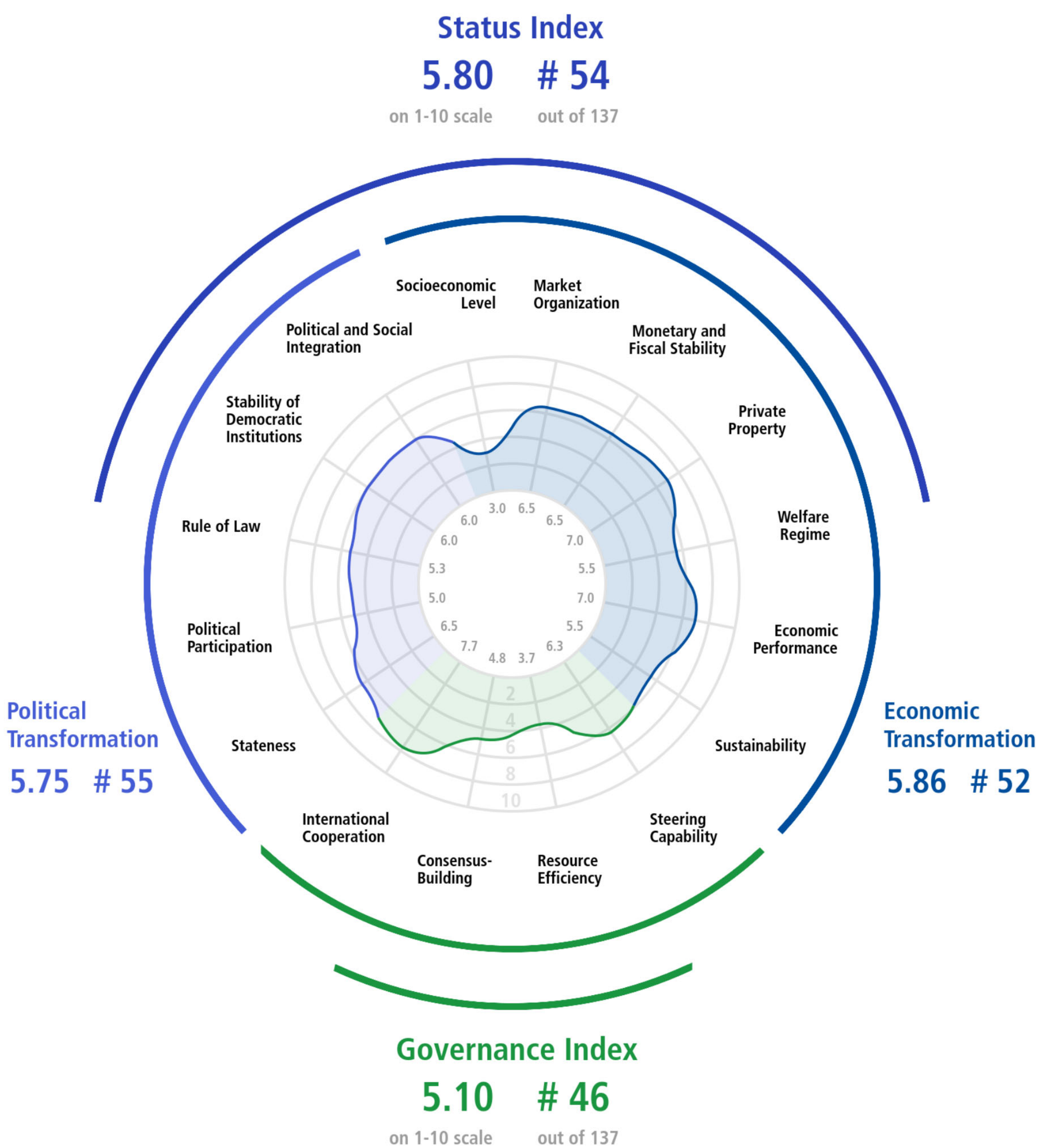
BTI 2026 Country Report

Kenya



This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2026**. It covers the period from February 1, 2023 to January 31, 2025. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at https://www.bti-project.org.

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Key Indicators

Population	M	56.4	HDI	0.628	GDP p.c., PPP	$	6619
Pop. growth[1]	% p.a.	2.0	HDI rank of 193	143	Gini Index		37.7
Life expectancy	years	63.6	UN Education Index	0.606	Poverty[3]	%	70.1
Urban population	%	30.0	Gender inequality[2]	0.526	Aid per capita	$	46.9

Sources (as of December 2025): The World Bank, World Development Indicators | UNDP, Human Development Report 2025. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than $3.65 a day at 2017 international prices.

Executive Summary

President William Ruto's government came to power on the promise of a so-called Bottom-Up Economic Transformation Agenda. It pledged to provide loans to the masses to stimulate economic activity through its "Hustler Fund" and to foster inclusive growth. However, several months into its tenure, economic indicators deteriorated. The cost of living soared, with the prices of maize flour, fuel, kerosene and other basic goods reaching record highs. Several flagship projects remained held up in court, and the Hustler Fund has since faced operational challenges due to a high default rate.

The new government inherited an economy in poor health. The previous administration had accumulated substantial debt with high repayment obligations; combined with wasteful spending and an inflated wage bill, this left little fiscal room for maneuver. To address this, the new administration pursued higher taxes to increase revenue and removed subsidies on maize and petroleum products. It was able to pass and implement the Finance Bill of 2023 in spite of the measure's unpopularity. In contrast, the Finance Bill of 2024 had a different outcome. The 2024 bill proposed several new tax measures, including taxing previously exempt items and broadening the tax base.

These proposals proved highly controversial, sparking widespread public protests. Despite street demonstrations, the bill passed its first, second and third readings in Parliament. On June 25, 2024, during the third reading of the bill, protests intensified across cities and towns in Kenya. In Nairobi, some protesters breached parliamentary security, forcing lawmakers to flee to safety. Parliament buildings were set ablaze, marking a turning point in Kenyan politics. In response, President Ruto dissolved his cabinet and announced a series of measures to appease the protesters, who were predominantly young Kenyans.

By early 2024, rumors circulated that relations between President Ruto and his deputy, Rigathi Gachagua, had begun to sour. The discord broke squarely into the public eye via several statements by the deputy president that revealed a growing rift between the two leaders. The situation escalated when an impeachment motion was filed in parliament on October 1, 2024, seeking to remove Gachagua from office – a process that the deputy president tried to forestall through the courts. The motion, which listed 11 charges, accused him, among other charges, of inciting ethnic hatred, financial impropriety and revealing government secrets.

After an uncommonly expeditious process, Gachagua was impeached on October 17, 2024. The following day, President Ruto nominated interior minister and former law professor Kithure Kindiki as his new deputy. Parliament swiftly approved his nomination, and on November 1, 2024, Kindiki was sworn into office.

The 2024 street protests had a profound impact on civil and political rights, prompting a significant crackdown on critics. The freedoms of association and expression have been restricted, with heavy-handed responses to protests and numerous reports of threats, abductions and enforced disappearances. The government denies any involvement in these violations. To bolster his support, Ruto has struck a deal with opposition leader Raila Odinga, allowing several Orange Democratic Movement politicians to join his broad-based government. This move has further blurred the lines between the government and the opposition. Additional efforts to shore up his political base suggest that, in the coming years, decision-making may be driven more by survival tactics than by a focus on service delivery.

History and Characteristics of Transformation

The 2002 elections in Kenya marked a turning point in the country's history. Drawing on past experience, the opposition united several parties to form the National Rainbow Coalition (NARC) under Mwai Kibaki's leadership. These elections, which some argue were the most open and equitable in the nation's history, signaled a shift from President Daniel Moi's autocratic rule to what was envisioned as a prosperous democracy. While the 2002 transition served as a major democratic milestone, NARC's fracturing soon after the elections, due to internal disagreements, weakened Kibaki's first term. The failure to honor the pre-election Memorandum of Understanding (MoU) between Kibaki and Raila Odinga's Liberal Democratic Party (LDP) faction led to an early breakup of the coalition, setting the stage for future political realignments.

The independence constitution, which had been altered incrementally to favor the former ruling regime, remained a significant challenge in Kenya's governance structure. In 2007, Kenya held elections under this constitution after a failed attempt to revise it in a 2005 referendum. President Kibaki, seeking a second term, faced a formidable opponent in opposition leader Odinga, who had supported him in 2002 but later distanced himself after Kibaki failed to honor an agreement to back Odinga in the 2007 election. Amid an ineffective electoral commission, Kenya held a contentious election marked by heightened ethnic tensions. Kibaki's claim of victory and an evening swearing-in ceremony ignited unprecedented violence that resulted in the deaths of more than 1,300 people and the displacement of more than 600,000. The Waki Commission later found evidence of state complicity in the violence and recommended establishing a special tribunal to prosecute key perpetrators; failing that, the cases were to be referred to the International Criminal Court (ICC) – which eventually happened.

An internationally mediated agreement in 2008 restored stability and led Odinga to join Kibaki's government as prime minister in a power-sharing coalition. The agreement also identified long-term governance challenges that needed to be addressed, including constitutional reform, the promotion of national unity and efforts to address poverty and unemployment. In 2008, Kibaki launched Vision 2030, a comprehensive development plan aimed at propelling Kenya to middle-income country status by 2030. The coalition successfully completed the constitutional reform process, and the draft was approved in a referendum in 2010.

In 2013, Uhuru Kenyatta and his deputy, William Ruto, ran for the presidency under the shadow of an International Criminal Court indictment. They won the election, which also marked the introduction of 47 county governments as part of a devolution process. The previous administration left them a stronger economy compared with what it had inherited from the Moi government. To boost economic growth, the Kenyatta administration made substantial investments in infrastructure, particularly road and rail networks.

However, heavy reliance on domestic and foreign borrowing, combined with a lack of fiscal discipline, produced a substantial debt burden for Kenya. In the 2017 election, Kenyatta again ran against Odinga, ultimately prevailing by a narrow margin. The Supreme Court then made history by annulling the election, leading to a rerun that the opposition boycotted. Subsequently, the opposition embarked on a campaign of defiance against the government. In 2018, Kenyatta formed an alliance with Odinga through their symbolic "handshake," which later led to Kenyatta endorsing Odinga as his preferred candidate for the 2022 presidential election against his deputy, Ruto. Their partnership also gave rise to the Building Bridges Initiative (BBI), a plan to amend the constitution and restructure the executive and legislature along with the devolution process. This was promoted as reconciliation, but was also seen as a way for Kenyatta and Odinga to reshape the political system to suit their interests. The Supreme Court halted it in March 2022, underscoring constitutional limits on executive power.

Ruto narrowly won the August 2022 election, a result disputed by Odinga and his Azimio coalition in the Supreme Court. However, their electoral petition was unanimously dismissed. Ruto's narrow 2022 victory revealed deep electoral divides, particularly along class and economic lines, with Ruto positioning himself as a "hustler" championing the poor against Odinga's perceived dynastic elite. In early 2023, the Azimio coalition led protests against President Ruto's government, demanding that the state address the high cost of living and electoral malpractice from the 2022 elections. The government and opposition eventually agreed to establish the National Dialogue Committee, which would be tasked with facilitating dialogue and recommending constitutional, legal and policy reforms on issues of concern to the Kenyan people. An attempt to increase government revenue through the Finance Bill 2024 sparked mass protests, leading President Ruto to withdraw the bill and form a broad-based government that co-opted members of the opposition. Following a conflict with Deputy President Gachagua and that figure's subsequent impeachment, Ruto has sought to consolidate power, courting various regions in the country.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

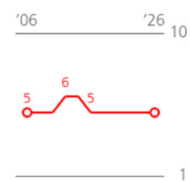
I. Political Transformation

1 | Stateness

Question Score

Monopoly on the use of force

5



In principle, the state has a monopoly on the use of force, but this is not always or fully exercised throughout its territory. Particularly in the sparsely populated arid and semiarid lands (ASALs) of the northern and upper eastern regions, the state's limited presence means its capacity to maintain law and order is minimal. These regions face security challenges, including armed banditry and cattle rustling. Climate variability, water shortages, food insecurity, ethnic rivalries, political interference and the proliferation of weapons contribute to ongoing violence. In February 2023, the government declared parts of Turkana, Baringo, Samburu, Laikipia, Elgeyo Marakwet and West Pokot to be "disturbed" and "dangerous," and launched a security operation to restore order. However, a report published by the parliamentary committee on administration and internal security, which conducted an inquiry into the security situation in these counties covering the August 2023 – April 2024 period, noted that the operation had failed to make significant progress, and that communities were still experiencing insecurity. In some of these areas, local militias and community defense groups have emerged because of the state's failure to provide security.

