



# 2006 Survey on Monitoring The Paris Declaration

## Country Chapters

### KENYA

**T**he 2006 Survey on Monitoring the Paris Declaration was undertaken in 34 countries that receive aid. The results of the survey are presented in two volumes. **Volume 1** provides an overview of key findings across 34 countries. **Volume 2** presents the baseline and key findings in each of the 34 countries that have taken part in the survey. This chapter is based primarily on the data and findings communicated by government and donors to the OECD through the Paris Declaration monitoring process. A more detailed description of this process, how this chapter was drafted and what sources were used is included in Volume 1, Chapter 2.

Both Volume 1 (Overview) and Volume 2 (Country Chapters) of the 2006 Survey on Monitoring the Paris Declaration can be downloaded at the OECD website:

[www.oecd.org/dac/effectiveness/monitoring](http://www.oecd.org/dac/effectiveness/monitoring)

A second round of monitoring will be organised in the first quarter of 2008 and will be an important contribution to the Accra High-Level Forum on Aid Effectiveness in September 2008.

# 16 KENYA

**KENYA'S POPULATION OF 32 MILLION** subsist on an average annual income of USD 480 (gross national income per capita, 2004). According to the latest survey, conducted in 1997, 56% of the population live below the dollar-a-day international poverty line. In 2004, net official development assistance (ODA) to Kenya was USD 635 million, up from USD 394 million in 2002. As a percentage of gross national income (GNI), net ODA in 2004 amounted to 4.1%, up from 3.3% in 2002. With donors providing an increasing volume of aid to Kenya, it is essential that it is effective. Kenya has endorsed the Paris Declaration on Aid Effectiveness. Sixteen donors responded to the 2006 survey; together, they account for around 90% of ODA to Kenya.

DIMENSIONS	BASELINE	CHALLENGES	PRIORITY ACTIONS
Ownership	Moderate	Expenditures and budgets do not reflect Poverty Reduction Strategy priorities.	Prepare Kenya Vision 2030.
Alignment	Moderate	Country public financial management and procurement systems not trusted by donors.	Government, with support of donors, to build more reliable country systems.
Harmonisation	Moderate	Project support aid militates against the use of common procedures and joint missions.	Adopt and implement the Kenya Joint Assistance Strategy.
Managing for results	Moderate	Relatively weak statistical capacity.	Establish fully the national integrated monitoring and evaluation system.
Mutual accountability	Low	Absence of mutual assessment mechanism.	Ensure that mutual assessment is part of the Kenya Joint Assistance Strategy.

**OVERVIEW**  
Box 16.1  
Challenges  
and priority  
actions

## OWNERSHIP

### INDICATOR 1

**OWNERSHIP IS CRUCIAL TO AID EFFECTIVENESS** and good development results, and is central to the Paris Declaration. It has been defined in terms of a country's ability to exercise effective leadership over its development policies and strategies. Achieving this is not a simple undertaking, especially in countries that rely heavily on aid to finance their development. Nor of course, can it be measured by a single indicator. Indicator 1 provides an entry point to the issue of ownership, focusing in particular on whether a country has an operational development strategy, with which donors can align their development assistance.

## OPERATIONALISING DEVELOPMENT STRATEGIES

Along with 31% of countries in the World Bank's Comprehensive Development Framework (CDF), Kenya is placed in category D for its development strategy. As the World Bank's reporting makes clear, some elements of an operational development strategy are in place, but gaps remain in several areas. Kenya is weak on long-term vision, and capacity and resources for implementation, and relatively strong in its medium-term strategy and country-specific development targets.

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Kenya has a Poverty Reduction Strategy Paper (PRSP), like other countries, that lays out a vision. It has now completed the documentation that describes the medium-term development strategies for achieving Kenya Vision 2030. The Investment Programme (IP) and Economic Recovery Strategy (ERS) for Wealth and Employment Creation constitute the government's medium-term strategy (IP-ERS). Sectoral plans guide implementation of the medium-term strategy in the areas of health, agriculture, education, AIDS, and governance, justice, law and order. At the local level, local authorities have been responsible for preparing Local Authority Service Delivery Action Plans since 2001.

