AUGUST 2023

DATA GOVERNANCE
SNAPSHOT

CSEA
CENTRE FOR THE STUDY OF THE ECONOMIES OF AFRICA

KENYA

COUNTRY CONTEXT

Kenya, located in East Africa with a population of 57 million, has made significant progress in digitization in recent years and has become the digital innovation leader in Africa. The digital economy in 2020 contributed 7.42 per cent to the country's GDP and is projected to create more than 1 million jobs by 2025. Kenya has a high internet and mobile usage rate, with 46.8 million or 81.9 per cent of the population having access to the internet. According to the digital preparedness index developed by CSEA, which measures an economy's readiness to transition to a digitised world, Kenya holds the 7th position in Africa with a score of 0.56. The country boasts a thriving e-commerce sector and a dynamic start-up ecosystem, which the government supports through the Kenya National Innovation Agency (KeNIA) among its initiatives. Nairobi, the capital, has earned the moniker "Silicon Savannah" due to the city's high concentration of technology start-ups and innovation hubs.

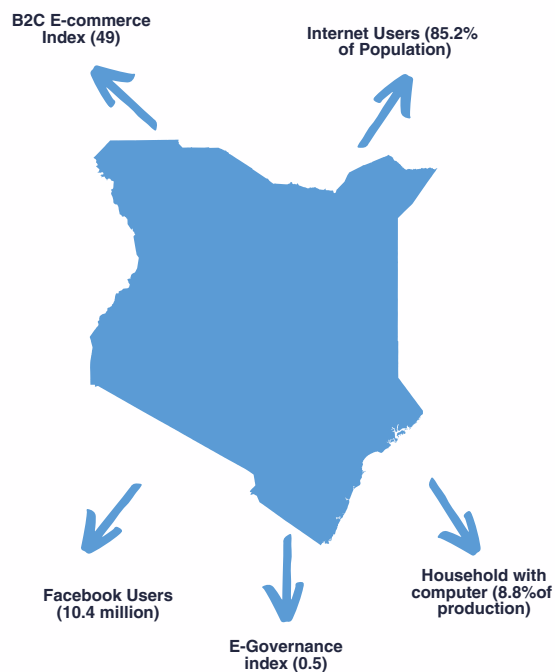|	
Population Using Internet (2021)	46.8 Million
Share of Digital Economy to GDP (2020)	7.42 Percent
Cost of Internet Subscription (2022 Q3)	1.69 USD/1GB

Kenya's Safaricom introduced the ground-breaking mobile money system, M-Pesa, in 2007. M-Pesa has significantly transformed financial inclusion in Kenya. Before its launch in 2007, only 26.7 per cent of Kenyans had access to formal financial services. By 2021, the country's financial inclusion rate would have increased to 84 per cent.

This has remained one of the most transformative digital innovations in Africa. Cybersecurity issues like cybercrime and data breaches are part of Kenya's progress in digital technologies. The country also faces infrastructure problems, a digital skills gap, and a digital divide among urban and rural areas and socioeconomic groups. Governance deficits and trust also present regulatory hurdles, as exemplified in the reversal of the digital identity programme by the Kenyan Supreme Court in 2018. Despite these obstacles, Kenya's dedication to digital advancement bodes well for its economic expansion and job opportunities in the future.

DIGITAL ADOPTION

In Kenya, Digital adoption has witnessed significant growth, transforming how the government and businesses operate and how citizens interact with various services. The Kenyan government prioritised digital adoption to improve service delivery, transparency, and efficiency. The government has recently introduced two G2C portals, namely the e-Citizen platform, which provides a wide range of government services, and the Huduma Centre, a centralized location where citizens can access multiple government services with ease. Over 5000 government services are available online, simplifying processes like tax payment, licence renewal, and passport applications.

In 2015, The Global Open Data Index reported that over 27 per cent of Kenya's government datasets were publicly available, promoting transparency and encouraging innovation. The government implemented the National Integrated Identity Management System (NIIS) to protect citizen data. The private sector and businesses of all sizes have rapidly adopted digital technologies to enhance their operations, utilizing e-commerce platforms and social media to reach customers. E-commerce in Kenya is growing at an impressive annual rate of 40 per cent, facilitated by online marketplaces like Jumia, Kilimall, and Masoka. Digital marketing has become essential for businesses, with 70 per cent of Kenyan companies integrating digital strategies to expand their market reach using social media and online advertising. Digital innovation by businesses and governments in Kenya has impacted digital adoption among Kenyan citizens and residents. With over 60 per cent mobile phone penetration, Kenyans can conveniently access digital services and stay connected. Digital adoption has enabled efficient financial transactions, with over 80 per cent of Kenyan adults using platforms like M-Pesa.