Kenya's porous borders leave it vulnerable to transnational organized crime, illegal migration and the arms trade. Al-Shabaab has exploited these vulnerabilities to carry out major terrorist attacks, including those on Nairobi's Westgate Mall (2013), Garissa University (2015) and Dusit Hotel (2019). The group remains a significant threat, periodically targeting state installations and foreign interests, especially in Nairobi and coastal regions. Over the past five years, the number and intensity of attacks – primarily against security forces – have fluctuated, with recurring incidents in Mandera, Wajir, Garissa and Lamu counties.

As of November 2024, Kenya was hosting 819,686 refugees and asylum-seekers, primarily from Somalia, South Sudan, the Democratic Republic of the Congo and Ethiopia. Authorities have expressed concerns about the camps, claiming that they harbor al-Shabaab terrorists and pose environmental and economic challenges. A

2021 directive to close the Dadaab and Kakuma camps was delayed until June 2022, but was ultimately ruled unconstitutional in March 2024 because it violated Kenya's obligations to protect refugees. The government now plans to transition the camps to integrated settlements under a revised refugee policy.

State identity
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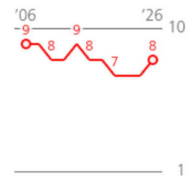

Since independence, most major groups in society have recognized the Kenyan state as legitimate, with a few exceptions among certain indigenous and marginalized communities – particularly the secessionist Kenyan Somalis in the 1960s. In theory, all groups and individuals have the right to obtain citizenship without discrimination. In practice, however, some groups – such as ethnic Nubians and Somalis – face significant challenges in obtaining identity documents. They bear additional burdens of proof that can lead to at least a temporary denial of full citizenship rights. In recent years, Kenya has taken measures to address statelessness by granting citizenship to minority groups originally from other nations, such as the Shona people in 2021 and the Pemba in 2023. In 2025, Kenya's high court ruled that denying citizenship to ethnic Somali Kenyans was unconstitutional. Nonetheless, there are thousands of stateless individuals of Galjael, Burundian, Congolese, Indian and Rwandan origin.

Although devolution has addressed some grievances over the marginalization of certain regions, the ethnopoliticized nature of Kenyan politics and the winner-take-all dynamic of presidential elections often leave the losing side dissatisfied. After the defeat of the National Super Alliance (NASA) in the 2017 election, some politicians allied with the alliance called for secession. While no such calls followed the 2022 elections, discontent persisted. Politicians appear to view a broad-based government – incorporating both ruling-party and opposition politicians – as a way to ease political tensions and address feelings of exclusion, as demonstrated by the current Ruto administration.

The Mombasa Republican Council (MRC) has consistently advocated Mombasa's secession. Its activities tend to escalate around elections then diminish. For instance, the group was linked to violence during the 2013 elections, and 81 MRC members were arrested ahead of the 2022 elections for taking oaths to seize power illegally. Since then, its activities have subsided.

No interference of religious dogmas
7

Since independence, religious dogma has not affected the legitimacy of the state. Kenya is a multifaith state, with more than 85% of the population being Christian, about 11% Muslim, and the remainder including Hindus, Sikhs, Bahais and those practicing traditional beliefs (Census, 2019). Article 8 of the Kenyan constitution states that there will be no state religion, and Article 32 guarantees the freedom of religion and prohibits religious discrimination. The constitution also recognizes Kadhi courts, which handle civil matters of personal status and inheritance under Islamic law, with appeals going to the High Court. While Kadhi courts predate independence, their inclusion in the 2010 constitution led Christian churches to campaign against the draft, motivated additionally by their opposition to abortion. Religious influence has also hindered the passage of progressive reproductive health legislation and shaped debates on same-sex relationships and marriage in Kenya.

The state’s role in regulating religious organizations and protecting citizens from extremist preachers came under scrutiny in March 2023, when bodies were discovered in shallow graves in Kilifi’s Shakahola Forest. The victims, reportedly followers of Pastor Paul Mackenzie, had starved themselves to death, believing it would lead them to glory. The revelation that these activities had occurred unchecked sparked public outrage.

Because ethnicity and religion often overlap, human rights groups and prominent Muslim leaders have criticized the government’s counter-terrorism efforts, which disproportionately affect Muslims, especially ethnic Somalis. Interfaith relations have improved significantly through extensive interfaith dialogue over the years.

Basic administration

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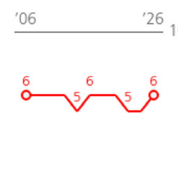

Basic administrative structures are in place to provide justice, taxation and law enforcement and to manage communications, transport and essential infrastructure such as water, education and health care services. However, the quality and effectiveness of these functions can vary significantly across regions and localities. Kenya has a thriving telecommunications industry, offering widespread access to mobile phone networks and the internet. Digital government initiatives (e-government) and the physical “one-stop shop” Huduma Centers have recently improved accessibility for some administrative functions, particularly for tax collection and certain document processing services.

According to the World Bank (2022), 76% of Kenya’s population has access to electricity, ranking the country ahead of many sub-Saharan peers. However, adequate housing remains a major challenge. Despite efforts such as the government’s affordable housing program, there is a long way to go to provide decent housing for all. Informal settlements, predominantly in urban areas, suffer from overcrowding, insecurity, and inadequate infrastructure and services. Despite these ongoing challenges, it is projected that approximately 30 million Kenyans will live in urban areas by 2030.

County governments have made notable progress in bringing service delivery closer to the people, especially in peripheral areas. Providing basic infrastructure services, including water, education and health care, is primarily the responsibility of county governments. However, the quality and availability of these services vary widely among counties and localities. About 70% of schoolchildren live in rural areas, where there is a shortage of well-funded schools, trained teachers and essential learning materials (World Bank, 2022). In Kenya, national and county governments share responsibility for communications and transport infrastructure. The country has a well-developed road network, with major highways linking various regions. The government has also made substantial investments in the railway system, with efforts underway to extend the Standard Gauge Railway line from Naivasha to Malaba.

Kenya is a water-scarce country, experiencing declines in both the quantity and quality of its water resources (World Bank, 2022). The government faces significant challenges in providing safe drinking water, and rising demand is becoming a source of conflict. According to the World Bank, 62.9% of Kenyans have access to safe drinking water, while just 36.5% have access to basic sanitation. Food security has also worsened, compounded by the impacts of climate change.

2 | Political Participation

Free and fair elections

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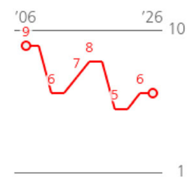

Kenya has held elections about every five years since gaining independence. The reintroduction of multiparty politics in 1991 led to the growth of political parties, but they primarily mobilize by instrumentalizing ethnic identities. Elections in Kenya are high-stakes affairs because winners enjoy attractive office perks and access to power and patronage. Party nominations are often hotly contested and fraught with allegations of vote-rigging. Election spending levels are among the highest in the world, undermining participation as capable candidates without significant resources struggle to mount viable campaigns. The Independent Electoral and Boundaries Commission (IEBC), established by the 2010 constitution, has overseen three elections in 2013, 2017 and 2022 for multiple electoral posts. Most elections have proceeded without major concerns, and disputes arising from the process have been resolved in court and accepted by the parties. However, all three presidential elections it has overseen have been disputed in court, with the 2017 election annulled by the Supreme Court and a fresh election ordered after it ruled that the IEBC's tabulation procedures did not fulfill the constitutional requirement for "simple, secure, transparent and verifiable" elections. The IEBC took steps to improve the transparency of the 2022 elections, with data from polling stations made publicly accessible and quickly vetted by presidential agents, candidates and the media. Nevertheless, the Azimio coalition disputed the presidential election and filed an electoral petition before the Supreme Court. The court dismissed the petition on all counts in a unanimous decision.

The IEBC's role as a neutral arbiter of the electoral process suffered a setback after a major split within the commission. Four of the seven commissioners walked out before the chairperson announced the 2022 presidential election results, claiming that the counting and verification process had been "opaque." The four commissioners were later accused of gross misconduct and of violating the constitution, leading to the establishment of a tribunal to investigate their conduct. Three of the four commissioners resigned before the hearings began, and the tribunal found the fourth guilty of violating the constitution. In January 2023, the terms of the remaining three commissioners expired, leaving the country without a functioning electoral commission.

Through the remainder of the review period, the IEBC was unable to carry out essential functions such as ongoing voter registration, by-elections and constituency boundary delimitation. Stakeholders warned that the delays in reconstituting the commission could push the country into a constitutional crisis.

In January 2025, after significant delays, a selection committee was sworn into office. The committee was to take responsibility for nominating a chairperson and six commissioners to the IEBC.

Effective power to govern
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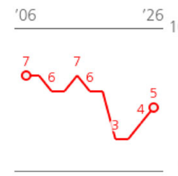

Kenya's democratically elected representatives generally possess the effective power to govern. However, ethnic affiliations significantly affect Kenyan politics, often shaping alliances and politicians' interactions with non-politicians. Further, while the military and clergy do not function as veto powers in Kenya, certain unelected actors – such as business elites and cartels – still exert influence over political decision-making. Some operate in informal networks that dictate resource allocation and policymaking behind the scenes. Certain elements within the civil service, security forces and regulatory agencies exercise disproportionate influence, sometimes obstructing policies that threaten their interests or facilitating corruption networks that undermine democratic governance. Further, Kenya's reliance on external funding from the IMF, World Bank and bilateral partners means that some policy decisions are shaped by economic conditions imposed by these institutions rather than by elected representatives alone. Nevertheless, the 2010 constitution introduced devolution, aiming to decentralize power and enhance local governance, thereby strengthening elected representatives' effective power to govern at both the national and county levels.

Association / assembly rights
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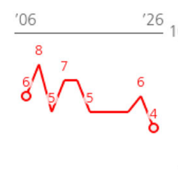

The constitution guarantees the freedom of association and assembly. However, several laws affect the exercise of this right, such as the Public Order Act, which authorizes police to prevent a public assembly if there is a clear, imminent danger of a breach of public order. Those intending to hold a demonstration must provide police with between three and 14 days' advance notice. Courts have ruled that this does not restrict the exercise of the right, because notification aims to ensure smooth demonstrations and maintain public order. Failure to provide notice renders a public gathering unlawful and punishable by law, effectively criminalizing spontaneous demonstrations. This provision has often been used to disrupt protests critical of the government.

During the review period, several mass protests erupted across the country. From March to July 2023, the opposition, led by Raila Odinga, organized a series of demonstrations against President Ruto's government to demand a resolution to the high cost of living and seeking a response to what it argued had been electoral malpractice in the 2022 elections. Human rights organizations accused the police of employing excessive force to suppress the protests, resulting in deaths, injuries, arbitrary arrests and other violations. These incidents echoed past cases of police brutality, including the killing of baby Samantha Pendo, whose death during a police crackdown on post-election protesters in 2017 sparked widespread public outrage.

In 2024, widespread protests led by Kenyan youth erupted in response to the Finance Bill 2024. Police again faced accusations of having used excessive force against largely peaceful demonstrators. At the height of the protests on June 25, 2024, the president deployed the military to restore order after a violent breach of Parliament's precincts. Courts sanctioned the move. Individuals suspected of organizing the protests have faced threats, arbitrary arrests, illegal detention and even enforced disappearances. One high-profile case has been the targeting of Boniface Mwangi, a prominent activist who has been arrested, beaten and released on numerous occasions. Despite these violations, no police officers have been held accountable for the associated human rights abuses.

Kenya has a large, vibrant and engaged civil society. For the most part, civil society organizations are free to operate and cooperate with foreign partners. However, over the past decade, restrictions on civil liberties have increased and civic space has narrowed, especially for groups critical of the government or focused on human rights. Following the 2024 protests, a number of civil society organizations faced heightened scrutiny after being accused of colluding with foreign entities to fund the protests, allegations they have strongly denied.

Freedom of expression
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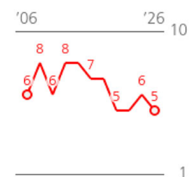

Kenya's media environment allows for the expression of diverse opinions across mainstream media, independent outlets, blogs and social media. Over the years, the judiciary has invalidated laws on criminal defamation, undermining the authority of public officers, misuse of telecommunications and subversion. In 2024, Justice Samwel Muhochi declared the crime of subversion to be unconstitutional, ruling that it was vague and unnecessary in a democratic society after a social media user was charged over a 2023 protest-related tweet.

