

**Annex I**

**UNITED NATIONS DEVELOPMENT PROGRAMME**

**KENYA**

**DRAFT ADVISORY NOTE  
FOR THE  
COUNTRY COOPERATION FRAMEWORK  
FOR KENYA  
(1999 - 2003)**

**UNDP**

**Nairobi  
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## **1. INTRODUCTION**

The global mission of UNDP is to assist countries to achieve sustainable human development (SHD). This involves building their capacity to design and carry out development programmes for poverty eradication, employment creation and sustainable livelihoods, the empowerment of women and the protection and regeneration of the environment. Poverty eradication is given first priority and forms the core of UNDP assistance. Capacity building for good governance including popular participation, public, private and civic sector development, and growth with equity are essential elements in support of this core focus.

The purpose of this Advisory Note (AN) is to specify UNDP's future assistance strategy to Kenya in pursuit of its national development goals. Following the Advisory Note, the Country Co-operation Framework (CCF) will provide a clear plan for the Government of Kenya (GoK)/UNDP programmes for the five-year period 1999-2003. This period is intended to coincide with the programmes of UNFPA, UNICEF and WFP, and to encourage the harmonisation of UN system programming in Kenya. The Note covers the last three years of the current National Development Plan (1997-2001) and will span the first two years of the next Plan. It facilitates a smooth transition into the next millennium taking into account past experiences and emerging needs and priorities in Kenya and in the global development context.

The preparation of this Note involved extensive dialogue between UNDP and other development partners, culminating in an Expanded Local Programme Appraisal Committee (ELPAC). This AN covers (i) an analysis of the national development situation seen from the perspective of sustainable human development and poverty eradication; (ii) patterns of external development co-operation; (iii) an overall strategy for UNDP co-operation; (iv) proposed areas of intervention; and (v) management and institutional arrangements. It takes into account the issues and priorities contained in the 8th National Development Plan. Also, the AN recognises the commitments made by Kenya in such international fora as the World Summit for Children (1990), the United Nations Conference on Environment and Development or the Earth Summit (1992), the International Conference on Population and Development (1994), the World Summit for Social Development (1995), the Fourth World Conference on Women (1995), the United Nations Conference on Human Settlements or HABITAT II (1996), and the World Food Conference (1996).

The goal of UNDP interventions over the next five years is to ensure maximum support for poverty eradication. This will be achieved by supporting GOK efforts in the areas of (i) industrialisation and development, (ii) gender and empowerment of women, (iii) good governance and participatory development, and (iv) environment and natural resources management.

## **2. NATIONAL DEVELOPMENT SITUATION**

### **2.1 Current Development Situation and Policies**

Kenya's immediate development problems include persistent and increasing poverty, (with over 40% of the population unable to satisfy its food needs), unemployment, inadequate skilled manpower and a worsening investment climate. Recent surveys show a steady rise in the prevalence of absolute poverty. In the rural areas with more than 70% of the population, those living below the poverty line increased from 40.2% in 1982 to 46.4% in 1992. It was estimated that 11 million Kenyans, or about 47% of the entire population, were living below the poverty line. Absolute poverty is evidenced by low purchasing power, food insecurity and inadequate nutritional levels, unemployment, lack of shelter and access to clean water, health and education. The groups most affected include the urban poor and isolated communities in remote areas, as well as households with no land or smallholdings that are inadequate to meet subsistence requirements.

GDP growth rates have barely kept pace with population growth. The distribution of income has worsened over the years. The richest 20% of the population retain 60% of the wealth created with the top 10% garnering almost half of the income generated.. The HIV/AIDS pandemic continues to expand with major negative impact on the working population.



Given increasing urbanisation, it may not be possible to balance urban and rural population growth. The challenge, therefore, is to stimulate growth in rural areas to reduce the pressures on the urban centres. The rural development potential is exploitable by mobilising existing knowledge, skills and appropriate technology to intensify ecologically sound agriculture and non-agriculture based activities.

Kenya's economy is mainly natural resource based and many past development initiatives have been at the expense of these assets. There is therefore a need to reconcile the sustainable use of these resources with the imperative of rapid economic growth. Kenya's 8th Five Year Plan titled "Rapid Industrialisation for Sustainable Development" recognises this and focuses on seven strategic challenges. These are: (i) creation of adequate employment opportunities; (ii) reduction of poverty; (iii) promotion of sustainable economic development through the preservation of the environment and culture; (iv) increasing domestic investments and savings to levels sufficient to support the desired rate of growth; (v) restoration and improvement of infrastructure based on the critical needs of the people; (vi) improving the management of public finance; and (vii) deepening Kenya's economic base through an increased rate of industrialisation.

The overall target growth rate (in real terms) for Kenya is 5.9% per annum over the 8th Plan, compared with an average of 2.6 % achieved during the 7th Plan. Per capita income is about US\$ 275 and is projected to increase by 3% per annum. The main sources of GDP growth are projected to be in the private and services sector (39 per cent) followed by agriculture (26 percent).

## **2.2 Political Situation**

Until 1992, Kenya was *de facto* a one party state. Since the reintroduction of multi-partism in 1992, democratisation of society and state has begun, albeit slowly. Elections were held in 1997. Calls for constitutional and legal reforms to separate the legislative and executive arms of the government have been a major subject of political debate. In his investiture speech in January 1998, President Moi highlighted the new Government's commitment to confront poverty, encourage job creation, strengthen the manufacturing base, develop human resources, improve health services and their delivery, and attack corruption. With the opening of political dialogue and increasing awareness by citizens of their political and civil rights, there has been growing pressure for a system of governance that is more participatory, transparent, and accountable, and which promotes an impartial legal system.

Many donor support programmes have incorporated demands for better governance and people-centred development as well as the promotion of an environment conducive to local and foreign investment. From the perspective of SHD, Kenya's programme of political reforms is an important prerequisite, carrying the promise of real participation at the local level and establishing direct lines of communication between national policy makers, elected representatives and the grassroots. Popular participation in policy formulation, decision-making and implementation should involve CSOs, CBOs, NGOs and other sectors of civil society to foster/build national consensus and ensure legitimacy of public policy.

## **2.3 The Challenge of Sustainable Human Development (SHD)**

Eradication of absolute poverty together with a desire for industrialisation for national development is at the core of the challenge for sustainable human development in Kenya. Over the past five years, no sector in the economy has been spared the impact of the decline in growth. The effect of poverty in the face of mis-allocation of national resources, corruption and social disintegration, is manifest in the national fragility in terms of food insecurity, falling school enrolment and educational standards, deterioration of health and health services, and soaring unemployment. Deepening poverty in Kenya therefore calls for an urgent and effective response.

The desired impacts on the standard of living and quality of life will be greater when the development programmes are combined with interventions aimed at promoting sustained growth. The key challenges to creating and maintaining a conducive environment for increased local and foreign investment that would lead to employment generation and eventually enhanced export capacity include: an efficient investment environment and sound investment policies, good



governance, effective environmental management and the mainstreaming of gender in the development process. Accelerated agricultural and rural development is dependent on improvements in the physical infrastructure and adequate incentives to producers. It is central in assuring food security for the poor, which is probably the most critical aspect of poverty eradication.

### **2.3.1 Industrialisation and Development**

Kenya has set for itself the target of achieving a Newly Industrialised Country (NIC) status by the year 2020. Industrialisation is seen as a means of creating employment opportunities towards the eradication of poverty. UNDP is committed to playing its part in promoting industrialisation with particular focus on micro, small and medium enterprise and protection of the environment through support for sustainable development. It is also committed to ensuring that gender concerns in industrialisation and development are fully addressed.

Agriculture continues to be the primary source of subsistence for a majority of the population. Arable land has become scarce and landlessness has emerged as a major problem. It leads to accelerated rural-urban migration as more rural people seek urban employment. This rural-urban migration has led to a population of migrant workers who account for the most impoverished in the country. The accelerated industrialisation strategy is an attempt to create employment for this growing population group.

The constraints to accelerated industrialisation include: (i) the lack of an adequate and sustainable infrastructure (for example, energy, water, roads, and telecommunications) (ii) an investment environment with tax regimes, credit facilities and other regulatory procedures that discourage both domestic and foreign investors; (iii) corruption; (iv) the ravages of the HIV/AIDS pandemic that hits at the most productive segments of the population, and the imminent threat of a shortage of skilled manpower in the coming years if the pandemic is not controlled; (vi) shrinking school enrolment that will have a similar negative impact on the skilled labour supply.

### **2.3.2 Gender Mainstreaming and the Advancement of Women.**

Although gender equality is enshrined in the Kenyan constitution, it is not yet fully operationalized in national legislation, government actions and social practices. The initiation of gender sensitive policy formulation, advocacy, planning and implementation, is essential to the participation of women and men as equal partners in national development. Kenya has ratified the UN Convention on the Elimination of All Forms of Discrimination Against Women. A Task Force to Review Laws Related to Women has been working over the past few years. Notwithstanding, women continue to face discrimination in the economic, social and political arenas. Gender inequality is manifested in limited access to (and ownership of) land, jobs, education, financial resources, and participation in decision making, especially those decisions affecting the status and advancement of women. Compounding these inequalities is the fact that most household and community work done by women is unpaid and therefore ignored in national surveys and accounting systems.

While the Five-Year Plans have described the disadvantaged situation of women, there has been minimal success in addressing gender-specific needs. Achieving gender equality requires affirmative actions in education, health-care and employment. It is necessary to build capacity for effective gender mainstreaming in the public service, private sector and within communities. Also, existing public and private initiatives should be built upon the need to implement the Beijing Platform for Action.

### **2.3.3 Good Governance for National Development**

Access to adequate opportunities to fulfil people basic needs (including food, shelter, health services, safe water and sanitation, and primary education) and for full participation in the economic, social and political arenas is a fundamental right of every member of society. It is also an important part of good governance. Government is the major actor in practising good political, social and economic governance. Other significant actors include the private sector and religious, social, political, professional and cultural organisations.



Good governance is a prerequisite for sustainable human development, which encompasses economic, social and political development. Operationally, good governance is associated with, among others, assuring respect for human rights, popular participation, free and fair elections, transparency, accountability and separation of powers, efficient allocation of resources and sound management systems, and meritocracy. Sustainable development gains momentum when people have access to knowledge, skills and resources for their own advancement.

Participation from grassroots to the national level remains a fundamental building block for efficient public administration and poverty eradication. There are at least four challenges to achieving an efficient approach in this area. These are: (a) efficient public resource utilisation, (b) provision of a conducive policy environment for developing small scale enterprises as a part of the long term growth strategy to promote sustainable livelihoods, (c) good governance practices that respond to a desirable pattern of economic growth and change, including the development of the institutions and mechanisms required to foster private sector growth and for ensuring a more equitable sharing of the benefits of development between all groups and regions, (d) development of statistical and management information systems required for informed decision-making, monitoring and evaluating the impact of policies and programmes as well as for informing the public about technical, economic and social options.

### **2.3.4 Environment and Natural Resource Management**

Sustainable livelihoods are built on initiatives that provide the means for survival and prosperity without jeopardising the natural resource base. Agenda 21 highlights the need for integrating environmental protection into national development policies and practices. Issues of environmental protection, economic development and social equity therefore form the basis for sustainable development. The social and economic consequences of environmental degradation, depletion of land and other natural resources are manifest in Kenya. Some short-term national economic development needs conflict with the survival needs of the population. Both have a negative effect on the environment.

The government has recognised that the environment is a 'common good'. It has initiated actions to formulate and co-ordinate environmental policies and programmes. However, failure to sufficiently reflect the real value of environmental resources and services have led to policies, plans, programmes and activities which are environmentally unsustainable. There is, therefore, an urgent need to build capacity in this area at all levels of society.

The livelihoods of the poor depend on the availability of food, water and energy in a secure environment. UNDP will support the development of national initiatives that emphasise the sustainable management of natural resources and recognise the key role that local communities, and particularly women, play in the production of food, and in the management, protection and replenishment of these resources.

## **3. PATTERNS OF EXTERNAL DEVELOPMENT CO-OPERATION**

### **3.1 Role of Development Co-operation**

External assistance is central in financing development programmes in Kenya. A number of multilateral and bilateral donors as well as foreign NGOs have been providing various forms of external assistance. Out of the total of US\$ 672 million official development assistance (ODA) disbursed to Kenya in 1995, bilateral sources contributed 64.9%, multilateral donors 32.8% and NGOs 2.3%. The disbursement of international assistance to Kenya is increasingly dependent on the Government creating a policy environment within which external assistance can have a sustained impact on economic growth and poverty eradication. With the exception of 1994, the bilateral aid flows remained stable from 1991 to 1997 while multilateral assistance fluctuated. A sizeable proportion of external assistance was devoted to supporting social and/or poverty related programmes in 1995. Of the total ODA in that year, \$26 million was for natural resource development and \$103million was for agriculture, fisheries and forestry. Another \$32 million was for social development. About \$68 million was devoted to health and support for humanitarian aid,



and disaster preparedness amounted to \$64 million. A significant part of NGO assistance focused on social development (23%) and health (17%).

An increasing focus on poverty eradication dictates that sizeable portions of development expenditure should be targeted at appropriate social programmes for the poor. These include programmes that provide primary education, basic health care, health infrastructure, nutrition and eradication of infectious diseases, and capacity building for the intermediaries involved. Supportive areas would include the development of population policies and programmes, and provision of other basic services such as clean water, improved sanitation, low cost housing and other social welfare services.

### **3.2 UN system collaboration**

UNDP, together with a few other donors, has been assisting the Government in taking stock of the trends in poverty and translating the international commitments on poverty eradication into national plans and programmes. These initiatives include support for the preparation of a National Human Development Report, formulation of a National Poverty Eradication Plan, refinement and operationalization of the Social Dimensions of Development Programme, and undertaking a Review of Public/Government Expenditures on Basic Social Services in the framework of the 20/20 Compact.