Kenya is a UN Millennium Project pilot country, and the Millennium Development Goals (MDGs) play a particularly important role in Kenya. The medium-term strategies are, according to the World Bank's Aid Effectiveness Review (AER), fully in line with the MDGs and are linked to an MDG-focused results matrix. Recent assessments of what is needed to meet the eight MDGs have led to increased resource allocation towards health, water supply and agriculture.

Kenya's government is working hard to link the budget to the IP-ERS medium-term strategy. To this end, a Medium-Term Expenditure Framework was introduced in 2004, and budget planning processes have been overhauled. These reforms have begun to have an impact on public expenditure, with a greater share of resources

flowing to priority sectors. However, according to the World Bank, "implementation bottlenecks still hamper effective use of resources". For instance, 10% of expenditure is funded from outside the budget, there are significant differences between ministerial budgets and actual expenditure, and in-year budget re-allocations are frequent. To address these and other issues, the government is taking action to meet the benchmarks for the Public Expenditure Management Assessment and Action Plan by 2009, and to achieve progress in terms of the Public Expenditure and Financial Accountability framework.

#### OTHER ASPECTS OF OWNERSHIP

The World Bank reports that some efforts are being made to enhance government leadership and co-ordination of development assistance. This, despite the fact that the Kenya Coordination Group (chaired by the Ministry of Finance and responsible for co-ordinating external assistance) has met infrequently and has not been very effective. Such efforts, along with further in-country government-chaired meetings of development forums, should result in progress.

In terms of participation (a key contributor to country ownership), institutional mechanisms for stakeholder involvement are largely developed. Recent years have seen substantial participation by civil society and the private sector, but Parliament as yet plays a less prominent role (for instance, the IP-ERS was not submitted for parliamentary approval).

#### ALIGNMENT

##### INDICATOR 2

**KENYA AND ITS DONORS** have put in place some of the elements needed to bring about a greater alignment of aid with country policies and systems, but according to the results of the baseline survey, much remains to be done. Government needs to establish more reliable country systems, and donors need to invest in, and make use of, these systems. There is also an urgent need to ensure that a greater proportion of aid is recorded in the national budget, an important step towards achieving alignment.

#### BUILDING RELIABLE COUNTRY SYSTEMS

The World Bank, in its Country Policy and Institutional Assessment for 2005, gives Kenya a rating of 3.5 for its public financial management system. This puts Kenya marginally above the average of 3.2 for all International Development Association countries.

In recent years, the government has made considerable efforts to build reliable country systems. In terms of legislation, in 2005 a new Financial Administration Bill was submitted to

Parliament, and a Procurement Bill was enacted. In terms of financial management and information, the government is developing an integrated financial management and information system. Such a system would be very useful, but if it is to be effective a number of human and technical resource constraints will need to be addressed, and national ministries' own management information systems will need to be strengthened. In terms of resources, the Office of the Controller and Auditor General is a key institution and has been provided with additional financial and technical resources to enable it to deal with a backlog of public audits.

Corruption remains a problem in Kenya, despite the fact that the country has moved marginally up Transparency International's Corruption Perceptions Index. The government has been working to raise awareness of the issue, and to employ more resources to tackle corruption, but progress has been slow.

## ALIGNING AID FLOWS ON NATIONAL PRIORITIES

Indicator 3 measures the proportion of aid to the government sector which is reported in the national budget. This is a way of trying to assess the degree to which aid is aligned on national priorities. In 2005, 94% of aid disbursed for the government sector was recorded in the national budget.

The table provides government's budget estimates of aid flows for fiscal year 2005 (numerator) as a percentage of aid disbursed by donors for the government sector for the same period (denominator). This ratio tells us the degree to which there is a discrepancy between budget estimates and actual disbursements. The discrepancy can be in two directions: indeed budget estimates can be either higher or lower than disbursements. In order to have a single measure of discrepancy that is always less than 100%, the ratio is flipped when budget estimates are higher than disbursements.

