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Institute for Development Studies
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Extent and Forms of Donor Proliferation and Coordination in Kenya

The Case of Inclusive Industrialisation and Governance Reform 2000-2005

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Table of Contents

List of Tables

List of Figures

List of Boxes

List of Acronyms

ADB	African Development Bank
ADEA	Association for the Development of Education in Africa
AFD	Agence Française de Dévelopment
AIDS	Acquired Immune Deficiency Syndrome
ATIA	African Trade Insurance Agency
CBS	Central Bureau of Statistics
CDF	Country Development Framework
CGIAR	Consultative Group on International Agricultural Research
CGAP	Consultative Group to Assist the Poor
CG	Consultative Group
CPAP	Country Programme Action Plan
CIDA	Canadian International Development Agency
DANIDA	Danish International Development Agency
DAC	Development Assistance Committee
DCG	Donor Coordination Group
DFID	Department for International Development
ECA	Economic Commission for Africa
EC	European Commission
ERD	External Resources Department
EU	European Union
FAO	Food and Agriculture Organisation
FMA	Financial Management Agency
GNI	Gross National Income
GJLOS	Governance, Justice, Law and Order Sector
GOK	Government of Kenya
GTZ	German Technical Cooperation
HAC	Harmonisation, Alignment and Coordination
IASC	Inter Agency Steering Committee
ICGLR	International Conference for Great Lakes Region
IDA	International Development Association
IFAD	International Fund for Agricultural Development

List of Acronyms (Continued)

IMF	International Monetary Fund
ISAC	Inter-Agency Steering Committee
ITC	International Trading Centre
ITDG-EA	Intermediate Technology Development Group-East Africa
JICA	Japan International Cooperation Agency
JSI	Joint Statement of Intent
KACC	Kenya Anti- Corruption Commission
KNHRC	Kenya National Human Rights Commission
KJAS	Kenya Joint Assistance Strategy
K-Rep	Kenya Rural Enterprise Programme
MDGs	Millennium Development Goals
MTEF	Medium Term Expenditure Framework
MOA	Ministry of Agriculture
MOE	Ministry of Energy
MOF	Ministry of Finance
MOGSCSS	Ministry of Gender, Sports, Culture and Social Services
MOHA	Ministry of Home Affairs
MOI&C	Ministry of Information and Communication
MOJ&CA	Ministry of Justice and Constitutional Affairs
MOLHRD	Ministry of Labour and Human Resource Development
MOLG	Ministry of Local Government
MOPND	Ministry of Planning and National Development
MOT&I	Ministry of Trade and Industry
MSE	Micro and Small Enterprises
MTS	Medium Term Strategy
NGO	Non Governmental Organisation
OA	Official Aid
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OP	Office of the President
PCO	Programme Coordination Office
PRSP	Poverty Reduction Strategy Paper

List of Acronyms (Continued)

PSDS	Private Sector Development Strategy
PSR&DS	Public Service Reform and Development Sector
PS	Permanent Secretary
SAPs	Structural Adjustment Programmes
SIA	Special Initiative for Africa
SIDA	Swedish International Development Agency
SME	Small and Medium Enterprise
SPA	Strategic Partnership for Africa
STPP	Short-Term Priorities Programme
SWAp	Sector Wide Approach
SWGs	Sector Working Groups
TCC	Technical Coordination Committee
TOR	Terms of Reference
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Centre for Trade and Development
UNICEF	United Nations Children's Education Fund
UNDP	United Nations Development Programme
UNDAF	United Nations Development Assistance Framework
UNFPA	United Nations Population Fund[1]
UNIDO	United Nations Industrial Development Organisation
USA	United States of America
USAID	United States Agency for International Development
US$	United States Dollars

[1] Formerly United Nations Fund for Population Activities

With the entry of a new regime, many people inside and outside of Kenya had high hopes for change. The reality has not quite lived up to expectations, but there have been significant improvements in several areas. The granting of free primary education at the start of Kibaki's presidency gained the regime considerable good will and should have long-term positive effects. The Economic Recovery Strategy Plan (Kenya 2003) was drafted in the first months of 2003, and was subsequently accepted by donors as a replacement for the Poverty Reduction Strategy Plan (PRSP). The preparation of the document was donor-funded, but the strategy itself was based on the ruling coalition's political manifesto and was, therefore, home-grown. The economy has picked up, with the GDP growth rate rising from 0.2% in 2000 to 5.8% by 2005 (See Table 2.1). Population growth rates have declined from their highs in the 1980s to a more manageable 2.5%. The general atmosphere is less repressive, with lively political debate and a fair amount of press freedom. Nevertheless, various international human rights groups report violations against specific groups as well as continuing problems with police brutality and interethnic violence. Preliminary results from the 2005/06 Kenya Integrated Household Survey (Kenya 2007a) suggest some decrease in overall poverty levels, but with wide variations from region to region in the country.

Table 2.1: **Kenya, Selected Indicators, 2005**

Population (million)	33.4
Population growth rate (%)	2.5
Area (sq. kilometres)	583,000
National Assembly (members)	224
Ministries	29
Foreign aid as % of GNI	4.3
GDP per capita (US$)	530
GDP growth rate (%)	5.8
GDP per capita (PPP US$)	1,170
Main economic activities	*Agriculture:* main crops are maize, tea, horticulture, wheat, coffee *Tourism:* 1.5 million arrivals/year *Manufacturing and other services*
Main exports	Horticulture, tea, coffee, manufactured goods

Source: Central Bureau of Statistics (2006; 2007)

The government is organised into 29 Ministries (See Table 2.1). Although the main ministries have existed since Independence, there has been a tendency for presidents to add to them to create positions with which to reward those loyal to the regime. The state bureaucracy is inhabited by many well educated civil servants, many holding higher

degrees.

The two sectors selected for this study have had their own histories. The first is a productive sector. The term we use - "inclusive industrial development" - is not widespread. We coined it in an attempt to bring out the importance of including all sizes and types of firms in an industrial strategy and, by extension, in donor support for industrial development. By "inclusive" we mean industrial development that includes local enterprises of micro, small and medium size.[2] This does not mean excluding large and/or foreign enterprises. On the contrary, research on value chains shows that development at the two ends of the size spectrum often goes together.

Governance reform is not a sector in the usual sense, mainly because governance cuts across all sectors (Pierre and Peters 2000). Nevertheless, with the rise of the "good governance" agenda in the 1990s, donors have effectively created a governance sector for purposes of aid. The main strands of governance reform in Kenya have been first, the economic management and market liberalisation associated with Structural Adjustment Programmes (SAPs) in the 1980s and early 1990s, and second the public sector reforms that began with the government downsizing under SAPS but have continued with a focus on anti-corruption and institution-building. Recent reforms have been variously defined, but DFID is probably typical in treating governance as "the capability of governments to get things done, how they respond to the needs and rights of their citizens, and how, in turn, people can hold their governments to account" (DFID 2006). The chief areas of focus have been democracy and human rights, anti-corruption, judicial and legal reform, strengthening of public financial management, public service reform, and public safety and security.

Kenya's industrial development has been segmented and uneven, rather than inclusive (Pedersen and McCormick 1999). Official statistics, government policy, and donor aid all tended to treat medium to large scale firms as "industry" and micro and small ones as "informal sector". To get an idea of the size of the industrial sector, therefore, one has to

[2] We recently found one other reference to "inclusive industrialisation" referring to India: "In India, we have launched a Grand Endeavour—based on the aspiration to modernise society and develop the economy in balanced, equitable ways within a *robustly democratic* and inclusive framework which respects human rights and social justice. We have a unique opportunity to create a shining example of inclusive industrialisation for the world. We must not turn our face against the Great Endeavour." (Praful Bidwai, www.prafulbidwai.net/archives/20070129.col.htm).

put together two sets of figures. Medium to large scale manufacturing contributed approximately 10% to GDP in 2005 (Central Bureau of Statistics 2006). Recent figures for micro and small enterprises (MSEs) are not available, but in 1999 when the national survey of MSEs was carried out, there were about 173,000 firms engaging in some form of manufacturing (CBS, ICEG, and K-Rep Holdings 1999). A very rough estimate suggests that these add another 3-5% to GDP. When employment rather than GDP is considered, micro and small enterprises far exceed larger ones in total numbers.

2.2 Aid to Kenya

Development assistance is motivated by more than a concern for development and development strategy. It is also driven by the political, economic, and institutional circumstances of both donors and recipients (Kanbur, Sandler, and Morrison 1999). This may be especially true of the government-to-government aid that is the subject of this study. In the following sections we look first at the concepts and definitions that are used in the study, and then at recent trends in aid to Kenya.

2.2.1 Aid concepts and definitions

Foreign aid is a broad term describing the help one country gives another through some form of donation. The donors and recipients may be governmental or non-governmental bodies. Donations may go directly from the donor to the recipient, or they may pass through other bodies. Furthermore, the purposes of aid differ, but are commonly grouped into three broad categories: relief, military aid, and development assistance. This study tracks a particular type of aid, official development assistance or ODA.

ODA is government-to-government development assistance. Its standard technical definition is given in Box 2.1. ODA consists of financial flows, technical assistance, and/or commodities that are (1) designed to promote economic development and welfare as their main objective; and (2) are provided as either grants or subsidised loans (Radelet 2006). It is important to note that grants and loans are quite different financial instruments that may be expected to have different impacts on both donors and recipients. The actual DAC definition differentiates between Official Aid (OA) and Official Development Assistance (ODA) (See Box 2.1).[i] The former is available to richer countries and to countries that were formerly part of the Soviet Union or its satellites. The latter is normally targeted to poorer countries (Radelet 2006; World Bank 1998). Most discussions of foreign aid are actually about ODA.