UNDP will collaborate with other development partners to ensure maximum development impact in the use of scarce resources. It will draw upon the specialised expertise of the UN agencies, the Bretton Woods Institutions (International Monetary Fund and World Bank), and the World Trade Organisation (WTO). Through the UN Resident Co-ordinator system, UNDP has provided continuous support for the preparation of the Common Country Assessment (CCA). The CCA will be used to formulate a United Nations Development Assistance Framework (UNDAF) for Kenya. UNDP's work is complementary to the macro-level interventions of the IMF and the World Bank while supporting the work of other UN agencies such as UNCHS, UNEP, UNESCO, UNFPA, UNICEF, UNIDO, FAO, IFAD and WFP within the framework of UNDAF. Also, efforts will be made to incorporate the activities identified under the United Nations System-wide Special Initiative on Africa (UNSIA).

### **3.3 Lessons from UNDP Co-operation.**

Within the United Nations system, a Country Strategy Note (CSN) for Kenya was approved and launched by the Government in December 1994 after a year of joint preparation. The CSN sought to address the shortcomings of the project approach hitherto used by the UN system and to reduce the fragmentation of the UN development assistance initiatives in Kenya. In this respect, much work remains to be done to reinforce the coherence of UN system programmes, building on the CSN. The preparation of the CCA and the adoption of the UNDAF should help in this regard.

Concerns were raised during the last quarter of 1995 about the multitude of donor sub-groups organised by sectors, programmes and projects, in which the respective donors had an interest. There was insufficient exchange of information about the activities and performance of the specific sub-groups. In order to strengthen development co-operation, UNDP will therefore: (i) aim to strengthen co-ordination between the Government and key donors; (ii) emphasise the need for a mechanism such as the annual rolling plan to improve the match between technical assistance needs and available resources; (iii) encourage impact monitoring and evaluation of donor financed programmes and projects; (iv) strive to consolidate the donor sub-groups and improve the exchange of information on their activities; and (v) use the UNDAF approach to enhance effective programming of technical and financial assistance.

## **4. OVERALL STRATEGY FOR UNDP COOPERATION**

Achieving sustainable development through poverty eradication is constrained by inequalities in income and opportunities, poor health and diseases, unchecked degradation and depletion of natural resources and pollution of eco-systems, inadequate and under-maintained infrastructure, and failure to harness the capacity and skills of the poor, especially women and rural people.



Programme Approach: UNDP has begun to make extensive use of the programme approach in Kenya. This has not only established policy and programme frameworks for UNDP's own interventions, but also formed, in some cases, the basis for mobilising resources from other donors. This approach will be applied, as far as possible, to the key SHD issues selected for future programming activities.

The programmes should contribute not only to strengthen the capacity of the central government to formulate, manage and implement SHD oriented policies and programmes, but also promote the participation of CSOs, CBOs, NGOs and grassroots communities. Based on the experiences gained through sub-contracting NGOs to implement particular activities during the Sixth Country Programme, UNDP plans to expand its work with NGOs. In seeking partnerships, an assessment has been carried out to establish the profiles and capacities of NGOs and private sector institutions in Kenya that can be engaged to implement UNDP-financed programmes.

Support to Global Compacts: UNDP and other UN development agencies are ready to provide assistance to the Government to translate international agreements into concrete legislation, policies and programmes. Of these agreements UNDP places particular importance on the Copenhagen Declaration and Programme of Action adopted by the World Summit for Social Development (WSSD). These compacts embody commitments in direct support of SHD, many of which have already been adopted by the Government and incorporated into the 8th National Development Plan.

As a follow-up to WSSD, the Government is formulating a National Poverty Eradication Plan to be implemented through the Social Dimensions of Development (SDD) Programme. A National Education Action Plan is being prepared to help improve educational standards in the context of the commitments at the World Conference on Education for All. In addition, the Eighth National Development Plan outlines a National Environment Strategy under the National Environmental Action Programme (NEAP) that incorporates the recommendations of the Earth Summit. As a follow-up to HABITAT II, plans are under way to formulate an Action Plan for Human Settlements. UNDP is playing a catalytic role in assisting Kenya in these efforts.

The recommendations of the International Conference on Population and Development, particularly in relation to reproductive health and the importance of an integrated approach to population planning have received high priority during the current plan period (1997-2001). Working with UNFPA, UNDP will support the promotion of effective population strategies. The Platform for Action adopted by the Fourth World Conference on Women has been endorsed and the 8th Development Plan includes a section on women in development.

## **5. PROPOSED STRATEGIC AREAS OF INTERVENTIONS**

### **5.1 Key Areas of Intervention**

As outlined above, UNDP will centre its programmes around the inter-linked areas of: (i) industrialisation and development, (ii) mainstreaming gender and the advancement of women, (iii) good governance and national development with people's participation, and (iv) environment and natural resource management.

The effects of the interventions must be measurable and time-bound. Strategies should be mainstreamed throughout the entire economic, social and political policy environment. Participation must be balanced with public institutions, private sector, NGOs, CBOs and the people, especially the poor and women, playing key roles. Eradication of poverty, at the core, should permeate all interventions.

#### **5.1.1 Industrialisation and Development**

The Government is committed to accelerated industrialisation as an important means to rapid economic growth and poverty eradication. Already, unemployment has been at an unacceptably high level. It is growing each year with the entry of over 500,000 young people into the job market together with others laid off under privatisation and restructuring programmes. They swell the ranks of the poor.



Accelerated Industrialisation: Advice and assistance on the macro-economic aspects of the enabling environment for accelerated industrialisation are being provided by the Bretton Woods Institutions. UNDP, working closely with UNIDO, will provide technical assistance to the government and carefully selected private sector organisations in the micro, small and medium size enterprise sector to support the strategy for achieving industrialisation by the year 2020. The main focus will be on strengthening the links between these key players; assisting the poor to gain access to productive assets such as credit, training and skills upgrading, markets, land, and energy sources, and exercising their legal rights; and strengthening government and private sector mechanisms to promote dialogue. Efforts will be made to complement existing privatisation programmes, with an emphasis on mobilising local resources, especially in the areas of energy and water resources. Support will also be directed towards the promotion of environmentally sustainable industrial development, particularly amongst small and medium size enterprises.

UNDP will support innovative strategies of job creation and business growth through development of micro, small and medium size enterprises. This component will include direct support to private sector organisations, NGOs and CBOs. Micro and small-scale enterprises are important producers of job opportunities. Limited efforts will be directed to the creation of new medium enterprises and revitalisation of a few large enterprises.

Assistance will include entrepreneurship training, skills-upgrading and capacity enhancement in both urban and rural areas. Through the recently launched global UNDP microfinance programme, MicroStart, or other microfinance projects, efforts will be made to strengthen microfinance organisations. The existing UNDP programme for small enterprise development will be strengthened with assistance for design and marketing.

Employment Policy and Planning: Support will be given to the Ministry of Planning and National Development to strengthen its capacity for formulating sustainable livelihood and employment policies and programmes. Important areas will include: labour force surveys, a labour market information system, the co-ordination of training programmes, data base establishment, policy analysis and research, and development of strategies to tailor education to the work environment. Specific programmes will be designed to develop guidelines for the quantification of women's work.

### **5.1.2 Gender Mainstreaming and the Advancement of Women**

Poverty accentuates the gender gap, as women are more vulnerable to the incidence of poverty than men. The enactment of appropriate legislation giving women equal rights and access to land, credit and jobs should help reduce the incidence of poverty and improve their opportunities for income generation. Poor people, particularly women, should be given an opportunity to work, create wealth and enjoy the results of their labour. Gender equality and gender partnership are important ingredients of Kenya's national strategy for the eradication of poverty. They are important elements of the national strategy to implement the Beijing Platform for Action.

The first step in mainstreaming gender issues and the advancement of women will be to facilitate the completion of the draft National Policy on Gender and the enactment of related legal reforms. It should lead to affirmative steps including gender responsive action plans at community, district and national levels.

Gender empowerment is required at the national as well as provincial, district and village levels. This should involve capacity building and utilisation. A cadre of lead gender trainers and experts will be developed in each major Government Ministry. At another level, efforts need to be mounted to orient and train planners and programmers from the government as well as NGOs, CBOs, and the private sector on a gender sensitive approach to development. The capacity of actors at the local level should also be developed to facilitate bottom-up planning and implementation. These initiatives should help empower local women at the micro level, create gender awareness in schools, and break down gender stereotypes.

The formulation of gender responsive and realistic planning in all sectors for sustainable development can only be grounded on a sound database. A gender and development database will be created to compile and pool data, ideas and experience. Establishment of a database and the



associated analyses with appropriate benchmarks is also crucial in mapping the extent of gender involvement and in identifying problems. Lack of systematic gender disaggregated data limits policy making and programming on gender. Commitment to gender mainstreaming will be reflected in all UNDP interventions in the areas of industrialisation, good governance, environment and natural resource management.

### **5.1.3 Good Governance for National Development**

Public Institutions: Inefficient administrative structures lead to bad governance which in turn has resulted in significant negative impact on the poor. UNDP will support programmes to promote the implementation of anti-corruption laws, strengthening civil service reforms and policy dialogue for legislation on poverty eradication. The support will focus on interventions to (i) address reform of public institutions including the Executive, National Assembly and the Judiciary, and improving the operational capacity of local authorities; (ii) address reform of the public and private sectors and the civil service, and improvement of their economic and financial management and accountability; (iii) develop improved approaches for good governance and the demystification of governance; and (iv) promotion of strategies and interventions to build urban management and governance capacities as a follow-up to HABITAT II.

Participatory Development: Initiating and strengthening the substantive relationships between CBOs, NGOs, private sector and the Government will remain a priority. At the macro level, the programme will focus on strengthening mechanisms for policy dialogue and consultation between the Government, local think tanks, CBOs and NGOs on key issues related to SHD. Collaboration with CBOs in the area of policy analysis and advocacy as part of the wider effort for consensus building on development priorities will be strengthened. Capacity building efforts will also focus on training CBOs and NGOs in the use and application of participatory approaches to development that involve people in a systematised way in programme and project development.

Economic and Social Policies: UNDP will encourage the Government to develop and implement micro economic and social policies that are consistent with the eradication of poverty. These policies will take into account the question of whether social expenditure is targeting the poorest groups and whether current and future plans for macro policy on infrastructure, investment, marketing, technology, and credit are consistent with poverty eradication. Through national and district level initiatives such as social mobilisation, investment for broad based growth, and credit and special public works programmes that will operationalise the Social Dimensions of Development Programme, emphasis will be on measures that help the poor augment their assets and capacities. Assistance to build capacity for the establishment of a secretariat for the proposed Anti-Poverty Trust Fund under the SDD Programme is also envisaged.

Social Mobilisation: Priority will be accorded to strengthening existing grassroots organisations in order to ensure their full and effective participation in the development, implementation and management of poverty eradication programmes. Pilot assistance will be provided in partnership with ILO, UNHCS, UNFPA, UNICEF, UNIFEM and WFP to strengthen the capacity of poor urban women in order to enhance their access to basic social services and incomes.

Disaster Management: The disastrous effects of drought, floods and civil disturbances in Kenya have shown the vulnerability of an increasingly large number of people and communities in the country. This is largely an outcome of poor governance. Due to lack of preparedness, poor socio-economic status, poor social mobilisation, growing population pressure and environmental degradation, the capacity of the affected populations to cope with prolonged disaster conditions is significantly undermined. Relief operations are certainly not the answer as they are unsustainable. UNDP will provide support for investment in long-term national institutional and capacity development for disaster prevention and the establishment of links between disaster response interventions and poverty alleviation programmes. The long-term effects of the El Nino phenomenon are likely to aggravate poverty. UNDP will support activities aimed at eradicating poverty among the communities affected.

Information Compilation, and Dissemination: The availability of timely and reliable economic, technical, social and political information for sound public and private decision making is increasingly



recognised. Such information is needed at the national, district and local community levels. It is critical for facilitating increased participation by the stakeholders, improved development performance and good governance. Appropriate avenues will be explored for UNDP support for information compilation and dissemination, taking into account the initiatives in this area by other development partners including the World Bank.

Role of the Media: UNDP will support public and private mass media for it informs the public. Its advocacy and dissemination roles are of utmost importance in institutionalising good governance. UNDP will assist in capacity development among media personnel and also support the completion of the work of the Task Force dealing with the Media.

#### **5.1.4 Environment and Natural Resource Management.**

There is a need to provide all stakeholders in Environment and Natural Resource Management with the knowledge and capacity to address the problems of degradation of the natural resource base and environmental damage. There is also an urgent need to integrate practical and cost effective tools into development planning at all levels of decision making. Kenya has made efforts to control the degradation of the environment, and is a signatory to a number of international conventions that aim to translate Agenda 21 into national action.

Environment Interventions: UNDP support will focus on building national capacity in environmental planning and management, including the development and incorporation of environment management tools in economic plans and decision making at community, district and national levels. Training is called for at all these levels. The focus will be on strengthening the district-level capacity for implementation of environmental concerns in the planning and execution of initiatives related to health and sanitation, security, sustainable resource management and related entrepreneurship development. Promotion of community-based initiatives to demonstrate sustainable use concepts in addressing environmental issues is of the essence. Initiatives to translate the international conventions including the Convention on Biological Diversity, the Convention to Combat Desertification, and the Framework Convention on Climate Change, into national action programmes and their implementation are necessary. Priority will be given to the development of a national Capacity 21 Programme with emphasis on community-based sustainable environment and natural resources management.

Poverty and Environment: Often, it is the poor who suffer most from environmental degradation. They also contribute to the problem by exploiting fragile eco-systems for sheer survival. Sustainable livelihoods are built around activities that provide the means for people's survival without compromising the natural resource base. UNDP will provide support to communities through the private sector, NGOs and CBOs to adopt strategies that enable people to manage and utilise natural resources in a sustainable manner.

