# Kenya-Italy Sustainable Development Partnership – KISDP Multi-annual indicative development cooperation strategy 2023 – 2027

Better together, stronger together

Tuko bora pamoja na pamoja tuko imara
Insieme per il meglio, insieme per essere più forti



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# Acronyms

ADC	Africa Development Center		
AICS	Italian Agency for development cooperation		
ASALs	Arid and Semi-Arid Lands Coronavirus		
COVID-19			
CSOs	Civil Sociery Organizations		
EAC	East Africa Community		
e-Waste	Electronic Waste		
FGM	Female Genital Mutilation		
Fintech	Finance and technology		
GAP	Gender Action Plan		
GDP	Gross Domestic Product		
GBV	Gender-based violence		
ICAP	Italian Cooperation Annual Programming		
ICPAC	IGAD Climate Prediction & Applications Centre		
KIDDP	Kenya-Italy Debt for Development Programme		
KISDP	Kenya-Italy Sustainable Development Partnership		
KISRP	Kenya Informal Settlements Regeneration Programme		
KISWAM	Kajiado Integrated Solid Waste Management		
KNBS	Kenya National Bureau of Statistics		
MSMEs	Micro, Small and Medium Entreprises		
MTP	Medium Term Plan		
NETFUND	National Environment Trust Fund		
NDMA	National Drought Management Authority		
NHIF	National Health Insurance Fund		
OHCHR	Office of the United Nations High Commissioner for Human Rights		
SDG	Sustainable Development Goals		
STI	Science, technology and innovation		
TE!	Team Europe Initiative		
TVET	Technical and Vocational Training		
UNDP	United Nations Development Programme		
UNSDCF	United Nations Sustainable Development Cooperation Framework		
WWN	WasteWise Nairobi		

# **Executive summary**

The Kenya-Italy Sustainable Development Partnership sets out an indicative joint development cooperation strategy that harmonizes the Italian Development Cooperation priorities with the *Kenya Vision 2030*.

The strategy is also fully aligned with the medium-term priorities of the European Union Delegation to Kenya and with the United Nations Programmes in Kenya. It sets a medium-term indicative partnership from 2023 to 2027, with an indicative envelope of 100 million euros for the first three years of implementation. The envelope will comprise of grants and soft loans and will be allocated on three main pillars: Prosperity, Planet and People. Each pillar sets a strategic outcome to be jointly reached and monitored by Kenya and Italy.

The strategy aims at improving vocational training and working skills and at providing better employment opportunities, especially for youth and women. It intends to strengthen the resilience of the rural and urban ecosystems through improved policies related to climate disasters, urban infrastructures and agricultural sector. It will contribute to improving access to quality social and health services for all, paying special attention to people in vulnerable conditions and to maternal, child, sexual and reproductive health in informal urban areas. It aspires to ensure effective and equal access to justice for victims of gender-based violence. In order to be aligned with the Agenda 2030 "Leave no one behind" shared commitment to eradicate poverty in all its forms, the strategy will focus on marginal urban settlements and rural areas, with the aim to reduce inequalities and to unleash the potential of Kenyan young people to achieve smart, sustainable and inclusive growth.

The strategy will thus support Kenya to increase its resilience and to boost its growth, in order to move towards a status of an inclusive and sustainable Middle-Income Country (MIC), without leaving behind the most vulnerable ones.



#### 1. Technical and thematic overview

# 1.1 The Republic of Kenya Development strategies

In 2008, Kenya adopted the Kenya Vision 2030, an ambitious long-term strategy for the transformation of the Country into a middle-income industrialized economy that can guarantee to all citizens a high quality of life in a healthy and safe environment<sup>1</sup>. The strategy, incorporates the implementation of the Millennium Development Goals up to 2015 and the Sustainable Development Goals from 2015 to 2030. It is built on 3 pillars: economic, social and political. In support of such pillars, the strategy foresees the strengthening of Kenya's foundations such as macroeconomic stability, infrastructural development, STI (science, technology and innovation), land reform, human resources development, security and public sector reform (all identified as enablers of the transformation process).

The Vision 2030 aspires to foster two fundamental streams of change: institutional and infrastructural transformation. The first began with the adoption of the new Constitution in 2010; the second began with the launch of large infrastructure projects to utilize the considerable energy potential (solar, wind, geothermal) and to redesign the communications and transport network (airports, seaports, motorways, railway lines). The implementation of the Vision 2030 is operationalized through cycles of five-year plannings where specific programs are more concretely outlined by year, results, resources, and skills. While the implementation and review of the progress achieved through the third Medium Term Plan - MTP III (2018 - 2022) is being carried on<sup>2</sup>, under the guidance of the Ministry of the Treasury and Planning, the fourth plan (MTP-IV) will be implemented from July 2023 to July 2027. The MTP-IV aims to "accelerate the socio-economic transformation towards a more competitive, inclusive and resilient economy". Its process was started in the first half of 2022 by the outgoing government and continued with the new government elected in August 2022, which harmonized the MTP-IV with the key elements of "The Plan: The Bottom-Up Economic Transformation Agenda 2022 - 2027". In essence, the Plan, was blended into the MTP-IV and set the base for its five pillars:

#### 1) Agriculture

In line with the previous plan, interventions are envisaged in terms of food security and crop diversification; revitalization of agri-food chains; access to the agricultural market and creation of added value;

# 2) Development of micro-small and medium enterprises

In this context, the intention is to develop a favorable tax regime for micro-smallmedium enterprises (MSMEs) and for manufacturing companies, with particular attention to the development of enterprises and the creation of industrial parks.

