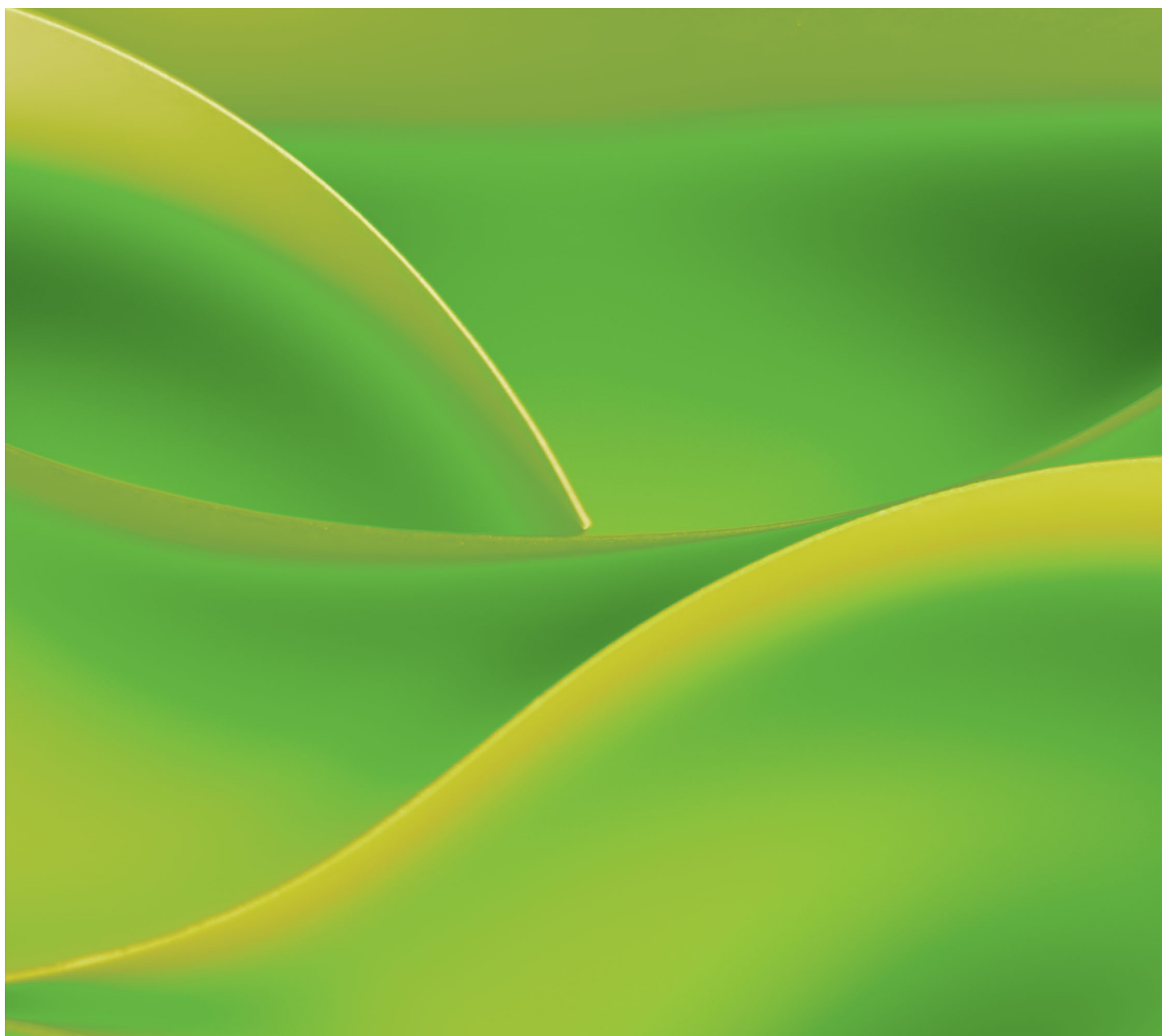




# EVALUATION

Finland's Development Cooperation  
with Kenya in 2007-2013



Evaluation on Finland's Development Policy and Cooperation

**2015/2**



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# EVALUATION

## FINLAND'S DEVELOPMENT COOPERATION WITH KENYA IN 2007-2013

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**2015/2**

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# CONTENTS

<b>ACRONYMS AND ABBREVIATIONS</b> .....	<b>VII</b>
<b>TIIVISTELMÄ</b> .....	<b>1</b>
<b>REFERAT</b> .....	<b>2</b>
<b>ABSTRACT</b> .....	<b>3</b>
<b>YHTEENVETO</b> .....	<b>4</b>
<b>SAMMANFATTNING</b> .....	<b>8</b>
<b>SUMMARY</b> .....	<b>12</b>
<b>KEY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS</b> .....	<b>16</b>
<b>1 INTRODUCTION</b> .....	<b>20</b>
<b>1.1 Evaluation purpose and objectives</b> .....	<b>20</b>
<b>1.2 Approach and methodology</b> .....	<b>21</b>
<b>1.3 Limitations to the evaluation</b> .....	<b>24</b>
<b>2 CHANGING KENYA</b> .....	<b>26</b>
<b>2.1 Economy is growing, but</b> .....	<b>26</b>
<b>2.2 Poverty and inequalities persist</b> .....	<b>28</b>
<b>2.3 Climate change</b> .....	<b>32</b>
<b>2.4 Corruption, ethnicity and governance</b> .....	<b>33</b>
<b>2.5 The 2010 Constitution and 2013 Devolution</b> .....	<b>35</b>
<b>2.6 National plans and budgets</b> .....	<b>38</b>
<b>2.7 The role of aid</b> .....	<b>39</b>
<b>3 FINLAND'S DEVELOPMENT POLICY PROGRAMMES AND STRATEGY/-IES WITH KENYA</b> .....	<b>42</b>
<b>3.1 Finnish development policy programmes</b> .....	<b>42</b>
<b>3.2 Finnish development cooperation with Kenya</b> .....	<b>44</b>
3.2.1 The years up to 2007 .....	44
3.2.2 The period 2007-2011 .....	45
3.2.3 Finland's Country Strategy for Development Cooperation with Kenya 2013-2016 .....	46
<b>4 FINDINGS AND CONCLUSIONS</b> .....	<b>48</b>
<b>4.1 Response to changing Kenya</b> .....	<b>48</b>
<b>4.2 The role of Finland's Development Policy Programmes</b> .....	<b>52</b>
<b>4.3 Challenges associated with the CCOs and HRBA</b> .....	<b>54</b>
<b>4.4 The strategy and its components</b> .....	<b>56</b>
<b>4.5 Choice of sectors</b> .....	<b>58</b>
4.5.1 A democratic and accountable society that promotes human rights .....	59
4.5.2 Poverty reduction through inclusive green growth in the agriculture sector .....	60

4.5.3 Improved management and use of forest and water resources with increased participation of communities, civil society and private sector.....	61
<b>4.6 Partners and modalities .....</b>	<b>63</b>
<b>4.7 Aid harmonisation.....</b>	<b>66</b>
<b>5 RECOMMENDATIONS.....</b>	<b>68</b>
<b>REFERENCES.....</b>	<b>73</b>
<b>DOCUMENTS CONSULTED .....</b>	<b>76</b>
<b>EVALUATION TEAM.....</b>	<b>80</b>
<b>ANNEXES</b>	
<b>Annex 1 Terms of Reference .....</b>	<b>83</b>
<b>Annex 2 People Interviewed.....</b>	<b>90</b>
<b>Annex 3 Evaluation matrix.....</b>	<b>94</b>
<b>Annex 4 Evaluation of the Key Interventions.....</b>	<b>100</b>
<b>Annex 5 Questionnaire on future Finnish aid with Kenya .....</b>	<b>113</b>
<b>Annex 6 Quality assurance report.....</b>	<b>115</b>
<b>Annex 7 Findings of recent reviews of Finnish development cooperation .....</b>	<b>118</b>
<b>Annex 8 Time line of key events in Kenya and Finnish development cooperation with Kenya.....</b>	<b>120</b>
<b>Annex 9 Finland’s development cooperation strategy with Kenya 2013-2016 .....</b>	<b>122</b>
<b>Annex 10 Concept note on promoting access to knowledge on living natural resources at the county level in Kenya.....</b>	<b>124</b>
<b>TABLES</b>	
<b>Table 1 Aid disbursements to Kenya by the 12 largest contributors in 2007-2012 (US\$ million), including humanitarian aid.....</b>	<b>40</b>
<b>Table 2 Development budget and development aid to selected sectors in 2014/2015.....</b>	<b>40</b>
<b>Table 3 Major donors listed in the 2014/15 budget .....</b>	<b>41</b>
<b>Table 4 Intervention logic of the current country strategy.....</b>	<b>47</b>
<b>Table 5 ‘In future, Finland should:’ .....</b>	<b>52</b>
<b>Table 6 Current programming situation .....</b>	<b>54</b>
<b>Table 7 ‘In future cooperation, the three most important sectors/themes are:’ .....</b>	<b>59</b>
<b>Table 8 Disbursements by strategic objectives/components 2007-2013 (€ million).....</b>	<b>64</b>
<b>Table 9 ‘In future Finland should:’ .....</b>	<b>66</b>
<b>FIGURES</b>	
<b>Figure 1 GDP growth per person in the East African Community 1990–2012 .....</b>	<b>29</b>
<b>Figure 2 Percentage of poor people by county.....</b>	<b>30</b>
<b>Figure 3 Finnish ODA appropriations and disbursements 2007-2013, € million .....</b>	<b>44</b>
<b>Figure 4 Cumulative value of bilateral agreements and disbursements 2007-2012 (€) .....</b>	<b>53</b>
<b>Figure 5 Average planned funding per year per strategic component and total (€ million) .....</b>	<b>53</b>

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# ACRONYMS AND ABBREVIATIONS

AfDB	African Development Bank
A-I-A	Appropriation in Aid
AIDS	Auto-Immune Deficiency Syndrome
ASAL	Arid and Semi-arid Land
CAJ	Commission for Administrative Justice
CBO	Community-based organisation
CCO	Cross-cutting objective
CIC	Commission for the Implementation of the Constitution
CRA	Commission for Revenue Allocation
CSO	Civil society organisation
DAC	Development Assistance Committee
DFID	Department for International Development
DP	Development partner
DPF	Development Partners' Forum
DPP	Development Policy Programme
DPG	Development Partner Group
EAC	East African Community
EC	European Commission
EU	European Union
FDI	Foreign Direct Investment
FGM	Female Genital Mutliation
FIDA-K	Federation of Women Lawyers - Kenya (affiliated to <i>Federacion Internacional de Abogadas</i> )
FY	Financial Year
GDP	Gross Domestic Product
GGP	Gender and Governance Programme
GHG	Greenhouse Gas
GIR	Global Integrity Report
GJLOS	Governance, Justice and Law and Order Sector programme

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GoK	Government of Kenya
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
HRBA	Human rights-based approach
ICC	International Criminal Court
ICI	Institutional Cooperation Instrument
ICT	Information and communication technology
IIAG	Ibrahim Index of African Governance
IEBC	Independent Electoral and Boundaries Commission
IFMIS	Integrated Financial Management & Information System
JICA	Japan International Cooperation Agency
KEFRI	Kenya Forest Research Institute
KERP	Kenya External Resources Policy
KIPPRA	Kenya Institute for Public Policy Research and Analysis
KFS	Kenya Forest Service
KJAS	Kenya Joint Assistance Strategy
KNBS	Kenya National Bureau of Statistics
KNCHR	Kenya National Commission for Human Rights
KNDR	Kenya National Dialogue and Reconciliation
KSh	Kenya Shilling
KWS	Kenya Wildlife Service
KWTA	Kenya Water Tower Authority
LCF	Local Cooperation Fund
LiNR	Living Natural Resources
MDG	Millennium Development Goal
MDP	Ministry of Devolution and Planning
MEWNR	Ministry of Environment, Water and Natural Resources
MFA	Ministry for Foreign Affairs of Finland
MFW	Ministry of Forests and Wildlife
MMMB	Miti Mingi Maisha Bora - Support to Forest Sector Reform Programme
MTP	Medium Term Plan
MTR	Mid-term review
MTT	Finnish Agricultural Research Institute



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NARA	National Accord and Reconciliation Act
NEMA	National Environmental Management Agency
NGEC	National Gender Equality Commission
NGO	Non-governmental organisation
NFI	National Forest Inventory
NFP	National Forest Programme
Norad	Norwegian Agency for Development Cooperation
ODA	Official development assistance
ODM	Orange Democratic Movement
OECD	Organisation for Economic Cooperation & Development
OoCB	Office of the Controller of Budget
PALWECO	Programme for Agriculture & Livelihoods in Western Communities
PEFA	Public Expenditure and Financial Accountability
PFM	Public financial management
PPP	Public Private Partnership
PS	Principal Secretary
PSC	Programme Steering Committee
REDD	Reduced Emissions from Deforestation and (forest) Degradation
QA	Quality assurance
SEZ	Special Economic Zone
SFSD	Safe Food-Safe Dairy
SID	Society for International Development
SME	Small/medium enterprise
STI	Science, Technology & Innovation
SVB	Supervisory Board
TA	Technical assistance
ToR	Terms of Reference
UK	United Kingdom
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNEG	United Nations Evaluation Group
UNEP	United Nations Environment Programme
UNICEF	United Nations Children's Fund

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UNIFEM	United Nations Development Fund for Women
UoN	University of Nairobi
US	United States
USAID	US Agency for International Development
WASH	Water, sanitation, hygiene
WB	World Bank
WGI	Worldwide governance indicator
WRM	Water resources management
WRMA	Water Resources Management Authority
WRUA	Water Resource User Association
WSP	Water service provider
WSTF	Water Sector (formerly Services) Trust Fund

# TIIVISTELMÄ

Kenia on yksi Suomen pitkäaikaisista kehityskumppanimaista. Arvioinnin tavoitteena on antaa suosituksia Suomen ja Kenian välisen kehitysyhteistyön jatkolle perustuen aiempien vuosien kokemuksiin, erityisesti havaintoihin siitä miten muutokset Keniassa ja Suomen kehitysyhteistyössä ovat vaikuttaneet kehitysyhteistyöhön. Arvioinnin tulokset ja suositukset perustuvat kirjalliseen taustamateriaaliin sekä lukuisiin haastatteluihin Suomessa ja Keniassa.

Kenia on alemman keskitulon maa ja yhä vähemmän riippuvainen kehitysyhteistyöstä. Vuonna 2010 hyväksytty uusi perustuslaki sekä vuonna 2013 tehty mittava hallinnon hajauttaminen tarjoavat Kenialle ainutlaatuisen mahdollisuuden puuttua maan kehitysongelmiin.

Suomen kehitysyhteistyön maaohjelma (2013-2016) pyrkii perustellusti tukemaan perustuslain toimeenpanoa ja hallinnon hajautusta ja maakuntia. Suomen kehitysapu Kenialle on kohdistunut kolmelle sektorille: hyvään hallintoon, maaseutukehitykseen sekä luonnonvarasektorille. Huolimatta Kenian mittakaavassa vähäisestä avusta, Suomi on onnistunut saavuttamaan merkittävän aseman valituilla yhteistyösektoreilla. Arviointi suosittaa, että Suomi pysyisi valituilla sektoreilla, mutta ryhtyisi valmistelemaan uutta strategiaa vuosille 2017-2020, jonka keskeinen tavoite olisi siirtyminen kehitysyhteistyöstä muunlaiseen yhteistyöhön.

Suomi on tukenut lähinnä Kenian keskushallinnon toimijoita isoilla projekteilla, jotka ovat sisältäneet merkittävän määrän teknistä apua. Tämä lähestymistapa ja valitut yhteistyökumppanit eivät ole välttämättä parhaimpia mahdollisia devoluution kannalta ja maakuntien kapasiteetin kasvattamiseksi. Arviointi suosittaa, että kuntien kapasiteetin vahvistaminen nostettaisiin selkeämmin Suomen yhteistyön keskiöön niin nykyisissä kuin mahdollisesti tulevaisakin hankkeissa. Myös kenialaisten toimijoiden yhteistoiminnan tukemiseen olisi kiinnitettävä enemmän huomiota.

Uutena aloitteena maakuntien kapasiteetin vahvistamiseksi arviointi suositaa maakuntakohtaisen luonnonvarakartoituksen ja arvottamisen tekemistä. Kartoituksen tuottama tieto olisi ensiarvoisen tärkeää kuntien luonnonvarojen kestäväälle hallinnoinnille sekä talous- ja elinkeinosuunnittelulle ja mahdollisille investoinneille. Hankkeen tueksi arviointi esittää selvitystä luonnonvarojen hallinnoimisesta, investointi-insentiiveistä sekä luonnonvaroista saatavien hyötyjen jakamisesta.

Suomen tulisi pyrkiä aktiivisesti lisäämään taloudellista yhteistyötä Kenian kanssa.

*Avainsanat: kehitysyhteistyö, arviointi, Kenia, maaohjelma, devoluutio*

# REFERAT

Kenya är ett av Finlands långvariga partnerländer inom utvecklingssamarbetet. Kenya är ett lägre medelinkomstland och är inte särskilt beroende av utvecklingsbistånd. Den nya konstitutionen, godkänd 2010, samt den omfattande decentraliseringen, gjord 2013, ger Kenya en unik möjlighet att ta itu med landets utvecklingsproblem - ojämlikhet, fattigdom och brist på ansvarstagande.

Finlands utvecklingssamarbetsstrategi (2013-2016) strävar till att berättigat stödja konstitutionens genomförande, decentralisering och lokala myndigheter. Finlands utvecklingssamarbete med Kenya har fokuserat på tre områden: god samhällsstyrning, landsbygdsutveckling och naturresurssektorn (skogsbruk och vattenförsörjning på landsbygden). De årliga utbetalningarna har varit cirka 10 miljoner euro. Trots den låga nivån på stödet har Finland lyckats nå en betydande position inom utvalda samarbetsområden, samt inom givarsamarbetet. Utvärderingen rekommenderar att Finland skulle förbli i de utvalda sektorerna, men skulle börja förbereda en ny strategi för perioden 2017-2020 vars främsta mål skulle vara att övergå från utvecklingssamarbete till andra former av samarbete.

Finland stöder främst Kenyas statliga aktörer med stora projekt som innehåller en betydlig mängd tekniskt stöd. Detta tillvägagångssätt samt de utvalda samarbetspartnerna är inte nödvändigtvis de bästa möjliga för att öka decentraliseringen och kapaciteten inom lokala myndigheterna. Utvärderingen rekommenderar att förstärkningen av lokala myndigheternas kapacitet skulle mer tydligt läggas i centrum av Finlands samarbete i nuvarande och potentiella framtida projekt. Större uppmärksamhet bör även ägnas åt att stöda samarbetet mellan kenyanska aktörer.

Som ett nytt initiativ rekommenderar utvärderingen att det görs kommun-specifika resurskartläggningar och -värderingar (främst skogar, vatten och betesmarker). Informationen från kartläggningarna vore av största betydelse för en hållbar förvaltning av lokala naturresurser, för ekonomisk och industriell planering och för potentiella investeringar. För att stöda projektet framlägger utvärderingen en klargöring över förvaltningen av naturresurser, investeringsincitament samt fördelningen av nyttorna från naturresurser.

Finland bör aktivt sträva till att öka samarbetet inom privata sektorn. Det finns en hög efterfrågan för ekonomiskt samarbete i Kenya

*Nyckelord: utvecklings bistånd, utvärdering, Kenya, landstrategi, decentralisering*

# ABSTRACT

Kenya is one of Finland's long-term partner countries in development cooperation. The purpose of this evaluation is to analyse this relationship as it unfolded in 2007-2013, and to offer recommendations for its future in ways that reflect the evolution of Kenya's and Finland's development cooperation circumstances and policies. Findings and recommendations are based on extensive document review and interviews in both countries.

Kenya is now a lower-middle income country and not very dependent on development cooperation. The 2010 Constitution, and devolution to the 47 counties that began in 2013, offer Kenya a new opportunity to address its persistent development challenges. Finland's Development Cooperation Strategy (2013-2016) aims at supporting implementation of the constitution and devolution. The evaluation team found this focus to be highly appropriate. Finnish cooperation has been channelled to three main sectors: governance, rural development/agriculture, and natural resources management, with total annual disbursements of approximately € 10 million. Finland has managed to 'punch above its weight' in the selected sectors and also in donor coordination. The evaluation recommends that Finland stays engaged in the same sectors, but also starts preparing a new strategy for 2017-2020 to pave the way for transition away from aid dominated cooperation.

Finland supports central government agencies with large projects that include sizeable technical assistance components. This approach and the selected partners are not necessarily best suited to support devolution and capacity building in counties. The evaluation team recommends that all existing and future projects contribute specifically to capacity building at the county level. Finland should also actively seek opportunities to facilitate cooperation and coordination among Kenyan actors, while also striving to increase economic cooperation between Finland and Kenya.

As a new project to strengthen counties, the evaluation team recommends preparation of on-line county-level atlases of ecosystems and the goods and services linked to them, thus providing access to knowledge that will help county governments plan for sustainable management and investment affecting these resources. To complement this, there should be a study on governance, investment incentives and benefit sharing in relation to renewable natural resources.

*Key words: evaluation, development cooperation, Kenya, country strategy, devolution*

**Suomen kehitys-  
yhteistyön yleinen  
tavoite Keniassa on  
hyvin perusteltu.**

## YHTEENVETO

Arvioinnin Suomen kehitysyhteistyöstä Kenian kanssa vuosina 2007-2013 tarkoituksena on antaa suosituksia tulevaisuuden yhteistyötä varten. Arvioinnin tavoitteena on ollut tarkastella yhteistyön saavutuksia sekä mahdollisia heikkouksia siinä, miten tehokkaasti Suomi on onnistunut tukemaan Kenian kehityspyrkimyksiä.

Arviointi perustuu yksityiskohtaiseen tausta-analyysiin Kenian kehityshaasteista, Suomen rahoittamien hankkeiden arviointeihin ja edistymisraportteihin sekä muiden avunantajien tekemiin arviointeihin. Kirjallista taustanalyysiä on täydennetty haastatteluilla Suomessa sekä Keniassa, jossa haastateltiin Suomen kehitysyhteistyötä tuntevia tahoja Kenian hallinnossa, kehitysyhteistyöhankkeisiin osallistuneita henkilöitä, kansalaisyhteiskunnan edustajia, muita avunantajia sekä Suomen edustuston henkilökuntaa. Haastatteluja täydennettiin kyselylomakkeella ja kenttävierailun lopuksi järjestettiin seminaari arvioinnin alustavien löydösten varmentamiseksi.

### **Keskeiset löydökset ja johtopäätelmät**

Suomen kehitysyhteistyön yleinen tavoite, Kenian perustuslain toteuttamisen sekä hallinnon hajauttamisen (devoluutio) tukeminen, on hyvin perusteltu. Lisäksi Suomen kehitysyhteistyö 2007-2013 on ollut Kenian tärkeimpien kehityssuunnitelmien, Vision 2030 sekä sitä toteuttavien viisivuotissuunnitelmien mukaista. Kansallinen rahoitus Suomen tukemille metsä- ja vesisektoreille ei kuitenkaan ole kasvanut ja Kenian hallituksen sitoutumista hyvää hallintoa edistäviin uudistuksiin kyseenalaistetaan. Suomen nykyinen kehitysyhteistyön maaohjelma 2013-2016 on tehty pitkälti ulkoasiainministeriön sisäisenä prosessina ilman konsultointia kenialaisten kanssa. Maaohjelman strategisten ja Suomen erityistavoitteiden välinen yhteys on vaikeasti todennettavissa.

Vuonna 2013 Kenia käynnisti maailmanlaajuisestikin kunnianhimoisen devoluutioprosessin, jossa 47 piirikunnalle siirrettiin laaja lainsäädännöllinen ja toimeenpanovastuu. Maakunnat vastaavat suuresta osasta peruspalvelutarjonnasta, vaikka rahoitus tulee pääosin edelleen keskushallinnolta. Maakunnat ovat Kenian tärkeimpiä muutosvoimia, joilla on mahdollisuus edistää tasa-arvoisempaa sosiaalista ja taloudellista kehitystä, lisätä julkishallinnon tilivelvollisuutta ja mahdollistaa pysyvämpi poliittinen tasapaino Keniassa. Maakunnat ovat kuitenkin vielä uusia toimijoita ja sekä keskushallinto että avunantajat etsivät edelleen parhaita käytäntöjä maakuntien tukemiseksi. Keskeisiä kysymyksiä ovat: miten tukea maakuntien kapasiteettia ja osaamista niiden uusissa tehtävissä ja miten edistää keskushallinnon ja maakuntien välistä yhteistyötä ja koordinaatiota, jotta palvelutarjonta jatkuisi mahdollisimman sujuvasti ja kehittyisi.

Kenia on nopeasti kehittyvä maa. Siitä tuli vastikään alemman keskitulon maa ja se on yhä vähemmän riippuvainen kehitysyhteistyöstä, vaikka kehitysyh-

teistyöllä onkin edelleen merkitystä erityisesti isojen infrastruktuurihankkeiden rahoittamisessa. Monet kahdenväliset avunantajat ovat kuitenkin tulleet siihen johtopäätökseen, että kaupallisen yhteistyön merkitys kasvaa, ja sen tuleekin kasvaa tulevaisuudessa. Kenialaiset toivoivat samaa myös Suomelta.

Suomen kehitysyhteistyötä Kenian kanssa leimaa jatkuvuus valituilla yhteistyösektoreilla sekä toteutetuissa hankkeissa. Tämä jatkuvuus on seurasta vuosina 2009 ja 2010 solmituista sopimuksista isojen hankkeiden rahoittamiseksi. Näistä sopimuksista johtuen nykyinen maaohjelma onkin pitkälti jälkikäteen kirjoitettu perustelu jo olemassa oleville hankkeille, ja vuoden 2012 kehityspoliittisen ohjelman merkitys on ollut lähinnä ihmisoikeusperustaisen lähestymistavan tuomisessa jo käynnissä oleviin hankkeisiin. Tämä ei ole onnistunut erityisen hyvin, koska hankkeet on suunniteltu aiemmin erilaisella lähestymistavalla ja välttämättömät tausta-analyysit puuttuvat. Ulkoasiainministeriön ohjeistusta ei pidetty riittävän käytännönläheisenä.

Jatkuvuus on myös osaltaan mahdollistanut Suomelle kokoaan merkittävämman roolin valituilla yhteistyösektoreilla. Jatkuvuuden lisäksi Suomen merkittävään asemaan ovat vaikuttaneet huomattavat rahalliset panostukset näille sektoreille sekä edustustoon palkatut kehitysyhteistyön erityisasiantuntijat, jotka ovat aktiivisesti osallistuneet sektorityöhön ja koordinaatioon avunantajien välillä. Ottaen huomioon nykyiset ja suunnitellut sitoumukset, Suomi tulee jatkamaan samoilla sektoreilla myös lähivuosina.

Suomen yhteistyö, yleiset tavoitteet ja yhteistyösektorit ovat relevantteja, mutta Suomen kehitysyhteistyön tehokkuutta ja tuloksellisuutta voisi tulevaisuudessa parantaa toisilla yhteistyön toimeenpanotavoilla ja uusilla partnereilla sekä maltillisemmalla budjetoinnilla. Suomi tekee yhteistyötä lähinnä keskuhallinnon kanssa, mutta käyttää yhteistyössä ”välikäsiä” - teknistä apua tarjoavia konsultteja ja YK-järjestelmää. Näiden ”välikäsiä” tarkoituksena on ollut vähentää hallinnollista rasitusta edustustossa ja pienentää taloushallinnollisia riskejä. Kaikki kahdenväliset hankkeet ovat käynnistyneet hitaasti, teknisiä neuvonantajia on pitänyt vaihtaa useasti ja hankkeiden päättyessä huomattava määrä varatusta budjetista on jäänyt käyttämättä. Tämä on joutunut osittain uuden perustuslain ja hallinnon hajauttamisen aiheuttamista muutoksista Kenian hallinnossa, mutta ongelmia on ollut myös hankkeiden suunnittelussa. Budjetit ovat ylimitoitettuja.

Onnistuneen hankkeen keskeinen edellytys on Kenian hallituksen omistajuus, jota voidaan tukea kansallisia järjestelmiä käyttämällä. Suomen rahoittamat hankkeet ovat olleet Kenian kehityssuunnitelmien mukaisia, mutta Suomi ei rahoita suoraan Kenian hallituksen ohjelmia täysin kansallisia järjestelmiä käyttäen. Tästä aiheutuu vaikeuksia kenialaisille yhteistyöorganisaatiolle. Suomella on ollut merkittävä rooli avunantajien välisessä koordinaatiossa, mutta Suomen antama apu ei ole täysin harmonisoitu Kenian hallituksen ohjelmiin ja taloushallintojärjestelmiin, kuten Pariisin julistuksessa kehitysyhteistyön tehokkuudesta edellytetään.

### **Suosituks**

Arviointi antaa 12 suositusta Suomen ja Kenian välisen kehitysyhteistyön kehittämiseksi tulevaisuudessa. Suositukset on jaettu yhdeksään strategia-

**Suomella on merkittävä rooli valituilla yhteistyösektoreilla.**

tason suosituksiin ja kolmeen sektorikohtaiseen suositukseen, jotka tukevat strategiatason suosituksia. Suositusten pyrkimyksenä on, että Suomella olisi entistä vankempi asema Keniassa vuonna 2020 ja sen jälkeen.

#### **Strategiatason suositukset:**

1. **Nykyinen maaohjelma.** Nykyisen maaohjelman yleinen tavoite ja tarkoitus (vuoden 2010 perustuslain ja devoluution toimeenpanon tukeminen) ovat hyvin perusteltuja, eikä niitä tule muuttaa. Strategisten tavoitteiden tavoitetasoa olisi kuitenkin syytä tarkistaa.
2. **Maakuntien tukeminen.** Suomen tulisi tukea suuremmin maakuntia ja varmistaa että maakunnilla on käytettävissään tarvittavaa tietoa tehtäviensä tehokkaaseen toimeenpanoon (vastuuvolliset tarvitsevat tietoa tuottaakseen palveluita ja oikeudenhaltijat tarvitsevat tietoa voidakseen pitää vastuuvolliset tilivelvollisina).
3. **Kansallisen yhteistyön edistäminen.** Suomen tulisi tukea Kenian hallinnon eri tasojen välistä yhteistyötä ja koordinaatiota sekä edistää toimenpiteitä missä kenialaiset toimijat etsivät yhdessä ratkaisuja Kenian ongelmiin.
4. **Uusi maaohjelma.** Suomen tulisi aloittaa uuden maaohjelman valmistelu vuosille 2017-2020 Kenian keskushallintoa, maakuntia, kansalaisyhteiskuntaa, yliopistoja sekä muita avunantajia konsultoiden. Uuden maaohjelman keskeinen tavoite tulisi olla kehitysyhteistyöstä luopuminen mutta kuitenkin niin, että siirtymäkaudella yhteistyötä tehtäisiin enemmän maakuntien kanssa nykyisillä yhteistyösektoreilla
5. **Kaupallisen yhteistyön edistäminen.** Suomen tulisi pyrkiä lisäämään suomalaisten ja kenialaisten yritysten yhteistyötä. Tämä voisi pitää sisällään selvityksen tekemistä kaupallisen yhteistyön mahdollisuuksista maatalous-, metsä- ja vesisektoreilla ja näiden alojen suomalaisyritysten vierailua Keniaan yhdessä Finnveran, Finnfundin, Finnpartnershipin ja tuoreen BEAM-ohjelman edustajien kanssa. Lisäksi Suomen edustusto Nairobissa voisi kerätä alumniverkoston Suomessa opiskelleita kenialaisista. Tämä verkosto voisi auttaa yhteistyökumppaneiden löytämisessä.
6. **Taustaselvityksiin ja tiedontuotantoon panostaminen.** Ulkoasiainministeriön tulisi panostaa enemmän välttämättömien tausta-analyyysien tekemiseen läpileikkaavista tavoitteista. Nämä analyysit mahdollistaisivat parempien toimeenpanosuunnitelmien valmistelun sekä osallistavan seurannan.
7. **Nykyisillä sektoreilla pysyminen.** Suomen tulisi jatkaa yhteistyötä nykyisillä sektoreilla ja painopistealueilla.
8. **Ylibudjetoinnista pidättäytyminen.** Uusien projektien suunnittelussa tulisi käydä läpi kaikki valmistelusyklin vaiheet (identifiointi, projektidokumentin valmistelu ja ennakoarviointi) ja kiinnittää erityistä huomiota Kenian hallituksen omistajuuteen ja varmistaa, että budjetti perustuu olemassa olevaan tarpeeseen, ei käytössä oleviin varoihin.
9. **Kansallisten järjestelmien käyttö.** Suomen tulisi täydentää nykyistä hankevalikoimaansa rahoittamalla suoraan Kenian hallituksen ohjelmia



kansallisia järjestelmiä käyttäen. Tämä tulisi tehdä yhteistyössä muiden avunantajien (kuten Ruotsi ja Tanska) kanssa, joilla on kokemusta kansallisten järjestelmien käytöstä.

#### **Sektorikohtaiset suositukset:**

10. Hyvä hallinto. Suomen tulee jatkaa kärsivällisesti hyvän hallinnon tukemista hajauttamalla rahoitusta Kenian hallinnon ja kansalaisyhteiskunnan toimijoille, ja pyrkiä tulevaisuudessa rahoittamaan myös suoraan Kenian hallituksen ohjelmaa kansallisia järjestelmiä käyttäen, mahdollisesti yhdessä Ruotsin ja Tanskan kanssa. Kaikissa hankkeissa tulisi tukea toimintoja, jotka tuovat yhteen kenialaisia toimijoita etsimään ratkaisuja yhteisiin ongelmiin.
11. Maatalouskehitys. PALWECO -hankkeeseen suunniteltu hallintojärjestelmien tarkastelu on kiireellisesti tarpeen. Tarkastelun tavoitteena tulisi olla hankkeen tuen maksimoiminen Busian maakunnalle. Tarkastelu tulisi ulottaa eri toimijoiden rooliin hankkeessa sekä arvioida teknisen avun ja erillisen hankeyksikön kokoa ja tarpeellisuutta. Lisäksi tarkastelussa tulisi tutkia mahdollisuutta antaa rahaa suoraan Busian budjettiin kansallisia taloushallinnon järjestelmiä käyttäen. Tarkastelussa tulisi myös keskustella mahdollisuudesta jakaa hankkeen opetuksia ja varoja lähimaakuntiin alkuperäisen hankeidean mukaisesti.
12. Uusiutuvat luonnonvarat. Suomen tulisi suunnitella ja rahoittaa projekti, ”Promoting access to knowledge on Living Natural Resources (LiNR) at county level in Kenya”. Hankkeen tuloksena olisi koko maan kattava on-line -kartasto vesistöistä, metsistä ja peltomaista maakuntatasolla. Nämä kartastot olisivat keskeinen tietolähde kestävien luonnonvarasuunnitelmien tekemiselle ja toimeenpanolle maakunnissa. Kartastot olisivat tarpeellisia myös elinkeinosuunnittelulle ja rakentamiselle sekä investointien houkuttelemiselle maakuntiin. Kartastot mahdollistaisivat myös elävien luonnonvarojen seurannan kansallisella tasolla ja kansainvälisten sopimusten edellyttämän raportoinnin. Lopuksi, kartastoista olisi apua mahdollisten konfliktien identifioinnissa sekä näiden konfliktien ratkaisemisessa.

# SAMMANFATTNING

Detta är rapporten för utvärderingen som gjordes av Finlands utvecklings-samarbete med Kenya åren 2007-2013. Utvärderingens syfte är att ge rekommendationer för framtida utvecklings-samarbete mellan Finland och Kenya. Målsättningen var att utvärdera framsteg, bidrag och svagheter i det gångna samarbetet och att bedöma huruvida Finland lyckats stöda Kenyas utvecklings-prioriteter på ett effektivt sätt.

Utvärderingen baserar sig på en detaljerad genomgång av litteraturen kring Kenyas politiska ekonomi samt rapporter och utvärderingar av utvecklings-projekt finansierade av Finland och andra biståndsgivare. Det har också gjorts intervjuer med kunskaphållare i Finland och fältstudier i Kenya där det gjordes semi-strukturerade intervjuer med ansvariga myndigheter och medborgare på olika nivåer i Kenyas samhälle, alla huvudsakliga utvecklingspartners, och Finlands ambassad i Nairobi. Utvärderingen avslutades genom en inkluderande valideringsworkshop och kompletterades av ett frågeformulär.

## Huvudsakliga resultat och slutsatser

I utvärderingen anses det huvudsakliga målet med Finland utvecklings-samarbete i Kenya - att stödja decentralisering och tillämpningen av den nya grund-lagen - vara ändamålsenligt. Utvecklings-samarbetet åren 2007-2013 anses också vara i linje med Kenyas nationella utvecklingsplaner Vision 2030 och Medium-term plans (MTP) 1 och 2. Under utvärderingsperioden kunde däremot ingen klar ökning i den nationella finansieringen av t.ex. skogs- och vattensek-torerna fastställas. I utvärderingen ifrågasätts också Kenyas regerings engage-mang för reformer inom förvaltningssektorn.

År 2013 inledde Kenya en av de mest ambitiösa decentraliseringsreformerna i världen, som innebar att lagstiftande och verkställande makt samt mycket resurser och ansvar för tillhandahållande av offentliga tjänster överfördes till landets 47 län. Länen är nu bland Kenyas viktigaste drivkrafter för förändring som kan åstadkomma jämlikare socio-ekonomisk utveckling, öka ansvarsut-krävningen och lägga grunden för ett mer stabilt politiskt system. Decentralise-ringen är fortfarande en ny process och regeringsaktörer och utvecklingspart-ners söker ännu efter de bästa sätten att stödja länen på. Nyckelfrågorna är hur man kan stöda länen i utförandet av sina nya uppgifter och hur man kan under-lätta samarbete och koordinering mellan olika förvaltningsnivåer, vilket är en nödvändighet för att offentliga tjänster kan tillhandahållas på ett smidigt sätt.

