

# KENYA

According to the last count in 2013, a quarter of Kenyans live in extreme poverty (defined in notes). The poorest 20% of the population holds less than 5% of total income.

- ODA remains the largest international resource flow to Kenya, followed by remittances and FDI
- Income tax is the primary revenue stream for the government, accounting for 45% of receipts
- Over a third of ODA to Kenya is delivered as loans and equity (US\$1 billion)

## Overview

HOW MANY OF THE POOREST 20% OF PEOPLE GLOBALLY LIVE IN KENYA?

**17.4m**

WHAT RESOURCES ARE AVAILABLE?

Domestic public

**US\$11.3bn**

International

**US\$8.4bn**

HOW MUCH DOES THE GOVERNMENT SPEND PER PERSON?

**PPP\$848**

See Notes

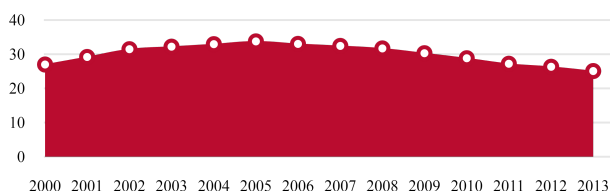
HOW DEEP IS POVERTY?

**8%**

Depth of poverty

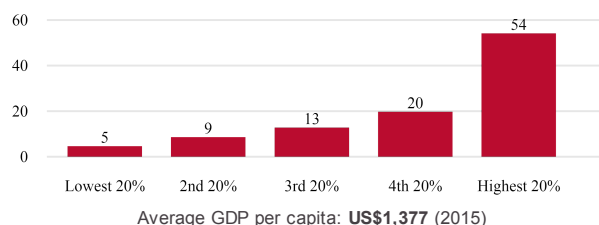
### A quarter of Kenya's population lives in extreme poverty, by latest estimates in 2013

% of population living on under \$1.90 per day



### The poorest 20% of the population has 4.7% of total income

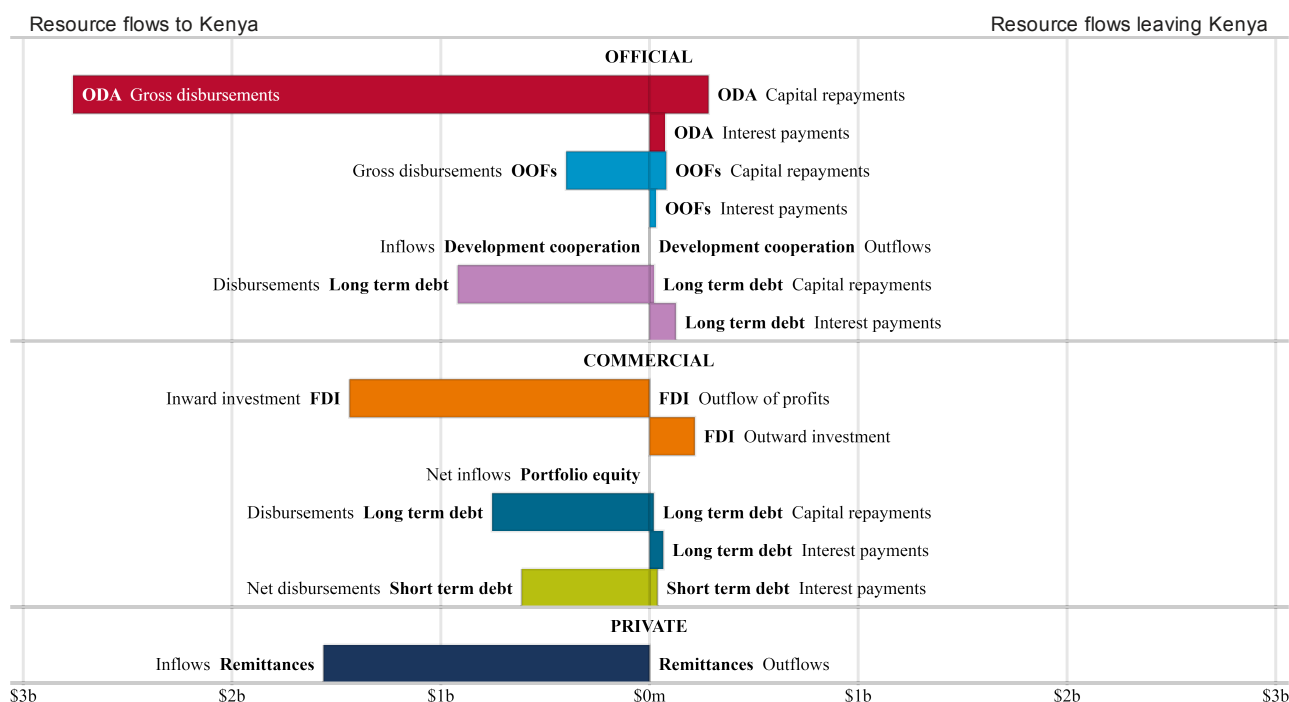
2005, share of income by quintile of population



