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ANNEX II

of the Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of Kenya for 2022

Action Document for Human-Centred Digitalisation #TeamEuropeKenya

ANNUAL PLAN

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plan in the sense of Article 23 of NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Human-Centred Digitalisation #TeamEuropeKenya CRIS number: NDICI AFRICA/2022/043-486 OPSYS number: ACT-60728 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>).
2. Team Europe Initiative	Yes Part of the Team Europe Initiative on Human-Centred Digitalisation–Kenya
3. Zone benefiting from the action	The action shall be carried out in Kenya
4. Programming document	Multi-annual Indicative Programme for Kenya 2021-2027
5. Link with relevant MIP(s) objectives / expected results	MIP Priority area 2: Leave no one behind - Human Development & Digital Inclusion 2.1. Education and skills for employment 2.2. Empowering women and youth MIP Priority area 3: Democratic governance, peace and stability 3.1. Democratic and Economic Governance
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	MIP Priority area 2: <i>Leave no one behind - Human Development & Digital Inclusion</i> 2.1. Education and skills for employment 2.2. Empowering women and youth MIP Priority area 3: <i>Democratic governance, peace and stability</i> 3.1. Democratic and Economic Governance
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): 9-Industry, innovation and infrastructure Other significant SDGs (up to 9) and where appropriate, targets: 1-No poverty; 4-Quality Education, 5-Gender Equality, 8-Decent Work and Economic Growth; 10-Reduced Inequalities, 16-Peace, Justice and Strong Institutions; and 17-Partnerships for the Goals

8 a) DAC code(s)	DAC code 110 – Education- 58% DAC code 150 – Government & Civil society- 20% DAC code 160 – Social infrastructure- 11% DAC code 250 – Business & other services- 11%			
8 b) Main Delivery Channel	EIB - 42004, Unicef - 41122, Germany (GIZ) - 11003, Germany (KfW) - 11003, France (AFD) - 11003, Central Government - 12001, World Bank (WB) - 44001			
9. Targets	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @ digital connectivity	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>

	digital governance digital entrepreneurship digital skills/literacy digital services		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
	Connectivity @ digital connectivity energy transport health education and research	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	CoViD-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

BUDGET INFORMATION

12. Amounts concerned	<p>Budget line(s) (article, item): BGUE-B2022-14.020121-C1-INTPA</p> <p>Total estimated cost: approx. EUR 206 000 000 (EUR 41 000 000 in grants, EUR 95 000 000 in loans and EUR 70 000 000 in private investment). Total amount of EU budget contribution: EUR 28 000 000.</p> <p>This action is co-financed in join co-financing by (all indicative amounts):</p> <ul style="list-style-type: none"> -European Investment Bank (EIB) for an amount of EUR 35 000 000 in loan -Germany (KfW) for an amount of EUR 30 000 000 in loans -France (AFD) for an amount of EUR 30 000 000 in loans -Germany (GIZ) for an indicative amount of EUR 13 000 000 in grants -Private investment facilitated by EIB for an indicative amount of EUR 70 000 000 <p>Amount and modality for the involvement of multilateral partners:</p> <ul style="list-style-type: none"> -EIB via blending for EUR 5 900 000 EU grant to increase digital connectivity -Unicef via a grant of EUR 3 900 000 EU grant to enhance access to social services (e.g. schools) for underserved populations. <p>Amount and modalities of involvement of EU Member States:</p> <ul style="list-style-type: none"> -Germany (KfW) via blending for EUR 9 900 000 EU grant in collaboration with France AFD for digital in TVET. -Germany (GIZ) via a grant of EUR 6 900 000 to strengthen digital ecosystem, policies and governance. <p>The expected contributions of EU partners to the Team Europe Initiative on Digitalisation amount to EUR 432 150 000, with the following indicative contributions per Member States (in million EUR):</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>BE</th> <th>DE</th> <th>EIB</th> <th>FR</th> <th>IT</th> <th>EU</th> <th>NL</th> <th>SE</th> <th>SK</th> </tr> </thead> <tbody> <tr> <td>13.1</td> <td>28</td> <td>104</td> <td>30</td> <td>3.5</td> <td>109</td> <td>132</td> <td>12.5</td> <td>0.05</td> </tr> </tbody> </table>	BE	DE	EIB	FR	IT	EU	NL	SE	SK	13.1	28	104	30	3.5	109	132	12.5	0.05
BE	DE	EIB	FR	IT	EU	NL	SE	SK											
13.1	28	104	30	3.5	109	132	12.5	0.05											

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MANAGEMENT AND IMPLEMENTATION

13. Type of financing¹	<p>Direct management through:</p> <ul style="list-style-type: none"> - twinning grants <p>Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.4.4.</p> <p>Further, a contribution to the Africa Investment Platform (AIP) shall be implemented in indirect management by entity(ies) indicated in appendix 2 to this Action Document, in accordance with the Regional Blending Platform’s award procedure.</p>
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1.2 Summary of the Action

With a youthful and enterprising population, Kenya has the potential to transform further its economy, society and environment through digitalisation. Taking advantage of a fairly advanced digital ecosystem, the Government of Kenya (GoK) aspires to turn the country into an intercontinental hub for ICT, e-commerce, and digital services. It views digitalisation as a means to ‘leapfrog on development and economic growth’. From a development perspective, however, the success of the above will depend on processes of digitalisation addressing underlying challenges such as socio-economic inequalities, the inclusion of people living in vulnerable situations to the digital economy (namely women and youth and persons with disabilities, as well as older people) and the accessibility to e-services.

¹ Art. 27 NDICI

Kenya is today the East Africa hub for digitalisation, and the only country in the region that offers a Data Protection Act based on the EU's General Data Protection Regulation. These elements make EU involvement in this area not only strategic from a development perspective but also relevant for the promotion of the EU interests in the region. By focusing on digitalisation that is inclusive, human-centric and rights-based, the EU can position itself meaningfully in the region and hence complement other global actors such as the US and China.

As part of the Global Gateway, the Action is part of the Team Europe Initiative (TEI) on Human-centred Digitalisation and will contribute EUR 28 000 000 in EU grants to leverage another EUR 178 000 000 of investment. It will support Kenya's digital agenda and the EU's 'partnership with Africa on the transition to a digital age'. It will strengthen EU's engagement in the sector by assisting Kenya to tap into the EU's sizable regulatory experience, public e-services, businesses partnerships and impact financing both for the benefit of development (human-centred approach) and EU interests.

Consistent with the TEI this Action aligns with its three specific objectives to:

1) Reduce the digital gap by connecting underserved remote areas with optic fibre infrastructure unlocking the digital servicing of schools and/or potentially of health centres (**EUR 5 900 000 EU grant** to EIB will help leverage EUR 35 000 000 in sovereign loan from EIB and some EUR 70 000 000 in private investment). The EU will assist GoK to advance its capabilities in mobilising public and private financing for digital infrastructure, in improving the fibre network's resilience and in opening up affordable opportunities for populations previously without access. The action will develop criteria for selecting an underserved area considering poverty and vulnerability and hence could involve migrant and refugee communities. The **EU grant of EUR 3 900 000 to UNICEF** may also fund an extension of the Giga programme, which provides digital educational services to schools;

2) Leapfrog digital economy transformations by strengthening the digital and innovation ecosystem to cater for business and job creation, building digital skills such as in TVET and capabilities with a focus on women and youth; leveraging emerging technologies for socio-economic benefit; and enhancing digital policy and Kenyan regional leadership on the digital economy. Here, a **EUR 9 900 000 EU grant to Germany (KfW) as lead in collaboration with France (AFD)** could leverage up to EUR 60 000 000 in sovereign loans from both financial institutions on mainstreaming digitalisation in TVET. Another **EUR 3 000 000 EU grant to GIZ** will support the digital innovation ecosystem and strengthening of Kenya's digital policy.

3) Strengthen open and inclusive digital governance. This will be promoted at national and local level involving more secure, open and integrated e-government systems and standards. Democracy and human rights will also be promoted and protected in the digital environment while the enforcement of the Data Protection Act will be supported with an **EU grant of EUR 3 900 000 to GIZ** who will work in collaboration with Estonia.

The action will contribute to the MIP priority area 2. 'Leaving no one behind: human development and digitalisation specific objective addressing the sectors of 2.1. Education and skills for employment and 2.2. Empowering women and youth; and MIP priority area 3. Democratic governance, peace and stability focusing on the sector of 3.1. Democratic and Economic Governance. Key expected results of the Action include: underserved areas gaining access to ICT including the Internet; strengthened digital skills (i.e. in TVET and institutions); an accelerated transformation towards a sustainable digital economy (i.e. through digital innovation hubs, use of artificial intelligence); improved e-governance (i.e. interoperability, secured data exchange), and enhanced data privacy standards.

The action also aligns with the EU-AU Digital compact and will address mainly SDGs 9-Industry, innovation and infrastructure and other SDGs such as 4-quality education, 5-gender equality, 8-Decent Work and Economic Growth; 10-Reduced Inequalities, 16-Peace, Justice and Strong Institutions; and 17-partnerships for the goals.

2 RATIONALE

2.1 Context

i. Political and Financial outlook

Kenya has been building its 'digital economy' for over a decade with ICT leading companies such as Safaricom and electronic payment systems such as M-PESA. Its now advanced digital ecosystem attracts most foreign capital for tech-start-ups in Sub-Saharan Africa. On the other hand, high inequality prevails and poverty remains stagnant at 36% of the population. Poverty increased by 4% in 2020 as a consequence of the CoViD-19 pandemic, adding 2 million poor and erasing five years of progress. Gender inequality is persistent and particularly in digital skills. Digitalisation can worsen or improve such inequalities depending on whether the 'digital gap' prevails.