Kenya genomgår en snabb utveckling. Kenya blev nyligen klassat som ett nedre medelinkomstland, och landets biståndsberoende minskar stadigt trots att bistånd fortfarande är viktigt för att finansiera stora infrastrukturprojekt. Många bilaterala biståndsgivare har insett att det ekonomiska samarbetets roll kommer öka, och i utvärderingen önskade många kenyanska partners att även Finland skulle öka sitt ekonomiska samarbete.

Finlands utvecklingssamarbete med Kenya kännetecknas av påtaglig kontinuitet i valet av sektorer och projekt. Detta är resultatet av olika avtal som gjordes 2009 och 2010 som gällde att finansiera stora projekt. Därför konstaterar utvärderingen att den nuvarande landsstrategin fungerar som ett rättfärdigande i efterhand för projekt som redan existerade. Det utvecklingspolitiska programmet från 2012 i sin tur har enbart haft som effekt att en människorättsbaserad ansats (HRBA) har införts i redan existerande projekt. Detta har inte varit lyckat till alla delar eftersom projekten ursprungligen planerades med ett annat fokus. Dessutom saknades baseline-studier till största delen helt och hållet, och handledningen från utrikesministeriets sida uppfattades ofta inte som särskilt konkret.

Kontinuiteten har gjort det möjligt för Finland att 'boxas över sin viktklass' i sina utvalda sektorer. Andra faktorer som bidrog till Finlands viktiga roll är betydande finansiering till dessa sektorer samt anställandet av kunniga rådgivare vid finska ambassaden i Nairobi som aktivt bidragit till sektorkoordinering. På basis av nuvarande och planerade projekt kommer Finland att fortsätta med samma sektorprioritering i några år framöver.

Trots att Finlands utvecklingssamarbete i Kenya anses vara relevant och ha rätt målsättningar kunde ett mera mångsidigt val av samarbetsformer- och partners samt en måttligare budgetering av projekten leda till effektivare resultat. Finland arbetar till största delen med centralförvaltningen men gör det i första hand genom ombud, tekniskt stöd eller FN-systemet, med avsikten att på så sätt minska risker och den administrativa bördan. Framförallt bilaterala projekt har ofta kännetecknas av en långsam inledning och upprepade byten av tekniska rådgivare, och projekten har ofta haft kvar mycket outnyttjade pengar då de avslutats. Detta förklaras delvis av att den nya grundlagen och decentraliseringen skapade ett oklart förvaltningsramverk. Men det fanns också problem med projektplaneringen, vilket ledde till överdimensionerade budgetar och en överskattning av mottagarnas absorberingsförmåga.

Kenyas regerings ägandeskap av utvecklingssamarbetet konstaterades i utvärderingen vara en grundläggande förutsättning för framgångsrika projekt. Finlands projekt är väl i linje med Kenyas Vision 2030 och Medium Term Plan, men trots att största delen av Finlands utvecklingssamarbete registreras i Kenyas budget använder Finland inte sig till fullo av Kenyas egna ekonomiska förvaltningssystem. Detta orsakar problem för de kenyanska motparterna. Finland har haft en viktig roll i koordineringen av utvecklingspartners, men finska projekt är trots det inte fullt harmoniserade med Kenyas nationella program och system på det sätt som Parisdeklarationen skulle förutsätta.

### **Rekommendationer**

Utvärderingen ger elva rekommendationer vars avsikt är att ge en starkare bas för Finlands och Kenyas samarbete i perioden fram till år 2020, och utöver det. Rekommendationerna är indelade i två nivåer: allmänna strategiska rekommendationer och strategiska medel, genom vilka de strategiska rekommendationerna operationaliseras.

**Finland har 'boxas över sin viktklass' i sina utvalda sektorer.**

### Strategiska rekommendationer:

1. **Den nuvarande landsstrategin.** Finlands landsstrategi för åren 2013-2016 (dvs. att stöda tillämpningen av den nya grundlagen samt decentralisering) har ett ändamålsenligt mål och syfte som inte borde ändras. Däremot skall och bör ambitionsnivån i de strategiska målsättningarna ifrågasättas.
2. **Bemyndiga länen.** Finland borde i större grad jobba direkt med länen och underlätta informationsflödet som länen behöver för att fullt ut sköta sina uppgifter (i HRBA-termer uttryckt måste ansvarshavare ha tillgång till ändamålsenlig information för kunna producera rätt tjänster åt rättighetshavarna, medan rättighetshavarna behöver tillgång till information för att ställa rättighetshavarna till svars).
3. **Stödja nationellt samarbete.** Finland borde stöda samarbete och koordinering mellan olika förvaltningsnivåer och gynna sådan verksamhet där olika kenyanska aktörer kan komma samman och hitta egna lösningar på nationella problem.
4. **Ny landsstrategi.** I samråd med kenyanska partners i regering, län, civilsamhälle, akademi, näringslivet och med andra utvecklingspartners borde Finland börja jobba på en ny landsstrategi för åren 2017-2020. Strategin borde stöda en övergång bort från biståndsdominerat utvecklingssamarbete, men samtidigt lägga mera vikt vid direkt samarbete med länen och bibehålla nuvarande sektorprioriteringar. Denna strategi kommer att bidra på ett avgörande sätt till hurdana relationer Finland och Kenya kommer att ha år 2020 och efter det.
5. **Främja ekonomiskt samarbete.** Finland borde sträva efter att öka samarbetet mellan finska och kenyanska företag. Till exempel kunde finska företag inom jordbruks-, vatten- och skogsbruksbranscherna besöka Kenya tillsammans med Finnvera (ett specialiserat företag som ägs av finska staten), Finnfund, Finnpartnership och BEAM-programmet som håller på att inledas. Också en studie i affärsmöjligheter i de ovannämnda sektorerna kunde produceras. Utöver detta borde Finlands ambassad i Nairobi skapa ett alumninätverk bestående av kenyaner som har studerat i Finland, som kan vara nyttigt när det gäller att hitta lämpliga partners för finska företag.
6. **Investera i bakgrundsstudier och kunskapsskapande.** Utrikesministeriet borde investera mera i att samla nödvändig bakgrundsinformation om och baslinjer för utvecklingssamarbetets övergripande teman och målsättningar. Detta skulle möjliggöra utarbetandet av välgenomtänkta strategier samt uppföljning av projekten genom deltagande metoder.
7. **Håll sektorer.** Finland borde fortsätta att vara verksamt inom de nuvarande samsamarbetssektorerna.
8. **Undvika överbudgetering.** Då nya projekt planeras ska Utrikesministeriet säkerställa att planeringsprocessen genomgår alla skeden (identifikation, formulerande, bedömning) och garantera att Kenyas regering har ägandeskap. Finansieringsbeslut ska basera sig på behov och absorberingskapacitet, inte på tillgänglig finansiering vid Utrikesministeriet.

9. **Användning av nationella system.** Finland borde sträva efter att komplettera den nuvarande projektportföljen med att stöda statliga program direkt genom nationella finansiella system. Detta kan möjligtvis göras tillsammans med andra biståndsgivare (t.ex. Danmark och Sverige) som har erfarenhet av att använda Kenyas egna system.

**Strategiska medel:**

10. **Förvaltningsreform.** Finland borde fortsätta att finansiera statliga instanser och organisationer inom civilsamhället som jobbar med förvaltningsreform (*governance*), men det är viktigt att vara tålmodig. I framtiden borde Finland överväga att finansiera statliga instanser direkt, möjligtvis tillsammans med Danmark och Sverige. Inom alla projekt borde Finland stöda sådana aktiviteter där kenyanska aktörer kommer samman för att gemensamt lösa lokala problem.
11. **Jordbruksutveckling.** PALWECO-programmets planerade granskning borde göras omgående. Granskningen borde ha som målsättning att optimera PALWECOs stöd till Busia och den borde kritiskt utvärdera den roll alla aktörer i projektet har, liksom det tekniska stödets och projektteamets storlek och roll. Dessutom borde granskningen utreda möjligheter att kanalisera en del av finansieringen direkt till Busias budget genom nationella system. Man kunde också diskutera huruvida erfarenheterna i Busia (både goda och dåliga) och en del av finansieringen kunde användas i grannlänerna. I PALWECOs projektdokument var förhoppningen trots allt att projektet skulle fungera som en modell som kunde tillämpas även i andra län.
12. **Förnyelsebara naturresurser.** Finland borde planera och stöda genomförandet av ett projekt som siktar på att gynna tillgången till kunskap om levande naturresurser (LiNR) på länsnivå in Kenya. Projektet skulle producera landvida, on-line atlas över vattentillgångar, skogsbiodiversitet och odlingsbar mark. Dessa atlas skulle vara den främsta källan till information på länsnivå för planering av hållbar utveckling och för användandet av levande naturresurser. Atlaserna skulle också vara nödvändiga för att göra ekonomiska och fysiska planer samt hjälpa till att locka investerare på länsnivå. Atlaserna skulle också göra det möjligt att följa upp användningen av levande naturresurser och sköta rapporteringen i enlighet med de krav som ställs i internationella fördrag. Slutligen kunde atlaserna också hjälpa till att identifiera och lösa möjliga konflikter.

**The overall aim of Finland's development cooperation with Kenya is convincing.**

## SUMMARY

This is the report of an evaluation of Finland's development cooperation with Kenya in 2007-2013. The purpose of the evaluation is to give recommendations for future development cooperation between Finland and Kenya. The objective of the evaluation was to assess achievements, contributions and weaknesses in the past cooperation and to assess if Finland is supporting the key development priorities in Kenya in an effective manner.

The evaluation is based upon a detailed desk-study review of Kenya's political economy and the progress reports and evaluations of Finnish-funded interventions and those of other development partners, interviews with knowledge holders in Finland, and a field visit to Kenya that involved semi-structured interviews with numerous duty-bearers and rights-holders at all levels of Kenyan society, all major development partners, and the Finnish Embassy. It concluded through an inclusive validation workshop and was supplemented by way of a questionnaire.

### **Key findings and conclusions**

The overall aim of Finland's development cooperation with Kenya to support implementation of the constitution and devolution was deemed convincing and the cooperation in 2007-2013 was found to be aligned with the Kenyan national development plans Vision 2030 and Medium-term plans (MTP) 1 and 2. There was, however, no clear sign of increased national funding to for example the forestry and water sectors and the Government of Kenya (GoK) commitment on governance reforms was questionable. The current strategy was prepared largely as an MFA internal exercise without much consultation and there is a wide gap between Finland-specific and strategic objectives.

In 2013 Kenya embarked on one of the most ambitious devolution reforms in the world, involving the transfer of legislative and executive powers to 47 counties alongside funding and responsibility for most service delivery. Counties are now the most important change agents in Kenya that could bring about more equitable socio-economic development, increase accountability and pave the way for a more stable political settlement. Devolution is still very new and the central government agencies as well as donors are looking for ways to best support the counties. The key questions are: how to empower county governments to carry out their new responsibilities, and how to facilitate cooperation and coordination between different levels of government that is necessary for smooth service delivery?

Kenya is developing rapidly. It has recently become a lower-middle income country, and is decreasingly dependent on development cooperation though this source of financing (mainly in the form of loans) is still important in making large infrastructure projects possible. Many bilateral donors have realised

that in future the role of economic cooperation will and should increase, and the Kenyan counterparts wished for that from Finland as well.

Finnish development cooperation with Kenya is characterised by considerable continuity in the choice of sectors and projects, which resulted from several agreements in 2009 and 2010 to finance large projects. Consequently, the current country strategy was found in effect to be an ex-post justification for already existing projects, and the role of the current 2012 Development Policy Programme has been limited to introduction of the Human Rights Based Approach into the existing projects. This has not been entirely successful as the projects were originally planned with a different design. In addition, the necessary baseline studies were largely missing and guidance from the MFA was not found to be very practical.

Continuity has also enabled Finland to ‘punch above its weight’ in the selected sectors. Other factors contributing to Finland’s important role include considerable financial contributions to the selected sectors and employment of capable counsellors in the Finnish embassy in Nairobi who have actively contributed to sector coordination. Based on existing and planned commitments, the same sector prioritisation will continue for some years to come.

Despite good relevance of overall aims and the chosen cooperation sectors, Finland could gain efficiency and effectiveness through more versatile selection of cooperation modalities and partners and by more prudent budgeting. Finland works predominantly with central government agencies but does so through proxies, Technical Assistance or the UN System, with the apparent aim of reducing administrative burden and fiduciary risks. Bilateral projects especially have suffered from a slow start and rapid turnovers of technical advisors, and have often ended with considerable amounts of unspent funds. This is partly explained by an unclear public administration framework created by the new constitution and devolution. But there were also problems in project planning, resulting in excessive budgets and/or overestimated absorption capacity.

Government of Kenya (GoK) ownership was found to be a key precondition for successful projects and this could be promoted by funding GoK programmes through national systems. Finnish projects are well aligned with Vision 2030 and the Medium Term Plan, but although most Finnish development cooperation is on-budget it does not fully use the GoK financial management system. This creates problems for Kenyan counterparts. Finland has played an important role in donor coordination, but the Finnish projects are not optimally harmonised with GoK programmes and systems as called for by the 2005 Paris Declaration.

### **Recommendations**

Twelve recommendations are offered with a view to providing a stronger basis for Finnish Kenyan cooperation in the period leading up to 2020, and beyond. These are divided between the general strategy level and the strategic component level that will put the strategy-level recommendations into effect.

**Finland has ‘punched above its weight’ in the selected cooperation sectors.**

### Strategy level:

1. **Current country strategy.** The overall aim and purpose of Finland's current 2013–2016 country strategy (i.e. to facilitate the implementation of the 2010 Constitution and devolution) is appropriate and should not be changed but the level of ambition in the strategic objectives could and should be questioned.
2. **Empowering counties.** Finland should work more directly with counties and facilitate the flow of information that counties need if they are to fully discharge their duties (in HBRA terms, duty bearers need adequate information if rights holders are to be properly served, and rights holders need information to hold duty bearers accountable).
3. **Promoting national cooperation.** Finland should facilitate coordination and cooperation between different levels of government, and processes where Kenyan actors can come together to find Kenyan solutions for their own problems.
4. **New country strategy.** In consultation with Kenyan stakeholders from government, counties, civil society, academia, private sector, and other donors, Finland should start preparing a new country strategy for 2017–2020 with an overall aim of supporting transition away from aid while giving more emphasis on direct cooperation with counties and maintaining the current sectoral themes. This strategy will be instrumental in informing and influencing what kind of relations Finland and Kenya will have in 2020 and beyond.
5. **Promoting economic cooperation.** Finland should strive to increase business cooperation between Finnish and Kenyan companies. This could include inviting Finnish agriculture, water and forestry businesses, for example, to visit Kenya together with representatives from Finnvera (a specialised company owned by the state of Finland), Finnfund, Finnpartnership and the incipient BEAM programme, and a study on business opportunities in the above sectors. In addition, the Finnish embassy in Nairobi should create a network of alumni comprising Kenyans who have studied in Finland that could be useful in identifying cooperation partners.
6. **Invest in background studies and knowledge generation.** The MFA should invest more in production of necessary background information and baselines on the important crosscutting themes and objectives to allow for preparation of informed implementation strategies for crosscutting objectives and for monitoring of the same in a participatory manner.
7. **Keep the sectors.** Finland should stay engaged in the current sectors of cooperation.
8. **Refrain from excess budgeting.** In planning for any new projects, the MFA should ensure that the process goes through all phases (identification, formulation, appraisal) ensuring GoK commitment and ownership and that the funding is based on actual needs and absorption capacity, not on availability of funds in the MFA.



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9. **Use of national systems.** Finland should seek to complement the existing project portfolio by financing a GoK project directly through using national systems for financial management together with other donors who have experience in cooperating through the GoK systems (e.g. Denmark and Sweden).

**Strategic component level:**

10. **Governance.** Finland should continue with diversified funding to GoK governance agencies and to civil society organisations, but should be patient. In future, Finland should consider funding GoK agencies directly, possibly together with Denmark and/or Sweden. In all projects, Finland should encourage activities that bring Kenyan actors together to solve local problems.
11. **Agricultural development.** The planned PALWECO management review is urgently needed. The objective of the review should be to optimise PALWECO support to Busia and it should critically look into the role of all actors in the project as well as the size and role of the Technical Assistance and the Project Support Unit. In addition, the review should look into possibilities for channelling some of the funds directly to the Busia County budget through the GoK system. There should also be discussion on whether lessons learned (both good and bad) and some of the funds could be shared with the neighbouring counties. After all, in the project document PALWECO was hoped to become a model to be replicated in other counties.
12. **Renewable natural resources.** Design and implement a project 'Promoting access to knowledge on living natural resources (LiNR) at county level in Kenya' resulting in nationwide, on-line county-level atlases on water, forests biodiversity and farmlands. These atlases would be the primary source of information at county level to support sustainable development planning and management plans for living natural resources. They would also be necessary for county economic and physical planning and instrumental in attracting potential investors at county level. For the national government, the atlases would provide means to monitor and evaluate LiNR and to ensure that reporting requirements of international treaties are met. Finally, the atlases could assist in identifying potential sources of conflicts and help resolving them.

# KEY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Findings	Conclusions	Recommendations
<b>GENERAL, STRATEGY LEVEL</b>		
<p>The overall aim of Finland’s development cooperation strategy in Kenya to support implementation of the constitution and devolution is well justified and in line with the Kenya Vision 2030 as well as Finland’s development policy programme 2012.</p> <p>Finland’s current strategy is logical but the stated strategic objectives are very broad, contain several dimensions, are difficult to monitor and are not commensurate with the existing resources and Finland-specific objectives. Finnish cooperation is that of contribution, but attribution will be very difficult to find.</p> <p>Preparation of the current strategy was more an internal MFA process than an attempt to engage with Kenyan stakeholders to discuss how to best support Kenyan development efforts.</p>	<p>Implementation of the constitution and devolution offer a unique opportunity for Kenya to address its long-term development challenges: poverty, inequality and impunity.</p> <p>The current strategy was developed to justify already existing cooperation under the 2012 DPP.</p>	<p>1) The overall aim and purpose of Finland’s current 2013-2016 country strategy (i.e. to facilitate the implementation of the 2010 Constitution and devolution) is appropriate and should not be changed but the level of ambition in the strategic objectives could and should be questioned.</p>
<p>Counties are now the key development agents in Kenya. The main question is how to empower county governments to carry out their responsibilities in an informed and effective way. This has not been fully thought through in Finnish development cooperation.</p> <p>There is a strong message from various stakeholders that Finland should support devolution and should work more directly with counties.</p>	<p>Devolution is still very new and all partners are learning how to best cooperate and coordinate in the new administrative setting.</p>	<p>2) Finland should work more directly with counties and facilitate the flow of information that counties need if they are to fully discharge their duties (in HBRA terms, duty bearers need adequate information if rights holders are to be properly served, and rights holders need information to hold duty bearers accountable).</p>
<p>Intergovernmental cooperation and coordination between counties and central level agencies is of great importance for smooth service delivery. The different levels of government are still learning how to best work together in devolved functions although there are emerging good practices for example in the National Forest Programme preparation process.</p>	<p>Devolution is still very new and all partners are learning how to best cooperate and coordinate in the new administrative setting.</p>	<p>3) Finland should facilitate coordination and cooperation between different levels of government, and processes where Kenyan actors can come together to find Kenyan solutions for their own problems.</p>

Findings	Conclusions	Recommendations
<b>GENERAL, STRATEGY LEVEL</b>		
<p>Kenya is not a very aid dependent country and in future the role of development cooperation will be even less should the economy grow as projected.</p> <p>Kenya is now a lower-middle income country and as such not among the least developed countries that are prioritised in Finland's Development Policy Programme.</p> <p>There is an increasing demand for economic cooperation, trade and investments, which many donors (the Netherlands, Denmark, Norway, Sweden, Germany) have already taken into account in their new strategies.</p> <p>The biggest number of respondents to the questionnaire advised Finland to start preparing for transition away from aid towards more trade and investment.</p>	<p>Kenya has out-grown traditional development cooperation and economic cooperation should be the focus of bilateral cooperation in the future.</p>	<p>4) In consultation with Kenyan stakeholders from government, counties, civil society, academia, private sector, and other donors, Finland should start preparing a new country strategy for 2017-2020 with an overall aim of supporting transition away from aid while giving more emphasis on direct cooperation with counties and maintaining the current sectoral themes. This strategy will be instrumental in informing and influencing what kind of relations Finland and Kenya will have in 2020 and beyond.</p> <p>5) Finland should strive to increase business cooperation between Finnish and Kenyan companies. This could include inviting Finnish agriculture, water and forestry businesses, for example, to visit Kenya together with representatives from Finnvera (a specialised company owned by the state of Finland), Finnfund, Finnpartnership and the incipient BEAM programme, and a study on business opportunities in the above sectors. In addition, the Finnish embassy in Nairobi should create a network of alumni comprising Kenyans who have studied in Finland that could be useful in identifying cooperation partners.</p>
<p>Mainstreaming crosscutting themes and objectives of Finland's development policy programmes and human rights based approach has been difficult. The main problems include insufficient background analyses and baselines that have hampered preparation of informed implementation strategies and monitoring. Beneficiary participation in project planning, implementation, monitoring and evaluation processes has been limited and advice from the MFA not very practical.</p> <p>Many Kenyan partners felt that HRBA was imposed by the MFA.</p>	<p>Cross-cutting themes and objectives and human rights based approach have not been given sufficient weight in planning and implementation of projects.</p>	<p>6) The MFA should invest more in production of necessary background information and baselines on the important crosscutting themes and objectives to allow for preparation of informed implementation strategies for crosscutting objectives and for monitoring of the same in a participatory manner.</p>

Findings	Conclusions	Recommendations
<b>GENERAL, STRATEGY LEVEL</b>		
<p>In Finland's chosen areas of engagement (e.g. gender, forestry, rural water supply, Busia) Finland is a well-known and important partner. Considering the existing and planned commitments, Finnish cooperation will not change in the near future.</p>	<p>Three important contributing factors to the influence of Finnish development cooperation are: 1) its continuity of engagement; 2) substantial investments in the chosen sectors and areas of engagement, and 3) active involvement by embassy staff in relevant sector groups and donor coordination.</p>	<p>7) Finland should stay engaged in the current sectors of cooperation.</p>
<p>All Finnish funded bilateral programmes have had very long inception phases, several changes in the project staff and large amounts of unspent funds at the end of the project signalling low efficiency.</p> <p>Low efficiency is common to other donors' programmes and to implementation of the national development budget, too.</p>	<p>Kenyan public administration has been under continuous reform, which has slowed down project implementation. But there have been flaws in project planning that have led to overestimated absorption capacity and excessive budgets possibly resulting from the MFA need to commit all available appropriations.</p>	<p>8) In planning for any new projects, the MFA should ensure that the process goes through all phases (identification, formulation, appraisal) ensuring GoK commitment and ownership and that the funding is based on actual needs and absorption capacity, not on availability of funds in the MFA.</p>
<p>Finland uses proxies (TA or the UN system) in cooperation to reduce administrative burden and/or fiduciary risk. This approach has not been entirely successful and is quite costly. It may also distance Finland from its Kenyan cooperation partners. It is not the preferred GoK modality, and has caused problems for the Kenyan partner organisations and has not been helpful in ensuring GoK ownership that is thought to be the key for successful projects.</p> <p>Working through GoK programmes and systems has demonstrated the value of Kenyan ownership and leadership and has yielded good results.</p> <p>Donor practices were given the lowest scores in the 2012 Kenya Public Expenditure and Financial Accountability (PEFA) assessment.</p>	<p>The MFA has not been willing to take the risk of fully using the GoK financial management systems.</p>	<p>9) Finland should seek to complement the existing project portfolio by financing a GoK project directly through using national systems for financial management together with other donors who have experience in cooperating through the GoK systems (e.g. Denmark and Sweden).</p>

Findings	Conclusions	Recommendations
<b>SPECIFIC TO STRATEGIC COMPONENTS</b>		
<p>In governance and gender Finland has provided diversified support to GoK and civil society organisations through UN managed basket funds, the Uraia trust and the Local Cooperation Fund.</p>	<p>Diversified support is justified in the political sensitive governance sector, and many donors have chosen a similar strategy. In the absence of credible GoK programmes in the sector, the UN managed basket funds have been a convenient choice.</p>	<p>10) Finland should continue with diversified funding to GoK governance agencies and to civil society organisations, but should be patient. In future, Finland should consider funding GoK agencies directly, possibly together with Denmark and/or Sweden. In all projects, Finland should encourage activities that bring Kenyan actors together to solve local problems.</p>
<p>After a slow start, PALWECO is finally starting to perform but even with an extension to 2018 it is not certain if all funds can be used. PALWECO was also designed before devolution and the management structure and approach may not be optimal for supporting Busia County. A project management review is planned.</p>	<p>PALWECO is too big for Busia absorption capacity and it could benefit many more Kenyans.</p>	<p>11) The planned PALWECO management review is urgently needed. The objective of the review should to optimise PALWECO support to Busia and it should critically look into the role of all actors in the project as well as the size and role of the Technical Assistance and the Project Support Unit. In addition, the review should look into possibilities for channelling some of the funds directly to the Busia County budget through the GoK system. There should also be discussion on whether lessons learned (both good and bad) and some of the funds could be shared with the neighbouring counties. After all, in the project document PALWECO was hoped to become a model to be replicated in other counties.</p>
<p>Finland has a strong position and experience in the forestry and water sectors.</p> <p>There is a lack of a database on natural resources, which has hindered investments and development in the sector.</p>	<p>Through experience gained in MMB and WSTF, Finland is well placed to add value to the sectors and to the devolution process.</p>	<p>12) Design and implement a project 'Promoting access to knowledge on living natural resources (LiNR) at county level in Kenya' resulting in nationwide, on-line county-level atlases on water, forests biodiversity and farmlands. These atlases would be the primary source of information at county level to support sustainable development planning and management plans for living natural resources. They would also be necessary for county economic and physical planning and instrumental in attracting potential investors at county level. For the national government, the atlases would provide means to monitor and evaluate LiNR and to ensure that reporting requirements of international treaties are met. Finally, the atlases could assist in identifying potential sources of conflicts and help resolving them.</p>

**To be a preferred partner for Kenya in 2020, is there a need for changes in Finland's cooperation?**

# 1 INTRODUCTION

## 1.1 Evaluation purpose and objectives

This is the final report of the evaluation of Finland's Development Cooperation with Kenya in 2007-2013. In the midst of the current country strategy and in preparing for country consultations, the Ministry for Foreign Affairs of Finland (MFA) and especially its Department for Africa and the Middle East and the Embassy of Finland in Nairobi are looking for an independent assessment of the achievements, weaknesses and lessons from past cooperation to serve future planning and decision-making needs. Therefore the purpose of this evaluation is to provide innovative and practical recommendations for future cooperation, including guidance on how they are to be implemented and by whom. Recommendations are given reflecting the changing development context of Kenya, changes in the Finnish development policies, and are mindful of the evolving aid architecture and strategies of other donors and investors. The Terms of Reference (TOR) of the Evaluation are in Annex 1.

While drawing from the experiences since 2007, the main thrust of the evaluation is forward-looking and linked to the current country strategy of 2013-2016, and beyond. The key question to be addressed is: for Finland to be a relevant and preferred partner for Kenya in 2020, is there a need for changes in the country strategy, in cooperation sectors, cooperation modalities, cooperation partners or in something else? And if yes, what should these changes be?

As defined in the Terms of Reference (ToR) the specific objectives are therefore:

- To assess if Finland's country strategy in Kenya has been able to respond to the changing contexts in Kenya and in Finland.
- To assess Finland's overall success in implementing the country strategy (major achievements and possible failures) in light of the country context.

In evaluating overall success, we have specifically assessed 1) the choice of sectors/results areas; 2) the choice of cooperation modalities; and 3) integration of human rights based approach and cross-cutting themes and objectives. Furthermore, the evaluation assessed Finland's cooperation from an aid effectiveness point of view (*sensu* Paris Declaration 2005) including Finland's role as a development partner of Kenya.

The evaluation was done in three consecutive phases. In the inception phase the main task was to devise the evaluation approach and methodology with an evaluation matrix that consists of evaluation questions and research questions, with assessment indicators, data sources and data collection methods. The second phase dealt with information collection and analysis comprising a

desk study of available written material, and interviews in Kenya and Finland. The list of people interviewed is in Annex 2. The findings of the information collection and analysis phase have been distilled into conclusions and recommendations during the reporting phase. A more detailed presentation of the approach and methodology is included in Section 1.2.

After discussing the evaluation methodology, we will briefly describe and analyse the environment where the Finnish aid is implemented. This includes a discussion on the recent political and socio-economic developments in Kenya and changes in the Finnish development cooperation policy. A thorough understanding of the socio-economic and political context of Kenya is needed in order to judge how well the Finnish interventions have performed, to assess how successful the strategies have been, and to provide a basis for offering sensible and feasible recommendations.

This is followed by presentation of key findings and conclusions of the evaluation presented in Section 4 and recommendations in Section 5.

## 1.2 Approach and methodology

As the purpose of this evaluation is to serve planning and decision-making needs of the MFA, including the Finnish embassy in Nairobi, with practical recommendations in relation to Finland's development cooperation country strategy with Kenya, the main approach is to evaluate the latter at **"strategy level"**. This also means that the evaluation did not assess individual projects or programmes, rather they have been used as one key source of information.

Due to loosely defined objectives and lack of targets and indicators, the evaluability of the 'Plan of Participation 2008' and 'Plan for Cooperation 2010' was found to be weak. Consequently the evaluation has concentrated on the strategy-level intervention logic of the current development cooperation strategy of 2013–2016. The evaluation has sought to articulate the underlying intervention logic to clarify the reasoning that justifies the expectation how inputs will lead to outputs, and then towards the changes described in the main purpose of the strategy. These inputs include Finnish-funded projects and programmes, participation in donor coordination and cooperation mechanisms, and policy dialogue with the Government of Kenya (GoK). Second, the evaluation has sought evidence on whether, why or how the intervention logic has worked in practice, through information available from background documents and interviews with key stakeholders and beneficiaries.

This has been accomplished with the help of an evaluation matrix comprising six main evaluation questions stemming from the specific objectives of the evaluation. The key evaluation questions include:

1. To what extent has Finnish cooperation been able to respond to the changing context in Kenya?
2. To what extent is Finnish cooperation aligned with changes brought by the 2007 and 2012 development policy programmes of Finland?

**A strategy level evaluation.**

### Three categories of background documentation.

3. How successful has Finnish cooperation been in achieving its strategic objectives?
4. How important are the cooperation sectors in achieving the strategy level objectives?
5. How conducive are the cooperation and implementation modalities in achieving the strategy level objectives? and
6. To what extent has Finland contributed to aid effectiveness in Kenya?

The six evaluation questions are operationalised through research questions and indicators for measurement. For each key question four different sources of information were identified to enable robust triangulation and unbiased analysis. The information sources included: general background documentation, project/programme specific documentation, interviews with beneficiaries, and interviews with stakeholders and others with special concerns or knowledge on the matter concerned. A deliberate effort was made to obtain and analyse quantitative sources of information, such as statistics and monitoring reports, to balance typically qualitative interviews and thematic discussions (See Annex 3 for detailed evaluation matrices).

The Team obtained a wealth of background documentation from the MFA and did extensive documentary search through the Internet on Kenya. In addition, a one-week preparatory visit was carried out in Kenya. The available documents can be grouped into three categories:

1. **Kenya background**, such as Kenya Vision 2030, Medium Term Plans (MTPs) I and II, the Kenya Joint Assistance Strategy (KJAS), the 2010 Constitution of Kenya, and recent and relevant studies and evaluation on Kenya and development cooperation in Kenya.
2. **Finland's development cooperation strategy with Kenya**, including the current Country Strategy 2013-2016, previous plans for participation, Finland's Development Policy Programmes, Embassy reports, and reports of previous evaluations of Finnish development cooperation in Kenya.
3. **Programme and project level documents**, such as programme documents, reports and evaluations.

Therefore, the findings, conclusions and recommendations of the evaluation are based on 1) a thorough understanding of the operational environment (i.e. Kenya at a time of change) against which the cooperation strategy and its components will be reflected; 2) a reconstructed intervention logic of the country strategy; and 3) a thorough understanding and a robust and comparable assessment of the key interventions that have formed the core of the Finnish cooperation efforts. The assessment focussed on interventions that have been implemented during the current strategy and where evaluations and mid-term reviews were available. The projects included in the desk study evaluation included Governance, Justice and Law and Order Sector programme (GJLOS), Gender and Governance Programme (GGP), Programme for Agriculture and Livelihoods in Western Communities (PALWECO), Mainstreaming Millennium Development Goal in Kenya's Development Process and MGD's Programme Phase II (MDG), Safe Food-Safe Dairy (SFSD), Support to Forestry



Sector Reform - Miti Mingi Maisha Bora (MMMB), and Support to Water Services Trust Fund (WSTF). Combined disbursements in these projects represent approximately 90% of total Finnish aid disbursements to Kenya in 2007-2013.

In the desk study, the first step was to ask questions focused on the interventions themselves, and to seek answers within their founding documents, progress reports, mid-term reviews and final evaluations, as appropriate. In each case, as well as understanding the intervention's purpose, design and context, the aim was to obtain and organise information around the eight evaluation criteria of relevance, effectiveness, efficiency, impact, sustainability, and the '3Cs' of complementarity, coherence and coordination. Supplementary questions focused on the Human Rights Based Approach (HBRA), the Cross-cutting Objectives (CCOs) of Finnish development cooperation, and the 'connectedness' of the interventions (i.e. their vulnerability or resilience to external factors beyond the intervention's control, such as political events, climate change, international treaties, trade relationships and terrorism). For the sake of comparison, performance scores were given for each analysed intervention. See Annex 4 for discussion on the scoring methodology and scored evaluations of the key interventions. From these analyses, tentative findings were drawn to respond to each evaluation question as well as identification of additional information needs and lines of enquiry.

The Team interviews approximately 90 knowledge-holders in Finland and in Kenya during a 2,5 week field visit. To ensure robustness of data collection in the interviews, they were conducted in a semi-structured manner, using a list of questions to ensure that the key issues emanating from the evaluation matrix are addressed and data collected systematically. The informants were told about the key themes prior to the meeting. The informants were encouraged to raise issues that they found important but were not necessarily included in the list of questions.

To quantify the views of the stakeholders, a questionnaire was devised and random selection of 50 knowledge holders were requested to give their opinions on 1) the future of Finland's development cooperation, 2) their preferred sectors of cooperation, and 3) their preferred modalities for cooperation. The number of respondents is approximately half of all interviewees and they represent various stakeholders - Finnish government, Kenyan government, project staff, project beneficiaries, other donors, academia and civil society. The questionnaire and the results of 40 answers are included in Annex 5.

In addition to the interviews, the Team had planned to organise a number of focus group discussions with development partners in the sectors where Finland is active. However, due to timing difficulties and very busy schedules of many stakeholders, only one focus group discussion (on gender) materialised. Finally, towards the end of the field visit, the Team prepared and circulated an Aide Mémoire, and organised a validation workshop in Nairobi to discuss the findings, conclusions and possible recommendations with a cross-section of 20 key stakeholders from the GoK, civil society, academia, project staff and development partners. This was followed by a discussion of the same issues at the Embassy of Finland, involving all relevant personnel, who also kindly commented on the Aide Mémoire within 24 hours.

**Interviews,  
questionnaire  
and a stakeholder  
workshop.**

In view of the wide-ranging nature of the evaluation, lead responsibility for various aspects of the evaluation was divided among the team members, as follows:

- Review of development challenges in Kenya (Uusihakala, Killian, Njagi);
- Review of changes in Finnish development policies (Uusihakala, Caldecott);
- Review of poverty and budgetary and economic issues, and strategies of other donors (Uusihakala);
- Analysis of the 2010 Constitution, devolution and related matters (Killian, Njagi, Uusihakala).
- Evaluations of Theme 1 interventions (Building a democratic and accountable society that promotes human rights and gender equality) – GJLOS, (Njagi), GGP II & III and Support to UN Women, (Killian) Support to electoral processes, Support to the realization of Human Rights (Njagi, Killian)
- Evaluations of Theme 2 interventions (Reducing poverty and creating new ‘green economy’ jobs in the agricultural sector) – PALWECO and SFSD (Caldecott), MDGs (Njagi);
- Evaluations of Theme 3 interventions (Promoting the improved use and management of forests and water) – MMB and WSTF (Caldecott);
- Aggregation of results from intervention-level evaluations (Caldecott);
- Strategy-level evaluation (Uusihakala).

### 1.3 Limitations to the evaluation

The evaluation process was designed in a risk-averse manner, trying to mitigate risks related to availability and credibility of information. Despite efforts, some risks could not be fully mitigated during the evaluation process and are considered as limitations to the evaluation. These include:

- The original scope of the evaluation, upon which the Agrer tender was based, was Finland’s development cooperation with Kenya in 2007-2013. However, for completeness of the analysis and usefulness of the recommendations, the evaluation had to include events that have taken place in 2014 that consequently shifted the focus of the evaluation and the scope of the recommendations. This also meant that the considerable effort that went into analysis of the 2007-2013 (as reflected in the Inception Report and Desk Study) is only annexed here.

Unfortunately, information on the 2014 developments was not included in the Terms of Reference or in the documents made available by the MFA. The team learned at a quite late stage about for example plans and commitments to support the Anti-Corruption Programme, the Devolution Trust Fund and continued support to the WSTF. The team was also not aware of other studies and evaluations that were

conducted at the same time, such as the Gender Mainstreaming Analysis and evaluations of the FoodAfrica and Chiesa programmes. As a result, the team could not take these into consideration when planning for the evaluation and could not analyse the new initiatives in sufficient detail.

