Operational Plan 2011-2015

DFID Kenya

May 2011

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Introduction

The UK Government is determined to help reduce the inequalities of opportunity we see around the world today. We believe that promoting global prosperity is both a moral duty and in the UK's national interest. Aid is only ever a means to an end, never an end in itself. It is wealth creation and sustainable growth that will help people to lift themselves out of poverty.

In May 2010, the International Development Secretary, Andrew Mitchell, commissioned the Bilateral Aid Review (BAR) to take a comprehensive and ambitious look at the countries in which the Department for International Development (DFID) works through our direct country and regional programmes. The review focussed on the best ways for the UK to tackle extreme poverty, ensuring that we make the greatest impact with every pound we spend. In parallel, through the Multilateral Aid Review (MAR), DFID assessed how effective the international organisations we fund are at tackling poverty.

On the 1st March 2011, the key outcomes of the reviews were announced, including the results that UK aid will deliver for the world's poorest people over the next four years. The Bilateral Aid Review has refocused the aid programme in fewer countries so that we can target our support where it will make the biggest difference and where the need is greatest. The Multilateral Aid Review findings enable us to put more money behind effective international organisations which are critical to delivering the UK's development priorities. In addition the independent Humanitarian Emergency Response Review looked at how the UK can build on its strengths in responding impartially to humanitarian needs and help ensure future disaster responses can be better prepared and coordinated.

DFID is committed to being a global leader on transparency. In the current financial climate, we have a particular duty to show that we are achieving value for every pound of UK taxpayers' money that we spend on development. Results, transparency and accountability are our watchwords and guide everything we do. DFID regards transparency as fundamental to improving its accountability to UK citizens and to improving accountability to citizens in the countries in which it works. Transparency will also help us achieve more value for money in the programmes we deliver and will improve the effectiveness of aid in reducing poverty.

The UK Aid Transparency Guarantee commits DFID to making our aid fully transparent to citizens in both the UK and developing countries. As part of this commitment we are publishing Operational Plans for country programmes. The Operational Plans set out the vision, priorities and results that will be delivered in each of our country programmes.

We will concentrate our efforts on supporting achievement of the Millennium Development Goals (MDGs), creating wealth in poor countries, improving their governance and security and tackling climate change. The prize, in doing so, is huge: a better life for millions of people, and a safer, more prosperous world.

1) Context

Kenya has the largest, most diversified and innovative economy in East Africa. Its human capacity, entrepreneurial energy and available capital give it **huge potential** to create jobs and reduce poverty among Kenyans and other East Africans, and set trends for other African countries. It is also **fragile**, with significant risks that this economic potential is not realised if the political stability that nearly collapsed in 2008 cannot be maintained, and **vulnerable** to climate change. Donor help with new approaches to **service delivery and governance** will be needed if millions of poor Kenyans currently excluded from progress are to benefit.

DFID is one of the largest donors in Kenya and a core partner in the Kenya Joint Assistance Strategy (2007-2012)[1], which brings together 13 bilateral and 4 multilateral partners with an increasingly effective division of labour, and a framework for mutual accountability with government. The strategy is aligned behind **Kenya's development priorities** set out in Vision 2030[2], which aspires to promote political and macroeconomic stability, sustained economic growth and social development, underpinned by rapidly expanding infrastructure. The Vision aims for growth rates of 10% to reach upper **middle income status** (currently defined as a Gross National Income (GNI) per capita of $3,945). Kenya's GNI per capita was $760 in 2009. Economic growth in Kenya has been volatile, most notably slumping from 7% in 2007 to under 2% in 2008 following domestic and international shocks. Growth is forecast to rise to 6% in 2011, but higher sustained growth is needed to achieve Vision 2030's aspirations, especially with a high and unsustainable rate of population growth (currently about 2.9%).

Progress towards these goals requires increased investment and significantly improved productivity. An **increase in aid to 2015** could make this achievable more quickly, improving Kenya's off-track performance on the Millennium Development Goals (notably child and maternal mortality) and reducing inequality. **Aid could gradually be replaced by investment** later in the decade, including from public finance such as the CDC Group.

DFID's work is a core part of the overall **UK Government strategy for Kenya**, which includes engagement on a range of development, commercial, security and diplomatic issues. Staff in DFID and the Foreign and Commonwealth Office (FCO) have adopted a joint approach to promoting good governance and stability in Kenya, in particular in the lead up to the 2012 elections, which should lay the foundations for strong inward investment and growth. Recent internal assessments[3,4] highlight the need to tackle underlying causes of conflict through political reforms. Such reforms need to deliver a more inclusive political settlement and promote accountability, without which economic investment and wealth creation will continue to remain vulnerable to insecurity and violence.