Box 2.1: **Definition of Official Development Assistance**

OFFICIAL DEVELOPMENT ASSISTANCE (ODA)

Grants or Loans to countries and territories on Part I of the DAC List of Aid Recipients (developing countries) which are: (a) undertaken by the official sector; (b) with promotion of economic development and welfare as the main objective; (c) at concessional financial terms [if a loan, having a Grant Element (q.v.) of at least 25 per cent]. In addition to financial flows, Technical Co-operation (q.v.) is included in aid. Grants, loans and credits for military purposes are excluded.

Source: www.oecd.org/glossary

Aid comes in various forms. One common distinction is based on the way it is given. In some cases, donors deal directly with recipient countries through their own aid agencies. This is *bilateral* aid and it is given through agencies such as the UK's Department for International Development (DFID) or France's Agence Française de Développement (AFD). In other cases, donors support programmes and projects as one of many donors. This is *multilateral* assistance and is administered by agencies such as the United Nations Development Programme and the World Bank. Of all official development assistance, roughly one-third is multilateral (World Bank 1998). The traditional bilateral-multilateral distinction no longer covers all donors. For instance, the foundations, trusts, and global funds that are currently growing into important players in the aid arena do not fit neatly into these categories.

Aid is also distinguished by whether it supports projects or programmes. *Project aid* covers many different activities, but is dominated by funds directed towards interventions in health, education, rural development, transport and power, housing, and water supply and sanitation (Riddell 2007). The main purpose of such projects is to achieve specific and concrete outputs, with many projects attempting to fill gaps by providing resources, skills and systems which the recipient country needs but does not have. *Programme aid*, on the other hand, is broader in coverage and objectives. Two types of programme aid have become popular with both donors and recipients. These are sector-wide approaches (SWAps), in which a donor or group of donors supports a particular sector, such as health or education, and budget support.

Projects and programmes must be implemented, and ODA recipients usually designate an *implementing agency*. Implementing agencies are mostly ministries and other government institutions; though in a few cases non governmental organisations implement projects on behalf of the government. UNDP and other international bodies sometimes act as

implementing agencies. All implementing agencies are responsible, not only for project implementation, but also for monitoring and evaluation and for the preparation of accounts and reports on ODA utilisation.

Aid agreements typically set out terms and conditions to be met by the parties. Most of these refer directly to the project or its administration. They are what Martens (2005) calls "input conditionalities" that restrict the recipient's discretion in spending the resources availed. For example, most agreements specify the procurement rules to be followed, accounting and reporting requirements, frequency and content of narrative reports, disposition of capital goods at the end of the project, and so forth. Such conditions, although the subject of much negotiation, are in themselves fairly uncontroversial. More onerous is "tied aid", a form of aid that requires the recipient to buy certain goods and/or services from the donor country. Aid tying is an input conditionality that is generally agreed to be costly. The World Bank (1998) estimated that tied aid reduces the value of that assistance by about 25 per cent. In 2001, the OECD's DAC made a formal recommendation that aid to the Least Developed Countries should be untied (OECD 2006).[3] By 2006, less than 10 per cent of total aid from OECD countries was tied (OECD 2007). This figure, however, must be treated with caution for several reasons. First, there is wide variation between countries in the incidence of aid tying. Countries such as the UK, Norway, Sweden, Ireland and Luxembourg tie less than one per cent of their aid, while others such as Canada, Portugal, and Greece tie between 25 and 40 per cent. Second, the largest single OECD donor, the United States, was not included in the data, yet it is known to tie nearly three-quarters of its aid (Centre for Global Development 2006). Finally, new donors such as China and South Korea are emerging. Some of these tie aid. For example, informal sources suggest that most, if not all, of China's infrastructure aid is tied to the use of Chinese construction companies.

The other broad type of condition is the "output conditionality" that is linked to changes in the recipient's behaviour and institutions (Martens 2005). Examples of output conditionalities are requirements to reform certain institutions, establish new policies, or remove what the donor believes are inappropriate rules and regulations. These were the types of conditionalities that accompanied Structural Adjustment credits and

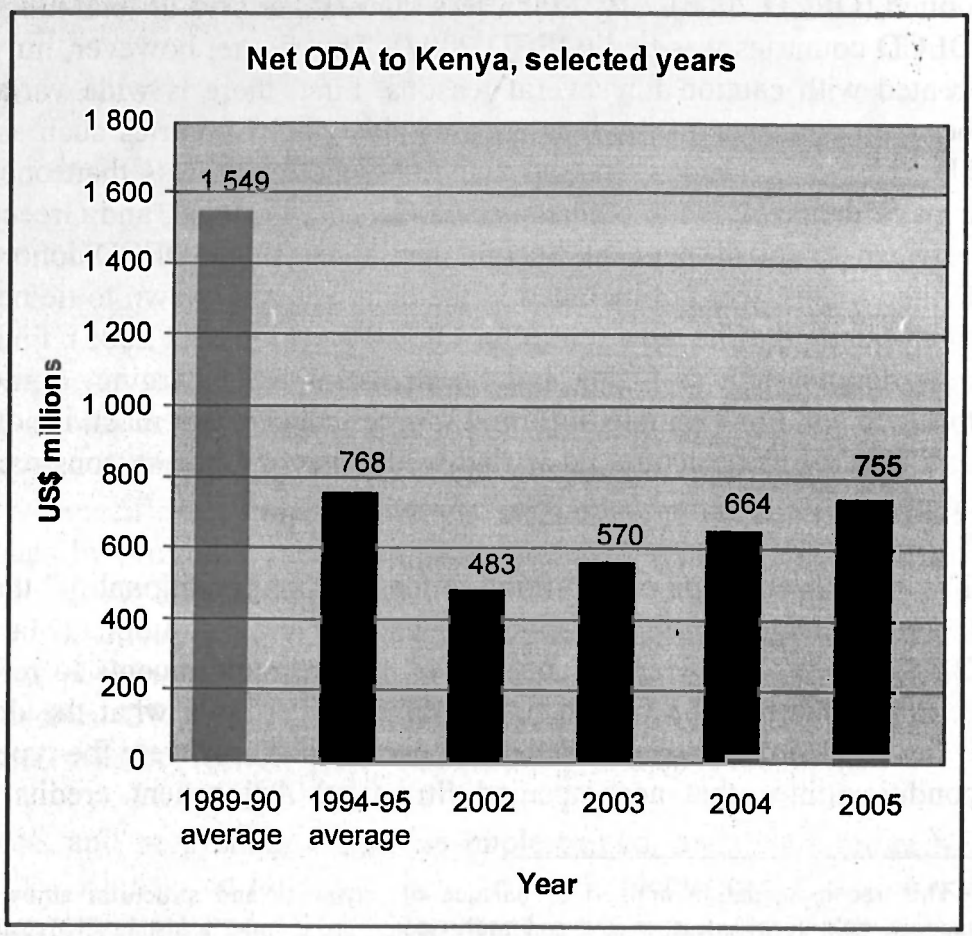
[3] This recommendation applied to balance of payments and structural adjustment support, debt forgiveness, sector and multi-sector programme assistance, investment project aid, import and commodity support, commercial services contracts, and ODA to non-governmental organisations for procurement related activities. It excludes technical co-operation and food aid.

became major sources of tension between donors and aid recipients in the 1980s and 1990s. Both multilateral and bilateral aid is subject to output conditionalities. In some cases the conditionalities imposed by bilateral aid organisations reflect the particular political concerns or priorities of the donor country; in others they mirror conditionalities imposed by the World Bank or other multilateral organisations. China differs from DAC countries in the form of its output conditionalities. In contrast to the emphasis of Western donors on norms of human rights and liberal democracy, China asserts the importance of economic rights and rights of subsistence, but espouses a policy of political non-interference (Taylor 2007). It does, however, insist that recipients adhere to its "One China" policy by refusing diplomatic recognition to Taiwan (Chinese Taipei).

2.2.2 Recent aid trends in Kenya

Development aid is governed by a complex network of institutions and actors that arose in the period immediately following World War II and

Figure 2.1: Net ODA to Kenya, Selected Years



Source: OECD, DAC Data 2005, www.oecd.org

has been subsequently shaped and re-shaped by major events both within and outside the country being assisted. Aid to Kenya dropped drastically in the 1990s (see *Figure 2.1*). This was a reflection both of Kenya's own falling out with the donors over the implementation of Structural Adjustment, and the general decline in aid to Africa following the end of the Cold War (Hjertholm and White 2000; KIPPRA and ODI 2005; O'Brien and Ryan 2001). From US$ 1,549 million in 1989-90, aid had dropped by 50 per cent to US$768 million in 1994-95.[4] The picture during the period of our study, however, was different. Aid, which had reached a very low level by the end of the 1990s, was steadily rising. Nevertheless, with total aid at approximately 4.3 per cent of GNI in 2005, Kenya is not considered to be a highly aid-dependent country.

Not reflected in these figures is aid from countries that do not belong to the OECD Development Assistance Committee (DAC). Of these, China is probably the most significant, especially in the area of infrastructure assistance.