## Resource flows to and from Kenya

### Kenya receives a range of international financing, with ODA accounting for a third of all inflows

2015, international resource inflows and outflows (US\$ billions, constant 2015 prices)



Notes: We define extreme poverty as measured using the 2011 PPP\$1.90 extreme poverty line. Purchasing power parity (PPP) prices are the rate at which a country's currency would have to be converted into that of another country to buy the same amount of goods and services in each country. PPPs are constructed by comparing the cost of a common basket of goods in different countries. Depth of poverty is a measure of the average gap in incomes for people living below the poverty line spread across the population of the whole country, expressed as a percentage of the PPP\$1.90 a day poverty line. Poverty data in the overview boxes is for the year 2013. 'Domestic public resources available' refers to the total non-grant revenue either collected or projected to be collected by the government in the financial year 2015. Data on 'international resources available' also refers to the year 2015. Data on government spending per person is expressed in 2015 PPP\$, as estimated by the IMF, and refers to the year 2015 or most recent year prior. Acronyms: GDP: gross domestic product; FDI: foreign direct investment; IMF: International Monetary Fund; ODA: official development assistance.

## Government finance

Income taxes make up a significant proportion of total revenue collection in Kenya (45%), with the grant element accounting for 2%. Domestic, concessional and non-concessional international finance are all used. Development expenditure accounts for 31% of total spending, with similar levels of funding from international and domestic sources.

### Tax accounts for 87% of non-grant revenue, with income from investments, fees and levies accounting for 13%

2015, latest year of actual revenue (US\$ billions, constant 2015 prices)

Total Revenue And Grants 100% of total   US\$12bn	Revenue 98% of total   US\$11bn	Non-Tax Revenue 13% of total   US\$2bn	Other Sectors 5% of total   US\$607m
		Tax Revenue 85% of total   US\$10bn	Ministerial And Departmental Fees And 5% of total   US\$76m
			Value-Added Tax 23% of total   US\$3bn
			Excises 10% of total   US\$1bn
			Import Duty 7% of total   US\$754m
			Income Taxes 45% of total   US\$5bn

### Borrowing through commercial means from China is the major source of international finance

2015, latest year of actual financing (US\$ billions, constant 2015 prices)

Financing 100% of total   US\$5bn	Net External Finance 46% of total   US\$2bn	Disbursement 63% of total   US\$3bn	Commercial Borrowing 16% of total   US\$764m
		Repayments Due -17% of total   US\$-817m	Project Loans 20% of total   US\$965m
	Net Domestic Finance 54% of total   US\$3bn		Other Loans Incl Standard Gauge Railway Loan From China 26% of total   US\$1bn

### Interest payments account for over 10% of government spending

2015, latest year of actual expenditure (US\$ billions, constant 2015 prices)

Total Expenditure 100% of total   US\$17bn	Recurrent Expenditure 69% of total   US\$11bn	Wages And Salaries 18% of total   US\$3bn	Other 15% of total   US\$2bn
		Other Recurrent 18% of total   US\$3bn	
		Defense And National Security Intelligence Service 6% of total   US\$954m	
		Interest Payments 11% of total   US\$2bn	Domestic 9% of total   US\$1bn
		Transfer Payments 14% of total   US\$2bn	Other 7% of total   US\$1bn
	Development Expenditure 31% of total   US\$5bn	Domestically Financed 16% of total   US\$3bn	
		Externally Financed 15% of total   US\$2bn	Standard Gauge Railway Phase 1 Project 8% of total   US\$1bn

