



## KENYA COUNTRY CONTEXT

**A**fter experiencing two decades of poor economic performance, during which per capita income stagnated, Kenyans in late 2002 elected a government that campaigned for fundamental reform of governance. The government pursued policies during 2003–07 that have stimulated private sector investment, promoted growth, and improved the well being of citizens. By the end of 2006 the economy had experienced three consecutive years of growth in excess of 5 percent. This has led to a decline in poverty and the improvement of some social indicators. Major challenges remain, however, which Kenya will have to address if it is to make progress toward the Millennium Development Goals (MDGs).

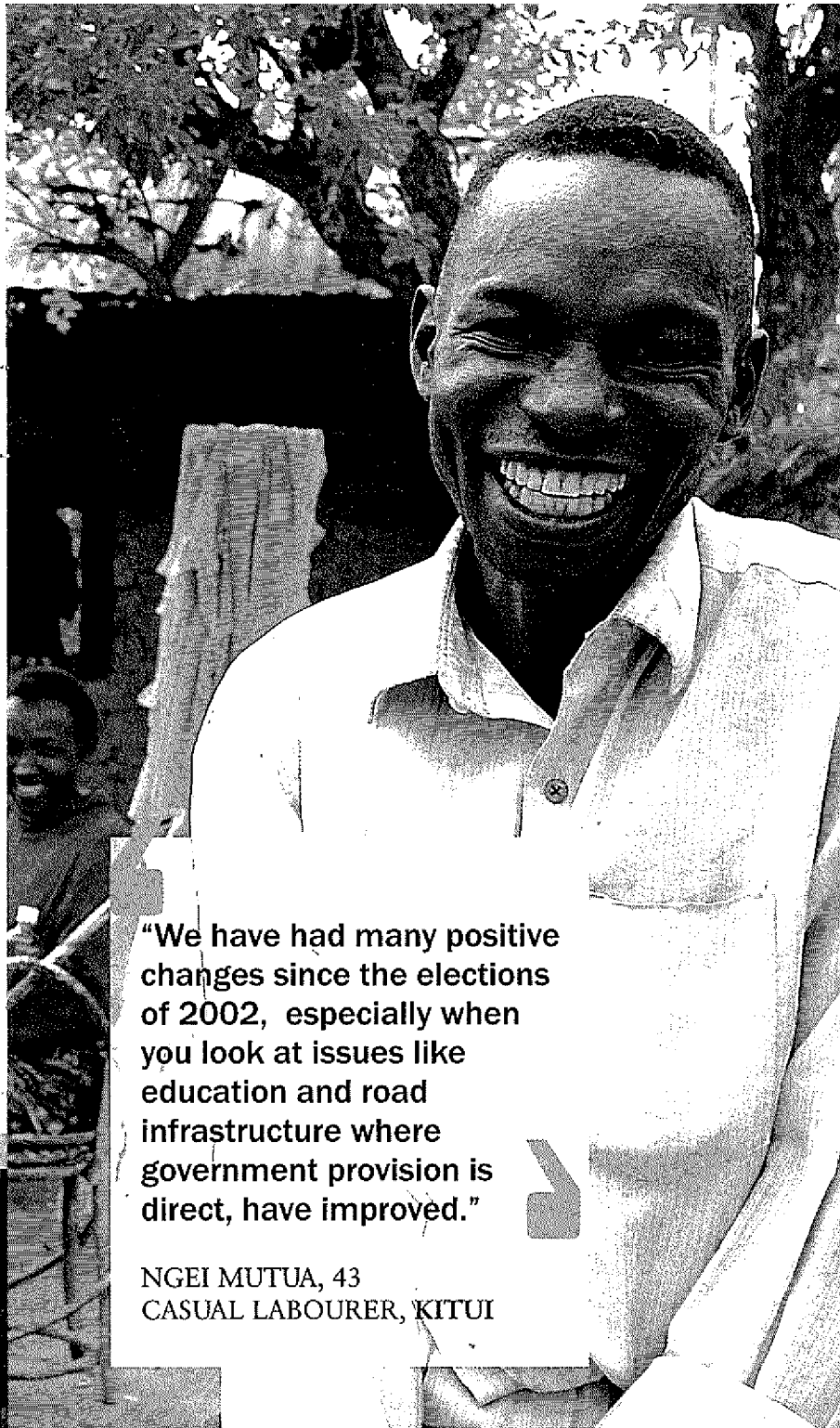
## KENYA'S DEVELOPMENT STRATEGY

Kenya's development strategy is laid out in the Investment Program for the Economic Recovery Strategy for Wealth and Employment Creation (IP-ERS) that was launched in March 2004 and is in its final year of implementation. Progress in implementing the IP-ERS 2003–07 has been significant.