Section 3

Literature Review

This section examines the growing literature on the related topics of proliferation of projects and donors, and the various attempts to rationalise them through coordination. A final section lays out the conceptual framework for the study. The literature is vast and growing. This review is confined to that part of the literature that deals with the forms and extent of donor and project proliferation and the efforts of donors and recipient countries to coordinate aid. It does not include the effects of proliferation and coordination on state capacity. We save this discussion for a further paper.

3.1 Donor and Project Proliferation: Forms, Extent, Consequences

The availability of many donors and projects can in principle be positive. Donors have different strengths, and access to several of them provides recipient countries with diversification and some assurance of a steady flow of resources. There are, however, many problems associated with the proliferation of donors and projects that tend to undermine aid effectiveness and waste the scarce human and financial resources of recipient governments. Unfortunately, much of the discussion has been less than precise about terminology and about the particular issues flowing from proliferation. The following sections

[4] Amounts are in constant 2004 US dollars.

attempt to sort through the growing literature and to draw from it the concepts and issues needed to further our understanding of the effects of donor and project proliferation.

3.1.1 Forms of proliferation

Proliferation of donors and proliferation of projects are closely related, but not identical. We look first at the proliferation of donors. Donor proliferation can be considered at the global level. In 1980 there were already over 80 bilateral, multilateral, and non-governmental organisations providing significant amounts of development assistance to African countries. The world total of official donor agencies is now approaching 200 and results in a web of projects and individual transactions so complex that it is hard to imagine (Riddell 2007). Alternatively, donor proliferation can be defined as the extent to which a given aid donor disperses its aid budget among a portfolio of potential recipients (Acharya, de Lima, and Moore 2004). This is especially useful when the aim is to examine the behaviour of different aid donors and the impact of that behaviour on aid effectiveness. For our purposes, however, still a third definition of donor proliferation is needed, one that reflects our focus on the recipient country. Drawing on a dictionary definition of proliferation as "rapid and often excessive spread or increase (Dictionary.com. 2007), we *define donor proliferation as the rapid increase in the number of donors giving aid to any one recipient country*.

Project proliferation often accompanies donor proliferation, but is conceptually a distinct phenomenon with its own particular problems. *Project proliferation is the multiplication of projects,* which may result from having many donors, each with a few projects, or from the multiplication of projects by a single donor (Morss 1984; Roodman 2006a). There appears to be no single definition of an aid project, but it is generally agreed that projects are limited in duration and objectives. We therefore consider a project to be "a unique venture with a beginning and an end, undertaken by people to meet established goals within defined constraints of time, resources, and quality."(Ohio State University 2004) The main purpose of most ODA-funded development projects is to achieve specific and concrete outputs. Many play some sort of 'gap-filling' role by providing resources, skills, and systems which the recipient country lacks (Riddell 2007). Project aid can be distinguished from programme aid, which is broader in both aims and time frame. Programme aid, according to the OECD (2005a), consists of financial contributions, not linked to specific project activities, extended to a partner country for general development purposes, such as balance of payment support or general budget support. It is often

associated with the promotion of policy reforms at the macroeconomic level and/or in specific sectors.

3.1.2 Extent and consequences of proliferation

The aid literature is filled with stories of poor countries that have hundreds of projects from dozens of bilateral and multilateral donors (Acharya, de Lima, and Moore 2004; Knack and Rahman 2004; Riddell 2007; UNDP 2005; van de Walle and Johnston 1996). On average each aid-recipient country receives aid from 26 official donors (Riddell 2007). Only 13 per cent of recipients have fewer than nine donors, and a quarter of recipients have 30 or more (Acharya, de Lima, and Moore 2004).

The numbers of donors and projects appear to have increased over time, and although there are some benefits to this increased variety, these are largely outweighed by the problems caused by proliferation. The chief benefit of proliferation is the variety of offerings multiple donors bring to recipient countries. Such variety can be helpful, but it may also reduce the potential impact of aid by creating overlap, duplication and inconsistency across aid projects and programmes (Riddell 2007). The variety of donors may also make the process of establishing good working relationships between donors and recipients more challenging. If as some argue, relationship management is as important as money management (Eyben 2006), donor proliferation may be one reason why aid fails to meet its objectives.

The consequences of donor and project proliferation actually lie outside the scope of the present investigation. Nevertheless, we touch on this literature in order to place the work more firmly in the ultimate context of state capacity. The main consequences of donor proliferation are its negative effects on the recipient government, both the immediate effects on work load and transactions costs, and the long-term impact on state capacity. To manage aid well, governments are expected to set up a specialised bureaucracy and ensure that all aid passes through this office (Cassen and Associates 1994). This may well put extreme pressure on governments that are increasingly expected to be lean and efficient. Most discussions of proliferation focus on the increased transactions costs including review of documents, report writing, accounting, multiple meetings with both local donor staff and visitors from home offices, as well as various activities designed to attract future aid (Acharya, de Lima, and Moore 2004; Knack and Rahman 2004; Moss, Pettersson, and van de Walle 2006; Roodman 2006b; van de Walle and Johnston 1996).

Bigsten (2006) points out that although there is a great deal of useful information about the transactions costs associated with donor and project proliferation, there is little empirical evidence showing the size of these costs. An exception to this is the study undertaken by Brown et al. (2000) of aid transaction costs in Viet Nam. This study sought to identify transaction costs of aids in Viet Nam through a combination of detailed questionnaires and interviews with government and donor officials at all levels of aid delivery. The study noted that all aid, even programme aid, leads to transaction costs. It also observed that, compared to the overall volume of aid, *direct* transaction costs are not likely to be very substantial. Furthermore, some of the costs are not unique to aid-funded activities, but are shared by ordinary government projects. Nevertheless there are transaction costs that can be traced specifically to the aid process. They occur at different stages in the project cycle, they take different forms, and their magnitude varies depending on not only on the aid package itself, but also on the nature of the donor and recipient organisations.[5]

There is growing recognition that increasing amounts of aid have long-term negative effects on the institutions of recipient states (Bräutigam and Knack 2004; Morss 1984; Moss, Pettersson, and van de Walle 2006). Morss (1984) identified the process of "institutional destruction" associated with the proliferation of donors and projects. He notes, not only the costs of keeping track of projects, monitoring their progress, and interacting with the donors, but also the institutional destruction that is the by-product of the outpouring of project initiatives. He also identifies the unrealistic expectations of donors, the blurring of lines of authority within government, and the lost opportunities for learning from project implementation as indicators of the destruction of government institutions. In some cases, aid agencies negotiate in their own way with individual ministries, which defeats attempts at overall control (Cassen and Associates 1994; UNDP 2005). Other paths to institutional destruction include the tendency for aid agencies to poach the best government staff (Cassen and Associates 1994; van de Walle and Johnston 1996), the formation of parallel institutions to handle financial and general project administration, the substitution of aid for local tax revenues, donor competition and ever changing aid fashion (Cassen and Associates 1994); and the donor conditionalities which allow little space for government to experiment with its own policy development (Bräutigam and Knack 2004; Moss, Pettersson, and van de

[5] The literature on transaction costs will be explored in more detail in the next phase of this research.

Walle 2006; van de Walle and Johnston 1996).[6]

3.2 Donor Coordination: Concepts, Mechanisms, and Extent

Coordination is a vaguely positive term that needs specification to be useful analytically. This section first reviews the concepts used in the donor coordination discussion, discusses some of the most relevant coordinating mechanisms, and finally touches briefly on the extent of coordination.

3.2.1 Donor coordination concepts

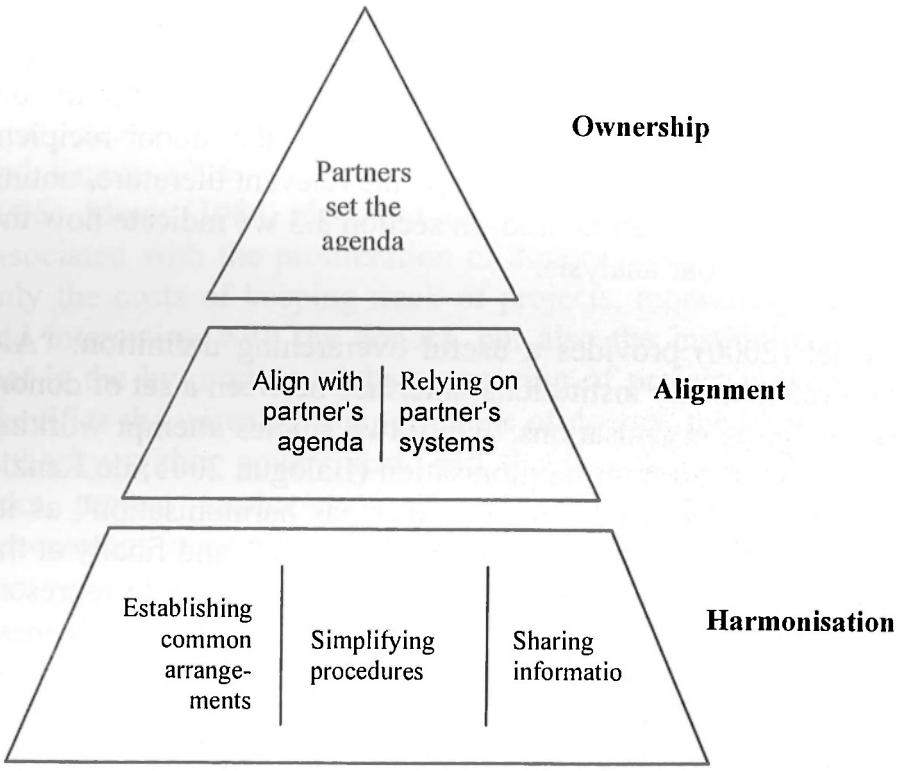
One difficulty in attempting to review the literature on donor coordination is that the term is used in several different ways. For some it is the coordination of the donors, discussing and agreeing among themselves what will be funded and who will fund what portion of the overall aid. For others it is an interactive process that also involves the recipient government, which provides input regarding government priorities. To make matters more complicated, terms like coordination, harmonisation, and alignment are sometimes used as synonyms and at others to represent distinct concepts, such as coordination for donors working among themselves and alignment for the donor-recipient discussions. In this section, we will review the relevant literature, noting the meaning given to the terms used. In section 3.3 we indicate how the terms will be used in our analysis.