Kenya's potentially rapid development is stubbornly constrained by high levels of **corruption and impunity** by political, government and business leaders. Kenya is ranked 154 out of 178 countries on Transparency International's Corruption Perception Index: when using a public service over 37% of Kenyans expect or are asked for a bribe, and over half of these pay the bribe[5]. There have been no convictions of significant figures involved in economic crimes or organised political violence such as that seen in the 2008 post-election crisis. The involvement of the International Criminal Court in investigating post-election violence is domestically controversial. Recent fiduciary risk and public expenditure assessments for Kenya[6] conclude that the current level of *fiduciary risk is significant but improving*. While central Public Financial Management systems compare reasonably with other sub-Saharan African countries (Kenya is in the top half of performers on Public Expenditure and Financial Accountability scores), the level of *corruption is high and stable*. As a result (reinforced by recent fraud in the Ministry of Education), DFID Kenya makes limited use of Government systems to distribute aid. We do not envisage changing this until well after the next Kenyan elections at the earliest.

Kenya is traditionally an important **regional anchor** for peace and stability in a volatile part of Africa: for trade, transport and communications; as a respected political voice in the African Union; and as a hub of innovation. It remains a responsible partner in most aspects of international relations, a driving force in the East African Community, and a potentially strong engine for regional growth and new ideas on development that sometimes spread across the continent.

2) Vision

Overview

DFID Kenya aims to support the **unleashing of Kenya's potential** through the triple tracks of **promoting stability and security** (before and after the 2012 elections); **stimulating growth**, led by the private sector and with a focus on job creation; and **improving service delivery** through supporting greater choice and accountability, and innovative approaches to private provision and reduced vulnerability. We will achieve this over the next 4 years by investing in:

• **wealth creation**: supporting market development, access to finance and regional trade integration – to create 250,000 additional jobs for men and women
• **climate change**: building resilience and supporting low carbon growth – to reduce losses from extreme climate events by 0.5% of Gross Domestic Product
• **governance and security**: supporting police and service delivery reforms and stronger accountability – to deliver peaceful 2012 elections and future security for poor men and women
• **health**: providing bednets, maternal health and family planning services – to avert 30,000 deaths from malaria and 19,000 maternal deaths, and to contribute to a 22% increase in the contraceptive prevalence rate
• **education**: supporting schools in hard-to-reach slums and arid lands, and better teacher management – to enrol 160,000 more girls and 140,000 more boys in schools, and improve the quality of education and school completion rates
• **hunger and vulnerability**: providing cash transfers and investments in the arid lands – to lift 830,000 people out of poverty in Kenya's most marginal areas
• **humanitarian emergency**: providing funds and supporting new policies – to help 150,000 of the most vulnerable conflict and disaster-affected people each year
• **supporting girls**: building the assets, health and education of adolescent girls – to lift at least 10,000 girls out of poverty and stop transfer of poverty between generations. This builds on the gender focus that runs throughout the Kenya programme, targeting our health, education and wealth investments on the same girls.

Although funding will not initially be provided directly through government systems, we aim to work closely with government through joint donor-government Sector Working Groups to ensure alignment with Kenya's priorities, effective allocation of resources, and leverage of private sector investments.

Alignment to DFID and wider UK Government priorities

The above programmes will honour a number of international commitments. On the MDGs, we will prioritise malaria and maternal health, contribute to global education funding commitments, and boost wealth creation (supporting indirectly the UK Government's trade and investment priorities). We will tackle the political fragility which is constraining economic growth (a key objective of our UK Government Strategy for Kenya) and delaying an exit from aid, by supporting political and governance reforms, and improved security and accountability to the Kenyan public. We will contribute to international action to improve the lives of girls and women by targeting our work on wealth, health and education to build direct assets, delay first pregnancy, support secondary school completion, and respond to violence. And we will contribute to climate financing (e.g. UK Fast Start pledge of £1.5bn by 2013) and combating climate change, supporting low carbon growth in Kenya.

What we will stop doing

To better focus staff time and money, we plan to scale down or exit from five areas where we are currently spending money and/or have a watching brief (in discussion with the FCO, Kenyan government and international partners who work in these areas). Part of our **HIV/AIDS** support will be phased out in 2012 (although social marketing of condoms and a secondment to the World Bank (WB) will continue) reflecting the limited value we add to significant US Government and WB investments. Programmes of **Finance and Legal Sector Technical Assistance** and support to **Government Statistics** (only a secondment to WB will remain) will not be renewed. Support to **Land Reform** will not be renewed, given the difficulties of achieving results without disproportionate effort. And support to **Public Financial Management** will be maintained only through our sector-specific engagements, given the many other donors active in this area.

