

Country Development Cooperation Policy for the Republic of Kenya

As of September, 2020

1. Purposes of Development Cooperation

Kenya has geopolitical importance as a strategic gateway for the East African region connecting the landlocked African countries with the Indian and Pacific Oceans. Kenya spearheads the region with the largest economy thus also contributes to regional peace and stability.

Kenya has developed close relationships with Japan. For example, Kenya became the first African country to host the Tokyo International Conference on African Development (TICAD), and has also been a key partner in the realisation of the 'Free and Open Indo-Pacific (FOIP)' promoted by Japan.

The bilateral investment treaty between Japan and Kenya has come into effect and the number of Japanese companies operating in Kenya is the second largest among Sub Saharan Africa¹ countries, which makes Kenya an important base for Japanese companies to expand their activities into Africa and strengthens the economic ties between the two countries. Moreover, Kenya, as an economic powerhouse in East Africa, is expected to play a leading role in the African Continental Free Trade Area (AfCFTA), which was launched in 2019.

On the other hand, Kenya still contends with a large population living below the poverty line. There is an urgent need to support the people left behind by the country's economic growth; to address challenges such as youth unemployment and the deterioration of the living environment due to rapid urbanisation; and to strengthen preparedness and response to natural disasters, including drought. Action is also needed to ensure that Kenya's ongoing growth is inclusive and sustainable.

Kenya launched the 'BIG 4' agenda² that outlines priority policy areas up to 2022 and formulated the 'Third Medium Term Plan' as an action plan under its 'Vision2030'³, which aims to transform lives through social and economic development.

Japan contributes to the sustainable development and equitable social development of Kenya through its support in addressing the challenges while respecting Kenya's ownership, leading to a further enhanced partnership between the two countries. Moreover, it is expected that the steady development of Kenya will have a spill-over effect in the East African region and the entire Indo-Pacific region.

¹ The number of Japanese companies in Kenya:57 (The number of Japanese companies in Japanese Business Association in Kenya)

² Big4 Agenda is an initiative launched by President Kenyatta in December 2017 which consists of Manufacturing, Food security and Nutrition, Universal Health Coverage and Affordable housing.

³ It is a long term development blueprint launched in 2018. It aims to make Kenya upper middle income country by 2030.

2. Basic Policy of Japanese ODA: Contribution to sustainable development and equitable social development conducive for economic growth

Japan's underlying policy priority is to contribute to the social and economic development of the Republic of Kenya through addressing challenges that arise with economic growth and supporting citizens left behind by economic growth, while contributing to the development of quality infrastructure which is conducive to economic growth, and improving the economic environment and social infrastructures. This cooperation will be implemented in line with Sustainable Development Goals (SDGs), since the outcomes will contribute to the achievement of SDGs.

3. Priority Areas

(1) Economic Infrastructure Improvement

Conduct assistance composed of soft and hard components in the areas of development of the Northern Corridor in East Africa and enhancement of connectivity through the development of quality infrastructure, appropriate development of large cities that are hubs of economy and trade, and improvement of access to electricity with a view of enhancing the development of the entire East Africa region and eventually AfCFTA.

(2) Industrial Development

Conduct comprehensive assistance for industrial development such as regulatory improvement and human resource development mainly in the areas where Japan has knowledge and skills in order to formulate new markets with improved business and investment environment, diversification of industries, and promotion of exports.

(3) Agriculture Development

Improve the value chain and the agricultural skills of small-scale farmers to meet market needs. Increase domestic rice production to alleviate the current high dependence on imports, reduce post-harvest loss, and promote utilisation/application of appropriate agricultural machinery, fertilisers, etc. in order to ensure food security. Support improvement of access to, and consumption of, nutritious food, and development of the fisheries sector in order to promote a sustainable blue economy.

(4) Universal Health Coverage (UHC)

Assist attainment of UHC under the devolved county system in order to reduce the inequality of health services; and support an adequate health budget, the provision of quality health services, and well-planned expenditure by County Governments responsible for practical implementation of health administration.

(5) Environment

Assist adaptation and mitigation countermeasures for climate change such as water resource management and forest conservation, and conduct assistance to strengthen the water supply services, sewage system, and waste management. This is critical as arid and semi-arid lands (ASALs) account for 80% of the country, and that it is urgent to deal with damage caused by drought and other disasters due to the effects of climate change, and the deterioration of urban environments.

(6) Regional Stability

Strengthen capacity of law enforcement authorities, including maritime security, since threats such as the flow and trafficking of illegal commodities and illegal, unreported and unregistered fishing become hindrance factors to economic and social development. Moreover, support humanitarian responses in coordination with international organisations from the perspective of human security.

4. Points to be considered⁴

(1) Since there are great expectations for investment in Kenya by Japanese companies, and corresponding interest in public-private partnerships (PPPs), it is necessary to promote the projects which can boost Kenya's economy and attract more investment from Japanese companies.

(2) There is a need to support Kenya's leading activities (regional infrastructure development, customs support, etc.) focusing on the East African Community (EAC)⁵ from the perspective of development not only in the country but also in the entire region.

(3) In the context of each challenge and situation, it is useful to adopt simple and low-cost technologies with local resources derived from Japanese knowledge, skills and experience in addition to introduction and broad use of modern technologies.

Annex: Rolling Plan

⁴ The country-focused ODA evaluation reports are available at the following link:

Country Assistance Evaluation (2014), Available at: <https://www.mofa.go.jp/mofaj/gaiko/oda/files/000076532.pdf>

⁵ The East African Community (EAC) is a regional intergovernmental organisation composed of Kenya, Tanzania, Uganda, Burundi, Rwanda, and South Sudan.