

## MANAGEMENT AND IMPLEMENTATION

### 13. Type of financing<sup>1</sup>

**Indirect management** with the entity(ies) to be selected in accordance with the criteria set out in section 4.4.4.

Further, a contribution to the Africa Investment Platform (AIP) shall be implemented in indirect management by entity(ies) indicated in appendix 1 to this Action Document, in accordance with the Regional Blending Platform's award procedure.

## 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.

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. It is also the only country of the region that has concluded an economic partnership agreement with the EU. 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. 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. 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 9 800 000 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 4 900 000 to GIZ** who will work in collaboration with Estonia.

<sup>1</sup> Art. 27 NDICI