The government prepared in 2007 its draft Vision 2030 document. This presents Kenya's key development goals aimed at transforming Kenya into a knowledge-based economy and putting the country on a path to becoming a middle income country. Its key objectives are:

- Encouraging economic growth.
- Investing in people to reduce poverty and vulnerability.
- Strengthening institutions and improving governance.

**I am very confident that we are going to achieve a major milestone in the harmonization and management of development partner financing in this country through the KJAS. It's not just good for our development partners, it's good for Kenyans."**



**"We have had many positive changes since the elections of 2002, especially when you look at issues like education and road infrastructure where government provision is direct, have improved."**

NGEI MUTUA, 43  
CASUAL LABOURER, KITUI

**The KJAS is confirmation that we are serious about supporting Kenya and in the most effective way.**

Bo Jensen, Danish Ambassador,  
Chair of the Harmonization, Alignment and  
Coordination (HAC) donor working group



## **PRINCIPLES OF THE KENYA JOINT ASSISTANCE STRATEGY**

KJAS is centered on three principles, which are consistent with those articulated in the Paris Declaration on Aid Effectiveness. These are:

- Supporting the country-led strategy to improve social well-being and achieve the MDGs.
- Collaborating more effectively, both among development partners and with the government.
- Focusing on outcomes, including managing resources and improving decision-making for results, and strengthening monitoring and evaluation systems.

## **KJAS PARTNERS' PROGRESS WITH HARMONIZATION, ALIGNMENT, AND COORDINATION**

This KJAS has 17 development partners: Canada, Denmark, the European Commission, Finland, France, Germany, Italy, Japan, the Netherlands, Norway, Spain, Sweden, the United Kingdom, the United States, the African Development Bank, the United Nations, and the World Bank Group. Bringing together such a large number of development partners to agree on a common assistance strategy was a challenge. Still, KJAS partners have recognized the need to improve the effectiveness of their collective aid efforts and have, in collaboration with the government of Kenya, prepared the KJAS.

Since 2003, KJAS partners have increasingly harmonized their activities. More and more, they are sharing analytical and advisory work, developing sectorwide support programs, and agreeing on partnership principles that guide their relationship with the government. KJAS partners have also made progress in deciding on a division of labor in accordance with the comparative advantage of each agency. These measures are expected to significantly reduce

## **KJAS OBJECTIVES AND PROGRAM FOCUS**

The objective of the KJAS is to support the government's efforts to achieve the MDGs and the targets that the government has set for itself in its national and sector development strategies. The KJAS focuses partners' efforts on the greatest challenges facing Kenya today:

- Significantly reducing corruption, improving public financial management, and reforming the public administration.
- Enhancing security and access to justice.
- Creating infrastructure, including information, communications, and technological networks, to serve as a platform for growth in Kenya and throughout the East African region.
- Upgrading informal settlements.
- Substantially improving the delivery of basic services to the poor, especially health, education, water and sanitation, and social protection.
- Greatly narrowing the income gap between Kenya's richest and poorest citizens
- Improving the investment climate.
- Raising the productivity of agriculture.
- Promoting sound management of land, soils, forests, pastures, wildlife, water resources, and fisheries.

The strategy emphasizes results, gender equality, and good governance in all aspects of development.