Social media users have faced increased scrutiny, particularly during the 2023 cost-of-living protests and the 2024 anti-Finance Bill protests. Although the government has largely avoided internet shutdowns, a June 25, 2024, internet outage during protests – attributed to undersea cable disruptions by internet service providers – was widely perceived as deliberate. Arrests and disappearances of social media critics have further signaled a crackdown on online speech. Recently, several politicians allied with the government have cited the 2018 Computer Misuse and Cybercrimes Act as a tool to target critics who post content deemed disrespectful to leaders.

Ownership of media outlets is concentrated in the hands of a few powerful individuals and organizations, which can limit the diversity of perspectives represented. This concentration also calls the organizations' independence into question. The legal environment in which the media operates is also complex. Although in theory, the 2010 constitution guarantees the freedoms of expression and of the press, several laws in fact restrict these freedoms. The Kenyatta government successfully enacted laws that give the executive sweeping powers to restrict public information and fine or imprison journalists. This has seriously undermined media freedom.

Journalists covering sensitive political or criminal cases in Kenya thus face significant threats, prompting self-censorship and safety precautions such as going into hiding. Elections have become particularly challenging to cover due to the profiling of journalists, denial of access, personal attacks and sexual harassment of female journalists. According to the Media Council of Kenya, 24 journalists were injured during the 2024 Anti-Finance Bill protests, while others had their equipment destroyed. On Reporters Without Borders' 2024 World Press Freedom Index, Kenya's ranking dropped to 102nd place, from 69th in 2022.

3 | Rule of Law

Separation of powers

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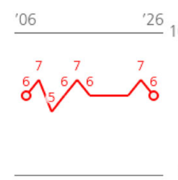

The 2010 constitution sought to reduce the powers of the executive and its influence on other arms of government. It reintroduced a two-tier legislature – a lower house, the National Assembly, with broad functions, and an upper house, the Senate, whose functions are limited to matters affecting county governments. More than 14 years on, old habits have resurfaced, with the executive again exerting significant influence over parliamentary affairs. Under the Kenyatta administration, failure to toe the executive's line often resulted in legislators being removed from leadership positions in Parliament or being subject to accusations of impropriety. This trend has continued under the Ruto administration. Several incidents have raised concerns about the independence of Parliament, particularly given the Kenya Kwanza coalition's majority, which has enabled it to pass legislation and motions favoring the executive with little scrutiny. Parliament's approval of Ruto's cabinet nominees, despite concerns about some of the candidates' competence, involvement in corruption scandals and other potential ethical issues, was a notable example. Another was the approval of the Finance Bill 2024, which was passed even though a number of parliamentarians were aware the bill was deeply unpopular with their constituents. While Kenya Kwanza's parliamentary dominance has weakened scrutiny, the Senate remains a stronger check on the executive than the National Assembly.

To assemble a majority in Parliament, the Kenya Kwanza administration has courted smaller parties and independent legislators and even offered incentives to the opposition. The incorporation of key figures from Odinga's Orange Democratic Movement (ODM) into Ruto's broad-based government has further weakened the opposition's watchdog role, causing divisions within the Azimio coalition and prompting some parties to break away. The ODM has adopted a dual stance, with some leaders expressing support for the Ruto administration while others remain critical.

The judiciary's strengthened role has greatly enhanced checks on executive and legislative authority. In March 2022, the Supreme Court blocked President Kenyatta's attempt to amend the constitution through the Building Bridges Initiative. The judiciary has also temporarily halted the implementation or, in some cases, invalidated legislation passed by Parliament for reasons such as a lack of public participation, unconstitutionality or other legal shortcomings. For example, it temporarily halted the implementation of the proposed digital identification card system (Maisha Namba), a decision later overturned; delayed the rollout of health care plans under the Social Health Insurance Act (SHIF) pending legal amendments; and paused initiatives such as an affordable housing program until the government demonstrated that due process had been followed in enacting them.

Independent judiciary
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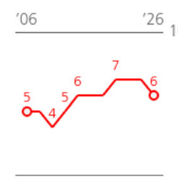

The judiciary has made significant progress in rebuilding its reputation, evolving from being a weak, politically influenced institution into one generally regarded as independent. However, several factors continue to tarnish its reputation, including long delays in resolving cases and a widespread perception of corruption. In November 2024, the Law Society of Kenya issued a strong statement accusing certain judicial officers of accepting bribes and engaging in unethical conduct. A month later, a group of four former Law Society chairs echoed these concerns, citing integrity issues and poor legal rulings that they attributed to corruption within the judiciary. In response, Chief Justice Martha Koome invited the lawyers to a meeting to address their concerns and also called for the Judicial Service Commission (JSC) to investigate the complaints. In January 2025, two separate petitions were filed with the JSC seeking the removal of the entire Supreme Court bench, complaining of gross misconduct.

The Kenyatta government had a contentious relationship with the judiciary, making numerous attempts to undermine its independence and refusing to comply with court orders that did not align with its interests. Upon taking office, Ruto appointed six judges whom Kenyatta had refused to appoint despite a court order. He also indicated his desire for positive relations with the judiciary, appointing new judges in December 2022 and pledging to increase its budget, which had been reduced under the previous administration. Following the rejections or delays of several Kenya Kwanza flagship projects by the courts, Ruto's tone appears to have changed, as he began accusing the judiciary of sabotaging his development agenda and engaging in corruption. The lack of operational autonomy and the absence of a guaranteed budget allocation share reserved for the judiciary are significant administrative weaknesses, leaving the judiciary subject to abrupt, irregular and illegal budget cuts with consequent implications for its service delivery and independence.

Prosecution of office abuse
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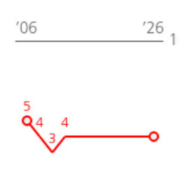

Kenya has a robust legal framework for the prosecution of abuse of office, but the judiciary and independent public institutions have proved unable to break the cycle of impunity. Politicians publicly denounce corruption and pay lip service to their commitment to eradicate it, but abuse of office remains widespread at all levels. In 2021, President Kenyatta estimated that Kenya was losing about KES 2 billion a day because of corruption. The number of cases brought against suspects is minimal in the context of the amounts stolen from public coffers annually. In February 2022, the Ethics and Anti-Corruption Commission (EACC) imposed the largest fine ever recorded in a case involving a former investment manager at the National Social Security Fund who, along with accomplices, was found guilty of conspiring to defraud the fund of KES 1.2 billion. The defendants were ordered to pay fines totaling KES 9.8 billion and, if unable to do so, serve prison sentences.

Nonetheless, such high-profile cases are rare, and the anti-corruption campaign under Kenyatta's administration has already begun to unravel under Ruto's leadership, with the director of public prosecutions (DPP) dropping several criminal and corruption cases. The EACC chair has also reported facing immense political pressure, with attempts made in 2024 to remove him from office before the end of his tenure.

Civil rights

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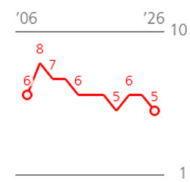

Chapter Four of the constitution includes a thorough and forward-thinking Bill of Rights, which is legally binding on state entities and individuals alike. Although some rights can be limited by legislation, the constitution explicitly declares that freedom from torture and slavery, the right to a fair trial, and habeas corpus are absolute. The constitution also bars discrimination based on race, ethnicity, gender, religion or political affiliation. Kenya has ratified several international treaties and conventions that safeguard civil rights. It has also established a number of institutions to protect and promote civil rights, including the Independent Policing Oversight Authority (IPOA), the National Gender and Equality Commission, and the Kenya National Commission on Human Rights (KNCHR). These institutions are tasked with investigating and prosecuting violations of civil rights, providing redress to victims, and promoting education and awareness of civil rights. However, despite their mandates, these institutions have been criticized for failing to hold security forces accountable, with the IPOA securing only a handful of convictions for police killings since its formation in 2011.

In practice, numerous structural and systemic challenges hinder the complete implementation of the Bill of Rights and the work of independent oversight institutions. Extrajudicial killings and enforced disappearances continue to occur on a significant scale, and the slow pace of investigations and limited prosecutions of perpetrators contribute to a culture of impunity. The Independent Medico-Legal Unit (IMLU) reported a surge in cases of extrajudicial executions in 2024, particularly during the Gen Z-led protests, which saw a total of 63 people killed. It also noted that security agencies employed night raids, forced disappearances and staged "shootouts" to justify killings. Reports indicate that several activists who were prominent in organizing and mobilizing protests online were abducted by people believed to be security forces.

Although discrimination based on gender, sexual orientation, ethnicity or religion is prohibited by law, it continues to occur in practice. Numerous cases of femicide have been recorded in the recent past. While courts have upheld some rights for LGBTQ+ people, the Supreme Court in May 2019 refused to strike down sections 162 and 165 of the Penal Code, which criminalize gay sexual relations. However, in 2023, the court affirmed LGBTQ+ people's right to associate, including by forming associations.

4 | Stability of Democratic Institutions

Performance of democratic institutions
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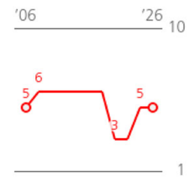


The 2010 constitution comprehensively reshaped Kenya's democratic institutions and the relationship between them by introducing a devolved level of democratic government, curtailing presidential powers, strengthening Parliament and other institutions, and establishing several independent constitutional commissions. The effectiveness of these institutions depends significantly on the quality of leadership guiding them. While many institutions strive to function effectively, they often face challenges from power brokers and vested interests that hinder their operations.

The 47 county governors, through their Council of County Governors, have become the new locus of power vis-a-vis the national government. Power struggles and infighting between the executive and members of the county assemblies (MCAs) have increased, for example in disputes over revenue allocation through the Commission on Revenue Allocation (CRA). Since the introduction of devolution, there have been more than 15 impeachment proceedings against governors and their deputies by county legislative assemblies. Some impeachments have been overturned by the Senate or the courts, raising concerns about due process and political motivations. While the possibility of impeachment is vital for accountability, it has also become a tool for MCAs to shift power dynamics between county executives and legislatures, with tensions often tied to control over county resources. MCAs have been accused of using impeachment threats to demand financial favors or influence county budgets.

Commitment to democratic institutions
7

All actors from the various branches of government, county governments, the national administration, interest groups, civil society and religious organizations in principle accept the value of democratic institutions and of respect for the rule of law.

In practice, the rule of law is threatened by politicians, business leaders and cartel-like structures seeking to corrupt or manipulate systems in their own interests.

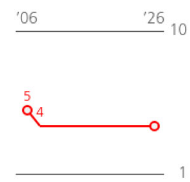
The military is firmly under executive control and does not exercise veto power. Nor does the clergy exercise veto power, although it influences electoral decisions and policy debates, often aligning with or opposing government initiatives. Raila Odinga, a longtime figure in Kenyan politics, wields significant influence over public sentiment despite having never attained the presidency. His impact was evident in 2023 when his calls for mass protests against the rising cost of living and alleged electoral malpractice in the 2022 elections caused substantial disquiet within the government.

These actions compelled a political deal to review Kenya's electoral laws, a move some perceived as a compromise aimed at restoring stability and others as political co-optation designed to weaken the opposition. Since then, Odinga has entered into an agreement with Ruto, under which members of his ODM party have joined Ruto's broad-based government, fracturing the opposition and reducing checks on executive power.

5 | Political and Social Integration

Party system

4



As of October 2024, there were 90 fully registered political parties in Kenya. To qualify for registration, parties must meet requirements set out in the Political Parties Act of 2011. Party membership ranks are expected to be regionally and ethnically diverse as well as gender-balanced, with representation of minorities and marginalized groups.

In practice, political parties have weak ideological bases and struggle to aggregate interests expressed in social, cultural or economic terms. Instead, individuals use political parties and coalitions to channel and reshape personal and ethnoregional interests and to mobilize support from their ethnic communities. Many parties engage in "cosmetic compliance," nominally including diverse representatives to meet legal requirements while retaining ethnic or elite dominance. Consequently, political party formations align with and mirror the ethnoregional alliances constructed by political leaders. Politicians commonly use patronage to sustain their bases of support, a practice that often engenders corruption and undermines party institutions.

