

EVALUATION OF DFID COUNTRY PROGRAMMES

COUNTRY STUDY: KENYA

FINAL REPORT

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DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

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Cover Photograph: Turkana Water Harvesting Project, Kenya

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The team was greatly assisted by the Head of Office and all the staff of DFID Kenya. However, full responsibility for the text of this report rests with the authors. In common with all evaluation reports commissioned by DFID's Evaluation Department, the views contained in this report do not necessarily represent those of DFID or of the people consulted.

PREFACE

This evaluation of DFID's Kenya country programme is one of a series of regular Country Programme Evaluations (CPEs) commissioned by DFID's Evaluation Department. The studies are intended to improve performance, contribute to lesson learning and inform the development of future strategy at country level. Collectively, the CPEs are important in terms of DFID's corporate accountability and enable wider lessons across the organisation to be identified and shared

The evaluation was carried out by a team of independent UK, Dutch and local consultants led by ITAD Ltd. The process was managed by Jeremy Clarke, Iain Murray and Lynn Quinn of Evaluation Department (EvD). Jeremy was also part of the team that visited Kenya and contributed considerable insight into the governance issues in Kenya.

The study period focused on DFID's programme during the period 2000-2006. The evaluation was carried out between August and October 2006. This included a one week inception visit carried out by EvD and a two week field visit carried out by the consultancy team. The field visit included interviews with DFID staff, local stakeholders and key partners.

In accordance with EvD policy, considerable emphasis was placed on involving the country office staff during the process and on communicating findings. They were invited to discuss findings at a workshop during the evaluation, offered written comments on the draft reports and participated in a seminar discussing the findings previous to the final draft.

Main Findings

Following the disappointments of the MOI era, the Kenya country programme has in large part been successful in delivering what it set out to achieve. This is a good outcome in a difficult governance environment. The strategy itself is well aligned with Kenya's needs and significant development results have been achieved particularly in education and health. In delivering this outcome, DFID Kenya adopted a cautious approach to aid instruments, predominantly project based, but moving towards SWAPs and sector budget support where the fiduciary risk allowed and there was evidence of the government delivering on reforms.

Key study conclusions include:

- Governance issues have defined and constrained many aspects of the programme. DFID Kenya has made a positive contribution to political accountability and a relatively peaceful election and political transition with examples of effective public information, civic education and advocacy.
- Support for public financial management has contributed to improved linkages between plans and budgets. Corrupt procurement practice remains an impediment with slow uptake of new procurement practice.

Opportunities to promote domestic accountability to citizens and taxpayers are being pursued; for example Drivers of Change analysis was instrumental in identifying the Kenya Revenue Authority as an effective entry point

- Results in education show a strong enrolment response to government's free primary education policy. Impact studies confirm significant benefits from DFID's long term support to innovative large scale programmes including school based text book procurement and primary teacher in-service training.
- Continuity of approach has helped strengthen the National Aids Control Council during a turbulent period, but there is a policy vacuum at high level. Statistics show rising condom use in urban areas and falling HIV prevalence in 15-24 years age group. Consistent and clear policy influence through long term technical assistance has led to a good environment to move forward with a health sector SWAp. For short term gains the twin track approach to scale up insecticide treated bednets and financing condom supplies were effective.

This has been an important lesson learning opportunity for DFID. The usefulness of the study findings are the results of the efforts of many people. EvD would like to acknowledge the contribution made by the evaluation team itself. The active and positive cooperation of DFID staff in this evaluation was excellent, as was the engagement from development partners in Kenya. We would like to convey our warm thanks to those involved.

Nick York
Head of Evaluation Department

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List of acronyms and abbreviations

ADDP	Africa Director's Delivery Plan
ADHA	Additional Duty Hours Allowance
AfDB	African Development Bank
APDP	Annual Performance and Development Plan
APPR	Annual Portfolio Performance Review
APR	Annual Progress Report (Annual Performance Review)
APRM	Africa Peer Review Mechanism (NEPAD)
AU	African Union
BHC	British High Commission
BS	Budget Support
BWI	Bretton Woods Institutions
CAP	Country Assistance Plan
CBO	Community Based Organisation
CFT	Change Forecast Tables
CIDA	Canada International Development Agency
CPE	Country Programme Evaluation
CS	Civil Society
CSO	Civil Society Organisation
CSP	Country Strategy Paper
CSR	Civil Service Reform
CSWs	Commercial Sex Worker
DANIDA	Danish International Development Agency
DDP	Directors' Delivery Plan
DFID	Department for International Development
DHS	Demographic and Health Survey
DOC	Drivers of change
DP	Development Partner
EC	European Community
ERS	Economic Recovery Strategy
ESAF	Enhanced Structural Adjustment Facility (IMF)
EU	European Union
EvD	Evaluation Department (DFID)
FBO	Faith-Based Organisation
FCO	Foreign and Commonwealth Office, UK
FPE	Free primary education
GBS	General Budget Support
GDP	Gross Domestic Product
GFATM	Global Funds for HIV/Aids, TB and Malaria

GOK	Government of Kenya
GJLOS	Governance, Justice Law & Order
GTZ	Gesellschaft für Technische Zusammenarbeit (Germany)
HAPAC	HIV/AIDS Prevention and Care Programme
HIPC	Heavily Indebted Poor Countries
HSRS	Health Sector Reform Strategy
ICT	Information and Communication Technology
IFAD	International Fund for Agricultural Development
IFI	International Financial Institution
IFMIS	Integrated Financial Management Information System
IHSD	Institute for Health Sector Development
IMCI	Integrated Management of Childhood Illnesses
IMF	International Monetary Fund
I-PRSP	Interim Poverty Reduction Strategy Paper
ITN	Insecticide treated nets
JAPR	Joint Annual Performance Review
JICA	Japanese International Cooperation Agency
KEMSA	Kenya Medical Supplies Agency
KEPH	Kenya Essential Package for Health
KNASP	Kenya National Aids Strategic Plan
MDA	Ministries, Departments and Agencies
MDBS	Multi-Donor Budget Support
MDG	Millennium Development Goals
MinLoGov	Ministry of Local Government
MIS	Management information system
MOJCA	Ministry of Justice and Constitutional Affairs
MOPND	Ministry of Planning and National Development
MoU	Memorandum of Understanding
MTEF	Medium-term Expenditure Framework
NAO	National Audit Office
NCKK	National Council of Churches in Kenya
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organisation
NHSSP	National Health Sector Strategy Plan
NRI	Natural Resources Institute
ODA	Official Development Assistance
OPR	Output to Purpose Review
OVC	Orphans and Vulnerable Children
PAF	Performance Assessment Framework
PEFA	Public Expenditure and Financial Accountability
PEPFAR	Presidents Emergency Plan for HIV/Aids Relief
PER	Public Expenditure Review
PETS	Public Expenditure Tracking Survey
PFM	Public Financial Management

PIP	Public Investment Programme
PLWHA	People Living With HIV/AIDS
PoW	Plan of Work
PPA	Participatory Poverty Analysis
PPE	Pro-Poor Expenditures
PRBS	Poverty Reduction Budget Support
PRGF	Poverty Reduction and Growth Facility
PRS	Poverty Reduction Strategy
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
PS	Permanent Secretary
PSA / SDA	Public Service Agreement / Service Delivery Agreement
PSABH	Primary School Action for Better Health
PSI	Population Services International
PSR	Public Sector Reform
PUFMARP	Public Finance Management Reform Programme
RH	Reproductive health
RNE	Royal Netherlands Embassy
SAIC	Staff Appointed in Country (DFID)
SBS	Sector Budget Support
SER	Sector Expenditure Review
SG	Secretary General
SIDA	Swedish International Development Agency
SME	Small and Medium Enterprises
SPRED	Strengthening Primary Education
SWAp	Sector Wide Approach
TA	Technical Assistance or Technical Assistant
TB	Tuberculosis
TCO	Technical Cooperation Officer
ToR	Terms of Reference
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations International Childrens Fund
UNIFEM	United Nations Fund for Women
UPE	Universal Primary Education
VAT	Value Added Tax
VSO	Voluntary Services Overseas
WB	World Bank
WFB	World Food Programme

Executive Summary

S1 This is the report of an evaluation of the Department for International Development (DFID) country programme in Kenya from 2000 to 2006. The evaluation had two main objectives: to provide an account of the performance of the programme over this period; and to derive lessons for DFID in Kenya and elsewhere.

Key findings

S2 Following the disappointments of the Moi era, the Kenya country programme has been in large part successful in delivering what it set out to achieve. This is a good outcome in a difficult governance environment. The strategy itself was aligned with Kenya's needs and significant development results have been achieved particularly in education and health but in other areas as well. In delivering this outcome DFIDK adopted a cautious approach to aid instruments involving a predominantly project based mode but moving towards Sector Wide Approaches (SWAPs) or sector budget support where the fiduciary risk allowed and there was evidence of Government of Kenya (GOK) delivering on reforms.

S3 DFIDK has also taken a lead in encouraging GOK to address endemic problems of corruption. This effort has made important but limited progress so far. Governance weaknesses in Kenya continue to pose challenges to efforts by DFIDK and donors to strengthen state institutions and to the sustainability of the benefits from DFIDK support in other areas.

S4 The evaluation draws on secondary data, project reports and qualitative interviews to assess the achievements of the DFID country programme. Apart from the education sector, more rigorous quantitative or survey based evidence about development outcomes arising from DFID's programme is very limited and this report notes the need to invest more systematically in impact evaluation to support policy advice. But from the reviews and studies that have been done, a strongly positive picture has emerged. Project performance at completion indicates that just over 60% of the sample examined of the Kenya project portfolio was deemed to have been wholly or mostly successful. Although this is at the lower end of the range for DFID as a whole, it suggests the Kenya programme is broadly in line with DFID's global performance. Assessment by this evaluation on a four-point scale concludes that DFID's programme has contributed '*highly*' to three of the four main objectives set out in the 2004 Country Assistance Plan and under performed against only one. DFIDK has similarly contributed '*highly*' to progress towards the MDGs in 3 of the 5 indicators set out in the Africa Director's Delivery Plan for 2003 – 2006, less well in one and there is not enough data to judge performance against the other. More attention is needed to support sustainable pro-poor economic growth, but overall this is a good achievement.

Programme content and process

S5 DFID strategy during the period was set out in a Country Strategy Paper (CSP) in 1998 and Country Assistance Plan (CAP) in 2004. The CAP was written in parallel with the change of government in 2002 and development of the Economic Recovery Strategy and is given a greater weight of attention in this report. It draws constructively on drivers of change analysis for orientation but gives little detail about programme content or justification for sector engagement. References are made in both the CSP and CAP to DFID's historical programme in Kenya, and there is mention of comparative advantage, but without any supporting analysis. In common with other CAPs of the same era it lacks measurable objectives and indicators.

S6 Governance is rightly seen as an overarching theme. The governance strategy was well articulated, to work both on demand side issues (ie those aspects related to voice and accountability) - through continuing past efforts to support civil society; and supply-side – (ie. developing programmes to improve the effectiveness of state institutions) for example in the legal sector and broader public sector reforms. Several of the DFIDK programmes with GOK were progressive in trying to address both aspects simultaneously, though this effort met with varying success. Work with taxpayer associations made progress in public financial management but work with Parliament has been slow. In GJLOS, civil society was closely involved in the development and delivery of the programme.

S7 Service delivery is given a very light treatment in the strategy and the programmes in health and education are not explained in any detail, despite their large share of resources. Both have been innovative and effective. An interesting twin track approach has been used in health, to fund 'vertical' or 'commodity' programmes for bednets and condoms through non-government agents. These programmes scale up the fight against malaria and HIV/AIDS, alongside slower-paced support to sector reform, moving towards a future SWAp in health.

S8 Support to education included strategic Technical Assistance (TA) to support the development of a SWAp, continued long-running and highly regarded programmes in primary education and introduced an innovative and effective funding mechanism for text books and learning materials in a form of per capita grants at school level.

S9 The approach to pro-poor growth emphasised service delivery, continuing historical engagement in agriculture and lands with a move into policy engagement, but with no clear unifying theme across the sub-sectors and linkage to private sector development. A controversial decision to withdraw to arms-length engagement in water and sanitation was given relatively lengthy treatment in the CAP text compared with other active programmes.

S10 The portfolio was rationalised over the period, with a reduction from 102 to 43 projects and increase in annual average disbursement. Most consolidation has been in the areas of governance and pro-poor growth, but the latter remains quite diverse, with new activities started in social protection.

S11 Staffing in the DFID Kenya office, which changed role from a regional to a country focus early in the period, has reduced by 20% in five years, with a lowering of the average advisory grade level and greater involvement of SAIC staff in advisory and programming responsibilities.

Outcomes and programme effectiveness

S12 Governance performance has been mixed though not out of line with experience elsewhere. DFIDK has made a positive contribution to political accountability and a relatively peaceful election and political transition with examples of effective public information, civic education and advocacy (PEP). Support to state structures (GJLOS at national level and the earlier PROLoGS working with local government) was generally less effective though with some areas of progress. New opportunities are evident and DFID is re-engaging in public sector reform.

S13 The short-lived budget support operation in 2001 was a bold political response to a renewed reform commitment by GOK. It achieved immediate objectives of civil service retrenchment but was only half disbursed owing to unsatisfactory macroeconomic performance. With hindsight, the decision was unduly optimistic over political governance, given the performance of the Moi regime. Since then, non-budget support financial aid has been used effectively in education, but general budget support has been withheld under continuing concerns about political governance and high-level corruption.

S14 Support for public financial management has contributed to improved linkages between plans and budgets. Corrupt procurement practice remains an impediment, with slow uptake of a new procurement law. Opportunities to promote domestic accountability to Kenyan citizens and taxpayers through parliament and audit procedures are being pursued. Drivers of change analysis was instrumental in identifying taxation and thereby the Kenya Revenue Authority as an effective entry point.

S15 National statistics on health have been poor, but proxy indicators in the areas of DFID's work are encouraging; use of bednets has risen. DFID's approach has been more narrowly focussed than government sector priorities for essential health services. But reports indicate strengthening of health systems and there is now a basis for a health SWAp.

S16 Continuity of approach has helped strengthen the National Aids Control Council during a turbulent period, but there is a policy vacuum at high level. Statistics show rising condom use in urban areas and falling HIV prevalence in 15-24 years age group. Cross-cutting programmes in education, prison service, private sector and national planning have been effective.

S17 Results in education show a strong enrolment response to government's free primary education policy. Impact studies currently under analysis confirm significant benefits from DFID's long term support to innovative large scale programmes including school based text book procurement and primary teacher in-service training.

S18 Project results in agriculture and water were mostly satisfactory. The shift upstream to land policy has been effective; but support to agriculture needs clearer direction in the face of an ambitious sector strategy with uncertain ownership. DFID's historical experience is not informing the programme; and there is a scope for integration with other private sector work. Small scale support to environmental policy has been effective, but arms length engagement in water and sanitation has left concerns about the poverty orientation in the sector, given its key importance for the Millennium Development Goals (MDGs) and rural poverty.

Lessons

S19 Governance issues have defined and constrained many aspects of the programme. The decision to have a predominantly project portfolio, holding back from general budget support and with cautious movement into sector wide approaches in education and health was an appropriate approach in a difficult governance environment. Handling difficult issues of high level corruption has tested the office and they have responded by taking a leading role amongst the donor community. The relationship with British High Commission (BHC) has strengthened and a joint strategy has been prepared that has increased the coherence in approach between the Foreign Commonwealth Office (FCO) and DFID.

S20 A positive feature has been the efforts to address and link the demand and supply aspects of governance simultaneously. DFIDs work with civil society and organisations representing the private sector has also been a useful counterweight to working with the state. More generally trying to tackle governance with comprehensive reforms has not yet brought success. Modest incremental reforms may be easier. DFIDK's re-engagement with public service reform holds promise, especially if the programme can be linked to budgetary processes with financial incentives for reformers. Experience in education suggests improving sectoral governance may be more feasible than generic system wide reforms and could be another way to drive the reform process. There is a good case for giving more time of DFID Advisers to sectoral Governance work or at least to do so in the key sectors.

S21 Long-term local capacity building in Public Financial Management (PFM) requires a clear vision how to manage change and link PFM reforms to wider civil service reforms. To help promote commitment, a sequenced approach is essential to provide adequate incentives for change and foster greater donor coordination.

S22 Consistent and clear policy influence through long-term technical assistance has led to a good environment to move forward with a health sector SWAp and has brought stability to the National Aids Control Commission through a period of challenge and uncertainty. For short-term gains the twin track approach to scale up insecticide treated bednets and financing supplies of condoms were effective.

S23 Project support can successfully underpin SWAp development – the education programme shows the benefits of taking the longer view, designing to scale, building robust systems and capacity within government, alongside support to policy development. Leadership and continuity of effective senior officers in government is essential; the minister recognised education reform as a win:win opportunity and drove good performance. Joint impact evaluations have provided valuable lessons and evidence to support policy development. Good progress has been made at confronting corruption by eliminating discretionary spending at the centre, decentralising to the lowest practical level and providing high quality training to senior officers.

S24 The absence of a coherent approach across agriculture, natural resources, water supply and sanitation and private sector development has left a programme that has a disjointed set of activities and is taking on new areas of work, such as social protection before consolidating areas of proven experience. Different entry points to private sector development provide an opportunity for DFID to feed back experiences from the service delivery level and from the private sector itself into government policy dialogue and strategy development.

S25 Whether or not to re-engage in water remains a challenge in view of the scale of water scarcity in Kenya, strong focus on water in White Paper 3, the Economic Recovery Strategy (ERS) and current status of performance towards MDG targets.

S26 The creation of strategic teams linked to CAP objectives and change impact analysis has helped the office focus on broad strategy but points up the gaps in results focus of the CAP and impact measurement on projects and advisory support that are needed to provide evidence to underpin policy advice.

Recommendations

S27 Eight recommendations are listed here and explained in more detail in Chapter 6. Six are for DFID Kenya and two for Palace Street.

Pro-poor growth: the office should develop a coherent pro-poor growth strategy which responds to the challenge of growing inequality.

Drivers of change: in view of the changing political landscape and response to anti-corruption, DFIDK should persist with the drivers of change approach and continue their efforts to extend political analysis further down to sector level as part of strategy development.

Governance: build on experience, exploit the potential with public service reform and consider how to link the reforms to financial performance incentives through the budget. Recent experience of adopting new instruments in Bangladesh may offer some pointers.

Harmonisation: to use the Kenya Joint Assistance Strategy and the Harmonisation, Alignment and Coordination initiative to explore innovative ways to harness resources to bring other development partners into joint working and sector leadership roles.

Support to evidence-based policy: to maintain the effective programme of support to national statistics, and make impact evaluation part of sector strategy for DFID's engagement with the MDGs.

General budget support: that DFID provides to the government of Kenya a clear statement of position about the commitments and action required by GOK that will enable consideration of budget support in future.

Two recommendations are directed towards DFID Headquarters. Country programme prioritisation: DFID should develop guidance that provides a coherent basis to assess priorities for engagement, recognising advisory support as a development input rather than just an administrative cost. Improved programme monitoring, that DFID introduces a results framework with monitorable indicators in the CAP and links to periodic sector or portfolio performance reviews where individual projects and advisory inputs do not reach the Output to Purpose (OPR) threshold.

1. Introduction

1.1 This report is an evaluation of DFID's country programme in Kenya. The main analysis deals with the period from 2000 to 2006, but events prior to that period are also taken into account in order to understand the context and factors influencing DFID's approach. The broad objectives are first, to assess DFID processes, using evaluation criteria of appropriateness, relevance, efficiency and effectiveness, and second to examine evidence of impact and sustainability. An evaluation matrix setting out a checklist of questions that were asked is included at Annex D.

1.2 This study is the second in a round of five country programme evaluations (CPE) commissioned in 2006/07. The structure of the evaluation has evolved from earlier CPE, in which an increasingly rapid and light approach was tested. The assignment started with a preliminary country visit by staff of EvD and the mission team leader in order to brief country staff, hold initial meetings to develop hypotheses to pursue in the main visit and collect background documents. The full team of four international and two Kenya-based consultants worked on the main visit for three weeks. The report is a synthesis of their findings.

1.3 The rapid and light approach constrains the study methodology in several ways. Evidence was collected from three sources: reviews of file correspondence and programme documents from DFID (Annex C); interviews with past and present DFID staff; and interviews with officials in government, with partners in other development agencies and from representatives of NGOs and civil society organisations (Annex B). The limited number of performance reviews and evaluation reports available means this study is not a meta-evaluation. No projects or programmes were visited in the field and no primary data collection took place. By chance the country visit coincided with production of a draft research report for the Ministry of Education examining the impact of instructional materials and in-service training. A synopsis of findings is available as a separate working paper. Other than this no additional analytical studies were commissioned. The limited extent to which the team has been able independently to verify the evidence needs to be borne in mind when reading the report.

1.4 The remainder of the report is structured as follows. Chapter 2 sets out the context within which the programme was developed. Chapters 3 and 4 tackle the two principal questions, dealing with programme quality and programme effectiveness. Chapter 5 assesses Kenya's development progress. Chapter 6 presents the conclusions, lessons and recommendations from the evaluation.

2. Context

Political, social and economic country context

Political governance and the anti-corruption agenda

2.1 At the turn of the 21st century Kenya could be characterised as a strong but autocratic state under President Moi and KANU. It was a functioning but not deep rooted democracy. Periodic elections had taken place since 1992 but the political system was personality and patronage based rather than driven by electoral choices between competing policies and parties.

2.2 However there were other more positive trends and overall the consensus was that Kenya was in a positive upward trajectory. A well educated and growing middle class stimulated the growth of civil society to advocate political change and to critique Government in the absence of an effective Parliamentary opposition.

