

PRESS PACK

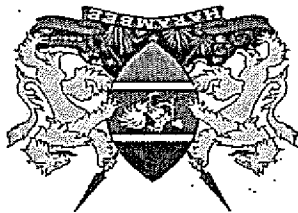
2007 - 2012

KENYA  
JOINT ASSISTANCE  
STRATEGY

September 10, 2007

**PARTNERSHIP PRINCIPLES:  
Between the Government of Kenya and  
its Development Partners**

**REPUBLIC OF KENYA  
MINISTRY OF FINANCE**



## 1. GENERAL PRINCIPLES OF PARTNERSHIP

1. The Government of Kenya (the "Government"), in consultation with Development Partners and other stakeholders, has developed a framework of Partnership Principles, consistent with the Rome Declaration on Harmonization (2003) and the Paris Declaration on Aid Effectiveness (2005). The framework for partnership and mutual respect and accountability provides that:

### 2. The Government:

- Develops and implements the national development strategies through broad consultative processes.
- Translates these national development strategies into prioritised results-oriented operational programmes as expressed in medium-term expenditure frameworks and annual budgets.
- Takes the lead in co-ordinating official development assistance at all levels in conjunction with other development resources in dialogue with Development Partners and encouraging the participation of civil society and the private sector.

### 3. Development Partners:

- Respect partner country leadership and help to strengthen its capacity to exercise it.
- Ensure that their support, whenever feasible, is integrated within the sectorwide approaches and work with the Ministry of Finance to ensure that their support is integrated into the MTEF.

4. The majority of Development Partners intend to abide by these Partnership Principles by joining and implementing the Kenya Joint Assistance Strategy. These are 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. Other Development Partners are invited to join. The Partnership Principles document presents a shared vision and intention between the Government and Development Partners, but it is not a legally binding document. Where there is a conflict between the Partnership Principles and any legally binding agreement, laws, regulations or policies, the terms of the agreement, law, regulation or policy will govern. Development Partners will work toward observing the Kenya External Resource Policy, which is under preparation by the government, and which will be finalized after consultations with them and other stakeholders.

#### **4. MANAGING FOR RESULTS**

25. Government commits to:

- Strengthen the linkages between national development strategies and annual and multiannual budget processes.
- Establish results-oriented reporting and assessment frameworks that monitor progress against key dimensions of the national and sector development strategies.

26. Development Partners commit to:

- Link, to the extent possible, country/activity programming and resources to results and align them with effective partner country assessment performance frameworks, refraining from requesting the introduction of performance indicators that are not consistent with Kenya's national development strategies.
- Rely to the extent possible on Kenya's monitoring frameworks.
- To the extent they cannot rely on Kenya's statistical, monitoring and evaluation systems, harmonise with each other their monitoring and reporting requirements to minimize the burden on the country of having to produce data and reports for individual agencies.

27. Government and Development Partners jointly commit to:

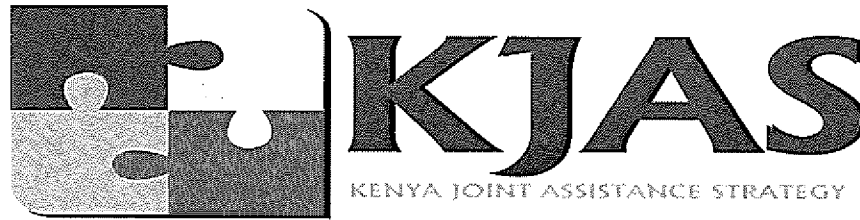
- Work together in a participatory approach to strengthen country capacities and demand for results-based management.

#### **5. MUTUAL ACCOUNTABILITY**

28. Government commits to:

- Reinforce participatory approaches by systematically involving a broad range of Development Partners when formulating and assessing progress in implementing national development strategies, such as the Vision 2030 document, the Investment Programme for the Economic Recovery Strategy, and their successors.

29. Development Partners commit to:



## PRESS RELEASE

### Government and Development Partners Commit Themselves to Make Aid More Effective

NAIROBI, September 10, 2007— The Kenyan Government and development partners today launched a joint assistance strategy and signed Partnership Principles that will strengthen their collaboration and significantly improve prospects for sustained growth and poverty reduction. Kenya has been receiving development assistance since Independence, but it has not achieved as much for ordinary Kenyans as expected. Too often development assistance has been used inefficiently or for the wrong things. Moreover, answering to multiple development partners has strained the capacity of the government to manage its programs. The Government and the Development Partners today launched the Kenya Joint Assistance Strategy (KJAS) and signed the Partnership Principles that together seek to change all of that. Together these represent a transformation in how aid will help Kenya meet the Millennium Development Goals and improve the quality of life for Kenyans.