- Some research questions cannot be fully answered due to lack of information. This has impacted on the depth of the analysis and reduces the validity of findings. Despite extensive searches, the team was not able to identify documents that would enable proper sector analysis. Budgetary and expenditure information is only available for the past three years and is not sufficiently detailed, there is no information on the amounts of off-budget support to the sectors, and national progress reports on, for example, Medium Term Plan (MTP) implementation contain no expenditure data. As a result, the team could not satisfactorily establish the relative weight and importance of Finnish support in the selected sectors.
- Despite multiple attempts, some key informants were not available for interview.

While every effort was taken to ensure that the evaluation research, analysis and reporting is of the highest possible standard, including responsive use of the consultant's QA system, the scale of the task and the complex and dynamic - sometimes turbulent - political economy of Kenya may in practice constrain the reliability and applicability of some findings and recommendations. The quality assurance report is in Annex 6. The findings and recommendations of the quality assurance report are included in this report to the extent possible.

**Some questions could not be fully answered due to lack of information.**

## 2 CHANGING KENYA

This chapter aims to provide an overview of the context for the Finnish development cooperation strategy with Kenya. A proper understanding of the development challenges, their dimensions and causes is necessary for understanding and evaluating the Finnish development cooperation strategies (especially the current one, for 2013-2016) and the interventions through which they are put into effect. We will first attempt to explain the persistent poverty, inequality and governance challenges in Kenya. Then, since the ToR suggest that the 2010 Constitution and devolution offers new hope for more accountable and democratic governance, we will discuss the likely effects of implementing it.

### 2.1 Economy is growing, but...

Measured by gross domestic product (GDP) Kenya has the biggest economy in East Africa and it is frequently described as having great potential but often disappointing performance (e.g. World Bank 2013, 2014a, AfDB 2014). In the past decade, with the exception of 2008 (a year of post-election violence), Kenya's economy grew at an average rate of 4.6% per year. Though this is brisk growth by global standards, it is lower than that in nearby Tanzania, Uganda and Rwanda. Kenya is, and has been, performing below its economic potential (e.g. World Bank, 2013). In September 2014, the Kenya National Bureau of Statistics (KNBS) published re-based GDP calculations, which increased the Kenyan GDP by 25% and the GDP per person from US\$ 994 to US\$ 1,264 in 2013. **Kenya is therefore now, in international terms, a 'lower-middle income' country.**

However, in the agriculture sector, which is a direct source of income for over 50% of Kenyans, growth has been variable and continues to be dependent on weather conditions and government policies. Certain sub-sectors, such as horticulture and dairy, have grown significantly, while others like maize and sugar have been performing far below their potential. The productivity of small-scale farmers has grown very little if at all, and the poor performance of agriculture overall has resulted in disappointing poverty reduction achievements. Low agricultural productivity stems from poor infrastructure (rural roads and irrigation), low absorption of modern technology, inappropriate legal and regulatory frameworks and absence of a coherent land policy (AfDB, 2014). Increasing population has led to smaller plot-sizes while at the same time vast areas of land remain unoccupied. Insecure land tenure remains to be a key problem for most farmers, especially women, and land issues have been and continue to be the main source of conflicts in Kenya (GoK, 2008).

Agricultural products, the most important of which are tea, flowers and coffee, account for approximately half of Kenya's export value. In the past five years,

**Kenya is a 'lower-middle income' country.**

the total value of exports increased from € 3.5 bn to € 4.5 bn, but meanwhile the value of imports rose from € 9.4 bn to € 17 bn (KNBS, 2014), leaving Kenya with massively negative trade balance, to which Finland has contributed - in 2013 the value of exports from Kenya to Finland were € 13.3 million (0.5% of total exports) and imports from Finland to Kenya € 25.3 million (0.15 % of total imports) (Finnish Customs, 2014). The EU has maintained its position as Kenya's main trading partner (with about 17% of total trade), but India, the United Arab Emirates (UAE) and China have become more important and together now account for over 30% of trade volume. Half of Kenyan exports are to other African countries, and 25% go to the East African Community alone (KNBS, 2014).

Kenya is lagging behind its neighbours as a destination for Foreign Direct Investment (FDI). In 2007-2012, Kenya attracted FDI worth only US\$ 1 billion, while Tanzania received US\$ 7.7 billion and Uganda US\$ 5 billion (data.worldbank.org). China is the key source of FDI in Kenya and it is expected that investments from this source will soon increase in response to recent discoveries of oil and gas (KIPPRA, 2013). Supplementing modest levels of FDI in the Kenyan economy are rapidly increasing remittances from members of the Kenyan 'diaspora' (i.e. people of Kenyan origin now living abroad). These remittances now amount to over US\$ 1.3 billion a year, and constitute the main source of external finance in Kenya (www.centralbank.go.ke, World Bank 2014c).

Economic growth is expected to continue in the 4-5% range in coming years. Risks to growth have remained similar over the years, and include weather-related shocks (inadequate rainfall and the effect on agricultural productivity and energy generation), and the deteriorating security situation and its impact on tourism in particular. Both risks are very difficult to address in the short-term. Kenya has been the target of continuous terrorist attacks and a recent poll (Ipsos Synovate, December 2014) shows that 'crime, insecurity and terrorism' have become the most serious problem facing Kenya and surpassing 'high cost of living' and 'unemployment' that were previously been considered as the biggest problems by Kenyans. Public expenditure on national security has tripled since 2005/06 and was almost KSh 100 billion (nearly € 1 billion) in 2013/14. This is three times more than expenditure in such areas as health and environment, water and natural resources (WB, 2014d). Kenya's important role in fighting terrorism is appreciated by all donors, and Kenya is often referred to as the main stabilising force in the region.

There is a need for sustained investment in key infrastructure and in human capital (World Bank, 2014; AfDB, 2014). Youth unemployment, for example, is a growing problem in Kenya, with some 80% of the unemployed being between 15 and 34 years of age. This is almost entirely an urban phenomenon, affecting young people of both genders almost equally. It is believed to be mainly due to the mismatching of skills to jobs, and inadequate training for mid-level technicians and artisans, especially in roads, water, energy, agriculture and information and communication technology (ICT). In rural areas the problem is underemployment rather than unemployment (AfDB, 2014). The World Bank (2014) concluded that Kenya needs accelerated structural change to formalise labour market as informal jobs still account for 85% of all jobs, and that since the private sector will have to play a key role in creating employment, the GoK will have to provide a more conducive environment for private investment and employment.

**Risks to growth include weather related shocks and deteriorating security situation.**

**To achieve the 'vision' of 2030, poverty rate has to decline by 2% every year, economic growth to double and inequality to halve.**

In the World Bank Group's 'Doing Business' rankings (<http://www.doingbusiness.org/rankings>), which rates the ease of starting and operating a local firm, in 2008 Kenya ranked 72nd out of 178 countries and was listed among the top 10 reformers in the world, but its rank subsequently fell to 95th in 2010, 109th in 2012, and 129th out of 189 countries in 2014. Obtaining credit and dealing with construction permits is relatively easy in Kenya, but registering property, getting electricity, paying taxes and enforcing contracts is hard, and little progress has been made over the years with no recorded reforms in the 2014 Doing Business report. Despite its declining 'Doing Business' ranking, Kenya is considered to be a vibrant place for the private sector and a promising place to do business with the number of registered companies increasing from 167,000 in 2008 to 225,000 in 2011 (AfDB, 2014).

In 2014-15 Global Competitiveness comparisons by the World Economic Forum, Kenya ranks only 90th of 144 countries (WEF 2014). Kenya has low rankings in health and primary education indicators and in those measuring the business cost of terrorism, organised crime and bribery. Poor health and inadequate education are not, however, among the most problematic factors for doing business, which are instead perceived as being corruption (mentioned in 20.0% of responses), access to financing (18.1%) and crime and theft (10.3%). Today, Kenya's economy is less competitive than it was 20 years ago.

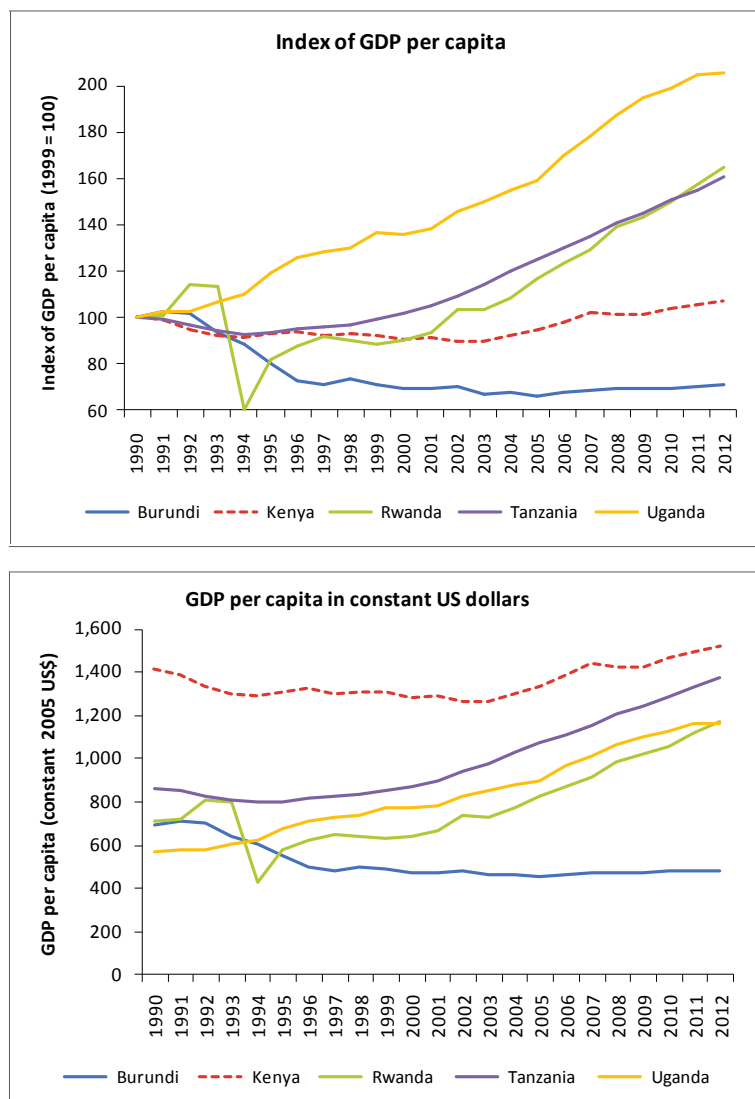
The latest (2013) Country and Policy Institutional Assessment (CPIA) by the World Bank measures performance in economic management, structural policies, policies for social inclusion and equity, and public sector management and institutions. It ranks Kenya first equal in Africa along with Rwanda and Cabo Verde. Kenya is above the Sub-Saharan average in all categories and has improved especially in policies for social inclusion and equity ([datatopics.worldbank.org/cpia/](http://datatopics.worldbank.org/cpia/)).

## 2.2 Poverty and inequalities persist

Poverty reduction and inequality persist as key issues in Kenya. The current level and inclusiveness of growth are insufficient to arrive at Kenya's 'vision' of becoming a middle-income country providing a high quality of life to all its citizens. The World Bank (2014) estimates that the achievement of the 2030 targets would require the poverty rate to decline by 2% every year, economic growth to double and inequality to halve. With the current levels of economic growth and inequality (measured by the Gini coefficient), the poverty rate is expected to stand at 27% in 2030. There are, however concerns over the extent of GoK commitment to the reduction of inequalities and fostering incomes among the extremely poor (World Bank, 2014a, 2014b).

The most recent national poverty survey, known as the Kenya Integrated Household Budget Survey, was conducted in 2005/06. Its results were not encouraging: 17 million (47%) Kenyans could not afford to buy the calories needed to meet their nutritional requirements. Moreover, poverty had not been reduced since the early 1980s, and had actually increased relative to a 1990 Millennium Development Goal (MDG) baseline. In short, poverty reduction in Kenya had failed.

**Figure 1** GDP growth per person in the East African Community 1990–2012



Source: World Bank (2014a)

More recently, according to the World Bank (2014b), poverty may have fallen to 39%, but a striking feature of the discourse on poverty in Kenya is the **lack of reliable information**. Actions ostensibly oriented to ‘poverty reduction’ have taken place over decades, but without information on whether and how government policies and economic growth have generated pathways out of poverty. In an attempt to correct this, the GoK’s Medium Term Plan II (2013-2017) includes five major surveys and censuses to improve the quality of data: a second Integrated Household Budget Survey, an agriculture census, a labour force survey, a census of business establishments, and the generation of county statistical profiles to meet the increasing demand for geographically disaggregated data (World Bank 2014b).

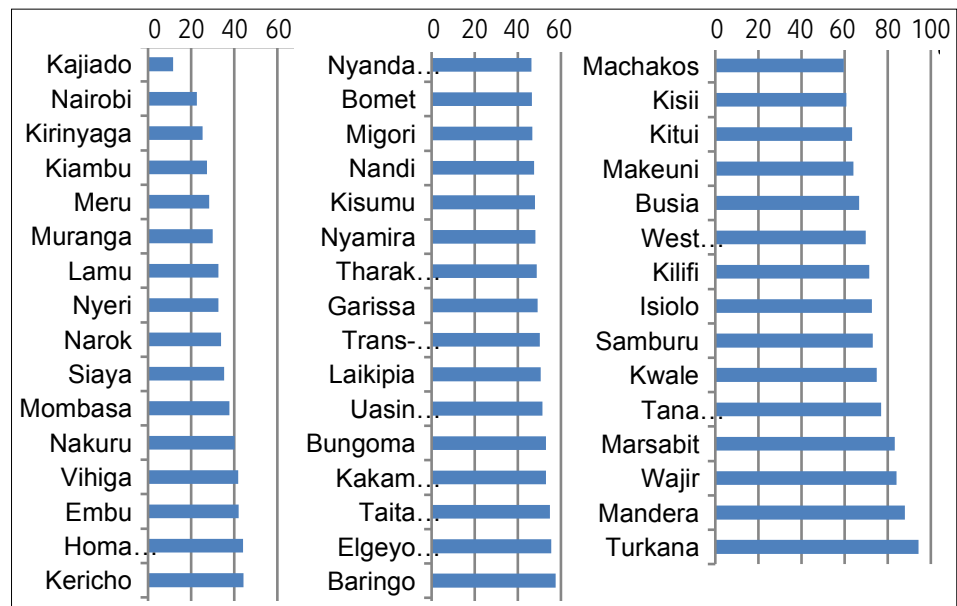
A recent study on food security in 21 counties found that 18% of Kenyans are food insecure (KNBS, UoN 2014). While this is a very large share of the popula-

**Highest poverty rates are in arid Northern Kenya but most poor live in more fertile zones closer to urban centers.**

tion, it is remarkably less than what was found in the 2005 Household Budget Survey. If the findings of the two surveys are comparable, there has been a significant reduction in food insecurity and hunger in Kenya. Various polls have asked if people have gone without food (Afrobarometer) or to sleep hungry (Ipsos Synovate). In the latest (2011) Afrobarometer ([www.afrobarometer-online-analysis.com/](http://www.afrobarometer-online-analysis.com/)) 37% of the respondents mentioned that they have gone without food at least several times. In Ipsos Synovate ([www.ipsos.co.ke/](http://www.ipsos.co.ke/)) 26-30% respondents mentioned that someone in the household has gone to sleep hungry.

The 2005/06 survey data showed that wealth in Kenya is distributed very unequally: the ratio of consumption between the top and bottom 10% was 20:1 in urban areas and 12:1 in rural areas, which is considerably higher than e.g. in Tanzania (5:1) or Ethiopia (3:1). Most (85%) of the poor resided in rural areas and had larger families, lower educational attainments and high vulnerability to external shocks. The highest poverty rates were found in what are now counties within the arid or semi-arid lands (ASALs) of Northern Kenya. These areas are sparsely populated, however, and most of the Kenyan poor live in zones with higher agricultural potential closer to large urban centres. The regional differences are very visible also in the abovementioned polls. (World Bank, 2014b).

**Figure 2** Percentage of poor people by county



Source: Kenya Integrated Household Survey (2005/06) AfDB (2014)

Using the 2005/06 household survey, the World Bank (2009) tried to explain who manages to escape poverty and why, and what role in poverty reduction may be performed by budgetary allocations for public investments and services. The study found that an escape from rural poverty was linked to diversification in on-farm and off-farm activities, access to roads, fertilisers and extension services, secure land tenure, and completion of secondary education. These are all issues that can be addressed through budgetary allocations for services, and for targeted locations. The size of national budgets doubled between 2000 and 2007, and a steady share of 58% was allocated to priority



sectors of agriculture and rural development, infrastructure, health and education, but the available budget information did not allow disaggregation by districts or provinces. A preliminary analysis did suggest, though, that the allocations did not favour poorer provinces but rather were guided by the ethnic and geographic backgrounds of the political leaders in power at the time. In addition, there were large deviations in actual spending from plans approved by parliament (World Bank 2009).

Similarly, a recent evaluation of Sweden's development cooperation with Kenya (Christoplos et al, 2013) found the root causes of poverty to be complex and related to access to financial, land and water resources, basic services, and livelihood choice. The same study found that inequality is pronounced and linked to geography, ethnicity and gender, that economic growth reduces urban poverty but has little impact on rural poverty, and that the main route out of poverty lies in livelihood diversification.

For **Kenyan women**, the past 10 years have brought some improvements, but many fundamental problems remain. Girls' attendance at primary school is equal to that of boys and almost the same as theirs at secondary level. Despite this, the overall enrolment of girls in secondary education (NER 40 %, GER 56 % in 2013), remains at the same low level seen, for example, 25 years ago in Thailand, Malaysia, Mexico and Botswana. Moreover, maternal mortality **increased** between 2003 and 2008/09 and the number of births attended by a skilled attendant has remained at only 40%. Half of Kenyan women have experienced physical violence, and half of women between 18 and 24 years old still believe that it is acceptable for a husband to beat his wife. Female Genital Mutilation (FGM) is still a common practice in many counties. Women comprise 70% of the agricultural labour force but own only 1-5% of the agricultural land titles and do not receive extension services as often as men (World Bank, 2014b).

The adoption of the new Constitution in 2010 was a major step forward on women's rights. Women and men now formally have the right to equal treatment and opportunities in political, economic, cultural and social spheres without discrimination. The constitution stipulates that not more than two-thirds of the members of elective public bodies shall be of the same sex (including at the county level), and calls on political parties to respect gender equity. The implementation of this provision has been stalled and it is obvious that equal representation will not be achieved according to the original timeline in 2015. Similarly, there is still much progress to be made in ensuring that women are able to obtain these rights in practice (World Bank, 2014b).

In the 2013 elections women constituted only 5% of the elected members of county assemblies (80/1370) but 87% of the nominated members (592/772). As a result, in total 34% of the county assembly members are women (CIC 2014). In the National Assembly there are 65 women out of 349 members (19%). Out of the 65 women, 47 are elected from special women quota. In the Senate there are 22 women out of 65 senators but only four women were elected from constituency (county), 16 were nominated by political parties and one nominated to represent the youth and one to represent persons with disabilities. In Kenya most women in powerful positions are there because they were nominated by men, not because they were elected by women.

**The past 10 years have brought improvements for Kenyan women, but many fundamental problems remain.**

**Climate change can slow down Kenya's economic growth.**

## 2.3 Climate change

Kenya is unlikely to be a key player in the global effort to mitigate climate change by reducing net GHG emissions. Adaptation to climate change is, however, something that Kenya can contribute to, and must attempt in its own interests (see Box 1).

### Box 1

- "Kenya's 2030 Vision clearly identifies the underlying needs for engagement in the mitigation measures that are caused through climate change. Although Kenya has contributed little to the causes of global warming, it is one of the countries most affected by the disasters of climate change. The effects are likely to be more severe in the future and could slow down Kenya's projected economic growth. It is already demonstrated that the poor and the marginal arid and semi-arid lands and the Western Kenya flood prone lands, may be particularly vulnerable to the expected climate variability and change. The direct impacts of future climate change on the agriculture, forest and water sectors are uncertain but may have further consequences on food security, access to water, health and power supply."

MEWNR and WSTF (2013).

A general feature of the prevailing climate change models is that relatively dry parts of the world are expected to become drier, while moister areas become wetter. This bodes ill for Kenya. Most of Kenya is seriously water stressed, and most of the rest is moderately water stressed. The 2010 Constitution states that water and sanitation is a right and not just delivery of a service or economic good. The regular supply of fresh, clean water is an issue that ultimately depends on the interaction between catchment ecosystems (which, if damaged, may not retain water or hold back floods) and rainfall (which, if reduced or increasingly erratic, poses the challenge of water conservation). Since livelihoods, economic activities and life itself all depend on reliable water supplies, these are critical issues for many communities, and ones that are particularly relevant to the devolved functions of the counties under the 2010 Constitution.

The counties have sufficient authority to promote climate-resilient development. They are now responsible for implementation of national policies on natural resources and environmental conservation including soil and water conservation and forestry. This makes the counties responsible for the health of the catchment ecosystems, for water supply services, and water conservation measures. The counties are also in control of decision making in agriculture as well as development planning including land survey and mapping.

What is assumed to be lacking in many counties, however, is access to information and techniques of catchment protection and restoration, drought-resistant farming and water conservation, and practical ways to integrate these into both livelihood systems and county-level planning arrangements. Getting every county up to speed in these areas must be an urgent climate change adaptation priority, and will require determined, innovative, decentralised and networked investment, in particular to promote the sharing of knowledge.

The National Climate Change Response Strategy (NCCRS) has identified the forestry sector as a strong vehicle for undertaking both mitigation and adaptation measures and intends to use mechanisms such as REDD+ to implement sustainable forest management approaches. The environment, water and natural resources Medium Term Expenditure Framework 2014/15-2017/18, however, notes that the REDD+ mechanism is still not well understood nationally.

## 2.4 Corruption, ethnicity and governance

Corruption and governance problems have long been identified as the main impediment to economic growth and social development in Kenya. Yet Kenya should not be considered a typical case of a corruption-ridden society. It has traditionally had a strong and vibrant civil society, a strong and independent media, a sizeable and influential middle class and competitive politics where no party dominates over the long term. In all these aspects Kenya is much stronger than other countries in East Africa (Sundet et al 2009).

In 2013 Kenya was ranked 17th of 52 African countries according to the Ibrahim Index of African Governance (IIAG), rising by four ranks since 2012. Kenya scored highest on 'Sustained Economic Opportunity' (rank 11) and 'Human Development' (rank 16) and lowest on 'Safety and Rule of Law' (rank 27), where conditions deteriorated in the post-election violence of 2008 and have been affected by terrorist attacks. The biggest improvement in the past five years is, however, in 'Participation and Human Rights' (rank 17), especially in indicators measuring participation and gender. According to the IIAG, governance in Kenya is better than the African average. Of the Finnish long-term partner countries, Ethiopia and Mozambique rank below Kenya, Tanzania and Zambia slightly above.

Worldwide Governance Indicators (WGIs) analyse annual perceptions on control of corruption, government effectiveness, political stability and absence of violence, regulatory quality, rule of law and voice and accountability. In 2001-2012 Kenya received relatively higher scores in regulatory quality, voice and accountability and in government effectiveness, but is nevertheless always considered to be in the bottom half of all countries analysed. In political stability and absence of violence, control of corruption and rule of law, Kenya is perceived to be in the bottom 10-25% of countries.

The Global Integrity Report (GIR) evaluates anti-corruption legal frameworks and the practical enforcement of those frameworks. It includes an Integrity Indicator scorecard that assesses the existence, effectiveness and citizen access to key governance and anti-corruption mechanisms. In five assessments since 2006 Kenya's overall score has been moderate, but the main finding was that although Kenya has a strong legal framework for anti-corruption its implementation is weak, with problems especially in transparency of political financing and in judicial accountability. The highest scores are given for Anti-corruption and Rule of Law and for Oversight and Regulation, whilst the lowest scores are in Government Accountability.

**Corruption and governance problems are main impediment to economic growth and social development.**

**Weak accountability stems from ethnicity based provincial politics.**

Despite governance reforms and promulgation of the 2010 Constitution, the Ibrahim Index, WGI and GIR evaluations show little change in governance in Kenya over the period 2001-2012. Low governance scores and the high prevalence of corruption in Kenya are typically attributed to inadequate checks and balances within the executive, excessive centralism and a limited role for parliament. These are features said to have originated in colonial state, which began to grow in the early years of independence and are linked to competition between ethnic groups in a political framework that lacks institutionalised parties and has a 'winner takes all' electoral system, all further reinforced by closely connected political and economic interests (e.g. Sundet et al., 2009; Hoffman, 2011; Booth et al., 2013).

The central problem in Kenya cannot be a lack of information or understanding of corruption among Kenyans, since there are several well-documented corruption scandals, all of them widely discussed in the media. Rather, the key problem in Kenya is impunity - very few are ever held accountable. None of the key officials implicated in major corruption scandals has been prosecuted (Hoffman, 2011). Kenya suffers from a dismal record of prosecutions on the basis of findings or investigations of the Auditor General and other bodies. For example, the parliamentary Public Accounts Committee has conducted investigations that implicate government officials in corrupt practices, and recommend prosecution, but without result. This is presumably because the executive can decide on prosecutions, and will not act when the executive itself has been implicated (Booth et al., 2013). Similarly, there has been little action to respond to the findings and recommendations of the Truth, Justice and Reconciliation Commission that investigated the gross human rights violations and other historical injustices in Kenya between 1963-2008 and identified several people responsible for violations.

A root cause of weak accountability is that political parties have little ideological background or content and are formed merely as temporary vehicles for politicians aligned with one or other of the five main ethnic groups (Kikuyu at 20% of the population, Luhya at 14%, Kalenjin at 13% and Luo and Kamba at 10% each) to compete for power.

**Box 2**

■ "At stake is a land of 10.5 million people led by pragmatic men who have nursed the old white settler economy so well that Kenya has one of the highest economic growth rates in black Africa. No other black African country has anything to compare with its fertile soil and energetic farmers. Its wildlife and incredible and varied beauty have made it the tourist center of black Africa. But all this is threatened by the instability inherent in tribalism."

Stanley Meisler: Tribal Politics Harass Kenya, Foreign Affairs, October 1970

Thus they are ill-equipped to promote class-based or even sectoral interests, rather than to exploit perceived injustices and ancestral arguments between ethnic groups. With ethnicity, the parties also have a clear provincial identity, with the Kikuyu 'stronghold' being in Central province, the Luhya in Western, the Luo in Nyanza, and the Kamba in Eastern. The former Rift Valley Province has the most mixed population, but here the Kalenjins are the biggest group.

Hence, in the past all cabinet appointments have had distinct ethnic and provincial dimensions, and Kenya has always been governed by various coalitions of tribes and their leading politicians. Few parties last more than one election and new parties are formed in every election year, but the politicians remain. In the five elections since 1992, the key politicians (Uhuru Kenyatta, William Ruto, Raila Odinga, Mwai Kibaki and Daniel arap Moi) have all been at various times each other's allies and opponents (Sundet et al., 2009; Hoffman 2011). The consistent and potentially inflammatory effect of ethnicity comes from the fact that, whatever the configuration of a government coalition, one or more of the main ethnic groups feel themselves to be excluded from power and therefore vulnerable (Booth et al., 2013). **Kenya continues to be a highly divided society.**

As well as allowing corruption and undermining accountability, the political system in Kenya has so far prevented the emergence of a strong and stable political leadership capable of managing successful economic transformation and addressing long-term development challenges. There has been no 'political settlement' that sustainably unites and balances the institutions of governance, power and ambition while protecting everyone's interests and disabling fear. Booth et al. (2014) argue that this cannot emerge in Kenya unless and until all or most ethno-regional blocs gain a permanent stake in government. The decentralising Constitution of 2010 is an important attempt to make this possible.

## 2.5 The 2010 Constitution and 2013 Devolution

Despite Kenya's gloomy record on injustices, optimism and hope were revived following the promulgation of the 2010 Constitution, which was approved by 67% of Kenyans in a referendum (a majority that held up in every province but Rift Valley). The Constitution includes a progressive Bill of Rights, which confirms that recognition and protection of human rights and fundamental freedoms are an integral part of Kenya's democratic state and form a framework for social, economic and cultural policies.

The Constitution also provides for separation of state powers between the legislative, the judiciary and the executive. It creates new centres of power that it is hoped will strengthen the position of Parliament relative to that of the President and executive. These new centres of power include a judiciary whose independence has been increased with greater financial autonomy, transparency and competitive appointments. Similarly, the constitution creates a host of new institutions with the purpose of providing a check on executive powers.

Devolution is the most significant governance reform initiative that Kenya has undertaken since independence and one of the most far-reaching and ambitious devolution reforms in the world. It is seen as a measure to respond to public demand for improved service delivery and enhanced public participation in governance and more equal allocation of resources (GoK, 2013). The aims of devolution, as defined in the Constitution, are: to promote democracy and accountability, to foster national unity, to promote social and economic development and provision of services, and to ensure equitable sharing of national

**The 2010 Constitution includes a progressive Bill of Rights and provides for separation of powers and strengthens checks on executive powers.**

**Counties are now responsible for the provision of most basic service delivery.**

and local resources. The Constitution provides for establishment of county governments consisting of elected county assemblies and county executive committees. The counties are directed by an elected county governor and deputy governor. County assemblies have legislative powers to ensure effective performance of county functions. In addition, each county is represented in a Senate that was also established with the new constitution.

In the division of functions and powers between national and county governments (2010 Constitution, Schedule 4), the national government is mostly in charge of policies while counties are responsible for the provision of most of the following basic services, which do not include education:

- Agriculture (both crop and animal husbandry);
- Health services (for example primary health care and health facilities);
- County transport, including county roads;
- Trade development and regulation;
- County planning and development including land survey and mapping;
- Pre-primary education, village polytechnics, home craft centres and childcare facilities;
- Implementation of national policies on natural resources and environmental conservation including soil and water conservation and forestry;
- Public works including water and sanitation services; and
- Ensuring the coordination and participation of communities in governance at local level.

Kenya's county governments were formally established in March 2013 so they are currently in their second year of functionality. To ensure that they have the necessary resources to deliver on their mandates, the 2010 Constitution stipulates that counties must be allocated a share of at least 15% of national revenue, based on the most recent audit approved by Parliament (i.e. two years behind). The share is decided annually by Parliament upon recommendation of the Commission for Revenue Allocation (CRA), which defines the distribution of government revenue between national government and county governments (the so-called 'vertical formula') and between the 47 counties (the so-called 'horizontal formula'). For financial year (FY) 2013/14, the CRA recommended that the county governments receive KSh 231 billion, or 34% of national revenue. This total was to be distributed between the counties according to a formula that weights eligibility according to:

- Population 45%
- Poverty 20%
- Land area 8%
- Basic equal share 25%
- Fiscal responsibility 2%

The formula has resulted in a considerable redistribution of public funds and it clearly favours counties with smaller population, large geographical area and

high poverty, while wealthier and more populous counties receive less per person. Hence, the formula has favoured the previously neglected counties (and ethnic groups) in northern Kenya at the expense of the Central, southern Rift Valley and Nyanza regions.

The formula has been criticised, for example by the International Budget Partnership, for not adequately incorporating the most expensive county functions, which include health, agriculture and early childhood education. In addition, the division of responsibilities between counties and central government has not been very clear, for example concerning management of natural resources, roads, slum upgrading and early childhood teachers. More importantly, discussion on the formula and justification for the current shares has been limited.

Following its constitutional mandate, the Commission for the Implementation of the Constitution (CIC) assessed the first year's performance of the county governments. It found that remarkable progress had been made in the establishment of the required offices, but that there were serious gaps and delays in conducting the analyses needed to allow the specification of county-level responsibilities and functions (so called functional analysis), and to define resource needs. Consequently, policies and laws for implementing the devolved functions were lagging behind, and the CIC concluded that there is a need for a comprehensive and coordinated capacity building programme. The main constraints on implementing devolution were found to include: a) politicisation of the process of institutional reform, b) delays in undertaking a number of critical transitional activities; c) a tendency of both central and county governments to discharge functions that are not in their purview; d) policy, legislative and institutional frameworks that are not aligned with devolution; and e) low levels of capacity and skills (CIC, 2014).

*"90% of the Constitution would be implemented if the county assemblies and governments were up to their task." CIC Commissioner*

Devolution has the potential to bring the state closer to the grass-roots and to improve its legitimacy, but local governance does not necessarily equate with good governance. Problems of corruption, political patronage and impunity may continue (and probably already have continued) at the county level, there are interests in the central government that seek to limit the powers to be devolved to the counties, and the commitment of the central executive to devolution is not unambiguous.

Devolution is, however, well protected by the Constitution. Changing this would require a referendum, and it is unlikely that a majority of Kenyans would approve since devolution is seen as protecting the interest of the counties and various ethnic groups from central government biases in budgetary allocations. It is also seen as protecting the interests of elite groups against future political uncertainties (Booth et al., 2013). **Hence devolution offers Kenya an opportunity to obtain, for the first time, an inclusive and stable political settlement with all ethnic groups having an acceptable share of government. This settlement could then provide a platform on which to build sustainable socio-economic development.**

**Devolution offers an opportunity to obtain a more stable political settlement and a platform to address the long term development challenges.**

**Vision 2030 and medium term plans present clear priorities but implementation has been slow and budgets overestimated.**

## 2.6 National plans and budgets

Kenya Vision 2030 is the national long-term development blue print that was prepared in 2008 during Mwai Kibaki's second term as president. It aims to *"transform Kenya into a newly industrialising, middle-income country providing a high quality of life to all its citizens in a clean and secure environment."* It is anchored on three key pillars of economic, social and political governance, alongside an enabling macroeconomic framework. The Vision is effected through five-year medium-term plans (MTPs), and flagship projects are identified to spearhead progress under each pillar. Approximately half of the MTP funding was planned to come from private sector through Public Private Partnerships (PPPs). The first MTP was implemented in 2008-2012 and the second is to be implemented in 2013-2017.

The Ministry of Planning and Devolution has published annual progress reports on MTP I implementation, but the reports do not compare targets and achievements in a transparent way and do not present any information on budgeted funding or expenditures. As a result, it is very difficult to assess the actual implementation and progress in MTP I in general or in sectors where Finland has provided development assistance. On the basis of narrative reports, it appears that despite notable achievements, for example in road construction and promulgation of the new constitution, the overall implementation of the first MTP was not very successful. In discussing the challenges for the second MTP, the report acknowledges that the first MTP did not succeed in alleviating the macro-level problems of high levels of poverty and unemployment, low economic growth per person or the major economic and social disparities across regions. Rapid population growth remains a problem as well as the proliferation of informal settlements, governance problems and security. Agricultural productivity remains low and dependent on rain (GoK, MTP II 2013).

Additionally, there were various problems that hampered the implementation of the flagship projects. Many flagship projects are multisectoral in nature and involve diverse administrative agencies, creating problems of coordination, interference and duplication of effort. Implementation was also compromised by the slow pace of legislation related for example to Public Private Partnerships (PPPs) and Special Economic Zones (SEZs). The lack of a legislative framework for PPPs was especially damaging as at least half of the funding for MTP I implementation was expected to come from the private sector via the PPPs. Procurement and land acquisition processes were slow and cumbersome (Ministry of Devolution and Planning, 2013).

Finally, while the MTPs present GoK priorities clearly, their credibility as government investment plans is undermined by their grossly overestimated budgets. In MTP I, the average annual budget was KSh 782 billion (ca € 7 billion), which was six times the amount of development expenditure in 2008 and seven times total development aid to Kenya in 2008. In MTP 2, the estimated budgets of approximately KSh 2.5 trillion (ca € 21.5 billion) per year are even more excessive. (GoK, 2008, GoK, 2013)



The MTP 2 highlights the need for better coordination between the MTPs and the Medium-term Economic Frameworks (MTEF) that serve as the basis for national budgeting and are prepared by the Treasury. It is unclear how well and to what extent the MTP priorities have been translated into budgets. On the basis of the current year's (2014/2015) budget the biggest sectors for investment include infrastructure (KSh 97.7 bn), energy (KSh 74.9 bn) and transport (KSh 51 bn). Budgeted Investments in water sector amount to KSh 26 bn and in environment and natural resources KSh 7.9 bn. All are well below the levels expected in the MTP 2. Development efforts are further hampered by very low development budget expenditure. In the past three years, development budget expenditure has been only about 50% of the approved budget and estimates. Similarly the on-budget donor releases have been only half of the budgeted estimates (CoB 2012, 2013, 2014). Slow development expenditure disbursements at the county level were also a main concern during the first full year of devolution (2013/14) when the counties were able to spend only 36.4% of the available development budget. This was partly due to delays in the release of funds from the national government (CoB, 2014b).

The latest Public Expenditure and Financial Accountability (PEFA) assessment from 2012 gave Kenya overall a low average score of 2 (out of 4). There was improvement in revenue collection, debt management and procurement but clear deterioration was observed in accounting, recording and reporting. This was mainly due to accounts being processed outside the Integrated Financial Management Information System (IFMIS), a phenomenon to which donors have also contributed significantly (ACE et al, 2012, AfDB, 2014, World Bank, 2014d).

## 2.7 The role of aid

Kenya is the world's 8th largest recipient of Official Development Assistance (ODA), but the relative importance of ODA to Kenya has declined since 2000 due to the country's increasing Gross National Income (GNI) and domestic spending (Development Initiatives, 2013). In 2012, total ODA disbursements to Kenya amounted to US\$ 2.65 billion, while national spending was close to US\$ 14 billion (OoCB 2013). The biggest donors to Kenya in 2007-2012 were the USA, the International Development Association (the World Bank's concessional financing arm), the EU, the UK and the African Development Bank (AfDB). Sweden, Denmark and Japan have also been important partners. Total Finnish disbursements to Kenya 2007-2012 amount to US\$ 121 million or 1.1% of total disbursements (Table 2.3). Note that OECD statistics do not include information from donors or investors that are not members of the Development Assistance Committee (DAC), such as China and India.