2.3 In 2000 and 2001 the Moi administration was faced with an economic crisis and with political instability caused by uncertainty over the leadership succession and consequent threat to the perpetuation of the existing elite. Public dissatisfaction, political mobilisation and effective monitoring eventually produced an election largely free of violence and a peaceful change of administration in late 2002.

2.4 The election of 2002 was judged free and fair and taken together with the peaceful completion of the later 2005 referendum on a new Constitution, is an indicator of greater political maturity even though the system remained fundamentally patronage based. The new Government had campaigned on free primary education, a focus on economic growth and zero tolerance on corruption. Once in power early action was taken to launch the economic reform programme, the primary education initiative and to remove corrupt officers in the Judiciary. A Commission was appointed to investigate the Goldenburg case.²

2.5 During 2003 and 2004 further important steps were taken to deliver on anti corruption promises. The suspended anti corruption authority was reinstated. A new programme, Governance Justice Law and Order (GJLOS) was launched to reform and overhaul a wide range of public sector institutions and to promote accountability, the rule of law and respect for rights. GOK also made a commitment to improve standards in public life with the appointment of a Permanent Secretary to a new Department of Governance and Ethics in the Office of the President.

² Goldenberg was an export compensation scandal in the early 1990's alleged to have stolen some US\$850million, one fifth of Kenya's GDP in 1991.

2.6 The extent of these commitments is perhaps surprising in the historical context of Kenya and if fully implemented would have represented a clear break with the past. In practice the planned “step change” in governance was gradually undermined as deep seated governance weaknesses began to reassert themselves.

2.7 Lack of political leadership arising from the illness of the president and political divisions hindered progress. The re-emergence of grand corruption was highlighted in the report by the Permanent Secretary for Ethics on his resignation in January 2005 which recorded how illegal contracts to a value of US\$ 278 million had been signed to siphon off funds ostensibly to raise political finance.³ These events indicate a continuing problem of corruption fuelled by party political financing and misuse of contracts and procurement within at least parts of government.

2.8 However there were some positive aspects. The Parliamentary Public Accounts Committee was highly critical and the National Audit Office (NAO) was involved in the initial detection of possible malpractice. Together with unprecedented public interest and media scrutiny this ultimately led to ministerial resignations and prosecutions are now pending.

2.9 A progress report by GOK⁴ in 2005 stressed the importance of new laws such as the public officers’ ethics act which required ministers and officials to declare their assets and the plans for a new public procurement law to create a new procurement authority. GOK also highlighted efforts to improve public financial management by adopting an integrated financial management system and more transparent budget and tax administration systems.

2.10 The cabinet was reshuffled in November 2005 removing those most likely to have been involved in Anglo Leasing. The president also required members of cabinet to sign the code of conduct and arrangements for independent verification of their assets were made. During 2005 and 2006 the Ministries of Finance and Justice have taken a lead on addressing anti corruption and have admitted that GOK underestimated the scale of the problem and the time needed to address it. But there was growing concern that real progress with improving public institutions and services was going unrecognised and that the donor focus on prosecutions related to Anglo Leasing and other contracts was overshadowing everything else.⁵

2.11 In early 2006 three of the Ministers associated with Anglo Leasing and Goldenburg resigned. Later in the year GOK released another anti corruption action plan proposing freedom of information legislation and a bill to introduce

³ Dubbed the Anglo Leasing scandal after one of the contracts

⁴ Progress report on Governance Reform Programme February 2005

⁵ Status report on the anti corruption agenda of the Government KACC April 2005

more transparent funding of political parties. However there is increasing public scepticism⁶ and pressure is rising to show results from existing efforts.

2.12 Overall, Kenya remains a complex governance situation. There have been real strides in some areas with improving democracy as indicated by Freedom House designating Kenya “partly free” and various World Bank surveys which highlight unequivocal improvement in voice and accountability. The picture on state effectiveness and corruption has also improved but much less so.

GOK priorities – the ERS

2.13 An interim PRSP (I-PRSP) had been written for the period 2000 to 2003 and a full Poverty Reduction Strategy Paper (PRSP) was expected in 2001. But the change of government led to a complete revision into what became the Economic Recovery Strategy. This is a growth strategy, and was criticised by donors for weak treatment of poverty, later improved in a second draft. But it did identify key priority areas, notably Free Primary Education (FPE), and made a commitment to increased spending on the social sectors, and to adopt the Medium Term Expenditure Framework (MTEF) and Public Expenditure Review (PER) mechanisms, foundations on which donor programmes could build.

Development assistance

2.14 Table 1 presents net Official Development Assistance (ODA) to Kenya in total and for the twelve largest donors from 2000 to 2004. Commitments fluctuated over the period, at a low in 2002 and with clear indications of a rising trend, especially from the bilateral donors, by 2004.

Table 1 Net ODA flows to Kenya

(\$ Million – current prices)	2000	2001	2002	2003	2004	Total	% of total Net ODA
Total	512.14	463.46	393.51	514.41	636.26	2519.78	100
USA	45.88	43.41	102.43	111.22	140.87	443.81	18
IDA	141.52	80.9	23.64	103.4	45.86	395.32	16
UK	73.11	55.12	54.39	79.41	45.81	307.84	12
EC	18.55	72.69	33.03	16.67	62.78	203.72	8
Japan	66.86	46.71	17.36	-6.59	70.89	195.23	8
Germany	38.39	32.46	27.12	35.44	41.69	175.10	7
UNHCR	16.97	21.95	25.08	24.71	15.87	104.58	4
Sweden	14.2	13.56	14.42	25.56	29.92	97.66	4

⁶ A survey quoted in the Daily Nation 13th Oct 2006 showed 60% of Kenyans were dissatisfied with Government efforts to tackle corruption

(\$ Million – current prices)	2000	2001	2002	2003	2004	Total	% of total Net ODA
France	3.97	9.86	17.6	20.49	32.17	84.09	3
Netherlands	14.24	23.1	12.66	7.69	24.38	82.07	3
Denmark	8.42	12.3	9.67	12.62	25.81	68.82	3
WFP	19.38	17.36	10.53	11.63	7.43	66.33	3

Source: OECD-DAC International Development Statistics on line: Database on annual aggregates. Destination of Official Development Assistance and Official Aid - Disbursements (Table 2a)

DFID

2.15 DFID's aid flows display no clear trend, bottoming in 2001/02, and are a little distorted by humanitarian grants. As a share of bilateral aid to Africa the country programme has fallen from 8% to 5% (Table 2).

Table 2: DFID bilateral aid to Kenya, Africa and all countries (£ million)

Country/ Regional Programmes	Kenya	Africa	Kenya/Africa %	Total
2000/01	47.4	583.7	8%	1,095.9
2001/02	24.9	496.9	5%	1,140.9
2002/03	42.4	663.1	6%	1,340.7
2003/04	26.0	638.9	4%	1,623.3
2004/05	39.4	854.8	5%	1,753.1
2005/06 (est)	50.2	1,044.7	5%	2,014.9
Total 2000-2005	230.3	4282.1	5%	8,968.8

Source: DFID Departmental Report 2006. Annex 1, Table 4

2.16 On current forecasts the programme is expected to remain stable around £50 million per annum through to 2008.

3. Programme Content and Process

Strategy

3.1 The period under review saw two strategy periods set out in the 1998 Country Strategy Paper and the 2004 Country Assistance Plan. The objectives of these two strategies are summarised in Table 3.

Table 3: Strategy evolution

Dates	Strategy	Purpose	Main features
1998 - 2003	CSP 1998	To contribute to sustainable improvements in the livelihoods of poor people in Kenya in the next 5 years	Six impact areas: 1. improved governance and economic policy reform 2. improved productive opportunities and living conditions for the rural poor 3. improved productive opportunities and living conditions for the urban poor 4. improved education, especially for the poor 5. improvements in health outcomes, especially for the poor 6. a strengthened contribution by civil society to peaceful social progress [7. environmental protection (high case scenario only)] Cross cutting issues: equality between men and women
2004 - 2007	CAP 2004	<i>No stated Goal or Purpose</i>	Four key objectives: 1. To strengthen accountability and poor Kenyans' access to high-quality services 2. To promote sustainable economic growth that benefits poor people 3. Effective multi-sectoral response to HIV/AIDS ⁷ 4. Increased harmonisation and alignment of donor resources behind ERS priorities

3.2 The **1998 CSP** was written at a time when economic development had stagnated in Kenya and donors shared deep concerns about political and economic governance. The strategy was a continuation of the historical aid programme with a cautious approach to the relationship with government. As a result, provisions were made for substantial resources to be channelled '*direct to NGOs, the private sector and other civil society organisations*'.⁸ Two scenarios were developed; a low case, with resources well below previous levels of assistance, and a high case, dependent on a loosely defined 'stronger development partnership with the Kenyan Government', aiming to expand the programme from £28 million to £51 million by 2000/01.

⁷ During 2005 the office decided to mainstream this objective into objectives 1 and 2.

⁸ DFID CSP (1998) para E3

3.3 The programme with six or seven impact areas was described as based on three considerations: the needs of the poor; Kenya Government policies and international commitments and goals; and British comparative advantage – though this latter point is not explained in any detail. The six areas are described in a balanced way, with specific details for each impact area. Notable are commitments to high case investments in agriculture, environmental resources, rural roads, water supplies and sanitation and the private sector. Agriculture, roads, water and business services are identified even for the low case scenario. Urban poverty was also specifically included, in response to DFID's urban poverty strategy, for support in both high and low cases.

3.4 The **2004 CAP** was prepared after the change in government, in parallel with the NARC government's Economic Recovery Strategy (ERS) and was both reflective and reactive to it. The analysis in the CAP and the organisation of DFIDK's programme are of interest. In support of DFIDK's programme the CAP sets out the development challenge, reviews the ERS and records DFID's learning experience. The challenge identifies Kenya's potential as a regional growth centre, notes domestic regional disparities in poverty, highlights successes in education, and acknowledges declining health indicators and the impact of HIV/AIDS. It picks up specifically on water and sanitation and the need for growth in agriculture and natural resources. The problems of inefficient parastatals are highlighted in text boxes and analysis is quoted from the concurrent Drivers of Change (DOC) study about patronage systems and governance.

3.5 The treatment of the programmes under each objective is quite superficial and inconsistent in depth. Objective 1, accountable access to services covers central government processes in one paragraph; education, health, local government, agriculture and natural resources, and governance, justice, law and order in a second, shorter paragraph; then water and sanitation (a sector from which DFID was withdrawing to indirect engagement) in a single paragraph longer than both the other two. Agriculture and rural development is given prominence a second time under the objective for pro-poor growth, together with trade and the private sector. Also included are plans to develop a comprehensive UK strategy to address insecurity. The possibility of more in-depth engagement in social protection is also raised. Tackling HIV/AIDS in objective 3 receives two substantial paragraphs; and the fourth objective on aid harmonisation and alignment holds equal stature with the other three development objectives.

3.6 The CAP structure collapses the six detailed development objectives in the CSP down to three and reorganises them in a way that appears to respond to the analysis of ERS implementation, but claims a basis in comparative advantage. Neither the CSP nor the CAP develop clear measurable objectives and indicators.

3.7 This evaluation looks at the period 2000-2005 as a whole, but in view of the changing context under the NARC government and ERS, a greater weight of attention is devoted to the post 2002 era.

3.8 Development of the CAP started in 2003 and continued over a fifteen month period with a structured programme of sector working papers and broad-based consultation. This was supported by a change forecast analysis. Another key element of the process was the commissioning of a drivers of change study. This analysis was conducted in parallel to the CAP process and the early results were taken into the CAP thinking. The DOC has been an influential document. It was stronger on analysis than practical proposals but provided a useful orientation as well as identifying possible entry points. However it proposed follow up analysis and research in specific areas such as the politics of the budget process, HIV/AIDS, and the private sector, not all of which was carried out.

3.9 DFID corporate policy has been followed but the flow of DOC analysis into implementation is less clear, both from documentation and interviews with DFIDK staff. There is evidence that it was reflected in the choices made in the governance programme, such as targeting support toward the judiciary and support for the Kenya Revenue Authority. Mainstreaming of DOC thinking has been good but needs to be sustained as staff change, and deepened so it is applied more systematically at sectoral and organisational level. An independent internal review comparing the application of DOC in Ghana and Kenya was positive but noted difficulties in some areas: ... *“clearly influencing the selection and design of programmes. But impact patchy until recently...has reflected interests of individual advisers, rather than a systematic policy. Little impact in the health sector and public financial management ...scope to extend and deepen the work.”*⁹

3.10 Whilst the DOC was influential in analysing constraints to change and in guiding towards areas where there was political support for reform, it did not directly help rationalise the portfolio and focus the strategy. The main problem facing the office in 2003 was the rapidly changing political context at the time. The new government had been in place for a year. There had been some important gains such as universal free primary education, but progress in other areas had been slow. The ERS had emerged from quite an open consultative process but had too many priorities and was proving hard to implement. The European Community (EC) was embarking on general budget support and the first tranche was released in December 2004; the World Bank (WB) was exploring a possible new programmatic budget support instrument and within DFIDK there was a strong sense of caution about budget support but of needing to stay prepared and open to respond if there was progress in tackling corruption.

⁹ Sue Unsworth, *'Is drivers of change making a difference in Kenya?'* mimeo, n.d.

3.11 With such an emphasis on anti-corruption the sense emerged that there was a need to reverse the institutional decay that had undermined state institutions in the last years of the Moi regime with a high priority to strengthen the Ministry of Finance and make the government more accountable to its citizens. This meant giving more attention to improving state institutions, changing the previous emphasis on support to civil society. In such an unpredictable environment there was little guidance in how to focus the portfolio and the feedback from DFIDHQ was in effect for the strategy to keep options open.¹⁰ For example, DFIDHQ's concerns led to a redrafting of the CAP discussion on water and sanitation to explain more clearly that disengagement from direct investment did not mean disengagement from the sector.

Governance as an overarching theme

3.12 The governance environment in Kenya has been complex and rapidly changing over the evaluation period. Building on the Drivers of Change, the CAP provides a clear framework and conceptual basis for the governance programme. The CAP emphasised strengthening citizens' ability to hold GOK accountable (including checks and balances institutions) and supporting GOK's ability to respond (i.e. both demand and supply aspects). There was also a special emphasis on "maintaining momentum in the war against corruption". DFIDK was clearly committed to improve understanding of the pressures and incentives that drive government's decision making.

3.13 The CAP did not explicitly focus on strengthening sectoral governance (e.g. in Education and HIV/AIDS) although these are areas where DFID has had significant success; a more explicit focus as part of a "Kenya Governance Strategy" might have enabled such opportunities to be more systematically exploited, and for lessons to be transferred across sectors.

Budget support

3.14 DFIDK started the period with the intention of using budget support (BS) as an instrument, as soon as conditions were judged to be right.¹¹ It was used once in 2001 in conjunction with the Interim PRSP, with the specific purpose to assist GOK over an expected three year period to finance retrenchment costs resulting from public sector reform. A reorientation in public expenditure was hoped to be achieved leading to a reduction in the fiscal deficit, domestic debt and wider governance reforms.

3.15 With the new government coming into office in 2002, DFIDK has maintained a dialogue with government and development partners about the

¹⁰ Note of office meeting to discuss CAP, 8th January 2004

¹¹ The CAP expresses the hope that '*sooner rather than later an increased proportion of resources will be transferred using direct budget support*' (E17). The factors to be taken into account are budget priorities favouring poor people; macro-economic stability; and strengthening PFM. No mention is made of political governance.

possibility of providing budget support. Around 2003/04 it provided strong advisory support to multilateral General Budget Support (GBS) operations (EC and WB) and considered them as a testing ground for government commitment to essential reforms and for a future possible bilateral provision of GBS.

Public financial management

3.16 DFIDK involvement in public financial management has been driven by CSP impact area 1 and CAP objective 1, to establish stronger links between policies, plans, and budgets and the effective implementation of budgets to sustain growth, improve service delivery to the poor and tackle corruption. To achieve that, DFIDK identified clear entry points throughout the entire government budget cycle and committed itself to long-term public financial management reforms that would bring about incremental change to public sector institutions and systems.

3.17 DFIDK's PFM strategy has been closely aligned with the objectives for public expenditure management reform articulated in Kenya's IPRSP and ERS as well as the GOK Public Expenditure Management Assessment and Action Plan (PEMAAP) and the 2003 Enhanced Financial Management Action Plan (EFMAP). Since 2005, support has been given to GOK strategy development and this has been strengthened by guidance from DFID headquarters in the policy briefing paper "A Platform Approach to Improving Public Financial Management" (July 2005).

Twin track approach in the social sectors

3.18 The CSP reviews the status of healthcare and identifies DFID support for government and non-state providers to meet essential health needs and access for the poor (paragraph E25 *et seq*). The CAP refers only to continuing to support service delivery (E3). Neither foretell the actual way DFIDK was involved. The Ministry of Health has a clear policy¹² and strategies, National Health Sector Strategy Plan (NHSSP)-I (1999-2004) and NHSSP-II (2005-2010), the latter being based on the ERS. This framework aims at reversing the trends of deteriorating MDGs by providing essential health services, which are acceptable, affordable and accessible to all Kenyans, at all levels, while creating an enabling environment for other stakeholders to contribute to the reduction of the burden of disease and unmet needs. The essential health package (KEPH) includes services that will have the greatest impact on maternal and child mortality and morbidity.

3.19 Before 2002-2003 DFIDK was funding a mix of projects with little influence on policy development and decision making, with the exception of the Health Planning and Reform project. In 2000 this mix of interventions had been

¹² MoH: Kenya Health Policy Framework 1994-2010

again endorsed by DFIDK office,¹³ after a consultants' review from IHSD.¹⁴ Although not documented as such, from 2002 DFIDK¹⁵ decided to fund projects that could have a strong short-term impact to help reverse the trend in MDGs (malaria) in parallel with other support to health systems. In effect a "twin-track approach": on the one hand strengthening MoH in decentralisation and SWAP processes both in the Health Sector Reform (HSR) secretariat and in the division of reproductive health (RH) and malaria; and at the same time scaling-up insecticide-treated nets (ITN).

3.20 HIV/AIDS was given greater prominence in the 2004 CAP compared with the CSP, including being identified as a key objective (though later subsumed into other objectives on the grounds of mainstreaming). All the health MDG indicators were off-track and had a worsening trend (maternal and child mortality, HIV and malaria) when the CAP was developed. The CAP is in line with DFID's corporate policy to focus on essential public services. Within the CAP spending for HIV and Health were increased and a clear focus on MDGs introduced.

3.21 DFID has had a clear country strategy through the sequence of three HIV/AIDS Prevention and Care (HAPAC) projects starting in 1997. The current programme is well aligned with development needs and the Kenya National HIV/AIDS Strategic Plan 2005-2010 (KNASP)¹⁶ forms the strategic framework for the multisectoral response, which is in line with ERS.

3.22 For education, there is clear alignment between the MDGs (Goal 2: *universal primary education*) the GoK ERS (objective: *free universal primary education*) and DFID country strategies as articulated in the CSP Objectives 1998, impact area 4: *Improved education services, especially for the poor*; and the 2004 CAP, Key Objective 1: *strengthening accountability and poor Kenyans' access to high quality services* within which education is identified as a sector for continued support. In addition to the inherently pro-poor benefits of expanding access to primary education, there is also explicit commitment to pro-poor targeting of education support in the ERS (to Arid and Semi-Arid Lands).

3.23 MDG Goal 3: *gender equality* is also supported by the ERS with commitments to improve the ratio of girls to boys in primary education, though the CAP appears to lack a specific commitment to gender equality

3.24 The ERS and MDG HIV/AIDS targets were also supported by the DFID education programme, through a large scale HIV/AIDS prevention and lifeskills programme in primary schools (PSABH). This appears to have been a very

¹³ Implementation Plan for target strategy paper Health in Kenya (attached to EvD doc 145, no date, no author)

¹⁴ Ken Grant: Health Sector Reform and Sector Strategy in Kenya. Institute for Health Sector Development: January 2000

¹⁵ No clear policy documentation found other than in changes in the project portfolio and interview statement from past health adviser Marilyn Mc Donough

¹⁶ Kenya National HIV/AIDS Strategic Plan: A call to action. NACC. June 2005

significant intervention and represents HIV/AIDS mainstreaming good practice but is not mentioned in the CAP either as an objective or an on-going intervention.

Pro-poor growth

3.25 The CAP analysis highlights the agriculture sector as a priority area of focus in providing key services to poor people. Ensuring progress in agriculture and rural development is singled out as critical in providing opportunities for the 80% of poor people Kenyans living in rural areas. In making this a reality, it was recognised that there was need to provide technical assistance to the implementation of the Government's Strategy for Revitalisation of Agriculture (SRA). DFID's approach in agriculture shifted from stand alone projects to upstream support to national reforms. The move was justified¹⁷ as a good opportunity for DFID in striking a balance between policy dialogue and small scale learning work e.g. Small Holder Dairy Project, Animal Husbandry and Farm Africa projects that characterised the historical portfolio. Although the CAP speaks of continued support for service delivery, the agriculture programme was mainly concerned with consolidating the portfolio, exiting from small stand-alone projects and giving support to the agriculture strategy. The programme as implemented does not reflect the treatment given in the CAP and has few links to private sector development and other elements of the pro-poor growth theme.

3.26 The CAP identifies land as one of the areas that have a high potential impact on poverty and DFID involvement was to be through government, private sector and civil society. DFID involvement in the land sector dates back to 1999 under the Moi government, through support to Civil Society Organisation (CSO) such as Land Alliance in advocating for the land policy process. In 2002, NARC came into power with a high agenda to reform land and this commitment provided a platform for donors' engagement.