Club du Sahel (2000) provides a useful overarching definition: "Aid coordination refers to any institutional interface between a set of donors and partner recipient organisations." Only two studies attempt working definitions of coordination or harmonisation (Balogun 2005; de Renzio et al. 2005). Both start with a pyramid that has harmonisation" as its base (see *figure 3.1*). At the next level is "alignment", and finally at the apex, "ownership". For de Renzio et al. the pyramid seems to represent harmonization, while Balogun labels it the "Aid Effectiveness Pyramid". Balogun (2005) points to the fact that the term harmonisation has two usages within the international community. The first is as a synonym for the range of activities related to strengthening partnerships with partner governments. In this sense it includes the concepts of country ownership, alignment, and a narrower definition of harmonisation (as being something between donors) within it. That narrower definition is the second common usage of the term, namely that harmonisation is the negotiation and eventual agreement among donors about priorities for aid to a particular recipient country.

[6] The literature on state capacity will be explored in more detail in the second phase of the research.

The aid effectiveness pyramid offers insights into aid coordination at country level. At its most basic, coordination involves establishing common procedures that allow donors to work together with each other as well as with Government. These harmonised procedures are the foundation of any coordination effort. The next level is alignment, in which the donors allow the Government's agenda and systems to drive the aid process. For example, instead of the recipient having to adopt the donor's financial year and reporting systems, the recipient's year and systems are used. In order to achieve this, the recipient may, in some cases, have to strengthen its systems to bring them into conformity with international standards. Finally, the ultimate goal of any coordination effort is that the projects and/or programmes no longer "belong" to the donors, but are government-driven with support from donors. This is ownership.

Figure 3.1: Aid Effectiveness Pyramid



Source: Balogun (2005); de Renzio et al (2005)

There are also forms of coordination that transcend individual countries. These broader forms of coordination include the multilateral agencies themselves, the OECD's Development Assistance Committee, as well as international attempts to set a comprehensive aid agenda. The Millennium Development Goals are a current example of the latter. At country level, the main forms of coordination mentioned in the

literature are consultative groups of donors, donor roundtables, sector level meetings and working groups, and the internal bureaucracies of both donors and recipient governments.

3.2.2 Donor coordination mechanisms

Since this study is a country case study, we will focus our attention on country-level coordination. Aid coordination began to be formalised with the establishment of the DAC in 1960. By the mid 1980s some twenty countries had Consortia or Consultative Groups, mostly under the aegis of the World Bank (Cassen and Associates 1994). These were oriented to macro-economic and major sectoral issues. Their annual meetings included senior officials of the recipient country, but were very much donor led meetings.

Table 3.2: **Typology of Aid Co-ordinating Mechanisms**

		FUNCTIONAL CRITERIA			
		Inter-agency Fora	Strategic Planning Frameworks	Platforms	Operational Co-ordination
GEOGRAPHIC CRITERIA	Global	DAC		CGIAR CGAP	
	Regional & sub-regional	ECA SIA SPA ADEA		Club du Sahel CMA FAD	
	Single country		CDF-PRSP UNDAF	Consultative Groups Round Tables	
	Local/ sectoral		Sector Programmes		

Source: Club du Sahel (2000)

Changes in the international context, especially in the latter half of the 1990s, encouraged coordination efforts. The Club du Sahel (2000) points to three factors. The decline in ODA during the 1990s led donors to seek efficiency gains through improved coordination. Growing concentration of partners in particular sectors and countries and the overall increase in the number of development actors heightened the need for coordination. The result, somewhat paradoxically, was the development of "a complex thicket of co-ordination mechanisms and initiatives" (Club du Sahel 2000). These can be roughly classified by geographical scope and function (see Table 3.2). Using the geographical lens, initiatives can be grouped at four levels: global, regional and sub-

regional, single country, and sectoral. By function, coordinating mechanisms can be divided into inter-agency fora, strategic planning frameworks, consultation platforms, and operational coordination. We note, however, that strategic planning frameworks function somewhat differently from the other three. The main elements pertinent to this study are DAC, a global inter-agency forum; the African regional bodies such as the Economic Commission for Africa (ECA); and the single-country and sectoral mechanisms.

DAC is the main global body that aims to improve aid coordination. It does this through high-level meetings, peer review, and thematic networks. The OECD Development Directorate provides administrative support to the DAC. The UN has a range of institutions that attempt to facilitate aid coordination in Africa. Among these are the Economic Commission for Africa (ECA), Special Initiative for Africa (SIA), Strategic Partnership for Africa (SPA), and Association for the Development of Education in Africa (ADEA).

Strategic planning frameworks are institutions set up to be used across countries. The Poverty Reduction Strategy Paper (PRSP) is a good example. Developed by the World Bank, the framework became a condition for receiving certain types of IMF and World Bank funding. As a planning document it required partners to agree on objectives, development cooperation, implementation mechanisms, allocation of resources, and the creation of systems to monitor performance. The United Nations Development Assistance Framework (UNDAF) has the more limited goal of strengthening the coordination of the action of the various UN agencies working on development within a given country (Club du Sahel 2000).

Consultation platforms are co-ordinating arrangements for discussions in which a wide range of partners from North and South meet regularly to build a consensus on development strategies (Club du Sahel 2000). Platforms operate at different levels. The most relevant for this research are the national platforms, generally coordinated by the World Bank or UNDP. The World Bank calls them Consultative Groups and UNDP, Round Tables. They are two-day conferences held roughly every fifteen months, attended by a recipient country's political authorities and representatives of the multilateral and bilateral donors financing development activities in that country. The World Bank and UNDP provide the conference secretariat. Although previously the organising body also chaired the meetings which were held in Paris or Geneva, the DAC now recommends that the meetings take place in the recipient country with that country assuming responsibility for chairing and

organising the agenda (OECD 2003a).

Operational coordination consists of specific activities designed to strengthen the practices and procedures of donors and recipient governments in order to enable them to work together more effectively. In general, they can be divided into three groups: practices between donor agencies, practices within the recipient country, and practices involving both donors and recipients (OECD 2003a). They include various specific measures such as strengthening recipient government's capacity to manage aid, harmonising donors' technical and administrative procedures with those of the recipient country, and strengthening sectoral and multi-sectoral coordination.

The final coordination approach mentioned in the literature is the sector-wide approach or SWAp. SWAps began to be formally promoted in the mid to late 1990s (Riddell 2007). They cut across at country level the three functional categories of strategic planning frameworks, platforms, and operational coordination (see Table 3.2). Two elements characterise a SWAp: the involvement of donor agencies in supporting a sector-wide strategy that is led by the recipient government, and an agreement between donors and the recipient government on the broad outline for implementing and managing the sector strategy within a medium-term expenditure framework (Riddell 2007). SWAps are particularly prominent in support of the health, education, water, and agricultural sectors, but by the early 2000s had begun to be applied to governance reform.[7]

3.2.3 Extent of coordination

Most of the literature implies that there is very little coordination of donors or projects. UNDP (2005), for example, says that "all too often, severely constrained government departments in aid recipient countries have to deal with large numbers of *weakly coordinated* donors ..." (emphasis added). Bigsten (2006), Birdsall (2005) and others imply lack of coordination when they point to the need for new efforts to offset the problems arising from many different donors, each concerned with its own objectives. Some, such as van de Walle and Johnston (1996) and Cuong (2005), describe particular coordination efforts, but do not indicate whether these cover all donors and/or all projects in a given sector. In other words, information on the extent of coordination is

[7] A review of Ireland's 2000-2003 country strategy in Uganda mentions a SWAp in governance in that country. (http://www.dci.gov.ie/Uploads/UgandaExcSumfin.coc.

scanty and what exists gives only a partial picture.

Literature on the extent of coordination also suffers from the varying perspectives of the authors, some of which are strongly held but not evidence-based. For some, coordination is completely positive, and the only problem is that there is not enough of it. DAC is typical of this view, but it is present in the academic literature as well. Others take a more sceptical view of coordination. Birdsall (2005), for example, states that "the idea of solving the problem by greater 'coordination' would ideally yield to much more fundamental change." Still others see that coordination could actually have negative consequences. For instance, Torsvik (2005) demonstrates that the effect of donor cooperation depends critically on the nature of the interaction among donors and policymakers in the country that receives aid. Lack of donor-recipient alignment may actually result in a reduction of total resources to the donors' target group.

3.3 Conceptual Framework

The foregoing review of literature combined with two main bodies of theory gives rise to a conceptual framework for our study of the effects of donor proliferation and coordination on state capacity. It is important to recognise that the framework is intended to guide the entire study, but this paper deals with only part of the story, and therefore, part of the framework. Nevertheless, for the sake of completeness we present the entire model.