*“The KJAS is the tool we have been waiting for to harmonize all our resources. It's not just good for our development partners, it's good for Kenyan,” said Hon. Kimunya, Minister of Finance.*

The Kenya Joint Assistance Strategy (KJAS) will guide development partnerships for 2007–12. It provides the basis for the partners' support for the implementation of the Government's development strategy, including the evolving Vision 2030. It has been prepared collaboratively by the 17 KJAS partners— Canada, Denmark, the European Commission (EC), 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. The KJAS presents a shared development vision and intention between the Government of Kenya and KJAS partners. KJAS partners have committed to formally adopting the KJAS as part of their cooperation plans by the end of 2008.

*“The KJAS is confirmation that we are serious about supporting Kenya, and in the most effective way,” said Bo Jensen, Danish Ambassador, Chair of the Harmonization, Alignment and Coordination (HAC) donor working group.*

The objective of the KJAS is to support the Government's efforts to achieve the Millennium Development Goals (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, including:

- 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 to spur private sector development.
- Raising the productivity of agriculture.
- Promoting sound management of land, soils, forests, pastures, wildlife, water resources, and fisheries.

Major characteristics of the KJAS are its emphasis on results, gender equality, and good governance in all aspects of development.

**This KJAS was developed collaboratively with the Government. Nonstate actors have also contributed to its formulation.** The Government has actively participated in all the processes and products that form the basis of this KJAS and fully endorses the KJAS. Civil society and faith-based organizations, the private sector, the Parliament, political parties, research institutes, and other stakeholders have also contributed to the formulation of the KJAS through consultations. Non-state actors are expected to play an important role in implementing the KJAS to ensure the best outcomes for Kenyans.

**The KJAS reflects a broad consensus across political lines on the key elements of Kenya's development strategy.** The Government has prepared its draft Vision 2030 document, which sets out goals and priorities for Kenya's development over the longer term. It has also developed its draft Kenya External Resources Policy, which lays out its intent for its relationship with development partners. The KJAS provides a coordinated and timely response to both policy initiatives. The Government is expected to prepare in late 2007 or early 2008 the next medium term economic and development strategy for 2008–2012 as a successor to Kenya's Investment Programme for the Economic Recovery Strategy for Wealth and Employment Creation 2003–2007 (IP-ERS). The KJAS partners will review and, if necessary, revise the KJAS to ensure that it is aligned with the Government's new development strategy and program.

*"The KJAS in itself is aligned to practical results, as well as to the Vision 2030," said Colin Bruce, World Bank Country Director, Chair of the Donor Coordination Group.*

**A fundamental goal of the KJAS is to improve the development impact of available resources.** The KJAS will set standards for effective management of development assistance through joint programming, use of Government administrative and financial systems, joint analytical work, joint dialogue, and joint reviews of progress in implementing programs. KJAS partners will strive to ensure that resources are aligned behind government priorities, harmonized through coherent spending and procurement systems, coordinated to avoid duplication and to secure synergies, more predictable to enable the government to plan expenditures, and monitored to ensure results for Kenyans.

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For more information about this initiative, visit:  
[www.hackenya.org](http://www.hackenya.org)

**Launch of the  
Kenya Joint Assistance Strategy**

**Nairobi. September 10 2007**

**Presentation by Ambassador Bo Jensen**

**Chair of the Harmonisation, Alignment and Coordination Group**

1. Kenya has a long-term relationship with many of its donor partners. Many donor agencies have been here since independence. It has, however, been a bumpy relationship; for many years it was characterised by mistrust and lack of confidence.

Since 2002 the relationship has improved significantly, and this has led to an increase in volume of development assistance. Kenya's development partners perceive the governance situation and economic prospects more favourably. Mutual trust and confidence are being built by the day.

This aid, however, is not always being used effectively. Initiatives that are neither coordinated with government policies and plans nor with those of other donor partners do not achieve the impact desired in an effective way. Neither the intended beneficiaries nor the taxpayers in donor countries get the effectiveness and benefit that they expect. A great diversity in management, administration and financial procedures create huge transaction costs -- not least for government departments and the beneficiaries.

The Paris Declaration on Aid Effectiveness agreed in March 2005 clearly identifies these problems and proposes a strategy for addressing them -- the Harmonisation, Alignment and Co-ordination agenda. More than 100 countries and international organisations have now endorsed these principles.