3.27 The CAP strategy for engagement in the rural infrastructure sector has been to work through development partners, engage in dialogue with government, and tackle water management issues indirectly, and through the large-scale primary school infrastructure programme. Indirect engagement in the water sector was decided at the time of preparing the CAP and the office has kept the issue of future engagement in constant review. The decision to disengage was a difficult one and points up the challenge of prioritisation. The situation may merit revisiting in view of the high priority accorded to water in the ERS, emerging DFID policy to increase spending in the water and sanitation (WP3) and the fact that Kenya is a water scarce country.

3.28 DFIDK's strategy towards the private sector is articulated under the CSP impact area 2 and the CAP key objective 2. DFIDK programmes have developed from predominately service delivery towards addressing strategic and institutional

¹⁷ Telephone interview held with former DFID Livelihoods Adviser on 14th September 2006

constraints that were identified by the GOK and fit with DFID corporate policies on private sector development and pro-poor growth. Yet, there is no explicit pro poor growth strategy within DFIDK, and the role of the private and other DFIDK programme interventions within such a strategy have not been clearly defined. Guidance from HQ on private sector development was disseminated in December 2005¹⁸ and on pro poor growth, February 2004.¹⁹

Social protection and humanitarian assistance

3.29 DFID strategy of social protection to tackle chronic poverty, vulnerability and hunger was identified as a possible area for engagement in the CAP (para E11) and complements the ERS strong emphasis in targeting the poor in arid and semi-arid areas, the urban poor and marginalised groups as demonstrated by the lead role of the Office of the Vice President and Ministry of Home Affairs (MOHA) with the Orphans and Vulnerable Children (OVC) programme.

3.30 DFID has had a long tradition in emergencies support in Kenya with the bulk of support in Northern ASAL area and Eastern region (Kitui) and Coast area (Kwale and Kilifi). The response to the acute food shortages experienced periodically in Kenya has been enormous and DFID has been working through a number of UN agencies such as World Food Programme (WFP) and United Nations International Childrens Fund (UNICEF) and NGOs in implementing high quality humanitarian interventions.

3.31 An internal analysis of DFID spending over the last 10 years indicated that DFID's emergencies support to Kenya was to the tune of about £65 Million. This triggered DFID to reassess instruments of responding to emergencies that would help to move away from the cycle of emergencies and cushion people better. This approach was also triggered by the recommendations made by the Short Rains Assessment,²⁰ which called for different stakeholders to address the long-term impacts of drought and asset depletion.

Portfolio of activities

3.32 Table 4 sets out the annual expenditure by DFID from 2000 to 2005, categorised by main sector. In each cell is shown the amount in £ and the number of projects based on MIS codes. A detailed version showing each individual project is at Annex E. The table reveals the distribution of expenditure across sectors and the changing make up of the portfolio. Three major trends are apparent.

3.33 First, the number of 'projects' being financed each year has fallen sharply from 102 in 2000 to 43 in 2005. This reflects the success of the office in

¹⁸ DFID, DFID & The Private Sector, Working with the private sector to eliminate poverty, December 2005.

¹⁹ DFID, Pro Poor Briefing Note 1, February 2004.

²⁰ Short Rains Assessment (February 2005) by the Kenya Food Security Steering Group

rationalising the portfolio. In parallel with that, but not shown in the table, the average size of annual project expenditure has risen threefold from £250,000 to over £750,000, a substantial efficiency gain.

3.34 Second, although the main sector categories do not map straight across to DFIDK's current work themes, the consolidation of operations has affected the governance and pro-poor growth components of the portfolio more than the social sectors of health, HIV/AIDS and education.

3.35 Thirdly, the fragmentation of the pro-poor growth theme is evident from the table with small numbers of mostly low-disbursing projects spread across a number of sectors.

Table 4: DFID annual disbursements of bilateral aid to Kenya, 2000-2006

Spend (£) <i>Number</i>	2000	2001	2002	2003	2004	2005
Budget support	15,000,000 1					
Governance						
Public administration	1,702,151 17	1,331,364 12	2,374,908 12	2,982,413 11	3,957,638 11	5,830,898 11
Statistics						500,000 1
Social sectors						
Education	4,036,493 6	4,689,248 6	1,735,887 4	18,916,200 6	5,046,903 3	5,729,126 4
Health & welfare	7,530,653 12	8,931,727 12	15,009,240 14	10,380,023 8	17,728,111 10	28,505,252 11
Pro-poor growth						
Agriculture	1,317,897 17	1,224,031 17	1,077,464 13	1,035,381 10	727,501 7	852,386 4
Forestry	67,719 3	22,255 2	2,346 2	19,126 1	52 0	- 0
Finance	2,452,466 20	1,772,363 16	3,301,959 16	2,550,665 10	2,226,138 6	3,888,742 7
Trade						54,983 1
Roads	148,764 3	59,409 1	25,385 1	161,090 1	1,067 1	50,635 1
Rural development	456,512 2	29,929 2	63,057 1	105,170 1	228,258 1	138,692 1
Urban development	323,604 3	526,835 3	431,738 2	30,813 2	132,424 1	0
Water and sanitation	333,861 5	641,279 4	697,641 4	457,977 5	109,099 3	110 0

Spend (£) <i>Number</i>	2000	2001	2002	2003	2004	2005
Humanitarian						
Conflict	10,806 1	89,257 2	1,497 1	999 1	15,237 1	0 0
Emergencies	10,478,060 12	3,204,661 7	997,566 6	- 0	5,505,539 1	16,544,497 2
Grand Total	28,858,986 102	22,522,358 84	25,718,688 76	36,639,857 56	36,477,967 45	62,095,321 43

Notes: The grand total agrees in total with the total of figures in Table 2, but annual amounts vary owing to year-end adjustments

Source: Data provided by DFID Kenya; thematic groupings do not necessarily match current CIMT definitions

3.36 Work on **Governance** including **public administration** was implemented through 27 projects with a total commitment of £31m. The eight largest, all £1m or greater, account for 80% of that commitment. Key operations were:

- For demand side and accountability, the political empowerment programme (£7.3m) which built on long-standing earlier civic education
- Support for state institutions fell into a number of categories
 - PFM related interventions such as IFMIS and the Kenya Revenue Authority £ 0.65m;
 - comprehensive reform (Governance, Justice, Law and Order Sector Programme £ 6m – and the precursor legal sector reform programme £ 3 m)
 - reforms focussed on local government (PROLOGS £5 m) and the public service (Public Sector Reform (£ 3.6m)
 - Co financing with the World Bank (FLSTAP project £ 5.9m)
- Others sometimes included in the category: support for planning and information, such as national surveys and census, M&E of the ERS and consultations during the PRSP/ERS.

3.37 The portfolio follows the strategy set out in the CAP of enhancing accountability and promoting citizens rights and voice as well as strengthening core state institutions but also illustrates a variety of opportunistic tactics with different entry points and modalities, including a number of quite small projects.

3.38 The **education** sector has long been the most focussed in the whole programme, with few ongoing operations at any one time and a high degree of continuity around primary education. One third of the overall £86m commitment spanning the evaluation period was devoted to support for primary education projects, primarily Strengthening Primary Education (SPRED) III launched in 2000, with a further 57% being the new sector programme. Other important projects include school feeding (with WFP), school empowerment (head teacher training) and HIV/AIDS awareness (PSABH). There have been important

innovations in aid modality during the evaluation period, leading in 2005 to pooled funding for the education SWAp (KESSP).

3.39 Alongside SPRED technical cooperation support, financial aid has been provided to finance education sector inputs, mainly textbooks. This aid was first provided in an extremely challenging governance environment in the last year of the Moi government (2002). Concern over corruption and theft of public resources at this time was severe, and DFID was the only significant remaining donor to the education sector. Despite these challenges, DFID took the courageous decision to provide text book funding as financial aid through GoK systems for decentralised school-based procurement (which had been developed under SPRED) rather than procure textbooks directly. DFID insisted on shilling for shilling matching funding for textbooks from Government, in effect providing innovative “micro-sector budget support”. The approach was successful (see below). In total over £27 million was provided as financial aid for textbook procurement from 2000-2005.

3.40 Two large ‘commodity’ programmes, both over £40m, dominate the **health and HIV/AIDS** portfolio, accounting for 61% of the total commitment; a further nine projects, all over £2m account for another 36%. There is a high degree of consistency around infectious diseases, maternal and child mortality and HIV/AIDS.

3.41 As noted above, the approach is a twin track one, aiming to tackle major MDGs whilst not neglecting the health sector system. The most recent formulated EHS project (reproductive health, safe motherhood, post-natal care, child health, HIV) is meant for scaling up essential health interventions but in fact targets the MDGs narrowly and is only addressing part of the Kenya Essential Health Package that forms the basis of the NHSSP-II and was developed with support of the DFID Decentralisation project in MoH.

3.42 In 2000/01 Swedish International Development Agency (SIDA), Danish International Development Agency (DANIDA), WB and EC decided to provide direct support to district level service delivery. DFIDK supported these developments through the decentralisation project in HSR secretariat at the national level. Since the end of 2005 there has been a renewed confidence for implementing a comprehensive SWAP process, which has been strongly supported by the DFID projects strengthening MOH as well as by other development partners.²¹ SIDA helped push for a serious SWAP at PS level in MOH and DFIDK joined these efforts as of October 2005.

²¹ Two jointly developed annual operational plans of which the second was boosted by bottom-up planning; Kenya Health SWAP concept paper; 4-year Joint Programme of Work and Funding; Human Resource Mapping (DFID-MOH 2004) and Human Resources for Health Strategy (2006); Norms and standards for health service delivery: MoH 2006; introduction of Kenya Essential Package for Health (DFID); Medium term Procurement Plan (DFID); increased financial allocation to health from 23 to 27 billion Ksh (but still 3% under Abuja target of 15% of the budget); introduction of government policy on results-based management; Expenditure tracking system

3.43 DFID had a consistent approach to HIV/AIDS through HAPAC 1 to 3 starting in 1997. Initially the focus was in strengthening NASCOP, the then division in MOH responsible for overall HIV/AIDS response. The focus was on IEC-BCC, condom distribution, STI treatment and institutional development. During HAPAC 2 the president called for a war on AIDS and installed the NACC as a parastatal in the office of the president in 1999. The purpose of the current HAPAC programme is to support the effective implementation of the national aids strategy through implementation of the three ones principle. Planning for a new programme is underway.

3.44 The remainder of the portfolio contains a variety of projects which can be grouped broadly into three themes: other service delivery, comprising **rural** and **urban** development, **roads, water** and **sanitation**; pro-poor growth, comprising **agriculture, forestry, trade** and **finance**; and humanitarian, made up of **emergencies** and **conflict**. The combination of legacy effects from prior commitments and evolving corporate policy in DFID has left these sectors fragmented without a unifying theme.

3.45 From a total original commitment of £13m the service delivery elements have spent £5m over the five years through a total of 15 operations. The pro-poor growth theme has had 53 projects with total commitments of £68m. Some £22 million was spent during the period. There were 20 emergency and conflict handling operations, with a total commitment of £49m, of which £37m was spent during the evaluation period.

3.46 The main trends to describe these sectors are:

- A shift in the natural resources and trade away from small, often NGO-implemented technical projects and research, upstream to policy dialogue and sector reform (support to land reform and to the Strategy for Revitalizing Agriculture – SRA; financial and private sector strategies and regulatory reform)
- Withdrawal from forestry and broad-based urban and rural development
- Continued support to emergency needs, but development of a social protection programme that draws together some elements of food insecurity with other welfare objectives

3.47 At the end of the 1990s and the beginning of 2000, DFID focussed on projects and collaborated with NGOs and small CBOs to develop business and financial services with a strong focus on micro-finance. Moving upstream has meant providing support to strategy development (e.g. financial sector development strategy and private sector development strategy) and regulatory reform (e.g. reforming commercial justice systems).

(DFID); Analysis of effects of user fees and 10/20 policy analysis (DFID) implementation of Rapid Results Initiative as a vehicle to deliver outputs; introduction of IFMIS; introduction of quality control mechanism for medicines (DFID); installation of SWAP working group

3.48 The focus on the enabling environment has been supplemented by promoting demand side accountability mechanisms. DFIDK has supported the development of an umbrella organisation for the private sector (e.g. core funding to KEPSA) and encouraged domestic research institutes such as KIPPRA to get increasingly engaged in the policy dialogue with GOK. Next to these mechanisms, DFIDK has also promoted capacity building in institutions dealing with trade.

3.49 The pro-poor focus within the private sector development portfolio has traditionally been strong especially in the areas of business services market development and has increasingly been addressed under the financial sector deepening programme. In the other intervention areas, the pro-poor focus has been more limited.²² The trade and poverty linkages study that was meant to be one of the backbones for the Kenya Trade and Poverty Programme when it began four years ago has not been completed yet. The Enabling Environment for Businesses in Kenya Programme has not had a particular poverty focus, as it has focussed primarily on establishing an advocacy forum for the private sector and providing support to research institutes to engage in the policy dialogue and related capacity building within GOK.²³

Portfolio assessment

Consistency of objectives and portfolio

3.50 The portfolio is largely a good fit with the objectives of the strategies. Smaller projects were rationalised and in some cases consolidated. Decisions made during implementation are consistent with the CAP, though in part owing to the rather broad objectives. There was a strong element of consistency in the social sectors. In some key areas the strategies failed to identify important aspects of the programme, such as the twin track strategy for commodity programmes geared towards MDG targets.

3.51 The main area where there is a disconnect is for agriculture, rural infrastructure and water. Here, the treatment in the CSP identified this as a core area of work and comparative advantage for DFID, and the CAP maintained the commitment in agriculture, though with less elaboration. Despite the high priority in the ERS, DFIDK involvement in the sectors has declined, and the decision to promote a large social protection programme has claimed advisory time that will further limit the scope for the office to re-engage. The linkages between the natural resource sectors and trade and private sector development are also rather piecemeal, a view recognised by the office which is currently working to draw together centrally funded initiatives, and a pro-poor growth strategy.

²² DFIDK, Annual Management and Financial Report, 2005. DFIDK, Quarterly Management and Financial Report, 2nd quarter 2006.

²³ DFIDK, Kenya Trade and Poverty Programme (KTPP) Annual Review, September 2006.

3.52 Perhaps the most interesting feature is the treatment of water and sanitation, which as noted above has a comparatively lengthy section in the CAP to describe a minor engagement. This sector is the only one for which the CPE mission found a clearly argued rationale for DFID's engagement. No equivalent material to support claims for comparative advantage was found for other sectors.

Managing the portfolio (Change Impact Monitoring Tables (CIMT, champions and teams)

3.53 The Kenya office has evolved from being an East Africa regional office, responsible for country programmes in Uganda, Tanzania and Kenya, to a dedicated Kenya office during the evaluation period. The decision to decentralise was made in 1999 and was put into effect by 2001. Table 5 summarises advisory, programme and support staff in financial years 2000/01 and 2006/07.

Table 5: Staffing levels in DFID Kenya

Grade	Post	2000/01		2006/07 ²⁴	
		H/S	#	H/S	#
A1	Economic	H	1		
	Education	H	1		
	Engineering	H	1		
	NR	H	1		
	Social development	H	1		
	Governance			H	1
A2	Health & Pop	H	1		
	Governance	H	1		
	Enterprise	S	1		
	Prog Mgr	H	1	H	1
	Economic			H	1
	Health			H	1
	Education			H	1
	Livelihoods			H	1
	Statistics regional			H	1
	Humanitarian regional			H	1
	Economics (trade) regional			H	1
A3	Senior Prog. Off	S	1		
	Deputy Head			S	1
	Social Dev			S	1
	Governance			S	1
	Economic			S	1
B1		H	4		
B1		S	1	S	6
B2		S	15	S	9

²⁴ The office also benefited from the services of a full-time A2 environment advisor whose costs were met from the programme budget rather than administration, hence is not shown in the table

Grade	Post	2000/01		2006/07 ²⁴	
		H/S	#	H/S	#
C grades		S	20	S	12
Totals	A1	5	10%	1	3%
	A2	4	8%	8	20%
	A3	1	2%	4	10%
	B1	5	10%	6	15%
	B2	15	30%	9	23%
	C	20	40%	12	30%
	H	12	24%	9	23%
	S	38	76%	31	78%
	All grades	50		40	

Notes: H - home civil services; S - SAIC
Source: DFID Kenya files

3.54 A number of clear trends emerge from the data. First, that total staff numbers have fallen by 20% from 50 to 40 at a time when the annual programme spend has risen from around £25 million to over £50 million. Second, the number of advisors has risen from 10 to 13, but in 2006 there are four times as many SAIC advisers as in 2000, and three of the advisers now have a regional role. The grade structure has changed, with advisers in 2000 being predominantly grades A1 and A2; in 2006 there is only one A1 adviser, the others are A2 and A3. The proportion of A grade appointments is higher, at 33% compared with 20% in 2000. Third, the proportion of home civil service to SAIC is largely unchanged at one in four staff; all B and C grades are now SAIC appointments.

3.55 The office has adopted a multi-level team approach to organisation. The main working groups are based around three objectives derived from the CAP: accountable service delivery; pro-poor growth; and harmonisation and coordination. These are known as CIMT teams because they are congruent with the Change Impact Table reporting structure. Within the CIMT teams, for day to day working, four groups are constituted dealing with education and empowerment; health and vulnerability; governance and economics; and trade, investment, livelihoods and private sector. In addition to these programme groups, four champions have been appointed to lead on HIV/AIDS, drivers of change, voice, and communications. Their role is to promote these cross-cutting issues and scrutinise new proposals and ongoing work against policy for these topics.

3.56 The Change Impact Tables used by the office are an attempt to bridge centrally promoted initiatives for reporting against Director's Delivery Plans with the objectives set out in the CAP. They bring together 6 separate strands:

- The broad impact objectives of the CAP (used as a means of grouping)
- Objectives of medium-term change in Kenya
- Annual indicators of country progress
- A three point rating assessment of progress by DFIDK
- A statement of DFID intervention associated with the change
- A three point rating assessment of progress with DFIDK's intervention

3.57 The CIMT arrangements work quite well for work planning and periodic attempts to capture broad progress against country programme activities. They are also used as a comprehensive strategic framework. However it is doubtful if one tool can serve all three purposes equally well. Opinions within DFIDK found the organisational and teamwork aspects beneficial, but were more varied on the utility of the approach for performance assessment.

3.58 There are a large number of indicators being used, spanning activities through to outcomes.²⁵ No arrangements have been made to develop capacity to collect data relevant to DFIDs specific contributions, nor to associate that to development change in Kenya. For example, it is not clear to what extent the statements of medium term change reflect objectives in the ERS or have a basis in GOK policy, an issue that would have to be tackled if this approach was to be developed as a monitoring system under the KJAS. But the main underlying weakness is in the absence of a clear and stable set of objectives for the CAP itself. Without a firm objective structure in the CAP there has been no basis to resist annual revisions in the choice and phrasing of objectives and indicators used in the CIMT. Annual changes to the structure further undermine the use of the tables to demonstrate progress towards objectives.

²⁵ The tables prepared at the end of 2005 that were seen by the evaluation team had 40 indicators for DFID interventions for the accountability and service delivery objective and 31 for pro-poor growth.

Summary of findings

- ❖ The main strategy document for the period is the CAP. This draws on drivers of change analysis for orientation but gives little detail about programme content or justification for sector engagement and lacks measurable objectives and indicators.
- ❖ The strategy has a clear emphasis on economic governance, service delivery in the social and economic sectors, and pro-poor growth. It is aligned with DFID corporate policy and the Kenya Government's 2003 Economic Recovery Strategy. Harmonisation is also an objective, in line with the Paris declaration on aid effectiveness.
- ❖ The governance strategy was well articulated, to work both on demand side issues - continuing past efforts on support to civil society; and supply-side - developing work with the legal sector but expanding into broader governance and legal reforms.
- ❖ In health and HIV/AIDS, a twin track approach was adopted, to fund 'commodity' programmes for bednets and condoms, alongside support to sector reform, moving towards a future SWAp in health.
- ❖ Support to education continued long-running programmes in primary education and introduced an innovative funding mechanism for text books.
- ❖ The approach to pro-poor growth emphasised service delivery and policy engagement, but with no clear unifying theme across the sub-sectors.
- ❖ The portfolio was rationalised over the period, with a reduction from 102 to 43 projects and increase in annual average disbursement. Most consolidation has been in the areas of governance and pro-poor growth, but the latter remains quite diverse, with new activities started in social protection.
- ❖ A decision to withdraw to arms-length engagement in water and sanitation was given relatively high prominence in the CAP compared with other programmes and remains under review.
- ❖ Budget support was undertaken early in the period and flagged as the preferred modality, subject to concerns about economic governance.
- ❖ Staffing in the DFID Kenya office, which changed role from a regional to a country focus early in the period, has reduced by 20% over the period, with a lowering of the average advisory grade level and greater involvement of SAIC staff in advisory and programming responsibilities.
- ❖ The office has used DFID's Change Impact approach as a way of organising into work teams.

4. Programme Effectiveness

Results

4.1 The results of the programme are the extent to which projects have achieved their objectives. This is assessed for the most part from project output to purpose or completion reports. Reference to project scores in this chapter relate to DFID's project review performance assessment system.²⁶ Table 6 summarises scores from Programme Completion Reports (PCRs).

