European Commission

Evaluation of the European Union's Co-operation with Kenya

Final Report
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Evaluation carried out on behalf of the European Commission

Development and Cooperation EuropeAid

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The opinions expressed in this document represent the authors' points of view which are not necessarily shared by the European Commission or by the authorities of the concerned countries.

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The evaluation was managed by the DEVCO Evaluation Unit.

Table of Contents

List of Tables and Figures

Tables

Figures

Annex 1 Terms of Reference

EUROPEAN COMMISSION

Directorate-General for Development and Cooperation — EuropeAid

Quality and Impact - Evaluation

Evaluation of the European Union's co-operation with Kenya

Country Level Evaluation

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Table for contents

1 MANDATE AND OBJECTIVES

Systematic and timely evaluation of its programmes is a priority of the European Commission (further referred to as 'Commission'). The focus is on the **outcomes and impact** of these programmes against a background of greater concentration of external co-operation and an increasing emphasis on **result-oriented approaches.**

The main objectives of the evaluation are:

- to be accountable and to provide the relevant external co-operation services of the European Union and the wider public with an **overall independent assessment** of the European Union's past and current cooperation relations with **Kenya**;
- to identify **key lessons and recommendations** in order to improve the European Union's current and future strategies, programmes and actions.

2 BACKGROUND

2.1 Country context

Kenya is an Eastern Africa country bordered by Tanzania, Uganda, South Sudan, Ethiopia and Somalia. Kenya has a land area of 580,000 km^2 and a population of approximately 41 million residents.

Since its independence in 1963 Kenya is a democratic republic that has maintained a relative stability despite changes in its political system and crises in neighbouring countries. The 2002 elections have led to a peaceful transition from the Kenya African National Union (KANU), which had ruled the country since independence to the National Rainbow Coalition, the multi-ethnic, united opposition group. Mwai Kibaki took the presidency following a campaign on good governance and fight against corruption. M. Kibaki's re-election in December 2007 led to violent riots. In 2008, a power-sharing agreement was reached and a coalition government set up. A new constitution was adopted in August 2010 after a successful referendum. The implementation of the new constitution began in 2011 but is still today facing several challenges and delays.

Kenya hosts more than 450.000 refugees, mostly coming from Somalia, but also from Sudan, Ethiopia, the Democratic Republic of Congo and Uganda. Tensions at the Somalia border are still acute and threats of terrorist actions have increased.

Regarding its economic situation, Kenya is classified as a Low Income Country. In East and Central Africa, the Kenyan economy is one of the largest by GDP (Nominal GDP 2011: MUSD 36.000). The agriculture sector (about 25% of GDP) is a major employer. The sector contributes more than 50% of the total exports of the country; traditional export goods are tea and coffee, and more recently horticultural products. The service sector (56% of GDP) has been a major economic driver in the last decade, notably through tourism. After two decades of poor performance, the Kenyan economy has experienced several years of uninterrupted and high growth (over 5% p.a.) from 2004 to 2007. After the 2008 political and economic crisis, Kenya is gradually recovering from the impact of multiple domestic and external shocks (increased oil prices, drought and poor harvest, euro zone crisis, domestic instability), but the growth is still modest compared to other East African Community (EAC) partners. The development of international trade, through the deepening of regional integration and international trade agreements, appears as a driver to relaunch growth. In 2012 Kenya's economy is stabilizing but is still vulnerable, notably due to its budget deficit. Since 2008, the Kenyan government follows the country's development programme 'Vision 2030'. Its objective is to help transform Kenya into a "middle-income country providing a high quality life to all its citizens by the year 2030".

Kenya is today a low income developing country with a Human Development Index (HDI) of 0.509 in 2011, which gives the country the rank of 143 out of 187 countries. Half of Kenyans live in absolute poverty. The 2011 MDG Status Report indicates that the progress on the implementation of the MDGs is mixed: the country is on course to achieve universal primary education (thanks to the introduction of the free public primary education) and HIV/AIDS is reducing (as a result of the introduction of free antiretroviral drugs in Government health facilities), hence improving the survival rates of people living with HIV. Nevertheless, other MDGs are still lagging behind.

2.2 Overview of European Union's Cooperation with Kenya

The European Union supports Kenya's economic and social development since 1976. The EU development assistance to Kenya is provided under the Cotonou Agreement, mainly through the European Development Fund (EDF).

a) Cooperation under the 9th EDF Country Strategy Paper (2003-2007)

The EC support under the 9th EDF was focused on three main areas: (1) Agriculture and rural development, (2) Physical infrastructure with a focus on roads and (3) Macro-economic and public sector reforms through budget support.

Initially, the EC financial resources allocated for the 9th EDF amounted to M€ 225. This amount was increased after the mid-term review to M€ 327.

Overview of the distribution of the funds per sector under 9th EDF.

	CSP 9th EDF		Mid Term Review	
	%	*Amount (M€)*	*%*	*Amount (M€)*
A-envelope:				
General budget support	40-50	68-85	52	125-150
Agriculture/rural development	25-30	42-51	14	42
Transport/Roads	20-30	34-51	29	85
Non-focal sectors	5-10	9-17	5	15
Sub-total	100	170	100	290
B-envelope		55		27
Total		225		327

Focal sectors:

Agriculture & Rural Development

The objective stated in the CSP was to support the achievement of the PRSP growth target of 6% p.a. for the Agriculture and livestock sector. The main axes defined were Community Development through enhancement of natural resources and social infrastructure, Local Government Capacity Building and support to export sectors. The Strategy for Revitalizing Agriculture (SRA) has been the main vehicle for the work in this sector.

Roads and Transport

The specific objective for this sector was to reduce transport costs and time for users to access economic and social services. Notable progresses were made on the physical road works and the road sector reform, notably through:

- Northern Corridor Rehabilitation Programme - NCRP I & II
- Programme to upgrade rural roads & rehabilitation works contract
- Support to institutional reforms and to the Kenya Road Board

Besides, implementation of accompanying measures on environmental protection had been considered in the road works.

Macro-economic Support

Under the 9th EDF, the provision of general budget support (M€ 125) was a major part of the EU support to Kenya. The Poverty Reduction Budget Support Programme II (PRBS II) had a strong focus on the policy dialogue around macro-economic reforms. A key area of reform required for the implementation of the PRBS II programme was the reform of the budget process.

Projects and Programmes outside Focal Sectors

Governance and Non State Actors (NSAs): The EC funded the NSA-NET programme (€6M) to assist NSAs' interventions in the area of democratic governance, as well as and strengthen their horizontal learning, networking and in capacity building.

Institutional Capacity Building: The EC supported institutional capacity-building in most sector-related programmes. Three main types of assistance were provided: the NAO support package, Service Support Package II and a facility for *ad hoc* technical assistance (TCF).

Private Sector Development, Tourism and Trade: The Micro-Enterprise Support Programme Trust (MESPT) facilitated credit provision to MSEs. Further support to micro-enterprises concentrated on capacity-building. Concerning tourism, the EU support focused on direct marketing of Kenya as a tourist destination, the national tourism policy and the regulatory framework. Support to the EPA negotiations was provided by the KEPLOTRADE II programme, which was funded by STABEX resources.

Social sectors: The EU supported the formulation of the National Health Strategic Plan for 2005–2010 and funded the District Health Services and Systems Development Programme. In the Education sector, the EU has been involved in the Education SWAP – Kenya Education Sector Support Programme. It funded community projects in this sector to improve the basic infrastructures and a study on teacher staffing norms.

In January 2007 the EU signed a Financing Agreement with the Government of Kenya to implement the Drought Management Initiative (DMI). The project aims at improving the effectiveness and efficiency of drought management systems in Kenya.

The STABEX funds have been used to support non-focal sectors such as trade and tourism.

b) Cooperation under the 10th EDF Country Strategy Paper (2008 – 2013)

The CSP 2008-2013 is aligned with the Kenyan development strategy, articulated in the Vision 2030 programme. The allocation for programmable resources totals M€383 (Envelope A) and M€16.4 for Envelope B. Two focal sectors have been defined: (i) Regional economic integration by means of transport infrastructure and (ii) agriculture and rural development. Macroeconomic support has been brought to deepen economic growth and to support equitable social development, including €32.4M towards the design and implementation of community-based environmental and socio-economic initiatives across Kenya. General and sector budget support are the main aid modalities, supplemented by project support.

Non-focal sectors supported capacity-building in areas such as good governance and non-state actors, economic growth through trade and private sector development.

Sector	Initial NIP		MTR + STABEX Reallocation		ETR proposal		
	Amount (in M€)	as % of NIP	Change (in M€)	MTR Revised Amount (in M€)	Change (in M€)	ETR Revised Amount (in M€)	% of NIP
A envelope	**383**	**100%**	**6.89**	**389.89**	**1.46**	**391.35**	**100%**
Focal area 1: Regional Integration through Transport Infrastructure	126.8	33%	27.8	154.6	24	**178.6**	**45.60%**
Focal area 2: Agriculture and Rural Development	98.8	26%	20.89	119.69	46 +1.46 (Stabex)	**167.15**	**42.70%**
Macroeconomic Support	126.8	33%	-56.8	70	-70	**0**	**0%**
Non-focal areas:							
Private sector development	16.8	4%		16.8		**16.8**	**4.30%**
Governance	9.2	3%	10	19.2	-	**19.2**	**4.90%**
Technical cooperation facility	4.6	1%	5	9.6	-	**9.6**	**2.50%**
B-envelop	**26.75**		**-26.75**	**0**	-	**-**	**-**

A reallocation is proposed under the End-Term Review (ETR) for an amount of M€ 70 from Budget Support to the Focal Sector 1 and 2.

Focal sector 1: Regional economic integration by means of transport infrastructure

The EC supported the implementation of the Government of Kenya's policy reforms in view of improving the management of the country-wide road network and the development of sector support strategies.

Planned results and associated activities cover:

- Institutional capacity building support to the Ministry of Roads and the Transport authorities in the framework of the on-going policy and institutional reform process.
- Improved regional transport integration through the construction of roads
- Improved traffic management in Nairobi through the implementation of the Urban Road Programme
- Improved access and reduced transaction costs in high agricultural potential districts, through the rehabilitation of rural access roads.

Focal sector 2: Agriculture and rural development

The EC supported this sector through support to the ASDS (Agricultural Sector Development Strategy) and to community-based projects through support to government institutions and non-state actors. The Kenya Rural Development Programme, signed in 2011, is the main EU programme in the field of agriculture and rural development (M€ 66.4). A significant achievement at the end of 2011 was the establishment of the National Drought Management Authority (NDMA), following long term EU institutional support. Besides, several projects to support community development have been funded: Support to community-based socio economic projects through Community Development Program 3 and 4; Community Development for Environmental Management.

Planned results and associated activities cover:

- Creating an enabling environment for agricultural development by reviewing the current legal and policy framework,
- Promoting market and product development by adopting a value chain approach,
- Promoting conservation of the environment and natural resources,
- Restructuring and privatising the non-core functions of institutions and ministries involved in rural development,
- Improving access to quality inputs, and affordable credit for producers
- Formulating a food security policy and implementation programmes.

Macroeconomic support :

The original NIP contained a provision of M€126 to support national priorities captured under Kenya Vision 2030 via a General Budget Support Programme. Due to the delays in the implementation of the 9th EDF PRSB II, the amount was reduced to M€70 following the Mid-Term Review (MTR). During the preparation of the End of Term Review (ETR) it was eventually decided to move from a general to a sector budget support approach (under Focal Sector 2) and to further reduce the amount available for the programme. The formulation of a M€44.8 programme entitled Reviving Growth in the Arid and semi arid lands In the Near-term (REGAIN) is currently ongoing.

Other non-focal sectors

Support to Trade and Private Sector Development has an allocation of M€ 16.8, which was channelled partly to assist GoK implement the Kenya Private Sector Development Strategy (M€ 4.7) and partly to promote market access of Kenya goods internally and internationally (Standard and Market Access Programme M€ 12.1)

Good governance and support for non-State actors, under the *Bridging Divides Through Accountable Governance (BDAG)* with an allocation of M€ 9.2. The support covers the following sectors: (i) democratic governance (including anti-corruption measures, access to justice, strengthening the electoral process, local governance and policy and legal reform); (ii) promotion and protection of human rights and fundamental freedoms, gender equity and equality; (iii) public-sector reform; and (iv) and capacity-building, leadership and coordination of state and non-State actors.

The Technical Support Programme (TSP), with an allocation of M€ 4.6 (increased to 9.6 following the MTR), aims to strengthen the capacity of the NAO office, line Ministries, implementing agencies and NSAs to implement EC assistance, notably by supporting technical studies, project formulation, implementation, monitoring and evaluation.

Cross-cutting issues to be addressed though the 10th EDF include: (i) democracy, good governance and human rights; (ii) gender equality and equity; (iii) environmental sustainability; (iv) the fight against HIV/AIDS; and (v) conflict management and peace-building. In every area, adequate support to NSAs should be considered. A percentage of the overall financial envelope for each sector is supposed to ensure integration of cross-cutting issues.

STABEX:

The Commission has used STABEX funds on a number of programmes to support the EDF strategy. STABEX funding was used to support both focal (community development phase 3, rural roads) and non focal sectors (trade, tourism).

c) Other funding sources

EU Facilities: Kenya benefitted from different EU facilities and notably Water Facility; Energy Facility and Food Facility.

Accompanying Measures for Sugar Protocol Countries: Kenya is benefiting from EU support of the **EU Sugar Reforms Protocol**. The current programme supports 2 institutions: (a) The Kenya Sugar Board (KSB) and (b) the Kenya Sugar Research Foundation (KESREF).

Thematic budget lines: Kenya has benefitted from several budget lines: (a) support to CSOs-NSAs *(European Instrument for Democracy and Human Rights (M€ 1.5 in 2011/12); NSA budget line (M€ 10 in 2011/2012); LA-NSA)*; (b) the Programme on the Environment and Tropical Forests in Developing Countries; and (c) aid poverty-related diseases (HIV/AIDS, tuberculosis and malaria) in developing countries. Complementarity and coordination are ensured between the EDF support and the budget line projects.

EU initiative "Supporting Horn of Africa Resilience (SHARE): In 2012, a new support was decided to address food security in Kenya. M€40 million will be dedicated to nutrition, water supply and livelihood support.

Regional and intra-ACP cooperation: Kenya has benefited under several sectors (i) economic integration (Regional Integration Support Programme); (ii) infrastructure (funding of NCRP II); and management of natural resources (Regional Programme for Sustainable Management of the Coastal Zones and the Lake Victoria Fisheries Management Plan (LVFMP)). Kenya also benefited from a regional 20 million euro programme "Vaccines for the control of neglected animal diseases in Africa" (through AU-IBAR).

d) Other interventions *(out of scope – context information only)*

The interventions funded by ECHO (European Commission Humanitarian Office) and EIB (European Investment Bank) are not part of the evaluation scope. Only the coherence and complementarity between these interventions and the strategies evaluated must be examined.

ECHO : The Commission is one of the biggest donors to assist the refugees in Kenya. The Commission has provided substantial funding over a number of years for the three Dadaab refugee camps. The funds have mainly supported food aid, the building of latrines, the rehabilitation of out-of-date water supply systems, primary health care activities, as well as a large expansion programme to accommodate the continuing influx of refugees from Somalia. Kenya also benefits from a share of a regional drought fund, a cross-border programme which includes Ethiopia, Uganda and Somalia and which focuses on supporting vulnerable local communities affected by the impact of recurrent drought cycles.

European Investment Bank loans: The EIB mainly supports Kenya in Energy, Transport and Private Sector Development.

e) Donors' coordination

A structured donor group and a Joint Assistance Strategy have been set up, of which the European Commission is fully part, which notably deals with the Division of Labour.

3 SCOPE

3.1 Temporal and legal scope

The scope of the evaluation covers the European Union's co-operation strategies and their implementation during the period **2003-2012**.

The Evaluators must assess:

– the relevance and coherence[1] of the European Union's co-operation strategies (all instruments included) for the period (at the strategic level);

– the consistency between programming and implementation for the same period;

– the implementation of the European Union's co-operation, focusing on impact, sustainability, effectiveness and efficiency for the period 2003-2012;

– the value added[2] of the European Union's interventions (at both the strategic and implementation levels);

– the 3Cs: coordination and complementarity of the European Union's interventions with other donors' interventions (focusing on EU Member States); and coherence[3] between the European Union 's interventions in the field of development cooperation and other European Union policies that are likely to affect the partner country;

– whether cross-cutting and key issues were actually taken into account in the programming documents and the extent to which they have been reflected in the implementation modalities; and what are the results of the interventions (both at a strategic and implementation level);

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[1] This definition of coherence corresponds to the evaluation criterion (see annex 6).

[2] See annex 5.

[3] This definition of coherence refers to its definition under the 3Cs (see annex 6).

– whether the recommendations of the previous country level evaluation, 'Evaluation of the Commission's support to Kenya[4]' finalised early 2006, have been taken into account. The Consultants must check if previous recommendations were useful and to what extent they have been taken into account in the current programming cycle. If not, it should be analysed why this has not happened.

3.2 Thematic scope

The Evaluators must assess the following key areas of co-operation :

- Macroeconomic support (including General Budget Support and PFM related cooperation);
- Infrastructure & Transport;
- Agriculture and Rural Development;

In addition a special attention will be given to the following Cross Cutting Issues :

- Good Governance and Non state actors;

In the inception phase, during discussions with the Reference Group, it may be decided to assess additional sectors or to concentrate on a more limited number of areas.

The interventions funded by ECHO (European Commission Humanitarian Office) and EIB (European Investment Bank) are not part of the evaluation scope. However, coherence and complementarity between these interventions and the strategies evaluated must be examined.

The Evaluators must evaluate budget support operation Poverty Reduction Support Programme/PRBS. They will be guided by the Methodology for the evaluation of budget support operations. Only the Step One of the Methodology is to be conducted with a limited scope (EU funding only, limited number of key issue(s)). The Step One covers the assessment of the inputs, direct outputs and induced outputs of budget support including the analysis of the causal relations between these three levels.

More details can be found on the Commission website:

http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/reports/2008/1258_isspap_en.pdf

4 METHODOLOGY AND APPROACH

The overall methodological guidance to be used is available on the web page of the DG DEVCO Evaluation Unit under the following address:

http://ec.europa.eu/europeaid/how/evaluation/introduction/introduction_en.htm

The basic approach to the assignment consists of three ***main phases***, which encompasses several **methodological stages**. ***Deliverables*** in the form of reports[5] and slide presentations should be submitted at the end of the corresponding phases.

The table below summaries these links:

[4] http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/reports/2006/dev_ken_vol1_en.pdf

[5] For each Report a draft version is to be presented. For all reports, the Framework contractor may either accept or reject through a *response sheet* the comments provided by the Evaluation manager. In the case of rejection the contractor must justify (in writing) the reasons for rejection. When the comment is accepted, a reference to the text in the report (where the relevant change has been made) has to be included in the response sheet.

Phases of the evaluation:	*Methodological Stages:*	*Deliverables*
1. Desk Phase	• Structuring of the evaluation	➢ *Slide Presentation* ➢ ***Inception report***
	• Data Collection • Analysis	➢ ***Desk Report***
2. Field Phase (Mission in the country)	• Data Collection, • Verification of hypotheses	➢ *Slide Presentation*
3. Synthesis phase	• Analysis • Judgements	➢ ***Draft final report*** ➢ *Slides Presentation + minutes (Country seminar)* ➢ ***Final report***

All Reports will be written in English. The reports must be written in Arial or Times New Roman minimum 11 and 12 respectively, single spacing. Inception and Desk reports will be delivered only electronically. The Draft Final and the Final report will also be delivered in hard copies (see annex 2). The electronic versions of reports need to be delivered in both editable and not editable format.

4.1 The desk phase

The desk phase comprises two components: the Structuring stage which leads to the delivery of the ***Inception report*** and a second stage which ends with the production of the ***Desk report***.

The assignment will start with the Team leader's mission to Brussels for a briefing session.

a) Presentation of the Intervention Logic and Evaluation Questions

The Framework contractor shall then prepare a slide ***Presentation*** which includes logical diagram(s), the evaluation questions and when possible judgement criteria.

The main work consists in:

- ➢ Identify and prioritize the co-operation objectives as observed in relevant documents regarding the European Union's co-operation with Kenya and translate these specific objectives into intended results.
- ➢ Reconstruct the intervention logic of the EU in the framework of its co-operation with Kenya. The reconstructed logic of the EU intervention will be shaped into one or more logical diagrams (objective/impact diagrams).
- ➢ Define the Evaluation Questions that will be discussed with the Reference Group. The logical diagram(s) will help to identify the main evaluation questions which are presented with explanatory comments.

The choice of the questions is essential and will determine the subsequent phases of the evaluation. The evaluation questions should be limited in number (up to a maximum of ten), covering seven evaluation criteria: *relevance, effectiveness, efficiency, impact, sustainability* (5 DAC criteria), plus *coherence* and the *European Union's value added*. Besides evaluation criteria, the evaluation questions will also address: cross-cutting issues and the 3Cs. More information on the main principles for drafting evaluation questions, on the evaluation criteria and key issues can be found in the ANNEXES 5, 6 and 7.

An Inception meeting will be held with the Reference Group in Brussels to discuss the *slide* ***Presentation***

and to validate:

– the intervention logic according to official documents (and using logical diagrams);

– the evaluation questions and when possible, judgement criteria.

b) Inception report

At the end of the structuring phase and taking into account the outcome of the Inception meeting, the Framework contractor must deliver an **Inception report** which should contains the following elements:

- the national background/context (political, economic, social, etc.) and the cooperation context between the European Union and the partner country;
- a concise description of the European Union's development co-operation rationale with Kenya;
- the intervention logic **(both faithful and logically reconstructed)** of the European Union's cooperation;
- the validated evaluation questions (upon validation by the Evaluation unit, the evaluation questions become contractually binding); a limited number of appropriate judgment criteria per evaluation and a limited number of quantitative and/or qualitative indicators related to each judgment criterion;
- an exhaustive list of spending and non-spending activities carried out by the EU during the period to be finalised in the desk report.
- a proposal outlining suitable methods of collection and analysis of data and information, indicating any limitations;
- a detailed work plan for the next phases.

If necessary, the report will also suggest modifications to contractual provisions inter alia for the following points:

- the final composition of the evaluation team; and
- the final work plan and schedule.

c) Desk report

Upon approval of the Inception report, the Framework contractor will proceed to the last stage of the desk phase and will present a desk report which includes at least the following elements:

- the agreed evaluation questions with judgement criteria and their corresponding quantitative and qualitative indicators;
- first analysis and first elements of answer to each evaluation question and the assumptions to be tested in the field phase;
- progress in the gathering of data. The complementary data required for analysis and for data collection during the field mission must be identified;

- the comprehensive list of EU activities finalised and a list of activities examined during the desk phase, bearing in mind that activities analysed in the desk phase must be representative[6];
- methodological design, including the evaluation tools to be applied in the field phase, and appropriate methods to analyse the information, indicating any limitations;
- a work plan for the field phase: a list with brief descriptions of activities for in-depth analysis in the field. The Evaluators must explain their representativeness and the value added of the planned visits.

The Framework contractor will present to and discuss the Desk report with the Reference group in a meeting in Brussels. The report will be finalised on the basis of the comments received.

Unless authorised by the Contracting authority, the field mission cannot start before the Evaluation Manager has approved the Desk report.

4.2 Field Phase (country mission)

The fieldwork shall be undertaken on the basis set out in the desk report. The work plan and schedule of the mission will be agreed in advance with the relevant Delegation (in principle, at least three weeks before the mission starts). If in the course of the fieldwork it appears necessary to substantially deviate from the agreed approach and/or schedule, the Framework contractor must ask the approval of the Evaluation Unit before any changes can be applied. At the conclusion of the field mission the Framework contractor will present the preliminary findings of the evaluation:

(1) to the Delegation, during a de-briefing meeting; and

(2) to the Reference Group in Brussels with the support of ***a slide presentation*** shortly after the return from the field. The comments by the Reference group will be taken into account in the next phase.

4.3 Synthesis phase

4.3.1 The Draft Final Report

The Framework contractor will submit a *first version of the Draft Final report* in conformity with the structure set out in annex 2. The Evaluation Manager will send an initial set of comments to be considered by the contractor to produce a revised ***Draft Final*** report to be discussed with the Reference Group in Brussels.

Along with this updated version of the Draft final report, the Framework contractor should produce a ***slide presentation*** synthesising the main results of the report. Following the meeting with the reference Group the Framework contractor will make appropriate amendments to the Draft Final report based on the comments sent by the Evaluation Manager.

4.3.2 The in-country seminar

The accepted Draft final report will be presented at a seminar in Nairobi, Kenya, using a slide presentation. The purpose of the seminar is to present the results, the conclusions and the preliminary recommendations of the evaluation to the National Authorities, the Delegation and to all the main stakeholders (EU Member States, representatives of civil society organisations, other donors etc.).

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[6] The representativeness must address the different dimensions (percentage of funds, sample size and choice – diversity, illustration of the chosen interventions …).

The slide presentation is considered as a product of the evaluation. For the seminar, 60 hard copies of the report (see annex 2 of the ToR) have to be produced and delivered to the EU Delegation (the exact number of reports and delivery date will be specified by the Evaluation manager). For the purpose of the offer, 60 copies will be quoted. The electronic version of the report (inclusive the annexes) will be provided to the Evaluation manager.

Framework contractor shall submit ***minutes*** of the seminar; these minutes will become an annex of the Final report. The seminar logistic aspects (room rental, catering etc.) may be contracted later, as part or not of the Specific contract for the present evaluation.

4.3.3 The Final Report

The Framework contractor will prepare the ***Final report*** taking into account the comments expressed at the seminar and on the basis of further comments from the Reference Group. The *slide presentation* will be up-dated to reflect the final report and annexed to it.

The Final report must be approved by the Evaluation manager before it is printed.

50 hard copies of the ***Final Main Report*** (without annexes) as well as 10 Final reports (with annexes) must be sent to the Evaluation Unit. An electronic support (CD-Rom/USB Stick) should be added to each printed Final report (PDF format).

5 RESPONSIBILITY FOR THE MANAGEMENT AND THE MONITORING OF THE EVALUATION

The Evaluation Unit is responsible for the management of the evaluation.

The Reference Group will assist the DEVCO Evaluation unit in the management of the evaluation.

Information on the documents referred in annex 1 will be given to the Framework contractor after the signature of the contract.

In the Quality evaluation grid (see annexe 3.) the Evaluation Unit will make a formal judgement on the quality of the evaluation. It will be submitted to the Contractor for comments to be provided within period indicated in accompanying cover letter/instruction but of not less than 7 calendar days.

6 THE EVALUATION TEAM

The evaluation team as such is expected to possess expertise in:

- **evaluation methods and techniques in general** and, if possible, of evaluation in the field of development cooperation. It is highly desirable that at least the team leader is fully familiar with the Commission's methodological approach *(cf. Evaluation Unit's website: http://ec.europa.eu/europeaid/how/evaluation/introduction/introduction_en.htm).*
- **the region of Eastern Africa.** Previous relevant expertise in Kenya will be an advantage.
- the following fields:
  - **Macroeconomic support** (including General Budget Support and PFM related cooperation);
  - **Infrastructure & Transport**;
  - **Agriculture and Rural Development**;
  - **Good Governance**;
- Full working knowledge of **English** and excellent report writing skills.

Expertise in Environment, Trade, Private Sector Development, Capacity Development issues will be considered as an additional advantage.

It is expected that the team leader, identified by the Framework contractor, will be an expert of category Senior.

The team is expected to comprise about 6 experts. A need for more experts must be clearly explained and justified in the Technical offer.

The team coordination will be described.

Evaluators must be independent from the programmes/projects evaluated. Should a conflict of interest be identified in the course of the evaluation, it should be immediately reported to the Evaluation manager for further analysis and appropriate measures.

The team will have excellent writing and editing skills. If the team proves unable to meet the level of quality required for drafting the report, the consulting firm will provide, at no additional cost to the Commission, an immediate technical support to the team to meet the required standards.

7 TIMING

The project implementation is expected to start mid November 2012. The expected duration is of 12 months. As part of the Methodology, the Framework contractor must fill-in the Timetable in the Annex 4.

8 OFFER FOR THE EVALUATION

The offer will be itemised to allow the verification of the fees unit prices compliance with the Framework contract terms as well as, for the reimbursables, whether the prices quoted correspond to the market prices.

ANNEXES

ANNEX 1: INDICATIVE DOCUMENTATION TO BE CONSULTED FOR THE PURPOSE OF THE EVALUATION BY THE SELECTED FRAMEWORK CONTRACTOR

General documentation

- Communications of the European Union; and
- Various regulations

Country

- CRIS[7] (information on the projects and ROM[8]) and other databases concerning the financed projects, engagements, payments, etc.;
- Cooperation strategies;
- Conclusions of the Mid-term and End-of-Term Reviews;
- Key government planning and policy documents;
- 'Evaluation of the Commission's support to Kenya[9]' finalised early 2006
- Projects evaluation reports; and
- Relevant documentation provided by the local authorities and other local partners, financial backers, etc.

The following will to be provided to the selected contractor:

- Access to the information contained in the ROM system for an evaluation;
- Template for Cover page; and
- An example of an Executive summary.

In addition, the Evaluators will have to consult the documentation available on the internet (DAC/OECD and EU Inventory, if necessary) as well as the documentation listed above.

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[7] Common RELEX Information System

[8] Results Oriented Monitoring

[9] http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/reports/2006/dev_ken_vol1_en.pdf

ANNEX 2: OVERALL STRUCTURE OF THE FINAL REPORT

The overall layout of the report is:

- **Final report**

– Executive summary (1);

– Context of the evaluation;

– Evaluation questions and their answers;

– Conclusions (2); and

– Recommendations (3).

– Length: the final main report may not exceed 70 pages and 40.000 words (using the same layout as the executive summary) including the cover page, the table of content, the lists of annexes and abbreviations but excluding annexes. Each annex must be referenced in the main text. Additional information regarding the context, the activities and the comprehensive aspects of the methodology, including the analysis, must be put in the annexes.

<u>(1) Executive summary</u>

The executive summary of evaluation report may not exceed 5 pages (3.000 words). It should be structured as follows:

a) 1 paragraph explaining the objectives and the challenges of the evaluation;

b) 1 paragraph explaining the context in which the evaluation takes place;

c) 1 paragraph referring to the methodology followed, spelling out the main tools used (data on number of projects visited, number of interviews completed, number of questionnaires sent, number of focus groups conducted, etc.) ;

d) The general conclusions related to sectorial and transversal issues on one hand, and the overarching conclusion(s) (for example on poverty reduction) on the other hand;

e) 3 to 5 main conclusions should be listed and classified in order of importance; and

f) 3 to 5 main recommendations should be listed according to their importance and priority. The recommendations have to be linked to the main conclusions.

Points a) to c) should take 1 to 2 pages.

Points d) to f) should not take more than 3 pages.

<u>(2) Conclusions</u>

– The conclusions have to be assembled by homogeneous "clusters" (groups). It is not required to set out the conclusions according to the evaluation criteria;

– The general conclusions related to sectorial and transversal issues and the overarching conclusion(s) (for example on poverty reduction);

– The chapter on "Conclusions" must also make it possible to identify lessons learnt, both positive and negative.

<u>(3) Recommendations</u>

– Recommendations must be substantiated by the conclusions ;

– Recommendations have to be grouped in clusters (groups) and presented in order of importance and priority within these clusters;

– Recommendations have to be realistic and operational.
– The possible conditions of implementation (who? when? how?) have to be specified and key steps/action points should be detailed when possible.

- **Annexes (non exhaustive)**

– National background;
– Methodological approach;
– Information matrix;
– Monograph, case studies;
– List of institutions and persons met;
– List of documents consulted; and
– People interviewed;
– Slide presentations in the country seminar and the seminar minutes.

NOTE ON THE EDITING OF REPORTS

The Final report must:

- be consistent, concise and clear;
- be well balanced between argumentation, tables and graphs;
- be free of linguistic errors;
- include a table of contents indicating the page number of all the chapters listed therein, a list of annexes (whose page numbering shall continue from that in the report) and a complete list in alphabetical order of any abbreviations in the text; and
- contain a summary (in several linguistic versions when required).
- be typed in single spacing and printed double sided, in DIN-A-4 format;

– The presentation must be well spaced (the use of graphs, tables and small paragraphs is strongly recommended). The graphs must be clear (shades of grey produce better contrasts on a black and white printout);
– Reports must be glued or stapled; plastic spirals are not acceptable due to storage problems.

Please note that the Framework contractor are responsible for the quality of translations and their conformity with the original text.

ANNEX 3 - QUALITY ASSESSMENT GRID

Concerning these criteria, the evaluation report is:	**Unacceptable**	**Poor**	**Good**	**Very good**	**Excellent**
1. Meeting needs: Does the evaluation adequately address the information needs of the commissioning body and fit the terms of reference?					
2. Relevant scope: Is the rationale of the policy examined and its set of outputs, results and outcomes/impacts examined fully, including both intended and unexpected policy interactions and consequences?					
3. Defensible design: Is the evaluation design appropriate and adequate to ensure that the full set of findings, along with methodological limitations, is made accessible for answering the main evaluation questions?					
4. Reliable data: To what extent are the primary and secondary data selected adequate? Are they sufficiently reliable for their intended use?					
5. Sound data analysis: Is quantitative information appropriately and systematically analysed according to the state of the art so that evaluation questions are answered in a valid way?					
6. Credible findings: Do findings follow logically from, and are they justified by, the data analysis and interpretations based on carefully described assumptions and rationale?					
7. Validity of the conclusions: Does the report provide clear conclusions? Are conclusions based on credible results?					
8. Usefulness of the recommendations: Are recommendations fair, unbiased by personnel or shareholders' views, and sufficiently detailed to be operationally applicable?					
9. Clearly reported: Does the report clearly describe the policy being evaluated, including its context and purpose, together with the procedures and findings of the evaluation, so that information provided can easily be understood?					
Taking into account the contextual constraints on the evaluation, the overall quality rating of the report is considered.					

ANNEX 4 – TIMING TO BE FILLED-IN

To be filled by the contractors and submitted as part of its methodology

Evaluation Phases and Stages	*Notes and Reports*	*Dates*	*Meetings/Communications*
Desk Phase			
Structuring Stage			Kick-off Meeting
	Short presentation (intervention logic, EQs and 1st set of JC)		RG Meeting
	Draft Inception Report		
	Final Inception Report		
Desk Study	Draft Desk Report		RG Meeting
	Final Desk Report		
Field Phase			De-briefing meeting with the Delegation.
	Presentation		RG Meeting
Synthesis phase (seminar in the country)			
	1st draft Final report		RG Meeting
	Final draft Final report		
	Presentation + Minutes		Seminar in Kenya
	Final Report		

ANNEX 5: EVALUATION CRITERIA AND KEY ISSUES

(1) Definitions (or links leading to the definitions) of the **five OECD-DAC evaluation criteria** (sometimes adapted to the specific context of the European Union) can be found in the glossary page of the Evaluation Unit's website, at the following address:

http://ec.europa.eu/europeaid/evaluation/methodology/glossary/glo_en.htm

(2) As regards **coherence** (considered as a specific European Union's evaluation criterion) and the **3Cs**, their meaning and definition can be found in Annex 6.

(3) **Value added of the European Union's interventions**: The criterion is closely related to the principle of subsidiarity and relates to the fact that an activity/operation financed/implemented through the Commission should generate a particular benefit.

There are practical elements that illustrate possible aspects of the criterion:

1) The European Union has a particular capacity, for example experience in regional integration, above that of EU Member States;

2) The European Union has a particular mandate within the framework of the '3Cs' and can draw Member States to a greater joint effort; and

3) The European Union's cooperation is guided by a common political agenda embracing all EU Member States.

ANNEX 6: NOTE ON THE CRITERION OF COHERENCE AND ON THE 3CS

Practice has shown that the use of the word "COHERENCE" brings a lot of questions from both Evaluators and Evaluation Managers. This situation arises from the use of the same word "COHERENCE" in two different contexts.

Indeed, coherence is one of the two evaluation criteria that the European Union is using in addition to the 5 criteria from DAC/OECD but coherence is also a specific concept in the development policy, as defined in the Maastricht Treaty. The definitions of the same word in the two different contexts do not overlap and can lead to misinterpretation. To solve this problem the following decision has been taken.

Decision:

The definitions of relevance and coherence from European Union's budget glossary must be used for the evaluation criteria[10]:

- **Relevance**: the extent to which an intervention's objectives are pertinent to needs, problems and issues to be addressed;
- **Coherence**: the extent to which the intervention logic is not contradictory/the intervention does not contradict other intervention with similar objectives, in particular within the European Union's external assistance policies; and
- **The notion of complementarity as evaluation criteria has to be deleted**.

The definition of the 3Cs has to be given with reference to the Maastricht Treaty modified by the Amsterdam Treaty (articles 177 up to 181).

- **Coordination** (article 180):
  1. The Community and the Member States will coordinate their policies on development cooperation and will consult each other on their aid programmes including in international organisations and during international conferences. They may undertake joint action. Member States will contribute if necessary to the implementation of Community aid programmes.
  2. The European Union may take any useful initiative to promote the coordination referred to in paragraph 1.
- **Complementarity** (article 177):

The Community policy in the sphere of development cooperation, which is complementary to those pursued by Member States, shall foster: (……)[11]

- **Coherence** (article 178):

The Community shall take into account of the objectives referred to in article 177 (Community policy in the sphere of development cooperation) in the policies that it implements which are likely to affect developing countries.

The 3Cs have to be dealt with as key issues for the Community policy in development cooperation and have never been seen as evaluation criteria.

[10] According to the DAC Glossary the **relevance** is the extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies. The terms 'relevance and coherence' as European Union's evaluation criteria cover the DAC definition of 'relevance'.

[11] The Lisbon Treaty foresees reciprocal relations between the Community and the Member States and not anymore univocal direction Member States towards the Commission.

ANNEX 7: PRINCIPLES REGARDING THE DRAFTING OF EVALUATION QUESTIONS

Main principles to follow when asking evaluations questions (EQ)

(1) Limit the total number of EQ to 10 for each evaluation.

(2) In each evaluation, more than half of EQ should cover specific actions and look at the chain of results.

- Avoid too many questions on areas such as cross cutting issues, 3Cs and other key issues, which should be covered as far as possible in a transversal way, introducing for example specific judgement criteria in some EQs.

(3) Within the chain of results, the EQs should focus at the levels of results (outcomes) and specific impacts.

- Avoid EQs limited to outputs or aiming at global impact levels; and
- In the answer to EQs, the analysis should cover the chain of results preceding the level chosen (outcomes or specific impacts).

(4) EQ should be focused and addressing only one level in the chain of results.

- Avoid vague questions where follow-up questions are needed (*questions à tiroirs*); and
- Avoid questions dealing with various levels of results.

(for example looking at outcomes and specific impacts in the same EQ).

(5) The 7 evaluation criteria should not be present in the wordings of the EQ.

(6) General concepts such as sustainable development, governance, reinforcement, etc. should be avoided.

(7) Each key word of the question must be addressed in the answer.

- Check if all words are useful;
- Check that the answer cannot be yes or no; and
- Check that the questions include a word calling for a judgement.

(8) EQ must be accompanied by a limited number of judgement criteria; some of them dealing with cross cutting and some key issues (see point 2 above)

(9) A short explanatory comment should specify the meaning and the scope of the question.

Annex 2 List of people interviewed

Name	Position and Organisation	Date of interview / meeting
	EU Delegation and Headquarters	
EUD staff	EUD, Head of Sector (HoS) and Programme Managers	14/01/2013 02/09/2013 12/09/2013
Lodewijk Briët	Ambassador, Head of Delegation EUD	17/01/2013 13/09/2013
Uwe Wissenbach	Political Counsellor, EUD	13/09/2013
Clemens Beckers	DEVCO Kenya Desk Officer	25/01/2013
Julien Bouzon	Head of the Governance Section EUD	16/01/2013 11/09/2013
Erik Habers	Head op Development Cooperation, EUD	06/09/2013
Dorian Kivumbi	Head of Infrastructure section, EUD	15/01/2013 11/09/2013
Barbara Alot	M&E officer EUD	14/01/2013
Giulia Pietrangeli,	Programme officer PFM and Budget Support.	02/09/2013 04/05/2013
Dominique Davoux	Head of the Agriculture/ Rural development section EUD	17/01/2013 03/09/2013
Hjordis d'Agostino Ogendo	Head of the Social Affairs and Environment Section EUD	17/01/2013 04/09/2013
Bernard Rey	Former Head of Operations EUD Nairobi, 2009-2012	25/01/2013
Pascal Ledroit	Programme Manager-Rural Development Sector, EUD	03/09/2013
David Mwangi Njuru	Rural Development Officer, EUD	03/09/2013
Titus Katembu	Programme Manager, Social Affairs and Environment Section, EUD	04/09/2013
Thomas Yatich	Programme Manager, Social Affairs and Environment Section, EUD	04/09/2013 11/09/2013
Heike Schneider	EEAS Kenya Desk Officer	25/01/2013
Peter Sturesson	Former Head of the Agriculture/ Rural development section EUD 2007-2011	13/05/2013
Johan Cauwenberg	Former Head of Operations EUD Nairobi, 2005-2007	16/05/2013
Sanne Willems	Programme Manager, Infrastructure Section, EUD	01/09/2013 06/09/2013
Juliet Chelimo	Assistant Programme manager, Infrastructure Section, EUD	01/09/2013 06/09/2013
Kizito Ojaamong	Assistant Programme manager, Infrastructure Section, EUD	01/09/2013 06/09/2013

Name	**Position and Organisation**	**Date of interview / meeting**
		11/09/2013
Sotirios Bazikamwe	Programme manager, Good Governance and Human Rights	03/09/2012
Aloyisus Lorkeers	Former Desk Officer – RELEX 2007-2009	16/05/2013
ZissimosVergos	Former HoS Transport	17/06/2013
Ibrahim Laafia	Former HoS Governance & Macro	08/06/2013
Guy Jenkinson	Former HoS Governance & Macro	08/06/2013
Andrew Gitonga	Former Desk Officer, Infrastructure Section, EUD	02/09/2013 11/09/2013
Government of Kenya		
Joseph K. Kinyua	Permanent Secretary of the Treasury, NAO	15/01/2013
Jackson N. Kinyanjui	Director of External Resources, Ministry of Finance	15/01/2013 02/09/2013
David Komen	NAO, EU desk officer	15/01/2013 02/09/2013 13/09/2013
Andrew Akeye	TA to the NAO	15/01/2013 02/09/2013 13/09/2013
Monica Asuna	Head Aid Effectiveness Secretariat, Ministry of Finance	05/09/2013
Kenneth Karani,	Head a.i, PFM Reform Secretariat	05/09/2013 13/09/2013
Argwings Owiti,	PFM Reform Secretariat, Communication specialist	05/09/2013
Geoffrey Belt	PFM Reform Secretariat, Head Administration and ICT	05/09/2013
Magdaline Koech,	PFM Reform Secretariat, Procurement section	05/09/2013
Jeremiah Kagwe	PFM Reform Secretariat	05/09/2013
Wakesho Mwambingu	PFM Reform Secretariat	05/09/2013
Jerome Ochieng,	Acting head of the IFMIS Department of Treasury.	10/09/2013
Dickson Kamau	Staff member of IFMIS Department of Treasury	10/09/2013
Joseph Mukui	Director of Rural Planning, Ministry of Devolution & Planning (Chair, CDTF Board)	04/09/2013
Samson M. Machuka,	Director of Monitoring and Evaluation Directorate of Ministry of Devolution and Planning	12/09/2013
David W. Kiboi	Chief economist and Manager SIDA support project, M&E Directorate of Ministry of Devolution and Planning	12/09/2013

Name	Position and Organisation	Date of interview / meeting
Hezbourn Mackobongo	Deputy Chief Economist, M&E Directorate of Ministry of Devolution and Planning	12/09/2013
Jared M. Ichwara,	Principal economist, M&E Directorate of Ministry of Devolution and Planning	12/09/2013
Samuel Gitau	Former GoK Liaison and Communication Officer NSA-Net, former MoJNCCA	04/09/2013
Titus Nderitu	Imprest Administrator, NSA-Net, former MoJNCCA, and BDAG	04/09/2013
P.C. Kilimo	Deputy Permanent Secretary of Ministry of Transport and Infrastructure	05/09/2013
Francis Gitau	Senior Principal Superintending Engineer, Mini	05/09/2013
Mr. Osano	District Development Officer (DDO), Rongai District, Nakuru County	09/09/2013
Development Partners		
Ole Thonke	Co-Chair of the Development Partnership Group (previous Co-chair of the Aid Effectiveness Group); Danish Embassy	16/01/2013
Lars Bredal	Head of Development Cooperation, Danish Embassy	05/09/2013
Wambui Gathathi,	Programme Manager, Public Sector Management, Royal Danish Embassy	05/09/2013
Osendo Con Omore	Programme Manager, Democratic Governance, Royal Danish Embassy	05/09/2013
Lars Wilke	Head of Development Cooperation, German Embassy	05/09/2013
Anders Rönquist	Head of Development Cooperation, Swedish Embassy	06/09/2013
True Schedvin,	First Secretary and Deputy Head of Development Cooperation Section. Swedish Embassy	05/09/2013
Winston P.O. Cole	Senior Financial Management Specialist, World Bank Kenya	05/09/2013
Mr. Walter Odero	Co-Chair of the Aid Effectiveness Group; AfDB Group -East Africa Regional Resource Centre (EARC)	18/01/2013 06/09/2013
Jo Abott	DFID, Deputy Head development cooperation	13/09/2013
BirgitteWoel	SIPU international, TA to the Monitoring and Evaluation Directorate, Ministry of Devolution and Planning	12/09/2013
Steve N. Mogere	Infrastructure and Evaluation Advisor,	09/09/2013

Name	Position and Organisation	Date of interview / meeting
	JICA	12/09/2013
Josphat Sasia	Senior Economist, Africa Transport, Kenya Country Office, The World Bank	09/09/2013
George A, Makajuma	Infrastructure Specialist, EARC, African Development Bank	05/09/2013
Zerfu Tessema Mammo	Principal Transport Engineer, EARC, African Development Bank	05/09/2013
Andrew M. Karanja	Senior Agricultural Economist, World Bank	10/09/2013
Elizabeth Wilson Matioli	Programme Officer, Natural Resources Management Programme, Danida	12/09/2013
Andrew G. Mude	Economist/Index based livestock insurance, ILRI	09/09/2013
Brenda Wandera	Project Development Manager/Index based livestock insurance, ILRI	09/09/2013
David Miano Mwangi	Assistant Director Animal Production Research/National Coordinator, ASAL/KARI	09/09/2013
Kennedy I. Ondimu	Director Environmental Planning & Research Co-ordination, NEMA	13/09/2013
Robert Allport	Deputy Country Director, FAO	06/09/2013
Joseph Njugona	Programme Officer, FAO	06/09/2013
GoK Authorities/Parastatals		
John Ole Moyaki	Chief Administrative Officer, Kenya Urban Roads Authority (KURA)	04/09/2013
P.M. Mundinia	General Manager, Maintenance, KURA	04/09/2013
Samual O. Ogege	General Manager, Design and Construction, Kenya National, Highways (KeNHA)	09/09/2013
John Ndinika	Senior Engineer, Special Projects, KeNHA	09/09/2013
Kenneth Mudulia	General Manager, Maintenance, KeNHA	09/09/2013
George M. Kuru	Manager, Construction, KeNHA	09/09/2013
Samuel Omer	General Manager, Planning and Environment, KeNHA	12/09/2013
Mwangi Maingi	General Director, Kenya Rural Roads Authority (KeRRA)	04/09/2013
John Kinya	Manager, Plan and Roads 2000, KeRRA	05/09/2013
Abraham Korir	Manager, Planning (Waybridges), KeRRA	05/09/2013
Julius K. Gakubia	Manager, Maintenance (West), KeRRA	05/09/2013

Name	Position and Organisation	Date of interview / meeting
Frank Karanja	General Manager, Planning, Roads 2000	05/09/2013
Patrick T. Kirimi	Regional Manager, Meru Region, KeRRA	07/09/2013
Kimathi	Roads Inspector, Meru Region, KeRRA	07/09/2013
Francis N. Nyangaga	Executive Director, Kenya Roads Board (KRB)	10/09/2013
Stephen W. Ndinika	General Manager, Technical Compliance, KRB	03/09/2013 10/09/2013
Magaret N. Ogai	Manager, Contracts, Planning and Programming Department, KRB	03/09/2013 10/09/2013
H.W. Kihumba	Manager, Planning, KRB	03/09/2013
Anthony Kimami	GIS-Administrator, KRB	10/09/2013
Mrs Ruth W. Wachira,	Senior Deputy Commissioner, Operations and Programme Management, Kenya Revenue Authority	10/09/2013
Justus Ongera	Coordinator PFMRP support and Manager ICT Applications, Kenya National Audit Office (KNAO)	11/09/2013
Peter Longapian	Constituency Development Fund (CDF) Manager, Rongai constituency, Nakuru County	09/09/2012
James O. Oduor	Chief Executive Officer, National Drought Management Authority (NDMA)	09/09/2013
Technical Assistance to GoK Institutions		
John Mills	Team Leader, Institutional Capacity Building to the Transport/Road Sector (ICBTRS) in Kenya, Ministry of Transport and Infrastructure	08/09/2013
Steve Crosskey	ICBTRS Key Expert	10/09/2013
Jamie Castle	ICBTRS Road Safety Expert	13/09/13
Bernard Ndungu,	Public Finance Management Consultant working on IFMIS project of PFM-RP	06/09/2013
Victor de la Torre Sans	Programme Manager, Bridging Divides through Accountable Governance (BDAG)	06/09/2013
John K. Waithaka	Former Project Coordinator, Programme Management Unit, Rural Poverty Reduction and Local Government Support, Ministry of Local Government	06/09/2013
Patrick M. Gachanja	Former Programme Officer,	06/09/2013

Name	Position and Organisation	Date of interview / meeting
	Programme Management Unit, Programme Management Unit, Rural Poverty Reduction and Local Government Support Programme, Ministry of Local Government	
Flora Bidali	Pilot Coordinator, Nakuru Children Justice Pilot Project, Nakuru	09/09/2013
Mathias Muehle	Programme Leader of the Support to Public Finance Reforms, GIZ.	10/09/2013
Patrick Mc Mullin	Technical Adviser, Kenya Rural Development Programme (KRDP)	06/09/2013
Charles M. Muchemi	National Programme Coordinator, KRDP	06/09/2013
Salesius N. Miu	Programme Co-ordinator, Community Development Trust Fund (CDTF)	03/09/2013 10/09/2013
Benson Sang	Programme Manager, CDI/CDTF	10/09/2013
Fred Wamalwa	Technical Services Manager, CDTF	10/09/2013
Joseph Ruhiu	Programme Manager, CEF/CDTF	10/09/2013
Luigi Luminari	Technical Adviser, NDMA	09/09/2013
Other		
George Wolf	Infrastructure Director, Trade Mark, East Africa	13/09/2013
Silvester Kasuku	Director General/CEO, LAPSSET Corridor Development Authority	12/09/2013
Dickson Khainga,	Senior analyst, Head macroeconomics division, Kenya Institute for Public Policy Research and Analysis (KIPPRA)	06/09/2013
Dr Augustus Muluvi,	Policy analyst, Trade and Foreign Policy Division, KIPPRA	06/09/2013
Dalmas Okendo,	Transparency International Kenya	06/09/2013
Margie Cook	Team Leader/Programme Manager, Drivers of Accountability Program (DAP), DAI Europe Ltd.	12/09/2013
Denis Mutabazi	Monitoring, Evaluation & Learning Manager, Drivers of Accountability Program (DAP)	12/09/2013
Jason Lakin	Program Officer and Research Fellow, International Budget Partnership, Hivos, Regional Office for East Africa	13/09/2013
Non-State Actors		
Zakayo Lolpejalai and two other colleagues from World Vision	Stakeholder Engagement, Program Development and Grants Acquisition, World Vision	03/09/2013
Stephen Gichohi	Country Representative, Forum Syd	04/09/2013
Hellen Njeri Kuria	Project officer, Forum Syd	04/09/2013

Name	Position and Organisation	Date of interview / meeting
David Munyasia	Finance officer, Forum Syd	04/09/2013
Jerusha Ouma	Governance Adviser, Oxfam Kenya Program	6/09/2013
Ekitela Lokaale	Programme Manager, UNDP Amkeni Wakenya	11/09/2013
Maurice Makoloo	Regional Representative, Office for Eastern Africa, Ford Foundation	13/09/2013

Focus groups / Consultations

Type of focus group	Details	Date
EU Consultation with NGOs	Crowne Plaza, evaluation team leader as observer	10/09/2013
FGD at Magare Primary School with CDTF Project Implementation Committee	FGD on CDTF School Construction Project in Nakuru County	09/09/2013
FGD with Muungano wa Wanavijiji, Nakuru County	Civic Project implemented in partnership with Forum Syd,	10/09/2013
FGD with Playmakers Youth Group, Nakuru County	Theatre group civic awareness project implemented in partnership with Muungano wa Wanavijiji and Forum Syd	10/09/2013

Annex 3 Document list

General strategy, programming, monitoring and evaluation documents

Author	Title	Year
AETS and Cardno	Technical assistance for EU Joint programming in Kenya	2013
Aid effectiveness secretariat	Report of third Aid Effectiveness Group Retreat	2012
Ecorys	Evaluation of European Commission's Support to Kenya: Inception/Desk study Report: Draft Final	2005
Ecorys	Evaluation of European Commission's Support to Kenya: Final Report	2006
Ecorys	Evaluation of the Commission's Support to Kenya: Country Level Evaluation: Framework Contract CC COM LOT N° 4 – Sectorial and Project Evaluations: Technical offer of the Ecorys Evaluation Group	2006
Ecorys	MTR assessment fiches and MTR conclusions of CSP	2010
Eptisa et al.	ACP ROM Results Study 2003-2012	2012
EU Delegation	External Assistance Management Report 2006	2006
EU Delegation	External Assistance Management Report 2007	2007
EU Delegation	External Assistance Management Report Jan-Jul 2008	2008
EU Delegation	External Assistance Management Report Jan-June 2009 + annexes	2009
EU Delegation	External Assistance Management Report Jan-Dec 2008	2009
EU Delegation	External Assistance Management Report Jan-Dec 2009	2010
EU Delegation	External Assistance Management Report Jan-Dec 2010	2011
EU Delegation	External Assistance Management Report Jan-June 2012	2012
EU Delegation	External Assistance Management Report Jan-Dec 2011	2012
EU Delegation	External Assistance Management Report 2012	2013
European Commission	Evaluation Methods for the European Union's External Assistance: Methodological Bases For Evaluation: Volume 1	2006
European Commission	Evaluation Methods for the European Union's External Assistance: Guidelines For Geographic And Thematic Evaluations: Volume 2	2006
European Commission	Evaluation Methods for the European Union's External Assistance: Guidelines For Project And Programme Evaluation: Volume 3	2006
European Commission	Extraction CRIS- Kenya decisions 2000-2012	2013
European Commission	Regional Strategy Paper And Regional Indicative Programme 2008-2013	2013
European Commission	Regional Strategy Paper And Regional Indicative Programme 2008-2013, signed	2013
Government of Kenya	The Economic Recovery Strategy (ERS) for wealth and employment creation 2003-2007	2003
Government of Kenya	Investment programme for the Economic Recovery Strategy for Wealth and Employment Creation 2003-2007	2004
Gov. of Kenya	Kenya Vision 2030, a globally competitive and prosperous Kenya	2007
Gov. of Kenya	Kenya Vision 2030, first medium term plan 2008-2012	2008
Government of Kenya	Kenya Vision 2030 - Second Annual Implementation Report for the	2011

Author	Title	Year
	First Medium Term Plan (2008-2012)	
Gov. of Kenya	Kenya Vision 2030 First Medium Term Plan Update	2011
Gov. of Kenya	STABEX annual report	2012
GoK & DPs	Kenya Joint Assistance Strategy 2007-2012	2007
GoK & EC	Country Strategy Paper 2003-2007	2003
GoK & EC	Country Strategy Paper 2008-2013	2009
GoK & EC	Addendum 2 to the Country Strategy Paper and National Indicative Programme	2007
GoK & EC	Addendum to the Country Strategy Paper and National Indicative Programme	2005
GoK & EC	Addendum to the Country Strategy Paper and National Indicative Programme	2004
GoK & EC	Evaluation of the Commission's support to Kenya: Country Level Evaluation: Terms of Reference	2005
GoK & EC	Kenya Mid-Term Review Conclusions (CSP)	2004
GoK & EC	Kenya End of Term Review Conclusions	2012
Ikiara, Gerrishon et al	KJAS review report	2010
Ministry for planning	Mid-term review of the Economic Recovery Strategy for wealth creation 2003-2007	2007
Ministry for Planning	End term review of the Economic Recovery Strategy for wealth creation 2003-2007	2009
Ministry for Planning	Second annual progress report on the implementation of the first Medium Term Plan of Kenya Vision 2030	2011
Ministry of Devolution and Planning	Fourth annual progress report 2011-2012 on the implementation of the first Medium Term Plan of Kenya Vision 2030	2013
NAO and DEU	Joint Annual Operational Review 2003 - 2011	2004 - 2012

General background documents

Author	Title	Year
African Studies Centre	Spaces of insecurity	2012
Boone, Catherine	Land Conflict and Distributive Politics in Kenya	2012
Carter Center	Observing Elections	
CGDEV	MDG Progress Index Scorecard – Kenya	2013
CONCORD	Country CSO Roadmaps: How EU delegations can strengthen engagement with civil society	2013
Dafflon & Madiès	The political economy of decentralization in sub-Saharan Africa, a new implementation model in Burkina Faso, Ghana, Kenya and Senegal	2013
EAC	Observers for Kenya elections TradeMark East Africa	2013
ELOG	ELOG History	2011
EU	Statement by the spokesperson of EU High Representative Catherine Ashton on the EU Election Observation Mission to observe the general elections in Kenya	2013
European Commission	The European Commission and Kenya: A Lasting Partnership	2003

Author	Title	Year
FAO Kenya	Kenya Counties and original headquarters. [map]	2011
GoK, UN	MDG Progress Report Kenya 2003	2003
GoK, Ministry of State, Planning, National Development and Vision 2030	Presentation on the MDG Status Report 2012	2012
Gthnji & Holmquist	Reform and Political Impunity in Kenya: Transparency without Accountability	2012
Harbeson, John W.	Land and the Quest for a Democratic State in Kenya: Bringing Citizens Back In	2012
International Crisis Group	Kenya's 2013 Elections	2013
Kanyinga, Karuti & Long, James D.	The Political Economy of Reforms in Kenya: The Post-2007 Election Violence and a New Constitution	2012
Norad	Political Economy Analysis of Kenya	2009
SID	Kenya's Vision 2030: An Audit From An Income And Gender Inequalities Perspective	2010
World Bank	Country Assistance Strategy 2010-2013	2010
World Bank & Australian Aid	Devolution without disruption - pathways to a successful new Kenya	2012
World Bank	Kenya Economic update, Edition No. 8	2013

Budget support and macro-economic developments

Author	Title	Year
Ecorys	Kenya: Assessment of the eligibility for the GBS facility	2010
European Commission	Guide to the programming and implementation of budget support for third countries	2002
European Commission	Poverty Reduction Support Programme, Financing Agreement and Technical and Administrative Provisions	2004
European Commission	The European Consensus on development, Joint statement by the Council and the Representatives of the Governments of the Member States meeting with the Council, the European Parliament and the Commission	2005
European Commission	Guidelines on the programming, design and management of GBS	2007
European Commission	Support to sector programmes covering the three financing modalities: SBS, pool funding and EC project procedures	2007
European Commission	Budget support, the effective way to finance development	2008
European Commission	Budget support, a question of mutual trust	2008
European Commission	The future of EU budget support to third countries, Green paper from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, COM(2010) 586 final	2010
European Commission	Increasing the impact of EU Development Policy: an Agenda for Change, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, COM(2011) 637	2011

Author	Title	Year
	final	
European Commission	The future approach to EU budget support to third countries, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, COM(2011) 638 final	2011
European Commission	Budget Support Guidelines of September 2012	2012
European Commission	Communication; Financing for development; Beyond 2015: towards a comprehensive and integrated approach to financing poverty eradication and sustainable development	2013
European Commission	Assessment of SBS for ASAL (Regain file)	2013
European Court of Auditors	The Commission's management of GBS in ACP, Latin American and Asian countries	2010
IFC	Doing business 2013, Kenya report	2013
IMF	Staff report for the 2003 Article IV consultations	2003
IMF	Joint staff assessment of the PRSP	2004
IMF	Kenya, 2004 art IV consultations and 1e review of PRGF (published in July 2009)	2004
IMF	Kenya, 2006 Art IV consultations and 2e review of PRGF, March 2007 (published in May 2009)	2007
IMF	Kenya; third PRGF review, November 2007 (published January 2009)	2007
IMF	Kenya: Request for rapid access of Exogenous Shock Facility	2009
IMF	Kenya: Staff report for the 2009 art IV consultations, December 2009	2009
IMF	Joint staff advisory note on the PRSP	2010
IMF	Kenya: First review of the Extended Credit Facility (ECF)	2011
IMF	Kenya: Art IV consultations and second ECF review, November 2011	2011
IMF	PRSP progress report of November 2011	2011
IMF	Kenya: Third ECF review, March 2012	2012
IMF	Kenya: fourth ECF review	2012
IMF	Kenya: fifth ECF review	2013
KIPPRA	Kenya Economic Report 2012	2012
Ministry for Planning	Handbook of national reporting indicators 2008-2012	2008
Ministry for Planning	Public Expenditure Review, Policy for prosperity 2010	2010
Ministry for Planning	Implementation of the National Integrated Monitoring and Evaluation System, methodological and operational guidelines	2011
Ministry for Planning	Kenya Vision 2030, first medium term plan update	2011
OECD	Evaluating budget support, methodological approach	2012
Pohl Consulting & Associates,	Identification and formulation of the 10th EDF Budget Support Programme (Good Governance and Development Contract) in Kenya	2012
World Bank	Kenya economic update, June 2012	2012
World Bank	Kenya economic update, December 2012	2012
World Bank	Kenya economic update, June 2013	2013
2AC	Mid-term review of the PRBS-II to the GoK	2008

Public Finance Management

Author	Title	Year
ACE and Ecorys	Public Expenditure and Financial Accountability Assessment of Kenya	2012
Bitz and Semugoomaeg	Review of the Government of Kenya's Integrated Financial Management System	2010
Ecorys	Mid-term review of the Strategy to Revitalise PFM	2009
Ecorys	Review of Public Financial Management Reform Strategy of Kenya	2010
EU Delegation	PFM annual monitoring report 2011/2012,	2012
KPMG	Evaluation of the Strategy to revitalize PFM reforms 2006-2011	2012
Linpico	Public Financial Management Performance Assessment Report	2009
Ministry of Finance	Strategy to Revitalise Public Finance Management in Kenya	2006
Ministry of Finance	PFM Reform Secretariat, Project Completion Report of the IRCBP	2011
Ministry of Finance	IFMIS re-engineering, Strategic Plan 2011-2013	2011
Ministry of Finance	PFM Reform Strategy 2011-2016, draft	2011
Ministry of Finance	The strategy for PFM reform in Kenya 2013-2018	2013
PFM Reform Programme	Memorandum of Understanding between the Republic of Kenya and Development Partners concerning the PFM Reform Programme	2006
PFM Reform Programme	Joint Financing Arrangement between the Republic of Kenya and Development Partners concerning the PFM Reform Programme	2006
PFM Reform Programme	Annual progress reports 2006/2007 to 2010/2011	2007-2011
PFM Reform Programme	An interim road map for PFM reforms	2011
PFM Reform Secretariat	The transition period report of the PFM-RP, January 2012 – March 2013.	2013
World Bank	Project Appraisal Document of the IRCBP.	2006
World Bank,	Implementation Completion and Results Report of the IRCBP	2011
World Bank and EU	Trust Fund Administrative Agreement (TF070601)	2007

Transport strategy, programming, project, monitoring and evaluation documents

Author/decision/ project number	Title	Year
	Kenya Roads Network Map	
15739	Rehabilitation Of Sultan Hamud-Mtito Andei Roadgf *project documents*	
16271	Northern Corridor Rehabilitation Programme *project documents*	
18582	Transport Corridor Rehabilitation Programme - Phase III (2006) – Program documents	2005 – 2012
21633	Regional Economic Integration by means of Transport Infrastructure *Project documents*	
21655	Support to Road Sector policy- regional road component – Program documents	2009
22951	Overview Supervision services of the Works Contract for the	

Author/decision/ project number	Title	Year
	construction of missing link roads and non-motorised transport (NMT) facilities in Nairobi, Kenya *Project documents*	
22952	Regional Economic Integration by means of Transport Infrastructure *Project documents, Actions fiches, financing agreements, press releases*	
23571	Support to Road Sector Policy 2013 *Project documents*	2012
Alanet	10th EDF Transport Sector Institutional Capacity Building and Formulation Component. Final Capacity Needs Assessment Report	2011
Alanet	Audit of works design and tender documents. Final report	2011
CDA	Quarterly Report No. 1 of July 2013 on the Progress of the Implementation of Lamu Port – South Sudan – Ethiopia Transport (LAPSSET) Corridor Project	2013
Deloitte	Independent Auditors Report on Northern Corridor Rehabilitation Program Phase I. Financial Audit of Sultan Hamud-Mtito Andei Road Project. Draft	2007
Grontmij	Evaluation of the Northern Corridor Rehabilitation Programme Phase I & II. Final Report	2012
Javier Lopez Gonzales and Xavier Cirera	A Review on the impact of transport of costs on trade flows, Trade Mark	2012
Kenya Anti-Corruption Commission	Examination Report into the Systems, Policies, Procedures, and Practices of the Roads Sub-Sector".	2007
Ministry of Roads and Kenya Roads Board	Road Sector Investment Plan 2010-2024	2011
Mott MacDonald	Institutional Capacity Building to the Road Sector in Kenya. Inception Report	2013
Nathan Associates Inc	The Corridor Diagnostic Study of the Northern and Central Corridors of East Africa." Action plan volume 2: Technical Papers B. Trade and Traffic Forecast and Technical Papers C. Corridor Diagnostic Audit	2011
Parsons Brinkerhoff Consortium	Preparation of the road Sub-Sector Policy and Strategy, including an Investment Programme for 2007-2020	2006
Rupa Ranganathan and Vivian Foster	East Africa's Infrastructure: A Continental Perspective, World Bank	2011
Supee Teravaninthorn, Gael Lalabant	Transport Prices and Costs in Africa: A Review of main International Corridors".	
World Bank	Appraisal Report (60.005-KE of March 29, 2011	2011
World Bank	Diagnostics on Governance and Political Constraint for Kenya Country Assistance Strategy. Infrastructure. Updated draft version (Roads and Ports)	2011
World Bank	Kenya Economic Update. Walking on a Tightrope	2012