Many registered parties play little role in national affairs and may only rarely field candidates in elections. During election periods, dormant parties become "briefcase parties," reviving only to negotiate coalition deals. Political parties and coalitions remain temporary vehicles that serve the interests of their "owners" from one election to the next. Between elections, party activities are largely confined to their national headquarters and can hardly be said to represent localities. The party system remains unstable and dependent on agreements between the various parties' founders.

Interest groups

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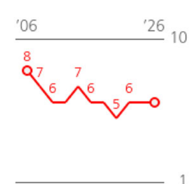

A wide range of groups represent diverse interests in the country, including professional associations such as the Law Society of Kenya (LSK), religious and faith-based interest groups such as the Kenya Conference of Catholic Bishops, social interest groups such as the Gay and Lesbian Coalition of Kenya, and trade unions. Civil society actors are present in sectors such as education, health, the environment, and food and agriculture. The effectiveness of these institutions depends significantly on the quality of their leadership.

Some pressure groups have a regional base while others operate at the national level. However, certain organized interest groups and professional associations are prone to internal divisions along ethnic lines, reducing their potential for a unified response to government excesses. The LSK, once a brave guardian of the law, has faced internal divisions, corruption allegations and political interference over the past decade. However, under its new leadership, it has worked to restore its reputation as an impartial defender of the rule of law, especially in addressing cases of enforced disappearances and efforts to restrict civic rights. Pressure groups that could use their size as political leverage, such as the Central Organization of Trade Unions (COTU) and the Kenya National Federation of Agricultural Producers, remain hampered by corruption, weak leadership and the political ambitions of their leaders. These challenges have severely undermined their legitimacy and have historically made it easy for the government to ignore their grievances. The Office of the Registrar of Trade Unions and the Political Parties Act have been used to limit the activities of some organizations.

Approval of democracy

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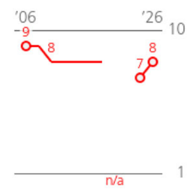

In the 2024 Afrobarometer survey, about three-fourths (74%) of Kenyans said they believed democracy was preferable to any other political system. A similar majority (77%) said they supported regular, open and honest elections as the best way to choose their political leaders. About 86% of Kenyans said they supported a two-term limit for presidential mandates – a position strongly upheld over the past decade. In October 2024, Nandi Senator Samson Cherargei attempted to introduce a bill in the Senate seeking, among other contentious proposals, to extend term lengths for all elective positions from five to seven years and to establish the office of the prime minister, a proposal that had also been included in the aborted Building Bridges Initiative of President Kenyatta.

However, the bill faced overwhelming public opposition, with 99.9% of public submissions opposing it, which led to its rejection by the Senate Committee on Justice, Legal Affairs and Human Rights.

Social capital

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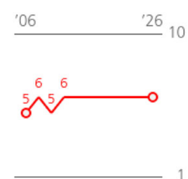

Ordinarily, numerous social and self-help organizations exist, but they lack an effective division of labor. Social cooperation is mostly organized within residential neighborhoods or workplaces and is constrained by financial and infrastructural limitations. It arises mainly in response to immediate challenges, such as the loss of a loved one or illness, rather than being strategically cultivated to foster long-term involvement and social stability, for example, by establishing an education fund.

Informal savings groups remain common throughout Kenya, especially in rural regions, which often lack conventional banking services. Informal cooperatives and self-help groups are difficult to monitor, but they are found across the country, particularly in rural areas and informal settlements in urban centers. Some NGOs and government-backed programs aim to formalize these networks, but implementation remains weak.

For years, the absence of an effective universal public health insurance system, a pension fund and other social safety nets has left citizens primarily dependent on personal resources, their families and wider social networks in times of need. In an effort to provide universal health coverage, the government introduced the Social Health Insurance Fund (SHIF) in October 2024. Implementation of the SHIF faces logistical and financial challenges, including delays in enrollment, skepticism from informal sector workers and concerns about sustainability.

Overall, levels of interpersonal trust are low among the population. About 96% of Kenyans say people should be very careful when dealing with others. Conversely, 82% of Kenyans agree that heterogeneous societies are stronger than homogeneous ones (Afrobarometer 2021). Ethnic groups in Kenya are largely tolerant (91%) of one another in everyday social life but often depart from this norm during election cycles or when issues of resource allocation and services are at stake. The discrepancy between low levels of interpersonal trust and high levels of ethnic tolerance suggests that Kenyans are wary of individual interactions because of corruption and insecurity, but still value diversity and coexistence at the community level.

II. Economic Transformation

6 | Level of Socioeconomic Development

Question Score

Socioeconomic barriers
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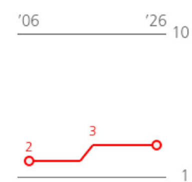

Kenya has the largest and most diverse economy in East Africa. In terms of GDP, Kenya ranks fourth in sub-Saharan Africa (behind South Africa, Ethiopia and Nigeria). Despite its ongoing challenges, Kenya remains the East African country with the most promising economic outlook. On the strength of significant economic reforms and investment, the country has sustained an average growth rate of nearly 5% across two decades. However, in per capita terms, these economic gains have been offset by population growth. As a result, improvements in living standards and social welfare have been visible but comparatively modest.

Poverty and inequality remain key development challenges in Kenya, with economic opportunities and labor market access significantly shaped by race, ethnicity, gender, age and place of residence. Rural populations, which comprise about 80% of Kenyans, are more vulnerable to poverty and exclusion than are urban dwellers.

About two-thirds of Kenyan families are chronically vulnerable to poor nutrition, food insecurity and preventable diseases, with women, girls and marginalized rural communities disproportionately affected. Economic inequality also reinforces regional disparities, with poverty rates significantly higher in northeastern, eastern, coastal and western Kenya.

After a setback due to the COVID-19 pandemic, the poverty rate continued to decline slightly from 2021 to 2023, with the World Bank estimating that 34.7% of Kenyans were living on less than $2.15 per day, an international poverty line benchmark. The 2023 Multidimensional Poverty Index (MPI) indicated that 37.5% of Kenyans were considered multidimensionally poor, with an additional 35.8% vulnerable to such poverty. The country's Human Development Index (HDI) score of 0.601 places it in the medium human development category, ranked at 146th place out of 193 countries. With a Gini coefficient of 38.7 (2021 estimate), Kenya continues to be a highly unequal society. The gap in wealth distribution has widened in recent years. According to Oxfam, less than 0.1% of the population owns more wealth than the remaining 99.9%.

Gender inequality remains a significant challenge in Kenya, driven by gender-based violence, women's under-representation in political decision-making circles, and the prevalence of traditional household roles, among other factors. Kenya's score on the Gender Inequality Index was 0.533 in 2022, putting it behind neighboring Uganda and Tanzania. The gender gap has stagnated in recent years. The Gender Gap Index score was 0.71, meaning women were about 27% less likely than men to have an equivalent set of opportunities.

Economic indicators		2021	2022	2023	**2024**
GDP	$ M	109703.7	114449.0	108038.6	**124498.7**
GDP growth	%	7.6	4.9	5.6	**4.5**
Inflation (CPI)	%	6.1	7.7	7.7	**4.5**
Unemployment	%	5.7	5.7	5.6	**5.4**
Foreign direct investment	% of GDP	0.4	0.7	0.5	**0.4**
Export growth	%	15.3	11.9	-4.5	**5.5**
Import growth	%	22.2	4.6	-3.1	**2.5**
Current account balance	$ M	-5045.3	-4806.8	-2736.5	**-1549.8**
Public debt	% of GDP	68.2	67.8	73.4	**67.3**
External debt	$ M	41219.1	41556.3	42910.0	**-**
Total debt service	$ M	2445.8	3336.8	3872.5	**-**
Net lending/borrowing	% of GDP	-8.6	-7.7	-9.9	**-**
Tax revenue	% of GDP	13.6	14.6	14.0	**-**
Government consumption	% of GDP	12.1	12.2	11.9	**11.5**
Public education spending	% of GDP	4.9	4.5	4.0	**4.0**
Public health spending	% of GDP	2.2	2.0	-	**-**
R&D expenditure	% of GDP	-	0.4	0.8	**-**
Military expenditure	% of GDP	1.1	1.0	0.9	**-**

Sources (as of December 2025): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

Market organization
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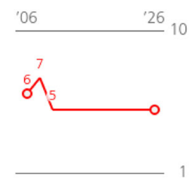

Since independence, Kenya has nominally adhered to free-market principles, but has long engaged in significant state intervention as well. While the private sector now dominates the economy, state-owned enterprises (SOEs) remain active beyond the realm of infrastructure, including in the banking, retail and agro-processing sectors. Despite a long-standing privatization agenda, progress has stalled. In 2016, 26 of 247 SOEs were earmarked for privatization, yet none were sold. The Ruto administration revived these efforts, citing a desire to engage in financial consolidation and improve productivity. In 2023, a controversial privatization law was passed with the goal of fast-tracking SOE sales, but in October 2024, the High Court declared it unconstitutional, stalling these plans.

Kenya maintains a favorable investment climate, having liberalized its regulatory framework to ease market entry and attract foreign direct investment (FDI). The country hosts one of Africa's leading startup ecosystems, with Nairobi emerging as a hub for regional operations. Business registration has become more efficient, improving conditions for private sector growth. However, challenges persist, including weak institutional structures, corruption and politically entrenched clientelism.

The informal sector remains central to Kenya's economy, contributing about one-third of the country's GDP and employing more than 86% of the workforce. Many businesses start informally because of the high costs of formal registration and taxation.

Market prices are largely determined by supply and demand, though the government occasionally intervenes in essential sectors such as food and fuel. While cross-border movement of labor and capital is permitted to some extent, restrictions on currency convertibility may deter foreign investors.

Competition policy
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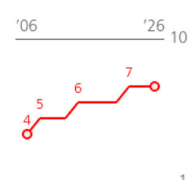

The Kenya Competition Act (2010) established the Competition Authority of Kenya (CAK) as an independent regulator that promotes fair competition. The act prohibits anti-competitive practices, including abuse of dominance, restrictive mergers and collusive agreements. The CAK has enforcement powers to investigate violations, impose penalties and prosecute offenders.

Over the years, the CAK has successfully detected cartels in multiple sectors. In 2021, the authority introduced an Informants Reward Scheme to encourage whistleblowing on cartel activities. However, enforcement faces challenges including limited resources, court delays and weak public awareness of competition laws.

In 2024, CAK proposed amendments to introduce ex ante competition enforcement in digital markets, aiming to regulate the dominance of global tech firms and strengthen merger control. The changes would also allow public input on merger reviews, expanding CAK's oversight.

Liberalization of foreign trade

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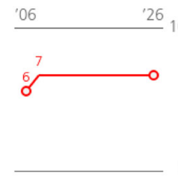

Kenya performs well with regard to regional infrastructure, productive integration, the free movement of people, and financial and macroeconomic integration. As a World Trade Organization (WTO) member, it regularly notifies the Committee on Technical Barriers to Trade of draft regulations.

The country benefits from numerous trade agreements, including the WTO Trade Facilitation Agreement, the East African Community (EAC) Customs Union and Common Market Protocols, the Common Market for Eastern and Southern Africa (COMESA) Free Trade Agreement, and the EU-EAC Economic Partnership Agreement (EPA).

Kenya is one of seven countries piloting trade under the African Continental Free Trade Area (AfCFTA). In August 2022, it launched a National AfCFTA Implementation Strategy that identifies high-priority export sectors and establishes a National Implementation Committee comprising government agencies, the Council of Governors, private sector associations and research institutions.

According to the U.S. International Trade Administration, Kenya features non-tariff barriers including slow customs clearance, strict packaging and labeling requirements, and cumbersome certificate of conformity procedures.

In December 2023, Kenya and the European Union signed an Economic Partnership Agreement (EPA), effective July 2024, that grants Kenya duty-free, quota-free access to the European Union while gradually opening its market to EU imports.

According to the WTO World Tariff Profiles Report, Kenya's simple average most-favored-nation (MFN) applied tariff rate was 13.8% in 2023 – lower than the sub-Saharan African average.

Banking system

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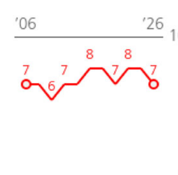

Kenya's banking sector has expanded steadily, aligning with international standards and leveraging technology and innovation. The sector is competitive and well differentiated, and is expanding regionally. Kenya is a global leader in the field of mobile banking, and its widely adopted mobile money services provide strong competition to banks.