### Are government budget estimates comprehensive and realistic?

INDICATOR 3  
Table 16.1

	Government's budget estimates of aid flows for FY05 (USD m)	Aid disbursed by donors for government sector in FY05 (USD m)	Baseline ratio*	
	a	b	c=a/b (%)	c=b/a
Canada	14	16	86%	
Denmark	9	18	50%	
European Commission	67	141	47%	
Finland	1	1	61%	
France	9	5		56%
GAVI Alliance	0	14	0%	
Germany	32	42	75%	
Global Fund	28	26		93%
IMF	0	0		
Italy	2	3	57%	
Japan	11	50	22%	
Netherlands	3	2		56%
Norway	1	2	43%	
Sweden	17	19	91%	
United Kingdom	14	15	97%	
United Nations	27	36	74%	
United States	15	6		37%
World Bank	165	59		36%
<b>Total</b>	<b>415</b>	<b>456</b>	<b>91%</b>	

\* Baseline ratio is  $c = a / b$  except where government's budget estimates are greater than disbursements ( $c = b / a$ ).

INDICATOR 4  
Table 16.2

How much technical assistance is co-ordinated with country programmes?

	Co-ordinated technical co-operation (USD m) a	Total technical co-operation (USD m) b	Baseline ratio* (%) c=a/b
Canada	0	0	100%
Denmark	18	21	87%
European Commission	5	21	23%
Finland	1	1	100%
France	0	3	0%
GAVI Alliance	0	0	--
Germany	12	12	100%
Global Fund	0	0	--
IMF	0	1	89%
Italy	2	3	84%
Japan	29	29	100%
Netherlands	0	0	--
Norway	2	2	100%
Sweden	7	7	100%
United Kingdom	18	40	46%
United Nations	5	12	40%
United States	1	12	4%
World Bank	3	9	33%
<b>Total</b>	<b>104</b>	<b>173</b>	<b>60%</b>

The baseline value for Indicator 3 in Kenya is 91%. Achieving the target agreed in Paris of 95% (halving the gap) for this indicator will require concerted efforts by donors and government.

A range of factors explain the shortfall of aid recorded on budget in relation to aid disbursed to the government sector. On the government side, for many sectors clear and fully costed plans with which donors can align their assistance have not been developed. On the donor side, some donors are in the habit of spending funds directly without informing the government, and of failing to consult the budget estimates and as a result sometimes providing excessive aid to particular projects. Both practices are bound to reduce the proportion of aid to government which is reported in the budget. In addition, reporting procedures are not strictly followed, and there are inconsistencies between government and donor approaches, and mismatched fiscal years. As a result, both government and donors fail to account adequately for aid resources.

To improve matters, the government is seeking to ensure that expenditures outlined in annual project work plans are adhered to, and are reflected in the annual estimates. Donors, working alongside government, are preparing a Kenya Joint Assistance Strategy for 2007-10. Such actions should help to create an environment in which aid can be aligned with national priorities, and as a result made more effective. Reaching the target of 95% for Indicator 3 by 2010 is certainly a challenge, but with a concerted effort by government and donors it is achievable.

#### CO-ORDINATING SUPPORT TO STRENGTHEN CAPACITY

Donors are committed under the Paris Declaration to helping to strengthen developing countries' capacities, by providing technical co-operation through co-ordinated programmes that are consistent with partners' national development strategies. In Kenya, 60% of donors' technical assistance is provided in such a manner. According to this figure, Kenya has already met the Paris target of 50%. In line with this declaration the government is in the process of producing an External Resources Policy. It is likely to be passed by cabinet soon to help with the issues of management of external resources. However, this figure should be treated with some caution as government and donors have been unable to establish a list of co-ordinated capacity development programmes, due to differing interpretations of the meaning of "capacity development programmes", and to some donors' tendency to bundle support for capacity development with project financing.

To ensure that technical co-operation does strengthen capacity, donors should provide technical assistance in response to needs expressed by the government. For their part, the Kenyan authorities need to identify more clearly their capacity-building needs. As with aid alignment – see above – the Kenya Joint Assistance Strategy should help donors to better co-ordinate their support to capacity development.