Author/decision/ project number	Title	Year
World Bank	East Africa’s Infrastructure: A Continental Perspective	2011

Agriculture and rural development strategy, programming, project, monitoring and evaluation documents

Author, Decision Number	Title,	Year
	Capacity Building for Rural Water Service Providers in Northern Kenya - ROM full package	2010
	Support Programme To Urban And Peri-Urban Population Affected By Soaring Food Prices In Kenya - ROM full package	2010
ACDI/VOCA;	Value Chain approach: Bringing Small Enterprise into Competitive Industries in the Global Economy, www.acdivoca.org/valuechains	2013
AESA/6239	Community Development Trust Fund (CDTF), Phase 3 (CDP-3) & CDEMP, Final Evaluation	2010
AGRER/17913	Kenya Arid and Semi-Arid Land research programme (KASAL), Mid Term Evaluation	2010
CDEMP/17746	FA, TAP, LF. (no. 17746)	2005
CDEMP/6239	ROM full package	2009
CDTF/6239	Community Development Initiative (CDI), Guidelines for Grant Applicants, Restricted call for proposals 2011.	2011
CDTF/6239	Community Environmental Facility (CEF), Guidelines for Grant Applicants, Restricted call for proposals 2011. DANIDA/EU	2011
CDTF/6239	Lists of CDI and CEF concept note applications and approved projects by countries (CDP-3).	2013
CDTF/6239	Phase 3 (CDP-3), Final Report January 2007-September 2010.	2010
CDTF/6239	Phase 4 (CDP-4) - Action fiche	2009
CDTF/6239	Phase 4 (CDP-4) - Identification fiche (no. 21115)	2009
CDTF/6239	Phase 4 (CDP-4) - ROM full package	2011
CDTF/6239	Community Environment Facility II (CEF), Quarterly progress report January – March 2013. CDTF	2013
CDTF/6239	Final Programme Report, April 2006-September 2010, CDP-3	2010
DMI/6239	ROM full package	2008
DMI/6239	Administrative Agreement, Grant No. TF 070845	2007
DMI	Grant OXFAM GB – ROM report	2009
DMI	Grant to VSF – ROM full package	2010
DMI	Mid Term Review. Liz Walker	2010
DMI	Water development supported by the EU In North Pokot & Turkana Districts, End of project evaluation report + annexes.	2009
EC/FAO/WB	Food Facility – ROM Reports EC-FAO and EC-WB.	2010/ 11
ECORYS	Evaluation of European Commission's Support to Kenya: Sector Assessment Rural Development: Final Report	2006
ECORYS	Evaluation of European Commission's Support to Kenya: Sector Assessment Rural Development: Final Report Volume 2, Annexes	2006

Author, Decision Number	Title,	Year
Egerton, J.	Smallholder maize production efficiency in Kenya, PPP regional workshop on an integrated approach to commercialisation smallholder maize production, John Olwande, Egerton University, Kenya HARD COPY	2012
FAO	Draft Final Narrative Report, Support to Agricultural Recovery in Areas Affected by the Post-election crisis in Kenya, period: July 2009-December 2010	2010
FAO	Food Facility, EC-FAO II, ROM	2011
FAO	Food Facility, FAO-EU Food Facility Trust Fund Programme Contribution Agreement 2009/213-679, Project Progress Report	2011
FAO	Improved Community Drought Response and Resilience (ICDRR), Interim Narrative Report no. 2 covering the period August 2012-June 2013	2013
FAO	Support to Agricultural Recovery in Areas Affected by the Post – Election crisis in Kenya, 1st July 2009 to 31st December 2010, Draft final narrative report	2010
FAO	Improved Community Drought Response and Resilience (ICDRR), Interim Narrative Report, no. 2, covering the period August 2012-June 2013	2013
FAO/EU	Policy Brief managing livestock markets in the future	2010
FAO/EU	Review of Current Disease Surveillance and Livestock Marketing Systems in Kenya, Final Report December 2010	2010
GoK	Agricultural Sector Development Strategy (ASDS), Medium Term Investment Plan 2013-2017	2013
GoK	Kenya Vision 2030, First Medium Term Plan Update, Min. for Planning, National Development & Vision 2030	2011
GoK	National Irrigation Policy, 2011, Ministry of Water and Irrigation	2011
GoK	Second annual progress report on the implementation of the first medium term plan (2008-2012) of Kenya vision 2030, M&E Directorate, Ministry of State for Planning, National Development	2011
GoK	Kenya Post-Disaster Needs Assessment (PDNA), 2008-2011 Drought	2012
HTSPE	Community Development for Environmental Management Programme (CDEMP), Capacity Building Component, Final Evaluation	2011
ILRI	An Assessment of the Response to the 2008-2009 Drought in Kenya, ILRI Nairobi	2010
KARI	Kenya Arid and Semi Arid Land research programme (KASAL), Final Report 2011	2011
KASAL/17913	Technical Assistance Final & Confidential Report. TA to KARI	2011
KASAL/17913	Grant application (9th EDF). KARI	n.d.
KASAL/17913	ROM full package (no. 17913)	2008
KASAL/17913	Audit report	2011
KASAL/17913	Addendum 1 Financing agreement	2010
KASAL/17913	Financing agreement	2006
KFSSG	The 2011/12 short rains season assessment report	n.a

Author, Decision Number	Title,	Year
KFSSG	The 2008/09 Short Rains Season Assessment Report	No date
KRDP/22076	Action fiche	2010
KRDP/22076	Gender assessment	2010
KRDP/22076	Identification fiche (no. 22067)	2010
KRDP/22076	FA, TAPs, LF	2011
KRDP/22076	Press release EU support food security	2010
KRDP/22076	Strategic Framework	2010
KRDP/22076	Programme Estimate	n.d.
KRDP/22076	Progress Report no. 2, TA to the KRDP, January 2013-June 2013 HARD COPY	2013
NEMA	Integrated National Land Use Guidelines	2011
NEMA	Kenya State of the Environment and Outlook 2010, a summary for decision makers HARD COPY	2011
NEMA	Strategic Plan 2008-2012 HARD COPY	2012
UNDP	Combating Desertification in Kenya, emerging lessons from empowerment local communities HARD COPY	2013
WB	Arid Land Resource Management Project II, Draft Implementation Completion Report 2003-2010	2011
WB	EU food price crisis rapid response facility, Emergency project Paper, Proposed Grant, Enhancing Agricultural Productivity Project	2009
WB	Kenya Economic Update, Kenya at Work, Energizing the economy and creating jobs, Edition no. 7	2012
WB	The State of Kenya's Economy, December 2011, Edition no. 5	2011
WB	European Union Food Crisis Rapid Response Facility Trust Fund, GFRP (Global Food Crisis Response Programme Secretariat), Final Report	2012
WFP	WFP Social protection and recovery for urban and peri-urban vulnerable people in Kenya – ROM report	2010

Governance strategy, programming, project, monitoring and evaluation documents

Author	Title	Year
	Programme/project documentation and progress reports concerning decisions: 15187, 17379, 18712, 19404, 21105, 21518, 23791	2006-2013
Ameije, K	ROM Monitoring Report, Democratic Governance Support Programme	2009
ARS Progetti	Final Evaluation and Options for Future Governance and NSAs Programmes: Final Report.	2006
Atkinson, M & Nyokabi, J	Mid Term Review, EC Rural Poverty Reduction & Local Government Support Programme, Final Report	2008
Ecorys	Governance Profile Kenya	2010
Eriksson, H & Ooijen, R	Rural Poverty Reduction and Local Government Support Programme: Final Report	2011
FEMCONSULT	Final Evaluation of the Non-State Actors Support Programme: final	2012

Author	Title	Year
& Transtec	report.	
GoK	Governance, Justice, Law and Order Sector (GJLOS) Reform Programme; Medium Term Strategy 2005/06 to 2008/09, Final Draft	2005
GoK	Governance, Justice, Law and Order Sector (GJLOS) Reform Programme, 2005/06 Thematic Work plans	2005
GoK	Governance Strategy For Building A Prosperous Kenya	2006
GoK	GJLOS 2006 Baseline Survey Report (Including Appendices)	2006
GoK	Governance, Justice, Law And Order Sector (GJLOS) Reform Programme, Sector-Wide 2007/08 (Mts 3) Thematic Work Plan	2007
GoK	Governance, Justice, Law And Order Sector (GJLOS), Policy Framework Paper, Concept Paper (Comprehensive Working Version)	2007
GoK	Governance, Justice, Law and Order Sector (GJLOS), Reform Programme, Fourth GJLOS Joint Review Meeting	2007
GoK	Governance, Justice, Law And Order Sector (GJLOS) Reform, Programme Administrative Data Collection And Analysis Report	2007
GoK	Governance-Justice-Law-and-Order-GJLOS-Sector-Reform-Programme-Consolidated-5-yr-GOK-Programme-report	2009
GoK	2011 GJLOS Integrated Baseline Household Report	2011
GoK	GJLOS Policy Framework Paper	2011
GoK	GJLOS II Reform Programme	2011
GoK	Governance, Justice, Law And Order Sector (GJLOS) Reform Programme, Report Of The Assessment Of Policies, Laws And Regulations	
GoK	Governance, Justice, Law And Order (GJLOS) Programme, 3rd Draft Report On Policy, Law and Regulation, Baseline Data Survey	2011
Hébrard, P	ROM, Background conclusion sheet, Community Engagement In Good Governance	2010
Kithinji, H *et* al.	Mid Term Evaluation Report, Amkeni Wakenya	2012
Omolo, A	Evaluation report on the Turkana community engagement in good governance project	2012
Phiri, D	ROM, Monitoring Report, Kenya – Ke – Rural Poverty Reduction and Local Government Support Programme. Mr-02000.01 – 30/03/07	2007
PwC	Kenya Police Culture and Attitude Change Pilot Training Programme	2007
Rasmussen, K	ROM Monitoring Report, Bridging Divides through Accountable Governance	2012

Annex 4 Methodology

A4.1 Introduction

The design and methodology for this evaluation are based upon the officially published guidelines of the DG DEVCO Evaluation Unit that can be found at: http://ec.europa.eu/europeaid/how/evaluation/methodology/index_en.htm.

In this annex we describe in more detail:

- the evaluation process;
- the identification of the evaluation questions;
- the data collection and methods and tools used for data analysis.

A4.2 Evaluation process

In line with the ToR the evaluation is conducted in three main phases with different stages as presented in Table A4.2.

Table A.4.1 Phasing of the evaluation

Phases of the evaluation	Methodological stages	Deliverables*
1. Desk phase	Structuring of the evaluation (inception)	- Slide presentation kick-off (30-11-2012); - Inception report (final, 26-4-2013).
	Data collection Analysis	- Desk report (final, 23-7-2013).
2. Field phase	Data collection Verification of hypotheses	- Slide presentation (in Nairobi 12-9-2013, in Brussels 9-10-2013).
3. Synthesis phase	Analysis Judgments	- Draft final report (3-11-2013); - Slides presentation + minutes (country seminar); - Final report.

Only final deliverables have been mentioned. The date of approval by the client is not included in the table.

Reference group meetings took place discuss all the key deliverables. In addition, there was frequent contact with the Evaluation Unit to discuss progress and to agree on the methodological approach.

During the desk phase the methodological approach was agreed upon. First, the evaluation questions were drafted during the inception stage on the basis of a reconstructed intervention logic (see Figure 3.2 of the main report). The reconstructed intervention logic was based on the two faithful intervention logics of the 9th and 10th EDF CSOPs for respectively the period 2003-2008 and 2008-2013. The intervention logic sand draft evaluation questions were presented in the Inception Report.

In the desk report the formulation of the evaluation questions was further refined, and judgment criteria and indicators were defined in detail. In an annex to the desk report the changes in EQs, JCs and indicators and the reasons for these changes were explained in detail. The main task of the desk report was to collect and analyse as much documentary evidence as possible, to present evidence related to the indicators and preliminary findings related to the JCs. On that basis preliminary answers and hypotheses were formulated for each of the ten EQs. Also a work plan for the field visit was included in the desk report.

The field phase took place from 2-12 September and more than 120 persons and organisations were interviewed. Also four focus groups were organised (see Annex 2). The field phase was useful for additional data collections, both documents and views from stakeholders. In addition the field phase served to triangulate the data collected in previous stages of the evaluation. At the end of the field phase three debriefings with respectively:

- the development cooperation staff of the DEU;
- the Ambassador of the EU;
- the NAO.

Also the Reference Group in Brussels was debriefed on the results of the field visit.

During the synthesis phase, the evaluation team analysed all the collected information and formulated complete answers to the EQ. This was done through a bottom-up approach for each EQ. For each indicator detailed evidence is presented, leading to findings at JC level and to answers at EQ level. The detailed evidence for each indicator and findings for each JC are presented in the Annexes 6-15 for each EQ. On that basis the text for the main report has been written, which includes the main findings and answers to the EQs. Finally, the evaluation team formulated overall conclusions and recommendations.

A4.3 The identification of the evaluation questions

As indicated above a first step was to construct faithful intervention logics for the two CSPs for the period 2003-2008 and 2008-2013. These intervention logics are "faithful" to the programming documents and the expected effects are inferred from the stated objectives in the official documents. The inception report stated:

> “An important point concerning the faithful IL for 2003-07 (and for that matter also the one for 2008-13) is that it was mainly a formal programming document and did not really function as a ‘living document’ or even a clear point of reference in the period thereafter. This point was clearly made during initial interviews conducted in Nairobi. Of course the choice of the focal and non-focal sectors including the allocations to these sectors form the point of departure and are referred to in the JAORs, MTR and ETR, whilst also the overall objectives are clear. However, the specific outputs, outcomes and the logical cause-effect relations presented in the CSPs are often not referred to”.

Nevertheless, two faithful intervention logics were presented and formed the basis for next step i.e. the reconstruction of the intervention logic. This next step, according to the evaluation guidelines, is to reconstruct the intervention logic in order to have a clear basis for the formulation of the evaluation questions. Expected effects that were not mentioned in the initial documents may be taken into account, and also effects that are not logically in the right place (e.g. an output that is presented as an outcome) may be shifted from one column to another.

The two faithful intervention logics showed that the objectives were sometimes too vague or too ambiguous and there were important evolutions over time often as a consequence of contextual changes, and therefore a reconstructed intervention logic is presented. Furthermore, the narrative text on the faithful intervention logics also presented some main underlying assumptions per focal sector or type of support. These underlying assumptions are also a useful building block for the reconstruction of the intervention logic and the formulation of EQs.

The reconstructed intervention logic is based on a thorough analysis of key reference documents and is also based on the interviews during the inception period that clarified the thinking about intervention logics throughout the evaluation period and highlighted main issues regarding the cooperation between the EU and Kenya. Also the portfolio analysis provided useful additional information for the reconstruction of the intervention logic. This is particularly the case for the changing definition of the focal sector agriculture/rural development and the implementation of EDF-funded activities that were not foreseen in the CSPs/NIPs and additional budget line funded activities.

In that way, ten key EQs were formulated that are also presented in the reconstructed intervention logic (Figure 3.2). As already indicated, during the inception stage judgment criteria were identified and possible indicators. Those were further refined later in the desk phase.

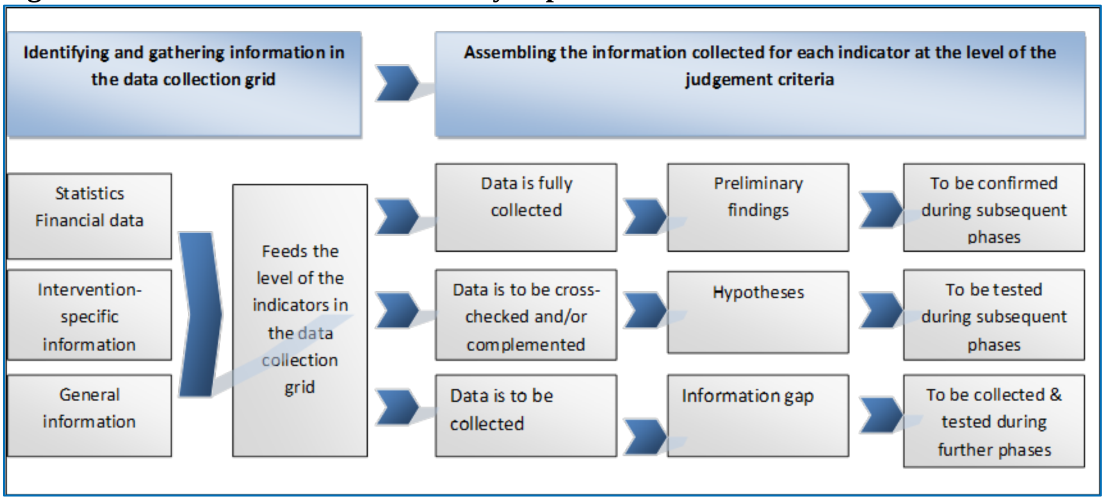
A4.4 The data collection and analysis methods

In the following figure the data collection and analysis process is presented. Data collection methods and tools have of course varied per EQ, as different questions, JCs and indicators require different methods of data collection. Where possible, the evaluation team combined the use of quantitative and qualitative data. The team had to rely mainly on secondary sources of information, which were not always of good quality.

The team could only spend limited time in the field, but the field visit was very useful for additional data collection and triangulation and validation purposes.

QA was provided throughout the evaluation and each deliverable was commented upon by the QA expert.

Figure A.4.1 Data collection and analysis process



Annex 5 Portfolio analysis

A5.1 Introduction

The purpose of this portfolio analysis is to provide an overall impression of the interventions that occurred in Kenya in the 2006 – 2012 period. It is based primarily on information extracted from the European Commission's CRIS database. The inventory of all contracts in CRIS is useful to get an impression of the funds actually planned and disbursed in the context of EU's cooperation with Kenya. It covers contracts from various budget lines[1]. Information on STABEX funds is discussed separately as this data was not included in the CRIS system and uncertainties exist concerning the accurateness of the data received[2].

A draft portfolio analysis was sent to key stakeholders for verification purposes. This final portfolio analysis integrates the comments and additional data received from these key stakeholders.

To ensure that the maximum amount of information is retrieved, the Evaluation Team have searched the database both at the Decision and the Contract levels[3] using the criterion: "zone benefitting from the intervention = Kenya". The Evaluation Team then cleaned the data by filtering out all contracts in the following way:

- final date for implementation before 2006;
- final date for implementation not indicated AND closing date before 2006;
- planned and paid amount of zero Euros;
- DG Humanitarian aid as the entity in charge; and/or
- contract year of 2013.

This gives a total of 422 contracts[4]. Total commitments (contracted/planned amounts) for these contracts add up to around € 690.5 million and total payments to € 527 million. Over 85% of both the contracted and effectively disbursed funds are EDF funds. The budget lines concerning non state actors and local authorities (DCI-NSA, DCI-NSAPVD and ONG-PVD) are the next most important financing instruments in monetary terms and account for 7% of the total planned[5] and paid amounts. Next, the health budget line (DCI-SANTE and SANTE) account for 2% of planned and paid amounts, the Food Security budget line (DCI-FOOD and FOOD) for 1% of planned and 2% of paid amounts, and the other budget lines for 1% or less of total planned and paid amounts.

1 These are: FED (EDF), DCI-ENV and ENV, DCI-SANTE and SANTE, DCI-FOOD and FOOD, DCI-HUM, DCI-NSA, DCI-NSAPVD and ONG-PVD, DCI-SUCRE and Sucre, IFS and IFS-RRM, EIDHR and DDH, FINHCRIS, INFCO and DEVCOM, and ADM-MULTI.

2 The Evaluation Team received different excel sheets with data concerning the STABEX funds that contained statistics that varied from each other. In addition, the Evaluation Team have checked STABEX reports and EAMRs, which also sometimes contained divergent figures. Based on this information, the evaluation team has not been able to reconstruct a coherent and accurate picture of the STABEX funds. A coherent overview of the STABEX financing can, therefore not be provided. The Evaluation Team were, however, able to present in the text an outline of the main STABEX financed projects relevant for this evaluation.

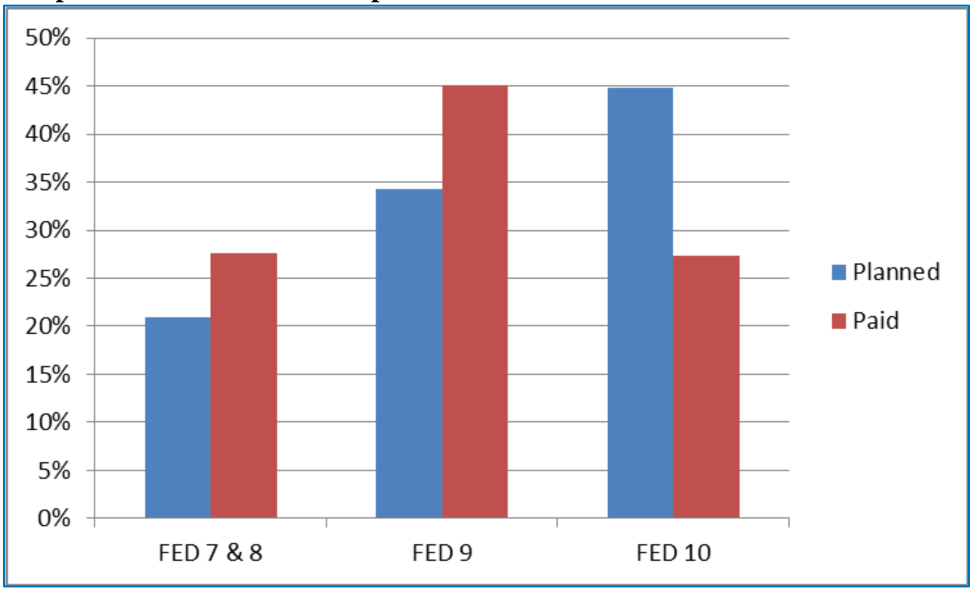
3 The data was extracted at the 14th of March 2013.

4 The data of the CRIS extraction is available on request.

5 The term "planned" is used as this term is used in the CRIS database concerning contracts. The planned amount is the contracted amount.

The EDF category consists of four different EDF cycles: EDF cycle 7, 8, 9 and 10. The following figure shows the breakdown of committed and paid amounts per cycle of EDF[6]. It shows that compared to the other EDF cycles, EDF 9 has the highest share of the total paid amounts, while EDF 10 has the highest share of total planned amounts.

Figure A.5.1 Percentage funds planned and paid per cycle of EDF as share of total planned and paid EFD funds over the period 2006-2012[7]



The figure shows, furthermore, that the majority of planned and paid amounts relates to EDF 9 & 10, which is not surprising given that the cleaning criteria used, which led to the removal of contracts with a final date of implementation before 2006. Nevertheless, around 28% of all EDF amounts paid still relate to the 7th and 8th EDF. As the temporal scope for this evaluation is the period 2006-2012, which is covered by EDF 9 and EDF 10, the Evaluation Team cleaned the data further by excluding the EDF 7 and EDF 8 related contracts from our extraction. Based on the comments received by the stakeholders, some of these EDF 7 and EDF 8 contracts were included again in our portfolio based on the fact that significant activities within these contracts were in fact undertaken during the evaluation period. The contracts that did finally get cleaned after this process were contracts that are of no relevance to this evaluation as they were already almost finished in 2006 and/or did not focus on the focal areas of this evaluation.

After this second round of cleaning 378 contracts remain. These contracts have a total planned amount of € 577 Million and a total paid amount of € 415 Million.

A5.2 Sectoral Distribution

In order to evaluate EU's support in the period 2006-2012, the Evaluation Team need to get more insight into the concrete activities that have taken place during this period, per sector and sub-sector. The contracts extracted from the CRIS database provide more information on the size and nature of paid activities that are relevant for this evaluation.

[7] To be clear, the figure does not compare planned and paid amounts of each cycle of EDF. It shows the shares of the total planned and paid amounts for each cycle of EDF.

The first step the Evaluation Team has undertaken is to allocate the contracts to a specific sector. Not all contracts in CRIS were, however, assigned a DAC code or a specific sector. The Evaluation Team has, therefore, undertaken the following approach to allocate the contracts to a sector:

- For the contracts for which it was indicated, the Evaluation Team maintained, in the vast majority of cases, the sector assigned in CRIS, unless it was obvious that the sector allocation was erroneous;
- The Evaluation Team "pinned" the decision title to every contract (using the decision number appearing in CRIS both on the list of decisions and on the list of contracts) in order to be able to determine with a reasonable degree of accuracy, the sector concerned by that contract.

The following topic/ sector categories have been retained, reflecting:

- the focal sectors included in the CSPs; and other topics that seem to have received specific attention and funding throughout the period.

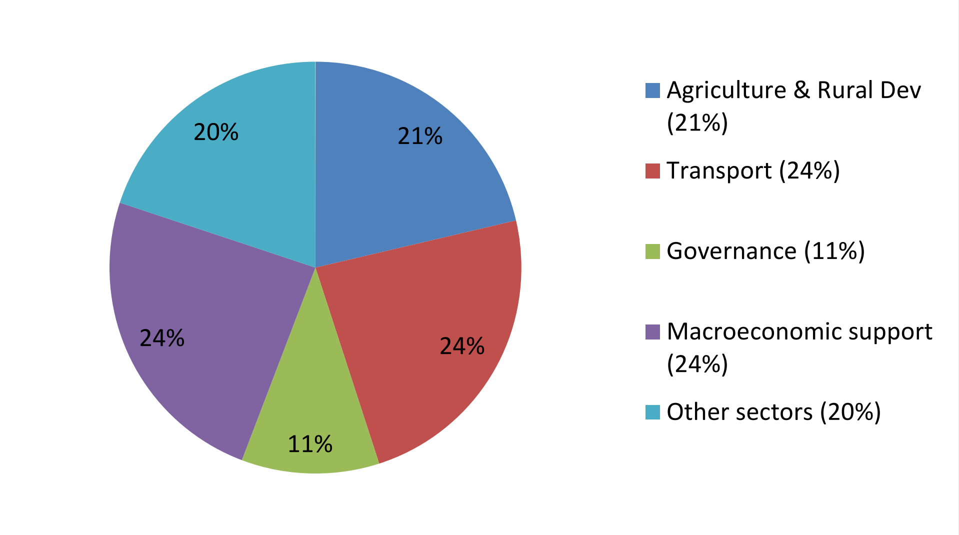
Table A.5.1 Sector/topic categories

Sector/ topic	Type of contract
Agriculture & Rural Development	Agriculture, including livestock and fisheries; Rural development and poverty reduction; Research concerning arid and semi-arid lands; Sugar-related reforms; Development-related food security projects; Biodiversity; forestry conservation; capacity building for environmental management; Ecosystem rehabilitation.[8]
Transport	Roads infrastructure, including the Northern Corridor and rural roads in sugar areas.
Governance	Decentralisation; Support to local authorities; Elections and electoral reforms; Access to justice; Human Rights; Peace building; Community participation and demands for accountability; Empowerment; Indigenous and Minority rights.
Macroeconomic support	The Poverty Reduction Support Programme, including the identification and formulation.
Other sectors	Technical Cooperation/ Communication (Support to NAO; High level evaluations/ studies; Media relations/ communications); Trade/PSD (Small enterprise support; Tourism diversification; Regional integration (norms); Trade); Social sectors (Health, STDs, (vocational) Education, Support to cultural events/ institutions); Water/Energy (Water and sanitation; Implementing Integrated Water Resources Management (IWRM); Green Energy); Disaster preparedness/ response.

The figure below shows a break-down per sector of the € 415 million of paid amounts on the extracted CRIS contracts.

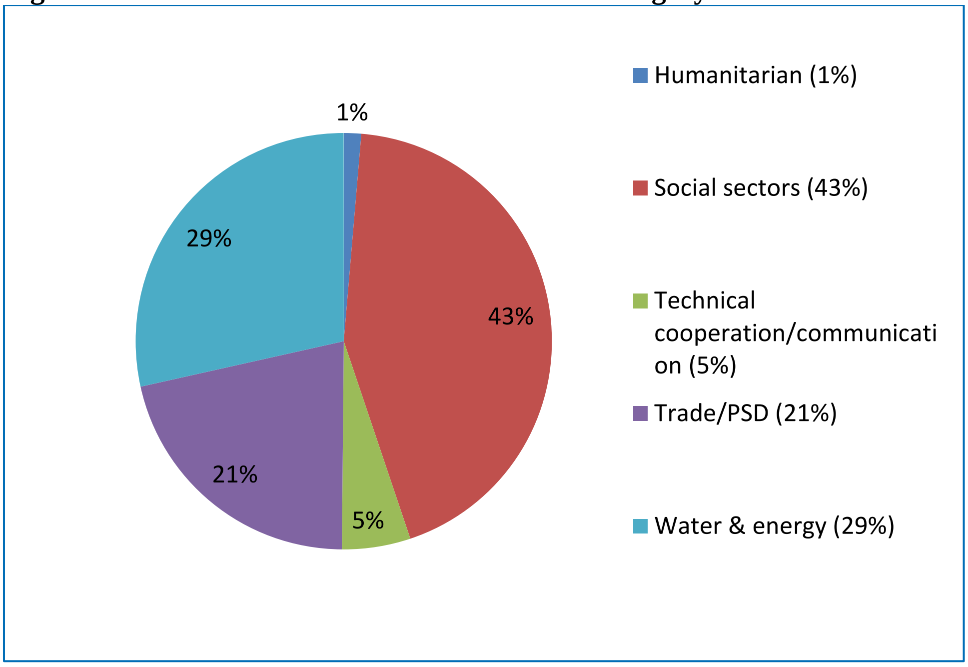
[8] Environmental activities have been grouped together with Agriculture and Rural Development based on the fact that environmental activities are included in the agriculture and rural development focal sectors of the CSPs.

Figure A.5.2 Percentage of total amount paid by sector



The figure clearly demonstrates that most of the money spent concerns the focal sectors Transport, Macroeconomic support, and Agricultural & Rural Development. Figure A.4.4 presents the breakdown of the "Other sectors" category. It shows that the Social sector is the largest sector, in terms of amounts paid, followed by the Water & Energy sector.

Figure A.5.3 Breakdown of the other sectors' category



The second step is to group the different contracts/activities within a sector in sub-sectors/activity groups. This is done to obtain a better understanding of the size and nature of the paid activities that have actually taken place within the different sectors. As the evaluation is mainly focused on the focal sectors Transport, Agriculture and Rural Development, and Macroeconomic Support, and on the non-focal sector Governance, we have undertaken this exercise for these sectors only.

Per sector, we have created sub-sectors/activity groups based on the information provided in the CSPs and other programming documents, concerning the main activities that were undertaken within the respective sector. The allocation of the contracts to the specific groups was based on the analysis of the title and decision name of the contracts combined, where necessary, with more detailed information on these contracts/decisions in monitoring and evaluation reports.

Transport

In total, around € 202 million has been planned and € 98 million paid to the Transport sector. The contracts within the Transport sector are for almost 100% paid by the EDF funds, with a negligible part being paid by the Sugar financing instrument.

The following sub-sectors/activity groups have been defined for the Transport sector:

- Capacity building;
- Construct/upgrade Northern Corridor and road to Ethiopia;
- Upgrade rural roads;
- Upgrade tourist roads; and
- Upgrade road network Nairobi.

The table below shows the shares of the different sub-sector/activity groups, as a percentage of the total amount planned and paid to the transport sector. It clearly shows that almost all of the money has been planned/spent for/on the activity group: "Construct/upgrade Northern Corridor and road to Ethiopia".

Table A.5.2 Shares sub-sectors/activity groups Transport sector

Sub-sector/Activity Group	Planned amount (€)	% Planned amount (€)	Paid amount (€)	% Paid amount
Capacity building	5,340,619	3%	421,138	0%
Construct/upgrade Northern Corridor and road to Ethiopia	194,529,300	96%	97,078,980	99%
Upgrade rural roads	551,492	0%	516,769	1%
Upgrade tourist roads	111,997	0%	111,997	0%
Upgrade road network Nairobi	1,672,515	1%	9,800	0%
Total	**202,205,923**	**100%**	**98,138,684**	**100%**

Below we present an outline of the main decisions and contracts per subsector/activity group.

The activity group capacity building encompasses the following decisions:

Table A.5.3 Capacity building: planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
Regional Economic Integration by means of Transport Infrastructure - Support to the Road Sector Policy Support Programme 10th EDF (Capacity Building and Studies)	5,138,917	219,436
Technical Co-operation Facility (TCF)	201,702	201,702
Total Capacity building	**5,340,619**	**421,138**

The main project planned within this sub-sector is "Institutional capacity building to the transport / road sector in Kenya", for which nothing yet has been paid, but € 5 million planned (part of decision: Regional Economic Integration by means of Transport Infrastructure -

Support to the Road Sector Policy Support Programme 10th EDF (Capacity Building and Studies)).

The activity group construct/upgrade Northern Corridor and road to Ethiopia encompasses the following decisions:

Table A.5.4 Construct/upgrade Northern Corridor and road to Ethiopia: planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
10th EDF- Regional Economic Integration by means of Transport Infrastructure - Regional Roads Component (Merille – Marsabit Road)	83,765,725	753,145
Northern Corridor Rehabilitation Programme	2,939,092	2,939,092
Northern Corridor Rehabilitation Programme (Mai Mahiu - Naivasha - Lanet Road)	52,472,791	52,472,791
Northern Corridor Rehabilitation Programme Phase III	55,232,852	40,822,114
Regional Economic Integration by means of Transport Infrastructure - Support to the Road Sector Policy Support Programme 10th EDF (Capacity Building and Studies)	118,840	91,838
Total Construct/upgrade Northern Corridor and road to Ethiopia	**194,529,300**	**97,078,980**

The main contracts of this subsector are:

- (EX 07 P102 C002) Service Contract For Supervision Of Workito Andei Road - RRI Beller GMBH & H.P. Gaurff Ingeni€e, paid amount: € 2 million (part of decision: Northern Corridor Rehabilitation Programme);
- Sogea Satom, Rehabilitation Of Mai Mahiu - Naivasha – Lanet Road, paid amount: € 48 million (part of decision: Northern Corridor Rehabilitation Programme (Mai Mahiu - Naivasha - Lanet Road));
- Service Contract For Supervision Of Rehabilitation Of Maimahiu - Lanet Road, paid amount: € 1.5 million (part of decision: Northern Corridor Rehabilitation Programme (Mai Mahiu - Naiv Asha - Lanet Road));
- Addendum 3: Variation Of Works And Budget Increase, paid amount: € 3 million (part of decision: Northern Corridor Rehabilitation Programme (Mai Mahiu - Naiv Asha - Lanet Road));
- Rehabilitation Of Eldoret-Turbo-Webuye Road, paid amount: € 18.5 million (part of decision: Northern Corridor Rehabilitation Programme Phase III);
- Rehabilitation Of Webuye - Malaba Road, paid amount: € 21 million (part of decision: Northern Corridor Rehabilitation Programme Phase III).

The activity group upgrade rural roads encompasses the following decisions:

Table A.5.5 Upgrade rural roads: planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
Kenya Annual Action Programme 2007, accompanying measures for Sugar	351,844	330,229
Regional Economic Integration by means of Transport Infrastructure - Support to the Road Sector Policy Support Programme 10th EDF	199,648	186,539

Decision name	Planned amounts	Paid amounts
(Capacity Building and Studies)		
Total Upgrade rural roads	**551,492**	**516,769**

The projects implemented so far include identification missions and formulation studies.

The activity group upgrade tourist roads encompasses the following decisions:

Table A.5.6 Upgrade tourist roads: planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
Regional Economic Integration by means of Transport Infrastructure -Support to the Road Sector Policy Support Programme 10th EDF (Capacity Building and Studies)	111,996	111,996
Total Upgrade tourist roads	**111,996**	**111,996**

One contract falls within this sub-sector, namely: Tailed Design And Tender Documentation For Tourist Roads In Aberdare National Park And Mt. Kenya National Park – Kenya.

The activity group upgrade road network Nairobi encompasses the following decisions:

Table A.5.7 Upgrade road network Nairobi: planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
Regional Economic Integration by means of Transport Infrastructure -Support to the Road Sector Policy Support Programme 10th EDF (Capacity Building and Studies)	150,965	9,800
KENYA/ACP/Regional Economic Integration by means of Transport Infrastructure - Urban Roads	1,521,550	0
Total Upgrade road network Nairobi	**1,672,515**	**9,800**

The main project within this subsector is “Supervision services of the Works Contract for the construction of missing link roads and non-motorised transport (NMT) facilities in Nairobi, Kenya”, for which € 1.5 million is planned, but nothing yet has been paid.

The works on Nairobi roads and tourist roads are expected to start soon.

Next to the decisions and contracts mentioned above, other transport projects have also been implemented during the evaluation period, financed from STABEX funds. These are the “EC STABEX Roads 2000 project phase II”, for which € 10.5 million was planned and around € 8 million paid, and the Central Kenya Rural Roads project, for which € 21 million was planned and paid.

A5.3 Agriculture and Rural Development

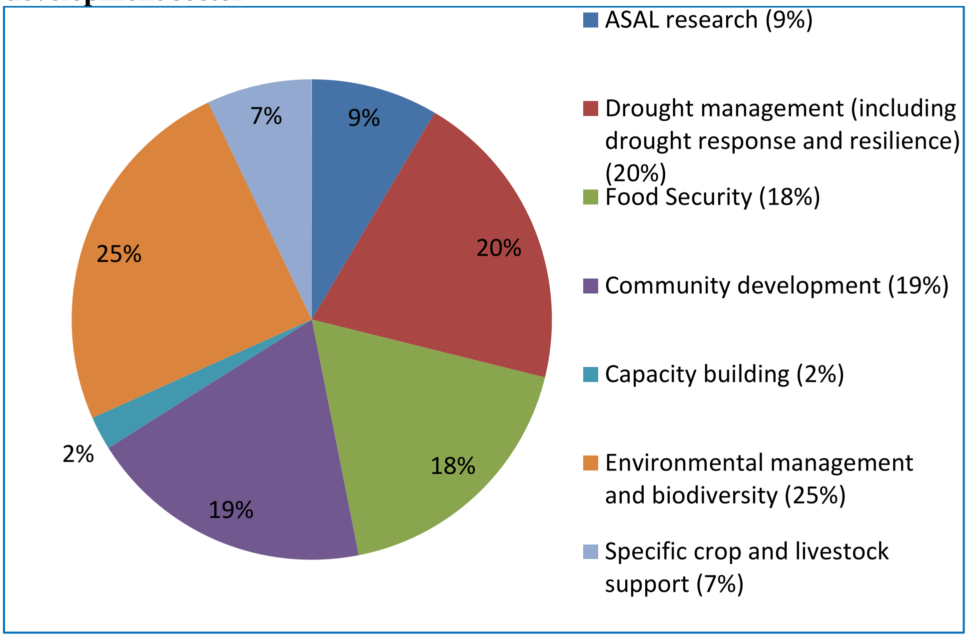
Within the Agriculture and Rural Development sector, a total of around € 115 million has been planned and € 88 million paid. The majority –around 2/3- of the € 88 million spent has been financed from the EDF funds. The budget lines concerning non state actors and local authorities are the next most important source of funds for expenditures within this sector.

The following sub-sectors/activity groups have been defined for the Agriculture and Rural Development Sector:

- ASAL research;
- Drought management (including drought response and resilience);
- Food Security;
- Community development;
- Capacity building;
- Environmental management and biodiversity; and
- Specific crop and livestock support.

The figure below presents the shares of the different sub-sector/activity groups, as a percentage of the total amount paid to the Agriculture and Rural Development Sector. Environmental management and biodiversity, Drought management, and Food Security are the largest activity groups according to this breakdown.

Figure A.5.4 Percentage of total amount paid by sub-sector/activity group Agriculture/Rural development sector



Below we present an outline of the main decisions and contracts per subsector/activity group.

The activity group ASAL research encompasses the following decisions:

Table A.5.8 ASAL research: planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
Kenya arid and semi-arid land research programme	6,555,104	6,028,804
Kenya Rural Development Programme (KRDP)	4,000,000	1,514,653
Total ASAL research	**10,555,104**	**7,543,457**

The main contracts of this subsector are:

- Grant to Kari, paid amount: € 5 Million (part of decision: Kenya arid and semi arid land research programme);
- Natural Resources International Technical Assistance, paid amount: € 1 million (part of decision: Kenya arid and semi-arid land research programme);
- ASAL- Agricultural Productivity Research Project (ASAL-APRP), paid amount: € 1.5 million (part of decision: Kenya Rural Development Programme (KRDP).

The activity group drought management (including drought response and resilience) encompasses the following decisions:

Table A.5.9 Drought management: planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
Drought Management Initiative	11,844,958	11,621,296
Kenya Rural Development Programme (KRDP)	13,047,110	6,372,412
Total drought management	**24,892,069**	**17,993,708**

The main contracts of this subsector are:

- World Bank Grant, paid amount: € 4 million (part of decision: Drought Management Initiative);
- Oxfam - Grant Contract, paid amount: € 2 million (part of decision: Drought Management Initiative);
- Grant To VSF, paid amount: € 2 million (part of decision: Drought Management Initiative);
- DMI - PROGRAMME ESTIMATE 4, paid amount: € 1 million (part of decision: Drought Management Initiative);
- Programme Estimate 1 ASAL Drought Management, paid amount: € 1.5 million (part of decision: Kenya Rural Development Programme (KRDP));
- Improved Community Drought Response and Resilience, paid amount: € 2 million (part of decision: Kenya Rural Development Programme (KRDP));
- Programme Estimate 2 ASAL Drought Management, paid amount: € 2 million (part of decision: Kenya Rural Development Programme (KRDP)).

The activity group Food Security encompasses the decisions mentioned in table A.5.10.

Table A.5.10 Food Security: planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
Set of measures for implementing the facility for rapid response to soaring food prices in developing countries.	5,521,590	5,521,590
Social protection and recovery for urban and peri-urban vulnerable people in Kenya	10,283,291	10,283,291
Post Disaster Assessment Study – Kenya (specific contract, decision name unknown)	112,700	112,700
Total Food Security	**15,917,581**	**15,917,581**

The main contracts of this subsector are:

- Dryland Farming Programme, paid amount: € 1 million (part of decision: Set of measures for implementing the facility for rapid response to soaring food prices in developing countries);
- Using Food Aid to Stimulate Markets in Pastoral Communities, paid amount: € 4 million (part of decision: Set of measures for implementing the facility for rapid response to soaring food prices in developing countries);
- Support programme to urban and peri-urban population affected by soaring food prices in Kenya, paid amount: € 10 million (part of decision: Social protection and recovery for urban and peri-urban vulnerable people in Kenya).

The activity group Community development encompasses the decisions mentioned in table A5.11.

Table A.5.11 Community development: planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
Community Development For Environmental Management Programme CDEMP	153,642	153,642
Community Development Programme Phase 4	12,115,677	8,392,983
Community Development Programme Phase 2 (CDP 2)	6,851,781	6,851,781
pré-engagement dont dependront les contrats PVD projets	1,766,121	1,721,269
Total Community development	**20,887,221**	**17,119,675**

The main contracts of this subsector are:

- Programme Estimate No. 1 for Community Development Initiatives (CDI), paid amount: € 1.5 million (part of decision: Community Development Programme Phase 4);
- Programme Estimate No. 2 for Community Development Initiatives (CDI), paid amount: € 3 million (part of decision: Community Development Programme Phase 4);
- Programme Estimate No. 3 for Community Development Initiatives (CDI), paid amount: € 3 million (part of decision: Community Development Programme Phase 4);
- 5th Programme Estimate, 1 July 2005 To 30 June 2006, paid amount: € 6 Million (part of decision: Community Development Programme Phase 2 (CDP 2));
- Western Kenya Community Livelihoods Empowerment Programme, paid amount: € 1 million (part of decision: pré-engagement dont dependront les contrats PVD projects).

The activity group capacity building encompasses the decisions mentioned in table A5.12.

Table A.5.12 Capacity building: planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
Annual Action Programme 2009 under the Accompanying Measures for the Sugar Protocol countries for Kenya	61,246	40,549
Drought Management Initiative	166,982	166,982
Kenya Annual Action Programme 2007 Accompanying measures for Sugar	149,480	149,480
Kenya Rural Development Programme (KRDP)	4,988,102	1,429,082
Technical Support programme (TSP)	198,148	198,148
Total Capacity building	**5,563,959**	**1,984,242**

A main project within this subsector is the Support to sector coordination/ASCU, paid amount: € 1 million (part of decision: Kenya Rural Development Programme (KRDP)).

The activity group environmental management and biodiversity encompasses the decisions mentioned in table A5.13.

Table A.5.13 Environmental management and biodiversity: planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
Allocation from 2008 to Call for Proposals EuropeAid/126201/C/ACT/Multi under the ENRTP.	610,860	549,774
Community Development For Environmental Management Programme CDEMP.	10,568,872	9,022,322
Community Development Programme Phase 4.	8,013,947	5,718,022
Farm Forestry and Natural Resources Conservation Project around the Arabuko-Sokoke-Goshi, Coast Province of the Republic of Kenya.	1,353,105	1,353,105
Innovative Approaches Towards Rehabilitating the Mau Ecosystem.	2,114,560	1,452,600
Loita / Purko Naimina Enkiyo forest integrated conservation and development project.	1,260,573	1,260,573
pré-engagement dont dépendront les contrats PVD projets.	1,992,272	1,919,218
Sound forest management and conservation in Kenya: Kenya Forest working Group (KFWG) Phase II.	332,874	332,874
Total Environmental management and biodiversity	**26,247,064**	**21,608,489**

The main contracts of this subsector are:

- CDTF - Programme Estimate 3, Paid Amount: € 2 million (Part Of Decision: Community Development For Environmental Management Programme CDEMP);
- CDTF-CEF: PROGRAMME ESTIMATE 4, Paid Amount: € 1 million (Part Of Decision: Community Development For Environmental Management Programme CDEMP);
- CDTF - 5TH PROGRAMME ESTIMATEJANUARY 2009 - JUNE 2010, Paid Amount: € 2 million (Part Of Decision: Community Development For Environmental Management Programme CDEMP);
- Programme Estimate No. 2 for Community Environment Facility II (CEF II), paid amount: € 2.5 million (part of decision: Community Development Programme Phase 4);
- Programme Estimate No. 3 for Community Environment Facility II (CEF II), paid amount: € 2.5 million (part of decision: Community Development Programme Phase 4);
- Farm Forestry and Natural Resources Conservation Project around the Arabuko-Sokoke-Goshi, Coast Province of the Republic of Kenya, paid amount: € 1 million (part of decision: Farm Forestry and Natural Resources Conservation Project around the Arabuko-Sokoke-Goshi, Coast Province of the Republic of Kenya);
- Innovative Approaches Towards Rehabilitating the Mau Ecosystem, paid amount: € 1.5 million (part of decision: Innovative Approaches Towards Rehabilitating the Mau Ecosystem);

- Loita / Purko Naimina Enkiyo forest integrated conservation and development project, paid amount: € 1 million (part of decision: Loita / Purko Naimina Enkiyo forest integrated conservation and development project).

The activity group specific crop and livestock support encompasses the decisions mentioned in table A5.14.

Table A.5.14 Specific crop and livestock support. planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
Annual Action Programme 2009 under the Accompanying Measures for the Sugar Protocol countries for Kenya.	3,437,676	2,513,332
Global commitment for in-country and multi-country calls for proposals - Objective 1 - PVD projects - Local Authorities - AAP 2009.	132,505	132,505
Global commitment for in-country and multi-country calls for proposals - Objective 1 - PVD projects - Non State Actors - AAP 2009.	598,862	410,951
Kenya Rural Development Programme (KRDP).	5,077,311	1,449,304
pré-engagement dont dependront les contrats PVD projets.	597,128	597,128
Set of measures for implementing the facility for rapid response to soaring food prices in developing countries.	1,177,562	1,177,562
Total Specific crop and livestock support	**11,021,044**	**6,280,782**

The main contracts of this subsector are:

- Sugar Reforms Support Project, paid amount: € 1 million (part of decision: Annual Action Programme 2009 under the Accompanying Measures for the Sugar Protocol countries for Kenya);
- Promoting Turkana pastoralist livelihoods to mitigate rising food prices, paid amount: € 1 million (part of decision: Set of measures for implementing the facility for rapid response to soaring food prices in developing countries).

Next to the decisions and contracts mentioned above, other rural development and agriculture projects have also been implemented during the evaluation period, financed from STABEX funds. The main projects are:

- Horticultural Produce Phytosanitary Certification & Quality Assurance (HORTICAP) (planned € 3 million, paid € 3 million);
- Quality Coffee production and Commercialisations Support Programme (planned € 6 million, paid € 3.5 million);
- Support to ASCU /Strategy for Revitalising Agriculture (planned € 2 Million, paid €1.5 million);
- Community Development Programme Phase III (planned € 13 million, paid 5 million).

A5.3 Macroeconomic support

General Budget Support (GBS) was planned to be a key component of the two CSPs as indicated above. However, only the GBS of the 9th EDF has actually been provided[9] under the name "Second phase of the Poverty Reduction Budget Support (PRBS-II)". The PRBS-II consisted in fact of GBS and Technical Assistance for supporting the PFM Reform Programme, respectively € 120 million and € 5.0 million (planned amounts, while actual disbursements totalled respectively € 98,7 million and € 2 million)[10]. This is more than the original allocation in the CSP, because in the MTR and ETR changes were made to the allocations (see Table 3.1).

All of the money spent on macroeconomic support, around € 101 million, has been financed from the EDF funds. This amount includes € 2 million EU Support for the PFM Reform Programme.

The following table shows the GBS amounts committed and disbursed.

Table A.5.15 Planned and disbursed GBS amounts (in €)

	Committed	Disbursed	Date
Budget Support			
Fixed tranche 2005/2006	50,000,000	50,000,000	12-2005
Fixed tranche 2006/2007	20,000,000	20,000,000	12-2007
Variable tranche 2006/2007	30,000,000	20,625,000	12-2007
Variable tranche 2007/2008	20,000,000	8,078,125	08-2012
Total budget support	**120,000,000**	**98,703,125**	

The technical assistance involved the funding of the Institutional Reform and Capacity Building Programme (Trust Fund Agreement with the World Bank) and an Identification and formulation mission of the10th EDF General Budget Support programme.

Governance

For the Governance sector, around € 51 million has been planned and € 45 million spent. The majority of the money spent has been funded by the EDF. The Democracy and Human Rights financing instruments (EIDHR and DDH) are the next most important financing sources for the governance sector.

The following sub-sectors/activity groups have been defined for the Governance Sector:

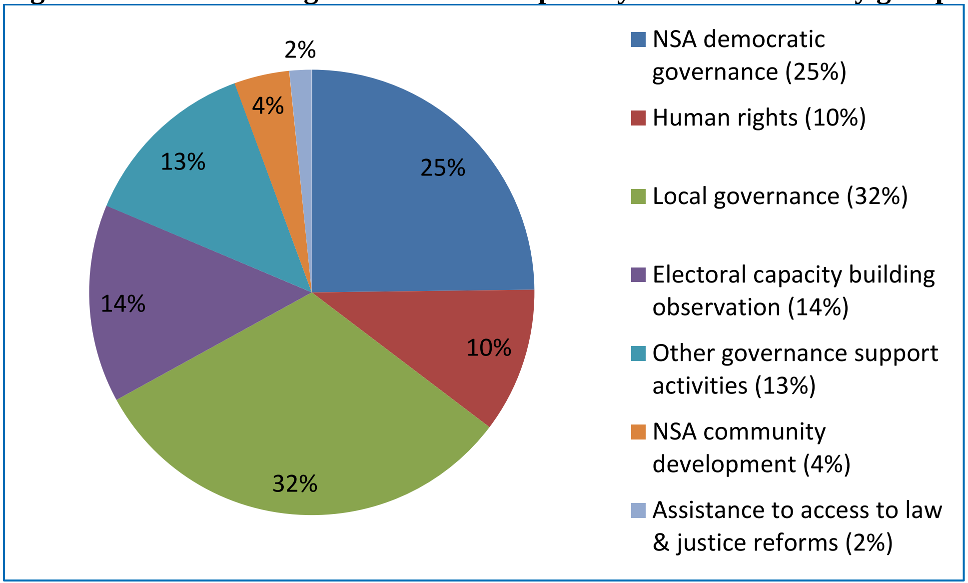
- Local governance;
- NSA democratic governance;
- Electoral capacity building & observation;
- Human rights;
- NSA community development;
- Assistance to access to law & justice reforms; and
- Other governance support activities.

9 We already saw that the 10th EDF GBS component (indicative amount of € 126.8 million) was never implemented and at the occasion of the MTR and the ETR of the CSP 2008-2013, those funds were reallocated to other sectors.

10 Originally an amount of only € 68-85 million was programmed for GBS under EDF-9. During the Mid Term Review, that amount was increased to € 125-150 million; Finally a financing agreement amounting to € 125 million was signed.

The figure below presents the shares of the different sub-sector/activity groups, as a percentage of the total amount paid for the Governance Sector. Most of the money has been spent on "Local governance" activities and on supporting NSAs to foster democracy. Support to elections and human rights has also been significant in monetary terms.

Figure A.5. 5 Percentage of total amount paid by sub-sector/activity group Governance sector



Below we present an outline of the main decisions and contracts per subsector/activity group.

The activity group local governance encompasses the following decisions:

Table A.5.16 Local governance: planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
Bridging Divides through Accountable Governance	174,894	134,321
Rural Poverty Reduction And Local Government Support Programme	14,181,835	14,085,008
Total local governance	**14,356,729**	**14,219,329**

The main contracts of this subsector are:

- Poverty Reduction Fund - 1st Call For Proposals, paid amount: € 2 million, (part of decision: Rural Poverty Reduction And Local Government Support Programme);
- HTSPE - technical support to KLGRP, paid amount: € 4 million, (part of decision: Rural Poverty Reduction And Local Government Support Programme);
- GOPA, technical assistance to PMU, paid amount: € 5 million, (part of decision: Rural Poverty Reduction And Local Government Support Programme);
- 2nd Poverty Reduction Fund, paid amount: € 2 million, (part of decision: Rural Poverty Reduction And Local Government Support Programme).

The activity group NSA democratic governance encompasses the following main decisions:

Table A.5.17 NSA democratic governance: planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
Democratic Governance Support Programme.	3,117,541	3,117,540
Bridging Divides through Accountable Governance.	3,917,465	2,203,557
Support to Non-State Actors.	4,603,276	4,098,959
Other decisions (Global commitment for local calls for proposals Objective 1 - PVD Projects - Non State Actors - AAP 2007; Global commitment for in-country and multi-country calls for proposals - Objective 1 - PVD projects - Non State Actors - AAP 2009; Instrument de stabilité - Préparation aux situations de crise; EIDHR 2012 AAP - CBSS (Country Based Support Schemes); The thematic programme Non State Actors (NSA): Objective Nr. 1 - In-country + multi-regional/country.	5,268,853	4,833,706
Total NSA democratic governance	**13,789,594**	**11,136,222**

The main contracts of this subsector are:

- 1st programme estimate 07.06.2010 - 07.03.2011, paid amount: € 1.5 million (part of decision: Support to Non-State Actors);
- programme est. 2 (08.03.2011 - 07.01.2013), paid amount: € 2.5 million (part of decision: Support to Non-State Actors);
- Strengthening Kenyan civil society to participate more effectively in democratic governance and reforms - Amkeni Wakenya (UNDP), paid amount: € 3.5 million (part of decision: Bridging Divides through Accountable Governance);
- Flexible Fund For Disbursement Of 23 Grants, paid amount: € 1 million (part of decision: Democratic Governance Support Programme).

The activity group electoral capacity building & observation encompasses the main decisions mentioned in table A5.18.

Table A.5.18 Electoral capacity building & observation: planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
Missions d'observation electorale de l'UE en 2007.	3,241,800	3,241,800
PAMF VI.	707,670	50,000
Bridging Divides through Accountable Governance.	1,950,000	1,755,000
Support to Non-State Actors.	339,937	339,937
EIDHR 2011 AAP - CBSS (Country Based Support Schemes).	734,990	546,242
Other decisions (expertise Missions Exploratoires pour préparer observation des elections, Commitment of funds to finance Chief Observer Contracts for EU Election Observation Missions).	509,472	509,472
Total Electoral capacity building & observation	**7,483,869**	**6,442,451**

The main contracts of this subsector are:

- ELE - Election Observation Mission to Kenya, paid amount: € 3 million (part of decision: Missions d'observation electorale de l'UE en 2007);
- Support to Electoral Reforms and Processes in Kenya 2012-2013: € 2 million (part of decision: Bridging Divides through Accountable Governance).

The activity group human rights encompasses the main decisions mentioned in table A5.19.

Table A.5.19 Human rights: planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
19 04 03 Call for Proposals 2004 - Support Promoting the Rights of indigenous Peoples.	259,395	259,395
EU support to the trial and related treatment of piracy suspects.	1,750,000	1,400,000
EIDHR 2007 AAP - without country based support schemes - without targeted projects.	2,052,459	1,947,755
EIDHR 2008- AAP without country based support schemes, without targeted projects, without EOMs.	479,761	431,785
EIDHR 2011 AAP - CBSS (Country Based Support Schemes).	2,992	2,992
EIDHR 2011 Annual Action Programme - Without country based support schemes, targeted projects and EOMs.	1,199,956	286,091
EIDHR Support measures not covered by strategy papers.	26,400	26,400
Increase of the budget of the 2007 call for proposals "Preventing harm to children affected by armed conflicts and fighting against child trafficking".	471,719	353,899
Partial decision for EIDHR support measures 2008 not covered by strategy papers.	3,000	3,000
Total human rights	**6,245,682**	**4,711,317**

The main contracts of this subsector are:

- EU support to the trial and related treatment of piracy suspects, paid amount: € 1 million (part of decision: EU support to the trial and related treatment of piracy suspects);
- The Eastern Africa International Criminal Justice Initiative, paid amount: € 1 million (part of decision: EIDHR 2007 AAP - without country based support schemes - without targeted projects).

The activity group NSA community development encompasses the main decisions mentioned in table A5.20.

Table A.5.20 NSA community development: planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
Global commitment for in-country and multi-country calls for proposals - Objective 1 - PVD projects - Local Authorities - AAP 2009.	139,025	87,539
Global commitment for in-country and multi-country calls for proposals - Objective 1 - PVD projects - Non State Actors - AAP 2009.	698,714	682,381
Global commitment for in-country calls for proposals -Objective 1- PVD projects - Non State Actors - AAP 2008.	900,637	671,853
Global commitment for local calls for proposals Objective 1 - PVD Projects - Non State Actors - AAP 2007.	357,643	355,539
Total NSA community development	**2,096,019**	**1,797,312**

A main contract falling under this subsector is Empowering Communities through self-Governance and Development, paid amount € 0.5 million (part of decision: Global commitment for in-country and multi-country calls for proposals - Objective 1 - PVD projects - Non State Actors - AAP 2009).

The activity group assistance to access to law & justice reforms encompasses the main decisions mentioned in table A5.21.

Table A.5.21 Assistance to access to law & justice reforms: planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
Bridging Divides through Accountable Governance	1,525,319	725,944
Total Assistance to access to law & justice reforms	**1,525,319**	**725,944**

The main contract under this decision is Programme Estimate 1 - MIN. OF JUSTICE (MOJNCCA) (7 AUG 2012 - 6 FEB 2014), paid amount € 0.5 million.

The activity group other governance support activities encompasses the main decisions mentioned in table A.5.22.

Table A.5.22 Other governance support activities: planned and paid amounts per decision (in €)

Decision name	Planned amounts	Paid amounts
Administrative support 2009 - ATA DCI Thematic Programmes - Directorate F.	17,669	17,669
DCI-NSA Support measures 2008 - Allocation AIDCO/F.	17,070	17,070
Global commitment for in-country and multi-country calls for proposals - Objective 1 - PVD projects - Local Authorities - AAP 2009.	805	805
Global commitment for in-country calls for proposals -Objective 1-PVD projects - Non State Actors - AAP 2008.	5,362	5,362
IFS Priority 2 Support Expenditure Programme 2009.	29,781	29,781
Local Information Project 2006 – Kenya.	32,594	32,594
National Museum Of Kenya Support Programme.	5,261,351	5,261,351
NSA & LA Programme > Obj. 1 NSA (In-country + multi-country).	7,416	7,080
Support to Non-State Actors.	588,140	470,512
Total other governance support activities	**5,960,188**	**5,842,224**

The main contracts of this subsector are:

- Cementers Limited, New Works At National Museums Of Kenya, paid amount: € 2.5 million (part of decision: National Museum Of Kenya Support Programme);
- Lalji Meghji Patel & Company Limited, paid amount: € 1 million (part of decision: National Museum Of Kenya Support Programme);
- 3rd Programme Estimate, paid amount: € 1 million (part of decision: National Museum Of Kenya Support Programme).

Annex 6 EQ1: Responsiveness

A6.1 Rationale/justification

This question covers the extent to which the EU's policies and strategy took into account the needs and problems of the population as expressed in successive GoK plans or by the Civil Society in different fora. The context analysis made it clear that there were quite some fundamental changes in the political and economic situation in Kenya during the period under study. After a mood of relative optimism from 2003 onwards, despite governance concerns and persistent poverty, the 2007 elections led to violence in 2008 and a deterioration of socio-economic indicators. From 2009 onwards the situation improved again. The context analysis also showed that there were periods of rapid policy developments and institutional reforms and periods of stagnation.

One of the main issues is whether the EU was adequately prepared to respond to changes in the context, for example by making use of risk mitigation analyses and strategies or scenario analysis. Furthermore, the applicability of the Organisation for Economic Co-operation and Development – Development Assistance Committee (OECD-DAC) indicators of fragile states to Kenya during the evaluation period and the adequacy of risk assessment and mitigation analysis has been analysed.

As this question deals to an important extent with the relevance of the EU support to Kenya, the appropriateness of the choice for the two focal sectors is an integral part of this EQ. Furthermore, there was pressure to disburse more money through the focal sectors because of the increase of allocations as 10th EDF GBS was reallocated to the focal sectors. The appropriateness of the decisions for reprogramming have been examined.

The background analysis showed that the implementation of a large share of the programmes planned under the two CSPs was severely delayed and a considerable part was not implemented at all and replaced by other types of activities. Therefore, it has been assessed to what extent the changing governance situation in Kenya has had an effect on programming and implementation of the CSPs, and in particular on the mix of aid modalities and funding instruments. The various aid modalities and funding instruments (and the mix thereof) employed for implementing the EU's cooperation strategy with Kenya could have had significant influence on the value added and internal coherence of the EU support. The mix should have been based on strategic choices, and should take into account the national context, programme objectives and potential avenues to achieve them, ownership and alignment objectives, as well as a careful consideration of the recipient government's capacities and the advantages / disadvantages of employing the various aid modalities and instruments. The evaluation team has analysed the aid modality mix against the background of changes in Kenya. Furthermore, the analysis of the reasons behind the delays is an important element of the analysis of efficiency.

The overall EU development cooperation rationale consists of more than the EDF-CSP funding. In practice, there is a combination of policies, strategies and funding instruments through which a large variety of activities is being financed. The regional strategy (RSP), the political dialogue (via EEAS), and humanitarian assistance via ECHO (European Commission

Humanitarian Aid department) are supposed to be coherent with and complementary to country assistance via the EDF-CSP. Therefore, this strategic question also has focused on internal coherence of the EU support in the changing Kenyan context.

This question does not only have an accountability element, but aims also to draw lessons that are relevant for future design and planning of EU assistance.

A6.2 Judgement criterion 1.1

EQ 1 To what extent has the programming and implementation of the EU policies and strategy responded adequately to the specific context of Kenya and its evolution over the 2003-2012 period?
JC1.1 The main needs and priorities of the people and Government of Kenya are adequately taken into account in the EU support
I.1.1.1. Existence of good quality needs assessments and of political economy analyses that have been used in planning, programming and implementation.
I.1.1.2 Degree of alignment between EU strategies and interventions and the priorities of the GoK.
I.1.1.3 Degree of ownership of the various EU interventions by the GoK and NSAs as shown in active involvement in preparation, implementation and M&E of EU funded programmes.

Detailed evidence: I.1.1.1. Existence of good quality needs assessments and of political economy analyses that have been used in planning, programming and implementation
All CSPs and programming documents for EU interventions contain background sections in which development constraints are analysed including governance issues. On that basis response strategies have been formulated and specific interventions have been identified and formulated. The depth of the analyses varies from one document to another. No specific political economy analyses on Kenya commissioned by the EU have been identified, but governance issues are addressed in most programming documents. In 2008 a governance profile was prepared by the EUD with an overview of main governance issues, but no direct linkages to programming. The general strategy documents are not very specific on the detailed needs of various population groups.

The analysis of strategic, sector and project documents indicates that standard general background analyses of the main needs have been carried out. These analyses consist of descriptions of the political, economic and social situation that serve to plan appropriate interventions. However, no baseline data studies or detailed needs assessments based on surveys at the level of the population have been carried.

The ROM reports very frequently report on project design problems that have affected the performance. Interviews during the field work indicated that these design problems are related to some extent to limited needs assessments. This is a general picture, but there is variation among projects and sectors.

Agriculture and rural development: There have been fairly good quality general needs assessment and political economy analysis for the development of the Kenya Rural Development Programme (KRDP)[11]. However, for the various CDTF programmes and for

[11] See KRDP's Identification fiche, the final implementation report for the Programme Estimate no. 1, and the Financing Agreement (Technical and Administrative Provision). These documents in turn lean heavily on the Agricultural Sector

KARI/KASAL there were no good needs assessments at all and hardly any attention for political economy analyses as is reflected in the evaluation reports for these programmes.

Transport: The roads projects carried out under NCRP Phase I, II and III are all based on detailed and thorough technical feasibility studies with some attention for socio-economic effects. However, no comprehensive needs assessments and political economy analyses of the transport sector were carried, although over time the studies to prepare the various NCRP interventions became more detailed, cf. I.8.1.1. As basis for the decision-making on SBS a comprehensive identification study[12] was carried out in 2009 presenting a comprehensive sector analysis including a political economy analysis.

Macroeconomic support: The PFM reform programme was based on an adequate analysis of the weaknesses and shortcomings of the existing PFM system (see EQ5).