The Central Bank of Kenya (CBK) maintains a robust supervisory framework by conducting regular inspections and enforcing corrective actions, including placing banks under receivership when necessary.

However, weak controls on illicit cash flows, insufficient counter-terrorism financing laws and political patronage have made Kenya vulnerable to money-laundering. In February 2024, the Financial Action Task Force (FATF) placed Kenya on its gray list because of deficiencies in anti-money-laundering (AML) and counter-terrorism financing (CTF) regulations. This could increase compliance costs, reduce investor confidence, limit foreign aid and complicate cross-border transactions, potentially affecting local banks' credit ratings.

Despite these challenges, Kenya's banking sector remains stable. At the end of 2023, the total capital adequacy ratio stood at 18.6%, exceeding the 14.5% minimum. The liquidity ratio was 51%, well above the 20% statutory requirement. The sector's total net assets reached $60 billion in December 2023, while the gross non-performing loan (NPL) ratio rose to 16.1% in April 2024.

In December 2024, President Ruto signed the Business Laws (Amendment) Bill, raising the minimum core capital requirement to KES 10 billion – a tenfold increase and the first adjustment in 12 years. More than half of Kenya's 39 commercial banks (25) may face closure or merger if they fail to meet this requirement within three years. The CBK justified the change because of a rising share of NPLs and emerging risks such as climate change and cybersecurity. This is expected to drive consolidation within the sector, creating fewer but stronger banks with greater financial resilience.

8 | Monetary and fiscal stability

Monetary stability

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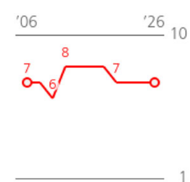

The Central Bank of Kenya (CBK) aligns its inflation and exchange rate policies with the government's economic objectives but operates with a degree of autonomy. While past political interference – especially around election periods – has led to pressure on the CBK to ease monetary policy, it generally has been able to maintain its independence, and is less affected by patronage and clientelism than other state institutions. Its leadership remains stable, with appointments made on the basis of technical skill and merit.

In 2024, the CBK's monetary measures and reforms aimed at strengthening the monetary policy framework and foreign exchange market helped restore macroeconomic stability following a period of high inflation and currency depreciation. By early 2025, the Kenyan shilling had largely recovered and was ranked among Africa's best-performing currencies. Monetary tightening, including multiple interest rate hikes since May 2022, contributed to this stabilization. The inflation rate dropped from a peak of 9.6% in October 2023 to 3% in December 2024, and was projected to remain below 5% in 2025.

As of 2025, the Kenyan shilling (KES) remained stable against major currencies. It was quoted at KES 129.20 per U.S. dollar. The real effective exchange rate (REER) was 129.78720 in 2023. This index measures Kenya's currency value relative to a basket of its trading partners' currencies, adjusted for inflation differentials.

Fiscal stability

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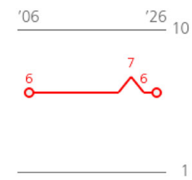

Kenya's debt burden has surged from 39% of GDP in 2010 to 73.1% in 2023, largely due to heavy borrowing under the administration to finance infrastructure projects (2013 – 2022). The situation has been worsened by corruption, currency depreciation and external shocks, including COVID-19, Russia's war on Ukraine and climate-related disasters.

Kenya's budget deficit has been a focal point of recent fiscal policy, with efforts now being made to reduce it in the coming years. In fiscal year 2023/24, the deficit was 5.1% of GDP, below the targeted 5.7%. Initial projections aimed to reduce the deficit to 3.3% of GDP in 2024/25. However, following the withdrawal of the Finance Bill 2024, the deficit projection was revised upward to 4.3% of GDP.

Kenya faced a $2 billion Eurobond repayment in June 2024. The IMF provided a $941 million loan, and Kenya issued a $1.5 billion international bond at a steep 10.4% interest rate, which signaled financial distress. In exchange for IMF support, Ruto's government introduced a finance bill aimed at raising KES 346 billion through value-added tax (VAT) hikes. The tax measures would have disproportionately affected low-income Kenyans, sparking mass protests led by youth. After violent clashes, Ruto ultimately refused to sign the bill.

While political instability remains a risk to economic recovery, Kenya's outlook improved by late 2024. In January 2025, Moody's revised the country's rating from negative to positive, citing an easing of liquidity risks and improved debt management. Revenue mobilization and debt control reforms, along with spending cuts, have helped narrow fiscal deficits and restore investor confidence.

President Ruto continues to press for global financial reforms that advance a more equitable debt structure and greater inclusion in international decision-making.

9 | Private Property

Property rights

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In precolonial Kenya, property rights were based on patriarchal and group interests rather than on individual interests. Land was held communally by local clans, and rights were limited to use rights only. The 2010 constitution establishes a new foundation for property rights and gives women and men the right to equal treatment and opportunities in the political, economic, cultural and social spheres.

The Land Act of 2012 defines three land tenure systems in Kenya: public land, which is held in trust by the government; communal land, which is held by the community; and private land, which is held by individuals on either a freehold or leasehold basis. These systems restrict the scope of individual land rights.

The Business Laws (Amendment) Act, which took effect March 18, 2020, amended various laws to facilitate property acquisition in Kenya. Generally, the institutional and legal framework protects individuals' property rights and outlines procedures for government acquisition of private property. The constitution ensures fair compensation in cases of compulsory government acquisition of property, and the government has established a legal framework to address property rights disputes.

Private enterprise
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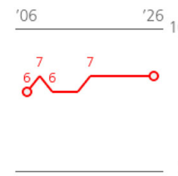

Kenya has a large, diverse and resilient private sector that accounts for more than 80% of the country's GDP and two-thirds of total employment. The government has taken steps to foster a business-friendly environment, and several institutions support the private sector.

In theory and in law, fair and equal competition between private and public enterprises is the rule. However, there are regular exceptions that protect state enterprises. These exceptions can include guaranteed market shares, reduced marketing hurdles and preferential access to government loans at lower interest rates.

The government grants foreign and local private entities the right to establish and own businesses and to engage in all forms of remunerative activity. Kenya's regulatory, business registration and licensing systems are relatively transparent. The business registration and licensing systems are fully digitized, and computerization of other government processes is ongoing with the aim of increasing transparency and reducing opportunities for corruption.

Privatization in Kenya has generally been carried out in line with market principles, with the government selling state-owned assets to private investors through a competitive bidding process. However, concerns have been raised about the transparency and fairness of some individual instances of privatization. In some cases, there have been allegations of corruption and favoritism in the selection of bidders for sale agreements. In recent years, the Kenyan government has taken steps to address these concerns and improve the transparency and accountability of the privatization process. For example, the government has established a Privatization Commission to oversee and manage the process, and it has introduced regulations and guidelines to ensure it is conducted fairly and transparently.

10 | Welfare Regime

Social safety nets
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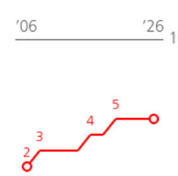

Kenya's national social protection policy has three pillars: social assistance (direct cash transfers to poor and vulnerable people), social security (pension schemes for workers in the formal and informal sectors) and health insurance (access to health services for all citizens). Significant progress has been made in this regard, partly reflected in a reduction in poverty rates and an increase in life expectancy (to 62.1 years in 2022). However, a number of challenges remain, including the lack of access to social and health services in (remote) rural areas, high rates of unemployment and underemployment, and a declining reliance on family- and community-based social safety nets.

Universal health coverage remains a high priority for the government. According to the World Bank, Kenya has made notable progress, with increased health sector funding at both the national and county levels. Public health expenditure accounted for 4.55% of GDP in 2021, while per capita health spending rose to $94.7, up from $21 in 2000. However, regional disparities remain stark. Nairobi has well-developed health care infrastructure, while many rural areas by contrast struggle with underdeveloped facilities; long distances to health care centers; and shortages of staff, drugs and equipment. In 2024, the government launched the Social Health Insurance Fund to replace the long-standing National Health Insurance Fund as part of its universal health coverage strategy. However, the significantly higher mandatory contributions for employees sparked public frustration, adding to concerns about rising levels of deductions from salaries.

Kenya’s pension system includes the National Social Security Fund, a compulsory scheme covering employees earning KES 6,000 or more, and the Occupational Pension Scheme, a voluntary employer-established plan offering additional retirement benefits. At the beginning of 2025, National Social Security Fund contributions increased to 6% of an employee’s salary, with that level to be matched by employers. The move further reduced take-home pay, adding to public concerns over rising payroll deductions.

Equal opportunity

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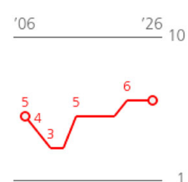

The constitution guarantees equality and inclusion, and mandates that Parliament enact laws to enforce these rights. However, structural challenges hinder full implementation of these ideals, leaving some groups disproportionately affected by economic shocks and excluded from social services and economic opportunities.

Young women and girls are among the most vulnerable groups, facing higher rates of poverty than men as well as gender-based violence and other harmful cultural practices. Their limited control over land, restricted access to education and employment, and the expectation that they engage in unpaid care work reduce their economic participation, mobility and independence. Women remain under-represented in political decision-making, and Kenya continues to fall short of its constitutional gender quotas.

Kenya has made notable progress toward gender parity in education, aided by free primary education. Girls are more likely than boys to stay in school and complete secondary education, but those in arid and semiarid regions remain disadvantaged. In 2022, the literacy rate among women stood at 82.9% compared with 85.6% among men. Despite gains, women still have less access to land ownership, education and employment benefits than men. In the World Bank’s Women, Business and the Law Index 2024, Kenya scored 83.8 out of 100, above the sub-Saharan Africa average of 74.

The constitution protects religious freedom and prohibits religious discrimination. Kadhi courts adjudicate certain civil cases under Islamic law. However, Muslim communities have reported discrimination, according to the 2023 Report on International Religious Freedom.

Discrimination against noncitizens, especially refugees and asylum-seekers, remains a challenge, limiting their access to education, employment and public services. Kenya has taken steps to protect the rights of older citizens and people with disabilities, as outlined in Article 57 of the constitution. Government stipends help mitigate their exclusion from essential services.

LGBTQ+ individuals face social ostracism and legal discrimination, as Kenyan law lacks explicit protections against discrimination on the basis of sexual orientation or gender identity. In 2024, the Supreme Court reaffirmed LGBTQ+ organizations' right to register as associations, marking a legal milestone. At the same time, Parliament considered the Family Protection Bill 2023, which proposes up to 50-year prison sentences for non-consensual same-sex acts.

11 | Economic Performance

Output strength

7

Kenya's economy has proved resilient, maintaining relatively stable growth compared with that of most African nations despite recent global and domestic shocks, including the COVID-19 pandemic, Russia's war on Ukraine, consecutive droughts, inflationary pressures and currency depreciation. Over the past two decades, Kenya has sustained strong economic growth, though structural imbalances continue to hinder a more inclusive and sustainable expansion.

In 2023, Kenya's GDP grew by 5.6%, driven by robust household consumption and expansion in the services sector. However, significant levels of debt distress, rising interest rates, elevated inflation and exchange rate volatility put growing strain on the economy. Policy measures to address fiscal imbalances – particularly tax hikes – triggered widespread social unrest and political instability in 2024, slowing GDP growth to 4.7%. By early 2025, economic conditions had improved moderately, with Kenya's National Treasury projecting 5.3% growth for 2025 and the World Bank forecasting a gradual medium-term recovery.

Despite economic resilience, significant risks remain, including high debt levels, fiscal consolidation pressures, vulnerability to external shocks (such as climate hazards) and potential for further political unrest. Kenya's debt-to-GDP ratio reached 65.7% in mid-2024, exceeding sustainable thresholds and prompting fiscal restructuring efforts and IMF engagement to mitigate default risks.

Kenya's GDP per capita (adjusted for purchasing power parity) rose to $6,324 in 2023 from $5,902 in 2022, while total GDP was $107.4 billion. However, foreign direct investment (FDI) remained low relative to the economy's size, amounting to 1.4% of GDP in 2023. Gross capital formation declined from 20.4% of GDP in 2021 to 18.1% in 2023, reflecting weaker investment activity. The current account deficit was $5.77 billion in 2022, compared with $4.79 billion in 2020.

Although the official unemployment rate was 5.7% in 2023, this figure understates the extent of widespread underemployment, informal labor and reliance on subsistence agriculture. Formal job creation has not kept pace with population growth, leaving many Kenyans in low-wage, vulnerable employment in the informal sector.