Kenya is an EU's strategic partner in the stability and security of the Horn of Africa, in climate action and in a green and circular economy. As a growing lower-middle income country, Kenya is also a regional economic hub, a growing market for European companies, and an ally on universal values and multilateralism. In May 2021, the Council Conclusions on the Horn of Africa identified Kenya as a key partner for the EU and, in June 2021, EU and Kenya agreed to launch a Strategic Dialogue and engage in a bilateral Economic Partnership Agreement negotiation. Digitalisation is playing and can play an even more important role in all these fronts.

The COVID-19 pandemic hit Kenya's economy during the second quarter of 2020 leading to a 5.5% contraction of GDP compared to a 5.1% growth during the same period in 2019. The services sector was particularly affected, notably accommodation, transport, education and professional services. The ICT sector was more resilient and maintained a positive growth in 2020 albeit at a lower level than in 2019. Overall, the economy contracted by 0.3% in 2020 but a steady recovery is observed since the second half of 2020 and GDP is expected to grow by 4.9% in 2022. In response to the crisis, IMF launched a 38-month USD 2 340 000 000 recovery programme in April 2021. The World Bank also launched a USD 750 000 000 lending package in June 2021 through its third Development Policy Operation (DPO) in Kenya, complementing the USD 1 billion financial package approved in 2020 under DPO 2.

The pandemic has accelerated the digital economy, e-education and teleworking in Kenya. At the same time, this has deepened the inequalities² between those who have access to digital services and products and those who do not. The pandemic has caused severe education losses for children in Kenya where, on average, only 70% of children engaged in any learning/education activities since school closures (% of households with school-age children who attended school before the pandemic). Those that had access to the Internet and e-learning were able to mitigate this impact, further justifying the need to expand the sector for the benefit of the population living in the most vulnerable situations. The TVET sector was also hit particularly strongly due to the lack of infrastructure required for its resilience.

The TEI on Human-Centred Digitalisation supported through this Action under the AAP 2022 will reinforce the EU's relation with Kenya. Sustainable development and poverty reduction along with EU interests will benefit from a coordinated 'Team Europe approach' involving a larger critical mass, focusing EU and EU Member States' (MS) support to achieve greater results. The EU will also seek for additional private investments through support of guarantees from the European Fund for Sustainable Development Plus (EFSD+) towards which EUR 61 000 000 have been allocated for Kenya. The EFSD+ digitalisation window will hopefully complement this Action.

Overall, the country adheres to EU fundamental values, although shortcomings remain (e.g. corruption, human rights, political instability). The general elections in 2022 is a main risk and may influence the implementation. This will be mitigated by adapting programming and contracting timeframes.

² Studies indicate that the majority of children in East Africa had very limited access to e-education and alarmingly did not learn at all during the initial phase of the pandemic (Save the children study https://resourcecentre.savethechildren.net/pdf/the_hidden_impact_of_covid-19_on_child_education.pdf/. Children with disabilities and other groups of marginalised children faced additional challenges studying from home, and access to technology, accessible technology was one important barriers).

ii. Rationale and Assessment

The ‘partnership’ between Kenya, the EU and its MS is placing more emphasis on common values and mutual interest translated into actions under the draft **Multiannual Indicative Programme (MIP) 2021-27**. The MIP includes three priority areas: 1. **Green Transition**: Environmental Sustainability and Resilience; 2. **Leave no One Behind**: Human Development; and 3. **Democratic governance, peace and stability**. These support the implementation of the two TEIs: one on Green Deal and one on Human-centred Digitalisation. The latter has been selected by DG INTPA as an ‘Equality Flagship’.

The AAP 2022 (EUR 111 000 000 in EU grants) includes three Actions touching on the above three priority areas. This Action Document relates to Action 2 on the AAP 2022 labelled **Human-Centred Digitalisation #TeamEuropeKenya** (EUR 28 000 000), to implement core projects characterising the EU-Kenya Digitalisation TEI.

iii. Political priorities

The Commission’s vice-president (VP) responsible for digitalisation visited Kenya in March 2020 and started an engagement relevant to the high-level EU-Kenya strategic dialogue launched in June 2021. The VP committed the EU to support Kenya championing the region on various fronts and namely on the implementation of the EU inspired Data Protection Law. The Action will more widely operationalise Digital for Development (D4D) Coalition and EU-African Union Digital Economy Task Force objectives. It will contribute to the EU’s comprehensive strategy with Africa³ by supporting Kenya in designing and implementing its own solutions in supporting the women and the youth.

iv. Political impact

Kenya has been building its ‘digital economy’ for over a decade with ICT companies leading in the region. The US is politically influential through companies headquartered in Nairobi covering East Africa. China has positioned itself as the preferential partner for 5G deployment in Kenya. Where possible, we expect our Action will support also the promotion of EU 5G standards (especially 5G Toolbox). The Action will strengthen the EU’s position by assisting Kenya to tap into the EU’s sizable regulatory experience, public e-services, businesses partnerships and impact financing. The Action offers the opportunity for the EU to distinguish itself by promoting a human-centred digitalisation, setting an example for the region.

EU MS and the EIB are already engaging in digitalisation in Kenya with EUR 600 000 000 in projects. The Team Europe approach will contribute to improving coordination between EU partners and achieve a more relevant scale thus ensuring stronger impact. A follow up Action under the second half of the MIP 2021-27 could ensure continued build-up and impact.

v. Domestic policies

GoK’s national strategy—the Digital Economy Blueprint (2019)—targets five areas for development: i) digital government; ii) digital business; iii) infrastructure; iv) innovation-driven entrepreneurship; and v) digital skills and values. In 2019, GoK also adopted a National ICT Policy targeting an ICT sector contribution of 10% to GDP by 2030. Investment in ICT and digital infrastructure is also a central element of Kenya post Covid-19 Economic Recovery Strategy. In 2019 GoK also adopted its first data protection law and subsequent secondary legislation in 2021, drawing inspiration from the EU GDPR.

The proposed Action is fully aligned with GoK’s Digital Economy Blueprint (2019) aiming at converting Kenya into an intercontinental hub for ICT, e-commerce, and digital services to leapfrog on development and economic growth. In 2019, GoK also adopted a National ICT Policy targeting by 2030 a 10% of GDP contributed by the ICT sector. The GoK is digitalising governmental services aiming at delivering efficiency gains and building citizens’ trust in a digital administration (i.e. e-citizen, iTax). The Action’s implementation will commence after elections in 2022 hence reducing scope for interference.

³ See ‘A Europe fit for the digital age’, 19/02/2020. ‘Towards a Comprehensive Strategy with Africa’, 09/03/2020.

2.2 Problem Analysis

Short problem analysis 1: digital connectivity gap: only a fourth of Kenyans have access to the Internet

High inequality prevails and poverty remains stagnant at 36% of the population in Kenya. The Gini coefficient went from 47% in 2005/06 to 40% in 2015/2016. There is also wide variation in inequality across counties, with rural areas, poor, and arid and semi-arid counties hit worst. In the social domain, there are disparities in access to ICT which constitute a key disadvantage in accessing the job market. Gender inequality is persistent and particularly in digital skills. In the labour market, a larger proportion of women and young people, particularly those with disabilities or other disadvantaged women and youth, do not have access to decent jobs. Earnings inequality is higher than inequality of real *per capita* consumption expenditure, which indicates that the labour market could be contributing more to inequality. Inequality between men and women is widespread. There is high and widening inequality in access to higher education, while representation of women on various legislative bodies is still very low. Men have higher labour force participation rates and higher earnings, and they own more assets than women.⁴

Geographic differences are pronounced across the country with 17% of rural populations using the Internet once a week compared to 44% in the urban population. Inequality also correlates with access to digital services. Access to digital services will increasingly be determinant for social inclusion. As only 22.6% of the population has full Internet access, extending connectivity to underserved areas, namely those not commercially viable, needs to be a public priority.

Only 56% of all secondary schools have ICT equipment and only 12% have Internet access of which 41% depends on mobile broadband and only 1% fixed broadband. More than 50% of schools and health care centres remain unconnected.

Deepening in the digitalisation only for populations already connected can worsen such inequalities. The ‘digital connectivity gap’ must be bridged first as a prerequisite to further develop inclusive digital services.

GoK is advancing but still struggling in mobilising the financing for delivering the required additional digital infrastructure to facilitate access and connectivity (e.g. cable and wireless coverage, and fixed or mobile workstations). CoViD-19 has made it even more urgent to reach out to schools and health facilities such that underserved populations no longer lag behind. There is also an issue of ‘resilience’ and security of the digital infrastructure such as the few national data centres making most of Kenya Internet reliant on data stored abroad.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

Duty bearers:

-**Ministry of ICT, Innovation and Youth Affairs (duty bearers)** is the orchestrator of mobilising the investments required for digital infrastructure. They struggle in mobilising the required investment.

-**State Department for Technical and Vocational Education and Training (TVET) from the Ministry of Education, and its Semi-Autonomous Government Agencies (SAGAs)**

-**EIB** intends to present to its board a EUR 35 000 000 sovereign loan for building core fibre infrastructure and to develop GoK’s capabilities in mobilising both public and private financing based on its toolkit.