Governance**:** EU's support to governance in Kenya was not informed by a comprehensive needs assessment nor a political economy analysis. There was, moreover, no specific, all-embracing, strategy that provided the foundation for the various support activities of the EU to public governance in Kenya. Instead, the EU tried to be as pragmatic as possible in practice and aligned its support to the thematic areas of the Agenda 4 Reforms.

The main reason for the lack of a comprehensive analysis and strategy underpinning EU's support to governance in Kenya was, according to EUD staff, the fact that governance was not a focal sector and only relatively limited financial and human resources had initially been allocated to it. While the focus on Agenda 4 Reform activities gave some direction to EU's support activities, the portfolio of governance support activities has, nevertheless, been very broad.

For all specific governance support programmes, (needs) analyses have been undertaken to inform the design of the programmes, but, overall, these appear not to have been very thorough.

Detailed evidence: I.1.1.2 Degree of alignment between EU strategies and interventions and the priorities of the GoK.

The CSPs and other programming documents as well as the JAORs are clear on the alignment between EU strategies and interventions and the priorities of the GoK. Both the document analysis and interviews made it clear that there is a high degree of alignment between the EU strategy and programming documents on the one hand and the GoK priorities on the other hand as defined in the ERS, Vision 2030, but also with sector policy documents such as SRA and ANDS for agriculture and the Road Act for transport. All strategy and programming documents refer to the priorities of the Government of Kenya. Furthermore, in most programming documents there is a specific reference to alignment with sector policies and strategies of the Government of Kenya.

Agriculture and Rural Development: The CSP 2008-2013 indicated that agriculture and rural development would be one of the focal sectors of the NIP, and reference was made to the SRA in that document with a focus on increasing agricultural and livestock production and productivity, adaptation to climate change, increasing the focus on ASAL areas, improving

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Development Strategy (ASDS), CAADP and Vision 2030, result of the DMI and the WB supported Arid Lands Resource Management Projects – ALRMP (I and II).

[12] See COWI, February 2009: "Identification Study for 10th EDF to Transport Infrastructure. Final Report." Vol 1 and 2.

the livelihoods of rural communities, improving food security and reducing poverty. The same priorities of the GoK as indicated in the CSPs, are reflected in later policy documents such as ASDS, CAADP, and Vision 2030 - with agriculture as key area of the Economic Pillar of Vision 2030. After the SRA a new sector strategy for agriculture was developed: the ASDS adopted in 2010 with an increased focus on ASAL. The overall framework for the multi-sectoral and multi-stakeholder development of the ASAL has been created under the National Policy for the Sustainable Development of Northern Kenya and other Arid Lands (the 'ASAL Policy'[13]). The ASAL Policy emphasises the region's contribution to national development, and commits the government to adopt flexible approaches to service delivery and governance in pastoralist areas. This is also reflected in the formulation of the KRDP with a good level of alignment between EU strategies and interventions and the policies of the GoK.

Nevertheless, given the frequent changes in sector policies during the period under review and the frequent lack of operationalization of policies, the level of alignment does often not go beyond general policy priorities. Furthermore, in the CSP for 2003-2007 the Kenya Rural Development Sector Strategy was mentioned as the key policy initiative for the reform of the entire sector, but that policy document was never approved.

Transport: The transport sector has permanently received a key position in the national development plans, and new transport policies have been approved throughout the evaluation period. The EU strategy and planning documents regarding the transport sector are consistent with ERS, Vision 2030 and other major policy and planning documents of the Government of Kenya. However, there have been problems with the operational plans in the transport sector. For example, it took more than five years to prepare a Road Sector Investment Plan (RSIP), which was a requirement in the 2007 Road Act. The first RSIP for the period 2010-2014 was only approved in 2012, and appeared to be outdated at that time (vf I8.1.1.).

Macroeconomic support: The design and financing decision about the PRBS-II were indeed based on a proper analysis of the political and economic situation in Kenya during the years 2003-2005. It was a period of renewed confidence in the policies of the new Government elected in 2002, as regards restoring economic growth, reducing poverty and improving governance. The ERS was conceived as the GoK's PRSP which provided the policy framework for the PRBS-II (see EQ4).The EU support to PFM reform was not fully aligned with the Government's PFM Reform Programme, because the EU support was channelled via a World Bank project. The structure and objectives of that project were not identical to those of the GoK's PFM Reform Programme (see EQ.5).

Governance: The degree of alignment of EU's governance support activities shows a mixed picture. On the one hand quite some governance activities were to a large degree aligned with the priorities of the GoK as they were mainly focused on GoK's Agenda 4 reform activities and or focusing on strengthening local governance. In addition, these programmes have been consistent with, and supported, the aims of GoK's strategies like the Kenya Vision 2030. On the other hand, EU's support to NSAs was definitely not a priority of the GoK. Nevertheless, the support to NSAs was highly justified from the perspective of contributing to improved public governance in Kenya and was well aligned with the Cotonou Agreement.

[13] The ASAL Policy was passed by Cabinet in October 2012 and its Sessional Paper approved by Parliament in December 2012.

Detailed evidence: I.1.1.3 Degree of ownership of the various EU interventions by the GoK and NSAs as shown in active involvement in preparation, implementation and M&E of EU funded programmes.

Agriculture and rural development: The degree of local ownership of the KARI/KASAL project is deemed as high because of the large contribution of GoK (€ 6.5 million or 45% of total project cost). KARI benefits from institutional support and was actively involved in the preparation of the programme.

The formulation KRDP[14], took a very long time, which might be an indicator of limited ownership, but also of the complex institutional set-up both at the donor side[15] as well as on the GoK side. There is no indication in the Financing Agreement of the amount of GoK contribution. Possibly it was provided in the form of staff payment, provision of office space, etc. The Ministry of Northern Kenya was to play an important role programme implementation, including a steering committee set up by ASCU. However, that Ministry does not exist anymore and the KRDP secretariat is now located within the Ministry of Agriculture with the secretariat reporting to both the PS and the EUD. The NDMA has to play an important role on implementation of the KRDP. There have been positive developments such as the alignment of KRDP with ASDS and the ASAL policy, but KRDP still risks to be mainly a donor-driven and parallel set up. Much will depend on the on-going reorganisation of the Ministry of Agriculture.

The dispersed institutional set-up for the agricultural and rural development sector with more than 10 ministries involved till the elections of March 2013 has complicated the EU support to some specific institutions. Local ownership is considered to be low for the CDTF, which operates under the supervision of a Board chaired by the Ministry of Planning and Devolution, but which is basically a stand-alone institution set up as a EU funded project in 1996; cf I.7.1.2.There is no GoK contribution for CDTF, which means that not only all grants to communities, but also all operational costs of CDTF are paid for by donors[16]. Furthermore, the institutional status of the CDTF is not clear.

Transport: In the period 2005-07 many consultations regarding a new policy and institutional framework took place between the GoK and the DPs including the EU. This resulted in the formulation of the Sessional Paper of 2006 on the Development and Management of the Roads Sub-sector and the Roads Act of 2007. The EU played a very pro-active role at that time, which was also reflected in the consultation of Kenyan stakeholders in the preparation of the 10th EDF CSP. The possibility of SBS was left open in the CSP. In 2008 the institutional reforms consisting of the establishment of new independent road authorities were effectuated. That was also the year of the post-election violence, which had an influence on the dialogue and consultations in the sector. The stakeholders were still consulted on the choice of aid modalities in 2009, when the possibility of SBS was investigated, but was rejected[17]. The JAOR 2008 strongly argues that the continued focus on project support has been subject to a comprehensive analysis and proper stakeholder consultation. Whilst there

14 KRDP has a total budget of € 86.4 million with a 100% contribution from the EU. At the initial project design (EU Identification Fiche) the total budget of the KRDP was set much higher at € 169 million whereby the World Bank was to participate with a contribution of € 82.5 million. At the end the World Bank opted out as apparently no funding arrangement could be reached between the GoK and the World Bank (source: KRDP Secretariat).

15 FAO is to contribute € 750,000 as co-funding of a project carried out by FAO under the KRDP. DfID is to contribute 2 million pounds to a livestock project under the KRDP. Possible GIZ funding (€ 1.2 million) is currently under review by GIZ and the EU (source: KRDP Secretariat).

16 Danida contributes € 10.5 million to the environmental component of CDTF.

17 Identification Fiche for Sector Policy Support Programme of 23/06-2009.

appears to be agreement on the main type of support, there are different opinions regarding the combination of support to rehabilitation and construction on the one hand and institutional support on the other hand.

There is no doubt regarding the strategic and operational ownership of the GoK on the construction and rehabilitation of trunk roads. However, the EU support to the trunk roads consisted primarily of a construction and rehabilitation component, but a capacity building component was added. The ROM reports on NCRP point at ownership issues regarding these proposed capacity building components to support institutional reforms. In fact, the capacity building was replaced by the procurement of test equipment. Also the interviews pointed at a high level of ownership at national level for the major 'technical interventions' such as support to the rehabilitation and construction of roads, but a lower of ownership for the institutional reforms. The DPs including the EU have also been less actively involved in the implementation of the reforms then in the preparation.

Macroeconomic support**:** Originally, the GoK showed high ownership of the GBS, but with the increasing problems and discussions on disbursements of 9th EDF GBS and the cancellation of 10th EDF GBS, ownership in the given circumstances has faded away (see EQ4).

The external review of the PFM support programme[18] stated that SRPFM was meant to be a country-led comprehensive and well-coordinated reform strategy, but it had not lived up to that expectation, due to the low status of the PFM Reform Secretariat and insufficient high-level political support. Furthermore, the review report concluded that the PFM Reform Secretariat was not able to coordinate effectively the strategy development and implementation and did not provide adequate technical and conceptual guidance to the entire reform process and its individual components. This points at limited GoK ownership. Interesting enough PFM reforms were taken forward led by other 'drivers of change' that were not directly involved in the donor support programme, such as managers and PFM experts of departments and agencies responsible for certain components of the PFM system. (see EQ5).

Governance: NSAs have been consulted when drafting the various governance support programmes and have been involved in their implementation as beneficiaries. No structured dialogue has, however, taken place between the EUD and NSAs. Instead, NSAs have been invited for one-off consultations on EU's overall strategy and specific governance programmes. They have, furthermore, not been structurally involved, nor been considered as strategic partner, in the implementation[19], monitoring and evaluation of EU's support activities to public governance in Kenya. Interviewed NSA staff indicated to regard EU's support activities to be very much driven and affected by the priorities of the EU and the GoK and, therefore, the NSAs showed limited ownership. The cooperation between the EUD and NSAs in Kenya was, furthermore, perceived, by the interviewees, as being ad-hoc. Even though the NSA-NET and BDAG programmes have focused on the NSA sector as a whole and contain capacity building components for this sector, the EUD has, according to the various interviewees, failed to strategically support the NSA sector as a system and instead focused mainly on supporting specific projects and individual NSAs. These findings resonate with those of the 2013 report "Country CSO Roadmaps: How EU delegations can strengthen

[18] See also Annex 18, Overview of analysis of analysis of JAORs, ROM and evaluation reports.
[19] Apart from their involvement as beneficiaries.

engagement with civil society", in which it is argued that the EU should engage more systematically and strategically with NSAs based on a joint NSA analysis and strategy.

The GoK has been involved in the preparation, implementation and monitoring of the RPRLGSP, NSA-NET, and BDAG programmes, but ownership has varied. This was especially the case concerning the support to NSAs. The GoK has never been in favour of allocating EDF funds to NSAs, instead it preferred the money to be allocated to the "supply side" of governance. Whilst the MTR of the 9th EDF CSP mentioned an increased space for NSAs, the EAMR 2008 points at lack of progress regarding support to NSAs due to inaction of the GoK, which explains – at least partially the considerable delays encountered during the design and at the start of the NSA-NET programme. It took over three years to design, and agree with the GoK on, the NSA-NET programme. The implementation of this programme was, furthermore, severely delayed due to a lack of commitment of the GoK; as the JAOR 2009 concludes:

> "As the government was very reluctant to support NSAs, no activity took place for more than a year. Currently it is attempted to break the stalemate and to advertise a first call for proposals from NSAs. The lesson of this programme is that it is difficult to implement an NSA support programme through the government."

The fact that Kenya's civil society sector has, moreover, been highly divided and not well organized, made it even more difficult to design and implement support to NSAs effectively. Once the programme was managed by the MoJNCCA, however, ownership did grow and became, according to the final evaluation of the NSA-NET programme, considerable.[20]

Another example of limited ownership is the BDAG. Government ownership of the BDAG has been weak concerning some of its components like the UNDP managed "Amkeni Wakenya" part and the support to devolution.[21]

More in general, limited GoK ownership of NSA support programmes is, further, illustrated by the fact that no concrete examples could be provided by the interviewed GoK and EU staff, which could illustrate specific contributions of the GoK to the design of the NSA-NET and BDAG programmes. Instead, when asked about the design processes, the GoK staff interviewed claimed that external consultants had been driving the process and the negotiations only focused on the items the GoK was less in favour of, like the support to NSAs.

All in all, interviews during the field mission both with EU and GoK representatives made it clear that the sense of ownership of programmes appeared limited on the part of the government. The GoK, in particular the NAO, indicated that they have many priorities and donors to deal with and cannot sacrifice a disproportionate amount of resources on the EU support. Therefore, the EU was taking the lead in many aspects of planning and implementation with NAO showing some inertia, which is reported upon in the EAMRs. It is possible this is the result of several factors including how programmes are introduced to the NAO and how the relations are generally managed. The NAO was generally opposed, for instance, to how certain programmes in the past were introduced by EU (such as the support to NSAs) and noted absence of consultation in some of these cases.

20 Endeshaw & Cleary (2012), Final Evaluation of the Non-State Actors Support Programme, p. 32.
21 Source: Interviews with staff from the GoK and BDAG programme management staff.

Findings related to JC1.1: The main needs and priorities of the people and Government of Kenya are adequately taken into account in the EU support

There is good alignment between the EU support and the priorities of the GoK as outlined in the overall development policies such as the ERS and also Vision 2030. The CSPs pay considerable attention to the GoK policies and how the EU support relates to the priorities set by the GoK.

The government policies are based on general analyses of the country's needs, which are reflected in the priorities set. However, it is often not the case that detailed needs assessments including surveys or institutional assessments form the basis for government policies and operational plans or for programmes supported by the EU. Of course, there are many variations. The new Roads Act approved in 2007 was elaborated by a series of – donor-driven- good studies and needs assessments. The ASAL Policy and KRDP were also based on reasonably good sector analyses. Despite these positive examples, there is a general lack of good needs assessments identifying and focussing on the needs of most vulnerable groups.

Despite overall good alignment, the ownership of GoK for quite some programmes is limited. Ownership is arguably higher for the more technical programmes that are a high GoK priority such as the trunk roads, but also initially for the GBS. For specific projects and programmes ownership varies considerably from good ownership for some projects such as KARI/KASAL and the rehabilitation of roads to relatively limited ownership such as for the community development programmes of CDTF, but also for some NSA support programmes and institutional support programmes. Ownership of the EU support at the level of the NAO has varied over the years, but has been quite limited with the exception of GBS and trunk roads.

A6.3 Judgement criterion 1.2

EQ 1 To what extent has the programming and implementation of the EU policies and strategy responded adequately to the specific context of Kenya and its evolution over the 2003-2012 period?
JC1.2 The EU responded adequately to changes in the context by making use of appropriate mechanisms
I.1.2.1. Existence and use of instruments/procedures/risk mitigation strategies to monitor the political, economic and social context, at strategic and operational level.
I.1.2.2 Indications that changes in the context and risks –including risks affecting coherence- are regularly re-assessed and that the EU support strategies are adapted as result of these re-assessments.
I.1.2.3 Use of assessments for countries in a fragile situation to adjust the EU programmes to the changing context.

Detailed evidence: I.1.2.1. Existence and use of instruments/procedures/risk mitigation strategies to monitor the political, economic and social context, at strategic and operational level

The CSPs do not contain a formal risk assessment section or risk mitigation strategies. The same applies to the External Assistance Management Reports (EAMRs, which are internal documents prepared by the EUD), Joint Annual Operational Reviews (JAORs), joint MTRs and joint ETRs. However, in all these documents an update of the country diagnosis is presented paying attention to political, economic and social aspects. From 2008 onwards there is more attention for governance aspects in the overall reporting especially in the EAMRs.

The document research and field work made clear that there are hardly any formal risk mitigation strategies, neither at the level of the country strategies nor at the level of specific sectors, programmes or projects.

The analysis of the GBS strategy in EQ4 makes it clear that the planning of GBS for both the 9th and 10th EDF CSPs was a risky undertaking, because the EU was the only donor to provide GBS. Although general assessments were carried out and pre-conditions for the approval of PRBS-II were formulated before the agreement would be signed and the first disbursement could take place, risk analysis did not get much attention at the time and no risk mitigation measures were put in place. This was the same when the 10th EDF CSP was formulated in 2006-2007 and no clear risks were identified. The post-election crisis in 2008 opened the eyes of the EU, and since that time the EU has become more risk-averse (see EQ4, JC 4.3) when it comes to GBS.

For the agriculture and rural development projects there are no risk assessments available. For the main KRDP risks are mentioned in the identification fiche, such as slow agricultural reform, lack of coordination among ministries/partners, changes (again) in ministerial structures i.e. all political and institutional risks. Mitigation measures are related to strengthening parallel structures such as the NDMA, the Drought Contingency Fund and ASCU, but these measures don't appear to be very strong or convincing to effectively mitigate the risks. For the transport projects risk mitigation appears to focus on reducing the risks of misappropriation of funds through strict procurement rules and regular audits. Therefore, at the level of projects and programmes there is no evidence of adequate risk assessments being carried out and risk mitigation measures in place.

There is some evidence of improved governance analysis, especially since 2008. The EUD in cooperation with development partners drafted, in 2008, a Governance Profile with challenges and benchmarks that were based on grand coalition documents, government declarations and speeches. This profile was approved by the GoK in 2008 and specific targets on governance were agreed upon. However, there is no clarity how this and other governance analyses are used in practice. In interviews it has been suggested that the establishment of the EEAS has contributed to improved political and governance analyses (see also JC1.6).

As indicated in some sectors the EU has become more aware of the risks, and this has led to a change of strategy such as for GBS (see EQ4). Also in the transport sector, risks are more carefully assessed since 2008, which is reflected in a change of aid modalities (see JC1.5), but also the formulation of more conditionalities in project support to roads.

Detailed evidence: I.1.2.2 Indications that changes in the context and risks –including risks affecting coherence- are regularly re-assessed and that the EU support strategies are adapted as result of these re-assessments

There are clear indications that -despite the lack of formal mechanisms to assess ad mitigate risks, risks are being assessed on a regular basis (information from interviews).

In 2007 prior to the elections some scenarios related to possible outcomes of the elections were prepared, but soon after the elections the EU discovered that the actual scenario was never foreseen and they were taken by surprise. As the EU had disbursed the second tranche of GBS two days after the 2007 elections, the EU was particularly criticised my EU MS (see EQ4). Nevertheless, under the active leadership of the EU Commissioner for Development Cooperation quick action was taken to consult all international partners and to agree on a joint approach that supported the mediation role of Kofi Annan (information from interviews). The EU Commissioner visited Kenya 3 times during the 42 days Kofi Anna was in Kenya to mediate between the parties. Initially not all international partners were in favour of a joint approach, but quite rapidly they agreed on such a joint approach.

From a development perspective the European Union Delegation (EUD) adopted together with the other Development Partners a "Business not as usual stance" (interviews and EAMR 2008). This led to a freeze of most assistance and postponement of new EDF 10 commitments to 2009 (the EU did not want to invoke article 96, but it meant a de facto suspension of development assistance: information from interviews).

It is also clear that lessons were learnt from this unexpected crisis e.g. an internal note was adopted that stated that no GBS tranches should be released in periods around elections. Another lesson was that governance aspects should be more consistently taken into account in development projects and programmes[22].

The EU did think about alternative instruments to deal with the risks. The JAOR 2007[23] suggested an ad-hoc review of the CSP in order to ensure that the objectives of the CSP were still in line with the situation and reality on the ground. That suggestion was not followed up.

Apart from the sections in the CSP, there are no separate strategic documents for the focal and, non-focal sectors and for macro-economic support. In the EAMRs, MTRs and ETRs separate attention is given to each of the sectors. These reports show that other strategic choices have been made after 2008 such as a change of the aid modality mix and re-allocation of the 10th EDF GBS to focal and non-focal sectors (see JC1.5).

Detailed evidence: I.1.2.3 Use of assessments for countries in a fragile situation to adjust the EU programmes to the changing context

The document review did not show any formal reference in an EU document on Kenya that Kenya is considered as a country in a fragile situation and that use has been made of specific instruments for fragile countries. Also other donors did not refer in any of their strategic documents to Kenya being a fragile state and that the principles of engagement in fragile states are being applied. Interviews indicated that no use was made of assessments and planning instruments for countries in a fragile situation. The interviewees indicated that the principles for engagement in fragile states were, according to them, not very applicable to the context in Kenya.

Findings related to JC1.2: The EU responded adequately to changes in the context by making use of appropriate mechanisms

At the start of the evaluation period, the years 2006 and 2007 when also the 10th EDF CSP was formulated and which was a period of economic growth and relative optimism (see chapter 2), the EU had no clear mechanisms in place to respond to serious changes in the context. The CSPs did not have a risk assessment analysis and no risk mitigation measures were in place.

The EU was taken by surprise- as other DPs- by the post-election crisis in 2008, but the disbursement of the second GBS tranche just after the elections put the EU specifically in

22 In I.1.2.1 evidence was presented of more governance analyses being carried out, but no clarity on the use of these analyses.

23 The JAOR 2007 was written in 2008 and therefore refers to the post-election violence.

quite a vulnerable position. The EU acted quickly together with other donors to the 2008 crisis and a joint international response was formulated.

After 2008, the EU has become more aware of the risks related to changes in the Kenyan context. Since that time governance analyses get more attention. Also the aid modality mix has changed (see JC1.5). However, there are still no good risk analyses or risk mitigation strategies in place, whilst the CSPs in combination with the EAMRs, JAORs, MTRs and ETRs would provide a good framework for risk analyses and regular updates.

A6.4 Judgement criterion 1.3

EQ 1 To what extent has the programming and implementation of the EU policies and strategy responded adequately to the specific context of Kenya and its evolution over the 2003-2012 period?
JC1.3 The focus of the EU support on the agricultural / rural development sector in general and more specifically on the food security in the ASAL areas was appropriate, considering the context of Kenya, its evolution, and the comparative advantages of the EU.
I.1.3.1 The comparative advantage of EU on agricultural / rural development related issues and specifically on food security in ASAL areas in terms of capacity of the EU in general, and of the EUD in particular, is based on relevant expertise and knowledge of the sector and is recognised by other stakeholders.
I.1.3.2 The interventions in the agricultural / rural development sector are coherent with EU interventions in other sectors, and particularly with the transport and governance sector.
I.1.3.3 The different EU interventions in the agricultural / rural development sector reinforce each other and are well-balanced.
I.1.3.4 The appropriateness of the decision to reallocate more money to the agricultural / rural development sector in view of the sector performance so far.

Detailed evidence 1.3.1: The comparative advantage of EU on agricultural / rural development related issues and specifically on food security in ASAL areas in terms of capacity of the EU in general, and of the EUD in particular, is based on relevant expertise and knowledge of the sector and is recognised by other stakeholders

Regarding the comparative advantage of the EU on agriculture and rural development related issues, based on the interviews with some key stakeholders, the general opinion is that the EU has shown to be among the most consistent donors providing support for many years in these areas when compared with other bilateral and multilateral donors, also because recently some donors withdrew (see EQ2).

Whilst the focus of the 9th EDF CSP was still relatively broad, in the 10th EDF CSP there was a clear distinction being made between specific support to ASAL and LRRD initiatives on the one hand and community development on the other hand. It is not clear from the response strategy how these two parts fit together. The 2006 evaluation of the EC cooperation with Kenya already pointed at this problem. During the implementation of the CSP, other priorities were added to this sector such as support to the devolution process, which is dealt with in this evaluation under the area of governance. Since 2007, three different sections in the EUD deal with the focal sector agriculture and rural development: the Agriculture/Rural development section, the Social Affairs and Environment section and the Governance section (see also JC1.6).

Regarding the focus on agriculture, the EU already focuses for a long time on food security issues in the ASAL areas, next to support to some export crops partly via STABEX. The portfolio analysis indicates that the EU focal sector support to ASAL covers a relatively large group of sub-sectors: three sub-sectors specifically focus on ASAL i.e. ASAL research, drought management and food security. In addition, three other sub-sectors focus partially on ASAL i.e. Environmental management and biodiversity, specific crop and livestock support, and capacity building. Through the DMI and Food Facility the focus on food security issues and on ASAL areas has been strengthened. Whilst the 2006 country evaluation pointed at specific absorption capacity problems especially in the agricultural sector, the situation appears to have improved since 2006 with the identification of new sub-sectors. According to the portfolio analysis approximately € 60 million has been spent on ASAL related activities, which is approximately 60 % of the total amount spent on this focal sector (see Annex 5, portfolio analysis for more details).

Especially for agricultural research and development in the ASAL areas, the EU has according to the stakeholders proven to be a staunch supporter at national, regional and international level, with the conviction that research and development (and later on value chain development) play a key role in increasing production and productivity in order to lift small farm households out of poverty. Key stakeholders acknowledge the importance of EU's long term and consistent support to agriculture and in ASAL areas and take part as co-funders in large EU led development programmes such as the KRDP. The EU has been active in the sector policy dialogue and donor coordination throughout the period under review (see EQ2), although the concrete results have remained limited so far.

Also in community development the EU has built up a name through the establishment and continued funding of the CDTF, where Danida joined as a co-funder. However, CDTF is considered as project support and there has been no real policy dialogue around rural development.

Key stakeholders acknowledge the importance of EU's long term and consistent support to agriculture and rural development and its rich experience in these sectors. Another advantage according to stakeholders such as the GoK and some DPs, is that EU's support is considered to be less prescriptive, and more flexible and much broader in scope that the support from some other external financers who tend to earmark their financial contributions with limited scope[24].

Especially for agriculture in the ASAL areas the EU is considered to have relevant knowledge and expertise. Nevertheless it is also recognised that there are limitations in the technical and administrative capacity not only within the EU and the EUD to plan, oversee and ensure the efficient and effective use of the EU funding to agriculture and rural development in Kenya, but also at local level. A case in point are the large EU funded programmes such as the KRDP (€ 86.4. million) and the CDTF (€ 32 million for the CDP-4), which are suffering from implementation delays because of the sheer size of the programmes and limitations in local capacity to manage and implement the programmes, even with the help of external advisors put in place by the EU (e.g. KRDP).

[24] An example was given by KARI management with the way the Bill & Melinda Gates Foundation is working: only research funding for maize and hence strictly earmarked.

Detailed evidence 1.3.2: The interventions in the agricultural / rural development sector are coherent with EU interventions in other sectors, and particularly with the transport and governance sector

There is no clear evidence that the EU interventions in agriculture and rural development are coherent with EU interventions in other sectors. Agricultural development and the development of the transport sector go theoretically close hand in hand to open up agricultural areas particularly in terms of value chain development by improving the flow of products within the value chain (up- and down-stream and back) in an effective and cost efficient manner. It concerns the construction and rehabilitation of rural access roads (feeder roads) and major trunk roads within the rural areas. The EU has funded with STABEX funds some rural roads in tea and coffee areas, but these roads are not directly linked to other types of EU agricultural support. Through the sugar facility also rural roads in sugar areas have been funded and this appears to be a clear case of synergy, which was however not selected for further in-depth research in this evaluation.

One other documented case of actual –largely unintended- coherence of EU interventions in agricultural development and transport development was the EU financing of part of the major trunk road between Moyale and Isiolo in the arid zone of the ASAL area, which could greatly benefit the movement of livestock by road from the area to the main market in Nairobi. The main reason for the Merille-Marsabit road project was regional integration i.e. connecting Ethiopia with Kenya, trade facilitation and improved access and security, according to the identification fiche for this road of June 2009. Movement of livestock in relation to poverty reduction is mentioned once. Therefore, this does not seem to be aces of important planned coherence and synergies between the two focal sectors.

Detailed evidence 1.3.3: The different EU interventions in the agricultural / rural development sector reinforce each other and are well-balanced

Within the agricultural sector, synergies and coherence have been noted between different agricultural and livestock programmes supported by the EU in ASAL areas (such as support to crop research and livestock production, livestock market infrastructure). For the ASAL areas, there are clear efforts to reinforce the synergies between the various activities related to the sub-sectors mentioned above. It mainly concerns activities related to water resources management, soil and water conservation measures and indirectly the planned forest conservation activities in and around the five major water towers of Kenya (presuming that a deterioration of these major water catchment areas will have an effect on the surface and ground water situation in some of the ASAL areas). These activities would have a contributing effect on crop and livestock production in terms of better access to good quality water for livestock and small scale (garden) drip irrigation, less erosion of arable land and improved tree and vegetation growth. In principle, the environmental activities supported by the CDTF (CEF) in ASAL would also reinforce the other activities supported by the EU and other DPs, but there is no clear evidence that this is actually the case. In practice, it is quite difficult with project support consisting of large number of different projects to create actual synergies on the ground. The KRDP is expected to play a pro-active role in the near future as the ASCU that was intended to play this role in the past failed to do so. Some important inroads have been made by the EU supported projects to help overcome some of the main barriers hampering improvements in agricultural and livestock production in some parts of the ASAL areas by making use of the value chain approach (see also EQ6).

However, this is less noticeable with EU supported programmes in rural development or between rural development on the one hand and agriculture support on the other hand. The

CDTF programmes are mainly to be seen as stand-alone programmes with little or no connection with similar programmes carried out by other organisations dealing with community development in Kenya[25], or with the EU support to good governance for that matter. The CDTF programmes are fed by specific demand for support from the rural (and urban) communities with a heavy emphasis on support to improve primary and secondary education facilities; little on support related to agricultural development or access roads for that matter. An exception could be some of the activities of the environmental component under the CDTF, the Community Environmental Facility (CEF) that were mentioned above.

There is no evidence based information that the different EU interventions in the agricultural and rural development sector, with the exception to some extent of ASAL focused activities, have reinforced each other.

Detailed evidence 1.3.4: The appropriateness of the decision to reallocate more money to the agricultural / rural development sector in view of the sector performance so far

The re-allocation of the GBS funds to the agricultural and rural development sector that resulted in a substantially larger envelope for this sector, led to delays in planning and implementation as is shown by the portfolio analysis. The GoK was initially, according to interviews, not in favour of reallocation of GBS funds to the agricultural sector, but an agreement was reached in the ETR of the 10th EDF CSP in 2012 to formulate SBS in the form of a Sector Reform Contract (SRC) specifically for the ASAL areas. However, almost at the end of the process the EU decided that the conditions were not in place to provide SBS to the agricultural sector (see JC1.5), which led to new delays in planning support for this sector.

Another important issue, however, is the size of the reallocation vis-à-vis programme implementation capacity of both EUD and GoK. On the basis of the portfolio analysis, deviations have for instance been noted between planned versus actual programme expenditures of EU's largest support programme within the framework of the ASDS. It is clear that the changing policies and the complex institutional set-up have hindered effective planning and implementation. Despite the 2008 crisis, the EU managed to plan and approve more agricultural projects in the period 2009-2012 than in the period till 2006 when there were substantial absorption capacity problems. With the final reallocation of GBS funds to agriculture (and to other sectors) it was the intention that specific SBS would be provided to the ASAL areas. This might have been feasible, but after careful preparation the proposal for SBS, called REGAIN, was rejected in Brussels (see JC1.5).

Findings related to JC 1.3: The focus of the EU support on the agricultural / rural development sector in general and more specifically on the food security in the ASAL areas was appropriate, considering the context of Kenya, its evolution, and the comparative advantages of the EU

The EU is recognised as one of the main donors in agricultural and rural development. Specific characteristics of the EU support to this focal sector as recognised by key stakeholders are: i) the consistency of the support to this sector over a long period of time; ii) the focus on ASAL areas through agricultural research and development of the value chain approach; iii) the combination of different types of interventions with a variety of implementing partners (GoK institutions, UN agencies, NSAs).

[25] Except for Danida, which is supporting the environmental conservation and protection component of the CDTF (Community Environmental Facility or CEF).

The EU is especially appreciated for its consistent support to ASAL areas that has been developed to a more coherent approach since 2006. However, the community development support provided through CDTF (with the possible exception of some ASAL focused environmental activities through CDTF) are not at all linked to the agricultural response strategy for ASAL. The same applies for the support to export crops and some governance activities. In fact, there is no coherent overall sector strategy, but there is a coherent strategy for the ASAL areas (approximately covering 60% of the expenditures to this focal sector during the period 2006-2012, but increasing gradually over time). In this area the EU has a comparative advantage with further potential for the future, although policy and institutional constraints (see JC1.1) should not be neglected, and clear risk analysis for this sector is needed (see JC1.2).

A6.5 Judgement criterion 1.4

EQ 1 To what extent has the programming and implementation of the EU policies and strategy responded adequately to the specific context of Kenya and its evolution over the 2003-2012 period?
JC1.4 The focus of the EU support on the transport sector in general and more specifically on the construction of trunk roads was appropriate, considering the context of Kenya, its evolution, and the comparative advantages of the EU.
I.1.4.1 The comparative advantage of the EU on transport related issues in terms of capacity of the EU in general, and of the EUD in particular, is, is based on relevant expertise and knowledge of the sector and recognised by other stakeholders.
I.1.4.2 The interventions in the transport sector are coherent with EU interventions in other sectors, and particularly with Agriculture and Rural Development.
I.1.4.3 The different EU interventions in the sector reinforce each other and are well-balanced.
I.1.4.4 The appropriateness of the decision to reallocate the money to the transport sector in view of the sector performance so far.

Detailed evidence: I.1.4.1 The comparative advantage of the EU on transport related issues in terms of capacity of the EU in general, and of the EUD in particular, is, is based on relevant expertise and knowledge of the sector and recognised by other stakeholders

The EU has a long track record of being active in the transport sector in Kenya (since the 1980s), especially on assistance for reducing the maintenance backlog on the Northern Corridor and for rehabilitation and improvement of rural access roads and bridges. The EU has also been actively involved in the institutional reform process in this sector (see EQ 2 and EQ8). According to CSP 2008-2013 it is exactly these two dimensions on which the term comparative advantage is based.

The evaluation team found indeed evidence of the comparative advantage of the EU in the transport sector being recognised by major DPs and the GoK. The EU is especially appreciated for its knowledge of the roads sector based on its long-lasting involvement thereby combining technical expertise with good insights in policy and institutional matters. Although the administrative procedures of the EU are considered to be quite cumbersome, the impression of major stakeholders is that the EUD with its knowledge and expertise has succeeded to be sufficiently flexible in providing various forms of support to the sector. The attention for funding of different categories of roads is mentioned as one of the EU's comparative advantages. Other DPs mention that the EU played an important instrumental role in accelerating the reform process of the new road agencies via initiating important studies and through the policy dialogue.

Detailed evidence: I.1.4.2. The interventions in the transport sector are coherent with EU interventions in other sectors, and particularly with Agriculture and Rural Development

As we already saw under the previous JC, only very limited efforts have been made to exploit potential synergies with agriculture and rural development, with a few exceptions related to export crop areas.

Furthermore, the ability of the EU to adapt its interventions to changes in national priorities and needs has been limited by heavy bureaucracy. For example, the change of focus for the major road investment projects from the Northern Corridor to the interregional corridor leading up to the Ethiopian border was only agreed after extended internal deliberations between EUD and HQ in Brussels, even though the change was clearly in line with GoK priorities as described especially in Vision 2030.

There has been limited attention for the creation of synergies between focal sector interventions already in the CSPs, whilst also during implementation there was not much attention.

Detailed evidence: I.1.4.3. The different EU interventions in the sector reinforce each other and are well-balanced

The 10th EDF CSP planned to fund a large variety of roads (see Reconstructed Intervention Logic). In 2009, the possibility of providing SBS was explored (see JC1.5), but as that was not considered to be a feasible option an alternative was developed. According to the Identification fiche of June 2009 about 5% of the EDF funds were planned to be spent on capacity building, 70% on regional roads, 7% on rural roads and the remaining 18% mostly on urban roads. However, the portfolio analysis of expenditures over the period 2006-2012 (see Annex 5) indicates that more than 95% of the EDF expenditures has been spent on the rehabilitation and construction of trunk roads[26], however when STABEX funding to rural roads is also taken into approximately 75% of expenditures went to trunk roads. At least 22% was spent on rural roads and the remaining 2-5% were spent on various forms of complementary actions, incl. TA, institutional studies etc. Especially the planned urban and tourist roads programmes have considerably lagged behind.

According to the planning especially of the 10th EDF CSP there was a well-balanced coherent package of interventions in this focal sector that fitted well in the on-going and planned policy and institutional reforms in the sector at that time. These interventions in the sector were actually meant to reinforce each other, especially the policy dialogue and institutional support should go hand in hand with funding of various types of roads. However, in 2009 after the crisis and with some disappointments regarding the pace of institutional reforms (see EQ8) the balance between the various interventions became more precarious and trunk roads became more and more important.

[26] According to the portfolio analysis 99% of EDF funds is spent on trunk roads, but these amounts include some components for capacity-building. Given the limited information on Stabex funding this is not an integral part of the portfolio analysis, but presented separately.

Detailed evidence: I.1.4.1. The appropriateness of the decision to reallocate the money to the transport sector in view of the sector performance so far

The re-allocation of the GBS funds to the transport sector resulted in a substantially larger envelopes for the transport sector. The GoK expressed a clear interest in reallocation of the GBS-funds to the construction and rehabilitation of trunk roads, which was in line with the 10th EDF CSP. Moreover, trunk roads are a good alternative to spend substantial amounts of money as is shown in the portfolio analysis.

As it was not feasible to provide SBS, some new projects had to be reformulated or already planned activities had to be expanded, because an increased envelope for this focal sector was available. As there were delays in planning of projects, not only from EU but also from the GoK side, and as original planning of costs of rehabilitation might have been too optimistic some projects turned out to be more expensive than planned.

All in all, given the CSPs and the longstanding involvement of the EU in this sector and the appreciation for this support and clear priorities expressed by the GoK it was an obvious choice to increase the envelope for this focal sector and to spend it on trunk roads. If there would have been less pressure on timely planning and disbursements, it appears that other options could have been considered.

Findings JC1.4: The focus of the EU support on the transport sector in general and more specifically on the construction of trunk roads was appropriate, considering the context of Kenya, its evolution, and the comparative advantages of the EU

The EU is recognized as one of the main and well recognised donors in the transport sector. This perceived comparative advantage is based on the long-lasting support of the EU to roads, the specific knowledge and expertise especially with combining funding to different types of roads, but also its role in the policy dialogue and in donor coordination (see EQ2), and through institutional support in the form of studies and TA. Given the policies at the time the EU focus on the transport sector in the period 2006-2007 when also the 10th EDF was formulated, is considered to be appropriate and balanced.

However, when the pace of the policy and institutional reforms slowed down from 2008 onwards and the emphasis of the GoK and necessarily of the EU focussed more and more on trunk roads, the envisaged balance in the sector support was less visible than intended (with approximately 75% of the total sector expenditures going to trunk roads). The reallocation of GBS funds to this sector, which was in line with GoK priorities, increased the pressure on formulation and planning. As the trunk roads were planned to a large extent they formed an easy possibility to spend more funds. With the benefit of hindsight, it would have been better to take some more time to reflect on the various funding possibilities in view of the original objectives of the CSP, including potential synergies and the objectives of the GoK.

A6.6 Judgement criterion 1.5.

EQ 1 To what extent has the <u>programming and implementation</u> of the EU policies and strategy <u>responded adequately to the specific context</u> of Kenya and its evolution over the 2003-2012 period?
JC1.5 The <u>choice and implementation of a mix of policies, strategies, aid modalities and instruments</u> were <u>adequate</u>
I.1.5.1 Evidence on a planned sequencing in the choice of aid modalities that ensures continuity of programmes over time.
I.1.5.2 Appropriateness of the modalities and project approaches to the existing capacities of implementing partners.

Detailed evidence I.1.5.1: Evidence on a planned sequencing in the choice of aid modalities that ensures continuity of programmes over time

In the analysed sectors (agriculture, rural development, transport and governance) a planned sequence in the choice of aid modalities could not be identified. In fact a variety of project modalities was used, including projects managed by ministries, public agencies, research institutes, international organisations and non-government organisations. Some of the projects are focussed on quite specific project objectives, while others have a much broader orientation and some programmes such as KRDP have in fact a sector-wide perspective and could be considered as sector development programmes.

There is also a broad spectrum in terms of type of aid provided, including investment funding, financing of operational costs, institutional support and technical advisory services. In none of the cases studied, there was a planned sequence as regards moving from one (project) modality and/or aid instrument to another that could be realised in practice.

Both in the 9th EDF CSP as well as in the 10th EDF CSP a specific choice is made for GBS, but the GBS of the 10th EDF never materialised. A detailed analysis of the GBS strategy is presented as part of the evidence for EQ4, whilst the portfolio analysis contains the details on disbursements. The appropriateness of reallocation of GBS funds to the focal sectors was discussed as part of JC1.3 and JC1.4 (I.1.3.4 en I.1.4.4).

The CSPs, in particular, the 10th EDF suggested the possibility of SBS for the two focal sectors, but neither the choice of modalities nor the response strategies for these sectors were elaborated in detail. In fact, many options were left open, although the provision of SBS was considered as a better option than project support if policy and institutional reforms in these sectors would be implemented.

In the CSP 2003-2007, it was recognised that the needs of the health and education sectors “are certainly important”. “EC support to these sectors could best be provided from targeted budget support and from non-EDF resources“[27]. However, such targeted budget support never materialised mainly because the social sectors were not chosen as focal sectors, but social sector performance indicators became part of the disbursement conditions of the variable tranches of the PRBS-II (see annex 10).

In the CSP 2008-2013, the EU indicated that its support would be integrated in the Economic Recovery Strategy (ERS) and Vision 2030 of the Government of Kenya (GoK) and that it

[27] See CSP 2003-2007, p.27.

would “limit direct project funding to a minimum”. Furthermore it was said that “general budget support (GBS) will be supplemented by sector budget support (SBS) for specific policies and strategies in individual sectors, such as regional economic integration by means of transport infrastructure and agriculture and rural development[28].

Since the launch of the Strategy for Revitalising Agriculture (SRA) in 2004, efforts have been made to develop a sector wide approach (SWAp) for that sector[29], which could possibly be supported by a Sector Policy Support Programme funded with SBS. However, these efforts were not successful due to the institutional fragmentation, the lack of a medium term sector investment plan and weak coordination at sector level[30].

In 2008/2009, the EUD explored the possibilities of supporting a Transport Sector Policy Support Programme by means of SBS. However, in the Identification Fiche June 2009, it was concluded that the eligibility criteria for SBS had not been met, and that project support would be more appropriate. At that time three main criteria were assessed 1) a stability-oriented macroeconomic policy in place or under implementation; 2) a credible and relevant programme to improve public finance management; and 3) a well-defined sector policy. The first criterion was not fulfilled at that time. Concerning the two last conditions the fiche argues strongly that five out of six areas investigated –areas related to these conditions- point at non-fulfilment of the conditions. Specific examples of the problems mentioned, are (i) the serious mismatch between the budget made available by the Ministry of Finance and the needed budget according to Ministry of Roads, and (ii) that the budget for road maintenance would probably be sufficient had it been spent properly on maintenance, and not on rehabilitation. For transport the JAOR 2009 stated that SBS was a “bridge too far”.

It took until 2012 before the idea of preparing an SBS programme for the agricultural and rural development sector was developed further. In the final conclusions of the End Term Review of the CSP 2008-2013, dated October 2012, it was agreed to reallocate non-used funds of the GBS envelope to the transport and the agricultural sectors, with the observation that the additional funds for the agricultural sector would be provided in the form of a Sector Reform Contract (the new form of a SBS programme funded by the EU). Subsequently, the EUD and the GoK prepared a Sector Reform Contract (SRC) entitled ‘Reviving growth in the arid and semi-arid lands in the near term” (REGAIN). However, finally – in May/June 2013 – the financing proposal was not approved by the EU Headquarters in Brussels, although the Action Fiche argued that all eligibility criteria were met[31]. Apparently, Brussels had another opinion and/or assessed the risks in a different way.

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[28] See CSP 2008-2013, pp. 29-30.

[29] See CSP 2008-2013, p.21.

[30] The Agricultural Sector Coordination Unit (ASCU) was to play an important role to facilitate and coordinate the SRA implementation process. However, it was not until 2008 that ASCU was fully staffed and it never played a strong coordinative role.

[31] The second version of the Action Fiche and related documents, in which the DEU proposed to provide SBS to the ASAL programme, was discussed by the QSG2 at EU Head Quarters in May/June 2013. The Mission was informed orally that the official reason for rejecting the proposal was the high fiduciary risks in Kenya. The mission has requested written information as regards the arguments of the QSG2 to reject the financing proposal (e.g. minutes of the meeting of the QSG2) but that could not be provided to the mission for reasons of confidentiality. Besides that, it should be noted that this decision making process did not take place within the evaluation period of 2006-2012.

Detailed evidence I.1.5.2: Appropriateness of the modalities and project approaches to the existing capacities of implementing partners

We already saw that only two aid modalities were being used i.e. GBS and project support. The project support consisted of a variety of project implementation models:

- The PFM Reform Programme has been supported by the EU by means of a financial contribution channelled via a Trust Fund managed by the World Bank. The EU support was meant to be part of a Pooled Fund mechanism, which was however not fully put into practice and which has not performed very well. Moreover there were also capacity constraints at the level of the PFM Reform Secretariat, which was charged to manage the Pooled Fund, and at the level of certain Directorates of the Ministry of Finance responsible for the implementation of particular PFM reform components. The EU was not in a position to help directly relieving those constraints, due to the financing mechanism (Trust Fund managed by the World Ban) and the absence of an effective policy dialogue (see EQ5 for further details);
- In the agriculture/rural development sector co-financing is taking place (KRDP, Food Facility implemented by World Bank (WB) and Food and Agriculture Organization (FAO) under the Kenya Arid and Semi-Arid Lands (KASAL) (with Kenya Agricultural Research Institute (KARI)). This was meant to increase the added-value of EU support to this sector. KARI appears to have adequate capacity to implement the EU supported programmes (KASAL) as reported by a Result Oriented Monitoring (ROM) mission in 2008, but this aspect was again questioned by the Mid Term Review. There is concern about insufficient capacity at the level of the Community Development Trust Fund (CDTF) to carry out the community development projects (see findings from ROM and evaluation reports);
- The 2006 country evaluation found that STABEX (Système de Stabilisation des Recettes d'Exportation) funds were used flexibly, also to reinforce or prepare new sector strategies. This has also been the case for the use of Stabex funds during the period 2006-2012 to some extent, where indeed also support was provided to institutional and sector reforms, rural roads were improved in export crop areas, but also common CSP programmes such as CDP3 were funded via STABEX. Given the purpose and objectives of STABEX funds where monitoring and control are less strict, funding of regular projects such as CDP3 is not in line the characteristics of such projects being part of one of the EU's focal sectors;
- Support to NSAs has been provided through the NSA-NET and BDAG programmes and specific Calls for Proposals under the thematic budget lines. Within the two programmes support to specific NSA activities has been provided though project grants and non-grant capacity building support. The combination of project grants and non-grant capacity building support has, in principle, been appropriate as it has enabled the EU to support both the activities of the NSAs and the NSA sector itself. However, the division of resources between both types of support has been less appropriate. Given the fact that the Kenyan NSA sector suffers from weak institutional and technical capacity, the allocation of more time and financial & human resources to capacity building support would have been justified, according to the interviewees and the MTR and final evaluation report of "Amkeni Wakenya" and the NSA-NET programme respectively;
- Regarding support to governance, in the beginning of GJLOS all development partners were excited about supporting GJLOS. The EU couldn't directly contribute as its internal regulations prevented it from supporting a fund that was managed by an external agency. The EU did, however, try to work around this by providing support to specific GJLOS actors via the Democratic Governance Support Programme. In

2005/2006 some DPs were not satisfied with the slow pace of reforms achieved with the GJLOS and in 2006 the first DPs pulled out; by mid-2009, the remaining DPs indicated they wanted to discontinue the programme;

- There is no information about specific capacity constraints as regards implementation of the PRBS-II agreement, but at a more general level the GoK was faced with capacity constraints as regards implementation of the ERS, (which was supported by the PRBS-II);
- EUD sections have a heavy (administrative) work load related to management of budget lines. Those budget lines focus to a large extent on sectors that are not a priority in the CSPs such as MNCH in the health sector that might distract their attention from developing and monitoring focal sector support strategies. In addition, for the governance area, the numerous administrative obligations concerning the NSA and EIDHR budget lines have, according to EUD staff, hampered the opportunity to focus more on content; i.e. on facilitating the effective achievement of the supported projects', and EU's overall, good governance aims;
- The progress reports, in particular the EAMRs, point also at capacity constraints at the NAO. The NAO admits that the capacity to deal with EU programme is limited, because the EU budget represents only a very limited part of the overall budget the Ministry of Finance has to deal with. TA is provided to the NAO to increase the capacity. However, the relations do not only depend on capacity and there have been times when the collaboration between the EUD and the NAO was more frequent and intensive, for example in 2006-2007 when the CPS 2008-2013 was formulated.

Findings related to JC1.5: The choice and implementation of a mix of policies, strategies, aid modalities and instruments were adequate

A substantial share of the envelope of the CSP 2003-2007 (EDF-9) was allocated to GBS. That CSP was drafted in 2003/2004 at a time when there was renewed confidence in and optimism about the GOK policies and its quality of governance. In that sense, the decision for the mix of modalities (GBS and project aid) was adequate in view of the situation prevailing in 2003/2004. However during implementation of the EDF-9, there were long periods (notably in 2006 and 2008-2010) that the economic, policy and governance context in Kenya was much less favourable for GBS than when the CSP was formulated, resulting in long delays of the actual GBS disbursements.

The modality mix of the CSP 2008-2013 had originally also a large GBS component, whilst SBS to the two focal sectors was foreseen and the amount of project aid would be kept to a minimum. Also in this case, the emphasis on GBS can be explained by the fact that the CSP was formulated in a period of renewed confidence in the policies and quality of governance of the GoK (in 2006-2007). Furthermore, there was a strong drive at the level of the EU Headquarters in Brussels to increase the percentage of EU aid offered as budget support. However, there was a serious deterioration of the political, policy and governance situation in 2008, which improved only slowly in the years thereafter. It appeared that Kenya did not score favourably on the eligibility criteria for budget support during those years[32].

Not only the GBS envelope of the 10th EDF was not used, also no SBS for the two focal sectors was provided. Therefore, all EDF-10 funds have been provided as project aid so far, which is more or less the opposite of what was envisaged in the CSP 2008-2013. The initial choice for GBS and SBS was understandable in view of the context of those particular

32 The change of the budget support policy of the EU also played a role as will be explained in EQ4.

periods. However, the risk that the favourable conditions for GBS and SBS would be short-lived, were insufficiently taken into account. Furthermore, the appropriateness of the aid modalities was not always in line with the capacity of implementing partners. Also the capacity of the EUD to manage a large variety of funding instruments, including budget lines in other sectors than the ones selected in the CSPs, has increased the management burden and did possibly go at the expense of assessment of the capacities of implementing partners in view of the selection of adequate aid modalities.

Thus, although the CSPs aimed for a large GBS envelope, starting SBS programmes and limiting project aid to a minimum, the reality has been that only the GBS envelope of the 9th GBS has been used, that no SBS programme has been started and that almost all aid of EDF-10 is being provided as project aid.

A6.7 Judgement criterion 1.6

EQ 1 To what extent has the programming and implementation of the EU policies and strategy responded adequately to the specific context of Kenya and its evolution over the 2003-2012 period?
JC1.6 The implementation of the EU policies, strategies and mix of aid modalities and instruments was coherent
I.1.6.1. Effective functioning internal EU mechanisms to ensure that synergies are realised.
I.1.6.2 Positive synergies between the expected effects of the CSP-interventions and the expected effects of other EU activities such as the EEAS policy dialogue and budget lines.

Detailed evidence I.1.6.1:Effective functioning internal EU mechanisms to ensure that synergies are realised

In the CSPs (2003-2007 & 2008-2013) specific linkages are mentioned between EU interventions in the focal sector agriculture and rural development and interventions in other sectors, such as transport (roads) and governance. Regarding the linkages between transport and agriculture and rural development it mainly concerns the construction or rehabilitation of rural access roads. This type of synergies between the two main focal sectors was already discussed in relation to the JCs 1.3 and 1.4 and in particular I.1.3.2 and I.1.4.2 and the evidence presented there showed a substantial lack of synergies despite good intentions.

Were there internal EU mechanisms to ensure that synergies are realised? At the level of sector programming and implementation there appear to be hardly any of these mechanisms. EUD sections are responsible for programming their interventions in line with the main strategy. However, we already saw that there are different sections at the EUD, i.e. the Agriculture/Rural development section, the Social Affairs and Environment section and the Governance section had responsibility for different parts of the Agriculture and rural development sector without consulting each other. There are no formal mechanisms to consult other sections or specialists at HQ to check new initiatives on potential synergies.

This leads to lack of attention for obvious synergies. For instance in the large EU supported KRDP programme, the development of rural access road network is not specifically mentioned either as part of its own programme design or as a linkage with EU interventions in the transport sector. Another example is the roads sector, where excessive regime of NTBs such as frequent stops at weigh stations, border crossings and police check points, not to mention the long delays for overseas trade passing through the Port of Mombasa and the inland container depot near Nairobi, limit the gains brought about by improved road conditions.

The documents reviewed do also not show evidence of clear linkages between the focal sector's linkage with EU interventions in the governance sector. It particularly concerns on-going EU interventions in community development where it remains unclear how these activities are being incorporated into the medium term districts' development plans to improve local services to the local communities, which will also impact on the development of the agricultural and livestock sector (water, land use, environmental protection, etc.). No evidence has been found that potential synergies between the various activities of the EU concerning public governance have been exploited. On the contrary, several areas have been identified by the evaluators, which were confirmed by the interviewees during the field mission, where improved internal coordination could have increased the overall effectiveness of EU support. For example, unexploited synergies have been noticed concerning EU's efforts to improve community participation in devolved funds. More concrete, EU's activities with respect to:

- improving the accountability and the responsiveness of Local Authorities and increasing community participation - through the RPRLGSP programme;
- supporting NSAs that focus on increasing community participation in devolved funds - through the NSA-NET programme and some projects funded under the thematic budget lines; and
- supporting community development projects implemented under the CDTF;
- have not been coordinated and no attempt has been made to explore and exploit synergies between these activities;
- no mechanism exists to continue capacity-building support to well-performing NSAs over time via different EU programmes, which limits EU's ability to effectively support NSAs' capacity.

Despite the intentions in the CSPs, there is no monitoring of coherence and in the EAMRs and JAORs there is no clear reporting on coherence.

Interviews made it clear that the EUD is aware of the limited cooperation between the various sections to ensure synergies within and across sectors and measures were taken at the moment the field work took place to improve the interaction between the sections.

Detailed evidence I.1.6.2: Positive synergies between the expected effects of the CSP-interventions and the expected effects of other EU activities such as the EEAS policy dialogue and budget lines

The CSPs refer to the intended synergies with the RSPs for the two focal sectors.

For road projects on the national road network the issue of coherence with other EU interventions is particularly important in relation to trade related interventions within the framework of the RSP. For the transport sector regional interconnectivity is very important, but also removal of NTBs. We already mentioned under I.1.6.1 the existence of many NTBs that hinder transport especially to Uganda, but also to Rwanda. However, there are no indications that the RSP is dealing with these issues. In fact, the RSP is operated from Zambia. The transport section of EUD Kenya reported that it had not been involved in the operations of any RSP project in an active way. Actually the section only had very little knowledge about the activities under RSP, including the activities of IRCC. However, for the new series of strategies related to the 11th EDF it has been decided that the management of RSP projects in the future will be responsibility of the EUD in the country where the intervention takes place.

For agriculture the EU supported regional programmes such as: support to the Consultative Group on International Agricultural Research (CGIAR), support to the AU-IBAR (African Union-Interafrican Bureau for Animal Resources) in terms of control animal diseases, veterinary governance, tsetse repellent technology, etc., and that main offices of the (research) institutes are based in Nairobi (International Livestock Research Institute (ILRI), IBAR, World Agroforestry Centre) were supposed to provide added value for projects carried out in Kenya under the focal sector agriculture and rural development (interview with former head of section agriculture and rural development, 2007-2012, Brussels, April 7, 2013).

The Ministry of State for Development of Northern Kenya and other Arid Lands was till the 2013 elections responsible for development in the ASAL areas. This Ministry has been abolished and tasks were transferred to the new National Drought Management Authority (NDMA) established in 2011. However, NDMA mainly deals with drought risk management and is therefore important for the EU supported Drought Management Initiative, but no linkages are established with CDTF. The NDMA has still to link up with the KARI and FAO agricultural and livestock programmes in the ASAL. Both FAO and KARI have already worked together in the livestock programme as part of the fodder crop component with KARI providing improved drought resistant grass seeds and technical assistance for the fodder crop schemes implemented by FAO in the arid zones. As these programmes are now being carried out under the KRDP, there are potentially good opportunities for the three parties (and other ones too) to coordinate and complement activities in the ASAL including strengthening of resilience (Annex 11, 6.2.1).The support to ASAL appears to be streamlined to the extent possible with ECHO support, but streamlining appears to take place on an ad-hoc basis with little concrete examples presented in documents and interviews.

The available evidence indicates that there are clear sign of increasing synergies between agricultural research, food security and drought management activities in ASAL and to a more limited extent with environmental management and ECHO support. From the concrete examples so far, lessons can be learned to further improve synergies.

As there was no comprehensive strategy for the focal sector agriculture and rural development, there was also no comprehensive strategy for the non-focal governance sector, which has led to a series of scattered interventions. The governance sector includes activities that focus both on the demand and supply side. While this gives –on paper- the opportunity to exploit synergies by focusing on the same regions and issues from both the demand and supply side, this opportunity was not exploited in practice. For example, the capacity building activities that focused on enhancing Local Authorities' responsiveness and accountability were not complemented by NSA projects in the same region that focused on demanding transparency and accountability with respect to the same public funds (Local Authority Transfer Fund and Poverty Reduction Fund). Instead, most of the NSA projects that dealt with the management of devolved funds mainly focused on the CDF. Another example is the lack of coordination between EU supported CDTF projects and the NSA projects that dealt with the management of devolved funds. Since the NSA projects did not specifically cover CDTF projects, an opportunity was missed to exploit synergies by addressing both the demand and supply side of accountability and responsiveness concerning the CDTF projects (see also the text box on the Nakuru field visit section 4.7.3, main report).

From the desk research little evidence on potential or actual added value from the instrument and modality mix emerged. There is no evidence that specific EU budget lines are reinforcing sector strategies. For example, in governance, the synergies between the various EDF-supported programmes and the budget lines that support NSA projects are quite limited as budget line projects are not targeted, but selected on the basis of a requests for proposals. This limits the potential to create synergies, because this would require a more comprehensive and targeted approach, which does not exist. As the budget lines are primarily managed from Brussels, they tend to increase the work burden for the EUD which might go at the expense of the implementation of a more strategic focus to ensure synergies.

There is some positive evidence of synergies between EEAS and the implementation of the development cooperation strategy in Kenya. In 2008, the EU Commissioner for Development Cooperation responded immediately to the post-election crisis (see I.1.2.2). This intervention influenced to a large extent the development agenda and led to good collaboration between diplomats (the Commissioner and his cabinet and Relex at that time) and Devco was needed. Moreover, interviews indicated that governance was given more specific attention in all projects and programmes since that time. Also in the preparation of the 2013 elections there was close cooperation between EEAS including the EU Ambassador in Kenya who was closely involved in the dialogue around the preparation of the elections and actual election support provided from development cooperation funds[33].There are good systems in place at the EUD for very regular information exchange. However, in practice it has proven to be difficult to address these linkages in an adequate way. For instance, it is clear that the relations between the EU and its MS and the GoK have become more tense as a result of the ICC case, which affects the dialogue around the new CSP.

Findings related to JC1.6 The implementation of the EU policies, strategies and mix of aid modalities and instruments was coherent

We already saw in relation to JC1.3 and JC1.4 that within the focal sectors of support there were attempts to create internal synergies. This was the especially the case for the transport sector where a balanced package of interventions was planned – but not implemented according to planning- and for the agricultural support to ASAL areas. The support to ASAL is also streamlined to the extent possible with ECHO support. However, there is no coherent strategy as such for the entire agriculture and rural development sector including the governance and rural development interventions, that are managed by three different sections in the EUD. Also for governance there has not been a comprehensive strategy for this non-focal sector, which has led to a series of scattered interventions. There is hardly any evidence for synergies among the various sectors, whilst also there are very limited synergies between the RSP and CSP interventions.

There is some positive evidence of synergies between EEAS and the implementation of the development cooperation strategy in Kenya especially around the handling of the post-election crisis together with other DPs and around the preparations of the 2013 elections. Nevertheless, constant attention is required to address the linkages in order to increase the EU's value added.

[33] The EDF funded BDAG programme financed "support to electoral reforms and processes in Kenya 2012-2013". Resources were also allocated through the Stability and Rapid Reaction Mechanism budget line for "Monitoring and Observation of 2013 possible second round Presidential Elections (Kenya)".

Annex 7 EQ2: Donor coordination and harmonisation

Kenya is not a very aid-dependent country, but development cooperation is still quite important as shown in the figures on development assistance to Kenya presented as part of the context (chapter 2). In the changing context of Kenya donors had different views on the main developments in Kenya and on the appropriate strategies and type of aid to be provided. This was also the case among EU Member States. The EU had a special position in this debate as illustrated by the fact that the EU was the only donor providing GBS. Furthermore, new international actors such as China and South Korea play a more and more prominent role in Kenya. Despite the divergence of opinions and strategies a joint donor strategy KJAS was developed in 2007 and donor coordination mechanisms were being put in place. At present, the EU is preparing not only its new programming for the 11th EDF, but also a new joint EU programming exercise in the first half of 2013. This EQ (and elements of other EQs) aims to link to this joint programming exercise.

Given the rapidly changing international context in which Kenya is operating and the emergence of new international actors a specific EQ is focused on donor coordination and external coherence, because it is expected that this will provide meaningful lessons for future programming and implementation of EU support. This second EQ is closely linked to the first EQ when it comes to EU's comparative advantage in specific sectors and types of support such as GBS, because in that context the division of labour among Development Partners is important. Furthermore, the issue of synergies with other donors is also important in this context, which is related to the issue of internal EU coherence that is part of EQ1.

A7.2 Judgement Criteria 2.1

EQ 2 To what extent was the EU support <u>well-coordinated and complementary</u> to the interventions of other donors?
JC2.1 <u>Joint donor coordination mechanisms</u> based on international principles exist and are functioning effectively
I.2.1.1. The existence of general and sector donor coordination groups that are co-chaired by GoK and donors and meet regularly.
I.2.1.2 The degree of agreement in the various groups and platforms on major issues.
I.2.1.3 Evidence of clear and adequate division of labour between donors as laid down in formal documents and minutes of meetings, and specifically on the role played by the EU.
I.2.1.4 Evidence of active participation of the EU in the policy dialogues with the GoK, and consultations with Member States and other donors.

Detailed evidence I.2.1.1: The existence of general and sector donor coordination groups that are co-chaired by GoK and donors and meet regularly

Various documents[34] as well as interviews with various stakeholders show that there is a structure for donor coordination; formal mechanisms were and are very much in place. Attempts at donor coordination began with HAC and was meant to be strengthened by the

[34] The main documents in this respect include The Kenya Joint Assistance Strategy – KJAS - (2007-2012); The KJAS Review Report, 2010; and 3rd Aid Effectiveness Group (AEG) Retreat Report, 2012.

development of a KJAS (2007-2013). Preparation of KJAS began in 2004-2006 and the KJAS for 2007-13 was agreed upon in 2007. EU is a signatory and was active in meetings where progress towards KJAS was discussed. The KJAS lead at the time was with the WB and DfID. In addition, the EU convened regular monthly EU Development Counsellors meetings that reviewed progress in preparation of KJAS and also tried to strengthen internal EU cooperation. The implementation of KJAS started just before the 2008 crisis.

The review of HAC in 2009 pointed out that 'the pace was slowed and changed and thus hindered the overall objective of the HAC: to promote national development.'[35] Nonetheless, from 2009, both the government and donors made new attempts to improve coordination: HAC transformed to AEG with the government and DPs co-chairing.

The AEG secretariat is housed within government (Treasury) on the understanding that it is the government that should provide leadership. Its organs include Development Partnership Forum (DPF) as the apex body and co-chaired by GoK and DPs, Development Partners Consultative Group (DCG), and Government of Kenya Consultative Group (GCG). DCG comprises Ambassadors and heads of agencies and EU is a member. DCG is a 'clearinghouse' in preparation of DPF[36]; it engages in internal consultations on political and development issues concerning Kenya. These are discussed before the convening of DPF meetings. Interviews revealed that that the DCG in the past did not discuss technical or development issues.[37] These were discussed at other forums but Kenya's political situation compelled the DCG members to ask for regular briefs on especially progress in electoral preparedness. Members wanted to be adequately informed about the electoral environment in order to be prepared effectively. Debriefings eventually became regular as the country approached the 2013 general election. This led to DCG making technical decisions, which under other circumstances should have been taken by the technical organs. Specifically, deputy heads of mission and heads of development would discuss certain issues and inform their HoM for deliberation at DCG meetings.[38]

The Government Consultative Group (GCG), is meant to discuss Aid Effectiveness from a GoK view point. Its membership is meant to include the Principal Secretaries in the line Ministries. It is an equivalent to the development partners DCG; its meetings provide opportunities for the government ministries to engage in 'internal consultations on matters relating to aid effectiveness'.[39] The KJAS review notes that senior government officials were supportive of GCG. They suggested formation of a steering committee under the PS Finance to involve the government more effectively on aid effectiveness. However, interviews with government officials and development partners revealed that GCG's has not had regular meetings. Indeed, by April 2010 when the KJAS review was completed, the group had not been formally set up.

Absence of regular GCG meetings reflected another problem: lack of leadership in coordination. Interviews and various documents point out that the leadership of government in promoting effective donor coordination has been lacking. It is the donors that seem to be pushing the government in this respect. The KJAS review report and the third AEG retreat

35 HAC Review, 2009.
36 KJAS Review Report, p.16.
37 Interview with several development partners, September 2013.
38 Interview with development partners, September 2013.
39 KJAS Review Report. April 2010, p.

held in 2012 highlighted this as a major challenge. In general, the absence of strong government leadership in coordination is cited as an issue of concern.