Kenya's inflation outlook improved in 2024, with the African Development Bank projecting declines to 6.2% in 2024 and 5.5% in 2025 as global inflationary pressures ease. In February 2025, the Central Bank of Kenya cut its benchmark interest rate to 10.75% to support credit access and investment.

12 | Sustainability

Environmental policy

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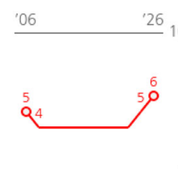

Kenya's most pressing environmental challenges include climate change, deforestation, poaching, soil erosion and water mismanagement. Key drivers of resource degradation include population growth, low agricultural productivity, poorly managed settlement programs and the historical absence of a comprehensive land policy before the 2010 constitution.

The National Environment Management Authority (NEMA), established in 2002, coordinates environmental policy but is hindered by capacity constraints, legal conflicts, inadequate funding and corruption. While the 2010 constitution strengthened environmental governance, devolution has complicated implementation, as county governments often lack the technical expertise and financial resources to enforce policies effectively.

Since 2010, Kenya has been refining its climate change response strategy, which is now guided by the National Adaptation Plan (2015 – 2030). The country aims to reduce greenhouse gas emissions by 32% under its updated Nationally Determined Contributions (NDCs), and intends to transition to a low-carbon, climate-resilient development model in line with Vision 2030.

Kenya has set an ambitious goal of gaining 100% of its energy from clean sources by 2030, and is on track to achieve it, with more than 90% of its electricity already generated from geothermal, solar or biomass sources. In January 2025, Kenya announced its first debt-for-climate swap, reallocating €60 million in debt owed to Germany to expand geothermal energy capacity.

Kenya has positioned itself as a regional climate leader, hosting the first Africa Climate Summit in 2023 and integrating climate diplomacy as a key priority in its new foreign policy, launched in December 2024.

Education policy / R&D

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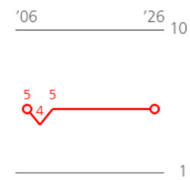

Kenya's education policy has produced high enrollment rates but persistent quality deficits at the secondary and tertiary levels. The government funds universal primary education and subsidizes secondary school fees, resulting in nearly 100% primary school attendance and a 70% transition rate to secondary education. The country also has vocational training centers and technical colleges, but educational opportunities remain limited by underfunding, poverty and inequality.

At the tertiary level, Kenya has several established universities, including the University of Nairobi and Kenyatta University. The government has expanded access through new universities and student loan programs. Despite these efforts, financial constraints continue to hinder the sector. Education spending fell to 4% of GDP in 2023, down from 5.4% in 2019, although the share of the national budget allocated to education remained above 15% from 2021 through 2024.

The adult literacy rate stood at 82.9% in 2022. Kenya benefits from a relatively well-educated workforce, positioning it as a strong contender for middle-income status. Government reforms have made Kenya a top education performer in Eastern and Southern Africa, yet challenges persist in improving the quality of education and securing funding sustainability.

In 2022, Kenya allocated 0.4% of its GDP to research and development (R&D), according to the World Bank. The government has bolstered this sector by establishing the National Commission for Science, Technology and Innovation (NACOSTI) and research institutions such as the Kenya Medical Research Institute (KEMRI) and the Kenya Agricultural and Livestock Research Organization (KALRO). Collaboration between universities, think tanks, international agencies and research institutes is expanding, but universities still face severe financial constraints. While government grants support various university initiatives, funding allocations for research remain unclear.

According to the United Nations Development Programme's 2022 Human Development Report, Kenya scored 0.573 on the U.N. Education Index.

Governance

I. Level of Difficulty

Structural constraints

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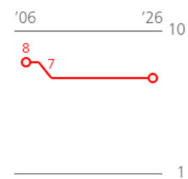

Kenya has considerable economic and administrative potential, supported by political stability and a relatively well-educated workforce. However, poverty rates remain high, and unemployment is a persistent challenge, particularly among youth, who make up nearly 75% of the population. The population growth rate has declined significantly, from 3.7% annually in the early 1980s to around 1.9% to 2% annually (World Bank), with projections estimating a population of 75 million by 2040.

Despite government initiatives, employment remains largely concentrated in the informal sector, where productivity and wages are low. The education system, already under pressure, has struggled to implement the new competency-based curriculum because of resource constraints. Disparities in educational quality between urban and rural areas continue to limit opportunities, particularly in underprivileged regions.

Kenya is highly vulnerable to climate change; according to the National Drought Management Authority (NDMA), 23 of 47 counties (covering more than 80% of the land area) are drought-prone. This intensifies pressure on the 10.2% of the country's land deemed arable, and limits agricultural productivity. Land degradation, resource conflicts, high transport costs, expensive inputs, pests and weak infrastructure further hinder food production and exacerbate food insecurity.

The economy has rebounded from the COVID-19 pandemic, but high living costs, a heavy debt burden and persistent unemployment continue to slow progress.

Civil society traditions

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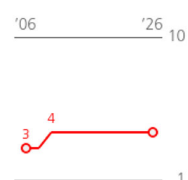

Kenya has a long-standing tradition of civic engagement, with grassroots organizations, NGOs and professional associations playing a key role in governance, social justice and public participation. The country's civil society is among the most vibrant in Africa, having evolved from colonial-era welfare groups to a modern network of more than 12,000 registered NGOs involved in diverse sectors, including the rule of law, land issues, peacebuilding, security, education, gender rights, health and economic development.

According to the 2023 Edelman Trust Barometer, non-governmental organizations (NGOs) and businesses are the most trusted institutions in Kenya. Figures such as teachers, NGO leaders and business leaders are perceived as unifying forces in society, especially amid economic challenges such as unemployment and rising living costs.

Historically, grassroots organizations operated separately from the predominantly Nairobi-based civil society organizations (CSOs), but over the last decade CSOs have expanded into provincial and county towns, fostering a more decentralized civic movement. However, civil society has not been immune to political and ethnic divisions, especially during highly polarized election cycles, when such tensions have sometimes weakened its influence and coherence.

Kenyan CSOs have played a pivotal role in political reforms, including advocating for multiparty democracy in the 1990s and contributing to the adoption of the 2010 constitution. Since then, public interest litigation has become a key tool for enhancing transparency, limiting government overreach, defending judicial independence and shaping electoral law. However, civic space has been narrowing, with activists and organizations increasingly facing intimidation, legal restrictions and financial pressures.

Youth engagement has increased, particularly through social media, which is now a powerful tool for advocacy and mobilization. Young people’s civic activism has contributed to movements demanding accountability, better governance and social justice. At the same time, many prominent activists have been co-opted into political coalitions, reducing the number of independent, critical voices.

Despite challenges such as government restrictions, political co-optation and funding constraints, Kenya’s civil society remains resilient. It continues to adapt, leveraging legal mechanisms, grassroots mobilization and digital activism to uphold democratic values and ensure public participation. The country’s strong civic traditions and engaged population reinforce its role as a regional leader in civil society activism.

Conflict intensity

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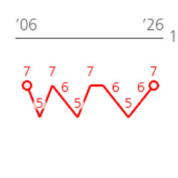

Kenya’s political, social and ethnic conflicts have deep historical roots and are shaped by multiparty politics, economic inequalities and a weak rule of law. Although ethnic divisions often appear to be the primary fault line, the conflicts are largely distributional, centered on resource control, political power and economic marginalization.

The return to multiparty politics in the 1990s revived long-standing ethnopolitical cleavages, previously suppressed under one-party rule. Over time, these divisions have deepened through deliberate political mobilization, particularly during election cycles. While ethnicity plays a comparatively smaller role in daily life, persistent mobilization along ethnic lines has reinforced group identities and intergroup suspicion. Political alliances continue to shape conflict dynamics, with elite negotiations determining how tensions unfold.

The 2024 mass demonstrations over economic hardship and taxation intensified pressure on the Kenya Kwanza government, which faced accusations that it was cracking down on dissent and using excessive force – claims the government denies. The possibility of renewed protests and escalating tensions remains high, with the government struggling to balance public discontent with political stability.

Unemployment, insecurity and a weak rule of law have fueled the rise of criminal gangs and quasi-militia groups in urban slums, the former Central Province and the Rift Valley. These groups operate semi-autonomously but are often hired by politicians – especially during elections – to intimidate opponents or mobilize support. The 2023 raid on former President Kenyatta's farm during anti-government protests and public hostility toward Rigathi Gachagua after his impeachment highlight how political figures can be targeted through organized violence, often with little intervention by security forces.

Several regions remain prone to violent disputes over land, water and administrative boundaries. Areas such as Tana River, northern Kenya, Laikipia, Samburu, Kericho, Kisumu and Nyamira have experienced cyclical retaliatory raids between neighboring communities. While intercommunal peace deals are periodically brokered, they often fail to provide lasting solutions, as competition over dwindling resources – exacerbated by climate change – continues to drive conflict.

Although Kenya is predominantly Christian, Muslim-Christian tensions have been exploited by extremist groups such as al-Shabaab that have targeted specific communities to sow division. Meanwhile, gender-based violence, including femicide, has sparked mass protests, with the 2024 demonstrations drawing more than 20,000 people into the streets of Nairobi. In addition, allegations of forced disappearances and extrajudicial killings have further eroded public trust in state security agencies.

II. Governance Performance

14 | Steering Capability

Question Score

Prioritization

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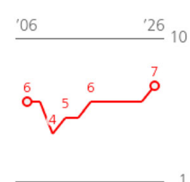

Kenya's Vision 2030, adopted in 2008, is the country's long-term development blueprint, aiming to transform the country into an emerging middle-income country with a high quality of life in a clean and secure environment by 2030. The strategy is partly aligned with the U.N. Agenda 2030 and the African Union's Agenda 2063.

The Vision 2030 is implemented through five-year medium-term plans (MTPs), with the current fourth MTP focusing on economic recovery amid post-COVID-19 challenges and global economic shifts. Vision 2030 has provided policy continuity across successive governments, prioritizing private sector growth, job creation, universal health coverage, food security and affordable housing.

Efforts to rehabilitate and expand the country's physical infrastructure have been a key driver of progress, with major investments having been made in roads, rail, ports and rural electrification. However, land reform – despite being a long-standing political issue – has made little substantive progress in addressing historical injustices.

Implementation

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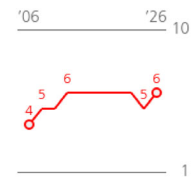

Kenya's Vision 2030 blueprint focuses on the three main pillars of economic, social and political development. However, consistency and efficiency in pursuing long-term development priorities have been undermined by widespread and endemic corruption, patronage, elite capture and short-term political deals.

In 2013, the Jubilee Party government embarked on an ambitious and costly development agenda that required concerted efforts to increase government revenue while minimizing waste. Seeking to stimulate economic growth, the government made substantial investments in infrastructure development, for instance in road networks, railways and ports. However, these projects were plagued by corruption and failed to deliver value for money when compared to similar initiatives in neighboring countries. They also significantly increased government debt, which was then further compounded by the COVID-19 pandemic and the resulting global economic slowdown. Ruto's Bottom-Up Economic Transformation Agenda (BETA) includes several flagship initiatives, one of which is the "Hustler Fund," a government-run microcredit scheme designed to provide easily accessible low-interest loans. The fund aims to empower citizens to start or expand small businesses, thereby lifting many out of poverty. However, a 2024 National Treasury report revealed that about 19 million of 21 million beneficiaries had defaulted on their loans. This high default rate has created significant financial strain for the fund, which is intended to operate as a revolving mechanism. Facing operational constraints, the government reduced disbursements to the fund from KES 12 billion in 2023/24 to KES 800 million in the 2024/25 financial year. Most loans have reportedly been used for daily consumption rather than for income-generating activities, undermining the fund's core purpose. After being delayed by legal battles, the government began implementing the Social Health Insurance Fund (SHIF) in October 2024. As this project is still in its early stages, it is not yet clear whether it will be able to deliver the anticipated benefits. Meanwhile, progress has been made on the Affordable Housing initiative, although the number of units delivered has been significantly lower than what was promised in the Kenya Kwanza electoral manifesto. A key pillar of the Vision 2030 agenda is to achieve and sustain an average economic growth rate of 10% a year by 2030. Actual growth rates have fallen short of the target, averaging between 4% and 6% over the past decade. Limited public engagement in the policy formulation process has been identified as a barrier to effective implementation, underscoring the need for more inclusive approaches. Moreover, dependence on foreign aid and external funding has occasionally disrupted essential services. For instance, a freeze in U.S. aid has led to shortages of antiretroviral medications for HIV patients in Kenya.