-**Unicef** is leading the Giga project connecting schools to the Internet and providing educational services in Kenya. By the end of 2021, 110 schools were connected to the Internet and collectively they reach an estimated 42 000 learners and teachers across every geographical region of Kenya. This work leverages government investment in digital learning with more than 1 million tablets distributed to public primary schools, allowing learners and teachers access to updated digital content from the Kenya Education Cloud. Unicef completed the process of setting up Long Term Agreements (LTA) with partners to scale the connectivity work further and generate **a blueprint costing** for the entire country at the constituency level. The blueprint is being used to connect an additional 154 public schools

⁴ EU-AFD Research Facility on Inequality (2021). Inequality in Kenya: Trends and Policy Responses. December 2020 – No. 18 | EU-AFD Research Facility on Inequalities. <https://www.afd.fr/en/ressources/inequality-kenya-trends-and-policy-responses>

that have started this December. These will test sustainability models for schools and gather insights on more accurate costs for connectivity.

County Governments (duty bearers) will be key stakeholders in coordinating efforts for financing digital infrastructure in schools and TVET centres.

Private sector:

-**Mobile phone private operators** could provide some EUR 70 000 000 of investment in view of potential commercial activity that could be unlocked by the core optic fibre infrastructure.

Rights holders:

-**Local communities and CSOs** will be partners once the locations are identified.

Short problem analysis 2: insufficient intermediate digital skills, e-business & entrepreneurship capabilities for the job market

Skills: about 1 million youth enter the job market each year of which there is a wide margin for digital upskilling especially for the students enrolled in the TVET sector. Opportunities for digital skills stand at 33 million in Kenya between 2019 to 2030 cumulated. Digital skills can be mapped in three categories: ‘basic’ (for consumers, buy and teach online, analyse data, promote content), ‘intermediate’ (for producers, sell and teach online, analyse data, promote content), and ‘advanced’ (for system developers, build websites, platform and analysis tool). While the private sector is strongly involved in the provision of digital skills, the TVET sector needs reinforcement to update and upgrade its potential in covering the expressed needs.

The TVET sector in Kenya is being revised, however, challenges remain in terms of provision of skills aligned with private sector needs, dated infrastructure, and insufficient capacity building for the trainers including on training students with disabilities. To help in shifting public perception as well as social and cultural attitudes about vocational training and the benefits thereof, the National Communication and Advocacy Strategy was launched in July 2021. The Strategy will help in the rebranding and repositioning of TVET in Kenya and ensure that both communication and advocacy approaches focusing on the TVET sub-sector are executed in a sustained, coordinated and organised manner. The further development of TVET and its outreach activities offers the industry an opportunity to identify digital skills needs and define related learning trajectories including options for the integration of international certification programmes that can be mapped to the National Qualification Frameworks making them recognised in many countries.

Gender disparities are persistent and all the more in digital literacy and advanced ICT studies. Only 32% of women report using mobile Internet while men reach 49%. Access to digital skills is central for enhancing employability, enabling entrepreneurship and boosting competitiveness, in turn contributing to reducing income inequality. A digitally-skilled workforce is a prerequisite for GoK’s intended economic transformation and to retain and improve competitiveness. By 2030, the labour force in Kenya will require about 17 million workers with digital skills across various sectors of the economy.

E-business, e-entrepreneurship & jobs: the COVID-19 pandemic resulted in 2020 in a fall of 20% in employment for ages 18-64, which has not been recovered yet. The poverty profile has shifted towards urban youth working in services. The economic resilience of many businesses has depended on their ability to digitise their processes quickly and shift to e-commerce. Given that Small Medium Enterprises (SMEs) are the backbone of Kenya’s economy, their digitization will be vital for the country’s economy. For the country to sustainably benefit from digitalisation, it is therefore crucial to provide support to SMEs and start-ups, e.g. through entrepreneurship support organisations (ESOs) like innovation hubs. This means that SMEs will have to be enabled to have enough capital to purchase and invest in digital solutions and technologies. Likewise, ESOs, technology and innovation hubs will need support to provide SMEs and start-ups with the necessary services and skills to diversify their products, in line with the market and as well as compete with global brands. E-business will continue to transform the labour market by eliminating some jobs (e.g. in manual jobs or in banking) and creating others (e.g. online shopping, delivery services, etc...). Significant job creation opportunities also lie in the development of a data-driven economy and rising global demand

for ‘outsourced’ digital services, whether part of the formal or informal economy (e.g. ‘freelancing’). This rapid growth of the platform economy in Kenya and the ecosystem of digital work has changed how people live and work. In 2019 the number of gig workers in Kenya was estimated to be more than 35 000 – this number is expected to grow to 100 000 in 2023. While the platform economy is thus contributing to tackling youth unemployment, the practices of digital platforms currently fall far short of offering minimum rights and protections to workers. A minority of digital platforms have institutionalised health and safety protections, communications and due process mechanisms, avenues for worker representation as well as documented policies to ensure minimum labour standards. To drive inclusive and sustainable growth, these shortfalls in labour standards need to be addressed.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

-Ministry of ICT, Innovation and Youth Affairs (duty bearers) is tasked to coordinate the implementation of the National ICT Policy and Digital Economy Blueprint, among others, e-business and digital entrepreneurship but also decent work standards

-State Department for Technical and Vocational Education and Training (TVET) and the TVET Authority (TVETA), mandated to regulate the TVET sector, including institutions and programmes.

-Entrepreneurship support organisations (ESOs) like technology and innovation hubs (e.g. The Association of Kenyan Startup and SME Enablers Kenya) will be important actors in helping SMEs digitise and providing support services to startups for job and business creation.

-Digital labour platforms such as Uber, Jumia or Glovo which take a centre stage when it comes to improving labour standards in Kenya’s gig economy.

-Employers and workers representations like the Federation of Kenya Employers (FKE) which is the national umbrella body and the voice of employers in Kenya and serves as a platform for the articulation of key concerns of the employers in Kenya in the areas of socio-economic development, as well as the Central Organisation of Trade Unions.

-Civil society organisations advocating for labour rights, e.g., the Fairwork Foundation, Quala and the Kenya Human Rights Commission (KHRC), and organisations of persons with disabilities such as United Disabled Persons of Kenya advocating for education and employment rights.

-Germany (GIZ), through the **Digital Transformation Centre (DTC)**, is already supporting ESOs in their service delivery to their SME and start-up communities, especially in the context of COVID-19 and with a special focus on female entrepreneurship. Furthermore, it works towards strengthening gig workers’ rights and the regulatory environment for decent work in the digital economy. To support the Action, Germany will scale its support to ESOs and set up a Digital Innovation Hub to help SMEs digitise.

-Germany (KfW) and France (AFD), through a mutual reliance initiative (MRI) arrangement with Germany (KfW) as the lead, in partnership with the EU on a delegation of funds seeks to finance the TVET sector for its digital transition, in order to widen access and strengthen the quality and relevance of the courses offered, with regards to the needs of the job market.

Short problem analysis 3: Inefficient government services, corruption and data protection violations

Inefficient government services and corruption⁵: The Ministry of ICT, Innovation and Youth Affairs is digitalising governmental services aiming at delivering efficiency gains and building citizens’ trust in a digital administration. Yet, this requires democratic and equal access to these services by all citizens and that vested interests and elite capture are not allowed to dominate the digitalisation process. The National Treasury operates and regularly upgrades a financial management information system (IFMIS) but the system needs roll-outs at different government levels. Besides, data exchange with other digital platforms should be further enhanced, justifying a need for standardisation, integration, and consolidation of public data. The effectiveness and efficiency of digital platforms has been hampered by insufficient interoperability. While the government has deployed a wide range of citizen-facing e-service platforms, the e-services have experienced low uptake, suggesting that the services introduced have not been user-

⁵ Fight against corruption is an EU priority but it is addressed under the AAP-2021 Action funding the PLEAD 2 programme with UNODC. This Action will not directly engage on addressing corruption.

friendly, accessible or trusted, pointing to gaps in the business process and design. A trusted, rights-based digital identity system would further accelerate growth in Kenya's digital economy and allow more services to be digitalised.

Data protection violations: While Kenya's recently adopted data protection law represents a promising basis to endow the country with a modern data protection framework, its enforcement is proving challenging. The national data protection authority, namely the Office of the Data Protection Commissioner, was only created recently and the design and operationalization of the institution are still incomplete. Its staff, which to date has been recruited only in part, lack experience in implementing data protection legislation, as well as in carrying out awareness-raising and outreach activities. In spite of the limited resources of the Office of the Data Protection Commissioner (ODPC), there is an urgent need to improve the awareness about data protection with controllers and processors Data subjects (i.e. citizens), especially groups at risk like women and youth, also have to be sensitised with regards to their right to privacy and ways to protect it. To date, 54% of Kenyans are unaware of their right to privacy, 61% of which are women compared to 47% of men.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