## How much aid for the government sectors uses country systems?

INDICATOR 5  
Table 16.3

	Aid disbursed by donors for government sector (USD m) a	Public financial management				Procurement	
		Budget execution (USD m) b	Financial reporting (USD m) c	Auditing (USD m) d	Baseline ratio (%) avg(b,c,d) / a	Procurement systems (USD m) e	Baseline ratio (%) e / a
Canada	16	7	7	7	41%	1	4%
Denmark	18	0	0	0	0%	0	0%
European Commission	141	65	65	65	46%	65	46%
Finland	1	0	0	0	0%	0	0%
France	5	5	5	5	92%	5	92%
GAVI Alliance	14	0	0	14	33%	0	0%
Germany	42	25	25	25	58%	25	58%
Global Fund	26	0	0	0	0%	26	100%
IMF	0	0	0	0	--	0	--
Italy	3	3	3	3	79%	3	79%
Japan	50	4	4	4	7%	6	12%
Netherlands	2	0	0	0	0%	2	100%
Norway	2	2	0	0	33%	0	0%
Sweden	19	12	12	12	65%	8	40%
United Kingdom	15	18	12	12	98%	12	85%
United Nations	36	12	12	12	34%	1	2%
United States	6	6	6	6	100%	6	100%
World Bank	59	59	59	59	100%	47	79%
<b>Total</b>	<b>456</b>	<b>216</b>	<b>208</b>	<b>223</b>	<b>47%</b>	<b>204</b>	<b>45%</b>

### USING COUNTRY SYSTEMS

Under the Paris Declaration, donors are committed to make use of country systems where those country systems are of sufficient quality to merit their use. Indicator 5a measures donors' use of country public financial management systems; Indicator 5b does the same for procurement systems.

Even in programme-based approaches, some donors do not have the confidence to use government systems, and instead rely on financial management agencies. A July 2006 Public Expenditure and Financial Accountability assessment pointed out a number of weaknesses in Kenya's public financial management (PFM) systems. In response, the government has already launched the PFM Reform Strategy.

Only 47% of aid to the government sector makes use of the country's PFM systems (averaged across the three systems). Kenya's PFM systems receive a rating of 3.5 from the World Bank. As such, the target for 2010 is that 65% of aid will make use of national systems (averaged across the three systems). The target will be set on the basis of individual agency forecasts of where the country is likely to be in 2010.

Only 45% of aid to the government sector makes use of Kenya's procurement systems. The government has sought to address many weaknesses identified, but it remains unclear whether the steps taken will provide donors with the confidence they need. As the country's procurement system has not been rated, it is not possible to state what the 2010 targets for using the country's procurement systems will be.

INDICATOR 6  
Table 16.4

How many PIUs are parallel to country structures?

	Parallel PIUs (units)
Canada	3
Denmark	4
European Commission	0
Finland	1
France	0
GAVI Alliance	0
Germany	1
Global Fund	0
IMF	0
Italy	1
Japan	0
Netherlands	1
Norway	1
Sweden	1
United Kingdom	3
United Nations	8
United States	0
World Bank	5
<b>Total</b>	<b>17</b>

AVOIDING PARALLEL  
IMPLEMENTATION STRUCTURES

The Paris Declaration urges donors to avoid, to the maximum extent possible, creating dedicated structures or project implementation units (PIUs) for the day-to-day management and implementation of aid-financed projects and programmes. In the short term, parallel PIUs can compensate for governmental institutional shortcomings. However, PIUs are also likely to constrain national ownership and capacity development, and can delay reforms to government institutions that would make PIUs redundant. The baseline survey indicates that donors have established 17 parallel PIUs.

PIUs in Kenya persist because many donors include them in their project designs, there are no general rules governing their creation and they rarely include exit strategies. A reduction in the number of PIUs will require that donors adopt a longer-term perspective, rather than a short-term

INDICATOR 7  
Table 16.5

Are disbursements on schedule and recorded by government?