The first and most fundamental of the bodies of theory are those that assert that the way society is organised (in short, the institutions of society) determines its performance and development outcomes (Nabli and Nugent 1989; North 1990; Ostrom 2005; Putnam, Leonardi, and Nanetti 1993). Institutions shape human interactions, including the interactions within and between donor agencies, recipient governments, NGOs, and other actors in the aid system (Gibson et al. 2005; Martens et al. 2002). Key concepts include: rules, enforcement by agents, distinction between institutions and organisations, norms, strategies, and incentives. Institutionalism is far from uniform. It cuts across academic disciplines, where its variants are distinguished by their focus on economic, political, or social variables. Even within disciplines institutional approaches are characterised by competing points of view. This paper is situated within the broad stream of institutional political economy, but we intend to explore alternative approaches more fully in a future conceptual paper.

Complementing the institutional theories are theories identifying

complexity and non-linear relationships as key to understanding societal change (Rihani 2002). A central insight from complexity analysis is that the interplay between rules and agents leads to outcomes that are not readily predictable from understanding the individual actors alone (Groves and Hinton 2004). Using the approach requires understanding not only the choices made by individual actors and their position and power within the system, but also of the relationships and networks between actors and the system as a whole. Since with each interaction, relationships evolve and all parties to the relationship are changed, systems are often depicted as irregular and fluid, rather than by the conventional organisational or flow chart. The emphasis on relationships also allows for explicit attention to other concepts such as power and learning in the aid system (Eyben 2006).

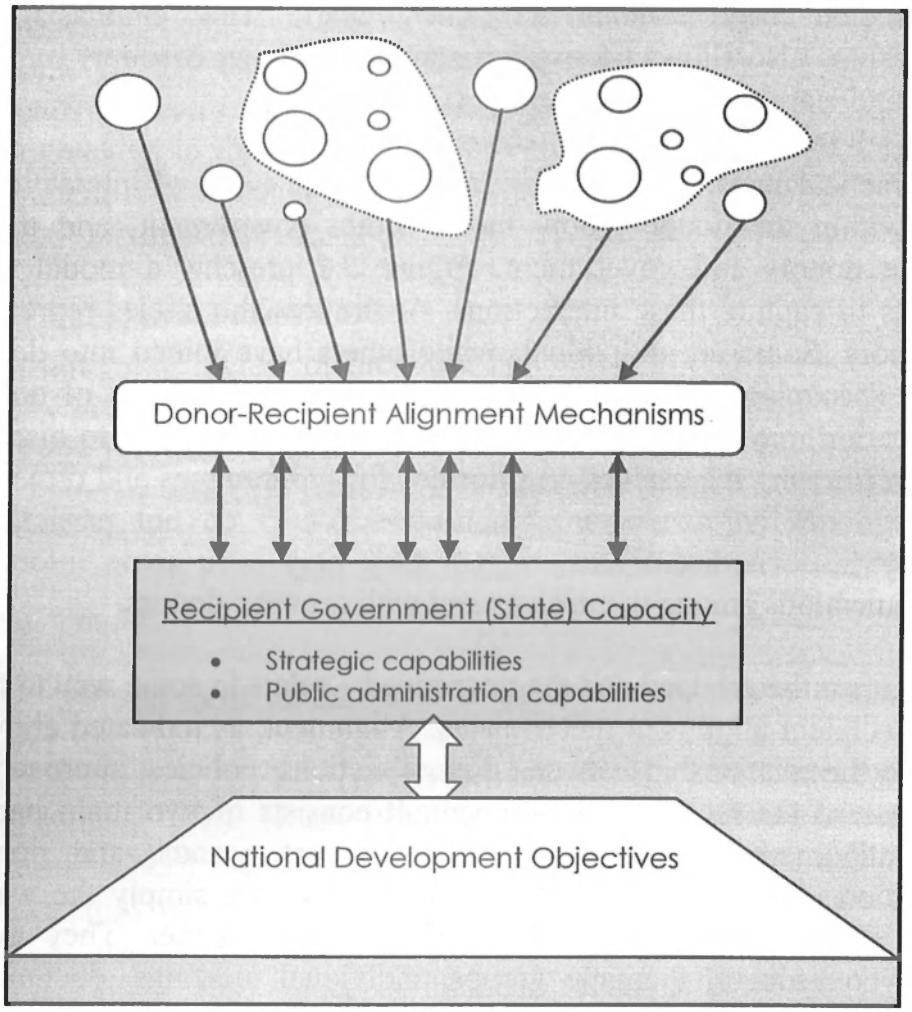
At a practical level, the literature suggests three types of interactions: those within the donor group, those within government, and those between donors and government. *Figure 3.2* presents a model that attempts to capture these interactions. At the top, the circles represent the donors. Some are individual, while others have joined into donor groups. Groupings may be fixed or fluid, and actual levels of donor participation may vary, but the stated purpose is for donors to discuss and agree among themselves on priorities for programmes and projects. This is donor harmonisation. Ungrouped donors do not participate formally in such discussions, though they may have some informal communications among themselves and with grouped donors.

All donors – the grouped and the ungrouped – relate in some way to the donor-recipient alignment mechanisms. Alignment, as indicated above, refers to the relationship between donors' actions, policies, approaches and those of the recipient government. It consists of two main parts: donor alignment with recipient's development agenda, and donor reliance on recipient's systems. The mechanisms are simply the ways donors and recipients have developed to work together. They may include committees, thematic groups, individual meetings, document sharing, parallel organisations, and a host of other practical activities that either contribute to alignment or detract from it. In an ideal world, there is congruence between donor and recipient agendas, and recipient systems are perceived as adequate for the management of donor funds. In such a case it is possible to speak of government ownership of the funded activities.

The alignment mechanisms singly and taken together have an impact on the capacity of the recipient government at two levels. The most

important is the state's strategic capacity, i.e., the ability of the state to design policies and programmes, and implement them in an authoritative and binding fashion. The second is the more mundane area of general public administration, including the government's ability to manage internal and external financial resources, and the closely related ability to procure needed goods and services in an efficient and transparent manner.

Figure 3.2: Conceptual Framework



Both aspects of state capacity, in turn, feed back into donor recipient alignment. The level of the government's strategic capacity determines the quality of the development agenda with which donors are supposed to align themselves. At a practical level, the strategies and plans developed by government become the documents which are to be shared and form the agenda for the various types of meetings. The quality of these has an impact on alignment. The extent of public administration capabilities similarly feeds back into the alignment

process, making donors more or less receptive to using recipient-country financial and procurement systems.

The final level of our model is the most crucial, but actually lies outside the scope of this research. State capacity is believed to play a major role in the development outcomes experienced in the country, and these outcomes in turn feed back into the capacity of the state.

Section 4

Methodology

This section shows how the information needed to answer the research questions was collected and analysed. It also presents some of the challenges encountered by the researchers in carrying out such a study.

The research was designed to be carried out in two phases. Phase 1, reported in this paper, focuses on gathering empirical data to answer two sets of research questions:

1. To what extent has there been a proliferation of donors and projects? Has it increased over time?
2. To what extent has there been donor co-ordination and what form has it taken?

The study uses both quantitative and qualitative methods of data collection and analysis. The study's time frame is the period 2000-2005 inclusive, meaning that all projects active at any time during this period are included in the study. The period was selected by working backwards from 2005, which was the latest year for which complete data could be expected to be available. Going back to 2000 gave six full years of coverage, with the change of government regime coming mid-way through the period.

Answering the first research question required compiling a list of all projects active in each sector between 2000 and 2005. The list included information such as project title, foreign donor agency, national counterpart, implementing agencies, project status, target group, specific objectives, core activities, funding, disbursements, and the geographical location of the project (see Appendix 1 for the template used). The point of entry for assembling such a list was the Ministry of Finance, Department of External Resources (ERD), which in Kenya is the central coordinating body for foreign aid. To gain access to the information, three levels of approval were required: "research clearance" from the Ministry of Science and Technology, a letter of

authority from the Permanent Secretary, Ministry of Finance, and a letter of introduction from the Director, External Resources Department. It took the team four months (early August to early December 2006) to obtain these documents. Data collection in the Department of External Resources began in mid December 2006.

The actual process of collecting the data was challenging. It involved making contact with each of the twelve divisions (donor "desks") located within the ERD to obtain the relevant files, reading the files, and for those that fell within the scope of the project, completing the template. After examining the first group of files, the team developed a system for identifying relevant projects by looking for key words in the project title and/or objectives. Among the key words in governance reform, for example, were governance, anti-corruption, community participation, gender responsiveness, public service, public finance, democracy, and human rights. The comparable list for inclusive industrialisation had terms such as private sector, micro, small and/or medium enterprise, entrepreneurship, income generation. As a further check, we also examined the target group and implementing agencies for their relevance to the sector concerned.

After some initial reluctance to give information, the officers in ERD were very helpful. Nevertheless, identifying relevant files and working around the schedules of the relevant officers was challenging. Poor and inconsistent record keeping, especially for completed projects, made finding all of the files difficult. In some cases information required for completing the project template was not available or had to be gathered from various places. The fact that the officers had many duties and could be out of the office for meetings, training, or other reasons meant that the work sometimes proceeded very slowly. The team used a variety of techniques to compensate for these problems, including using other sources of information to triangulate and fill gaps, helping to clear a store where old files were kept, and remaining positive and patient when appointments were delayed or broken. The bulk of the data collection was completed by late May, but our analysis suggests that some gaps remain, and these are being followed.

