

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.

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:

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>