Policy learning

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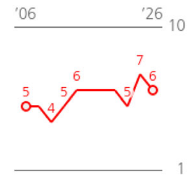

Kenya's government has demonstrated significant policy innovation and flexibility in recent years by addressing bureaucratic inefficiencies, implementing governance reforms and facilitating labor mobility. The rapid digitalization of government systems has reduced bureaucratic barriers, enhanced transparency and improved the ease of doing business.

The capacity for policy learning is evident in the establishment of the Monitoring and Evaluation (M&E) Directorate within the State Department for Planning. The National M&E Policy (August 2022) introduced mechanisms to assess the efficiency and effectiveness of government programs and policies.

Since taking office, President Ruto has restructured ministries and agencies with the aim of streamlining governance and improving policy implementation. In 2023, the State Department for Parliamentary Affairs was established under Executive Order 2 to coordinate the legislative agenda and policy execution. In March 2024, it released the Public Policy Handbook to guide ministries, counties and independent offices when drafting policy. Additional guidelines issued in July 2024 further clarified public participation, cabinet approval mechanisms and legislative drafting processes.

To enhance labor mobility and vocational training, Kenya became the first country to sign a comprehensive migration agreement with Germany in September 2024. The agreement, based on Germany's Skilled Immigration Act, facilitates Kenyan skilled workers' access to the German labor market and enhances vocational training and study opportunities.

15 | Resource Efficiency

Efficient use of assets

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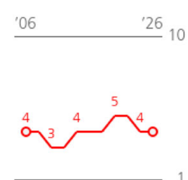

Kenya has faced a severe resource crisis for several years, exacerbated by high levels of public debt, the COVID-19 pandemic and economic fallout from Russia's war with Ukraine. Although the country was already on a trajectory of rising debt, these shocks worsened the situation, leaving the government struggling to finance its budget deficit.

Although the state's wage bill fell to 47% of ordinary revenues in 2024, it remains well above the 35% threshold set by the Public Finance Management Act (2012). Long-discussed efforts to restructure state corporations began in January 2025, but broader wage-bill reduction measures have largely failed. The civil service remains bloated, with excessive allowances and politically motivated appointments. Recruitment often prioritizes personal and ethnic loyalties over merit.

At the county level, governance has been marred by patronage and clientelism, with additional ministries and departments created to reward political allies. While basic service delivery has improved, many counties suffer from understaffing and underfunding. Excessive wage bills continue to strain resources and divert funds from development. A report by the Office of the Controller of Budget found that 10 counties recorded zero spending on development programs in the first quarter of FY 2024/25, with only a 3% overall absorption rate for development budgets. Key challenges include delays from Parliament and the National Treasury, as well as county-level inefficiencies.

Policy coordination
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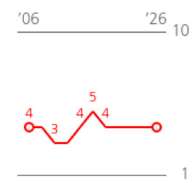

Kenya employs a mix of hierarchical-bureaucratic and informal coordination styles, typical of a neo-patrimonial system. While official structures steer policy coordination, informal networks and personalized relationships often undermine bureaucratic processes. Under President Kenyatta, strategic positions were often filled by technocrats, facilitating policy integration and prioritization. However, ethnic-based appointments remained prevalent in state enterprises, the civil service and public institutions.

Under President Ruto, a shift from technocratic to political appointments has drawn criticism, particularly with respect to ethnic and regional imbalances. Following the 2024 mass protests, the government has increasingly used appointments to the cabinet, civil service, constitutional commissions and embassies as tools of political reward or demotion.

The coordination among government ministries has been restructured with the introduction of the prime cabinet secretary, who is responsible for assisting the president and deputy president in implementing policy and overseeing the legislative agenda. While this role was intended to enhance interministerial coordination, the degree to which it has been effective remains uncertain amid internal power struggles and political maneuvering.

Devolution has intensified the need for better coordination between national and county governments. Provincial administrations were integrated into the devolved structures, but coordination challenges persist, especially with regard to county-level security. Governors lack formal authority over security matters, which remain under the authority of nationally appointed county commissioners, leading to frequent tensions.

Despite the existence of various policy coordination mechanisms such as the Public Policy Handbook (2024), interagency frameworks like the National Coordination Mechanism on Migration (NCM) and sector-specific initiatives like the National Biodiversity Coordination Mechanism (NBCM), institutional barriers, political interests and resource constraints continue to hinder effective governance. The 2025 cooperation pact between the ruling United Democratic Alliance (UDA) and the opposition Orange Democratic Movement (ODM) may help stabilize governance, but the long-term impact on policy coherence remains to be seen.

While Kenya has developed multiple coordination mechanisms, governance remains influenced by political alignments, ethnic patronage and institutional inefficiencies, diminishing the coherence of policymaking and implementation.

Anti-corruption policy

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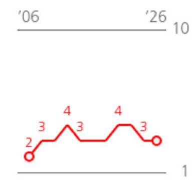

Kenya has established a comprehensive legal and institutional framework to combat corruption, but implementation remains weak. While public accountability mechanisms exist, including regular audit reports by the Office of the Auditor-General, parliamentary budget scrutiny and mandatory asset declarations for public officials, enforcement is selective and inconsistent. Asset declarations are rarely examined in detail, allowing individuals with past ethical violations, abuse of office allegations or corruption charges to secure public office without consequence.

The battle against corruption is largely superficial, serving more to pacify public outrage than to deliver real accountability. While the Public Procurement and Asset Disposal Act of 2015 was intended to enhance transparency, procurement remains the primary conduit for financial mismanagement at the national and county levels. Conflicts of interest are rampant as politicians, civil servants and their allies establish companies that benefit from government contracts. Despite efforts to digitalize the procurement process, loopholes persist and fraudulent tendering remains widespread.

High-profile corruption cases rarely result in convictions, while low-level offenders face harsher consequences. Under Ruto’s tenure, several high-profile corruption cases have been withdrawn or dismissed, with prosecutors frequently citing insufficient evidence. Even under Kenyatta, when anti-corruption efforts gained some traction, enforcement was constrained by elite protection networks. The Ethics and Anti-Corruption Commission (EACC) receives thousands of complaints annually, but only a small fraction lead to prosecutions; convictions are even rarer.

Meanwhile, the judiciary and investigative agencies continue to face political interference, and prosecutions often fail because of flawed investigations. The recent removal of Deputy President Rigathi Gachagua amid broader accountability concerns highlights the selective nature of Kenya’s anti-corruption efforts. While the United Nations Office on Drugs and Crime (UNODC) has commended Kenya for prioritizing high-impact corruption cases, meaningful progress remains elusive.

A legal framework exists for campaign and party financing, but compliance is lackluster. The Election Campaign Financing Act (2013) and the Political Parties Act (2011) regulate spending, mandate financial disclosures and allocate public funds to parties. The Independent Electoral and Boundaries Commission (IEBC) and the Office of the Registrar of Political Parties (ORPP) have the power to oversee enforcement. However, delays in implementing financing regulations, loopholes in enforcement, and unregulated funding sources allow moneyed interests to exert undue influence over elections.

16 | Consensus-Building

Consensus on goals

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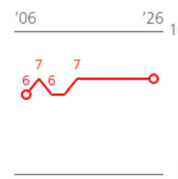

Kenyan politicians, the business community, civil society, Christian churches and mainstream Muslim groups, as well as the vast majority of Kenyan citizens, agree in principle on the value of democratic norms. However, the strong ethnoregional polarization that characterizes Kenyan politics breeds mistrust and can make consensus-building difficult. Political parties frequently lack internal democracy, operate as vehicles for individual ambitions, and mobilize support along ethnic and regional lines rather than through policy-based competition.Differences are also highly visible with regard to interpretation of the constitution and its implementation, because this affects the vested interests of former and current elites. Consequently, implementation and application become contested areas in which elites strive to undermine constitutional provisions through legislation and its application. Political and administrative appointments are frequently designed to benefit political cronies and specific ethnic groups at the expense of others, further complicating efforts to build consensus.

The groups listed above also agree on the need for development and the importance of a free-market economy. A review of the manifestos of the two main coalitions contesting the 2022 elections reveals a shared focus on economic transformation and good governance. However, significant differences emerged in their approaches to implementing these principles. These differences included ideological and practical disparities over what should be prioritized and why, such as the appropriate size and scope of social welfare programs. Since the Kenya Kwanza administration took office, it has adopted the fourth medium-term plan (MTP), incorporating many strategic goals from the second and third MTPs of the Jubilee Party government and focusing on advancing the Vision 2030 agenda initiated by the Kibaki government.

Anti-democratic actors

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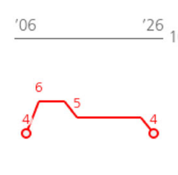


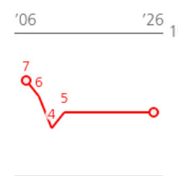
There is no political force openly opposed to democracy and democratic reform per se. All political actors, both in government and in the opposition, are committed to democratization. However, while they support these values at the national level, many political parties remain internally undemocratic. They are organized around ethnic kingpins who, once established, can remain at the forefront of national politics for decades. These kingpins use various political formations to stay relevant, which confines emerging political actors and youth wings within political parties to the roles of loyal sycophants and henchmen. This perpetuates the patronage pipeline. Politicians have shown themselves to be opportunistic on numerous occasions, behaving in an anti-democratic manner when it suits their interests.

The use of digital platforms to direct political messaging, as well as to disseminate political misinformation and disinformation, is on the rise. Various foreign actors provide material or advisory support that influences the direction and messaging of political actors.

Following the mass protests in 2024, anti-democratic actions by shadowy entities have come to the fore. Abductions and disappearances of individuals – with many individuals never brought to court, some found dead and others reporting having been held incommunicado – echo Kenya's dark past, which was marked by widespread human rights violations and an attempt to silence critics. Despite government denials regarding its involvement in these acts, levels of public unease and tension remain high. There is an expectation that these issues will be addressed; otherwise, the government risks a backlash. The inclusion of some opposition members in the government has reduced the number of critical voices at the political level.

Cleavage / conflict management

5



Kenya remains deeply divided along ethnic lines, with politicians exploiting these tensions for personal power. Rather than resolving these conflicts, politicians allow them to simmer for future political gain, particularly with regard to issues such as land disputes in the Rift Valley. The Uhuru-Ruto alliance failed to address the root causes of the 2007/08 violence, raising concerns ahead of the 2022 elections, though Ruto's successful outreach to Kikuyu voters averted large-scale conflict. However, his fallout with former deputy Gachagua has revived concerns that past grievances could resurface.

Religious cleavages are less pronounced than ethnic divisions but have worsened over the past decade, partly due to the marginalization of coastal Muslim communities and Kenya's military intervention in Somalia. Despite these tensions, interfaith relations remain largely peaceful.

Growing wealth disparities have intensified class divisions. While a middle class is emerging, widespread poverty and unemployment paired with rising crime rates underscore persistent inequalities.

The 2024 mass protests marked a shift as youth mobilized across ethnic, class and regional lines, challenging a political elite seen as detached from public struggles. This solidarity signals a growing demand for accountable governance, disrupting traditional political alignments.

Public consultation

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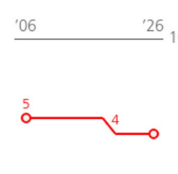

Kenya's constitution mandates public participation as a national value, requiring the national and county governments to facilitate citizen engagement in the legislative and policymaking processes. Laws such as the Public Finance Management Act reinforce this obligation. Civil society organizations (CSOs) play a crucial role in scrutinizing government policies and legislation, often engaging through parliamentary committees. For instance, the development of the Kenya Vision 2030 agenda involved extensive consultations with stakeholders in the public and private sectors, civil society and academia to create a comprehensive development blueprint. However, many CSOs are constrained by donor-driven priorities, which can limit long-term engagement or restrict their focus to areas aligned with donor interests rather than pressing national needs.