- The **Ministry of ICT, innovation and Youth Affairs (duty bearers)** is tasked to coordinate the implementation of the National ICT Policy and Digital Economy Blueprint, in particular regarding digital platforms and server management. **The Information and Communication Technology (ICT) Authority** sits under the Ministry and is tasked with rationalising and streamlining the management of all Government of Kenya ICT functions. Both are therefore key stakeholders in steering the design and implementation of critical ICT projects across the public service.
- The **National Treasury** will be engaged to facilitate collaboration with the Integrated Financial Management System (IFMIS) Department in particular and coordination with local Government and State Owned Enterprises.
- The **Office of the Data Protection Commissioner (ODPC)** is responsible for overseeing the implementation of the Data Protection Act. The proposed Action will support ODPC in the implementation of its three-year strategy and roadmap, to complete its institutional design and improve its administrative capacity, as well as capacity building of its relevant stakeholders.
- The **Office of the Attorney General** is currently undergoing a planning stage for the digitalisation of its existing registries. They will be heavily engaged in the identification of base registries that are to be tested against the interoperability infrastructure.
- **Civil Society Organisations (CSOs)** such as the Kenyan ICT Action Network, Amnesty International Kenya, Article 19 East Africa and the Lawyers Hub are strong advocates for the right to privacy in Kenya and have been crucial in drafting the new law. They are natural allies of the ODPC and important actors in raising awareness for data subjects.
- **Germany (GIZ)**, through its **Digital Transformation Centre (DTC)**, is already supporting the ODPC in becoming operational and implementing the Data Protection Act, e.g., by building the capacity of data processors and controllers to adhere to the new privacy standards set out in the Act. It also works hand in hand with CSOs in raising the awareness of groups at risk such as women and youth about their right to privacy. Under the Action, Germany will scale its activities on data protection as well as complement them with a twinning of the ODPC with European Data Protection Authorities.
- **The Estonian Centre for International Development (EstDev)** will draw on Estonia's expertise in supporting digital transformation efforts, good governance and in turn leapfrogging digital government development in Kenya, engaging key public and private institutions, including the Estonian ICT Cluster and its members, as well as higher education institutions.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective** of this action is:

To contribute towards a more inclusive and greener Kenya

The **Specific Objectives (Outcomes)** of this action are to:

1. Reduce digital gaps
2. Leapfrog digital economy transformations
3. Strengthen open and inclusive digital governance

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are

- 1.1 Increased digital connectivity and network resilience in underserved areas
- 1.2 Enhanced access to social services by underserved populations
- 2.1 Improved digital literacy and skills of technical and vocational professionals focusing on women and youth including people with disabilities
- 2.2 Enhanced digital and innovation ecosystem for business and decent job creation
- 2.3 Leveraged inclusive socio-economic benefits of emerging technologies
- 2.4 Strengthened Kenya's digital policies and digital economy regional leadership
- 3.1 Increased access to online public services at national and local levels
- 3.2 Improved trustworthiness, security and openness of e-government systems and standards
- 3.3 Promoted democracy and human rights in the digital environment

3.2 Indicative Activities

Indicative activities related to Output 1.1-*Increased digital connectivity and network resilience in underserved areas*:

- i. Capacity building of Kenyan stakeholders in the mobilisation of public and private finance for fibre optics network expansion, for its increased resilience, and for its potential replication. This will include exploring options to mobilising guarantees under the EFSD and EFSD+.
- ii. Determine criteria for the selection of most strategic connectivity catchment area to reach out to underserved populations.
- ii. Stakeholder engagement involving local authorities, CSOs, CBOs and women organisations in underserved areas identified.
- iii. Resource mobilisation including from central government, private sector, local authorities and communities.
- iv. Public procurement of works and supplies for infrastructure.
- v. Construction of backbone fibre optic infrastructure to unlock further investments for connecting underserved areas (underserved areas may involve 'last-mile' areas but not necessarily).
- vi. Analyse innovative options of Internet connectivity in underserved places where bringing fibre optic is a challenge.

Indicative activities related to Output 1.2-*Enhanced access to social services by underserved populations*:

- i. Review of policies, regulatory environment and multi-stakeholder partnerships on digital education namely the lessons learnt from the Giga programme in addressing the effective use of ICT in schools, and the competence of teachers.
- ii. Agreeing on the provisioning of inclusive digital education and/or potentially health services unlocked by the infrastructure for underserved populations (e.g. in partnership with Unicef's Giga project on schools and/or for health sector along with relevant CSOs).

iii. Support for effective digital capacity planning and development, digitally competent and confident teachers and education and training staff; and high-quality learning content made available through secure and user-friendly digital technologies.

Indicative activities related to Output 2.1- *Improved digital literacy and skills of technical and vocational professionals focusing on women and youth including people with disabilities:*

- i. Capacity building of Kenyan stakeholders (especially teachers and management) and institutions to support digital curricula in TVET matching private sector needs, and to improve their quality, accessibility and efficiency.
- ii. Support and reinforce the development of national Education Management Information Systems (EMIS) (including the strengthening of the disaggregation of data) and pilot the digitalisation of content in a relevant sector for GoK.
- iii. Implementation of digital skills programmes with an emphasis on women and youth, including those with disabilities, integration in Kenya's job market.
- iv. Support and reinforce semi-autonomous TVET authority for the qualifications and certification of digital skills trainings, preferably in alignment with Regional Qualification Frameworks.
- v. Support the integration of digital literacy and basic digital skills in general TVET training, as key transversal skills for participation in the digitally transformed economy.

Indicative activities related to Output 2.2-*Enhanced digital and innovation ecosystem for business and job creation:*

- i. Capacity development to strengthen entrepreneurship support organisations (ESOs) of the digital and innovation ecosystem in providing services to their start-up and SME communities (focusing on female-led), among others, with a focus on green digital technologies.
- ii. Training for SMEs and start-ups with regards to cyber security.
- iii. Build-up of 'Green' Digital Innovation Hubs (GDIH) as centres of excellence to help SMEs digitise in a sustainable way, including the facilitation of exchange between the Kenyan DIH and European DIH through the African-European Digital Innovation Bridge (AEDIB), and leverage digital technologies for the green and circular economy.
- iv. Support access to finance for green tech e.g. through the Kenya Bankers Association (KBA).
- v. Support online platforms in adopting Fairwork Principles (social standards for platform workers) and provision of training to platform workers, especially women.
- vii. Capacity development regarding and implementation of ICT Accessibility Standards for more inclusive digital tools and services.
- viii. Facilitate the interlink between digitalisation and green economy such as by:
 - Avoiding additional GHG emissions by improving energy efficiency of both production and use of digital technologies (devices, data centres and networks).
 - Using digital application more efficiently manage electric grids and distribute otherwise wasted energy. ▸ facilitate that digital technologies save more emissions than they produce.
 - Circularity: ensure that electronic devices are designed for durability, maintenance, dismantling, reuse and recycling, including a right to repair or upgrade to extend the lifecycle of devices.
 - Ensuring responsible procurement of raw materials, abiding by relevant environmental and social safeguards.
 - Supporting the establishment of regulatory and policy frameworks for environmentally sound management of digital/ICT-derived waste (and avoid dumping of e-waste).
 - Encouraging transparency of telecom operators with regards to their environmental footprint.
 - Facilitating new technologies and know-how transfers in entrepreneurship and scientific fields of excellence in space applications (e.g. Copernicus and Galileo/EGNOS) to support the green transition.

Indicative activities related to Output 2.3-*Leveraged socio-economic benefits of emerging technologies:*

- i. Development and conduct of training courses on open data and data sharing (B2B and B2G) for governmental and private sector stakeholders, especially in the agricultural sector.
- ii. Curriculum development and training on ethical use of artificial intelligence (AI) for tech developers.
- iii. Development of AI-powered use cases and AI data sets based on the local context to build up and strengthen the Kenyan AI ecosystem (WB DIME's work could share expertise on AI applications such as on road safety and justice in Kenya relevant to other EU-funded programmes).

- iv. Development of guidelines for the ethical and rights-based use of AI through a multi-stakeholder policy dialogue.
- v. Facilitate a community of practice among local AI practitioners to enable peer-to-peer learning and knowledge exchange.

Indicative activities related to Output 2.4-*Strengthened Kenya’s digital policies and digital economy regional leadership:*

- i. Development of a policy on open data.
- ii. Development of a Digital Economy Index, including the indexing of the Kenyan digital economy.
- iii. Development of an Action Plan on Green ICT.
- vi. Set-up of a Think & Do Tank for the further operationalisation of the Digital Economy Blueprint, e.g., for the conduct of (policy) hackathons or the development of policy papers.
- v. Sharing of best digital practises at a regional level, e.g., the Digital Economy Index via Smart Africa or ODPC’s data protection road map in the African Union Working Group on Data Protection and Cybersecurity.

Indicative activities related to Output 3.1-*Increased access to online public services at national and local levels:*

- i. An interoperability infrastructure and selected base registers are piloted for the effective digitalisation of public services (this is relevant to EU-funded PLEAD 2 programme with UNODC and could also benefit from DIME’s work on digital justice in Kenya);
- ii. Installation of related core services;
- iii. Assessment of base registers’⁶ readiness regarding integration with interoperability platform;
- iv. Identifying and piloting most change ready use cases/services (this could also tap on WB-DIME’s work on digital governance and public services);
- v. Assessment of the existing digital identity system and its challenges/opportunities;
- vii. Workshops with key stakeholders, drafting of recommendations, consultations.

Indicative activities related to Output 3.2-*Improved trustworthiness, security and openness of e-government systems and standards:*

- i. An implementation plan for the Once Only Principle (OOP) and whole-of-government data exchange is completed;
- ii. Building institutional cyber-resilience through capacity building and ensuring linkages to regional cybersecurity initiatives;
- ii. Organising study visits to relevant EU Member States, peer-to-peer learning workshops, mentoring and ongoing support;
- iii. Data exchange policy outline is completed building on findings from Digital Readiness Study and discussion with key stakeholders;
- vi. Workshops with key stakeholders, drafting of recommendations, consultations.