**Low development budget expenditure hampers development efforts.**

**Table 1** Aid disbursements to Kenya by the 12 largest contributors in 2007-2012 (US\$ million), including humanitarian aid.

Country	2007	2008	2009	2010	2011	2012	Total
<b>United States</b>	352.22	439.43	590.21	565.92	715.42	817.83	<b>3,454.03</b>
<b>IDA</b>	101.42	113.97	83.15	132.78	165.33	192.87	<b>789.52</b>
<b>EU</b>	138.48	93.54	84.34	101.64	133.84	216.41	<b>768.25</b>
<b>United Kingdom</b>	111.29	91.38	131.22	105.23	142.02	161.32	<b>742.46</b>
<b>AfDB</b>	31.44	35.89	55.94	94.75	159.49	192.69	<b>570.20</b>
<b>Sweden</b>	45.51	65.85	66.82	47.69	76.85	77.60	<b>380.32</b>
<b>Denmark</b>	46.90	59.31	59.79	64.64	71.27	55.98	<b>357.89</b>
<b>Japan</b>	57.11	8.79	33.66	36.72	79.74	132.07	<b>348.09</b>
<b>The Netherlands</b>	11.04	15.93	25.38	17.55	34.82	27.49	<b>132.21</b>
<b>Finland</b>	13.53	16.34	18.17	25.76	21.82	25.73	<b>121.35</b>
<b>Norway</b>	13.02	21.28	15.52	13.37	19.74	14.47	<b>97.40</b>
<b>UNDP</b>	4.4	9.28	7.85	8.73	7.30	8.15	<b>45.71</b>
<b>Total</b>	<b>1,326.78</b>	<b>1,365.96</b>	<b>1,776.20</b>	<b>1,628.57</b>	<b>2,482.42</b>	<b>2,654.08</b>	<b>11,234.00</b>

Source: OECD/DAC Query Wizard for International Aid Statistics

The national development budget of Kenya for FY 2014/15 (Table 2.4) totals KSh 476.4 billion (€ 4.5 billion), of which KSh 174 billion (36.5%) is expected in the form of 'on-budget' ODA, two-thirds of this as loans. This ODA figure is equivalent to about 75% of the ODA disbursed to Kenya in 2012. The difference is due to the fact that many donors (particularly the USA, UK, the Netherlands, Norway and Finland) contribute at least part of their aid 'off-budget'.

In 2014/15 the main sectors that receive 'on-budget' ODA are energy, infrastructure, transport, treasury and water. Infrastructure, energy and transport are allocated 45% of the development budget, 70% of the on-budget aid, and 82% of the on-budget loans.

**Table 2** Development budget and development aid to selected sectors in 2014/2015

Sector	Development budget, KSh bn.	Aid in budget, KSh bn.	Loans, KSh bn.	Aid as % of total development budget
<b>Infrastructure</b>	97.7	40	29.5	40.9
<b>Energy</b>	74.9	50.1	43.6	66.9
<b>Transport</b>	39.8	32	9	80
<b>Water</b>	26	9.2	6	35.4
Agriculture	21.4	3.8	2.7	17.8
<b>Environment and natural resources</b>	7.9	1.4	0.9	17.7
<b>Other</b>	208.7	37.5	8.5	22.0
<b>Total</b>	<b>476.4</b>	<b>174</b>	<b>100.2</b>	<b>36.5</b>

Source: GoK Estimates of Development Expenditure 2014/2015

The three biggest donors (the World Bank, the African Development Bank and China) provide over 50% of on-budget aid and the eight biggest donors 85%. See Table 3 below.

**Table 3** Major donors listed in the 2014/15 budget

Donor	Committed aid on budget KSh bn	% of total committed aid on budget	Sectors
World Bank	46.6	25.2	Infrastructure, transport, energy, water and natural resources
African Development Fund	22.3	12.1	Transport, infrastructure, energy, water and natural resources, education
China	20.6	11.1	Energy, transport, infrastructure, ICT
Japan	15.9	8.6	Transport, infrastructure
Global Fund	15.8	8.6	Health
AFD/France	11.2	6.1	Energy, water and natural resources
EU	9.4	5.1	Transport and infrastructure
India	6.2	3.4	Energy
Other	25.9	14.9	
<b>Total</b>	<b>174</b>		

Source: GoK Estimates of Development Expenditure 2014/2015

Finnish 'on budget' ODA amounts to KSh 0.8 billion (€ 7 million), or 0.5% of all 'on budget' ODA. This is slightly more than half of Finnish ODA in 2012, the balance being 'off-budget' contributions. In terms of total ODA volume, therefore, Finland is not a very significant donor to Kenya.

## 3 FINLAND'S DEVELOPMENT POLICY PROGRAMMES AND STRATEGY/-IES WITH KENYA

This chapter aims first to give an overview Finland's country strategies and key interventions in Kenya. For background, a brief summary of findings of recent evaluations of Finnish development cooperation is in Annex 7. A timeline of key events in Kenya and Finnish development cooperation programme is included in Annex 8.

### 3.1 Finnish development policy programmes

The beginning of a new government term in Finland is traditionally associated with the review and revision of the country's development policy programme (DPP), the aim being to harmonise it with the government's policy programme as a whole and with evolving international priorities and practices in the fields of development cooperation, ODA and sustainable development. Three MFA DPPs are relevant in various ways to this evaluation:

- the 2004 DPP, which provides the context of the early evaluation period;
- the 2007 DPP, under the influence of which the main interventions were formulated and implemented, and the main funding commitments were made; and
- the 2012 DPP, which influences the 2013-2016 Country Strategy.

Differences between the 2004 and 2007 DPPs are mainly in the form of incremental changes in emphasis. The 2007 had the overarching aim of promoting socially, economically and ecologically sustainable development. These themes and objectives were also included in the 2004 DPP, though the formulation was slightly different. Both the 2004 and 2007 DPPs had much the same sectoral priorities of environment, forests, agriculture and trade, and both emphasised cross-cutting themes, to be supported throughout all Finnish development policy, including the promotion of gender and social equality, protecting the rights of vulnerable groups, and combating HIV/AIDS as a health and social problem. The 2007 DPP differed, however, in putting more emphasis on energy, water, regional policy, and the 'information society' as key themes to support sustainable development.

Importantly, the 2007 DPP introduced 'Finnish added value' to development cooperation analysis, and that was later included as a cross cutting theme in all programme preparations and evaluations. It also encouraged diverse Finnish

stakeholders to take a more active part in development cooperation and provided for the establishment of modalities such as the Institutional Cooperation Instrument (ICI) to support cooperation between Finnish and developing country public sector organisations.

Kenya was included in the list of long-term partner countries together with Ethiopia, Mozambique, Tanzania, Zambia, Nicaragua, Nepal and Vietnam, though the MFA acknowledged that Kenya actually did not meet the conditions and set criteria for long-term partner countries and programmatic support.

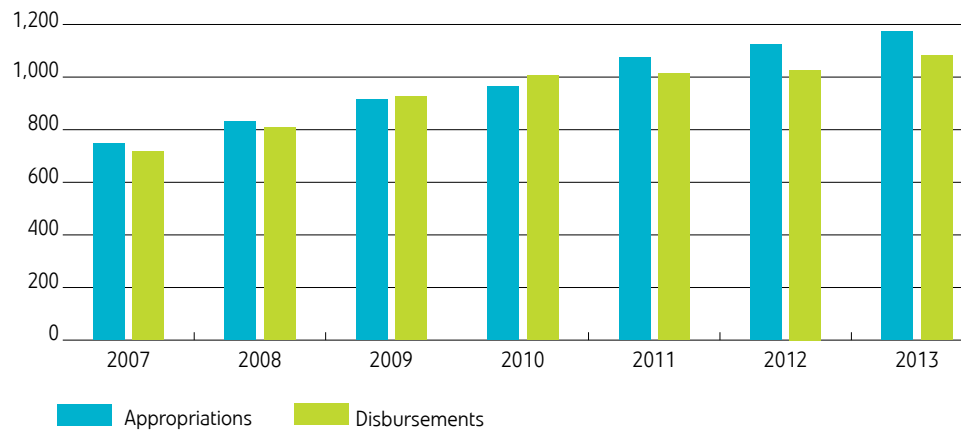
The 2012 DPP emphasises the human rights-based approach (HRBA) in all development cooperation activities. This aims to ensure that all people ('rights holders') know their rights and are able to protect and obtain them, and that the authorities ('duty bearers') know their human rights obligations and are capable of fulfilling them. The 2012 policy includes three cross-cutting objectives: gender equality; reduction of inequality; and climate sustainability. And it has four priority areas for development cooperation: a democratic and accountable society that promotes human rights; an inclusive green economy that promotes employment; sustainable management of natural resources and environmental protection; and human development. It offers guidance on where Finnish support should be targeted and provides 50 examples of operations that show how priorities can be put into practice.

To increase effectiveness and impact of development cooperation, the 2012 DPP leads towards a focus on the least developed countries (LDCs). Similarly, to reduce fragmentation of human and financial resources, it encourages development cooperation to be concentrated on long-term partnerships. The long-term partner countries now comprise Ethiopia, Kenya, Mozambique, Tanzania, Zambia, Nepal and Vietnam. An important feature of the 2012 DPP is the introduction of country strategies with these partners as a way to strengthen results-based management (RBM) and increase the predictability and transparency of Finnish aid. These strategies were prepared for all long-term partner countries in 2012.

Funds and disbursements for development cooperation grew steadily over the period 2007–2013 (Figure 3.1), as did the share of Finnish GNI devoted to development financing, from 0.41% in 2007 to 0.6% in 2013. Although Finland had aimed to raise its development cooperation appropriations to 0.7% percent of GNI by 2015, in line with UN targets and EU agreements, budget cuts in 2014 and 2015 will reverse the process. The Finnish Ministry of Finance estimates that in 2015 the Finnish official development aid will amount to 0.5 % of the GNI (Ministry of Finance, 2014).

**In 2004 agreed cooperation in forestry, energy and good governance.**

**Figure 3** Finnish ODA appropriations and disbursements 2007-2013, € million



Source: MFA development statistics

## 3.2 Finnish development cooperation with Kenya

### 3.2.1 The years up to 2007

Finnish development assistance to Kenya started in the late 1960s and a formal framework for bilateral assistance was agreed upon later in the 1980s, when Kenya became a ‘Target Country’ for Finland. The main sectors of Finnish assistance at the time included water, health, forestry, livestock production and cooperatives. In the late 1990s Finland decided to suspend development cooperation with Kenya due to unfavourable political environment in Kenya.

Changes in Kenyan leadership and policies brought about by the 2002 general elections created conditions for resuming Finland’s development cooperation with Kenya. Bilateral consultations on development cooperation between Kenya and Finland were held in 2004 and the two governments agreed that cooperation would concentrate on three sectors: forestry, energy and good governance (Agreed Minutes 2004). Consequently, project preparations were started in all agreed sectors: for Miti Mingi Maisha Bora (MMMB) in the forestry sector; for updating of a rural electrification master plan in the energy sector; and for participation in a Governance, Justice, Law and Order Sector (GJLOS) basket fund. In addition, Finland initiated a project to support mainstreaming of the Millennium Development Goals (MDGs) within Kenya’s development plans.

Corruption scandals (e.g. Anglo-Leasing) that surfaced in 2005 led Finland to question the GoK commitment to fight against corruption and to reconsider its position. Though the scandals did not involve Finland directly, they resulted in the duration of the agreed projects being shortened and the volume of cooperation not being increased as originally planned (Embassy reports). So in 2007, the first year of Finnish cooperation under evaluation here, the programme consisted of four projects that had only recently started and for which the fund-

ing was already partially frozen. In that difficult situation, Finland decided to make grants to the Gender and Governance Programme of the UN Development Fund for Women or UNIFEM (€ 800,000) and for Public Sector Reform (€ 400,000) through UNDP.

### 3.2.2 The period 2007-2011

Finnish cooperation from 2007 onwards was greatly influenced by violence after the December 2007 elections in Kenya and the new development policy programme (DPP) of 2007 in Finland.

**Violence, reconciliation and coalition.** The violence that broke out at the beginning of 2008 led to changes in the approach of Finnish cooperation, especially in the governance sector. Instead of trying to adapt the on-going GJLOS reform programme in response to the emergency situation, the GoK approached the donors with new programmes for funding to alleviate the situation. Finland and other donors supported a UNDP-coordinated project on “Support to the African Union Panel of Eminent Persons’ Facilitation Efforts on Peace Building and Reconciliation in Kenya” chaired by Kofi Annan. The panel brought the governing Party of National Unity and the opposition Orange Democratic Movement (ODM) into a Kenya National Dialogue and Reconciliation (KNRD) forum for dialogue and mediation, which facilitated the signing of the 2008 National Accord and Reconciliation Act (NARA) that marked the end of the violence, and created the possibility of a political solution to the crisis. The two parties agreed on a four-point agenda to end the violence, start reconciliation and to address the critical long-term issues that were deemed prerequisite for sustainable peace, security and stability in Kenya (South Consulting, 2012). These long-term issues, referred to as Agenda Item 4, included constitutional, legal and institutional reforms; land reform; regional imbalances, poverty and inequality; unemployment; national cohesion and unity; and transparency, accountability and impunity.

Since the signing of the NARA, Finnish governance interests have concentrated on implementation of the constitutional and institutional reforms included in the Agenda Item 4. The KNDR noted that progress on these was an important prerequisite for sustainable peace, security and stability in Kenya (South Consulting 2012). Finland also offered further support to the implementation of constitutional and electoral reform (€ 1 million in 2009).

**The 2008 Plan for Participation.** The MFA drafted a *Plan for Participation in Kenya’s Development 2008–2011* in the very volatile situation of post-election violence. The Plan emphasised that in such an uncertain situation, it was not possible or even desirable to firmly agree on any long-term cooperation plan. It also acknowledged that Kenya did not meet all the criteria set for a long-term partner country in the 2007 DPP. The Plan for Participation further stressed that Kenya was recovering from serious and violent political crises, that the government did not respect or protect the human rights of its citizens, that Kenya was a highly unequal country and that the state of the environment was alarming. It included brief but informative socio-political and environmental analyses that described the problems (and the need for cooperation) and offered justification

**From 2007 onwards, Finnish cooperation was influenced by post election violence and the new development policy programme.**

for the selection of the priority sectors that had previously been agreed. The Plan did not however discuss the need for any changes in the priority sectors.

In accordance with the 2007 DPP, the Plan for Participation had the three priorities of socially, economically and ecologically sustainable development, and it was based on an assumption of gradual political stability but slow progress in implementation of Agenda Item 4 reforms. Despite the very precarious political situation, the total planned funding for 2008-2012 amounted to € 94.5 million, of which € 33.5 million was for socially sustainable development, € 23.9 million for economically sustainable development, and € 36.65 million for ecologically sustainable development.

**The 2008 ministerial visit and 2009 bilateral consultations.** Minister for Trade and International Cooperation Paavo Väyrynen visited Kenya in November 2008 with a business delegation consisting of representatives from energy and consulting companies as well as the ICT industry. Following the ministerial visit, bilateral consultations on development cooperation between Kenya and Finland were held in November 2009 (Agreed Minutes). In the consultations, the Finnish delegation thanked Kenya for its active role as a stabilising force in the region. The Finns also expressed their conviction that development cooperation can only achieve sustainable results when the political, social and economic environment in the country is stable and conducive for development, and expressed concerns over Kenya's political situation and slow progress in implementing reforms.

**The 2010 Development Cooperation Plan.** Agreements forged during the 2009 bilateral consultations formed the core of the *Development Cooperation Plan (DCP) 2010-2014* which confirmed that the new sectors for cooperation would include justice, rural development and natural resources sectors (the last including forestry and water). The main difference between the 2008 and 2010 plans was the replacement of the energy sector by rural development with significant funding allocations through PALWECO. Also, the planned allocation to socially sustainable development was considerably less in the 2010 plan compared to the 2008 one. The total planned allocations for 2009-2014 amounted to € 63.9 million, divided between socially sustainable development (€ 6 million), economically sustainable development (€ 23 million) and ecologically sustainable development (€ 34 million).

### 3.2.3 Finland's Country Strategy for Development Cooperation with Kenya 2013-2016

Following the Finnish general elections of 2011, the appointment of Heidi Hautala as the new minister for international development, and preparation of the 2012 DPP, the MFA embarked on a process of preparing country strategies with all main partner countries, Kenya being one of them. It was hoped that the country strategies would introduce more robust results-based management arrangements to the Finnish development cooperation process.

**Finland's Country Strategy for Development Cooperation with Kenya 2013-2016** stresses the importance of the implementation of the 2010 Constitution for socio-economic development in Kenya, and support to the implementation of



the Constitution is identified as the main purpose of Finland's country strategy. In addition, the strategy is based on a long-term development scenario that assumes full and timely implementation of the Constitution, including free, fair and peaceful elections, establishment of a devolved governance structure, and a stronger focus on the MDGs.

The Country Strategy includes three specific objectives, upon which were based an overall funding envelope for 2013-2016 of € 57.8 million and the following budget allocations for each objective:

1. A democratic and accountable society that promotes human rights (€ 11.6 million);
2. Poverty reduction through inclusive green growth in the agriculture sector (€ 24.8 million); and
3. Improved management and use of forest and water resources with increased participation of communities, civil society and private sector (€ 21.4 million).

**Table 4** Intervention logic of the current country strategy

<b>Overall aim</b>	<b>Full and timely implementation of the new constitution and the vast reforms it entails to fight poverty, inequality and impunity</b>		
<b>Indicators</b>	% of extremely poor, GNI/capita, HDI rank, Gini Index, EIU Democracy index, CPI rank		
<b>Finland's strategic objectives</b>	A democratic and accountable society that promotes human rights	Poverty reduction through inclusive green growth in the agriculture sector	Improved management and use of forest and water resources with increased participation of communities, civil society and private sector
<b>Indicators</b>	EUI Democracy Index, Ibrahim Index on African Governance	Agricultural sector annual growth, Number of food insecure people	Increase in tree cover, proportion of population using improved drinking water source
<b>Necessary outcomes/components</b>	Free, fair and peaceful elections; Improved access to justice; Gender equality	Improved livelihoods and increased agricultural production and food security in Busia; Promotion of business development, innovation, knowledge sharing	Forestry sector reform and improved forestry governance; Improved contribution of forests to livelihoods; Improved water and sanitation services
<b>Finland's programmes and means to influence</b>	Election support, URAIA trust, Support to oversight bodies, Support to UN Women, LCF, donor coordination, policy dialogue	PALWECO Safe Food-Safe Dairy CHIESA, Food-Africa Donor coordination and policy dialogue	MMMB, WSTF  Donor coordination and policy dialogue
<b>Available funds 2013-2016</b>	€ 11.6 million	€ 24.8 million	€ 21.4 million
<b>Key assumptions</b>	Continued GoK support to constitutional reforms and space for civil society to work	Conducive weather conditions and Busia ownership of PALWECO	Continued political will and commitment to governance reform processes

A more detailed presentation of the components, objectives and indicators of the current country strategy is in Annex 9.

The overall and strategic objectives of Finland's development cooperation with Kenya 2007-2013 were found to be well aligned with the Vision 2030 and the MTPs.

## 4 FINDINGS AND CONCLUSIONS

### 4.1 Response to changing Kenya

Kenya Vision 2030 is the national long-term development blueprint that is operationalized through five-year Medium-Term Plans (MTPs) - MTP1 in 2008-2012 and MTP2 in 2013-2017. The Vision and the MTPs are anchored in three key pillars of economic, social and political development, and an enabling macroeconomic framework. Under each pillar flagship projects are identified to lead the progress.

The overall and strategic objectives of Finland's development cooperation with Kenya 2007-2013, as well as the seven projects analysed (annex 4) were found to be well aligned with the Vision 2030 and the MTPs. Many Finnish projects have been and are supportive to the identified flagship projects. In the **governance, justice, law and order sector** (GJLOS) these include the drafting of constitutional reform and finalising operations of the Independent Electoral Review Committee, both of which Finland supported through UN basket funds together with several other donors. In the MTP 2 the governance agenda concentrates on operationalization of devolution and implementation of the constitution and legal reforms. It prioritises implementation of the Bill of Rights and national policy and action plans for human rights, the human rights based approach to development and strengthening national collaboration for oversight and accountability which are very much aligned with Finland's current development cooperation strategy with Kenya. In gender, Finland has supported the Vision 2030 and the MTP objectives though not directly through the GoK priority programmes.

In **agriculture and rural development**, PALWECO is supporting the GoK priorities of increasing agricultural productivity through commercialisation and improving access to markets and to agricultural inputs. PALWECO is also aligned with the Busia County Integrated Development Plan. Safe Food Safe Dairy promotes the dairy processing industry, which is one flagship project in the MTP2.

**MMMB** has been instrumental in increasing capacity of the KFS, which has a key role in ensuring good governance in the forestry sector and in resolving important issues of sustainability and equity within that sector. KFS is also the main national actor tasked with achieving the constitutionally-set target of 10% forest cover. Finnish support to **WSTF** has promoted GoK efforts to improve access to water and sanitation as well as effective water resources management. Universal access to clean water is one of the priorities in MTP2 and it includes a flagship project of provision of water to poor un-served areas. According to the 2010 Constitution, access to clean water is a right for every Kenyan.

The above-mentioned prioritisation has not, however, resulted in increased budgetary allocations from the national budget. For example the independent commissions (e.g. National Gender and Equality Commission, NGECE, and Kenya National Commission for Human rights, KNCHR) will continue to rely entirely on external funding for development activities, though their recurrent budgets are set to increase by over 40% in the coming three years covered by the Medium Term Expenditure Framework (MTEF) (GoK, 2014). The three-year MTEF for KFS and WSTF shows no increases in budgetary allocations for recurrent or development expenditure. The estimated deficit in budgeted allocations compared to requirements is approximately € 14 million in both organisations during the coming three years. In KFS the deficit is mostly in recurrent budget where as in WSTF it is in development budget (GoK, 2014). Actual expenditure in the environment, water and natural resources sector has decreased by 37% in the past four financial years (WB, 2014d). In Busia County the problem is not lack of funds, however since its development budget increased from KSh 1.7 billion in 2013/14 to KSh 2.4 billion in 2014/15, and the problem has instead lain in weak execution. In 2013/14 Busia managed to spend only KSh 312 million (€ 2.8 million) on development, representing only 17.6% of the available development budget (CoB, 2014b).

While Finnish cooperation was found to be well aligned with the Vision 2030 and the MTPs, and to the implementation of the 2010 Constitution, the relevance to devolution of Finnish projects, and therefore the Finnish strategy was less obvious.

Finland works mainly with central government agencies. Devolution is, however, an accepted reality among all the Government of Kenya (GoK) officials and other stakeholders interviewed during this evaluation, it enjoys overwhelming public support, and all evidence suggests that the **counties are now the main agents for change and development in Kenya**. Devolution is seen as a unique opportunity to address Kenya's long-term challenges. The financing system between central and county levels of government is in place and it allocates more funds per person to poorer and under-developed counties. Most counties have prepared their integrated development plans, but as noted by the CIC (2014), county level policies and laws for implementing the devolved functions are still lagging behind agreed targets, and there is a need for a comprehensive and coordinated capacity building programme. The CIC has also noted that the people of Kenya will judge the success or failure of the new constitutional order through the efficacy and efficiency of services delivered by the devolved units of government (CIC, 2013).

The devolution to the counties of powers and responsibilities for most service delivery functions to counties has presented a challenge to Finland, to other donors and to central government. The question - raised in many contexts by many interviewees - is **how to empower county governments** to carry out their new responsibilities in an informed and effective way, in harmony with national law and the policy guidelines of the GoK? There are as yet no definite answers to this question.

So the question for Finland as a small donor is how to bring a unique perspective to this issue, one where important gaps can be filled among the many different challenges faced by the county governments. The Ministry of Devolution

**Finland's support to devolution was found less obvious.**

**Availability of adequate information and intergovernmental coordination and cooperation are the key for smooth service delivery.**

and Planning has prepared National Capacity Building Framework that identifies needs for capacity building at the counties, and the capacity building work is coordinated between the GoK and donors through the Devolution Sector Working Group. There are four programmes to support capacity building at the county level, funded respectively by the WB, EU, UNDP and USAID. Finland is planning to join the World Bank financed 'Devolution Partnership Facility for Kenya'. In addition, it was noted that especially the new Finnish programmes (support to rural water supply through WSTF, support to good governance with GIZ) have components or provisions for working with counties. Counties, however, are not only administrative units but also political ones, so the choice of which counties to support (to the exclusion of others) is potentially politically charged so must be based on a clear, objective and transparent criteria that should be agreed with the relevant Kenyan stakeholders.

Although a detailed analysis of various programmes supporting devolution and planning was not possible here, the overall impression is that they tend to support counties in procedural terms (i.e. through public financial management or participation and consultation of stakeholders), rather than by providing information to the county governments and assemblies so that they can make better-informed plans. In addition to informing planning, this information if and when made publicly available, would be essential for citizens to meaningfully influence decision making and for holding the planners accountable. Without accurate, adequate and accessible information, even a participatory planning process can lead to incorrect decisions. This lack of information has been noted in the MTP2 and in some donors' strategies (e.g. the WB) and it was raised on several occasions in the course of this evaluation. Deploying appropriate technology to correct this through capacity building is the essence of the proposal for developing living natural resources atlases explained in detail in Annex 10.

Similarly, production of necessary information would help ministries and other central level agencies and counties, which are still learning how best to work together in functions that are devolved. **Coordination between the different levels of government is the key** to smooth service delivery, but this is difficult, owing partly to the long history of mistrust between central government and local stakeholders (AusAID and WB, 2012). Hence, we conclude that relations between the different levels of government should receive elevated attention in all programmes supporting devolution. This is clear too in the sectors that Finland has supported. But there are also emerging good practices, such as the preparation process for the National Forestry Programme, which has brought together relevant actors from different levels of government and civil society. The planned selection process for counties to be supported by the WSTF in the new Finland-Sweden funded project has many similar characteristics.

Kenya is a lower-middle income country that is increasingly not dependent on development aid. Therefore, Kenya is also not among the least developed countries that are prioritised in the Finnish Development Policy Programmes. Although ODA has increased rapidly in the past 10 years, GDP has grown even faster and national budgets are now mostly funded by national revenue collection and commercial loans from domestic banks. However, aid still plays a significant role in funding the development budget (36.5% in 2014/15). About 50% of the (on-budget) aid consists of loans from the three biggest donor/

lenders (the WB, the AfDB and China) to finance large infrastructure, energy and transport projects that are clear priorities for the GoK (Treasury, 2014). The budgeted aid does not, however, give a full picture of development cooperation with Kenya as the contributions of several big donors (e.g. USAID and DFID) are not shown on budget. But, in this large picture, Finland, with average annual disbursements of less than € 10 million (or less than 0.5% of total aid), is not a very significant donor.

A number of development partners (e.g. the Netherlands, Denmark, Sweden, Norway, Germany) have realised that, looking ahead, the role of economic and commercial cooperation will and should increase. The objective of the Netherlands Multi-Annual Strategic Plan 2014-2017 is transition from aid to trade, and the Dutch Embassy envisages bilateral development cooperation to end in 2020. In order to support this transition, in the coming years the Netherlands will act as a public investor in the water and food security sectors and promote involvement of Dutch companies in these sectors (Kingdom of the Netherlands, 2014). In the (draft) Danish Country Policy Paper 2014-2018, strengthening trade and commercial relations between Kenya and Denmark is 'an objective in its own right'. The partnership between the two countries is seen as increasingly mutually beneficial and it is envisaged that in future economic cooperation will be the main form of partnership (Danish Ministry for Foreign Affairs, 2014). In German development cooperation, described as 'Partnering to Unleash Kenya's Potential' (German Cooperation, 2014) the ultimate aim is to move beyond development cooperation. All countries express their wish to remain as important partners of Kenya and are increasingly supporting private sector cooperation especially in agriculture value chains, but also in energy and water.

In interviews, keen interest was expressed in more economic cooperation and many GoK representatives stressed that the Kenyan government would be very willing to harness concessional loans to priority projects. In fact, as early as 2004 Dr Mukhisa Kituyi, then Minister of Trade and Industry of Kenya visited Finland and emphasised both that trade and development cooperation should not be separated and that more investments and commercial cooperation between Kenya and Finland would be welcomed. At the moment, however, Finland does not have a suitable instrument for engaging small and medium size enterprises (SMEs), especially, in development cooperation. The available instruments include Finnpartnership for support in the planning phase of cooperation, and Finnfund for long-term risk capital for investments that are typically of valued at over € 1 million. Concessional credits are no longer available. As of 2015, however, the Business with Impact Programme (BEAM) makes available funding for SMEs, research institutes and NGOs to develop inclusive innovations to address social challenges in the developing markets. The demand in Finland for BEAM funding and the suitability of the programme are yet to be seen.

When asked about the overall direction of Finnish aid in the future, the largest number of respondents, both Kenyan and Finnish, were of the opinion that Finland should start preparing transition from aid towards more trade and investment. Many also hoped that Finland would continue cooperation as before or even increase aid to Kenya. Many Kenyan respondents opted for both: preparing for transition and maintaining or increasing aid. Nevertheless, the message is quite clear that those who know Finnish development cooperation in

**Many development partners have realised that in the future the role of economic and commercial cooperation will and should increase.**

**Finland's development cooperation with Kenya is characterised by continuity resulting from commitments made in 2009-2010.**

Kenya are of the opinion that the future direction should be more towards trade and investment.

**Table 5** 'In future, Finland should:'

Prepare for transition from aid towards more trade and investment	19
Continue cooperation with Kenya as before	16
Increase its development aid to Kenya	15
Stop development aid to Kenya	1

Source: stakeholder questionnaires

## 4.2 The role of Finland's Development Policy Programmes

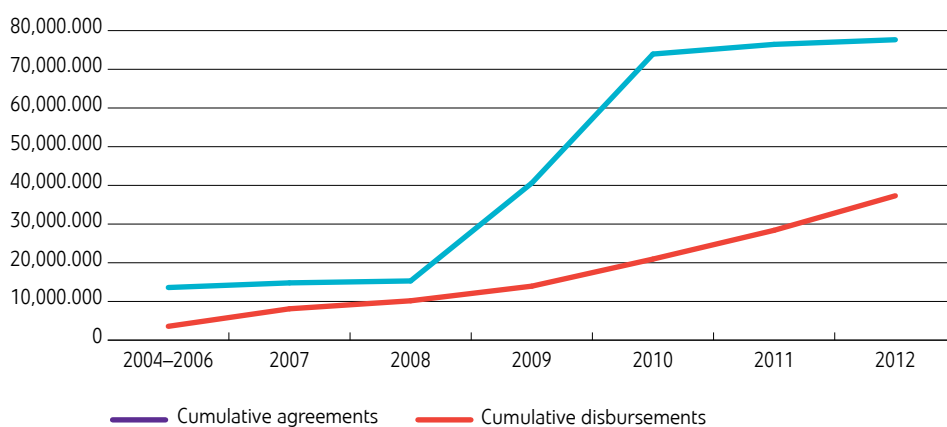
A central feature in Finland's development cooperation with Kenya 2007-2013 is a high level of continuity. In all its strategies, whether the Plan for Participation (2008), the Plan for Cooperation (2010) or the current Country Strategy (2012), Finland has had the same three strategic targets: governance/gender, rural development/agriculture, and natural resources, albeit under different headings responding to the respective Finnish DPP priorities.

Notably, there were only three significant changes to the country programme in 2007-2013. The main change took place in 2007-2009 when 'support to rural electrification' was altered to 'area-based integrated support to livelihoods in Busia County' through PALWECO. Another resulted from the end of the GJLOS sector programme in 2009, after which Finnish support to governance reform has been channelled mostly through UN basket funds. The third change was the end of Support to Mainstreaming Millennium Development Goals, which was decided earlier but came into effect in June 2014.

This continuity is partly explained by extensive commitments made in 2009-2010. In the 2009 bilateral negotiations, which were held in a difficult and politically sensitive environment after post-election violence (2007-2008), the Finnish delegation stressed that future Finnish aid would depend on the enabling environment and commitment of the Kenyan Government to the agreed reforms. These conditions were presumably in place, as in 2009 and 2010 the Government of Finland signed seven aid agreements with GoK, with a total value of almost € 60 m - PALWECO (€ 27 m), MMB (€ 18.65 m), Mainstreaming MDGs (€ 6.345 m), WSTF (€ 4.56 m), GGP II (€ 1.5 m), Support to panel of eminent persons (€ 1 m), and Safe Food, Safe Dairy (€ 0.6 m). During that time the overall development cooperation funds in Finland were also increasing and the prevailing strategy was to prefer a fewer larger projects over numerous smaller ones.

Since so many resources had already been committed in 2009-2010 (Figure 4), the current country programme was therefore to a large extent shaped by the 2007 DPP and the practical impact of the 2012 DPP on the country strategy seems to have been limited to training on HRBA and attempts to include HRBA into project activities.

**Figure 4** Cumulative value of bilateral agreements and disbursements 2007-2012 (€)

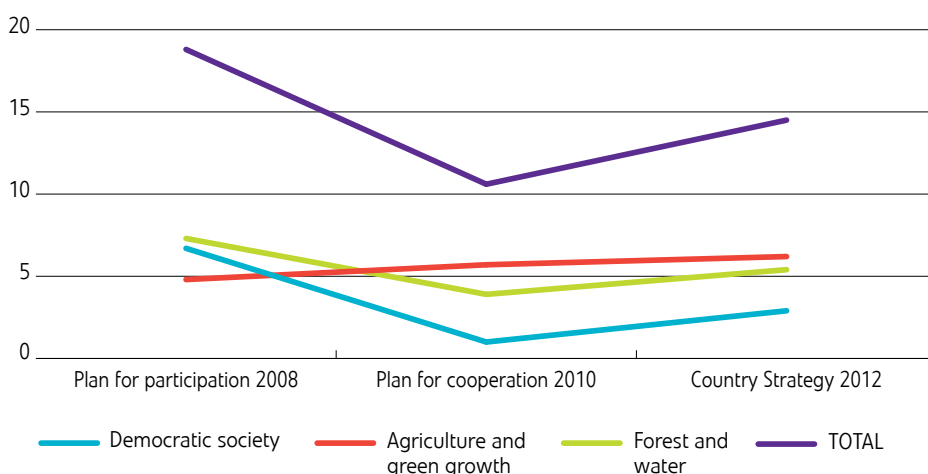


Source: MFA, agreements and disbursement records.

NOTE: The agreements and disbursements exclude humanitarian aid as well as aid to NGOs and regional programmes, which yield differences compared to data in Figure 4.

Though the three strategic objectives have remained much the same, the planned weight or volume of each component has varied under the different 'country programmes'. When looking at the average planned expenditure for the three components, there are fluctuations especially in the level of support planned for 'socially sustainable development' and its successor 'democratic and accountable society' (Figure 5). The figures also show that the average annual allocations declined from € 18.8 million in 2008 to € 10.6 million in 2010, and increased again to € 14.5 million in 2012. This falling-and-rising budget envelope possibly reflects a difficult cooperation environment and a situation in which delays in implementing one programme were reflected in disbursements at the level of the whole country programme.

**Figure 5** Average planned funding per year per strategic component and total (€ million)



Source: Plan for Participation 2008, Plan for Cooperation 2010, Country Strategy 2012

Based on existing and planned commitments, it appears that Finland will continue in the same sectors for some years to come (see Table 6) largely through the programmes already described.

**Table 6** Current programming situation

	Remaining budget (€ million)	End year
<b>Accountable and democratic society/socially sustainable development</b>		
Support to the realisation of human rights and access to justice		2015
Support to Good Governance to Strengthen Integrity and Accountability in Kenya (not yet started)	2.8	2016
Support to UN Women Country Programme	1.0	2015
Rooting democracy in Kenya through Uraia	0.8	2015
Support to the WB Devolution Trust Fund (planned)	2.0	2017
<b>Poverty reduction, inclusive green growth, agriculture/ ecologically sustainable development</b>		
PALWECO	15.7	2018
Safe food-Safe dairy	0.5	2017
<b>Improved use of forest and water/ecologically sustainable development</b>		
MMMB	4.5	2015
Support to rural water through WSTF (to start in 2015)	7.0	2019
<b>Total</b>	<b>36.3</b>	
<b>Unallocated appropriations</b>	10.8	

Source: MFA financial management system

### 4.3 Challenges associated with the CCOs and HRBA

In the 2007 DPP, gender equality, protecting the rights of the vulnerable groups and combating HIV/AIDS were defined as cross-cutting themes (CCTs) to be included and mainstreamed in all Finnish development cooperation. In the 2012 DPP, the cross cutting objectives (CCOs) included gender equality, reduction of inequalities and climate sustainability. In addition, all Finnish development cooperation was to use the human rights based approach. However, many recent evaluations (e.g. Country evaluations of Tanzania, Nicaragua and Nepal 2012 and OECD/DAC Peer Review 2012) have concluded that the MFA has struggled in implementing these broad policy level objectives.

Finland has adopted a dual approach to the HRBA by trying to increase the capacity of duty bearers while at the same time empowering rights holders to claim their rights. However, the implementation has proved to be difficult. In the governance component, Finland has funded several projects that have supported the relevant GoK institutions (duty bearers) in promoting human rights, access to justice, reduction of inequalities and/or gender equality starting from GJLOS sector programme and followed by such initiatives as ‘Support to election reforms’ and ‘Support to the realisation of human rights and access to justice’. Support to duty bearers has been complemented by funding local NGOs that represent the rights holders through the Uraia trust, UN Women and the Local Cooperation Funds. These projects have had human rights, reduction of inequalities, and gender equality as their overarching objectives. The emphasis of the governance component on human rights and gender is also visible in the current country strategy with ‘a democratic and accountable society that promotes human rights’ as one of its strategic objectives alongside three specific objectives and indicators (see annex 9 for more details).