## QUESTIONS

### Does Kenya need external development assistance?

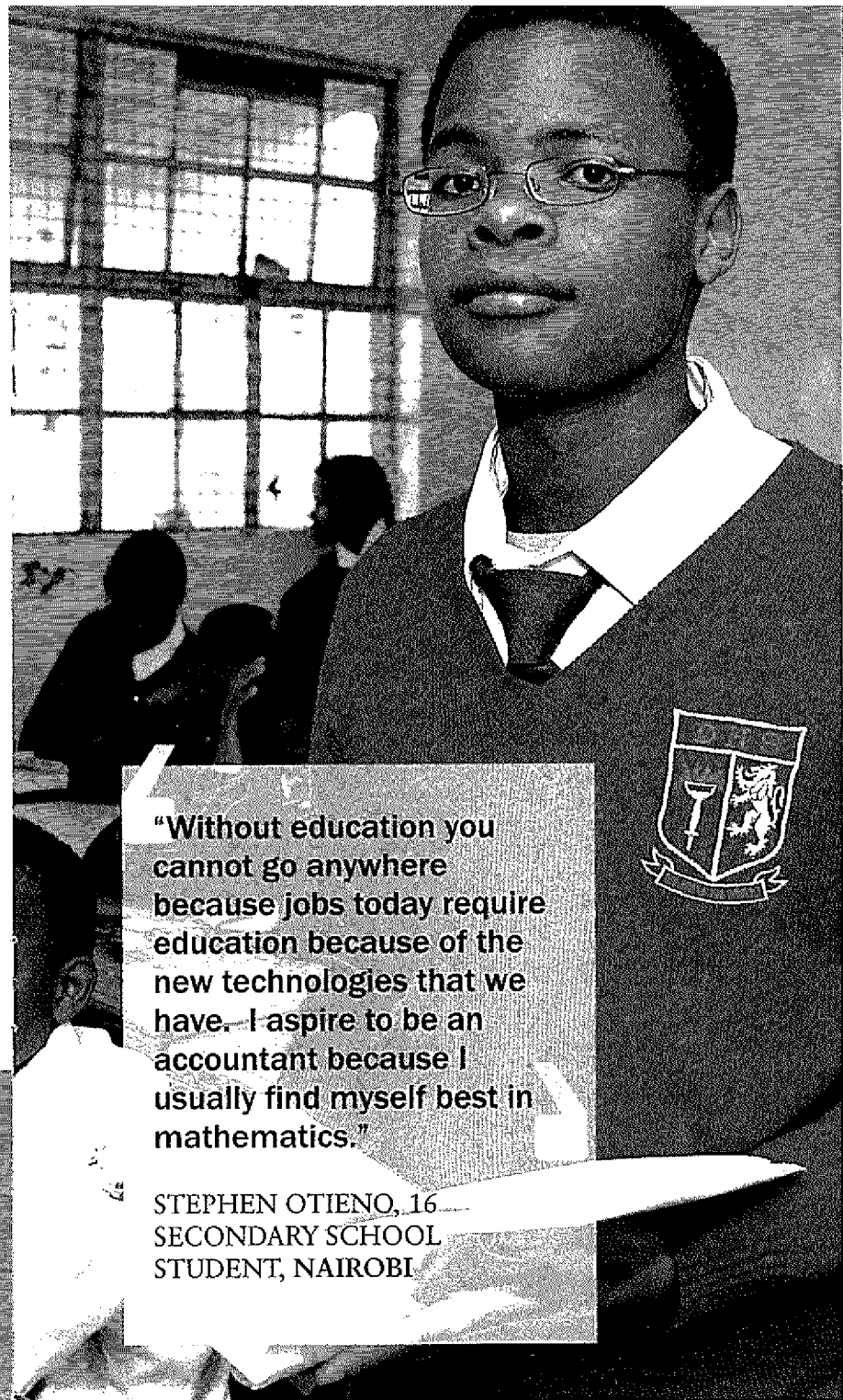
Kenya needs external resources to supplement the limited domestic resources, as recognized by the draft Kenya External Resources Policy. External resources supplement domestic resources (most of which are provided by Kenyan taxpayers) for investment and delivery of services. Used appropriately, they can hasten progress from poverty and vulnerability to prosperity and security.

### Where will the funds go?

KJAS partners' support will be focused on three key areas:

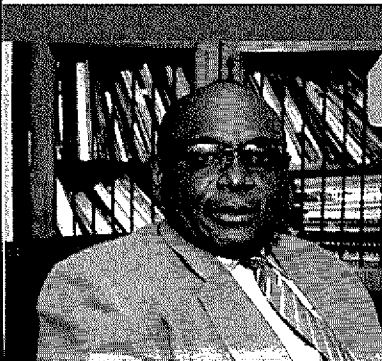
- Infrastructure, private sector development, agriculture and rural development, and sound environmental management.
- Education, health, HIV/AIDS, and social protection.
- Strengthening public sector management and governance in all its dimensions.

KJAS partners will channel most of their support through projects and programs. Some will consider providing general or sector budget support if governance, fiduciary, and monitoring and evaluation can offer sufficient assurance that funds are used for their intended purpose. KJAS partners will continue to work closely with nonstate actors—including faith-based and civil society organizations, academia, the media, and trade and professional bodies—both to implement activities and to encourage them to serve as watchdogs to ensure the best outcomes for Kenyans.



