

The Department for International Development (DFID) leads the UK's global efforts to end extreme poverty, deliver the Global Goals for Sustainable Development (SDGs) and tackle a wide range of global development challenges. The UK's focus and international leadership on economic development is a vital part of Global Britain - harnessing the potential of new trade relationships, creating jobs and channelling investment to the world's poorest countries. Throughout history, sustained, job-creating growth has played the greatest role in lifting huge numbers of people out of grinding poverty. This is what developing countries want and is what the international system needs to help deliver. Whilst there is an urgent need for traditional aid in many parts of the world, ultimately economic development is how we will achieve the Global Goals and help countries move beyond the need for aid.

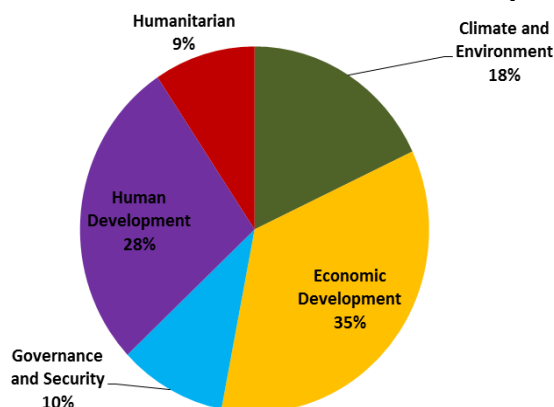
Planned Budget for 2017/18

£117m

Planned Budget for 2018/19

£111m

Sector breakdown of 2017/18 bilateral plans



Top 3 planned spending programmes in 2017/18 (as at June 2017)

Hunger Safety Net Programme	£21.1m
Kenya - Strengthening Regional Economic Integration	£17.4m
Support for Protection and Assistance of Refugees	£16.2m

Contribution to the Global Goals and other government commitments (achieved as at March 2017)*

270 thousand children supported to gain a decent education

313 thousand children under 5, women and adolescent girls reached through nutrition related interventions

87 thousand additional women and girls using modern methods of family planning

Headline deliverables

- Economic development:** We will help Kenya create good quality jobs and stimulate investment through our work on urbanisation and improving the business environment. We will reduce the costs of trade in Kenya and the region, helping businesses reach a market of over 200 million people, creating jobs and economic opportunities and contributing to long-term prosperity and security.
- Basic services and building resilience to crises:** We will help the government invest in essential health services to stop young women dying in pregnancy and child birth, and make sure 450,000 women and girls can take control of decisions about when they have children and how many. We will help over 1 million people cope with drought and conflict, and improve the government's ability to respond to humanitarian crises when they happen. We will work with partners to find long-term solutions for refugees in Kenya who have fled their homes in neighbouring countries.
- Building stability and institutions:** We use our diplomatic and development expertise and influence to improve government systems and accountability, tackle corruption and reduce conflict and the risks of radicalisation. We continue to build the systems that will ensure the government can take on financing and management of poverty reduction programmes without the need for external aid.

Why is DFID investing in Kenya?

Kenya is one of the fastest-growing economies in the region and has a reputation for pioneering innovative business ideas in financial services, telecoms, digital and renewable energy. Kenya's success in these areas has had a significant impact on the lives of millions of people across the region.

* Results less than 1 million are rounded to the nearest thousand. Results over 1 million are rounded to the nearest hundred thousand.

Despite progress, nearly 20 million Kenyans still live on less than \$1.25 a day. Whilst Kenya's growth is positive, political, climatic and security shocks affect its ability to grow, and keep the poorest and most marginalised in extreme poverty. Inequality is growing: 600,000 young people enter the labour market each year with few job opportunities. The social and political causes of conflict have not been addressed and there is a growing risk of radicalisation, especially in the north and along the coast. Regional instability has an impact within Kenya's own borders and stirs up internal grievances.

These issues threaten Kenya's own stability and risk undermining its ability to address regional and shared challenges, including migration and terrorism. They also threaten the UK's global interests including the prospects of strengthening a modern partnership based on trade and mutual goals.

How will the UK respond to opportunities and challenges?

To maximise the impact of our bilateral programme, we will be more targeted in our choices, underpinned by stronger relationships at national and county levels. We will focus more on how we use technical assistance and expertise to facilitate a shift away from a relationship based on aid, to one of mutual partnership.

Over the next three years, we will: i) continue strengthening systems to deliver services, reducing our bilateral support over time; we will uphold our international commitments on refugees and to being a strong humanitarian leader. We will continue to support access to family planning services; ii) gradually scale back support as the government demonstrates its commitment to self-financing, enabling the national government and county governments to take responsibility for providing services to the whole population; iii) direct our efforts to northern and coastal Kenya, focusing on creating economic opportunities and tackling the root causes of conflict and radicalisation; and iv) exit from stand-alone bilateral programmes in education, malaria, and climate change addressing these important issues through our investments in global funds which can deliver more effectively and through our work on improving national and county government capability.

What is being achieved for the UK?

Kenya and the UK have a long and shared history which has brought together our governments, our businesses and our people. These links are deepened today by the 30,000 British nationals who live in Kenya, the 100,000 British tourists that visit each year and the 200,000 people of Kenyan origin living in the UK.

Kenya matters for trade and investment. The UK is Kenya's top overseas investor with 200 British companies active and over £1 billion of trade with the potential to grow more after the UK's exit from the EU. One in 10 working Kenyans are employed by a British company. Kenya is the hub of the region's economy and the African hub for many international companies.

Kenya matters for security, both nationally and regionally. The UK trains 10,000 British troops in Kenya each year. Kenya's troop contribution to the African Union's peacekeeping mission in Somalia is critical to regional security. Kenya hosts more than 500,000 refugees from the region allowing them to remain close to home. We collaborate to tackle radicalisation and violent extremism and have shared objectives on tackling corruption. The UK is uniquely placed to partner with Kenya. DFID works at the heart of a cross governmental team that uses the full range of commercial, political, diplomatic and security levers to support the delivery of the UK's objectives and Kenya's long-term development.

Partners

- We will bring together the expertise of 12 UK Government Departments based in the British High Commission in Nairobi to support the delivery of a combination of aid mechanisms, such as bilateral grants, private sector equity through the CDC (the UK's development finance institution), and multilateral contributions to achieve our objectives.
- Our programmes will contribute to fill evidence gaps on what works, ensuring value for money from everything that we do. We will build strong partnerships with private, multilateral and Non-Governmental Organisations to drive high impact programmes that transform lives. We are piloting ways to improve these relationships to ensure we get the greatest impact for every pound spent and continue to reform the aid system. We will sharpen our focus on improving the performance and impact of our global contributions to the World Bank and UN system.
- We will reduce the number of programmes to free up valuable staff time to play a more strategic and influential role in building government capacity to deliver. Where we need to exit sectors we will do so carefully and sustainably to ensure the gains we have made are maintained.