In addition to the two major organs, DCG and GCG, there are sector groups whose members are donors and GoK departments active in the sector. The sector groups are the fora for donors and the government to discuss sectoral plans, implementation and M&E issues. Government departments participate in these sectors too, and a distinction is being made between sector groups in which only donors participate and joint sector groups where GoK and DPs participate. With regard to agriculture, the government and the main donors have signed a code of conduct to govern the partners' work in increasing aid effectiveness, but the results of this code in terms of improved coordination and harmonisation are not clear.

Effectiveness of these sector working groups is dependent on how well the sector is defined. So far, there are different definitions of the sector; MTP, MTEF, and KJAS/AEG are yet to harmonise their definitions. This lack of a coherent and a common meaning of a sector affects effective working of some of the sectors that are poorly defined.

The EU is a member of several sector groups; the EU has chaired the Agricultural Sector, and Transport Sector Groups. The EU also participates in the PFM Donor Group for coordination among donors which meets monthly, and a PFM Working Group for coordination and policy dialogue between the government and donors, which meets quarterly.

The functioning of the Road Sub-Sector has been described in the Identification phase from 2009 as follows: "At its current stage the Road sub-sector Donor Group acts more at the level of information sharing central (mostly to avoid duplication) and policy harmonisation rather than within a commonly agreed operational framework." Interviews indicated that this assessment is still valid. It is also reported that there is no structured dialogue, but the donors use the coordination groups to put forward project plans and programs. Actually in the last half year there have only been two meetings. The group has periodically been much more active, especially in the period leading up to the new institutional set-up for the road sector in 2008 where EU and other donors actively supported the institutional reforms underway. The EU had a leading role in the period 2006-2007. After 2008, the WB took the lead focusing on national plans and development, incl. further development of the RSIP and formulation of the National Transport Master Plan, and the EU providing institutional support to the new road authorities in general.

During the whole period the Joint sub-sector GoK donor Group, which in the period prior to 2012 was chaired by the Minister of Roads, has only met very irregularly, and normally in case of some urgencies in need of being dealt with. It appears that the main coordinating body on the Northern Corridor, viz. the Transit and Transport Coordination Authority of the Northern Corridor (TTCA), has been quite isolated from the donor coordination activities with only little contact to the donors active within the Kenyan transport sector and other important stakeholders.

Detailed evidence I.2.1.2: The degree of agreement in the various groups and platforms on major issues

Interviews have revealed that various groups in these platforms jointly discuss important issues. Minutes of the EU development counsellors meetings for the period 2004 - 2013 show that the EU development meetings play an important part in bring together Member States in Kenya to discuss a wide range of issues and progress made in various interventions. The meetings also brief Member States on the situation in the country and the required response mechanisms are discussed. In addition, the AEG has held annual retreats where members (GoK, DPs and NSAs) discuss challenges to AEG and make recommendations for follow up by different partners. The meetings discuss progress made in improving aid effectiveness, challenges experienced, and recommendations on how these can be addressed.

In general, it was indicated under I.2.1.1 that donors meet more often among themselves than with the GoK. However, their meetings are mainly about information exchange. Good donor coordination of the aid effectiveness group requires active leadership of the GoK, which is yet to be achieved. The interviews, but also EU documents including the CSP 2008-2012 clearly indicate that the Road sub-sector Donor Group was actively used as platform to discuss studies on institutional reforms funded by donors including the EU and these discussions influenced the policy and institutional reforms that took place in 2006-2008[40]. However, at the moment of the implementation of the reforms donors were not actively involved any more, which can be partially explained by the 2008 crisis. Nevertheless, the momentum of 2006-2008 in this Road sub-sector group never came back and the discussions did not go beyond the level of information exchange.

Agricultural sector group meetings did take place and information has been exchanged. However, with the failure of the Agricultural Sector Coordination Unit (ASCU) set up specifically to improve sector coordination within the dispersed institutional set-up, there is little evidence of improved synergy with donors who continue with stand-alone projects.

Throughout the evaluation period 2006-2012, the PFM-donor working group was quite active and had monthly meetings. In 2005/2006, it was closely involved in the formulation of the PFM Reform Programme (the SRPFM). It was however a typical donor working group in which the GoK was not involved. Irregularly ad-hoc meetings with the GoK were organised to discuss the implementation of the PFM Reform Programme. Early 2010, a joint PFM working group was established co-chaired by the GoK and the donors. It met three times in 2010 and was subsequently transformed into the joint PFM Sector Working Group (PFM-SWG) established in December 2011. The PFM-SWG has met four times so far (approximately every 6 months) and has discussed the Interim Road Map for PFM Reform implemented in 2012, the results of the PEFA assessment carried out in 2012 and the new PFM Reform Programme for 2013-2018.

Detailed evidence I.2.1.3: Evidence of clear and adequate division of labour between donors as laid down in formal documents and minutes of meetings, and specifically on the role played by the EU

There have been discussions about the division of labour and in particular discussions to prevent donor overcrowding in particular sectors that are perceived to suffer from overcrowding such as democratic governance according to the GoK. The concept of overcrowding is complicated and has several dimensions. While the governance sector has suffered from overcrowding in terms of number of development partners involved, it has also suffered from underfunding, according to the development partners[41]. The division of labour has been discussed in several annual consultative meetings. Initially, the idea was to prepare a new KJAS including a division of labour among donors, but this did not get off the ground.

[40] In the Road sub-sector in the period 2005-2007 there was – according to interviews- a more or less tight network of informal contacts among the four main donors, EU, WB, AfDB and JICA, and possibly also some other donors.
[41] Source: “Draft HoMs report on joint programming in Kenya”.

Therefore, in March 2010, the EU development counsellors meeting facilitated a discussion on division of labour among 10 Member States and the EU. The main idea was to come to a joint EU programming exercise. In 2013, a consultant mapped 13 sectors and identified three ways of engagement in a sector: to be a lead donor and therefore chair of the sector; active donor meaning financing and participating in sector dialogue; and silent partner in which one would contribute finances, but not participate in the sector dialogue. This report was forwarded to the AEG for sharing with other donors and the GoK. In fact, this is a pragmatic, but not ideal way forward in a situation where donor coordination is accepted to be problematic. This joint EU programming exercise only involves a limited number of donors i.e. the EU and its Member States, whilst the role of the GoK is not clear. According to the aid effectiveness principles of Paris, Accra and Busan, good donor coordination would require government leadership and include all DPs. It is also not clear how this exercise will be able to deal with the different programming cycles of the various DPs.

Although interviews with the government also showed that the government is supportive of division of labour among donors, the government is yet to lead and finalise on this. That is, the government would like to see less overcrowding for purposes of better impact in all sectors, but it is yet to start taking steps to ensure that division of labour is effectively put on the agenda in a setting that is dominated by dispersed project aid.

Detailed evidence I.2.1.4: Evidence of active participation of the EU in the policy dialogues with the GoK, and consultations with Member States and other donors

The EU is active in policy dialogues with the government at sector working groups and is active in consultations with Member states and other donors, and at EU political councillors meetings and in the Heads of Missions meetings. Furthermore, the EU convenes monthly EU development counsellors meetings where there is dialogue on a wide range of issues including development interventions, governance issues, and other issues relevant to the Kenyan situation. The meetings help Member States to discuss joint responses to challenges identified in the meetings.

In the transport sector donor coordination group the EU periodically has been very active such as in the period leading up to the institutional reforms in 2008. In other periods EU has been considerably less active, such as in the last year due to the present uncertainties regarding its future role within the transport sector.

Already for a long time the main issues pertaining to the agricultural and rural sector are being discussed and those issues are also reflected in the GoK policy documents.[42] There is however no consensus on the approach to be followed. IFAD believes in stopping the environmental degradation, the World Bank in reducing the country's reliance on the agricultural sector and creating employment by developing the industries and services sector[43], Danida focus on environmental conservation and protection, and so on. Nevertheless, the government is placing emphasis on 'value addition' in agriculture and specifically transforming agriculture into a commercial venture especially for small scale holders. Although there are regular discussions in the agricultural sector, there is no common agreement on the way forward. Regarding ASAL, the EU supported KRDP is expected to play a central and coordinating role for this area, but a project – even with the secretariat

[42] Agricultural Sector Development Strategy (ASDS), 2010-2020; Government of Kenya, 2010.
[43] See also the Kenya Economic Update, Kenya at work, World Bank, December 2012/Edition no. 7.

based in the Ministry- cannot be responsible for donor coordination at large. Even the ASCU failed to play this role in the past, while it was specifically set up for this purpose[44].

Findings related to JC2.1: Joint donor coordination mechanisms based on international principles exist and are functioning effectively

Although both donors and the government agreed on the principle of coordination, they were not effective in doing so: there was lack of trust between DPs and the government. This prevented joint engagement on issues of coordination. Notwithstanding these hiccups, the aid architecture is in place, but has certain challenges. Government leadership of the AEG is not strong; development partners are more active in coordination among themselves than in coordination with the government. Although it is the responsibility of the government to coordinate donors within the AEG mechanisms, the government has not been very pro-active and is yet to take effective control and coordinate everyone. The KJAS review report notes that the misperceptions that limited the success of HAC were still very much in place and valid in 2010 and included the feeling on the part of both the government and DPs that each had not created genuine partnership.[45]

Development partners are more active in coordination within their own coordination mechanisms. However, these forums are primarily facilitating sharing of information rather than facilitating effective coordination and harmonisation. Because of this, donors have not resolved the challenge of division of labour, which has been discussed several times in joint meetings with the government. Some sectors therefore remain more crowded than others.

Some sector working groups have worked well during some periods of time. This, however, is dependent on whether the sector is well defined. The EU has been active in coordinating the agricultural sector and the transport sector. The donors in the agricultural sector signed a code of conduct to govern the partners' work in the sector with a view to increasing aid effectiveness, but the results of this code in terms of improved coordination and harmonisation are not clear. The Road sub-sector group worked very well in the period 2005-2007.

A7.3 Judgement Criteria 2.2

EQ 2 To what extent was the EU support well-coordinated and complementary to the interventions of other donors?
JC2.2 The changes in EU policies and strategies were coordinated and harmonised with changes in policies and strategies of others donors and the expected effects of donor policies and strategies have mutually reinforced each other
I.2.2.1. The EU consults other donors on changes in its policies and strategies.
I.2.2.2 The content of the (changed) policies and strategies of the EU are harmonised with the polices and strategies of other donors.
I.2.2.3 The (changed) modality mix of the EU support is coordinated and harmonised with the modality mix of other donors.
I.2.2.4 Positive synergies between the expected effects of EU support and the support of other donors.

44 The establishment of ASCU was considerably delayed. And even after the setup, ASCU continued to have difficulties of coordinating sector activities. ASCU was to set up an M&E system, which never materialised.

45 KJAS review report, 2010. p.11.

Detailed evidence I.2.2.1: The EU consults other donors on changes in its policies and strategies

There is clear evidence that the EU consults other donors on changes in its policies and strategies. The regular EU development counsellors meetings have been useful forums in this respect. Further, in 2006-2007 at the time the CSP 2008-2013 was being prepared, the EU actively consulted other donors, and specifically EU MS on the choices to be made. In fact at that time, also a KJAS was being prepared as a framework in which development partners would support government efforts through a harmonised, aligned and a coordinated approach. The WB and DFID took the lead in preparing KJAS and putting the mechanisms for HAC in place. The EUD at that time tried to reinforce the coordination between the EU and its MS. It is also significant that in preparation of KJAS, the EU development counsellors in 2005 started a dialogue on division of labour. The minutes of December 2005 meeting show that the EU development counsellors agreed to assess each member state in terms of where they felt 'best placed to make contribution to Kenya' and also started a dialogue on 'who should be within which sector and why'. Interviews with the government confirmed that in the preparation of CSPs, the EUD recognises what other donors are doing in the CSP core sectors. There is, however, no evidence of how this is harmonised with what others do.

The EU was active, along other donors, in adopting the position of 'no business as usual' in 2008 following the post-election violence, which was a collective position. And after adopting this position, they insisted, collectively, on putting pressure on the government to implement Agenda 4 reforms as agreed under the National Accord that ended the violence. It is again worth noting that EU development counsellors monthly meetings are the forums during which such decisions are taken.

After 2008, donor coordination took on some pragmatic forms such as donors working together on various projects where frequently the EU took initiative to collaborate with other DPs[46].

Detailed evidence I.2.2.2: The content of the (changed) policies and strategies of the EU are harmonised with the polices and strategies of other donors

The aid architecture provides the main organs through which DPs can harmonise their policies and strategies with those of other development partners. It is also the mechanism through which the development partners integrates GoK development priorities into their own strategies. But the aid architecture's operations are not optimal; coordination between Gok and the development partners is generally poor and not all the sector working groups are active. However, coordination among donors was said to be relatively effective but only in relation to sharing of information. There is no joint programming initiative yet although the EU is leading the development of one, which is likely to be place by end of 2013. Joint analysis and response strategies have been lacking in general even though there are a number of instances where the development partners adopted a common position.

Given these limitations, the EU's policies and strategies have not been effectively harmonised with the policies and strategies of other donors. KJAS should have provided an opportunity for doing so, but the review report points notes that by 2010 achievements were restricted only to integrated programmes, joint missions, and joint analyses. A lot remained to be achieved in aligning aid flows to national budget and utilizing the country's Public Financial

[46] It is reported for roads that the Merille-Marsabit Road Project was formulated in close contact with AfDB, and that there has been a good cooperation on the implementation of the Nairobi Master Plan. In the agricultural sector the WB and the EU worked together on the formulation of KRDP, but that collaboration was quite problematic.

Management. Critical also is that the development partners were not using the results framework developed under KJAS. According to the review, 'the results framework matrix is poorly used; few report to their capitals on its use'. Because of this, there is more focus towards sectors, yet the sector have their own challenges – not all of them are well coordinated.

Notwithstanding this, the EU development counsellors meetings remain the main forums through which the EU discusses its policies and strategies. And since these are used for information sharing rather than development of policies and construction of strategies, EU's policies remain not effectively harmonised with those of other donors.

Detailed evidence I.2.2:3 The (changed) modality mix of the EU support is coordinated and harmonised with the modality mix of other donors

The extent to which EU consults other donors, in a formal and structured manner, on changes in the aid modality mix is limited. With regard to the transport sector, EU consulted other donors on its decision not to provide Sector Budget Support. The extent to which the EU consulted other donors in its decisions on GBS has changed over time, with more consultation after 2007 (see EQ4 for more details).

Detailed evidence I.2.2.4: Positive synergies between the expected effects of EU support and the support of other donors

Transport: There is some evidence of concrete and positive synergies between the expected effects of EU support and the support of other donors related on the one hand to the institutional reforms and on the other hand to coordination of the funding of major road rehabilitation funding. As already indicated under I.2.1.1 donors worked in the transport sector very closely together with the GOK to prepare the policy and institutional reforms in the period 2005-2007. Although there were quite some hurdles to overcome, a common agenda was being followed to a large extent. However, within the EU, but also other donors are becoming sceptical regarding the intended outcomes of the reforms. The construction and rehabilitation of major trunk roads is, in general, reasonably well coordinated. There is a clear focus on some specific transport corridors, which are divided in several parts, for which funding is sought and found.

Agriculture: The challenges of coordination and creating synergies in the agriculture sector are also the result of many ministries that comprised the 'agricultural sector', when the coalition government was formed to share power between two parties. Government departments were transformed into ministries. The agricultural sector was most affected; it had about 12 relevant ministries. This made it particularly difficult to create synergies.

Governance: Support provided to the NSAs by various donors including the EU has been scattered and uncoordinated. This has limited the scope to reach a critical mass of NSAs and resulted in the situation that various NSAs receive similar support from different development partners. Interviewees mentioned, for example, situations in which they received similar project management trainings from different donors.

Findings related to JC2.2: The changes in EU policies and strategies were coordinated and harmonised with changes in policies and strategies of others donors and the expected effects of donor policies and strategies have mutually reinforced each other

On the whole, there is no structured and formalised mechanism by which the EU consults other donors regarding its policies and strategies. As a result, the EU policies and strategies are not necessarily harmonised with those of other donors. Neither is the modality mix of the EU support coordinated and harmonised with the modality mix of other donors.

This can be explained to a large extent by the overall problematic context of donor coordination and harmonisation in Kenya (see JC2.1) and the rather dispersed project aid provided by donors. The EU cannot change this context, but is part and parcel of it. Within this difficult context, the EU made clear attempts to consult other donors on its strategies and the implementation. After 2008, the focus at sector level was more on practical coordination around specific projects, than consultations around policy and institutional reforms. The EU development councillors meeting became the forum where main contextual issues are discussed.

Annex 8 EQ 3: Results focus

A8.1 Rationale/justification

In the 2006 CSP evaluation one of the main recommendations was to improve the results orientation of the CSP during implementation and especially in the MTRs and ETRs. In the ToR for this evaluation (Annex 1) there is attention for the follow-up of the recommendations of the previous country evaluation. At present, DEVCO is also conducting a reflexion on the internal M&E system, which could be complementary to this exercise. Also the EUD expressed its interest to learn more from this evaluation on how to improve its M&E function. On the basis of these reasons, a separate EQ on results focus is justified as it will especially focus on the linkages and needs of the various levels of support i.e. project/programme management, (non-)focal sector management, strategic management of the country operations. This is a very strategic question as it deals with the capacity of the EU to manage the programmes in a result-oriented way. Therefore, it has a broader focus than just the focal sector support, but deals with all the inter-linkages between policy and strategy formulation, actual planning and implementation and the feedback loops. This is a main dimension of the efficiency of EU support. The focus of this question will be on the results focus during implementation as the results focus in the planning stage through the CSPs is sufficiently clear.

It is expected that a specific focus on results could especially be important for the learning function of this evaluation, whilst at the same time the answer to this question could also be an important explanatory factor for performance. Evaluation departments of other donors frequently conduct evaluations on the frequency and quality of evaluations and reviews and good assessment frameworks have been developed that can be used to answer this EQ.

This question aims to be forward-looking and will lead to operational recommendations both at the EUD and HQ level to improve the results focus on the basis of an analysis of the M&E system's strengths and weaknesses.

A8.2 Judgement criterion 3.1

EQ 3 To what extent is there a consistent results focus in the planning and implementation of EU support, and to what extent are lessons being learned from M&E?
JC3.1 The existence of adequate and robust interrelated M&E systems at project, sector and national level to report on results in line with the CSP planning
I.3.1.1. Proportion of adequate M&E systems with reporting on output and outcome level by the selected projects and programmes.
I.3.1.2 Validity and reliability of the project and programme progress reports reporting at output and outcome level.
I.3.1.3 Evidence of linkages between results reported at project and programme level that feed into focal sector reports and other aggregated reports.
I.3.1.4 Focus of EAMRs, JAOR, MTR and ETR on results by reporting on output and outcome level.

Detailed evidence I.3.1.1: Proportion of adequate M&E systems with reporting on output and outcome level by the selected projects and programmes

The detailed analysis of 20 ROM reports and 13 mid-term and final evaluation reports for the selected sectors (see Annex 17, including an overview of scores) indicates that many weaknesses regarding M&E systems at project level have been identified. This often starts with a problematic project design and deficient logframes. In none of the reports there is mention of adequate baseline studies. There is no ROM or evaluation that argues that a project has a good functioning M&E system. This is also the case for very large and ambitious programmes, such as the Northern Corridor (Final Evaluation NCRP I&II in 2012) and CDP-4 (ROM, 2011). These findings have been confirmed in interviews during the field visit.

Often the evaluation and ROM reports refer to a planned set-up of M&E systems and it would have been possible that in the meantime improvements have been realised. Under the KASAL programme, KARI has recognized the noted weaknesses in its internal M&E system by both the ROM missions and the 2010 mid-term review, and undertook to develop a Management and Information System (MIS) and in February 2011 recruited a short term expert to develop the MIS. The expert developed the KASAL Project Planning and Monitoring System (KPPMS) and rolled it out to participating (KARI) centres and trained 60 staff members in the use of the computerised system. However, although the system is said to be operational, its monitoring performance is still wanting (especially to determine effectiveness and impact) as there appear to be difficulties in the design of the system to process, analyse and present the data collected from the field[47], and perhaps also the high cost of operating the system in the way it is set-up (not confirmed).

The same situation applies for the CDTF which, although it had received technical assistance to set up a fully-fledged internal M&E system[48], it had yet to be rolled out in view of the exceedingly high cost of setting up and operationalize the system as proposed (Ksh 40 million or € 400,000)[49]. To date, the CDTF monitoring system is mainly output oriented (no. of community development projects carried out, type of projects, location, number of beneficiaries, etc.) but is unable to provide information on the effectiveness and impact of programme efforts towards reducing poverty, improving good governance, conservation of community natural resources and protection of the environment (main objectives of the CDTF programmes). Hence for large EU supported programmes such as KARI/KASAL and the CDTF, there are no internal M&E systems in place which would enable programme management to follow up and modify operations based on lessons learned from information provided by the systems.

In the governance sector, for the RPRLGSP no overall M&E system was set-up that covered the whole programme and no baseline data were collected Moreover, SMART indicators were only introduced based upon a recommendation in the MTR and the main focus of monitoring activities was placed on financial, contractual and technical issues instead of on outcomes and impact.[50] The NSA-NET programme, did have a more sophisticated M&E system in place, but was, however, very much output oriented and unable to produce more useful insights and lessons learnt regarding outcomes and impact.[51]

[47] Information based on interview with KARI management (September 9, 2013).

[48] TA provided by Danida in 2011.

[49] Information based on interview with CDTF management (September 3, 2013). The proposed M&E system was presented to the Board of Trustees of the CDTF but because of its high cost, not approved.

[50] Eriksson & Ooijen (2011), Final Evaluation of the Rural Poverty Reduction and Local Government Support Programme – Final Report, p. 11-12.

[51] Endeshaw & Cleary (2012), Final Evaluation of the Non-State Actors Support Programme, p. 34-36.

From the above observations it appears that the costs of setting up and operationalize an internal M&E system is often grossly underestimated, or what is proposed as design proved to be inappropriate as management tool in terms of what is worth knowing and what not. A case in point is the EU supported KRDP programme, very large at € 86.4 million, with many programme components mainly related to agricultural production and food security, but with seemingly no adequate financial provisions for the setting up and operationalisation of an internal M&E system. Under the TA assistance of the KRDP, an internal M&E system is currently being designed but it is yet uncertain how the operationalisation of the system is to be funded under the programme. This is apparently not clear in the overall programme design and the budgetary allocations and is being worked on to ensure better financial coverage[52].

Detailed evidence I.3.1.2 Validity and reliability of the project and programme progress reports reporting at output and outcome level

In line with the contract requirements, all projects and programmes produce regular progress reports. Final project reports often contain good and reliable information on the outputs achieved in combination with detailed financial data. The progress reports primarily focus on implementation of planned activities, expenditures against the budget and realised outputs. The information that is presented in the reports appears to be reliable. However, the progress reports hardly report at outcome and impact data and when they do so, the claims regarding positive outcomes and impact are rather vague and not concrete. These claims are not based on SMART indicators and clear evidence. Of course, with the overall absence of good internal monitoring systems (see I.3.1.1) this vagueness of progress reports regarding outcome information was to be expected.

Detailed evidence I.3.1.3: Evidence of linkages between results reported at project and programme level that feed into focal sector reports and other aggregated reports

For none of the sectors, focal or non-focal, regular reporting at aggregate sector level is done. The EUD sections focus on the monitoring of individual projects and programmes and in the EAMRs, JAORs, MTRs and ETRs (see I.3.1.4) references are made to results at sector level. This indicates that the sector intervention logics are not considered to be a framework against which regular reporting is required.

Detailed evidence I.3.1.4: Focus of EAMRs, JAOR, MTR and ETR on results by reporting on output and outcome level

The EAMRs, JAORs, MTRs and ETRs have been analysed (see Annex 18 for an overview of main issues per sector). The EAMRs, JAORs, MTRs and ETRs do provide good general insight into the changes in the political, economic and social context of Kenya and how this affects programming and implementation. For example, the decline in progress indicators in most sectors due to the political crisis in 2008 is well reported upon in 2008 and 2009.

The EAMRs are structured by main objectives. Nevertheless, reporting is concentrated on the progress of activities (i.e. identifications, FAs, allocations, adoption of new strategies), but there are hardly any indicators at output, outcome or impact level that clearly link to the CSP objectives and/or to the intervention logic. Due to a change in the reporting format the EAMR 2011 and the next EAMRs do report more on output level.

[52] Based on interview with KRDP Technical Adviser (September 6, 2013). For instance, for programme visibility just 1% was allocated of the total budget or € 100,000 for the period of four years. Under the advice of the TA, the amount allocated for visibility will be adjusted upwards by the EU to a more reasonable level.

The JAORS have a rather detailed update of the political, economic and social situation per year followed by sections for each focal and non-focal sector reporting on progress. The JAORs regularly report on the conclusions and recommendations of evaluations carried out, but this analysis is not done in a systematic way. Despite reporting on main achievements in general terms, there is no distinction between output, outcome and impact achievements, there is limited reporting on outputs, and hardly any reporting on outcome or impact.

Not all MTRs and ETRs were available to the Evaluation Team. The ETR of the 9th EDF is missing and from the MTR of the 10th EDF CSP only excerpts are available. According to the EAMR 2009 there were problems around the MTR with "Substandard quality of consultants and limited NAO involvement". That MTR proposed to decrease the GBS-envelope and reallocate money to the focal sectors. The EAMR 2011 reports on the delayed decisions regarding the MTR, which is said to be "seriously hampering the ability to commit more than a third of the NIP". The JAOR 2011 is at the same time the ETR of the 10th EDF CSP.

The MTR of the 9th EDF CSP and the ETR of the 10th EDF CSP are mainly focused on the progress in implementation and proposals for changes in the allocations. Whilst the MTR for the 9th EDF CSP still proposed to increase the envelope for GBS significantly, the ETR of the 10th EDF did reallocate the GBS-envelope completely to the two focal sectors and governance. However, the arguments provided for reallocation in the various documents do not explicitly refer to performance indicators.

Findings related to JC3.1: The existence of adequate and robust interrelated M&E systems at project, sector and national level to report on results in line with the CSP planning.

There is no evidence of adequate and robust interrelated M&E systems at project, sector and national level to report on results at output and outcome level. All projects suffer to some extent from weak internal M&E systems. This often starts already with weak designs including deficient log frames and a complete lack of baseline data. The monitoring concentrates on inputs and outputs, for which in general reasonably reliable data is available, but there is no reliable reporting on outcome or impact.

Some efforts were undertaken to set up adequate monitoring systems in some specific programmes, but these efforts were often overambitious and therefore failed again or were not yet delivering.

In line with the limited M&E systems, progress reports of projects and programmes are mainly limited to input and output reporting, with hardly any reliable information on outcome and impact.

Monitoring by the EU is focussing on project and programme level and no aggregate reporting at sector level in line with the sector intervention logics takes place. Regarding the EAMRs, JAORs, MTRs and ETRs, they provide, in principle, a good framework for frequent reporting on results. In practice, these reports focus on the analysis of changes in the context and report on the progress of activities (inputs) and hardly contain information at output, let alone outcome or impact level.

A8.3 Judgement criterion 3.2

EQ 3 To what extent is there a consistent results focus in the planning and implementation of EU support, and to what extent are lessons being learned from M&E?
JC3.2. A sufficient number of external M&E reports of adequate quality that provide insight into results.
I.3.2.1. Number of ROM reports for the selected interventions.
I.3.2.2 Degree to which the ROM reports contain valid and reliable findings on outputs and outcome consisting of quantitative and qualitative evidence.
I.3.2.3 Proportion of external MTRs and final evaluations for the selected interventions.
I.3.2.4 Degree to which the external MTRs, final project and programme evaluations, thematic and/or sector evaluations contain valid and reliable findings on outputs and outcome consisting of quantitative and qualitative evidence.

Detailed evidence I.3.2.1: Number of ROM reports for the selected interventions

At the end of 2012 an overview report of ROM reports for projects in Kenya during the period 2003-2012 was presented indicating that in total 47 ROMs were carried out of which 20 related to EDF interventions i.e. 17 for 9th EDF and 3 for 10th EDF interventions. The Evaluation Team did collect ROM reports for all selected interventions. As the ROM reports are uploaded in the CRIS system, therefore in principle, all ROM reports should be available. In line with the scoping for this evaluation, 20 ROM reports have been analysed in detail of which eleven reports for the agriculture & rural development sector, five for infrastructure, and four for governance (none for macroeconomic support).

Table A.8.1 ROM coverage per sector

Sector	No of ROM reports	% coverage*
Transport infrastructure	5	57%
Agriculture/rural development	11	41%
Macroeconomic support	--	--
Governance	4	49%
	20	

* Coverage has been calculated in terms of paid amounts covered. A project that is covered by two ROMs or two evaluations is not double-counted.

With the exception of macroeconomic support for which no ROMs were carried out, ROM coverage circulates around 50%. In Annex 16 an overview of the scores is presented.

Detailed evidence I.3.2.2: Degree to which the ROM reports contain valid and reliable findings on outputs and outcome consisting of quantitative and qualitative evidence

Most projects score B's on the evaluation criteria, which is a positive score. The score on relevance is highest with 15 B scores and five C scores. The score for efficiency is lowest with 11 projects out of 20 projects scoring a C, which is below standard. Also the scores for effectiveness and impact are a bit on the low side with nine projects scoring only B's or higher and three projects with a B-C score (for effectiveness and impact).

According to the ACP ROM Results Study, Country based pilot study Kenya, 2000-2012, 79 ROM reports were analysed, including re-monitoring. ROM scores were compared for each sector showing that 61% of all ROM reports show good scores (A or B) for effectiveness, 46% for efficiency and surprisingly higher scores of respectively 61% for impact and 75% for sustainability. These scores are slightly below the ACP average. Our sample of 20 ROM reports for selected interventions largely confirms theses scores. However, as indicated already, for this country evaluation a comparison of scores, which has some methodological flaws, is less interesting than an actual check on concrete evidence presented in the ROM reports regarding valid and reliable findings on output, outcome and impact indicators.

A closer analysis of the findings of the ROM reports shows that the analysis of the project designs often indicates that there are important design problems that are reflected in the log frames and that hinder the measurement of performance. Nevertheless, as indicated above, in 15 out of 20 cases the assessment of relevance is still positive. The analysis of effectiveness and impact is based on scattered, mainly qualitative and impressionistic findings. The findings on effectiveness are of limited use to answer the evaluation questions for this evaluation. In a few cases the ROM was planned in an early stage of the project, which made it impossible to measure outputs and outcome.

Detailed evidence I.3.2.3: Proportion of external MTRs and final evaluations for the selected interventions

MTRs and evaluations are not systematically uploaded in the CRIS system and therefore these reports have to be obtained from the EUD. The team has received and analysed 13 evaluation reports, of which four for macroeconomic support, four for agriculture & rural development, one for infrastructure and four for governance.

Table A.8.2 Evaluation coverage per sector

Sector	No of evaluation reports	% coverage*
Transport infrastructure	1	57%
Agriculture/rural development	4	31%
Macroeconomic support	4	42%
Governance		48%
	13	

* Coverage has been calculated in terms of paid amounts covered. A project that is covered by two evaluations is not double-counted.

The evaluation coverage varies per sector. In the infrastructure sector the coverage appears to be relatively high, but in fact as only one final evaluation covered the disbursements related to NCRP I&II. Regarding agriculture and food security only two mid-term reviews are available[53] and no external final evaluation reports. Regarding rural development, two external final evaluations during the period are available[54]. Given the number of activities and the volume of funding, the coverage is considered to be relatively low. The exception is the PFM support programme for which there were various donors and for which three evaluation and review reports are available, which is considered to be a good coverage for this relatively small programme.

[53] It concerns two ROM reports for the Food Facility (FAO and WB); two ROM reports for Drought Management Initiative (grants to NGOs); one ROM report for the KASAL/KARI. Two mid-terms reviews were carried out (KASAL/KARI and DMI).

[54] One ROM report for CDP-4 (of CDTF), one ROM for CDEMP, two ROM reports on rural capacity building programmes in the ASAL (grants to NGOs), and two final evaluations of CDP-3 and CDEMP.

Detailed evidence I.3.2.4: Degree to which the external MTRs, final project and programme evaluations, thematic and/or sector evaluations contain valid and reliable findings on outputs and outcome consisting of quantitative and qualitative evidence

The overview of evaluation findings presented in the Annexes on the other EQs also shows that evaluations suffer to a large extent from the same problems as the ROM exercises, despite the fact that often more time is available. Unfortunately, most evaluation and review reports do not make a clear distinction between outputs, outcome and impact, which is essential for a good evaluation. Only four out of 13 evaluation reports are assessed to have an adequate evaluation design. With a good evaluation design, the evaluations do in all cases present conclusions that are clearly based on findings, while the recommendations are mostly in line with the conclusions. The reliability of the evaluation reports could not be assessed, because limited or no information was available in the reports on triangulation and quality assurance. The picture regarding usefulness is more varied with eight out of 13 reports that have a good readability, a clear structure and a concise executive summary.

For most evaluations analysed, no methodological expert has been involved to assure the quality of the deliverables. This might be an explanatory factor for the relatively poor evaluation designs. The DEU did consider the quality of one out of the 13 evaluations to be quite poor, and two other evaluations reports were also considered to be relatively weak.

The findings of evaluation and review reports that are useful for this country evaluation are presented under the relevant indicators of the EQs focussing on performance i.e. EQ5, 6, 7, 8, 9 and 10.

Findings related to JC3.2: A sufficient number of external M&E reports of adequate quality that provide insight into results

The coverage of EDF interventions with external E&M reports is relatively low. There are 20 ROM reports for EDF interventions and 13 evaluation and review reports for a period of seven years and expenditures exceeding € 400 million. Given the problems with baseline data and the lack of good internal monitoring information, the external M&E reports can only point in the limited time available to them – in the best of cases- to inadequate and incomplete information regarding outcome and impact and present some scattered evidence. The ROM follow a strict format with a heavy focus on scoring. The scoring points out that most project score satisfactory, with the best scores for relevance and the lowest for efficiency. Evaluations frequently suffer from weak evaluation designs, which make them not very reliable and useful, although there have been a few positive examples.

A8.4 Judgement criterion 3.3

EQ 3 To what extent is there a consistent results focus in the planning and implementation of EU support and to what extent are lessons being learned from M&E?
JC3.3 The degree to which lessons learned based on M&E findings, conclusions and recommendations have been applied in on-going and planned interventions
I.3.3.1. Existence of procedures for follow-up of M&E reports.
I.3.3.2 Indications of lessons learned and follow-up given at project and programme level on the basis of internal M&E reports.
I.3.3.3 Indications of lessons learned and follow-up given at focal sector level or in another aggregate way on the basis of evaluation reports.

Detailed evidence I.3.3.1: Existence of procedures for follow-up of M&E reports

The procedures for ROM reports are quite clear. ROM reports and response sheets are uploaded into CRIS. In only a limited number of cases the Evaluation Team was able to collect the response sheets of the EUD on the ROMs that were carried out. The EUD did argue in various cases to change the ROM score. There is some scattered evidence on the follow up of ROM recommendations, but for most cases there is no evidence of clear follow-up.

Contrary to the procedures in place for ROM reports, there is no system to systematically collect evaluation reports and to track follow-up. Evaluation findings are reported in the JAORs, but there is no systematic way to report on follow-up of recommendations from evaluations.

After receipt of the reports, the common procedure (and adhered to) is for the EU Delegation (and project management) to provide comments on the draft reports for the preparation of the final reports by the evaluators. The specific procedures taken for follow-up after the submission of the final M&E reports remain unclear. For the mid-term review reports, it could mean that the projects may need to adapt their operational activities according to observations made by the evaluators, in other cases they may not opt to do this or only partially so because of limitations in the project design (financial and human resource capacity restrictions), or having difficulties in setting priorities in terms of which recommendations to take on immediately and which at a later stage or not at all. Another aspect is the quality of the mid-term and final evaluation reports, which in terms of clear structure and readability score rather poor on overall with an overall score from poor to very poor on the validity of recommendations based on the conclusions made (i.e. overall poor linkage) [55].

Agriculture and rural development: From the projects' final reports and interviews with project management staff, it is not evident that there are procedures for the follow-up of M&E reports by the projects. It concerns the follow-up of specific recommendations made in the ROM reports, mid-term and final evaluation reports.

Detailed evidence I.3.3.2: Indications of lessons learned and follow-up given at project and programme level on the basis of internal M&E reports

As already mentioned, after receipt of the reports, the common procedure (and adhered to) is for the EU Delegation (and project management) to provide comments on the draft reports for the preparation of the final reports by the evaluators. The specific procedures taken for follow-up after the submission of the final M&E reports remain however unclear.

For the ROM and mid-term review reports, recommendations often focus on the need to adapt the operational activities according to observations made by the evaluators. Recommendations are sometimes followed up. In other cases recommendations are not or only partially followed up for various reasons. One reason is related to limitations in the project design, which are found difficult to address. In other cases there are difficulties in setting priorities in terms of which recommendations to take on immediately and which at a later stage or not at all. A case in point is the mid-term review of the KARI/KASAL project which came up with a total of over 110 recommendations. Another aspect is the quality of the mid-term and final evaluation reports which in terms of clear structure and readability score rather poor on overall (see I.3.2.4).

[55] Evaluation of the EU's co-operation with Kenya, Final Desk Report, Volume 2 (Annex 10), July 23, 2013.

Recommendations made in the ROMs are often succinct. The problem with the ROM reporting is that at times the ROM missions are carried out too soon after the (often delayed) start of a project or too late to have any meaningful contributions towards possible improvements in project operations (e.g. case of KARI/KASAL, DMI, Food Facility, EU-WB, CDP-4 of the CDTF).

There are some indications in the governance sector that lessons are learned on the basis of M&E reports. For example, a clear lesson learnt of the DGSP was the need for a more proactive role for GoK structures (MoJCA) in the implementation and management of the programme to ensure local ownership and promote a constructive relationship between GoK and NSAs. This recommendation was taken on board when designing the successor NSA-NET programme, for which the MoJNCCA was assigned a management role of the programme. Another example is the RPRLGSP, the MTR of this programme contained an Action Plan to address weaknesses in the RPRLGSP. According to the final evaluation of the RPRLGSP, many of the prescribed actions in the action plan were implemented. Some important actions were not taken on board however, like the definition of indicators related to poverty reduction for individual poverty reduction fund projects, as recommended by the MTR.

Detailed evidence I.3.3.3: Indications of lessons learned and follow-up given at focal sector level or in another aggregate way on the basis of evaluation reports

Regarding the focal sector agriculture and rural development, there are no clear indications of lessons learned and follow up given at this focal level on the basis of evaluation reports, which pertain to programmes dealing with agriculture and food security, rural service delivery and empowerment. As already mentioned the overall quality of the evaluation reports was such that it is unlikely that outcomes of these reports have contributed to any major changes within the programmes. Under the CDTF community development programmes have continued as before under the CDP-1, 2, and 3 albeit larger in set-up and financial allocations. The CDP-3 evaluation was carried out at the moment CDP-4 was already formulated, which hindered its use. For the KARI/KASAL there was follow-up in the form of set-up of an M&E system (see I.3.1.1), and KARI has involved itself more in the value chain approach than before, and has also kept its focus on improving agricultural and livestock production in the ASAL.

The EUD did not approve the MTR of the Drought Management Initiative, which is one of the 13 reports analysed. The Evaluation Team completely agrees with this assessment. The Evaluation Team is not aware of any other positive or negative assessments of evaluation reports.

Findings related to JC3.3: The degree to which lessons learned based on M&E findings, conclusions and recommendations have been applied in on-going and planned interventions

There is scattered evidence that lessons are being learnt from M&E. For ROM clear procedures are in place, but that does not necessarily lead to clear follow-up. For evaluations, the procedures are less clear and evaluations are not always uploaded in CRIS. Nevertheless, there is not much difference in the follow-up of ROM or evaluation reports. Timing and quality of the reports appear to determine the follow-up.

Annex 9 EQ4: General budget support strategy

The fourth Evaluation Question is:

To what extent has the strategy of the EU regarding the provision of General Budget Support been appropriate?

A9.1 Introduction

General Budget Support (GBS) has been a key component of the CSP 2003-2007 (9th EDF) and the CSP 2008-2013 (10th EDF). However, only the GBS of the 9th EDF has actually been provided under the name "second phase of the Poverty Reduction Budget Support (PRBS-II)". The PRBS-II consisted in fact of GBS and Technical Assistance for supporting the PFM Reform Programme, respectively € 120 million and € 5.0 million (planned amounts, while actual disbursements totalled respectively € 98,7 million and € 2 million)[56]. The 10th EDF GBS component (indicative amount of € 126.8 million) has never been implemented. At the occasion of the MTR and the ETR of the CSP 2008-2013, those funds were reallocated to other sectors.

This EQ4 is focussed on analysing and evaluating the strategy and approach of the EU as regards whether or not providing general budget support to Kenya during the period 2006-2012, and in which form and under which conditions that support could possibly be provided. EQ4 does not constitute comprehensive results evaluation of the GBS provided, but is focussed on evaluating the appropriateness of the EU strategy as regards the provision of GBS within the prevailing political and socio-economic context in Kenya. The first JC of EQ4 deals with the design, approval and implementation of the PRBS-II funded with resources from EDF-9, while the second JC is focused on the decision to abstain from providing GBS under the 10th EDF. It should be noted that EQ4 is closely related to the judgement criteria JC 1.5 and JC 1.6 of EQ1 (dealing with the aid modality mix).

In the remainder of this Introduction, a general overview of the major events of the PRBS-II and the planned GBS under the 10th EDF is presented. That overview is necessarily more elaborated than what is usually presented in an 'introduction', because it is needed for a proper understanding of the context and the evidence, findings and answers on the EQ presented further on.

EDF-9

In the CSP 2003-2007, it was stated that Budget Support was aimed at supporting the implementation of the policies and strategies as defined in the Poverty Reduction Strategy Paper (PRSP) of the GoK. The needs of the health and education sector were specifically mentioned, followed by a statement that "the EC support to these sectors could best be provided from targeted budget support"[57]. However, targeted budget support never

[56] Originally an amount of only € 68-85 million was programmed for GBS under EDF-9. During the Mid Term Review, that amount was increased to € 125-150 million, Finally a financing agreement amounting to € 125 million was signed.

[57] CSP 2003-2007, p.27.

materialised, but social sector performance indicators became part of the disbursement conditions of the variable tranches of the PRBS-II (see hereunder).

The Financing Agreement (FA) and the Technical and Administrative Provisions (TAP) of the PRBS-II were drafted in 2004 and signed by the EU in December 2004 and by the GoK in November 2005 after the preconditions were met. According to the TAP, the GBS was "focussed on three interrelated objectives", namely:

- supporting macro-economic stability and underpinning fiscal consolidation;
- supporting improvements in service delivery in health and education; and
- strengthening PFM.[58]

The GBS of PRBS-II was planned to be provided during the fiscal years 2004/2005 – 2006/2007, but the first fixed tranche was actually disbursed in December 2005 because of delayed achievement of certain preconditions, while the second tranche was actually disbursed in December 2007 and the last tranche in July 2012 as is shown in table A5.15 of annex 5.

The TAP specified that seven preconditions had to be met before the Financing Agreement could be signed and before the first fixed tranche could be released. Furthermore, all PRSB-II disbursements were subject to satisfactory implementation of the overall macro-economic reform programme underlying the IMF/PRGF agreement[59], while the disbursement of the variable tranches would also be based on:

- progress in implementation of the GoK's PFM action plan as reflected by the 16 PEM-AAP indicators[60]; and
- progress as regards 3 education indicators and 4 health indicators (see ERS/PRSP).

The release of 50% of each variable tranche was tied to the achievements of the PFM indicators and the other 50% to the health and education indicators.

After the disbursement of the first fixed tranche in December 2005, no action was taken in 2006 to assess the conditions of the fixed and variable tranches of the second year of the PRBS-II because completion of the second review of the IMF-PRGF was postponed throughout 2006 due to insufficient progress with improving macro-economic management and reforms. Non-completion of that PRGF review would have made it very unlikely that Kenya would satisfy the macro-economic eligibility criterion. The second PRGF review was finally approved by the IMF Board in April 2007.

The disbursement conditions of the fixed and variable tranches of the 'second' PRBS year were assessed by the EUD in January/February 2007. Both tranches were disbursed at the end of December 2007. The delay between the assessment and the actual disbursement in 2007 was caused by (i) protracted discussions between the EUD and EU headquarters whether or not the disbursement conditions were fulfilled, (ii) on-going concerns at the level of the EU about governance issues, (iii) delay of the finalisation of the third review of the PRGF[61], and finally (iv) the upcoming elections of December 2007. The decision to disburse was taken a few days after the elections, which initially appeared to have been executed reasonably fair

[58] See page 3 of the Technical and Administrative Provisions (TAP) of the PRBS-II.
[59] IMF/PRGF = International Monetary Fund / Poverty Reduction and Growth Facility.
[60] PEM-AAP = Public Expenditure Management – Assessment and Action Plan.
[61] The third PRGF review was finalised in November 2007. A waiver was granted for non-observance of four performance criteria.

and peaceful. However, soon after the disbursement, the post-election violence started in January 2008.

The amount disbursed in December 2007 totalled € 40,625,000. It consisted of the fixed tranche of € 20 million and a variable tranche of € 20,625,000 (out of a maximum available amount of € 30 million). More precisely: the variable tranche of € 15 million related to PFM performance was entirely disbursed, while only € 5,625,000 of the € 15 million variable tranche related to social sector indicators was disbursed. Particularly the score for the health indicators was weak[62]. The undisbursed amount of € 9,375,000 was added to the available amount for the third and final variable tranche (making a total of € 29,375,000)[63].

In November 2008, the GoK requested the disbursement of the full final variable tranche. However, the EU had the opinion that the political and governance situation in Kenya was not conducive for providing GBS in the short run. The EUD suggested considering options to re-channel the fund of the third PRBS tranche through a different aid modality[64].

In June 2009, the GoK submitted a new request for the disbursement of the third tranche, amounting to € 21,468,750. However, the EU could not honour the requests, because Kenya did not comply with two of the three eligibility criteria, namely (i) progress in PFM reform and (ii) implementation of a relevant and coherent national development strategy. It was therefore agreed to extend the PRBS agreement with 18 months until the end of June 2011 in order to give the GoK time to restore eligibility[65].

In December 2009, the EUD sent a letter to the GoK in which it proposed to reschedule the assessment of the disbursement conditions of the final tranche to early 2011. By then, the final review report of the implementation of the ERS would be available, which would be helpful in assessing the eligibility criteria and the disbursement conditions. The assessment would include an evaluation of the three general eligibility criteria (macro-economic stability, poverty reduction strategy and PFM reform) on the basis of the actual situation early 2011, and an evaluation of the social sector performance in 2007 and the PFM reforms carried out in FY 2007/2008 (the original reference years) in order to calculate the amount of the variable tranche. The renewed checking of the general eligibility criteria was contested by the GoK.

In March 2011, the GoK requested again for disbursement of the final PRBS tranche. In December 2011, the EU headquarters proposed to reduce the amount to € 8,078,125[66] and to suspend payment until the report of the new PEFA assessment would be ready (due to be completed in May 2012) in order to get proof of PFM progress. The GoK did not agree with that approach because it felt that waiting for the PEFA assessment would be an additional criterion not foreseen in the Financing Agreement, which was "against the spirit of partnership"[67].

62 There were 4 health indicators and 6 education indicators. Only one of the health indicators was partly met. The score on the education indicators was 30 out of 50. Only € 5,625,000 of the € 15 million variable tranche related to the social sector indicators was disbursed.

63 In par 2.3.1.3 of the TAP it was stipulated that when disbursement of the variable tranche of the second year is higher than 65% of the maximum available amount, the undisbursed funds will be added to the variable tranche of the third year. That percentage was actually 69%, which implied that the non-disbursed amount.

64 EAMR 2008, p.6.

65 See JAOR, draft of 15-02-2010, and EAMR 2010, p.4.

66 Only 55% of the social sector targets was achieved, while the PFM target (progress with achieving PEM-AAP indicators) was not achieved at all.

67 See JAOR 2011, p.15.

In June 2012, the EUD concluded that all the eligible criteria for providing budget support were met. The last variable tranche amounting to € 8,078,125 was finally disbursed in July 2012 and the non-disbursed amount of € 21,296,875 was decommitted.

EDF-10

The CSP 2008-2013, drafted in 2007, included a major macro-economic support programme (indicative amount of € 126.8 million out of a total of € 383 million), because the EU aimed to “limit direct project funding to a minimum”. The EU’s clear preference for budget support as the instrument for providing support to GoK’s policies is based on its appreciation of the ERS 2003-2007[68] and the Vision 2030 of the GoK, the existence – at the time of writing the CSP – of “participatory democracy and political pluralism” and a national anti-corruption plan, the satisfactory implementation of economic reforms and the launch of the PFM Reform Strategy. However, it was also observed that the weak control of corruption and insufficient transparency and accountability were important issues of concern[69].

The CSP also indicated that “general budget support will be supplemented by sector budget support (SBS) for specific policies and strategies in individual sectors…” However, the idea of using the SBS instrument was not further elaborated in the CSP. Emphasis was put on GBS because it “……. provides additional financial resources for implementing the ERS/Vision 2030, in particular for preserving macro-economic stability and reducing poverty”. Furthermore, GBS would support “more efficient fiscal policy and service delivery in health and education “through making the provision of GBS conditional on budget re-allocations to ERS priority sectors within the government’s MTEF”[70]. It was also underlined that GBS would increase the “government ownership of EU development aid “and would support “capacity building in existing government structures and procedures, especially for PFM”.[71]

However, soon after the adoption of the final version of that CSP document, Kenya entered into a period of political unrest and uncertainty about the quality of governance (from early 2008 onwards). This political and economic environment was not conducive for preparing a new macro-economic support programme, which was therefore postponed.

In the JAOR of 2009[72], it was mentioned that Kenya did not satisfy two of the three general GBS eligibility criteria and that therefore the GBS of the 10th EDF could not yet be committed. Early 2010 a new assessment of Kenya’s eligibility for receiving GBS was made by a team of consultants hired by the EUD[73]. They concluded that: (i) Kenya did not yet meet the targets of the three GBS eligibility criteria, and (ii) the level of corruption in Kenya increased the fiduciary risks of providing GBS significantly, and (iii) the GoK was taking initiatives which may result in GBS eligibility to be achieved within two or three years.

Early 2012, the EUD hired another team of consultants to provide support for the identification and formulation of a Good Governance and Development Contract (GGDC, the new form of GBS from the EC). The consultants recommended to abandon the preparation of a GGDC, because of the uncertainties as regards the new GGDC eligibility criteria concerning

68 The CSP 2008-2013 was formulated in 2007.
69 See chapter 2 of the CSP 2008-2012.
70 MTEF = Medium Term Expenditure Framework.
71 CSP 2008-2013, pp. 29-30.
72 Draft of 15-02-2010.
73 See: Kenya: assessment of the eligibility for the GBS facility, Ecorys, February 2010.

good governance, rule of law and human rights[74], and (ii) negative opinions at the level of the GoK regarding the GBS instrument in view of the problems experienced with the PRBS-II[75].

In October 2012, at the occasion of the End Term Review of the CSP 2008-2013, it was decided to abandon the idea of preparing a GGDC and the funds concerned were reallocated to other sectors. More precisely it was *"proposed to redirect the remaining amount earmarked for macro-economic development to supporting the GoK ASAL policy, which will be implemented via a Sector Reform Contract (SRC)"*, which is the new form of SBS provided by the EU[76]. The full documentation for that SRC (Action Fiche, Financing Agreement, TAP and annexes) has been prepared by the EUD in the last quarter of 2012 and the beginning of 2013, but the financing proposal was finally rejected by the Quality Support Group of the EC.

A9.2 Judgement criterion 4.1.

EQ 4. To what extent has the strategy of the EU regarding the provision of General Budget Support in Kenya been appropriate?
JC4.1 The design, approval and implementation of the GBS component of the PRBS-II were well justified in view of the political, economic and social context in Kenya prevailing at that time.
I.4.1.1.The design and financing decision of the PRBS–II were based on the policies and strategies of the EU as regards budget support and the state of the art on GBS prevailing at that time.
I.4.1.2 The design and financing decision of the PRBS-II were based on a proper analysis of the political, economic and social context in Kenya prevailing at that time.
I.4.1.3 The design and financing decision of the PRBS-II took into account the policies and strategies of the GoK and the strategies of other donors as regards the provision of budget support.
I.4.1.4. The decisions as regards the disbursements of the various tranches of the PRBS-II were based on an adequate assessment of the eligibility criteria and the disbursement conditions as stipulated in the Financing Agreement.
I.4.1.5 The PRBS II design and the assessments of the disbursement conditions were well discussed and communicated with the GoK and the other Development Partners

Detailed evidence I.4.1.1: The design and financing decision of the PRBS–II were based on the policies and strategies of the EU as regards budget support and the state of the art on GBS prevailing at that time

Design and financing decision of the PRBS-II was based on the *"Guide to the programming and implementation of budget support for third countries" published in March 2002"*[77]. As regards a country's eligibility for budget support, that Guide referred to the Cotonou Agreement in which it is stipulated that an ACP country was eligible for receiving budget support from the EU when it was implementing a macro-economic reform programme approved and/or financed by the principal multilateral donors (which are in fact the IMF and

[74] See "*Identification and formulation of the 10th EDF Budget Support Programme (GGDC) in Kenya*", Pohl Consulting and Associates, 2012. When the consultants wrote their Identification Report, the new Budget Support Guidelines had not yet been issued, and thus the approach and eligibility criteria of a GGDC were not yet precisely known.

[75] Identification and formulation of the 10th EDF Budget Support Programme (GGDC) in Kenya, Revised draft Formulation Report, September 2012, Pohl Consulting and Associates.

[76] That SBS-ASAL would be entitled '*Reviving Growth in the arid and semi-arid lands in the near term (REGAIN).*

[77] European Commission, 2002.

the World Bank)[78]. Furthermore, the EU had to be satisfied with the scope and effectiveness of the macro-economic and sector policies (in particular the poverty reduction strategy) and public finance management, while the fundamental macro-economic parameters should be satisfactory. As regards the objectives of GBS, the Guide mentioned that GBS was granted in support of national development strategies that promoted (i) sustainable development, (ii) gradual integration into the world economy and (iii) a commitment to combat equality and to eradicate poverty. Furthermore, it is worth mentioning that GBS was conceived as a quick disbursing aid instrument[79].

The Technical and Administrative Provisions (TAP) of the PRBS-II reflected the main orientations of the above mentioned Guide. The purpose of the PRBS-II was to contribute to the implementation of GoK's Economic Recovery Strategy (considered to be the GoKs poverty reduction strategy) by linking budget support to the outcome of reforms. Furthermore, as already mentioned in section 10.1, the PRBS-II had three "interrelated objectives", namely (i) supporting macro-economic stability and underpinning fiscal consolidation, (ii) supporting improvements in service delivery in health and education, and (iii) strengthening PFM[80]. The special attention paid to strengthening of PFM and improvement of public social services – next to macro-economic support – as well as the structure of the PRBS-II in terms of fixed tranches linked to macro-economic performance and variable tranches linked to PFM and social sector performance indicators was part of an approach clearly indicated in the above mentioned Guide[81].

In short, the design and financing decision of the PRBS-II were in line with policies and strategies of the EU as regards budget support and current thinking about GBS in the period 2002-2005.

Detailed evidence I.4.1.2: The design and financing decision of the PRBS-II were based on a proper analysis of the political, economic and social context in Kenya prevailing at that time

The PRBS-II emanated from the CSP 2003-2007, which was formulated in the first half of 2003 and signed in October 2003. In that document, it was observed that the GoK had "underlined its commitment to implement the necessary macro-economic and institutional reforms" … within the context of the PRSP. "These reform measures will encompass public expenditure management, the fiscal strategy, pro-poor growth policies, public sector reform and measurable improvements in the standards of governance". Furthermore the CSP concluded that the GoK (i) had successfully implemented … " the economic and public sector reform programme, notably measures to improve efficiency and public accountability", (ii) "… is in the process of re-establishing an Independent Corruption Control Authority" and (iii) had started the implementation of the Strategy for Performance Improvement in the Public Sector (SPIPS). Those positive assessments of the various policies, strategies, initiatives and intentions of the GoK as regards poverty reduction strategies and strengthening macro-economic and public sector management, have led the EC to allocate a substantial share of the 9th EDF to the PRBS-II programme.

The Technical and Administrative Provisions (TAP) of the PRBS-II were drafted in the first half of 2004 at a time when the GoK had just adopted its new Economic Recovery Strategy

78 See European Commission, 2002, pp.14, 18 and 19, and Cotonou Agreement articles 61(2) and 67.

79 See European Commission 2002, pp. 18 and 36,a nd Cotonou Agreement, article 67.

80 See page 3 of the Technical and Administrative Provisions (TAP) of the PRBS-II.

81 See European Commission, 2002, page 20 and sections 3.4 and 3.6.

(ERS) 2003-2007 and after it had reached agreement with the IMF (in November 2003) on a Poverty Reduction and Growth Facility (PRGF) credit. Furthermore, a number of initiatives were taken to improve PFM, including the formulation of the Enhanced Financial Management Action Plan (adopted by the GoK in 2004) and the Public Expenditure Management Assessment and Action Plan (PEM-AAP, a monitoring tool designed by the DPs). The existence and review of those policy documents were underpinning the EU's decision to prepare and approve the PRSB-II.

The design and financing decision about the PRBS-II were indeed based on a proper analysis of the political and economic situation in Kenya during the years 2003-2005. It was a period of renewed confidence in the policies of the new Government elected in 2002, as regards restoring economic growth, reducing poverty and improving governance. The ERS was conceived as the GoK's PRSP which provided the policy framework for the PRBS-II. Furthermore, the GoK had taken a number of initiatives aimed at improving PFM and had reached agreement with the IMF on macro-economic policies in the context of the PRGF. However, it should also be mentioned that there were concerns about certain policy and implementation weaknesses, as witnessed by the fact that finalisation of the first review of the PRGF was delayed up to December 2004 because of protracted discussions with the GoK on the fiscal framework, a new wage setting mechanism and the waivers for non-observance of five performance criteria[82]. Furthermore, the Joint Staff Assessment of the IMF and the World Bank of the ERS concluded that although the document provided a sound basis for IMF and World Bank support, a number of issues needed further improvement, including the analysis of the determinants of poverty, priorisation of policy actions, formulation of health and education sector strategies, strengthening the links between policies and budgeting and strengthening the monitoring of the outcomes of public policies[83].

Detailed evidence I.4.1.3: The design and financing decision of the PRBS-II took into account the policies and strategies of the GoK and the strategies of other donors as regards the provision of budget support

When the decision was taken by the EU in 2004/2005 to provide GBS, none of the other donors provided GBS and none of them have provided GBS in the years thereafter. Initially, a number of other donors were also considering to provide budget support to Kenya, but in 2005/2006 the confidence in the macro-economic policies, PFM and overall governance of the GoK weakened and none of the donors really started the formulation of a BS programme[84]. Protracted discussions with the IMF about the reviews of the PRGF contributed most likely also to the loss of interest of other donors in preparing BS operations[85]. After the post-election violence in 2008 and the related political uncertainties in Kenya, the provision of budget support was out of question for most of the donors.

According to the TAP of the PRBS-II, a ***Memorandum of Understanding*** would be signed with other GBS donors. Because none of the other donors did start providing GBS, that Memorandum has never been made or signed. The same happened with the envisaged GBS

[82] IMF, 2004, First PRGF review.

[83] IMF, 2004, Joint staff assessment of the PRSP.

[84] The 2006 evaluation of the EC support to Kenya (see Vol II, page 88), mentioned that some donors considered provided budget support in the near future (e.g. Sweden and the UK), while others (including EU member states) were clearly against the plans of the EC.

[85] Disbursement of the second PRGF tranche planned for 2005 was delayed until April 2007 because of non-observance of certain performance criteria. Finally a waiver was granted for non-observance of five criteria. Disbursement of the third tranche was also delayed and finally took place in November 2007, while a waiver was given for non-observance of four performance criteria and one prior action.

Donor Coordination Group. That Group has never been established because of lack of donors providing GBS. As a consequence, there was no institutional structure for conducting a GBS policy dialogue with the GoK.

Also the World Bank has not considered providing a Development Policy Loan (DPL)[86] to Kenya during the years 2004-2007. It was only in 2009 that the World Bank mentioned its intention to prepare a DPL in its Country Assistance Strategy for the years 2010-2013. The DPL should be focussed on strengthening PFM, improving the investment climate and improving public service delivery. That DPL has been fully prepared in 2011 but finally higher level management within the Bank decided not to submit the proposal to the Board of Governors, because it was estimated that the proposal would not be approved.

During the years 2004-2012, there has been an intensive debate among the EU and its Member States whether or not GBS would be an appropriate aid instrument in Kenya. While the Member States initially had a wait and see attitude, the EU opted for sizeable GBS envelopes in its CSPs (partly due to the fact that those CSPs were formulated in periods when conditions were relatively favourable for GBS). It is worth mentioning that the previous evaluation of the EU's country strategy in Kenya (carried out in 2006) has noted that at that time "*there was no general agreement among donors on the provision of general budget support. Against this background it is required that the EU moves carefully forward and keeps in touch with all actors involved*". However, the opinions of other Member States have not really influenced the EU strategy as regards providing budget support to the GoK during the years 2004-2007[87]. This has changed in more recent years (see JC 4.2).

Up to 2012, the GoK was strongly in favour of receiving as much aid as possible in the form of budget support, because it maximises the government's own responsibility as regards deciding on how to use those additional budgetary resources. As such it is the best aid modality from the point of view of promoting ownership and alignment with national policies and procedures. Furthermore, the GoK considered a budget support programme also as a certificate for good macro-economic policies and for good governance in general. However, from 2011/2012 onwards, the GoK's interest in GBS decreased, because of the protracted and difficult negotiations about the disbursement of the last tranche of the PRBS-II[88].

Detailed evidence I.4.1.4: The decisions as regards the disbursements of the various tranches of the PRBS-II were based on an adequate assessment of the eligibility criteria and the disbursement conditions as stipulated in the Financing Agreement

The decision as regards the disbursement of the first fixed tranche in December 2005 was based on an adequate and well-documented evaluation of the general eligibility criteria and the seven preconditions[89].

It was also correct not to consider disbursing the second tranche in 2006, because of absence of agreement between the GoK and the IMF about the second PRGF review. After that

86 That is the World Bank's terminology of a budget support operation.

87 The 2006 evaluation of the EC support to Kenya mentioned that (see Vol. II, p.91) "bilateral donors, especially EU member States, have criticised the role of the EC as regards BS at various occasions. Nevertheless, the EC defended and maintained its form position on the issues under discussions".

88 See GGDC Identification Report of Pohl Consulting, p.14. See also section on Findings related to JC.4.2.

89 See Technical and Administrative Provisions of the PRBS-II and 'Note for the attention of the Head of Delegation' dd. 15-11-2005, ref AIDCO/C/1/GJD(2005)30970, dealing with the assessment of the preconditions.

Review was finalised in April 2007, the EU made an adequate assessment of the GBS eligibility criteria and the specific disbursement conditions related to the variable tranche[90].

The final assessment of the eligibility criteria and disbursement conditions of the variable tranche in 2012 was technically correct, but raised some controversies with the GoK (see I. 4.1.5). From 2008 to 2011 the EU had the opinion that Kenya did not meet the basic three GBS eligibility criteria, and was thus not eligible for receiving the third tranche. That opinion changed (gradually) from the second half of 2011 onwards. Finally in June 2012, the EUD concluded that Kenya had met the GBS eligibility criteria, because:

- there was satisfactory progress with the implementation of the national development strategy (Vision 2030);
- the GoK had shown a clear commitment to maintain macro-economic stability and had performed well in recent months, as was also manifested by the successful implementation of the ECF91 programme concluded with the IMF; and
- progress had been made with strengthening the PFM system and a new PFM reform strategy for the period 2011-2016 was being finalised.

One of the differences of view between the EU and the GoK was that, the EU wanted to wait for the outcome of the PEFA assessment (to be carried out in March 2012) before drawing a final conclusion about the PFM eligibility criterion. The GoK saw that as an additional criterion before getting access to the third tranche, which was not foreseen in the Financing Agreement. The Evaluation Team is of the opinion that formally it was not an additional criterion, but just a matter of waiting for a new piece of information, but the sentiments of the GoK about this new delay with taking a decision are understandable.

The EU decided to disburse only € 8,1 million, while the GoK had requested € 21.5 million. The EU based its assessment of the variable tranche indicators on the scores of the social sector indicators at the end of 2007 and the PEM-AAP indicators at the end of the Fiscal Year 2007/2008[92]. Formally this approach was correct, but the GoK was unhappy with the outcome, because in the meantime (up to 2012) the PFM and social sector indicators had improved notably. Furthermore, it was difficult to accept that Kenya scored positively on the PFM eligibility criterion, but lost 100% of the PFM-part of the variable tranche.

Detailed evidence I.4.1.5: The PRBS II design and the assessments of the disbursement conditions were well discussed and communicated with the GoK and the other Development Partners

Originally (in 2004/2005) the design and the preconditions for signing the Financing Agreement and for paying the first fixed tranche were well discussed and communicated with the GoK, but according to the 2006 evaluation of the EC support to Kenya, the negotiation process had been "long and problematic". That report mentioned also that the EC budget support had been discussed various times by the EU Donor Coordination Group[93].

Discussions and negotiations about the disbursement of the second tranche of the PRBS were delayed with more than a year, due to the fact that the GoK and the IMF could not finalise the second PRGF review in 2006 (see section 10.1 and detailed evidence of I.4.1.3 here above). The disbursement conditions of the fixed and variable tranches of the 'second' PRBS year

[90] See Note for the attention of Director AIDCO, dd. 07-03-2007, Ref MG/JH/2007/D/359 and annexes.
[91] ECF = Extended Credit facility (the successor of the PRGF).
[92] See Letter of the DEU tot the GoD, dd. 11-07-2012, ref KEN/COOP/OPTKEN/ECO (2012)/1811 and annexes.
[93] Ecorys, 2006, Vol.I, p.49 and Vol II, p.91.

were assessed by the EUD in January/February 2007. Further delays occurred in 2007 due to (i) protracted discussions between the EUD and EU headquarters whether or not the disbursement conditions were fulfilled and (ii) on-going concerns at the level of the EU about governance issues. When it was finally decided to disburse (early October 2007), it was thought to be wise to postpone the disbursement until after the elections of December 2007 had been held and had shown to be peaceful and fair. The disbursement was done a few days after the elections. However, only a few days later, the post-election violence started.

