



Overall performance

Due to recent reforms, Kenya's regulatory framework has improved significantly in the past three years, with its insolvency frameworks second strongest in all of Africa. Combined with stable financial markets, Kenya's infrastructure investment activity has remained high. For continued progress in its domestic infrastructure environment, the Kenyan government could seek to conduct post completion reviews and enact policies that increase the domestic liquidity in financial markets.

Drivers	Rank (/16)	Rank change (2017-20)	Score (/100)	Emerging	Aspiring	Contender	Top performer	Global leader
Governance	68	↑ 1	35					
Regulatory frameworks	43	↑ 11	60					
Permits	60	↓ 3	53					
Planning	16	↓ 1	96					
Procurement	27	↑ 11	83					
Activity	40	↓ 7	35					
Funding capacity	56	↑ 16	23					
Financial markets	49	↓ 4	28					

Kenya at a glance

\$1,998
GDP per capita
(USD, 2019)

49.4 million
Population
(2019)

7.0% of GDP
Infrastructure investment
(2019 estimate)

1.3% of GDP
Infrastructure gap
(2019 estimate)

53.6
Infrastructure quality
(0-100, 100 is best, 2019)

\$245 million
Private infrastructure investment
(5-year average, USD, 2019)

Top performing metrics



90.6/100

Strength of insolvency framework

Kenya has a solid framework for reorganisation and bankruptcy which governs formal insolvency. This ensures investors have appropriate protection and helps attract investment for potential infrastructure projects.



83.5/100

Financial stability

Kenya's financial stability is satisfactory. It is similar to the average of 83 for the Lower Middle Income Countries. A stable financial system facilitates the smooth flow of funds between infrastructure assets and investors. The impact of the COVID-19 pandemic is a concern.



78.2/100

Infrastructure investment

Investment in infrastructure is high in Kenya, at 6.5% of GDP per annum. The COVID-19 pandemic may impact these efforts.

Opportunities to grow



No

Post-completion reviews

Kenya does not undertake post-completion reviews for infrastructure projects. Doing so could help determine whether projects have achieved their objectives efficiently and identify areas for improvement.



1.1/100

Stocks traded

At 1% of GDP, Kenya's value of stocks traded is significantly below the Lower Middle Income Countries' average of 14% of GDP. As this indicator measures the liquidity of equities, it is important to infrastructure investors to know they can exit investments at appropriate points.



2.5/100

GDP per capita

Kenya has a low GDP per capita of USD 1,998 but is growing at a long-term average rate of 5.6% per annum. High growth, should it not be overly impacted by COVID-19, can be expected to correlate with greater infrastructure spending.

For guidance on how to improve these metrics, please see the [Kenya Country Page](#) on the InfraCompass website.



ECONOMY OVERVIEW

GDP (\$US billion, 2019)	98.6	Population (million, 2019)	49.4	Unemployment rate (2019)	9.3%
GDP per capita (\$US, 2019)	1,998	Urbanisation ratio (2018)	27.0%	Inflation rate (2019)	5.6%
GDP growth rate (annual, 2019)	5.6%	Gross Government Debt (% of GDP, 2019)	62.0%	Digital Adoption Index (0-1 best, 2016)	0.45
GDP per capita growth rate (annual, 2019)	9.1%	Sovereign risk rating (2019)	35	Gini coefficient (0-100 worst, 2015)	40.8

METRIC SCORES

The below metrics are normalised so that they all range from 0 to 100. For original metrics and data sources, please see <https://infracompass.github.org/>

GOVERNANCE		REGULATORY FRAMEWORKS		PERMITS	
Post-completion reviews?	No -	Effect of taxation on incentives to invest	42.9 ↓	Cost to start a business	55 ↑
Infrastructure or PPP unit/agency?	Yes -	Prevalence of foreign ownership	63.3 ↑	Dealing with construction permits	49.6 ↑
Recovery rate	31.8 ↑	Product market regulation, network sectors	35.2 [^] -	Quality of land administration	50 ↓
Rule of law	41.8 ↑	Regulatory (including competition) quality	45.5 ↑	Registering property	61.2 ↑
Shareholder governance	56.7 ↑	Strength of insolvency framework	90.6 ↑	Time required to start a business	49.2 ↓
Political stability and absence of violence	30.6 ↑	Investment promotion agency?	Yes -		
PLANNING		PROCUREMENT		ACTIVITY	
Published project pipeline?	Yes -	Average procurement duration – transaction RFP	59.9 ↑	Infrastructure investment	78.2 ↑
Published infrastructure plan?	Yes -	Degree of transparency in public procurement	75 ↑	Private infrastructure investment	21.8 ↓
Preparation of PPPs	71 ↑	Published procurement guidelines?	Yes -	Value of closed PPP infrastructure deals	19 ↓
Economic analysis assessment?	Yes -	Procurement of PPPs	75 -	Value of closed infrastructure deals with foreign equity sponsorship	19.8 ↑
Market sounding and/or assessment?	Yes -	PPP contract management	59 -		
Environmental impact analysis?	Yes -				
FUNDING CAPACITY		FINANCIAL MARKETS		Drawing on data from: International Monetary Fund, Organisation for Economic Co-operation and Development, World Bank, World Economic Forum, IJ Global, CEPII, Oxford Economics, Trading Economics, and Deloitte.	
GDP per capita	2.5 ↑	Domestic credit to private sector	13.4 ↓		
Gross government debt	51.8 ↓	Financing through local equity market	56.8 ↑		
Long term GDP growth trend	53.4 ↑	Stocks traded	1.1 -		
Summary credit rating	35 ↑	Financial depth	37.2 ↓		
		Financial stability	83.5 ↓		

Metric key:

↑ Increase from InfraCompass 2017 ↓ Decrease from InfraCompass 2017 - No change from InfraCompass 2017

Note:

'Top performing metrics' are the metrics with the highest score out of 100.

'Opportunities to grow' are generally the metrics with the lowest weighted score out of 100.

[^]Denotes interpolated metric data. See Technical Appendix for further explanation on the interpolation techniques.