3) Results

Headline results

Pillar/ Strategic Priority	Indicator *(All results are attributed to DFID funded programmes)*	Baseline (including year)	Expected Results (including year)
Wealth Creation	Additional jobs created	0 (new programme) (2010)	250,000 (2015) – 83,000 (33%) will be women [C]
Climate Change*	Number of people better able to cope with the effects of climate change	0 (new programme) (2010)	526,000 (2015) [C]
Governance and Security	Kenyans satisfied with the use of devolved government funds	2,400,000 (2009)	3,100,000 (2015) – 1,550,000 (50%) will be women [S]
Health	Additional number of births delivered with the help of nurses, midwives or doctors	0 (2010)	210,000 (2015) [C]
Education	Number of children supported by DFID in primary education each year	0 (new programme) (2010)	300,000 (2015) - 160,000 (over 50%) will be girls [S]
Poverty, Hunger and Vulnerability	Number of people receiving DFID-funded cash transfers	360,000 (2010) – 61,000 households, two-thirds headed by women	830,000 (2015) – 140,000 households [S]
Humanitarian	Number of malnourished children aged under five treated or benefiting from specific acute malnutrition prevention programmes each year	44,000 (2010 snapshot) – 22,000 girls	35,000 (2015) – 17,500 (50%) will be girls [S]

*DFID climate change programming is subject to the strategy and allocations of the UK's cross-government International Climate Fund (ICF). ICF priorities are to be agreed by summer 2011.

[C] indicates Cumulative result

[S] indicates Snapshot result

3) Results (continued)

Evidence supporting results

Kenya has good sources of socio-economic information and strong evidence for the impact of development policies and programmes. Donors, including DFID, have contributed significantly to this knowledge, which shapes the choice and design of interventions in our Operational Plan. Our approach to using and developing the evidence base for our programmes over the next four years is two-fold. Firstly, there are sectors that we are already involved in and where there is strong evidence of impact for us to scale up our support. In **health**, Kenya has good research data from published studies on lives saved from malaria programmes [7]. **Cash transfers** are a proven instrument for reducing extreme poverty and managing household-level risk and vulnerability[8]. Our current project-level monitoring and evaluation shows recipient households using transfers to increase family food consumption, children's education, assets and trading.There is also good evidence on the links between reduced costs of container transport in East Africa and growth in **regional trade**[9].

For a second set of interventions, we have general evidence on the expected impact of working in a sector, but DFID Kenya is engaging for the first time or changing approach because of what the evidence is telling us. In **education**, for example, we plan to re-focus on private schooling because data shows that most out-of-school children live in slum areas where state schooling is limited[10]. For **climate change**, DFID has co-funded a major study on the economic costs of climate shocks such as floods and droughts[11]. Our work will build evidence over the next two years of what interventions would have most impact on this. To support **adolescent girls**, an action research programme will generate evidence for the best combinations of support to adolescent health, education and economic empowerment that will lift girls out of poverty, building on existing evidence[12]. In the **governance and security** sector, state-building models draw on analysis of cross-country data. The Kenya programme has been informed by analysis of the 2007/8 post-election violence, and accountability work through civil society and parliament, building on similar successful programmes in Kenya and the region[13]. Work on conflict, police reform and corruption is higher risk, but also potentially high reward.

More generally, we are embedding lesson-learning into all of our programmes to continually improve our understanding of how our activities make a difference for poor people. For our **sustainable employment** programme, for example, DFID has good evidence of impact of a similar programme in Kenya[14], but recognises that attributing additional jobs to donor interventions is technically difficult – the programme will involve best practice monitoring and evaluation so that its impact can be better understood. We will also aim to disseminate development lessons learned from Kenya more widely and systematically across the continent and beyond.

Value for Money (VfM) rationale

The DFID Kenya portfolio provides balanced support for promoting stability and security, stimulating growth and improving service delivery. The costs of failure in maintaining **stability and security** have been dramatically shown during the 2008 post-election violence (costing the economy at least $100m in lower exports, higher maize imports and lower tourism earnings[15]). While we believe that aid should gradually be replaced by investment in Kenya, progress now towards middle-income status requires continued aid to make this goal achievable more quickly, and to improve Kenya's off-track MDGs. There is a strong VfM case for aid investment in these three areas over the next few years.

The portfolio of programmes we have selected reflects good VfM based on evidence on cost efficiency and expected impact. In **education**, our shift to supporting private schools is the most cost-effective way to get out-of-school children into the class room, in slum areas with limited state schooling. The cost of private education is also low compared to public provision[16]. Our **health** interventions will be guided by evidence on the widely differing needs across Kenya rather than a one-size fits all approach to all districts[17]. We can expand the number of beneficiaries in our **schemes to protect the most vulnerable** because the overhead costs are low compared to other countries, there are economies of scale, and because cash transfers are averting the need for **emergency responses** such as costly food aid. We plan to increase our investment in wealth creation and trade due to the high potential returns - the overall rate of return for a proposed portfolio of investments in Kenya to reduce costs of trade is 44%[18].