After this disbursement of the second tranche, almost immediately followed by the post-election violence, the other donors and in particular some EU Member States, criticised the EU for having disbursed that second tranche at that particular time. However, it should be acknowledged that none of the observers of the elections had foreseen such a course of events. On the other hand, it would have been much better when the EU had respected a 'safety margin' between the date of the elections and the disbursement, but the EU preferred strongly to disburse before the end of the year, just for administrative reasons.

Discussions between the GoK and the EUD about the disbursement of the third tranche of the PRBS were difficult. There was disagreement about how the eligibility criteria and disbursement conditions had to be assessed, both in terms of which indicators had to be used, which reference years to be used and what the scores for the various indicators were. The GoK submitted a disbursement request in 2009 amounting to € 21.5 million, but the EU had the opinion that Kenya did not satisfy two of the three eligibility criteria. The GoK submitted a new request in March 2011. Finally the EU decided unilaterally to fix the amount of the last tranche at € 8.1 which was disbursed as late as July 2012.

EUD has always kept the other donors informed about the implementation of the PRBS, especially the EU Member States, but not regularly because there was no GBS donor group. Information was provided via the PFM donor group, the Development Partnership Forum and/or a couple of ad-hoc meetings.

Findings related to JC4.1: The design, approval and implementation of the GBS component of the PRBS-II were well justified in view of the political, economic and social context in Kenya prevailing at that time

Preparation, design and approval of the PRBS were "reasonably justified" in view of the political, economic and social context in 2004 and 2005. The newly elected government (in December 2002) had launched its Economic Recovery Strategy (ERS) in 2003, had formulated the Enhanced Financial Management Action Plan, had announced measures to fight corruption and had successfully concluded the negotiations with the IMF about a PRGF credit. However, other donors considering to provide GBS were more prudent and had a more risk averse approach. They opted for not taking a decision yet, or they decided to abstain from providing GBS. Being the only donor providing GBS created two additional risks for the EU: a (too) narrow basis for an effective GBS policy dialogue and weak leverage in case of differences of view with the GoK on policy issues, performance criteria and disbursement conditions.

The renewed confidence in the policy orientations of the new Government is illustrated by various statements in the CSP 2003-2007signed in October 2003. In that document, it was observed that the GoK had "underlined its commitment to implement the necessary macro-economic and institutional reforms" … within the context of the ERS (considered as equivalent to a PRSP). "These reform measures will encompass public expenditure management, the fiscal strategy, pro-poor growth policies, public sector reform and measurable improvements in the standards of governance". Furthermore the CSP concluded that the GoK (i) had successfully implemented … " the economic and public sector reform programme, notably measures to improve efficiency and public accountability", (ii) "… is in the process of re-establishing an Independent Corruption Control Authority" and (iii) had started the implementation of the Strategy for Performance Improvement in the Public Sector.

However in 2005, even before the Financing Agreement (FA) of the PRBS-II was signed (in December 2005), the political and economic context became already less favourable for GBS, as witnessed by (i) the long and sometimes difficult negotiations about the preconditions for signing the FA, (ii) the protracted discussion with the IMF in the context of the second review of the PRGF credit because Kenya could not meet five performance criteria and the investigations and court cases about two high level corruption cases[94].

Decision making about the disbursement of the second tranche could not take place in 2006, because the GoK had not yet reached agreement with the IMF about the second review of the PRGF. In such circumstances it would be highly unlikely that Kenya would meet the macro-economic eligibility criterion of the PRBS-II. The second PRGF review was finally concluded in April 2007, which paved the way for finalising the assessment of the eligibility criteria and the disbursement conditions of the second tranche of the PRBS. The start of the new PFM Reform Programme in 2006 had also contributed also to a positive assessment of the second tranche of the PRBS-II.

The EU took the final decision to disburse in October 2007. The delay between April and October 2007, was caused by (i) protracted discussions between the EUD and EU headquarters whether or not and to what extent the disbursement conditions of the variable tranche were fulfilled, (ii) on-going concerns on governance issues and (iii) the delay with the finalisation of the third review of the PRGF. Because of the upcoming elections, planned for 27 December 2007, it was then decided to delay disbursement until after the elections. Because there had been no major problems with the election process and because of administrative pressure (advantages of disbursing before the end of the year), the second tranche was disbursed a few days after the elections. With hindsight that appeared to be a very unfortunate decision, because post-election violence started a few days later.

In view of the economic and political situation in Kenya, it has been correct to delay the decision about the disbursement of the second PRBS tranche to 2007. The prevailing conditions in 2007 justified the positive disbursement decision taken in that year. The decision making process in 2007 took a long time for reasons summarised in the previous paragraph. Finally it was decided to disburse the second tranche just after the elections. Delaying the disbursement until after the elections was a good decision, but disbursing immediately after the elections (because of administrative pressure) was very unfortunate, because the post-election violence started a few days later.

The political, economic and social conditions in Kenya were not favourably in 2008 and 2009 for taking a decision about the disbursement of the final PRBS tranche. In 2010 and 2011, there were protracted discussions and negotiations between the GoK and the EUD about whether or not Kenya did satisfy the eligibility criteria and to what extent the disbursement conditions were met. Finally the EU decided to disburse only 27% of the available amount of

94 The Goldenberg scandal and the Anglo Leasing scandal. See World Bank, 2010, p. 7 for a brief description.

the last tranche. That decision was based on an evaluation of the three general eligibility criteria (macro-economic stability, poverty reduction strategy and PFM reform) applied to the actual situation in 2012 and – in order to calculate the amount of the variable tranche - an evaluation of the social sector performance in 2007 and the PFM reforms carried out in fiscal year 2007/2008 (the original reference years). This is methodologically correct in view of the BS approach of the EU and the content of the PRBS agreement, but the renewed checking of the general eligibility criteria was contested by the GoK.

A9.3 Judgement criterion 4.2

EQ 4 To what extent has the strategy of the EU regarding the provision of General Budget Support in Kenya been appropriate?
JC4.2 The decisions to reallocate the funds originally allocated for GBS under the 10th EDF to other sectors was well justified
I.4.2.1. Reallocation decisions were based on a proper analysis of changing economic and political circumstances.
I.4.2.2. Reallocation decisions were in line with EU policies and strategies as regards GBS.
I.4.2.3. Reallocation decisions were well discussed with the GoK and the opinions of the GoK as regards the GBS instrument were taken into account.

Preliminary remark: JC 4.2 and the three indicators refer to the re-allocation of funds, which could be interpreted as if both the cancellation of the GBS and the allocation to the new sectors will be evaluated. However, that is not the intended focus of this JC. This JC is focussed on the decision to include GBS in the CSP 2008-2013 and to cancel it later on.

Detailed evidence I.4.2.1: Reallocation decisions were based on a proper analysis of changing economic and political circumstances

The decision to allocate 33% of the EDF-10 envelope[95] to GBS was based on (i) the EU's assumption that Kenya would meet the GBS eligibility criteria in view of the political, economic and social context in Kenya in 2007 (when the CSP was drafted and approved), (ii) the strong preference of the GoK to have a sizeable GBS envelope because of the fungibility of that type of aid, and (iii) strong pressure from EC headquarters to increase provision of aid through GBS[96]. However, in 2008 the political, economic and social context in Kenya changed dramatically compared to 2007 and GBS eligibility had suddenly become much less likely, if not unlikely.

The documented facts of the decision making process regarding the cancellation of the GBS of EDF-10 are (see also section 10.1 for more details):

- In the JAOR 2009[97,] it was mentioned that Kenya did not satisfy two of the three general GBS eligibility criteria and that therefore the GBS of the EDF-10 could not yet be committed;
- Early 2010 a team of consultants hired by the EUD concluded that Kenya did not yet meet the three GBS eligibility criteria, but it was taking initiatives which could result in GBS eligibility within two or three years[98];

[95] € 126.8 million out of € 383 million. See the CSP 2008-2013.

[96] The following two documents published by the EC in 2008 clearly demonstrate the EC's preference for budget support: "*Budget support, a question of mutual trust*" and "*budget support, the effective way to finance development*?"

[97] Draft of 15-02-2010.

[98] See: Kenya: assessment of the eligibility for the GBS facility, Ecorys, February 2010.

- At the occasion of the MTR of the CSP 2008-2013 held in 2010, it was decided to reallocate € 56.8 million of the GBS envelope to the other priority sectors[99]. That implied that € 70 million was left for GBS;
- In the JAOR 2011[100], which was also the ETR report with preliminary ETR conclusions, it was proposed to reallocate another € 30 million from GBS to the roads sector, because additional funding was needed for the Merille-Marsabit Road, while no decision was taken yet on GBS eligibility. This implied that the GBS envelope would be reduced further to € 40 million;
- According to an internal note of the EUD (dated April 2012), that reallocation of € 30 million from GBS to road infrastructure was proposed by the GoK, while it wanted to retain the rest of the GBS envelope, because it was confident that it would be eligible for GBS;
- Early 2012, the EUD hired another team of consultants to provide support for the identification and formulation of a Good Governance and Development Contract (GGDC, the new form of GBS from the EU). The consultants recommended to abandon the preparation of a GGDC, because of the uncertainties about the new GGDC eligibility criteria[101]and negative opinions at the level of the GoK regarding the GBS instrument in view of the problems experienced with the PRBS-II[102];
- According to the final conclusions of the ETR of the CSP 2008-2013, formulated in October 2012[103], it was decided to cancel the GBS envelope and to use the remaining funds (€ 70 million) for a Sector Reform Contract (SRC, the new form of SBS provided by the EU) aimed at supporting the ASAL policy of the GoK (€ 46 million) and for increasing the road infrastructure envelope (€ 24 million);
- The SRC for ASAL has been prepared in the last quarter of 2012 and early 2013, under the name: 'Reviving Growth in the arid and semi-arid lands in the near term (REGAIN)'. However, the financing proposal was finally rejected by the Quality Support Group of the EC in June 2013.

In 2007, when the CSP 2008-2013 was formulated, it was a realistic assumption that Kenya would meet the GBS eligibility criteria provided that the political and economic context existing at that time would have maintained or even improved further in the subsequent years. In 2007, the GoK and the IMF had successfully finalised the second review and third review of the PRGF, while the implementation of the new PFM Reform Programme had started in 2006 and the expectations as regards its results were still high. Moreover, the political situation appeared to be stable. Thus, the EU could clearly motivate why 33% of the 10th EDF envelope was allocated to GBS. However, the EU should have realised that the risks of a deterioration of the political and economic conditions were substantial, in view of how the political and economic situation had evolved during the previous 10 years. Moreover, other DPs did still not want to opt for GBS. Thus, the risks of aiming for the provision of GBS were still substantial.

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[99] See JAOR 2011, draft 04 April 2012, p.1.The MTR was held in the first quarter of 2010, but according to the EAMR 2011 (p/4), approval of the conclusions of the MTR was delayed seriously. The JAOR 2011 (report drafted in April 2012) mentions that the MTR proposals have finally been approved sometime in 2011.

[100] Draft of 04-04-2012.

[101] In particular the preconditions as regards the rule of law, human rights and fundamental values. When the consultants wrote their Identification Report, the new Budget Support Guidelines had not yet been issued, and thus the approach and eligibility criteria of a GGDC were not yet precisely known.

[102] See the Identification and formulation of the 10th EDF Budget Support Programme (GGDC) in Kenya, Revised draft Formulation Report, September 2012, Pohl Consulting and Associates.

[103] The JAOR 2011, drafted in April 2012, served also as the ETR of the CSP 2008-2013, but final ETR conclusions were drafted (and/or finalised) later in October 2012.

During the years 2008-2010 it was evident that the political, economic and governance situation did not justify starting the preparation of a GBS programme: post-election violence in 2008, political instability and various concerns about governance and the macro-economic situation and related policies. The political and economic context improved in 2011 and 2012, but at that time the EU was in a process of changing its GBS policy (see next indicator).

Detailed evidence I.4.2.2: Reallocation decisions were in line with EU policies and strategies as regards GBS

In 2007, when the CSP 2008-2013 was drafted and approved, the EU's GBS policy was based on the GBS Guidelines of 2007. Moreover, at that time there was a strong opinion at the level of the EU headquarters that budget support was the best aid modality and that the share of budget support in spending the resources of the 10th EDF should be increased substantially (compared to the 9th EDF)[104]. In view of the GBS eligibility criteria of the 2007 GBS Guidelines, the EU's aim to increase the GBS envelopes of the various cooperation programmes and the political and economic context in Kenya in 2007, it is understandable that 33% of the 10th EDF envelope for Kenya was allocated to GBS. However, as explained in the previous section, a considerable risk was taken whether or not it would be possible to implement such a large GBS envelope.

The political and economic context deteriorated dramatically in 2008 and it was evident that it was impossible to start preparing a GBS programme during the years 2008-2010. Not only because Kenya did not score well on the three GBS eligibility criteria (macro-economic policies, poverty reduction policies and PFM reform), but also because of the doubts about the political stability and the quality of governance. Although these two last mentioned issues[105] were not official GBS eligibility criteria, they played a role in decision making as regards whether or not starting the preparation of a GBS programme.

The Kenyan context improved in 2011-2012, but the EU's GBS policy changed at the same time. From late 2010 onwards, the EC headquarters were developing a new GBS policy. That new policy was putting much more emphasis on fundamental values (rule of law, human rights and democracy promotion) and on risk mitigation than the EU's 2007 Budget Support Guidelines. The new policy was finally put into practice in September 2012. According to the new Budget Support Guidelines, a positive assessment of the fundamental values has become an official precondition of the provision of GBS. The new Guidelines decreased the likelihood that Kenya would satisfy both the preconditions (regarding fundamental values) and the GBS eligibility criteria. From that point of view, it is understandable that the GBS of the 10th EDF has been cancelled.

Detailed evidence I.4.2.3: Reallocation decisions were well discussed with the GoK and the opinions of the GoK as regards the GBS instrument were taken into account

Official contacts between the GoK and the EUD about the GBS envelope of EDF-10 were restricted to the Joint Annual Reviews and the Mid Term Review (MTR) and End Term Review (ETR) of the CSP 2008-2013, respectively held in January 2010 and April/October 2012, because there was no formal regular GBS policy dialogue. There may have been other ad-hoc (informal) contacts, which are however not documented.

[104] See EC, 2008, "Budget support, a question of mutual trust" and "budget support, the effective way to finance development?"

[105] Sometimes called "underlying principles'.

Section 10.1 and the evidence of the indicator I.4.2.1 provide a good overview of the main events of the decision making process as regards the GBS envelope of EDF-10. In view of the reports of the JAORs, the MTR[106] and the ETR, it can be concluded that the following issues have been discussed by the EUD and the GoK:

- The JAOR 2009 report[107] mentions that Kenya did not satisfy two of the three general GBS eligibility criteria and the GBS of the EDF-10 could therefore not yet be committed. Apparently this has been discussed during the JAOR, but it cannot be taken for granted that the GoK agreed with that conclusion, and or that the opinion of the GoK has been taken into account;
- At the occasion of the MTR of the CSP 2008-2013 held in 2010, it was proposed/decided to reallocate € 56.8 million from GBS to the other priority sectors (Road infrastructure, agriculture and rural development, and governance)[108]. That implied that € 70 million was left for GBS;
- In the JAOR 2011[109], it was proposed to reallocate another € 30 million from GBS to the transport sector, because additional funding was needed for the Merille-Marsabit Road. No decision had been taken yet on GBS eligibility. According to an internal note of the EUD (dated April 2012), the reallocation of € 30 million from GBS to road infrastructure was proposed by the GoK, while it wanted to retain the rest of the GBS envelope, because it was confident that it would be eligible for GBS;
- According to the final conclusions of the ETR of the CSP 2008-2013, formulated in October 2012[110], it was decided to cancel the GBS envelope and to use the remaining funds (€ 70 million) for a Sector Reform Contract aimed at supporting the ASAL policy of the GoK (€ 46 million) and for increasing the road infrastructure envelope (€ 24 million).

Because of scarce documentation, it is not entirely clear to what extent the GoK has always been informed about the EU's intentions as regards the GBS envelope of the 10th EDF and to what extent the opinions of the GoK have been taken into account. Nevertheless, the overall picture is that the EU wanted to reduce (and later cancel) the GBS envelope, while the GoK preferred to retain the entire GBS envelope of € 126.8 million. However, when GBS eligibility became less and less likely - according to the assessments of the EU - and when (presumed) financing needs of the priority sectors were increasing[111], the GoK agreed (or even proposed as in the case of € 30 million for roads) with the re-allocations to the priority sectors. A clear point in case was also the (initial) lack of agreement about the reduction of the GBS envelope of € 56.8 million at the occasion of the MTR in 2010. Discussions about that issue continued for more than a year, before the MTR conclusions were finally endorsed sometime in 2011.

At some occasions the GoK had expressed the feeling that different yard sticks were being used when assessing Kenya's GBS eligibility compared to other counties, and that Kenya is confronted with more strict assessments than various other countries.

[106] Unfortunately the results of the MTR have never been formalised in a mutually agreed MTR report.
[107] Draft of 15-02-2010.
[108] See JAOR 2011, draft 04 April 2012, p.1.
[109] Draft of 04-04-2012. That JAOR report was also the ETR report with preliminary ETR conclusions.
[110] The JAOR 2011, drafted in April 2012, served also as the ETR of the CSP 2008-2013, but final ETR conclusions were drafted (and/or finalised) later in October 2012.
[111] See conclusions of the ETR of the CSP 2008-2013 and JAOR 2011, p.1.

Findings related to JC.4.2. The decisions to reallocate the funds originally allocated for GBS under the 10th EDF to other sectors was well justified

The decision to allocate 33% of the EDF-10 envelope to GBS – a decision taken in 2007 – was understandable in view of (i) the political and economic situation prevailing in Kenya at that time, (ii) the preference of the GoK to have a sizeable GBS envelope, (iii) the 2007 GBS guidelines in force at that time, and (iv) the pressure from EU headquarters to increase provision of aid in the form of GBS[112]. However, the risk of a non-enduring GBS eligibility and political instability in Kenya were insufficiently taken into account. It could have been known that those risks were substantial in view of the political and economic trends of the recent past (2000-2007) and the fact that other DPs did not opt for providing GBS.

Already in 2008, the political, economic and social context in Kenya changed dramatically compared to 2007 and GBS eligibility was suddenly very unlikely. That situation continued until 2010 and it was a justified decision not to start preparing a GBS programme during those years (2008-2010).

From 2011 onwards, the economic context improved gradually and GBS eligibility on the basis of the 2007 GBS Guidelines became in sight again. An important step was taken in January 2011, when the GoK signed an agreement with the IMF concerning a loan from the Extended Credit Facility[113]. Up to February 2013 all performance criteria have been met, apart from a few minor slippages. GBS eligibility (on the basis of the 2007 GBS Guidelines) was confirmed mid 2012 by the EUD when it concluded that Kenya was eligible for receiving the last tranche of the PRBS-II, because:

- there was satisfactory progress with the implementation of the national development strategy (Vision 2030);
- the GoK had shown a clear commitment to maintain macro-economic stability and had performed well in recent months, as was also manifested by the successful implementation of the ECF[114] programme concluded with the IMF; and
- progress had been made with strengthening the PFM system and a new PFM reform strategy for the period 2011-2016 was being finalised.

However, that positive assessment of the (traditional) GBS eligibility criteria did not clear the way for preparing the GBS programme of the 10th EDF, because in the meantime the EU had adopted a new budget support policy. According to that new policy, more attention has to be paid to the assessment of the respect and promotion of fundamental values (rule of law, human rights and democracy). In the case of a Good Governance and Development Contract (the new name of GBS provided by the EU), respect of those fundamental values has become even an official precondition for providing a GGDC. Moreover an elaborated Risk Management Framework has been introduced, which implies that the EU has become more risk averse both at the level of the fundamental values and the GBS eligibility criteria.

Preparation of that new GBS policy started already in the last quarter of 2010 and the further preparation process (until the final adoption in September 2012) has influenced the attitude of the EU as regards the GBS envelope of the 10th EDF in Kenya. It became gradually more and more uncertain whether Kenya would qualify for a GGDC, notwithstanding the fact that the economic context improved.

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112 The following two documents published by the EC in 2008 clearly demonstrate the EC's preference for budget support: "*Budget support, a question of mutual trust*" and "*budget support, the effective way to finance development*?"

113 The successor of the PRGF.

114 ECF = Extended Credit facility (the successor of the PRGF).

From 2008 onwards, the EU has apparently been in favour of cancelling the GBS envelope, first because of the unfavourable political and economic context in Kenya, later also because of the upcoming new GBS policy with more stringent preconditions and eligibility criteria. On the other side, the GoK was strongly in favour of maintaining the GBS envelope. However, from 2011/2012 onwards the GoK decreased its efforts of defending the GBS envelope, because the debate was demobilising an important part of the EDF envelope, while there were funding needs in other priority sectors. Moreover the problems with reaching an agreement on disbursement of the last tranche of the PRSB-II had a negative influence on the GoK's interest in GBS. The outcome of this process was that the GBS envelope was decreased by € 56.8 million in early 2010 and by another € 30 million in late 2011 (early 2012), while in October 2012 it was decided to cancel the GBS envelope entirely.

To summarise:

- In 2008, 2009 and up to mid-2010 it was justified not to start preparing a GBS programme, because of the unfavourable political and economic conditions;
- From 2010 onwards the political and economic context improved gradually, but it was wise not to start preparing a GBS programme in view of the new GBS policy being development by the EU;
- In view of the adoption of the new budget support policy by the EU in September 2012, it was justified that the GBS envelope of the 10th EDF was cancelled, and that thus those funds were reallocated to other sectors.

Annex 10 EQ5: PFM reforms

The fifth evaluation question is:

To what extent has the EU-funded macro-economic support programme contributed to improved performance of Kenya's PFM system?

A10.1 Introduction

The macro-economic support programme called Poverty Reduction Budget Support-II (PRBS-II), which was part of EDF-9, consisted of General Budget Support (GBS) and Technical Assistance for supporting the PFM reform programme. The amounts involved were respectively € 98.7 million and € 2.0 million (actual disbursements). This fifth evaluation question (EQ5) is focussed on evaluating the achievement of one of the three envisaged outcomes of the PRBS-II, namely improved performance of the Kenyan PFM system.

PRBS-II was supposed to support the improvements of the PFM system through three instruments, namely: (i) funding GoK's PFM reform programme via a Trust Fund managed by the World Bank, (ii) the policy dialogue on PFM reform in the context of the GBS policy dialogue and the PFM reform programme, and (iii) the PFM related disbursement conditions on the basis of which part of the variable tranches of the GBS could be released.

During the years 2000-2005, the GoK made various action plans aimed at improving PFM, but none of them was comprehensive. In February 2005, the GoK established a PFM Reform Coordinating Unit'- later on called the PFM Reform Secretariat - and started to prepare a comprehensive PFM reform programme called the "Strategy for Revitalising Public Finance Management in Kenya" (SRPFM), which was officially launched in June 2006. The SRPFM consisted of 15 components each with a specific objective. Implementation of the SRPFM was overseen by a Steering Committee chaired by the Permanent Secretary of the Ministry of Finance.

In July 2006, the World Bank launched the Institutional Reform and Capacity Building Project (IRCBP) aimed at supporting the SRPFM and strengthening Results Based Management within the Kenyan administration. Late 2006, the GoK and twelve Development Partners (DPs), including the EU, signed a Memorandum of Understanding as regards a coordinated approach to support the funding and implementation of the SRPFM[115]. Seven DPs and the GoK signed also a Joint Financing Agreement (JFA) as regards setting up a pooled funding mechanism for providing financial support to the SRPFM[116]. The EU decided not to sign that JFA, but to co-finance the above mentioned IRCBP[117] on the basis of a Trust Fund arrangement with the World Bank. In that way the EU funds would also be channelled via the Pooled Fund. However, the administrative procedures for putting in place that funding mechanism took a long time: the Trust Fund Agreement was signed in December 2007 and

[115] Signatories: the GoK, CIDA, Danida, DFID, EU, Finland, GTZ, Japan, Norway, SIDA, UNDP, USAID and World Bank.

[116] Signatories: the GoK, CIDA, Danida, DFID, GTZ, Norway, SIDA, and World Bank).

[117] But only its PFM component; not the component focussed on strengthening Results Based Management.

the corresponding Grant Agreement between the World Bank and the GoK in September 2008, more than two years after the official start of the SRPFM.

The Pooled Fund would be managed by the PFM Reform Secretariat (PFM-RS) of the Ministry of Finance, while the World Bank would monitor the financial management of the Pooled Fund and the procurement process (non-objection procedure) on behalf of all Pooled Fund donors. However, in practice only the contributions of five bilateral donors[118] have been managed as a Pooled Fund, while the funding of the World Bank and of the EU Trust Fund were administered separately. Next to those three funding lines, there were four other donor-funded projects[119] contributing to the implementation of the SRPFM.

The SRPFM came to an end in June 2011[120]. According to the IRCBP completion report (made by the GoK), total expenditures amounted to US$ 24.5 million of which US$ 10.6 million had been provided by the World Bank, US$ 5.1 million by the GoK, US$ 3.1 million by the EU and US$ 5,7 million by the five Pooled Fund donors. Actual expenditures were much lower than the original budget, which amounted to US$ 88 million (of which US$ 25 million was planned to be provided by the World Bank and about US$ 6.9 million by the EU).

A transition period lasting from January 2012 to March 2013 has been funded by three donors (CIDA, Danida and SIDA) on the basis of an “Interim Road Map for PFM Reforms”, using the balance of funds of the SRPFM period. A new PFM reform strategy for the period 2013-2018 has been approved by the GoK in February 2013. Funding of that new strategy has not yet been secured.

A10.2 Judgement criterion 5.1

EQ 5 To what extent has the EU-funded macro-economic support programme contributed to improved performance of Kenya’s PFM system?
JC5.1 Relevant PFM reforms have been implemented and/or continue to be implemented as a result of EU support.
I.5.1.1. The planned PFM reforms addressed clearly the identified weaknesses of the PFM system (including those identified by the PEFA assessments).
I.5.1.2. The planned reforms have been or are being implemented successfully.
I.5.1.3. The new PFM systems, instruments and procedures have proven to be sustainable (continue to be used and adhered to).

Detailed evidence I.5.1.1: The planned PFM reforms addressed clearly the identified weaknesses of the PFM system (including those identified by the PEFA assessments)

During the years 2000-2005 various initiatives were taken and a number of action plans were made aimed at improving PFM. Each plan focussed on certain components of the PFM system. The SRPFM was the first comprehensive plan focused on strengthening all components of the PFM system. The reforms as proposed in the SRPFM were based on

[118] CIDA, Danida, GTZ, Norway and Danida. Although DFID has signed the JFA, it did not contribute finally.
[119] African Development Bank, DFID, GTZ and USAID.
[120] It should be noted that the EU funding had already ended in June 2010, implying that the effective period of EU funding was less than two years: from September 2008 (signing of the Grant Agreement) up to June 2010. It was tried to extend the EU funding period up to June 2011: The Trust Fund Agreement was extended up to June 2011, but for administrative reasons it was not possible to extend the duration of the corresponding Grant Agreement between the World bank and the GoK in time. Consequently the extension did not materialise.

correcting weaknesses and shortcomings of the existing PFM system as identified during the implementation of the previous (partial) action plans as well as by the PEFA assessment of March 2006, the Integrated Fiduciary Risk Assessment carried out by the World Bank in 2005 and preparatory diagnostic work (workshops and consultations) carried out when drafting the new comprehensive reform strategy. The SRPFM document contained a chapter elaborating the "problems to be addressed" and an analysis of the "strengths, weaknesses, opportunities and threats" of the PFM system. Subsequently, the vision and objectives of the PFM reform were presented. The vision elaborated on the link between the Economic Recovery Strategy of the GoK, the roles of the Ministries of Finance and Planning, professionalism in the field of PFM, the required legal framework and the link between PFM and other areas of reform.

The SRPFM consisted of 15 components. For each component, the purpose, main objective and implementing agency was defined, as well as the PEFA indicator to which the component was linked. The 15 components covered all major aspects of the PFM system, including macro-fiscal and policy planning, budget preparation and formulation, planning and coordination of external resources, the debt management strategy, revenue forecasting and collection, budget execution, financial reporting, the payroll and pension system, the procurement system, internal and external auditing, parliamentary oversight, developing a computerised integrated financial management system, reviewing the legal framework of PFM and capacity building of PFM staff.

Although the SRPFM gives the impression to be rather comprehensive and focussed on the crucial weaknesses of the PFM system, the external review of the SRPFM carried out in 2010 was rather critical about the design and content of the SRPFM. It concluded that the SRPFM was "lacking a clear direction for reform implementation and confusing objectives", while the linkages between various elements of the strategy were also unclear. Furthermore the formulation/wording of the vision and the consistency of the objectives were criticised, as well as the fact that the consultation process for preparing the SRPFM was abruptly cut off in the second half of 2005 in order to have a document ready in time for supporting the request for World Bank support.

The World Bank's Implementation Completion and Results Report of the IRCBP does not contain an elaborated analysis of the scope, focus and content of the SRPFM. It mentions only that "the objectives of the IRCB project were relevant both in terms of the priorities and plans of the GoK and the overall country assistance strategy of the World Bank and the other DPs"[121].

The external final evaluation of the SRPFM[122] does not contain a reflection on the appropriateness and relevance of the objectives and activities of the SRPFM in view of the identified weaknesses of the PFM system.

Detailed evidence I.5.1.2: The planned reforms have been or are being implemented successfully

The **external review of the SRPFM[123]** carried out in 2010 observed that clear progress had been made with strengthening the PFM system in several areas, but various achievements could not be easily attributed to the effectiveness of the SRPFM. Many reforms had already been started years ago and continued to be implemented more or less independently from the

[121] World Bank, 2011, Implementation Completion and Results Report of the IRCB project, p.15.
[122] KPMG, 2012.
[123] See also Annex 18, Overview of analysis of analysis of JAORs, ROM and evaluation reports.

SRPFM. The SRPFM was meant to be a country-led comprehensive and well-coordinated reform strategy, but it had not lived up to that expectation, due to the low status of the PFM Reform Secretariat and insufficient high-level political support.

Furthermore, the review report concluded that the PFM Reform Secretariat was not able to coordinate effectively the strategy development and implementation and did not provide adequate technical and conceptual guidance to the entire reform process and its individual components. In addition, the Secretariat did not have an adequate monitoring and evaluation system.

The **World Bank evaluated the IRCBP** in late 2011[124], which was focused on supporting eight components of the PFM system[125]. The World Bank concluded that the implementation of four of those components had been "moderately unsatisfactory" and of the other four components "moderately satisfactory"[126]. The IRCBP had originally ten key performance indicators and 30 intermediary indicators. However, in the World Bank's evaluation report, only five key performance indicators (all related to PFM) and 18 outcome indicators were assessed[127]. The World Bank concluded that the target of only one performance indicator was entirely met, while the targets of the other four indicators were only partially met. The conclusions as regards the 18 outcome indicators were: five entirely met, one largely met, 11 partially met and one not met. The World Bank rated the overall performance of the project as "moderately unsatisfactory".

An **external final evaluation of the SRPFM** was carried out in the last quarter of 2012. The evaluation report is quite positive about the achievements of each of the 15 components[128], but is lacking a critical assessment of successes, challenges and failures in the light of the objectives and targeted outcomes of each component. As such the evaluation does not seem to present a solid and comprehensive assessment of the results of the SRPFM.

The evaluation report highlights the weak management of the implementation of the SRPFM, the absence of a monitoring and evaluation system and clear performance targets to be achieved. Weak management was caused by delayed establishment and frequent staff changes of the PFM reform secretariat, complex implementation arrangements across different government departments and donors, long delays with drafting programme implementation guidelines slow procurement processes among others due to the time-consuming non-objection procedures of the DPs, and deficiencies in financial management exacerbated by different financial reporting requirements of the DPs. Originally the SRPFM was estimated to cost about KSh 7.9 billion, but in reality only about KSh 2.3 billion have been spent, although sufficient funds were available.

Although the original budget estimate was most likely (far) too high in view of actual costs and implementation capacity of the responsible agencies, the low level of absorption of funds witnesses the implementation weaknesses of the SRPFM.

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124 See also Annex 18, Overview of analysis of analysis of JAORs, ROM and evaluation reports.

125 The set of components of the IRCBP was different from the set of components of the SRPFM but in terms of content there was a large overlap. However, having different sets of components is a hindrance for improving alignment.

126 World Bank (2011), Implementation Completion Report of the IRCB project.

127 12 outcome indicators were related to PFM and 6 to Results Based Management.

128 KPMG, 2012, see pages 8-14 and 185-192.

Detailed evidence I.5.1.3: The new PFM systems, instruments and procedures have proven to be sustainable (continue to be used and adhered to)

The newly introduced PFM systems seem to be reasonably sustainable, because they have been designed and introduced by the departments and institutions which are responsible for managing those new systems. A lot of money has been spent on buying new and modern ICT infrastructure (computer hardware and software and high speed networks) and on training of staff. The presence of good hard- and software and trained staff provides a reasonable guarantee for the sustainability of the PFM improvements, but in the end the quality of the management of the PFM institutions and the staff incentives structures within those organisations, will determine the sustainability of the results achieved so far.

Another positive sub-indicator of the sustainability of the PFM reforms is the intention to pursue the PFM reform process. The PFM reform strategy did not come to an end when the SRPFM closed in June 2011. In the first instance the various reforms were pursued on the basis of the "interim road map for PFM reforms" and under the leadership of the respective implementing agencies with funding from the GoK and a number of DPs. During a Transition Period (January 2012 – March 2013), CIDA, Danida and Sida provided further support to the Office of the Auditor General, the Internal Audit Department, the Kenya Revenue Authority and the Public Procurement Directorate, while the GIZ project continued providing technical assistance to strengthening budget preparation and management, public procurement, fiscal control and fiscal decentralisation. The most outstanding example of continued PFM reform after the closure of the SRPFM is the impressive acceleration of the development and putting into use of the computerised Integrated Financial Management Information System (IFMIS), whose development had not advanced very much – if not stagnated – during the SRPFM period. The World Bank is now providing additional funding (US$ 36 million) for improving the IFMIS infrastructure as part of the Kenya Transparency and Communication Infrastructure Project.

Furthermore, since the closure of the SRPFM, a new PFM reform strategy has been formulated for the years 2013-2018. That process has been coordinated by the PFM Reform Secretariat, which still exists and is now entirely funded by the GoK. These facts illustrate that the PFM reform strategy continues and is now about to enter into a new phase, which will contribute to the sustainability of the improvements of the PFM systems, instruments and procedures achieved so far. However funding of the new PFM reform strategy has not yet been secured.

Findings related to JC5.1: Relevant PFM reforms have been implemented and/or continue to be implemented as a result of EU support

Looking at the evidence summarised here above, it can be concluded that most PFM reforms were relevant and have been (partially) implemented and continue to be implemented. However, implementation of the SRPFM was confronted with many challenges and most likely much more would have been achieved if that implementation would have been organised better. Weak implementation of the SRPFM was caused by both (i) deficiencies of how the SRPFM was structured and organised, and (ii) inadequate set up of donor support for the SRPFM.

Most important implementation weaknesses of the SRPFM were: (i) insufficient high level political steering of the reform process, (ii) weak coordination by the PFM Reform Secretariat, (iii) inadequate staffing of the PFM reform secretariat both in numbers and qualifications, (iv) absence of operational guidelines and a monitoring and evaluation system,

(v) financial management problems at the level of the Reform Secretariat in 2008/2009, (vi) inappropriate institutional anchoring of the reform components as was for instance the case with the IFMIS component, (vii) insufficient capacity and/or priority setting at the level of the implementing agencies, etc.

The main features of the inadequate and weaknesses of the donor support for the SRPFM were: (i) non-application of what was agreed in the Memorandum of Understanding and the Joint Financing Agreement signed in 2006, (ii) insufficient capacity at the level of the World Bank to carry out the financial and procurement monitoring on behalf of all Pooled Fund donors, (iii) supervision of donor support dominated by the requirements of the World Bank's IRCBP, which had not the same set-up as the SRPFM which the other donors aimed to support, and (iv) insufficient and/or unsuccessful efforts to have a real and effective policy dialogue with high level GoK officials about the strategies and approaches of the SRPFM and about progress and challenges of its implementation.

As a consequence of all these deficiencies, the SRPFM was confronted with substantial delays and a low rate of absorption of available funds.

At the start of the SRPFM, the DPs have tried setting up a joint and harmonised approach for supporting the programme and to align their support as much as possible with the country policies, systems and procedures. That approach was very commendable but its implementation was half-hearted. Various elements of the Memorandum of Understanding and the Joint Financing Agreement were not put into practice. Finally the SRPFM was supported by various funding lines: the World Bank's IRCBP, EU and JICA support both managed by the World Bank on the basis of two separate Trust Funds, a Pooled Fund of five bilateral donors and a number of direct support projects from other donors[129].

It is doubtful whether the mix of support modalities actually used has produced better results than a coordinated set of bilateral support projects. In any way, in view of the (negative) experiences of the previous period, none of the DPs is presently inclined to support the next phase of the PFM Reform Strategy on the basis of a Pooled Fund arrangement. Those intending to support the new strategy, will do that in the form of a bilateral project.

The reforms planned to be implemented during the SRPFM period have been implemented with varying results: for instance the performances of the Kenya Revenue Authority and the Office of the Auditor General have been improved substantially, but introduction of the IFMIS failed. The DPs have contributed to the achievements of the SRPFM by contributing to its formulation in 2005/2006, and backing its implementation and providing financial support. The World Bank, the EU and the Pooled Fund donors contributed about US$ 19.5 million to the implementation of the SRPFM while the GoK provided about US$ US 5.1 million. Additional funding was provided via four bilateral projects funded by GIZ, DFID, African Development Bank and USAID.

The specific contributions of the EU and its funding to the reform achievements cannot be identified. EU funding was not earmarked for specific activities or reform programmes, but was part of the total funding provided by the World Bank, the GoK, the EU and the five

[129] Important priority reforms have been implemented with bilateral donor assistance: IMF assisted the drafting of a new Organic Budget Law and improving other elements of the legal PMF framework; the USAID, GTZ and AfDB provided assistance to strengthen the public procurement system; the GTZ has also provided assistance for improving budget formulation and introducing programme budgeting, etc. See Ecorys, 2009.

Pooled Fund donors. In financial terms the EU has contributed about € 2 million, which was about 13% of the total amount provided by the above mentioned funding sources.

A10.3 Judgement criterion 5.2

EQ 5. To what extent has the EU-funded macro-economic support programme contributed to improved performance of Kenya's PFM system?
JC5.2. The quality of PFM has improved as a result of EU support.
I.5.2.1. The PEFA assessments of 2006, 2008 and 2012 show a clear improvement of scores of the performance indicators.
I.5.2.2. Positive findings of the evaluations of the PFM-RP.
I.5.2.3. Other PFM assessments show also an improvement of the quality of PFM (e.g. OBI, PER, PETS).

Detailed evidence I.5.2.1: The PEFA assessments of 2006, 2008 and 2012 show a clear improvement of scores of the performance indicators

The performance of the PFM system in Kenya has been assessed on the basis of the PEFA methodology in 2006, 2008 and 2012. Those assessments showed that the PFM system was performing reasonably well compared to other sub-Saharan countries. In 2008 there was one A score, 10 B or B+ scores, 11 C or C+ scores and 6 D or D+ scores[130]. Those scores were slightly better than the scores of 2006. However, the overall picture of the scores of 2012 was slightly weaker than in 2008 (3 improvements and 6 down-gradings[131]). When comparing the scores of 2012 with those of 2006, it appears that the score of 10 indicators had improved and the scores of 7 indicators deteriorated, while the average score stayed more or less at the same level. Thus, the PEFA assessments do not show a clear upward trend of the overall performance of the PFM system in Kenya.

Although the overall picture of the scores of 2012 was slightly weaker than in 2008, the PEFA listed also a number of improvements of the PFM system since 2008, which were not directly reflected in the scores of the 28 indicators, such as:

- adoption of the Fiscal Management Act (2009) and drafting of a new PFM Bill;
- establishment of the Commission on Revenue Allocation and the function of a Budget Controller;
- preparation of a Medium Term Debt Management Strategy;
- preparation of indicative programme based budgets;
- start of the Integrated Tax Management System in 2009;
- Re-engineering of the Integrated Financial Management Information System (IFMIS);
- preparation of a new unified Standard Chart of Accounts; and
- establishment of a Payroll Audit Unit and a new Pension Management Information System.

Detailed evidence I.5.2.2: Positive findings of the evaluations of the PFM-RP

The findings of four reviews and evaluations of the SRPFM as regards improved performance of Kenya's PFM system are summarised hereunder.

130 There are 28 indicators. A is the highest score and D is the lowest score.

131 The down-grading of one of the indicators (PI-19) does not reflect a deterioration of the PFM system, because the methodology of assessing that indicator (dealing with the procurement system) has been changed from 2008 to 2012, According to the 2012 PEFA report, the system has in fact been strengthened.

According to the **Mid-term review of the SRPFM** carried out in the last quarter of 2009, important progress was made up to 2009 with implementing the SRPFM[132]. Some of the major achievements were: development of the electronic payroll system, improved performance of the Kenya Revenue Authority, improved reliability and credibility of budget releases, improved budget preparation in terms of costing and medium term planning and increased efficiency of the Kenya National Audit Office. The report mentioned also important PFM reform priorities that had not yet been addressed, such as improving the legal framework and supporting regulations, strengthening inter-governmental fiscal relations, setting up a single treasury account system, etc.

The Review of the PFM reform strategy of Kenya, carried out in June/July 2010 noted that it was difficult to assess the successes and weaknesses of the SRPFM up to 2010 because of the absence of a clear baseline position of the situation in 2006 and the lack of an effective monitoring and evaluation framework[133]. Nevertheless, it was concluded that clear progress had been made with strengthening the PFM system in several areas, not because of the effectiveness of the SRPFM, but because of the effectiveness of individual reform initiatives, which had their own 'drivers of change'. Apart from the improvements already mentioned in the PEFA report (see here above), the Review Report mentioned also the following achievements: a new organic budget law had been drafted, an external aid policy had been developed and gazetted, revenue collections had increased by 86% between 2005/06 and 2008/09, the cost of collecting revenue declined from 2% to 1.7% of the collected revenues, a Public Procurement Oversight Authority had been established, the backlog of external audits of central government agencies and local authorities had been reduced substantially, etc.[134]

In the **Implementation Completion and Results Report of the IRCBP**, published in December 2011, five PFM related key performance indicators and 12 PFM related outcome indicators were evaluated[135]. The target of only one performance indicator was entirely met, while the targets of the other four were only partially met. Out of the 12 outcome indicators, three targets were met, one was largely met, seven were partially met and one was not met. The overall result of the evaluation of these indicators can be regarded as "modestly satisfactory".

The following four performance indicators were partially met: (i) external audit reports prepared and published in a timely fashion, (ii) national budget aligned with explicitly stated government priorities in the investment programme of the ERS, (iii) adoption of a risk based internal audit approach and establishment of effective ministerial Audit Committees, and (iv) skilled Public Accounts and Public Investments Committees of Parliament submitting reports on an annual basis. The target to establish a skilled Finance Committee undertaking its statutory functions was entirely met.

The external **Evaluation of the SRPFM** carried out in the last quarter of 2012 includes an assessment of the results of each of the 15 components of the SRPFM[136]. Various achievements are mentioned but a critical assessments of successes and failures in the light of the original objectives is missing. Some of the major achievements mentioned were:

- an in-house macro-fiscal programming framework had been developed;

132 Ecorys, 2009.
133 Ecorys, 2010.
134 Ecorys, 2010, pp. 37 and 38 and annex 5.
135 World Bank, 2011.
136 KPMG, 2012.

- the government budget is now better linked with the Investment; Programme of the Economic Recovery Strategy and Vision 2030;
- tax collection indicators had shown clear improvements;
- marked improvement of compliance of budget execution with the approved budget;
- reduced arrears at the end of the financial years;
- computerised Integrated Payroll and Pension Data Base had been set up;
- delays with public procurement had been reduced and transparency had been enhanced;
- parliamentary oversight of PFM had been strengthened;
- backlog of external audits had been eliminated;
- internal audit system was now functioning in all MDAs.

In an annex of that report, a rough estimate is presented of the level of implementation of about 90 different activities. It appears that about 35% of those activities had been implemented (almost) entirely, 45% partially and 20% only minimally or not at all.

Detailed evidence I.5.2.3: Other PFM assessments show also an improvement of the quality of PFM (e.g. OBI, PER, PETS)

The latest published **Public Expenditure Review** (PER) dates from 2010. As regards PFM it concludes that during the years 2004/2005 -2008/2009 good progress had been made in key PFM areas, leading to substantial improvements at the level of, among others, revenue mobilisation, using a multi-year budget framework, annual performance reviews, transparency and accountability, external auditing and parliamentary oversight. However, there were still areas of concern. Top priorities which still needed to be addressed were: (i) strengthening the links between policy priorities, planning and budgeting, (ii) improving budget execution rates, (iii) expanding the comprehensiveness of the budget, (iv) development of results-based budgeting and (v) rolling out the IFMIS[137].

Kenya was part of the international **Open Budget Index** (OBI) surveys carried out in 2010 and 2012[138]. In both years it scored 49 out of a total possible score of 100. In 2012, Kenya scored higher than the average (43) of the 100 countries which had been surveyed, and much higher than the average score of 31 of the Sub-Saharan countries which were part of the survey. In 2012, Kenya scored better than Tanzania (47) and Rwanda (8), but weaker than Uganda (65). Although Kenya scored above average, a score of lower than 60 is considered as being unsatisfactory[139].

The World Bank concluded in 2010 in its **Country Assistance Strategy**, that PFM had improved. Among others, the Government's audit capacity had been strengthened, the macroeconomic framework had been linked with fiscal planning and an integrated payroll and personnel database had been introduced. However, the Government needed to do more to roll out the Integrated Financial Management Information System (IFMIS), to improve cash management, to achieve program-based budgeting and to consolidate procurement reforms, according to that World Bank report.

Findings related to JC5.2: The quality of PFM has improved as a result of EU support

The various reviews and evaluations indicate that Kenya's PFM system has gradually been strengthened during the period 2006-2012, although the results vary from one PFM

[137] Public Expenditure Review 2010, p, xiv and chapter 9.
[138] International Budget Partnership, 2010 and 2012.
[139] By the International Budget Partnership, which has developed the OBI and publishes the international surveys.

component to another, while the findings of the various studies are not always identical and/or consistent. All studies list a number of clear improvements and achievements, while at the same mentioning challenges and areas where insufficient progress has been made so far. The most remarkable results have been registered so far in the area of revenue collection, public procurement and internal and external auditing. Developing an Integrated Financial Management Information System (IFMIS) advanced much too slowly up to 2010, but accelerated substantially since then after a special IFMIS Department have been established. The introduction of Programme Budgeting, being prepared since 2007, got a major boost in 2011/2012 when a new Chart of Accounts based on programme classifications was made and introduced. The 2013/14 budget is now the first budget voted by Parliament on the basis of the programme classification.

The PEFA assessments of 2006, 2008 and 2012 and the OBI surveys of 2010 and 2012 showed that the PFM system of Kenya was performing reasonably well compared to many other sub-Saharan countries. However, the three PEFA assessments do not show a clear upward trend of the overall performance of the PFM system in Kenya. But the PEFA of 2012 listed also a number of improvements of the PFM system since 2008, which were not directly reflected in the scores of the 28 PEFA indicators. It appears that not all PFM improvements produce better PEFA assessments in the short term, while possibly also some PFM improvements are not well captured by the PEFA indicators.

Evaluations and opinions about the pace of PMF reform in Kenya are sometimes handicapped by failing to make a distinction between improvement of the performance of the PFM system, the SRPFM as a coordinated and comprehensive reform programme and the performance of donor funded programmes aimed at promoting and supporting PFM reform. The performance of the donor funded PFM support programmes[140] and of the SRPFM has been (much) weaker than the improvement of the performance of the PFM system. Sometimes the negative assessments of the first two, give the impression and/or are understood as very little has been achieved in terms of PFM reform, which is not correct. The PFM system has been strengthened in quite a number of areas – although more could have been done. However, the SRPFM as a coordinated and comprehensive reform programme was less successful, due to insufficient high-level political support, a weak PFM reform secretariat and not well-organised donor support. The donor support for PFM reform was handicapped by insufficient alignment with the SRPFM, insufficient harmonisation among donors and a weak PFM reform secretariat which was not able to mobilise a substantial part of the available funds. In short: PFM reform has performed better than the SRPFM and the donor funded PFM support programmes.

A10.4 Judgement criterion 5.3

EQ 5 To what extent has the EU-funded macro-economic support programme contributed to improved performance of Kenya's PFM system?
JC 5.3. The PRBS-II (GBS and TA) has contributed to the identified improvements of the PFM system
I.5.3.1. Alignment of the GBS disbursement conditions with the performance indicators of the SRPFM.

140 This refers to the support provided by the World Bank and the EU in the context of the IRCB project and by the five Pooled Fund donors. It does not necessarily refer to other bilaterally funded projects.

EQ 5 To what extent has the EU-funded macro-economic support programme contributed to improved performance of Kenya's PFM system?
JC 5.3. The PRBS-II (GBS and TA) has contributed to the identified improvements of the PFM system
I.5.3.2. Conclusions and recommendations of the GBS/PFM policy dialogue have been used to improve the design and implementation of the SRPFM.
I.5.3.3. Chronological relationship between implementation of PFM reforms, conclusions of the PFM policy dialogue and application of the PFM disbursement conditions.
I.5.3.4. The TA financed via the PFM Trust Fund has contributed to strengthening the design and implementation of the SRPFM and the capacities to implement those reforms.
I.5.3.5. Perceptions of key staff of Government institutions and other stakeholders regarding the contributions of the PRBS-II (GBS and TA) to the design and implementation of the SRPFM.

Detailed evidence I.5.3.1: Alignment of the GBS disbursement conditions with the performance indicators of the SRPFM

This indicator refers specifically to the alignment of the GBS disbursement conditions and SRPFM performance indicators. However, the SRPFM did not yet exist at the time of signing the PRBS agreement and disbursement of the first tranche. Thus, a deliberate alignment would not have been possible. The indicator will therefore be broadened to 'Alignment of the GBS disbursement conditions with the performance indicators of PFM reform'.

Signing of the PRBS agreement and disbursement of the first year's fixed tranche was subject to a number of (pre)conditions of which the following were PFM related:

- enactment of four PFM related bills;
- using the Public Expenditure Review process as a basic input in determining sector allocations under the MTEF process;
- satisfactory progress in implementation of the GoK's PFM Action Plan reflected in achievement of at least two further PEM-AAP benchmarks141;
- adoption by Cabinet of a detailed strategy for civil service rationalisation and pay reform;
- agreement on annual targets for PFM indicators derived from the ERS implementation matrix.

These (pre) conditions were in line with the GoK's Enhanced Financial Management Action Plan (EFMAP) existing at that time. The 16 PEM-AAP benchmarks were integrated in the EFMAP. The (pre)conditions were assessed in November 2005 and it was concluded that they were met. The evaluation of the EC support of 2000-2005 observed that the negotiations before signing the Financing Agreement had stimulated a good dialogue on PFM[142].

Disbursement of the PFM-related first and second variable tranches of the PRBS was subject to "progress towards targets on agreed indicators as set out in the GoK's action plan on PFM and consistent with the achievement of two additional PEM-AAP benchmarks"[143]. The first

[141] EM-AAP = Public Expenditure Management Assessment and Action Plan, There were 16 PEM-AAP benchmarks, of which four were already met in 2004 and two more had to be met as precondition for signing the PRBS Financing Agreement. The 16 PEM-AAP benchmarks resemble the PEFA indicators, which were defined later on.

[142] Ecorys, 2006.

[143] The Technical and Administrative Provisions (TAP) of the Financing Agreement are not clear as regards the number of additional PEM-AAP benchmarks that needed to be met. Table B mentions three additional benchmarks, but on the next page reference is made to two. Later on it appeared that the actual assessments were based on two additional benchmarks.

variable tranche was evaluated in February/March 2007 and it was concluded that two additional PEM-AAP benchmark had been met and no slippage were noticed as regards the 6 benchmarks already met at the start of the PRBS-II. Furthermore, it was noted that the GoK had completed the design of a PFM reform programme. It was concluded that the conditions were met and the PFM-related variable tranche was disbursed at 100% in December 2007.

Assessment of the PFM related precondition of the second variable tranche was finalised in July 2012 using 2007/2008 as the reference year for the assessment. It was concluded that only 6 PEM-AAP benchmarks had been met, while the disbursement condition stipulated that 2 additional benchmarks had to be met compared to the previous assessment of 8 benchmarks met. Consequently, the PFM related variable tranche could not be released.

The SRPFM had been launched in July 2006. It did however not have a clear set of key performance indicators, which could have replaced the PEM-AAP benchmarks (if the GoK and the EU would have wished to do so). The SRPFM consisted of 15 components, broken down into more than 400 activities, each having a measurable milestone. The original 16 PEM-AAP benchmarks, to which the PRBS disbursement conditions referred, were part of that long list of milestones, but it was unclear whether or not those benchmarks were reflecting the essence and/or priorities of the SRPFM.

Detailed evidence I.5.3.2: Conclusions and recommendations of the GBS/PFM policy dialogue have been used to improve the design and implementation of the SRPFM

A structured **GBS policy dialogue**, which could have included also a PFM dialogue, has never taken off due to the fact that the EU was the only GBS donor and the fact that the execution of the GBS agreement entered soon after its start in a difficult phase in 2006 because of the absence of agreement with the IMF on macro-economic policy issues.

According to the Memorandum of Understanding signed by the Gok and 12 DPs in 2006 concerning the PFM reform program, the signatories had agreed to establish a Joint Working Group (JWG) comprising representatives of the GoK - including the MoF and the implementing agencies – and the DPs. The JWG was meant for information sharing, coordination and on-going dialogue among its members. However, it was only in February 2010 that the first meeting of that JWG took place. This means that there was no institutionalised platform for a PFM policy dialogue between the DPs and the GoK during the first three years of the SRPFM (2007-2009). In total three JWG meetings took place in 2010, co-chaired by the Coordinator of the PFM reform secretariat and the chair of the PFM coordination group of the DPs. The meetings were focussed on discussing the implementation of the SRPFM work plans. After 2010, the JWG ceased to exist.

In December 2011, a new joint PFM Sector Working Group (SWG) was established, chaired by the Economic Secretary of the Ministry of Finance, and composed of representatives of the GoK and the DPs. The PFM-SWG met four times in 2012 (January, June, September and November) and so far only once in 2013 (in August). The minutes of those meetings indicate that PFM policy issues were being discussed, including issues related to the Interim Road Map for PFM Reforms and the formulation of the new PFM Reform Strategy for 2013-2018. There was obviously no link with the SRPFM (see indicator), because the SRPFM came to an end in June 2011.

Detailed evidence I.5.3.3: Chronological relationship between implementation of PFM reforms, conclusions of the PFM policy dialogue and application of the PFM disbursement conditions

It is not possible to establish a clear chronological relationship between the implementation of PFM reforms and the PFM policy dialogue, because there was no real PFM policy dialogue between the GoK and the DPs during the years 2007-2009. A modest start of a PFM-policy dialogue was made in 2010, but it took until late 2011 before a real PFM policy dialogue started in the context of the PFM-SWG. The minutes of those meetings are however to concise to allow establishing a chronological relationship between the conclusions of those meetings and the implementation of reforms. Moreover at that time (in 2012) the SRPFM had already ended and discussions were more focussed on formulating a new PFM reform strategy for the coming years.

A chronological relationship between the implementation of PFM reforms and PFM disbursement conditions (see second part of the indicator) existed clearly at the time the PRBS was prepared and launched in 2004/2005. The PFM related preconditions for signing the Financing Agreement and for disbursing the first fixed tranche were directly linked to the PFM reforms being implemented at that time. The link between on-going PFM reforms and the PFM related disbursement conditions of the first and second variable tranche was much weaker. For those two tranches, a chronological relationship between PFM reforms and the disbursement conditions was practically non-existent, because (i) the disbursement conditions were linked to PEM-AAP benchmarks, which were part of a monitoring tool used in the years 2004/2005 but no longer in use at the time those disbursement decisions had to be taken, and (ii) the delay between the assessment of the indicators and the reference year of the assessment was far too long: e.g. the state of the PEM-AAP benchmarks in 2007/2008 was evaluated in 2012.

Detailed evidence I.5.3.4: The TA financed via the PFM Trust Fund has contributed to strengthening the design and implementation of the SRPFM and the capacities to implement those reforms

The term TA (technical assistance) used in this indicator can be understood in two ways: (i) TA in a strict sense, which is referring to the supply of long and short term experts, and (ii) TA in a broader sense, which is the financial support provided by the EU to the implementation of the SRPFM via the Trust Fund managed by the World Bank. TA in a strict sense has not been financed by the PFM Trust Fund, other than the Trust Fund’s proportional contribution to the funding of the PFM Reform Secretariat (PFM-RS), which was (partly) staffed by local consultants funded with the resources from the World Bank, the EU Trust fund and the five Pooled Fund donors. The PFM-RS has not functioned very well up to 2009 as a coordinator of the SRPFM and as a manager of the funds of the World Bank, the EU Trust Fund and the five Pooled Fund donors. Its performance improved gradually from 2010 onwards. As such the contribution of the PFM-RS to strengthening the design and implementation of the SRPFM has been modest and far below from what was needed up to 2009.

The TA in a broader sense consisted in fact of the EU’s financial contribution of € 2 million channelled via the Trust Fund. Those funds had to be used for financing the annual work plans of the SRPFM, but the use of the EU funds was not earmarked for financing specific activities. Those work plans were funded by the GoK, the World Bank’s IRCBP, the EU Trust Fund, the five Pooled Fund donors and earmarked project contributions of some other donors. All these resources have contributed jointly to strengthening the PFM system in quite a number of areas, although the role of the SRPFM as a comprehensive and well-coordinated reform programme has been much weaker than envisaged (see also JC 5.2).

Detailed evidence I.5.3.5: Perceptions of key staff of Government institutions and other stakeholders regarding the contributions of the PRBS-II (GBS and TA) to the design and implementation of the SRPFM

Presently, it is not anymore possible to find key Government officials and/or other stakeholders having an opinion about a possible contribution of PFM related PRBS disbursement conditions to the design and implementation of the SRPFM. That is understandable, because the PRBS is an "old" programme, that disappeared from the top of the development cooperation agenda after the programme was stalled in 2008, due to the post-election violence and Kenya not being eligible for GBS for a couple of years. Presently, only a few GoK officials who were involved in the discussions with the EU Delegation about the calculation of the last variable PRBS tranche disbursed in 2012, are aware of the relationship between PRBS disbursement conditions and PFM reform in Kenya. They have quite a negative opinion about how the PFM related disbursement conditions have been assessed in 2011/12 and how that impacted on the calculation of the amount of the variable tranche. However, that sentiment has nothing to do with the focus of this indicator.

Perceptions of GoK staff on the contribution of all donor support for the implementation of the SRPFM varies. In general the support is appreciated but it is felt that procedures to mobilise the financial support are too cumbersome and time consuming, which makes the support less useful than it could have been. Most stakeholders mention also the weakness of the PFM-RS in terms of coordinating the SRPFM and managing the donor funding, but they also add that that has improved a lot since 2011 (and in particular during the Transition Period). In view of the not-so-positive experience with donor funding for the SRPFM, most stakeholders prefer now bilateral projects with direct contacts between an implementing agency (of a PFM component) and a DP supporting that agency. That would ease communication, speed up procedures and make management of the external support more efficient. GoK staff contacted by the evaluation mission do not have an opinion about the contribution of the DPs to the policy and strategy development of the SRPFM.

DP staff have also the opinion that the financing mechanisms used since 2006 have not worked well. The actual set-up – different from what was agreed in the Memorandum of Understanding and the Joint Financing Agreement – was too complicated and in fact inefficient. Furthermore, the PFM-RS was too weak and there was confusion about the role the World Bank should play and was prepared to play in terms of coordinating the support provided by the EU, the five Pooled Fund donors, JICA and itself. The donors who have supported the Transition Period (January 2012 – March 2013) feel that the financing arrangements during that period were much more efficient than during the years 2006-2011. At this moment, all DPs considering to support the new PFM reform strategy for 2013-2018, prefer to do that on the basis of bilateral projects, instead of a Pooled Funding mechanism, because of the unsatisfactory experience with the set-up of the recent past.

Findings related to JC.5.3: The PRBS-II (GBS and TA) has contributed to the identified improvements of the PFM system

The PRBS-II comprised in fact three instruments that could be used to promote PFM improvements, namely: (i) the PFM related disbursement conditions of the PRBS, (ii) the policy dialogue on PFM reform in the context of the PRBS and/or the SRPFM, and (iii) funding of the SRPFM via a Trust Fund managed by the World Bank. Main findings as regards each of these instruments are summarised in this section.

At the time the PRBS was prepared and launched in 2004/2005, there was a clear relationship between the **PFM disbursement conditions** of the first fixed tranche and the on-going and planned PFM reforms. It is plausible that there has been mutual influence: the on-going and planned reforms have shaped the disbursement conditions and those conditions have contributed to motivating the GoK to realise the on-going and planned reforms.

However, the link between on-going PFM reforms and the PFM related disbursement conditions of the first variable tranche (assessed in 2007) was much weaker and was barely non- existent at the time of assessing the second variable tranche in 2012, because (i) the disbursement conditions were linked to PEM-AAP benchmarks, which were at that time no longer used as PFM monitoring tools, and (ii) the delay between the assessment of the indicators and the reference year of the assessment was far too long: e.g. the state of the PEM-AAP benchmarks in 2007/2008 was evaluated in 2012. Thus, it is quite unlikely that the disbursement conditions of those variable tranches have contributed anything to improvement of the PFM system in general and to the implementation of the SRPFM in particular.

There has been an active **PFM policy dialogue** in the period 2004-2006 when the PRBS-II was being prepared and the SRPFM was being formulated. During those years, the DPs – including the EU – have contributed to designing a new comprehensive PFM policy. Unfortunately, that momentum got lost in the years thereafter. From 2007-2009, there was hardly any policy dialogue, among others because there was no institutionalized platform for such a dialogue. With the establishment of a Joint Working Group in 2010 (which lasted for one year only), and the joint PFM Sector Working Group in December 2011, the PFM policy dialogue was revitalised and contributed to monitoring the last year (2011) of the SRPFM and formulating the new PFM Reform Strategy for 2013-2018.

The TA provided by the EU for strengthening the PFM system – TA here defined as the financial support of € 2 million - was part of joint funding of the annual work plans of the SRPFM. The use of the contributions of a number of DPs was not earmarked to specific purposes or activities. All those resources have contributed jointly to strengthening the PFM system in quite a number of areas, notwithstanding the fact that the SRPFM as a comprehensive and well-coordinated reform programme has not performed very well, and that the intended harmonised and coordinated approach of the DPs has not yielded the efficiency gains as anticipated. (see also JC 5.2).

Annex 11 EQ6: Agricultural and Food Security Improvements

The sixth evaluation question is:

To what extent did the EU support to the agricultural sector contribute to improved food security, in particular for ASAL areas?

A11.1 Introduction

The Reconstructed Intervention Logic, presented in the desk report, shows that the outcomes of specific (clusters of) activities such as crop and livestock support, food security support, ASAL research and drought management support, should lead to better drought management and improved food security in order to achieve the specific and overall impact. The main focus of this EQ is on the ASAL because a considerable part of EU's focal sector support went to the ASAL areas. The appropriateness of the support to agriculture and in particular to ASAL areas is dealt with in EQ 1 (JC 1.3).

Over the past eight years (2005-2012), Kenya has experienced four episodes of severe droughts particularly the 2010/11 drought, cited as being the worst in 60 years affecting over 10 million people in the Horn of Africa (mostly from Somalia, Kenya and Ethiopia). In Kenya, an estimated 4.5 million people were affected – 3.8 million in the ASALs and 700,000 in the non-ASAL areas – triggering acute food insecurity in the areas and pacing a heavy strain on the country's economy. Of the estimated US$ 12 billion in drought-related damages and losses between 2008 and 2011, some US$ 11 billion was attributed to lost income flows across all sectors of the economy[144]. The direct impacts of the droughts are most severe in the ASAL areas with an estimated total population of 14 million people or about 25% of the country's total population[145]. The livestock sector, main economic activity in the arid areas, was particularly badly hit during the last drought, accounting for over 70% of total damages and loss (estimated value of Kshs 70 billion or US$ 850 million).

Besides the heavy economic losses, high and volatile food prices are also becoming more and more a concern as an effect of the droughts (decline in food production), placing additional pressure on the food security situation in both urban and rural areas, especially in the ASAL areas. Hence drought risks management and ending drought emergencies are high on the agenda of the Government of Kenya to reduce the economic costs of the droughts and to improve agricultural productivity (crops and livestock), to reduce the high cost of food imports and to reduce rural poverty - particularly in the ASAL areas where poverty is most severe. Appropriate management of the drought is therefore considered critical to the country's development, and the donors actively want to support this.

The EU support to the agricultural sector in order to contribute to increased rural incomes improved food security and decreased vulnerability in the ASAL areas (as per the

[144] Drought Risk Management and Ending Drought Emergencies, Medium Term Plan, 2013-2017, Final, July 24, 2013).
[145] 2009 population census, Kenya National Bureau of Statistics.

reconstructed intervention logic), has been mainly on the policy dialogue, ASAL Research, crop and livestock support, drought management, capacity building, food security (covering activities in dry land farming and market development in pastoral communities) and various environmental management activities.

With the current EU support to the Kenya Rural Development Programme (KRDP), there is a continuation of the interventions in the past[146]. Hence current and planned activities of the KRDP cover the following key areas: agricultural research and development, crops and livestock production, agricultural marketing, crop and livestock value chain development, institutional capacity building in drought management and climate change adaptation[147].

A11.2 Judgment criterion 6.1

EQ6 To what extent did the EU support to the agricultural sector contribute to improved food security, in particular for ASAL areas?
JC6.1 Agricultural and livestock production and productivity have increased and its quality has improved as a result of EU support
I.6.1.1 % and number of farming households that have changed agricultural and/or livestock management practices in ASAL areas.
I.6.1.2 % and number of farming households with increased agricultural and/or livestock productivity and production in ASAL areas.
I.6.1.3 More diversification of agricultural production in ASAL areas.