Indicative activities related to Output 3.3-*Promoted democracy and human rights in the digital environment:*

- i. The capacities of data processors and controllers to implement the Data Protection Act are improved;
- ii. Support to the Office of the Data Protection Commissioner (ODPC) for the implementation of its three-year strategy and road map (e.g., sectoral guidelines, complaint-handling systems, communication and awareness strategy development among others) and to strengthen its capacity;
- iii. Organising study visits to European Data Protection Authorities (DPAs), twinning, peer-to-peer learning workshops, participation in conferences and knowledge exchanges;
- iv. Support accession process to CoE Convention 108+ and to the Malabo Convention (e.g. through technical assistance);
- v. Capacity building for ODPC, to develop privacy-by-design templates, best practices (on e.g. complaint handling and inspections), improve IT architecture, create guidelines and handbooks, development of e-learning resources, develop international cooperation;
- vi. Awareness raising and training of both controllers / processors and data subjects, with special consideration for groups at risk on their right to privacy;

⁶ The identification of base registries will be done during the baseline development and together with key stakeholders, such as the Attorney General’s Office.

vii. Trainings and sensitization activities regarding gender-based online violence and how to avoid the spread of misinformation / disinformation online.

The commitment of the EU's contribution to the Team Europe Initiative to which this action refers, will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

3.3 Mainstreaming

Environmental Protection & Climate Change

At this stage no **EIA (Environmental Impact Assessment) screening or CRA (Climate Risk Assessment) screening** (relevant for projects and/or specific interventions within a project) have been undertaken since most will involve non-physical work. Concerning the intended infrastructure for connectivity, once the location is identified the relevant partner will undertake the relevant EIA and CRA.

The intervention offers synergies with the TEI on the Green Deal. To strengthen the nexus between both TEI, it will support and promote the adoption of climate-smart technologies, build capacities and knowhow regarding green tech, low carbon emission and sustainable energy consumption as well as work towards the development of environment-friendly ICT policies through the establishment of a green Digital Innovation Hub.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. Given that the desired impact of the TEI will not be realised without systematically applying gender mainstreaming to all of its activities: policy development, capacity building and awareness raising activities will put a particular emphasis on the active participation of and inputs from women. Specific objective (or outcome) 1, connectivity will seek to reach out to women and girls and the digital services for schools will emphasise on specific measures (e.g. assistive technology, reasonable accommodation and accessibility in ICT to enable children, girls with disabilities to access education and strengthen ICT and digital skills) to ensure they be included as well as include aspects of child protection. Through its second outcome, in terms of the Digital Economy particular attention will be paid to a gender-sensitive operationalisation of it, i.e., Action Plans, policy strategies etc... will proactively women's needs and rights. Girls in ICT will be promoted with a dedicated TVET training centre for them including young women with disabilities. Furthermore, there will be special consideration in choosing ICT equipment to not discriminate against girls by the choice of technology. The action will contribute to the Gender Action Plan III (GAP III), specially to the thematic objective "Addressing the challenges and harnessing the opportunities offered by the digital transformation".

Digital for TVET will specifically address the second objective of GAP III's Kenya Implementation Plan on promoting social and economic empowerment of women and girls. Feedback will be collected through sex, age and disability-disaggregated M&E while action plans and strategies will be conducted in a gender-sensitive and inclusive manner. When it comes to the strengthening of intermediaries of the digital innovation ecosystem and the digitalisation of SMEs the digital skill needs of women will be particularly addressed and female-led start-ups supported. Looking at data protection, special training activities will be conducted for women and girls as they face increased risks in the context of privacy violations.

Human Rights and Democracy

The Action is aligned with the EU Action Plan on Human Rights and Democracy 2020-2024, on harnessing opportunities and addressing challenges of digital technologies. The activities are underpinned by a human rights-based approach, but also specifically work towards the realisation of specific human rights. Through the support of the ODPC in enforcing the Data Protection Act, the Action fosters the right to privacy as well as freedom of expression and assembly in the digital age by enabling data processors and controllers in government and the private sector to not infringe on individuals' privacy rights. Through the strengthening of civil society organisations such as Amnesty International and Article 19 East Africa to advocate for digital safety online, the Action also addresses the

shrinking public digital space and seeks to counteract it. In addition, the capacities of people living in vulnerable situations, such as human rights defenders, are increased through digital security training courses. In the context of public digital services, the Action will implement human rights impact assessments to mainstream human rights in the public service delivery, at local and national. The intervention moreover contributes to the 2030 Agenda which is anchored in international human rights, namely towards SDG 1 (no poverty), SDG 5 (gender equality), SDG 8 (decent work and economic growth), SDG 9 (industry, innovation and infrastructure) and SDG 16 (peace, justice and strong institutions). Further, improving connectivity to bridge the digital divide is essential for access to information and hence for the enactment of citizen's democratic participation. The action will implement the five working principles in all phases: i) respect to all human rights; ii) participation; iii) non-discrimination; iv) transparency; and v) accountability.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that, in line with the EU strategy for the rights of persons with disabilities, this action will strive to ensure systematic inclusion, equal access and non-discrimination of persons with disabilities, and promote digitalisation as an enabler of rights, autonomy and equality for persons with disabilities.

The principle of Leave no-one Behind will be mainstreamed to ensure that the digital divides faced by persons with disabilities are addressed, mitigated and, where possible, measured through disaggregated data collection. Special attention will be given to the principles of equal access and non-discrimination in the activities related to digital connectivity and skills. Improved access to assistive technologies ensuring digitalisation investment in education contributes to the inclusive education strategy of Kenya by making ICT and digital support accessible for all learners, including the TVET component of the action. In line with the Convention on the Rights of persons with disabilities, and the Child Rights Convention, (both ratified by Kenya) and Kenya's 'Sector Policy for Learners and Trainees with Disabilities'⁷. Actions can support specific needs of learners with disabilities but for an inclusive learning environment, or at least a transition towards inclusion, children with disabilities should access general education and segregated education should not be supported.

With regards to data protection, groups especially at risk from privacy violations such as children and youth, but also human rights defenders and activists will be specifically targeted with training courses and awareness raising campaigns. Moreover, the activities on the operationalisation of the Digital Economy Blueprint will follow an inclusive approach, e.g. implementing ICT Accessibility Standards in Kenya will allow people with disabilities to access digital products and services.

Conflict sensitivity, peace and resilience

While this action is not directly addressing conflict sensitivity, peace and resilience its activities in remote areas will be done in context to other factors: inter-ethnic disputes, land disputes, terrorist threats etc. Nonetheless, in so far as digital inclusion facilitates access to social services such as e-education, these actions may facilitate efforts to mitigate these existing risks.

Some of the actions will take place in areas prone to conflict be it internally e.g. inter-ethnic or external e.g. terrorist threats. Actions will be mindful of the local context and developed in accordance with the risk factors defined in some regions during the conflict assessment review. Involvement of local stakeholders, community leaders will be essential in gauging the right avenues of interaction.

Disaster Risk Reduction

This Action does not explicitly or directly address disaster risk reduction (DRR). However, improving access to digital services, improving the digital in TVET, creating opportunities for digital entrepreneurship and e-Governance can all lead to relevant DRR applications or services being developed or applied more easily.

Other considerations if relevant

⁷ https://planipolis.iiep.unesco.org/sites/default/files/ressources/kenya_sector_policy_learners_trainees_disabilities.pdf

The action will address the digital governance pillar of the TEI on Digitalisation, notably on effective service delivery and modernisation of justice through inclusive and accessible digital technologies. **Technology** will thus be a key component in the implementation of the action, including in design and delivery of activities. For instance, the use of online meeting applications will be preferred over in-person workshops, which will save time and resources.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood	Impact	Mitigating measures
1- External environment	<p><u>Risk 1:</u> Unstable political landscape in the post-election period in 2022, including potential for protest and preoccupation of relevant ministry counterparts</p> <p><u>Risk 2:</u> Delays in implementation due to COVID-19 restrictions</p>	High Medium	Medium Medium	<p>Close collaboration with the political counterparts and conduct of necessary sensitisation activities required to highlight the potential impact of digital transformation on the progress of Kenya Vision 2030.</p> <p>The viral outbreak situation is followed on a regular basis by all partners and information exchanged in a timely manner. Any changes needed to the delivery methodology or work plan will be communicated.</p>
2-Borrowing capacity	<u>Risk 2:</u> Political or economic changes such as excessive national indebtedness impede the signing of financing agreements of sovereign loans with LFIs intended under the Action	Medium	High	<p>-The environmental and socio-economic relevance of the projects intended under the Action will be difficult to politically abandon.</p> <p>-The level of concessionality due to a generous share of grant accompanying the loans, the low interest rates from the LFIs and the EU provisioning of guarantees for sovereign loans by EIB should make the financing package economically and financially attractive.</p>
3- People and organisation	<u>Risk 3:</u> The implementation and maintenance of digital solutions is hampered by lack of sufficient digital skills and competences	Medium	Medium	Digital competence, cyber resilience as well as infrastructure development are a part of the larger TEI activities and will directly complement the activities carried out within this intervention (e.g., Last Mile Connectivity).
	<u>Risk 4:</u> Unvalidated delivery capacities of local partners in new activity areas	Medium	Medium	An inception phase of 6 months will be included to allow for a validation of the capacities of partners
	<u>Risk 5:</u> Lack of independence of the Office of the Data Protection Commissioner	High	Medium	The ODPC will be supported in its efforts for greater independence and its importance addressing within the political dialogue
5- Communication and information	<u>Risk 6:</u> Lack of coordination among the stakeholders engaged in the TEI	Medium	Medium	Continued participation at stakeholder meetings throughout the implementation, as well as sharing lessons learned and key data from M&E, will support coordination efforts.
	<u>Risk 7:</u> Resistance to change among key stakeholders	High	Medium	The action will involve key stakeholders at every stage of implementation and will closely monitor the impact of capacity building and training. The activities and M&E will take into consideration cross-cutting themes (e.g., gender and age, human rights, resilience).
	<u>Risk 8:</u> Political sensitivities and conflicting mandates slow down implementation	Medium	Medium	Exchange and coordination between stakeholders will be continuously supported as well as politically sensitive topics closely monitored to identify potential tensions early on

