333		2,667		8,879,173
Norway	1,701,194		2,311,037			16,233,215
Switzerland						6,949,675
UK	677,178	48,178,957	52,744,735	216,764,579		512,496,070
USA	12,832,430		685,051	4,135,300		469,857,059
3 Multilateral	124,059,000		165,412,000			6,462,940,872
AfDB						2,361,934,506
World Bank	124,059,000		165,412,000			4,101,006,366
4 UN			8,571,986		12,696,761	206,211,194
FAO						2,255,618
IFAD						49,760,891
UNDP			8,571,986			86,462,148
UNEP						25,691,792
UNHCR						8,373,814
UNICEF						20,953,231
UNOPS					12,696,761	12,696,761
WFP						16,938
Sector Total	224,137,700	53,180,291	251,443,389	368,876,621	73,277,490	9,808,591,593

Sector % for Total - ALL donors	2.29%	0.54%	2.56%	3.76%	0.75%	100.00%
Sector % for Total - EU DPs	4.01%	0.36%	1.23%	9.20%	4.31%	100.00%