Detailed evidence I.6.1.1: % and number of farming households that have changed agricultural and/or livestock management practices in ASAL areas

The total population of the ASAL areas is estimated at some 14 million people or about 25% of the country's total population: arid areas: 4.6 million; semi-arid: 9.4 million. With an average of seven persons per household this translates to about 2 million households in total: arid areas 600,000; semi-arid areas 1.3 million[148]. Main interventions of the EU in agricultural and livestock management in the ASAL have been by providing support to the Kenya Agricultural Research Institute (KASAL programme),the Food and Agriculture Organisation (part of the Food Facility Programme), and the EU supported programmes under the KRDP (which effectively started up mid 2012).

Under the KARI/KASAL programme, fodder crop under irrigation has been introduced using improved grass varieties and fodder crops (lucerne, sorghum). Based on data provided by KARI during the field phase, the number of farmers (farm households) involved in the multiplication of improved grass and fodder crop seeds are some 300 farmers in the semi-arid areas. The current seed production is sufficient for 600 ha of grass and fodder crop production in the arid areas (under irrigation), and may involve about 2,000 farmers (KARI/FAO figures). Under the same programme and as part of its new value chain approach, KARI has

146 Regarding the ASAL areas, the purpose of the KRDP is to contribute to improved food security in the ASAL by way of greater preparedness to droughts (early warning system, contingency plans), the diversification of livelihoods (introduction of food and fodder crops), improved crop and livestock production and productivity, and better access to markets (infrastructure, access to water for livestock). In fact the KRDP covers two of the five priority areas of the ASDS namely: raising productivity and commercialization, and development of ASAL areas. (Adapted from KRDP Financing Agreement).

147 Source: KRDP project portfolio (September 2013). Activities under the various sub-sectors are carried by partners such as KARI, NDMA, IFAD, ILRI, FAO, and possibly GIZ, and several NGOs (SNV, World Vision, OXFAM, etc.).

148 Source: Kenya National Bureau of Statistics (KNBS), 2009 Population and Housing Census, August 2010.

also introduced the production of sorghum by farmers in the semi-arid areas for a main brewery in Kenya (to replace maize with the cheaper sorghum for beer production). The total number of farmers involved is estimated at some 10,000 farmers who are currently producing a total of 5,000 MT of sorghum for the brewery, while keeping part of production (average 180 kg/per household) for own consumption. Based on the above figures, the total number of farm households involved who have changed their agricultural practices (seed multiplication, fodder crop production, production of sorghum for processing) is around 300 + 2,000 + 10,000 = 12,300 or around 1% of the total number of households in the semi-arid areas (1.3 million).

Under the livestock programme carried out by FAO (food facility), important changes in the livestock management practices relate to improved land use practices (pasture management but leaving pastures fallow for a certain period of time) and by improved animal health care (vaccination programs). Regarding improved practices in land use, the number of farm households actually practicing this is not known. With the vaccination programs, it is estimated that in total 400,000 animals have been vaccinated against most commonly diseases (antrax, lumpy skin disease, black quarter disease). On the total herd of an estimated 4 million animals this means a coverage of just 10%. The use of supplementary feeding of fodder crops is said to be gaining popularity with the arid areas with about 2,000 farmers being involved in the production of fodder crops (figures KARI/FAO) mainly in the eastern part of the arid areas (Mandera, Wajir). FAO reports that the effect of improved feed and the vaccinating of cattle is in the reduction of livestock mortality[149] and of livestock becoming more resilient when there is a drought. FAO states that the livestock programme coverage is around 40,000 farm households or about 7% of the total number of households in the arid areas (600,000 households).

Hence the total number of farm households that have changed agricultural and/or livestock management practices in the ASAL areas is estimated at some 12,300 + 40,000 = around 52,000 households or about 2.5% of the total number of households. The figures are not precise due to the lack of detailed monitoring data but indicative enough to determine the overall scope of the intervention when set against the total number of farm households in the ASAL area.

Detailed evidence I.6.1.2: % and number of farming households with increased agricultural and/or livestock productivity and production in ASAL areas

Farm households which have benefited from programme interventions under the KARI/KASAL and the FAO livestock programme have managed to increase their agricultural and livestock productivity and production. Regarding agriculture, the increased productivity is in the multiplication of grass and fodder crop seeds (semi-arid) and the production of grass and fodder crops, under irrigation, by farm households in the arid area. Seed multiplication, albeit still at modest scale, is at the high end scale of farm income with market prices of up to € 10/kg (improved grass/fodder crop seeds)[150]. The production of fodder crops has become an important source of income for farm households in the arid zone with strong demand from livestock holders particularly in and around Garissa which has a large livestock market with

[149] In December 2010, FAO reported that the livestock mortality rate had reduced to below 30% from a high 80% before the vaccination programme started. However, FAO does not claim that this reduction was solely due to project interventions as the project started at a time of intense drought; hence livestock mortality was exceptionally high. FAO has no data on mortality rate reduction due to programme interventions (source: Annex VI, Draft Final Narrative Report. Title of action: support to agricultural recovery in areas affected by the post-election crisis in Kenya). No date.

[150] Source: KASAL Final Report, KARI, September 2009-December 2011, (page 12). no date.

weekly sales of Ksh 4 million or eur 40,000 a week, and in and around Mandera which has become an important dairy production area. FAO estimates that around 2,000 farm households are involved in fodder crop production and the trend appears to be increasing in view of the strong demand from livestock producers. To date each household produces 0.3 ha on average of fodder crops under irrigation which translates into a total of 600 ha of fodder crop production in the arid area. FAO also reported that although fodder crop storage was part of the programme design in order to cover periods of low demand, it never had to be implemented as all the fodder crops were sold as green material.

Farm households in the semi-arid areas have benefited from the KARI/KASAL sorghum value chain programme approach. With the introduction of an improved sorghum variety, more drought resistant and effectively replacing it with the less drought resistant maize, and linking the production with a main user (the breweries), farm households managed to increase farm productivity in terms of household income. With sorghum market prices at around Kshs 4,000/bag (May 2013 prices. Bag is 90 kg.) and a total production of 5,000 MT, a total (gross) income of Kshs 222 million or € 2 million (55,550 bags x Kshs 4,000) was secured by the 10,000 farm households (or € 200 per household). KARI stated that sorghum yields can be doubled with a better application of fertilizer. In fact this will be further promoted by an IFAD programme[151] under the Kenya Rural Development Programme (KRDP) which is also strongly supported by the EU.

Livestock production and productivity have increased with notable reductions in animal mortality due to improved feed and vaccinations, (radio) training programme of livestock holders, and improvements of the livestock market infrastructure. FAO estimates that livestock market prices have increased by 50% with an increase in livestock sales from € 27,000 to € 67,500 per week in six livestock markets alone due to market improvements[152]. As monitoring data is missing it has not been possible to determine the increase in income of the farming households in nominal or real values (based on an extrapolation exercise by FAO, covering 40 markets, FAO estimated an income increase of € 270,000 per week for livestock holders). However, with the reduction in animal mortality and increase in market prices, programme beneficiaries are clearly better off than before the start of programme interventions.

Another innovative programme which merits attention and which is supported by the EU, concerns the index based livestock insurance carried out by ILRI. It is to provide income security for pastoralists and other livestock farmers in the ASAL to compensate for the loss of livestock due to droughts (i.e. less food intake). The index is based on satellite based images to measure the effect of drought on livestock mortality in the area (vegetation coverage: grass, low shrubs, etc.). The programme does not have a direct effect on increasing livestock production, as it is not the principal aim, but in the long run may have so as pastoralists with insurance coverage would be more willing to more invest in animal health care (vaccinations) and additional feed (procurement of fodder crops). Under the KRDP programme, and based on the result of the pilot programme (which started in 2008 with other 1,000 insurance contracts), the programme is to be further expanded (ILRI/DFID).

[151] Called the "connecting small farmers to commercial services" programme with a budget of eur 17.6 million. The programme is still in the pipeline (info KRDP, September 2013).

[152] FAO/ICDRR Interim Narrative Report, July 2013.

Detailed evidence I.6.1.3: More diversification of agricultural production in ASAL areas

With the KARI/KASAL and the FAO livestock programmes, there has been some diversification of agricultural production in the ASAL areas, albeit at a modest scale but with good to very good technical and financial potential for further expansion. With the use of a value chain approach by KARI[153], by linking sorghum producers with the end market (breweries), KARI has been quite successful in the diversification of agricultural production in the semi-arid areas. KARI reports that the production and consumption of sorghum was virtually unknown by farm households in the target area (southern part – semi arid: Mwingi, Kitiu, Makueni), but that the production was fairly quickly taken up because the new sorghum proved to be more drought resistant than maize, and quite suitable for human consumption (part of the harvest is now reserved for own consumption).

This is less so in the arid areas where livestock is the key commodity and where crop production is less suitable unless under irrigation. With the introduction of improved grass varieties and fodder crop varieties, important inroads have nevertheless been made towards the diversification of income sources by some 2,000 farm households (covering 600 ha) who have entered into the business of fodder crop production for livestock holders in the some parts of the arid zone (eastern part), near river water sources (for irrigation) and near main cattle markets.

It is expected that under the KRDP, the value chain approach and fodder crop production schemes will continue and be further developed. It concerns programmes such as: Connecting small farmers to commercial services (IFAD); the sorghum value chain development project (EUCORD); the re-introduction and commercialisation of cassava for improved livelihoods through value chain model (CAST); the sustainable livelihoods through value chain development for pastoral communities in Turkana (OXFAM); the Samburu pastoralists livelihood improvement project (World Vision), etc.

Findings related to JC 6.1: Agricultural and livestock production has increased and its quality has improved as a result of EU support

There is no evidence based programme monitoring data that agricultural and livestock production has increased and its quality improved in the ASAL areas (in terms of MT or number of animals). There are some indications of increased crop and livestock production in parts of the ASAL, due to the value chain approach, the introduction of fodder crop schemes, animal vaccination programmes, and improved livestock market infrastructure. But the scope appears to be still relatively modest and only in some pockets of the ASAL areas. Indications of crop production increases mainly relate to the increased production of sorghum for the industrial market by small scale farm households in the semi-arid areas, albeit at a still very modest scale (5,000 MT), but with good prospects for further growth using better farm practices. The same applies for the production of fodders crops by farm households in the arid areas (600 ha under irrigation, volumes unknown), which certainly has an effect on the quality of the livestock (beef and dairy) in parts of the arid areas. However, a limiting factor for growth of the fodder crop production schemes in the arid areas is the access to irrigation water[154] and the capital investments to be made for the irrigation equipment.

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[153] For a research station such as KARI, the value chain approach is a new activity for which staff had to be specially trained and/or hired. The approach proved to have much merit especially when introducing new, improved crop varieties to farming households who are traditionally very risk avoiding especially when it comes to entering new crop outlets.

[154] Irrigation water is currently drawn from rivers within the area which at times have low water levels or may run dry.

The vaccination programmes have without doubt an important effect on the productivity of the livestock sector with the reduction of the animal mortality rate, and the quality of the animals being less afflicted by disease. With a reduction in the animal mortality rate, the supply of animals for the meat processing sector has increased as FAO reportedly indicated with the increased sales of animals on the livestock markets. The reported increase of 50% in cattle prices in some markets could be due to the animals being more healthy and in better condition (also because of the provision of fodder), and due to better livestock market facilities and information. Under the KRDP these interventions to improve livestock market systems are to be further pursued with various programmes on the development of innovative market based systems in the ASAL (crops and livestock).

A11.3 Judgment criterion 6.2

EQ6 To what extent did the EU support to the agricultural sector contribute to improved food security, in particular for ASAL areas?
JC 6.2 Environmental and climate change problems are adequately addressed through the various EU interventions in the ASAL areas as a result of EU support
I.6.2.1 More environmental measures taken by rural households that have resulted increasing resilience.
I.6.2.2 Indications of change of agricultural and other land use practices (including drought management) because of environmental considerations (reforestation and water shed management).
I.6.2.3 The extent to which newly introduced environmental and agricultural practices proved to be sustainable.

Detailed evidence I.6.2.1: More environmental measures taken by rural households that have resulted increasing resilience

There is currently scant evidence that rural households have taken environmental measures which would have resulted in increasing resilience. Environmental measures would be for instance in the uptake of different (non-traditional) crops, which are more drought resistant such as the production of sorghum in the semi-arid areas, using improved varieties introduced by KARI, and the introduction of fodder crop production in the arid areas (also using improved varieties from KARI) for the supplementary feeding of livestock. As already indicated, the scope of these programme interventions is still relatively modest involving at best some 12,000 farm households or less than 1% of the total number of farm households in the ASAL (2 million). Environmental measures taken by pastoralists would be by way of better pasture management by leaving land fallow to allow grass to recuperate. There are some indications (FAO) that this is being practiced under livestock programmes carried out by FAO and KARI, but there is no data on the scope of such practices (e.g. in % of pasture land, % of pastoralists practicing this).

The key drivers for rural households to take up more environmental measures are the National Drought Management Authority (NDMA) and the National Environmental Management Authority (NEMA). The NDMA[155] receives strong support from the EU but has only recently started to operate (2011), which makes it difficult to show expected results yet in terms of improved drought risk management and ending drought emergencies. One of the major

155 The NDMA mandate is to facilitate systems of drought contingency planning and financing in response to drought risk, and invest in strategic activities that strengthen preparedness and response. It is to promote early mitigation efforts that reduce the time that elapses between the warning of drought stress and the start of response.

functions of the NDMA is the setting up and operationalisation of an early warning system for droughts. NDMA said that the system is now in operation, including contingency plans, to mitigate the effects of droughts on the livelihoods of the population in the ASAL areas. Another function is for the NDMA to reduce drought risks, enhance drought preparedness and to strengthen the adaptation of the ASAL population to climate change. It is assumed that this would help rural households to taking up environmental measures which should result in increasing resilience. As the NDMA has only recently started and that it has not been faced with drought situations, it has yet be put to the test. NDMA management confirmed that it should be in full operation by 2014[156]. The NDMA has yet to link up with the KARI and FAO agricultural and livestock programmes in the ASAL but intends to so. As these programmes are now being carried out under the KRDP, there are good opportunities for the three parties (and other ones too) to coordinate and complement activities in the ASAL.

Another key driver for rural households to take up environmental measures is the National Environmental Management Authority (NEMA). NEMA has received EU support to carry out a capacity building programme to involve rural communities in environmental planning based on district environmental action plans. Although the programme has not been very successful when it comes to integrating these plans with the (then) district development plans, NEMA insists that with the capacity building activities, it has helped the communities to apply for and implement environmental programmes under the Community Environmental Facility (CEF) of the Community Development Trust Fund (CDTF), also funded by the EU. NEMA's activities in the ASAL areas, and here it takes the lead, are mainly related to improving land and water use practices and planning. With UNDP and ICRAF, NEMA is also involved in community action plans to combat desertification through afforestation, community forestry management, mixed farming, flood irrigation at community level. However the impact of these activities has been limited due to financial constraints and overall lack of technical expertise (crop production, irrigation, tree nurseries, etc.)[157].

Detailed evidence I.6.2.2: Indications of change of agricultural and other land use practices (including drought management) because of environmental considerations (reforestation and water shed management)

There are no clear indications yet of change of agricultural and other land use practices due to EU interventions dealing with reforestation and water shed management. EU supported programmes in the agricultural sector in the ASAL areas had no components involving reforestation and/or water shed management, except for the activities carried out under the Community Environmental Facility (CEF) of the Community Development Trust Fund (CDTF). Under the Community Environment Facility (CEF), a component of the Development for Environment Management Programme (CDEMP), carried out during the period April 2006-September 2010, a total of 25 projects were carried out within key water catchment areas and areas of high environmental degradation coupled with high poverty level (forest conservation, renewable energy conservation, soil and water conservation measures, water resources management, water spring protection and nature based enterprises[158]). However, the majority of the CEF supported projects were located in the Western and Central Regions (est. at 60%) and not in the ASAL areas. Under the component of CEF of the CDP-4,

[156] The NDMA is a large operation with over 290 staff members spread out over the 23 counties with recurrent costs at Ksh 300 million a year or about eur 3 million. The yearly budget for development costs is Kshs 1.3 billion (€ 13 M) with Kshs 800 million (€ 8 million) to be contributed by GoK. The NDMA is supported by the EU under the KRDP programme (eur 11 million).

[157] Source: Combating Desertification in Kenya, UNDP, March 2013.

[158] Such as bee keeping, fish farming, eco-tourism, solid waste management, eco-charcoal production.

a total of 97 projects will be funded with at least 60% of the projects in ASAL areas (40% for the Water Towers). Of the 97 CEF projects, 54 are funded by Danida[159] as part of its Fast Start Climate Change Programme.

Because of the intervention modalities of the programmes (sorghum and fodder crop production using existing arable land, improving animal health through vaccination campaigns, rehabilitation of livestock markets) with little or no environmental pressure on land and water resources, there was no call for activities on reforestation and water shed management.

It is assumed that under the NDMA such environmental considerations will be taken on board as part of the Medium Term Plan, 2013-2017 on drought risk management and ending drought emergencies (July 24, 2013). In fact, under the component Environment, Water and Sanitation, the Plan includes activities related to: commercial tree growing (target 1,500 ha); reforestation (target 2,500 ha); improved water resource management in view of planned irrigation schemes including water storage dams (target: 5,000 ha – Garissa irrigation scheme). This component will be largely implemented by the Ministry of Environment, Water and Natural Resources, possibly in close coordination with the NDMA. The implementation is foreseen during the periods 2013/14-2017/18.

Detailed evidence I.6.2.3: The extent to which newly introduced environmental and agricultural practices prove to be sustainable

Particularly with the full value chain approaches used such as by KARI for sorghum production by small farm households, the prospects for sustainability of programme interventions are considered as good to very good. The key is having a full understanding of the entire value chain, covering the complete range of functional aspects of value chain development, both up- and down-stream of the chain. Apparently with the sorghum value chain, KARI has managed to do this by linking producers directly with the end users of the product (the breweries). Much however depends on mitigating the risks of small farmers not able to produce the quality and quantity as demanded by the end user (lack of land, lack of certified seeds, lack of fertilizer, unfavourable weather conditions), or market shocks and abrupt changes in buying policies of the end user. The sustainability of programme interventions in livestock production including fodder crop production and improving livestock market infrastructure, appears to be good as well. There is a clear strong demand for fodder crop by the livestock producers, and that with the improvements in market infrastructure, the volume of cattle sales has increased substantially including livestock prices (but not certain if this is mainly due to improved market facilities or a temporary/seasonal effect of increasing urban demand).

Although the animal vaccination programmes have had an effect on the reduction of livestock mortality and improvements in the quality and condition of the livestock and hence better market prices, the sustainability of the programme depends to an important extent on the availability of affordable/low cost, good quality drugs. It is unlikely that livestock producers do not see the merits of vaccinating their cattle to prevent the loss of an animal or fetching lower market prices, as buyers very much appraise the value of the animal on its overall condition and weight. Sustainability of such programme interventions would be in terms of the livestock producer having confidence in the quality of the drug (tested and certified by the

[159] Danida has provided financial support to the CDTF since 2007 for a total amount of around eur 14M (Source: communication from Danida, September 12, 2013).

Ministry of Agriculture) and readily made available through commercial outlets in main centres in the ASAL areas.

As mentioned earlier, EU supported programmes in the agricultural sector in the ASAL areas had no environmental components except for the activities carried out under the Community Environmental Facility (CEF) of the CDTF (see EQ7, next chapter). Improved environmental practices which were introduced under the livestock production programmes (FAO), mainly relate to better pasture management in the arid areas by allowing time for pasture to recuperate. However, there is no information/data to what degree this practice has been taken up by the livestock producers (i.e. number of ha of pasture, how many producers, volume increase in feed/grass, etc. Hence no robust statements can be made here on the sustainability of environmental practices introduced regarding agriculture.

Findings related to JC 6.2: Environmental and climate change problems are adequately addressed through the various EU interventions in the ASAL areas as a result of EU support

Climate changes have been addressed through the various EU interventions in the ASAL areas with the introduction of more drought resistant crops (sorghum, grass and fodder crops) and the setting up of small scale agricultural production schemes for supplementary feed for livestock. The scope of the programme in terms of number of beneficiaries (about 15,000 farm households) is still very modest and mainly concentrated in parts of the ASAL. Improved pasture management in the arid areas has been introduced, and shows promising results (FAO), but there is no evidence based information on the scale of uptake of this practice by the pastoralists. Key drivers for rural households to take up more environmental measures are the NDMA and NEMA. Besides the setting up of an early warning system and contingency plans to mitigate the effects of droughts (said to be put both in place), another important function of the NDMA is to enhance drought preparedness and to strengthen the adaptation of the ASAL population to climate change (to come in full operation in 2014 according to NDMA). Through a capacity building programme with EU support, NEMA has supported ASAL communities to become more involved in environmental planning as part of the districts development plans. Although the integration of programme efforts with the overall district planning has not been very successful, it may have helped the communities, albeit at a modest scale, to successfully partake in the CEF programs under the CDTF (EU support). Because of the on-going and anticipated developments in the arid zone of the ASAL (discovery of large aquifers in Turkana and Garissa for irrigation, building of road/rail/pipeline infrastructure across the territory to accommodate the gas and oil exploration in Turkana area), NEMA's main role is to oversee and guide the process of land and water use planning and practices to forestall potential environmental problems caused by the oil and gas exploitation activities and the planned use of aquifers for irrigation purposes.

A11.4 Judgment criterion 6.3

EQ6 To what extent did the EU support to the agricultural sector contribute to improved food security, in particular for ASAL areas?
JC6.3 Food security has increased in ASAL districts/counties as a result of EU support
I.6.3.1 Barriers regarding food security that vulnerable groups are facing in the ASAL areas have been identified and addressed in programming and implementation.
I.6.3.2 Decreased number of rural households with insufficient access to food.
I.6.3.3 Decreased number of rural families and/or vulnerable groups that are in need of food aid.

Detailed evidence 6.3.1: Barriers regarding food security that vulnerable groups are facing in the ASAL areas have been identified and addressed in programming and implementation

In the programming and implementation of the EU supported agricultural and livestock development programmes and on the basis of findings during the field phase of the mission, main barriers to increase production and productivity to enhance the farm household's food security situation in the ASAL areas have been identified and addressed. It concerns main barriers such as the lack of road and market infrastructure (to move produce out of the area to the main urban markets), high mortality rate and poor quality of the livestock due to various animal diseases, the lack of livestock feed, the lack of improved, drought resistant, seed varieties for food crop and fodder crop production, and high marketing costs within the value chain (from farm gate to the end market).

Progress made to overcome these barriers has been slow in terms of scope, production rate of improved seeds (development, certification and multiplication), and adoption rate by rural households in the ASAL areas. KARI stated that with the introduction of the new, more drought resistant, sorghum varieties in the semi-arid areas, being very risk averse, farm households only planted very small portions of their land with the new crop (0.1 ha), with little or no investments in ago-inputs (fertilizer). By securing the end-market (breweries) using a value chain approach, and that sorghum proved to be more drought resistant than maize, KARI reports that farmers are now more willing to allocate more land for sorghum production and start applying fertilizer (trails have shown that this would double the yields as already mentioned in I. 6.1.2).

With the introduction of improved, high yielding and more drought resistant grass varieties (three different varieties) and fodder crop seeds, important inroads have been made, together FAO's livestock programme, in the setting up of fodder crop production schemes in the arid areas of the ASAL. Most of the production is under irrigation, which is a constraining factor of further expansion as it depends on adequate access to irrigation water (river or borehole) and access to finance for the purchase and operation of irrigation equipment. The demand for fodder crop by livestock producers is said to remain strong (FAO and KARI), particularly near the main cattle markets. This is also reflected in the fact that, although included in the programme design, that most of the fodder crops are directly purchased from the land as green feed without the need for drying and storage (hay and silage).

With the vaccination programs under the FAO livestock programme, livestock mortality rates, due to animal diseases (an important barrier), are stated as having dropped dramatically. Livestock sales on some main cattle markets have strongly increased due to improvements in market management and market infrastructure to overcome the livestock market barriers. Cattle prices are reported to have increased with 50%, but it remains uncertain whether this is due to the supply of better quality and healthier animals or the effect of supply not meeting demand. As reported earlier, the coverage of the vaccination programme is still modest estimated at around 10% of the total herd in the ASAL (4 million animals).

Detailed evidence 6.3.2: Decreased number of rural households with insufficient access to food

It is reported that the number of rural households in the ASAL with insufficient access to food has decreased from 3.75 million to 2.2 million people[160]. It concerns people classified in either the Crisis or Stressed Phase of Food Insecurity. The decrease can be mainly attributed to improved weather conditions with the early onset and above average 2011 short rains in many areas. Hence according to reports the availability of water, browse and pasture has markedly increased, leading to significant improvements in livestock productivity.

There is no evidence based information that the decrease has also been due to programme interventions supported by the EU support. Most likely to some degree by way of income increases as a result of the sorghum and fodder crop production programmes, and the programmes to improve animal health (vaccinations) and livestock marketing (market information, management and infrastructure). But because of the modest scope of the programme in terms of beneficiaries reached (total of about 52,000 households or some 350,000 people; see section 6.1.1. and 6.1.2) its contribution would be limited at 2.5% coverage when set against the total number of ASAL households (estimated at 2 million or 14 million people). When applying the data on the above mentioned overall reduction of food insecure people (a difference of 1.5 million people or over 200,000 households[161]), a rough estimate would be between a 15-20% share of programme interventions. To further support this theory, the reports show that marked improvements in the food security situation has been detected especially in the regions in the Easter part of the arid zone of the ASAL (Mandera, Wajir, Garissa)[162], and in parts of the semi-arid zone (Kitui) [163] where the projects have been active (total population of about 3.3 million people or around 472,000 households).

Detailed evidence 6.3.3: Decreased number of rural families and/or vulnerable groups that are in need of food aid

As demonstrated in point 6.3.2, due to the lack of evidence based information, it remains largely an estimated guess what the impact of the EU supported programmes in agriculture and livestock production has been in terms of reducing the number of rural families that are in need of food aid. Food security reports show that in most parts of the ASAL areas, the food security situation remains stressed with some pockets in the ASAL (Turkana, Baringo, Moyale) where the situation is being classified as emergency.

Findings related to JC 6.3: Food security has increased in ASAL districts/counties as a result of EU support

There is no solid evidence based information to show that food security has increased in the ASAL areas as a result of the EU support. Food security in some parts of the ASAL has slightly improved in 2012 but this was largely due to improved rain fall conditions which has had a direct effect on livestock productivity. Progress made by the EU supported projects towards increasing the incomes of the rural households in the ASAL, with direct positive

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160 The 2011/12 short rains season assessment report, Kenya Food Security Steering Group (KFSSG), no date.

161 On the basis of an average of seven people per household.

162 With a total population of 2.3 million (Mandera: 1,025,800; Wajir: 662,000; Garissa: 623,000). Source: KNBS 2009 Census.

163 With a total population of 1.0 million (Kitiu: 1,013,000). Source: KNBS 2009 Census.

effects on the households' food security situation, has been slow but steady with potential for growth. Important inroads have been made by the projects to help overcome some of the main barriers hampering improvements in agricultural and livestock production in the ASAL such as: the introduction and adaption of improved food crop, grass and fodder crop varieties by farm households, the lowering of the livestock mortality rate and improving the quality of the livestock, improving the livestock marketing infrastructure and reducing marketing cost by using the value chain approach. Notwithstanding these positive developments, the scope of the projects' efforts has been limited in terms of number of beneficiaries when set against the total number of vulnerable households in the ASAL areas. An estimated guess is that the programmes may have benefited around 52,000 households in terms of increased income, and for whom the food security situation may have improved. This would translate into about 2.5% of the total number of households in the ASAL on overall, or between 15-20% of the total number of households in the ASAL areas where the EU supported projects have been particularly active.

Annex 12 EQ7 Rural service delivery and empowerment

The seventh evaluation question is:

To what extent did the EU support to rural development contribute to better access to markets and services to the rural population and to empowered rural communities?

A12.1 Introduction

The reconstructed intervention logic shows that the outputs of specific community development programme activities, should lead to outputs such as improved basic infrastructure and rural service delivery, and improved government engagement with vulnerable groups. In turn, these outputs are to lead to the expected outcomes of: rural communities being empowered, and improved access to rural services by the population.

A series of Community Development Programmes (CDP) have been funded by the EU through the Community Development Trust Fund (CDTF) which was established in 1996 through a Financing Agreement between the EU and the GoK[164]. The overarching goal of the CDPs is to reduce poverty in Kenya by empowering communities to initiate and implement community based socio-economic infrastructure and environmental projects, eventually leading to better governance at the local, district, county and national levels. The CDPs have two components dealing with socio-economic infrastructure and environment (conservation and protection): the Community Development Initiative (CDI), and the Community Environmental Facility (CEF). The environmental component is not dealt with in this EQ, but is addressed in EQ 6 regarding the ASAL focus. For each of the components specific Call for Proposals (CfP) guidelines have been created by the CDTF for community based organisations across Kenya to submit applications for project grants. Since 1996, the CDTF has implemented around 800 community based socio-economic and environmental projects in rural and peri-urban areas in Kenya[165].

Given the importance of the CDTF projects for the focal sector agriculture/rural development, and in line with the analysis of the relevance of the support to this focal sector in EQ 1 (JC 1.3) a separate EQ, focusing mainly on the outputs and outcomes of specific community development support is justified.

The CDTF, on which the EU support was focussed, has been established as a semi-autonomous body[166], but with the new Constitution and devolution a new reality will exist on the ground. Therefore, this EQ focuses on the one hand on the Government's capacity to engage with rural communities (including vulnerable groups) and to deliver rural services, and on the other hand on improved organisation and hence empowerment of the rural communities. The improvement on the supply side (Government) and the demand side (the

164 It concerns the Community Development Programmes (CDP) 1, 2 3 during the period 1997 -2012.
165 Source: CDTF, Guidelines for grant applications, 2011.
166 As part of the Ministry of State for Planing, National Development and Vision 2030.

communities) are assumed to lead to improvements in the overall livelihood of vulnerable people in both the rural and urban areas in terms of socio-economic infrastructure and improved access to services.

While addressing the above evaluation question, the dynamic context of the interventions is taken into account in terms of the linkage between the EU supported programmes on rural development with the new devolution process, and in line with the (local) governance reforms.

A12.2 Judgment criterion 7.1

EQ 7 To what extent did the EU support to rural development contribute to better access to markets and services to the rural population and to empowered rural communities?
JC7.1 Government's capacity to deliver services and engage with rural communities, and more specifically vulnerable groups, has increased as a result of EU support
I.7.1.1 Better rural development policies and plans of action.
I.7.1.2 Improved institutional set-up including the establishment of independent sustainable organisations to deliver rural services.
I.7.1.3.Mechanisms in place to ensure that needs of rural communities, in particular needs of vulnerable groups within specific communities, are being identified and addressed.
I.7.1.4 Clear division of roles and responsibilities between ministries, local government, NGOs and communities regarding rural service delivery.
I.7.1.5 Increased availability of rural infrastructure and rural services.

Detailed evidence 7.1.1: Better rural development policies and plans of action

GoK policy actions and interventions regarding rural development were described in the overall Kenya Rural Development Strategy (KRDS), which was mentioned in the CSP 2003-2008. The CSP indicated that the final draft of the KRDS awaited formal GoK adoption. The CSP was formulated in 2003 and it mentions the close linkages between the PRSP at the time and the KRDS. Later this strategy would be linked to the ERS (see reconstructed intervention logic). This formed the basis for EU's response strategy for rural development in the 9th EDF CSP. A further elaboration of the Rural Development Strategy by the GoK was to be a major accompanying policy measure for the EU response according to the CSP. However, the Strategy was never formally adopted by Parliament and to date Kenya still lacks a standalone, such as for the agricultural sector[167], rural development strategy. Nevertheless, rural development policies and plans of actions are embedded in Vision 2030 where both urban and rural development aspects are addressed in its three main pillars: the economic, social and economic. The implementation of these policies and plans is through 5-year Medium Term Plans (MTPs)[168] as indicated in the Kenyan context. The CSP 2008-2013 is less optimistic on the policy and institutional context for agriculture and rural development. It states: "The reform process is rather slow due to the complexity of the sector, with too many ministries involved and the far-reaching implications of a number of reforms". This CSP mentions the importance of further support to the SRA to operationalize it. However, the SRA was not an overall rural development strategy and was also soon replaced by a new agricultural strategy, the ASDS.

[167] Reference is made to the Agricultural Sector Development Strategy 2010-2020.
[168] The first 5-year Vision 2030 MTP covered 2008-2012, the second MTP covers 2013-2017.

In the ASDS 2010-2020 document, rural development is only mentioned twice as part of participatory planning on the basis of district plans jointly prepared by rural communities and the Local Authorities (LAs); and as part of the role of the Agricultural Sector Coordination Unit (ASCU) to address the fragmentation of responsibilities between agriculture and rural development related ministries and non-state actors.

In fact, no real progress can be reported regarding better rural development policies and plans of action throughout the evaluation period, because there are no formally approved specific rural development plans, strategies or plans of action for more than a decade. For the ASAL areas, the main agency charged with rural development in line with the Vision 2030 MTPs was the Ministry of State for Development of Northern Kenya and other Arid Lands. This Ministry has been abolished and tasks were transferred to the new National Drought Management Authority (NDMA) established in 2011. However, rural development does not fall under the specific functions of the NDMA[169] as it mainly deals with drought risk management. According to the plans of action as per MTP 2013-2017, rural development activities are carried out by various ministries and agencies dealing with Transport (particularly roads); Energy (renewable and non-renewable); Water and sanitation (drinking/irrigation water, sewage); and ICT Development (to support education and market integration of ASAL communities). An institutional framework for ASAL development has only recently been created (December 2012[170]) to ensure multi-sectoral and multi-stakeholder coordination. Hence at this point of time it is yet unclear how successful the implementation and coordination of rural development policies and plans as envisioned in the MTP Vision 2030 and are related to the ASAL (see next point).

Detailed evidence 7.1.2: Improved institutional set-up including the establishment of independent sustainable organisations to deliver rural services

Throughout the evaluation period, 10-12 Ministries have been in charge of agriculture and rural development, which has created huge coordination problems. The newly elected government in 2013 decided to reduce drastically the number of ministries: there is now one Ministry for Agriculture, one Ministry dealing with Environment, Water and Natural Resources and CDTF falls under the Ministry of Planning and Devolution. Before this restructuring, CDTF fell under Ministry of State for Planning, National Development and Vision 2030.

As stipulated in the MTP 2013-2017, the NDMA is to play an important role to train and assist county leaders, technical officers and civil society organisations in building their understanding of, and engagement with the EDE initiative. The expected outcome is that county development plans contribute to the goals of the EDE as set out in its strategy[171]. In this respect the NDMA is to work closely with the Ministry of Devolution and Planning and build on initiatives already underway, for example under the EU-supported Kenya Rural Development Programme (KRDP and presumable also under the EU-supported CDTF programmes (not mentioned).

Because of its long experience, extensive network and good reach at the grass root level, CDTF is considered a national lead organisation in rural development, but other organisations are said to be catching up fast with activities in the ASAL areas and appear to be stronger in

169 As mentioned in I. 6.2.1 of EQ 6 Agricultural and Food Security Improvements.

170 Reference: Drought Risk Management and Ending Drought Emergencies, Medium Term Plan, 2013-2017, July 24, 2013.

171 Source: ibid (page 40).

overall in the management of grant money (considered a weak point of CDTF as will be discussed later on). CDTF is working, in principle in all districts and counties of Kenya including ASAL. However, there are no indications that CDTF is specifically focussing on ASAL, because calls for proposals are open for all communities. The CDTF is managed by a Board, which is chaired by the Ministry of Planning and Devolution.

In the delivery of community development projects, the CDTF is particularly active in the Western and Central regions. Of the total projects carried out under the CDP-3 (Jan. 2007-Sept. 2010), 127 of a total of 179 projects, or 71%, were carried out in these regions. The majority of the projects (67%) were on primary and secondary education.

Of the total projects which have been approved under the component CDI of the CDP-4, 56% of the projects were on primary and secondary education with between 30-40% of the projects in ASAL areas as reported by CDTF.

However, it appears that the CDTF is operating in relative isolation, which can be explained by its history. It is related to the Ministry of Planning and Devolution, but the institutional set-up is not clear and no clear improvements have taken place over time.

Detailed evidence 7.1.3: Mechanisms in place to ensure that needs of rural communities, in particular needs of vulnerable groups within specific communities are being identified and addressed

The CDTF has developed clear guidelines for grant applications for its socio-economic infrastructure projects (CDI). Next to providing succinct background information about the objectives of the programmes, the guidelines describe in detail the rules for the submission of grant applications, the eligibility criteria (who can apply and for what kind of projects), the minimum and maximum financial allocations per projects, expected minimum own contribution of the community (under CDP-4 set at 10%, down from min. 25% under the previous CDPs), how the selection process is carried out (from the very start till the end), the evaluation criteria (with scoring), use of the application forms, etc.

Information workshops are conducted by the regional CDTF staff[172] to provide information on the calls for proposals. After passing the first selection, the applicants are requested to submit a full proposal and if necessary will be assisted in this by the CDTF staff. The final full proposals will be to ensure that the project is in line with the community development actions plans of the country (before named districts).The county officers (dealing with socio-economic development or environment) need to confirm already on the concept application form that the proposed project is in line with the priorities of the county's overall development plans.

In view of the process used by CDTF in the form of call for proposals, the likelihood that the projects meet the needs of the rural communities (as well as those of the counties as they need to counter sign the applications) is deemed to be high as it is demand driven. With the submission of the application the communities themselves determine what they consider as priority need (to be further confirmed during a field appraisal by the CDTF). They can only submit one application during a specific (Lot) call for proposals. Full proposals which passed the evaluation criteria (min. score of 12 points) are presented to the CDTF's Board of

[172] The CDTF has regional offices in the Eastern (Meru), Central (Nairobi), Western (Eldoret) and Coastal regions (Mombasa).

Trustees (BoT) for final approval. However, as the call for proposals are open to all communities, there is no mechanism to focus on specifically vulnerable groups. Interviews indicated that some rural communities are more aware of funding possibilities than others. Evaluation reports or project reports do also not deal in detail the mechanisms to ensure that the needs of vulnerable people are being addressed. Hence, there is no evidence that in particular needs of vulnerable groups are being addressed.

The demand from the rural communities for support is very high. Under CDP-3 a total of 3,609 applications, of which a total of 179 projects or 5%, were approved by CDTF. Under CDP-4 an even higher number of applications were received totalling 9,919 for the CDI component of which 173 projects were approved or less than 2%. As already mentioned, the majority of the projects approved were on primary and secondary education, with a high 67% under CDP-3 and somewhat lower at 56% under CDP-4 for the simple reason that many applications concern the refurbishing/extension of primary and secondary schools and considered a high need priority for the rural communities. Other priority needs, but much lower than for schools is health (local dispensaries, maternity wards), water and sanitation closely followed by economic infrastructure (roads, bridges).

Detailed evidence 7.1.4: Clear division of roles and responsibilities between ministries, local government, NGOs and communities regarding rural service delivery

The call for proposal guidelines and process of implementation of the community development projects supported by the CDTF are clear in that CDTF takes the lead and has full responsibility in project management. The role of the local authorities is limited to confirming and the signing off that the CDTF supported project is in line with the relevant county development agenda. When failing to do so, the concept application form will not pas CDTF's administrative check. In their final reporting[173] CDTF mentions that relevant government departments were brought on board by CDTF as associates to oversee project implementation, while technicians from the Ministry of Works or the private sector came on board for technical supervision. This linkage with such other partners could however not be confirmed during the field visit.

Detailed evidence 7.1.5: Increased availability of rural infrastructure and rural services

Based on the number of projects approved and actually implemented under the components of the CDTF, there is evidence based information that the availability of rural infrastructure and rural services has increased over the years. As mentioned earlier, since 1996, the CDTF has implemented some 680 community based socio-economic projects in rural and peri-urban areas in Kenya. The majority of the projects are carried in the Western and Central provinces of the country, with a strong focus on primary and secondary school projects under the CDI component.

In view of the total number of community development projects carried out under the CDTF (CDI component only, at 680) and when set against the requests for support from the communities with a grand total estimated at some 13,500 applications) [174], the scope of the increase in rural infrastructure and rural services is limited with an estimated actual coverage of around 5%. Assuming that on average 65% of the applications are accepted after passing CDTF's administration check, the coverage would increase to 8% or 10% at the most when

[173] CDTF-CDP 3 final report, January 2007-September 2010 (no date).

[174] Calculated as follows: CDP-3 CDI = 3,609 applications + CDP-4 CDI = 9,919 or a grand total of 13,528 for CDI projects. CDP-3 CEF = >2,000 + CDP-4 CEF = 3,805 or a grand total of 5,805 for CEF projects.

factoring in the projects which are currently in the pipeline under CDP-4 (a total of 173 projects under CDI).

In terms of household coverage and assuming an average of 100 households reached per project a rough calculated guess would be some 85,000 households[175] of which presumably, and based on the CDTF's project portfolio, at least 90% could be in the rural areas or 77,000 households. The total number of rural households in Kenya would be in the order of 4 million[176] which translates to a direct intervention coverage of CDTF of about 2% of all households. The indirect coverage, meaning that under the influence of the CDTF project rural communities have become more organised, more empowered and more vocal towards demanding more services from the national and local authorities, is not known as this has not been recorded. CDTF reports that there are occasions of rural communities who have received support under the programme, have applied for and received assistance from national and local authorities (water and social services). But there is no further (evidence based) information on this which should have come from CDTF's monitoring system (this information not captured).

Findings related to JC 7.1: Government's capacity to deliver services and engage with rural communities, and more specifically vulnerable groups, has increased as a result of EU support

It is as yet unclear how successful the implementation and coordination of rural development policies and plans as envisioned in the 5-year Medium Term Plan of Vision 2030, and related to the ASAL areas, has been. In contrast with the agricultural sector, although serious attempts have been made in 2003, a stand-alone rural development strategy has never been formally adopted by Kenya Parliament.

CDTF is still considered a lead organisation in rural development because of its long experience, extensive network and good reach at the grass root level as stated by one of their other donors, Danida. However, new funds especially CDF, but also grants provided by NGOs provide similar support as CDTF to rural communities, which makes its position less unique nowadays.

CDTF's involved in the ASAL areas has been limited regarding community development projects (mostly located in the Western and Central provinces), but with a more pronounced involved of environmental conservation and protection projects. With its detailed guidelines for grant applicants, a clear (demand driven) mechanism has been put in place by the CDTF to ensure that the needs of the rural communities are being identified and addressed. The request for support from the communities is very high with the majority of the projects (CDP-3 and CDP-4) for support to primary and secondary education (62%[177]), followed by water and sanitation (16%[178]), health (11%[179]), with the remainder for agriculture, economic infrastructure, livestock and animal health (11%).

[175] Calculated as follows: 680 projects since 1996 + 173 projects under CDP-4 = 853 projects on community development (CDI only, excluding CEF-environment).

[176] Based on a total current population of 43 million people or some 6 million households of which 70% are considered rural or 4 million households.

[177] Under CDP-3 it was 67% (120 out of 179 projects) on primary and secondary education with 56% under CDP-4 (97 out of 173 projects). An average of about 62% (total of 217 out of 352 projects).

[178] Total of 57 projects under CDP-3 and CDP-4, or 16% of the total number of community development projects (352, excluding CEF projects).

[179] Total of 39 projects under CDP-3 and CDP-4, or 11% of the total number of community development projects (352).

There is evidence based information on increased availability of rural infrastructure and rural services, albeit heavily skewed towards education with the majority of the projects in the Western and Central provinces. When set against the total estimated number of rural households, the scope of coverage of CDTF's interventions since its start is very limited and estimated at about 2% of all rural households.

A12.3 Judgment criterion 7.2

EQ 7 To what extent did the EU support to rural development contribute to better access to markets and services to the rural population and to empowered rural communities?
JC7.2 Better organised rural communities, which participate in planning and decision-making on community development
I.7.2.1 Existence of community organisations with elected leaders that frequently meet that represent the interests of the entire community including vulnerable groups.
I.7.2.2 Gender balance in leadership and participation.
I.7.2.3 Increased participation of communities in community planning and in decision-making on community investments.
I.7.2.4 Communities realistically identify and communicate their needs to government and non-government actors.

Detailed evidence 7.2.1: Existence of community organisations with elected leaders that frequently meet that represent the interests of the entire community including vulnerable groups

CDTF's guidelines for grant applicants stipulates that as part of the eligibility criteria, the community has to be organised and be registered as a Community Based Association by the relevant authorities when submitting a full proposal application. Besides having appointed members of the board of the association, a Project Implementation Committee (PICs) has to be put in place with a gender balance in line with standing Government guidelines. This means that at least 30% of their members must be either men or women. By not meeting these criteria, the application will be rejected. As part of Government guidelines for setting up a community based organisations, leaders are elected and rules put in place when board meetings and general assembly meetings are to be held, and how possible conflicts are to be resolved (among the members, between the members and the board, etc.).

Key challenges faced by the CDTF are often related to the lack of capacity, the lack of transparent and accountable practices in procurement and financial management and more in general the lack of good governance at the level of the community organisations. There are occasions of PICs not being able to handle timely and adequately the influx of grant money, and a few cases of misuse/embezzlement of funds by the project accountant or manager of the PICs[180]. Some PICs have been reported as very weak which has resulted in weak leadership and poor decision making, and domination by partners or individuals who have been involved in the writing and submission of the full grant applications. Steps taken by the CDTF to address these weaknesses have been in further capacity building, the restructuring of the PICs, more financial training, stricter auditing and the indictment of staff implicated in the misuse/embezzlement of project funds.

[180] Examples have been reported in the CDTF quarterly progress report January-March 2013.

Danida, a key partner of CDTF in its environmental component (CEF), has expressed its concerns about the lack of good grant management by CDTF during an interview, and detects weaknesses at the lack of professional staff at field level, the lack of a good financial management system which now is largely done manually and which needs to be computerised, hence the persistent occurrence of ineligible expenditures, the lack of discipline and the need for more training of CDTF staff (and presumably also at the association level). In the opinion of Danida, CDTF needs to urgently address these issues of weaknesses in its grant management system, especially at the project level with better audits (and not just at the central level of CDTF). Other agencies, also active in community development programmes in Kenya using grant money (UNDP, KPMG, Deloitte), have shown better discipline and competence in grant management than CDTF, are more cost effective and is said to have stronger project monitoring and evaluation systems. Hence, for the CDTF to stay ahead of the competition in the implementation of community development projects as a grant management institution, Danida expects that without delay, CDTF installs better discipline and shows more competence in the management of the grant money, including project monitoring.

Detailed evidence 7.2.2: Gender balance in leadership and participation

As previously indicated, the CDTF guidelines for grant applicants stipulate that at least 30% of the members of the community association are either men or women. By not meeting this criteria, the application will be rejected. This criteria also applies to the composition of the board members of the association and also for the PIC[181]. During the field phase it has not been possible to verify whether or not the community associations maintain compliance with this ruling.

Detailed evidence 7.2.3: Increased participation of communities in community planning and in decision-making on community investments

There is no evidence based information that there is an increased participation of communities in community planning and in the decision-making on community investments. It is presumed that over time and under the influence of the CDTF projects, rural communities have become more organised, more empowered and more vocal towards demanding more services from the national and local authorities. However there is no systematic and more precise information available on these improvements, because this has never been recorded by the CDTF (e.g. to measure impact of programme interventions as part of an internal M&E system).

Detailed evidence 7.2.4: Communities realistically identify and communicate their needs to government and non-government actors

It is estimated that since 2007, CDTF has received a total of around 19,000 grant applications from rural (and urban) communities across Kenya. Based on a review of the list of concept project applications submitted (CDI and CEF) and accepted after an administrative check by CDTF[182], the majority of the requests[183] for support relate to education under the CDI component. More specifically it concerns support to public primary, secondary schools and vocational facilities, including additional classrooms, sanitary facilities, water harvesting, lighting, furniture, equipment, administrative blocks, dormitories, laboratories, teachers'

[181] CDTF (CDI and CEF), Guidelines for grant applicants, Restricted Call for Proposals 2011 (no date).

[182] During the administrative check, the application will be checked on: if the deadline of submission has been respected; if all criteria specified on the checklist have been respected; evidence of registration (of the community association), evidence that the (now) county development or environment officer has confirmed that the proposed project is in line with the county development plan; eligibility of the applicant, location, budget limit and community distribution (now 10%).

[183] Under CDP-3 CDI component 67% and under CDP-4 CDI component 57%.

houses and tree planting. Requests for support towards improvements water and sanitation and health, were much lower at an overall average of about 20% in total. For water and sanitation it concerned the development, rehabilitation and upgrading of water supply systems (wells, springs, boreholes), including water for minor irrigation and minor sewer disposal systems in slums. For health it concerned the rehabilitation or establishment of community dispensaries and health centres, including water, disposal and sanitary facilities, equipment and the instalment of power supply systems. Requests for support in the field of economic infrastructure (rural access roads, bridges), livestock and animal health (livestock drug stores, livestock marketing and watering facilities) and agriculture (grain storage facilities, cold rooms for fairy and fish) were very few.

Hence one of the means for the communities to identify and communicate their needs is through the call for proposals by the CDTF, and through the call for proposals from other community development grant institutions such as UNDP, KPMG, Deloitte and the NGOs (like CART which works with USAID and SIDA). Another means is naturally to the national and local authorities as part of their multi-annual development plans to provide rural services, but with the very large number of applications received by grant institutions such as CDTF from the communities, it is evident that these channels have apparently not been very successful to meet the needs of the rural and urban communities.

As mentioned the community needs to support primary and secondary schools is uncommonly high and the question is raised how the continued support of CDTF in this area would enable CDTF to achieve its overall objective of reducing poverty and improving good governance in poverty prone areas. CDTF staff is of the opinion that with the support to improve the school facilities it will enhance school performance and subsequently the quality of education at primary and secondary level; considered key to break the vicious circle of poverty in the medium and long term (the communities are apparently of the same opinion in view of the large number of applications submitted). By also incorporating cross cutting issues such as gender equality, good governance, prevention of HIV/AIDS, environmental education, waste disposal and tree planting as part of the CDTF's support to education (and as stipulated in CDTF's guidelines for grant applications), it would help awareness creation of these issues not only at the primary and secondary student level but also at the household level as students take these messages home. To ensure that these cross cutting issues are properly addressed, CDTF has recently created a Technical Service Department (TSD) to provide cross cutting technical support services to all community programmes developed and implemented by CDTF[184].

However, new government funds such as CDF and also funds provided by NGOs to rural communities offer similar support as CDTF. The Nakuru field visit suggested that these new funds were better known locally than CDTF, but one impression from a field visit cannot be considered as representative. However, it indicates a clear need for better coordination, especially at county level (see also JC1.6 and EQ 10).

Findings related to JC 7.2: Better organised rural communities, which participate in planning and decision making on community development

In order for communities to become eligible for CDTF support, they will need to organise themselves into a registered community based association with elected leaders, a board of

[184] The TSD is also to provide support in the development of new, innovative, standardised and costs effective technologies, engineering services and in enterprise development.

directors, and with a gender balance in place which is in line with standing government guidelines (30% must be either men or women). Key challenges however faced by the CDTF are often related to the lack of capacity and/or lack of good governance at the level of the community associations. The lack of capacity mainly relates to transparent and accountable practices in procurement and financial management. In terms of good governance, there are reports of weak leadership and poor decision making and domination by some members within the associations, leading to disputes between the members themselves and between the members and the board of directors. Danida, a key partner of CDTF has expressed its concern about the lack of good grant management with the urgent request to CDTF to address certain issues of weaknesses in its grant management system, especially at the project level. In view of the good procurement and financial management performance of other organisations involved in community development (UNDP, KPMG, Deloitte and an NGO supported by USAID and SIDA), CDTF needs to stay ahead of the competition and install better discipline and more competence in the management of grant money, including project monitoring.

There is no evidence based information to what degree there is an increased participation of communities in community planning and in the decision-making on community investments. It is presumed that overall, barring the ones with troubled management and leadership, rural communities have become more organised, empowered and more vocal towards local authorities in particular when it comes to the provision of services and multi-annual development planning for the area.

An important means of the communities to identify and communicate their needs is through the call for proposals from CDTF and the other organisations involved in community development using grant money. In view of the large number of applications there is evidently a large need for support from rural communities. There have been new suppliers of similar support as provided by CDTF both from government and NSAs, but the demand is still higher than the supply. As already stated, the demand for CDTF support for education (to improve primary and secondary school facilities) is uncommonly high. The question is raised here whether or not this programme output of CDTF would eventually enable CTDF to achieve its overall objective of poverty reduction and good governance in impoverished areas. CDTF management believes so as enhancing school performance and subsequently the quality of education would eventually break the vicious circle of poverty in the medium and long term. Moreover it is felt that by incorporating cross cutting issues as part of an extra-curriculum activity of the schools receiving CDTF support, would stimulate awareness creation not only among the students themselves but eventually also among the households in the medium and long term as students will take the message home.

A12.4 Judgment criterion 7.3

EQ 7 To what extent did the EU support to rural development contribute to better access to markets and services to the rural population and to empowered rural communities?
JC7.3 Rural communities have improved access to markets and services as a result of EU support
I.7.3.1 Increased access to rural services.
I.7.3.2 Increased use of rural services.
I.7.3.3 Improved access to markets as shown in reduced travel time to markets and proximity of markets.

Detailed evidence 7.3.1: Increased access to rural services

As mentioned earlier (point 7.1.5 – increased availability of rural infrastructure and rural services), there is an increased access to rural services due to CDTF's interventions in socio-economic infrastructure development (CDI). When set however against the total number of rural households in Kenya (est. at 4 million) and the number of rural community development projects implemented by CDTF (estimated at 765[185] covering around 77,000 rural households), the scope of coverage/access is very modest at some 2%. There is a possible replication effect of CDTF's interventions in terms of communities becoming more empowered and more vocal in demanding rural services from the national and local authorities, but this effect is not known as this has never been monitored or evaluated. However, when set against the number of grant applications which have actually passed CDTFs administrative check (estimated at an average 65% acceptance rate), the coverage of demand would increase to 8% or 10% at the most when factoring in the projects which are currently in the pipeline under CDP-4 (see also point 7.1.5).

Detailed evidence 7.3.2: Increased use of rural services

There is no evidence based information on the increased use of rural services by the communities as relevant monitoring and evaluation data is lacking (both internal as external). As already mentioned there is also no information on the possible replication effect of CDTF's intervention on increased access and subsequently use of rural services provided by national and local authorities. It is presumed that there is an increased use of the primary and secondary schools which have received support from CDTF in term of higher enrolment. This was for instance noted with CDP-2 (as part of country programme evaluation carried out in 2006), where the rate of enrolment has increased substantially with the improvement of school facilities by children from other communities within the area.

Detailed evidence: 7.3.3: Improved access to markets as shown in reduced travel time to markets and proximity of markets

The number of CDTF projects which are related to improved access to markets, as part of the CDI component – economic infrastructure – access roads and bridges, has been very limited: 5% of the CDP-3 portfolio, and 2% of the CDP-4 portfolio, which clearly reflects that this is much less of a priority need for the rural communities. It concerns a total of 10+4=14 projects since 2007. It is presumed that with the improvements of some of the rural access roads and bridges that this has reduced the travel time to main markets, but M&E information is lacking on this. What also is not known is the current condition of the roads and bridges which have been improved under the CDP-3 and which ought to have been maintained either by the communities themselves or by the local authorities.

Findings related to JC 7.3: Rural communities have improved access to markets and services as a result of EU support

There is evidence of increased access to rural services due to CDTF's interventions in socio-economic infrastructure development (CDI) and in the conservation of community natural resources (CEF), but the scope of intervention is limited, estimated between 2 and 10%, depending how one the calculations applied. The percentage coverage could be set higher when factoring in the replication effect of CDTF's interventions in terms of national and local authorities picking up and providing more services as a result of communities having become more empowered and vocal in their demands. There is however no information on this.

[185] Calculated as follows: total of 853 CDI projects with at least 90% in rural areas (or 768 projects) on the basis of CDTF's project portfiolio.

Regarding an increased use of rural services by the communities, there is no evidence based information due to the lack of M&E data. It is presumed that there is an increased use of the schools which were supported by the CDTF in terms of increased enrolment, but also here there is no information. CDTF has only supported very few economic infrastructure projects such as rural access roads and bridges. It concerns a total of 14 projects since 2007. It is presumed that improvements of the roads and bridges have led to a better access to markets and the lowering of per unit cargo transport costs, but much depends on the level of maintenance which, if not done, could wipe out this gain in market access within a short period of time.

Annex 13 EQ8: Transport sector improvements

The eighth evaluation question is:

To what extent did the EU support to the transport sector contribute to better road network management and in particular road maintenance?

A13.1 Introduction

The EU has supported the transport infrastructure sector in Kenya for quite some time (since 1983). Since the 9th EDF CSP the EU has given priority to policy and institutional reforms; and the sector policy dialogue and support to capacity-building have been the main types of activities. Disbursements related to the projects on the Northern Corridor have represented the majority of spending as illustrated in the portfolio.. In EQ1 the appropriateness of the support to the focal sector and in particular the focus on trunk roads has been assessed (JC1.4) including the choice and implementation of the aid modality mix in this sector (JC1.5). Issues of donor coordination and harmonisation in the transport sector are dealt with in EQ2, whilst the results focus is addressed in EQ3. The findings and answers to these three strategic questions regarding the transport sector constitute a good background for EQ8 on transport sector performance.

This EQ will focus on one of the main outcomes as presented in the Reconstructed Intervention Logic, i.e. the contribution to road network management and in particular to road maintenance. Road maintenance is part and parcel of road network management, but deserves specific attention because it is at the core when evaluating the sustainability aspects of the support to the road sector. Because institutional and policy changes were required in order to achieve this outcome, improvements of sector policies and operational plans, as well as institutional reforms will need to be examined to establish the cause-effect chain.

The underlying assumption of the intervention logic is that policy and institutional reforms should go hand in hand with actual investments in road construction, rehabilitation and maintenance in order to realise effective and sustainable improvements in road network management. When this is actually the case, lessons may be drawn for future support to this sector.

A13.2 Judgement criterion 8.1

EQ 8 To what extent the EU support provided to the transport sector contribute to better road network management and in particular to road maintenance?
JC8.1 Sector policies have improved and operational and investment plans have been prepared and implemented as a result of EU support.
I.8.1.1 Improved sector policies and operational plans have been formulated and are being implemented.
I.8.1.2 Recognition by the GoK, independent roads institutions and other donors that the EU contributed to policy changes.

Detailed evidence: I.8.1.1 Improved sector policies and operational plans have been formulated and are being implemented

There has been an early change in the overall aim from the provision of a well maintained physical infrastructure partly on the basis of labour based methods in 2000; to the building and maintaining of durable quality standard roads in 2003 with emphasis on safe and efficient transportation through accelerating the implementation of the Roads 2000 Strategy and strengthening the Northern Corridor and some other national roads of regional importance. While recognizing the need for financing the increased investment through public and private sector involvement, such as concessioning; the level of ambition in Vision 2030 has been increased considerably, viz. for a country firmly interconnected through a cost-effective, world-class network of roads, railways, ports etc. Throughout the whole period considerable attention was devoted to institutional issues, including how to increase the involvement of the private sector.

Vision 2030 is to be implemented in a number of consecutive medium term plans, of which the first one (MTP 1) covers the period 2008-2012. The MTP 1 implies an ambitious step forward in terms of a number of flagship projects, including 1) initiation of the development of a new multi-modal transport corridor to Southern Sudan and Ethiopia from the new port at Lamu (the LAPPSET-corridor) for opening up Northern Kenya and integrating it into the national economy; construction of new roads to all major production, marketing and consumption areas; 2) reduction of the accumulated maintenance backlog on the road network; 3) accelerated implementation of the Road 2000 Strategy for road maintenance to promote employment and income earning; and 4) improving the public transport system in Nairobi. In addition, a number of resource demanding flagship projects are to be initiated in relation to e.g. Mombasa Port, railways and air transport.

Since 2002 a number of transport sector policy documents and operational plans have been formulated and implemented to a varying degree. The following are the most important.

In 2004, the EU supported Scott-Wilson Study[186] was published. Based on a comprehensive analysis of the transport sector as a whole, but with focus on the roads sub-sector, important conclusions were formulated related to management, transport planning and funding issues. Among other things it was found that the then current institutional arrangement in the management of the road sector was sub-optimal for delivery of a road system that would meet the user needs. A first preliminary draft of a long term road sector investment plan (RSIP) was formulated. Concerning road maintenance, the importance of the Road Maintenance Levy Fund (RMLF) in providing a high level certainty as to the future level of funding was noted.

[186] Scott Wilson, 2004: Transport Sector Policy and Roads Sub-Sector Policy and Strategy.

At the same time the study underlined the need for further improvement into the effectiveness of the fund's disbursement. These issues have since then been focal points for the deliberations on the continued development of the road sector.

In May 2005 the Ministry of Roads, Public Works and Housing convened a stakeholder conference which resulted in the drafting of the seminal Sessional Paper No 5 of 2006 on the development and Management of the Road Sub-Sector for Sustainable Economic Growth. The paper formulated widely acknowledged principles, including the framework for the future organisation of the sector, the principles for sustainable road maintenance, the regular formulation of a 5-year Road Sector Investment Plan (RSIP) and the use of the R2000 Strategy for all road works on the low volume network. These principles are also spelled out in the Kenya Road Act of 2007 and have played a dominant role in guiding the reform process of the Kenyan road sector. In accordance with the 2007 Road Act a comprehensive organisational reform of the road sector was implemented in 2008 with the establishment of three new semi-autonomous road authorities, as described in JC8.2.

As indicated in various JAORs and EAMRs, described in the 2011 capacity assessment report for the 10th EDF[187], and confirmed in interviews, the momentum for operational policy changes appears to have almost stopped by 2008, in the wake of the national crisis.

Since the 2007 Road Act two policy papers have been formulated, but none of them have so far been approved by Parliament. In 2009, the Ministry of Transport published a policy paper for an integrated national transport policy[188], in which the need for consolidation of Transport Functions under one Ministry, and for separation of policy making, regulatory and service provision functions was underlined.

In 2012 Ministry of Roads published a draft policy paper on aligning the roads sector with the new constitution[189], in which implications of transferring functions to county governments were analysed, including the need for a reform of the road sector classification, while the future roles of especially KeRRA and KURA under a new and more decentralized institutional set-up came under debate. Both the 2009 and the 2012 (draft) policy papers recommended that the Ministry of Roads and Ministry of Transport should be unified into one ministry. In 2013 these two ministries were actually unified to become the Ministry of Infrastructure and Transport.

The work on the formulation of a long term RSIP had been continued after the Scott-Wilson Study with EU support and a revised draft was presented in October 2006[190]. The work with the RSIP continued after the approval of the 2007 Road Act under the auspices of an inter-ministerial steering committee. The last version of the RSIP from May 2011, the Roads Sub-Sector Investment Plan 2010-2024, was approved by the Ministers of Finance and of Roads in 2012. The RSIP comprises three 5-year phases, of which only the first one is formally approved by GoK.

[187] Alanet, January 2011: "10th EDF Transport Sector Institutional Capacity Building and Formulation Component. Final Capacity Needs Assessment Report".
[188] Ministry of Transport, June 2009: Integrated National Transport Policy. Moving a Nation.
[189] Ministry of Roads, September 2012: "Draft Policy on Aligning the Roads Sub-Sector with the Constitution.
[190] Parsons Brinkerhoff Consortium, October 2006: Preparation of the road Sub-Sector Policy and Strategy, including an Investment Programme for 2007-2020".

EU's original expectations to the RISP are described in the 2009 Identification Fiche as follows: "The key strategic instrument for the road sector policy implementation will be the multi-year, "rolling" Road Sector Investment Plan with the Midterm Expenditure Framework (MTEF). The RISP can be regarded as the demand side presenting the desired physical works – properly specified and cost – and the MTEF the supply side. The finally adopted RSIP/MTEF should demonstrate a plausible balance between demand and supply."

However, a closer inspection reveals, that the presented RSIP will hardly ever be able to fulfil this ambition for the following reasons:

- Compared with the present available budgets, the needed budgets according to RSIP appears to be unrealistic within almost every activity area[191];
- It took more than five years of work to develop the present RSIP, which is detailed, hugely comprehensive and technically complicated and advanced;
- In addition it has been mentioned at the interviews that some of the basic assumptions, especially concerning the condition of the road network might already be out-dated.

Therefore it appears unlikely that it will be possible to make a revision of RISP every year as an integrated part of the preparations for the annual budget. This considerably limits how operational the approved RSIP currently is.

Roads 2000 Strategy has over the years become a generic name for the flexible use of a local resource based technology on road works on low volume roads in an adaptive way. According to the last version of RSIP and in line with our interviews in the KeRRA head office and the Meru regional office, the strategy has had a considerable impact on the way road works are carried out especially in rural areas. However, it is also a strategic plan for rural roads maintenance and rehabilitation, which over the years has received considerable donor support, incl. from EU. Of the two rural roads projects supported by EU through the STABEX facility since 2002, only one is based on the Roads 2000 technology:

- The STABEX Roads 2000 Rural Roads Rehabilitation Programme involving the rehabilitation of 900 km of gravel roads in 5 regions; and
- The Central Kenya Rural Roads Programme, which was based on a more conventional technology using an international contractor.

Detailed Evidence: I.8.1.2 Recognition by the GoK, independent roads institutions and other donors that the EU contributed to policy changes

In the executive summary of the 2006 evaluation of EU's assistance to Kenya, the reform process was characterised as a gradual move forward with the EC and the World Bank in the lead, even though with some setbacks when it came to the implementation of the 2007 Road Act as described more detailed in I.8.2.2.

Accordingly, in 2006 good progress in the road sector reform processes, including the formulation of new policies, new legislative acts and the Road Sector Investment Plan (RSIP) is reported in the JAOR from 2006.

Furthermore, various stakeholders mentioned in interviews that the EUD together with the local representative of WB played a key role in the preparations for the ground breaking 2007

[191] According to the RSIP-plan (Op. cit. p. 45) for FY 2009/10 Kshs 98.5 billion are needed for the road sub-sector as compared with the Kshs70.5 billion available on the national budget incl. the RMLF; and some Kshs 30 billion annually on the average are needed for routine and periodic maintenance alone as compared with the Kshs 20 billion annually on the average 2010-2014 available for all maintenance purposes incl. some rehabilitation, cf. I.8.3.1 below.

Road Act by being actively involved in the preparations and follow-up on the stakeholder conference in May 2005. In addition EU has funded the important Scott Wilson Study from 2004. EU also funded a study on axle loads in 2006[192], and provided institutional support (2006-2008); and important recommendations from the Axle Load Study were incorporated in the 2007 Road Act, according the 2012 Evaluation.

