



**USAID**  
FROM THE AMERICAN PEOPLE



## KENYA

### ECONOMIC GROWTH AND TRADE

USAID is working with the Government and people of Kenya to lay the foundation for inclusive, market-driven economic growth in line with Kenya’s Vision 2030 – the country’s long-term development plan - which is an important cornerstone of the country’s Journey to Self-Reliance. Kenya’s small and medium enterprises in agriculture and other trade sectors are the vehicle that will make this long-term goal achievable. They play a vital role in job creation and economic development.

However, they face many challenges like inadequate knowledge, limited market access, and inadequate capital and skills. Poor infrastructure and rapid changes in technology also hamper their growth. USAID recognizes the importance these small and medium enterprises play in growing the country’s economy and is working with private sector actors and investing in ideas and innovations that will improve the business environment. Through these investments and initiatives, USAID aims to address and find sustainable solutions to these challenges.

#### **HARNESSING INNOVATION & THE PRIVATE SECTOR**

USAID partners with local businesses as well as U.S. firms through linkages and trade facilitation, to develop new markets and supply chains as well as increase the use of effective technologies that boost agricultural yields, decrease post-harvest losses and provide farmers with better access to markets to sell their products. Our activities also help businesses grow by expanding access to finance for farmers, entrepreneurs and businesses.

#### **INVESTMENTS**

Kenyan firms, particularly small and medium enterprises, suffer from poor access to capital, hampering their opportunity to invest in new machinery, expand their operations and create jobs. Domestic credit to the private sector is stagnant, and falling for enterprises, and Kenyan firms have struggled to attract foreign direct investment.

USAID is working closely with the Government of Kenya and the Kenyan and U.S. private sector to encourage greater investment in Kenyan firms, particularly in the agricultural and small and medium enterprise sectors. Total investments through the USAID East Africa Trade and Investment Hub includes U.S.-related investment. Through the Kenyan Investment Mechanism, USAID is building an ecosystem of business advisory service providers and financial institutions focused on increasing lending and investment in the agricultural and clean energy sectors;

supporting pro-investment policy formulation; and building the capacity of the national and county governments to attract domestic and foreign investment.

USAID also partners directly with Kenyan commercial banks, microfinance institutions, and investment funds through our Development Credit Authority, which provides partial credit guarantees for loans targeting underserved borrowers, including rural farmers, small and medium businesses, and county government water utilities. USAID works directly with U.S. and Kenyan private sector firms and industry associations and other U.S. Government institutions such as the U.S. International Development Finance Corporation and U.S. Ex-Im Bank, to support greater U.S. foreign direct investment into Kenya.

## TRADE

Kenya's economic reforms, characterized by a high economic growth rate, have not benefited the whole populace and over 40 percent of Kenyans live on less than a dollar a day. These inequalities mostly affect women, youth and rural populations, and remain a challenge that can only be addressed through inclusive economic growth and sustainable job creation. USAID works closely with the Government of Kenya to promote increased trade and reinforce regional and bilateral efforts to strengthen economic competitiveness.

We also assist countries to take greater advantage of the trade opportunities provided by the African Growth and Opportunity Act (AGOA) and other global trade initiatives. USAID programs include trade; customs capacity building; and infrastructure improvements, such as one-stop-border-posts, to create an enabling environment; better market access and opportunities; trade facilitation; food security initiatives; and export promotion support for Kenya and EAC products. These efforts create a more business-enabled environment and help level the playing field for U.S. companies and investors looking to partner in East Africa.

## ENERGY DEVELOPMENT

One of the most critical constraints to economic growth is access to energy. Kenya has one of the most developed power sectors in sub-Saharan Africa, having opened its market to Independent Power Producers in the mid-1990s. Kenya benefits from an active private sector; Kenya Power & Lighting Company's (the state-owned distribution company) long track record as a creditworthy off-taker; and abundant renewable energy resources, especially geothermal, wind and solar. Kenya is also a global front-runner in terms of the depth and dynamism of its off-grid solar market.

The country currently has an electricity access rate of 74 percent, which is skewed towards the urban and peri-urban areas with over 80 percent access against 40 percent for rural areas. Despite this relatively high connection rate compared to its peers, the country still suffers from poor supply quality, characterized by frequent unscheduled power outages, and delays in getting new power connections among other challenges.

Through the Power Africa initiative, USAID is supporting the Government of Kenya's vision of attaining universal electrification by 2022, through increasing access to clean, adequate, reliable and cost effective electricity supply to drive Kenya's economic development, while providing opportunities for increased private sector participation. The interventions include financing, grants, technical assistance, advocacy, and investment promotion in the energy sector.

### Key Partners:

Government of Kenya

- National Economic and Social Council
- National Treasury
- Ministry of Trade, Industry and Cooperatives

### Implementing partners:

- TradeMark East Africa (TMEA)
- Palladium International
- RTI International
- Development Alternatives Inc
- Tetra Tech

### Achievement Snapshots (2019):

- **29,944** micro, small and medium enterprises (MSMEs), including farmers received agricultural-related credit
- **\$24.8M** in new private sector capital investment for agriculture sector. **\$12.2M** of which were loans, and **\$12.7M** of which was leveraged from the private sector.
- Kenya's National AGOA Strategy and Action Plan 2018-2013 developed and launched. Total AGOA exports from Kenya reached **\$408.2M** in 2018 with 70% being from firms assisted by the USAID Hub
- **45,419** full-time equivalent jobs created with USAID support
- **100 megawatt** facility under construction under Power Africa in Kajiado County which will be one of the first large wind projects in Kenya

### MISSION CONTACT

Scott Cameron

Chief, Office of Economic Growth

Tel: +254(0)20-363-2000

Email: [scameron@usaid.gov](mailto:scameron@usaid.gov)

### FOR MORE INFORMATION

Email: [usaidkea@usaid.gov](mailto:usaidkea@usaid.gov)

Website: [www.usaid.gov/kenya](http://www.usaid.gov/kenya)

Facebook: USAIDKenya

Twitter: @USAIDKenya