Data from the templates were entered into an Excel spreadsheet. This made the data easier to handle and facilitated its sharing between Nairobi and Brighton. Preliminary review of the data allowed the team to refine the criteria for selecting projects as either governance or inclusive industrialisation. A total of 170 projects were selected and logged, but some of these were subsequently dropped as not fitting the criteria. In the end a total of 135 projects were retained: 92 on

governance and 43 on inclusive industrialisation. Throughout this process data cleaning and filling of gaps continued.

Primary data were also collected through key informant interviews with both donor agencies and government ministries and departments (see Appendix 2 for list). The aim is to interview as many as possible of the donors, counterparts, and implementing agencies active in these sectors. The interviews were guided by two interview schedules; one for donor agencies and another for government officers (see Appendix 3). Both contained open-ended questions under the following broad themes: overview of donor and project proliferation, b) effects of proliferation, and c) attempts to overcome donor and project proliferation. Notes were taken and circulated after each interview.

Secondary data were collected through review of published and unpublished works, including books, journal articles, academic papers, government documents, project reports and evaluations, and government and donor websites.

The Excel spreadsheet containing the final list of the projects was the basis for the quantitative data analysis of donor proliferation. Governance and inclusive industrialisation data were analysed separately, and frequency distributions in table and chart form were produced for each of the main variables. Qualitative data were analysed thematically. Data on donor proliferation were mainly used to complement the quantitative analysis. Data on coordination were separated into four groups depending on whether they related to coordination within the donor group, coordination within the government, coordination between donor and government, or other related matters. A stakeholders' workshop, held in Nairobi in July 2007, provided an opportunity to gather further information and to refine our analysis.

Section 5

Findings on Donor and Project Proliferation

This section examines the analysis of the data on donor proliferation, first for the inclusive industrialisation projects and then for governance projects. Data used in the analysis are given in Appendices 4 and 5 respectively.

5.1 Inclusive Industrialisation Projects and Donors

The period 2000 to 2005 saw a significant change in the numbers of both projects and donors in the area of inclusive industrialisation. The

number of active projects more than quadrupled; from 8 in the year 2000 to 33 in 2005 (see Table 5.1).

Table 5.1: **Active Inclusive Industrialisation Projects by Year, 2000-2005**

Year	No. of Active Projects
2000	8
2001	10
2002	15
2003	17
2004	26
2005	33

Source: Own data, 2007

Table 5.2: **Projects Funded by Foreign Donor Agencies in Support of Inclusive Industrialisation in Kenya, 2000-2005**

	Foreign Donor	Number of Projects
Bilateral Donors		*23*
1	USA / USAID	8
2	Germany / GTZ	4
3	UK / DFID	4
4	France/AFD	3
5	Denmark / DANIDA	3
6	Netherlands	1
Multilateral Donors		*20*
7	UNDP	9
8	The World Bank/IDA	7
9	EC/EU	2
10	IFAD	1
11	ILO	1
	TOTAL	**43**

Source: Own data, 2007

Eleven different donors supported these projects (see Table 5.2). Of these six there bilateral: USAID (USA), GTZ (German), DFID (UK), DANIDA (Denmark), AFD (France), and the Netherlands. Five were multilateral agencies: UNDP, the World Bank, the European Union, IFAD, and ILO. Taken together the bilateral agencies had the largest number of projects (23), but the largest single donors were multilaterals.

Table 5.3 shows how the 43 projects were distributed across the years between 2000 and 2005. The overall picture is one of a fairly steady increase in donors and projects over the entire period. Of the eleven donors who supported inclusive industrialisation projects during the

period, six were active in the year 2000. UNDP and the World Bank each had two projects, while the remaining four had one project each. In 2001, the same six donors were active, with the World Bank and the EU adding one new project each. In 2002, USAID brought three new projects, and Germany and the World Bank added one project each. In 2003, the addition of DFID and the ILO brought the number of active donors to nine. The same nine donors were active in 2004, but with more projects. USAID, UNDP, and the World Bank all increased the number of projects supported. In 2005, two "new" donors entered the sector, AFD with three projects and the Netherlands with one. It should be noted that some of these donors were not actually new to the sector. DFID, USAID, and the Netherlands all had a significant presence in business development services and microfinance projects in the late 1990s, but shifted their priorities in the early 2000s. France, UK, and the US more than doubled their total aid between 2000 and 2005 (www.oecd/dac/statistics/).[8] With more money to spend they may well have been looking for viable projects in different areas.

Table 5.3: **Active Inclusive Industrialisation Projects by Donor by Year, 2000-2005**

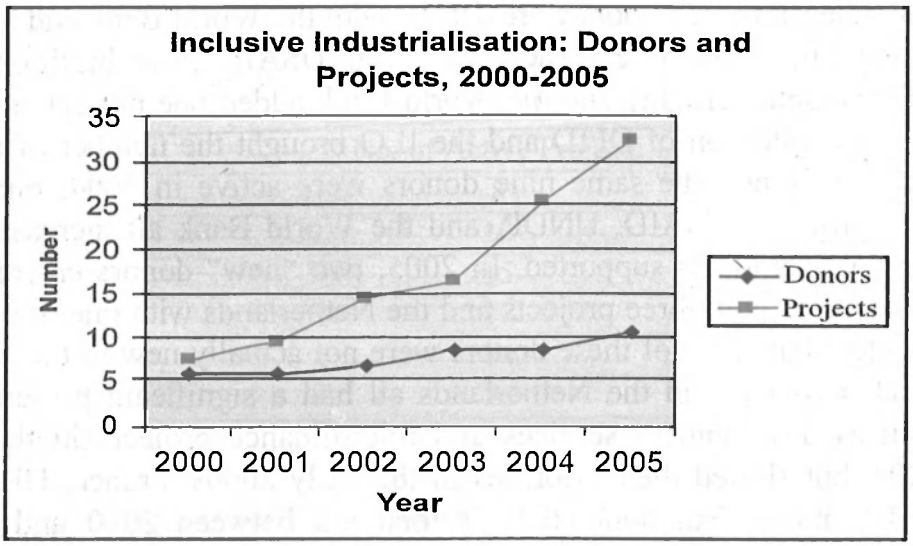
Donor	Number of Active Projects					
	2000	2001	2002	2003	2004	2005
USA / USAID			3	4	7	8
Germany / GTZ	1	1	2	3	3	2
UK / DFID				1	1	4
France/AFD						3
Denmark / DANIDA	1	1	1	1	1	3
Netherlands						1
UNDP	2	2	2	2	7	5
The World Bank/IDA	2	3	4	2	3	3
EC/EU	1	2	2	2	2	2
IFAD	1	1	1	1	1	1
ILO				1	1	1
TOTAL	8	10	15	17	26	33

Source: Own data, 2007

The increase in projects was greater than the increase in donors, as can be seen in *figure 5.1.*

[8] France's total ODA increased from US$ 4,105 million in 2000 to US$ 10,026 in 2005; the UK's total ODA increased from US$4,501 million in 2000 to US$10,767 million in 2005, and the US increased its ODA from US$9,995 million in 2000 to US$ 27,622 million in 2005.

Figure 5.1: Inclusive Industrialisation: Donors and Projects 2000-2005



Source: Own data

Table 5.4: **Active Inclusive Industrialisation Projects by Implementing Agency by Year, 2000-2005**

Implementing Agency	Number of Active Projects					
	2000	2001	2002	2003	2004	2005
National Agencies						
MOF			1	1	1	3
MOT&I	1	1	4	7	11	18
MRTT&T	1	1				
MOA	1	1	3	3	3	4
MOLHRD	5	5	5	3	3	1
MOLG					1	
MOHA	1	1	1	1		
MOTW		1	1	1	1	1
ATIA		1	1	1	1	1
ITDG-EA					1	1
Equity Building Society						1
K-Rep Bank						1
Co-op Bank						1
Gallman					1	1
International Agencies						
UNIDO					1	
UNCTAD					1	1
ITC					1	1
Total No. of Agencies	*5*	*7*	*7*	*7*	*12*	*13*
No of National Agencies	*5*	*7*	*7*	*7*	*9*	*11*

Source: Own data, 2007

In fact, the donors in this sector have remained fairly consistent. Not only are the numbers of donors nearly constant, but these numbers also represent largely the same actors. This is positive, but its coupling with a proliferation of projects and implementing agencies may offset this apparent stability.

The number of implementing agencies has grown from five in 2000 to 13 in 2005 (see Table 5.4). Furthermore, the mix of agencies has changed considerably. In 2000 all implementing agencies were government ministries, with the Ministry of Labour and Human Resource Development implementing or co-implementing five of that year's nine active projects. By 2005, the implementation was widely spread among thirteen agencies. Eleven of these were national, but only five were government ministries. The Ministries of Finance, Trade and Industry, Agriculture, Labour and Human Resource Development, and Tourism and Wildlife managed a total of twenty-seven projects, with the Ministry of Trade and Industry accounting for two-thirds of these. Two international and six local or regional organisations were implementing the remaining six projects.

Finally it is useful to examine what the projects are designed to do in this sector. In the 1990s, projects aimed at small enterprise development could usually be grouped into a few categories, including business development services, micro-finance, skill training, and infrastructure provision. These categories need modification to accommodate the more inclusive approach to industrial development outlined earlier. Our examination of the 28 projects in our study suggested the five categories shown in Table 5.5.