In line with the optimistic expectations in the CSP 2003-2007, the JAOR of 2006 reports of good progress in the road sector reform processes, including the formulation of new policies, new legislative acts and the Road Sector Investment Plan (RSIP).The work on RSIP continued after 2008 when the new institutions were established and new policies were prepared. However, as indicated in the JAORs and EAMRs, the momentum for operational policy changes appears to have almost stopped by 2008, in the wake of the national crisis. Following this, new important institutional reforms had to wait until the consequences of the new Constitution began to unravel, as mentioned in I.8.1.1.

After 2008 when the recruitment of the staff for the new road authorities began, the involvement of EU (and the WB) in the institutional reform process declined. The key role played by EU at the early stages of the RSIP work was taken over by the WB. It is reported that there was a growing level of scepticism within EU in relation to the institutional reform process. The main reason for this was a growing feeling in EU that the whole process was being donor driven and that there was a lack of local ownership, cf. I.1.1.3.There was also scepticism in relation to the RSIP because of the serious mismatch between the original expectations of EU and the actual outcome, cf. I.8.1.1. In addition, the GoK and DPs did not agree on the issue of recruitment of staff for the new agencies whether this should be based on secondment or not, see I.8.2.2. Furthermore, the start of the envisaged interventions under the CSP 2008-2013 were delayed with more than two years[193]. Accordingly, EU's possibilities for influencing the continued institutional reform process declined after 2008.

The EU also played a leading role in the initial steps of the formulation of a RSIP in 2006, but the process dragged on and the leading role was taken over by the World Bank. It was not until 2012 that a RISP actually was approved by GoK. The new RISP was far from the ambition of EU of being a flexible, rolling plan to be currently used in connection with the formulation of the national budget. Instead it was a profound analysis of the present and future situation and needs of the roads sector. It is reported that there was also growing scepticism in the EUD in relation to the RSIP because of EU expectations being let down.

Nevertheless there were instances of EU taking the lead in more interactive stakeholder processes as witnessed by the identification fiche of June 2009 regarding the preparation for the RIMT. The involvement of EU in the preparations for and implementation of the institutional reform was appreciated by the GoK, the WB, and also by the other active donor representative in the administrative and political process leading up to the Road Act and its implementation, see EQ2. The contribution by EU in the support to the rural road projects over the years has also been appreciated by GoK.

[192] Steward Scott International, June 2006: "Axle Load Best Option Study".

[193] In addition, it is reported that the involvement of EU in the Kenyan road sector towards the end of the evaluation period was negatively affected by the uncertainty as to the future involvement EU in the sector.

Findings related to JC8.1: Sector policies have improved and operational and investment plans have been prepared and implemented as a result of EU support

The GoK has considered transport infrastructure to be a key priority for a long period of time as reflected in the PRSP of 2000, the ERS of 2003 and Vision 2030 elaborated in 2007. Initially, there was more emphasis in the overall policy documents on well-maintained physical infrastructure applying labour-based methods (i.e. the Roads 2000 Strategy for rural roads), whilst later there was more emphasis on interconnectivity not only within the country, but also within the region. The first Medium Term Plan (MTP) related to the planned implementation of Vision 2030 focuses on some important flagship projects including: 1) a new multi-modal transport corridor from the port of Lamu to Northern Kenya, Southern Sudan and Ethiopia; 2) reduction of the accumulated maintenance backlog; and 3) accelerated implementation of the Roads 2000 Strategy.

The EU played an important role in the formulation of the seminal Sessional Paper No 5 of 2006 on the development and Management of the Road Sub-Sector for Sustainable Economic Growth and in formulation of the Roads Act of 2007.This was done in part by financing important background studies, including the Scott Wilson report and providing needed TA, and in part by playing an active and leading donor role together with the World Bank in the preparations and formulation of these documents.

In the Sessional paper and the Road Act the principles are spelled out, which until recently, when the consequences of the new Constitution began to unravel, have been guiding the reform process of the Kenyan road sector. Such principles are, including the framework for the future organising of the sector, principles for sustainable road maintenance, regular formulation of a 5-year Road Sector Investment Plan (RSIP) and use of the Roads 2000 Strategy for all road works on the low volume network.

The momentum for operational policy changes appears to have almost stopped by 2008 in the wake of the national crisis; and in 2009 only a single ministerial policy paper related to the transport sector is published dealing with the need for an integrated transport policy. After 2008 in the wake of the national crisis and when the recruitment of the staff for the new road authorities began, the involvement of EU (and the WB) in the institutional reform process declined. Within the EU there was a growing feeling of the institutional reform process being donor driven and lack of local ownership. This resulted in delays of more than three years in the implementation of the 10th EDF CSP programme, including an important TA programme.

The EU also played a leading role in the initial steps of the formulation of a RSIP in 2006, but the process dragged on and the leading role was taken over by the World Bank. It was not until 2012 that a RISP actually was approved by GoK. The new RSIP was far from the ambition of EU of being a flexible, rolling plan to be currently used in connection with the formulation of the national budget.

The usefulness of the RSIP in its present version is more as an overview document providing insight into the situation of the Kenyan road sector, by linking Vision 2030 with the realities of the day of the Kenyan road sector, by serving as guidance in the daily prioritisation of activities, by placing strategy plans of individual authorities more clearly in relation to the national context, or by serving as basis for a systematic prioritisation of road works. However, at interviews during the fieldtrip it has been argued that there are important limitations on this kind of practical use of the present version of RISP. This has included views that the RISP is unable to handle erratic fire-fighting needs e.g. due to natural disasters or to political pressure.

So, in 2008 and 2009 EU's possibilities actively to support the ongoing implementation of the policy reforms were seriously weakened, as compared with the situation before the 2007 Road Act. Nevertheless there were instances of EU taking the lead in a more interactive stakeholder processes as witnessed by the identification fiche of June 2009 regarding the preparation for the RIMT.

A13.3 Judgement criterion 8.2

EQ 8 To what extent did the EU support provided to the transport sector contribute to better road network management and in particular to road maintenance?
JC8.2 New independent institutions contribute to a better functioning sector as a result of EU support
I.8.2.1 Clear division of labour between Ministries and independent authorities such as the Roads Agencies to ensure good network and traffic management.
1.8.2.2 Evidence that the EU contributed to the establishment and effective functioning of new independent roads institutions.

Detailed evidence: I.8.2.1 Clear division of labour between Ministries and independent authorities such as the Roads Agencies to ensure good network and traffic management

Prior to 2007 the main institutions in the roads sector according to the Scott-Wilson Study were:

- Ministry of Transport and Communications, responsible for the formulation of the national transport policy and oversight of some institutions such as the National Roads Safety Council, the Transport Licensing Board, etc.;
- Ministry of Roads, Public Works and Housing (MoRPWH), responsible both for policy formulation, and for maintenance and development of the classified part of road network, the enforcement of axle load control and oversight of various roads agencies and institutions;
- The unclassified part of the road network including the urban road network, under a mixed responsibility of MoRPWH and 71 District Roads Committees; and
- The Kenya Roads Board, established in 1999, responsible for the coordination of the development and maintenance of the road network and the administration of the Road Maintenance Levy Fund.

The KRB was the best-resourced organisation in the road sector, according to the Scott-Wilson Study, both in terms of financial and human resources. However, due to unclear separation of responsibilities between the client organisation KRB and the supplier of services Roads Department under MRWPH, the KRB did not function as effectively as it should. Despite good skill levels of many Roads Department staff, lack of accountability, low salaries and poor management structures meant that the Roads Department did not fully realise its staff potential.

The passage[194] of the Kenya Roads Act in 2007 provided the legal basis for much more clear separation of functions by:

[194] Cf. Alanet, January 2011: "10th EDF Transport Sector Institutional Capacity Building and Formulation Component. Final Capacity Needs Assessment Report".

- Focusing policy and regulation in the new Ministry of Roads (MoR), which was established in 2007 as an element in the new reform on the basis of the Roads Department in the former Ministry of Roads, Public Works and Housing;
- Clear separation of KRB as client organisation from the road authorities and improved allocation of maintenance funds at macro-level. This was achieved by increasing the proportion of RMLF-funds earmarked for urban roads from 8% to 15%; and
- The creation of three autonomous road authorities (KeNHA, KeRRA and KURA), de-linked from their parent ministry, with clear mandates to manage the development and maintenance of Kenya's different road network assets. Their mandate included ownership to the road network and responsibility, as well as commercialised management. They were to be overseen by an independent board consisting of representatives of road users and stakeholders, with the majority being from the private sector.

The main aim of the institutional reforms was to ensure sustainability of the roads network through well planned and implemented road maintenance according to the principles formulated in the Sessional Paper No 5 of 2006.

The reform provided the KRB with a more adequate and well defined institutional framework for dividing the funds among the road agencies and ensuring value for money. The 2011 Capacity Assessment Report describes the KRB again as well-established and only in need of limited capacity building support. However, the same Capacity assessment report indicates that a number of problems were not properly dealt with. The new institutional set-up represented a clear mandating of management functions with a new MoR assuming full responsibility for policy formulation and overall monitoring and guidance. However, the new ministry had lost most of its capacity for implementation (which is no longer within its mandate) and did not have the opportunity to recruit the staff required for its new mandate.

The mandate of the three new road authorities included[195] ownership to the road network, responsibility and commercialised management. However, the ownership situation in relation to the road network continued to be unclear according to the 2012 Evaluation of NCRP Phase I and II. KeNHA had got a quite clear mandate to manage its share of the road network, i.e. A, B and C roads, see below. However, for the unclassified roads (under KURA and KeRRA), which had been developed by a wide range of organisations as well as local authorities, the ownership situation remained rather unclear. In addition the mandates of especially KURA and KeRRA continued to be mixed up with legal responsibilities of MoLG and Ministry of Nairobi Metropolitan Development. This is in line with our findings at our visit to the Meru Region, according to them it is very much up to the regional manager to ensure a reasonable prioritization of road works. An additional problem is the fact that KURA is not legally recognised by the local authorities.

There is no doubt regarding the strategic and operational ownership of the GoK on the construction and rehabilitation of trunk roads. However, the ROM reports point at ownership issues regarding the proposed NCRP components on capacity building to support institutional reforms. In fact, the capacity building component was replaced by procurement of test equipment. Also the interviews pointed at a high level of ownership at national level for the major technical interventions such as support to the rehabilitation and construction of roads, but a lower level of ownership for the institutional reforms, see Annex 6, I.1.1.3.

[195] See Ministry of Roads and Kenya Roads Board, May 2011: "Road Sector Investment Plan 2010-2024", p. 8.

Furthermore, the 2011 capacity assessment report found that there had been no promotion of the business-oriented culture of the new road authorities. Most staff in the new road authorities had been transferred from the Roads Department in the old Ministry and deployed on the basis of secondments. This was particularly the case for the technical (core mandate) staff. The report concludes that the desired commercial culture had not been established, and that the imported civil service culture still reigns in most road authorities. However both KeNHA and KURA had started various staff training programs to alleviate the situation.

The consequences of the old civil service culture within the road sector have been analyzed in various studies and reports. In 2007 the Kenya Anti-Corruption Commission[196] found the following systemic weaknesses and loopholes that allow corrupt practices to thrive in the roads sub-sector:

- Poor communication of policies and procedures within the whole project cycle;
- Breaches in the procurement procedures and stores management;
- Malpractices in the axle load control;
- Weak regulatory framework;
- Low capacity levels of local contracting companies;
- Poor project management practices;
- Inadequate designs prior to tendering of works; and
- Shortage of skilled technical staff to undertake the assignments.

In line with this list of malpractices the old service culture, according to the Scott Wilson Study[197] comprises the following key elements:

- *Fraud/corruption:* Lack of transparency and suspicions of corrupt practices. Malpractices in the axle load control;
- *Management of RMLF funds:* Over-commitment of available funding, e.g. contracts were awarded in excess of the budgetary availability leading to contractors not being paid in a timely manner;
- *Prioritisation:* Much maintenance work being done on both the paved and unpaved network is actually more akin to reconstruction/-rehabilitation than normal maintenance. Lack of guidelines for assigning priorities on to particular roads of particular types of works; and
- *Implementation of road works:* Supervision arrangements are weak and result in delays, cost overruns and poor quality work. A culture of awarding successive variation orders for additional works, often on roads not included in the original contract, is thriving in the Roads Department.

Regarding the first parameter on corruption/fraud in Scott-Wilson's list of main malpractices a recent WB report[198] stresses the importance of actions leading to improved transparency through publication of accounts and improved accountability due to regular audits. It is reported that KRB still considers overpricing as a problem, e.g. due to illegal collusion.

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196 Kenya Anti-Corruption Commission, 2007: Examination Report into the Systems, Policies, Procedures, and Practices of the Roads Sub-Sector. Here quoted on the basis of World Bank, July 2011: "Diagnostics on Governance and Political Constraint for Kenya Country Assistance Strategy. Infrastructure. Updated draft version (Roads and Ports)", pp. 27-28.

197 Scott Wilson, 2004: Transport Sector Policy and Roads Sub-Sector Policy and Strategy.

198 World Bank, July 2011: "Diagnostics on Governance and Political Constraint for Kenya Country Assistance Strategy. Infrastructure. Updated draft version (Roads and Ports)".

Regarding the second parameter on the administration of the RMLF funds the situation has improved recently according to another WB report, especially because of the limiting of disbursements from the RMLF to projects with approved budgets[199].

The third parameter prioritisation of maintenance works is still a serious problem according to several different sources, see I.8.3.1 and I.8.3.2.

Finally regarding the fourth parameter on the implementation of road works it is reported in the 2012 Evaluation and in the audit of the Sultan Hamid – Mtito Andei road project[200] that the implementation of the two finished EU road projects on the Northern Corridor were haunted by a wide range of problems quite similar to those identified by the Scott Wilson Study for road maintenance works, cf. JC9.1. Similarly, many operational weaknesses were identified in the new road authorities at about 2009-10 in the 2011 Capacity assessment authority. Together these findings indicate that the starting position of the new road authorities regarding implementation of road works was roughly similar to the situation described in the Scott Wilson Study.

Therefore, the major setback appeared to be that the new road authorities continued to be largely managed and directed as civil service organizations and were not geared up for *result based performance* or risk taking, cf. the 2011 capacity assessment report. In the capacity assessment report it is further argued, that the reforms depend on the assumption that a risk/reward approach will encourage staff to perform better through better terms and conditions of service but limited life performance contracts. The 2011 Capacity Assessment report provides scattered evidence on the change in corporate culture after the reforms. The main progress reported in the recent inception report from the EU[201] is that the alignment of the administration and management systems is largely complete. However, it is proposed that the TA should largely cover the same areas as those suggested in the 2011 Capacity Assessment Report. This is an indication that the managerial situation has not changed fundamentally.

The issue of result based performance soon became the focal point for a lot of attention by EU. The EAMR of 2008 indicated that the appointment of three new Road Authorities had raised expectations regarding performance and increased efficiencies in the sector. However, transparent and merit-based recruitment is crucial to realise these improvements. In the June 2009 Identification Fiche signs of doubts are formulated: The definition and allocation of professional staff as suggested in the Interim Management Report (i.e. on secondment) seems unbalanced in relation to what is needed to implement the road sector policy. Furthermore, internal documents such as the EAMR of 2010, but also interviews indicate that the expectations were not fulfilled. Content and scope of financial and managerial responsibilities granted to new Roads Authorities are considered to remain unclear, with managerial culture inherited from government. This appears to point at lack of clarity regarding the division of labour, but also at underlying issues related to the management culture. In other project related reports such as ROM reports, reference is made to the necessary change of ‘mind-set’ regarding maintenance in the newly established structures. However, it is not yet apparent that this change of mind-set is underway.

[199] World Bank: Appraisal Report (60.005-KE of March 29, 2011).
[200] See Deloite, November 2007: ”Draft Audit of the Sultan Hamid – MtitoAndei Road Project”.
[201] Mott MacDonald, May 2013: “Institutional Capacity Building to the Road Sector in Kenya. Inception Report”.

The new Constitution, which became effective after the 2013 elections, will also affect the mandate of KeRRA and KURA as the responsibilities for road maintenance will be with the counties. These changes are beyond the evaluation period, but the uncertainty created by this situation came up in interviews during the field visit.

Detailed evidence: I.8.2.2 Evidence that the EU contributed to the establishment and effective functioning of new independent roads institutions

The evidence presented in the previous JC shows that the EU together with the WB played important and active roles in the formulation of the seminal Sessional Paper No 5 of 2006, cf. JC 8.1. It is less clear from the available data to which extent EU also facilitated the specific organizational set up of the new road authorities, especially because this took place in 2008 after the post-election violence. An evidence of this is the quote under the previous indicator from the Identification Fiche of June 2009 on the disagreement on staff recruitment issues between the EU and GoK.

Within the EU there was a growing level of scepticism and a feeling that the policy and institutional reforms primarily were donor driven, in relation to the institutional reform process in general and in terms of improved management by the three new road authorities in particular. A similar sceptical attitude is not reported in relation to KRB.

After 2008, the EU gradually formulated more precise conditionalities in various project documents. In most cases, the assumptions in the Identification Fiche from June 2009 on the RIMT under EDF 10 are formulated as direct and clear demands to the supported beneficiaries, while the focus on complementarity and the issue of reciprocity, which was typical in the older FA assumptions for NCRP Phase I-III, has disappeared.

For example, in the June 2009 Identification Fiche it is stated as clear assumptions that KeNHA will carry out a needed staff training program and that the new road authorities should demonstrate ownership of the agreed capacity building action framework, while the assumptions in the Financing Agreement of April/May 2002 are rather general and related to the overall objective for the program. A clear and sharp conditionality is formulated in JAOR 2009 in connection with outlining the need and possibilities for continued EU support to the transport sector: “However under the explicit condition that the Road authorities are up and running and facilitated to exert their mandate”.

EU’s involvement in rural roads transport –via STABEX funds on which hardly any information is made available to the evaluation team- is highly appreciated according to interviews with the GoK. The EU support is said to have played an important role in strengthening the use of labour based road work technologies and support to local contractors, especially in connection with the implementation of the EU Stabex Roads 2000 Rural Roads Rehabilitation programme. However, the team has not been able to collect any detailed evaluations, monitoring reports or similar on this project.

Findings related to JC8.2: New independent institutions contribute to a better functioning sector as a result of EU support

The Roads Act of 2007 reformed the Ministry of Roads by separating policy formulation from the execution of works, which was transferred to the three new autonomous and independently managed road managing agencies. The main aim of the institutional reforms was to ensure sustainability of the roads network through well planned and implemented road maintenance. With this change KRB was provided with a more adequate institutional framework which enabled it to split the funds among the managing institutions and to ensure value for money. The EU contributed actively to the formulation of the policy and institutional reforms. However, when the institutional reforms were implemented from the year of the crisis 2008 onwards, the involvement of the EU and of other donors became less active, as was already showed in relation to JC8.1 as well.

According to the Scott Wilson Study[202] the old service culture comprises the following key elements:

- *Fraud/corruption:* Lack of transparency and suspicions of corrupt practices;
- *Management of RMLF funds:* Over-commitment of available funding, e.g. contracts were awarded in excess of the budgetary availability;
- *Prioritisation:* Much maintenance work being done on both the paved and unpaved network is actually more akin to reconstruction/-rehabilitation than normal maintenance; and
- *Implementation of road works:* Supervision arrangements are weak and result in delays, cost overruns and poor quality work.

The implementation of the institutional reforms was problematic. Whereas, the road authorities were set-up, recruitment remained problematic. In fact, the staff was seconded from the Roads department in the old Ministry to the new roads authorities. Therefore, the intended change of organisational culture did not take place. According to the capacity assessment report of 2011 a number of problems were not properly dealt with e.g. related to insufficient staffing skills of MoR, unclear ownership situation and a mixing up of the mandates of KURA and KeRRA with the legal responsibilities of MoLG.

The information available on how the service culture actually developed after 2008 reveals the following pattern:

- The fight against corruption and fraud; and financial management of road works showed progress due to actions taken by KRB;
- However, there was only little progress regarding the prioritisation of maintenance works according to several different sources;
- In addition, there was only limited progress regarding the implementation of road works as reported by JICA, which has supported the Kenyan road authorities on technical and administrative issues for about 10 years.

The issue of a performance based management soon attracted the attention of the EU. The issue was mentioned in a number of EAMRs, ROMs and identification fiches. For example, the EAMR of 2010 indicates that the expectations regarding the reform are not fulfilled: “Content and scope of financial and managerial responsibilities granted to new Roads Authorities remain unclear, with managerial culture inherited from government”.

In the 2011 Capacity Assessment Report the KRB is described as well-established and only in need of limited capacity building support, while the three new road authorities still have not achieved the objectives of the sub-sector reforms. Within the EU there was gradually a growing level of scepticism and the feeling that the policy and institutional reforms were primarily donor driven. Accordingly, the EU formulated over time more precise conditionalities in various project documents. For example, a clear and sharp conditionality is formulated in JAOR 2009 in connection with outlining the need and possibilities for

[202] Scott Wilson, 2004: Transport Sector Policy and Roads Sub-Sector Policy and Strategy.

continued EU support to the transport sector: "However under the explicit condition that the Road authorities are up and running and facilitated to exert their mandate".

The managerial situation at the district level was particularly difficult because there was no clear-cut division of responsibilities between the various institutions involved as a consequence of the 2007 Road Act. The strong local political interference also contributed to the difficult problems, and it was very much up to the regional managers of KeRRA to ensure a reasonable prioritization, especially by ensuring that the available resources were not spread too thinly out. It is also likely that the situation might vary considerably from one region to the other depending of the individual competences of the regional engineer. The new Constitution, which was approved in 2010 and became effective after the 2013 elections, especially affects the mandate of both KeRRA and KURA as the responsibilities for road maintenance will be with the counties. These changes are beyond the evaluation period, but the uncertainty created by this situation came up in interviews during the field visit.

A13.4 Judgement criterion 8.3

EQ 8 To what extent did the EU support provided to the transport sector contribute to better road network management and in particular to road maintenance?
JC8.3 Road maintenance has improved as a result of EU support
I.8.3.1 Availability of sufficient funding for road maintenance.
I.8.3.2 Improved road condition by class/and district road.
I.8.3.3 Average actual unit costs for maintenance are decreasing.
I.8.3.4 Accumulated road maintenance backlog is declining.
I.8.3.5 Recognition by the GoK, independent roads institutions and other donors that the EU contributed to improved road maintenance.

Detailed evidence: I.8.3.1 Availability of sufficient funding for road maintenance

The road sector is funded by three main sources:

- by the KRB and in particular the Road maintenance fuel levy (RMLF);
- by support from the development partners;
- and by contributions from the national budget of GoK. In recent years each main source provider has covered approximately a third of the total funding, as shown in the table below.

The contribution by the KRB/RMLF is determined in the 2007 Road Act. In the Road act it is determined that 40% should be spent on road works under KeNHA, 32% on roads under KeRRA, 15% on roads under KURA while 10% to be administered by MoR.[203] The resources KRB are earmarked road maintenance, incl. routine and periodic maintenance and rehabilitation. Maximum 10% of the funds from KRB might be spent on road development.

[203] Of the remaining 3% KRB is allowed to keep 2% for administrative purposes and 1% is earmarked Kenya Wildlife Service.

Table A.13.1 **Funding of the Roads Sector (Kshs. Billion)**

Funding Source	2006/07		2008/09		2009/10		2011/12[1)]
	Appr. Budget	Act. Exp.	Appr. Budget	Act. Exp	Appr. Budget	Act. Exp.	Appr. Budget
KRB (incl. RMLF)[2)]	15.8	9.7	19.0	20.6	20.0	21.0	22.2
Development Partners	10.4	9.5	21.9	15.6	24.9	14.5	25.0
Government of Kenya	19.8	9.1	20.4	15.7	25.5	22.1	30.2
TOTAL	**46.0**	**29.1**	**62.3**	**51.9**	**70.4**	**57.6**	**77.4**

Source: *Approved budget*: Mott MacDonald, May 2013: "Institutional Capacity Building to the Transport/Road Sector in Kenya". Inception Report. *Actual expenditure*: Ministry of Finance: Physical Infrastructure MTEF Report 2010/11-2010/13 and 2011/12-2013/14.

Notes: 1) The figures for 2011/12 are estimates; **2)** The funding provided by KRB in addition to RMLF comprises Transit Tolls and the Agricultural Cess, but the RMLF is by far the largest.

Both approved budget figures and figures for actual expenditure are shown in Table A13.1. The actual expenditure level especially for Development Partners and GoK may deviate considerably from the approved budget, while normally there is only limited deviance for the contribution of KRB. However the budgetary performance may change considerably from one year to the other. For example, in FY 2009/10 the actual expenditure level for DPs was Kshs14.5 Billion, i.e. only about 60% of the approved budget, while the budgetary performance was 90% in FY 2006/07. For GoK the situation was almost the opposite with a good budgetary performance in FY 2009/10 and a poor performance in 2006/07. Both showed a poor budgetary performance in FY 2008/09. This should probably be seen in connection with the national crisis in 2008.

Since FY 2006/07 the Levy rate has been 9 Kshs per litre of fuel. Most of the funds from the central budget and the development partners are spent on maintenance, but in the form of larger road investment projects e.g. for road rehabilitation or reconstruction. A considerable part of the funding from the central budget is used as counterpart funding on donor supported projects.

Rehabilitation projects, which per km are about three times as expensive as periodic maintenance, are considered as a maintenance intervention in a wider sense of the term, in accordance with Kenyan standards. Only upgrading or capacity enlarging projects, which are even more expensive, are considered as development interventions.

In the following we will ask whether the annual allocation from the Road Fund would be sufficient in up-keeping the existing road condition. Thereby, for the part of the road network in maintainable condition, i.e. the part of the road network being at least in fair condition, we will from the outset focus on routine and periodic road maintenance works. From an efficiency point of view rehabilitation works should be limited to a frequency determined by the planned lifespan of the road network. For the non-maintainable part of the road network a minimum maintenance option could be to prevent further decay under the heading of "holding maintenance", which is an extended form for routine maintenance.

The funding for maintenance has grown considerably in the period covered by the evaluation, and the share of GDP being spent on road maintenance has gradually been growing from about 0.7% in 2003 to about 0.85% in 2011[204]. Despite this there is no uniform assessment of the funding situation in the various studies carried out by the various stakeholders.

The question has been thoroughly analysed in the various versions of the of the road sector investment plans. In the two early versions the answer is in the affirmative. In the Parsons Brinkerhoff study, cf. vol. 3, annex 5, it is calculated that the costs of maintaining the whole network of road classes A, B and C in 2007,including the non-maintainable portions at the then prevailing road condition, i.e. on the basis of "holding maintenance", would be in the order of Kshs 6 billion, provided the maintenance interventions were efficiently carried out. According to Table A13.1 above there should be some Kshs 6.3 billion available, i.e. 40% of Kshs 15.77 billion, so that should be sufficient. Therefore, we are on the safe side. However, according to the 2011 version of RSIP some Kshs 30 billion in the first five year period of the plan period from 2010 on the average are needed annually on the average for routine and periodic maintenance alone for all road categories including the unclassified road network,. This should be compared with the Kshs 20 billion available for maintenance purposes incl. rehabilitation for all roads in 2010 according to the table above. It is not clear whether some allowance for "holding" maintenance" is included in the Kshs 30 billion of the 2011 or somewhere else. In any case the available amount is insufficient, however.

According to table A13.2 based on data from KRB more than 50% of the maintenance funds provided by KRB for maintenance for the national trunk roads (i.e. A, B and C roads) were used on rehabilitation works in the period covered by the table, i.e. 2003/04-2007/08. For the whole road network the proportion might be somewhat lower, maybe about 40%. These findings are in line with the findings in the Scott Wilson Study. Unfortunately there seems to be a risk for some periodic maintenance being included. In any case there is no information on the development after 2008, i.e. after the three new road authorities became operational. So, the information available on the development after 2008 comprises some soft data from the interviews carried out by the team.

Table A.13.2 Rehabilitation share of maintenance works for trunk roads (Road classes A, B and C) (Kshs. Billion)

	2003/04	2004/05	2005/06	2007/07	2007/08
Bridging programme, resealing, re-carpeting	1.12	1.53	0.82	1.25	5.37
Other rehabilitation	1.24	1.59	2.49	4.20	0.56
Total rehabilitation	**2.36**	**3.12**	**3.31**	**5.45**	**5.93**
Total KRB allocation	**4.79**	**5.38**	**5.72**	**8.60**	**11.37**
Rehabilitation share	49%	58%	58%	63%	52%

Source: Information from KRB.

All studies agree that if 40% or more of the maintenance funding from KRB is spent on rehabilitation projects then there would be a clear funding deficit for maintenance purposes. Along this line it is in the Identification Fiche for the Sector Policy Support Programme of June 2009 strongly argued that the existing funding from KRB would be sufficient, provided it were spent in an efficient way. This point of view is supported by e.g. KRB and EU, while the WB disagrees together with KeNHA.

[204] In terms of actual maintenance work carried out the increase might have been even larger since there are indications that the level of fraud and corruption has declined in the period, cf. World Bank, July 2011: "Diagnostics on Governance and Political Constraint for Kenya Country Assistance Strategy. Infrastructure. Updated draft version (Roads and Ports)".

Thereby at the interviews with representatives of the WB, EU and KRB it was repeatedly stated that there is too little focus on elementary maintenance, but rather excessive focus on expensive rehabilitation. Representatives from KeNHA have acknowledged that the rehabilitation proportion might be as high as 50%. However in the interviews it was not clear whether that should be considered as a positive or negative situation.

In line with the traditional service culture described above KeNHA reports that a simple prioritisation system on maintenance works is based on the following three criteria: 1) Roughness; 2) Regional balance; and 3) Connectedness, i.e. connections between various roads and road types. No economic justification is provided, except the common sense of the road engineers involved. It does not handle the important dilemma between spreading out the available resources evenly versus a presumably more concentrated spreading based on economic justification[205].

So all in all it appears that only limited change has happened since 2004 and that the statement in the Scott-Wilson Study that much maintenance work being done on both the paved and unpaved network is actually more akin to reconstruction/-rehabilitation than to routine and periodic maintenance" is still valid to a large extent ten years later. A general change in the attitude towards prioritization might be underway, however, especially in the wake of the intensive and lengthy work on the RSIP.

Detailed Evidence related to I.8.3.2: Improved maintenance condition by class/and district road

Two global visual road condition surveys are available describing the development of the road condition of the road network in the last ten years as presented in the Parsons Brinkerhoff Consortium study from 2006 and the RSIP report from May 2011. These two surveys were carried out in 2003-04 and 2009 respectively[206]. It is reported that considerable effort is being made for establishing a more elaborate and adequate databank of road condition information. The specific information on the Northern Corridor, which is provided by KeNHA, allows describing the development in the road condition of the NC. The Evaluation Team has not succeeded in obtaining information on the development in the road condition for the unclassified road network, incl. urban road network.[207]

The team has compared the proportion of the length of the road network in good, fair and poor condition from around 2000/2002 as presented in the Scott Wilson Study with the figures from around 2003/2004 as presented in the Parsons Brinkerhoff Study. The figures show that there has been a lot of improvement in the period for all road categories, but the figures presented in the Scott Wilson Study are unfortunately also characterised as being most uncertain.

Only rough information is available on the development of the maintenance condition of the road network in the last ten years. However, considerable effort is being made for establishing a more elaborate and adequate databank of information. The two main sources used in the

[205] See op.cit.

[206] The visual condition survey operates normally with three categories: **Good** (Good condition or recently constructed), **Fair** (Requires rehabilitation/minor maintenance of rehabilitation works) and **Poor** (Potholed, block cracks, rutting, edge breaks/Reconstruction required). In the international IRI standard **Good** for paved roads may roughly be translated to (0-3.5), **Fair** to (3.5-6.0) and **Poor** to (6.0 or higher).

[207] The team understands that the systematic road sector condition survey carried out at about 2003 was limited to the classified road network. So the information available the condition of the unclassified road network at about 2003 and the following years is sporadic and incomplete.

following are the Parsons Brinkerhoff Consortium study from 2006 and the RSIP report from May 2011, cf. above. The information in these two reports is based on two visual road condition surveys carried out in 2003-04 and 2009 respectively[208] and is summarised in the following table. The information on the Northern Corridor is based on the information from KeNHA, while the information about road class A apart from the Northern is calculated as a residual. Therefore these figures are less reliable.

Table A.13.3 Road Condition for different road categories (in %)

Road Class	Road Length (Km)	Good		Fair		Poor		Total
		2004/05	2009	2004/05	2009	2004/05	2009	
Paved roads	8769							
A	2772	52	61	35	28	14	11	100/100
NC	901	30	35	23	42	46	23	100/100
A apart from NC	1871	62	73	33	22	5	5	100/100
B and C	4182	43	43	44	44	13	13	100/100
D and E	1815	29	31	39	40	33	29	100/100
Unpaved roads	42690							
A	816	6	6	58	51	36	44	100/100
B and C	6320	22	23	53	53	25	24	100/100
D and E	35554	13	14	50	52	37	34	100/100

Source: RSIP 2010-2024 for 2009 and Parker Brinkerhoff Consortium for 2004/05. KeNHA for the Northern Corridor.

When making a similar comparison for 2003/2004 and 2009, i.e. *before* the three new road authorities could be fully operational, a different picture emerges:

- The condition of the paved sections of the international road network (Road class A) has been improved in the period, and is also in a clearly better shape than any other paved road segments;
- The condition of the road sections composing the Northern Corridor (NC is part of Road class A), which all are paved. These sections have been improved in the period on the average, and especially by reducing the proportion of the network being in poor condition;
- For Road classes D and E there were a limited but systematic tendency to improvement, while the period for Road classes B and C was one of stagnation; and
- Finally there was some decline in the condition of the unpaved and rather small unpaved part of Road class A.

Only for the NC the available data allow to cover the whole evaluation period as shown in Table A13.4. So the period from 2009 to 2012 is a period of considerable progress, even though most of the progress appears already to have happened from 2009 to 2010.

[208] The visual condition survey operates normally with three categories: Good (Good condition or recently constructed), Fair (Requires rehabilitation/minor maintenance of rehabilitation works) and Poor (Potholed, block cracks, rutting, edge breaks/Reconstruction required). In the international IRI standard Good for paved roads may roughly be translated to (0-3.5), Fair to (3.5-6.0) and Poor to (6.0 or higher).

Table A.13.4 Development in Road Condition of the Northern Corridor

Condition	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Good	30	30	30	38	38	35	52	52	46	46
Fair	23	37	37	62	42	42	18	18	38	37
Poor	46	32	32	0	20	23	30	30	16	17
Total	99	99	99	100	100	100	100	100	100	100

Source: KeNHA.

As the table shows the road condition has improved considerably in the period, primarily because massive investments have been carried out. However, a closer analysis of the road condition data for the Northern Corridor indicates that improved maintenance may also have contributed to the improved condition of the NC road network since 2004 as well.

In spite of clear improvements in 2010, the condition of the NC road network was in the years after 2009 persistently below the road condition level for all other paved sections of the international trunk roads in 2009. Of these roads as much as 73% of the network was in good condition and only 5% in poor condition. The road condition for the NC was also for the whole period below the 2004 level for all other paved international trunk roads.

There are also reports on the need for rehabilitation/reconstruction before the expiry of the planned lifespan. KeNHA has reported that the two operational road sections on the NC financed by EU are being rehabilitated too early compared with the planned life span of about 15 years or more. In theory, a number of factors may have contributed to this situation such as sub-standard design and construction, truck overloading and insufficient maintenance.

In practice, the final design and construction of the EU NC road sections were up to standard, according to the 2012 evaluation. Therefore, sub-standard design and construction cannot be considered to have contributed to the premature decay of the NC road network. The 2012 Evaluation found that the development in general surface roughness was consistent with planned life, but the increasing problems were considered to be related to rutting due to slow moving heavy traffic. This decay pattern of the road surface is consistent with serious overloading, which has a serious impact on road expectancy and maintenance costs. Therefore, an extra allocation of funds especially for periodic maintenance would be needed to keep the road condition of the Northern Corridor up to standard in comparison to the rest of the paved sections of the international trunk roads (Road class A). However, interviews with KeNHA indicated that there was no such extra allocation of maintenance funds for the Northern Corridor to catch up with these extra maintenance needs, at least not in 2013.

Actually there is evidence of insufficient routine and periodic maintenance for some sections on the Northern Corridor. According to various ROM monitoring reports routine and periodic maintenance has regularly been lacking on the EU financed road projects on the Northern Corridor, and proper plans on routine and periodic maintenance have regularly been missing. In addition it is reported that the EU at least at one occasion has made a formal complaint to GoK on the issue. In combination this is a strong indication that routine and especially periodic maintenance of the Northern Corridor has been insufficient.

The team has not succeeded in collecting corresponding road condition data concerning the urban network. However the RSIP report indicates that the urban network is not properly maintained either: "Thereby, according to the report the average roughness of the paved sections of the urban network (measured according to the so-called IRI-scale) is significantly higher than that of the paved sections of the national road network. Accordingly, it seems as if the urban road network still is considerably under-financed in spite the proportion of RMLF-funds earmarked for urban roads was increased from 8% to 15% in the 2007 Road Act".

Detailed evidence: I.8.3.3 Average actual unit costs for maintenance are decreasing

Unit cost calculation for various categories of maintenance works can be found in the RSIP reports and studies already mentioned as well as elsewhere. These scattered data have so far not been combined to establish reasonably reliable time series for various types of roads for the period covered by the evaluation. Furthermore, JICA is considering the establishment of such time series.

Detailed evidence: I.8.3.4 Accumulated road maintenance backlog is falling

Backlog maintenance is delayed maintenance, which accumulates over time when current maintenance in the form of routine and periodic maintenance and regular rehabilitation is insufficient. However rehabilitation can also serve another function. It can be used to reduce an already accumulated maintenance backlog. The term is connected with the important issue of how stable the maintenance situation might be. In line with the EU response strategy as defined in the CSPs we can look at the backlog situation at two levels: 1) Is the combined funding sufficient to catch up with the needs? And 2) is the funding provided by KRB alone sufficient to catch up with the current maintenance needs?

In I.8.3.1 we dealt with the second question by looking at the marginal funding situation. In the following we will look at both questions. We are looking directly at how the backlog maintenance might have developed. According to the last version of RSIP 2010-2024 the total accumulated maintenance backlog for the Kenyan road network amounted to about Kshs 132 billion in 2010, of which Kshs. 95 billion were related to the paved section of the network managed by KeNHA[209]. Unfortunately there is no direct calculation in the Parsons Brinkerhoff study, but a rough idea of the backlog situation in 2006 for the paved roads under KeNHA can be obtained by accumulating the annual expenditure for rehabilitation and reconstruction in the period 2006-2010[210]. According to this the accumulated backlog for the paved part of the road network under KeNHA should amount to about Kshs 75 billion in 2006 prices by 2006, i.e. some Kshs 20 billion lower than the backlog in 2010 in current prices.

However, in constant prices the situation looks different. The four year period 2006-2010 was a period of considerable inflation in Kenya. This might have had an impact on the maintenance backlog. According to the consumer price index the inflation was in the order of 10% per year. In 2006 prices the backlog in 2010 should rather be in the order of 65 billion, i.e. some Kshs 10 billion lower than the backlog according to Parsons Brinkerhoff.

Considering that the donors in the period on average have spent more than Kshs 20 billion per year on road projects in Kenya of which most has been spent on rehabilitation projects in the Northern Corridor, this finding suggests that the funding provided by the KRB has not been sufficient to catch up with the current maintenance needs for the road network under KeNHA. Furthermore, it is in line with the prevailing position in KeNHA, that the road maintenance backlog has increased due to further degradation of the road network by ongoing traffic, bad weather conditions, inflation and insufficiency of funding.

[209] Cf. op.cit p. 46.
[210] Cf. Op. cit Vol. 3, annex 5.

Detailed evidence: I.8.3.5 Recognition by the GoK, independent roads institutions and other donors that the EU contributed to improved road maintenance

The relevant JAORs, the Identification Fiche from June 2009 and the interviews with the EU staff members involved show indirectly that EU's interventions after 2008 aiming at strengthening the road maintenance performance mainly were integrated in the efforts to strengthen the performance of the relevant institutions. This was done for example by strengthening and/or accelerating the planned TA to key road sector institutions, or by formulating specific demands. For example, the conditionality in JAOR 2009 that the road authorities are up and running according to the mandate is also relevant in relation to roads maintenance, since their mandate includes road maintenance.

There is only limited evidence on interventions directly focusing on road maintenance, including a letter written by the EUD to the Ministry of Roads on the poor maintenance performance regarding the Northern Corridor.

EU's involvement in rural roads transport is highly appreciated according to interviews with the GoK. EU support is said to have played an important role in strengthening the use of labour based road work technologies and support to local contractors, especially in connection with the implementation of the EU Stabex Roads 2000 Rural Roads Rehabilitation programme. This programme involved the rehabilitation of 900 km of gravel roads in 5 regions. However, limited factual information is available because reporting on Stabex funded projects is quite limited.

Findings related to: JC8.3: Road maintenance has improved as a result of EU support

The available survey data, based on visual inspections of the classified road network, suggest the following main elements in the development in the road network conditions from about 2000 until 2009:

- 2000-2004 was a period of considerable improvement for all road classes. The available survey data are less certain for the following years;
- The condition of the paved sections of the international trunk road network (Road class A) has improved from 2000 till 2009, and this network is also in a clearly better shape than any other paved road segments;
- The condition of the road sections comprising the Northern Corridor which are all paved, has improved during this period, especially by reducing the proportion of the network being in poor condition. Unfortunately, it is still in a poorer condition than the paved sections on the other international road network (Road class A);
- For Road classes D and E, now under KeRRA, the available survey data show a limited but systematic tendency of improvement;
- For Road classes B and C now under KeNHA together with Road class A there was stagnation in the maintenance situation from 2000 till 2009. There was some decline in the condition of the unpaved and rather small unpaved part of Road class A; and
- Maintenance on the urban road network might still be seriously under-financed.

The road sector is funded by three main sources, viz. by the KRB/RMLF, by support from the development partners, and by contributions from the national budget of GoK. Each have contributed approximately a third of the total funding, amounting to some Kshs 50-60 billion.

Various studies indicate that the available funding for road maintenance should have been sufficient for adequate road maintenance. This should have led to a clear decline in the accumulated maintenance backlog. A rough comparison of the findings in the Parsons

Brinkerhoff study from 2006 and the last version of the RISP indicates that there actually has been a limited decline in constant prices in the accumulated maintenance backlog in the period, but only amounting to a fraction of the substantial donor support in the period. At the same time the two documents present contradictory evidence as to whether the funding provided by KRB actually does cover the current maintenance needs or not. According to the RSIP, the funding from KRB should be increased with as much as 50% before a proper balance might be reached, while the calculations from the Parsons Brinkerhoff study indicate that the funding provided by KRB should be sufficient to uphold the present road condition level provided the funds were spent in an efficient way. EU and KRB share this way of thinking, while the WB and KeNHA are more in line with the RISP version, meaning that additional resources are necessary in any case.

So, even though the funding for maintenance has grown considerably in the period covered by the evaluation, and the share of GDP being spent on road maintenance has been gradually growing from about 0.7% in 2003 to about 0.85% in 2011[211], there is no uniform assessment of the funding situation for maintenance purposes.

However, there is more agreement on the problems related to the performance of the road authorities, including on prioritisation. Thereby, at the interviews, including those with WB it was repeatedly stated that in there is too little focus on elementary maintenance, and a rather excessive focus on expensive rehabilitation. Some statistical data provided by KRB indicate that the rehabilitation proportion might indeed be as high as 40%-50%. For KeNHA it might be even higher, implying that the maintenance funding actually is used in an inefficient way. KeNHA acknowledges that the rehabilitation proportion might be as high as 50%. However in the interviews it was not clear whether that should be considered as a positive or negative situation.

In line with the traditional service culture described above, see I.8.2.2, it is reported that a simple prioritization system on maintenance works is used by KeNHA based on the following three criteria: 1) Roughness; 2) Regional balance; and 3) Connectedness. No explicit economic justification is included in the system.

In conclusion, a combination of factors signal that the current maintenance of the Northern Corridor has been insufficient, including evidence of insufficient maintenance on some locations, the need for rehabilitation/reconstruction of at least some sections within the corridor before the planned lifespan of 15 years had expired, and the relatively poor conditions of the road surface compared with the rest of the paved part of the international roads (Rest of paved part of Road class A), even though the Northern Corridor has received massive donor support. Even though it is difficult to see how this situation might be justified on the basis of an economic justification criterion, it might very well be justified on the basis of the three criteria just listed.

Finally, the EU's interventions after 2008 aiming at strengthening the road maintenance performance were mainly focused on strengthening the performance of the responsible institutions. The EU provided TA for this purpose, gave it attention in the policy dialogue, made it a conditionality in projects and wrote at least one letter to the MoR complaining about the insufficient maintenance on the NC.

[211] In terms of actual maintenance work carried out the increase might have been even larger since there are indications that the level fraud and corruption has declined in the period, cf. World Bank, July 2011: "Diagnostics on Governance and Political Constraint for Kenya Country Assistance Strategy. Infrastructure. Updated draft version (Roads and Ports).

Annex 14 EQ9: Economic transport improvements

The ninth evaluation question is:

To what extent did the EU support provided to the transport sector contribute to more intra- and interregional commerce?

A14.1 Introduction

The portfolio analysis showed that the largest share of commitments and expenditures of the 9th and 10th EDF CSP went to the rehabilitation of three major inter-regional roads with the aim to strengthen regional economic integration. This was mainly done through a series of consecutive fundings of the rehabilitation of the Northern Corridor.

The suitability of the focus on trunk roads is analysed as part of EQ1 (JC1.4). There is an on-going debate whether rehabilitation of major roads should be funded by grants or whether other feasible alternatives are available. This debate is also of particular importance for the 11th EDF in Kenya. Therefore, this EQ focuses on the efficiency of EU funding to regional roads and also on the specific impact of the EU support to the construction and rehabilitation of trunk roads in combination with the support to capacity building of the road sector institutions and the sector policy dialogue.

As EQ8 dealt with the improved road network management (in particular road maintenance), we concentrate this EQ –in line with the Reconstructed Intervention Logic – on reduction in travel time and travel costs, increased transport volume and the linkages to improved intra- and interregional commerce.

A14.2 Judgement criterion 9.1

EQ 9 To what extent did the EU support the transport sector contribute to more intra- and interregional commerce?
JC 9.1 The investments <u>in trunk roads financed with EU grants have contributed to better intra- and interregional connections,</u> in a cost efficient way
I.9.1.1 The inter-regional roads have been well planned and costed for, including an analysis of socio-economic consequences.
I.9.1.2 Road investment plans financed with EU support are being implemented according to plans.
I.9.1.3 Evidence that rehabilitation would not have taken place if no grant funding would have been available.
I.9.1.4 Evidence on cost-effectiveness of EU funding such as unit costs for the works that compare favourably with unit costs realised elsewhere.

Detailed evidence: I.9.1.1 The inter-regional roads have been well planned and costed for, including an analysis of socio-economic consequences

In the period covered by the evaluation four major road projects located on international transport corridors have been supported by EU. Three are situated on the Northern Corridor, viz. (1) the Sultan Hamud-Mtito-Andei project, (2) the Mai Mahiu-Naivasha-Lanet project, and (3) the Malaba-Eldoret-Tiborora project – later reduced to the Malaba-Eldoret project. One project is situated on the corridor connecting Nairobi with Ethiopia, viz. (4) the Merille-Marsabit project. Of these projects, (1) and (2) are completed, while the construction work on (3) is ongoing and on (4) has just started.

Table A14.1 contains a summary of the key comments in the various ROM monitoring reports on the planning processes. As far as the team has been informed no ROM report has dealt with the last project, the Merille-Marsabit road project. As a consequence, other sources are used for this road project.

Table A.14.1 Overview of trunk road planning issues from ROM reports[1) 2)]

Sultan Hamud-Mtito-Andei (1)	Mai Mahiu-Lanet (2)	Malaba-Eldoret (3)	Merille-Marsabit (4)
Poor original design from 1998. Rushed redesign in Feb. 2001 (R4). Need for new construction strategy (R7). Poor design, lack of good pavement study. No contingency plan (R9).	Substantial road deterioration after the original design was made in 1999 (R7). Only slight changes in redesign. Weak design and road study. Reallocation of funds towards construction (R9)	Weak redesign in 2008/09. There should have been reconstruction rather than rehabilitation (R12).	Comprehensive audit [212] proposed a number of changes in the tender documents.

Note: 1) There is no information in the ROM reports on planning issues prior to the original design. 2) "R4" means ROM monitoring report from 2004 etc.

The construction work for all three projects on the Northern Corridor was in the beginning based on a redesign made a couple of years after the original design had been made. In all three cases the redesign was of poor quality and did not sufficiently take into account that the road had further deteriorated since the original design was made. Therefore, reconstruction rather than rehabilitation was needed when the construction work actually started. The redesign was made under considerable time pressure at least for the first two projects (1) and (2). As a consequence, the EU supported evaluation of the NCRP I&II[213] concluded that there had been a failure in the pre-project design both for the two projects covered by the evaluation, viz. the Sultan Hamud project (1) and the Mai Mahiu-Lanet project (2).

The situation for the last project, the Merille-Marsabit project (4) is different from the other projects. The construction work has only just started and the available documentation and in particular the evaluation carried out on the design and tender documents [214] shows that the planning process so far has been carried out in a careful and comprehensive way.

212 Alanet, Dec. 2011. "Audit of works design and tender documents. Final report".
213 Grontmij, June 2012: "Evaluation of the Northern Corridor Rehabilitation Programme Phase I & II. Final Report".
214 Cf. Op. cit.

There have been increased costs for the trunk roads. For example, when the actual construction works started on the Malaba-Eldoret project (3) the project costs were calculated to be 118% higher than when the identification fiche was prepared. The team has not been able to collect quantified information on the increases in project costs for the Sultan Hamud project (1) and the Mai Mahiu project (2) for the time from the identification to the start of construction works. However, available ROM reports indicate that there were considerable increases in project costs for these two projects in this period. This implies that there have been large increases in the calculated (or actual[215]) costs during the whole period from identification to completion. For the Merille-Marsabit project (4), there only has been very limited cost increases so far for.

Only planning documents for the Malaba-Eldoret (3) and the Merille-Marsabit (4) road projects were available to the team. These documents, consisting of identification studies and /or fiches, formulation studies, and the Financing Agreement show that socio-economic aspects were hardly taken into account. Concerning the Sultan Hamud-Mtito-Andei (1) project the monitoring ROM report from 2004 mentions that no socio-economic evaluation was carried out for a 39 km long diversion between the existing road and the new road, despite evidence that this affected a lot of people.

Detailed evidence: I.9.1.2 Road investment plans financed with EU support are being implemented according to planning

All four projects have experienced considerable delays as shown in table A14.2.

Table A.14.2 Expected or actual delays in starting and technical completion of trunk road projects

<table>
<tr><th rowspan="2">Reporting time:</th><th colspan="2">Sultan Hamud-Mtito-Andei (1)</th><th colspan="2">Mai Mahiu-Lanet (2)</th><th colspan="2">Malaba-Eldoret (3)</th><th colspan="2">MerilleMarsabit (4)</th></tr>
<tr><th>Start</th><th>Compl.</th><th>Start</th><th>Compl.</th><th>Start</th><th>Compl.</th><th>Start</th><th>Compl.</th></tr>
<tr><td>Identification/-planning</td><td>Dec. 2002[6)]</td><td>Oct. 2004[6)]</td><td>Dec. 2003[2)]</td><td>July 2008[2)]</td><td>March 2007[3)]</td><td>March 2008[2)]</td><td>Jan. 2009[3)]</td><td>Jan. 2010[3)]</td></tr>
<tr><td>Actual start</td><td rowspan="2">April 2003[1)]</td><td>Sept. 2005[6)]</td><td rowspan="2">March 2005[1)]</td><td>…</td><td rowspan="2">March. 2007[2)]</td><td>Sept. 2012[.2)]</td><td rowspan="2">2012[5)]</td><td>2013[3)]</td></tr>
<tr><td>Technical Completion</td><td>Jan. 2006[1)]</td><td>July 2008[1)]</td><td>Dec. 2015[2)]</td><td></td></tr>
</table>

Sources: 1) Evaluation of the NCRP Phase I & II; **2)** Various ROM Reports; **3)** Various Identification Fiches; **4)** Various Financing Agreements; **5)** Tender documents; 6) Deloitte, November 2007: Draft Audit.[2)]

All projects with the exception of the Malaba-Eldoret project (3) have experienced delays from the start. This project was stopped some time in 2010 due to excessive cost increases and was then restarted with a new contractor in March 2011. All delays occurred between the completion of the original design and until the redesign was made. For the Merille-Marsabit (4) project the reason for the delay was related to the general standstill that occurred in the wake of the post-elections disturbances in 2008.

The reason for the delay in the start of the Sultan Hamud project (1) was a last moment cancellation of the procurement process, because some confidential information regarding the tendering process had been leaked[216].The process was restarted under serious time pressure

[215] Depending of the time of observation.
[216] See Deloitte, November 2007: Draft Audit.

resulting in a redesign of poor quality, further delays and cost increases. According to various ROM monitoring reports the same happened for the other Northern Corridor projects.

The Sultan Hamud project (1) and the Mai Mahiu project (2) experienced a similar chain of events. An accelerated and efficient construction process made it possible to reduce the original delay considerably. The Malaba-Eldoret project (3) also faced delays.

Detailed evidence: I.9.1.3 Evidence that rehabilitation would not have taken place if no grant funding would have been available

It is clear from the data available, that there is a shifting pattern in Kenya in the funding of trunk roads in the direction of increasing the share of loans. In 2003/04[217] at least five donors were supporting road investment projects on the trunk road network, which were at least to some extent financed by grants, including Badea, JICA, KfW, ADF and the EU. Five years later in 2009 only Badea and EU were financing road projects on the Kenyan truck.

In 2009[218] The donors committed approximately € 870 million for on-going road projects on national and especially international trunk roads in Kenya. This amount consisted of approximately € 700 million in loans, with a mix of concessional and commercial loans from WB, AfDB and China. The remaining € 170 million consisted mainly of grants. Badea would provide € 20 million in combination of grants and loans and the EU the remaining € 150 million in grants. This makes the EU the by far largest grant providing donor to trunk roads in Kenya.

Accordingly at the LAPSSET corridor program where 900 km of road works presently are planned or on-going, the EU is the only grant providing participant and most of the road works on this corridor are financed through loans by the WB and AfDB[219].

The shift in Kenya is in accordance with a general pattern in Sub-Saharan Africa in the funding of trunk roads: Grant funding is decreasing and the loans component is increasing. Furthermore, the economic feasibility of these projects favours another funding modality (see I.9.1.4). At the time of the formulation of the 9th and 10th EDF CSP the situation was different and less loans were available.

For the highly feasible road projects on the NC, cf. below, it appears that loans even on commercial conditions would be a reasonable option, whereas loans on commercial conditions hardly would be a realistic option for the Merille-Marsabit project.

There is no counterfactual for the situation in 2006-2009, but recent information on funding patterns indicates that loan funding for trunk roads can be found and there is no evidence that grant funding is needed. However, despite the clear change in the dominating funding modalities, it is reported that the GoK is still interested in receiving grants for trunk roads.

217 Scott Wilson, 2004: Transport Sector Policy and Roads Sub-Sector Policy and Strategy.
218 Cf. annex II to the financing agreement for 10th EDF.
219 Quarterly Report No. 1 of July 2013 on the “Progress of the Implementation of Lamu Port – South Sudan – Ethiopia Transport (LAPSSET) Corridor Project” by the Board of LAPSSET Corridor Development Authority.

Detailed evidence: I.9.1.4 Evidence on cost-effectiveness of EU funding such as unit costs for the works that compare favourably with unit costs realised elsewhere.

According to the 2012 Evaluation of NCRP Phase I and II, the two completed main road projects with EU support on the Northern Corridor show a very high rate of return[220]. The appraisal was done with the internationally well-known HDM-4 model based on a number of assumptions in line with the GoK approved RSIP 2010-2024 report in 2012. The high EIRR is in line with the result in the RSIP report as well, where the EIRR for half of the appraised projects on the international road network had an EIRR at 40% annually or more. An EIRR of this size implies that these projects – even if they turn out to be unexpectedly costly to build – remain cost-effective.

For the Merille-Marsabit project (4), the EIRR is much lower, and might even be negative. The importance of this project is that it is expected to open the region, including connections to other countries. According to the final identification report from 2011 the EIRR is calculated to be negative (EIRR= -3.3%). However, a later calculation shows an EIRR as high as 10.2%.[221]

another calculation shows an EIRR of 10.2%[222] mainly because of more optimistic expectations regarding projected traffic.

The variation reflects the fact that the EIRR calculation for the Merille-Marsabit project is based on relatively uncertain planning figures. According to the Identification Fiche of June 2009 it is important to note that the low if not negative return of the Merille-Marsabit project (4) mainly is due to the existing low traffic volumes. The team has not been able to get an EIRR calculation for the whole corridor from Nairobi to the border and further North to Addis Ababa. However, for comparison it is mentioned that the EIRR for the whole road section from LAMU to Lokichar towards Southern Sudan is calculated to 12.9% by the LAPSSET Corridor Development Authority. Finally, it should be noticed that the bituminized section of the corridor on the Ethiopian side of the border appears to be in very poor shape[223].

All these considerations point in the direction that the Merille-Marsabit (4) project from the point of view of cost effectiveness is much more vulnerable than the highly feasible projects on the Northern Corridor.

Nevertheless, the project according to the Identification Fiche of June 2009 was considered to be of top strategic importance to both Kenya and Ethiopia, as well as the Eastern Horn of Africa because of important “non-measurable benefits of indeterminate magnitude”, including regional integration (The link constitutes the last remaining link on this corridor between Ethiopia and Kenya), trade facilitation (Upgrading the road will provide land-locked Ethiopia with an alternative outlet to the sea), support to the tourism sector (The road passes through an area of high tourism potential), improved physical access and security (The current physical access is very poor to the trouble-prone border region in general and the Northern Kenya in particular), and reduction of poverty and achievements of MDGs.

220 Grontmij, June 2012: Evaluation of the NCRP Phase I & II, Final Report.

221 Annex 2 of the Financial Agreement on the Regional Economic Integration by means of Transport Infrastructure, regional roads.

222 Annex 2 of the Financial Agreement on the Regional Economic Integration by means of Transport Infrastructure, regional roads.

223 The team learned at the interviews that AfDB is planning to rehabilitate 400 km of the corridor on the Ethiopian side of the border.

In the audit of the design and tender documents for the Merille-Marsabit road project (4), overall cost (before inflation) is estimated at € 92 million, i.e. € 760,000 /km. This is higher than the East African average for EU funded projects, which is around € 660,000 /km. The increase is partly due to the lack of cheap natural materials and the presence of unsuitable soil that needs to be treated. Furthermore, the remoteness of the project and limited availability of water for the construction also contribute to relatively high construction costs. Based on the calculations in the evaluation of NCRP Phase I and II similar unit costs for the Sultan Hamud-Mtito-Andei project (1) and the Mai Mahiu-Lanet (2) project can be calculated to € 640,000 /km and € 900,000 /km respectively.

Findings related to JC9.1: The investments in trunk roads financed with EU grants have contributed to better intra- and interregional connections, in a cost efficient way

Available data show that for all three roads redesign was carried out a couple of years after the original design had been made because the start of the construction work had dragged on. In all three cases the redesign was of poor quality. Increase in costs is among others due to inflation and a further deterioration of the road conditions. Furthermore, the redesign did not take into consideration that reconstruction rather than rehabilitation would be needed when the construction work actually did start. In line with this evidence the EU supported evaluation of the NCRP concluded that there had been a failure in the preliminary design for the two projects covered, viz. the Sultan Hamud project (1) and Mai Mahiu-Lanet project (2).

The available information shows that there have been large increases in the calculated (or actual) completion costs during the whole period from identification to completion. In comparison there have only been very limited cost increases so far on the Merille-Marsabit project (4).

Furthermore, the documents related to the formal financing agreement regarding the Merille-Marsabit road project (4), indicate that the socio-economic considerations were visible and clear. In the corresponding documents for the Malaba-Eldoret road project (3) such socio-economic considerations were almost invisible. In addition, no socio economic evaluation was carried out as part of the Sultan Hamud-Mtito Andei project (1) of a 39 km long diversion of the new road from the existing road in spite of it affecting a lot of people. Furthermore, it is regularly reported that there is an unmet need for ensuring local and social acceptance of the new road.

The projects have experienced delays. The Malaba-Eldoret project was planned to be re-tendered before the works started, but this was re-tender was cancelled and the project started with the original contractor. The reason for the further delays of the Sultan Hamud project (1) was a last moment cancellation of the ongoing procurement process. However the process was restarted under serious time pressure resulting in a redesign of poor quality, which in turn resulted in further delays and cost increases. A similar course of action took place for the other two EU supported projects on the Northern Corridor, according to various ROM monitoring reports.

For the Sultan Hamud project (1) and the Mai Mahiu project (2) the next steps were quite similar to each other as well: An accelerated and efficient construction process made it possible to reduce the original delay considerably. The consequence for the Malaba-Eldoret project (3) was as mentioned the collapse and a new restart.

There is a shifting pattern in funding of trunk roads in the direction of increasing the share of loans. In 2003/04 at least five donors were supporting road investment projects on the trunk road network, which were at least to some extent financed by grants, including Badea, JICA, KfW, ADF and the EU. In 2009 the donors committed approximately € 870 million for on-going road projects on national and especially international trunk roads in Kenya. This amount consisted of approximately € 700 million in loans, with a mix of concessional and commercial loans from WB, AfDB and China. The remaining € 170 million consisted mainly of grants of which EU provided € 150 million in grants. This makes the EU the by far largest grant providing donor to trunk roads in Kenya.

The shift in Kenya is in accordance with a general pattern in Sub-Saharan Africa in the funding of trunk roads: Grant funding is decreasing and the loans component is increasing. It should be realised, however, that at the time of the formulation of the 9th and 10th EDF CSP the situation was different and less loans were available.

In a wider socio economic perspective the two finished main road projects with EU support on the Northern Corridor are socially and economically feasible with an EIRR at 40% annually or more. Obviously an EIRR of this size implies that these projects, even if they turned out to be more expensive to construct, that the additional EU funding have been spent in a cost-effective way.

From the point of view of cost-effectiveness, the Merille-Marsabit project (4) is in a much more vulnerable position than the highly feasible projects on the Northern Corridor.
Nevertheless, the project according to the Identification Fiche of June 2009 was considered to be of top strategic importance to both Kenya and Ethiopia, as well as the Eastern Horn of Africa because of important "non-measurable benefits of indeterminate magnitude", including regional integration, trade facilitation, support to the tourism sector, improved physical access and security, and reduction of poverty and achievements of MDGs. Even though based on relatively uncertain planning data it appears that the calculated the EIRR of the Merille-Marsabit project is much lower, and might even be negative. The uncertainty is reflected in the size of the EIRR which originally was calculated as low -3.3%[224], but was later revised to be 10.2%[225] mainly because of more optimistic expectations regarding projected traffic volume. For comparison it is mentioned that the LAPSSET Corridor Development Authority has calculated an EIRR at 12.9%[226] for the whole road section from Lamu to Lokichar towards Southern Sudan. A similar EIRR calculation for the whole section from Lamu to Moyale at the border with Ethiopia via Isiolo appears not to have been carried out.

For the highly feasible road projects on the NC, it appears that loans even on commercial conditions would be a reasonable option. Loans on commercial conditions hardly would be a realistic option for the Merille-Marsabit project, but for this road loans on a concessional basis have been secured from ADB.

In the audit of the design and tender documents for the Merille-Marsabit road project (4), overall cost (before inflation) is estimated at € 92 million, i.e. € 760,000 /km. This is higher than the East African average for EU funded projects, which is around € 660,000 /km. Based

[224] COWI, February 2009: "Identification Study for 10th EDF to Transport Infrastructure". Final Report, Vol. 1.
[225] Annex 2 of the Financial Agreement on the Regional Economic Integration by means of Transport Infrastructure, regional roads.
[226] Quarterly Report No. 1 of July 2013 on the "Progress of the Implementation of Lamu Port – South Sudan – Ethiopia Transport (LAPSSET) Corridor Project" by the Board of LAPSSET Corridor Development Authority.

on the calculations in the evaluation of NCRP Phase I and II similar unit costs for the Sultan Hamud-Mtito-Andei project (1) and the Mai Mahiu-Lanet (2) project can be calculated to € 640,000 /km and € 900,000 /km respectively.

A14.3 Judgement criterion 9.2

EQ 9 To what extent did the EU support to the transport sector contribute to more intra- and interregional commerce?
JC9.2 Travel time and costs have been reduced as a result of EU support to the trunk roads.
I.9.2.1 Reduced travel time.
I.9.2.2 Reduced travel costs.
I.9.2.3 Recognition by stakeholders and beneficiaries that the EU support to the trunk roads contributed to these changes.

Detailed evidence: I.9.2.1 Reduced travel time

Table A14.3 shows that the improvements in the road condition and other improvements on the Northern Corridor, have had a significant effect in terms of reduced travel times. Furthermore, the average annual growth rate for car traffic on the corridor has been about 4.5%. In practice, the travel time between Mombasa and Nairobi has been considerably reduced since 1998 from about 48 hours to half that time, as the average velocity has doubled.

However, the speed is still almost unbelievably slow compared with Europe. The reason for this situation is described in numerous books and articles, and is to be found in the frequent stops and delays especially in traffic jams, weigh stations, border crossings and police check points along the route. The general travel time situation for road traffic by truck in East Africa is described in a recent WB study[227]: “Widespread delays occur in ports, at border crossings, queuing, and numerous police and axle load controls. Actually, the average effective velocity of road freight in East Africa is around 8 miles per hour, no faster than a horse and buggy.”

Table A.14.3 Travel Times by Truck on main road sections

		1998		2011	
Route	**Distance**	**Time**	**Velocity**	**Time**	**Velocity**
Mombasa-Nairobi	492km	48 hours	10km/h	18-30 hours	16-27km/h
Nairobi-Kisumu	350km	24 hours	14-15 km/h	8-12 hours	29-44km/h
Mombasa-Kampala	700km	72-96 hours	8-10km/h	48-72 hours	10-15km/h

Source: Grontmij, June 2012: Evaluation of the NCRP Phase I & II, Final Report.

And as we can see in table A14.3, the travel speed on all road sections has improved considerably. This result is in line with other findings mentioned in the NRCP evaluation report. However, when taking into consideration the effect of the unfinished EU (and AfDB) financed road project(s) near the Kenyan/Ugandan border, it is likely that the EU support will have a clear effect on the travel time between Nairobi and Kampala.