In addition to funding projects, Finland has been recognised as one of the lead donors in the governance sector, and Finnish counsellors have played a very active part in donor coordination and cooperation. It was highlighted in several interviews that Finland has a good track record and reputation in promoting gender equality. Finland has supported Kenyan women's rights NGOs directly and through UN Women and all these organisations were instrumental in mainstreaming gender equality in the 2010 constitution, while also providing valuable input to gender-specific legislation. Despite these achievements, the effectiveness of gender projects and activities has suffered from disagreements and competition between the various Kenyan gender organisations. This competition for resources and space has divided the organisations along ethnic and political affiliation lines and has prevented the emergence of a consolidated women's movement in Kenya.

In the other projects and components of the country strategy, mainstreaming of the CCTs and CCOs and HRBA has been less systematic and less successful, even weak (see also Annex 4). In general, there appears to be an absence of a strategic approach and capacity to promote these priorities even though they are mandatory requirements in all project documents. Thus, despite political commitments, it seems clear that they have not been prioritised in Finnish projects, and their inclusion has been difficult especially if they were introduced after a project had started.

A common problem at the project level is that the background information and/or baselines needed to internalise and operationalize the CCTs, CCOs and HRBA are lacking so they cannot be implemented or monitored effectively. Targets or indicators relating to them, if they exist, are often qualitative, and missing background information inhibits participatory planning, implementation and monitoring as required by the HRBA. Also, some planned studies on relevant themes have not always been carried out (e.g. the climate change study in the MDG project) or have been delayed (e.g. gender study in PALWECO). The same lack of necessary information is noted also in the (draft) Joint Gender Analysis of Denmark, Sweden, Finland and the EU (CLEAR Consultants, 2015).

Aligned with the above findings, a recent study on the integration of HRBA in Finland's development cooperation (Katsui et al. 2014) with case studies on Ethiopia and Kenya concluded that HRBA has not been fully operationalized in Finnish development cooperation. The study suggested that a full integration of HRBA to the existing programmes would require a complete overhaul of the programmes (also suggested in the MMB mid-term evaluation, for example), which has proved not to be feasible. Instead, HRBA terminology has been added to the existing projects and programmes, but there have been no significant changes in implementation approaches. A common problem for the integration of HRBA (and CCTs and CCOs) into project planning and activities has been the absence of clear guidelines on how the integration is to be done, and a lack of capacity to do it. The MFA is still finalising guidelines for the integration of the HRBA. Furthermore, the study noted a systematic lack of detailed background analysis and baseline studies in the Finnish programmes and insufficient participation of rights holders in all stages of preparation, implementation and evaluation of Finnish development cooperation.

**Missing background information hampers mainstreaming, implementation and monitoring of the cross cutting objectives and the human rights based approach.**

Finally, despite the progressive rights-based constitution in Kenya, the ground realities, traditions, customs and religions make implementation of gender equality or HRBA in general very difficult, and there are several examples where Kenyan partners have felt that the MFA imposed HRBA on the projects even though HRBA is also a GoK governance priority.

#### 4.4 The strategy and its components

As mentioned above, the earlier strategies (Plan for Participation 2008 and Plan for Cooperation 2010) defined objectives only very broadly and did not include targets or indicators for meaningful evaluation. Therefore, the evaluation has therefore concentrated on the current Country Strategy (2012). Country strategies were prepared in all Finland's long-term partner countries in 2012 and they can be considered as the first proper country strategies in Finnish development cooperation.

Finland's Country Strategy identifies 'full and timely implementation of the 2010 constitution and the vast reforms it entails' as the long-term goal for Finnish cooperation in Kenya. The rationale for Finnish cooperation and justification for the long-term goal is given as:

*"Finland continues to support Kenya's development because the transition process promises a better future for Kenyans. It represents an opportunity for change towards a system whereby Kenya's serious political and social challenges, notably poverty, inequality and impunity, can be properly addressed." (Country Strategy, page 5)*

This is a convincing approach, as the 2010 Constitution, and especially significant devolution of powers to the 47 counties, including responsibilities for most basic services, has the potential to address long term development challenges in Kenya through more equitable allocation of budgetary resources, and to bring about a more stable political settlement where all interest groups have a permanent stake in government.

The Country Strategy includes three strategic objectives that are linked to objectives of the MTP2, and each one of them is further divided into three 'Finland specific objectives'. Indicators are defined for both strategy level and 'Finland specific objectives' level.

The strategic objectives and their indicators are:

1. A democratic and accountable society that promotes human rights, measured by Ibrahim Index of African Governance subcategory Participation and Human Rights.
2. Poverty reduction through inclusive green growth in the agriculture sector, measured by agriculture sector annual growth and number of food insecure people.
3. Improved management and use of forest and water resources with increased participation of communities, civil society and private sector, measured by increased tree cover and proportion of population using improved drinking water source.

The 2013 annual progress report on implementation of the strategy points out to good progress in achieving some of the strategy level objectives. Kenya significantly improved its 'Participation and Human Rights' score and rank in the 2013 Ibrahim Index of African Governance, the number of food insecure people has dropped, and tree cover has increased to 7% and more Kenyans are using improved drinking water sources. It is unclear, however, how much of this progress can be attributed to Finland's development cooperation. Achievement of 'Finland's specific objectives' to which the projects contribute more directly, shows mixed results. Importantly, with the exception of improved livelihoods, agricultural productivity and food security in Busia, updated information was available and linked to Finland funded activities that enables monitoring of progress on 'Finland specific objectives'.

Though constructed in an appropriate hierarchy, there are certain shortcomings especially in the selection of the strategic objectives and indicators.

1. While the three strategic objectives are justified and important in themselves, they are not sufficient to lead to 'full implementation of the Constitution'. Similarly the 'Finland specific objectives' are not enough to lead to the achievement of the strategic objectives as described in the respective indicators.
2. All three strategic objectives are very broad and contain several dimensions, which makes it hard to achieve and monitor them, and selected indicators both miss important dimensions of each objective and are not attributable to Finnish support.
3. The available resources and defined interventions do not match the strategic objectives (although Finland has to some extent compensated for this through active participation in donor coordination groups, where synergies may be obtained).

The 'Finland specific objectives' are mostly linked to Finnish interventions and the relevant monitoring information on the defined indicators is available. The problem is the wide gap between the Finland specific and strategic objectives that are defined in vague and broad terms and whose attainment cannot be attributed to Finland even if the information was available. This is also acknowledged in the country strategy that states that Finland's cooperation is about making *contributions* to complex processes. Attribution is hard to accomplish and show. This is a common problem for all donors, including ones with ten-fold larger budgets. As such, it is unclear how the Finnish strategy will help in promoting 'results-based management', nor how the latter approach can be used to justify the funds invested.

The reasons for this gap between strategic and Finland specific objectives in the strategy include: that the strategy was prepared to accommodate the already existing interventions and commitments rather than the deduction of necessary interventions from the preconditions; that the Strategy (and especially its strategic objectives) was strongly influenced by the priorities of the 2012 DPP, which introduced new priorities that had not been considered during the preparation phase; and that the strategy was affected by the MFA guidelines for strategy preparation, which for example limit the number of strategic

**There is a wide gap between strategic and Finland specific objectives.**

**The current strategy was prepared as a MFA internal exercise to rationalise previous decisions.**

objectives to three and allow little space for background analysis. We conclude, in other words, that the current strategy was retrospectively used to rationalise previous decisions, to gloss them in light of new policy, and to comply with formal - and potentially inappropriate - guidelines.

Furthermore, it is also noted that the strategy was prepared mostly as an internal exercise of MFA, without much input by Kenyan stakeholders. This was explained by the fact that the strategy comprised already existing projects. It was however a lost opportunity for communicating Finnish priorities and engaging in strategic dialogue with the GoK and other important stakeholders in Kenya.

## 4.5 Choice of sectors

As mentioned above, Finland's development cooperation has concentrated on the same sectors. The team planned to conduct sector analyses to better understand the relative importance and weight of the Finnish contributions and activities in the chosen sectors. This, however, proved to be very hard due to a lack of information. The available budget books (especially the ones before 2014/15) are insufficiently detailed to understand how much money is budgeted in each sector, for which activities and where the funds are coming from. The Controller of Budget has published budget implementation review reports since FY 2011/12, but the information is only available at recurrent/development expenditure level. The relevance of the limited information from budget books and implementation reports is further compromised by the fact that large sums of development aid are channelled off-budget, and information from these activities is not available. The work and funds in the NGO sector are especially difficult to capture. In the absence of sector-wide programmes, sector-level reporting is also missing. Some organisations (such as the Kenya Institute for Public Policy Research and Analysis, KIPPRA) produce annual economic reports that contain information on sectors, but they are unable to link the developments with expenditure (much like MTP reports referred to in Chapter 2.7). Finally, since 2013 the counties have been responsible for services in such areas as forests, water and sanitation and agriculture, but there is no information on how much the counties have budgeted and spent on each sector.

Though neither detailed sector information nor exact budgetary figures are available, it is safe to assume that Finland is the biggest donor in Busia County through PALWECO, among the biggest in the forestry sector through MMB, and in rural water supply through support to the WSTF. The same applies to the selected interventions in the governance sector - e.g. in support to Realisation of Human Rights and Access to Justice and Support to the UN Women country programme, where Finland's contribution has been 80%. But there is no information on the total amount that the three independent commissions supported by Finland (i.e. the Kenya National Commission for Human Rights, the National Gender and Equality Commission and the Commission on Administrative Justice) receive from various donors.

We conclude that in the selected sectors and areas of engagement - governance and gender, agriculture/rural development, forestry and rural water supply

- Finland is a well-recognised and significant partner, and has been able to 'punch above its weight'. This stems from three reasons: as mentioned, there has been considerable continuity in Finland's development cooperation, the invested money has been quite substantial, and the financial investments in the given sectors have been complemented by development cooperation staff employed in the Finnish embassy in Nairobi, who take an active part in donor coordination in their respective sectors. Specifically, Finland has been much appreciated by other donors in its role as a co-chair of the Development Partners Group and Gender Working Group.

This continuity is consistent with stakeholders' views in their responses to the questionnaire about the most important sectors for future cooperation (Table 4.3). The responses should be interpreted with caution as most respondents come from the sectors where Finland has worked. Therefore it is not surprising that these 'old' sectors are the most popular. What is interesting, though, is that the respondents were offered several options and the largest group of them chose 'devolution' and not, for example, education (despite the good reputation of the Finnish educational system).

**Table 7** 'In future cooperation, the three most important sectors/themes are:'

Devolution	20	Climate change	9	Health	4
Agriculture	16	Gender	8	Energy	2
Water	11	Trade	8	ICT	2
Forestry	10	Education	5	Other	8
GJLOS	10	Infrastructure	5		

Source: stakeholder questionnaire

#### 4.5.1 A democratic and accountable society that promotes human rights

Finnish support to democratic and accountable society/socially sustainable development was strongly affected by the post-election violence in 2008 and closure of the GJLOS reform programme in 2009. The GoK never submitted a proposal to continue with this sector reform programme, and Finland, like most other donors, opted for UN basket funds to respond to the post election violence and the demands of the Kenyan public for a new constitution. After promulgation of the new constitution in 2010, Finland continued to support the sector mostly through a UN basket mechanism - specifically, Support to the AU Panel of Eminent Persons, Support to Electoral Reforms and Support to the Realisation of Human Rights and Access to Justice (through UNDP). Similarly, Finnish support to gender equality has been channelled through UN organisations: first through Unifem (Gender and Governance Programme) and later through support to the UN Women Country Programme. In addition, Finland has supported the URAIA Trust for civic education and civil society organisations such as Transparency International Kenya Chapter, the Kenya Human Rights Commission, Human Rights Defenders' organisations and civil society election monitoring through the Local Cooperation Fund (LCF).

**Continuity, sizeable funding and human resources have enabled Finland to 'punch above its weight' in the selected sectors.**

**Multi-channel approach to governance reforms is justified and should continue.**

After remarkable success in supporting peace and reconciliation and the drafting of the Constitution, and especially inclusion of the gender dimension in the latter, the progress has been patchier. There are growing concerns over GoK ownership and commitment to governance reforms among donors and civil society. Many interviewees raised concerns over cooperation problems within GoK organisations, within civil society groups, and between both. All entities were said to be protective of their own spaces and mandates, and additional tension has been added by a proposed amendment to the Public Benefit Organisations Act, which would impose a 15% ceiling of foreign funding for Kenyan NGOs. If the amendment goes through, as many seem to believe it will, its effect would be to stifle the funding of most of the larger civil society organisations.

Finland is supporting governance reform through a multi-channel approach, which is common to many donors. This is well justified in the highly politicised context of governance reform in Kenya. However, unlike some donors (e.g. Sweden, Denmark, Norway), Finland has not supported GoK governance organisations directly but through UN basket funds. Many interviewees believed that the space for governance organisations, whether GoK or civil society, to operate will be reduced in future. It would be important for Finland and other donors to continue supporting the sector and to promote the implementation of the Bill of Rights and gender mainstreaming and to strengthen national collaboration for oversight and accountability. It is however expected that progress in the reforms will be limited in the coming years, and the situation may well be made worse by distrust among the various actors and organisations in the sector.

Some observers (e.g. Boothe, 2014) argue that challenges in supporting governance reforms in Africa include that most donor support those reforms is compromised by old-fashioned thinking, based on the idea that one set of people (e.g. rights holders) are able to induce other set of people (e.g. duty bearers) to behave 'better'. In this view, a more fruitful approach would be for both sets of people to find ways to act collectively in their own best interest, and that these ways do not necessarily conform with the Western ideal of democratic good governance. In this context, the role of a donor would be that of a facilitator subtly steering the participants, with their understanding and consent, towards agreements that provide stable, peaceful, equitable and win-win outcomes.

#### **4.5.2 Poverty reduction through inclusive green growth in the agriculture sector**

This component is mostly about support to area-based integrated development in Busia county through **PALWECO**. After a very slow start, the project now appears to have started performing, is cooperating closely with county institutions, and appreciated by county government and communities. It is based on a clear (if rather late) analysis of local circumstances for which the following solutions are being pursued:

- to raise soil pH by administering lime (and mulch to improve structure and organic content) to make them responsive to fertilisers and more productive;

- promoting high-value crops (vegetables) and meat, irrigation to allow off-season production when prices are higher, and the links, deals and infrastructure needed to get these products to market in Kenya and Uganda; and
- support for land tenure clarification to facilitate investment.

Although PALWECO is not entirely integrated into Busia's development plans and budgets, county officials are fully aware of the programme and are able to factor PALWECO support in their planning and budgeting. The problem is that Busia county absorption capacity is limited. In 2013/14 the total development expenditure in Busia was KSh 312 million (€ 2.8 million). This was the first year of devolution and development expenditure will probably increase in the coming years, but still PALWECO funds could easily double the whole Busia development expenditure for several years and there is a risk that the low expenditure of county budget is partly because the scarce county human resources have been taken over by PALWECO activities.

Due to the slow start, the achievements are still few and the information to monitor progress towards 'Finland specific objectives' of the country strategy is not available on an annual basis. In addition, complex project management arrangements have slowed down implementation. The main issue is, however, that PALWECO was planned before devolution, and it is probably not optimally supportive to county development. This should be the main objective of the coming 'management review' of the project to maximise PALWECO support to Busia county development and possible even development of the neighbouring counties. There were also issues linked to a possible need for an additional environmental impact assessment and delayed study of the project impact of gender relations.

In addition to PALWECO, there is the **Safe Food-Safe Dairy** institutional cooperation project between the University of Nairobi and Finland's Agricultural Research Institute (MTT) and regional agricultural research cooperation under the FoodAfrica (<http://foodafrica.nri.org>) and CHIESA (<http://chiesa.icipc.org>) programmes. All are producing useful outcomes and information, and all are trying to find ways to promote the dissemination of the research results. Finnish embassy is supporting this by participating actively in coordination of agricultural research and development work funded by various donors. In Safe Food-Safe Dairy, the aim is now to establish farmer field schools in two counties (Makueni and Nandi) to demonstrate to farmers in practice how better farming and storing practices can reduce aflatoxin contamination of feedstuffs and dairy products. The project is fully owned by University of Nairobi and it has accomplished good results with relatively small budget.

#### **4.5.3 Improved management and use of forest and water resources with increased participation of communities, civil society and private sector**

This component comprises two projects; support to rural water supply through the Water Sector (formerly Services) Trust Fund (WSTF) and Support to Forest Sector Reform (Miti Mingi Maisha Bora, MMMB).

**PALWECO is too big for Busia county absorption capacity.**

The first phase (2010–2013) of Finnish support to **rural water supply through the WSTF** was described by WSTF leadership as almost wholly good with excellent TA and 130 000 beneficiaries in 40 projects, 121 WRUAs trained etc. However, there were problems in efficiency and sustainability of the projects. In preparing for the next phase of support, the approach was not properly aligned to devolution and the increasing role of the counties in water supply.

The incipient Finland-Sweden contribution (2014–2019) is earmarked to rural areas in six counties that will be selected by the end of 2014 through a process involving counties, some communities, WSPs, the MEWNR, NGOs, donors and the relevant parliamentary committee. Once agreed, people in the chosen counties will be ‘sensitised’, the counties will choose contractors (against WSTF expectations of quality, quantity and cost) to deliver clusters of about five WASH projects per county. In addition to funding and assistance in contracting, the role of the WSTF is to help the counties to prepare pro-poor plans for water supply. Plus there will be WRM interventions. The contracting and accounting system is to be streamlined, with WRUAs linking with contractors, thus avoiding the need to hold community leaders responsible for accounting which in the previous phase led to prosecutions and alienation. To facilitate all this, the programme provides for a significant (17% of total project funds, 43% of Finnish funding) TA component, which some observers consider excessive, though it is understood that the TA will support other projects managed by the WSTF as well.

The programme document is still in draft form, and it is expected to be revised in 2015. The whole water sector waits for the new water policy and water bill to be approved (the latter now in its second reading in Parliament), which will give more specific guidance for the coordination and division of responsibilities among various actors, and for national level and county level cooperation. After devolution, the various actors are still learning how to cooperate in the new administrative setting. Meanwhile, all available information (including JICA’s 2013 National Water Masterplan 2030) will be used as the basis for sustainable management and use of water resources, and for county-level plans for sustainable and prioritised supply of water and sanitation services to their citizens.

After a two-year inception phase (2007–2009) the implementation phase of **MMMB** (2009–) is now in its 6th year. It has four components: (a) Support to forest sector policy development and coordination processes, including cooperation with Finnish institutions (METLA-KEFRI, sawmill colleges); (b) Support to implementation of KFS institutional change processes; (c) Support to management and utilisation of gazetted forest reserves; (d) Support to the development of forest-based enterprises in ASALs/drylands. The last three are mostly embedded within KFS, with some involvement of private sector service providers in the Component (c) and KEFRI in the Component (d). MMMB is highly relevant for KFS and has increased its capacity remarkably. Implementation has been slow, however, partly because of complex project administration arrangements and an unclear overall management and legislative framework, which the project has attempted to alleviate. KFS believes that MMMB has established a long-term footprint in the form of capacity, infrastructure, etc. It is, however, uncertain how well these changes will survive the proposed merger of three parastatals: KFS, the Kenya Wildlife Service and the Kenya Water Towers Agency.



The policy part of the first component of MMB is linked to MEWNR, and concerns the National Forest Programme (NFP), which only became active in early 2014 through a Secretariat at MEWNR, and which facilitates a multi-stakeholder process. Five regional workshops have been organised with wide participation to identify issues and directions. These workshops elected members of seven thematic groups, and fortnightly joint meetings of these are underway. It is hoped that NFP will become an overall framework for the sector development and contribute strongly to the holistic valuation of all resources in forest ecosystems as an aid to national accounting, investment, benefit sharing and sustainability.

Sometimes in evaluations one comes across a situation in which many interviewees express in convergent ways a need that has not previously been expressed explicitly in governmental or donor strategy documents, even though it may be consistent with the thinking behind them. This is particularly the case where new circumstances prevail, and new distributions of powers and responsibilities are being implemented, with all stakeholders having to move fast to apprehend what needs to be done, why and by whom. A case in point here is the need, identified in various ways by interviewees including two Principal Secretaries, a Directorate Secretary, a Director-General and a Director within MEWNR, and a number of other knowledge holders, to help build the capacity of county governments by organising and making accessible knowledge on natural resources as an aid to planning, monitoring and investment decisions. The need is also included as a challenge in the MTEF (2015/16-2017/18) for environment protection, water and natural resources sector, which states (p.90) that ‘there is a lack of centralised data base on natural resources, which has hindered investments and development in the sector’.

This approach is of course consistent with the county-focused Finnish efforts on forestry through MMB, water through WSTF and agriculture through PALWECO and a possible agricultural ‘census’. It is likewise consistent with the mandate of the MEWNR’s Department of Resource Surveys and Remote Sensing, which is the management of knowledge on natural resources (livestock, wildlife, habitats, biodiversity, etc.) to facilitate informed decision-making, but at a national level. To be useful to counties - and there is no particular reason not to treat all counties equally - national natural resources databases and resource maps will need to be organised so that counties themselves and their potential investment partners can access them easily, and improve them if they need to. The evidence, reasoning and steps to ‘projectising’ such an effort are provided in Annex 11.

## 4.6 Partners and modalities

In the desk evaluation of seven key interventions (Annex 4), it was found that practically all Finnish projects have suffered from a slow start with inception or preparatory phases lasting up to two years or more (PALWECO, MMB, MDGs, now possibly WSTF). Then, during the implementation phase, the Technical Assistance (TA) staff were changed several times (e.g. MMB and PAL-

**Knowledge on natural resources is needed to aid planning, monitoring and investment decisions.**

WECO have both had three CTAs). Finally, towards the end of the projects, considerable amounts of funds remain unspent despite no-cost extensions (e.g. GJLOS and MDG, with concerns on MMB and most likely PALWECO). Consequently most projects that were analysed during the desk study phase were rated low in efficiency. At the strategy level, in 2013, the total Finnish disbursements amounted to € 13.4 million, which is 53% of total available funds for the same year.

These slow disbursements are evident also in Finland's overall disbursements to strategic objectives (Table 7). In the governance/democratic society component funds are disbursed to UN basket funds upfront where as in other components that comprise bilateral projects funds are disbursed as per actual execution, which has been slow.

**Table 8** Disbursements by strategic objectives/components 2007-2013 (€ million)

	2007	2008	2009	2010	2011	2012	2013	TOTAL
Democratic society	5.14	1.64	3.17	2.68	1.55	4.86	5.49	24.53
Poverty reduction/ agriculture	0.00	0.27	0.69	0.13	2.27	3.78	4.68	11.81
Forest and water	0.92	1.72	1.70	5.57	4.67	1.44	3.21	19.24
<b>Total</b>	<b>6.06</b>	<b>3.63</b>	<b>5.56</b>	<b>8.38</b>	<b>8.49</b>	<b>10.08</b>	<b>13.38</b>	<b>55.58</b>

Source: AdeEko+, MFA

There are probably many reasons for these delays. Finland has supported new organisations or establishments (independent commissions, KFS, WSTF, Busia county) and helped to establish one (i.e. the MDG Unit in the Ministry of Planning and Devolution). As well as being new, the organisations, and therefore also the projects, have struggled with an uncertain overall legal and administrative framework in Kenya, brought about by the new constitution and more recently devolution, where the roles and mandates of the partner organisations have not been clear and their relations with other Kenyan organisations were (and still are) developing. In addition, at least in MDG, PALWECO and MMB the mid-term reviews and evaluations all point to cumbersome project administration arrangements that have not contributed to efficient implementation of the projects. Similarly, the Kenyan partner organisations found project management arrangements at the UNDP to be slow and difficult.

Similar problems have been reported in for example in *Evaluation of the EU Cooperation with Kenya* (Slob et al, 2014) and *Evaluation of Sweden's Cooperation Strategy with Kenya* (Christoplos et al, 2013). Low expenditure rates of the GoK development budget have been a great concern for years. In 2011/12 the development budget expenditure rate stood at 55%, in 2012/13 it declined to 44% and increased again to 52% in 2013/14.

Nevertheless, low execution rates in Finnish projects still suggest problems in how the projects have been prepared, with excess budgeting and/or overestimated absorption capacity in Kenyan counterparts. In interviews, this was explained to have been caused by the MFA planning system, which encourages officials to commit all available appropriations in order to 'secure' them. In addition, development cooperation funds have increased every year while the number of staff to administer the funds has remained the same. This has led to a preference for larger projects where the administrative burden is almost same as it is for smaller projects.

Finnish aid is also characterised by the use of proxies. Instead of channelling funds directly to GoK programmes through Treasury using the GoK financial management system (i.e. the Integrated Financial Management Information System, IFMIS), Finland works through or with TA or through UN-managed basket funds. Finnish aid to Kenya is largely on-budget, it shows as Appropriation-in-Aid (AIA) in the national budget, and is reflected in the planning of the respective partner organisations who are also recipients of Finnish funds (e.g. KFS, KEFRI, WSTF). In addition, national procurement systems

are used in all projects. Kenyan partners can therefore fully take the Finnish contribution into account when planning and budgeting. However, not using the GoK IFMIS means that budgeting information is not in accordance with the GoK budget classification and the project expenditure is not automatically known to the treasury (PEFA Assessment, 2012). There have been cases where the Kenyan partner organisations have to respond to queries by the Auditor General on unspent budgeted funds, which in turn undermines the credibility of their financial management, and may affect their next year's budget from national sources.

The use of UN basket funds is presumed to reduce transaction costs and administrative burden in the thinly-staffed embassy and MFA headquarters, and it outsources the fiduciary risk. Similar delegation of management responsibility is in use with the TA through a separate Project Implementation Unit in PALWECO where as in MMB and WSTF the funds are not channelled through the TA team, and the role of TA is more advisory than managerial. All bilateral projects rely extensively on TA for increasing capacity of the respective Kenyan organisations. This use of TA as the main means for increasing capacity is an expensive approach, for example in MDG Phase 2 using € 1.8 m (31% of the Finnish contribution), in PALWECO € 5.5 m (20%), in MMB € 5.1 m (27%), and in the new phase of WSTF € 4 m (43%). There are good results in some contexts such as the first phase of WSTF and MMB, but effectiveness and sustainability results are mixed overall, and the use of TA has not always led to the desired results of reduced administration burden at the embassy and fewer financial management problems. In addition, as mentioned in interviews, the use of proxies has the effect of distancing Finland from Kenyan counterparts.

Interviewees often stressed that GoK ownership was the key to successful cooperation, and cooperation modalities are therefore important. This is particularly important for a small donor such as Finland. The GoK would evidently prefer direct funding to GoK programmes using GoK financial management systems (i.e. IFMIS). This, however, is not a common practice in Kenya and only Sweden and Denmark have provided direct funding to GoK organisations at a larger scale. Sweden's new (draft) strategy acknowledges that direct government support is becoming increasingly difficult due to GoK resistance to further reforms, and suggests that direct support should be used only when robust and sustainable results can be achieved and should be complemented with support to non-state actors. According to the Concept Note of Denmark's Kenya Country Programme (2015-2020), Denmark will continue to give high priority to building national capacity and strengthening national system and will use government systems to the extent possible. Denmark is also the first donor to give earmarked support to county budgets. It was mentioned in the interviews that use of GoK systems and supporting GoK programmes helps in gaining access to especially higher-ranking government officials, which was considered to be a problem for some donors. Working directly with GoK institutions has shown positive results and it has demonstrated the value of Kenyan ownership and leadership (Christoplos et al, 2013). It is also worth noting that in other, equally thinly-resourced Finnish embassies in other long-term partner countries Finland finances government programmes and engages directly with the respective governments in the monitoring of the programmes. These are

**Government ownership is the key to successful cooperation, and cooperation modalities are important in ensuring that.**

usually basket funds that Finland finances together with other donors, and the administrative burdens and risks are shared.

In responses to the question about preferred cooperation modality, most stakeholders advised Finland to work more directly with the counties and with the private sector. Use of consulting companies for TA was the least favoured option. This is a strong signal, as none of the respondents were from counties and only one from the private sector. Interestingly, 8 out of 10 Kenyan central government civil servants advised Finland to work more directly with counties.

**Table 9** 'In future Finland should:'

Work more directly with counties	24
Work more with private sector	20
Channel more funds through the GoK systems	14
Work more with civil society organisations	10
Work more with universities and research institutes	10
Use more consulting companies to provide technical assistance	8
Other	4

Source: stakeholder questionnaire

## 4.7 Aid harmonisation

As noted, significant amounts of ODA to Kenya are channelled outside GoK systems and institutions. Development partners agreed a core strategy to support Vision 2030 and the MTP I, and expressed it in the Kenya Joint Assistance Strategy (KJAS) 2007-2013. The objective of the KJAS was to support GoK efforts towards the MDGs and national targets by focusing ODA on the priority sectors, and aid efforts were to be organised around the three pillars of Vision 2030. In line with the Paris Declaration, the KJAS called for support to country-led strategies, more effective collaboration between the development partners (DPs) and the GoK, and an increased focus on outcomes. The KJAS expired in 2013 and has not been replaced.

The effectiveness of the KJAS is questioned in the (Draft) Kenya External Resources Policy (KERP) (National Treasury, 2013). This notes that effective and efficient use of external resources has been hampered by the lack of a comprehensive and coherent ODA policy framework. The KERP aims to provide policies, guidelines and procedures to GoK, DPs and non-state actors in meeting the investment requirements of Vision 2030 and MTP II. More specifically, the objectives of the KERP include: (a) improved country ownership and leadership of ODA management processes through the use of GoK country systems; (b) more effective ODA coordination and management with mutually inclusive division of labour process; (c) improved management and strengthened mutual accountability; and (d) efforts to move beyond ODA dependence.

The requirements for aligning support to Vision 2030 and MTP II and using GoK country systems in budgeting, procurement, reporting, accounting, auditing, and monitoring and evaluation, as well as a preference for sector-wide

approaches is also included in MTP II. In the absence of sector programmes and a national framework for monitoring, progress has been modest and aid to Kenya continues to be fragmented and project-based. A new division of labour for donors is under preparation with Finland taking an active and much appreciated part in the process as a co-chair of the Development Partners Group. The structure of aid coordination and division of labour is yet to be approved by the GoK. Though some thematic working groups (e.g. gender, devolution) are active, many interviewees expressed a wish for more GoK leadership in donor coordination. It is believed that it would bring efficiency gains and clarity to the current situation, which can be quite confusing - for example the new country strategies of both the WB and AfDB contain tables of donor harmonisation, but they differ in terms of sectors and participating donors.

The EU group in Kenya, which comprises Denmark, Finland, France, Germany, Italy, the Netherlands, Sweden, UK, EIB, EU and Slovakia, is preparing a Joint Cooperation Strategy. The total planned budget of these donors amounts to € 3.1 billion over four years (2014-2017). The priority sectors for joint programming are: Agriculture, Rural Development & the ASALs; Energy and Transport; Devolution and Governance; and Water and Sanitation. Ten donors of the EU group have indicated their sectors of cooperation. The most common sectors include agriculture and rural development (9/10 EU donors), and water and sanitation (8/10). There are six active EU donors in each of the 'resilience/ASAL', 'energy' and 'democratic governance' themes. The EU group "will aim at putting all ODA on-budget", but not through IFMIS (EU Joint Cooperation Strategy for Kenya, draft 5.11.2014).

In many interviews and recent evaluations (e.g. Sweden and EU) aid harmonisation and coordination is mentioned to have become increasingly difficult, and many believed that it will become even more difficult in the future with no clear government ownership and guidance in the process and increasing demand for discernible results to which bilateral projects are thought to be more suitable. Despite recognised efforts in donor coordination and use of GoK systems in budgeting and procurement in projects, Finland was not found to be a leader in aid harmonisation in Kenya.

**Aid harmonisation and coordination is increasingly difficult.**

## 5 RECOMMENDATIONS

On the basis of the above described findings and conclusions, and realising that the space and need for new initiatives is limited, the Team offers nine general, strategy-level recommendations as well as three recommendations linked to the strategic objectives. The Team believes that implementation of these recommendations would give Finland a sound basis for cooperation with Kenya in the period leading up to 2020, and beyond.

**FINDING 1.** As noted, the key strategy of the current Finnish cooperation programme with Kenya is to support implementation of the 2010 Constitution. This is consistent with the over-arching purpose of Finnish development cooperation and Kenya Vision 2030. The current strategy was developed largely as a MFA internal exercise to justify already existing cooperation that was largely agreed in 2009 and 2010. Though the objectives are constructed in an appropriate hierarchy and the progress in ‘Finland specific objectives’ can be linked and attributed to projects supported by Finland, the stated strategic objectives are too ambitious and it is not possible to define Finnish attribution in a meaningful way.

- **RECOMMENDATION 1:** The overall aim and purpose of Finland’s current 2013-2016 country strategy (i.e. to facilitate the implementation of the 2010 Constitution and devolution) is appropriate and should not be changed but the level of ambition in the strategic objectives could and should be questioned.

**FINDING 2.** Counties are now the main agents for change in Kenya and the main question is how to best empower county governments to carry out their duties. Furthermore, intergovernmental cooperation between counties and central level agencies was found to be key for smooth service delivery but the different levels of government are still learning how to best cooperate and coordinate in devolved functions.

- **RECOMMENDATION 2:** Finland should work more directly with counties and facilitate the flow of information that counties need if they are to fully discharge their duties (in HBRA terms, duty bearers need adequate information if rights holders are to be properly served, and rights holders need information to hold duty bearers accountable).
- **RECOMMENDATION 3:** Finland should facilitate coordination and cooperation between different levels of government, and processes where Kenyan actors can come together to find Kenyan solutions for their own problems.

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## Action 1

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In Spring 2015, the Finnish embassy should analyse and work out a plan on how the existing cooperation projects could support devolution and counties more directly. The pertinent questions would include: **1)** where is the leadership of the project – at national or county level? **2)** If at national level, what influence do counties have and through which channels? **3)** How does the project support informed decision making and implementation at county level? **4)** Is it possible to strengthen counties in informed decision making and implementation? **5)** What if any changes would be needed to make the projects more supportive of devolution and counties? **6)** How could the project facilitate intergovernmental coordination and cooperation?

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**FINDING 3.** Kenya is developing rapidly and while development aid, mostly in the form of loans, is still important to finance large infrastructure projects, many donors are already planning for more mutually beneficial economic cooperation. In the longer term Finland should prepare to shift the emphasis of cooperation away from aid towards more trade, commercial cooperation and investments, which should be the main form of cooperation between Finland and Kenya after 2020, but the work to enable that should start now.

- **RECOMMENDATION 4:** In consultation with Kenyan stakeholders from government, counties, civil society, academia, private sector, and other donors, Finland should start preparing a new country strategy for 2017-2020 with an overall aim of supporting transition away from aid while giving more emphasis on direct cooperation with counties and maintaining the current sectoral themes. This strategy will be instrumental in informing and influencing what kind of relations Finland and Kenya will have in 2020 and beyond.

## Action 2

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After the general elections in Finland (Spring 2015), the Finnish Ministry for Foreign Affairs and the Finnish Embassy in Nairobi should initiate preparations for a new strategy where the cooperation sectors will remain the same but more emphasis is put on direct cooperation with counties and increasing private sector cooperation with the ultimate aim of moving away from aid. The preparations should be done in close cooperation with relevant Kenyan stakeholders in government, counties and civil society, and the process should be formalised in the coming bilateral country consultations.

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- **RECOMMENDATION 5:** Finland should strive to increase business cooperation between Finnish and Kenyan companies. This could include inviting Finnish agriculture, water and forestry businesses, for example, to visit Kenya together with representatives from Finnvera (a specialised company owned by the state of Finland), Finnfund, Finnpartnership and the incipient BEAM programme, and a study on business opportunities in the above sectors. In addition, the Finnish embassy in Nairobi should create a network of alumni comprising Kenyans who have studied in Finland that could be useful in identifying cooperation partners.

## Action 3

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As soon as possible, the MFA, Finnish embassy in Nairobi and Finpro should start planning for business delegation visits from Finland. The Finnish embassy in Nairobi should collect information on Kenyans who have completed degree studies in Finland and to create a network of alumni.

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**FINDING 4.** Mainstreaming of crosscutting themes and objectives and the human rights based approach has proved to be difficult. Typical challenges include insufficient background analysis and limited participation of the beneficiaries in project planning, implementation, monitoring and evaluation, limited capacity in the MFA and among project staff, and non-availability of practical guidance how the objectives should be attained.

- **RECOMMENDATION 6:** The MFA should invest more in production of necessary background information and baselines on the important crosscutting themes and objectives to allow for preparation of informed implementation strategies for crosscutting objectives and for monitoring of the same in a participatory manner.

#### Action 4

In spring 2015, the Finnish embassy should analyse all existing projects to see if necessary background analyses on gender issues, inequality or climate sustainability could be usefully produced and to disseminate the findings among key stakeholders.

**FINDING 5.** Despite being a relatively small donor, Finland has gained recognition and an influential position in its chosen areas of engagement through continuity and investments in funding and human resources at the embassy. While the overall strategy and sectors of cooperation are relevant to GoK priorities and for implementation of the constitution, Finland could do better in selecting cooperation modalities and partners. Finland typically works with central government agencies with big technical assistance teams (or through the UN system) and Finnish aid is not fully channelled through government systems. While this can be justified by potentially reduced administrative burden and fiduciary risk, it is not the most cost-efficient way of cooperation and does not help in ensuring GoK ownership of the projects, which have been found to be key for successful project implementation. Most bilateral projects have suffered from long inception phases, several changes in project staff and unspent funds remaining at project's end, signalling low efficiency and mixed performance in effectiveness and sustainability.

- **RECOMMENDATION 7:** Finland should stay engaged in the current sectors of cooperation.
- **RECOMMENDATION 8:** In planning for any new projects, the MFA should ensure that the process goes through all phases (identification, formulation, appraisal) ensuring GoK commitment and ownership and that the funding is based on actual needs and absorption capacity, not on availability of funds in the MFA.
- **RECOMMENDATION 9:** Finland should seek to complement the existing project portfolio by financing a GoK project directly through using national systems for financial management together with other donors who have experience in cooperating through the GoK systems (e.g. Denmark and Sweden).