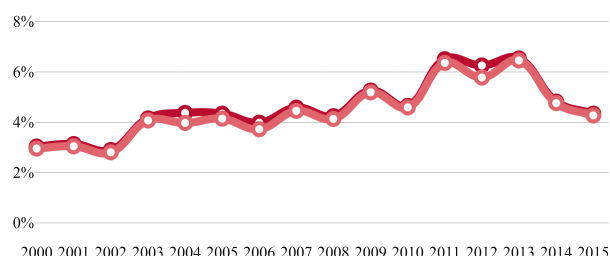
Notes: Year of data refers to the fiscal year 2015 running from July to June. The pink boxes represent negative values, typically showing repayments of loans under financing. Some labels have been omitted from these visualisations; for these, and those that are too small to read, please refer to the online country profile page on the Development Data Hub. For the specific source information see here: <https://github.com/devinit/digital-platform/blob/master/user-data/domestic/csv/domestic-sources.csv>

## ODA

ODA to Kenya stood at US\$2.8 billion in 2015, a 1% increase on 2014 levels. Loans and equity investments are the primary type, at US\$1 billion, and IDA and the AfDB are the main providers of this funding. The US provides the most ODA overall; approximately two-thirds of this is mixed project aid, a combination of cash grants and aid in kind. Two sectors, health and infrastructure, received over half of total ODA in 2015, though the bundle in each is quite different. Mixed project aid is the primary form of health ODA; loans and equity are the primary form of infrastructure ODA. The third largest sector was humanitarian, and the US was the largest provider to this sector.

### ODA as a percentage of GDP continues to decrease; in 2015 it accounted for less than 5%

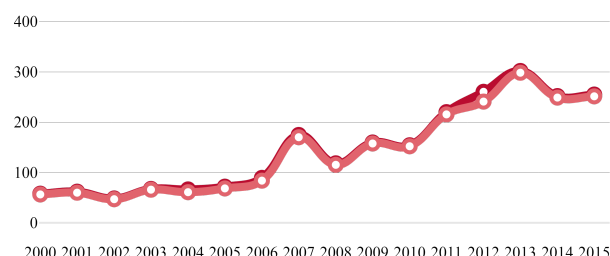
Gross ODA % of GDP



■ Total ODA as a % of GDP ■ Total ODA (excl-non-transfer) % of GDP

### In 2015, ODA per poor person in Kenya increased marginally over the 2014 level

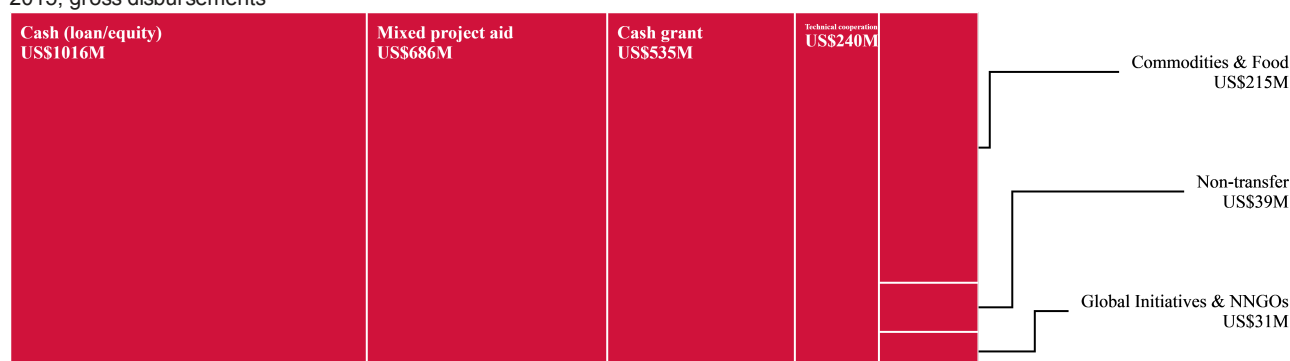
ODA per person living under \$1.90 a day