6. Planning, processes & systems	<u>Risk 9:</u> Risk of corruption, fraud or malpractice by the public and/or private sectors undermine partners confidence	Medium	High	Corruption is inherent to relevant intervention aspects such construction (everywhere in the world), and in Kenya to the certification of skills, governmental services provision and access to jobs. Adherence to international procurement standards, supervision of works, technical and financial audits and methodologically sound development impact evaluations can significantly reduce the scope of corruption and fraud. Digitalisation of government services will be aimed at increasing transparency and accountability will be put in place.
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Lessons Learnt:

The intervention will build upon existing programmes of German Development Cooperation in Kenya such as Germany's **Digital Transformation Centre (DTC)**. The DTC is a bilateral project implemented by GIZ which unites under its umbrella all German technical assistance activities in the area of digitalisation in Kenya – including components from regional and global projects. With a total project volume of EUR 13 000 000 and a team of over 10 digital experts, the DTC capitalises on the existing innovation ecosystem, while looking at the wider societal impact of digital technologies with the aim of supporting the country's digital transformation towards a sustainable digital economy. Topics covered and lessons learnt gathered under the umbrella of the DTC include:

- Kenya's growing entrepreneurship support organisations are integral intermediate for building local SME and start-up ecosystems and foster a culture of innovation. Increasing their capacities to extend support services to their SME and start-up community will be essential for the strengthening of the country's digital economy.
- The triangular cooperation between industry, research and innovative actors such as start-ups is a critical factor in driving the digitization of SMEs. Bringing these actors together as a one-stop shop (a so-called Digital Innovation Hub) that helps companies dynamically respond to the digital challenges and become more competitive industry digitisation will be key for the digital transformation of the Kenyan industry.
- Data-driven solutions and technologies have great potential to accelerate economic growth. However, their application is related to a wide range of fundamental rights, including non-discrimination, human dignity, privacy, and data protection. People will embrace data-driven innovations if they are confident that their data are processed in a lawful, fair, and transparent manner. Data protection regulations and supervisory authorities play a critical role in building trust, balancing interests at stake, ensuring respect and protection of fundamental human rights.
- Data protection is central for the human-centricity as well as sustainability of the digital economy. Providing adequate standards for the protection of personal data is a clear business case as it increases consumer trust and therefore increases the use of digital services and products.

The Action will also build on the work undertaken by Germany (GIZ and KfW) on the Technical and Vocational Education sector through the programmes such as the E4D, VET Toolbox and bilateral projects on Centres of Excellence. In addition, the learning from the actions supported through the European Trust Fund for Africa will inform most of the ground work on the Technical and Vocational Education Training.

- approaches need to be looked at from a sector-wide approach.
- close involvement of the national level through the state department and the county level through the County Executive Commissioners on Education
- Alignment with the government priorities communicated through the Joint Sector Working Group on TVET (currently coordinated by the Netherlands).

The Action will also draw on **Estonia's experiences from building a holistic digital society** that incorporates technological innovations with a legal framework that supports their secure implementation. Today, 99% of its public services are available online. Physical ID cards are paired with digital signatures used to pay taxes, vote and access health care records.

A number of lessons learned will feed into the design of this Action, namely:

- Data protection and privacy concerns have contributed to the low uptake of e-services among Kenya’s citizens and residents. Boosting consumer trust and interoperability will be critical to the development of digital platforms.
- A strongly supported body/function for the introduction of e-governance and coordination of digitisation, including the creation and implementation of interoperability and linked e-services is however crucial for a sustainable and trusted operating model, and creates a stronger accountability mechanism.
- Resistance to change poses a great challenge for implementing effective e-governance. Some reforms may interfere with behaviours that are deeply ingrained in the culture of public institutions.
- Gaps in digital skills hamper the process of migrating users and customers onto digital platforms and impede the development of new platforms. The building and strengthening of e-services must be accompanied by the development of digital skills among the users.

3.5 The Intervention Logic

The underlying intervention logic for this action is that to facilitate a human-centred digitalisation process that contributes to a more inclusive & green growth in Kenya (impact), the intervention builds upon three pathways of change:

The **first hypothesis of change** is that if this Action is to contribute towards **reducing inequalities (note that the TEI has been chosen by DG INTPA as ‘Equality Flagship’)**, it has to bridge the digital gap first, as it would otherwise exacerbate existing inequalities. It has to contribute to increasing the number of people with access to affordable and accessible ICT, in particular in underserved and marginalised areas, and marginalised groups of the population. To make the intervention sustainable it is important to improve the capacity of GoK to scale up connections in the mid-term and improve the skills in the digital space of people currently excluded. If the Action improved only digital services for those already with access, it would deepen inequalities even if it contributed positively towards digitalisation. Further, facilitating access to underserved populations is not only a matter of infrastructure provision but of service delivery such as education including e-schooling and potentially e-health. The Action is not only reducing inequalities but also setting up a broader basis for democratic participation in an increasingly digital-dependent economy and society.

The **second hypothesis of change** is that strengthening digital skills in TVET will facilitate a transformation towards a sustainable digital economy in Kenya. To achieve this, concerned institutions should provide relevant digital skills to their enrolled students and ESOs to deliver services to their SME and start-up communities, whilst accelerating the operationalisation of the country’s 2019 Digital Economy Blueprint. The assumption hereby is that intermediaries of the digital innovation ecosystem and TVET institutions will continue to play a central role in the digital transition of the Kenyan economy and population and that the MoICTI&YA will continue to be central in making the Digital Economy Blueprint actionable, also in view of regional integration.

The **third hypothesis of change** is that in order to develop an open and secure e-governance system to enable sustainable digital transformation in Kenya, the Action must include both the development of an interoperability system, as well as support the creation of an enabling environment within which this can be implemented. The technical interoperability platform for secure data exchange will support the further development of existing trust services and strengthen e-service portals through improved interoperability. Components of existing identity solutions will be used to make recommendations for a secure digital identity. Adopting the ‘once-only principle’ (OOP) assures that the interoperability platform will use the most up to date data from the most valid source and that public sector institutions do not request for information from persons and/or businesses that already exist in the database of another public sector entity. The Action will identify most change-ready use cases in order to test the interoperability functioning between different e-governance service providers and show real life proof of concept to the end users. Such an approach will enable high scalability of e-services.

Further, the intervention logic assumed that strengthening the capacities of the newly created Office of Data Protection Centre (ODPC) to realise its three-year strategy and improving its capacities, as well as those of data processors and controllers to put into practice data privacy standards will increase the capacities of relevant stakeholders to implement the Data Protection Act. The assumption hereby is that sufficient financial and human capacities at the ODPC should

be available, the Office has enough independence to carry out its mandate and that after the elections the political will to strengthen data protection continues.

This Action overlaps with the Green Deal TEI in so far as favouring access to ICT, promoting digital entrepreneurship and better e-governance can all facilitate the reach of and access to digital tools advancing a green economy. For instance, the operationalisation of an expanding green public transport will rely on digital applications facilitating fast transitions between public and paratransit systems. Broadening the use of applications such as iBuild can contribute to better competition and access to green construction services. The use of ‘Digital public works’ to collect data in informal settlements can help in planning purposes and in promoting employment opportunities for the youth. Digital solutions can be powerful enablers to realise the objectives of the Green Deal. Digitalisation can contribute to the transition to a carbon neutral, green and circular economy in virtually all sectors. Digital entrepreneurship and connectivity infrastructure can serve as the backbone of IT-based circular economy business models⁸. Similarly, the three specific objectives of this Action complement the refugees Action under the AAP-2022, in so far as they could benefit the socio-economic integration of refugees.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention. On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

⁸ See: ‘Quick tips: Integrating the environment and climate change in and by digitalisation | Capacity4dev (europa.eu) [Quick tips: Integrating the environment and climate change in and by digitalisation | Capacity4dev \(europa.eu\)](#)

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (@): Main expected results	Indicators (@)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Overall Objective	To contribute towards a more inclusive and greener Kenya.	<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>
Specific Objectives (Outcomes)	1. Reduce digital gaps	1.a) (MIP indicator 2.1b3 and GERF 2.11) Number of people with access to Internet with EU support ** (Number disaggregated by type of access, sex, socioeconomic status ⁹ , disability, and age).	1. 0 people (2022)	1. TBD (2026)	Project feasibility study (2022)	GoK and Counties cooperate
	2. Leapfrog digital economy transformations	2.a) (MIP Expected result 2.1a.1) Number of people who have benefited from institution or workplace based VET/skills development interventions supported by the EU (EURF15), disaggregated by sex and age. 2.b) % of a representative sample of project stakeholders participating in the Kenyan digital economy who confirm that the Action contributed to the achievement of 5 selected development goals of Kenya's Digital Economy Blueprint.	2.a) TBD (2022) 2.b) 0% (2022)	2.a) TBD (2026) 2. 70% (2024)	Baseline and endline surveys conducted and budgeted by the EU-funded intervention	Continued GoK commitment and ownership.
	3. Strengthen open and inclusive digital governance	3. GERF 2.12 Number of people supported by the EU with enhanced access to digital government services (Number disaggregated by type of access, sex, socioeconomic status, disability, and age).	3. 0 (2022)	3. TBD (2024)	Baseline and end-line surveys conducted and budgeted by the EU-funded intervention	Clear communication and responsibilities; TE cooperates
Outputs 1 (related to Outcome 1)	1.1 Increased digital connectivity and network resilience for underserved areas	1.1.a) EFSD digital 3.4. Number of people with access to mobile broadband connectivity, with support of the EU-funded intervention (disaggregated by sex, urban/rural, disability and age (OPSYS core indicator))	1.1 0 (2022)	1.1 TBD (2026)	Baseline and end-line surveys conducted and budgeted by the EU-funded intervention	GoK commitment to extending fibre to underserved areas
	1.2 Enhanced access to social services by underserved populations	1.2 a) (MIP indicator 2.1.a 2.) Number of schools, other learning centre and other social services connected to higher quality Internet with EU support. 1.2 b) N° of people with access to e-services with support of the EU-funded intervention (disaggregated by type of access, of service, sex, socioeconomic status, disability, and age)	1.2.a) 0 in 2022 1.2.b) 0 (2022)	1.2.a) TBD (2028) 1.2. b) TBD (2028) of which 50% women	Baseline and end-line surveys conducted and budgeted by the EU-funded intervention	TE helps GoK deliver fibre infrastructure benefiting new social services providers.