Eco-Tourism and Bio-diversity: UNDP will support the development of sustainable eco-tourism. UNDP assistance will focus on planning and development of strategies for involving all stakeholders and for ensuring that tourism will benefit local communities and supports conservation. Ventures involving local communities in tourism projects will be encouraged. Local entrepreneurs will also be assisted in eco-tourism product identification and marketing. UNDP will help in capacity development for bio-diversity at the local level. This would include the overall management of bio-diversity resources.

Food security: UNDP in collaboration with FAO will encourage and support initiatives aimed at linking economic development to environment and food security. Improved performance of the agriculture sector is an urgent need if sustained economic growth and poverty eradication are to be realised. Initiatives in diversification of agricultural production, capacity development for agro-based industries, etc. will be supported.

#### **5.2 Performance and Impact Indicators**



international executives and technical experts. Advisory assistance is provided at both the macro sectoral and enterprise (micro) levels.

Africa 2000 and Small Grants Programmes: The focus of these two programmes is on the community, mainly on rural-based activities aimed at addressing grassroots poverty concerns, and on increasing the capacity of NGOs to work with local communities. The success criteria for these interventions are to be developed during the programme formulation. The more successful (and visible) programmes can then be expanded, in some cases, with private sector support.

## **6.2 Monitoring, Resource Mobilisation and Exit Strategy**

### **6.2.1. Programme Monitoring, Evaluation and Review**

Monitoring and evaluation of the cost effectiveness of programmes and projects should be carried out at the project and programme inception stage and emphasis placed on a few simple indicators and benchmarks to evaluate performance and impact. Provision for monitoring and evaluation is generally built into UNDP interventions, as well as those of other international donor agencies and NGOs. These, however, are frequently not used and are often misunderstood by project managers. Greater attention, therefore, needs to be paid to assessing such programmes. During the life of UNDP supported programmes, mid-year assessments will be required involving all stakeholders to assess implementation efficacy and performance. The CCF will be reviewed annually to ensure its continued relevance and responsiveness to national goals.

### **6.2.2 Resource Mobilisation**

Resources from both UNDP core and non-core funds will be used to implement programme activities. UNDP core funds include 60% of Target Resources Allocated from Core (TRAC), to be released after approval of the Advisory Note by UNDP Headquarters. Availability of additional UNDP core funds will depend on this Advisory Note and on the CCF as well as actual delivery performance. This is an indication of the country's absorptive capacity and the efficiency of UNDP's country operations. A resource mobilisation strategy is to be further developed jointly by the Government and UNDP for marshalling non-core funds under cost sharing, third party financing, trust funds and parallel funding. Non-core funds will be sought from bilateral sources and the Global Environment Facility (GEF) to support some of the themes outlined in this note. Mobilisation targets by source of funds to be managed by UNDP are shown in annex 1.

Upon approval of the CCF in November 1998, UNDP will request 100% of its expected TRAC-1 and TRAC-2 allocations. The request will be based on the quality of programmes that are in conformity with the national goals and fit within the framework of UNDP mandate. TRAC 3 resources will be requested for use in disaster management activities. These will include mitigation of conflicts and management of natural disasters. Discussions have been initiated by the Government in collaboration with UNDP to generate additional resources for the planned activities under the programme during the period of the CCF. A number of donors have indicated interest in co-funding specific aspects of the programme. UNDP has also been successful in internal resource mobilisation in terms of the funds secured for Kenya from Capacity 21, GEF, UNDP-administered Trust Funds and other non-core resources. UNDP will continue to provide such assistance, taking advantage of its strong in-country presence, with particular attention to building strategic alliances around critical SHD issues.

### **6.2.3 Exit Strategy for Sustainability**

To ensure sustained programme impact on the development process in Kenya, specific exit strategies will be built into each of the programmes to be formulated. Under the NEX modality, UNDP will support the Government to establish programme management units within the existing government structure in order to ensure continuity. Under civil society implementation modality, UNDP will encourage strategic alliances between the Government, NGOs and the private sector in order to forge synergy between the development partners.

ANNEX1: RESOURCE MOBILIZATION TARGET (RMT)  
1999 - 2003

	SOURCE	AMOUNT (US\$'000)	COMMENTS
A	UNDP Core Funds		
1	IPF Carry-over from 6th Fin. Cycle		
2	TRAC 1.1.1	37,000	On average \$7.5m to be APL given to Kenya annually
3	TRAC 1.1.2	2,500	US\$ 0.5m assumed allocation per year
4	Others	3,500	
	Total Core	43,000	
B	UNDP Non-Core Funds		
1	Government Cost-Sharing	1,000	
2	Third Party Cost-Sharing	5,400	CS from bilateral donors for poverty programmes
3	Trust Funds	5,000	Funds for disaster mitigation
4	Sustainable Dev. Funds	2,000	Mainly GEF resources
5	Special Prog. Resources	600	
6	MDP Resources	500	
7	Prog. Development Facility	500	
8	Poverty Alleviation Trust Fund	1,000	
9	Other Funds	2,700	UNDP administered funds
	Total Non-Core	22,200	
	GRAND TOTAL	65,200	

NB: These are indicative figures subject to further modifications

*adnotken*



UNITED NATIONS DEVELOPMENT PROGRAMME

KENYA

DRAFT ADVISORY NOTE  
FOR THE  
COUNTRY COOPERATION FRAMEWORK  
FOR KENYA  
(1999 - 2003)

UNDP

Nairobi  
22 June 1998



## 1. INTRODUCTION

The global mission of UNDP is to assist countries achieve sustainable human development (SHD). This involves building their capacity to design and carry out development programmes for poverty eradication, employment creation and sustainable livelihoods, the empowerment of women and the protection and regeneration of the environment. Poverty eradication is given first priority and forms the core of UNDP assistance. Capacity building for good governance including popular participation, public, private and civic sector development, and growth with equity are essential elements in support of this core focus.

The purpose of this Advisory Note (AN) is to specify UNDP's future assistance strategy to Kenya in pursuit of its national development goals. The Note takes into account the findings of the Common Country Assessment (CCA) and the ongoing work on the United Nations Development Assistance Framework (UNDAF). Following the Advisory Note, the Country Co-operation Framework (CCF) will provide a clear plan for the Government of Kenya (GoK)/UNDP programmes for the five-year period 1999-2003. This period is intended to coincide with the programmes of UNFPA, UNICEF and WFP, and to encourage the harmonisation of UN system programming in Kenya. The Note covers the last three years of the current National Development Plan (1997-2001) and will span the first two years of the next Plan. It facilitates a smooth transition into the next millennium taking into account past experiences and emerging needs and priorities in Kenya and in the global development context.

The preparation of this Note involved extensive dialogue between UNDP and other development partners, culminating in an Expanded Local Programme Appraisal Committee (ELPAC). This AN covers (i) an analysis of the national development situation seen from the perspective of sustainable human development and poverty eradication; (ii) patterns of external development co-operation; (iii) an overall strategy for UNDP co-operation within the UNDAF; (iv) proposed areas of intervention; and (v) management and institutional arrangements. It takes into account the issues and priorities contained in the 8th National Development Plan (1997-2001). Also, the AN recognises the commitments made by Kenya in such international fora as the World Summit for Children (1990), the United Nations Conference on Environment and Development or the Earth Summit (1992), the International Conference on Population and Development (1994), the World Summit for Social Development (1995), the Fourth World Conference on Women (1995), the United Nations Conference on Human Settlements or HABITAT II (1996), and the World Food Summit (1996).

The goal of UNDP interventions over the next five years is to ensure maximum support for poverty eradication. This will be achieved by supporting GOK efforts in the areas of (i) good governance and sustainable development, (ii) employment and sustainable livelihoods, (iii) gender and empowerment of women, and (iv) environment and natural resources management.

## 2. NATIONAL DEVELOPMENT SITUATION

### 2.1 Current Development Situation and Policies

Kenya's immediate development problems include persistent and increasing poverty, (with over 40% of the population unable to satisfy its food needs), unemployment, inadequate skilled manpower (made worse by the high incidence of HIV/AIDS among the working young), and a worsening investment climate. Recent surveys show a steady rise in the prevalence of absolute poverty. Estimates indicate that the number of absolute poor increased to 12.6 million in 1997 from 11.5 million in 1994, pushing the overall incidence of poverty up to 43.4% of the population. Absolute poverty is evidenced by low purchasing power, food insecurity and inadequate nutritional levels, unemployment, lack of shelter and access to clean water, health and education. The groups most affected include the urban poor and isolated communities in remote areas, as well as households with no land or smallholdings that are inadequate to meet subsistence requirements.

GDP growth rates have barely kept pace with population growth. The distribution of income has worsened over the years. The richest 20% of the population retain 61% of rural and 51% of urban



wealth created with the top 10% garnering almost half of the income generated. The HIV/AIDS pandemic continues to expand with major negative impact on the working population.

Given increasing urbanisation, it may not be possible to balance rural-urban population movements. The challenge, therefore, is to stimulate growth in rural areas to reduce the pressures on the urban centres. The rural development potential is exploitable by mobilising existing knowledge, skills and appropriate technology to intensify ecologically sound agriculture and non-agriculture based activities.

Kenya's economy is mainly natural resource based and many past development initiatives have been at the expense of these assets. There is therefore a need to reconcile the sustainable use of these resources with the imperative of rapid economic growth. Kenya's 8th National Development Plan titled "Rapid Industrialisation for Sustainable Development" recognises this and focuses on seven strategic challenges. These are: (i) creation of adequate employment opportunities; (ii) reduction of poverty; (iii) promotion of sustainable economic development through the preservation of the environment and culture; (iv) increasing domestic investments and savings to levels sufficient to support the desired rate of growth; (v) restoration and improvement of infrastructure based on the critical needs of the people; (vi) improving the management of public finance; and (vii) deepening Kenya's economic base through an increased rate of industrialisation.

The overall target growth rate (in real terms) for Kenya is 5.9% per annum over the 8th Plan, compared with an average of 2.6 % achieved during the 7th Plan. Per capita income in 1997 was estimated at US\$ 284 and is projected to increase by 3% per annum. The main sources of GDP growth are projected to be in the private and services sector (39 per cent) followed by agriculture (26 percent).

## 2.2 Political Situation

Until 1992, Kenya was *de facto* a one party state. Since the reintroduction of multi-partism in 1992, democratisation of society and state has begun, albeit slowly. Elections were held in 1997. Calls for constitutional and legal reforms to separate the legislative and executive arms of the government have been a major subject of political debate. In his investiture speech in January 1998, President Moi highlighted the new Government's commitment to confront poverty, encourage job creation, strengthen the manufacturing base, develop human resources, improve health services and their delivery, and attack corruption. With the opening of political dialogue and increasing awareness by citizens of their political and civil rights, there has been growing pressure for a system of governance that is more participatory, transparent, and accountable, and which promotes an impartial legal system.

Many donor support programmes have incorporated demands for better governance and people-centred development as well as the promotion of an environment conducive to local and foreign investment. From the perspective of SHD, Kenya's programme of political reforms is an important prerequisite, carrying the promise of real participation at the local level and establishing direct lines of communication between national policy makers, elected representatives and the grassroots. Popular participation in policy formulation, decision-making and implementation should involve CSOs, CBOs, NGOs and other sectors of civil society to foster/build national consensus and ensure legitimacy of public policy.

## 2.3 The Challenge of Sustainable Human Development (SHD)

Eradication of absolute poverty together with achieving and sustaining rapid economic growth is at the core of the challenge for sustainable human development in Kenya. Over the past five years, no sector in the economy has been spared the impact of the decline in growth. The effect of poverty in the face of mis-allocation of national resources, corruption and social disintegration, is manifest in the national fragility in terms of food insecurity, falling school enrolment and educational standards, deterioration of health and health services, and soaring unemployment. Deepening poverty in Kenya therefore calls for an urgent and effective response.



Achieving sustainable development through poverty eradication is constrained by inequalities in income and opportunities, poor health and diseases, unchecked degradation and depletion of natural resources and pollution of eco-systems, inadequate and under-maintained infrastructure, and failure to harness the capacity and skills of the poor, especially women and rural people.

The desired impacts on the standard of living and quality of life will be greater when the development programmes are combined with interventions aimed at promoting sustained growth. The key challenges to creating and maintaining a conducive environment for increased local and foreign investment that would lead to employment generation and eventually enhanced export capacity include: an adequate infrastructure and sound investment policies, good governance, effective environmental management, and the mainstreaming of gender in the development process. Accelerated agricultural and rural development is dependent on improvements in the physical infrastructure and adequate incentives to producers. It is central in assuring food security for the poor, which is probably the most critical aspect of poverty eradication, and in building sustainable livelihoods.

### 2.3.1 Good Governance and Sustainable Development

Good governance is a prerequisite for sustainable human development, which encompasses economic, social and political development. Operationally, good governance is associated with, among others, assuring respect for human rights, popular participation, free and fair elections, transparency, accountability and separation of powers, efficient allocation of resources and sound management systems, and meritocracy. Sustainable development gains momentum when people have access to knowledge, skills and resources for their own advancement.

Access to adequate opportunities to fulfil the basic needs (including food, shelter, health services, safe water and sanitation, and primary education) and for full participation in the economic, social and political arenas and build sustainable livelihoods in a secure environment is a fundamental right of every member of society. It is also an important part of good governance. Government is the major actor in practising good political, social and economic governance. Other significant actors include the private sector and religious, social, political, professional and cultural organisations.

Participation from grassroots to the national level remains a fundamental building block for efficient public administration and poverty eradication. There are at least four challenges to achieving an efficient approach in this area. These are: (a) efficient public resource utilisation, (b) provision of a conducive policy environment for developing micro and small enterprises as a part of the long term growth strategy to promote sustainable livelihoods, (c) good governance practices that respond to a desirable pattern of economic growth and change, including the development of the institutions and mechanisms required to foster private sector growth and for ensuring a more equitable sharing of the benefits of development between all groups and regions, (d) development of statistical and management information systems required for informed decision-making, monitoring and evaluating the impact of policies and programmes as well as for informing the public about technical, economic and social options.