**"Without education you cannot go anywhere because jobs today require education because of the new technologies that we have. I aspire to be an accountant because I usually find myself best in mathematics."**

**STEPHEN OTIENO, 16  
SECONDARY SCHOOL  
STUDENT, NAIROBI**



**The KJAS in itself is aligned to practical results, as well as the vision 2030.**

**Colin Bruce, World Bank Country Director,  
Chair of the Donor Coordination Group (DCG)**

## QUESTIONS

In addition to financial support, KJAS partners will support analytical work and professional advice to help the government prioritize expenditures and improve public financial management, reform policies, and strengthen capacity in key areas to more rapidly achieve Kenya's development targets and the MDGs. Such work will help inform and prepare the ground for future programs and projects.

### **How will the behavior of donors actually change as a result of KJAS?**

A fundamental goal of the KJAS is to improve the development impact of available resources. Towards this end, the KJAS partners will agree on a more effective division of labor to better align assistance with government programs and to coordinate assistance more effectively among themselves. To reduce the burden on government of dealing with multiple donors, KJAS partners will strive to increase their selectivity in the program and policy areas in which they are engaged, while ensuring that the level of financing by donor and by sector is maintained. They will also work to achieve greater harmonization at the sector level, and focus on achieving results for Kenyans.

### **Under what terms do the KJAS partners assist Kenya?**

The KJAS partners provide support to Kenya on highly concessional terms. The great majority of funds will be given as grants. The remaining funds will be offered as soft loans with a zero or low interest rate.

### **How do KJAS partners ensure that the money they provide is used to promote growth and poverty reduction as intended?**

To accelerate growth and reduce poverty, making the best possible use of all available resources, is critical and requires a strong focus on results. In the spirit of harmonizing and aligning behind the government development program, KJAS partners will, to a large extent, rely on the government's own monitoring of the results of its strategy in judging the development effectiveness of the KJAS. The government is establishing an annual strategy review

## QUESTIONS

mechanism that will draw on existing reporting and review arrangements. The government is also developing a robust national monitoring and evaluation system that allows for regular reporting of strategy implementation and results.

### **What assistance are KJAS partners providing Kenya to help fight corruption?**

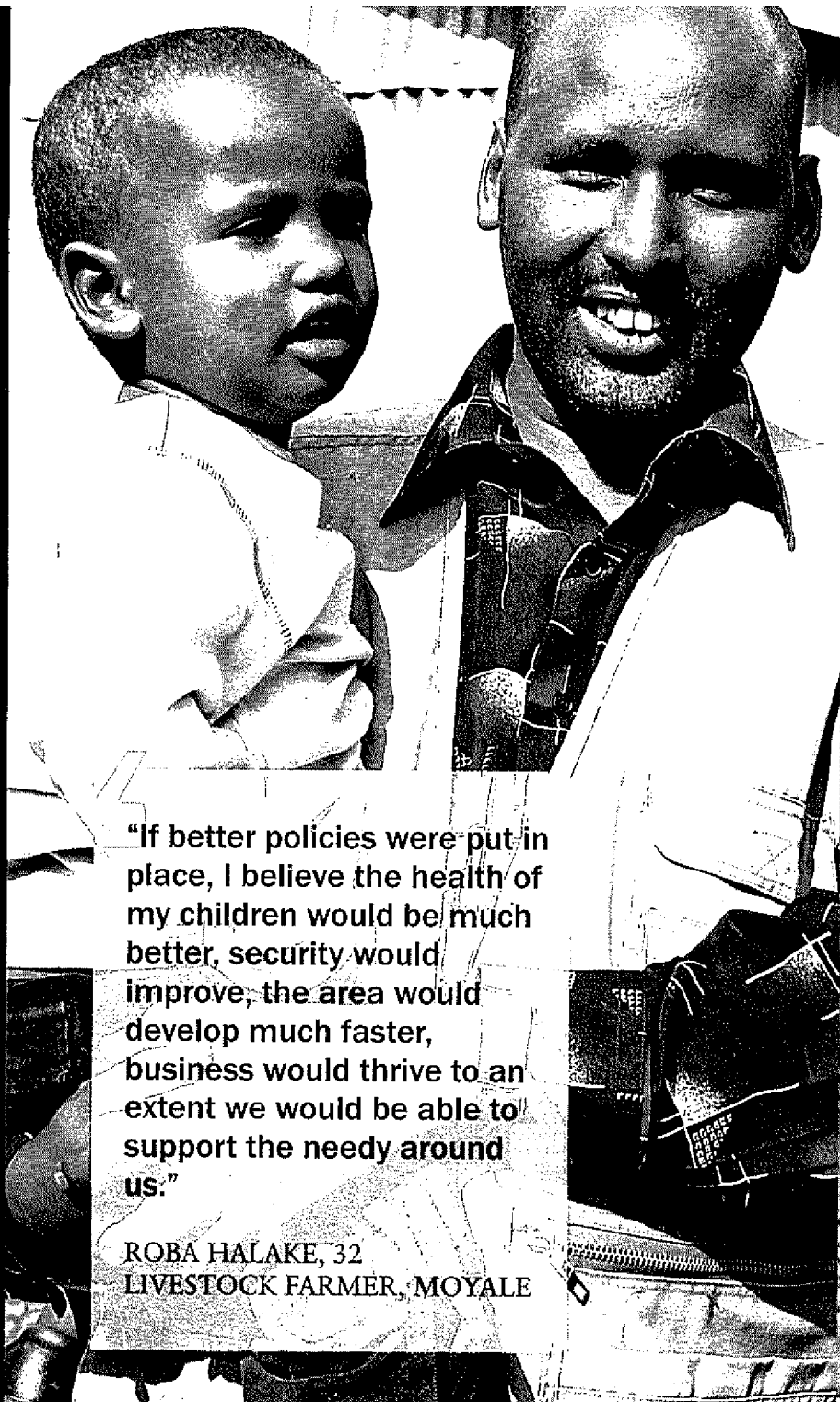
KJAS partners recognize that strengthened public financial management and reduced corruption are critical for development. One of the most effective approaches is to strengthen government's own systems of accountability. To this end, KJAS partners are helping the government to manage public finances and procurement efficiently and soundly. Assistance to strengthen the rule of law, the judiciary, electoral processes, local governance, the parliament, and the public service is helping to implement the government's Governance Action Plan. Recognizing that the government is ultimately accountable to Kenyans, KJAS partners are encouraging the government to engage civil society in its monitoring and evaluation efforts. KJAS partners are also helping to strengthen citizens' voices through support for the parliament, media, judiciary, civil society organizations, and the private sector. Finally, acknowledging that, where there are bribe-takers, there are bribers, some KJAS partners are publicly listing the names of individuals and companies found to be engaged in corrupt practices, and penalizing them. They are also working to stop money laundering and to recover stolen assets hidden abroad.