4) Delivery and Resources

Key changes to our operating model will be contracting out more project management (to relieve pressure on administrative staff), exploring more silent partnerships (where we delegate management of funds to other donor agencies), increasing engagement with the private sector for new models of service delivery, and promoting more innovation through the private sector. Kenya programme results will be delivered through the following key partnerships:

Other UK Government Departments: we will continue to work particularly closely with the FCO and others, notably on governance and security (where we have a successful one team approach) and increasingly too on climate change and business development, where different UK Government objectives align.

Government of Kenya: with our recent direct experience of fraud in the Ministry of Education, we will make limited use of Government systems to distribute aid, but we will continue to engage in policy dialogue, improving Public Financial Management systems, planning for delivery of public services, and improving aid effectiveness. We will make careful use of our relationships, our policies and our increasing aid budget to exert maximum pressure for reforms in governance, corruption, public service delivery and political stability. The 2012 elections could be a major watershed for governance in Kenya, and we will review our aid delivery instruments again after that. We will increasingly explore ways of working with the new county governments to be established under the new constitution (eg a new Arid Lands Programme may be delivered through decentralised county governments).

Bilateral donors: we will continue to work through successful joint funding arrangements such as in wealth creation (Denmark, Sweden, Netherlands), climate change (Denmark, France, Japan), health (Germany, Denmark), governance (Canada, Denmark, USA). Many bilateral donors see value in working with DFID given our capacity for analysis and innovation, and we will continue to seek joint working opportunities to leverage funds and improve aid effectiveness.

Multilateral agencies: we will continue successful partnerships with the World Bank (e.g. wealth, cash transfers), the European Union (e.g. wealth creation) and United Nations agencies (e.g. elections, public sector reform, constitutional implementation, humanitarian relief). To mitigate against the risks identified in the published Multilateral Aid Review assessments, we will consider using alternative implementing partners during new programme design. We will undertake careful fiduciary risk assessment of DFID funding of a World Bank Trust Fund for cash transfers that will pass through government systems. Although our humanitarian support will be prioritised in line with the annual UN-led Emergency Humanitarian Response Plan, it will be delivered through a range of partners.

Civil Society Organisations: these will remain key partners for delivery in some sectors (e.g. social marketing of health commodities), as well as agents for change and improving accountability (e.g. governance partnerships on anti-corruption, accountability for services delivery, improving media scrutiny, supporting and monitoring Parliament and MPs, and local and national security and peace-building programmes).

Managing agents: to reduce the administration burden of an increasing budget, we will use more managing agents to deliver our programmes (e.g. for developing markets and jobs, for managing grants to civil society, for health services delivered through non-governmental agencies and contractors working with public facilities and the private sector). We will need to work closely with DFID’s procurement group to speed up procurement which constrains rapid delivery of programmes.

Private sector: increasingly we will work with the private sector to provide a framework and incentives for innovation and private delivery of services (e.g. cash transfers through Equity Bank, exploring cash on delivery mechanisms for providers of low cost private education and an innovation fund for health service delivery, firms and private sector groups for pro-poor market development work). Following the DFID review of the role of the CDC Group, we will look for greater synergies between the DFID programme and the CDC Group’s work in Kenya investing in private sector activities that benefit poor people.

Delivery arrangements for our wealth creation portfolio will include not-for-profit trusts instead of traditional project implementation units, that allow for stronger participation by private sector and government interests in setting strategy (e.g. Financial Sector Deepening Trust, Trade Mark East Africa).

DFID Department for International Development

4) Delivery and Resources (continued)

Pillar/Strategic priority	2010/11		2011/12		2012/13		2013/14		2014/15		TOTAL 2011-2015		
	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Total £'000
Wealth Creation	6,800		10,600	7,000	10,400	7,000	14,600	9,000	14,600	9,000	50,200	32,000	82,200
Climate Change	200		3,600		3,100		0		0		6,700	0	6,700
Governance and Security	7,900		7,800		9,400		11,300		11,300		39,800	0	39,800
Education	16,200	5,000	12,500		15,500		16,000		19,000		63,000	0	63,000
Reproductive, Maternal and Newborn Health	2,100		4,600		12,000		19,600		18,600		54,800	0	54,800
Malaria	12,000		11,800		16,600		15,500		14,500		58,400	0	58,400
HIV/Aids	9,600		9,600		5,300		4,500		4,500		23,900	0	23,900
Other Health	2,500		5,100		3,100		11,000		10,000		29,200	0	29,200
Water and Sanitation											0	0	0
Poverty, Hunger and Vulnerability	16,500		18,200		19,400		40,300		40,300		118,200	0	118,200
Humanitarian	8,800		9,200		8,200		8,200		8,200		33,800	0	33,800
Other MDG's											0	0	0
Global Partnerships											0	0	0
TOTAL	82,600	5,000	93,000	7,000	103,000	7,000	141,000	9,000	141,000	9,000	478,000	32,000	510,000