An increasing focus on poverty eradication dictates that a sizeable portion of development expenditure be targeted at appropriate social programmes such as provision of primary education, basic health care, health infrastructure, nutrition and eradication of infectious diseases, and capacity building for health personnel. Other areas of investment include the development of population policies and programmes, and provision of other basic services such as low cost and clean water sources, improved sanitation, low cost housing, and social welfare services.

### 2.3.2 Employment and Sustainable Livelihoods

Agriculture continues to be the primary source of livelihood for a majority of the population. Arable land has become scarce and landlessness has emerged as a major problem. It leads to accelerated rural-urban migration as more rural people seek urban employment. This rural-urban migration has led to a population of migrant workers who account for the most impoverished in the country. The accelerated economic growth strategy is an attempt to create employment for this growing population group.



Micro and small enterprises and other informal sector activities have been an important means of livelihood for an increasing number of the poor and women. These entrepreneurial initiatives are also important contributors to overall economic growth. The Government should provide an enabling environment for the poor and women to develop their potentials and build sustainable livelihoods. The emphasis should be not only on what the Government should do, but also on what it should not. A number of policies, regulations and administrative requirements impede the poor and women from pursuing productive activities in both rural and urban areas. Many of these may be anachronisms carried over from a different epoch and should be reviewed and removed. Private sector and non-governmental channels may provide access to credit and other support services to the poor and women more efficiently and these should be developed. The best thing that the Government could do in many instances may be not to interfere and impede these initiatives.

### 2.3.3 Gender Mainstreaming and the Advancement of Women.

Although gender equality is enshrined in the Kenyan constitution, it is not yet fully operationalized in national legislation, government actions and social practices. The initiation of gender sensitive policy formulation, advocacy, planning and implementation, is essential to the participation of women and men as equal partners in national development. Kenya has ratified the UN Convention on the Elimination of All Forms of Discrimination Against Women. A Task Force to Review Laws Related to Women has been working over the past few years. Notwithstanding, women continue to face discrimination in the economic, social and political arenas. Gender inequality is manifested in limited access to (and ownership of) land, jobs, education, financial resources, and participation in decision making, especially those decisions affecting the status and advancement of women. Compounding these inequalities is the fact that most household and community work done by women is unpaid and therefore ignored in national surveys and accounting systems.

While the National Development Plans have described the disadvantaged situation of women, there has been minimal success in addressing gender-specific needs. Achieving gender equality requires affirmative actions in education, health-care and employment. It is necessary to build capacity for effective gender mainstreaming in the public service, private sector and within communities. Also, existing public and private initiatives should be built upon the need to implement the Beijing Platform for Action.

### 2.3.4 Environment and Natural Resources Management

Sustainable livelihoods are built on initiatives that provide the means for survival and prosperity without jeopardising the natural resources base. Agenda 21 highlights the need for integrating environmental protection into national development policies and practices. Issues of environmental protection, economic development and social equity therefore form the basis for sustainable development. The social and economic consequences of environmental degradation, depletion of land and other natural resources are manifest in Kenya. Some short-term national economic development efforts conflict with the survival needs of the population. Both have a negative effect on the environment.

The government has recognised that the environment is a 'common good'. It has initiated actions to formulate and co-ordinate environmental policies and programmes. However, failure to sufficiently reflect the real value of environmental resources and services have led to policies, plans, programmes and activities which are environmentally unsustainable. There is, therefore, an urgent need to build capacity in this area at all levels of society.

The livelihoods of the poor depend on the availability of food, water and energy in a secure environment. UNDP will support the development of national initiatives that emphasise the sustainable management of natural resources and recognise the key role that local communities, and particularly women, play in the production of food, and in the management, protection and replenishment of these resources.



### 3.1 Role and Impact of Development Co-operation

External assistance is central in financing development programmes in Kenya. A number of multilateral and bilateral donors and international NGOs have provided various forms of assistance. Out of the total US\$ 623 million official development assistance (ODA) disbursed to Kenya in 1996, bilateral sources contributed 58%, multilateral donors 39% and NGOs 3%. With the exception of 1994, bilateral assistance has largely remained stable for the period 1991 to 1996 while multilateral assistance has fluctuated.

Project implementation has been slow and only a small fraction of projects, especially those funded exclusively by the Government, is actually completed. As a result, the flow of benefits from these investments have been either postponed or reduced considerably. Many donor partners are taking measures jointly with the Government to improve the situation. Implementation of reforms and structural adjustment measures agreed to with donor partners have resulted in some benefits, especially on the economic liberalisation front. However, the full benefits could be realised only if the changes are sustained and other critical problems such as fiscal imbalances and corruption are seriously addressed. The disbursement of ODA to Kenya is being increasingly tied to the implementation of reforms that would put in place a sound policy and regulatory environment within which external assistance can have sustained impact on economic growth and poverty eradication.

The National Human Development Report prepared with UNDP assistance is being finalised. The Report highlights the achievements of Kenya on social indicators and the adverse trend in some of these in recent years (e.g., declining primary school enrolment and completion rates, increased incidence of child and maternal malnutrition, and reduced access to health and other services to the poor). It is an important vehicle to draw the attention of the Government, private and civil society actors as well as their development partners to focus upon the worsening situation to spur remedial actions.

### 3.2 UN system collaboration: The UNDAF process in Kenya

At the national level, UNDP continues to promote collaborative programming among UN agencies while complementing the macro work of the IMF and the World Bank. A framework for UN collaborative programming between the UN system and the Government of Kenya was formulated in the country strategy note, which was approved by the Government in 1994. Continuing in the spirit of collaboration, the UNDAF process is expected to update the CSN and further develop mechanisms for collaborative programming focussed on priority issues which are being agreed upon among UN agencies and as identified by the Government in the National Development Plans and other policy documents.

Through the UN Resident Co-ordinator system, UNDP has provided continuous support for the preparation of the recently completed CCA for Kenya. The CCA forms the base for the formulation of the UNDAF. All UN agencies in Kenya and the Bretton Woods Institutions have been actively involved in the UNDAF preparation process. Keeping in view the trends and progress made by Kenya on the human development targets agreed on at global conferences, UNDP, UNICEF, and WFP are preparing their country programmes for the period 1999-2003 on the basis of UNDAF, which is currently under preparation. At the level of programme management, it is now clear that additional manpower and financial resources are needed by the UN Resident Co-ordinator and by other UN agencies at the country level to manage the UNDAF process effectively.

### 3.3 Results and Lessons of Past and Ongoing UNDP Co-operation.

The UN agencies actively collaborate with the Government in the implementation of development priorities identified and commitments made at the global fora. The UN system assistance programmes in capacity building are designed on sectoral lines and are carried out by individual agencies in their fields of competence. Capacity strengthening efforts have begun to bear fruit in such areas as education, health including public health (e.g., immunisation), small scale industries, political good governance, gender and empowerment of women, and poverty eradication planning



and programming. Also, UNAIDS through its co-sponsors – UNDP, UNICEF, UNFPA, UNESCO, WHO and the World Bank – is continuing to build capacity in tackling HIV/AIDS, particularly in information, education communication, advocacy, workplace interventions, and blood transfusion and surveillance systems.

The move from project to programme modality brought about considerable improvements. The need for integration of the various sub-programmes to bring coherence to the overall programme and achieve greater impact is recognised. This Advisory Note and the CCF attempt to provide such an integrated framework for UNDP assistance. On the Government's part, a number of Ministries have yet to fully appreciate the advantages of the programme approach. More efforts are needed to orient them to the programme approach.

The shift to national execution has given rise to new opportunities and problems. While some progress has been made in building confidence and capacity among the national project managers and implementers, considerable difficulties are being encountered in accelerating the pace of implementation to accord with original plans and achieve programme delivery targets. This might require increased co-operation with specialised agencies of the UN system in programme implementation. Also, significant delays and deficiencies are emerging in submission of financial accounts and audits. Arrangements to address these problems are being worked out.

#### 4. OVERALL STRATEGY FOR UNDP CO-OPERATION

The core theme of poverty eradication will guide the overall strategy of UNDP co-operation. The strategy will be to identify and focus on priority, niche areas where UNDP's limited number of modest and catalytic interventions would bring about significant improvements in the development management capabilities of Kenyans, test and demonstrate innovative approaches, promote partnerships among Government, private sector, civil society organisations and communities, and leverage resources from both internal and external sources to expand on the successful initiatives.

As a neutral partner maintaining good rapport with the Government, private sector, NGOs, other civil society organisations and interest groups, as well as donor partners, UNDP is well placed to play the role of a constructive interlocutor and co-ordinator to promote dialogue and partnerships. To strengthen development co-operation, UNDP will (i) aim to strengthen co-ordination between the Government and key donors; (ii) emphasise the need for mechanism and annual rolling plans to improve the match between technical assistance needs and available resources; (iii) encourage impact monitoring and evaluation of donor financed programmes and projects; (iv) use the UNDAF approach to enhance effective programming of technical and financial assistance.

Programme Approach: UNDP has begun to make extensive use of the programme approach in Kenya. This has not only established policy and programme frameworks for UNDP's own interventions, but also formed, in some cases, the basis for mobilising resources from other donors. This approach will be applied, as far as possible, to the key SHD issues selected for future programming activities.

The programmes should contribute not only to strengthen the capacity of the central government to formulate, manage and implement SHD oriented policies and programmes, but also promote the participation of CSOs, CBOs, NGOs and grassroots communities. Based on the experiences gained through sub-contracting NGOs to implement particular activities during the Sixth Country Programme, UNDP plans to expand its work with NGOs. In seeking partnerships, an assessment has been carried out to establish the profiles and capacities of NGOs and private sector institutions in Kenya that can be engaged to implement UNDP-financed programmes. A few initiatives on NGO execution of programmes are already under way.

Support to Global Compacts: UNDP and other UN development agencies have been providing assistance to the Government to translate the global compacts and agreements into concrete legislation, policies and programmes. Among these agreements, UNDP places particular importance on the Copenhagen Declaration and Programme of Action adopted by the World Summit for Social Development (WSSD). These compacts embody commitments in direct support of SHD, many of



which have already been adopted by the Government and incorporated into the 8th National Development Plan.

As a follow-up to WSSD, the Government is formulating a National Poverty Eradication Plan with assistance from UNDP and DFID (UK). The Social Dimensions of Development (SDD) Programme, whose refinement and operationalisation is being supported by UNDP, will be the primary vehicle for implementation of the Plan. A National Education Action Plan is being prepared to help improve educational standards in the context of the commitments at the World Conference on Education for All. In addition, the Eighth National Development Plan outlines a National Environment Strategy under the National Environmental Action Programme (NEAP) that incorporates the recommendations of the Earth Summit. As a follow-up to HABITAT II, plans are under way to formulate an Action Plan for Human Settlements. UNDP is playing a catalytic role in assisting Kenya in these efforts.

The recommendations of the International Conference on Population and Development, particularly in relation to reproductive health and the importance of an integrated approach to population planning have received high priority during the current plan period (1997-2001). Working with UNFPA, UNDP will support the promotion of effective population strategies. The Platform for Action adopted by the Fourth World Conference on Women has been endorsed and the 8th Development Plan includes a section on women in development.

## **5. PROPOSED STRATEGIC AREAS OF INTERVENTIONS**

### **5.1 Key Areas of Intervention**

As outlined above, UNDP will centre its programmes around the inter-linked areas of (i) good governance and sustainable development, (ii) employment and sustainable livelihoods, (iii) mainstreaming gender and the advancement of women, and (iv) environment and natural resources management.

The following principles will guide UNDP interventions in these areas: (i) the strategies should be mainstreamed throughout the entire economic, social and political policy environment; (ii) popular participation should be promoted with public institutions, private sector, NGOs, CBOs and the people, especially the poor and women, playing key roles; (iii) the effects of the interventions should be measurable and time-bound, and should have economy, society, or sector-wide relevance; and last but not most importantly, (iv) poverty eradication, at the core, should permeate all interventions.

#### **5.1.1 Good Governance and Sustainable Development**

Economic and Social Governance for Poverty Eradication: Keeping in view its comparative advantages, UNDP will help the Government to develop and implement micro and meso economic and social policies, and plans (e.g., the National Poverty Eradication Plan) that are conducive to the eradication of poverty. These policies and plans will take into account the question of whether public expenditure is targeting the poorest groups, and whether current and future policies and plans for infrastructure, investment, marketing, technology, and credit are consistent with poverty eradication. National, district and grassroots level initiatives such as social mobilisation and investment for broad based growth will emphasise measures that help the poor augment their incomes, assets, skills and livelihoods. Assistance to build capacity for the institutions to be entrusted with implementation of the National Poverty Eradication Plan and the SDD Programme is also envisaged.

Work on a review of social sector expenditures, with particular focus on basic social services within the framework of the 20/20 Compact, has been initiated recently with UNDP assistance. It is an important ingredient in planning for poverty eradication. The findings are expected to feed into the 1998 Public Expenditure Review (PER) undertaken by the Government with assistance from the Bretton Woods Institutions. The exercise is expected to provide insights into the priority accorded and resources allocated to basic social services within the social sectors (education, health, water supply and sanitation). The review is timely because the theme of this year's PER is Economic Growth and Poverty, the implementation of the Health Sector Reform Programme is getting off the



ground, and the Education Master Plan is being finalised. Also, the findings will be an important input to be considered in finalising and launching the National Poverty Eradication Plan.

Political and Economic Governance: Inefficient administrative structures lead to bad governance which in turn has resulted in significant negative impact on the poor. UNDP will support programmes to promote the implementation of anti-corruption laws and strengthening civil service reforms to ensure that public services reach the poor including women. The support will focus on interventions to (i) enhance the democratic, participatory and accountability facets of public institutions including the Executive, National Assembly and the Judiciary, and improve the operational capacity of local authorities; (ii) improve the economic and financial management and accountability of the private and public sectors including the civil service; and (iii) promote strategies and interventions to build urban management and governance capacities as a follow-up to HABITAT II.