<sup>&</sup>lt;sup>1</sup> htt :: /www.vision2030.-o.ke

<sup>&</sup>lt;sup>2</sup> http://www.mtp3.go.ke/

Furthermore, it is intended to develop a "Hustler's fund"<sup>3</sup> for the development of informal and formal businesses, as well as improving access to the market for goods and services offered by MSME;

# 3) Housing and urban settlements

The Government has set itself the target of delivering 250,000 homes a year, in parallel with the provision of low-cost housing loans and incentives for builders. It also intends to strengthen MSMEs' ability to produce high-quality building materials.

# 4) Health Care

In this sector, the intention is to continue the achievement of universal health coverage through the reform of the National Health Insurance Fund, the expansion of existing health infrastructures and the improvement of the management of the supply chain of medical supplies (equipment and medicines). It also intends to hire additional health professionals and attract local and foreign investors for the development of health products and technologies.

# 5) Digital superhighways and creative economy

The extension of the national fiber optic infrastructure is essential to achieve reliable and convenient connection throughout the Country. There is a strong will to improve digital government services, waste management for the safe disposal of electronic waste (e-Waste); and the expansion of the space for creativity, from an artistic and cultural point of view.

### 1.2 The Italian Cooperation in the Country

The framework agreement currently in force is the *Economic, Technical and Development Co-operation Agreement between Kenya and Italy* dating back to 19<sup>th</sup> November 1985. The agreement provides the basis for a structured cooperation through feasibility studies, technical assistance and project implementation. With the adoption of the United Nations Millennium Development Goals in 2000, initiatives to fight against HIV/AIDS, on technical-vocational education, on environmental and cultural heritage conservation were implemented.

In the past three years (2020 - 2022), the grant and soft loans strategies of the Italian Cooperation in Kenya have been defined through a process of alignment with the changing needs of the Country and the continuous learning curve by the Italian Cooperation in analyzing the results achieved through its actions.

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<sup>&</sup>lt;sup>3</sup> www.husslerfund.co.ke

Government fund launched in 2022, to allow citizens to borrow money via mobile phone. The goal is to provide credit to (formal or informal) businesses at affordable rates (8% per year). Thanks to the fund, the government thus seeks to stimulate the start-up or development of businesses, without funds disbursed at reasonable interest rates. Government funding will provide credit through 1. personal finance; 2. microcredit; 3. Loans to small-medium enterprises; 4. Loans to start-ups.

- Attention has been paid to the diversification of crops and the reduction of climate and environmental vulnerability, fostering the use of more sustainable agricultural approaches, thus promoting better crop yields and territory conservation (with focus on the most fragile areas, such as the Arid and Semi-Arid Lands ASALs). Furthermore, interventions have gradually been directed towards improving market access for more profitable agricultural products for farmers, the identification of new markets, as well as enhancing the quality of the products.
- The interventions in infrastructure have focused on urban development such as informal settlements and waste management. This linking to fostering a greater reduction of environmental vulnerabilities linked to human action. This strategic line of intervention, strongly requested by the Kenyan Government, arises from the best practices coming from the Kenya-Italy Debt for Development Programme (KIDDP).
- Another significant (multi-sectoral) area of intervention is the access to basic services for vulnerable populations in Kenya. Over the years, interventions towards better access to water, education and health services have been essential. The COVID-19 global emergency has made clear the weakness of national and local health systems and therefore the importance of developing specific medium-term actions to strengthen them.
- Cross-cutting to most of the interventions, starting from 2018, investments have been made, by funding through UN Women and the United Nations system, on the prevention and response to episodes of gender-based violence and access to justice for the victims; this also in light of the exacerbation caused by the COVID-19 pandemic itself. Other interventions have been linked to the cooperation in the higher education and in the development of scientific training, in collaboration with research bodies/institutions in Kenya and Italy.
  - In response to the growing development needs, the interventions were directed towards supporting the development of the private sector. This has been carried by promoting the growth of local entrepreneurship, through the development of Micro, small and medium enterprises, the improvement of business and technical skills, creating employment opportunities for youth and women, and the internationalization of Kenyan businesses.

# 2. Strategy and priorities

The approach of this document is to define an agreed strategic and programmatic framework between Italy and Kenya. A common path intending to follow the national development strategies together with those of Italian Cooperation. The KISDP outlines the medium-term strategic objectives for Kenya (outcomes), which will be aligned both at the national and Italian cooperation level. The KISDP defines an initial set of indicators (national and international) to monitor the outcomes. In addition, it defines a general indicative envelope



(for grants and soft loans) to be allocated towards the various outcomes through the annual programming of the Italian Cooperation (Italian Cooperation Annual Programming - ICAP).

The indicative envelope for grants and soft loans, for the period 2023 - 2025, will then be defined and allocated annually through the individual ICAPs. Although the indicative envelope is of three years, the strategy has a five-year duration from 2023 to 2027. A further allocation of funds may be foreseen from 2026 to 2027 following a satisfactory assessment of the implementation of the KISDP. The breakdown of the 2023 – 2025 envelope is defined as follows:

Indicative resources	Indicative resources
GRANTS	SOFT LOANS
2023 - 2025	2023 - 2025
35 million of euro	65 million of euro
Total indica	tive resources
100 milli	on of euro

The KISDP will allow to plan the outcomes, to collect and analyse information in a systemic way; thus, making changes and improvements in institutions, policies and programmes. In choosing the outcomes for Kenya, a common ground was sought between the objectives set and the results achieved by the various development cooperation initiatives over time. As already indicated, the action that the Italian Cooperation intends to promote is linked to Kenya's long and medium-term strategic vision (*Vision 2030* and MTP-IV). Likewise, it to ensures the alignment of the long, medium and short-term strategies of the European Union (*Global Gateway EU*<sup>4</sup>, *Multi-Annual Indicative Plan 2021 -2027 for Kenya*<sup>5</sup>; *Team Europe Initiatives for Kenya*<sup>6</sup>; *Annual Action Plans for Kenya*) and of the *United Nations Sustainable Development Cooperation Framework*<sup>7</sup> (UNSDCF).