Table 6 Portfolio performance 2000-2006

	Score 1-2	Score 3-5	Number of PCRs examined
Achievement of purpose	23	17	40
Achievement of outputs/objectives	25	15	40

Note: Shows scores for projects as set out in PCRs. Scoring 1-2 is fully or mostly achieved .
Source : SRG Database of Project Completion Report

4.2 The table illustrates for the completed PCRs held in the DFID database that just over 60% of the Kenya project portfolio was deemed to have been wholly or mostly successful. This compares favourably with performance across DFID as a whole where the overall proportion of successful projects ranged from 60-70% over the period 2003-6.²⁷ The evaluators reviewed many of the PCRs on which these scores were based. Even taking into account possible upward bias in these figures, this is a creditable result for a country facing such big governance challenges.

4.3 Each main programme area is dealt with in turn and the chapter ends with an assessment of performance and of the country programme contribution to DFID's Public Service Agreement. This section also seeks to assess the results from the influencing work carried out on the anti corruption agenda.

Governance

4.4 There are three dimensions to the governance work carried out by DFIDK: dialogue and challenge on political governance and anti corruption covered in para 4.70 onwards; direct governance programmes; and sectoral governance. This section focuses on the second one of these

The Governance portfolio

²⁶ Five point scale: 1 – project will achieve all objectives; 2 – likely to achieve most objectives; 3 – likely to achieve some objectives; 4 likely to achieve few objectives; 5 – unlikely to achieve any objectives. DFID's PSA Value for Money Indicator is for a rising proportion of projects rated 1 or 2.

²⁷ DFID Management presentation to DFID Economists Sept 2006

4.5 An overview is that portfolio performance has been mixed though not out of line with global experience. It should also be remembered this has been achieved in a difficult Governance environment. Support for the demand side has been the most successful and a significant contribution has been made to enhancing political accountability, the establishment of civil society and a relatively peaceful election and political transition with examples of effective public information, civic education and advocacy. Support to state structures was generally less effective though with some areas of progress.

4.6 The main contribution came through the Political Empowerment Programme (PEP). Support was built on the long standing earlier programme. PEP 1 was focussed on election observation; civic education (NCEP1) and Engendering the Political Process Programme. Independent impact evaluation (Finkel et al 2003) showed 17% of the population was reached with NCEP 1, albeit at varying extents for different dimensions. But overall: 'NCEP was effective in changing many democratic orientations and values....important instrument for democratic change'. This was also confirmed by the inception report for phase 2 and interviews during the evaluation with USAID and other donors.

4.7 Support to civil society has had some success as public debates have been focussed on key issues such as the level of corruption by Transparency International (TI) Kenya, (a programme beneficiary), and the bribery index is widely used. KEPSA? is another success where private sector engagement influenced GOK policy on the water sector.

4.8 Less positively, the PEP 1 PCR was rightly concerned about overoptimistic attribution of observed outcomes to DFID support. The goal was assessed as only partially achieved. Support to Parliament has not taken off as planned and apart from a small study last year there has been no attempt until very recently to support the National Audit Office. A link with NAO is now being planned. Support to the Electoral Commission has been effective.

4.9 A variety of criticisms were voiced to the mission, including poor linkages between PEP components and between the various programmes and other governance work, especially PFM; and National Council of Churches of Kenya (NCCCK) arguing for stronger linkages with service delivery and pro-poor issues. NGOs in the programme are strong protagonists and argue the need for continuing the existing programme. DFIDK has been re examining the programme and the recent OPR for PEP 2 was positive and gave a rating of 2.

4.10 Support for Strengthening State institutions (ie the executive arm of Government or the supply side) has been less successful. The overall approach has broadly followed the areas set out in the CAP, which suggested a focus on the justice sector institutions, the Kenya Revenue Authority and public financial management. Civil service reform was initially given a lower priority and although DFIDK followed up some possibilities with GOK there was little support provided

in this area between 2002 until recently. Sporadic consultancies were undertaken including a study of pay policy options which now forms the basis of the current pay reforms. The overall performance of the portfolio was mixed. PCR scores are mostly 3, although the major legal sector programme completed in 2003/04 performed better and scored 2.

4.11 This level of performance is comparable to other donors at that time (a World Bank assessment was that only 29% of its portfolio of public sector reform programmes were successful). But the Bank has since improved the performance of its portfolio significantly above 50%. Mediocre performance in Kenya can be partly explained by the weak governance context with high levels of corruption and the limited political commitment to reform. DFIDK wanted to keep options open but also needed to ensure effective targeting on a few areas where progress could be made. With hindsight reforming the police and judiciary looks politically unrealistic but when the new NARC Government came to power there was a considerable reform momentum with strong leadership from a new and powerful Minister of Justice and political commitment demonstrated by the purge of the Judiciary. But this was ultimately not sustained. DFIDK took a calculated gamble in supporting justice sector reforms but recognised this was a high risk activity.

4.12 Some programmes and projects have been relatively more successful including the public financial management (PFM) programme and support for Kenya Revenue Authority (KRA). The entry point for PFM was the IFMIS project which was narrowly focussed on an accounting system and although implementation and uptake was initially slow it was possible to broaden the range of DFIDK engagement from this initial “bridgehead”.

4.13 DFIDK has recently revived its engagement with public sector reform and has been instrumental in facilitating access to good international practice and the UK experience.

4.14 DFIDK has been less successful in working with central and local Government structures where more comprehensive and more ambitious reform programmes have been tried which require strong political support to drive through.

4.15 There has been a long term involvement in the legal sector and under a previous legal sector reform project DFIDK helped government develop a reform strategy. The new NARC Government picked up the reform agenda but wanted to re-examine the strategy and approach, and DFIDK supported the initial work. The Governance, Law and Order Sector Programme (GJLOS) involves a sector wide approach which aims to reform the governance and justice sector institutions. This followed the guidance available from DFID at the time and there are few good examples worldwide. The programme has delivered some results including the establishment and financing of the Kenya Human Rights

Commission (KNCHR); improved law reporting and training for the Kenya Administration Police. But overall the outcome has been disappointing.

4.16 Despite claims to the contrary in the GJLOS reports, the original objective of establishing a SWAP has not been achieved as there is no attempt to set policy and plan resource use across the sector or to integrate the donor funded programme closely to the overall budget of the institutions involved. The most recent report of the GJLOS project, March 2006, is also critical of the programme and its lack of clear vision, political support and the weakness of the medium term plan which lacks prioritisation, sequencing and ownership by key institutions such as the judiciary and the police. It is to the credit of the Ministry of Justice and Constitutional Affairs (MOJCA) that they have responded to these concerns in a recent workshop and some donors remain optimistic about the prospects.

4.17 Earlier this year DFIDK decided to write achievement of benchmarks on baseline and targets, previously agreed with GOK, into its financing agreement. MOJCA have refused to accept these conditions, taking the view that it represents retrospective conditionality. Consequently, DFIDK has not released the first tranche of committed funds to the basket funding arrangement. Whilst this decision is probably right in the circumstances it goes against the spirit of the original joint financing agreement and highlights the pitfalls of partnership working.

Box 1 Lessons from GJLOS

The design was over complex and would have been more likely to succeed if it had a narrower institutional focus (there are 28 GOK organisations and 17 donors involved). At the time, although DFIDK had support from DFHQ and took into account existing experience, there were few examples to draw on. Although there were good reasons to develop a more focussed approach, GOK was firmly wedded to the multi agency model. This should have pointed DFIDK to a more cautious approach and stronger policy dialogue to try and shape the design and approach to take this into account.

DFIDK and other donors could have done more to point out the drawbacks and risk of the numbers of Ministries, Departments & Agencies (MDAs)? involved. However, evaluation interviews with MOJCA suggest that GOK would not have been persuaded '*all these institutions are connected we did not have the luxury of dealing with them separately*'.

The donor dialogue has also been imperfect. There was a failure to engage strongly enough to sufficiently influence programme design and there was a preference for process and ownership over content. The difficulty of achieving an outcome orientated planning process and of finding suitable technical assistance support was also underestimated. DFIDK attempted to slow the design process and to ensure that suitable technical expertise was brought to bear during the development of the medium term strategy in 2005. By then this may have been too late and in any case the majority of the donors were keen to proceed because of the high level of ownership believing that design issues could be addressed later.

Although SIDA and DFIDK were like-minded overall, the passing of the lead role from DFIDK may have had some influence over developments. Given the tendency of other donors to emphasise ownership and to accept the risks of the approach it was critical that DFIDK had a strong presence in the donor group and was able to influence the outcome. During the early stages in 2004 DFIDK suffered discontinuity of governance staff engaging in the programme which may have reduced DFIDKs influence at a critical time.

4.18 The World Bank and DFID are co-financing a Finance and Legal Sector Technical Assistance Project (FLSTAP) to promote further development of financial markets in Kenya; improve regulation and restructure the state run development finance institutions; develop commercial law and the legal system. The Bank has benefited from a DFID funded financial adviser and argue that the partnership has also provided additional finance (they did not have the budget for the full programme) and strengthened their hand in dialogue with GOK. The legal component of this programme has yet to commence and is beset with procurement and management difficulties.

4.19 DFIDK support to local government reform was primarily through PROLOGS, a successor to a series of earlier DFID interventions. The PCR judged the programme only partially successful and achieving only a 3 for purpose level achievement and 3 for outputs achieved. This performance was largely due to weak management by DFIDK resulting in a failure to define the role of the management agent and to lack of clarity about the division of roles between DFID funded advisors and the existing Local Government Reform Programme.

Budget support

4.20 Despite the high risks involved at that time, the IPRSP GBS operation seems to have been justified. The support was a bold political response by DFIDEA to a renewed commitment by GOK to address long standing development constraints. At that time the IPRSP emerged from 4 months of consultation including a 4 day poverty forum and the full PRSP was expected in May 2001. The GOK initiated the Change Initiative, which quickly gained international recognition and consisted of the so-called “dream team” of highly qualified and high ranking professionals leading the public sector reform process. Donors engaged collectively and the financial incentives for GOK were quite significant.

4.21 DFIDK’s short-lived experience achieved its main goal, which was the retrenchment of over 21,000 civil servants. DFIDK support constituted 45% of the first year costs of retrenchment, with the remainder covered by GOK, EC and AFDB. Independent audits gave the process a clean bill of health. However, the other objectives were not achieved (i.e. fiscal deficit and domestic debt reduction targets, governance indicators). Furthermore, there was no evidence that the

2001/2 budget allocations were made more pro poor. Core poverty expenditure fell below budget allocations in 2000/1. Evidence suggests that poverty in Kenya rose during between 2000 and 2004, from around 52% to 56% of the population. Real income per capita declined.²⁸

4.22 In retrospect, the evaluation team agrees with the findings of the PCR undertaken in June 2003, which questions whether donors were realistic about the political commitment by the GOK to public sector reform, given the mixed track record of the Moi regime in the past.

4.23 Progress on economic governance (i.e. key reforms in Public Financial Management and increasing focus of government policies on the poor) has continued but DFIDK and other donors judge that political governance and anti corruption issues have not been sufficiently addressed by government to justify general budget support at this stage. Endemic corruption as illustrated by large scale scandals (e.g. Goldenberg, Anglo-Leasing) is seen as the major impediment to providing GBS. Donors would like to see more progress with prosecutions but view the GOKs 2006/7 anti corruption plan as a positive development. They have been in coordinated dialogue with GOK over the Action Plan within the anti-corruption sector working group. Donors, especially the World Bank and DFIDK are looking for progress in a few limited areas.^{29 30}

4.24 DFIDK has done well to look for specific entry points where a faster move towards budget support at the sectoral level can be acceptable. In education action to decentralise procurement has reduced the space for corruption and the situation seems to be improving. This move has also been justified considering the good track record in education outcomes (e.g. net enrolment rate increased, textbook ratio and improvements in teaching and learning practices amongst primary teachers etc), the strong commitment and leadership by the Minister of Education to reform, and focussing on a limited number of robust systems within the ministry.

PFM

4.25 Good progress has been made towards better linkages between policies and plans with budgets. The Public Expenditure Review (PER) 2005 notes that social services recorded the highest increase in government expenditures between 2001/02 and 2003/04. The introduction of free primary education by the NARC government has led to an increase in the share of education expenditure to total expenditure from 24% to 28% in that period. Also health expenditures have increased during this period. The growth in social services expenditures is consistent with the ERS goal of increasing investment in human capital for the

²⁸ DFIDK, Project Completion Report Budget Support, 13.6.2003.

²⁹ GOK, Government of Kenya's Comprehensive Anti-corruption Strategy Action Plan for April 2005-June 2006.

³⁰ World Bank, Restoring Donor Confidence in Anti-corruption Efforts and Institutions, Letter by Country Director on behalf of the Donor Coordination Group, 28 February 2005.

poor. Furthermore, there have been good attempts in the 2005/06 and 2006/07 budgets to reorient expenditures to ERS objectives. For example, the health, education and infrastructure budgets are planned to increase from 61% to 67% over the current MTEF period.³¹

4.26 DFID has contributed to this process by providing TA to build capacity in the ministry of education and health to conduct the annual MPERs, as well as by supporting the alignment of the SWAP process in education with the MTEF and PER processes and reporting timetables. DFIDK has also provided comments on the budget documents (like the Budget Outlook Paper - BOP and Budget Strategy Paper - BSP) to improve the quality of these documents.³²

4.27 Whilst predictability of overall revenues and expenditures has been maintained in aggregate over the past three years, credibility of the budget is undermined by significant in-year variations. The July 2006 PEFA assessment notes that there is consistent under-spending with expenditure outturns being approximately 15% below planned levels on average for the past three years at both the aggregate level and individual line ministries.

4.28 DFIDK contributed to the positive changes in the downstream parts of the budget cycle by:³³

- providing TA to support the IFMIS programme
- financing the secondment of a World Bank expert to advise on the establishment of the new Public Procurement Oversight Authority
- funding a study in 2004, which shaped the new DPM pay policy; supporting Public Sector Reform, which also deals with payroll management.
- Capacity building of the KENAO in the late 1990s from which 4 staff have now become Deputy Auditors General. A diagnostic study has been undertaken by DFIDK to analyse the need for support and DFIDK is currently facilitating a dialogue between KENAO and the UK NAO exploring future support.
- Funding TA to support the M&E office in the MOPND in producing the first and second APR ERS.
- Providing funding for capacity building at the Central Bureau of Statistics.

4.29 There has been significant progress with developing procurement law and regulations, but poor procurement practice remains one of the major impediments to sound PFM. Good progress has also been achieved with the establishment of internal audit units and audit committees, regulations on internal audit established, international audit standards adopted, internal audit manuals prepared and additional qualified audit staff recruited. In the area of accounting, progress has been more limited. The rollout of IFMIS has been slow. Long-

³¹ Objectives Framework filled in by DFIDK.

³² Objectives Framework filled in by DFIDK.

³³ Objectives Framework filled in by DFIDK.

standing connectivity problems and lack of GOK commitment have been major stumbling blocks. So far the hardware and software systems have been installed in most ministries and about 600 users were trained by the end of 2005. However, manual systems continue to be used in parallel with IFMIS.

4.30 A new audit act has given greater independence to the Kenya National Audit Office (KENAO) and enabled it to recruit more qualified staff. A report on Anglo Leasing has been produced and the backlog of audits has been cleared. The audit report for FY 2004/05 has been tabled with the Parliamentary Accounts Committee.³⁴ The GOK has also made good progress in the area of M&E of the ERS, producing the first two Annual Progress Report (APR) for 2003/04 and 2004/05. The MOPND is aiming at finalising the APR more timely so that it can feed back into the expenditure review phase before the Budget Outlook Paper is produced

4.31 Progress also seems to have been easier to bring about because support has dealt with well-defined areas of technical support and less with sensitive issues. Progress with IFMIS has however been slow because this area goes right at the heart of governance issues. There has been insufficient analysis of the drivers of change and vested interest. Also the sequencing of reform seems not have been thought through sufficiently, although this has been addressed recently through the development of the PFM reform strategy during 2005/06.

4.32 An area where DFIDK has lacked vision in PFM work is the area of domestic accountability. Although good first results have been achieved with supporting the tax payer association model, there are significant capacity constraints within parliamentary committees and the KENAO. Capacity deficiencies are evidenced in the PEFA assessment where external scrutiny and audit, receive a score of D (the lowest possible score).

Health

4.33 Health objectives relate to the CAP purpose of improving accountability of poor peoples' access to high quality health services. But in the absence of data on coverage of service delivery in Kenya this is difficult to judge. Little effort seems to have been made in increasing the role of civil society in challenging service delivery in the health sector. The planned joint annual performance review (JAPR) in October will provide more insight in this. There is anecdotal evidence that services are improving.³⁵

4.34 The project portfolio before 2002-2003 contained 8 relatively small projects. These were rated all with a 2, except for the Turkana AMREF project which received a score of 3. For four of these projects there was no PCR. Polio was eradicated in Kenya until after the closure of the project (some cases

³⁴ GOK, PEFA, July 2006. DFIDK, PCR Strengthening Government Finance and Accounting Systems (IFMIS), August 2005.

³⁵ As reported from meetings with civil society and Public Sector Reform Secretariat.

reported in 2005) and polio vaccination levels of 135% were reported in 2001. The Family Health project was meant to increase modern contraceptive prevalence from 23% in 1998 to 30% in 2003. The KDHS in 2003 found that coverage stood at 31.5%. Other vaccination coverage stood at 66% in 2001. The current portfolio is doing well in terms of support to central level processes for health sector reform and systems development for SWAP including malaria national strategy strengthening. The malaria project scored 4 in the latest review, but considerable progress has been made since then and it is expected that this figure will move up to a 2. Decentralised Health Services was rated 3 at the end of 2005, owing to little influence at the policy level. It is expected that this assessment will move up during the next Annual Review. As for the EHS project there has not yet been an OPR, but it is not likely that scaling up of the EHS package will be achieved due to a reduction in the resource envelope³⁶ which left the project restricting activities to 4 districts only in Nyanza.

4.35 The PSI social marketing of bed nets programme (consistent project scores of 2) has revised its sales targets three times in the course of project: from 2.3 million to 11.1 million over the 5 year period. Until June 2005 a total of 5.8 million ITNs were distributed. Target for households owning ITN is 75% by the end of the project and currently stands at 44%. The percentage of children (target 60%) and pregnant women (target 40%) 'sleeping under a bed net the previous night' increased from 23% to 37% for pregnant women and for children to 51% in urban areas and 29% in rural areas. In 2006 the Global Fund for Aids, TB & Malaria (GFATM) will distribute 3.4 million free ITNs through health facilities. It is as yet unknown how this competition will affect sales of PSI and if targets will be met.

4.36 DFIDK has made considerable efforts in developing a more comprehensive and coherent approach to addressing the MDGs and developing mechanisms for a SWAP process in the Health Sector. Key factors in this include the strengths of the TAs in the HSRs and the attempts to align development partners around common goals and ways of working. The attempts to strengthen the HMIS and M&E systems have not yet given rise to better reporting of key national indicators.

HIV/AIDS

4.37 Progress has been made in achieving a genuine multisectoral strategy addressing prevention, care, mitigation and treatment through the MTEF mainstreaming process. The initial focus on AIDS Coordination Units in all line ministries (ACU) did not yield the necessary response due to the fact that these staff had HIV/AIDS as an add-on to their existing work and were generally too junior in the organisation to make an impact at the policy level. Now more

³⁶ The original budget of £7.5 million was reduced as some funds were reallocated to short term priorities by DFIDK before implementation of the project started. The official stance is that project can plan under the assumption that entire resource envelop will be made available, but project is taking the cautious approach and planning within the remaining resource envelop of £4.8 million

success has come through working with planners in the ministries and using the MTEF process as a tool to mainstream the budgets. There are no data in terms of effectiveness in reaching these goals.

4.38 After the crisis in the National Aids Coordination Council (NACC) in 2003 (corruption issues and moves by the Minister of Health to take NACC back in the Health sector and related actions to destabilise NACC³⁷), HAPAC supported an institutional review of NACC and subsequently supported a restructuring exercise, whereby all senior managers were fired and a competitive recruitment took place. Confidence in NACC has by and large been restored and NACC is now seen as an organisation that is able to implement the Three Ones and is more and more able to lead the national response. NACC is using MTEF, MPER, JAPR (including all stakeholders and in 2006 through decentralised consultation in 50% of districts) as tools for planning, monitoring and management and a costing framework has been developed. The KNASP-II was developed in a participatory way and launched by the president. Global fund proposals are in line with the national strategy

4.39 The overall goal of a reduction in the spread of HIV has been achieved as the prevalence of HIV in Kenya has dropped from 13.9% in 2003 to 6.1% in 2005. Part of this drop can be attributed to the number of people that have died of HIV/AIDS, but models show that at least a part of this drop can be attributed to behaviour change.

4.40 The sales targets for condoms will be reached at the end of 2007. Shortfalls were noted in the uptake of condoms among youth especially in rural areas and in the difficulty of influencing risk behaviour. It might be necessary to review in more depth as to why there is less progress in this area. Generally speaking there is a lack of evidence for many interventions in Kenya.

4.41 The number of districts in Kenya implementing a comprehensive home-based care (HBC) model as per national policy stands at 12 out of 82, in absence of funding for national scaling up. The number of voluntary counselling and testing (VCT) centres has grown from 3 in 2000 to 650 in 2005, when the annual number of people tested stood at 380,000. The Liverpool VCT programme supported by DFID covers 70% of these services.

4.42 DFID has made a very important contribution to organising and strengthening a nationally owned HIV/AIDS response and contributed to the development of numerous policies and guidelines and systems to reach this. Although it was not a specific objective in the design of HAPAC, the project could have contributed more to developing a stronger evidence base for interventions that work and related this to cost-effectiveness studies. A more analytic approach to targeting vulnerable groups and joint decision-making on which interventions

³⁷ Reported independently by various people interviewed in World Bank, DFID Kenya, and UNICEF.

to support would have better informed the national response. The PSI condom social marketing project has done well initially in targeting Kenyan Youth, but has been constrained in the last 3 years by the more restrictive policy environment imposed by the US Government via Presidents Emergency Plan for HIV/Aids Relief (PEPFAR). It is important that social marketing programmes keep promoting condoms in a way that is attractive for young people and ways need to be found by like-minded DPs to provide the necessary balance in promoting condoms for youth.