The HIV/AIDS Pandemic: Within the framework of UNAIDS, UNDP in partnership with UNICEF, UNFPA, UNESCO, WHO, the World Bank, other donors and NGOs, will support the implementation of the action plan presented in the Government's Sessional Paper No. 4 of 1997 on HIV/AIDS. As indicated in an earlier section, the thrust of UNDP assistance will be to build capacities for mounting information and education campaigns, advocacy, workplace interventions, research networking and screening blood for transfusion and overall surveillance. Also, UNDP will continue to assist in facilitating the participation of the private sector, NGOs, CBOs and religious organisations in devising appropriate and humane responses from civil society to HIV positive persons and AIDS patients.

Disaster Management: The disastrous effects of drought, floods and civil disturbances in Kenya have shown the vulnerability of an increasingly large number of people and communities in the country. This is largely an outcome of poor governance. Due to lack of preparedness, poor socio-economic status, inadequate social mobilisation, growing population pressure and environmental degradation, the capacity of the affected populations to cope with prolonged disaster conditions is significantly undermined. Relief operations are certainly not the answer as they are unsustainable. UNDP will provide support for investment in long-term national institutional and capacity development for disaster prevention and coping with the establishment of links between disaster response interventions, other development activities and poverty eradication programmes.

Information Compilation and Dissemination: The availability of timely and reliable technical, economic, social and political information for sound public and private decision making is increasingly recognised. Such information is needed at the national, district and local community levels. It is critical for facilitating increased participation by the stakeholders, improved development performance and good governance. Appropriate avenues will be explored for UNDP support for information compilation and dissemination, taking into account the initiatives in this area by other development partners including the World Bank.

#### 5.1.2 Employment and Sustainable Livelihoods

Employment Policy and Planning: Support will be given to the Ministry of Planning and National Development to strengthen its capacity for formulating employment and sustainable livelihood policies and programmes. Important areas will include: labour force surveys, establishment of a labour market information system, co-ordination of training programmes, data base establishment, policy analysis and research, and development of strategies to tailor education to the work environment. Specific programmes will be designed to develop guidelines for the quantification of women's work.

Small Scale Enterprise Development for Employment Creation: The small scale enterprise sector has been identified as one of the main pillars of the industrialisation process and a major source of employment opportunity. Unemployment has been at an unacceptably high level in Kenya. It is growing each year with the entry of over 500,000 young people into the job market together with others laid off under privatisation and restructuring programmes. They swell the ranks of the poor. UNDP will support a few innovative strategies of job creation and business growth through development of micro and small enterprises in both rural and urban areas. Micro and small-scale



enterprises are important providers of job opportunities. This component will include direct support to private sector organisations, NGOs and CBOs. The main focus will be on strengthening the links between the key players; and assisting the poor to gain access to productive assets such as credit, training and skills upgrading, markets, land, and energy sources, and exercising their legal rights. The assistance will include entrepreneurship training, skills-upgrading and capacity enhancement in both urban and rural areas. Through the recently launched global UNDP micro finance programme, MicroStart, or other micro finance projects, efforts will be made to strengthen micro finance organisations. The existing UNDP programme for small enterprise development will be strengthened with assistance for design and marketing.

Food security: UNDP, in collaboration with FAO, will encourage and support initiatives aimed at linking economic development to environment and food security. Improved performance of the agriculture sector is an urgent need if sustained economic growth and poverty eradication are to be realised. Initiatives in diversification of agricultural production, capacity development for agro-based industries, etc. will be supported.

### **5.1.3 Gender Mainstreaming and the Advancement of Women**

Poverty accentuates the gender gap, as women are more vulnerable to the incidence of poverty than men. UNDP will assist in drafting appropriate legislation giving women equal rights and access to land, credit and jobs should help reduce the incidence of poverty and improve their opportunities for income generation. Poor people, particularly women, should be given an opportunity to work, create wealth and enjoy the results of their labour. Gender equality and gender partnership will be important ingredients of Kenya's National Poverty Eradication Plan that is under preparation with UNDP and DFID (UK) assistance. It will be an important part of the national strategy to implement the Beijing Platform for Action.

The first step in mainstreaming gender issues and the advancement of women will be to facilitate the completion of the draft National Policy on Gender and the enactment of related legal reforms. It should lead to affirmative steps including gender responsive action plans at community, district and national levels. UNDP will assist in these exercises.

Gender empowerment is required at the national as well as provincial, district and village levels. This should involve capacity building and utilisation. A cadre of lead gender trainers and experts will be developed in each major Government Ministry. At another level, efforts need to be mounted to orient and train planners and programmers from the government as well as NGOs, CBOs, and the private sector on a gender sensitive approach to development. The capacity of actors at the local level should also be developed to facilitate bottom-up planning and implementation. These initiatives should help empower local women at the micro level, create gender awareness in schools, and break down gender stereotypes. UNDP, along with other UN agencies (including UNIFEM) and other donors, will provide technical assistance to build these capacities among Kenyans.

The formulation of gender responsive and realistic planning in all sectors for sustainable development can only be grounded on a sound database. Support for creation of a gender and development database will be created to compile and pool data, ideas and experience will be provided. This will include the development of guidelines by the Ministry of Planning and National Development for the quantification of women's work. Establishment of a database and the associated analyses with appropriate benchmarks is also crucial in mapping the extent of gender involvement and in identifying problems. Lack of systematic gender disaggregated data limits policy making and programming on gender. Commitment to gender mainstreaming will be reflected in all UNDP interventions in the areas of good governance and sustainable livelihoods, environment and natural resource management.



#### 5.1.4 Environment and Natural Resource Management.

There is a need to provide all stakeholders in Environment and Natural Resource Management with the knowledge and capacity to address the problems of degradation of the natural resource base and environmental damage. There is also an urgent need to integrate practical and cost effective tools into development planning at all levels of decision making. Kenya has made efforts to control the degradation of the environment, and is a signatory to a number of international conventions that aim to translate Agenda 21 into national action.

Environment Interventions: UNDP support will focus on building national capacity in environmental planning and management, including the development and incorporation of environment management tools in economic plans and decision making at community, district and national levels. Training is called for at all these levels. The focus will be on strengthening the district-level capacity for implementation of environmental concerns in the planning and execution of initiatives related to health and sanitation, security, sustainable resource management and related entrepreneurship development. Promotion of community-based initiatives to demonstrate sustainable use concepts in addressing environmental issues is of the essence. Initiatives to translate the international conventions including the Convention on Biological Diversity, the Convention to Combat Desertification, and the Framework Convention on Climate Change, into national action programmes and their implementation are necessary. Priority will be given to the development of a national Capacity 21 Programme with emphasis on community-based sustainable environment and natural resources management.

UNDP will support the development of sustainable eco-tourism. UNDP assistance will focus on planning and development of strategies for involving all stakeholders and for ensuring that tourism will benefit local communities and support conservation. Ventures involving local communities in tourism projects will be encouraged. Local entrepreneurs will also be assisted in eco-tourism product identification and marketing. UNDP will help in capacity development for bio-diversity at the local level, including through the overall management of bio-diversity resources.

Poverty and Environment: Often, it is the poor who suffer most from environmental degradation. They also contribute to the problem by exploiting fragile eco-systems for sheer survival. Sustainable livelihoods are built around activities that provide the means for people's survival without compromising the natural resource base. UNDP will provide support to communities through the private sector, NGOs and CBOs to adopt strategies that enable people to manage and utilise natural resources in a sustainable manner.

#### 5.2 Emerging and Cross-cutting Issues

Lessons learned from the past development efforts indicate that SHD embraces development strategies that integrate social, environment and gender concerns into economic development. Poverty is affected by population, economic, gender, environmental and governance issues. Environmental degradation results from and reinforces poverty. Poor government policies hamper economic and social development and worsen gender inequalities. Cross-cutting sectoral policies such as legal framework, social policies and investment orientation link the four areas of concentration described above.

The challenge is to achieve synergy in effective mix of crosscutting development issues, which will focus on participatory development, social mobilisation, private sector involvement and technological adaptation. The interdependencies and emerging issues in support of SHD will focus on the following sub-interventions:

- (i) NGO/CBO Participation in Development: Initiating and strengthening the substantive relationships between CBOs, NGOs, private sector and the Government will remain a priority. At the macro level, the programme will focus on strengthening mechanisms for policy dialogue and consultation between the Government, local think tanks, CBOs and NGOs on key issues related to SHD. Collaboration with CBOs in the area of policy analysis and advocacy as part of the wider effort for consensus building on development priorities will be strengthened. Capacity building



efforts will also focus on training CBOs and NGOs in the application of participatory approaches to development that involve the people, particularly the poor and women, in a systematic way in programme and project development.

(ii) Social Mobilisation: Priority will be accorded to strengthening existing grassroots organisations in order to ensure their full and effective participation in the development, implementation and management of poverty eradication programmes. Pilot assistance will be provided in partnership with ILO, UNCHS, UNFPA, UNICEF, UNIFEM and WFP to strengthen the capacity of poor urban women in order to enhance their access to basic social services and incomes.

(iii) Private Sector Approaches: This will involve working to identify, develop and create approaches and strategic interventions which tap into resources available from the private sector for development and capacity building.

(iv) Technological adaptation: The programme will identify strategic interventions which ensure that Kenya takes full advantage of available technologies through TCDC in support of poverty eradication.

### 5.3 Performance and Impact Indicators

The performance and impact of interventions in these four areas can be assessed in terms of the following indicators: (i) concrete policy and practical environment for poverty eradication, (ii) responsive laws, regulations and improved plans, (iii) new and reinvigorated institutions and institutional frameworks that serve the poor and women, (iv) enhanced human resources for policy formulation, planning, implementation, monitoring and evaluation of programmes and projects focused on poverty eradication; (v) data bases for improved communication and dissemination mechanisms, (vi) increased co-operation and partnerships between Government, private sector and civil society organisations including NGOs, CBOs and interest groups, (vii) integration of gender and environmental concerns in sectoral policies, programmes and projects, and (viii) increased opportunities for citizen participation in development efforts. Enhanced quantitative and qualitative targets and performance indicators will be spelled out for each of the interventions and programmes, which, when aggregated, should provide a concrete measure of the overall impact of UNDP assistance to Kenya.

Another important dimension of the impact of UNDP assistance can be gauged by the extent to which it catalyses significant follow-up by the Government, other donors, private sector and civil society organisations. For example, the impact of UNDP's modest and successful assistance to the *Jua Kali* (or small scale industries and informal) sector has been picked up and built upon by the World Bank and other donors on a vastly expanded scale. On another front, the extent to which UNDP country office has catalysed and enhanced the co-ordination and integration of the assistance of UN agencies to Kenya may be considered. Also, its leadership role in promoting SHD in Kenya may be assessed.

## 6. PROGRAMME MANAGEMENT.

### 6.1 Execution and Implementation.

National Execution (NEX) has now been almost fully adopted by the Government of Kenya. There are currently 45 projects, of which 41 (or 91%) are nationally executed and 4 (or 9%) are agency executed. Teething difficulties were experienced with this new modality due to procedural problems, slow decision-making, and limited stakeholder involvement. Most problems have been resolved through workshops, strengthening the core units in line ministries, and holding quarterly Steering Committee meetings. Mandatory strategic work planning sessions involving UNDP, the Government and stakeholders were established. The sessions are held every six months to chart out key activities and to determine the level of required resources. However, it is apparent that additional support and backstopping are needed to strengthen the management capacities, improve implementation performance, and facilitate timely preparation and submission of financial accounts and audit reports. Most of the programmes to be outlined in the forthcoming Country Co-operation Framework will be nationally executed. UN specialised agencies will be used, as needed, to execute



and/or backstop programmes through Support to Policy and Programme Development (SPPD) and Support to Technical Services (STS). Mechanisms to systematise country office support will be put in place to provide logistic arrangements for procurement, recruitment and training.

United Nations Volunteer (UNV) Programme: The UNV programme, funded by UNDP core resources and other resources, currently includes 20 posts with specialists in economics, information systems, computer systems, town and country planning, agriculture and the environment. Also, four national volunteers under the National Volunteer Programme are working in the areas of small enterprise development, communication, disaster management and environment. The UNV programme has tended to operate as a stand-alone activity. It will be better integrated into the proposed programme of assistance to realise full benefits and impact.

Technical Co-operation among Developing Countries (TCDC): The TCDC programme has focused on establishing linkages between private sector in developing countries so that experiences on technological adaptations can be shared. In this respect, UNDP will encourage TCDC to enable Kenya to share and benefit from the experiences of other developing countries, particularly in the areas of social development and poverty eradication, and economic governance. In this context, the recent study tours for Government officials and NGO representatives to visit and observe poverty eradication programmes in selected developing countries in Asia (e.g., Bangladesh, Indonesia, Malaysia and Sri Lanka) and Africa (Zimbabwe and South Africa) seemed to have established contacts and generated interest in exchanging information, experiences and personnel.

Transfer of Knowledge Through Expatriate Nationals (TOKTEN) and United Nations International Short-term Advisory Resources (UNISTAR): These are two interesting mechanisms which the Government will be encouraged to explore. TOKTEN is a programme that mobilises high-level expatriate professionals to return to their country of origin for short-term volunteer assignments or consultancies in their areas of specialisation. UNISTAR supports private and public sector entrepreneurship in developing countries by arranging short-term missions abroad by top international executives and technical experts. Advisory assistance is provided at both the macro sectoral and enterprise (micro) levels.

Africa 2000 and Small Grants Programmes: The focus of these two programmes is on the community, mainly on rural-based activities aimed at addressing grassroots poverty concerns, and on increasing the capacity of NGOs to work with local communities. Modest progress has been made in these programmes. It is visualised that some of the more successful (and visible) programmes will be expanded, possibly with private sector support.