### **What are risks to the implementation of the KJAS? What can be done to mitigate these risks?**

Risks to successful implementation of the KJAS exist. However, the KJAS partners have developed specific measures to mitigate these risks.

Major risks include:

- Vested interests that prevent reform.
- Reforms that are too ambitious with respect to capacity for implementation.



**“If better policies were put in place, I believe the health of my children would be much better, security would improve, the area would develop much faster, business would thrive to an extent we would be able to support the needy around us.”**

**ROBA HALAKE, 32  
LIVESTOCK FARMER, MOYALE**

- Poor governance that prevents effective use of resources and discourages private sector investment.
- Political uncertainty that discourages investment.
- Unpredictability of donor funding that disturbs macro and fiscal management.
- Unwillingness of development partners to adhere to the KJAS and its principles that reduces the general effectiveness of aid.
- External factors—such as major terms of trade shifts against Kenya's exports, poor weather, avian flu, and political instability of countries of the region—that pose unknown risks.

The KJAS partners will mitigate these risks through a range of measures. They will help to strengthen anti-corruption institutions and to build capacity for improved public sector management at all levels of government. They will also work with reformers in the parliament, the private sector, civil society, academics, and the media to enable them to play their important roles in bringing about positive change. KJAS partners will also work to reduce the risks to development programs posed by the sometimes uncertain level and nature of their assistance by working through a harmonized framework and making changes only through consultation with the government.

#### **How can I find out more about the HAC and KJAS partners' programs?**

You can visit the website for the Harmonization, Alignment and Coordination (HAC) group: [www.hackenya.org](http://www.hackenya.org). This website contains links to all of the KJAS partners' websites and much other useful information.



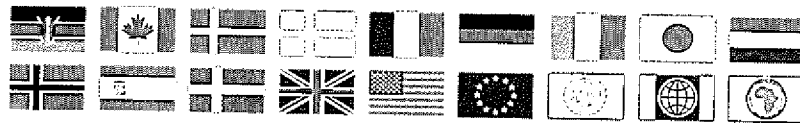
"Since Free Primary Education  
came it has taken away a large  
portion of my burden."



JARIF MUYANNOU, A  
SMALL SCALE TRADER, NAIROBI



Kenya Joint Assistance Strategy



[www.hackenya.org](http://www.hackenya.org)