Note: 2010/11 budget as forecast at the start of the year; final outturn will be less due to termination of funding to GoK education programme

4) Delivery and Resources (continued)

Operating Costs: DFID Kenya

	2010/11	2011/12	2012/13	2013/14	2014/15	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Frontline staff costs - Pay	1,441	1,246	1,496	1,806	1,878	6,426
Frontline staff costs - Non Pay	884	1,096	1,132	1,280	1,332	4,840
Administrative Costs - Pay	210	169	139	121	121	550
Administrative Costs - Non Pay	110	95	72	103	85	355
Total	2,645	2,606	2,839	3,310	3,416	12,171

DFID Kenya is part of a single DFID business unit, DFID Kenya and Somalia, which has a single administrative cost budget, but separate budgets for programme spend and frontline staff costs. For the purposes of the Kenya and Somalia operational plans, we have split the administrative budget into two parts to give some picture of the total costs of running each country programme.

Administrative costs for the DFID Kenya and Somalia office (i.e. our share of the joint BHC corporate services team, and other office-wide costs) have been split between Kenya and Somalia by a ratio of 25:13 for 2010/11 (corresponding to the frontline and pure programme staff split between the Kenya and Somalia programmes), and by a ratio of 31:23 for 2011/12 – 2014/15.

2014/15 figures assume inflation of 4% across all costs over 2013/14.

4) Delivery and Resources (continued)

Efficiency savings

Delivering Programme Efficiencies		
Category	Details	Residual cost in the SR period £'000
Strategic Reprioritisation	Slide 3 refers to several programmes that will be closing (HIV/AIDS, financial sector support, statistics, land reform and public finance management), freeing up money for allocation to new work.	£15,000

<u>Administrative costs savings</u>:DFID Kenya and Somalia has been allocated one administrative cost budget covering all its operations. In our two separate operational plans, we have broken this down into a Kenya component and a Somalia component, based on the total number of staff working on each programme. The administrative budget as a whole as currently calculated will drop from £486k in 2010/11 to £366k in 2014/15 (with a small spike in 2013/14). Due to the Somalia team growing faster than the Kenya team, Somalia's proportional share of this falling total increases, meaning the Kenya savings are partly offset by rises in the Somalia budget in 2011/12, and 2013/14 (when both budgets rise due to a predicted change in staffing profile).

Following a fundamental review of its staffing and structure, DFID Kenya and Somalia merged its corporate services team with the rest of the British High Commission team in April 2011. This consolidation should result in greater efficiency and value for money on corporate services going forward, but it is not possible to quantify possible savings at this stage as business case analysis has not been done, and the charging regime between government departments has only recently been agreed centrally. These changes should, however, result in further administrative savings during the four year period.

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	2011/12		2012/13		2013/14		2014/15	
Administrative Cost Savings Initiative	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000
Reduction in costs as a result of Office Restructuring								
Other Reductions	41	15	30	23	18	-31	18	18
Total	41	15	30	23	18	-31	18	18

5) Delivering Value for Money (VfM)

DFID has attached high importance over the last year to **demonstrating results**, and to **proactively managing VfM** across the Kenya portfolio. We have also begun systematically to **improve logframes** and to use **economic analysis** through the programme reporting cycle. This has resulted in a higher burden of proof that interventions are maximising impact for the money spent, based on a clearer understanding of the unit costs of delivery. Improving **procurement** has also been prioritised in DFID Kenya and Somalia (K&S), by improving staff capacity on procurement, better training, and attention to minimising costs of programme management.

Challenges

Between 2011 and 2015, challenges we will face in driving VfM through our programme include:

1. Developing a systematic **framework for monitoring progress** in improving VfM across all programmes and corporate services
2. Demonstrating **VfM in technically demanding areas**, including governance, employment creation and humanitarian programmes
3. Putting the **new DFID Business Case** into practice – especially undertaking option analysis early on and ensuring design is informed by VfM analysis
4. Attaining appropriate levels of **VfM expertise and awareness** for different roles in DFID K&S – advisory, programme and corporate staff
5. Increasing **implementing partners**' understanding of VfM and ensuring they are able to manage DFID-supported programmes to maximise and report on VfM

Actions

To improve the VfM in DFID Kenya's programme between 2011 and 2015, we will harness Corporate and Divisional financial improvement strategies and tools to ensure we have the correct systems, procedures and practice in place to drive continued improvement in financial management. We will:

1. Develop a joint DFID Kenya and Somalia **VfM strategy** for the four year period (by April 2011)
2. Develop an annual **VfM action plan** and monitor it quarterly (from July 2011)
3. Design and pilot **VfM tools and approaches** across all programmes (approaches to be determined in all pillars by December 2011)
4. Undertake a **VfM study of humanitarian action** (by June 2011) and develop benchmarks for input, output and outcome costs
5. To understand the main cost drivers in our programmes, develop **VfM metrics** for inputs, activities and outputs on all new projects and projects over £5 million during annual reviews (all new projects from January 2011; 90% of portfolio value by annual spend by December 2011)
6. Identify a lead group in DFID K&S on writing Business Cases including **champions on each of the five 'cases**' to provide support to programmes to use the new format (February 2011)
7. Support, through the **new DFID K&S Accountability and Results Team**, inputs to all Business Cases, including Stage 1 activities (identifying the costs and benefits of different options), developing logframes, VfM metrics and M&E systems (all Business Cases from April 2011)
8. Prioritise **time of the Results and Economics advisers** on programmes where attribution and monitoring are technically the most difficult (ongoing)
9. Ensure that all new **logframes are in line with good practice**, and all current logframes are validated annually (90% of portfolio value by annual spend by December 2011)
10. Increase awareness and capacity of DFID's approach to **VfM amongst implementing partners** (partners of 50% of portfolio by value receive specific VfM support and reflected in proposals and reports) (ongoing)
11. Agree VfM responsibilities of all staff when setting performance objectives; identify training needs and prioritise in learning and development plan (May 2011)

6) Monitoring and Evaluation

Monitoring:

How: each of our programmes will be underpinned by a **monitoring framework** that will provide the data to track progress against programme targets, and monitor the Operational Plan and associated Results Frameworks at regular intervals. The data will come from a variety of sources, including from routine information management systems in health and education, specialised surveys such as the Kenya Integrated Household Budget Survey, the Demographic Health Survey and specific project-level information management systems.

Who: the main responsibility for collection of data and monitoring project-level outputs and outcomes will fall to **implementing partners**. Additionally, nationally representative government surveys and systems will provide outcome and impact level data. Lead advisers and programme teams will be responsible for results monitoring of all programmes on a regular basis and for up-dating the results framework.

When: monitoring at the project level by implementing partners will be continuous, but we will agree a **regular reporting cycle with partners** (usually quarterly). We will use annual reviews in line with blue book requirements to assess progress against outputs and how this is contributing to the achievement of outcomes. The office results framework will be reviewed at least every 6 months, and the operational plan reviewed/refreshed annually. We will use quarterly portfolio review meetings to scrutinise progress on delivering results.

What: the monitoring will be used for project management and to assess portfolio performance, value for money and to inform future programming decisions. We will use the results frameworks to report on key results, and feed into DFID Kenya's communication material and DFID corporate reporting.

Evaluation:

At present about a third of our portfolio by value has an **evaluation component** (primarily Social Protection, but also a Financial Sector Deepening programme). Over the four years of this Operational Plan we plan for this percentage to rise. We will do more evaluation to assess the impact of innovative programmes (for example cash transfers to increase school enrolment, retention and learning outcomes), and less evaluation of tried and tested methods that work. We will ensure that lessons from new evaluations are shared with our partners and within DFID, and we will work with partners to build their own capacity for evaluation. Current plans for evaluation (or research) include a new Adolescent Girls' Initiative to identify what combination of support delivers the greatest improvement in girls' lives; Financial Sector Deepening to better understand how financial services are delivered to and used by the poor; and we may consider evaluations of new instruments for service delivery in education and health. We plan to improve our capacity to build the evidence base across our programmes by forming a new joint DFID Kenya and Somalia **Accountability and Results team**, including an A1 evaluation specialist as head, an economist and two results advisers.

Building capacity of partners:

Since 2004 we have supported the Kenya National Bureau of Statistics in improving the National Statistical System (NSS) through a World Bank (WB) statistical capacity building programme. By seconding a statistical adviser to the WB, we will continue to influence the WB and the Kenya National Bureau of Statistics to improve the **quality, timeliness and relevance of the national statistics for poverty reduction**. Among the areas that we seek to improve is the integration of sector statistics (in health, education and social protection) in the national statistical system, and the provision of more up-to-date and detailed data on poverty levels in Kenya (as the last survey was done 5 years ago) – this will help the Government of Kenya track progress towards its goals and help inform DFID Kenya's programming. We will also be seeking to work with government, police, civil society and academia to improve the production of crime and security statistics.

7) Transparency

DFID Kenya will promote transparency, and contribute to DFID's commitments in the UK Aid Transparency Guarantee, in a number of ways:-

1. Publication in English and proactive dissemination of the **Operational Plan** in-country once finalised

2. Publication of **comprehensive project information**, including level of funding, procurement, expenditure, and easy-to-understand project documents and project data on the DFID website.

