



# DFID's Anti-Corruption Strategy for Kenya

January 2013

## Introduction

1. Corruption can broadly be defined as the abuse of entrusted power for private gain. The word can cover a whole range of abuses. On one level it can refer to the risk of taxpayers' money in DFID programmes being fraudulently spent or stolen. On another level it can refer to corruption within a country and its institutions, with the negative impact that this has on development prospects. DFID sets the highest standards for the manner in which its own money is spent. Through its development programmes, DFID also works to reduce the prevalence of corruption in each of its partner countries.
2. In November 2011, the **Independent Commission on Aid Impact (ICAI)** reviewed DFID's approach to tackling corruption. It found that DFID had a good awareness of the fraud risks and seeks to safeguard UK funds through appropriate choices of funding channels and programme design, and often played a leading role within the donor community on anti-corruption work. It did however recommend that in any country assessed as having a high risk of corruption, DFID should develop an explicit anti-corruption strategy. As part of its response, DFID is producing anti-corruption strategies for each of its main partner countries. This strategy sets out how DFID will (a) safeguard UK taxpayers' money and (b) support efforts in Kenya to reduce corruption and its impact on development over the next three years.
3. The UK Government is committed to **transparency, results and value for money**. To make it easier for taxpayers and citizens in its partner countries to 'follow the money', DFID now publishes details of all its new programmes and of all transactions over £500 on the DFID website (<http://www.dfid.gov.uk>).

## Protecting UK Aid funds in Kenya

4. In Transparency International's 2011 Global Corruption Barometer 45% of Kenyans reported paying a bribe in the last year. In the ten years from 2001 to 2011 Kenya showed a slight improvement in Transparency International's Corruption Perceptions Index, moving from a score of 2.0 to 2.2 (where 10 is the least corrupt).<sup>1</sup> In 2011 the country was ranked **154 out of the 182 countries** (with 1 being the least corrupt). Kenya has also seen a slight improvement in control of corruption in the World Bank Worldwide Governance Indicators (WGI) from 14.6 to 18.5 (on a 0 to 100 scale, where 100 is least corrupt) in the ten years since

<sup>1</sup> Transparency International Corruption perception Index 2011 <http://cpi.transparency.org/cpi2011/results/>

2002.<sup>2</sup>

5. DFID Kenya's budget is £390 million between 2012/13 and 2014/15 (this does not include money spent by central departments). The support is to the following areas: health; poverty, hunger and vulnerability; humanitarian assistance; wealth creation; governance and security; education; and climate change. This support uses a variety of channels and partners. The funding channels are chosen on the basis of thorough analysis and a judgment about how to achieve the best results. The UK does not provide financial aid to the Government of Kenya. Instead funding is provided in the following ways:
- Commercial service providers (6%): these are experts usually contracted following rigorous and transparent international competitive tendering. They provide dedicated specialist expertise – local and international - that would otherwise be unavailable to either the government or DFID.
  - International organisations such as the UN and the World Bank (25%): includes providing both specialist expertise to the Kenyan Government in areas such as public financial management, and the delivery of programmes such as a targeted social security system.
  - Not-for-profit non-government organisations (45%): these organisations support a range of work, including advocating for reform and directly supporting local communities' livelihoods.
  - Emergency relief organisations (24%): this includes procuring and distributing emergency relief supplies.
6. DFID has a range of standard **controls and measures in place to protect UK aid**. These include rigorous risk assessments and monitoring requirements for all projects and programmes. Regular internal and external audits add a further level of assurance that money is spent on the purposes for which it is intended. DFID is continually strengthening its risk management procedures, and has recently brought in additional measures including: more detailed fraud and corruption risk assessments in programmes; enhanced pre-funding 'due diligence' checks on partners; and specialised training for staff. Where there is suspicion of corruption and fraud DFID will always follow up; and if fraud or corruption is uncovered DFID will always take action and work to recover UK taxpayers' money.

In Kenya, DFID will continue to ensure integrity and value for money through the above and in areas such as:

- Management of risks across the office's whole programme portfolio, to focus staff resources where they are needed most.
- Advising implementing partners on prevention of fraud and corruption. Independent evaluations and DFID staff field visits to inspect programmes. More frequent audits of high risk programmes.
- Helping Kenyan citizens to understand what assistance is available through DFID-supported programmes, and providing ways for them to report back on what they receive. For example, DFID Kenya's social protection programmes will provide service charters indicating what beneficiaries should expect, and put in place grievance and appeals processes for them.
- Use of new technology, for example social protection payments by electronic cards, which helps identify the right families, and allows money to be transferred directly and securely with less risk of diversion.

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<sup>2</sup> Worldwide Governance Indicators <http://info.worldbank.org/governance/wgi>

## Supporting efforts to reduce corruption in Kenya

7. Over the next three years, DFID will support Kenya in tackling corruption through:

- Building political commitment to increase accountability, for example by supporting Kenya's Public Accounts Committee, and institutions that will help deliver free and fair elections such as the election commission. This will include regular direct dialogue with government, including in discussions at national, county and individual programme level, on how to tackle corruption.
- Supporting greater accountability and better access to information and transparency, for example helping county governments to consult communities about their budgets, publish their performance targets and information on services, and establish ways for people to give feedback.
- Improving public financial management, for example by supporting county governments on budgeting, reporting and independent auditing. This allows citizens to have a say in what is important for them and to check the quality of services being delivered, and should help money get to where it is most needed.
- Identifying and supporting organisations outside government that strengthen the voice of citizens in reporting concerns and demanding action, and supporting government initiatives that build the capability and responsiveness of county and district governments.
- Supporting the international community's efforts to co-ordinate work to reduce corruption.
- Backing global and regional initiatives on corruption, including supporting delivery by Kenya of its own action plan on anti-money laundering developed with the Financial Action Task Force.
- Encouraging the private sector to take a greater role in challenging corruption, including lobbying for Kenyan government procurement and business registration processes to be moved to more transparent online systems.
- Developing and maintaining regular monitoring and analysis of corruption in Kenya.

### More information

On the country programme is available on the DFID website at: [www.dfid.gov.uk/kenya](http://www.dfid.gov.uk/kenya)

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