## 6.2 Monitoring, Resource Mobilisation and Exit Strategy

### 6.2.1. Programme Monitoring, Evaluation and Review

Monitoring and evaluation of the cost effectiveness of programmes and projects should be carried out at the project and programme inception stage and emphasis placed on a few simple indicators and benchmarks to evaluate performance and impact. Provision for monitoring and evaluation is generally built into each of the UNDP interventions, as well as those of other international donor agencies and NGOs. These, however, are frequently not used and are often misunderstood by project managers. This is a system-wide problem in the Government. Greater attention, therefore, will be paid to implementing the monitoring and evaluation activities. Also, mid-year assessments will be required for all UNDP supported programmes. These reviews should involve all stakeholders to assess implementation efficacy and performance. The CCF will be reviewed annually to ensure its continued relevance and responsiveness to national priorities and goals.

### 6.2.2 Resource Mobilisation

Resources from both UNDP core and non-core funds will be used to implement programme activities. UNDP core funds include 60% of Target Resources Allocated from Core (TRAC), to be released after approval of the Advisory Note by UNDP Headquarters. Availability of additional UNDP core funds will depend on this Advisory Note and on the CCF as well as actual delivery performance. This is an indication of the country's absorptive capacity and the efficiency of UNDP's



... operations. A resource mobilisation strategy is to be further developed jointly by the Government and UNDP for marshalling non-core funds under cost sharing, third party financing, trust funds and parallel funding. This will depend on government leadership on the resource mobilisation and the willingness of the donors to release funds to the government. Non-core funds will be sought from bilateral sources and the Global Environment Facility (GEF) to support some of the themes outlined in this note. Mobilisation targets by source of funds to be managed by UNDP are shown in annex 1.

Upon approval of the CCF in November 1998, UNDP will request 100% of its expected TRAC-1 and TRAC-2 allocations. The request will be based on the quality of programmes that are in conformity with the national goals and fit within the framework of UNDP mandate. TRAC 3 resources will be requested for use in disaster management activities. These will include mitigation of conflicts and management of natural disasters. Discussions have been initiated by the Government in collaboration with UNDP to generate additional resources for the planned activities under the programme during the period of the CCF. A number of donors have indicated interest in co-funding specific aspects of the programme. UNDP has also been successful in internal resource mobilisation in terms of the funds secured for Kenya from Capacity 21, GEF, UNDP-administered Trust Funds and other non-core resources. UNDP will continue to provide such assistance, taking advantage of its strong in-country presence, with particular attention to building strategic alliances around critical SHD issues.

### 6.2.3 Exit Strategy for Sustainability

To ensure sustained programme impact on the development process in Kenya, specific exit strategies will be built into each of the programmes to be formulated. Under the NEX modality, UNDP will support the Government to establish programme management units within the existing government structure in order to ensure continuity. This would be accomplished within the framework of the civil service reform, largely by re-deploying and/or regrouping competent staff. It is recognised that the Government is going through a financial/budget crunch that might adversely affect resource availability and staff deployment in the short to medium-term. The exit strategies will pay attention to the emerging constraints and opportunities to ensure that the conclusion of UNDP assistance would not jeopardise the sustainability of the activities.

Under the civil society implementation modality, UNDP will encourage strategic alliances between the Government, NGOs and the private sector. The areas of focus would include not only building management and implementation capacities, but also strategies and avenues for resource mobilisation from the private sector and civil society organisations to sustain the operations.



Table 1. Resource Mobilisation Target (RMT) table: KENYA (1999-2003)

(In thousands of United States dollars)

SOURCE	AMOUNT	COMMENTS
<b>UNDP CORE FUNDS</b>		
IPF carry-over	3,467	
TRAC 1.1.1	17,465	Assigned immediately to country.
TRAC 1.1.2	11,649	0 to 66.7 per cent of TRAC 1.1.1: This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
TRAC 1.1.3 (where applicable)	2,500	An average of US\$ 500,000 is assumed per year
SPPD/STS	1,000	
Subtotal	36,081 <sup>a/</sup>	
<b>NON-CORE FUNDS</b>		
Government cost-sharing	1,000	
Sustainable development funds <sup>b/</sup>	2,000	GEF
Third-party cost-sharing	5,400	
Funds, trust funds and other <sup>c/</sup>	6,200	UNV (\$700), UNIFEM(\$800), TCDC(\$1,200), Disaster TF(\$2,500), Poverty Fund(\$1,000)
Subtotal	14,600	
<b>TOTAL</b>	<b>50,681</b>	

<sup>a/</sup> Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

<sup>b/</sup> Specify and list separately (e.g., GEF, Montreal Protocol, UNSO).

<sup>c/</sup> Specify and list separately (e.g., UNCDF, UNIFEM, UNV, TCDC, Poverty Fund).

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; TCDC = technical cooperation among developing countries; TRAC = target for resource assignment from the core; UNCDF = United Nations Capital Development Fund; UNIFEM = United Nations Development Fund for Women; UNV = United Nations Volunteers; and UNSO = Office to Combat Desertification and Drought (previously the United Nations Sudano-Sahelian Office, now part of the UNDP Bureau for Policy and Programme Support).



**PROGRAMME OF THE GOVERNMENT OF KENYA**

**KENYA COUNTRY COOPERATION  
FRAMEWORK (1999-2003)**

**24 August 1998  
Nairobi**



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## 1. INTRODUCTION

1. The first Country Cooperation Framework (CCF) for Kenya covers the period 1999-2003. It covers the last three years of the current National Development Plan (1997-2001) and will span the first two years of the next. The CCF draws extensively from the UNDP Advisory Note, which was formulated through consultations with the Government of Kenya, the private sector, non-governmental organizations, community based organizations, bilateral and multilateral partners. Recommendations of the evaluation of the Sixth Country Programme for the period 1994-1998 are addressed. The CCF period coincides with the first phase (1999-2004) of the National Poverty Eradication Plan, which forms the National Programme Framework to which the interventions under the first CCF respond. The CCF formulation also takes cognizance of the development priorities identified under the United Nations Development Assistance Framework (UNDAF). These include issues related to economic growth and poverty reduction, access to quality of social services and enabling environment for sustainable development.

2. The Government of Kenya has set out to formulate the first CCF, which focuses on poverty eradication, and complementary issues that will enhance the dimensions of sustainable human development. Poverty eradication is a national challenge and the Government is committed to addressing it. Within the framework of the National Poverty Eradication Plan (NPEP), the Government emphasizes the need for poverty reduction, employment generation and creation of conducive economic, political, cultural and legal environments that will enable people to achieve social development and integration.

3. During the CCF period, poverty reduction will be addressed through four main programming areas of concentration: (a) good governance for sustainable development, (b) employment and sustainable livelihoods (c) gender mainstreaming and empowerment of women and (d) environment and natural resource management. These key areas are taken as complementary and interventions in each of them will aim to create synergy to enhance the efforts to eliminate poverty.

## 2. DEVELOPMENT SITUATION: SHD PERSPECTIVE

### Development Perspectives

4. Kenya has a land area of 582,646 km<sup>2</sup> comprising eight provinces: Coast, North-Eastern, Eastern, Central, Nairobi, Rift Valley, Western and Nyanza. It has a population of approximately 29 million. Immediate development problems include persistent and increasing poverty in that out of 5 million Kenyan households, 1.8 million are classed as absolute poor. Results of the 1994 Welfare Monitoring Survey showed that over 40 percent of the population were below the poverty line. In the rural areas 47 percent of the population are poor, while 29 percent fall below poverty line in urban areas. The Human Development Report of 1997 ranks Kenya as 134 out of 175 countries with the human development index (HDI) value of 0.463 (1997). Per capita income in 1997 was estimated at US\$ 284 and is projected to increase by 3 percent per annum.

5. A majority of the poor households are found distributed throughout the belt of highest population density. By combining social indicators and poverty ranking, Kenya government has mapped out the spatial locations of the most deserving districts. These are Kilifi, Kitui, Kakamega, Bungoma, Kericho, Makueni, Machakos, Kisii, Siaya, Kwale, Migori, Homa Bay, West Pokot, Narok, Kisumu, Trans Nzoia, Vihiga, Meru, Muranga, Manderu, Nakuru, Wajir, Bomet, Tana River, Nyamira, Baringo, Garissa, Kiambu, Busia, Nandi, Kajiado, Embu, Samburu, Marsabit, Turkana, Elgeyo Marakwet, Tharaka-Nithi, Uasin Gishu, Kirinyaga, Nyandarua, Nyeri, Laikipia, Isiolo, Lamu and Taita Taveta. The towns with significant numbers of the poor are Nairobi, Mombasa, Kisumu and Nakuru. Strategies geared towards poverty reduction in this belt of high incidence will have to be comprehensive and mainly, targeted to the rural areas where 90 percent of the absolute poor live.

6. Economic growth rate has barely kept pace with the population growth. The distribution of income has worsened over the years, with the richest 20% of the population retaining 61% of the rural



and 51% urban wealth, and the top 10% retaining almost half of the income generated. Private investment has slowed over the last two years as a result of multiple reasons, including poor infrastructure, high interest rates and competing investment locations in the sub-region.

7 Increasing levels of urbanization make it difficult to balance rural-urban population movements. The development challenge is therefore to stimulate growth and development in the rural areas in order to reduce the pressure on the urban centres. The rural development potential is to be enhanced and exploited through increasing knowledge in the base communities, mobilizing existing knowledge, skills and appropriate technologies to intensify the domestic resource utilization and to encourage investment.

### **Challenges to Sustainable Development**

8. The Government of Kenya recognises that the core challenge for sustainable human development in Kenya is eradication of poverty and achieving sustained rapid economic growth. The effect of poverty is currently manifested in the form of falling school enrollments, deteriorating health and health services, growing unemployment and rising rate of morbidity and maternal and child mortality. Poverty has erased the gains made in the past. Achieving sustainable development through poverty eradication, has been constrained by inequalities in access to food security, education, income opportunities and health care; degradation and depletion of natural resources; infrastructural decay and failure to harness the human capital.

9. Good governance remains a prerequisite for sustainable human development, which encompasses economic, social, and political development. Good governance calls for respect for human rights, participatory development, free and fair elections, transparency, accountability, efficient allocation and sound management of resources to ensure optimal utilization. Grassroots participation in the process of national development remains a fundamental building block for efficient public management and poverty eradication through civil society involvement.

10. Private sector initiatives are envisaged in opening up new opportunities for Kenyans as they will be required to do some of the things done by government in the past. There is also emphasis on improving economic efficiency by enhancing capacities of micro and small enterprises and informal sector activities. In response to the challenges of the need to industrialize by 2020, the Government has initiated actions to review policies, regulations and administrative procedures that impede investment initiatives.

11. Existing gender inequalities call for the promotion of affirmative actions to ensure women's advancement in all spheres of development. Kenya has ratified the UN Convention on the Elimination of All Forms of Discrimination against Women. This notwithstanding, women continue to face inequalities in economics, social and political arenas. Gender inequality is manifested in limited access to land, jobs, education, financial resources and participation in decision making. The poverty of women, particularly in the rural areas, will therefore, be given special attention.

12. With regard to environmental management, the Government has been consistent in its commitment to sustainable natural resource management and conservation. Series of policy measures have been introduced, including drafting an Environmental Bill. A National Environmental Action Plan (NEAP) that (i) takes into account efficient use of natural resources and their rate of regeneration and depletion and (ii) considers the conformity of industrial technology with the requirement for environmental sustainability has been formulated. In addition, environmental impact assessment guidelines have been developed in several sectors.

13. Based on surveillance data, it is estimated by the National AIDS/STD Control Program, (NAS COP), that between 1990 and 1997 the national adult HIV prevalence rose from 3.1 to 9 percent. It is expected to increase to 12 percent by the year 2000. Policies for dealing with this pandemic are outlined in the Government's Sessional Paper No. 4 of 1997 on HIV/AIDS. The HIV/AIDS pandemic



poses serious social, economic, legal and ethical challenges to society. As such resources under the CCF will support capacity building in government, private and voluntary sectors to address these challenges.

### **Commitment to Global Compacts**

14. The Eighth Five-Year Development Plan and the National Poverty Eradication Plan incorporate recommendations of many international compacts relevant to poverty eradication. Kenya is committed to the implementation of the recommendations of the World Summit for Children (1990), the United Nations Conference on Environment and Development (1992) and the International Conference on Population and Development (1994). Kenya is also committed to the recommendations of the World Summit for Social Development (1995), the UN Fourth World Conference on Women (1995) the United Nations Conference on Human Settlements or HABITAT II (1996) and World Food Summit (1996). Kenya has completed analysis of the Basic Social Services Expenditure to guarantee effective resource allocation. During the CCF period, actions will be initiated to implement the key aspects of the compacts.

### **3. RESULTS AND LESSONS OF PAST COOPERATION**

15. In formulating the CCF, the Government has benefited from the 6<sup>th</sup> Country Programme Evaluation Report, the Mid-term Review, reviews of several individual programmes and consultations with stakeholders on specific aspects of the programme. Experiences from the 6<sup>th</sup> Country Programme which focussed on enhanced public administration and participatory development, employment creation, and management of development process will be useful in the implementation of CCF programme activities. Building on the lessons from the past programme experience, the CCF provides clearly defined objectives and proposes an effective implementation strategy. It is focused and provides for better planning and coordination, improved management, more effective monitoring and evaluation including benchmarks and performance indicators. The CCF takes into account the comparative advantages of UNDP and the impact of its interventions. It also aims at promoting strategic partnership and information sharing with institutions of the poor, community based organizations and a more responsive public sector.

16. Emphasis is to be placed on those UNDP interventions which showed positive impact on the sustainable human development (SHD) dimensions. Programme approach will continue to be applied to ensure that programme ownership and accountability is achieved. The interventions will build on UNDP comparative advantage in capacity development and are to be justified within the framework of poverty eradication for the advancement of SHD objectives.