Overall, the strategy aims to contribute to the efforts of the Government of Kenya to reduce inequalities and to improve the living conditions of the most vulnerable populations in rural and urban areas. This, allows Kenya to grow in a sustainable and inclusive way, leaving no one behind, through: strengthening the private sector and training; disaster risk reduction and management; resilience of rural and urban ecosystems; improvement of access and quality of social and health services and of justice for victims of gender-based violence.

The stakeholders involved include the Kenyan government system (National Treasury, line ministries and government agencies) as well as the private sector and local civil society, in conjunction with the Italian Cooperation System, which will operate through the Italian Agency for development cooperation (AICS).

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<sup>4</sup> www.eeas.euro | a.eu/iias/global-gatewa / en

<sup>&</sup>lt;sup>5</sup> www.eeas.euro a.eu/dele ations/ken/a/ken/a-multi-annual-indicative-programme-2021-2027 en

<sup>&</sup>lt;sup>6</sup> Www.euro\_a.eu/ca/acit/4dev/tei-ip-tracker/ken/a?tab=tei

www.kenya.un.org/en/198319-united-nations-sustainable-develor ment-corperation-framework

## 2.1 Pillar 1: Prosperity

To improve the training, skills, employment and dignified income for youth and women in rural and urban areas in Kenya through the development of entrepreneurship with high capital and social impact.

Through this pillar, the Italian Cooperation intends to contribute to the achievement of SDG 8 through the promotion of self-employment and entrepreneurship, seeking to increase digital skills for Kenya's micro, small and medium-sized enterprises (MSMEs).

**Outcome Italian strategy**: increase of youths and adults with specific skills in order to promote full and productive employment and dignifying work (SDG 8.1)

**Outcome Kenya-Italy strategy**: improve the training, skills, employment and dignified income of youth and women (with particular attention to arid and semi-arid lands, as well as informal urban settlements) in Kenya through the development of entrepreneurship with high capital and social impact.

**The change to be achieved:** If Kenya is supported in improving training, skills, employment and a dignified income for youth and women through the development of high capital and social impact entrepreneurship, and if, in doing so, the focus is mainly on the populations of ASALs and informal urban settlements, then Kenya will be able to grow in a sustainable and inclusive way, leaving no one behind.

#### Indicators:

- Percentage of young people (aged 15-24) who are not enrolled in any educational, employment or training course (SDG 8.6.1).
- Numbers of workplaces directly supported by the donor.
- Number of people who benefited from TVET/skills development programs through support interventions in institutions or workplace.
- Number of enterprises introducing a new products/service on the market with the support of the interventions.

The young age of the population is a source of opportunities, but at the same time epitomises a significant employment challenge. About one million young Kenyans enter the job market each year by preferring the tertiary/advanced tertiary sector; this is seen as a dynamic and profitable sector; a sector contributing 54% of the country's Gross Domestic Product<sup>8</sup>, followed by the agricultural and industrial sector contributing 22% and 24% of the GDP respectively<sup>9</sup>. Therefore, many youths try to start or scale up Micro-Small-Medium enterprises (MSMEs), mostly informal, without the necessary knowledge and skills to be able to manage them adequately. The result is a bottleneck for MSMEs to grow and further invest in their own development due to a lack of managerial skills (management, fund research, etc.) and the lack of credit access. These issues are more

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<sup>&</sup>lt;sup>8</sup> World Bank, 2021 | https://data.worldbank.org/indicator/NV.SRV.TOTL.ZS?locations=KENYA

<sup>&</sup>lt;sup>9</sup> ibidem

pressing in the informal settlements and ASALs in Kenya. From this standpoint it is crucial to support the innovation in the agribusiness and in the manufacturing sector of an active and important member of the East Africa Community (EAC) like Kenya; this also through expansion of regional cross-border trade (i.e. through the development of a regional electronic commerce strategy), and through a better access to credit for MSMEs in order to encourage business formalization and growth. Finally, the contribution of the private sector could make vocational training less theoretical and more based on the labour markets demand.

The development of young people's skills and entrepreneurship are two cornerstones of Kenya's Vision 2030; this in particular within the social and economic pillars. Furthermore, a pivotal role has been played through the different Medium-Term Plans (MTPs), with more emphasis starting from the MTP-III (2018 - 2022) in which the development of skills for the private sector has marked a notable acceleration, as a "driver" of change, and sustainable and strong economic development. These elements are also present within the MTP-IV (2023 - 2027) through the strong commitment to the development of entrepreneurship through training, business formalization, and access to credit.

This KISDP outcome also takes into account the Multi Annual Action Plan 2022 – 2026 of the EU Delegation in Kenya. Within its pillars emerges the importance of intervening to allow the growth of MSMEs in a favourable and transparent environment that strengthens the young and dynamic entrepreneurial spirit of the country, through an ecosystem that focuses on skills and digitalization, without leaving behind access to credit and the development of training opportunities for young people. This is also reflected within the joint initiative of the European Union in Kenya (Team Europe Initiative – TEI) on "Digitalization" 10. Moreover, the United Nations in Kenya, through the United Nations Sustainable Development Cooperation Framework 2022 - 2026, focus their strategic action in this direction. Above all, the development of skills of young people and women is transversal to the achievement of the strategic priorities of the UN system in Kenya.