	Disbursements recorded by government in FY05 (USD m) a	Aid scheduled by donors for disbursement in FY05 (USD m) b	Aid actually disbursed by donors in FY05 (USD m) b	Baseline ratio* (%) c=a/b c=b/a
Canada	14	7	16	48%
Denmark	4	18	18	22%
European Commission	48	141	141	34%
Finland	0	1	1	0%
France	6	22	5	26%
GAVI Alliance	0	13	14	0%
Germany	31	28	42	92%
Global Fund	27	30	26	89%
IMF	0	0	0	
Italy	0	3	3	0%
Japan	8	50	50	16%
Netherlands	0	2	2	16%
Norway	0	4	2	0%
Sweden	12	19	19	61%
United Kingdom	26	37	15	69%
United Nations	5	41	36	13%
United States	6	6	6	94%
World Bank	87	198	59	44%
<b>Total</b>	<b>272</b>	<b>620</b>	<b>456</b>	<b>44%</b>

\* Baseline ratio is  $c = a / b$  except where disbursements recorded by government are greater than aid scheduled for disbursement ( $c = b / a$ ).



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focus on management processes and production outcomes. The process will be undertaken cautiously to ensure control of costs and avoid competition with the government system.

The survey provides no information about efforts being made by government or donors to reduce the number of parallel PIUs. However, as the AER notes, a move towards sector-wide approaches (SWAs) is fostering the consolidation of project management arrangements, and their integration into government institutions. If the target of 6 parallel PIUs by 2010 is to be reached, the Kenyan government will need to improve its own management systems, and the donors will have to make use of them and help to build their capacity.

#### PROVIDING MORE PREDICTABLE AID

Improving the predictability of development assistance is a challenge, as is measuring the level of predictability. Indicator 7 seeks to assess aid predictability by looking at the proportion of aid scheduled for disbursement in a given fiscal year which is recorded by government as having been disbursed in the same fiscal year. The survey gives a baseline figure of 44% for Kenya.

Aid predictability remains a major challenge in Kenya, not least because donor conditions for releasing funds vary. The year for which data was collected may also have been something of an exception; in 2005 a number of donors stopped planned disbursements because of concerns about governance and corruption. It is expected that the Kenya Joint Assistance Strategy, and a strengthening of the government's capacity to take charge of development assistance, will enhance aid predictability. Similarly, a further shift towards providing aid through budget support may offer benefits in terms of predictability.

The table looks at predictability from two different angles. The first angle is donors' and government's combined ability to disburse aid on schedule.

In Kenya, donors scheduled USD 620 million for disbursement in 2005 and actually disbursed – according to their own records – significantly less than expected (USD 456 million). The discrepancy varies considerably among donors and is mainly due to late disbursements carried over to 2005 and to delays in implementing programmes. The second angle is donors' and government's ability to record comprehensively disbursements made by donors for the government sector. In Kenya, government systems recorded USD 272 million out of the USD 456 million notified as disbursed by donors (60%), indicating that a significant proportion of disbursements were not captured, either because they were not appropriately notified by donors or because they were inaccurately recorded by government.

Indicator 7 on predictability has been designed to encourage progress against both of these angles so as to gradually close the predictability gap by half by 2010. In other words, it seeks to improve not only the predictability of actual disbursements but also the accuracy of how they are recorded in government systems – an important feature of ownership, accountability and transparency. In Kenya, this combined predictability gap amounts to USD 367 million (59% of aid scheduled for disbursement). Closing this predictability gap will require donors and government to work increasingly together on various fronts at the same time. They might work at improving:

- the realism of predictions on volume and timing of expected disbursements;
- the way donors notify their disbursements to government;
- the comprehensiveness of government's records of disbursements made by donors.

#### UNTYING AID

According to OECD data covering 66% of 2004 commitments, 78% of aid to Kenya is untied. The AER provides no information about what, if anything, external partners are doing to raise the percentage of aid which is untied.

#### INDICATOR 8



## HARMONISATION

ON HARMONISATION, a shift towards the use of SWApS and the establishment of the Joint Kenya Assistance Strategy show promise that substantial progress towards the 2010 targets might be made. However, success depends upon the adoption of common arrangements and the co-ordination of joint missions.

### USING COMMON ARRANGEMENTS

45% of disbursed aid made use of programme-based approaches. Much progress will be required if the 2010 target of 66% is to be met. There are however some signs of progress. Donors are pooling funding around the Governance, Justice, Law and Order Sector Reform Programme, and the AER reports that there is a progressive move towards SWApS that will facilitate the use of common procedures. Meanwhile, some donors are unable to participate in basket funds or can only do basket funding under certain conditions, while others are unable to delegate procurement. And, more generally, the significant use of project support aid (which rarely uses national procedures) limits the use of common arrangements.