⁹ It may benefit from using the Equity tool <https://www.equitytool.org/>

Outputs 2 (related to Outcome 2)	2.1 Improved digital literacy and skills of technical and vocational professionals focusing on women and youth including people with disabilities.	2.1.a) N° of people who have built their capacities to participate and thrive in the digital economy and society (disaggregated by type of access, sex, socioeconomic status, disability, and age) 2.1.b) No of TVET training places for digital skills created/improved attributed to this action	2.1.a) 0 (2022) 2.1.b) 0 (2022)	2.1.a) 500 (2026) at least 50% women and 80% youth. 2.2.b) TBD	Evaluation of capacity development activities conducted National statistics	Clear communication and responsibilities; TE cooperates; Accurate attribution and ministry reports on these.
	2.2 Enhanced digital and innovation ecosystem better for business and decent job creation	2.2. a) A green Digital Innovation Hub established with an operational service portfolio for SMEs wishing to digitise 2.2. b) No of surveyed Kenyan intermediaries confirming that their capacities to support digital ecosystem start-ups have been improved	2.2.a) 0 (2022) 2.2.b) 0/15 (2022)	2.2.a) 1 (2024) 2.2.b) 10/15 (2024)	Evaluation of service portfolio and services provided Survey conducted among intermediaries	Intermediaries continue to support start-up and MSMEs in their digitalisation efforts; the MoICT is interested to continue positioning itself as regional leader on digital topics; the political partners have sufficient capacities available
	2.3 Leveraged inclusive socio-economic benefits of emerging technologies	2.3. a) 5 applications of emerging technologies for socio-economic benefit are piloted 2.3.b) 8 trainings on emerging technologies and how to use them for socio-economic benefit are conducted	2.3.a) 0/5 (2022) 2.3.b) 0/8 (2022)	2.3.a) 5/5 (2024) 2.3.b) 8/8 (2024)	Activity reports, product reports, final evaluation Training curriculum and participants lists	
	2.4 Strengthened Kenya's digital policies and economy regional leadership.	2.4.a) No of good practises regarding a better regional integration of the Kenyan digital economy developed with the MoICT 2.4.b) No of formats for the operationalisation of the Digital Economy Blueprint implemented	2.4.a) 0 (2022) 2.4.b) 0 (2022)	2.4.a) 5 (2024) 2.4.b) 10 (2024)	Evaluation of outcome documents such as policy papers, action plans etc. Evaluation of relevant documentation	
Outputs 3 (related to Outcome 3)	3.1 Increased access to online public services delivery at national and local level	3.1.a) A solution is implemented for nation-wide interoperability and secure data exchange 3.1.b) No of base registers successfully piloted against the interoperability infrastructure 3.1.c) % of representative sample of Kenyan digital government ecosystem stakeholders confirming that the EU contributed to open and inclusive digital government	3.1.a) 0 (2022) 3.1.b) 0 (2022) 3.1.c) 0 (2022)	3.1.a) 1 (2024) 3.1.b) 5 (2024) 3.1.c) 70% (2026)	Activity reports, product report, final evaluation, guidance documents Evaluation of survey conducted among 100 key participating stakeholders in the digital government ecosystem.	
	3.2 Improved trustworthiness, security and openness of e-government systems and standards	3.2.a) OOP and whole-of-government data exchange implementation guideline developed 3.2.b) detailed implementation plan for the OOP and whole-of-government data exchange developed	3.2.a) 0 (2022) 3.2.b) 0 (2022)	3.1.a) 1 (2024) 3.2.b) 1 (2024)	Activity report, Implementation Plan, guidance material, evaluations, training reports, exchange visit reports	
	3.3 Promoted democracy and human rights in the digital environment	3.3.a) No of core enforcement processes of the Data Protection Act developed with the ODPC 3.3.b) No of implementation concepts for the operationalisation of the Data Protection Act for data processors & controllers are developed	3.3.a) 2 (2022) 3.3.b) 0 (2022)	3.3.a) 5 (2024) 3.3.b) 5 (2024)	Official ODPC documents such as curricula, guidelines, strategies, etc. Guidance documents, handbooks, toolkits, e-learning, and other.	

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner country.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is **84** months from the date of the adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation of the Budget Support Component

N/A

4.4 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹⁰.

4.4.1 Direct Management (Grants)

N/A

4.4.2 Direct Management (Twinning)

Twinning grant: (direct management)

(a) Purpose of the grant

The twinning modality will contribute to outcome 3, specifically to output **3.3 *Democracy promoted and protected in the digital environment.***

(b) Type of applicants targeted

EU Member State administrations or their mandated bodies, dealing with Data Protection to partner with the relevant GoK bodies such as the Office of the Data Protection Commissioner.

¹⁰ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.4.3 Direct Management (Procurement)

N/A

4.4.4 Indirect Management with a pillar-assessed entity

A part of this action may be implemented in indirect management with **Unicef**.

This implementation entails **specific objective 1 (outcome) *reduced digital gaps*** and contributes specifically to output **1.2 *Improved access to social services through digital connectivity for underserved populations***.

The envisaged entity has been selected using the following criteria: for output 1.2 the Action requires an international organisation such as an UN implementing agency, non-for profit organisations, NGOs, local authorities or public bodies with an already well-established and successful programme in delivering digital connections and associated services for social institutions such as schools.

In case the envisaged entity mentioned above would need to be replaced, the Commission's services may select another replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

If negotiations with the above-mentioned entity fail, that part of this action may be implemented in direct management in accordance with the implementation modalities identified in section 4.4.8

A part of this action may be implemented in indirect management with **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)**.

This implementation entails **specific objectives 2 (digital economy transformation) and 3 (digital governance)**.

The envisaged entity has been selected using the following criteria:

- the entity has operational credentials or has positioned itself strategically on digital economy and digital government in the context of development cooperation in Eastern Africa;
- the entity has a track record in capacity building of the public sector involving the interface with private actors, entrepreneurship and governance
- the entity has a significant potential in championing, the shaping and has capabilities for implementing relevant components of the TEI on Human-centred Digitalisation.

Preference is given to Team Europe partners, namely an EU Member State Organisation, third donor country, EU specialised agency or international organisation. The willingness and margin to assist EU MS' organisations is considered advantageous.

In case the envisaged entity mentioned above would need to be replaced, the Commission's services may select another replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

If negotiations with the above-mentioned entity fail, that part of this action may be implemented in direct management in accordance with the implementation modalities identified in section 4.4.8.

A part of this action may be implemented in indirect management with the World Bank (**WB**) **DIME group**.

This implementation entails **all three specific objectives since it relates to setting the foundations for the better evaluation of the action**. This component is hence placed under the evaluation budget line and further described under section 5.2.

The envisaged entity has been selected using the following criteria: it should be an organisation leading in the building of capabilities of both public and private actors for 'development impact evaluations' internationally and combining both practical expertise and methodological rigour. The entity should hold a reputed track record in translating development impact evaluation findings into action and policy improvements.

In case the envisaged entity mentioned above would need to be replaced, the Commission's services may select another replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

If negotiations with the above-mentioned entity fail, that part of this action may be implemented in direct management in accordance with the implementation modalities identified in section 4.4.8.

Exception to the non-retroactivity of costs

The Commission authorises that the costs incurred may be recognised as eligible as of March 1st 2022 because following the instructions from the European Commission, the TEI on Human-Centred Digitalisation was already formulated by mid-2020. The implementing partners implement EU funds, have been ready to commence implementation since then but could not as the EU's decision on the budget got repeatedly delayed. Preponing the eligibility of costs would allow the partner to commence minor yet relevant and lengthy preparatory work gaining between four to six months. Speed of implementation is an important aspect for the EU as a donor partner, particularly when it is compared to China who acts more rapidly.

4.4.5 Indirect Management with the Partner Country

N/A

4.4.6 Contribution to the Africa Investment Platform (AIP)

This contribution may be implemented under indirect management with the entities called Lead Finance Institutions, identified in the appendix to this Action Document.