The added value of the partnership becomes pivotal in intervention strategies intending to support the private sector on skills improvement through the Country. Kenya is considered a hub for skills development and entrepreneurship. It is the known as "Silicon Savannah"; a place in which innovation and new technologies act as a socio-economic driving force and in which the pluralism of stakeholders (public and private ones) has worked in the past five years to network, to create synergies and to support the development of skills and entrepreneurship. It is an attractive element both for notable companies in the finance and technology sector (fintech) and for many international

<sup>10</sup> www.euro a.eu ca acit 4dev tei-i -tracker tei ken a-digital

investors; these choose Kenya attracted by the promising entrepreneurial ecosystem<sup>11</sup>, a system which, to fully grasp the potential for economic and entrepreneurial development, needs to focus more on quality training to provide qualified personnel that respond to market needs. The launch of the *International Financial Center*<sup>12</sup> in Nairobi fits into this framework, which will further attract foreign investors in the financial sector, through tax and immigration facilitations, as well as spaces in new buildings. Kenyan startups still in the seed-funding phase will enjoy membership fees below Sh100,000 (approximately 750 Euros), for a period of three years, offering the opportunity for foreign investors to enter more easily with early seed transactions in early stage fintech and startups. As a result of these developments, Microsoft launched one of its two *Africa Development Center*<sup>13</sup> (ADC) in Nairobi, with plans to hire at least 450 full-time employees; while Google announced the hiring of more than 100 full-time employees for its upcoming *Product Development Center*<sup>14</sup>, the company's first of a kind of such facility in Africa.

In this dynamic framework, partnerships will be strategic with the local and international private sector, trade associations, public bodies and international organizations. In particular, the cooperation with of the Ministry of industrialization, trade and enterprise development and/or the Ministry of Co-Operatives and Micro, Small and Medium Enterprises (MSME) Development will act as a catalyst. Furthermore, the longstanding work carried out with the "E4Impact" business accelerator will be important not only to contribute to a better connection between youth, women and entrepreneurs (local, Italian and European), but also to leverage the experience acquired in terms of results achieved and local partners involved (e.g. Universities and research institutions and/or local and Italian chambers of commerce). This, combined with their strong ability to network, makes it possible to optimize the coordination, effectiveness and impact of development cooperation interventions aimed at achieving the SDG target for this outcome.

<sup>11</sup> According to the "Doing Business report" (2020-2021) made by World Bank, Kenya has improved progressively its position in the last five year in the conductivity of the business environment. https://archive.doinebusiness.org/en/data/exploreeconomies/kenya

<sup>&</sup>lt;sup>12</sup> The Nairobi International Financial Centre is one of the flagship projects previewed under Kenya Vision 2030. https://nifc.ke

<sup>13</sup> https://www.microsoft.com/mea/trustedcloud/ken/a

<sup>14</sup> https://www.invest.jo.ke/google-opens-product-development-center-nairobi-first-africa

<sup>&</sup>lt;sup>15</sup> The E4Impact acceleration and incubation center has been funded by the Italian Cooperation since 2018 through the Catholic University of the Sacred Heart (Milan) with its E4Impact foundation. The center has quickly become a point of reference in Kenya's entrepreneurial system, offering legal, financial, training and mentoring services. The Italian Cooperation is supporting the consolidation of the E4Impact accelerator by enhancing its activities and improving its infrastructure. A complementary intervention concerns the development of an innovative center on renewable energies within the professional school of St. Kizito, which includes a mini-grid to be created in collaboration with Res4Africa and the creation of an exhibition space on innovative energy products in collaboration with ENI. Finally, the initiative foresees a revolving fund to finance companies after the acceleration and incubation period. The project represents an initiative in the field of partnership between academia, the private sector and public institutions to promote entrepreneurship and job creation in Kenya.

#### 2.2 Pillar 2: Planet

Strengthening the resilience of the rural and urban ecosystems through improved policies related to climate disasters, urban infrastructures, and the agricultural sector.

Through this pillar, the Italian Cooperation aims at contributing towards the fulfilment of the SDG 13, strengthening the disaster risk reduction and management, as well as strengthening the resilience of rural and urban ecosystems through governance interventions, environmental restoration, and combating the effects of climate change such as droughts, floods and soil erosion. Further interventions will aim at increasing urban centres' resilience against climate change, while providing suitable basic services.

**Outcome Italian strategy:** Strengthening resilience and adaptive capacity to climate-related hazards and natural disasters (SDG 13.1).

**Outcome Kenya-Italy strategy:** Strengthening the resilience of the rural and urban ecosystems (with particular attention to arid and semi-arid lands, as well as informal urban settlements) through improved policies related to climate disasters, urban infrastructures, and the agricultural value chains.

The change to be achieved: If Kenya strengthens the resilience of the rural and urban ecosystems through improved policies related to climate disasters, urban infrastructures, and the agricultural value chains, and if in doing so particular attention is paid towards population living in arid and semi-arid lands, as well as informal urban settlements; then Kenya will be able to protect the environment and manage its own natural resources, fighting climate change without leaving anyone behind.

#### Indicators:

- Proportion of the total adult population within the targeted city with a land title deed legally recognized, disaggregated by gender (percentage).
- Number of people with access to improved sources of drinking water and/or health and hygiene facilities, disaggregated by sex and location (rural/urban).
- Capacity of collection and disposal of solid waste, per year.
- Number of counties with accessible, understandable, usable and relevant disaster risk information and assessments available to people at national and local level.
- Number of people (per 100,000) alerted by early warning information through local governments or through national dissemination systems.
- Forest area in proportion to total area.