In Kenya the new trust between Government and donors made it possible to take up and pursue this agenda. That is what we have done through the preparation of the Kenya Joint Assistance Strategy. KJAS is a clear statement from 17 development partners that we are serious about delivering effective aid, which will strengthen the development of Kenya and improve the living conditions of ordinary Kenyans -- and that we will do this by implementing the Paris Declaration.

2. The objective of the KJAS is for the development partners to Support the Government's effort to achieve the MDG and national development strategies. We will do that by improving the development impact of available aid resources.

3. The preparation of KJASS commenced 1½ years ago and has involved a large number of stakeholders most of whom are here today. This process has been spearheaded by he

The base case scenario is where we are at present. We assume that the government continues to pursue economic and governance reform and this will lead to a continuation of a robust growth and social progress. Under these circumstances KJAS partners will provide funds to address the full range of Kenya's development priorities while increasing harmonisation, alignment and coordination.

The high case scenario will be characterized by a marked improvement in government performance. Successful transition on governance, issues based democracy, marked improvement in business environment etc. will lead to even higher growth rates approaching those envisaged in Vision 2030.

Under the high case, higher and more flexible support may become available. It is more likely that donor partners will provide budget support.

Low case scenario will resemble a return to the 90es with serious governance problems and a reversal of recent gains in economic and social outcomes. KJAS partners are likely to lower assistance, increase direct control of funds and working outside government. This is of course a situation we do not want to see.

6. How will donor behavior change as a result of KJAS?

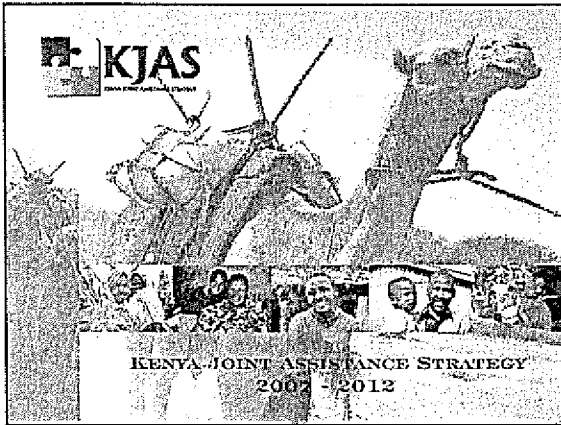
A fundamental goal of the KJAS is to improve the development impact of available resources. Towards this end, the KJAS partners will:

- Align their assistance better with government programs and coordinate assistance more effectively among themselves.
- Strive to reduce the burden on government of dealing with multiple donors by increasing their selectivity in the program and policy areas in which they are engaged. We will see fewer but larger donors in each sector and each development partner will have fewer, larger programmes. This will not lead to a reduction in aid as KJAS partners ensure the level of financing by donor and by sector is maintained. Recent trends of increasing aid may even continue
- Work to achieve greater harmonization at the sector level, and become more focused on achieving real outcomes for Kenyans. We will establish strong common indicators to guide the work in the sectors and the lead donor in each sector will take on a much more central and decisive role.

7. KJAS partners will seek to fully align their activities with the government's strategy and harmonise their procedures. This will be done through a range of instruments, including:

- Joint analytical work
- Joint assessment of technical assistance
- Joint missions






KENYA JOINT ASSISTANCE STRATEGY (2007 - 2012)

## Why KJAS?

- Delivery of aid has not been effective
- 91 Countries have endorsed Paris Declaration on Aid Effectiveness
- Mutual trust between Government and Development Partners strengthened


The KJAS is an effort to make the Paris Declaration on Aid Effectiveness (2005) a reality in Kenya



KENYA JOINT ASSISTANCE STRATEGY (2007 - 2012)

## Objectives

- Support the Government's effort to achieve the MDG and national development strategies by
- Improving the development impact of available aid resources




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## KJAS Process

The Harmonization, Alignment and Coordination (HAC) group prepared the KJAS through:

- ✓ Comparative advantage exercise
- ✓ Detailed Concept paper
- ✓ Consultations with government, private sector, civil society, sector groups, parliament, and other stakeholders
- ✓ Preparation of final text




KENYA JOINT ASSISTANCE STRATEGY (2007 - 2012)

## Main elements of the KJAS

The KJAS is anchored on the three pillars of Vision 2030:

- (1) Encouraging economic growth
- (2) Investing in People and reducing poverty and vulnerability
- (3) Improving governance



KENYA JOINT ASSISTANCE STRATEGY (2007 - 2012)

## Main elements Cont'd

The document includes:

- Analysis of country context
- Identification of challenges and priorities
- Monitoring and evaluation framework
- Common performance assessment and financing scenarios
- Targets for donor behavior
- A more effective division of labor.