■ Total ODA per poor person ■ Total ODA (excl-non-transfer) per poor person

### A quarter of ODA is classified as mixed project aid, and 37% as loans and equity

2015, gross disbursements

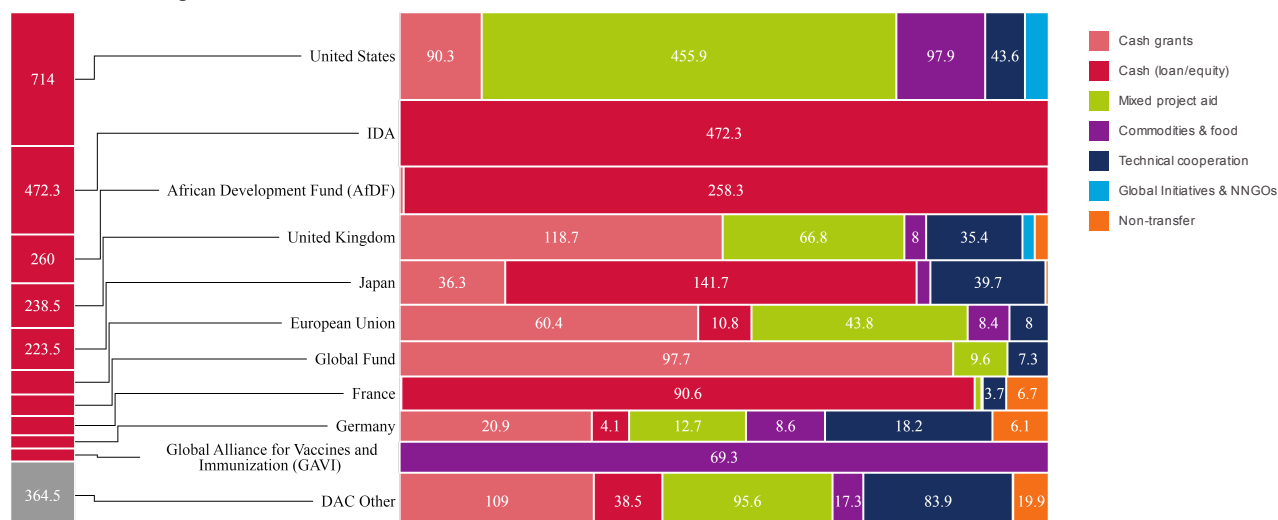


Note: NNGOs, Northern non-governmental organisations.

### Most aid is delivered as cash, though 25% of aid from the largest donors is reported as mixed project aid

2015, US\$ millions, gross disbursements

Aid from the ten largest donors



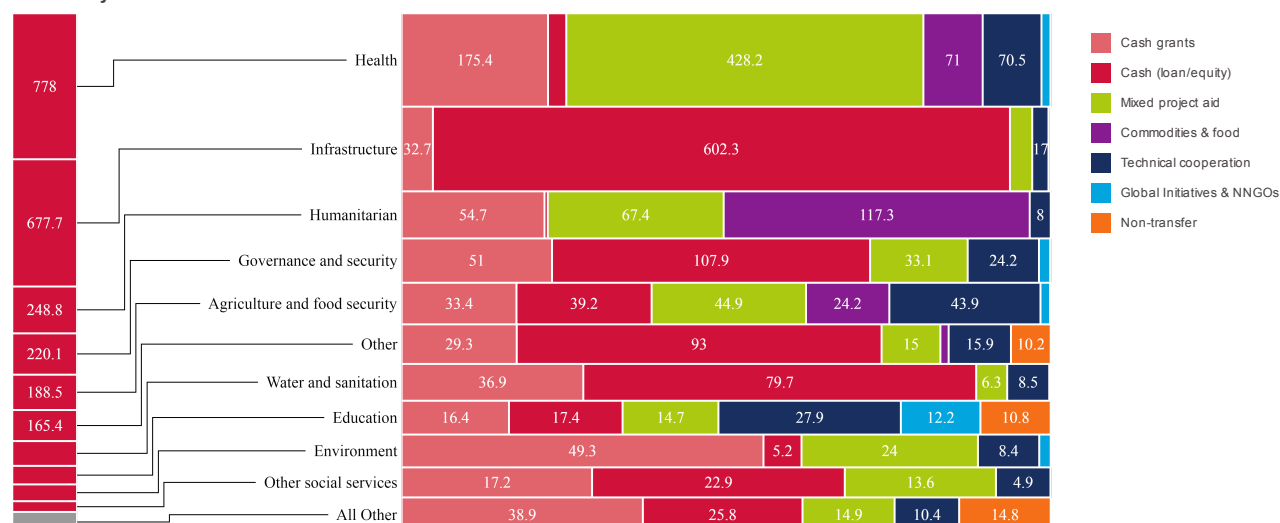
Note: ODA is equivalent to 0.48% of GDP in all developing countries and 2.8% in sub-Saharan Africa in 2015. ODA per capita is equivalent to US\$44 in sub-Saharan Africa. Acronyms: AfDB: African Development Bank; IDA: International Development Association; NNGOs: northern non-governmental organisations.