Kenya is a country vulnerable to external shocks, with an economy strongly relying on climate-sensitive sectors. The rich natural capital, biodiversity, wildlife and marine ecosystems is challenged by climate change and sub-optimal management of natural resources, along with land degradation, deforestation, wildlife poaching and overfishing. In the past 10 years, climate change impacts have resulted in economic losses in Kenya estimated to be between 3 and 5 per cent of the annual GDP; this is despite the fact that the country's global greenhouse gas emissions are negligible (<0.1 per cent in 2018,

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World Bank). Climate change is one of the main factors which is preventing the implementation of the Kenya Vision 2030. In the last decade, Kenya has lost circa 5.000 hectares of forest per year, with an estimated annual reduction in water availability of 62 million cubic metres (Ministry of Land of Kenya). Land degradation is increasing in many areas of the country both in severity and extension. Starting from 1997, around 23% of Kenya's land was vulnerable to major desertification, a figure which has increased to 30% at the beginning of 2000 (Ministry of Devolution and ASALs of Kenya). Recent estimates indicate that more than 20% of all the cultivated areas, 30% of the forests, and 10% of the grasslands suffer land degradation (Ministry of Devolution and ASALs of Kenya). The loss of forest cover, mainly due to the human's pressure for the creation of new urban and agricultural settlements and for the supply of timber and other forest products, has a great impact on the degradation of Kenya's watersheds. Furthermore, the rapid urbanisation has exacerbated poverty, inequality and social injustice among the most vulnerable groups and, at the same time, exposed them to risks related to extreme climate events. As a matter of fact, 54,7% of the population lives in informal settlements<sup>16</sup>. Rapid urbanisation processes along with migration flows from rural areas to cities, and inadequate housing policies have led to the rise of this phenomenon. The rise of informal settlements is a common occurrence in urban areas in Kenya, due to the shortage of affordable housing for low-income populations. Moreover, 53% of the population is considered multi-dimensionally poor<sup>17</sup>, which means that it does not have access to three or more basic services including drinking water, nutritious food, vaccinations, quality housing and education.

Overall, the aim is to develop resilience in Kenya on two levels: of the environment and of the local communities, both at rural and urban levels. Indeed, the aim is to make the environment and ecosystems capable of adapting to natural and anthropogenic changes, and to enable communities to have the tools and means to respond more effectively and self-sufficiently to different types of emergencies resulting from such abovementioned kind of events. Therefore, in line with the country's priorities, along with the interventions of the European Union and the United Nations, emphasis will be placed on initiatives in the arid and semi-arid areas of the country to mitigate the drought emergency and build resilience, and on initiatives in informal urban areas to ensure their resilience to climate change. Considering the ongoing Italian interventions on disaster risk reduction and management, it is deemed strategic to work on this matter to make government action more effective in the event of emergencies.

Resilience to both economic and environmental/climatic shocks, is indeed a cross-cutting theme in the pillars of *Kenya's Vision 2030*; this is particularly exemplified in the strategy's "enablers", which states how interventions in *Disaster Risk Reduction*, Ending Drought

<sup>&</sup>lt;sup>16</sup> UN-Habitat Support to Sustainable Urban Development in Kenya: Addressing Urban Informality, UN-Habitat, 2016 htt s://unhabitat.org/sites/de/ault/iles/download-mana/er-iles/UN-Habitat%20SSUDK %20Report Vol%204 inal.LowRes.pdf <sup>17</sup> Ibidem.

Emergency<sup>18</sup> and infrastructure are priorities. Such elements are partially present in the previous Medium-Term Plan III (MTP), and emphasised in the MTP-IV. In fact, in addition to urban regeneration and the development of key infrastructure, emphasis is placed on both risk and disaster management and mitigation and the development of drought resilience. From the urban perspective, Vision 2030 recognizes and asserts the importance of urban planning and access to adequate housing for those currently living in slums, envisaging by 2030 a rapid development in the capacity of urban planning and implementation. Furthermore, given the growth of informal settlements, the Government of Kenya has enacted several laws. In particular, through the National Housing Policy and the National Slum Upgrading and Prevention Policy, the government is targeting the achievement of inclusive and sustainable urbanisation.

This strategy is also included within the *Multi Annual Action Plan 2022 – 2026* (MIP) of the EU Delegation in Kenya. Within the first and second priorities of the MIP there is a focus on efficient management of natural capital and biodiversity, resilience of the population living in areas affected by climate change, and inclusive and resilient urbanisation. This is also reflected within the joint EU initiative (Team Europe Initiative - TEI) "Green Deal" Lastly, the United Nations, through its *United Nations Sustainable Development Cooperation Framework 2022 - 2026* also focuses its strategic action towards this direction. Through the *Strategic Priority Two (Prosperity and Planet)*, the Framework aims at strengthening the capacities and policies of institutions and communities to foster action against climate change and to support risk and disaster management.

Multi-level collaboration between local and international stakeholders is a crucial point for implementing the Italian Cooperation strategy in the country. Over the years, in fact, the dialogue of the "International Cooperation System" in and with Kenya has become increasingly tighter; this is in view of the country's growing commitment to tackling climate change and reducing the risks and disaster management at the urban, peri-urban and rural levels. Projects showcasing such growing commitment are interventions in the sector of urban regeneration initiated under the Kenya-Italy Debt for Development Programme (KIDDP), ongoing within the Kenya Informal Settlements Regeneration Programme<sup>20</sup> (KISRP), in synergy with the development of a waste management and

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<sup>&</sup>lt;sup>18</sup> During the period 2023-2030, the Government has developed a strategic vision to enable Kenya's vulnerable populations (including refugees) to move from dependence on external assistance to self-reliance, and to promote peaceful coexistence between host and refugee communities in Northern Kenya.