3. Asking **managing partners** to conform to the same standards of transparency, possibly writing this into new project contracts. Implementing partners will be required to raise awareness of projects they are implementing among targeted beneficiaries using appropriate local languages

4. Influencing **government and non-governmental partners** in-country to aspire to higher standards of transparency in order to enable citizens to scrutinise their activities, and hold them to account

5. Design projects to have **transparency components**, and support Civil Society Organisations to make public official information more widely available in more useable formats that Kenyan citizens can use to demand for greater accountability for resources, and better delivery of services from various government institutions

6. Publicise the **details of new and on-going projects in-country** highlighting exactly what the projects aim to achieve, where they are being implemented, who the partners are and what the stakes are for beneficiaries, their families and communities, etc and encourage feedback

7. Organise **stakeholder meetings** to share new policy directions and programme priorities of the UK government to better fight poverty

8. In-house production of **communication materials** e.g. country fact sheets and sector briefs in English for distribution to interested members of the public, stakeholders, partners, etc

Annex A: Endnotes

List of source material and data mentioned in plan
1. Kenya Joint Assistance Strategy (2007-2012), published by the Aid Effectiveness Group and GoK Treasury, 2007
2. Vision 2030, Ministry of Planning and National Development, Government of Kenya (2007)
3. Kenya Country Governance Assessment update (internal)
4. Joint Conflict and Vulnerability Assessment on Kenya (internal)
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6. DFID Fiduciary Risk Assessment 2008 - see references; Public Kenya Expenditure and Financial Accountability Assessment 2009 www.ec.europa.eu/europeaid/what/**kenya_pefa**_final_report_2008.pdf
7. Malaria morbidity and Mortality estimates modelled from KEMRI DSS in Siaya and Bondo Districts in Nyanza Province. Hamel M.J. *et al*. A Reversal in Reductions in Child Mortality in Western Kenya, 2003-2009, in press). The interventions proposed are the unfunded gaps identified by the MoH June 2010 analysis of interventions and results needed for achievement of the National Malaria Strategy (National Malaria Strategy 2009-2017). Lancet Series on Maternal and Child Undernutrition, 2008
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9. Reductions in transport costs of around 10% have been shown to increase trade volumes by 25% Limão and Venables (1999), Infrastructure, Geographical Disadvantage, and Transport Costs, World Bank Policy Research Working Paper No. 2257 Programme Memorandum for East African Transit Improvement Programme cost benefit analysis of East African border posts (2010) recently approved by Africa Regional Department.
10. Ministry of Education, 2009. Education Statistical Booklet
11. See references. $0.5bn pa or 2% of GDP, possibly rising to 3% of GDP per annum by 2030. Derives from a detailed study of the Economics of Climate Change in Kenya (SEI 2009). Stockholm Environment Institute, Study on the Economics of Climate Change 2009; and Findings of UNEP Adapt Cost 2009
12. State of the evidence set out in Adolescent Girls Initiative 2010, www.worldbank.org/gender/agi
13. Building Peaceful States and Societies, A DFID Practice Paper, Department for International Development, March 2010. http://www.dfid.gov.uk/Documents/publications1/governance/Building-peaceful-states-and-societies.pdf

Annex A: Endnotes (continued)

List of source material and data mentioned in plan
14. Business Services Market Development Programme (BSMDP) programme impact review by Grant, W. 'Programme Completion Review: DFID Kenya's Business Services Market Development Programme (BSMDP)', September 2008; Anderson, G. 'Framework report - Developing services and markets for the rural poor: The experience of the Business Services Market Development Project in Kenya from 2003 to 2008,' April 2008.
15. IMF Country Report No. 09/191 footnote 4, p. 7 and Table 4a p. 20
16. 'The fees may indeed be very low: it may cost parents little more to send their child to a non-government school after taking into account the hidden costs of "free" education such as the stringent requirements for uniform, and non-fee payments to schools.' p.64 *HDRC* Economic Appraisal and Status Report of Kenya Education Sector, August 2010
17. "The risks of malaria infection in Kenya in 2009". Abdisalan M Noor, Peter W Gething, Victor A Alegana, Anand P Patil, Simon I Hay, Eric Muchiri, Elizabeth Juma and Robert W Snow, *BMC Infectious Diseases* 2009, 9:180
18. TradeMark East Africa Cost Benefit Analysis, DFID, Jan and Aug 2010; and East African Transit Improvement Programme cost benefit analysis of East African border posts, 2010 (internal)

Annex B: Results for Women and Girls (continued)

An **Adolescent Girls Initiative (AGI)** will be developed in the Kenya Programme. It will have five objectives for both action (objectives one and two) and research (objectives three, four and five):