Education

4.43 The education sector interventions were very effective. The PCR for SPRED III gave an exceptional overall score of 1, assessing that the project had achieved all its objectives. The SPRED impact study (available in draft during this evaluation) found:

- increased pupil : textbook ratios (1999 6:1 average for maths, English, science; 2006 3:1)
- increase in observed classroom time spent reading to 46% in 2006, compared to only 3% in 1999
- 49,275 teachers enrolled in in-service training programme, exceeding logframe target by 10%
- logframe target for women teacher enrolment (30%) exceeded – actual was 40%
- logframe target completion rate for in-service training (60%) exceeded – actual was 96%
- in observed lessons, for those teachers who had received most SPRED in-service training, 64% used paired/group work and 89% used textbooks in teaching (compared with 34% and 62% for all teachers)
- increase in teachers prepared to change layout of desks/chairs for different kinds of learning (42% in 2005, compared with only 3% in 1999)
- lesson plans evidenced in 98% of observed lessons, compared to only 33% in 1999

4.44 Other important impacts relate to sector strategy, education systems and donor alignment. The education SWAp is aligned to MTEF and PER processes with reporting timetables developed for the sector. The SWAp is based on a costed 5 year plan for education, the Kenya Education Sector Support Programme (KESSP), with 23 investment programmes covering all sub-sectors. Partnership Principles between MoE and DPs were developed in September 2005, to which a majority of development partners have signed. A Joint Financing Arrangement was agreed in December 2005 between GoK, DFID and WB. UNICEF has recently signed up.

4.45 The innovative national textbook programme is embedded in MoE systems and structures. A Textbook Management Unit was established in MoE and is fully operational. Decentralised systems and bank accounts have been set

up in all 18,500 primary schools with electronic funds transfer, has been replicated for the school general purpose account and for school infrastructure grants

4.46 A national head teacher training programme was completed and a successor programme has been developed with WB support. A national programme for in-service training has been embedded in MoE systems and structures with a dedicated unit established in MoE and operational.

4.47 A large scale HIV prevention programme (PSABH) at upper primary school level was developed and implemented jointly by MoE and MoH. Two thirds of 18,500 primary schools have been covered to date. The programme is now integrated into KESSP, a clear example of mainstreaming HIV/AIDS in the education sector as part of a multisectoral response. It is the only national scale prevention programme targeting young people. Recent impact evaluation (University of Windsor, CfBT & DFID 2006) shows pupils reporting later sexual debut, increased knowledge of avoidance strategies, more accurate knowledge of HIV/AIDS and higher reported condom use at last sex.

Agriculture and lands

4.48 The five small technical projects remaining in the portfolio have a mixed performance in their PCR or most recent OPR.³⁸ Three were rated 3 and two were 2: **Farm Africa 2**, reached 14,050 families in introducing a cross breed dairy goat and introducing the concept of farmer participation in livestock sector. **Small Holder Dairy Project 2**, demonstrated impact on policies and institutions in smallholder dairying as a direct result of influencing strategy. The work with the Agricultural Sector Coordinating Unit (ASCU) has been positively assessed through an independent joint review commissioned by GoK with the donor group.

4.49 Support to Kenya Land Alliance started in 2000 with the aim of establishing and operationalising an effective advocacy network in Kenya to defend and uphold the land rights of the poor and other disadvantaged groups and campaign for the policy and legal reforms. Kenya Land Reform established an operational and effective land advocacy through Kenya Land Alliance (KLA) which was well received by the Njonjo commission and Constitution of Kenya Review Commission (CKRC) but at the time it was reviewed had not influenced the Ministry of Land and Settlements (now Ministry of Lands). Since 2004 DFID has been supporting the formulation of the land policy framework, while subsequent years will support implementation of reforms.

Environment and water

4.50 Support to community-led water projects was instrumental in contributing towards the CAP objective 1 in strengthening accountability and poor Kenyans

³⁸ Only 6 of the 22 projects in the portfolio at any time during the evaluation period were in excess of £1 million. All the others were smaller, and as such did not require formal OPR reporting.

access to high quality services. There was good progress in increasing water supply in the target areas from those legacy projects still in the portfolio:

- **Kitui Sand Dams** The most recent OPR was assessed as 2, having reached 91% of target population; reduced time spent on water chores from 6-8 hours to 1 hour or 30 minutes and constructed a total of 104 sand dams out of the planned 115, with each dam serving approximately 350 people.
- **Water Arid Asal** was established to improve water supply in Kenya's Arid and Semi-arid Areas (Asals) through increased access to water in one nomadic area (Marsabit) and one dry agricultural area (Kitui/Mwingi) and was rated 2. The project reduced water fetching time from 4 to 2 days in nomadic areas (Marsabit) and 8 hours to less than 2 hours in agricultural areas (Kitui).

4.51 **Peak** programme (Pathways to Environmental Action in Kenya), started in 2003 initially for three years but has a no-cost extension to 2007. The most recent OPR was assessed as 2. PEAK contributed to a large extent in strengthening accountability to Kenyans by raising awareness on environment management. PEAK focused on environmental legislation, policy and planning framework and regulation. Specifically it built capacity of an NGO forestry watchdog and helped apply pressure for effective law reporting in relation to land judgements.

Emergency and humanitarian assistance

4.52 Three projects had OPRs available to the mission (Oxfam Drought Emergency; WFP EMOP and UNICEF Emergency Nutrition), and all were assessed as 2, with good evidence of purpose having been achieved.³⁹ There is no completion report for the pilot OVC project managed by UNICEF, as a forerunner to DFIDK's social protection project. But sufficient evidence has been generated by UNICEF and the implementing consultants about the efficacy of the approach to merit DFID continuing support for a National Social Protection Framework. An independent review has raised concerns about the scale of the initial pilot to generate meaningful lessons and test the intervention and that ownership by GOK of the hunger safety nets component needed to be more clearly demonstrated.⁴⁰ The planned project includes proposals for phasing that will develop lessons prior to national rollout.

Private sector development and trade

4.53 Programme performance has been mixed. Good results have been achieved with the Financial Sector Deepening Programme and the Business Service Market Development Programme. Both were rated as 2 by the latest

³⁹ Other projects were either too small to require an OPR (below the £1 million threshold) or had taken place mostly before the evaluation period and any reports were no longer accessible.

⁴⁰ Foster, Mick (2006) Social Protection Delivery Mechanisms in Kenya: Fiduciary Risk Assessment

OPR. Although no assessment was available for DFIDK support to the development of the private sector strategy, performance is judged as positive.

4.54 Development of the Private Sector Development Strategy (PSDS). The ERS did not provide a coherent strategy to private sector development. DFIDK tried to address this gap and subsequently provided consultancy support to Ministry of Trade and Industry to formulate the draft PSDS and also facilitated a multi-stakeholder consultation process, in particular through promoting KEPSA involvement in the policy dialogue. The strategy has been finalised and approved in March 2006.

4.55 The objectives of the other programmes (Enabling Environment for Businesses in Kenya - EEBK, Kenya Trade and Poverty Programme – KTTP, and Business Partnerships Programme - BPP) have only been partially achieved.

4.56 Part of the portfolio has been effective in contributing to pro poor growth, again with the FSD and BSMD showing the strongest and most direct results (as explained above). Results in the remaining interventions are less clear.

4.57 There is room for improving the linkages between the different interventions. For example, interventions at the business service delivery seem to have targeted a limited range of sub-sectors (e.g. horticulture, dairy). Whether DFIDK has created linkages between the BSMD and the BPP is not clear. For example, both have targeted the horticulture sub sector. Likewise it could not be established from the interviews and desk study whether sufficient linkages between the KTTP on the one hand and FSD and BSMD on the other hand have been made. Overall, the office is aware of this fragmentation and is currently reviewing to refine its strategy to be more coherent and pro poor growth oriented.⁴¹

Effectiveness of different instruments

4.58 Aid instruments are the ways in which resources are transferred and are a factor in programming choices. There are four main instruments: financial aid (which can be through general and sector budget support, and projects); grants and other aid to non-government actors; technical cooperation (know how in the form of personnel, training, knowledge and research); and policy engagement. Modalities such as sector wide and programme based approaches, pooled or basket funds, social and challenge funds, and global funds are not aid instruments per se, but ways of organising and managing aid delivery.⁴² This section reviews both the instruments used and the programming approach.

4.59 DFIDK aid is aligned with GOK ERS priorities, but only 20% of funds use national procedures (budget execution, financial reporting and auditing) – essentially the KESSP. Hence 80% of DFIDK support comes in the form of

⁴¹ CPE interviews.

⁴² DFID (2006) *How to note*: Guidance on aid instruments

project support, either stand-alone or through pooled funding arrangements. Given the difficult political economy situation, this is in line with HQ guidance on aid instruments (July 2006). The political governance situation is the determining factor in the decision to move towards general budget support. The mix of instruments roughly reflects the plans set out in the CAP.

4.60 The political economy has been a key influence over the choice of aid instruments. In many African countries budget support has been linked to Governance reforms and outcomes but in Kenya there has been a perceived lack of commitment and delivery, and an unacceptable level of fiduciary risk to try budget support after the 2001 experience. SWAPs are appropriate where the fiduciary risks are acceptable and there is a track record of reform as in education. The GJLOS programme has failed to progress to a SWAP because of the lack of clear policy objectives and vision; over ambitious and over complex design; and lack of ownership by some of the institutions involved. An essential aspect of a SWAP is that resource allocation should take place through the core Government processes – i.e. MTEF (where one exists) and annual budget cycle. This link was expected to emerge as the programme developed but this was never achieved in practice. Attempts are now being made by GOK under donor pressure to integrate GJLOS budgeting with the MTEF, but there is a predictable unwillingness to “open the books” to donors on such sensitive areas as the police budget.

4.61 Support to PFM by DFIDK has been channelled primarily in the form of technical cooperation to government systems. In some cases, TA was provided through a pooled fund system (e.g. NSS). The choice of aid modality within DFIDK support to PFM has been primarily influenced by considerations about the entry points in institutions (state) and funding channels (TA). Comparing the decision on aid modalities by DFIDK in the area of PFM with the recent DFID Guidance Note (July 2006) on Aid Modalities, Kenya would probably be classified somewhere between a “PRS country” and “Limited pro poor policies/high state capture”. Consequently, corporate advice is to use more pooled support of projects and move towards progressive sectors with sector budget support – although it should be noted that this guidance was published at the end of the evaluation period. DFIDK has used these mechanisms where possible, but generally to a limited extent during the evaluation period. DFIDK has made use of pooled support to the Central Bureau of Statistics and has also worked in partnership with WB and SIDA in the area of IFMIS.

4.62 In the health sector only the EC is proving budget support with conditions on improvements in social indicators and public finance indicators. DFIDK deliberately decided to work through civil society (PSI) in terms of scaling up service delivery thus giving a signal to MoH that DFID was not yet confident to spent large sums of money through MoH. The focus on strengthening the health sector through technical agencies (HLSP, LATH) and WHO (malaria) was sensible at the time and showed commitment to moving the reform process in

health. An underlying lack of trust in the governance in the health sector was the basis for choosing the aid instruments as described above.

4.63 Budget support was not considered as an option for HIV/AIDS, since NACC has been seriously affected by several corruption scandals. HAPAC is managed through a management agent. Long Term TA and multiple short term TA have been provided to NACC and NASCOP to be used in a flexible manner and addressing needs as they arise.

4.64 During most of the evaluation period, DFID support to education has been project based, primarily through the SPRED III project launched in 2000. Other important projects include school feeding (with WFP), school empowerment (head teacher training) and HIV/AIDS awareness (PSABH). There have been important innovations in aid modality during the evaluation period, leading in 2005 to pooled DFID/other donor/GOK funding for the education SWAp (KESSP).

4.65 Financial aid was used for education sector inputs, mainly textbooks. DFID's policy of matching funding has in effect provided innovative "micro-sector budget support" totalling over £27 million from 2000-2005. It was effective in building trust that the system worked, and provided the model for subsequent funding by DFID and the World Bank, and has now been incorporated in the KESSP.

4.66 The pooled funding arrangements for the KESSP are in effect sector budget support (on-budget and using government systems) but with additional financial management reporting requirements, and provision for independent audit, to address fiduciary risk concerns. DFID has retained 10% of education funds for directly procured technical assistance, on request from Government; this is consistent with experience in SWAps elsewhere: Government is rarely able to procure expensive TA sufficiently quickly - or even at all - using its own systems.

4.67 Support in the other sectors has been primarily project-based, using technical cooperation through state and non-state actors.

4.68 DFIDK choice to support the private sector is in line with DFID HQ guidance on aid instruments, which argues that in a difficult environment support should be given to the private sector, civil society organisations and developing innovative pro poor pilots. It has been successful in reducing the number of projects from 20 to 9, managed to transform stand alone projects under the Financial Sector Deepening Programme into a trust fund and quadrupling the average project amount, from £122,623 in 2000 to £432,082 in 2005.

Partnerships, relationships and influence

4.69 A key part of the office strategy has been to influence GOK to deliver its promises on improving political governance and tackling corruption. During the

Moi period DFID and the rest of the donors adopted a conditionality approach that linked their support to action on anti corruption legislation and prosecutions by the Anti Corruption Authority. No tangible results were achieved from this approach.

4.70 When the NARC Government came to power promising zero tolerance against corruption this was widely perceived to be a golden opportunity for change. Recent evidence from World Bank reports and other surveys (see annex) show that corruption did indeed decline and has remained lower though with some evidence of recent backsliding.

4.71 In response to the new Government, DFIDK enthusiastically offered support but neither they nor the rest of the donors were particularly pro active in putting forward specific ideas and may have lost an influencing opportunity as a result. When the corruption scandal called Anglo Leasing came to light in early 2004 donors took immediate action through dialogue and challenging GOK to respond. During the year DFIDK and BHC were instrumental in securing a donor consensus on seven “confidence building measures” which were subsequently mostly delivered by GOK. There was also a consensus amongst donors not to provide budget support until there was evidence of progress in tackling corruption.

4.72 In relations with other development partners DFIDK has led the donor sub group on anti-corruption and tried to forge a consensus across the donors. This was difficult to achieve because of the variety of responses and positions but an agreed position was communicated to GOK in early 2005. DFIDK played a key role in delivering this and encouraging GOK to prepare an anti corruption plan launched at the April 2005 CG and now endorsed for a further phase 2006-7. The main ownership is by MOF and MOJCA and the level of commitment from rest of GOK varies. But it is a basis for dialogue and further progress and there have been real strides in delivering important new laws and system improvements. There has arguably been too much focus on process rather than implementation and the achievement of results. The current emphasis is on focussing down on a few areas where progress can be made

4.73 Donors have communicated their concerns to GOK formally but at the time of the evaluation had yet to respond formally to the latest anti corruption action plan. Recent assessments by DFIDK and BHC indicate greater wariness in government about potential criticism over corruption and increased pressure of public scrutiny in the media. Together with donor pressure such as visa bans etc. it seems to have closed down the space for corruption and reduced overall levels. Progress may be fragile and will come under pressure as the next election approaches and pressure mounts to raise campaign finance.

4.74 In pursuing these plans the relationship between DFIDK and the British High Commission has been of central importance. For the most part during the evaluation period there has been a common approach and broad agreement on

the nature of the challenge faced and the range of appropriate responses. This was true during the latter stages of the Moi regime, around the time of the IPRSP budget support and during the early stages of the NARC Government. However as the GOK failed to deliver on anti corruption, and new scandals such as Anglo Leasing and the raid on the Standard newspaper surfaced, there was a period in 2004 when the tactics of the British High Commissioner and DFIDK Head of Office diverged. Matters came to a head when the High Commissioner made a series of outspoken public statements about corruption at the highest levels of government. Although welcomed in some quarters amongst development partners, the more widespread view is that this episode undermined the influence of DFID.

4.75 DFID and BHC soon recognised the need for a more formalised approach and since then a clear and coherent position has started to emerge. There is now a joint strategy agreed by DFIDK and BHC combining public challenge and short term action including visa bans with private diplomacy and longer term support to build governance institutions and civil society. This work has been led by the Head of DFIDK with support from the senior governance adviser and from HQ. It has been given high priority. DFIDK and BHC also work closely in planning and delivering the strategy including through programmes such as PEP.

4.76 Providing support to multilateral GBS operations in Kenya while holding back on bilateral GBS support has been an appropriate response by DFIDK and donors generally do not view this as a confusing signal.⁴³ Yet, if the partnership with GOK is not to suffer, it is important to clearly explain the reasons for holding back bilateral GBS support and this will become more so if there is continued good progress in economic governance and an ongoing dialogue on anti-corruption efforts. GOK (as is evidenced in an interview with the Minister of Finance) seeks further clarity about the specific expectations of donors vis-à-vis government in deciding upon budget support. The office faces a challenge to manage its approach to this area in the context of separate working groups on anti corruption, public financial management, public expenditure review and budget support.

4.77 DFIDK has established strong relationships with like-minded donors (i.e. SIDA, EC) and with the multilateral donors. However, although working relationships especially with the World Bank are generally very good they have been difficult at times. For example, when working towards the GOK PFM Strategy which foresees a pooled fund for donor support, the World Bank designed the Institutional Reform and Capacity Building (which deals with key PFM reforms) in parallel with development of the GOK PFM strategy, bringing some advantages in speeding things up, but also some disadvantages. DFIDK staff consider that part of the difficulties arise from the different incentive structures facing World Bank task managers compared with staff in bilateral

⁴³ CPE interviews

agencies. Resolving these is a challenge for greater progress towards joint pooling and reviews, and effective working under the KJAS.⁴⁴

4.78 A good illustration of relationships can be seen in the education sector. DFID has worked closely with GoK for many years. While there does not appear to be an explicit overarching strategy for influencing government in relation to education, DFID's objectives – enhancing access to, and quality of, basic education for the poor – have been consistently stated and communicated to Government. The relationship between education advisers and education permanent secretaries has been key; letters on file indicate a willingness to be very forthright about issues such as the introduction of the new primary curriculum, and corruption concerns. Correspondence also suggests effective dialogue between senior UK government officials including the High Commissioner and Secretary of State to address education concerns with the Government of Kenya.

4.79 However, DFID's influence over Kenya's education successes should not be overstated; by far the biggest factor during the evaluation period was the new NARC government's decision to provide free primary education in 2003. The fact that DFID was the only major donor then active in the sector meant that it had an opportunity to support this policy from the start; an opportunity which it has taken full advantage of. DFID was able to exploit a fortunate coincidence of incentives; successful implementation of the flagship free primary education policy was seen as a win:win scenario by the Minister for Education, MPs and MoE staff.

4.80 DFID has played an important role in donor harmonisation in education including development of the partnership principles document; Joint Financing Arrangement; silent partnerships with SIDA and CIDA and planned with Netherlands; joint programme support documentation (PAD) with World Bank.

4.81 The World Bank education task manager cited DFID assistance in developing joint support to Free Primary Education following the new GoK policy in 2003, as being best practice. DFID played a key role in mobilising other donors to support Kenya's successful application for FTI funding in 2004, and as a result established a new in-country modality for FTI assessments. DFID is recognised as the lead donor in the sector and chairs the donor group. There have been efforts to reduce transaction costs – for example the DFID support to KESSP uses the World Bank PAD as the project document. A key challenge in the sector will be to maintain effective communications amongst development partners over time.

4.82 Civil society were engaged in education reform through community involvement in school level reforms, including parent and community membership of the School Textbook Selection Committees, which increased accountability of head teachers to local communities for funds provided.

⁴⁴ CPE interviews

4.83 Other examples include:

- being instrumental in maintaining a strong momentum within the donor community by focussing on content issues for SRA implementation⁴⁵
- taking a lead role in advocating for a basket fund jointly with SIDA, USAID and DCI for the land sector⁴⁶
- playing an instrumental role in policy dialogue at the Ministry of Environment⁴⁷ in cooperation with SIDA, Danida, EC and UNDP although the MENR⁴⁸ sees DFID's strong presence in the sector to be limited by the small portfolio in comparison to others such as USAID.

4.84 In comparison, DFID was not seen as instrumental in influencing the government in the water sector with support limited to stand-alone projects with NGOs. DFID's less-visible role in the water reforms was viewed as out of step with DFID's strong involvement in other sectors such as emergencies and livelihoods that need to be complemented with water.⁴⁹ The Ministry of Water and Environment argues that DFID is not communicating to the government its aims and objectives regarding the water sector.

4.85 In private sector development DFID's approach to influencing government has been implicit by looking for several entry points at different levels of the economy. DFIDK has worked directly with government on strategy development and promoting regulatory reform, while at the same time strengthening financial intermediaries and working directly with the private sector. DFID has sought to complement the support of other development partners, especially that of the World Bank which has traditionally focussed more on financial sector reforms at a more macro-level.⁵⁰

Results focus

4.86 The results orientation of the programme can be seen at three levels: in statements of objectives and indicators set out in the CSP and CAP; the indicators for specific projects; and the use of intermediate tools such as OPRs and CIMT analysis to manage the portfolio. Neither the CSP nor CAP were well structured with clear objectives and associated indicators. In the later part of the period under review, the office has been innovative and constructive in developing the Change Impact Forecast Tables as a tool for management, but with some limitations (see paragraphs 3.55 to 3.58 above).