<sup>19</sup> https://europa.eu/capacity4dev/tei-jp-tracker/tei/kenya-green-transition

<sup>&</sup>lt;sup>20</sup> The program aims at improving connectivity and access to basic services inside and outside informal settlements, building on the good practices from the KIDDP's *Korogocho slum upgrading* in terms of promoting economic development and security. Areas of intervention will be the slums of Awelo (Syaia County), Kalolo Kibaoni and Bayamagonzi (Kilifi County) and Mathare (Kajiado County). KISRP will promote community organization in the three slums, facilitating the development of land tenure security, and providing/improving physical and social infrastructure in the three settlements.

disposal systems with initiatives such as *Kajiado Integrated Solid Waste Management*<sup>21</sup> (KISWAM) and *WasteWise Nairobi*<sup>22</sup> (WWN). Additional projects are commitments to contribute to national reforestation campaigns<sup>23</sup> and national reforestation and resilience funds<sup>24</sup> or specific initiatives aimed at restoring degraded river basins or community reserves. Furthermore, to complement the Italian course of action, the development of a pan-African civil protection system within the African Union<sup>25</sup> is crucial.

# Focus on: Kenya-Italy Debt for Development Programme (KIDDP)

Initiated in January 2007, the KIDDP was aimed at converting the debt contracted by the Government of Kenya to the Italian Government into development projects. The value of the debt amounts to €42,913,028.56 and \$1,364,282.07, which were converted into development initiatives in the water, health, education and urban development sectors, for an initial period of ten years, subsequently extended on two occasions.

- In the water sector, the programme has mobilised EUR 27 million to support
  interventions aimed at increasing the availability of and access to drinking water
  sources, financing 55 projects to date, located in arid and semi-arid areas of the
  country. The construction of new water systems has been supported in order to
  distribute water to areas initially without access, as well as modernising existing
  facilities, impacting an estimated 450,000 people in total.
- In the education sector, KIDDP activities focused on vocational training, which is a priority for the Government of Kenya. With more than EUR 5 million, new vocational training centres were built, or existing ones were renovated in nine counties; all 36 institutes involved in the programme benefited from machinery and teaching materials for the different courses. Each beneficiary vocational institute was able to develop a training model linked to the needs of the local market in the relevant sectors, in order to provide a solid foundation for the development of the economic and social conditions of rural youth, in particular through the provision of scholarships for the most vulnerable and specific training for teachers.

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<sup>&</sup>lt;sup>21</sup> The soft loan will fund the clean-up of the existing illegal dump in Ngong City, the opening of a temporary dump site to serve as a waste separation center, and the construction of a municipal solid waste disposal plant with a waste-to-energy system. This will be linked to the creation of regulatory framework with the strengthening of the county's technical and management capacities.

<sup>&</sup>lt;sup>22</sup> The initiative at improving solid waste management in Korogocho (Nairobi) by fostering municipal solid waste collection and recycling, stakeholder coordination, capacity building and infrastructure development. The initiative is based on the results of the assessment carried out by UN-Habitat as part of the implementation of the *Waste Wise Cities Tool*.

<sup>&</sup>lt;sup>23</sup> In December 2022, President William S. Ruto launched a national tree-planting campaign with the aim of combating the effects of climate change in the country. The initiative aims to plant about 15 billion trees by 2032, to reduce greenhouse gas emissions, halt and reverse deforestation, and restore 5.1 million hectares of deforested and degraded landscapes.

<sup>&</sup>lt;sup>24</sup> Specifically, Italy will participate with funding from the *Tree Growing Fund*, a fund co-managed by UNDP and NETFUND (National Environment Trust Fund of the Kenyan Ministry of Environment).
<a href="https://undp-kenya.medium.com/president-uhuru-kenyattas-30-new-tree-cover-pledge-is-a-real-deal-breaker-for-kenya-fe8f10827d67">https://undp-kenya.medium.com/president-uhuru-kenyattas-30-new-tree-cover-pledge-is-a-real-deal-breaker-for-kenya-fe8f10827d67</a>

Thanks to Italian contributions, it was possible to create a system of "situation rooms" for the responses coordination to natural disasters, which reports to the central processing room at the African Union in Addis Ababa, inaugurated in 2022. The first "room" to be inaugurated was the one in Kenya in Ngong (October 2021) at the IGAD Climate Prediction & Applications Centre (ICPAC). Funding from the Italian Cooperation not only provided the equipment of the rooms, but also the training of technicians to operate them and issue bulletins with climate analyses and predictions. The system is up and running and already providing data and reports used in past (locust invasion) and present (drought) emergencies.

- With regards to the health sector, over EUR 4 million was spent on 21 small and medium-sized hospitals, which have benefitted by obtaining the rehabilitate of existing facilities or the building of new wards, impacting some 130,000 people in 11 different counties. The interventions improved the training of primary health care personnel in maternal and child health, project administration and management, AIDS prevention and sexually transmitted diseases. In addition, all the facilities involved received machinery and equipment to improve the level of services provided.
- Finally, in the urban development sector, KIDDP intervened in the upgrading of informal settlements (slums) in Korogocho (Nairobi) and Kilifi by financing initiatives aimed at improving the living conditions of the dwellers and enhancing their socioeconomic well-being. With more than EUR 7 million allocated to the sector, the interventions implemented were both infrastructural (construction/rehabilitation of bridges, paved roads, recreational and community centres, basic health facilities) and policy-related, with a focus on the issue of land tenure security and participatory urban planning.