17. Regarding ownership, a number of lessons have been drawn from the previous UNDP financed programmes. Among these are that (i) projects developed with the involvement of the stakeholders, from the outset, elicit ownership and commitment of the participating institutions and (ii) the participatory development process must be broadened to include wider range of non-public sector institutions. Another lesson was that ownership is only sustained if partners in development are involved right from the design stage, through implementation, and in monitoring and evaluation.

18. The Government notes that the UNDP financed 6<sup>th</sup> country programme contributed in building the capacity of the national institutions to manage and implement sustainable human development oriented policies and interventions. This included the increased use of community-based organizations (CBOs), NGOs and the private sector to execute the planned activities. This led to improved participation of the stakeholders and enhanced advocacy on SHD issues. The partnership with the NGOs and the private sector will be expanded during the CCF period. Notable examples of the use of the national institutions include subcontracting NGOs to implement HIV/AIDS activities and to the private sector institutions to promote business skills development.

19. The use of the programme approach facilitated increased linkage among the programmes and projects. The evaluation report observed that the programme activities contributed directly towards



capacity building; fine tuning of the process of national execution; promoting good governance and generating employment for the poor. The programme, also, promoted awareness on gender concerns and support to ethical and legal awareness on the rights of women. The linkage between the programme interventions facilitated the shifting of the resources within and between the programme activities thereby increasing effectiveness of the resource utilization while achieving improved programme delivery. The strategic planning review, done on a six-monthly basis for each of the programmes, was innovative. It provided a clear vision for each of the planned activities thus leading to a sharper focus on the beneficiaries and effective use of allocated resources.

20. The Government notes that collaboration with other UN agencies and private sector was established in terms of programme development and implementation. Particularly strong linkages were realized in working with ILO, DESA, FAO, UNIDO and Habitat through the use of support to programme and policy development facility. The expanded use of both the international and national UNVs proved to be cost-effective with quality inputs. Equally useful was the national expertise. At the grassroots, community level involvement through Africa 2000 and GEF Small Grant programme was instrumental in clarifying community based implementation. The Federation of Kenya Employers was important in the successful implementation of the national young professional programme whose goal was to develop entrepreneurial culture among the youth. The Government of Kenya will encourage these modalities during the CCF period. The Government further notes that the collaboration between the UN agencies and other development partners proved to be effective as an instrument to deal with disaster management issues.

21. In the recent capacity assessment for NEX, a number of constraints were noted which will be addressed during the CCF period. These include inadequate capacities amongst the implementing institutions; poor management and leadership skills; lack of effective programme administrative structures; lack of clarity in roles and responsibilities of executing and implementing institutions; and ineffective financial reporting system. These constraints will be addressed as part of capacity development for the national institutions selected to execute and/or implement the interventions under the current programme.

22. It is also noted that lessons learned and measures being taken to enhance execution and implementation are aimed at raising activity and programme impact. Benchmarking will be used in all activities of the programme so as to strengthen future impacts and their assessments. Collaboration among the development partners has improved quality of downstream interventions and implementation of the planned activities. These lessons, together with the synergy generated by working within the framework of UNDAF will be used to cross-fertilize the current CCF.

#### **4. PROPOSED STRATEGY AND THEMATIC AREAS**

##### **Overall Strategy**

23. The Government of Kenya recognizes the catalytic role of UNDP in setting innovative practices in development. The present CCF will form a basis for cooperation with the UN system within the framework of UNDAF and United Nations Special Initiative for Africa (UNSI). UNDP is expected to build a structure for the necessary synergies among the other UN agencies to assist the Government of Kenya to pioneer new ways of addressing poverty. Towards this end, the Government of Kenya and UNDP will collaborate in the implementation of the interventions articulated in the Eighth National Development Plan and expounded further in the National Poverty Eradication Plan.



## Areas of Concentration

### A. Good Governance and Sustainable Development

#### *Institutional Capacity Development*

24. During the last Country Programme UNDP spent significant amount of resources on the capacity building of key national governance institutions with the aim of improving political governance. The overall goal was to build institutional capacity for sustainable democratization process and enhancement public sector management. Key interventions were in Parliament, the Judiciary, Attorney General's Office, Ministry of Local Government, the Electoral Commission, the Ministry of Economic Planning and National Development. Interventions sought to build the capacity for these key institutions to do their work efficiently and effectively since it was recognized that administrative bottlenecks contributed to ineffective political governance. For these reasons issues of strategic planning, total quality management and internal planning have been addressed. In the future more work needs to be done to ensure that the built up capacity is translated into activities that ensure direct return to the citizens. Key issues will be the speeding up of adjudication in legislative, judicial and electoral matters as well as improvement of performance of public sector through sustained civil service reform. In this regard issues pertaining to collection and analysis of public opinion on matters relating to key institutions particularly with regard to the review of the constitution. Extension of work on strategic planning and total quality management to other public institutions and the adoption of governance benchmarks already developed will be encouraged. The ultimate objective will be for GOK to introduce strategic planning and total quality management in national political governance institutions. Efforts will be made to re-examine the process of policy formulation, implementation, monitoring and evaluation at all levels.

#### *Political Governance*

25. The future challenge, with regard to political governance is to build capacities of grassroots organizations in general but specifically those of the poor and women. Good political governance will only address poverty if the citizens, particularly the poor and women, fully participate in their own governance, economic development and the management of their organizations. Building capacity at this level will therefore, complement the capacity already developed at national level to target and involve the poor and women in poverty eradication process. It will also extend political governance to the level of popular institutions which are critical in informing and, at the same time, evaluating the quality of political governance with regard to democratization and equity because these issues can only be adequately adjudicated by the citizens and not by distant bureaucratic institutions. Specific attention will be given to leadership training of the beneficiary organizations. In programming terms, political governance, at the local level, is a tool for assuring that national economic governance institutions that are charged with poverty eradication target specific groups of the poor and women in specific communities. In all organizations supported to assure both good political and economic governance at the grassroots level women should form at least 40% of the members of the management committee and workers. In addition, intervention measures will, *inter alia*, include the reexamination of existing policy and legal aspects that affect initiatives under the CCF aimed at reducing poverty, laws relating to association and meetings; laws relating to credit and the supervision of micro-credit providers and laws relating to family property rights. On-going support for legal, constitutional and judiciary reforms will be completed whilst supporting studies on the charter for social integration and local governance will be completed. Appropriate information, education, and communication mechanisms for governance will be put in place to facilitate informed decision making and citizen participation. There is need to speed up the completion of the on-going review of laws relating to women and to implement the necessary reforms.

#### *Economic Governance*

26. Most of the past interventions have not focussed on economic governance. In the current CCF this should be one of the central concerns. Consequently, Government requests support for policy dialogue of all stakeholders on issues relating to eradication of poverty; capacity building and networking



between economic governance institutions of the poor e.g., cooperatives, trading associations; NGOs delivering credit; management of local authorities and social associations. Creating links between these organizations will allow them to cooperate in their development endeavours, as well as fighting community-based social evils e.g. corruption. In this regard activities will target national, district and community level organizations.

27. Specific support is requested for developing enterprises which address employment of the poor in rural and urban slum areas. However, such enterprises cannot function in the absence of critical amenities such as water and power. In the recent past the children of the poor have been dropping out of the formal education system. The poor and HIV/AIDS orphans will need support for primary and secondary education as well as community based technical, organizational and entrepreneurial training. The proposed poverty eradication fund will focus, as such, on these target groups. Support is required to build community water resources so as to reduce the labour expended by women in collecting water from long distances. The available labour resulting from the provision will be oriented to economic activities targeted to improve women and family incomes.

#### *Environmental Governance*

28. Kenya has signed a significant number of international conventions on the environmental conservation and management, it has also, initiated actions to draw all relevant environmental legislations into one law. The main challenge for the future is to integrate environmental accounting into the national economic, plans and development. At the community level, the challenge is to operationalise environment in the day to day production and development activities of the actors at that level. For the private sector, the challenge is to develop environment friendly production and distribution systems. However, given that incorporating environmental variables into planning and development is relatively new, globally, support for developing specific approaches for the public, private and voluntary sectors will be essential. This intervention will be closely related with the activities identified under the section on environment and natural resource management in this CCF.

#### *HIV/AIDS Pandemic*

29. The GOK has, previously, been supported in its HIV/AIDS strategies on prevention, advocacy and monitoring by UNAIDS and other UN agencies including UNDP. Further support will be needed in expanding prevention and mitigating interventions. These will include intensified mass information campaigns targeted to address existing cultural diversities and other factors. There is need to expand and provide technical assistance to the sentinel surveillance system, developing and implementing clean blood bank policy and other policies and guidelines as outlined in the Sessional Paper No 4 of 1997 on AIDS. CBOs and religious organisations will be supported to facilitate the expansion of community-based voluntary counselling and testing sites and staffing needs, providing assistance to those infected and affected as individuals, families, and communities. Specifically, orphans, widows and widowers will be targeted through the development of small enterprises, training on various income generating skills as well as supporting women and others at community level to initiate revolving fund programmes. Schools will be encouraged and supported to cater for the children in difficult circumstances through provision of meals while GOK will offer assistance.

30. Legal instruments will be put in place to ensure that orphans/widows access their property rights. In addition, HIV/AIDS research needs assessment, co-ordination, priority setting and inventory will be supported to enhance improvement of national interventions against HIV/AIDS. HIV/AIDS focal points will also be identified and supported. Gender sensitive legal and ethical issues will be focused upon at the programme implementation level.

#### *Disaster Management*

31. There will be a need to focus on natural and man made disasters. Funding is sought for specific activities that strengthen community preparedness for disaster prevention and management. The



prevention and management of conflicts will be emphasized through (i) developing mechanisms for anticipating conflict (ii) managing conflict and return to peace and (iii) addressing root causes of conflicts. The capacities of the department of the Office of the President responsible for disaster management, non-governmental organizations, community based and private sector institutions working in the area of natural disasters and peace building will be enhanced while at the same time encouraging networking amongst them. Issues of financial and human resource mobilization for peace work will be addressed.

32. **Benchmarks/Indicators:** By the end of the programme, it is envisaged that the country will have achieved the following; viable organizations serving the poor and women; strengthen institutions of economic governance working at local, district and national level; increased numbers of those leaving the poverty trap; appropriate legal and constitutional reforms; effective and sustainable operations of key governance institutions at all levels; improved operations of local governance institutions including civil society organizations; inclusion of environmental concerns in production and development activities at all levels and production sectors; financial assistance for the poor and HIV/AIDS orphans established at local levels; systematic policies and mechanisms for credit to the poor put in place; expansion of sentinel system and clean blood provision; specific targeting of HIV/AIDS interventions; ethical and legal framework for those living with HIV/AIDS and their families; a national system on disaster management in place.

#### B. Employment and Sustainable Livelihoods

33. The central long-term strategy of the GOK is to industrialize by 2020 so as to achieve better livelihoods for the people. The pathway to industrialization is economic growth based on expansion of current activities i.e. agriculture production, primary processing, manufacturing, commerce and services. Support will be focussed on the following: (i) expansion of non-farm based enterprises (ii) expansion of agricultural based enterprises operated by women and the poor (iii) financing skilled tertiary graduates to set up enterprises (iv) financing capacity building for entrepreneur support agencies (v) developing mechanisms for linking enterprise types, especially subcontracting (vi) expanding entrepreneur skills training in all sectors (vii) creating a marketing skills training programme (viii) building up national capacity in product design and development (ix) systematizing policy and institutional problems of micro credit provision in the country (x) reviewing legislation on micro and medium enterprises associations and business organizations (xi) provision of power and water in rural centers to facilitate enterprise development (xii) set up mechanisms for the development of standards in small and medium size sector (xiii) linking short-term, medium, and long-term poverty alleviation interventions (xiv) revising current national food security strategies (xv) strengthening employment and labour market information (xvi) creating networks for the promotion of employment creation and (xvii) establishing modalities of calculating women's labor in nation building.

34. Of special importance is support to micro-finance by developing measures to increase financing, creating a regulatory mechanism for micro credit providers, paying special attention to credit for individual women and /or women organizations. The strategy should be to put in place sustainable credit delivery systems drawing on the best practices on micro-finance interventions; encouraging forward and backward linkages between micro-finance activities and capitalizing on the experience from such initiatives as Micro-start, Trickle Up programme and others. The growth potential of small enterprise development will be enhanced through increasing the use of trickle-up resources to jump-start community based entrepreneurial activities. During the programme period, the government of Kenya will seek support from Enterprise Africa and similar initiatives to provide institutional framework for coordinating small and medium enterprises in Kenya to enhance indigenous entrepreneurship. This initiative will be used to strengthen interventions by cross-fertilization of experiences from different countries. It should also promote Technical Cooperation among Developing Countries (TCDC) activities. It is expected that Enterprise Africa and similar initiatives will promote enterprise networking between Kenya, members of East Africa Cooperation and other countries in the Greater Horn of Africa Region. Creating awareness among business people on the expectations of World Trade Organisation



(WTO), Uruguay Round and other global agreements affecting trade in the global context would be supported.

35. **Benchmarks/Indicators:** By the end of the programme period, the expected results will include *inter alia*: Best practices in micro-finance used in planning interventions; establishment of a regulatory framework for micro-credit provider; best practices used in implementation of expanded micro-finance programme; poor and women recruited into a viable enterprise development programmes; Increased employment opportunities in rural and slum areas; improve marketing in the small and medium enterprise sector improved; business skills for individual entrepreneurs and business organizations improved; better designed products available; Incomes of the poor and women improved; vibrant small and medium businesses linked to large producers by formal contracting mechanisms; enhancement of national food security; better environment for employment creation; increased agro-based industries in rural areas; emergence of community based business organizations linked to national business organizations; improved governance of small and medium business organizations and the national policy framework supervising them; increased incomes of the poor and particularly poor women.