When considering cargo movements via Mombasa Port, the travel times are even much longer than indicated in the table. According to a comprehensive series of recent diagnostic studies

[227] Rupa Ranganathan and Vivian Foster, 2011: “East Africa’s Infrastructure: A Continental Perspective”, World Bank.

of the two main transport corridors in East Africa[228], it takes on average about nine days for a container to pass through the port and another 1-2 days to cross a border. For import to Kenya it takes another seven days on average to pass through the inland container depot situated near Nairobi. These studies also describe the difficult situation with regard to delays and unreliability for the long distance heavy trucks plying on the NC highway.

All these hindrances which affect trade in a negative way are so-called Non-Tariff Barriers (NTBs). The EAC has formulated a time bound program to eliminate these NTBs.[229] The transport related NTBs include the following: corruption along the corridors (police roadblocks, weighbridge and border gates); police road block along the corridors are estimated at 36 between Mombasa and Kigali; and lack of harmonized import/export documentation procedures.

Accordingly and in line with the findings of diagnostic study, the reasons for this difficult situation according are partly infrastructure related and partly related to a number of institutional and administrative issues, of which some do not belong to the road sector.

The WB and JICA have carried out ambitious corridor support programs covering a broad array of these issues. Thereby JICA's NC program involves the whole chain of transport infrastructure, connecting the ports of Kenya and Tanzania with landlocked countries. The approach also includes support to border crossing regulations, customs clearance, etc., such as one stop border posts. In addition, Japan is working on harmonising the regulatory framework for axle load regulation[230].

The issue of maximal axle load has throughout the evaluation period been an area of considerable interest by various donors including EU but only with little success, see e.g. the 2012 Evaluation, and the various overload interventions undertaken by GoK, often on the basis of donor advice, have mainly been functioning as NTBs. Other aspects connected to the daily performance of the Northern Corridor appear mainly to have been covered by EU as a part of the policy dialogue.

Detailed evidence: I.9.2.2 Reduced travel costs

Various studies show that costs associated with logistics in East Africa are high, and according to the above mentioned WB study they are actually, higher than in any other region in the world. Land locked countries are particularly hard hit by this situation. For example, it costs US$ 5,000 to transport a container from Mombasa to Bujumbura by road; compared to US$ 1,000 to transport the original container from Japan to Mombasa[231].

In an interesting book[232] Supee Terevaninthorn and Gael Lalaband argue that "Africa's actual transportation costs are not any higher than in any other developing country, but transportation prices are much higher due to high overheads. The difference is the set of informal payments and profits earned by the trucking companies. The statement questions the value of using too much energy to collect detailed information on transport prices, especially

[228] Nathan Associates Inc., April 2011:"The Corridor Diagnostic Study of the Northern and Central Corridors of East Africa." Action plan volume 2: Technical Papers C. Corridor Diagnostic Audit.
[229] World Bank, June 2012. Kenya Economic Update. Walking on a Tightrope".
[230] OECD, 2012: "Mapping Support for Africa's Infrastructure Investment"
[231] Op. cit.
[232] Supee Teravaninthorn, Gael Lalabant: Transport Prices and Costs in Africa: A Review of main International Corridors".

in the shorter run, if the purpose is to get a better understanding on how the transportation costs have been affected by the road projects supported by EU.

However, it also reported that the competition among international transporters on the Northern Corridor is stronger than average in Africa. This in combination with the fact that a share of the truck is owned by the users, including the cargo owners, indicate that transport cost savings eventually might be passed on to the transport users.

The transport costs have been studied in detail by the comprehensive Corridor Diagnostic Studies mentioned above. The total transport costs for moving a 20 feet container from Nairobi and Kampala, on board a ship in Mombasa Port and vice versa are shown in table A14.4 below. The important extra inventory costs (the cost of holding goods in stock) mentioned in the table are due to the considerable uncertainty on the duration of the transport, implying extra costs for inventory. They are supposed to be considerably higher for export than import, probably because of the risk of not getting on board the booked ship. These costs are especially related to Mombasa Port. Considerable extra costs are imposed on overseas imports to Kenya due to the demand that a container has to move to the inland container depot near Nairobi.

In addition, as a kind of sensitivity exercise the costs of moving a container between Kampala and Nairobi is shown in table A14.4, assuming that the container either has to move to the Inland Container Depot (ICD) in line with overseas import to Kenya or not. The duration of the passing through time of the depot varies considerably. To be on the safe side it is roughly assumed that the full costs for inventory are included in the ICD alternative. It is noticeable that the time variation (and the associated costs) on the road transport as such in these studies are considered to be relatively insignificant.

Table A.14.4 Composition of total transport costs for moving a 20 feet container by truck on selected routes for foreign trade related transports (%)

Costs Components	Nairobi-Mombasa Port		Kampala-Mombasa Port		Nairobi-Kampala	
	Export	Import	Export	Import	Min	Max
Port	12	14	8	10	0	0
Road	30	30	53	60	48	79
Inland Container Depot	0	16	0	0	13	0
Forwarding Agent	13	13	9	10	17	21
Extra inventory	45	27	30	20	22	0
Total	**100**	**100**	**100**	**100**	**100**	**100**

Source: Corridor Diagnostic Study. Vol. 2. C. Corridor Diagnostic Audit and own calculations.

Table A14.4 shows how the relative importance of the different cost components varies from one route to the other. Thereby, the road related costs, i.e. the Vehicle Operating Costs (VOCs), only count for about 30% of total transportation costs for trips between Nairobi and Mombasa Port, while they count for more than 50% for long distance transports between Mombasa and Kampala, and presumably even more on still longer routes.

For domestic transports, which are not delayed by border passing or by passing through the Mombasa port, the proportion might even be higher. Thereby for domestic transports between Mombasa and Nairobi it is reasonable to assume that the VOCs are equal to the VOCs for the foreign trade transports plying on the same distance, while the costs to forwarding agents and for extra inventory are lower. Most of the uncertainty in total transport time for foreign trade is related to the passing through time of the Mombasa Port and of the Inland Container Depot[233]. Accordingly for domestic transports it is simply assumed that the combined costs for the ICD and extra inventory are zero, while the forwarding costs only are half of the forwarding costs for foreign trade transports. For domestic transports between Nairobi and Mombasa this means that the share of road related costs, i.e. VOCs, to total transport costs is equal to about 80%. For Western Kenya the share of road related costs (VOCs) to total transport costs might be as high as 90%.

Detailed evidence: I.9.2.3 Recognition by stakeholders and beneficiaries that the EU support to the trunk roads contributed to these changes

In order to be able to say something more directly on how the three EU-supported projects on the Northern Corridor[234] may have impacted upon the total transport costs we need to formulate some more specific assumptions as to how the VOCs of the trucks plying on the roads are affected. According to the calculations in the 2012 Evaluation of NCRP Phase I and II the VOC were reduced with about 1/3 on both road sections, while time savings only were of limited importance. As a consequence the savings in the VOCs seem to be particularly connected with road condition improvements.

Assuming that the Malaba-Eldoret road project (3) is already completed, then the proportion of the roads improved by the three EU supported projects on the Northern Corridor for selected sections will be as shown below. Further, assuming that the proportion of VOCs of total transport costs for the different tours is as shown in table A14.4 above and that the VOC is reduced with 33%, then the impact of the three EU supported road projects on total transport costs for the various tours will be as shown in table A14.5 below. For example, the effect on total transport costs in the minimum alternative for transports between Nairobi and Kampala is calculated as follows: -(0.46 [proportion of total transport costs due to VOCs according to Table A 14.4] x 0.33 [Reduction in VOCs on improved road sections] x 0.33 [Proportion of distance improved according to Table A 14. 5]) = -0.050.

Accordingly, the transport costs especially is reduced for the trucks plying between Uganda and Kenya and for the trucks involved in the Ugandan foreign trade via the Port of Mombasa; and the savings in the transport costs might be as high as 5-8.5%. In addition the transport costs for the long distance domestic truck traffic on the Northern Corridor may also be significantly reduced. For domestic transports between Mombasa and Webuye the effect on total transport costs can similarly be calculated to about 7.5%[235].

233 See the Corridor Diagnostic Study. Vol 2 C Corridor Diagnostic Audit

234 The fourth EU-supported project, the Merille Marsabit project, is not included in these considerations, as it is not placed on the Northern Corridor.

235 Equal to 0.9 [Proportion of VOCs, see I.9.2.2 above] multiplied with 0.33 [Reduction in VOCs on improved road sections] multiplied with 0.26 [Proportion of distance improved by the Sultan Hamud-Mtito Andei and the Maai Mahui – Lanet Road projects].

Table A.14.5 Calculated reduction of total transport costs at selected tours due to the three EU projects on NC

	Nairobi-Mombasa			Kampala-Mombasa		Nairobi-Kampala	
	Export	Import	Domestic[2)]	Export	Import	Min	Max
Travel distance (km)	483			1173		671	
Prop. of distance improved[1)] (%)	27			30		33	
Effect on total transport costs (%)	-2.5	-2.5	-7.0	-5.0	-5.5	-5.0	-8.0

Note: 1) It is assumed that the Malaba-Eldoret road project already is finished. 2) Rough estimate based on the assumption that the VOCs constitute 80% of total transport costs.

Kenya has one of the worst road safety records in the world, and the two operational road sections on the NC improved by EU support is no exception, even though there was a clear tendency to a falling fatality rate per vehicle 2002/04 to 2005/06 at the national level according to Magolo and Mitullah[236].

For the same period data from the 2012 Evaluation indicate that the fatality rate on the two NC road sections actually may have increased, whereas there was a slight decline in the following years. The reason for the difficult safety situation on these two road sections was according to the 2012 Evaluation, in spite of the improved road standard as regards to the alignment and the road condition, that the improved road condition causes drivers to drive faster, which leads to a higher proportion of fatalities when an accident occurs, offsetting the reduction in accident rate.

Findings related to JC9.2: Travel time and costs have been reduced as a result of EU support to the trunk roads

Even though improvements in the road condition and other improvements on the Northern Corridor have had a significant effect on travel times, travel it is still almost unbelievably slow compared with Europe. So even though the travel time for a truck on a tour between Mombasa and Nairobi has been halved since 1998, it still takes about 24 hours. The reason for this situation is to be found in the frequent stops especially at traffic jams, weigh stations, border crossings and police check points continue to cause significant delays along the route.

For cargo movements via Mombasa Port the travel times are even much longer than indicated in the table. A container coming from abroad has to pass through Mombasa Port, and that might take as much as nine days as described in various studies. These studies also describe the difficult situation with regard to delays and unreliability for the long distance heavy trucks plying on the NC highway. All these big or small interferences, which inhibit trade and traffic in an unreasonable way, and are not directly tariff related examples of so-called Non-Tariff Barriers (NTBs). The NTBs are related to problematic issues such as corruption along the corridors (police roadblocks, weighbridges and border gates), numerous police roadblocks along the corridors, and the lack of harmonized import/export documentation procedures.

[236] Eric A. Magolo and Winnie V. Mitullah (2007): National Road Safety Conference. The Kenyan Experience". African Road Safety Conference 5-7 Febrary 2007.

Accordingly and in line with the findings of diagnostic study, the reasons for this difficult situation according are partly infrastructure related and partly related to a number of institutional and administrative issues, of which some do not belong to the road sector.
The WB and JICA have carried out ambitious corridor support programs covering a broad array of these issues.

The issue of maximal axle load has throughout the evaluation period been an area of considerable interest by various donors including EU but only with little success, see e.g. the 2012 Evaluation, and the various overload interventions undertaken by GoK, often on the basis of donor advice, have mainly been functioning as NTBs. Other aspects connected to the daily performance of the Northern Corridor appear mainly to have been covered by EU as a part of the policy dialogue.

Various studies show that costs associated with logistics in East Africa are high, and are actually, according to a WB study higher than in any other region in the world. The land locked countries are particularly hard hit by this situation. For example, it costs US$ 5,000 to transport a container from Mombasa to Bujumbura by road; compared to US$ 1,000 to transport the original container from Japan to Mombasa. These transport costs have been studied in detail by the comprehensive Corridor Diagnostic Studies. In addition to the VOC there are important extra cost related to Mombasa Port and for overseas transport due to the demand that a container has to move to the inland container depot near Nairobi. Other extra costs are connected with the considerable uncertainty of the duration of the transport.

The relative importance of the different cost components varies from one route to the other. Thereby, the road related costs, i.e., the Vehicle Operating Costs (VOCs), only count for about 30% of total transportation costs for trips between Nairobi and Mombasa Port, while they count for more than 50% for long distance transports routes between Mombasa and Kampala, and presumably even more for the longer routes.

Based on the findings in the diagnostic study, and assuming that the Malaba-Eldoret road project is already completed, and that the VOCs are reduced with 33% for trucks using the improved road sections[237], the impact of the three EU supported NC road projects on total transport costs for the various tours has been calculated for a 20 feet container. The calculation shows that as a result of the road improvement the transport costs especially have been reduced for the trucks plying between Uganda and Kenya and for the trucks involved in the Ugandan foreign trade via the Port of Mombasa; and that the savings in the transport costs might be as high as 5-8%. The transport costs for the long distance domestic truck traffic on the Northern Corridor may also be significantly reduced. Contrary to these positive developments, there has been almost no change as regards traffic safety.

A14.4 Judgement criterion 9.3

EQ 9 To what extent did the EU support to the transport sector contribute to more intra- and interregional commerce?
JC9.3 Inter-regional and intra-regional commerce via road transport has increased as a result of EU support
I.9.3.1 Increased traffic volume specified per category with a focus on cargo.

[237] This assumption is in accordance with the results in 2012 Evaluation of NCRP Phase I and II.

EQ 9 To what extent did the EU support to the transport sector contribute to more intra- and interregional commerce?
JC9.3 Inter-regional and intra-regional commerce via road transport has increased as a result of EU support
I.9.3.2 Evidence on increased inter-regional and intra-regional commerce.

Detailed evidence: I.9.3.1 Increased traffic volume specified per category with a focus on cargo

Due to information directly received from KeNHA it has only been possible to get an estimate of the development of the total traffic volume in the period, according to which the traffic has grown with 4.7% annually. However, this information is only of little help when trying to get an understanding of the impact of EU's assistance on trade related traffic. The information which has been collected from Mombasa Port does not help much either, cf. the corridor diagnostic study[238]. According to statistics from the Mombasa Port the volume of total foreign trade through the port has grown with 9.2% annually in the period 2002-2009, of which the domestic part related to Kenya has grown a little less (8.3%) and the transit part primarily related to Uganda somewhat more (12.2%). These figures are consistent with a positive impact of EU's assistance to Kenya, but the volume of trade and traffic is affected by many other factors. Accordingly, for the period 2006-2009 the picture is different from the total period with the transit related traffic growing slower than the domestically related traffic.

In addition, some information may be found in the 2012 Evaluation of NCRP Phase I and II. In connection with the evaluation, traffic counts were carried out in 2011 on three locations on the Northern Corridor East of Nairobi (near Sultan Hamud) and West of Nairobi (near Lake Naivasha). Similar counts were made in 1995/98. After a comparative assessment of the data from these counts, it is concluded that for heavy and articulated trucks the average daily traffic volume has grown 13% and 9% annually respectively during the 2002-2011 period. The growth rate based on the Eastern counting near Sultan Hamud is similar to the trade figures from Mombasa Port. Even though these figures indicate a positive impact of EU's assistance on traffic and trade, the data together with the other available data certainly constitute an insufficient basis for any firm conclusions. In addition, the Malaba-Eldoret project (3) is still on-going, so almost no impact on traffic and trade flows from this project can be expected, so far.

Detailed evidence: I.9.3.2 Evidence on increased inter-regional and intra-regional commerce

On the basis of the scattered amount of statistical data available, it seems as if a cross-sectional analysis might be our best option to get better insight into how the EU supported road projects on the Northern Corridor may have had an impact on traffic and trade patterns in the EAC region. And here we are on more firm ground because of comprehensive and ambitious studies on the performance of the Northern Corridor and especially the Corridor Diagnostic Studies of the Corridors of East Africa, where the impact of changed transport costs on trade flows has been estimated.[239]

[238] Nathan Associates Inc., April 2011:"The Corridor Diagnostic Study of the Northern and Central Corridors of East Africa." Action plan volume 2: Technical Papers C. Corridor Diagnostic Audit.

[239] See for example also: Javier Lopez Gozales and Xavier Cirera, November 2012: "A Review on the impact of transport of costs on trade flows", Trade Mark; and Supee Teravaninthorn, Gael Lalabant: Transport Prices and Costs in Africa: A Review of main International Corridors".

The table A14.6 below summarizes what we know of the trade pattern related to the Northern Corridor in Kenya and Uganda.

Table A.14.6 Estimates of Import and Export Tonnages (1000 Tons) in 2007

From/To	Port of Mombasa	Kenya Coast	Kenya Central	Kenya West	Uganda	Total
Port of Mombasa		2205	2869	4140	2972	**12186**
Kenya Coast	95		1076	4072	1083	**6326**
Kenya Central	462	1630		482	272	**2846**
Kenya West	1462	0	1728		45	**3235**
Uganda	316	64	110	150		**640**
Total	**2335**	**3899**	**5783**	**8844**	**4372**	**25233**

Source: Quoted from Table 2.2 in Corridor Diagnostic Study, Vol. 2. B. Trade and Traffic Forecast.

By combining Table A 14.6 with the calculations above on the reduction in transport costs, an estimate can be made of the effect on the trade volume of the three EU-funded Northern Corridor. For the 1.8 million tons of cargo involved in road transport between Kenya and Uganda the reduction in transport costs according to Table A 14.5 may vary between5.0 % and 8.5%, while the reduction for the 3.3 million tons of Uganda's foreign trade passing through Mombasa Port may vary between 5.0% and 6.0%. However. for the 11.2 million tons of Kenya's own overseas trade passing through Mombasa port the reduction only appears to be quite limited (2.5%). For most of the domestic transports the transport costs appear to be quite sensitive, even though the sensitivity may vary considerably for specific transports especially for the transports between the Central and the Western regions, because a number of alternative and usable route alternatives are available.

This means that out of the 25 million tons for Kenya's foreign trade included in Table A14.5 14 million tons will be quite sensitive. For these 14 million tons of cargo the average reduction in transport costs can then be calculated as a weighted average of the transport cost reductions for the identified five main transport groups by using the trade volumes as weight as weights. The global average is calculated to vary between 5.5% and 6.6%, even when it is unrealistically assumed that there is no cost reduction for the road transports between the Western and Central Regions.

In combination with the fact that a large share of the heavy commodity producing industry and trade is situated in the Nairobi and other important urban areas, this means that out of the 25 million tons of cargo included in the table, transport costs for 14 million tons will be affected positively with a reduction in the total transport costs of at least 5%.

To get a better understanding of the sensitivity of interregional and overseas trade along the Northern (and the Central Corridor through Tanzania) to changes in total transport costs as indicated in the table above, various elasticities have been calculated in the Corridor Diagnostic Studies[240]: 1) The elasticity of trade between countries in the East African Region; 2) the elasticity of overseas trade for landlocked countries, including Uganda; and 3) the elasticity of overseas trade of the coastal states, including Kenya. In the following these elasticities respectively are called e_1, e_2 and e_3.

[240] Nathan Associates Inc., April 2011:"The Corridor Diagnostic Study of the Northern and Central Corridors of East Africa." Action plan volume 2: Technical Papers B. Trade and Traffic Forecast.

Regional integration is a win-win strategy for growth and poverty reduction in East Africa according to the Kenya Economic Update from June 2012: "Kenya has a vibrant service industry and Nairobi is increasingly serving as a hub for global companies seeking to expand into Africa. Kenya is at the same time facing a structural food deficit, while Tanzania and Uganda produce a surplus, especially in maize. However, especially Kenya and Uganda may be over-regulating their trade through a wide range of Non-Tariff (Trade) Barriers (NTBs). The two countries may be limiting the trade in EAC in this way. In addition one would expect that these NTBs might have a clear negative effect on the overseas trade especially for the landlocked countries."

In line with this reasoning, the e_1 as calculated by the diagnostic studies [241] is numerically quite high (e_1 = -1.0). The impact of the three NC road projects on the volume of trade between Kenya and Uganda, which was equal to 1.8 million tons according to Table A 14.6, can then be found by multiplying the size of this elasticity with the calculated reduction in transport costs of 5% (or more). Thereby, the three NC road projects may with time have a positive impact on the trade volume between the two countries, which numerically is equal to the reduction in transport cost, i.e. at least 5%.

For Uganda's overseas trade the elasticity (e_2) calculated by the diagnostic studies is even higher numerically (e_2 = -1.9), implying a quite strong impact on Uganda's overseas trade of the improvement of the three EU supported roads with time[242], i.e. at least 10% of 3.3 million tons annually with time, while e_3 concerning Kenya's own overseas trade is calculated by the diagnostic studies as being relatively low numerically (e_3 = -0.8), implying a rather weak impact, i.e. 1.5% (= 0.8 x 2.5) of 11.2 million tons annually.

Obviously, these calculations should only be considered as rough approximations. However, they indicate with reasonable likelihood that the improvement of the three road sections on the Northern Corridor supported by EU indeed has had, and will have a significant impact of the overseas trade of Uganda and also on the trade between Kenya and Uganda. To which extent these results can be extended to the domestic trade within the various regions in Kenya is not known. But all in all the deliberations above indicate that the three EU financed road projects on the Northern Corridor might very well have had, and will have a noticeable impact on the national economy of Kenya.

Findings related to JC9.3: Inter-regional and intra-regional commerce via road transport has increased as a result of EU support

The Team has tried to get disaggregated data on the development of the traffic volume on the Northern Corridor, but only with limited success. In any case, there has been an impressive growth in the traffic with heavy trucks on the NC at about 9% annually or more according to the NC diagnostics study. Therefore, a cross-sectional analysis might be our best option to get better insight into how the EU supported road projects on the Northern Corridor may have impacted on traffic and trade patterns in the EAC region, primarily through reducing the transport costs.

In addition, a rough calculation indicates that the transport costs of most of the domestic trade between the various regions in Kenya would be influenced significantly. Furthermore, from

[241] See for example also Javier Lopez Gozales and Xavier Cirera, November 2012: "A Review of the impact of transport of costs on trade flows", Trade Mark, where similar result may be found.

[242] The calculation of the implied change in trade volume goes as follows: –(1.9 [size of e_2] x 0.05 [implied reduction in transport cost])% = -10%.

the calculations above we know that all trade with Uganda will be significantly affected as well, while Kenya's overseas trade will also be affected. All in all this means, that the total transport costs for 16 million tons of cargo (that is more than half of the total domestic and international trade volume) will be affected positively with a reduction in the total transport costs of at least 5%.

Regional integration is a win-win strategy for growth and poverty reduction in East Africa because Kenya has a vibrant service industry. At the same time Kenya is facing a structural food deficit, while Tanzania and Uganda produce a surplus. However, especially Kenya and Uganda may be over-regulating their trade through a wide range of Non-Tariff (Trade) Barriers (NTBs) thereby limiting the trade between them. In addition one might expect that these NTBs will have a clear negative effect on the overseas trade especially for the landlocked countries.

In line with this reasoning, and based on the calculation of various elasticities in the Corridor Diagnostic Studies, it may be estimated that the volume of Uganda's overseas trade over time might be increased with as much as 10% because of improved road conditions due to the three EU supported road projects on the Northern Corridor (other things equal). With time, the volume of trade between Kenya and Uganda might increase with some 5%. The impact on Kenya's overseas trade seems to be relatively small, with only about a 2% increase. To which extent these results can be extended to the domestic trade between the various regions in Kenya is not known. But all in all the deliberations above indicate that the three EU financed road projects on the Northern Corridor might have had, and will have a noticeable impact on the national economy of Kenya.

The expected effect of the still unfinished road project near the Ugandan border is included in these calculations. The calculations do not include the impact of EU's involvement in Uganda, however.

Annex 15 Governance improvements

The tenth evaluation question is:

To what extent did the EU support contribute to a strengthened NSA influence on governance reform activities and to a more responsive local and national government?

A15.1 Introduction

The GoK faced an extensive government reform agenda during the period of this evaluation. The Agenda of the National Peace Accord that was agreed upon in 2008, to address the consequences and underlying causes of the post-election violence, encompassed many governance reform activities. Development partners and NSAs have been actively involved in supporting these reforms.

EU's support to improving public governance in Kenya has taken place through dialogue with the government and specific support programmes/projects. The EU has been active in various different governance areas and has used several financing instruments and programming modalities to contribute to the governance reforms in Kenya. Good governance occupies a prominent position in the CSPs – both as an intervention area in its own right and as a key cross-cutting theme in other sectors. No specific strategy has, however, been underlying the various support activities of the EU to public governance in Kenya.

Given the importance of Kenya's governance reforms and EU's support to this, a specific question on the EU contribution to governance reforms is justified. Good governance as a cross-cutting issue is addressed in the previous questions where relevant.

The two main groups of EU's governance support activities focus on strengthening local governance and supporting NSAs to deepen democracy. [243] It is, therefore, appropriate to focus on these activities. Moreover, given the facts that the devolution process is currently in progress and is becoming one of the key areas where donor support is warranted, it is highly relevant to analyse EU's contribution to the strengthening of local governance.

According to the reconstructed intervention logic, EU supported activities are assumed to result in strengthened NSAs and improved decentralized governance (the outputs), which in turn should lead to a more responsive local and national government, improved quality of public service delivery and a strengthened influence of citizens and NSAs on government's activities (the outcomes).

The focus of the evaluation question is mainly on the increased influence of NSAs and the responsiveness of the government to citizens' needs; i.e. on increased voice and accountability. Specific attention will be paid to EU's support aimed at increasing NSAs' voice in, and government's accountability concerning, important deepening democracy processes such as the Constitutional reforms and the Agenda 4 item activities of the National

[243] This has become clear from the portfolio analysis, interviews and the analysis of programming documents.

Dialogue and Reconciliation agreement. Improvements in public service delivery will not be covered in detail as this is a very broad outcome that is already partly covered by other evaluation questions.

The main barriers that prevent effective citizen engagement with the Government of Kenya appear to be the weak organisational, institutional, and technical capacity and constructive cooperation relationships of/between communities, NSAs and local government institutions. [244] EU has, therefore, provided support to NSAs via grants and technical assistance with the aim to improve their institutional, organisational and technical capacity. In addition, EU provided capacity building support to local authorities with the aim to improve their accountability and responsiveness to communities.

Answering this question does not only allow the EU to account for its support, but is especially important from a learning perspective as it allows to distil lessons learnt and to guide future EU support.

A15.2 Judgement criterion 10.1

EQ 10 To what extent did the EU support contribute to a strengthened NSA influence on governance reform activities and to a more responsive local and national government?
JC10.1 Strengthened capacity of NSAs to effectively engage in local governance and Agenda 4 Constitutional reforms as a result of EU support
I.10.1.1 Institutionalised mechanisms for dialogue and information exchange between NSAs and Government -on governance reforms- established and functioning.
I.10.1.2 Evidence that the technical and institutional capacity of supported NSAs has been improved.
I.10.1.3 Share of supported NSAs that have effectively participated in institutionalized mechanisms for dialogue and information exchange with the Government.
I.10.1.4 Evidence that the supported NSAs have become more satisfied with the responsiveness of Government institutions concerning local governance and Agenda 4 Constitutional reforms.
I.10.1.5 Evidence of local governance and Agenda 4 Constitutional reforms having been influenced by advocacy and lobbying work undertaken by supported NSAs.

Detailed evidence I.10.1.1: Institutionalised mechanisms for dialogue and information exchange between NSAs and Government -on governance reforms- established and functioning.

EU support has not contributed to the establishment or facilitation of institutionalised mechanisms for dialogue and information exchange between NSAs and the GoK on governance reforms. Nevertheless, EU support did contribute positively to dialogue and information exchange through the EU NSA-NET programme.

The NSA-NET programme facilitated dialogue and information exchange through its design and implementation set-up. It was managed by the Ministry of Justice, National Cohesion and Constitutional Affairs (MoJNCCA) and guided by a tripartite project steering committee which was composed of the Government of Kenya, NSA and EU representatives. This

[244] This statement is based on the analysis of documents and interviews. See, for example, Endeshaw, Y & Cleary, S (2012), Final Evaluation of the Non-State Actors Support Programme, p. 7 where it is stated that "as revealed by a number of studies in the area, the NSAs sector in Kenya faces serious structural and capacity challenges to adequately engage and play its potential role in policy and development processes of the country.

specific management structure “contributed to building trust and constructive relationship between Government and the NSA sector”[245], according to the Final Evaluation of the NSA-NET Programme. Interviewees from both the GoK and NSAs confirmed this during the field mission. Although the NSA-NET programme did contribute to information exchange between NSAs and GoK during the period of the programme, it failed, according to the interviewees, to contribute to institutionalized and sustainable mechanisms of dialogue and information exchange outside and after the programme.

Detailed evidence I.10.1.2: Evidence that the technical and institutional capacity of supported NSAs has been improved.

The technical and institutional capacity of the EU supported NSAs has improved. This conclusion is based on the findings of the evaluation reports of the NSA-NET and BDAG/Amkeni Wakenya programmes and confirmed by various interviewees from NSAs. Nevertheless, from the document review and the various interviews during the field mission, it has also become clear that EU’s support to NSAs’ capacity could have been more effective if its capacity building efforts had been better designed, targeted and coordinated.

The EU has supported NSAs’ capacity mainly through the NSA-NET and BDAG programmes. The NSA-NET programme supported a total of 12 projects of NSAs, implemented by 12 lead grantees in collaboration with 22 official partner NSAs. According to the final evaluation of the NSA-NET programme, the programme enhanced the institutional and technical capacity of the grantees through knowledge and skills building in areas like project cycle management, monitoring & evaluation, reporting financial management, advocacy and policy influencing, and leadership. In addition, the mere implementation of grant projects contributed to enhanced communication and horizontal learning among many of the supported NSAs and some of the projects included specific activities to initiate the establishment of networks and collaborative structures among NSAs. Overall, however, the final evaluation noted that the institutional and technical capacity support component of the programme had relatively limited success due to a weak design of the capacity building component and the short implementation period of the programme.

The NSA-NET programme implementation period was short due to significant delays in the operationalization of the programme. Due to these delays, no time was taken to design an appropriate needs-based capacity development plan. Instead, the programme management unit decided to simply focus on a couple of technical assistance interventions that could deliver quick results in terms of the quality of project implementation. While these interventions have resulted in, for example, improved financial management and M&E skills, other important capacity building needs that would have facilitated increased NSAs’ effectiveness in contributing to governance reforms were neglected. Interviewees, for example, stated that while the project management support has been useful, support to strategic programming and knowledge-building and dissemination has been limited.

The BDAG programme supports NSAs through the UNDP basket fund “Amkeni Wakenya”. Amkeni Wakenya provides capacity building support to 22 CSOs/CBOs to enable them to participate more effectively in governance reforms processes, including in the context of implementation of the Constitution and Agenda 4.

[245] Endeshaw, Y & Cleary, S (2012), Final Evaluation of the Non-State Actors Support Programme, p. 23.

A significant difference of Amkeni Wakenya compared to NSA-NET is that the programme mainly works with CBOs. The capacity of supported CBOs has been improved through the various capacity building efforts, including trainings in financial management and M&E. Nevertheless, as the capacity of these CBOs is often considerable lower than the type of CSOs NSA-NET worked with, the need for basic capacity building activities concerning issues like project management, reporting, monitoring for results, and other organizational activities is substantial. The budget set aside for capacity building efforts within the programme is, however, relatively low. According to the Mid-term Evaluation Report of the programme, "the funds budgeted for capacity building activities are considerably less than those for project work. This mismatch could be limiting impact at grassroots level". The MTR states, moreover, that:

- the programme's design and its capacity building approaches are not adequate given the special requirements when working with CBOs;
- capacity building resources are too limited and scattered over various CBOs; and
- the duration of the capacity building support provided is too short. [246]

For both the NSA-NET programme and Amkeni Wakenya, the capacity building support has been too limited and short to effectively achieve the results aimed at. In addition, the capacity building support has not been strategically targeted to arrive at a critical mass of supported NSAs within a geographic or content area, that with increased institutional and technical capacity would have enough teeth to effectively foster the Agenda 4 and constitutional reforms the EU aims to support. While the strategic targeting of NSAs might be problematic for the EU due to internal rules and regulations, it has, during the evaluation period, not advantageously exploited the scope for strategic targeting that exists within the constraints it faces. As the final evaluation of the NSA-NET programme states:

> "Another challenge affecting effectiveness is the inherent limitation of the CfP based support. Some of these limitations include: limited control by the programme to ensure that results of grantee projects are adequately aligned to result areas of the programme, and limited control by the programme to proactively and strategically support capacity building of NSAs and ensure that the programme reaches different categories of NSAs and that there is equitable geographic distribution of projects. These limitations of CfP could have been minimized by effective use of calls with different focus and eligibility criteria to address Programme Result Areas and respond to other strategic priorities and concerns. However, there was limited targeting in the NSA-NET call for proposal."[247]

Detailed evidence I.10.1.3: Share of supported NSAs that have effectively participated in institutionalized mechanisms for dialogue and information exchange with the Government

No detailed information is available on the share of supported NSAs that have effectively participated in institutionalized mechanisms for dialogue and information exchange with the GoK. In general, what is known is that EU's support to NSAs via the EDF programmes and thematic budget lines has facilitated and increased the participation of NSAs and citizens in governance structures and policy engagement. The final evaluation of the NSA-NET programme, for example, concludes that the programme "made some progress in improving institutional involvement of NSAs in policy engagement".[248] From the interviews and document review it has become clear that the most tangible results have been achieved

[246] Kithinji, H *et al.* (2012), Mid Term Evaluation Report, Amkeni Wakenya, p. 26-27.
[247] Endeshaw, Y & Cleary, S (2012), Final Evaluation of the Non-State Actors Support Programme, p. 47.
[248] Endeshaw, Y & Cleary, S (2012), Final Evaluation of the Non-State Actors Support Programme, p. 45.

concerning the participation of NSAs in devolved funds –and especially the CDF- and with respect to the provision of targeted inputs in specific policy making processes.

Positive results have been achieved with EU's support to NSAs that focus on devolved funds, the overall impact and sustainability of this support is, however, questionable.[249] The work on devolved funds has mainly related to sensitizing and mobilizing communities to get involved and monitor devolved funds. EU's support to this work took place both via the NSA-NET programme and projects financed under the NSA and EIDHR budget lines. As a result of EU supported NSA activities, CBOs and communities have become more involved in decision making processes and the monitoring of these funds. Members of parliament, Constituency Development Committees and other local government officials have, moreover, become more receptive to including communities and CBOs in these processes. Concrete examples of results achieved with NSAs' support to increased community/CBO involvement in devolved funds include the reallocation of funds, the restarting of stalled projects, and the recovering of fraudulent money.[250]

The activities of supported NSAs on policy making mainly relate to providing inputs for specific policy making processes, like the National Peace Policy, and do not concern a more general institutionalized mechanism of NSA participation in policy making. Not much information is available on the effects of NSAs' exchanges with the GoK. The results reported by the M&E reports of the EU supported programmes and projects do, in general, not go beyond ascertaining that supported NSAs have submitted their inputs in the policy making process and that they have "influenced" policies or that the GoK responded positively by claiming to take these inputs into account. No concrete examples were provided by the M&E reports and interviewees that point to a direct link between certain outcomes achieved and supported NSAs inputs.

Detailed evidence I.10.1.4: Evidence that the supported NSAs have become more satisfied with the responsiveness of Government institutions concerning local governance and Agenda 4 Constitutional reforms.

No research has been undertaken within the different EU governance support programmes to assess the degree to which supported NSAs are satisfied with GoK institutions' responsiveness and to track developments over time. From the interviews and field visit it has, however, become clear that supported NSAs have managed to improve the relationship at the local level with government officials and have become more satisfied with, for example, government's responsiveness around devolved funds.

Overall, experiences with government institutions are, nevertheless, mixed and no evidence exists that can point to a substantial increase in government institutions' responsiveness and NSAs' satisfaction. The relationship between NSAs and the GoK remains, in general, tense and the fact that many governance reform oriented NSAs are perceived to be donors' puppets does not foster GoK's responsiveness to supported NSAs. A positive contribution of the NSA-NET programme in this respect, however, was, according to various interviewees, the involvement of the MoJNCCA in the management of the programme, as this gave the supported NSAs additional leverage when interacting with other government institutions and increased institutions' responsiveness.

[249] This finding is based on the document review, interviews and the field visit to Nakuru.

[250] Source: interviewed NSA staff, focus group discussions and NSAs' monitoring reports like: Omolo, A. (2012), Evaluation report on the Turkana community engagement in good governance project.

Detailed evidence I.10.1.5: Evidence of local governance and Agenda 4 Constitutional reforms having been influenced by advocacy and lobbying work undertaken by supported NSAs

The EU has actively supported the local governance, constitutional and Agenda 4 reforms. This support was provided both through the EDF programmes and thematic budget lines. The devolution process, for example, was supported via the NSA-NET and the BDAG programmes, but also through an EIDHR call for proposals in September 2011. EU's support has not only been directed towards NSAs active in these fields, but also towards government institutions like, for example, the MOJNCCA and the MoDP (and its predecessor the MOLG). The BDAG programme trained, for example, over 1000 senior and mid-level officials from local authorities and improved their understanding of the devolved government system. In addition, it supported drafting of the policy and bill for provision of Legal Aid and Awareness, an audit of the laws to check their consistency with the new constitution, and produced model laws for various county government functions. Via the UNDP, the EU, moreover, supported the Electoral Commission IIEC to conduct a fair and transparent referendum on the Constitution.

While some information is available on the results of EU's direct support to local governance and Agenda 4 constitutional reforms, specific evidence it is not available on the effects of EU's support to NSAs working on these reforms. As was already mentioned when discussing I.10.1.3, the programmes and the individual NSAs did not systematically collect information on the extent to which their activities have influenced local governance and Agenda 4 Constitutional reforms. What is known, based on the review of the M&E reports of the programmes and projects and the interviews with NSAs and programme staff of NSA-NET and BDAG, is that supported NSAs have sensitized communities about the new constitution and the devolution process and have "influenced" policy making processes with respect to, for example, the National Peace Policy and mainstreaming disability rights issues in political and electoral processes.

Findings related to JC10.1: Strengthened capacity of NSAs to effectively engage in local governance and Agenda 4 Constitutional reforms as a result of EU support

An overall finding is that EU support to NSAs has increased their capacity to effectively engage in local governance and Agenda 4 Constitutional reforms. The technical and institutional capacity of the EU supported NSAs has improved. EU support has, moreover, contributed to the increased participation of NSAs and citizens in governance structures and policy engagement, improved relationships between NSAs and government officials (especially at the local level), increased government responsiveness concerning devolved funds, and strengthened NSA influence on specific policy making processes like the National Peace Policy.

However, EU support failed to contribute to the establishment or facilitation of institutionalised mechanisms for dialogue and information exchange between NSAs and the GoK on governance reforms. This can partly be explained by the fact that the scope to effectively support dialogue and information exchange between NSAs and the GoK was limited during the evaluation period. In JC1.1 it was already indicated that the relationship between the GoK and governance reform oriented NSAs has been tense over time, which created delays in the formulation of NSA support programmes. The fact that Kenya's civil society sector has, moreover, been highly divided and not well organized, made it even more difficult to design and implement support to NSAs effectively. EU's support has indeed mainly focused on building NSAs' capacity to engage in policy dialogue and no institutionalized mechanisms at the government side, on the national level, were created or supported to facilitate the effective involvement of NSAs in policy formulation, implementation and monitoring. The lack of these mechanisms has impeded NSAs' effective involvement in public governance.

Despite these difficulties, however, the EU could, according to the evaluators, have tried to develop a more comprehensive governance support strategy including NSA support and consult the GoK on this strategy to create ownership. Furthermore, EU's support to NSAs' capacity could have been more effective if its capacity building efforts had been better designed, targeted and coordinated.

Moreover, the overall impact and sustainability of EU's support to NSAs is questionable given its short duration and limited reach. This because the supported NSAs are very dependent on donor funding and the number of communities that have been reached as a consequence of EU support is limited. A substantive and lasting impact on communities' involvement in devolved funds cannot, according to the evaluators, be achieved by the piecemeal and short-term support to a couple of NSAs, as was provided by the EU, but requires a long-term approach.

Finally, from this evaluation it has become clear that the EU programmes and supported projects failed to systematically collect information necessary for assessing the outcomes of the programmes/projects. Most of the M&E reports contain detailed information at output level and only general claims at outcome level. Concrete results achieved with the various programmes and projects have often not been well-documented. This has severely hampered the evaluation team's ability to arrive at detailed and firm, evidence-based, conclusions concerning the question to what degree EU support has strengthened the capacity of NSAs to effectively engage in local governance and Agenda 4 Constitutional reforms.

A15.3 Judgement criterion 10.2

EQ10 To what extent did the EU support contribute to a strengthened NSA influence on governance reform activities and to a more responsive local and national Government?
JC10.2 Local authorities address the needs of local communities and account for their actions as a result of EU support
I.10.2.1 Evidence that the capacity of supported local authorities to engage with local communities has improved.
I.10.2.2 Evidence that the participation of local communities in the design and monitoring of local authorities' activities has enhanced.
I.10.2.3 Evidence that local authorities have become more transparent and accountable concerning their finances and the services provided.
I.10.2.4 Evidence that local communities have become more satisfied with the responsiveness of the supported local authorities.

Detailed evidence I.10.2.1: Evidence that the capacity of supported local authorities to engage with local communities has improved

EU supported local authorities' capacity to engage with local communities through the RPRLGSP programme. This programme focused on building the capacity of LAs to improve their accountability and responsiveness. Community participation was to be strengthened through promoting and facilitating the use of the Local Authority Service Delivery Action Plan (LASDAP) guidelines for selecting projects financed under the Local Authority Transfer Fund and by using LASDAP as an instrument for prioritizing the Poverty Reduction Fund projects.

According to the Final Evaluation of the RPRLGSP, "LA staff has been trained in community participation to ensure a proper application of LASDAP" and "LAs are now using reformed LASDAP in order to significant improve the participatory planning, accountability and transparency of their operations towards the general public". [251]

Next to the RPRLGSP, EU has also contributed to an improved capacity of local authorities to engage with local communities through its support to individual projects like the "Turkana community engagement in Good Governance project" under the NSA budget line. This project supported Local Authorities to develop their strategic plan in line with the Vision 2030 and supported the Turkana county council to develop a service delivery charter, client charter and Citizen Score Card to enable the community to give feedback on the performance of the country council. As a result of the project, local authorities began to put in place systems and structures to facilitate greater community involvement in their activities.[252]

The information provided above shows, in general, that EU support has contributed to an enhanced capacity of local authorities to engage with local communities. However, there is no more detailed and quantitative data available that can shed more light on the degree to which the capacity of supported local authorities to engage with local communities has improved. Moreover, the sustainability of the results achieved is very questionable. The final evaluation of the RPRLGSP programme already noted that the high staff turnover of officials in the LAs together with the changes brought about by the devolution process could adversely affect the sustainability of the capacity buildings results achieved at the supported LAs. Interviews and the field visit to Nakuru confirmed this hypothesis.

Based on the desk review and the interviews, it is clear that the capacity of supported local authorities to engage with local communities has been enhanced through EU support. However, these results have often proven to be not very sustainable as the scope and duration of EU's capacity building support has been too limited to reach the necessary critical mass to ensure sustainable outcomes.

Detailed evidence: I.10.2.2 Evidence that the participation of local communities in the design and monitoring of local authorities' activities has enhanced

EU's support has resulted in enhanced participation of local communities in the design and monitoring of local authorities' activities. More specifically, the RPRLGSP, NSA-NET and BDAG (through the Amkeni Wakenya component) programmes as well as various projects financed under the NSA and EIDHR budget lines, have contributed to this result.

According to the final evaluation of the RPRLGSP for example, there was evidence of increased awareness in poor communities regarding their rights to receive services from their LAs and increased participation by local communities in the planning for service delivery.[253]

[251] Eriksson & Ooijen (2011), Final Evaluation of the Rural Poverty Reduction and Local Government Support Programme – Final Report, p. 35.
[252] Omolo, A. (2012), Evaluation report on the Turkana community engagement in good governance project.
[253] Eriksson & Ooijen (2011), Final Evaluation of the Rural Poverty Reduction and Local Government Support Programme – Final Report, p. 26-27.

The final evaluation of the NSA-NET programme, moreover, provides a couple of examples of projects that have strengthened communities and led to increased community participation in the design and monitoring of local authorities' activities. The evaluation refers to the activities undertaken by Forum Syd and Christian Aid that focused on the devolved funds, mainly the CDF. The project implemented by Christian Aid, for example, established a number of shadow CDF committees who successfully monitored on-going projects and reported on progress to the CDFC. In addition, a NSA-NET project implemented by CLARION, which focused on gender and devolved funds, resulted in, among other things, the establishment of a committee in 2011 to oversee all the community projects in the constituency that have been initiated using Kisauni LASDAP funds. In general, the NSA-NET final evaluation concludes that "the achievements of the programme in strengthening local and national level governance have been evident in terms of enhancing social accountability and citizens' participation in public service delivery, i.e. voicing demands/claiming rights and holding accountable service providers."[254]

Another example is the Turkana community engagement in Good Governance project. Concrete results achieved with this project are, for example, the engagement of communities in town planning by the county council, which did not occur before the project, the increased effort by the local authorities to engage communities in the LASDAP Process, and the monitoring and investigation of public expenses by trained social auditors.[255]

To conclude, it is clear that EU's support has enhanced the participation of local communities in the design and monitoring of local authorities' activities. The degree to which EU's support has enhanced local communities' participation is, however, unclear due to the lack of more substantive and quantitative evidence. In addition, while the results achieved are, according to the evaluators and as confirmed by various interviewees, relevant, they are limited in terms of the number of communities reached and the sustainability of achieved results. Sustainability of the results achieved is questionable, among other things, due to the limited reach of the activities, the high dependence of NSAs on donor funding and the lack of exit-strategies.

Detailed evidence: I.10.2.3 Evidence that local authorities have become more transparent and accountable concerning their finances and the services provided

EU support has contributed to increased transparency, accountability and responsiveness of local authorities concerning their finances and the services provided. Supported local authorities, for example, have, according to the final evaluation of the RPRLGSP, changed their behaviour with respect to providing better service delivery to the urban and rural population (use of LAIFOMS, LASDAP), with less political interference than before and "supported local authorities are now using reformed LASDAP in order to significant improve the participatory planning, accountability and transparency of their operations towards the general public".[256]

Another example is the Turkana community engagement in Good Governance project that, according to the ROM report and the project evaluation report, has increased access to County Council's book of accounts for public inspection, resulted in the Council budgeting process to

[254] Endeshaw & Cleary (2012), Final Evaluation of the Non-State Actors Support Programme, p. 38.
[255] Omolo, A. (2012), Evaluation report on the Turkana community engagement in good governance project.
[256] Eriksson & Ooijen (2011), Final Evaluation of the Rural Poverty Reduction and Local Government Support Programme – Final Report, p. 35.

become a public event, and has increased transparency and accountability through the use of service delivery and client charters and citizen score cards. [257]

While we can conclude that EU's support has resulted in local authorities to have become more transparent and accountable concerning their finances and the services provided, there is, however, no detailed evidence available that provides more insight into the extent to which positive results have been achieved with EU support. In addition, the results achieved are, while relevant, rather limited in terms of the number of communities reached. The sustainability of results achieved is, furthermore, as was the case with I.10.2.3, questionable given the facts that the scope and duration of supported interventions have been too limited- especially given the high staff turnover at local government level and the restructuring as a consequence of the devolution process- and the high dependence of NSAs on donor funding and the lack of exit-strategies.

Detailed evidence: I.10.2.4 Evidence that local communities have become more satisfied with the responsiveness of the supported local authorities

No quantitative data has been collected by the EU supported programmes and projects that allows for assessing local communities' satisfaction with the responsiveness of supported local authorities over time. From the desk review, the field visit in Nakuru, the focus group discussions and the interviews, it has, however, become clear that local authorities have in some instances indeed become more responsive. The final evaluation report of the Turkana community engagement in Good Governance project, for example, states that as a result of the activities of the trained social auditors fund implementers and leaders have been pressured to complete stalled CDF Projects and redo poorly undertaken ones. Similar examples were provided during the focus group discussions in Nakuru. It is clear that these results have contributed positively to local communities' satisfaction with local authorities' responsiveness. However, as was the case with the other indicators, while the results achieved have been relevant, EU's overall contribution seems to be modest due to the limited scope and duration of the supported interventions and their questionable sustainability.

Findings related to: JC10.2 Local authorities address the needs of local communities and account for their actions as a result of EU support

EU support has contributed to the increased responsiveness and accountability of local authorities. Examples are available that show that EU support has improved the capacity of supported local authorities to engage with local communities, enhanced local authorities' transparency and accountability concerning their finances and service provision, and increased the participation of local communities in the design and monitoring of local authorities' activities as well as their satisfaction with local authorities responsiveness.

While relevant results have been achieved, the scope and duration of EU's support has been too limited to reach the necessary critical mass within certain geographic areas to ensure sustainable outcomes. The support to local authorities under the RPRLGSP was too limited in scope. Not enough local government officials seem to have been supported by the RPRLGSP to ensure sustainability of achieved results given the challenging context of high staff turnover and, later, the restructuring processes as a result of devolution. This is illustrated by the fact that during the field mission in Nakuru the local government authority was unable to introduce us to staff that had experience with, or were aware of the activities and results of, the RPRLGSP. Moreover, the support provided through other projects, like the Turkana

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[257] Omolo, A. (2012), Evaluation report on the Turkana community engagement in good governance project.

community engagement in Good Governance project, is relevant but constitutes piecemeal support –limited in scope and time- that is not embedded in a wider programme to promote increased local authorities' accountability and responsiveness. In order to structurally achieve increased accountability and responsiveness at the local government level, longer-term and a wider reach of support to both communities and local government institutions within certain geographic areas would have been warranted. [258]

Finally, the available M&E information at programme and project level has proven to be too limited to assess in more detail the degree to which local authorities address the needs of local communities and account for their actions as a result of EU support. Most of the M&E reports contain only detailed information at output level and not at outcome level. Concrete results achieved with the various programmes and projects have often not been well-documented. This makes it impossible to arrive at detailed and firm evidence-based conclusions concerning the question to what extent local authorities have addressed the needs of local communities and accounted for their actions as a result of EU support.

[258] This is the opinion of the evaluators and the NSA interviewees.

Annex 16 Overview of analysis of JAORs, ROM and evaluation reports

	Macro-economic support	Focal sector Agriculture/Rural Development	Focal Sector Transport Infrastructure	Non-focal sector Governance	Main other issues mentioned	Observations Evaluation Team
EAMRs						
EAMR2006	End of the year progress on IMF PRGF: important for assessment of variable tranche GBS.	Two final evaluations of CDTF programmes (BCP and CDP2) integrated in new programmes CEF and CDP3.		Final evaluation of DGSP.	UK and NL criticised the EC in Kenya on the account of joint programming and GBS.	There is no reference to impact or outcome indicators.
EAMR2007		Finalisation SRA and preparation SBS with STABEX funding.				Idem
EAMR2008	The disbursement of the GBS second tranche the day after the elections led to questions from the European Parliament, the Council, and several EU MS National Parliaments (DE,		The appointment of 3 new Road Authorities has raised expectations regarding performance and increased efficiencies in this sector, but transparent and merit-based	No progress in NSA-NET due to GoK inaction. MTR RRRLGSP.	Main issue was the disputed 2007 Presidential Elections resulting in post-election violence and Development Partners adopting a “Business not as usual” stance leading to a halt in assistance.	

	Macro-economic support	Focal sector Agriculture/Rural Development	Focal Sector Transport Infrastructure	Non-focal sector Governance	Main other issues mentioned	Observations Evaluation Team
	UK.) questioning the suitability of this instrument for Kenya.		recruitment is crucial.			
EAMR2009		- MTR STABEX ASSP; - MTR CEF and CDEMP; - MTR CDP3.	Main emphasis on capacity building.		Political situation is still affected by the aftermath of the post-election crisis. Problematic dialogue with GoK in main sectors of EU assistance. Problems around CSP MTR with substandard quality of consultants and limited NAO involvement. MTR of the KJAS.	
EAMR2010		MTR KASAL MTR DMI (report not accepted due to its non-acceptable quality). Final review CEF	Content and scope of financial and managerial responsibilities granted to new Roads Authorities remain unclear, with managerial	Based on lessons learnt EUD expects that support provided under RRRLGSP will be of significant contribution to the upcoming structure	MTR is not finalised and MS indicated that 2009 assessment might be out-dated. In response to limited GoK ownership of EU dev't assistance,	

	Macro-economic support	Focal sector Agriculture/Rural Development	Focal Sector Transport Infrastructure	Non-focal sector Governance	Main other issues mentioned	Observations Evaluation Team
		and CDEMP.	culture inherited from government.	and modalities of counties functioning and management.	new yearly bilateral review. Adoption of new Constitution, but still many financial scandals.	
EAMR2011	Main achievements: 1) Launch of IFMIS; 2)Drafting of a new PFM Bill; 3)2011-2019 PFM Strategy. HQ decided to make the disbursement of last tranche GBS contingent on the results of the new PEFA assessment.	Four projects on income generation and env. Mgt finished with some 220,000 community members benefitting from increased income and improved mgt of natural resources.	STABEX Rural; Roads programme finished with 62 km paved roads resulting in reduced travel time and vehicle operating costs for tea farmers and tea factories. Priority for results based management system within the new Roads Authorities and development of road monitoring system on the basis of Capacity Building Needs	Strengthening of relationships between EUD and NSAs.	Delayed decision on MTR seriously hampered the ability to commit more than a third of the NIP.	For the first time attention for reporting on outputs, but also on outcome, although no clear distinction is being made.

	Macro-economic support	Focal sector Agriculture/Rural Development	Focal Sector Transport Infrastructure	Non-focal sector Governance	Main other issues mentioned	Observations Evaluation Team
			Assessment Study. Positive evaluation of NCRP I and II± improved road conditions resulted in significant reduction in road user costs and travel time. Axle load checks and police road blocks neutralise the gains in travel time.			
EAMR2012*	The 3rd PEFA Assessment shows a slight improvement over the period 2009/2012. Payment of last tranche GBS.	Delays around KRDP due to a World Bank investigation and GOK forensic audits. Decisions on REGAIN SBS to be taken Evaluation Food Facility.		Concerns around Bridging Divides because of limited government absorption capacity. Devolution support project foreseen, but that might be delayed.		Same set-up as 2011 with more attention for outputs and some outcome.
JAORs						

	Macro-economic support	Focal sector Agriculture/Rural Development	Focal Sector Transport Infrastructure	Non-focal sector Governance	Main other issues mentioned	Observations Evaluation Team
JAOR2006	Postponement of decision of second tranche GBS because of delayed approval IMF PRGF.	Paradigm shift through SRA. EC STABEX funding for SWAP and multi/donor support programme. However, progress remains slow due to fragmentation of responsibilities between ministries and numerous donor interventions.	Good progress in physical works and in road sector reform processes+ new policies, new legislative acts and Road Sector Investment Plan.			In the political, economic and social update at the start of the JAOR national performance indicators on GDP growth, trade, poverty etc. are presented. In the section on Overview of Past and Ongoing Cooperation progress of activities is indicating with no clear reference to outputs, outcome or impact. The section with Assessment of Performance indicators focuses primarily on disbursements and realisation of planning.
JAOR2007	Detailed justification of the disbursement of the second tranche GBS.	SRA remains the main vehicle. Limited implementation second half of the year because of elections.	Progress continued, but lessened.	DPs (incl. EC Delegation) continued to have strong reservations about the state of Governance.	Vision 2030 replaces ERS. An ad-hoc review of the CSP is recommended to ensure it adequately meets the	

	Macro-economic support	Focal sector Agriculture/Rural Development	Focal Sector Transport Infrastructure	Non-focal sector Governance	Main other issues mentioned	Observations Evaluation Team
					government challenges posed by the post-elections violence and to ensure that the CSP is in line with the political and development goals for Kenya.	
JAOR2008		Revised ASDS, still preparation of SBS. MTR of CDEMP and CEF concluded on positive impact for the environment with a prospect for poverty alleviation. MTR CDP3 concluded that programme was too scattered to have discernible impact on poverty. Problems with efficiency and threats to sustainability.	On the basis of identification mission for sector support it was decided to defer the decision on SBS to a later stage. Progress in reconstruction, increased interconnectivity and improved access to markets and trade (no indicators).		Decline in most sectors due to political crisis with negative impact on development programmes.	
JAOR2009		Government support	Progress in	The Kenya Local	The year was	

	Macro-economic support	Focal sector Agriculture/Rural Development	Focal Sector Transport Infrastructure	Non-focal sector Governance	Main other issues mentioned	Observations Evaluation Team
		to the sector remains fragmented, but donor coordination has improved. Set up of a drought contingency fund with DMI support and possibly a Drought Management Authority. Reference to MTR conclusions and recommendations.	physical works, but institutional challenges remain. According to Formulation Study March 2009 SBS is a “Bridge too far”, capacity strengthening will be brought forward.	Gvt Reform Programme has had mixed results in terms of impact on policy formulation with slow implementation, questions on poverty orientation and sustainability.	dominated by the Kenya National Dialogue and Reconciliation (KNDR) Process with four main issues on the Agenda incl. Constitutional Review (item 4). The EC may have a funding window to support this KNDR process.	
JAOR2010	Disbursement of 3rd tranche still outstanding.	KRDP formulated as sector-wide programme. Reference to overall positive final evaluation of CDEMP-CEF, but unqualified poverty reduction effects.		Positive effects of 65 micro infrastructure projects benefitting 62 LAs with positive impacts on local living standards. Joint governance support fund to NSAs with SIDA, Norway and RNE is under consideration.		Change of format, no general sections with political, economic and social updates anymore. JAOR now starts with overview of financial performance.

	Macro-economic support	Focal sector Agriculture/Rural Development	Focal Sector Transport Infrastructure	Non-focal sector Governance	Main other issues mentioned	Observations Evaluation Team
JAOR2011=ETR						
JAOR2012						
			CSP MTRs and ETRs			
MTR 9th EDF	PRNBS2 in preparation.	Mixed success of on-going projects, partially due to persistent ambiguities in policy background.	Main emphasis on assistance to the sector reform process together with capital funding to ensure reducing the maintenance backlog burden. Progress with key policy challenges facing the sector has been moderate.	Space for NSA participation has increased.	Re-allocation from 25 million € from the B-envelope to the A-envelope to increase the envelope for GBS.	This MTR was written in a wave of optimism after the 2002 elections when an ambitious reform agenda was launched.
ETR 9th EDF (missing)						
MTR 10th EDF (2010) missing					Proposal to reallocate 56.8 million from GBS to focal sectors and governance.	Approval of reallocation by GoK was considerably delayed. Updates on political, economic and social situation included with indicators.

	Macro-economic support	Focal sector Agriculture/Rural Development	Focal Sector Transport Infrastructure	Non-focal sector Governance	Main other issues mentioned	Observations Evaluation Team
ETR 10th EDF= JAOR 2011	Reference to main conclusions of final evaluation of PFM programme. Decision on payment of 3rd tranche EDF dependent on outcomes of PEFA assessment.	National Drought Management Authority established. Good participatory processes of formulating District and Province environmental plans, leading to increased capacity of NEMA, but no integration of Ministry of Planning and NEMA planning processes, thus limiting practical use. Important lessons drawn from Food Facility Projects that require follow-up KRDP signed, but serious delays due to WB investigation and GoK audits; different implementation mechanism might be	Improved connectivity through NCRP, but with increased costs. Successful overall performance NRCP despite increased costs, good efforts capacity building, but failure by Authorities to implement necessary policy actions on road blocks. Because of further deterioration in the earmarked road networks additional funding (beyond MTR funds for reallocation) is required.		Proposed reallocation 24 (initially 30) million € from GBS to transport infrastructure where immediate and tangible results are expected in the short run plus reallocation of 46 million Euro from GBS to GoK ASAL policy.	

	Macro-economic support	Focal sector Agriculture/Rural Development	Focal Sector Transport Infrastructure	Non-focal sector Governance	Main other issues mentioned	Observations Evaluation Team
		needed. Divergences with Danida regarding CDP4.				

Jan-June 2012.

Overview of ROM scores of interventions in the selected sectors (A, B, C en D), 18 ROM reports

Date and project	Relevance	Effectiveness &impact	Efficiency	Sustainability
Agriculture &Rural Development				
Food Facility, EC-FAO II, 2011	B	B	B	B
Food Facility, EC-WB I, 2010	B	C	B	B
DMI, 2008	B	B	C	B
DMI-VSF, 2010	B	B/A	B	B
DMI Pokot –Turkana, 2009	B	C/B	C	B
KASAL, 2008	B	B	C	B
WFP- Social protection Urban and peri-urban vulnerable people, 2010	C	B/C	C	C
Export trade- enabling the poor to share the fruits, 2008	B	B	B	B
CDP4, 2011	B	C	C	B
Oxfam-Novib Western Kenya Community Livelihoods Empowerment, 2011	B	C	B	B
Capacity Building for Rural	C	D	C	B

Date and project	Relevance	Effectiveness &impact	Efficiency	Sustainability
Water Service providers, 2010				
Infrastructure				
NCRP I, 2007	B	B	B	C
NCRP II, 2007	B	B	B	C
NCRP II, 2010	C	C	B	B
NCRP II, 2009	C	C	B	B
NCRP II, 2012	B	B/C	C	C
Governance				
RPRLGSP, 2007	C	C	C	B
DGSP, 2009	B	C	C	C
Community Engagement in Good Governance, 2010	B	B	C	B
Bridging Divides, 2012	B	B/C	C	B

Overview of Assessment of Evaluation and Review Reports for Selected Sectors and Interventions (scores A, B. C or D), 13 Evaluation Reports

Evaluation report and year	Validity				Reliability	Usefulness		
	Clarity of purpose	Clarity of design	Conclusions based on findings	Recommendations based on conclusions	Triangulation, QA and representativeness	Clear answers to EQs	Accessible and concise Exsum	Clear structure and good readability of the report
Macro-economic support								
MTR PRBS-II, 2008	C	C	C	C	No info	NA (no EQs)	B	B
Review of PFM Reform	A	A	A	C	No info	NA (no EQs)	A	A

Evaluation report and year	Validity				Reliability	Usefulness		
	Clarity of purpose	Clarity of design	Conclusions based on findings	Recommendations based on conclusions	Triangulation, QA and representativeness	Clear answers to EQs	Accessible and concise Exsum	Clear structure and good readability of the report
Strategy, 2010								
Implementation completion and results report of IRCBP, 2011	A	B	A	A	No info	NA (no EQs)	C	A
Evaluation of the SRPFM, 2012	A	C	B	C	No info	NA (no EQs)	C	A
Agriculture and Rural Development								
MTE KASAL, 2010	D	C	C	C	Limited info	C	D	C
MTR DMI, 2010	D	D	D	D	No info	D	C	C
Final Evaluation CDP3. CDEMP-CEF, 2010	C	C	C	D	Limited info	C	D	C
Final evaluation CDEMP- CBF, 2011	D	B	A	A	No info	B	B	B
Infrastructure								

Evaluation report and year	Validity				Reliability	Usefulness		
	Clarity of purpose	**Clarity of design**	**Conclusions based on findings**	**Recommendations based on conclusions**	**Triangulation, QA and representativeness**	**Clear answers to EQs**	**Accessible and concise Exsum**	**Clear structure and good readability of the report**
Final Evaluation NCRP I&II, 2012	B	C	B-C	B	Limited info	B	B	B
Governance								
DGSP, 2006	B	D	C	B	Limited info	C	B	B
MTR, RPRLGSP, 2008	B	D	C	B	Limited info	C	C	C
Final evaluation, RPRLGSP, 2011	B	C	C	C	Limited info	C	B	D
Final Evaluation NSA-NET, 2012	B	B	B	B	Limited info	B	B	B

Annex 17 Kenyan context

The following table shows that growth is broad based on agriculture, industry and services (See Kenya Economic Update June 2013, pp. 2 and 3). Initially growth was primarily based on the service sector, but performance of the service sector was weaker in 2012 than in 2011 (see also declining share of Services in the GDP).

Table A.17.1 Main Economic Indicators Kenya

Indicator Name	2006	2007	2008	2009	2010	2011	2012
GDP growth (annual %)	6	7	2	3	6	4	5
GNI per capita, (PPP, incurrent international US$)	1430	1530	1550	1560	1620	1660	1760
Agriculture, value added (% of GDP)	27	25	26	27	24	27	29
Industry, value added (% of GDP)	18	19	20	19	18	17	17
Services, etc., value added (% of GDP)	55	56	54	55	57	56	53

Source: World Development Indicators, 2013.
Note: The international US$ is a hypothetical unit of currency that had the same purchasing power parity (PPP) that the US$ had in the USA in that particular year.

The growing importance of oil exploration in East Africa presents Kenya with significant growth opportunities, as well as the challenge of avoiding the kind of 'resource curse' problems that have plagued other African countries like Nigeria. Over the next decade, a new railway line and pipelines to the Kenyan coast will come on stream for oil extracted in South Sudan, Uganda (Lake Albert) as well as Kenya's own new oilfields located in Turkana District. These will offer both significant transhipment income, as well as the prospect of Kenya becoming energy independent (it is currently reliant on - mainly hydroelectric – electricity imports from Uganda).

Considerable challenges to properly implement the Constitution

The new Constitution radically alters the structure of governance and distribution of power in Kenya in an unprecedented way. It shifts the distribution of governing powers significantly. Checks and balances are improved, executive powers diminished, legislative oversight strengthened, and the judiciary's autonomy is increased.

In addition, significant responsibilities are devolved from the national government and central administration to 47 new county governments. Each county now has its own executive and legislative branches of local government and is primarily responsible for public service delivery. Moreover, various autonomous institutions have been created to check the executive and legislative bodies. These include commissions and independent offices established under chapter 15 of the Constitution. They include the Kenya National Human Rights and Equality Commission, the Parliamentary Service Commission, the Police Service Commission and the Judicial Service Commission.

After the promulgation of the Constitution, one of the main challenges has been the effective implementation of it. According to the monitoring reports of the KNDR, the focus on self-interests have hindered the effective and efficient implementation of the Constitution. In addition, the transition to a devolved system of governance has encountered serious delays and disputes over resource allocation by the national government have caused further delays.

At the moment there is still lack of clarity still at the national and county government level concerning institutions' new roles and responsibilities. These ambiguities have negatively affected the quality of public governance in Kenya.