Overall, within the chosen intervention strategies, collaboration will be strengthened not only with the Government, especially through specific sectoral government authorities, but also with other donors such as the European Union (with a view to helping achieve the goals set out in the Green Deal's Team Europe Initiative). The great advantage will be above all the reduction of duplication and the definition of so-called 'multi-stakeholder' programmes that can be adapted to the needs of the country, more effective, efficient and sustainable. With this in mind, potential government partners could be the National Drought Management Authority (NDMA), the Ministry of Environment, Climate Change and Forestry, and the Ministry of Lands, Public works, Housing and urban Development (State Department of Housing and Urban Development). At the local level, potential partners could be the Italian civil society organizations in Kenya (which are knowledgeable of the area and have strong partnerships with local civil society). At the international level, on the other hand, partners could be United Nations agencies that can give added value and visibility to the Italian Cooperation's interventions, but also the European Union itself - with which the Italian Cooperation continues to collaborate to align short and long-term strategic objectives.

# 2.3 Pillar 3: People

Improving access to quality social and health services for all, with attention to people in vulnerable conditions and to maternal, child and sexual and reproductive health in informal urban areas. Improving access to justice for victims of gender-based violence.

Through this pillar, the Italian Cooperation intends to contribute to the achievement of SDGs 3 and 5 by strengthening access to social and health services for people in vulnerability in informal settlements.

Outcome Italian strategy: Improved access to quality social and health services for all, with particular attention to people in vulnerable conditions and to maternal, child and sexual and reproductive health (SDGs 3, 5)

**Outcome Kenya-Italy strategy:** Improved access to quality social and health services for all, with attention to people in vulnerable conditions and to maternal, child and sexual and reproductive health in informal urban areas. Access to justice for victims of gender-based violence has also improved.

The change to be achieved: If Kenya improves the quality social and health services, and if by doing so, attention is placed above all on the populations of arid and semi-arid areas, as well as informal urban settlements; then people will have access to treatment and justice, and Kenya will be able to grow in a sustainable and inclusive way, leaving no one behind.

#### Indicators:

- Reduction of neonatal deaths in target healthcare facilities.
- Reduction of maternal deaths in target healthcare facilities.
- % Increase in access to institutionalized deliveries vs expected deliveries (assisted by trained personnel).
- Women and girls are protected from gender-based violence and have access to quality, timely essential services.

Kenya, despite its economic development, still has high maternal and neonatal mortality rates: 342 cases per 100,000<sup>26</sup> and 21 cases per 1,000<sup>27</sup> respectively. Furthermore, another critical aspect linked to access to social and health services and to justice concerns gender-based violence in Kenya. According to the 2022 Kenya Demographic Health Survey, 34% of women aged 15-49 reported experiencing physical violence<sup>28</sup>.

In line with the country's priorities and the interventions of the Italian Cooperation already underway, the goal is to develop initiatives aimed at improving access to quality social-health and judicial services, particularly in the most vulnerable areas of the country. In particular, Italy has stood out in recent years for interventions to support the

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<sup>&</sup>lt;sup>26</sup> Maternal mortality ratio (modeled estimate, per 100,000 live births) - Kenya | Data (worldbank.org)

<sup>&</sup>lt;sup>27</sup> 2022 KDHS Ke. Indicators Report- Kenya National Bureau of Statistics knbs.or.ke

<sup>28 2022</sup> KDHS Key Indicators Report - Kenya National Bureau of Statistics | knbs.or.ke

prevention and response to gender-based violence; this in particular through United Nations agencies (UN Women and OHCHR), civil society and associations of human rights defenders, in order to ensure participation in key policy discussions to improve service delivery and fostering accountability of all stakeholders. Furthermore, the Italian Cooperation is focusing its action on supporting national health systems, with actions to support the networking of hospital facilities of excellence - to encourage the exchange of skills, experiences and good practices, as well as supply medical-health materials.

In the Kenya Vision 2030, the health sector is considered one of the seven strategic pillars of the social sector and particular attention is given to the reduction of mother-child mortality<sup>29</sup>. A special strategy is also envisaged for the improvement of the infrastructural healthcare network and the quality of the services offered<sup>30</sup>. Furthermore, the theme of the fight against gender-based violence is a priority theme of the MTP-IV; thanks to the Generation Equality Forum 2021, the Government of Kenya has defined twelve political commitments to end all forms of gender-based violence by 2026<sup>31</sup>.

The improvement of social and health services, with particular attention to access to services related to sexual and reproductive health, has been included both in the Multi Annual Action Plan 2022 - 2026 (MIP) of the EU Delegation in Kenya (priority 2.2 -Empowering Women and Youth), and within the United Nations Sustainable Development Cooperation Framework 2022 - 2026 (Priority 1 - People and Peace).

On the basis of previous experiences in the field of maternal and child health and the fight against gender-based violence, the Italian Cooperation intends to develop initiatives aimed at strengthening, on the one hand, government institutions and, on the other, civil society. From this point of view, the commitment to create partnerships with both the Ministry of Health and the Ministry of Social Services will be strong. We will also continue to support the United Nations agencies (UN Women and OHCHR) which create strong added value through their close collaboration with both local institutions and Kenyan civil society actors. Finally, support to Italian civil society in these sectors will be strengthened. Indeed, Kenya enjoys a dynamic and strong Italian civil society which has been working throughout the country for years, in priority sectors for the Italian Cooperation. Thanks to opportunities for CSOs, we will try to create synergies between bilateral actions and initiatives entrusted to civil society.