#### C. Gender Mainstreaming and the Advancement of Women.

36. The Government of Kenya is committed to addressing gender inequality as a central objective of poverty alleviation. Assistance is needed to integrate gender in poverty reduction programmes and address gender focussed institutional development. Support will be sought for interventions aimed at mainstreaming gender into all the CCF areas and developing programme activities that directly benefit women as primary stakeholders in poverty eradication.

37. GOK will develop and adopt a national gender policy as a reference point for all stakeholders. Support is further required to create a well, functioning, national machinery able to provide effective leadership, support and motivation for integrating gender concerns into planning and programmes. A systematic gender database and gender mainstreaming training and capacity development programme will be established. Additionally, a gender responsive communication strategy for awareness raising and advocacy for policy makers, community-based groups and women living in poverty will be developed and used. This will lead to the enactment of relevant legal reforms and the adoption of affirmative action strategy to support the implementation of the national platform for action.

38. Gender training will integrate gender expertise with sector expertise and target the district, division, location and village levels. This will involve administration officials, community leaders and the local communities. Legal literacy, gender awareness and identification of specific sets of indicators for tracking progress on gender equality, gender sensitive policies and changes in gender relations over time will form an important part of this training. A mechanism for regular consultation with experts, women's organizations, gender sensitive organizations and donors will be established. Funding sources should include *inter alia* UNIFEM, UNICEF and UNDP within the framework of UNDAF and UNSIA.

39. **Benchmarks/Indicators:** The adoption and implementation of a national policy on gender; enactment of relevant legal reforms for the thematic areas of the CCF; gender equality and equity defined and addressed as explicit objectives of all thematic areas; a gender mainstreaming strategy in place, used and reported upon regularly; programme(s) activities supporting the national plan to implement the Beijing Platform for Action; trainers able to integrate gender mainstreaming into participatory planning, implementation and monitoring of key programmes; women living in poverty made aware of and involved in the poverty eradication initiatives; application of gender desegregated data in policy formulation, programming, resource allocation, monitoring and evaluation of impact; enhanced legal literacy, reduction of gender violence, participation in decision making by women particularly at the community level and specific sets of indicators for tracking progress on gender equality and gender sensitive policies and changes in gender relations over time in place, and in use.



## D. Environment and Natural Resources Management

### *Land Degradation/Desertification and Water Conservation*

40. There has been extensive support from the UN system on problems of land degradation. Despite these efforts desertification continues to spread at accelerated rate. Poverty is both a cause as well as consequence of desertification. During the CCF period, innovative and effective approaches for implementation of the National Action Programme to Combat desertification will require support. There will be a need for further support to protect specific vulnerable areas and to develop sustainable agricultural systems in districts with high numbers of poor people. There will, also, be need to develop specific soil and water conservation techniques for resource poor especially women and for expanding enterprises in rural areas. A strategy for increasing agricultural productivity will be to use biotechnology and the promotion of the use of *rhizobium inoculants*, improved seeds and mass propagation of improved crop varieties including bananas, horticultural products, pyrethrum, potatoes, cassava and vegetables. Organizational capacity for enhancing community land management skills and creating land management associations of the poor deserves support.

### *Biodiversity Protection*

41. Loss of biodiversity impacts negatively on the poor mainly because their subsistence depends on it. Support is requested for the protection of biodiversity given that it is important for long term economic growth and sustainable livelihoods and that many of the current utilization practices are not sustainable. Support for audit of the extent of biodiversity, conservation status, ecological value and socio-economic value is requested. The strategy will be to protect ecosystems of national importance. These will include wetlands, areas of extreme biodiversity and special sources of water for the poor especially in the arid and semi-arid areas and to support community based eco-tourism. There is also need for capacity building for local communities, CBOs, NGOs and other stakeholders to enhance management, utilization and sustainability of bio-diversity resources. Further, Kenya Government is desirous of continuation of support for key sub-regional priority programmes, which among others include Lake Victoria Environment Programme. It is hoped that a link will be established to the on going and future Global Environment Facility (GEF) programme on biodiversity. Finally support for the use of biotechnology techniques in the preservation of biodiversity is envisaged.

### *Pollution and Solid Waste Management*

42. Pollution problems are on the increase and are compounded by non-sustainable land use and problems arising from urban solid waste, rural solid waste and industrial pollution. Degradation of the water and land resources impacts negatively on the poor for they do not have the means to escape. Support is requested to the control of urban solid and wastewater pollution as well as pesticides pollution. Since the poor use raw water from rivers, monitoring of pollution in rivers is a priority. The main concern will be on the Athi, the Thika, Nzoia, the Sio, the Nyando, and the Yala rivers, which are threatened by pollution. The poor should be encouraged to build water sources in rural and peri-urban areas. The technologies that should be supported include subsurface dams, rainwater harvesting in urban and rural areas, and improvements in sanitation. It is expected that the programme will link with the GEF sub-regional programmes and projects and interventions on river pollution and environmental management as well as programmes and projects relating to climate change and ozone depletion. It is also expected that links will be forged with the national and regional programmes and projects to be financed under the Montreal Protocol relating to ozone depletion.

43. **Benchmarks/Indicators:** The extent to which national development plans incorporating environmental sustainability, pollution control and sustaining biodiversity; community based production and development activities undertaken in environmentally sustainable manner; industrial production and distribution undertaken with due regard to environmental sustainability; increased use of environmental impact assessment guidelines; polluter-pay systems in place and utilized at all levels; increased supply of



clean water for the poor both in rural and urban areas; reduction in women labor expended in water collection; Increased school attendance of girl children; increased food security and incomes for the poor; reduction in water borne and poor sanitation driven diseases among the poor; enhanced management and sustainable use of biodiversity; increased community and private sector participation in biodiversity protection; improved water quality in rivers and lakes; improved recharge in ephemeral rivers and proximate ground water storages; improved treatment of solid waste and wastewater; Increased organic farming; reduction in pesticide pollution; systematic monitoring of water quality in rivers of national importance; established sub-regional network on individual and institutional environmental management specialists to act as a lobby for the sector.

## **5. MANAGEMENT ARRANGEMENT**

### **National Execution**

44. During the 6<sup>th</sup> Country Program, Kenya Government adopted National Execution (NEX) mechanism as a way to enhance programme ownership and improve stakeholder participation. NEX is more than execution by the national government as it encompasses involvement of UN specialized agencies; private sector institutions, universities, civil society organizations (CSOs), community based organizations (CBOs) and non-governmental institutions (NGOs). In 1997 about 70 per cent of the UNDP-finances were utilized under this mechanism. Most of the activities were, however, undertaken by public institutions and not by the private or voluntary sectors. It is expected that this rate will increase over the CCF period. Since National Execution (NEX) is a strategy for national capacity development to improve the delivery of the services to the target beneficiaries the ultimate objective of this modality is that all aspects of the programme, including procurement of goods and services, financial disbursement and personnel recruitment, will be done by national institutions. This can be efficaciously done if the public and private sectors are all involved in implementation. However, during the 6<sup>th</sup> Country Programme, procurement of goods and services, coordination, audit of programme activities and funds were unsatisfactory. All these affected the effective delivery of the programme. These issues will be subject to thorough reviews as pre-requisite for the programme implementation during the current CCF period.

45. The Ministry of Finance is the Cooperating Authority for managing the UNDP funds. The institutions, assigned to execute programme activities, will receive funding directly from UNDP and will be accountable for its utilization. These will include UN specialized agencies, private sector institutions, NGOs and Civil Society Organizations. Except for the UN specialized agencies, the funds channeled to non-government organizations will be subject to private audit on annual basis. The financial reports and supporting documents will be submitted to the Co-operating Authority for further scrutiny where necessary. Programme activities implemented by government institutions will use both the revenue and the appropriation-in aid mechanisms and will be subject to annual audit by the Controller and Auditor General. When this is not immediately feasible, resources will be allocated under the programme to facilitate contracting of audit exercise to the private firms to facilitate timely audit reporting.

46. Programme activities will be managed (planning, monitoring and coordinating) through a Secretariat to be established for the purpose of programme implementation. The Secretariat will operate within the framework established by the government in consultation with the funding institutions. It will be composed of the following officers: a programme adviser, a procurement specialist, an accountant, an auditor and a systems/data analyst. The Secretariat will be provided with the facilities for specialized consultancy services. It will also manage all the different components of the programme. These will include *inter alia* exercising oversight and coordinating, adapting NEX guidelines, participating in the selection of programme personnel, supervising programme activities, coordinating programme procurement, participating in monitoring and evaluation. The assistance of UN system agencies will be sought for technical support where necessary.



### **Monitoring and Evaluation**

47. The principles of results-oriented monitoring and evaluation will be applied. Monitoring and evaluation will be used as an important tool with which to ensure that the programmes and activities remain relevant over time as changes take place. For each activity in the programme, strategic workplans, developed in cooperation with stakeholders, including beneficiary organizations will be established at the design stage. This will include specific targets, benchmarks and performance indicators for assessment of programme implementation and impacts. The benchmarks and indicators will focus not only on quantitative but also on qualitative changes. They will be based on the targets established by the stakeholders, government and other development partners. The continuous monitoring and evaluation will enable the executing agents to guide resource allocation and to ensure that programme objectives are realized. Monitoring and evaluation will also be used as an important instrument to measure the progress towards capacity development and the sustainability of interventions initiated under the programme.

48. Each programme activity is subject to bipartite review meetings with the participation of all partners. On a quarterly basis executing agencies will submit progress reports that indicate the extent of the achievement of the agreed targets and benchmarks. On six-monthly basis each programme and project will develop a strategic workplan indicating specific and achievable activities and the likely resource availability. The programme will undergo mid-term review in 2001 and programme evaluation in 2003.

### **Resource Mobilization**

49. The main source of financing the CCF programme will be from Target for Resources Assignment from Core (TRAC). The core resources that will be tapped for programming include carry-over from the last financial cycle, TRAC, Support for Policy and Programme Development (SPPD) and Support for Technical Services (STS). The non-core resources include government cost-sharing; third party cost-sharing; sustainable development funds and other sources such as United Nations System Initiative for Africa; Partners in Development Program; Micro-finance; and Poverty Strategy Initiative. UNDAF process will be used to generate complementary resources within the UN system to boost synergy in the planned interventions. A systematic resource mobilization strategy, led by the Government of Kenya, will be developed and implemented for each of the programme components.



Table I. Resource Mobilization Target (RMT) Table: KENYA (1999-2003)

(In thousands of United States dollars)

SOURCE	AMOUNT	COMMENTS
<b>UNDP CORE FUNDS</b>		
IPF carry-over	3,467	
TRAC 1.1.1	17,465	Assigned immediately to country.
TRAC 1.1.2	11,649	0 to 66.7 per cent of TRAC 1.1.1: This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
TRAC 1.1.3 (where applicable)	2,500	An average of US\$ 500,000 is assumed per year
SPPD/STS	1,000	
Subtotal	36,081 <sup>a/</sup>	
<b>NON-CORE FUNDS</b>		
Government cost-sharing	1,000	
Sustainable development funds <sup>b/</sup>	2,000	GEF
Third-party cost-sharing	5,400	
Funds, trust funds and other <sup>c/</sup>	6,200	UNV (\$700), UNIFEM(\$800), TCDC(\$1,200), Disaster TF(\$2,500), Poverty Fund(\$1,000)
Subtotal	14,600	
<b>TOTAL</b>	<b>50,681</b>	

<sup>a/</sup> Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

<sup>b/</sup> Specify and list separately (e.g., GEF, Montreal Protocol, UNSO).

<sup>c/</sup> Specify and list separately (e.g., UNCDF, UNIFEM, UNV, TCDC, Poverty Fund).

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; TCDC = technical cooperation among developing countries; TRAC = target for resource assignment from the core; UNCDF = United Nations Capital Development Fund; UNIFEM = United Nations Development Fund for Women; UNV = United Nations Volunteers; and UNSO = Office to Combat Desertification and Drought (previously the United Nations Sudano-Sahelian Office, now part of the UNDP Bureau for Policy and Programme Support).



**TABLE II: FRAMEWORK FOR CORE PROGRAMME RESOURCE ALLOCATION TABLE**  
(1999-2003)  
('000 Dollars)

Programme Area of Concentration	Allocation	Remarks
1. Governance and Sustainable Development  <input type="checkbox"/> Good Governance <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Disaster Management	7,500 3,500 750	Substantial third party Cost-Sharing is expected, especially for civil society based interventions. Parallel resources are expected from joint funding with other development partners
2. Employment and Sustainable Livelihoods	7,500	Partnership with the private sector through co-financing to be encouraged.
3. Gender and Women Empowerment	6,000 <sup>1</sup>	Emerging cross-cutting gender issues to be incorporated in the other areas of concentration
4. Environment and Natural Resource Management	7,500	GEF resource will be generated to support emerging interventions on environment and natural resource management
5. Programme Reserve	3,331	The reserve funds will be used for emerging priority issues not anticipated under the areas of concentration.
<b>TOTAL</b>	<b>36,081<sup>2</sup></b>	

Resource projections: For the five-year period of the operation framework (1999-2003), Kenya has been allocated a total earmarking of US\$ 36.1 million from target for resource assignment from the core (TRAC). This includes US\$ 3.5 million carry-over from the 6<sup>th</sup> country programme. A total of 32.7 million has been distributed among the concentration areas as identified in the AN/CCF. US\$ 3.3 million is allocated for the programme reserve to cater for emerging priority programme issues not directly anticipated within the areas of concentration.

To this total can be added amount for cost sharing from the Government and third party contributors. Other inputs are expected to come from sustainable development funds.

<sup>1</sup> In addition to this amount, 20 percent of the resources from programme areas of concentration 1, 2, and 4 will be directed towards gender mainstreaming and women specific activities.

<sup>2</sup> US \$ 36.0 million is the total national programme earmarking. This includes US \$ 3.5 million carry-over from the 6<sup>th</sup> Country Programme.



**ANNEX III: NATIONAL PROGRAMME FRAMEWORK AND  
UNDP PROGRAMME SUPPORT DOCUMENT (PSD)**