⁴⁵ Meeting held with member and chair of the agriculture working group

⁴⁶ Meeting with Coordinator - National Land Policy Formulation Process, Ministry of Lands and Housing

⁴⁷ CPE interviews

⁴⁸ CPE interviews at Ministry of Environment and Natural Resources.

⁴⁹ Meeting at Ministry of Water and Irrigation

⁵⁰ Interview with TA.

4.87 The strengths of the portfolio can be found in the education, health and HIV/AIDS programmes. All the projects have a strong results focus and arrangements for measurement. Information has been used in various ways: for example, the education interventions were characterised by a flexible approach to design, reacting to implementation challenges (e.g. SPRED II over-complexity) with radical redesign when required. A core tool has been the Output to Purpose Reviews. Using education as an example again, the OPRs and PCR for the main project – SPRED III – included monitoring of results based indicators (e.g. textbook: pupil ratio, net enrolment rates by gender, number of teachers trained, adoption of new systems by MoE, launch of SWAp). But the rules for OPRs exclude all projects of less than £1 million, which means 60% of all projects are not reviewed.

4.88 The stand alone projects in agriculture and water have also had log frames with appropriate monitorable outcome and output indicators. Support to the land reform had a clear results focus to institutionalise a consultative and inclusive land formulation process.

4.89 Other sectors have been less successful. The governance programme, especially the PEP, had poorly designed indicators making attribution difficult, and similar problems have occurred with GJLOS.

4.90 Where project documentation has been weak, the CIMTs have provided a complementary approach. But these have also been a challenge. With the exception of health and education, most of the CIMT indicators are input or process indicators, monitoring the annual progress that DFIDK has made towards e.g. preparing policies and providing technical assistance to key reform processes. Little information can be derived from the results. DFIDK used the CIMT tables initially as tool for change forecasting and this preceded the CAP itself and was a basis for it. The CIMT tables are therefore trying to combine three functions: change forecasting; performance management and work planning. Unsurprisingly, they have had limitations.

4.91 Redesign of the DFIDK CIMT approach is beyond the scope of this evaluation. However, the monitoring function could be improved with some structural changes to the format. DFIDK's primary concern is to demonstrate change that can plausibly be linked to the portfolio of projects and advisory support. The first step is therefore to draft clear outcome indicators and targets that reflect programme objectives from the CAP and to maintain these indicator targets over a measurable period of change such as three years. The next step is to define output targets from projects and advisory support that will contribute to the outcomes. It might then be possible to develop annual trajectories that provide the framework for work planning, but the office will need to experiment with that. Further linkages would include a process of review for projects that fall below the OPR threshold and for the results of time spent on advisory work.

Cross-cutting issues

4.92 This section deals with the office strategy for mainstreaming cross-cutting issues such as gender, social exclusion, HIV/AIDS, governance and environmental protection.

4.93 Two themes stand out very positively: the work done on HIV/AIDS and the governance programme. HIV/AIDS was originally identified as a separate objective under the CAP, but the office changed strategy and decided it should be mainstreamed into all programmes. A large number of examples can be found: in the GJLOS programme a programme in prisons is supported (also through HAPAC with CDC); mainstreaming of HIV/AIDS is incorporated in the MTEF process and ministries have budgeted now for HIV/AIDS activities during the last MTEF round. In the PSR programme there are discussions ongoing on how to mainstream HIV/AIDS in the public sector. A strategy paper was developed for tackling HIV/AIDS in the private sector.⁵¹ The agricultural sector did an HIV/AIDS impact assessment of rural livelihoods⁵² with support from DFID. After reviewing the first round of the PEP programme it was decided that HIV/AIDS should be one of the topics in the civic education programme.⁵³ HIV/AIDS mainstreaming was addressed through a national programme of pupil, teacher and community awareness raising and empowerment under the PSABH project, which has now been integrated as a component of KESSP. The education sector has two programmes in place one through HIV integration in the school curriculum and one for OVCs, which is being piloted.

4.94 Governance has been a cornerstone of the country programme with a range of aspects being addressed in the education, health, HIV/AIDS, lands and environmental areas. This is described more fully in the discussion of the relevant sectors. A sectoral governance plan is being developed in Education and this raises wider questions about the extent to which DFIDK is able to meet the demand for governance expertise in such areas. DFIDK has been most successful where it has combined in house knowledge with external consultants which suggests a need to ensure all staff are knowledgeable in basic governance approaches .

4.95 The evidence for gender is positive, but less comprehensive. There is an explicit gender governance programme (GGP) under the PEP. This is designed to promote women's rights and encourage political participation. There is no explicit approach to mainstreaming gender issues into PFM. For example, DFIDK is not directly supporting gender sensitive budget analysis. Gender issues in health have been addressed at project level e.g. through reproductive health, safe motherhood and neonatal care programmes, and during development of

⁵¹ Kenya Private Sector HIV/AIDS situation analysis: prepared for NACC, May 2004

⁵² The impact of HIV/AIDS on rural livelihoods in Kenya: a desk review. MoARD and DFID. July 2002.

⁵³ National civic education programme: report on mainstreaming HIV/AIDS in NCEP-II: KIT. February 2004

new project memoranda. Similarly in education, indicators of primary education include measures of gender balance. Gender was given significant attention during development of the land policy. The Draft National Land Policy attests this, with NLFP based on a set of guiding values including consultative, participatory, gender sensitive and transparent. The policy has addressed gender equity issues with special focus on inheritance of land by women in Kenya, (plus land use management including environment management).

4.96 Social exclusion is emerging as a programme area, with a planned new £120 million project. But concerns have been voiced by advisers and other development partners that success will require a higher degree of cross-sectoral collaboration between health, education, water and sanitation and pro-poor growth, especially in arid land areas.

4.97 Consideration of environmental impact is found only in routine contributions to project memoranda and some specific projects such as DFID support to WFP for the school feeding programme.

Progress towards CAP main objectives

4.98 Table 7 reproduces the four key objectives from the CAP with a simple assessment by the CPE mission about progress in Kenya and DFID’s contribution to that progress. Although national progress is only strong in HIV/AIDS, DFIDK’s contribution is assessed with a simple rating as ‘High’ for three of the four objectives, based on the evidence presented in this chapter.

Table 7: Assessment of impact and DFID contribution by CAP objectives

DFID CAP Objectives	Kenya progress	DFID contribution
Main objectives		
1. To strengthen accountability and poor Kenyans’ access to high-quality services	M	H
2. To promote sustainable economic growth that benefits poor people	M	L
3. Effective multi-sectoral response to HIV/AIDS ⁵⁴	H	H
4. Increased harmonisation and alignment of donor resources behind ERS priorities	L+	H

Note: Simple four point scale: high, medium, low, and nil

4.99 Notwithstanding the limitations of this approach, the following conclusions can be drawn:

- DFID has made a steady and innovative contribution to improving accountability through economic and political governance projects. The

⁵⁴ During 2005 the office decided to mainstream this objective into objectives 1 and 2.

work has been diverse, and not all successful, but it is clearly a key focus of the office with appropriate resources committed to it.

- Although statistics on service delivery are not readily available, DFID's programmes have provided strategic support in key areas of education, health and HIV/AIDS. Performance indicators show broadly positive rising trends.
- Whilst economic growth in Kenya has been good in recent years there are no data to confirm a pro-poor focus and statistics in the early part of the period show increasing income poverty. DFID lacks a coherent programme in this area of the portfolio. Although there are good projects, there is no evidence for added value from the programme as a whole.
- Support to HIV/AIDS has been a resounding area of success for DFID's programme and in many respects for the national strategy. DFIDK was right to mainstream the HIV/AIDS objective into the other two development objectives and lost no momentum from so-doing.

Contribution to DFID's Public Service Agreement

4.100 Table 8 sets out an annotated summary of DFID's 2003-2006 PSA objectives for Sub-Saharan Africa.

Table 8: Assessment of DFID contribution to the 2003-2006 PSA

DFID PSA 2003-2006	
Objective I: Reduce poverty in Sub Saharan Africa	
Target 1: Progress towards the MDGs in 16 key countries demonstrated by:	
<ul style="list-style-type: none"> • a sustainable reduction in the proportion of people living in poverty from 48% across the entire region; 	<p>The proportion of people living below \$1 per day rose between 1997 and 2002. No more recent data are available.</p> <p>Low</p>
<ul style="list-style-type: none"> • an increase in primary school enrolment from 58% to 72% and an increase in the ratio of girls to boys enrolled in primary school from 89% to 96%; 	<p>NER in 1999 was 68.8% boys, 68.8% girls nationally 2005 Public Expenditure Review put the 2003 achieved NER at 79.8%. DFID PCR put the 2004 achieved NER at 82.1%, Primary completion rate in 1999 nationally was 59.1% boys 56.2% girls, rising to 80.3% and 72.1% in 2004</p> <p>High</p>
<ul style="list-style-type: none"> • a reduction in under-5 mortality rates for girls and boys from 158 per 1000 live births to 139 per 1000; and an increase in the proportion of births assisted by skilled birth attendants from 49% to 67%; a reduction in the 	<p>Under-5 mortality rate in 2003, 114; (next DHS survey due 2007) Proportion of births assisted by skilled birth attendants in 2003: 42% (current figures not known) Proportion of 15- 24 year old pregnant</p>

DFID PSA 2003-2006	
Objective I: Reduce poverty in Sub Saharan Africa	
Target 1: Progress towards the MDGs in 16 key countries demonstrated by:	
proportion of 15- 24 year old pregnant women with HIV from 16%;	women with HIV in 2003 10.6%; 2005 6.7% High
<ul style="list-style-type: none"> improved effectiveness of the UK contribution to conflict prevention and management as demonstrated by a reduction in the number of people whose lives are affected by violent conflict and a reduction in potential sources of future conflict, where the UK can make a significant contribution. (Joint Target with FCO and MOD); and 	No evidence available
<ul style="list-style-type: none"> effective implementation of the G8 Action Plan for Africa in support of enhanced partnership at the regional and country level. 	High priority given at country level to this aspect of the DFIDK programme through a key objective in the CAP, selection as a CIMT team and sustained effort led by the Deputy Head (Programmes). High

Note: ratings High, Medium, Low are estimates by the CPE team

4.101 An assessment is given for four of the five indicators of progress towards the MDGs. Three of those four are rated 'High', a very creditable performance. Assessment against poverty status is Low, reflecting DFID Kenya's fragmented programme in the area of pro-poor growth and the generally poor performance against the MDGs reviewed in Chapter 5.

Unanticipated outcomes

4.102 Three have emerged in the health sector, two positive and one negative:

- there is an indication that the PSI bednets campaign may have contributed to an increase in ante-natal attendance, not yet confirmed by solid data;
- DFID support has prompted a WHO intervention to increase the focus on health sector strengthening with a full-time TA in the Health Sector Reform Secretariat kitchen cabinet;
- there are concerns that DFID's bednet policy has led to some health staff selling bednets normally provided free under the MOH programme, for personal gain. It appears to be on a small scale and is closely monitored by PSI which acts with the district health office and if necessary the police to tackle the problem.

Summary of findings

- ❖ Governance performance has been mixed though not out of line with DFID's global experience. Support for the demand side has made a contribution to political accountability and a relatively peaceful election and political transition with examples of effective public information and advocacy (PEP); support to state structures (GJLOS and PROLoGS) was generally less effective though with some areas of progress.
- ❖ The budget support operation in 2001 was a bold political response to a renewed reform commitment by GOK. It achieved short term objectives of civil service retrenchment but was only half disbursed owing to unsatisfactory macroeconomic performance. Sector support has been effective in education, but general budget support has been withheld under continuing concerns about political governance and high-level corruption.
- ❖ Support for public financial management has contributed to improved linkages between plans and budgets and to downstream improvements in the budget cycle. Corrupt procurement practice is an impediment and domestic accountability through parliament and audit remains to be tackled. Drivers of change analysis helped identify tax and the Kenya Revenue Authority as an effective entry point.
- ❖ Anecdotal evidence suggests health services are improving but objective data are not available. The bednets programme has led to increased use, but again there are no data on malaria yet to identify a trend. Reports indicate strengthening of health systems and there is now a basis for a health SWAp.
- ❖ Continuity of approach has helped strengthen the National Aids Control Council during a turbulent period, but there remains a policy vacuum at high level. Statistics show rising condom use in urban areas and falling prevalence in 15-24 years age group. Cross-cutting programmes have been effective.
- ❖ Results in education show a strong response to government's free primary education policy. Impact studies currently under analysis show benefits from DFID's support programmes (summarised in Annex G) and good links with PFM processes.
- ❖ Project results in agriculture and water were mostly satisfactory. The shift upstream to land policy has been effective; but support to agriculture needs clearer direction to build on DFID's historical experience and integration with other private sector projects. Small scale support to environmental policy has been effective, but arms length engagement in water and sanitation has left concerns about the poverty orientation in the sector.
- ❖ DFID's contribution to progress in Kenya is rated as 'High' for three of the

four CAP objectives, and ‘High’ for three of the four rated PSA targets.

5. Development Progress

Development progress

5.1 This chapter looks at recent progress in Kenya towards the MDGs and an overview of aid effectiveness and harmonisation. Progress towards the MDGs draws on the 2005 Status Report issued jointly by UNDP and the Ministry of Planning and National Development. Progress is summarised in Table 9.

Assessment of progress towards the MDGs

Table 9: Progress towards Millennium Development Goals⁵⁵

MDG	Kenya Progress to 2005
One Eradicate extreme poverty and hunger	Proportion of the population below \$1 per day: 52.3% 1997; 56% 2002 Prevalence of underweight in children under 5 years: 21.2% 2000; 19% 2003 Unlikely
Two Achieve universal primary education	Net enrolment in primary education: boys 72.7%, girls 74.8%, both 73.7% 2000; boys 82.2%, girls 82%, both 82.1% 2004 Potentially (likely)
Three Promote gender equality and empower women	Ratio of girls to boys in primary education 97.3 2001; 101.6 2004 Proportion of seats held by women in national parliament 4.1% 1997-2002; 8.5% 2005 Potentially (likely) Unlikely
Four Reduce child mortality	Under five mortality rate per 1,000, 100 1999; 115 2003 Infant mortality rate per 1,000 70.7 1998; 77 2003 Unlikely Unlikely
Five Improve maternal health	Maternal mortality ratio per 100,000 590 1998; 414 2003 Proportion of attended births 44.3% 1998; 42% 2003 Potentially Unlikely
Six Combat HIV/AIDS, malaria and other diseases	HIV prevalence among 15-24 year old pregnant women 10.6% 2003; 6.7% 2005 Potentially
Seven Ensure environmental sustainability	Proportion of population with sustainable access to improved water source 48% 2000; 55% 2002 Proportion of (slum) population with access to improved sanitation 81.1% 2000; 86% 2004 Unlikely

⁵⁵ Sources: Mostly MOPND/UNDP MDG Progress Report for Kenya 2003 and Status Report 2005; additional statistics from DFID sector briefings. Assessments: likelihood of reaching the goal – reproduced from MOPND/UNDP MDG 2003 with updated assessments proposed by DFIDK in parenthesis where relevant.

MDG	Kenya Progress to 2005
	Potentially

5.2 Performance measured against the MDGs is overall poor, with none of the indicators quoted assessing likelihood of reaching the goal as *'probably'* and six of the eleven quoted assessed as *'unlikely'*. DFIDK advisers consider that two indicators have improved from *'potentially'* to *'likely'* since 2003 (for primary education enrolment and primary education gender ratio). Income poverty increased in the early part of the period, with figures rising between 1997 and 2002, although there was a small improvement in the hunger target with a reduction in proportion of underweight children.

5.3 The poor progress on poverty and hunger indicators corresponds to a generally declining performance of the agricultural sector as a whole.⁵⁶ The MDG report highlights enormous challenges in the country's efforts to reduce poverty and hunger including: (i) inadequate resources to provide rural services such as water for small-scale irrigation, extension services, agricultural inputs and credit; (ii) poor health and malnutrition which leads to a vicious cycle leading to low productivity; (iii) full and effective implementation of the food policy is hampered by perennial drought and starvation and (iv) governance problems especially among farmer organisations.

5.4 Kenya is *'potentially'* on-track to achieve MDG 2 with net primary enrolment of 82.1% overall in 2004⁵⁷ compared with 68.8% in 1999. Overall progress on gender equality is also positive with girls enrolment at 82.0% compared to boys at 82.2% in 2004. However, there are major geographical disparities in enrolment. North Eastern Province (with widely dispersed pastoralist communities) achieved enrolment in 2004 of only 23.6% boys and 14.9% girls; while Nairobi (large slum populations with relatively few schools, with Nairobi Council responsible not MoE) achieved 35.9% and 41.1% respectively. Nairobi was the only province to show a significant **decrease** in enrolment from 1999-2004. If the PROLoGS project – which targeted poverty reduction in Nairobi and Mombasa – had been able to mobilise funding more quickly, some mitigation could perhaps have been possible.

5.5 All the health indicators were off-track and had a worsening trend (maternal and child mortality, HIV and malaria) when the CAP was developed. More recent data are not available since infant and under-five mortality rates and maternal mortality rates require surveys, which are scheduled for 2007. Some progress has been made in reversing the trend in HIV (from 13.9 in 2003 to 6.1% in 2005); in increasing the cure rates in the TB programme from 67% in 2003 to 80% in 2005 (but not yet in reversing the trend in new infections). Proxy indicators for ITN distribution and sleeping under a bed net (<5 and pregnant

⁵⁶ Kenya Millennium Development Goals, Status Report for Kenya, 2005

⁵⁷ These data and all other data in this matrix unless otherwise referenced taken from *Education Statistical Booklet 1999-2004*, GoK Ministry of Education 2006

women) show a sharp increase; data on fully immunised children under 1 year could not be obtained.

5.6 For MDG 7, water is considered to be on-track as compared to sanitation.⁵⁸ This was attributed to increasing funding in the water sector in the last two years to a tune of Ksh13 billion each financial year as compared to Ksh2 billion in the previous two years. Performance contracts are also judged to have triggered good performance in the sector. Sanitation is seen as off track, in part owing to poor sector governance. Cultural practises are also seen as a handicap in integrating sanitation measures and calls for increased sensitisation.

5.7 Putting environmental sustainability on track continues to be threatened by high levels of poverty, which negatively impacts on the environment through agricultural land degradation. Wood fuel which constitutes the main household energy source has led to 65% loss of standing timber in Kenya since 1930.⁵⁹ Key measures undertaken by the government to address environment include putting in place an effective policy and legal framework for land conservation, protecting forest areas through reafforestation and possession of irregularly acquired forest land⁶⁰ and promotion of environmental education. However, a big challenge remains in approving the overarching environmental policy for Kenya and addressing institutional inbuilt bottlenecks.

Aid effectiveness & harmonisation

5.8 Kenya is a low aid dependency country, with Net ODA in the region of 3 to 4% of GDP. By comparison, exports have been around 25% of GDP in the period from 2000 up to 2004. However, these reflect Kenya's traditional strengths in primary products and tourism. Foreign direct investment has barely reached 1% of GDP this century.⁶¹ Poverty reduction through growth is at present still highly dependent on traditional sectors. The effectiveness of aid is particularly crucial in two broad areas: in the social sectors to help focus national programmes; and in the economic sectors to create the conditions for growth and market development. To have an impact, ODA at such low relative levels needs to be targeted where it can leverage government resources and policy.

5.9 DFID Kenya identified harmonisation and alignment of donor resources as a key objective of the CAP, in response to policy commitments at Monterey and Paris. A significant effort has been made by the country office to promote harmonisation, working through two main mechanisms: sector working groups, under the Kenya Donor Consultative group framework; and through the Harmonisation, Alignment and Coordination initiative (HAC).

⁵⁸ Discussions held with Ministry of Water

⁵⁹ NEMA, 2004

⁶⁰ 142,968.2 ha of forest land identified as land irregularly and illegally allocated (MDG report, 2005)

⁶¹ GDP data from World Bank, World Development Report online tables

5.10 Sector working groups have demonstrated some success technically as noted in Chapter 4, but their structure is complex, with overlapping functions between joint government-donor, and donor-only forums; the importance of the anti-corruption and political governance agenda has led to a proliferation of meetings involving both political and aid representation; and the Kenya government, although having a well-resourced Department of External Resources, has not yet taken a firm lead.

5.11 A major achievement has been the coming together of fifteen donors to develop a Kenya Joint Assistance Strategy (KJAS) and this has been helped by and prompted coordinated action through the HAC. DFID is regarded as a leader and a strong player in this process and has played a key role including providing a significant proportion of management time by the office deputy head (programmes). The KJAS is on track, although the advent of a general election in Kenya in 2007 leads some observers to predict it will not be agreed before the new administration takes power.

5.12 A key feature of the HAC agenda has been to try and find mechanisms to help rationalise donor engagement by sector, not least to improve the distribution of lead roles. A self assessment questionnaire looked at comparative advantage, but with little sign of progress in rationalising sector involvement. Key sectors such as agriculture and rural development, education, environment, governance, health and HIV/AIDS, PFM, and water and sanitation all have more than ten donors engaged. And three influential donors, the USA, Japan and France, who together make up 29% of ODA in recent years are regarded as laggards in this process despite being in the KJAS. Whereas DFID has a strong policy commitment to the Paris declaration on Aid Effectiveness and is being driven by UK policy to reduce headcounts, other donors appear to be concerned more about alignment and improved efficiency in transactions with government (such as joint missions) than to disengage or find arms-length arrangements such as delegated partnerships.

5.13 In addition to the above it should also be noted that DFIDK has encouraged and supported joint funded donor mechanisms in a number of programmes and projects. An early example of such harmonisation was PEP and pooled arrangements are also operational elsewhere for example in GJLOS or are planned as in PFM.