#### 2.4 "Leaving no one behind": the commitment to arid and semi-arid areas and informal urban settlements.

The "Leave no one behind" principle32 is the central and transformative promise of the 2030 Agenda and its Sustainable Development Goals. It represents the shared

<sup>&</sup>lt;sup>29</sup> Pag. 16

<sup>31</sup> https://www.icrw.org/wp-content/unloads/2021/06/GEF Ken a GBV summary-05.21-web. df

<sup>32</sup> https://unsdi.un.org/2030-a\_enda/universal-values/leave-no-one-behind

commitment to eradicate poverty in all its forms, end discrimination and exclusion, and reduce the inequalities and vulnerabilities that leave people behind and undermine the potential of individuals and humanity as a whole. Many of the barriers that people encounter in accessing services, resources and equal opportunities are not simply accidents of fate or lack of availability of resources, but critical issues that leave particular groups of people increasingly behind.

Over the years, the government of Kenya has implemented policies and reforms to reduce inequality. Some of the main policies implemented by the Kenyan Government include: the pursuit of economic growth; money transfers to vulnerable groups; and devolution of government functions and services to local levels<sup>33</sup>.

Despite the efforts made, Kenya is one of the countries in Africa which, like other countries in the Region, that still has high levels of inequality. In East Africa, Kenya has the highest inequality indicators compared to its neighbours. An evident inequality under various aspects: social and gender, economic-work, educational, health; access to services<sup>34</sup>. The report by the Kenya National Bureau of Statistics entitled "Inequality Trends and Diagnostics in Kenya" (2020), where the aforementioned data are coming, indicates that marginal urban settlements and rural areas are the ones with the greatest inequalities. These are particularly vulnerable areas on which the Italian Cooperation intends to concentrate its strategy, in line with the action of Kenya.

On the one hand, the Arid and semi-arid lands (ASALs) represent 89% of the country with about 38% of the population of Kenya (NDMA). These regions are home to over 90% of the wildlife that sustains the tourism industry, contributing 12% of the GDP, and are home to 70% of the national livestock population (Ministry of Devolution and ASALs of Kenya). These areas have huge potential for renewable energy (e.g. solar, wind) and natural resources, and are strategically located along the borders of Ethiopia, Uganda, Tanzania, South Sudan, Somalia, with high potential for cross-border trade and sociocultural interaction. Despite these advantages, these regions have the lowest development indicators in the country (UNDP). The Government of Kenya recognizes the potential contribution of ASALs to the achievement of Vision 2030 and recognizes the need to address inequalities and vulnerability as areas among the most fragile and most subject to extreme climatic events.

On the other hand, the rapid urbanization processes, often linked to inadequate housing policies, and the migratory flows from rural areas to the cities, in search of better job opportunities, have led 57% of the Kenyan population to urbanize<sup>35</sup>. The unplanned urbanization processes have led to the rapid and non-homogeneous growth of urban

https://www.knbs.or.ke/wn-content/uploads/2021/07/Inequality-Trends-and-Dia\_nostics-in-Kenya-Report.pdf <sup>34</sup> *Ibidem*, pages 7 – 10; 14.

<sup>35</sup>UN-Habitat Support to Sustainable Urban Development in Kenya: Addressing Urban Informality, UN-Habitat, 2016 https://unhabitat.or\_/sites/default/files/download-manager-files/UN-Habitat%20SSUDK %20Re ort Vol%204 final.LowRes.pdf



<sup>33</sup> Inequality Trends and Diagnostics in Kenya, KNBS (2020), page 5

settlements with significant repercussions on urban populations. In fact, having arisen on the basis of immediate needs, informal settlements are characterized by the lack of access to basic services such as drinking water, sanitation and the poor structural quality of the housing itself. Added to this is an intrinsic fragility with respect to extreme climatic events, consequences of climate change (e.g. floods, drought) and the weakness of food systems, heavily dependent on peri-urban and rural areas. This is a common phenomenon in sub-Saharan Africa, where parts of cities suffer deterioration that has legal (e.g. land tenure), physical (e.g. infrastructure), social (e.g. crime or education) and economic aspects.

Across these categories, the strategy will take into consideration the thematic lines related to equality and gender-based violence in Kenya and its international partners. In the country, the legal framework for the protection of women's emancipation is defined by the Constitution in various articles<sup>36</sup>. Strategically, Vision 2030 is one of the key policy frameworks advancing gender equality and women's empowerment, with an emphasis on promoting gender equality through equal access, economic opportunity, prevention and the response to gender-based violence (GBV), and elimination of female genital mutilation (FGM). Other related policies and pieces of legislation include: Sexual Offenses Act 2006, Prohibition of FGM Act 2011, Matrimonial Property Act 2013, Marriage Act 2014, Prevention Against Domestic Violence Act 2015, National Policy on Prevention and Response to GBV 2014, Policy on Eradication of FGM 2019, National Policy on Gender and Development 2019.

From an international point of view, the Guidelines on Gender Equality and the Empowerment of Women, Young lady and Girls (2020-2024) of the Italian Cooperation and the Gender Action Plan III (GAP III), the plan of action on gender equality of the European Union. In particular, attention will be paid to supporting interventions specifically aimed at tackling gender-based violence and mainstreaming the gender dimension, with 85% of the initiatives within the strategy being able to contribute to gender equality and empowerment of women by 2025.

<sup>36</sup> See art. 21 on the implementation of fundamental rights and freedoms, art. 27 on equality and freedom from discrimination, art. 81 on the general principles of the electoral system, art.100 on the promotion of the representation of marginalized groups.