## Action 5

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When/if planning for new cooperation projects, priority should be given to GoK programmes and how to finance them through GoK systems. The preparation process should go through identification, formulation and appraisal phases.

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## A democratic and accountable society that promotes human rights

**FINDING 6.** The strategy of the governance component is to provide support to key GoK agencies and to civil society organisations through LCF (but also through other programmes, such as UN Women), while also promoting civic education through the URAIA Trust. This is justified in the politically charged and difficult operating environment.

- **RECOMMENDATION 10:** Finland should continue with diversified funding to GoK governance agencies and to civil society organisations, but should be patient. In future, Finland should consider funding GoK agencies directly, possibly together with Denmark and/or Sweden. In all projects, Finland should encourage activities that bring Kenyan actors together to solve local problems.

## Action 6

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In 2015-2016, the governance advisor at the Finnish embassy in Nairobi should identify, possibly together with Sweden and Denmark, a GoK programme in the governance sector that could be supported directly.

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## Poverty reduction through inclusive green growth in the agriculture sector

**FINDING 7.** This component is dominated by PALWECO, which now seems to be taking off. The main problem is that the project is too big for one county and it has the capacity and potential to benefit many more Kenyans. The project was also designed before devolution so it may not be best suited to support the Busia County government.

- **RECOMMENDATION 11:** The planned PALWECO management review is urgently needed. The objective of the review should be to optimise PALWECO support to Busia and it should critically look into the role of all actors in the project as well as the size and role of the Technical Assistance and the Project Support Unit. In addition, the review should look into possibilities for channelling some of the funds directly to the Busia County budget through the GoK system. There should also be discussion on whether lessons learned (both good and bad) and some of the funds could be shared with the neighbouring counties. After all, in the project document PALWECO was hoped to become a model to be replicated in other counties.

## Action 7

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As soon as possible, the MFA and the Embassy in Nairobi should agree with the Ministry of Devolution and Planning, Busia County representatives and PALWECO staff on the Terms of Reference for the management review. In addition the possible need for an additional environmental impact assessment of large-scale limestone dispersion, and off-setting of incremental GHG emissions as required by MFA policy, should be studied and taken up with the National Environmental Management Agency (NEMA) and the planned study on impact of project activities on women should be conducted urgently.

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## Improved management and use of forest and water resources with increased participation of communities, civil society and private sector

**FINDING 8.** This component offers Finland opportunities to add value to the devolution process through the existing programmes, MMMB and support to rural water supply through WSTF, and by adding one new project. The new project should support counties in **knowledge management for the sustainable management of living natural resources**. This would bring a unique perspective to supporting devolution and counties that would fit well with Finland's previous and current cooperation in water and forestry and would fill an important gap among the many challenges that the county governments face.

- **RECOMMENDATION 12:** Design and implement a project 'Promoting access to knowledge on living natural resources (LiNR) at county level in Kenya' resulting in nationwide, on-line county-level atlases on water, forests biodiversity and farmlands. These atlases would be the primary source of information at county level to support sustainable development planning and management plans for living natural resources. They would also be necessary for county economic and physical planning and instrumental in attracting potential investors at county level. For the national government, the atlases would provide means to monitor and evaluate LiNR and to ensure that reporting requirements of international treaties are met. Finally, the atlases could assist in identifying potential sources of conflicts and help resolving them. See Annex 10 for a more detailed presentation.

## Action 8

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As soon as possible, the MFA together with the Embassy in Nairobi should commission an identification mission to develop ToR for preparation of project document for 'Promoting access to knowledge on living natural resources at county level in Kenya'. The identification mission should: confirm the demand for the project through discussions with variety of stakeholders, including MEWNR and its parastatals and departments, the Ministry of Devolution and Planning, devolution sector working group, Council of Governors, county planning officers, and the main NGOs working with living natural resources; map existing information and other potentially supportive projects; and define the scope and tentative budget for the project. The preparation process should also include developing the ToR for a study on LiNR governance, investment incentives and benefit sharing.

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## EVALUATION TEAM

**Mr Juho Uusihakala** is a development cooperation expert who has worked with Finnish development cooperation for the past twelve years both as an independent consultant and as a counsellor in Finnish embassies in Dar es Salaam and in Kathmandu. He has led and conducted numerous assignments covering all stages of a project cycle from identification to evaluations and specialises in strategic evaluations of complex interventions. He has thorough knowledge and first hand experience in most development cooperation modalities, budget support, sector support, basket funds, bilateral projects, multi-bi projects, NGO support, institutional cooperation instrument and local cooperation funds. For several years he has chaired large donor coordination groups in education, governance and devolution sectors, and has long experience in donor-government dialogue in difficult political environments. He has experience from over 15 developing countries in Africa and Asia.

**Dr Julian Caldecott** has led major formative, summative and synthesis evaluations, for the EC, UK, Norway, Finland and Switzerland, of actions in developing countries concerned with climate change, biodiversity, ecosystem management, and related issues of sustainability and institutional and community development. These used up to 22 indicators, including one - connectedness - that was purpose-designed to focus on the vulnerability or resilience of interventions and their linked institutions and systems to external factors, such as climate change, geopolitical events, terrorism and foreign investment over which it has little control. He has led strategic programme reviews and project identification missions for the EC, Finland and Norway, and advised private corporations on carbon conservation and biodiversity investment opportunities, and on environmental change and investment risks. He has significant public policy and programming experience in environmental early warning and risk reduction, and in aspects of climate change adaptation and mitigation that include sustainable rural development and community resilience, restoration and management of ecosystems to preserve environmental goods and services, and carbon conservation strategies. His country experience includes Azerbaijan, Bangladesh, Brunei, China, Costa Rica, Guyana, Indonesia, Kenya, Malaysia, the Maldives, Mexico, Nepal, Nicaragua, Nigeria, Papua New Guinea, the Philippines, Sri Lanka, Tanzania and Thailand. He has given keynote speeches on environmental sustainability at international public and private sector conferences, and as a prolific writer and experienced editor he has authored studies for UNEP on disaster risk reduction and environmental policies, laws and treaties, while also publishing his own books through the Cambridge and California university presses, and the World Bank and other institutions, on subjects ranging from water, biodiversity and ecosystem conservation, to good governance, poverty and development cooperation.

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**Dr Bernadeta Killian** is an associate professor at the Department of Political Science in the University of Dar es Salaam and former Dean of the School of Journalism and Mass Communication at the same university. Her areas of specialization include democracy and democratization, governance, organizational management, gender equality issues, and public policy analysis. She's also very experienced in comparative politics, research methodology and assessing institutional change processes at institutional and practical levels. Dr. Killian has conducted several evaluations and surveys of programmes on poverty reduction, rural development, policy complementarity and coherence, democracy, accountability and advocacy, gender equality, legislative support and sustainable natural resource management. For over 20 years, she has worked as a consultant and a researcher in such areas as good governance, policy analyses, monitoring and evaluation, aid management, capacity building, policy coherence, environmental issues, impact studies, gender and human rights issues. She has worked with various international institutions including the USAID, World bank, DANIDA, International Democratic Assistance (IDEA), National Democratic Institute (NDI), UNDP, Ministry of Foreign Affairs of Finland, Embassy of Norway, NORAD, Danish Embassy.

**Dr Jane Wambui Njagi** is a lecturer at the African Women's Studies Centre. She has over 20 years of experience in research, lecturing and consultancies related to gender analysis, women and development, gender and poverty, policy analysis and communication, and human rights and development. Among her recent assignments is a baseline study on food insecurity in Kenya together with the Kenya National Bureau of Statistics.



# ANNEX 1 TERMS OF REFERENCE

## EVALUATION OF KENYA COUNTRY PROGRAMME 2003-2013

### 1 BACKGROUND TO THE EVALUATION

There is a long-standing development partnership - over thirty years - between Kenya and Finland. Development co-operation has been guided by Finland's development policy programmes and Kenya Joint Assistance Strategy (KJAS 2007-2012), signed by 17 development partners and the Government of Kenya. The purpose of the KJAS was to support the efforts of the Government of Kenya to achieve the Millennium Development Goals (MDGs) and the objectives of the long-term development plan of Kenya, namely Kenya Vision 2030, and to enhance aid effectiveness in Kenya. Currently, the aid effectiveness principles are integrated in the second five year development plan of Kenya (Medium Term Plan - MTP II), which was launched in October 2013, by the new Kenyan government.

Kenya's new constitution from the year 2010 holds a lot of promise for Kenyans, and therefore gives reason for optimism about the future. The promotion of equality and respect for human rights are among its key elements. Devolution of power from central government to the local (county) level, if managed well, can empower local communities and further democratic participation and inclusive growth. However, the decentralization process is very ambitious and poses critical challenges in the medium term.

Kenya has the largest and most diverse economy in East Africa, with an average annual growth rate around 5% for nearly a decade. Its entrepreneurship and human capital give huge potential for further growth, job creation and poverty reduction. However, Kenya is at the beginning of major transformations. Population grows by more than one million people a year, and by 2030, it is estimated that there will be 63 million people in Kenya compared to 41 million in 2011. Kenyan workforce is expected to double by 2045, and by 2033, half of Kenya's population will live in cities. The challenges are, *inter alia* how to provide jobs and good quality public services to the increasing number of people; how to reduce poverty and income and regional inequality; and how to address the concerns related to governance and security.

The role of official development assistance (ODA) to Kenya is relatively smaller than in many neighbouring countries; however, about half of country's development budget i.e. investments are financed from ODA sources. Therefore, ODA can play an important, catalytic role in boosting Kenya's reform agenda. Consequently, Kenya's development partners are now, individually or jointly considering, what are the best modalities and ways to support Kenya in its current context. Several EU member states are preparing their new country strategies and/or programmes. In addition, the EU and the member states have embarked upon a process of joint programming and in drafting a joint strategy to support Kenya.

The current country strategy of Finland (2013-2016) supports the implementation of Finland's and Kenya's key priorities and is aligned with Development Policy Programme of 2012 of the Government of Finland and the Kenya *Vision 2030*. The purpose of co-operation is to support Kenya in the implementation of the new constitution and in the vast reforms it entails. The objectives for Finland's cooperation with Kenya are: Kenya's development towards a democratic and accountable society that promotes human

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rights; poverty reduction through inclusive green growth in the agricultural sector; and improved management and use of forest and water resources. The annual budget for development cooperation is about 13-14 million Euros. The current country strategy was preceded by the so called plan for the participation of Finland in the development of Kenya, which was prepared in 2007.

The previous evaluation of Finland's development cooperation in Kenya was conducted over ten years ago in 2002. However, several thematic evaluations carried out by the Ministry for Foreign Affairs of Finland have touched upon co-operation in Kenya, and in 2009 there was an evaluation on Finnish Aid in Western Kenya to assess the impact of Finnish supported projects/programmes in Western Kenya. Furthermore, mid-term and ex-post evaluations have been carried out on several interventions funded by Finland.

In view of changing country context and in order to conduct an evidence-based assessment on the results and lessons learned about Finland's co-operation in Kenya in 2007-2013, implementation of evaluation will be undertaken. The evaluation will give orientation to the future programming of Finland's co-operation with Kenya.

## **2 SCOPE OF THE EVALUATION**

The temporal scope of the evaluation is 2007-2013, covering the plan for the participation of Finland in Kenya and the current country strategy.

The focus will be at strategic level aggregating the results of Finland's country strategy in Kenya. While analysing the country strategy and development cooperation portfolio in Kenya, the evaluation is not intended to examine each individual intervention meticulously but rather focus on how the entire country strategy and cooperation portfolio and the policy dialogue and partnerships support the development process in Kenya. The existing evaluations (including MTEs/MTRs) form the basis for examining individual interventions.

The evaluation will cover bilateral instruments and bilateral contributions through multilateral channels (so-called multi-bi cooperation). In addition to sector support, programmes and projects, the bilateral cooperation instruments include Funds for Local Cooperation (FLC) administered by the Finnish Embassy. Activities of the Finnish institutions under the Institutional Cooperation Instrument (ICI) will be looked at as part of the overall Finnish contribution in Kenya. Other cooperation modalities outside the country strategy (e.g. regional programmes and projects of Finnish NGOs) will not be primary subject of the evaluation but the evaluation team should be aware of that cooperation.

The scope of information sources include planning documents (e.g. the development strategies and plans of the Kenyan government, Finland's development policy programmes and country strategies), evaluation reports (e.g. country and thematic evaluations, project evaluations/reviews,), monitoring reports (e.g. Embassy's reports and project reports), context analysis (e.g. analysis commissioned by other bilateral partners and multilateral organizations and international financial institutions in Kenya) and interviews in Kenya and Finland. The evaluation team is also encouraged to use different local sources of information when available.

## **3 PURPOSE OF THE EVALUATION**

The purpose of the evaluation is to serve planning and decision-making needs in the Ministry, especially in the Department for Africa and the Middle East and the Embassy of Finland in Kenya. The information is needed above all for the development of Finland's country strategy in Kenya and for the planning of the forthcoming bilateral country consultations between Finland and Kenya. The evaluation will provide

an assessment on the overall achievements and lessons learned from the past cooperation in Kenya. The evaluation will make innovative but practical recommendations and provide guidance how the recommendations can be put into practice (e.g. how, when, who).

Moreover, evaluation *per se* is a tool for accountability. Thus, the evaluation will also inform the general public, parliamentarians, academia, and development professionals outside the immediate sphere of the decision-makers in development policy of what has been achieved by the use of public funds.

#### 4 OBJECTIVE OF THE EVALUATION

The objective of the evaluation is to make innovative but practical and concrete recommendations for programming in order to develop the current and future country strategy of Finland. It will provide an overall independent assessment on the achievements, contributions and weaknesses of Finland's development cooperation in supporting the development process in Kenya. Evaluation will provide lessons learned from the past cooperation focusing on the priorities of Kenya's development plans and Finnish development policies, including cross-cutting themes and objectives. In its analysis and recommendations the evaluations will take into account the changing context and future development scenarios of Kenya. The most essential questions are: is Finland's co-operation addressing the key priorities of Kenya in an effective manner? What works for whom and in what circumstances?

The specific objectives of the evaluation are:

- To assess if Finland's country strategy in Kenya has been able to respond to the changing contexts in Kenya and Finland
- To assess Finland's overall success in implementing its country strategy (major achievements and possible failures) in light of the country context and
  - o To assess the choice of sectors/results areas
  - o To assess the choice of cooperation modalities
  - o To assess the integration of human rights based approach and cross-cutting themes and objectives
- To assess aid effectiveness including Finland's role as development partner
- In the light of the contextual changes in Kenya and Finland and on the base of the overall role of ODA in Kenya to make clear conclusions and innovative but practical and concrete recommendations for future programming including sectors/result areas, cooperation modalities and integration of human rights based approach and cross-cutting objectives.

#### 5 EVALUATION QUESTIONS

The evaluation will be based on a limited number of evaluation questions (up to a maximum of 12). As part of the inception report the evaluation team will prepare the evaluation questions, covering OECD/DAC and EU criteria as well as cross-cutting themes and objectives and human rights-based approach. The evaluation questions will be adapted to the objectives and context of evaluation:

- Relevance
- Efficiency
- Effectiveness
- Sustainability

- Impact
- Coordination
- Coherence
- Complementary

## **6 GENERAL APPROACH AND METHODOLOGY**

The evaluation will serve planning and decision making needs by providing concrete, practical and innovative recommendations. The approach and working modality will be participatory and elaborated further in the inception report.

This evaluation will look at the development cooperation at the whole country strategy level, assessing the contributions of Finland within the development plans of Kenya and as one of the development cooperation players in that context. Yet, it is necessary that the evaluation will examine Finland's policy level and practical level development efforts also within the context of the other donors and development contributors (e.g. remittances, foreign direct investments). It is important that the evaluation recognizes the domestic efforts, and how Finland, among donors, contributes towards the partner government's goals.

The evaluation will not only look at the extent of achieving the set objectives, but also at the cooperation modalities used in trying to identify successful practices and less successful ones. The evaluation will outline the total ODA expenditure of Finland in Kenya. It will also assess Finland as one of the overall contributors to the development of the country.

The main method used in this evaluation will be document review combined with interviews of different stakeholders in Finland and Kenya and a field study in Kenya. The evaluation team is expected to propose a detailed methodology in the inception report. The methods used will be mixed multiple methods (both quantitative and qualitative) which enable triangulation in the drawing of results. Validation and reliability of results must be secured through multiple sources. Particular attention is paid to the adequate length of the field visit to enable sufficient collection of information also from sources outside of the institutional stakeholders (e.g. statistics and comparison material).

During the process particular attention is paid to a strong inter-team coordination and information sharing. In addition, the evaluation team is expected to show sensitivity to gender roles, ethnicity, beliefs, manners and customs of all stakeholders. The evaluators will respect the rights and desire of the interviewees and stakeholders to provide information in confidence. Direct quotes from interviewees and stakeholders may be used in the reports for example anonymously.

The evaluation team is encouraged to raise issues that it deems important to the evaluation but are not mentioned in these terms of reference. Similarly, the team is encouraged to take up issues included in the terms of reference which it does not deem feasible.

## **7 EVALUATION PROCESS, TIMELINES AND DELIVERABLES**

The evaluation consists of the following phases and will produce the respective deliverables. The process will move forward according to the phases described below and a new phase is initiated when all the deliverables of the previous phase have been approved by EVA-11. The reports will be in Word-format (Microsoft Word 97-2003).



## I. Start-up meeting

The purpose of the start-up meeting is to discuss the entire evaluation process including practical issues related to the field visits, reporting (including agreeing on reporting format and writing instructions) and administrative matters. Start-up meeting can also be organized as a video conference. The start-up meeting will be organized by EVA-11 right after the signing of the contract in mid May 2014 (19-23 May).

## II. Inception

**Deliverables:** Inception report and inception meeting (incl. minutes of the meeting)

This phase includes data collection and preliminary data analysis as well as the preparation of an inception report and organisation of an inception meeting in Helsinki or in Nairobi.

The general evaluation questions will also be opened into specific research questions and respective indicators.. The methodology and sources of verification will be explained in detail, including the methods and tools of analyses, scoring or rating systems and alike.

The division of tasks between the team members will be finalized in the inception report. In addition, a list of stakeholder groups to be interviewed will be included in the inception report. The inception report will also suggest an outline of the final reports. The structure of the report will follow the established overall structure of the evaluation reports of the Ministry. Inception report should be kept concise and should not exceed 25 pages, annexes excluded. The inception report will be submitted latest on 12 June 2014.

The consultant will organize the inception meeting in Helsinki or in Nairobi or via video conference in mid-June (16-19 June).

## III. Desk study

**Deliverable:** Desk study report

Desk study phase consists of analysis of the written material. Desk study report will provide a concise analysis of the policies, guidelines, thematic/project/programme evaluations, context analysis and other documents related to the evaluation subject. It will also present a plan for the field visits including the identification of local interviewee groups (government authorities, academia, research groups/institutes, civil society representatives, other donors etc.) and sources of information (studies, publications, statistical data etc.) and an outline of the interview questions.

Desk study report will be submitted to EVA-11 and is subject to the approval of EVA-11 prior to the interviews in Finland and field visit in Kenya. The report should be kept concise and clear. It should be submitted latest on 25 July 2014.

## IV. Field visit to Kenya

**Deliverable:** Presentation at the Embassy, stakeholder workshop

The field visit is expected to take place in September 2014. The purpose of the field visit is to reflect and validate the results of the desk study phase, assess the situation on the ground in the light of policy and programming analysis and gather evidence for hypothesis. The purpose of the field visit is to make further assessments and fill any gaps in the information. The field visit will contain the collection of local sources of information as a key element of the evaluation.

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The preliminary results of field visit will be presented to the Embassy of Finland in Kenya. The Department for Africa and Middle East and EVA-11 will participate in the presentation through video conference. In addition, the preliminary results will be presented and discussed at the stakeholder workshop to be organized by the Consultant in Nairobi.

After the field visit further interviews and document study in Finland may still be needed to complement the information collected during the desk study phase and the field visits.

## **V. Final reporting**

**Deliverable:** Final report (including final draft report and final report) and public presentation supported by power point

The final report should be kept clear, concise and consistent. The report should contain inter alia the evaluation findings, conclusions and recommendations and the logic on those should be clear and based on evidence.

The final draft report must be available by 30 October 2014. The final draft report will be subjected to a round of comments by the parties concerned. The final draft report will also be presented in Helsinki and in Nairobi in November 2014.

The report will be finalized based on the comments received and will be ready by 12 December 2014. The final report must include abstract and summary in Finnish, Swedish and English.

In addition to the presentations in Helsinki and in Nairobi, a presentation of the findings of the evaluation may also be organized through a webinar or video conference.

MFA also requires access to the evaluation team's interim evidence documents, e.g. completed matrices, although it is not expected that these should be of publishable quality and they may include confidential information. All confidential information will be handled properly.

The Consultant will submit a methodological note explaining how the quality control was addressed during the evaluation and how the capitalisation of lessons learned has also been addressed.

It should also be noted that the final draft report and final report may be subjected to an external peer review of internationally recognized experts. The views of the peer reviewers will anonymously be made available to the Consultant contracted to perform this evaluation.

## **8 EXPERTISE REQUIRED**

In overall, successful conduct of the evaluation requires a senior expertise in overall state of the art international development policy and cooperation issues including programming and aid management, development cooperation modalities and players in the global scene. It also requires solid experience in large evaluations on country programmes/strategies or development policy and hands-on long-term experience at the field level. It also requires deep understanding of Kenya as part of Sub-Saharan Africa, current topics in development policy (e.g. theory of change) and human rights-based approach. In depth knowledge in political economy analysis, green economy and private sector development, governance and decentralization, is also needed.

The competencies of the team members will be complementary.

The evaluation team will include a mix of male and female experts. The team will also include experts from both developed and developing countries.

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One of the senior experts of the team will be identified as the Team Leader. The Team Leader will lead the work and will be ultimately responsible for the deliverables. The evaluation team will work under the leadership of the Team Leader who carries the final responsibility of completing the evaluation.

Detailed team requirements are included in the Instructions to the Tenderers (ITT).

## **9 BUDGET AND PAYMENT MODALITIES**

The evaluation will not cost more than 200 000 Euros (VAT excluded).

## **10 MANAGEMENT OF THE EVALUATION**

The Development Evaluation Unit (EVA-11) will be responsible for the management of the evaluation. The EVA-11 will work closely with other units/departments of the Ministry (especially Department for Africa and Middle East) and Finnish Embassies (especially Embassy of Finland in Nairobi).

## **11 MANDATE**

The evaluation team is entitled and expected to discuss matters relevant to this evaluation with pertinent persons and organisations. However, it is not authorized to make any commitments on behalf of the Government of Finland. The evaluation team does not represent the Ministry for Foreign Affairs of Finland in any capacity.

The evaluation team has no immaterial rights to any of the material collected in the course of the evaluation or to any draft or final reports produced as a result of this assignment.

## **12 AUTHORISATION**

Helsinki, 11 March 2014

Jyrki Pulkkinen

Director

Development Evaluation Unit

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## ANNEX 2 PEOPLE INTERVIEWED

### **Ministry for Foreign Affairs of Finland**

Airaksinen, Helena. Head of Department, Ministry for Foreign Affairs of Finland  
Alarcon, Eeva. Head of Cooperation, Embassy of Finland, Nairobi  
From-Emmesberger, Sofie. Ambassador, Embassy of Finland, Nairobi  
Jakkila, Jaakko. Advisor, Ministry for Foreign Affairs of Finland  
Jutila, Vuokko. Desk Officer, Ministry for Foreign Affairs of Finland  
Kiragu, Serah. Specialist - Environment, Natural Resources, Embassy of Finland, Nairobi  
Kääriäinen, Matti. Ambassador (rtd.), Ministry for Foreign Affairs of Finland  
Muuttomaa, Pekka. Counsellor (Natural Resources), Embassy of Finland, Nairobi  
Notley, Maria. Advisor, Ministry for Foreign Affairs of Finland  
Pekkola, Marjaana. Counsellor (Rural Development), Embassy of Finland, Nairobi  
Raatikainen, Riikka. Counsellor (Governance), Embassy of Finland, Nairobi  
Rantanen, Esa. Director, Finnish Trade Promotion Agency (Finpro), East Africa Office, Nairobi  
Valjas, Arto. Advisor, Ministry for Foreign Affairs of Finland  
Väisänen, Jatta. Kenya Desk Officer, Ministry for Foreign Affairs of Finland

### **Donor agencies**

Abbott, Jo. Deputy Head, British High Commission/DFID, Nairobi  
Claussen, Jens. Counsellor for Trade Affairs, Royal Norwegian Embassy, Innovation Norway  
Davoux, Dominique. Head of Rural Development and Agriculture, EU Delegation, Nairobi  
Ferguson, Hanna. Programme Analyst, Democratic Governance Unit, UNDP  
Folkunger, Elisabeth. First Secretary, Sweden Embassy, Nairobi  
Fueg, Karin. Deputy Country Director, UN Women Kenya.  
Geraeds, Marielle. Deputy Head of Mission, Embassy of the Kingdom of the Netherlands  
Habers, Erik. Head of Cooperation, EU Delegation, Nairobi  
Horjen, Stein Erik. Head of Cooperation, Counsellor, Royal Norwegian Embassy, Nairobi  
Jespersen, Philip Brynnum. Senior Social Development Specialist, World Bank, Nairobi  
Katembu, Titus. Programme Manager, EU Delegation, Nairobi  
Ljung, Anne. Sweden Embassy, Nairobi

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Maina, David. Governance Unit, UNDP  
Muigei, Nancy. Gender Specialist, British High Commission/DIFD, Nairobi  
Odero, Walter. Senior Economist, African Development Bank, Nairobi  
Otieno, Okero. Advisor to IEBC, UNDP  
Rönnqvist, Anders. Head of Cooperation, Sweden Embassy, Nairobi  
Schedvin, True. First Secretary, Embassy of Sweden, Nairobi  
Setsaas, Trine Hay. Counsellor, Royal Norwegian Embassy, Nairobi  
Tsegaye, Makeda. Private Enterprise Development Advisor, USAID  
van Heesewijk, Piet Hein. Senior Programme Officer, Governance Partnership Facility, World Bank  
Wilke, Lars. Head of Cooperation, German Embassy, Nairobi  
Yassin, Rukia. Gender Advisor, GIZ Nairobi

### **Government of Kenya**

Abasa, Dan. Planning Officer, Busia County  
Aden, Mohammed. Planning Officer, Commission on Administrative Justice  
Gathaara, Gideon N. Conservation Secretary, Natural Resources Directorate, Ministry of Environment, Water and Natural Resources  
Kariuki, Patrick M. Deputy Director - Forest Extension Services, Kenya Forest Service  
Kinyanjui, Jackson N. Director, External Resources Department, the National Treasury.  
Komu, William. Economist, Gender Directorate, Ministry of Devolution and Planning  
Kosure, J N. Chief Executive, Commission for the Implementation of the Constitution  
Kuria, Paul. Chief Executive Officer, National Gender and Equality Commission.  
Lesiyampe, Richard L. Principal Secretary, State Department of Environment and Natural Resources, Ministry of Environment, Water and Natural Resources  
Lopoyetum, James Teko. Principal Secretary, State Department of Water, Ministry of Environment, Water and Natural Resources  
Mailu, Gideon. Ag. Director, Ministry of Planning and Development.  
Manyaki, Nelson M. Deputy Director Forest Conservation, Ministry of Environment, Water and Natural Resources  
Maruuf, Ismail. Director - Risk and Compliance, Commission on Administrative Justice  
Mateshe, Phanuesl. Quality Assurance Manager, Water Services Trust Fund  
Mbugua, David K. Director, Kenya Forest Service  
Muchiri, Mbae. Director, Kenya Forest Research Institute  
Mugo, Emilio N. Senior Deputy Director, Kenya Forest Service  
Musundi, Jane M. Desk Officer for Europe I, External Resources Department, Ministry of Finance  
Musyoki, Jacqueline K (eng.). Chief Executive Officer, Water Services Trust Fund

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Mutisya, David, National Forest Programme Secretariat, Ministry of Environment, Water and Natural Resources

Nganga, Ruth M. resource Mobilisation Officer, Water Services Trust Fund

Nyaga, Patrick. Senior Deputy Director - Finance and Administration, Kenya Forest Service

Nyaudi, Patricia. Secretary, Kenya National Commission on Human Rights

Odhiambo, Rose Ogwang (Prof.), Commission Secretary (CEO), National Gender and Equality Commission

Ogechi, Grace. National Forest Programme Secretariat, Ministry of Environment, Water and Natural Resources

Omollo, Essau O. Deputy Director - Forest Conservation and Management, Kenya Forest Service

Opati, Emily. Principal Gender Officer, Gender Directorate, Ministry of Devolution and Planning

Owour, John. PALWECO Desk Officer, Ministry of Planning and Development.

Representatives of Kenya National Commission for Human Rights

Representatives of Commission on Administrative Justice

Simitu, Lawrence N. Director, Water Resources, Ministry of Environment, Water and Natural Resources

Too, Wesley K. Senior Economist, Head of Division, the National Treasury

Wahungu, Geoffrey. Director General, National Environmental Management Agency

Wanyande, Peter. Commissioner, Commission for the Implementation of the Constitution

Wanyoni, Boniface. Finance and Administration Officer, Water Services Trust Fund

### **Civil society representatives, academia**

Houghton, Irungu. Senior Advisor, Society for International Development.

Kang'ete, Erastus. Professor, University of Nairobi.

Kanyinga, Karuti. Professor, University of Nairobi

Maingi, Grace. Executive Director, URAIA

Malik, Sareen M. Programme Coordinator, Kenya Water and Sanitation CSOs Network

Nzioki, Akinyi, Dr. Clear Consulting

Ochieng, Christine. Executive Director, FIDA-K

Owour Olungah, C. Professor, University of Nairobi

### **Project and programme staff, consultants**

Griffith, Geoff. Chief Technical Advisor, PALWECO.

Mangala, Sakwa. Programme Director, PALWECO.

Nekesa, Patrick. Agriculturalist, PALWECO.

de la Rosa, Tania. Project Manager, Senior Consultant, Niras

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Selänniemi, Marjatta. Project Manager, Senior Consultant, Niras

Selänniemi, Thomas. Project Director, Senior Consultant, Niras

Sloth, Arvid. Technical Advisor, National Forest Programme Secretariat, Ministry of Environment, Water and Natural Resources

Toroitich, Zipporah. Programme Manager, MMMB

### **Other**

Hon. Bunyasi, Sakwa J. Member of Parliament, Busia county.

Community representatives in Busia

Hussain, PA to County Governor of Wajir

Kuria, David. Director, Ecotact

Lokidor, Anne K. Agriculture, Livestock Development & Fisheries, Nairobi City Council

Miano, E. Wambu (Hon.). County Executive, Agriculture, Livestock and Fisheries, County Government of Kirinyaga

# ANNEX 3 EVALUATION MATRIX

Key evaluation question	Research questions	Indicators	Sources of information			
			Literature	Interviews	Beneficiaries	Stakeholders and other informants
<p><b>To what extent has Finnish cooperation been able to respond to the changing contexts in Kenya? (Relevance)</b></p>	<p>To what extent is Finnish cooperation aligned with the Kenyan priorities as described in the Vision 2030 and the MTPs I and II?</p> <p>Is Finnish cooperation addressing the key development challenges in Kenya?</p> <p>Are the selected cooperation sectors important for the implementation of the constitution and/or devolution?</p> <p>Are the selected cooperation partners important for the implementation of the constitution and/or devolution?</p>	<p>Finnish cooperation fully in line with MTP II, included as flagship projects, increased funding from national budget, importance supported by independent analysis</p> <p>Sectors/functions devolved by the constitution, have a clear mandate as per the constitution, increased funding from the national budget, recognised by independent analysis, monitored by the CIC</p> <p>Partners have a significant role in implementing the constitution/ devolution, increasing funding from the national budget, role recognised by independent analyses, monitored by the CIC.</p>	<p>General background</p> <p>Vision 2030 and MTPs I and II</p> <p>National budget and budget analyses</p> <p>The constitution (2010)</p> <p>Political economy analyses, including TRJC report</p>	<p>Strategy/programme specific</p> <p>Finland Development cooperation strategies</p> <p>Programme documents, including evaluations</p> <p>CIC reports</p> <p>OCOB reports</p>	<p>Beneficiaries</p> <p>The National Treasury</p> <p>Ministry of Devolution and Planning</p> <p>MFA Kenya team</p> <p>Embassy staff</p>	<p>Stakeholders and other informants</p> <p>Other DPs</p> <p>CSOs</p> <p>Academia</p> <p>Committee on the Implementation of the Constitution</p>



<p><b>To what extent is the Finnish cooperation aligned with changes brought by the 2007 and 2012 Development Policy Programmes of Finland? (Relevance)</b></p>	<p>How well, and to what extent have the priorities and the crosscutting themes of the 2007 Finnish development policy been integrated in the development cooperation with Kenya? To what extent the cooperation has introduced Finnish added value?</p> <p>How well, and to what extent have the crosscutting objectives of the 2012 Finnish development policy (promotion of gender equality, reduction of inequalities and strengthening climate sustainability) been integrated in the development cooperation with Kenya?</p> <p>To what extent have the beneficiaries and stakeholders been able to participate in the preparation, implementation, monitoring of Finnish country strategies and cooperation projects?</p> <p>To what extent does Finnish cooperation strengthen duty bearers, to what extent rights holders?</p>	<p>Priorities of the 2007 DPP including promotion of gender and social equality, rights of vulnerable groups, equal opportunities for participation and combatting HIV/AIDS are included in the Finnish cooperation programmes.</p> <p>Finnish added value is defined and Finnish partners have an important role in the implementation.</p> <p>Programmes have analysed connection to CCOs and have included specific objectives related to the CCOs. Key beneficiaries and stakeholders, both duty bearers and rights holders, have been empowered and engaged in strategy/programme preparation, implementation and monitoring and have influenced the programmes.</p>	<p>Development policy programmes 2004, 2007 and 2012</p> <p>Guidelines for inclusion of HRBA and the CCOs</p>	<p>Development cooperation strategies</p> <p>Programme documents, including evaluations</p>	<p>MFA Kenya team</p> <p>Embassy staff</p> <p>Beneficiaries of projects/programmes</p>	<p>Finnish programme staff</p>
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Key evaluation question	Research questions	Indicators	Sources of information			
			Literature		Interviews	
			General background	Strategy/programme specific	Beneficiaries	Stakeholders and other informants
<p><b>How successful has Finnish cooperation been in achieving its strategic objectives? (Effectiveness, impact)</b></p>	<p>Can a plausible, doable and testable strategy level theory of change be constructed for Finnish development cooperation in Kenya? How well the strategic objectives are articulated and can be measured?</p> <p>What are the main achievements? Are there identified good practices/bad practices?</p> <p>What, if any, connection (e.g. impact, vulnerability) does the strategy and the interventions have with wider contextual issues?</p> <ul style="list-style-type: none"> <li>• Political environment</li> <li>• Devolution</li> <li>• Gender equality</li> <li>• Vulnerable groups</li> <li>• Human rights</li> <li>• Accountability</li> <li>• Empowerment of the poor</li> <li>• Climate change</li> </ul>	<p>The strategies present identified long-term goals, necessary preconditions and assumptions, outcomes, necessary activities, measurable indicators and critical contextual factors.</p> <p>The strategy level objectives and outcomes are achieved with evidenced contribution from Finnish cooperation.</p> <p>The strategies and interventions consider the wider contextual issues beyond the direct influence of the strategy are duly considered in the programme.</p>	<p>Theory of Change guides</p>	<p>Development cooperation strategies</p> <p>Programme documents, including evaluations</p> <p>Sector plans/strategies, budgets, reports/evaluations</p> <p>Embassy reports</p>	<p>MFA Kenya team</p> <p>Embassy staff</p> <p>Beneficiaries of projects/programmes</p>	<p>Consultants who prepared programme documents, mid-term reviews, evaluations</p>

<p><b>How important are the selected cooperation sectors for achieving the strategy level objectives? (Relevance, effectiveness, impact, 3Cs)</b></p>	<p>Is the selection of cooperation sectors supported with an analysis and discussion of different options? To what extent has the selection of cooperation sectors been defined by policy dialogue, Kenyan needs, Finnish policies and strategies or existing commitments?</p> <p>To what extent the intervention level objectives promote/have promoted the strategic objectives of the Finnish country strategy?</p> <p>What is the relative weight/importance of Finnish cooperation and contribution in the sector? What added value does Finland bring to the sector? To date? Likely / possible contribution by end of programme?</p>	<p>The selection is based on an informed decision in cooperation with the relevant authorities and a clear need for Finnish cooperation.</p> <p>The sector level and intervention level objectives contribute to the strategy level objectives. The interventions are achieving the set aims with reliable monitoring information</p> <p>Finland makes a meaningful, identifiable contribution to the sector objectives and reported development.</p>	<p>Vision 2030 and MTPs I and II</p> <p>Political economy analyses</p> <p>Finnish country strategies</p> <p>Other DPs country strategies and evaluations</p> <p>Relevant evaluations</p>	<p>Embassy reports</p> <p>Programme documents, including evaluations</p> <p>Sector plans/strategies, budgets, reports/evaluations</p>	<p>MFA Kenya team</p> <p>MFA sector advisors</p> <p>Embassy staff</p> <p>Project/programme counterparts</p> <p>Beneficiaries of projects/programmes</p>	<p>Other DPs</p> <p>CSOs</p> <p>Academia</p> <p>Consultants who prepared programme documents, mid-term reviews, evaluations</p>
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Key evaluation question	Research questions	Indicators	Sources of information			
			Literature		Interviews	
			General background	Strategy/programme specific	Beneficiaries	Stakeholders and other informants
<p><b>How conducive are the cooperation and implementation modalities in achieving the strategy level objectives? (Relevance, effectiveness, efficiency, sustainability, 3Cs)</b></p>	<p>How suitable are the selected partners for achieving the set objectives? Have different choices of partners and implementation modalities been analysed? To what extent has the selection of cooperation modalities been influenced by policy dialogue, Finnish policies or existing commitments?</p> <p>How and to what extent are the various Finnish cooperation instruments coordinated, complementary and coherent internally (within the total of Finnish cooperation)?</p> <p>Is there a difference in efficiency/effectiveness/impact/sustainability between different implementation modalities (multi-bi, support to CSOs, use of country systems use of consulting companies)?</p> <p>Are the sustainability concerns included in the intervention designs? How likely will the achievements sustain the end of Finnish funding?</p>	<p>The partners have an important role in promoting the sector and strategic level objectives and their selection is based on an analysis of various options and decided together with the relevant Kenyan authorities.</p> <p>The projects are coordinated and complementary with other programmes funded by the MFA and possibilities for synergy are sought.</p> <p>The agreed implementation modality is conducive for efficient implementation and the programme management roles and responsibilities are clear. Reports are submitted in time and in good quality, and discussed by the management.</p> <p>The implementation modality strengthens the partner organisations' administrative capacity.</p> <p>The interventions are likely to produce results that the beneficiaries will be able to sustain after the project end. An exit strategy has been prepared for Finnish funding.</p>	<p>Political economy analyses</p> <p>Finnish country strategies</p> <p>Other DPs country strategies</p> <p>Relevant evaluations</p>	<p>Embassy reports</p> <p>Programme documents, including evaluations</p> <p>Sector plans/strategies, budgets, reports/evaluations</p>	<p>MFA Kenya team</p> <p>MFA sector advisors</p> <p>Embassy staff</p> <p>Project/programme counterparts</p> <p>Beneficiaries of projects/programmes</p>	<p>Other DPs, CSOs</p> <p>Academia</p> <p>Consultants who prepared programme documents, mid-term reviews, evaluations</p>

<p><b>To what extent has Finland contributed to aid effectiveness in Kenya?</b></p>	<p>To what extent does Finnish cooperation in Kenya adhere to the principles of the Paris Declaration (2005)?</p> <p>How successful is the GoK-donor dialogue and what is the level of Finnish participation in the dialogue and donor coordination?</p> <p>How and to what extent is the Finnish cooperation coordinated, complementary and coherent with other donors' cooperation in Kenya?</p>	<p>Finnish development cooperation is aligned with Kenya's development strategies, institutions and processes, harmonised and coordinated with other development partners, relies on Kenyan performance indicators and monitoring and transparent in reporting aid flows.</p> <p>Dialogue between the GoK and the donors is constructive and takes place at regular intervals. The donor working groups meet regularly and various projects and programmes in the sector are well coordinated.</p> <p>Finland participates actively in the dialogue structure, informs other partners on the progress of the projects and any other relevant issue.</p>	<p>Paris Declaration Busan Partnership Agreement</p>	<p>K/JAS KERP Kenya aid effectiveness evaluation</p>	<p>The National Treasury Ministry of Devolution and Planning Relevant GoK counterparts MFA Kenya team Embassy staff Other DPs</p>	
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# ANNEX 4 EVALUATION OF THE KEY INTERVENTIONS

The criteria described under ‘scored assessments’ were those for which it was feasible to assign a performance score. A four-level scoring system was used, based on EC monitoring practice (EuropeAid, 2006). In this system, a score of ‘a’ means very good (i.e. no real need for improvement was detected); ‘b’ means good (i.e. a few points required improvement, but the activity was otherwise sound); ‘c’ means some problems (i.e. significant improvement should have been required); and ‘d’ means serious deficiencies (i.e. the action should have been rethought or should not have been supported). Since with intermediates (‘a/b’, ‘b/c’ and ‘c/d’) this system creates seven possible scores, they could be transformed for analytical purposes into numerical equivalents (d = 1, c/d = 2, c = 3, b/c = 4, b = 5, a/b = 6, a = 7). This allowed, for example, the calculation and comparison of mean scores and the identification of consistently low-scoring or high-scoring criteria, so that reasons for these patterns could be explored.