Looking ahead, strong government leadership and strengthened PFM systems will be key, backed by increased donor co-ordination and peer pressure, and the implementation of the Kenya Joint Assistance Strategy.

### CONDUCTING JOINT MISSIONS AND SHARING ANALYSIS

In Kenya, the baseline for the percentage of missions that are conducted jointly – subject to some question marks about its accuracy – is 9%, a considerable way off the target of 40% by 2010. This results from the fact that while some donors – Germany, the European Commission and Sweden – conduct all of their missions jointly, a small number of other donors, conducting many country missions, conduct few of them jointly. As a result there are many parallel and frequent missions, which place a burden on the government. The stand-alone nature of many projects makes it difficult to run joint missions, and the absence of co-ordination or a mission clearing office means that long-term mission scheduling

INDICATOR 9  
Table 16.6

How much aid is programme based?

	Budget support (USD m) a	Other PBAs (USD m) b	Total (USD m) c=a+b	Total disbursed (USD m) d	Baseline ratio (%) e=c/d
Canada	0	16	16	20	80%
Denmark	0	8	8	22	37%
European Commission	65	82	147	149	99%
Finland	0	2	2	2	100%
France	0	0	0	10	0%
GAVI Alliance	0	1	1	14	8%
Germany	0	24	24	50	49%
Global Fund	0	27	27	27	100%
IMF	0	0	0	0	--
Italy	0	3	3	7	38%
Japan	0	33	33	70	47%
Netherlands	0	2	2	6	29%
Norway	0	2	2	4	60%
Sweden	0	6	6	24	26%
United Kingdom	0	17	17	62	27%
United Nations	0	7	7	52	14%
United States	0	0	0	89	0%
World Bank	0	2	2	59	3%
<b>Total</b>	<b>65</b>	<b>233</b>	<b>298</b>	<b>667</b>	<b>45%</b>

is not effective. Joint missions are only common where donors are co-operating, for instance in the Kenya Education Sector Support Programme, and the Governance, Justice, Law and Order Sector Programme. The establishment of the Kenya Joint Assistance Strategy, and a move towards SWApS should bring more joint missions in their wake. And, the burden will be eased if donors heed the request made by government for a “quiet time” between April and June.

In terms of co-ordinating and sharing analysis, differences of interpretation mean that the data should be treated with some caution, but the figures give a baseline for Kenya of 32%. This puts the 2010 target of 66% in reach. Recent examples of joint country analytical work include the Country Integrated Fiduciary Assessment and the Public Financial Management Performance Report and Performance Indicators. Another 18 examples have been posted at [www.countryanalyticwork.net](http://www.countryanalyticwork.net). As is the case with other aspects of aid effectiveness, the establishment of the Kenya Joint Assistance Strategy should lead to positive results.

#### How many donor missions are co-ordinated?

	Co-ordinated donor missions (missions) a	Total donor missions (missions) b	Baseline ratio (%) c=a/b
Canada	3	8	38%
Denmark	0	6	0%
European Commission	10	10	100%
Finland	0	0	--
France	3	18	17%
GAVI Alliance	0	0	--
Germany	11	11	100%
Global Fund	0	2	0%
IMF	0	4	0%
Italy	0	5	0%
Japan	0	31	0%
Netherlands	0	0	--
Norway	0	0	--
Sweden	4	4	100%
United Kingdom	1	31	3%
United Nations	42	197	21%
United States	--	--	--
World Bank	20	37	54%
<b>Total (discounted*)</b>	<b>29</b>	<b>319</b>	<b>9%</b>

\* The total of co-ordinated missions has been adjusted to avoid double counting. A discount factor of 35% has been applied.

#### How much country analysis is co-ordinated?

	Co-ordinated donor analytical work (units) a	Total donor analytical work (units) b	Baseline ratio (%) c=a/b
Canada	2	3	67%
Denmark	2	3	67%
European Commission	4	6	67%
Finland	2	2	100%
France	3	9	33%
GAVI Alliance	0	0	--
Germany	13	15	87%
Global Fund	0	0	--
IMF	1	6	17%
Italy	0	0	--
Japan	0	2	0%
Netherlands	2	2	100%
Norway	3	4	75%
Sweden	5	5	100%
United Kingdom	3	7	43%
United Nations	36	44	82%
United States	--	2	--
World Bank	2	3	67%
<b>Total (discounted*)</b>	<b>26</b>	<b>79</b>	<b>32%</b>

\* The total of co-ordinated analysis has been adjusted to avoid double counting. A discount factor of 25% has been applied.