Table 5.5: **Inclusive Industrialisation Projects, 2000-2005, by Category**

No.	Category	Projects	
		N=43	%
1	Micro and small enterprise/entrepreneurship	14	32.6
2	Micro finance	6	14.0
3	Investment climate/overall private sector development	13	30.2
4	Trade and tourism development	6	14.0
5	Other	4	9.2
	Total	43	100.0

Source: Own data, 2007

The emphasis in the 43 Inclusive Industrialisation projects is almost equally divided between projects focusing on small-scale activities and

those addressing the general investment climate and/or overall private sector development. The fourteen projects in the first category aim at the development of micro and small enterprises, foster entrepreneurship, and/or aim to develop income generating activities for poor people and vulnerable groups. Projects in this category are varied, but among them are those that provide training for *jua kali* entrepreneurs, assist women entrepreneurs, or create livelihood opportunities for poor people in rural areas. Category two is micro finance, with six projects. The third category cuts across the full range of private sector activities. It includes projects aimed at improving the investment climate or developing the private sector in various ways. The objectives of such projects include statements about improving the business environment, helping the government to adopt a "more congenial framework and friendlier policies" towards business (Project 60), and supporting private sector development. Category four includes six projects that specifically target externally focused activities such as trade and tourism. Category five includes four difficult-to-classify projects. One (case 26) aims to help municipal governments with their solid waste disposal by promoting small-scale activity, another (case 29) tries to link small and micro enterprises to export markets, another (case 39) is an environmental project with an enterprise component, and the fourth (case 89) has very vague objectives linking economic growth and poverty reduction through enterprise development.

Table 5.6: **Inclusive Industrialisation Projects, 2000 and 2005 by Category**

No.	Category	No. of Projects	
		2000	2005
1	Micro and small enterprise/entrepreneurship	7	7
2	Micro finance	1	5
3	Investment climate/overall private sector development	0	13
4	Trade and tourism development	0	6
5	Other	0	2
	Total	8	33

Source: Own data, 2007

The focus of inclusive industrialisation projects has changed over time. In 2000, the first year of the period under study, seven out of eight projects were in the MSE/Entrepreneurship category (see Table 5.6). By 2005, there were still seven projects in this category, but the largest number of projects fell into the third category of overall private sector development. There were also additional projects in the micro finance, trade and tourism and 'other' categories.

5.2 Governance Projects and Donors

The number of governance projects rose dramatically during the period 2000 to 2005. From only five active projects in 2000, the number of projects rose steadily in the following three years, and then shot up to 63 in 2004 and 79 in 2005 (see Table 5.7).

Table 5.7: **Active Governance Projects by Year, 2000-2005**

Year	No. of Active Projects
2000	5
2001	8
2002	11
2003	15
2004	63
2005	79

Source: Own data, 2007

New projects require considerable time and effort on the part of both donors, national counterparts, and other recipient-country administrative staff. The year 2004 must have been an especially challenging year as 48 of the 63 active projects were new and only 15 were continuing from previous years. In the following year, 26 of the 79 projects were new and 53 were continuing.

Bilateral donors accounted for a total of 32 governance projects between 2000 and 2005, and multilateral donors for 70 projects (see Table 5.8). Of the bilateral donors, the UK's DFID funded the largest number of projects (8), followed by Germany (6), Sweden (5), and Finland (3). Denmark, the USA, the Netherlands, and Canada each had two projects, and Norway and Oxfam had one each. UNDP had 35 projects, which was more than any other donor, bilateral or multilateral. It should be noted that some UNDP projects have funds from other donors. The World Bank, with 18 projects, and UNICEF, with nine, also had more projects than any of the bilateral donors. Compared with these, the remaining multilaterals had fairly small numbers of projects.

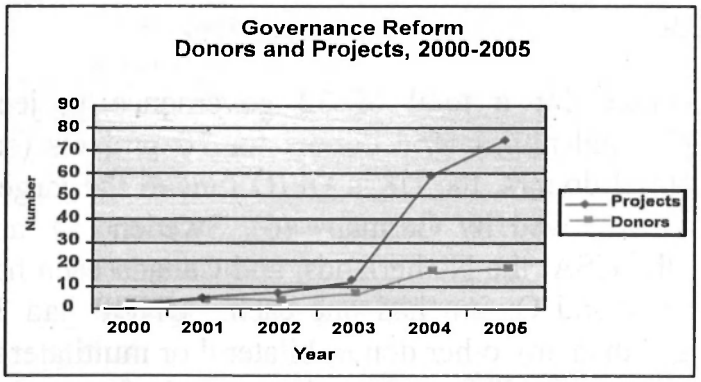
An examination of the donors by year reveals a remarkable increase in the involvement of multilateral donors over the period, especially from 2004 onwards (see Table 5.9). In 2000, the five active governance projects included four funded by bilateral agencies and one funded by the World Bank. Over the next three years there was a slow increase

Table 5.8: **Projects Funded by Foreign Donor Agencies in Support of Governance Reform in Kenya, 2000-2005**

	Foreign Donor	Number of Projects
Bilateral Donors		*32*
1	UK / DFID	8
2	Germany / GTZ	6
3	Sweden/SIDA	5
4	Finland	3
5	Denmark / DANIDA	2
6	USA / USAID	2
7	Netherlands	2
8	Canada/CIDA	2
9	Norway	1
10	Oxfam	1
Multilateral Donors		*70*
11	UNDP	35
12	The World Bank/IDA	18
13	UNICEF	9
14	EC/EU/TTF	4
15	UNFPA	2
16	IFAD	1
17	ADB	1
TOTAL		*102*

Note: The total exceeds the 92 reported projects because some projects have multiple donors. *Source:* Own data, 2007

Figure 5.2: Governance Reform Donors and Projects, 2000-2005



Source: Own data

in multilateral involvement, with governance projects by UNDP, World Bank, and EU. Then in 2004, there was an explosion of

activity, with UNDP initiating 24 new governance projects, World Bank increasing from four to 13, and three new multilateral agencies beginning projects. Additional projects came on line in 2005, though the increase was not as dramatic as in the previous year.

The increase in projects was much greater than the increase in donors, as donors who previously had a single project began to have multiple projects (see *Figure 5.2*).

Table 5.9: **Active Governance Projects by Donor by Year, 2000-2005**

Donor	Number of Active Projects					
	2000	2001	2002	2003	2004	2005
UK / DFID	2	2	3	2	3	5
Germany / GTZ	1	2	3	3	5	5
SIDA	1	1	3	2	3	3
Denmark / DANIDA					1	2
USA / USAID				1	2	2
Netherlands					1	2
CIDA					2	2
Finland					1	3
Norway					1	1
Oxfam					1	1
UNDP		1	1	1	25	30
The World Bank/IDA	1	3	2	4	13	13
UNICEF					6	9
EC/EU		1	1	1	3	3
UNFPA					2	2
IFAD				1	1	1
ADB					1	1
Total No. of Projects	*5*	*8*	*11*	*15*	*63*	*79*
Total No. of Donors	*4*	*6*	*6*	*8*	*17*	*17*

Source: Own data, 2007

Note: In most years, the total number of projects is less than the sums above because some projects have multiple donors.

The sharp rise in the number of projects, mainly from multilateral agencies, is evident in the chart. The sharp rise in the number of projects, mainly from multilateral agencies, is evident in the chart. A total of 26 agencies serve as National Implementing Agencies for the

governance projects (see Table 5.4). Of these 15 are government ministries or departments, three (KACC, KNHCR, and ICGLR) are other public bodies, and 8 (Nos. 19-26 in Table 5.10) are NGOs.

Table 5.10 **Number of Governance Projects by National Implementing Agency, 2000-2005**

	National Implementing Agency	No. of Projects
1	MOJ&CA	21
2	MOF/MOFP	17
3	MOPND	13
4	OP	8
5	CBS (MOPND)	4
6	MOHA	3
7	MOLG	3
8	KACC	3
9	MOT&I and MOTTI	2
10	MOGSC&SS	2
11	MOI&C	2
12	Police Department (OP)	1
13	MOL	1
14	MOE	1
15	MOW&I	1
16	MOA	1
17	Secretariat ICGLR	1
18	KNHCR	1
19	Energy and Sustainable Development Africa	1
20	Law Society of Kenya	1
21	FIDA Kenya	1
22	Eco Tourism Society	1
23	African 2000 Plus Network	1
24	Alwan Communications	1
25	League of Women Voters	1
26	Indigenous Information Network	1

Source: Own data, 2007

Note: The numbers add to more than the 92 reported projects because three projects have more than one National Implementing Agency.

Three Ministries and the Office of the President implement more than half of the 92 projects (Table 5.10). Thus the Ministry of Justice and Constitutional Affairs (21), the Ministry of Finance (17),[9] Ministry of Planning and National Development (13), and Office of the President (8). Other National Implementing Agencies with multiple projects were:

[9] During the period 2000-2002, the Ministries of Finance and Planning were combined into a single Ministry of Finance and Planning. We have combined the two for purposes of this tabulation.

Central Bureau of Statistics (4), Ministry of Home Affairs (3), Ministry of Local Government (3), KACC (3), Ministry of Trade and Industry (2), [10] Culture and Social Services (2), and Ministry of Information and Communications (2).The remaining fifteen agencies were administering one governance project each.