- 1.*Primary impact on the girl*: to increase age of first marriage, subsequent age of first birth and reduce pregnancy related deaths; increase safe reproductive health practices; increase years of schooling (literacy, education attainment); increase economic and social assets; and improve safety of adolescent girls.
- 2.*Secondary impact on the girl*: to strengthen the enabling environment for adolescent girls to develop and flourish (at the household, community and national levels).
- 3.*Develop a scalable model*: to develop a successful model for building up girls' assets cost-effectively, in a way that can be scaled up across Kenya.
- 4.*Research/learn*: to develop, test and document learning about a successful and cost effective combination of activities that develops the agency of adolescent girls; and a related delivery and monitoring system.
- 5. *Evidence and leveraging*: to build and package evidence on the value for money of the programme in order to ensure wider support for further expansion of the programme.

Expected impact with the AGI

- Primary impact: direct benefits to 10,000 girls initially.
- Secondary impact: indirect benefits through community building, participation, advocacy and policy development.

Our Approach

A Gender Action Plan (GAP) is reviewed each year which sets out office commitments on key programme indicators and processes, building staff capacity, communicating our gender work, and workplace issues. A committed group of key advisers and programme officers representing each team (the Gender Champions Team), chaired by the Kenya Programme Manager, oversees progress made against the GAP. Programme reporting will provide sex disaggregated data, and qualitative analysis of gender outcomes, and a gender score-card method will routinely screen programmes to assess overall progress. We will seek strategic partnerships to influence programme and policy processes that promote women and girls, including national processes such as Kenya's broader international commitments on gender equality and human rights

Future strategic actions linked to delivery of results on women and girls

- DFID has provided technical support to the Government of Kenya to help prepare for the UN's Committee on the Elimination of Discrimination against Women (CEDAW) and the launch of the African Women's Decade (AWD). This provides a legal and administrative framework of support for the development of women and girls. DFID Kenya will keep a watching brief on this process with a view to taking up further opportunities to advance the interests of women and girls in our programmes.
- Kenyan women will benefit from DFID's regional funding to the Eastern African sub Regional Support Initiative for the Advancement of Women (EASSI), working with women as informal cross-border traders.
- We will work with other donors through Kenya's gender coordination structures to influence policy and leverage further funding and impact through our programmes.
- We will improve communication of the impact that our programmes are having on women and girls, to promote results and success.

Annex C: Current and proposed programme interventions

Wealth Creation:

- A costed extension to PRIME (umbrella programme capturing work on investment climate, regional integration and market development), increasing from £9m to approx. £69m by Aug 2011, including new work on infrastructure to support regional integration. Linked with investment climate work, specifically PPPs.
- New Financial Sector Deepening programme (£20m), design finalised by March 2011.

Climate Change:

- New climate change programme for institutional strengthening, adaptation response, climate technology enterprise development and knowledge/voice (£6.7m in initial 2 years), supported also by CC adaptation designed in the ASALs programme (£9m see ASALs under PHV)

Governance & Security:

- Existing 4 year Drivers of Accountability programme (£19m) will be supplemented by extension of current Public Sector Reform programme (£5m) and new programmes on Security for the Poor (£10m) and Devolution (£4m)

Health:

- Reproductive Health and Family Planning – based on existing social marketing programme (approx £2m pa in first 2 years and £1m thereafter) plus new FP programme focusing on community level delivery through NGO-GoK joint programmes;
- Maternal health - support to IPAS regional programme (£2m) plus new £35m Maternal Health Programme in Western, Nyanza and NE Provinces;
- Malaria – continuing support to free ITNs through ante-natal clinics (£32m); and vector control through existing support to malaria strategy (£5m) plus new support to indoor residual spraying and malaria information systems (£21m);
- HIV/AIDs - existing programme ending in first year (£6.4m) plus on-going support to social marketing of condoms (£13.5m)
- Other health - on-going health financing and systems strengthening support (£5m) plus £20m potential support to HSSF and new innovations fund for private sector delivery of services.

Education:

- All new programming following suspension of sector budget support, funding low-cost schooling through cash transfers (£47m), new models of educational provision in hard-to-reach arid lands (£10m), improved teacher management (£0.5m) and school completion for adolescent girls (£5m)

Poverty, Hunger & Vulnerability:

- Social Protection – existing cash transfer programmes (SP policy, Hunger Safety Net and OVCs) phase 1 ending March 2012 (£39m). Evaluation then design of phase II (£83m) starting in 2011 to follow smoothly on from phase 1.
- Poverty in arid lands – new Arid and Semi-Arid Lands programme under design (£14m)

Humanitarian:

- An annual Humanitarian and DRR Programme of approximately £8.2m, possible developing a multi-year programme, including influencing work on the humanitarian aid architecture, and a Programme Funded DRR adviser to work on this.