6. Conclusions and Lessons

6.1 DFID's strategy over the period was consistent and responsive to the changing national setting. The programme responded well to the change of government and constantly sought entry points to support government policy. But the 2004 CAP itself is an unsatisfactory document. Preparation did provide a forum for the office to develop the approach, and drew on a useful change impact analysis and DOC. The approach itself was high level and largely permissive. More importantly, the contents of the programme were not developed in any detail and fail to articulate a rationale for the twin track approach in health and disengagement from water supply and sanitation, or provide a coherent approach to supporting the ERS in agriculture and pro-poor growth.

Lessons

6.2 The main findings from the evaluation have been summarised in text boxes at the end of chapters 3 and 4. A number of lessons have emerged from this evaluation and are set out sector by sector. Many of these lessons will be of direct interest to other DFID offices.

Political governance and anti-corruption

6.3 This was a difficult area for the programme, which has been handled well in the circumstances.

- An effective response to addressing political governance and corruption requires the balancing of periodic public challenges with dialogue and support, and coherence in strategy between the FCO and DFID.
- Focussing on short term political conditionality for example around action on prosecutions can have negative consequences for development relationships.
- The importance of working directly with civil society and the private sector as a counterweight to the state and recognising concerns may exist about external interference by the ex-colonial power
- Adopting a predominantly project portfolio, holding back from general budget support and with cautious movement into sector wide approaches is an appropriate approach in a difficult Governance environment ..
- Sector programmes and governance projects to improve systems and institutions are not enough in themselves to deliver action against corrupt ministers. This requires high level political support and is less likely where parties are funded through corrupt means.
- Where there is ownership and political alignment, steps to address corruption can be made even in a difficult Governance environment (education and PFM).

Governance more generally

- In a difficult Governance environment it is especially desirable for both demand and supply side interventions to be addressed simultaneously and linked wherever possible
- An effective joint donor dialogue and preparation process is critical for determining programme viability – GJLOS illustrates the dangers of leaving concerns about programme design unresolved in order to promote ownership.
- Building on modest incremental reforms may be easier in the Kenyan context than comprehensive reforms such as GJLOS.
- Experience in education suggests improving sectoral governance may be more feasible than generic system wide reforms and could be a way to drive the latter. There is a good case for giving more time of DFID Advisers to sectoral Governance work or at least to do so in the key sectors.
- The importance of balancing concerns about fiduciary risk with continued efforts to work with and through state institutions by introducing suitable safeguards e.g. education
- Intensive engagement offering ideas and good practice can build credibility and a solid relationship around jointly agreed strategy. Where the programme is providing policy support and influence senior staff time is as important an element of the aid programme as disbursement of funds.
- Continued support is desirable for both demand and supply side interventions, even with improving political governance
- In a weak Governance environment it is critical to pay careful attention to political incentives and trying to work harder to understand them and design interventions which are politically feasible (e.g. education and PSR)
- Private sector pressure can effect change (KEPSA) and this is often a neglected area for driving governance changes.

Public finance management

- DFIDK has provided vital support to maintain the momentum for PFM reform and has been flexible to respond to GoK needs
- Reform in PFM is a long-term commitment and IFMIS demonstrates the need for realistic expectations about achievements
- Long-term local capacity building in PFM requires a clear vision how to manage change and link PFM reforms to wider civil service reforms (e.g. results based management, pay and HR/promotion policies).
- A sequenced approach to PFM is essential to promote commitment to reform, provide adequate incentives for change and foster greater donor coordination.

Health and HIV/AIDS

- Consistent and clear policy influence through long-term TA has led to a good environment to move forward with a SWAp
- The twin track approach to scale up ITNs by selling through PSI was effective but runs counter to MOH policy, which is now distributing free bed nets through same system
- Kenya needs a better evidence base for understanding cost-effectiveness of interventions. Vulnerable groups need to be identified and targeted jointly and the response needs to have an applied research component (such as in education) so that evidence can be built.
- Long-term continuity of support to NACC through HAPAC has been instrumental in supporting the organisation through a period of challenge and uncertainty and needs to be continued

Education

- Project support can successfully underpin SWAp development – the programme shows the benefits of taking the longer view in project design, designing to scale, building robust systems and capacity within government, alongside support to policy development.
- Leadership in government is essential; the minister recognised education reform as a win:win opportunity
- DFID now needs to adjust to being a SWAp donor – and work out how to leverage long term relationships with government, while acting collectively with other donors
- Impact evaluations provide valuable lessons and evidence to support policy
- Good progress has been made at confronting corruption by eliminating discretionary spending at the centre and decentralising to lowest practical level

Pro poor growth

6.4 The country programme lacks a coherent approach across agriculture, natural resources, water supply and sanitation and private sector development and is taking on new areas of work, such as social protection, before consolidating areas of proven experience. DFIDK office recognises this and is working on an options paper to provide some clarity here.

- DFID's decision to move upstream in both the agriculture and land sectors is seen as strategic but could build more on long-term experience in the sector.
- Whether or not to re-engage in water remains a challenge in view of the scale of water scarcity in Kenya, strong focus on water in White Paper 3, the ERS and current status of performance towards MDG targets.
- Different entry points to private sector development make it possible for DFID to feed back experiences from the service delivery level and from

the private sector itself into government policy dialogue and strategy development.

Strengths & weaknesses of DFID's programme

The evaluation has highlighted a number of important areas of strength and weakness which reflect the overall approach taken by DFIDK in conjunction with support and policy guidance from HQ. In that sense they should be regarded as observations on DFID's corporate approach rather than solely reflecting on DFIDK. Key areas are:

Strengths

- A flexible and responsive range of aid instruments, using project delivery to best effect in a difficult and complex environment
- A strong pool of technical advisers, programme and support staff, whose performance is widely admired by government and development partners
- A strong corporate policy framework and clear direction on aid effectiveness and harmonisation energetically pursued at country level
- Decentralised decision-making structure under country-based leadership

Weaknesses

- The CAP process does not provide an effective decision framework for analysis to inform the programme, leaving it broad and ambitious – trying to be everywhere
- Difficulties in rationalising pressures to adopt new policies (eg to promote social protection) against continuity and experience (in key off-track MDG areas such as water supply and sanitation, and agriculture)
- Headcount pressure on the complement of staff and a downgrading of advisory posts from A1-A2 to A2-A3 that fails to recognise the changing aid relationship and importance of policy interaction at the highest levels of government.
- Low priority given to developing an evidence base to support Government policy making, and to performance assessment of DFID's country programme
- Efforts to use the change impact monitoring approach to support strategy and improve performance monitoring are weakened by the limitations of the results framework in the CAP.

Recommendations

6.5 The recommendations set out here are primarily directed towards DFID Kenya. They follow from the findings and lessons in this evaluation and build on points across the portfolio.

6.6 DFID has a long history of support to the private sector in Kenya, mainly through agriculture and rural development. That support has changed with

rationalization of the historical portfolio. Described as an area of comparative advantage in the CSP, engagement has faltered with the move to support the SRA and opportunities have not yet been found to integrate work in this sector more closely with the wider growth agenda and MDGs for water and sanitation in rural areas. *Recommendation*, that the office develops a coherent pro-poor growth strategy which responds to the challenge of growing inequality.

6.7 The initial work on drivers of change brought immediate benefits to the CAP. But the impact since then has been slight. *Recommendation*, in view of the changing political landscape and response to anti-corruption, DFIDK should persist with the drivers of change approach and extend political analysis further down to sector level as part of strategy development.

6.8 The governance portfolio has seen more success on the demand side, which needs to be maintained. Working with government, new opportunities appear to be arising with public service reform. *Recommendation*, build on experience, exploit the potential with public service reform and consider how to link this programme to budgetary processes that can provide financial performance incentives for reformers through the budget. Recent experience of adopting new instruments in Bangladesh may offer some pointers.

6.9 A significant amount of effort has been given to harmonization, with as yet few tangible results in the areas of joint working and sector leadership. KJAS is an opportunity to maintain pressure on harmonization. *Recommendation*, to use KJAS and the HAC to explore innovative ways to harness resources to bring other development partners into sector leadership roles

6.10 By sponsoring impact studies in education, DFID is contributing directly to evidence-based policy in Kenya. This approach needs to be explored in other areas where service delivery is critical to achieving the MDGs – mainly health and HIV/AIDS. Support to national statistics helps develop national welfare indicators, but impact evaluation about cost-effectiveness is needed to guide sector policy. *Recommendation*, to maintain the effective programme of support to national statistics, and make impact evaluation part of sector strategy for DFID's engagement with the MDGs.

6.11 The Kenya government is fair in its criticism that following the launching of the anti corruption action plan and the progress in implementing PFM, the World Bank and bilateral development partners have not been specific about the conditions under which general budget support would be considered. Uncertainty is counter-productive to a healthy partnership arrangement. *Recommendation*, that DFID makes a clear and objective policy statement to the government of Kenya about future intentions for budget support.

6.12 Two recommendations are directed towards DFID headquarters. Moving forward on the harmonisation agenda assumes that a process can be developed to help donors rationalize their country programmes and delegate responsibilities

to help reduce transaction costs. Rationalization requires a rational process to decide where and why to engage. Experience with the CAP in Kenya and other countries shows the difficulty of deciding on comparative advantage, especially where the level of advisory support to engage with policy development is central to capacity and that support is governed by HR policies and headcount targets rather than development needs. *Recommendation*, that DFID develop guidance that provides a coherent basis to assess priorities for engagement, recognising advisory support as a development input rather than just an administrative cost.

6.13 The current approach to monitoring focuses attention on large projects (over £1 million) on the grounds of cost and neglects the larger number of smaller operations which may be as or more important in terms of policy influence. Taken together with the growth in advisory interaction upstream in the policy process, a major element of the programme is not being monitored. Actions are needed to improve the results framework in the CAP and to introduce portfolio or sector reviews. Country office initiatives such as the CIMT are unlikely to be effective unless the evidence base about project and advisory effectiveness is improved. *Recommendation*, that DFID introduces a results framework with monitorable indicators in the CAP and links to periodic sector or portfolio performance reviews where individual projects and advisory inputs do not reach the OPR threshold.

TERMS OF REFERENCE FOR EVALUATION OF DFID COUNTRY PROGRAMMES: Programme 2006/07

1 Introduction

- 1.1 DFID's performance management system is supported by periodic independent evaluations at project, programme, sector and thematic level. Evaluation Department (EvD) carry out four to five Country Programme Evaluations (CPEs) annually. These terms of reference (ToRs) set out the scope of work for the 2006/07 period.
- 1.2 The list of countries for the 2006/07 programme is West Bengal (State Programme), Kenya, Caribbean Region, Indonesia and Nepal. The evaluation will use the countries' most recent Country Assistance Plan (CAP)/Regional Assistance Plan (RAP), or equivalent, and related policy documents.
- 1.3 The CPEs provide important accountability and lesson learning functions for DFID. The primary audience of the evaluation will therefore be the UK government and DFID senior managers including heads of country offices.

2 Overarching objectives

- 2.1 The main objective of the evaluation is to draw the cause and effect links between:
 - programme direction and the poverty outcomes to which they are linked
 - choice of instruments and objectives
 - DFID as a development partner
- 2.2 The CPEs will assess the DFID country programmes in terms of criteria set out in the evaluation Matrix at Annex D. These are based on DAC evaluation criteria and are summarised below:
 - The **relevance** of country programme objectives and the logic behind them given domestic policy objectives for poverty reduction, as well as DFID's own corporate level objectives (ie, did DFID do the right thing?)
 - The **effectiveness** of the overall programme in achieving the objectives set out (ie How far did DFID do what it said it would do?);
 - The **efficiency** with which programme plans are translated into activities, including human resource and office management,

collaboration and harmonisation with other stakeholders, policy dialogue and influencing, the use of financial instruments

- **Sustainability** – are the reforms/ changes supported by DFID’s country programme moving in the right direction and are they likely to be sustained? Has local capacity been built? Has transparency and accountability improved?
- **Outcome** – How far did the country programme achieve the objectives set? Did the positive outcomes DFID achieved justify the financial and human resources used in the programme?
- **Attribution** – Given the direction of travel and external factors, overall how far did the country programme make a positive contribution to poverty reduction? How good a development partner was DFID?
- The success with which the programme had mainstreamed the cross-cutting issues of **poverty, gender, HIV/AIDS and environment** into all of its activities. What were the variables influencing the process of inclusion? What was the impact on the achievement of wider programme objectives?

3 Methodology, Outputs & Timing

3.1 The consultants will produce one study report and executive summary for each country. The report shall be approximately 30-40 pages long (excluding annexes).

3.2

In preparing for the fieldwork, EvD and the Lead consultant will jointly undertake an ‘inception visit’ to the country. This will result in an initial context summary which will provide background information and outline issues identified by key stakeholders, other donors and DFID country staff. The consultants will amend the standard evaluation framework for the study (Annex A) to address any country-specific issues raised during the inception visit. This will be signed off by the country office.

EVD will undertake to provide supporting documentation relevant to each CPE to the consultant.

The consultant will:

- identify key issues for the evaluation, including understanding the development environment and history of DFID’s recent programme
- identify key stakeholders, internal and external to DFID, who they will interview
- set up and plan the main field visit including consulting with local DFID staff and getting their support

identify and engage a team of consultants appropriate to each country context. The consultants will work to the strict deadlines set out in Annex B. Any changes to these deliverables must be agreed in advance with EvD. Team composition and timelines will be agreed prior to commencement of each of the country studies, including the necessity of any follow up visit to the country if major issues remain unresolved. The consultancy will start in May 2006 and consultants should be available to undertake an inception visit in May and the first period of fieldwork in June. Outputs will be produced to firm timetable.

On completion of each country's final report, the consultants will produce an evaluation summary (EvSum), of approximately 4-6 pages, and EVD may add to this, a 'management response' from the relevant DFID office/Department..

At the end of each of the CPE yearly cycles, a Synthesis report of approximately 20 pages will be produced by the consultants.

4. Competence and Expertise Required

- 4.1 One consultancy organisation will be appointed to deliver the outputs described above. The team members should have an up to date knowledge of the development issues in the CPE countries, including fragile states and relevant experience in cross-cutting issues like gender mainstreaming, HIV and AIDS and the environment. The team must also include a strong national/regional component.
- 4.2 A managing consultant with extensive evaluation experience and a track record of managing country/strategic level evaluations will be required to manage the planning and delivery this study. The individual will also be expected to have strong written and oral communications skills as he/she will play a major role in communicating lessons learned both to country programme personnel and to a wider DFID audience.
- 4.3 Each country evaluation team will need to be familiar with country programme evaluation, monitoring and performance management issues, including DFID policies, performance, planning and data systems. The team will be made up of a combined skill set covering economics, social and institutional development and human resource management and the number of team members will be appropriate to each country programme. There is not one model that will work for each country/ region being evaluated, so flexibility in team composition is essential.

The consultancy team will have responsibility for:

- maintaining ethical standards in implementing the evaluation
- the timely production of evidence based conclusions and recommendations to demanding quality standards
- managing logistics in country

5 Reporting and Dissemination

- 5.1 The consultants will report to the Country Programme Evaluation Team Leader or the Deputy Programme Manager in DFID Evaluation Department.
- 5.2 An appropriate dissemination strategy for each country evaluation will be finalised, reflecting audience, potential impact and targeting opportunistically other DFID dissemination events. Reports will be published and distributed, electronically and in hard copy, to a wide ranging internal and external audience. The consultants should also be prepared to present their findings in a DFID-wide seminar in DFID HQ. Specific arrangements for each seminar will be determined on completion of each country report and synthesis.

Evaluation Department

April 2006

Annex B List of people consulted

DFID Kenya

Simon Bland	Head of Office
Eddie Rich	Deputy Head (Programmes)
Trishia Bebbington	Deputy Head (HR and Finance)
Louise Banham	Education Adviser
Leigh Stubblefield	Rural Livelihoods Adviser
Tim Lamont	Economic Adviser
Tony Daly	Health Adviser
Sue Lane/	Senior Governance Adviser
Andrew McCoubrey	Environmental Adviser/PEAK Manager
Frank Matsaerts	Regional Trade Adviser
Martin Oloo	Governance Adviser
Ada Mwangola	Social Development Adviser
Walter Odero	Economist (Trade and Private Sector)
Robert Simiyu	Senior Programme Officer
Clyde Castelino	Senior Programme Officer
Mark Rotich	Senior Programme Officer
Musabi Muteshi	Senior Programme Officer
Anglea Dearing	HR Manager

DFID & FCO

Adam Wood	British High Commissioner to Kenya
Alex Budden	Head of Policy Delivery Unit, BHC
Richard Cox	2 nd Secretary BHC
Matthew Wyatt	Former Head of Office, DFIDK
Rachel Lambert	Former Livelihoods Adviser, DFIDK
Marylin McDonagh	Former Health Adviser DFIDK, now with UNICEF
Alan Penny	Former Senior Education Adviser DFIDK (by email)
Nick Dyer	Head of Office DFID Malawi (Former economist DFIDK)
Jennie Barugh	Economist Policy Division (ex economist DFIDK)
Eric Hawthorn	DFID Uganda

TA, Consultants & Non-governmental organisations

Dana Tilson	Population Services International (PSI)
Lisa Karanja	Transparency International - Kenya
Dr Moses Ikaria	KIPPRA
Loui Otieno	The Standard Media Group
David Ferrand	TA FLSTAP/FSD
Roger Bonner	Water TA Education
Paul Seeds	TA IFMIS, Ministry of Finance
Richard Pendame	TA Essential Health Services, Ministry of Health
Jacques Carstens	GJLOS/ MoJCA
Benson Obonyo	HLSP
Ann Austen	HAPAC
Jonathan Casely	TA Ministry of Education
Chris Yates	Consultant, Institute of Education, UK (by phone)
Moses, M. Ikiara	Executive Director Kippra

Samuel Mwaura Waweru	Kenya Private Sector Alliance, Chief Executive Officer
Christine Mwaka	Kenya Private Sector Alliance, Finance & Administration Officer
Rev Mutava Musyimi	National Council of Churches of Kenya
Michael Rasmussen	TA NHIF

Government of Kenya

Hon Amos Kimunya	Minister of Finance
Joseph Kinyua	PS Ministry of Finance
Amb. Francis Muthaura	PS to the Cabinet and Head of Civil Service
Joyce Nyamweya	PS Public sector reform
Titus Ndambuki	PS, Department of Personnel Management
Ms Dorothy Angote	PS, MOJCA
Dr Romano Kiome	PS, MOA
Prof. George O Khroda	PS, Ministry of Natural Resources and Environment
Professor Karega Mutahi	PS, Ministry of Education
Robert Hunja	Ministry of Finance (Procurement Policy Services Group)
Joy Murithi	Ministry of Finance, Deputy Director External Affairs
Dunstan Maina	Ministry of Finance, Desk Officer External Affairs
P.N. Komora	Controller and Auditor General, Kenya National Audit Office
Billy Mwencha	Ministry of Finance, PFM (Internal Audit)
Mr Michael Gatimu	Ministry of Finance, Accountant General
Henry K. Rotich	Ministry of Finance, Economic Affairs Department
Mrs Priscilla Kamora	Ministry of Finance Auditor General
Dennis Kabara	MOJCA
Gichera Kibera	MOJCA
Rose Okooth	PSR but formerly Ministry of Local Government
Rosemarie Wachira	Ministry of Lands
Dr Richard Sigei	Economist, Ministry of Natural Resources and Environment
Fatma Abdulkadil	Office of the President, Head of Arid Lands Resource Management Office
Dr Wanjama	Director, ASCU, MOA
Anthony Kilele	Director, Central Bureau of Statistics
Peter Ondieki	Inspector General, State Corporations
Mr S N Muchiri	Head of Central Planning, Ministry of Health
Dr Gakuruh	Ministry of Health
Ibrahim Mohammed	NASCOP
Mr. Joshua Ngelu	NACC, head, special programme
Prof Miriam Were	Chair NACC
Dr Akwale	Ministry of Health Malaria
Emily Nasingila	Deputy Director Education, Ministry of Education
Simon Ole Kingi	Head, Textbook Management Unit, Ministry of Education

Development Partners

Annika Nordin- Jayawardene	Sida
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Bert Voetberg	World Bank, HIV/AIDS
Carl Hellman	Sida
Carlos Alvair	Unicef
Cheryl Stumbrass	USAID
Colin Bruce	World Bank , Country Director
Fred Kilby	World Bank
Jan Hansen	Economist, EC Delegation
Joe Greenfield	WHO
Lloyd Ogambo	World Bank
Matilde Bordon	World Bank, Private Sector Development Specialist
Mike Mills	World Bank (phone interview)
Nardos Bekele-Thomas	UNDP, Deputy Director
Wendy Ayres	JAS/HAC, World Bank

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Annex D:

DRAFT REVISED MATRIX FOR COUNTRY PROGRAMME EVALUATIONS (June, 2006)