Despite formal commitments to public participation, implementation remains inconsistent, as seen in the Vision 2030 process, which in most cases is clearly dominated by the government. Government agencies often lack structured mechanisms for collecting and analyzing public input, rendering the extent of its influence on decision-making unclear. Public consultations are frequently rushed, limiting meaningful engagement. Legal action has often been brought when observers or opponents have believed inadequate participation has taken place, including in the Building Bridges Initiative (BBI) case (2021), against the Social Health Insurance Fund Act (2023) and against the Kenya Kwanza coalition's legislative proposals, which courts suspended for insufficient consultation. The 2024 Finance Bill protests further highlighted the gap between public sentiment and government responsiveness, with Parliament disregarding widespread opposition.

In April 2024, the attorney general's office issued a Public Participation Policy, signaling an effort to institutionalize engagement. However, its success depends on the government's willingness to ensure proper implementation.

Reconciliation

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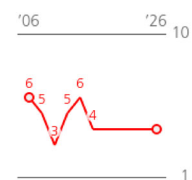

The perpetrators of the 2007/08 post-election violence, which left more than 1,000 people dead and hundreds of thousands displaced, have never been prosecuted. Attempts to establish an international crimes division of the High Court, which would have prosecuted such violations, have failed.

The Truth, Justice and Reconciliation Commission (TJRC), established in 2008, made progress in documenting historical human rights abuses. Despite intense internal conflict and shortcomings, the TJRC report not only identified many individuals responsible for past offenses and those who benefited from them, but also provided detailed recommendations on how the government, stakeholders and society should address these crimes. However, by the time the report was presented to newly elected President Kenyatta, the momentum for justice and truth had faded, replaced by a new emphasis on restoration. Given that the report implicates numerous present-day political leaders in past crimes, it has remained untouched and is likely to remain so for a significant period.

Over time, politicians have increasingly relied on political rapprochements to achieve national cohesion and equitable resource sharing. This approach rests on the assumption that when ethnic leaders reconcile at the political level, their communities are inherently included in these agreements. This was evident in President Kenyatta's proposed BBI initiative, following his "handshake" with Raila Odinga after the contested 2017 election and the ensuing post-election violence that year. A criminal case against 12 police officers for the alleged killing of baby Samantha Pendo during the 2017 post-election violence remains pending in court, bogged down by legal applications, adjournments and delays.

Similarly, in 2024, President Ruto co-opted members of Raila Odinga's ODM party into his broad-based government following mass protests. His rapprochements with other political leaders appear to follow a similar strategy. However, there has been no accountability for the brutal police response to the protests, which led to protester deaths and abductions. Kenya's unresolved historical injustices and deep-seated ethnic disparities persist as underlying drivers of potential future conflicts.

17 | International Cooperation

Effective use of support

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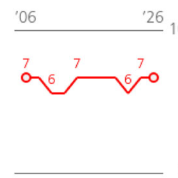

The Public Finance Management Act (PFMA) of 2012 regulates public sector financial management, including aid-related finances. According to Development Initiatives, Kenya received significant support between 2012 and 2021 from key donors including the World Bank, the Global Fund and bilateral donors. These donors contributed to sectors crucial to the country's development, such as education, health care, agriculture, infrastructure and governance.

Kenya's aid management is closely linked to national development plans, including the National Treasury and Planning Strategic Plan (2023 – 2027), Vision 2030 and MTP IV. These frameworks prioritize efficient and transparent resource allocation, focusing on maximizing the impact of aid on socioeconomic goals. Kenya also aligns its strategies with global initiatives such as the Sustainable Development Goals (SDGs), ensuring that aid contributes to international targets. The Effective Development Cooperation Strategic Plan outlines actions intended to improve the efficiency, transparency and impact of development cooperation. Overall, Kenya's approach emphasizes data-driven decision-making, the use of evidence-based policies and the alignment of aid with national development priorities so as to enhance transparency and accountability.

Despite these efforts, Kenya faces challenges in fully integrating international assistance with its development agenda. Concerns include policy inconsistencies, potential rent-seeking behavior, and the need for better alignment between external support and domestic priorities. For instance, the suspension of a significant power-line deal because of allegedly inadequate public participation highlights ongoing challenges to ensuring meaningful civil society involvement in decision-making processes.

In the 2023/24 financial year, Kenya's financing mix of 73:27 (net domestic to external financing) deviated from the optimal 50:50 target set by the government because of limited access to external financing. Multilateral debt rose to 53.9% of total external debt, reflecting the government's focus on concessional financing to reduce refinancing risks. Bilateral debt accounted for 22.5%, and commercial creditors for 23.3%. Major external creditors included the International Development Association (30.3%), international sovereign bondholders (16.9%) and the government of China (16.4%), alongside other entities such as the Asian Development Bank's Asian Development Fund, the IMF, the Trade and Development Bank, France and Japan.

Credibility
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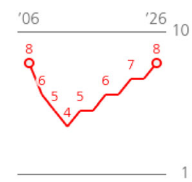

Kenya has maintained active membership in numerous international organizations. It enjoys strong security partnerships with the United States and the United Kingdom and has built strategic partnerships with countries such as Germany, particularly in the renewable energy sector. China has been a major player in financing the country's infrastructure development. Nairobi remains a central hub for numerous international NGOs and multilateral bodies that operate throughout Africa.

In May 2024, Ruto became the first Kenyan president to be hosted for a U.S. state visit and was welcomed by President Joe Biden. A key focus of the visit was Kenya's commitment to leading a U.N.-backed multinational mission to restore order in Haiti. The first Kenyan police contingent to join the U.N. mission was deployed in June 2024.

Kenya joined the Nationally Determined Contribution (NDC) Partnership in 2017, and in 2023 the government launched its National Climate Change Action Plan (NCCAP; 2023 – 2027), the Long-Term Low Emission Development Strategy (LT-LEDS; 2022 – 2050), and the country's Climate Change Act (Amendment 2023). These initiatives provide a comprehensive framework to guide national and subnational climate action.

Economically, the country continues to gain international recognition for its transformation, but has also faced challenges. It received poor credit ratings during the last financial year because its debt was deemed at risk of becoming unsustainable. The International Monetary Fund (IMF) faced scrutiny during the mass protests of 2024, with many blaming it for Kenya's policy shift toward seeking to raise more revenue by broadening the tax base.

Kenya has demonstrated a commitment to international trade agreements, particularly through the East African Community (EAC) and the African Continental Free Trade Area (AfCFTA). However, inconsistencies in policy implementation, concerns about regulatory unpredictability and occasional disputes with trade partners have at times raised doubts about Kenya's reliability regarding economic commitments.

The country has ratified numerous international human rights treaties, demonstrating a formal commitment to upholding global human rights standards. However, recent reports indicate challenges in this area, with international NGOs such as Human Rights Watch criticizing the country for failing to hold security forces accountable for serious human rights abuses, including extrajudicial killings and enforced disappearances.

Kenya has demonstrated a commitment to environmental sustainability by enacting the Climate Change (Carbon Markets) Regulations, 2024, which align with its commitments under the Paris Agreement. Kenya also played a pivotal role in the continentwide Kampala Ministerial Declaration on Migration, Environment and Climate Change, which further emphasizes its commitment to addressing climate-related challenges.

While Kenya has engaged with the International Criminal Court (ICC) in the past, its relationship has been complex. Following the ICC's prosecution of key political figures after the 2007/08 post-election violence, the Kenyan government became increasingly critical of the court, calling for reforms and a greater emphasis on African-led judicial mechanisms. Despite this, Kenya continues to participate in international legal frameworks and dispute resolution mechanisms.

Regional cooperation
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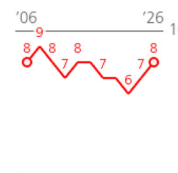

Kenya is a member of all relevant regional organizations. For decades, it has been perceived as a constructive, mainly neutral force and as a mediator seeking solutions to the numerous crises affecting the Horn of Africa and the broader East African region.

President Ruto was elected chair of the East African Community (EAC) heads-of-state summit in November 2024. During Kenya's previous tenure as chair, the Democratic Republic of the Congo (DRC) became a member of the community in March 2022. Efforts to advance Somalia's application were also intensified, culminating in Somalia's admission to the bloc on November 24, 2023.

Kenya maintains strong bilateral relations with its neighbors, although trade barriers often lead to disputes. Relations with Tanzania have improved following President Samia Suluhu Hassan's efforts to ease some of her predecessor's protectionist policies and to resolve various non-tariff trade barriers. However, disagreements over the export of poultry and related products have persisted, with the latest issue resolved in April 2024. Ongoing trade disputes over milk, which have strained Kenya-Uganda relations since the 2019 ban on the product, remain unresolved. Further disputes have emerged within the bloc over fish, poultry and other agricultural produce. In 2024, the countries in the region moved to resolve the tariff and non-tariff barriers hindering smooth trade flows.

Ruto has pursued a regional integrationist approach, appointing his predecessor, Kenyatta, as a peace envoy to the DRC and Ethiopia and visiting all neighboring states in his first 100 days in office. He also strongly backed Raila Odinga's unsuccessful bid to become the African Union Commission chair in 2025. As part of regional peace efforts, Kenya initially deployed troops to the DRC under the auspices of the East African Community Regional Force (EACRF), but later withdrew them after the DRC president raised concerns about limited security improvements. In June 2024, the EAC approved a second deployment, and Kenya sent a new contingent in August. Kenya has also contributed peacekeeping troops to the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) mission.

Since January 2025, Ruto has led EAC efforts to address the escalating crisis in the DRC.

Strategic Outlook

Looking ahead, Kenya will face several critical challenges. First, the repercussions from the 2024 Finance Bill protests continue to be felt, with the youth – who demonstrated their power – remaining restive. The political fallout from the protests has significantly affected civil and political rights, with cases of abductions, enforced disappearances and extrajudicial killings reported. Although President Ruto disbanded a special police unit previously implicated in human rights abuses upon taking office, these shadowy units seem to have returned. Although the government has denied complicity in such activities, rebuilding public trust will require authorities to identify those responsible for these actions, hold them accountable and ensure that state actors operate within the law. Moreover, the government's claim that civil society organizations were behind the protests poses a significant risk to the civic space, which is already under threat.

Second, the co-optation of the opposition into the broad-based government raises concerns about consolidating democratic gains. This move has weakened checks and balances, as Raila Odinga's ODM party has struggled to reconcile its cooperation with the government with an ability to sustain a watchdog role. In practice, this dual position has left Kenya without a strong opposition able to hold the government accountable, and has thus further undermined democratic oversight. In addition, Gachagua's swift impeachment raises questions about Parliament's functioning, especially as to whether it is simply a tool to do the executive's bidding. Most of the actions Gachagua was accused of have also been carried out by other politicians, highlighting the presence of a double standard.

Third, given Kenya's history of contentious elections, the prompt reconstitution of the Independent Electoral and Boundaries Commission (IEBC) is of paramount importance. The absence of a fully constituted IEBC over the past two years, along with the need for new voter registration processes and boundary demarcations, presents a serious threat to the integrity of the electoral process. The swearing-in of the selection panel in January 2025 was a key step toward breaking the deadlock that has stalled the process. Government support, responsible actions by political parties, and continued pressure from civil society must be sustained to ensure that the IEBC is quickly reconstituted and can begin its work without delay.

Fourth, the country's high debt burden and a challenging economic climate remain pressing concerns. Although Kenya has met its maturing Eurobond obligations and has kept inflation rates low, the IMF has proposed stringent fiscal measures. The government must strike a careful balance between fiscal consolidation and fairness, ensuring that tax policies do not overburden a population already struggling to manage the high cost of living. The government must also intensify efforts to reduce waste and inefficiency in the public sector and curb corruption by strengthening and supporting independent oversight institutions – and demonstrate genuine commitment through action, not just rhetoric.

Meanwhile, Kenya continues to be hit hard by extreme weather patterns – from severe droughts to devastating floods. Climate-related disasters continue to affect agriculture and food security and to cause displacement, yet government response mechanisms remain reactive rather than proactive. While Kenya's renewable energy strategy (targeting 100% green energy by 2030) and international climate change diplomacy are commendable, food security policies have lagged behind. The cost of food and basic commodities remains a primary concern for many households.

Attention is increasingly turning to the 2027 elections amid concerns that political leaders are prioritizing electioneering over addressing the critical governance and development challenges affecting the citizenry. A key demand from youth during the 2024 protests was for leaders to foster a political culture that prioritizes governance and policy implementation, ensuring leaders remain accountable to the public. This call should be heeded.

These intertwined challenges demand urgent and decisive action to secure Kenya's future, with a focus on restoring democratic integrity, ensuring economic stability and prioritizing the welfare of the country's people.