With variations in the number of criteria scored, this system has been used successfully in a number of previous evaluations (Caldecott et al., 2010, 2012a, 2012b, 2012c, 2012d, 2014). Although some of these studies had access to enough information to allow the discrimination of the ‘3Cs’, these criteria are interconnected and poorly differentiated in the literature (but see efforts to disentangle them: EUHES, 2007; Bäck & Bartholomew, 2014). In this instance, project documentation contained insufficient information to assess these three aspects separately, and the two research questions were designed to capture the essential features of all the ‘3Cs’, which are to do with the alignment, synergy and interference among actors at the level of intentions (i.e. policies, plans) and actions (i.e. interventions), and the mechanisms in place to maintain them. A single evaluation score was therefore derived for the ‘3Cs’ for the interventions in Kenya. Other aspects of the interventions, namely those concerning the HRBA, CCOs and ‘connectedness’ were discussed rather than being scored.

	Relevance	Effectiveness	Efficiency	Impact	Sustainability	3Cs	Mean
<b>GJLOS</b>	Excellent	Problematic	Poor	Problematic	Good	Poor	<b>Adequate</b>
<b>GFPs</b>	Excellent	Very good	Problematic	Good	Problematic	Problematic	<b>Good</b>
<b>PALWECO</b>	Very good	Problematic	Problematic	Poor	Poor	Very poor	<b>Problematic</b>
<b>MDGs</b>	Good	Problematic	Poor	-	Adequate	Problematic	<b>Problematic</b>
<b>SFSD</b>	Very good	Very good	Good	-	Good	Problematic	<b>Good</b>
<b>MMMB</b>	Good	Good	Adequate	Problematic	Adequate	Problematic	<b>Adequate</b>
<b>WSTF</b>	Good	Very good	Problematic	Good	Problematic	Adequate	<b>Adequate</b>
<b>Overall mean</b>	<b>Very good</b>	<b>Good</b>	<b>Problematic</b>	<b>Adequate</b>	<b>Adequate</b>	<b>Problematic</b>	<b>Adequate</b>

**Evaluation of Finnish cooperation in helping to build a democratic and accountable society that promotes human rights and gender equality in Kenya**

Research questions	GJLOS	GGP II & III
	Scored answers	Scored answers
<p><b>Questions on relevance.</b></p> <p>To what extent is the intervention in line with Vision 2030, MTP2, the 2010 Constitution, and the 2012 Development Policy Programme of Finland?</p> <p>Does the intervention make sense in terms of identifying and addressing key issues in the relevant sector?</p>	<p>Support to Governance, Justice and Law and Order Sector is highly relevant in Kenya where governance is deemed as main impediment for socio-economic development. GJLOS is also in the center of Finland Development Policy Programmes 2007 and 2012, and has formed one core element of Finnish country strategies with Kenya that have aimed at sustainable social development and democratic and accountable society that promotes human rights. Score a (7) (very good)</p>	<p>The GGPs are highly relevant to the needs of Kenyan society, given its gross socio-economic and political gender disparities. GGP III objectives are in line with Vision 2030 and its MTP2, the 2010 Constitution, the National Policy on Gender and Development and the Presidential Directive on the 30% affirmative action quota for women in the public sector. The GGPs are also highly relevant to Finland's 2007 and 2012 development policy programmes.</p> <p>The FE of GGP III states that "The programme was highly relevant to all of the stakeholders involved. Most, although not all, were consulted on the programme design and many will be continuing some form of the approaches introduced during GGP III. Limited funding remains a bit of a constraint, but there was clear commitment to the process, particularly on the part of the CSO partners. UN Women staff noted the need to have included an exit strategy in the programme's design." (page v).</p> <p>Score: a (7) (very good).</p>
<p><b>Questions on effectiveness.</b></p> <p>What has the intervention achieved in relation to its objectives?</p> <p>What factors can be identified that prevent the achievement of objectives?</p>	<p>GJLOS was important in steering reforms in different ministries, but the reforms were slowed down due to wavering political will and insufficient coordination. A key weakness in the design of the programme was the emphasis on supply side of governance (duty bearers) while there was little attention in the demand side (rights holders). Another problem was found to be in reliance on reform drivers. Once they pulled out the reforms also slowed down.</p> <p>The programme objectives were loosely defined and indicators for measuring progress were largely missing.</p> <p>There were several interruptions in programme funding that have compromised implementation.</p> <p>Score: c (3) (some problems)</p>	<p>GGP II was initiated in the run-up to the 2007 elections, and focused on increasing the number of elected women at national and civic level. Relative to the 2002 elections, the number of women candidates rose from 44 to 269 in 2007 (national), and from 382 to 1,478 (civic). GGP II was operating in 13 of the constituencies that returned women MPs (of 15 in total) at the 2007 elections. GGP II may have influenced the passing of legislation to confirm a 30% affirmative action quota for women in the public sector, the setting up of a GoK Women's Enterprise support fund, and new gender equality policies in the manifestos of political parties. Attribution is unclear due to a lack of baseline data and the fact that GGP II had little engagement on policy development.</p> <p>The FE of GGP III states that "For Outcome 1 [supportive legal frameworks, laws and policies], attribution is not always direct. UN Women clearly contributed to drafting of several legislative frameworks, not the least of which are the affirmative action articles in the 2010 Constitution, including the representation of no more than 2/3's of any one gender in elected positions' articles. While UN Women was by no means the only actor in this process, it is clear their contribution made a real difference. GGP III's CSO partners also cited a number of other legislative frameworks to which UN Women contributed or on which it helped facilitate debate once tabled in parliament such as the Marriage Act." (page iv).</p> <p align="right">&gt;&gt;&gt;</p>

**Evaluation of Finnish cooperation in helping to build a democratic and accountable society that promotes human rights and gender equality in Kenya**

Research questions	GJLOS	GGP II & III
	Scored answers	Scored answers
<p><b>Questions on effectiveness.</b></p> <p>What has the intervention achieved in relation to its objectives?</p> <p>What factors can be identified that prevent the achievement of objectives?</p>	<p>GJLOS was important in steering reforms in different ministries, but the reforms were slowed down due to wavering political will and insufficient coordination. A key weakness in the design of the programme was the emphasis on supply side of governance (duty bearers) while there was little attention in the demand side (rights holders). Another problem was found to be in reliance on reform drivers. Once they pulled out the reforms also slowed down.</p> <p>The programme objectives were loosely defined and indicators for measuring progress were largely missing.</p> <p>There were several interruptions in programme funding that have compromised implementation.</p> <p>Score: c (3) (some problems)</p>	<p>&gt;&gt;&gt;</p> <p>For Outcome 2 [participation in governance and decision-making processes], the FE states that “GGP III helped contribute to the following results:” (a) reduced levels of electoral gender-based violence; (b) 1,168 women candidates for election (national and civic); (c) a close to three-fold increase in the number of women candidates for all kinds of elected office at the National Assembly level in the 2013 relative to the 2007 elections (described by the FE, page 36, as a significant increase but still disturbingly low); (d) a 12% increase in women’s representation in the National Assembly after the 2013 relative to the 2007 elections (due largely to the creation of the Women’s County Representative seats); (e) increased voter awareness of the value of women’s political leadership; (f) increased women’s elected representation at the county assembly level (exact numbers uncertain); (g) eight positions reserved for female and male youth within each county assembly, with 63 nominated overall in the 47 counties to represent the disability category; (h) 16 reserved positions for women representatives in the Senate as well as for one female youth; (i) six women appointed among 18 cabinet positions (pages iv-v). Although there was some dilution due to an increased number of elected National Assembly seats, “due to the affirmative action provisions of the 2010 Constitution, women’s representation in local assemblies and the National Assembly has doubled from 2007. It is close to 1/3 at the County Assembly level ... and stands at 21.7% within the National Assembly. This represents roughly a 100% increase over representation levels in 2007.” (page v). The FE observes that “Most of the approaches used were highly effective”, but that “the programme was spread a bit too thinly – attempting to cover 27 counties and multiple government institutions and policies”. Most CSOs reported that UN Women “provided high quality training and technical accompaniment related to project and financial management, particularly with regard to the application of RBM principles to reporting and management. As such, GGP III has left behind a significant group of CSOs that work in gender and governance with a much stronger capacity than prior to the programme’s implementation. The programme was also effective at being inclusive of youth and women with disabilities.” (page vi), but there was some loss of momentum after the 2013 elections.</p> <p>Score: a/b (6) (good/very good).</p>



**Evaluation of Finnish cooperation in helping to build a democratic and accountable society that promotes human rights and gender equality in Kenya**

Research questions	GJLOS	GGP II & III
	Scored answers	Scored answers
<p><b>Questions on efficiency.</b></p> <p>Has implementation of the intervention been in line with its planned work, cost and time schedules?</p> <p>What factors can be identified that introduce delays or distortions into the implementation process?</p>	<p>GJLOS reform programme utilised an external company (KPMG) for managing programme finances. There were also serious delays in programme implementation and low absorption of funds. € 3 million of Finnish funds remained unspent at the end of the programme. Score c/d (2) (poor.)</p>	<p>GGP II under UNIFEM management was marked by serious delays in disbursement of funds, a weak M&amp;E framework, irregular financial monitoring visits and unavailability of required financial data. It lacked a risk analysis that could have supported responses to post-election violence. More than three-quarters of the budget was focused on enhancing leadership capacities of Kenyan women and promoting acceptance of their leadership capabilities, rather than on structural changes such as institutional accountability and policy or legislation. Three-quarters of the implementing partners had administrative costs higher than 10%, with two of them being more than 40%.</p> <p>According to the MTR, GGP III under UN Women management featured weak monitoring of the 46 implementing partners, which were too quarrelsome for a unified women's voice to be achieved. The FE of GGP III reported "a number of administrative challenges stemming from the 10% holdback of project funding for CSOs until they had completed all their activities, delays in disbursement due to external processes instituted by UN Women HQ and the demand to compress two quarters work into one to end the programme a quarter early." (page vi). Score: c (3) (some problems).</p>
<p><b>Questions on impact.</b></p> <p>What wider and longer-term effects, whether positive or negative, direct or indirect, can be expected to result from the intervention?</p> <p>What factors can be identified that constrain or otherwise influence the generation of wider and longer-term effects?</p>	<p>There have been significant changes in the GJLOS sector especially after the sector reform programme ended. These achievements include promulgation of the new constitution, Kenya National Dialogue and Reconciliation Act, and establishment of independent commissions. The role of the GJLOS sector programme for these achievements is. Score c (3) (some problems)</p>	<p>The assumption (in effect, the theory of change of GGP II) that increasing the number of elected women MPs and civic representatives will have a long-term effect on women's status and the protection of women's interests in a deeply patriarchal society is plausible, but attribution of specific electoral results to GGP II is uncertain, though less so for GGP III.</p> <p>Unexpected results that may affect impact noted by the FE of GGP III were to do with: (a) network formation - the emergence of 'gender warriors' (male champions of women's leadership), networks among trainers of trainers crossing traditional ethnic, gender, religious and geographic barriers, and networks of women candidates and aspirants; (b) county-level dialogue and unity among women candidates; (c) a cultural shift away from electoral gender-based violence; (d) female youth candidates able to compete in the mainstream political parties; (e) a community-level change in women's attitudes regarding their own ability and right to lead; and (f) CBOs mainstreaming gender in their committee formations, schools and churches (pages 40-41).</p> <p>The FE concluded that GGP III had contributed to positive change at the four levels of parity, equity, equality, and rights (pages 41-42), and rated impact as 'good'.</p> <p>GGP III was designed to yield detectable change over a 25 year time horizon, so its impact will depend on such factors as implementation of the 2010 Constitution and gradual cultural change, and it is too early to assess its real impact. The signs are positive, however, and a tentative score of b (5) (good) is appropriate.</p>

**Evaluation of Finnish cooperation in helping to build a democratic and accountable society that promotes human rights and gender equality in Kenya**

Research questions	GJLOS	GGP II & III
	Scored answers	Scored answers
<p><b>Questions on sustainability.</b></p> <p>To what extent have beneficial changes resulted from the intervention that are capable of being sustained without further external support and are likely to be irreversible or reversible only with difficulty?</p> <p>What factors can be identified that constrain or otherwise influence the generation of sustainable outcomes?</p>	<p>Support to GJLOS reform programme ended in 2009 but the reforms have continued. The governance institutions have limited financial resources for development activities. Score b (5) (good).</p>	<p>The assumption that the acceptance of women in leadership roles is irreversible is plausible, and to the extent that this was achieved through GGP II, further work by implementing partners was needed to consolidate progress, but this could not continue once funding ended. GGP III created a sense of ownership where there was strong alignment with issues of local concern (e.g. gender-related conflict and insecurity, FGM and low educational attainment).</p> <p>GGP III also enhanced the monitoring and mainstreaming roles of the relevant ministry (MGCSO) and national commission (NCGD), and gender mainstreaming was included in the performance contracts of permanent secretaries. Using churches and local government structures as entry points may also have promoted sustainability. The MTR suggested that under UN Women management, which was perceived as domineering, the sense of national ownership by stakeholders was undermined. The FE also noted an uneasy between UN Women and the former Ministry of Gender, Children, and Social Development (page 41). It also found little evidence of replication or financial sustainability among implementation partners, although some of the larger CSOs had integrated GGP III strategies into their own approaches (pages 53-54).</p> <p>Score: c (3) (some problems).</p>
<p><b>Questions on complementarity, coherence and coordination (3Cs).</b></p> <p>Are the policies, plans and actions of all relevant actors in line and/or synergistic with each other in the context of the intervention, without cross-purposes, interference or duplication of effort?</p> <p>To what extent are there collective arrangements (such as forums and multi-donor groups) in place and used to maintain alignment among actors in the context of the intervention?</p>	<p>There were considerable problems in coordination among the development partners as well between the GoK and the development partners. Score: c/d (2) (poor).</p>	<p>GGP II involved eight donors, UNIFEM and 32 CSO implementing partners. GGP III involved eight donors (led by Finland), UN Women and 46 implementing partners. In neither programme were coordination and complementarity much in evidence. There was no sign of synergy with other donors who were not contributors to the basket fund, although there was strong like-mindedness among the GGP III donors (e.g. "human rights are a core component for the Dutch, Finnish and Danish Governments' foreign policy priorities, as is women's leadership." (FE, page 23). The MTR of GGP II found that strategic engagement by UN Women with the GoK and donors was weak. The FE, however, reported that GGP III worked closely with four government bodies, namely the former MoGCSO, the Independent Electoral Boundaries Commission (IEBC), the National Gender Equality Commission (NGEC), and the National Cohesion and Integration Commission (NCIC). Of these, "two [NGEC and IEBC] were fairly positive about their experience working with UN Women and indicated that the support they received was both timely and relevant" (page 23). There was some evidence of synergy between GGP III and other on-going processes and programmes such as GJLOS and Uraia (National Civic Education Programme, a Kenyan CSO network).</p> <p>Score: c (3) (some problems).</p>

**Evaluation of Finnish cooperation in helping to build a democratic and accountable society that promotes human rights and gender equality in Kenya**

<b>Research questions</b>	<b>GJLOS</b>	<b>GGP II &amp; III</b>
	<b>Scored answers</b>	<b>Scored answers</b>
<b>Mean score</b>	3.7 (moderate with some problems)	4.5 (good with some problems ).
	<b>Unscored answers</b>	<b>Unscored answers</b>
<p><b>Questions on human rights and cross-cutting issues.</b></p> <p>What features of the intervention, if any, are designed to, or are likely to, contribute to promoting human rights?</p> <p>What features of the intervention, if any, are designed to, or are likely to, contribute to promoting the cross-cutting objectives of Finnish development policy?</p>	Human rights and reduction of inequalities have been the overarching objective for the projects in GJLOS. The projects have mostly addressed the needs of the duty bearers with less attention to the rights-holders.	The GGPs were designed to promote gender equality, women’s empowerment and social equality, which are cross-cutting themes. GGP III was more direct in addressing human rights issues, adopting a two-pronged HRBA by engaging both the state as the duty bearer and citizens as rights holders, enhancing the capacity of the former to fulfil its obligations and enabling the later to understand their rights and demand accountability and better service delivery.
<p><b>Questions on connectedness.</b></p> <p>To what extent is the intervention vulnerable to influences from physical, social, economic or other systems over which it has no control?</p> <p>To what extent have such vulnerabilities been anticipated and the intervention made resilient to them?</p>	Inconclusive	<p>The design of GGP III (but not of GGP II) took into account the possible influence of external factors through a risk analysis and by identifying mitigation strategies. There is no evidence that the GGPs took into account the issue of climate change and the gender-relevance of its effects.</p> <p>A number of international agreements are relevant when applied to Kenya, including UN Security Council Resolutions 1325 (on Women, Peace and Security) and 1820 (on sexual violence in war), and led to a high-level training process to develop Kenya’s national action plan on these matters.</p>

**Evaluation of Finnish cooperation in reducing poverty and creating new 'green economy' jobs in the agricultural sector in Busia County**

<b>Research questions</b>	<b>PALWECO</b>	<b>Support to MDGs</b>	<b>SFSD</b>
	<b>Scored answers</b>	<b>Scored answers</b>	<b>Scored answers</b>
<p><b>Questions on relevance.</b></p> <p>To what extent is the intervention in line with Vision 2030, MTP2, the 2010 Constitution, and the 2012 Development Policy Programme of Finland?</p> <p>Does the intervention make sense in terms of identifying and addressing key issues in the relevant sector?</p>	<p>Good alignment with Kenya's Vision 2030, MTP2 and Busia County development plan. It supports the devolution process in line with the 2010 Constitution, and is therefore in line with Finland's strategy in Kenya. Score: a/b (6) (good/very good).</p>	<p>MDGs are very relevant for both the Kenyan and Finnish governments. There was also a clear need to strengthen the MDG Unit at the National Treasury to help mainstream MDGs in the Kenyan development plans. MDGs form an important part of Vision 2030 as well as MTPs 1 and 2. The budgetary allocations have not fully followed the policy level goals. Score: b (5) (good).</p>	<p>The project is considered relevant to poverty relief and avoidance, even though as a technical response to a low-profile (but significant) problem it may have fallen below the 'radar' of those responsible for formulating macro-level policies. Score: a/b (6) (good/very good).</p>
<p><b>Questions on effectiveness.</b></p> <p>What has the intervention achieved in relation to its objectives?</p> <p>What factors can be identified that prevent the achievement of objectives?</p>	<p>Low effectiveness was found across all components, but there were signs of potential improvement (see text). Score: c (3) (some problems).</p>	<p>In phase 1, mainstreaming of BDGs in policy, planning, budgeting and M&amp;E was substantially achieved, limited progress in achieving other objectives. Score: c (3) (some problems).</p>	<p>Based on reported progress against pre-defined result areas, effectiveness is likely to have been good. Score: a/b (6) (good/very good).</p>
<p><b>Questions on efficiency.</b></p> <p>Has implementation of the intervention been in line with its planned work, cost and time schedules?</p> <p>What factors can be identified that introduce delays or distortions into the implementation process?</p>	<p>There are many sources of inefficiency, but there were signs of potential improvement (see text). Score: c (3) (some problems).</p>	<p>There have been several delays in project implementation and a significant amount of money will remain unused at the end of the Phase 2 in 2014. Hiring Finnish experts to support implementation of the Phase 2 was deemed expensive. Score: c/d (2) (poor).</p>	<p>By mid 2012, the project had spent and accounted over €452,000 or about 77% of the total budget; 3,868 samples had been analysed for aflatoxin and fumonisin, and other work was proceeding more or less to plan. Score: b (5) (good).</p>
<p><b>Questions on impact.</b></p> <p>What wider and longer-term effects, whether positive or negative, direct or indirect, can be expected to result from the intervention?</p> <p>What factors can be identified that constrain or otherwise influence the generation of wider and longer-term effects?</p>	<p>The small scale and lack of replication of the activities is a hindrance to achieving major impact. Score: c/d (2) (poor).</p>	<p>Inconclusive on potential impact attributable to the Finnish funded projects at village and at central government level. The role of the MDG Unit in influencing mainstreaming of MDGs is unclear.</p>	<p>Insufficient information available.</p>

**Evaluation of Finnish cooperation in reducing poverty and creating new 'green economy' jobs  
in the agricultural sector in Busia County**

<b>Research questions</b>	<b>PALWECO</b>	<b>Support to MDGs</b>	<b>SFSD</b>
	<b>Scored answers</b>	<b>Scored answers</b>	<b>Scored answers</b>
<p><b>Questions on sustainability.</b></p> <p>To what extent have beneficial changes resulted from the intervention that are capable of being sustained without further external support and are likely to be irreversible or reversible only with difficulty?</p> <p>What factors can be identified that constrain or otherwise influence the generation of sustainable outcomes?</p>	<p>Although working with stable groups and with county and district officials, PALWECO interventions have often had minimal uptake or are compromised by weak capacity and/or financial arrangements for continuity. Recent signs of improvement are mentioned in the text. Score: c/d (2) (poor).</p>	<p>The MDG Unit is established and operational, and MDGs continue featuring in national plans and possibly in the County Integrated Development Plans. Score: b/c (4) (moderate).</p>	<p>Public health concerns and export opportunities would be expected to attract attention and stimulate policy development by the line ministries and the National Food Safety Steering Committee, while a reference laboratory was to be established with legal standing. Score: b (5) (good).</p>
<p><b>Questions on complementarity, coherence and coordination (3Cs).</b></p> <p>Are the policies, plans and actions of all relevant actors in line and/or synergistic with each other in the context of the intervention, without cross-purposes, interference or duplication of effort?</p> <p>To what extent are there collective arrangements (such as forums and multi-donor groups) in place and used to maintain alignment among actors in the context of the intervention?</p>	<p>PALWECO has failed to explore synergies with any of the several relevant donor programmes active in Busia County. Score: d (1) (very poor).</p>	<p>The project has helped coordination of MDG agenda in Kenya, but uncertainty of results and impact suggest that it may not have been very successful. There have been problems in internal coordination of the project. Score c (3) (some problems).</p>	<p>Although ambitions on dialogue and awareness raising were expressed in the project document, the lack of evidence leads to a presumption that little effort has gone into achieving 3C outcomes. Score: c (3) (some problems).</p>
<p><b>Mean score</b></p>	<p>2.8 (problematic); excluding relevance, 2.2 (serious deficiencies/problematic).</p>	<p>3.4 (moderate with some problems)</p>	<p>5.0 (good).</p>

**Evaluation of Finnish cooperation in reducing poverty and creating new 'green economy' jobs  
in the agricultural sector in Busia County**

<b>Research questions</b>	<b>PALWECO</b>	<b>Support to MDGs</b>	<b>SFSD</b>
	<b>Unscored answers</b>	<b>Unscored answers</b>	<b>Unscored answers</b>
<p><b>Questions on human rights and cross-cutting issues.</b></p> <p>What features of the intervention, if any, are designed to, or are likely to, contribute to promoting human rights?</p> <p>What features of the intervention, if any, are designed to, or are likely to, contribute to promoting the cross-cutting objectives of Finnish development policy?</p>	<p>The programme document includes specific results for operationalising the HRBA (e.g. gender mainstreaming through comprehensive gender analyses), but effective mainstreaming of HRBA and the CCOs (such as promoting social and gender equity) is weak. The urgent need for a study of potential gender impacts due to induced rising values of household/family assets is mentioned in the text. HRBA includes improved awareness on human rights (although there are no clear indicators on this in the logframe), better understanding of devolution and the opportunities it brings, and strengthened capacity of communities and GoK to plan and manage resources/ investment and measures to address land right issues. Implementation of many of these activities started slowly and results remain thin. Attempts have been made to strengthen the capability of district duty-bearers to meet their obligations, but again this remains a major challenge. Component 1 (household economy) aims to reduce inequality among vulnerable people in particular, but has not been able to reach the poorest and the most food insecure.</p>	<p>Design and objectives well aligned with CCOs except for climate sustainability where the focus has been marginal.</p>	<p>The second phase of the programme will work more directly with the ultimate beneficiaries, farmers, in two counties through establishment of farmer field schools together with local community based organisations. The project will have an important gender dimension as they will be the immediate beneficiaries of better farming and storing practices of maize, hopefully leading to increased milk production.</p>

**Evaluation of Finnish cooperation in reducing poverty and creating new 'green economy' jobs  
in the agricultural sector in Busia County**

<b>Research questions</b>	<b>PALWECO</b>	<b>Support to MDGs</b>	<b>SFSD</b>
	<b>Unscored answers</b>	<b>Unscored answers</b>	<b>Unscored answers</b>
<p><b>Questions on connectedness.</b></p> <p>To what extent is the intervention vulnerable to influences from physical, social, economic or other systems over which it has no control?</p> <p>To what extent have such vulnerabilities been anticipated and the intervention made resilient to them?</p>	<p>There is little in the programme document, its appraisal or the MTR report that suggests great strategic awareness of connectedness issues, although the appraisal document does call for the inception phase to include analysis of climate change, and cross-border imports from Uganda. Otherwise, the programme document is concerned only with 'climate proofing' of activities, although the MTR found little evidence that this had taken place in practice. The programme had also supported conservation agriculture through an NGO, but this had not delivered any tangible results. The issue of GHG emissions from the addition of large quantities of lime to farm soils is mentioned in the text.</p> <p>The programme is functioning within a rapidly changing institutional context related to the ongoing devolution process, with many decision-making powers being transferred to the counties. Especially in 2013, the programme adopted a pragmatic approach to adapt to this emerging new context, by strengthening close collaboration with county directors in key sectors and by engaging district staff as implementing partners.</p>	<p>Inconclusive.</p>	<p>The project attempts to change prevailing agricultural practices through long-term presence and practical examples and make them less vulnerable to weather related shocks.</p>

**Evaluation of Finnish cooperation in promoting the improved use and management of forests and water in Kenya**

<b>Research questions</b>	<b>MMMB</b>	<b>WSTF</b>
	<b>Scored answers</b>	<b>Scored answers</b>
<p><b>Questions on relevance.</b></p> <p>To what extent is the intervention in line with Vision 2030, MTP2, the 2010 Constitution, and the 2012 Development Policy Programme of Finland?</p> <p>Does the intervention make sense in terms of identifying and addressing key issues in the relevant sector?</p>	<p>MMMB is highly relevant to building KFS capacity to address the priorities of Vision 2030 MTP2, to promoting good governance (including gender, transparency and accountability) in line with the 2010 Constitution and the 2012 Development Policy Programme of Finland, and to resolving key issues of sustainability and equity within the forest sector. If resource tenure is of central relevance to forest sector reform, however, then postponing the issue inevitably erodes MMMB's relevance. Score: b (5) (good).</p>	<p>The programme objectives are consistent with the Kenyan and Finnish development policies and targets, but whether there is adequate attention to either the ecosystem basis of water supply or to climate change is open to question. Score: b (5) (good).</p>
<p><b>Questions on effectiveness.</b></p> <p>What has the intervention achieved in relation to its objectives?</p> <p>What factors can be identified that prevent the achievement of objectives?</p>	<p>MMMB has contributed to implementation and further development of forest laws, improved the capacity of KFS and other institutions, and supported pilot activities in the field with detectable effects on reducing poverty. The pilot activities, however, are not well linked to policy development processes. Score: b (5) (good).</p>	<p>It is necessary to distinguish between water resources management (where effectiveness is growing slowly) and water supply and sanitation (where effectiveness is strong). The respective scores are: b/c (4) (moderate) and a (7) (very good) (mean 5.5, the n = 6 case).</p>
<p><b>Questions on efficiency.</b></p> <p>Has implementation of the intervention been in line with its planned work, cost and time schedules?</p> <p>What factors can be identified that introduce delays or distortions into the implementation process?</p>	<p>Implementation started a year late and multiple bottlenecks and sources of delay have revealed themselves since, but progress has been made despite these constraints. Significant under-spend would allow for a 20-month 'no-cost' extension (to 2016), and this was recommended by the MTE in view of the time-critical window to influence forest governance systems as the 2010 Constitution is put into effect. Score: b/c (4) (moderate).</p>	<p>Monitoring and reporting systems are weak; WRUAs lack motivation, resources and technical expertise. Score: c (3) (some problems).</p>
<p><b>Questions on impact.</b></p> <p>What wider and longer-term effects, whether positive or negative, direct or indirect, can be expected to result from the intervention?</p> <p>What factors can be identified that constrain or otherwise influence the generation of wider and longer-term effects?</p>	<p>MMMB has no explicit plans for pilot project results to be communicated to those responsible for formulating policy, so long-term impact is likely to be limited. Score: c (3) (some problems).</p>	<p>Most of the targets set have been met and most objectives achieved; the capacities of the WSTF and the implementing partners have improved; WRUAs have been established to manage local water resources and CBOs operate their own water and sanitation facilities; and awareness of the importance of water protection, water saving and proper sanitation practices have increased. Score: b (5) (good).</p>



**Evaluation of Finnish cooperation in promoting the improved use and management of forests and water in Kenya**

<b>Research questions</b>	<b>MMMB</b>	<b>WSTF</b>
	<b>Scored answers</b>	<b>Scored answers</b>
<p><b>Questions on sustainability.</b></p> <p>To what extent have beneficial changes resulted from the intervention that are capable of being sustained without further external support and are likely to be irreversible or reversible only with difficulty?</p> <p>What factors can be identified that constrain or otherwise influence the generation of sustainable outcomes?</p>	<p>MMMB has supported the Forest Information System (FIS), which has the potential to contribute to policy and planning, to provide a link to the national accounts, and to enable media campaigns and public awareness on forest values and sustainable forest management. Revision of forest policy and legislation are likely to be sustained until they are enacted, in order to align the forest sector to the 2010 Constitution, and improved KFS capacity is likely to be retained. Communities are now more aware of their rights, so they are increasingly pressing to be effectively involved in decisions over forestry. Payments for environmental services (e.g. carbon storage, catchment services), tourism, legal and sustainable charcoal and plantation timber trades all offer potential revenue streams. But there is limited involvement of CSOs and key staff are being appointed to short-term positions linked to the life of the MMMB. Score: b/c (4) (moderate).</p>	<p>GoK has not shown strong commitment to the pro-poor funding and financing of WRM, and at the project level there are technical and economic sustainability issues surrounding rural water schemes, with some potential sustainability for local-level water resources management programmes. Management support for water and sanitation systems is irregular and funding of future major repairs, renewal and rehabilitation is insecure, while health and hygiene education may not be sufficient to sustain the improved level of sanitation. Score: c (3) (some problems).</p>
<p><b>Questions on complementarity, coherence and coordination (3Cs).</b></p> <p>Are the policies, plans and actions of all relevant actors in line and/or synergistic with each other in the context of the intervention, without cross-purposes, interference or duplication of effort?</p> <p>To what extent are there collective arrangements (such as forums and multi-donor groups) in place and used to maintain alignment among actors in the context of the intervention?</p>	<p>MMMB was designed while the Embassy of Finland led the Forest Sub-Committee of the GoK/Partner Harmonisation and Coordination Committee on Environment. The Embassy's Local Development Fund has been used to support complementary NGO activity. There is complementarity-in-principle among donor-assisted projects in the forestry and natural resources sectors, but donor coordination is weak, with overlapping activities and consultancies. Score: c (3) (some problems).</p>	<p>Donor coordination is weak, but improvements are possible if the Rural Window is implemented through one programme with one budget. Score: b/c (4) (moderate).</p>
<p><b>Mean score</b></p>	<p>Relevance and effectiveness: good. Efficiency and sustainability: moderate. Impact and coordination (a proxy for the 3Cs): weak. Overall score: 4.0 (moderate).</p>	<p>4.4 (n = 7) (moderate). 4.25 (n = 6) (moderate).</p>

**Evaluation of Finnish cooperation in promoting the improved use and management of forests and water in Kenya**

Research questions	MMMB	WSTF
	Unscored answers	Unscored answers
<p><b>Questions on human rights and cross-cutting issues.</b></p> <p>What features of the intervention, if any, are designed to, or are likely to, contribute to promoting human rights?</p> <p>What features of the intervention, if any, are designed to, or are likely to, contribute to promoting the cross-cutting objectives of Finnish development policy?</p>	<p>The 2013 MTE observed that “the Kenyan partners seem to feel that governance, HRBA and cross-cutting issues were imposed on them by MFA after Finland’s new development policy programme was initiated. There is limited capacity within the MMMB to implement HRBA and to integrate governance and cross-cutting issues into their activities.” Apart from some patchy gender-disaggregated monitoring and reporting there are few signs that HBRA and CCO issues are yet being systematically addressed within the MMMB.</p>	<p>The WRUA Development Cycle includes a training module on HBRA, and the Community Project Cycle aims to enhance the capacity of communities to apply for, manage, implement and maintain their own water and sanitation facilities. Gender inclusion is well documented in policies and procedures, and there is field verification that progress has been made in the inclusion of women. There are unquantified inequality indicators associated with the aim of the poor having better access to water and sanitation services. And there are unquantified gender indicators associated with the aim of women and girls having reduced collection distance/time for the collection of household water, schools having adequate water supplies and gender-sensitive sanitation facilities, and other institutions having gender-sensitive sanitation and hygiene promotion plans.</p>
<p><b>Questions on connectedness.</b></p> <p>To what extent is the intervention vulnerable to influences from physical, social, economic or other systems over which it has no control?</p> <p>To what extent have such vulnerabilities been anticipated and the intervention made resilient to them?</p>	<p>Climate change is expected to aggravate storminess, flooding, drought, fire, dust-storms and desertification, which can undermine food security and the safety of forests. Other connectedness issues include cross-border terrorism, particularly in the vicinity of the Somali border and coast, but also in and around Nairobi and Mombasa, political instability and violence, and rapidly-increasing Chinese investment in mining and related infrastructure. Other international initiatives that are or could be influential in the forest sector in Kenya include the REDD+ process on financing avoided deforestation, driven by the UNFCCC, its protocols, and both public and private investors in carbon conservation, and the EU FLEGT Action Plan, which aims to develop timber legality certification systems for timber so that it can be sold legally in EU markets.</p>	<p>Mitigating the effects of climate change at local level (i.e. adapting to climate change) is included under the overall objective, purpose and objective 1 of the 2013 proposal for Finnish funding. Climate change has profound implications for the water sector, and the climate indicators used by WSTF are mainly in the form of sub-catchment management planning and management by WRUAs.</p>

# ANNEX 5 QUESTIONNAIRE ON FUTURE FINNISH AID WITH KENYA

## Background

Government of Kenya - 10	Government of Finland - 10
Other government - 2	Civil Society/Academia - 6
Development consultant - 3	Private sector - 1
Other - 8	

I have/my organisation has experience in cooperation with Finland	38
I have/my organisation has not experience in cooperation with Finland	2

## Question 1

In future Finland should

a) Increase its development aid to Kenya	15
b) Continue cooperation with Kenya as it has before	16
c) Prepare for transition from aid towards more trade and investments	19
d) Stop development aid to Kenya	1
e) Other .....	