The selection of the individual projects and the relevant Lead Finance Institutions (LFIs) will be based on their contribution towards the EU Kenya Team Europe Initiative (TEI) on Human-Centred Digitalisation, specifically concerning the specific objectives 1 (connectivity) and 2 (digital economy transformation) of the Action Document. In addition, the LFIs are expected to commit to providing loans, to use the EU funding as genuine leverage for mobilising larger investments, to ensure EU added value and to proactively involve the EU Delegation in the interventions and associated policy dialogue. Eligible LFIs should be bound by principles of sustainable finance.

4.4.7 EFSD+ operations covered by budgetary guarantees

Not foreseen directly under this Action Document though it is expected that future EFSD+ windows for digitalisation could complement or even expand this Action.

4.4.8 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

Direct management is included here as an alternative to indirect management as specified under section 4.4.4 where the latter cannot be implemented due to circumstances outside of the Commission's control. In this case, the EU Delegation may proceed to the procurement of services or supplies to achieve any of the specific objectives of the Action.

Indirect management is included here as an alternative to direct management as specified under section 4.4.2 where the latter cannot be implemented if negotiations with the partner country regarding the implementation modality for the twinning fail.

4.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions:

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Third-party contribution (amount in EUR)
Implementation modalities – cf. section 4.4		
Specific Objective 1 Digital Connectivity composed of:	9 800 000	105 000 000
Indirect management with Lead Finance Institution (via the AIP) (for output 1.1) – cf. section 4.4.6	5 900 000	105 000 000
Indirect management with international organisation (for output 1.2) – cf. section 4.4.4	3 900 000	0
Specific Objective 2 Digital Economy transformation composed of:	12 900 000	70 000 000
Indirect management with Lead Finance Institution (via the AIP) (for output 2.1) – cf. section 4.4.6	9 900 000	60 000 000
Indirect management with Germany (GIZ) (for outputs 2.2, 2.3, and 2.4) – cf. section 4.4.4	3 000 000	10 000 000
Specific Objective 3 e-Governance composed of:	4 900 000	3 000 000
Indirect management with Germany (GIZ) (for outputs 3.1, 3.2 and 3.3) – cf. section 4.4.4	3 900 000	3 000 000
Twinning grant with EU MS (direct management) (output 3.3) – cf. section 4.4.2	1 000 000	
Grants – total envelope under section 4.4.2	1 000 000	N.A.
Procurement – total envelope under section 4.4.3	N.A.	N.A.
Evaluation – cf. section 5.2 Audit – cf. section 5.3	400 000	N.A.
Totals	28 000 000	178 000 000

4.7 Organisational Set-up and Responsibilities

This Action will be followed-up directly through the same structured working groups that manage the TEI on Human-Centred Digitalisation. These groups comprises of all participating Team Europe Members (namely EIB, Germany (GIZ and KfW), France (AFD) and Estonia and other EU MS who attend on an interest basis). The TEI comprises of three sub-groups corresponding to its three specific objectives, which match those of this Action. These subgroups could be formalised as Steering Committees for the interventions implemented.

The European Union Delegation to Kenya will continue to chair the Team Europe on Digitalisation and co-chair of the three subgroups (that will each constitute the Steering Committees) and will hence play an overarching coordinating role in the above governance structures set up for governing the implementation of the Action in order to safeguard the financial interests of the Union.

In the case of Specific objective/outcome 2, digital economy transformation, there are two distinct sub-areas: digital TVET and the economy more broadly. Therefore, a specific project steering committee (PSC) for output 2.1 shall be established to ensure coordination between the Actions' components and to oversee implementation. The committee shall meet at least once a year and will bring together all the beneficiary institutions from the Government side - State Department of TVET, Council of Governors and relevant county structures, KfW, AFD, the European Union Delegation to Kenya and other EU Member States.

KfW will ensure correct functioning of the PSC, including preparation of meeting agendas in consultation with other members, convening the meeting and preparing the minutes.

The Steering Committee should meet at least every six months. The work of the Steering Committees shall include, but not limited to, the following agenda items:

- review of the work plans
- monitoring of the risk factors
- ensuring that implemented activities have a direct positive impact towards achieving the Action's objectives
- ensure synergies be built and aligned with other development partners and /or programmes
- ensure the Action is in line with priorities established by the GoK and that it contributes to the intended objectives.

The work of the WB through DIME should help all parties better monitor and evaluate progress (in view of attaining development impact) and should therefore be useful for steering the interventions.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

4.8 Pre-conditions

N/A

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this Action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the Action and elaborate regular progress reports (not less than annual) and final reports. Additional specific reporting can be contractually envisaged. Every report shall provide an accurate account of implementation of the Action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the log-frame matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support). Where relevant, indicators shall be disaggregated at least by sex. All monitoring and reporting shall assess how the Action is taking into account the human rights-based approach and gender equality.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

While the implementing partners are ultimately responsible for data collection, analysis and monitoring, the EU-Delegation, in its leadership role in coordinating the TEI, will ensure that the implementing partners regularly report to the Digitalisation TEI steering committee and to the relevant subgroups. Since, the Action is structured in line with the three specific objectives of the TEI and since implementing partners are member of the TEI Steering Committee, this reporting will add substance on operational matters. Further, in line with recommendations from DG INTPA, the EU Delegation, the European Commission and the WB's programme DIME, will seek to assist all parties in better defining, updating and measuring relevant data for achieving better outcomes in both implementation and policy. More information on the nature of DIME can be found from <https://www.worldbank.org/en/research/dime>.

5.2 Evaluation

Having regard to the importance and nature of the action, a mid-term, final and/or *ex-post* evaluations will be carried out for this action or its components via independent consultants contracted by the Commission or by pillar-assessed partners subject to the reassurance that independent consultants seek at evaluating development impacts and not only transactions or merely outputs. The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to better identifying the EU's comparative advantage on digitalisation in Kenya and inform accordingly how to improve projects under implementation and future EU strategies in this domain. The mid-term evaluation could be instrumental for the mid-term review of the Multiannual Indicative Programme (MIP) 2021-2027 particularly in so far as the digitalisation TEI is concerned.

This evaluation will have to build on relevant baseline data to be obtained either through the contracting of the WB DIME or through baseline study missions by independent consultant evaluators or other preliminary preparatory studies consistent with development impact evaluation methodologies.

These baselines and studies should contribute towards addressing considerations of gender, inclusion and human rights such that all evaluation assess the extent to which the Action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality will be ensured in the evaluation teams.

The evaluation budget line may be used for indirect management with WB DIME (see section 4.4.4 above) in view to build capabilities of both Team Europe partners and GoK in 'development impact evaluations'. While the EU will seek for WB DIME to take the process all the way to the evaluation stage where possible, this will not be the case unless otherwise agreed with the concerned Team Europe partners. *A priori*, therefore, WB DIME may *not* actually evaluate Team Europe partners work but rather focus on the preparation of the grounds for independent evaluations to be undertaken with improved evidence-based methodologies, more robust data collection, more strategic measurements, potential development of adapted tools such as digital apps, etc.

The final and or *ex-post* evaluations will be carried out for accountability and learning purposes at various levels (including an emphasis on development impact and potential for policy revision), taking into account in particular the fact that digitalisation is a new and fast changing area of intervention for the EU.

Since this Action implements a TEI, evaluations will be undertaken in collaboration with contributing Member States and ELFI to provide its overview within the larger impact of the TEI.

The Commission shall inform the implementing partner at least three months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination¹¹. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services, namely mid-term including potential baseline missions, may be contracted under the allocations of this Action through a framework contract or another contracting modality allowing for longer implementation periods. The final or *ex-post* evaluations may be covered by another measure constituting a Financing Decision.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multi-annual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

¹¹ See best [practice of evaluation dissemination](#)

Appendix 1 REPORTING IN OPSYS

An Intervention¹² (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as

Contract level		
<input type="checkbox"/>	Group of contracts 1 (on connectivity)	-Indicatively: Contribution Agreement with EIB focusing on the provision of fibre infrastructure in underserved areas through blending the EU grant with an EIB loan and mobilising public and private sector investments. -Indicatively: Contribution Agreement with Unicef to extend the Giga programme to connect underserved schools and complementary educational services.
<input type="checkbox"/>	Group of contracts 2 (on Digital for TVET)	-Indicatively: Contribution Agreement with Germany (KfW) for Digital for TVET involving blending an EU grant with a KfW loan also leveraging a loan from France (AFD) ,.
	Group of contracts 3 (on governance)	-Indicatively: Twinning grants with the Government of Kenya on e-government.
	Single contract 1 (on digital economy and governance)	-Indicatively: Contribution Agreement with Germany (GIZ) to cover outputs 2.2, 2.3 2.4 mainly through the Digital Transformation Centre (DTC) Kenya and specific objective 3 in collaboration with Estonia (whose development agency is being pillar assessed by the EU).
<input type="checkbox"/>	Single contract 2 (on building capacity for development impact evaluations)	-Indicatively: Administration Agreement with WB (DIME) to build capacity, train, transfer knowledge, and undertake research on development impact evaluations, and to evaluate where accepted by partners.
<input type="checkbox"/>	Single contracts 3 (Evaluation)	-Indicatively: Independent evaluation consultant to focus on baseline and mid-term.

¹² [Ares\(2021\)4450449](#) - For the purpose of consistency between terms in OPSYS, DG INTPA, DG NEAR and FPI have harmonised 5 key terms, including ‘action’ and ‘Intervention’ where an ‘action’ is the content (or part of the content) of a Commission Financing Decision and ‘Intervention’ is a coherent set of activities and results which constitutes an effective level for the operational follow-up by the EC of its operations on the ground. See more on the [concept of intervention](#).