INDICATOR 10a  
Table 16.7

INDICATOR 10b  
Table 16.8

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## MANAGING FOR RESULTS

**INDICATOR 11** **THE PARIS DECLARATION** calls on partner countries and donors to work together to manage resources on the basis of desired results and to use information to improve decision making. This means both strengthening the capacity to undertake such management and helping to increase the demand for a focus on results. Indicator 11 examines one component of this effort: the establishment of a cost-effective results-oriented reporting and assessment system by the country.

Only 4% of countries assessed as part of the World Bank's AER were judged to have an adequate results-oriented reporting and assessment system. Another 42% were rated as C, with the remainder receiving a D. Kenya scored a C. The criteria for assessment are: the quality of development information, the degree to which stakeholders have access to it, and the extent of co-ordinated monitoring and evaluation.

As regards the quality of development information, the AER notes that "action is being taken to produce timely and relevant statistical information." A Health and Demographic Census was completed in 2004 and plans are being made to conduct a census, a comprehensive poverty assessment, an integrated household budget survey and an agricultural census. These initiatives build on efforts to strengthen statistical capacity, conducted with substantial donor support. The AER reports that stakeholders have ready access to information about government policies, and that some effort is being made to make poverty-related data available to users within and outside government. Some progress has also been made on developing a National Integrated Monitoring and Evaluation System. These are encouraging signs. If the government, with the support of donors, remains committed to implementing these initiatives, then Kenya may reach the target rating of B by 2010.

## MUTUAL ACCOUNTABILITY

**INDICATOR 12** **THE PARIS DECLARATION** calls for donors and partner countries to be accountable to each other for the use of development resources, and in a way that tends to strengthen public support for national policies and development assistance. This requires governments to take steps to improve country accountability systems and donors to help by being transparent about their own contributions.

The indicator looks at whether there is a country-level mechanism permitting joint assessment of progress in implementing agreed commitments on aid effectiveness, including those in the Declaration itself. There is as yet no such mechanism in Kenya, and there has not been a mutual assessment of progress in implementing the commitments made by donors and government under the Paris Declaration. The Kenya Joint Assistance Strategy might provide an opportunity for donors and government to undertake mutual assessments of aid effectiveness.

## BASELINES AND TARGETS

THE TABLE BELOW presents the 2005 baselines and the targets for Kenya. The baseline values are based on discussion above, which draws on various sources of information. The main source is the baseline survey undertaken in Kenya under the aegis of the National Co-ordinators (Jackson Kinyanjui and Bernard Masiga).

INDICATORS	2005 BASELINE	2010 TARGET
1 Ownership – Operational PRS	D	B or A
2a Quality of PFM systems	3.5	4.0
2b Quality procurement systems	Not available	Not applicable
3 Aid reported on budget	91%	95%
4 Co-ordinated capacity development	60%	50%
5a Use of country PFM systems (aid flows)	47%	65%
5b Use of country procurement systems (aid flows)	45%	Not applicable
6 Parallel PIUs	17	6
7 In-year predictability	44%	72%
8 Untied aid	78%	More than 78%
9 Use of programme-based approaches	45%	66%
10a Co-ordinated missions	9%	40%
10b Co-ordinated country analytical work	32%	66%
11 Sound performance assessment framework	C	B or A
12 Reviews of mutual accountability	No	Yes

Table 16.9  
Baselines  
and targets

## ACRONYMS

AER	Aid Effectiveness Review
CDF	Comprehensive Development Framework
ERS	Economic Recovery Strategy
GNI	gross national income
IP	Investment Programme
MDG	Millennium Development Goal
ODA	official development assistance
PFM	public financial management
PIU	project implementation unit
PRSP	Poverty Reduction Strategy Paper
SWAp	sector-wide approach