## Question 2

In future cooperation, the three most important sectors/themes are

a) GJLOS	10
b) Gender	8
c) Agriculture	16
d) Water	11
e) Forestry	10
f) Climate change	9
g) Education	5
h) Health	4
i) Devolution	20
j) Infrastructure	5
k) Energy	2

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l) ICT	2
m) Trade	8
n) Other	6

### Question 3

In future cooperation Finland should

a) Channel more funds through the Government of Kenya systems	14
b) Work more directly with counties	24
c) Use more consulting companies to provide technical assistance	8
d) Work more with civil society organisations	10
e) Work more with universities and research institutes	10
f) Work more with private sector	20
g) Other	4

# ANNEX 6 QUALITY ASSURANCE REPORT

## Introduction

This brief report contains comments on the Final Draft Report, dated 23 November 2014, of the Evaluation of Finland's Development Cooperation with Kenya in 2007-2013. Comments submitted by other team-members on the same draft were also considered. These comments also build on discussions with the Team Leader.

Additionally, telephone interviews were conducted with Jason Lakin, the Country Director of the International Budget Partnership Kenya, and Eivind Fjeldstad, Managing Director, Norwegian African Business Association, both on 26 November 2014.

## General comments

The background chapters (2 and 3) are too long and too descriptive.

A lot of detailed statistics that is not needed

- Different stats of donor / Finnish aid (contradictions in data also makes them difficult to understand).
- Detailed breakdowns on local govt stats (budgets and others) - probably don't need all these.

**It is now very clear that devolution is the red thread of the report.** But it still lacks a bit more critical discussion of the devolution process. A point to make is that while this is no doubt a very important and positive reform, it is also a messy and challenging process:

- It is impressive how this fundamental change has been implemented, and that the counties actually are receiving the funds that they have been promised.
- The messy bit comes with the speed with which this has been implemented. Money, but no instructions on how to plan and spend (illustrative that the Ministry of Finance releases a handbook on budgeting for counties now, after two whole financial years have passed where there was none)
- Counties were very short of staff, and most are still hiring
- There is very little in the way of models for how to

**A key consideration, therefore, would be how Finland and Finnish supported projects could better support this messy path towards making devolution work for the people of Kenya.**

Jason Lakin, the Country Director of International Budget Partnership (IBP) Kenya made an interesting point in my discussion with him. He said that what is not needed is a top down process to put in place more frameworks for how to do things. Rather, local processes should be supported that builds on what is there, and that are more likely to find solutions that actually work. Also, obviously, this would be the best approach to support innovation. IBP Kenya is supporting this type of processes in many counties.<sup>1</sup>

**A key instrument for this is the County Budget and Economic Forum (CBEF).** This is the organ that is supposed to be the venue for counties to convene with civil society, business and other interest groups

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to plan and prioritise, and potentially have an impact on how the Counties' considerable development budgets are allocated and spent. Still, the use of the CBEF has been very uneven among the counties, and most people have not even heard of them in many counties.<sup>2</sup>

**It would be interesting to have another look at the Finnish supported projects and consider how they support devolution.** Questions to be asked could include the following:

- Where is the leadership of the project - at a national or a local institution?
- If it is at the national level, what influence do local actors have? Through which channels?
- How do the projects support the building of capacity and the establishment or reinforcement of routines for decision making and implementation at the county council?
- How could it support these things?
- What, if any changes would need to be made to make the projects more supportive of devolution?

**PALWECO looks like a particularly interesting case:**

- It has a large budget which is underspent
- It is managed by a national institution - the Ministry of Devolution and Planning
- Its geographic focus is a County

Interestingly, there have already been talks between Busia County and the International Budget Partnership about collaboration around the CBEF. The National Taxpayers Association has been a driving force in this. The Busia Dep. Governor is apparently ex-NTA.<sup>3</sup>

The recommendation to use the PALWECO Management Review to look critically into the role of the Ministry is a good one. It might also be strategically wise to add that the objective of such a review should be to ensure that PALWECO supports the devolution process, and that the exit strategy would logically be for Busia County to take over the activities.

This type of review could be done for all the major projects. In order to justify the need for that, it could be smart to make clear if we think, overall, that the projects have been supportive of the devolution process, in terms of preparing the Counties to take on their new and demanding roles.

On PALWECO, it might also be interesting to try and explain why it was having such problems in the beginning and why it seems to be going so much better all of a sudden (or is it?).

**How does KFS fit in with counties?** Who are the people on the ground working for them? Who do they serve and who do they report to?

**It would be good to give more justification of the new focus on private investment.** As Julian also mentions, this is not a straight forward thing to start doing. There are many good arguments for "aid not trade" but it gets a bit messy when you start using aid to get trade. I think it is a very good idea to look into how Finland can support establishment of more trade relations between the two countries, but I

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<sup>1</sup> This conference report gives an interesting overview of some recent experiences - <http://internationalbudget.org/wp-content/uploads/CBEF-Issues-Arising.pdf>.

<sup>2</sup> Lakin observes in a column in the EastAfrican that the non-use of the CBEF is a major opportunity missed in the process of strengthening local governance in Kenya: <http://www.theeastafrican.co.ke/OpEd/comment/Citizens-of-Kenya-organise--or-you-ll-lose-all-control--/434750/2507324/-/item/1/-/1325qtkz/-/index.html>

<sup>3</sup> His name is Mr. Kubebeba and his email [pkubebea@yahoo.com](mailto:pkubebea@yahoo.com)

don't think we should imply that this is something that Finland should be spending significant chunks of their aid budget on. Something that could be mentioned:

- Is there any kind of Chamber of Commerce in Busia? If there is a business association then they could be an interesting prospect as a partner. It could be interesting to engage both in the county and nationally (see below).
- A Norwegian colleague of mine has set up the Norwegian African Business Association (NABA) that has been quite successful in bringing together Norwegian and African business partners. It could be possible to point to this experience and suggest that Finland seek to learn from their experience.
- A high level delegation, as suggested, is probably a good way of kick-starting a closer cooperation between Finnish and Kenyan business. A delegation led by the Finnish Minister for International Development, and representatives for Finfund and the other mentioned, would make the point that Finland is serious. A possible direct output of such a mission could be an MoU between Finland and KenInvest.
- There are also actors working in a similar way to NABA in Finland. The head of NABA will send me a name and contacts later tonight.

To summarise, a high-level, systematic drive to support Kenyan - Finnish trade is a good thing to recommend, and a good way of signaling a long-term intention to switch from aid to trade. At the same time, it is important to make clear that the key input from Finland here would be high level political support, and support for strategic initiatives like trade delegations, and perhaps some modest support for relevant associations and offices. It might be a good idea to be clear that this is not a recommendation for subsidies to Finnish traders in Kenya.

### Specific comments

There is a need for a bit of a discussion of the **possible limitations and biases of the opinion poll** conducted by the team. It is fairly clear that all those polled have their own preferences and biases. Obviously, the finding that devolution comes out on top is significant, but it would come across stronger, if the report also explicitly recognised and discussed the limitations of such a poll. From what I hear from Jason Lakin, **it is not that likely that the new act regulating CSOs will be as severe as the report considers**. It will most likely be considerably watered down. We should therefore not rule out more support to civil society.

**Not sure how well the Theory of Change bit is working right now.** The discussion on page 26 in the findings might strike the client as a bit theoretical. Could be good to illustrate more clearly in a diagram. Also, why are we using ToC? Is this something Finland has committed to or said that they want?

The use of a ToC can be very useful for mapping how you expect to have what impact, and as a tool for monitoring if you are on the right way. But it is far from unusual for projects and agencies to adopt result frameworks with goal hierarchies that are not entirely logical, i.e. that it does not logically follow that certain inputs will lead to the stated outcomes and impacts. Also not unusual to not define components in a way that makes them feasible to monitor and to lack realism in the what can be achieved with what resources. Therefore, I am not sure that a weak ToC (or result framework) is sufficient evidence that there is something fishy going on.

If we want to make the point that a current strategy is created to accommodate previous commitments and initiatives, then it might be better to make that argument straight forward. As it stands now, the mentioning of TOC approach in the introduction and the technical discussion of it under findings might be more confusing than convincing.

# ANNEX 7 FINDINGS OF RECENT REVIEWS OF FINNISH DEVELOPMENT COOPERATION

Development Evaluation Unit (EVA-11) of the MFA has been very active in commissioning independent evaluations of Finnish ODA expenditure and its strengths and weaknesses as seen from various points of view. The targeted perspectives have ranged from the level of ultimate outcomes, such as the ‘sustainability’ of poverty-reduction impacts achieved using different instruments and modalities and in various locations (Caldecott et al., 2010), to proximate (but highly strategic) means-to-ends such as ‘complementarity’ or the extent of mutual aid among development actors (Bäck & Bartholomew, 2014), and a number of country-programme evaluations in which Finnish actions over a decade or so were examined holistically, in Nepal, Nicaragua and Tanzania (Caldecott et al., 2012a, b, c, d), Mozambique and Zambia (Bäck & Bartholomew, 2014), and now Kenya (this study). There has also been a recent OECD/DAC peer review of Finnish ODA (OECD/DAC, 2012). Consistent conclusions emerging from these studies have included:

- That the Finnish individuals working on development cooperation tend to be energetic and creative, with a particular aptitude for inter-actor dialogue (e.g. chairing donor coordination groups, thereby leveraging maximum influence from what is usually a relatively small Finnish aid contribution), but there are weaknesses in how they are supported by MFA in terms of career paths, delegated authority and knowledge management systems that allow learning and the maintenance of consistent standards.
- That the selection of priorities and modalities in country programmes result in practice less from planning than from the net effects of eight kinds of influence with different degrees of potency in each country, namely: (a) opportunities identified by the embassy to collaborate with other donors or fill gaps in their coverage; (b) needs expressed by partner governments; (c) directions suggested by the Paris Declaration; (d) directions suggested by the Finnish development policies; (e) directions suggested by government plans; (f) the desire to continue with long-term development relationships in particular locations; (g) changes to the special circumstances of the country; and (h) the personal preferences of decision makers in the MFA, embassy or government.
- That lessons from success teach the value of: (a) making small but strategic and well-targeted contributions to multi-donor enterprises and combining them with the energy and competence needed to obtain respect and influence; (b) using well-formulated strategies for promoting participation, inclusion and equity in all contexts; (c) being willing to participate with government and donors in serious, long-term sectoral programmes; and (d) being able to preserve a complementary role for innovative and strategic technical experiments and partnerships that sometimes yield game-changing outcomes.
- That successive development policies have contained broad lists of goals, principles, objectives, priority areas and potential activities, but do not identify priorities with clear aims and expected results, allowing substantial leeway for interpretation of policy by individuals at all levels, sometimes resulting in fragmentation of country programmes and/or aid delivered through various modalities, and/or the making of long-term commitments that bind the hands of later decision makers to the detriment of adaptability and planning.



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- That successive development policies have endorsed multilateralism and the principle of complementarity, especially relating to the common efforts of Finland and its partner countries, the EU and multilateral institutions (i.e. ‘external complementarity’), but without defining it in any detail and giving less attention to ‘internal complementarity’ among the various channels and instruments of Finnish aid (e.g. the ICI<sup>4</sup>, and NGO instruments that involve grants to Finnish NGOs, to international NGOs and to local NGOs and CSOs from the embassy-managed Local Cooperation Fund or LCF), which have tended to act in isolation from each other and without adequate internal coordination mechanisms.
  - That there is a need for MFA and embassy teams to jointly develop clear, practical guidelines on how to mainstream the cross-cutting themes of development cooperation, apply the Paris Declaration principles (including reversal of the growth of tied aid), and address climate change issues in the context of comprehensive country programme strategies.

All the studies provided much detail on the performance of Finnish ODA, its many modalities, and the ways in which the various channels and instruments have been used in response to the diverse concerns and interests in Finnish society (ethical principles, commercial and/or charitable interests, political purposes, etc.) and the corresponding priorities of partner countries and institutions. The upshot is that Finnish aid tends to be relatively thoughtful, well-meaning and at times exceptionally effective, but is, perhaps inevitably, subject to compromises, pressures and weaknesses that can undermine its strategic impact. This evaluation of the Kenya country programme will proceed in full awareness of the overall strengths and weaknesses identified by previous studies, with a view to further advancing the processes of learning and improvement.

In its statement on the Government Report on Aid Effectiveness and Coherence in Finnish Development Cooperation (2014), the Parliamentary Foreign Affairs Committee regretted that the MFA could not convincingly explain what has been achieved in Finnish development cooperation. On the basis of the Committee proposal, the Finnish parliament required the government to submit a report that analyses and explores new and complementary forms of cooperation with developing countries to renew the current form of development cooperation. In addition, the Parliament required government to strengthen private sector participation in development cooperation and to increase appropriations for food production and rural development. These reports are expected to be presented in 2015 after the general elections.

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<sup>4</sup> Institutional Cooperation Instrument or, in Finnish (which gives rise to the acronym IKI that is often used even by authors writing in English), *Instituutioiden välisen kehitysyhteistyön instrumentti*.

# ANNEX 8 TIME LINE OF KEY EVENTS IN KENYA AND FINNISH DEVELOPMENT COOPERATION WITH KENYA

What happened in Kenya?	When?	What happened in Finnish development cooperation with Kenya?
<p><b>Anglo-Leasing corruption scandal</b></p> <p><b>Forestry sector reform started</b></p> <p><b>Ndungu report on land injustices published</b></p>	<b>2006</b>	<p>Partial freezing of disbursements, also in GJLOS.</p> <p>Other programmes: MDG integration, rural electrification and signing of MMMB inception phase 2006-2008, € 2.2 million.</p>
<p><b>Kenya Joint Assistance Strategy</b></p> <p><b>Strong economic growth, good rains and harvest.</b></p> <p><b>General elections followed with violence and chaos.</b></p>	<b>2007</b>	<p>Finland to lead in forestry sector donor group</p> <p>Signing GGP, € 0.8 m for 2007 and Public Service Reform Programme € 0.4 for 2007, both with UNDP.</p> <p>GJLOS, rural electrification, MMMB and MDG integration continue. Problems with UNDP in MDG.</p> <p>New Development Policy Programme.</p>
<p><b>Post election violence ended gradually in April, Kofi Annan to negotiate reconciliation</b></p> <p><b>National Accord and Reconciliation Act</b></p> <p><b>New coalition government under Kibaki as president and Odinga as prime minister.</b></p> <p><b>Reform "Agenda item 4" for long term challenges</b></p> <p><b>Request for emergency aid</b></p> <p><b>Relative peace but food production plummeted and economic recovery was slow. No progress in fight against corruption.</b></p> <p><b>Preparing Vision 2030 and MTP I</b></p> <p><b>Waki-commission report on post-election violence.</b></p>	<b>2008</b>	<p>Support to Kofi Annan's reconciliation, € 0.5 m with UNDP.</p> <p>Finland to chair GJLOS</p> <p>Plan for Participation 2008-2011, ecologically (forestry, water), economically (energy) and socially (GJLOS, PSR, GGP, MDG) sustainable development.</p> <p>Minister Väyrynen visited Kenya.</p>

<b>What happened in Kenya?</b>	<b>When?</b>	<b>What happened in Finnish development cooperation with Kenya?</b>
<p><b>Requested USD 750 million development aid. Food aid needed for 10 million.</b></p> <p><b>Execution of two human rights activists.</b></p> <p><b>Truth commission established.</b></p>	<b>2009</b>	<p>Bilateral consultations, agreed priority sectors natural resources (forestry and water), rural development and justice sector (GJLOS, good governance, human rights, gender equality). Continuation of Finnish support will depend on enabling environment and GoK commitment to agreed reforms (Agenda Item 4)</p> <p>GJLOS ended</p> <p>Kofi Annan's reconciliation, € 1 m, with UNDP</p> <p>GGP III (2009-2011), € 1.5 m for three years, with UNIFEM</p> <p>MMMB (2009-2014), € 18.65 m, with GoK</p> <p>WSTF (2009-2011), € 4.56 m, with GoK</p>
<b>New Constitution</b>	<b>2010</b>	<p>Finland's Cooperation Plan with Kenya 2010-2014. Ecologically sustainable development (forestry, water), economically sustainable development (PALWECO, MDG, agricultural research cooperation), socially sustainable development (GJLOS, GGP, PSR, Kofi Annan reform).</p> <p>Support to MDG (2011-2013) € 6 345 000, with GoK</p> <p>PALWECO (2010-2016) € 27 m, with GoK</p> <p>Safe Food Safe Dairy (2010-2013), € 0.587 m, with GoK</p>
<b>Military offence to Somalia against Al-Shabaab.</b>	<b>2011</b>	GGP III, € 2.5 m for one year, with UN Women
<p><b>ICC decision to prosecute Kenyatta and Ruto</b></p> <p><b>Signing of LAPSET infrastructure project</b></p> <p><b>Oil discovery in Turkana</b></p> <p><b>1325 action plan</b></p>	<b>2012</b>	<p>Support to realisation of Human Rights, € 1.2 m with UNDP (unused funds from GJLOS)</p> <p>Minister Hautala visit to Kenya.</p>
<p><b>Elections</b></p> <p><b>Devolution enforced</b></p> <p><b>Good economic growth</b></p> <p><b>MTP 2</b></p>	<b>2013</b>	<p>Support to electoral reforms and processes, UNDP (€ 1,05 m) and URAIA (€ 0.95 m)</p> <p>Support to realization of human rights (€ 2 m)</p> <p>Support to UN Women, € 1.7 m</p>

# ANNEX 9 FINLAND'S DEVELOPMENT COOPERATION STRATEGY WITH KENYA 2013-2016

The overall objective of the Finland's Development Cooperation Strategy with Kenya 2013-2016 is in full implementation of the 2010 Constitution. The Strategy consists of three components.

The attainment of the first strategic objective '**A democratic and accountable society that promotes human rights**' is suggested to be measured by improved scores in the Ibrahim Index of African Governance subcategory Participation and Human Rights. There are three specific objectives with indicators and specific interventions:

Specific objective	Indicator	Intervention
<b>Capacity of the Independent Electoral and Boundaries Commission (IEBC) increased*</b>	Number of women, youth, minorities and persons with disabilities registered as voters*	Support to electoral reforms and processes in Kenya, through UNDP URAIA
<b>Capacity of National Human Rights Institutions strengthened to promote access to justice</b>	Number of counties where NHRIs provide legal services System for citizens complaints established Number of citizen complaints received	Support to realisation of human rights and access to Justice, through UNDP
<b>Capacity of strategic Kenyan actors increased to promote gender equality</b>	Number of laws reviewed and passed following a gender analysis scrutiny and integration into statutes and new laws* Implementation of Kenya's NAP in UNSCT 1325*	GGP III and support to UN Women in Kenya, through UN Women

\* = proposed to be changed in 2014

Success in achieving the second objective 'Poverty reduction through inclusive green economic growth in the agricultural sector' is suggested to be monitored by agriculture sector annual growth and the number of food insecure people. The strategic objective is to be achieved through three specific objectives that are presented in the table below.

Specific Objective	Indicator	Intervention
<b>Improved livelihoods for the poor in Busia County</b>	Increase in average household income	PALWECO
<b>Increased agricultural production in Busia County</b>	Increase in volume of production of maize* Reduction of proportion of children under 5 affected by wasting	PALWECO
<b>Promotion of business development, innovation and knowledge sharing in the agricultural sector</b>	Number of producer associations which have entered into contract farming with food processors or wholesalers Joint activities between Finnish funded programmes in the agricultural sector	PALWECO

\*= proposed to be changed in 2014

The third strategic objective 'Improved management and use of forest and water resources with increased participation of communities, civil society and private sector' is to be measured through increase in tree cover and proportion of population using improved drinking water source. As with the previous two strategic objectives, there are three Finland specific objectives with corresponding indicators.

Specific Objective	Indicator	Intervention
<b>Progress in forestry sector reform and strengthened forestry governance</b>	New forest policy, revised forest act and national forest programme developed with stakeholder consultation conducted, approved, funded and coordinated. Socially and environmentally sustainable Concession Management Framework developed and piloted*	MMMB
<b>Improved contribution of forests to rural livelihoods, including more equal benefit-sharing and environmental sustainability</b>	Number of associations of farmers and entrepreneurs in organised commercial production PFM with formalised benefit-sharing arrangements implemented through outsourcing to NGOs	MMMB
<b>Improved water and sanitation services for the rural poor and more sustainable and efficient water resource management</b>	Number of people having access to improved water services through WSTF Number of schools and other institutions that provide gender responsive access to improved sanitation*	WSTF

\* = additional indicators proposed for 2014

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# ANNEX 10 CONCEPT NOTE ON PROMOTING ACCESS TO KNOWLEDGE ON LIVING NATURAL RESOURCES AT THE COUNTY LEVEL IN KENYA

## 1. Introduction

The key strategy of Finnish cooperation with Kenya is to support implementation of the 2010 Constitution. This is consistent with the over-arching purpose of Finnish development cooperation, which is to relieve poverty, since the Constitution is about deconcentrating wealth and devolving authority over development decisions and investments to the 47 counties. Devolution is an accepted reality among all the Government of Kenya (GoK) officials and other stakeholders interviewed during this evaluation, and enjoys overwhelming public support. On the assumption, therefore, that devolution will continue, the key issue - raised in many contexts by many interviewees - is **how to empower county governments** to carry out their new responsibilities in an informed and effective way, in harmony with national law and the policy guidelines of the GoK.

Many development partners have reached the same conclusion, and there is a Devolution Sector Working Group to coordinate action between GoK and donors on county-level capacity building in line with a National Capacity Building Framework prepared by the Ministry of Devolution and Planning. Capacity building is an open-ended process, however, and one that can never be completed, and Finland should consider how to bring a unique perspective to this issue, one where important gaps can be filled among the many different challenges faced by the county governments, but building on Finland's particular capabilities and record of cooperation (in Kenya and elsewhere) on managing knowledge concerning forests, waters and climate change. The evaluation team concluded that, leaving aside but not forgetting gender where Finland also has a strong record, the answer to the question of where Finland would best contribute to county-level capacity building lies primarily in the **sustainable management of living natural resources**. This is consistent with the views of a number of people (including two Principal Secretaries, a Directorate Secretary, a Director-General and a Director within MEWNR) interviewed during this evaluation, whose comments add up to a 'space' where Finnish capabilities, Kenyan needs, and economic and ecological common sense all come together (Box 1).

## Box 1

### Comments by interviewees that contributed key ideas to this Concept Note

- "The 47 counties are all very different ecologically, culturally, economically, but all are strongly motivated to take on their new powers, and many are well organised ... They are demanding that issues are handed over to themselves. We need to understand and emphasise the differences between counties, and accept that ... counties will develop at different rates and in different ways. The GoK considers water to be a national strategic issue, but the counties are demanding control of water resources, either because they see it as business opportunity, or because they are concerned about their own supplies; but other counties don't understand water resources management at all."
- "The aim of the National Forest Programme (NFP) is to facilitate a multi-stakeholder process, and the NFP Secretariat has specialists on forestry, governance, environment, water and economics. It organised five regional workshops with participation by central government, counties, private sector, CSOs, parastatals to identify issues and directions. At each workshop the members of seven thematic groups were elected - on forest governance and cross-cutting issues, forests for energy, forests for water, forestry education and training, sustainable forest management financing, forest production, and forest conservation ... Some counties are trying to get their heads around climate change. They vary greatly in their knowledge of this and everything else that's expected of them."
- "There is a need for investment in the forest sector, but the true value of our forest ecosystems (for water, biodiversity, climate, etc.) is not being appreciated in national accounting. Better valuation of forestry resources would support benefit sharing as well as sustainability. There is no benefit sharing framework. What are the incentives for stakeholders and investors to allow land allocation and investments? Government, private sector and communities all have necessary roles in financing the forest sector. Frameworks are needed to incentivise and involve all of them - the NFP is the key to all this ... We need a comprehensive approach to opening land for forestry investment across the whole country. *Everywhere* has high potential, but counties need to be able to assess their own biophysical conditions and make appropriate plans backed up by the resources needed to implement them ... The main role of Technical Assistance is to link Kenya with international experience so as to facilitate reform, for example on south-south linkage, common action to resist biopiracy, and access and benefit sharing around genetic resources."
- "Our thinking is that we can't be everywhere at the same time and that every place has its own dynamic - hence the selection of six counties for the water programme. However, a sort of environmental education process is to be encouraged and a natural entry point would be counties that share natural resources (rivers, catchments, etc.) ... water resources management is the problem and there is a need to demystify how to manage catchments, etc., for the public good ... planting and managing forests is OK, but much needs to be done to unlock the potential of all kinds of forest resources - the private sector lacks the right model of what to invest in, and how."
- "A study of natural resources governance, investment incentives and benefit sharing would be a welcome development ... The National Forest Inventory is now seen as the top priority - it is very very important unfinished business."
- "There is a need to isolate different environmental goods and services and to prepare specific measures (and investment strategies) for each at the county level."
- "On natural resource valuation and benefit sharing, here Kenya is very weak, struggling and going in circles. There is a National Biodiversity Atlas, but no Kenyans were involved in preparing the relevant chapter on valuation. NEMA commented last week on the Senate Bill on Benefit Sharing, saying that natural resources are very diverse (bacteria, forests, gum arabic, minerals, etc.) so cannot be treated in a uniform way. Nevertheless, the Senate has good intentions, and everyone is keen to have a benefit sharing mechanism. If minerals are left out, MEWNR would be the place for such a study. It would require the participation of multiple institutions (KFS, KWS, Museums, etc.)."
- "The NFP is very useful and significant. GoK is committed to the strategic direction of the NFP. KFS is doing its best. We're in a new situation. Regarding natural resources at county level, we need a framework to bring county governments on board. Previously, the GoK was responsible for natural resources, but now the counties are wanting to claim and exploit them. We need a mechanism to build capacity at county level. And we need it now! Forestry is not like mining, as it requires investment and time - 20+ years before there are any benefits to be shared; meanwhile there are only costs, which also must be shared. Payments for ecosystem services (PES)

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is also an important factor. All need to be brought on board, including civil society and the private sector which needs a model for its participation. In terms of a study of natural resources governance, investment incentives and benefit sharing I agree with using consultants for this, but there would be a need to include governance structures and human rights as they apply to benefit sharing with indigenous people, resettlements, etc. (e.g. in Mau Forest) ... Valuation and mapping of resources is very important. If you can define value then you can think about incentives. Our research priorities include resource inventory, knowledge management, maps of resources and potentials, and what is to be done with the arid lands."

- "We need to build a structured way to engage with the County Executive Committees (CECs), including on data collection. GoK has a duty to build county capacity."
- "Kenya urgently needs a water atlas, like those in Uganda and Rwanda where they are used as a 'bible' for development planning."

Source: Notes from interviews conducted between 22 October and 6 November 2014 with **Gideon N. Gathaara** (Conservation Secretary, Natural Resources Directorate, Ministry of Environment, Water & Natural Resources), **Serah Kiragu** (Specialist - Environment & Natural Resources, Finnish Embassy, Nairobi), **Richard L. Lesiyampe** (Principal Secretary, State Department of Environment and Natural Resources), **James Teko Lopoyetum** (Principal Secretary, State Department of Water), **Sareen M. Malik** (Programme Coordinator, Kenya Water and Sanitation CSO's Network - KEWASNET), **David K. Mbugua** (Director, Kenya Forest Service), **Emilio N. Mugo** (Senior Deputy Director, Kenya Forest Service), **Pekka Muuttomaa** (Natural Resources Counsellor, Finnish Embassy, Nairobi), **Arvid Sloth** (NFP Secretariat, Ministry of Environment, Water & Natural Resources), and **Geoffrey Wahungu** (Director-General, National Environment Management Authority).

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## 2. Rationale

The following sections attempt to pull together and to an extent 'projectise' the converging trends in interviewee statements recorded in Box 1. It should be borne in mind that nothing said by the interviewees or in our discussion below in any way diverges from accepted international thinking on the valuation of ecosystem goods and services (e.g. MEA, 2003; TEEB, 2010), payment for ecosystem services (e.g. Smith *et al.*, 2013), access and benefit sharing (e.g. Greiber *et al.*, 2012), REDD+ carbon storage valuation and payment (e.g. Parker *et al.*, 2009), and the overwhelming importance of accurate, well-organised and publicly-accessible knowledge on natural resources for sustainable development within devolved and empowered territorial units (e.g. Nelson, 2010; Kuria, 2014). All of it is also consistent with, for example, the National Environment Action Plan Framework 2009-2013 (NEMA, 2009), which - although it pre-dates the emphasis on the county level in the 2010 Constitution - calls for the inventory and digital mapping of wetland resources, water catchments, land use, forest use, wildlife resources, waste disposal sites, pollution sources, abandoned quarries, forest biodiversity, areas at risk of floods, droughts, landslides and forest fires, trans-boundary water resources, and invasive alien species, all of which would most meaningfully be done at local level. In any case, the 2010 Constitution means that the counties have new powers and responsibilities in relation to the management of their own development, including all aspects of planning, investment and the generation of revenues from the use of living natural resources within their boundaries. This will need to be responded to by all parties.

The term 'living natural resources' (LiNRs) is used here as an accessible way to refer to ecological systems or ecosystems, with the added emphasis contained in the word 'resources' on the aim to use ecosystems and all their components and services for human benefit. In the present context, they are conceived to *exclude* minerals (because they are not living, not renewable, and the legislative and administrative arrangements governing their exploitation are still evolving), but to *include water*, and therefore the status and potential of catchment ecosystems such as forests, surface waters (streams, rivers, swamps) and aquifers (ground-water systems), **biodiversity** and therefore issues of ecotourism, inventory, bioprospecting and resisting biopiracy, and arrangements for investment and benefit sharing surrounding **ecosystem services** such as those that arise from water, biodiversity and carbon (i.e.



potentially including REDD+). It should be noted here that Kenya has recently pledged to implement the Nagoya Protocol of the Convention on Biological Diversity at local level, which means in practice to build county-level capacity to understand and achieve prior informed consent and mutually agreed terms for access, benefit sharing and compliance in relation to biodiversity. It should also be noted that since **farms, agroforests and grazing lands**, and the soils and waters on which they depend, are living systems (i.e. ecosystems), they should also be considered as LiNRs for the purposes of county-level knowledge management for capacity-building, planning and investment purposes.

In the constitutional settlement, the Ministry of Environment, Water and Natural Resources (MEWNR), along with its various parastatal agencies, which include the National Environment Management Authority (NEMA), the Kenya Forestry Research Institute (KEFRI), the Kenya Forest Service (KFS), the Kenya Wildlife Service (KWS) and the Kenya Water Towers Agency (KWTA), as well as its Department of Resource Surveys and Remote Sensing (DRSRS), is responsible for policy, guidelines and coordination across all LiNR areas, in dialogue with and between counties, while the counties themselves are responsible for implementation. However, the counties vary greatly in their capacity to execute their new responsibilities, and **all are believed to be deficient in accurate, reliable, accessible and mapped information on the LiNRs upon which their sustainable development is to be based**. Moreover, there are dynamic issues in relation to knowledge that concern both the counties and central government, foremost among them being the need for frameworks on access and benefit sharing applicable to different LiNRs, where a simple ‘one size fits all’ approach will not work given the diverse nature of the resources concerned.

Finland’s cooperation with Kenya already contains elements that are highly relevant to the matter of empowering the counties by making available to them organised knowledge to support LiNR planning, management and investment. These include:

- On-going Finnish support to the MEWNR and KFS through the forest sector reform programme known as MMMB (which has created the multi-stakeholder National Forest Programme NFP, and through collaboration between KEFRI and the Finnish Forest Research Institute METLA is designing the National Forest Inventory NFI).
- On-going Finnish support to the Water Sector Trust Fund (WSTF, which will, at least, generate knowledge about the distribution and status of water resources and catchment ecosystems at county level to supplement more strategic and climate-change sensitive information resources yielded by JICA’s 2013 National Water Masterplan 2030).
- Potential Finnish support to an agricultural ‘census’ which will generate knowledge on farming systems and the productivity and other data linked to them.

**Nationwide county-level LiNR atlases.** One proposal here is to build on and bring together these flows of knowledge on water, forests and farmlands, and add to them information on other LiNRs, such as wildlife and biodiversity more generally. A searchable database using common protocols for each LiNR would thus be created for every county, which would underlie a detailed map of each county showing the distribution of all LiNRs within it. This is what is meant by a LiNR Atlas at the county level. Since to achieve this the NFI and NFP are needed, a recommendation would be to support implementation of the NFI and continuing to support implementation of the NFP. For similar reasons, as the WSTF design is finalised ways should be actively sought to ensure that data on water resources are captured in ways that are maximally useful to the LiNR database, which will require close liaison between technical people on the two initiatives. The same could be said of the proposed agricultural ‘census’, should it materialise.

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**Study of LiNR governance, investment incentives and benefit sharing.** Regarding the related issue of access and benefit sharing frameworks for LiNRs, which will be needed if the resources themselves are to attract investment, there is an additional proposal for a nationwide study of living natural resources governance, investment incentives and benefit sharing. This would involve a strategic analysis of holistic ecosystem resource valuation and potential economic and financial benefits, and how they might be realised and shared sustainably among investors, counties, communities and the GoK. The focus of the study would be on biodiversity, water catchments and services, community/county forests and charcoal businesses, REDD+, ecotourism, and payments for ecosystem services.

### 3. Theory of change

Four main purposes or user groups for the LiNR atlases are envisioned:

- **County planning officers.** A county's LiNR Atlas would be a primary information resource to support sustainable development planning by officers of the county government.
- **Other county governments.** If all county governments had access to all county LiNR atlases, this would facilitate learning, shared problem solving, investment synergies and the cooperative management of shared resources such as rivers.
- **Potential investors.** If all county LiNR atlases were available to all (either freely or by subscription), this would enable potential investors to identify sites of most interest to their particular investment project - which might involve anything from charcoal or gum arabic to agricultural produce or ecotourism - so that they can do business with the counties directly.
- **National government.** The primary utility of access to all county LiNR atlases for the GoK would be to provide an accurate, searchable, mapped overview of all the nation's LiNRs to enable their status to be monitored and evaluated, reporting requirements to multilateral treaties to be met, conflicts to be identified, and coordination and conflict resolution to be informed and effective.

The complementary study of LiNR governance, investment incentives and benefit sharing is designed to inform the guidelines, laws and processes which influence the formulation of investment projects, whether by private companies, communities or county governments, so that fair and sustainable terms can be negotiated and agreed by all parties. The main beneficiaries of such a study would be county governments and the GoK, which will obtain a clearer sense of how to protect and advance their own interests. New legislation on benefit sharing might be expected to result.

The theory of change of the whole package, then, is that making available organised knowledge on living natural resources, and how they can best be managed and attract investment on favourable terms, will contribute to improved decision making, sustainable economic development and the general empowerment of county governments, while also strengthening the GoK's ability to deliver on its own specific responsibilities under the Constitution.

### 4. Design and procurement

**Formulation mission.** A follow-on mission to Kenya will be needed to continue the dialogue on the LiNR atlas project concept with key officials in MEWNR and its parastatals, the Devolution Sector Working Group, county governments and other knowledge holders and duty bearers. The MEWNR's Department of Resource Surveys and Remote Sensing is likely to be a key stakeholder, since its mandate is the "collection, storage, analysis, updating and dissemination of geo-spatial information on natural resources

[livestock, wildlife, habitats, biodiversity, etc.] to facilitate informed decision-making for sustainable management of these resources with the major aim of alleviating poverty and environmental management.” (<http://theredddesk.org/countries/actors/department-resource-survey-and-remote-sensing-kenya>). The same mission will need to formulate the terms of reference for the proposed study of LiNR governance, investment incentives and benefit sharing, in dialogue with many of the same interlocutors.

**LiNR databases and atlases.** Data entry protocols will need to be defined for all LiNRs, so that the databases upon which the atlases rest can be searched using uniform terms. Issues of this kind have been addressed by several institutions in recent years, including the ASEAN Centre for Biodiversity (<http://www.aseanbiodiversity.org>). The availability of satellite imagery at appropriate resolution for Kenya’s LiNRs will need to be reviewed, bearing in mind that ultra-high-resolution (4 cm) imagery is now available and the feasibility and cost of the option of procuring and using it will need to be assessed. One institution that has recently obtained imagery of this nature is the new Indonesian National REDD+ Agency (<http://www.un-redd.org/Newsletter44/IndonesiaNationalREDDAgencyHead/tabid/133268/Default.aspx>). Designing a mapped interface with a national LiNR database is a complex technical challenge, but again there are institutions that have appropriate experience, including the UNEP World Conservation Monitoring Centre (<http://www.unep-wcmc.org>). The inception phase of the LiNR Atlas project would be the most suitable time in which to address such key design issues.

**Study of LiNR governance, investment incentives and benefit sharing.** Once the ToR have been agreed, a suitable team would be procured through international competitive tender.

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# EVALUATION

FINLAND'S DEVELOPMENT COOPERATION  
WITH KENYA IN 2007-2013



MINISTRY FOR FOREIGN  
AFFAIRS OF FINLAND