## What is aid spent on?

### Almost half of humanitarian aid to Kenya was delivered in the form of commodities and food

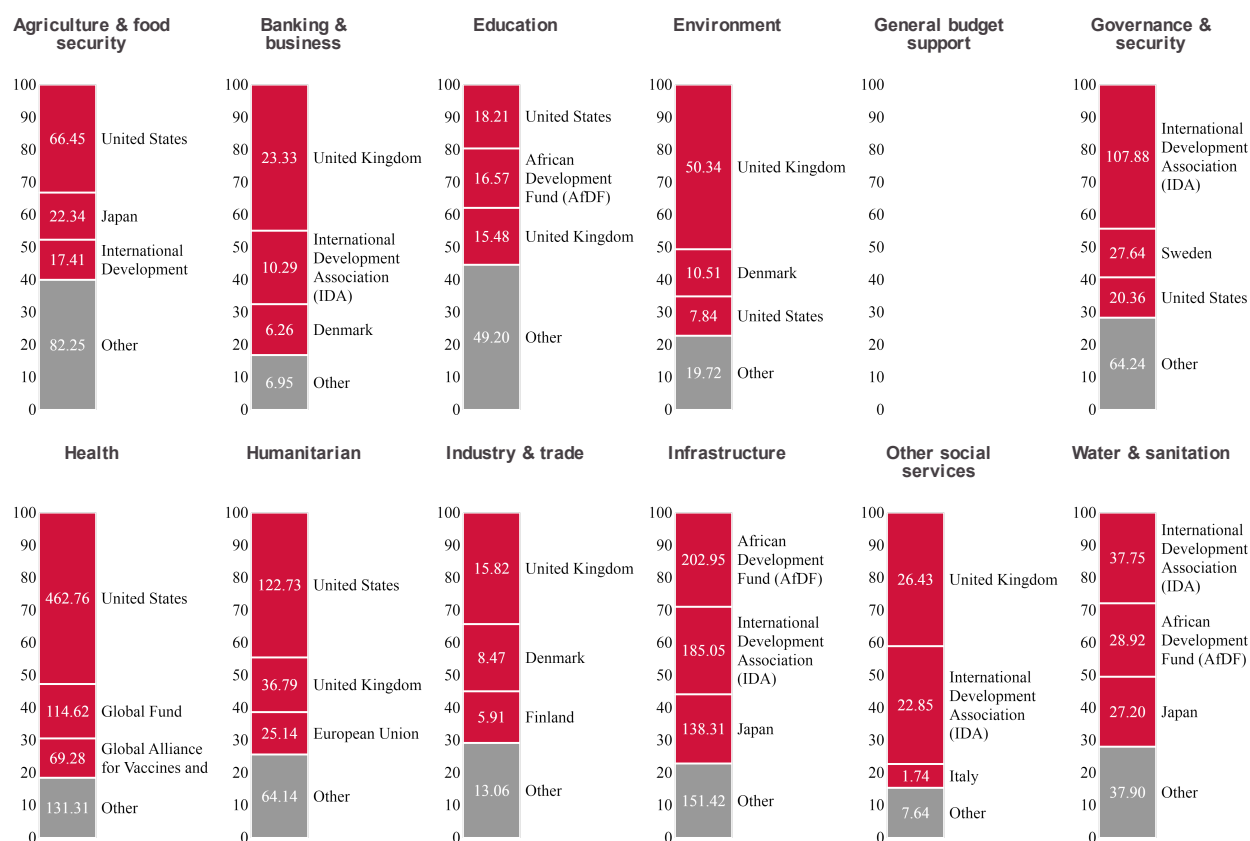
2015, US\$ millions, gross disbursements

Total aid by sector



### Three donors account for the majority of ODA received in all sectors; in three sectors they account for over 80%

2015, gross ODA, % of total (US\$ millions disbursements in columns)



Notes: Data is from the OECD Development Assistance Committee (ODA and other official flows data), the World Bank (long-term debt, remittances, gross national income (GNI) and poverty), the UN Conference on Trade and Development (FDI), IMF article IV publications (domestic revenue and expenditure). Other official flows (OOFs) are typically loans that are either not sufficiently concessional to count as ODA, or are mainly in support of commercial objectives, such as donor exports. All data in US\$ is in 2015 prices. 'Other' sector aid includes multisector ODA, administrative costs, support for refugees in the donor country and unallocated or unspecified ODA. Acronyms: OECD: Organisation for Economic Co-operation and Development.