EVALUATION CRITERIA	SUBCATEGORIES	QUESTIONS	COMMENTS On Approach and Evidence Base
<p>I. Relevance</p> <p>How far did DFID do the right thing?</p> <p>Drawing on following DAC Criteria</p> <p>“The extent to which the aid activity is suited to the priorities and policies of the target group, recipient and donor.</p> <p>In evaluating the relevance of a programme or a project, it is useful to consider the following questions:</p> <ul style="list-style-type: none"> ☆ To what extent are the objectives of the programme still valid? ☆ Are the activities and outputs of the programme consistent with the overall goal and the attainment of its objectives? ☆ Are the activities and outputs of the programme consistent with the intended impacts and effects? “ 	<p>Overall strategy and areas/sectors selected for intervention</p>	<ul style="list-style-type: none"> • Does DFID have a clear and focussed country strategy that explains the rationale for the programme? (eg options considered, choices made and why, prioritisation, selection of sectors etc) • How far is the country strategy aligned with development needs and policy priorities of the partner country, eg is the programme aligned with the PRS? • How far was the country strategy based on a realistic analysis of the PRS, and to what extent did it attempt to address gaps in the PRS? • What progress has the country made on the MDGs? • Which are the off-track MDGs? • How did the country strategy aim to address off-track MDGs? • Were some national development objectives given lower priority by DFID? • To what extent is DFID strategy for this country in line with corporate priorities, and how did the CAP balance country context and corporate policy? 	<p>(Triangulated interviews will be essential)</p> <p>(should include analysis of other development partners’ programmes and areas of focus).</p> <p>(understanding of political economy; and mix of governance and service delivery objectives is critical)</p> <p>Country office or stats can supply this information</p> <p>(eg Gender, WatSan, HIV and Aids etc also senior management focus on more with less)</p> <p>Should focus on one key area?</p>
	<p>DFID’s choice of aid instruments</p>	<ul style="list-style-type: none"> ○□ How was the balance between budget support, other forms of financial aid and technical assistance 	<p>Need to reflect advice to DFID Ministers and</p>

		<p>determined?</p> <ul style="list-style-type: none"> How far was the political economy and governance context taken into account in determining the aid instruments to be used? How far did the actual mix of instruments reflect the plans? What where the reasons for any departures from the planned mix? 	<p>their position at the time.</p> <p>Drivers of change, analysis of political risk and fiduciary risk all important here.</p>
	DFID's partnership strategy	<ul style="list-style-type: none"> To what extent did DFID have an explicit strategy for influencing Government? Was influencing work adequately resourced and effectively managed? To what extent did DFID seek to strengthen harmonisation across the donor community? To what extent did DFID have an explicit strategy for influencing and collaborating with individual donors? To what extent did DFID have an explicit strategy for working with civil society? How far did DFID communicate its aims and objectives to all development partners, civil society and government? Did DFID have a strategy for mainstreaming cross-cutting issues such as gender, social exclusion, governance and environmental protection? How far was the strategy/approach consistent with corporate policy on cross cutting issues ? 	<p>Country office may need to recreate where documentation is limited.</p> <p>Triangulation will be critical for justifiable conclusions.</p>
	DFID's approach to cross-cutting themes	<ul style="list-style-type: none"> Was the country strategy appropriate to the level of resources available? How far did spending and use of staff time reflect country programme objectives? How far were DFID's planned interventions sufficiently results-focused and monitorable? Did the country office use a results based performance framework to assess progress? To what extent did DFID identify and use intermediate outcome indicators to track results? 	
	Level and allocation of resources		
	Results focus-CAP Part 3		<p>Intermediate = intermediate to attainment of PRS outcomes (which are themselves intermediate to MDG outcomes)</p>

<p>II. Effectiveness</p> <p>“How far did DFID do what it said it would do?”</p> <p>Drawing on following DAC criteria:</p> <p>“A measure of the extent to which an aid activity attains its objectives.</p> <p>In evaluating the effectiveness of a programme or a project, it is useful to consider the following questions:</p> <ul style="list-style-type: none"> ☆ To what extent were the objectives achieved / are likely to be achieved? ☆ What were the major factors influencing the achievement or non-achievement of the objectives? “ 	<p>Risk Management</p>	<ul style="list-style-type: none"> • How systematically did DFID assess the external risks (ie political governance and economic) and the internal threats to the country strategy? • How comprehensive was the DFID risk minimisation strategy? 	<p>Need to distinguish the unexpected from more predictable changes that could have been foreseen</p>
	<p>Overall strategy and areas selected for intervention</p>	<ul style="list-style-type: none"> • How far were objectives set out in the country strategy achieved in practice? • What were the areas of success/failure and what lessons have been learned? • How far were CAP performance indicators achieved in practice? • To what extent was the programme that DFID implemented different to the one set out in its strategy? • What factors and rationale explain areas of divergence from the initial country strategy? • How effectively did the country office manage the risks that emerged? • Were there any unexpected outcomes? 	<p>Performance indicators used by DFID office and relevant data from Government need to be accessed. Need to ensure change can be attributed to DFID.</p> <p>Preparatory work may be needed to collect and synthesise.</p> <p>Timelines need to be examined: both planned and actual events. Description of main political changes and Government and Government decisions needed.</p>
	<p>DFID's choice of aid instruments</p>	<ul style="list-style-type: none"> • How effective was the mix of aid instruments in achieving planned objectives? • Is there any evidence about the relative effectiveness of the different instruments? • Were the different instruments used sufficiently complementary? 	<p>Feedback from country offices on relative success is needed.</p>
	<p>DFID's partnership strategy</p>	<ul style="list-style-type: none"> • What has been achieved from efforts to influence Government? • Has DFID been effective in pursuing its influencing agenda with Government? 	<p>Important to document changes in Government policy that can be attributed</p>

		<ul style="list-style-type: none"> Was harmonisation strengthened? To what extent did DFID work effectively with other donors to achieve common objectives or to change their policy? To what extent did DFID work well with civil society? To what extent was DFID effective in communicating its aims and objectives to all development partners, civil society and government? Were issues of gender, social exclusion, governance and environmental protection addressed as planned ? Was DFID's actual disbursement of aid to the country in line with expectations and according to the prescribed timetable? Was the sectoral allocation of resources consistent with the country strategy? How far did HQ spending targets influence country allocations? 	<p>to DFID and donors. Triangulated interviews may be only way to do so.</p> <p>Country office can provide financial data</p>
	<p>DFID's approach to cross-cutting themes</p> <p>Level and allocation of resources</p>	<ul style="list-style-type: none"> Were the results of DFID interventions adequately monitored and acted upon by country office managers eg to make mid course corrections to the country strategy or individual programmes? How far were the objectives and performance indicators for main programmes eg of budget support, SWAPs etc achieved? How has the quality and performance of the overall portfolio changed over time? Have efforts been made to consolidate and improve the performance of the portfolio? Have results frameworks for budget support (GBS and SBS) instruments been used and what is the performance record? 	<p>Results frameworks may be available and can be supplied by country office.</p> <p>Selective examination of interventions needed including field visits?</p> <p>Portfolio data can be collected through PRISM and country office.</p>
		QUESTIONS	COMMENTS?
EVALUATION CRITERIA	SUBCATEGORIES		
III. Efficiency			
"How efficiently did DFID deliver its objectives? "		<ul style="list-style-type: none"> Was the skill mix and continuity of staff planned and then aligned with the country strategy? Compared to other country programmes over the same evaluation period, what was the ratio of administrative to programme spending? (Allowing for different programme 	<p>This comparative question is left in, but recognising that</p>

<p>Drawing on following DAC criteria :</p> <p>“Efficiency measures the outputs – qualitative and quantitative – in relation to the inputs. It is an economic term which signifies that the aid uses the least costly resources possible in order to achieve the desired results. This generally requires comparing alternative approaches to achieving the same outputs, to see whether the most efficient process has been adopted.</p>		<p>contexts).</p> <ul style="list-style-type: none"> • Were there any significant delays in disbursing programme funds? • What effort was made to ensure the monitoring system could cope with the size of the programme? • How far were the results of monitoring reports used to reconsider resourcing and staff allocation priorities? 	<p>comparative data will have to be provided by DFID, and that the comparisons are a synthesis task in the main.</p>
<p>IV. Sustainability</p> <p>“Are the reforms/changes supported by DFID’s country programme moving in the right direction and are they likely to be sustained / difficult to reverse”?</p> <p>Drawing on following DAC criteria:</p> <p>“Sustainability is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn.”</p> <p>☆ To what extent did the</p>		<ul style="list-style-type: none"> • To what extent has local capacity been built? • To what extent have the policy and Governance environment been strengthened? • To what extent has government developed effective programming, budgeting and service delivery systems <ul style="list-style-type: none"> - national budget based on PRS - adoption of medium term budgeting integrating capital and recurrent; budget execution improved - spending increased in pro poor areas - service delivery improvements • To what extent has transparency and accountability increased? <ul style="list-style-type: none"> -improved information flows -responsiveness to public on service delivery -action on corruption and reduced wastage of public resources • To what extent has government taken steps to earmark the budget needed to maintain mutually agreed areas of 	<p>[includes SAIC]</p> <p>[some about how far this can be taken, as difficult to assess with the limited time available. It will depend on preparatory work and available evidence that can be collected]</p> <p>(should agree with country office on a selective approach)</p>

<p>benefits of a programme or project continue after donor funding ceased? ☆ What were the major factors which influenced the achievement or non-achievement of sustainability of the programme or project?"</p>		<p>priority?</p> <ul style="list-style-type: none"> • Has there been a sustainable improvement in the responsiveness of Government to civil society and the poorest members of society 	
<p>V. Outcome "Taking into account criteria I through IV, was the net result of DFID intervention satisfactory?"</p>		<ul style="list-style-type: none"> • How far did the country programme achieve the objectives set? • Did DFID achieve sufficient positive outcomes to justify the financial and human resources used in the programme? • What overall rating can be given to the country programme? 	<p>Last question depends on deriving a suitable categorisation acceptable to DFID.</p>
<p>VI. Attribution "A discussion of the factors influencing the observed development outcome and the relative importance of DFID's contribution to that outcome".</p>	<p>Country context</p>	<ul style="list-style-type: none"> • To what extent is the country's political economy conducive to efforts to reduce poverty and improve governance? • What factors beyond the control of development partners—natural disasters, civil disturbances, terms of trade shocks, etc—had a positive or negative effect on the outcome of DFID's interventions? • Given the direction of travel and external factors, overall how far did the country programme make a positive contribution to poverty reduction? 	<p>Requires careful judgement and an implicit counterfactual.</p> <p>Assessment will require evidence of positive impact on Government use of resources and service provision.</p>
	<p>Government actions</p> <p>Actions by DFID</p>	<ul style="list-style-type: none"> • How effective was the government in preparing, implementing and monitoring DFID-supported operations? • How effective was DFID at identifying and delivering added value from its interventions? • To what extent was DFID's policy framework adapted to the needs of the country? • How did DFID's HR and operational procedures and 	

	Actions by other development partners	practices affect the implementation of the strategy?	
		<ul style="list-style-type: none"> How effective were other development partners in supporting DFID-supported operations? 	

The report will include the following:

- List of acronyms
- Terms of Reference
- Timeline(s)
- Outcome matrices
- Financial analysis
- Persons met
- Documents consulted

	45,010,558	2,452,466	1,772,363	3,301,959	2,550,665	2,226,138	3,888,742	16,192,333
Sum	27	20	16	16	10	6	7	
Count		122,623	110,773	206,372	255,067	371,023	555,535	
Average								
031 502 017	87,000	3,497	8,374	362	19,121	52		33,090
031 502 018	209,577	5,181	13,881	1,984	5			74,911
031 502 019	75,000	59,041	22,255	2,346	19,126	52		111,498
Sum	371,577	67,719	2	2	1			
Count	3	3	2	2	1			
Average		22,573	11,128	1,173	19,126	#DIV/0!		
031 555 034	11,470,000	1,949,214	2,248,476	2,717,327	87,739	29,049	8,186	7,039,991
031 555 035	43,395,419	2,487,159	4,382,512	6,850,658	3,266,500	7,150,427	6,686,763	30,824,019
031 555 037	2,054,000	233,135	312,398	635,731	437,139	192,068	1,379	1,811,850
031 555 038	3,503,000	599		333				932
031 555 039	484,000	115,976	41,751	1,603				159,330
031 555 046	1,367,000	12,926		6,147	49			19,122
031 555 050	24,000	101						101
031 555 051	849,755	181,939	148,967	56,557	293	134		387,890
031 555 052	573,081	83,469	33,715	16,923	51,090	62,785	53,845	301,827
031 555 053	7,307,688	1,646,064	50,443	216,075		12,719		1,925,301
031 555 054	6,163,820	343,212	147,383	686,405	693,092	1,581,496	557,551	4,009,139
031 555 055	500,000	84,006	200,105	99,323				383,434
031 555 056	3,500,000		10,825	132,520	1,049,244	1,123,701	584,864	2,901,154
031 555 057	47,400,000		1,295,428	3,487,629	3,764,718	5,116,655	14,021,471	27,685,901
031 555 058	8,636,000				1,030,159	1,854,824	1,529,987	4,414,970
031 555 059	7,500,000					604,253	2,077,187	2,681,440
031 555 060	3,000,000						2,983,127	2,983,127
031 015 001	593,750	392,853	59,724	102,009			892	
Sum	148,321,513	7,530,653	8,931,727	15,009,240	10,380,023	17,728,111	28,505,252	88,085,006
Count	18	12	12	14	8	10	11	
Average		627,554	744,311	1,072,089	1,297,503	1,772,811	2,591,387	
031 021 001	370,000							54,983
Sum								54,983
Count	1							1
Average								54,983

Forestry

Support to Nairobi Arboretum
VSO/Salt Lick
Kenya Forest Bill

Health and Welfare

Family Health Project
HIV/AIDS Prevention and Care
Safe Motherhood Project Prep.
Family Planning Interim Supp. Proj.
Health Planning and Reform
PSI Condom Social Marketing
Social Marketing Conference
AMREF Malaria Control
Anti-Malarial Treatment
Eradication of Polio in EA
Malaria Control in Kenya
AMREF CBHC Turkana II
Decentralisation of Health Services
Social Marketing of ITNs
Social Marketing of Condoms
Essential Health Services
Emergency ARV's
Interim Vaccine Support Project

Trade

Kenya Trade & Poverty Programme

Poverty Reduction (PROLOGS)
Heart and Soul Multi Media
Public Expenditure Management
National Statistical Systems
Monitoring and Evaluation System
Kenya Revenue Authority
Harmonisation, Alignment Coord.

031 542 091	5,000,000	113,955	1,506,964	1,005,087	1,372,609	3,998,615
031 542 092	65,460	65,662				65,662
031 542 093	950,000		61,118	184,398	266,097	511,613
031 542 094	2,500,000			223,744	1,959,550	2,183,294
031 542 095	650,000			242,189	161,891	404,080
031 542 096	650,000				72,758	72,758
031 542 097	50,000				50,000	50,000
Sum	31,100,838	1,702,151	1,331,364	3,957,638	5,830,898	18,179,372
Count	27	17	12	11	11	
Average		100,127	110,947	359,785	530,082	

Budget Support (improved public service)
Count

031 017	30,000,000	15,000,000				15,000,000
Count	1	1				
Average						

Statistics

National Statistics System

031 022 001	4,000,000					500,000
Sum						500,000
Count						1
Average						

Roads

Bomet/Litein Roads Testing
Wajir Road Emergency Project
ToR's for Study of Road Agency
Assistance Road Sector Reform

031 524 020	16,000	6,826				6,826
031 524 021	50,000	1,988				1,988
031 524 022	270,000	139,950	59,409	1,067	50,635	224,744
031 524 023	400,000			1,067	50,635	212,792
Sum	736,000	148,764	59,409	1,067	50,635	446,350
Count	4	3	1	1	1	
Average		49,588	59,409	1,067	50,635	

Rural Development

Kwale Rural Support programme
Wajir Pastoralist Dev. Project

031 508 014	2,100,000	160,488	6,829	228,258	138,692	702,494
031 508 015	1,016,044	296,024	23,100			319,124
Sum	3,116,044	456,512	29,929	228,258	138,692	1,021,618
Count	2	2	2	1	1	
Average		228,256	14,965	228,258	138,692	

Urban Development

PAMNUP
NuPP
PAMNUP Mombasa
KESp

031 546 001	322,000		63			63
031 546 002	2,800,000	102,568	377,969	132,424		946,155
031 546 003	2,844,000	179,670	148,803	19,368		457,830
031 546 004	60,000	41,366				41,366
Sum	6,026,000	323,604	526,835	132,424	-	1,445,414
Count	4	3	3	1	-	
Average		107,868	175,612	132,424	-	

Water & Sanitation

Ndhiwa Health Education	908,785	96,157	129,748	169,244	50,765	44,675	110	490,699
WaterAid Development ASAL Water	725,971	115,854	460		8,830			125,144
ASAL Water	1,000,000	73,134	274,435	298,726	240,506	45		886,846
CARE Garissa Water	405,693	7,154	83,467	170,181	95,824	49,084		405,710
Kitui Sand Dams	353,059	41,562	153,169	59,490	62,052	15,295		331,568
Sum	3,393,508	333,861	641,279	697,641	457,977	109,099	110	2,239,967
Count	5	5	4	4	5	3	-	
Average		66,772	160,320	174,410	91,595	36,366	#DIV/0!	
TOTAL		28,858,986	22,522,358	25,718,688	36,639,857	36,477,967	62,095,321	212,313,177
Count	144	102	84	76	56	45	43	
Average		282,931	268,123	338,404	654,283	810,621	1,444,077	

Annex F

Kenya Data Profile			
Click on the indicator to view a definition	2000	2004	2005
People			
Population, total	30.7 million	33.5 million	34.3 million
Population growth (annual %)	2.2	2.2	2.3
Poverty headcount ratio at national poverty line (% of population)	..	..	..
Life expectancy at birth, total (years)	48.4	48.3	..
Fertility rate, total (births per woman)	5.0	5.0	..
Mortality rate, infant (per 1,000 live births)	77.0	78.5	..
Mortality rate, under-5 (per 1,000)	117.0	119.5	..
Births attended by skilled health staff (% of total)	..	..	..
Malnutrition prevalence, weight for age (% of children under 5)	21.2	..	..
Immunization, measles (% of children ages 12-23 months)	75.0	73.0	..
Prevalence of HIV, total (% of population ages 15-49)	..	..	6.1
Primary completion rate, total (% of relevant age group)	..	91.8	..
School enrollment, primary (% gross)	97.7	111.3	..
School enrollment, secondary (% gross)	39.2	48.0	..
School enrollment, tertiary (% gross)	2.7	2.9	..
Ratio of girls to boys in primary and secondary education (%)	97.6	94.1	..
Literacy rate, adult total (% of people ages 15 and above)	..	73.6	..
Environment			
Surface area (sq. km)	580.4 thousand	580.4 thousand	580.4 thousand
Forest area (sq. km)	35,820.0	..	35,220.0
Agricultural land (% of land area)	46.3	..	..
CO2 emissions (metric tons per capita)	0.3	..	..
Improved water source (% of population with access)	..	61.0	..
Improved sanitation facilities, urban (% of urban population with access)	..	46.0	..
Energy use (kg of oil equivalent per capita)	507.2	..	..
Energy imports, net (% of energy use)	21.2	..	..
Electric power consumption (kWh per capita)	104.7	..	..
Economy			
GNI, Atlas method (current US\$)	13.2 billion	16.1 billion	18.0 billion
GNI per capita, Atlas method (current US\$)	430.0	480.0	530.0
GDP (current US\$)	12.7 billion	16.1 billion	18.0 billion
GDP growth (annual %)	0.6	4.3	2.8
Inflation, GDP deflator (annual %)	6.1	6.9	3.7
Agriculture, value added (% of GDP)	32.4	26.8	27.4
Industry, value added (% of GDP)	16.9	17.2	17.8
Services, etc., value added (% of GDP)	50.7	56.1	54.9
Exports of goods and services (% of GDP)	21.6	26.2	24.7
Imports of goods and services (% of GDP)	29.6	31.8	30.9
Gross capital formation (% of GDP)	17.4	18.3	25.4
Revenue, excluding grants (% of GDP)	25.1	..	..
Cash surplus/deficit (% of GDP)	2.1	..	..
States and markets			
Time required to start a business (days)	..	47.0	54.0
Market capitalization of listed companies (% of GDP)	10.1	24.2	35.5

Annex F

Military expenditure (% of GDP)	1.3	1.6	1.5
Fixed line and mobile phone subscribers (per 1,000 people)	13.7	85.0	..
Internet users (per 1,000 people)	3.3	44.8	..
Roads, paved (% of total roads)	12.1	..	..
High-technology exports (% of manufactured exports)	3.9	3.1	..
Global links			
Merchandise trade (% of GDP)	38.1	45.0	54.6
Net barter terms of trade (2000 = 100)	100.0	91.2	..
Foreign direct investment, net inflows (BoP, current US\$)	111.0 million	46.1 million	..
Long-term debt (DOD, current US\$)	5.2 billion	6.0 billion	..
Present value of debt (% of GNI)	..	34.4	..
Total debt service (% of exports of goods, services and income)	20.9	8.6	..
Official development assistance and official aid (current US\$)	512.1 million	635.1 million	..
Workers' remittances and compensation of employees, received (US\$)	537.9 million	494.3 million	..
Source: World Development Indicators database, April 2006			

DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

DFID, the Department for International Development: leading the British Government's fight against world poverty.

One in five people in the world today, over 1 billion people, live in poverty on less than one dollar a day. In an increasingly interdependent world, many problems – like conflict, crime, pollution and diseases such as HIV and AIDS – are caused or made worse by poverty.

DFID supports long-term programmes to help tackle the underlying causes of poverty. DFID also responds to emergencies, both natural and man-made.

DFID's work forms part of a global promise to

- halve the number of people living in extreme poverty and hunger
- ensure that all children receive primary education
- promote sexual equality and give women a stronger voice
- reduce child death rates
- improve the health of mothers
- combat HIV & AIDS, malaria and other diseases
- make sure the environment is protected
- build a global partnership for those working in development.

Together, these form the United Nations' eight 'Millennium Development Goals', with a 2015 deadline. Each of these Goals has its own, measurable, targets.

DFID works in partnership with governments, civil society, the private sector and others. It also works with multilateral institutions, including the World Bank, United Nations agencies and the European Commission.

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