B2C E-commerce Index (49)

Internet Users (85.2% of Population)

Facebook Users (10.4 million)

E-Governance index (0.5)

Household with computer (8.8% of production)

DIGITAL GOVERNANCE IN PLACE

Digital governance development and adoption is significant for the emergence of a sustainable digital economy. Data protection and privacy is given priority with the introduction of the Kenyan Data Protection Act (DPA), which regulates personal data protection and privacy rights. The act, which was enacted in November 2019, provides a framework to regulate sensitive personal information according to international data protection standards. The DPA is particularly pertinent in a sub-Saharan nation like Kenya that takes pride in and actively supports digital development.

The Kenyan National Broadband Strategy (NBS) was launched in July 2013 by the Ministry of Information, Communications, and Technology (MoIC) in collaboration with the Communications Authority of Kenya (CAK). This initiative includes a commitment to provide the requisite infrastructure and regulatory reforms for digital development in the East African nation.

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The Office of the Data Protection Commissioner (ODPC), a product of the DPA, reserves the responsibility of regulating and protecting individuals' rights in the processing of personal data.

The Kenyan parliament passed the Computer Misuse and Cybercrimes Act (CMCA) into law in May 2018 to protect against, investigate, and prosecute cybercrimes. The CMCA also facilitates international cooperation in combating computer crime and cybercrime. Finally, the Central Bank of Kenya (CBK) issued guidelines that set minimum standards that Payment Service Providers (PSPs) should adopt for effective cybersecurity governance and risk management. These initiatives and more provide critical frameworks that guide digital development and data sharing, access to, protection of, use, and reuse.

Organisation	Responsibility	Year of Establishment
Data Protection commissioner	Responsible for overseeing and enforcing data protection laws in kenya	2020
ICT Authority	Responsible for the coordination, development, and implementation of ICT policies and initiatives in Kenya.	2013
Kenya Open Data Initiative	Ann initiative aimed at promoting transparency, accountability, and accessibility of government data.	2011
Communications Authority of Kenya	oversee and regulate telecommunication, broadcasting, and postal services.	1999

Data Governance Laws	Status	
Status of Malabo Convention		
Cybercrime Law		
Electronic Transaction Regulation		Absent
Consumer protection law		Drafted
Privacy and Data protection Laws		Present
Data Governance institution		

RECENT DIGITAL DEVELOPMENT

Kenya has made recent developments in digital and data governance. Notably, the implementation of the new Data Protection Act, effective in November 2019, stands out as a remarkable achievement. This act establishes updated standards for various digital technologies, including Artificial Intelligence (AI), with the primary objective of safeguarding data and ensuring the protection of privacy.

Another significant milestone occurred in June 2022, when the Government of Kenya introduced the comprehensive ten-year Information Communication Technology (ICT) Digital Masterplan 2022-2032. This visionary plan encompasses four fundamental pillars that form the bedrock of Kenya's digital transformation efforts. These pillars include enhancing digital infrastructure, optimising digital services and data management, fostering digital skills, and propelling digital innovation. The master plan sets a clear direction for Kenya's digital future and showcases its commitment to leveraging technology for socioeconomic development.

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In line with these initiatives, the Kenyan government is gearing up to launch a new digital identification system, the Unique Personal Identifier (UPI). This system will replace the existing Huduma Namba, also known as the National Integrated Identity Management System (NIIMS), which was introduced in 2019. By February 2024, every Kenyan citizen will be issued with the new digital ID, streamlining their access to government services and ensuring greater convenience.

SUMMARY OF KEY INDICATORS

Digital Development Indicators	Rank in Africa	Score
Global Cybersecurity Index	38/44	9.1
Total Number of Colocation Data Centre	5/16	9
Internet Speed (KBps)	1/49	12160
Fixed-telephone subscriptions (per 100 person)	30/37	0.12
Digital Skills (not at all 1 - 7 to a great extent)	3/35	4.55
E-participation Index	3/54	0.6

Digital Development Indicators	Rank in Africa	Score
Digital Preparedness Index 2022	6/38	0.57
Education and Skills	6/38	0.463
Infrastructural Readiness	12/38	0.484
Macroeconomic Fundamentals	8/38	0.623
Business Dynamism and Environment	3/38	0.686
Regulatory Framework and Government Effectiveness	11/38	0.671