The number of national implementing agencies grew steadily, from only two in 2000 to eight in 2003, and then surged to 20 in 2004 and 25 in 2005 (Table 5.11). The increase in 2004 was across the board, including government, public agencies, and non-governmental organisations. The year 2004 also witnessed the addition of international agencies as implementers of Kenya's ODA-funded governance projects.

The Governance projects can be categorised into nine groups, based on their objectives, target groups, and activities (see Table 5.12). In determining the categories we paid particular attention to the themes of GJLOS and of the Public Service Reform programme. In this sense, the groupings are driven by the data from Kenya. Before finalising the groups, however, we examined those used in a similar study being carried out in Indonesia and found that they match closely.

Table 5.12 (see page 34) shows that the most common theme is 'Democracy, Human Rights and Rule of Law'. This theme appears 41 times in the 92 projects. Some of these are projects aimed at improving participation by all citizens, including women, those living in marginal areas, poor people, and others who might not easily have their voices heard. Others are projects with a focus on protecting the human rights and/or strengthening the rule of law.

These are projects designed specifically to strengthen the capacity of the legal sector, in several cases in collaboration with the Law Society of Kenya. 'Ethics, Integrity, and Anti Corruption' appears as a theme six times. Most projects are aimed at the public service generally, but one is specifically for the police force. The three projects on 'Public Safety and Security' target improved capacity of the police to protect the public. The one project under the Constitutional Development theme aims to enhance awareness of constitutional and democratic rights, especially from a gender perspective. Finally, there were six projects that did not fit easily into any of the above categories.

[10] During the period 2000-2002, the docket of the Ministry of Trade and Industry included tourism. We have combined entries for the Ministry of Trade and Industry with those of the Ministry of Tourism, Trade, and Industry.

Table 5.11:**Implementing Agencies and Projects for Governance Reform, by Year, 2000-2005**

	Implementing Agencies	Number of Projects					
		2000	2001	2002	2003	2004	2005
	National Agencies						
1	MOJ&CA		1	2	4	13	19
2	MOF/MOFP	2	4	5	4	10	10
3	MOPND			1	3	10	13
4	OP		2	2	2	4	6
5	CBS (MOPND)				1	4	4
6	MOHA					3	3
7	MOLG					3	2
8	KACC					3	2
9	MOT&I/MOTTI			1	1	2	2
10	MOGSC&SS					2	2
11	MOI&C					2	2
12	Police Department (OP)					1	1
13	MOL&HRD						1
14	MOE						1
15	MOW&I	1	1	1	1	1	
16	MOA			1	1	1	1
17	Secretariat ICGLR					1	1
18	KNHCR					1	1
19	Energy & Sustainable Development Africa					1	1
20	Law Society of Kenya					1	1
21	FIDA Kenya						1
22	Eco Tourism Society						1
23	African 2000 Plus Network					1	1
24	Alwan Communications						1
25	League of Women Voters						1
26	Indigenous Information Network					1	1
	International Agencies						
27	UNDP/UNDP-DEX					2	2
28	UNIFEM					1	1
	Total No. of Agencies	*2*	*4*	*7*	*8*	*22*	*27*
	No of National Agencies	*2*	*4*	*7*	*8*	*20*	*25*

Source: Own data, 2007

Note: The numbers add to more than the 92 reported projects because some projects have more than one Implementing Agency.

Table 5.12: **Distribution of Governance Themes**

No.	Theme	Projects	
		N=92	%
1	Ethics, Integrity and Anti Corruption	6	6.5
2	Democracy, Human Rights and Rule of Law	41	44.6
3	Justice, Law and Order	10	10.9
4	Public Safety and Security	3	3.3
5	Constitutional Development	1	1.1
6	Legal Sector Reform	7	7.6
7	Capacity for Strategic Leadership and Change Management	29	31.5
8	Public Service Reform	14	15.2
9	Other	6	6.5
	Total	117	100.0

Source: Own data, 2007

Note: The total adds to more than 92 because 21 projects contain aspects of two of the themes and two projects contain elements of three themes. Percentages are based on the number of projects.

Section 6

Findings on Donor Coordination

Donor coordination is prescribed as the antidote for donor and project proliferation. This section reviews the coordination structures and activities that existed in the period 2000-2005. Before taking up sectoral-level coordination efforts, we look briefly at overall aid coordination.

6.1 Overall Aid Coordination

Aid coordination in Kenya involves the Kenya Government and its development partners. Coordination is the comprehensive process described schematically in *Figure 3.2* that includes both donor harmonisation and donor-recipient alignment mechanisms. The main coordinating bodies are summarised in Table 6.1 below.

The period 2000-2005 saw significant changes in both donor harmonisation and the interactions between donors and the Kenya Government. At the start of the period, little was happening. Many donors had withdrawn their support from the Government and

redirected their attention to non-state actors (D4).[11] Only a few, such as Sweden, UNDP, and the World Bank, maintained their relationship with the Government, though at reduced funding levels. The 1996 Consultative Group meeting took place in Paris and proved to be the last such meeting of the Moi regime.[12] According to one donor, the Moi regime was indifferent to coordination. "This was evident in the 1990s when the initial co-ordination efforts were mounted by the donors. They brought negative reactions from Government, and many donors in turn, began to avoid the country." (D4)

Table 6.1: **Coordinating Bodies, Membership, and Task(s)**

Coordinating Body	Membership	Task
Consultative Group (CG)	Donors, jointly chaired by Government and the World Bank	Overall country aid coordination
Donor Coordination Group (DCG)	Ambassadors and heads of donor agencies, under chairmanship of Ministry of Finance	High-level coordination, especially on political issues
Harmonisation, Alignment and Coordination Group (HAC)	Donor representatives with government participation, under chairmanship of one of the donors	Coordinate with Government, facilitate donor harmonisation and alignment, streamline procedures
Sector Working Groups (SWG)	Donors working in particular sector together with Government representatives of that sector	Facilitate coordination within the sector

Source: DAC (2007) and various donor and government interviews

When in January 2003, a new regime took power following President Moi's defeat at the polls, there was immediate interest on the part of both donors and the Government to establish better relations. Several donors supported Government in the preparation of the Economic Recovery Strategy (ERS) document (Kenya 2003), which was intended to establish the policy context for the following five years (G1). When

[11] References to donor interviews are coded with the letter 'D' and a number, and those to government interviews with 'G' and a number.

[12] The World Bank organised the first Consultative Group for Kenya in the early 1970s. This group met regularly throughout the 1970s and 1980s, normally once every two years. In the early 1990s, as donor concerns over economic management grew, there were meetings in both 1990 and 1991, as well as meetings of donors without the government's presence. Programme aid to Kenya was suspended between 1991 and 1993. Following its resumption, four CG meetings were held between 1993 and 1995 (O'Brien and Ryan 2001).

the Consultative Group met on 24-25 November 2003, the changed circumstances were evident. The meeting was held in Nairobi and was jointly chaired by the World Bank and the Government of Kenya. One of the key outcomes of the meeting was agreement on the importance of enhanced donor harmonisation and alignment, with the ERS as its central focus and reference point (Kenya and World Bank, 2003). Government and the donors agreed that there was a need for regular donor-Government meetings, and that Government should work towards a single annual timetable to integrate the ERS and budget processes. Moreover, the Government said that it planned to draw up an aid policy. The donors agreed to produce an annual report that would describe the progress they were making on harmonisation. All agreed that there was need to discuss the donor coordination mechanism.

A direct outcome of the 2003 Consultative Group meeting was the establishment of the Harmonisation, Alignment, and Coordination Donor Group (HAC) in early 2004 (DAC 2007; HAC. 2006). The Donor Coordination Group (DCG), consisting of heads of donor and UN Agencies and their staffs in Nairobi and co-chaired by the World Bank and UNDP, also revived. The HAC Group, however, became the main donor force for coordination and alignment. It consists of fifteen donors: Canada, Denmark, UK, EC, Finland, France, Germany, Italy, Japan, Netherlands, Norway, Sweden, UNDP, USA, and the World Bank. The Swedish Ambassador served as the first chair of the HAC. Office space for the secretariat is provided by the World Bank.

Since its inception HAC has been very active, meeting every two weeks. Nevertheless, it is clear that not all donors are equally enthusiastic about participation (D4, D9). One of the major initiatives of HAC is the development of a Kenya Joint Assistance Strategy (KJAS) for 2007-2012. This would replace the individual donor assistance strategies. Discussions in the HAC seemed to favour rationalising aid by having each donor concentrate on only a few sectors. Yet, as one respondent pointed out: "Whereas the spirit of donor coordination requires only a limited number of donors in a given sector, donors often want to be in as many sectors as possible" (D4). The target for completing the KJAS was April 2007, so it obviously did not directly affect aid in the 2000-2005 period.

UN agencies participate in coordination in Kenya through UNDP's membership in HAC, but the UN also maintains its own strategic planning processes for coordinating and harmonising aid from various UN agencies operating in a country (see Table 3.2).

According to the UNDP respondent, the UN system is based on the agreements set out in the Rome Declaration (D6). For Kenya, this involved a Common Country Assessment, conducted in 2001/2002, which identified challenges and priorities that deserve new and continued programmatic focus by the UN System. This led to the preparation of the United Nations Development Assistance Framework (UNDAF), to serve as the framework for coordinating UN system development assistance to Kenya for the period 2004-2008. The four strategic areas of cooperation identified in UNDAF for Kenya are:

1. Promotion of good governance
2. Reduction of the incidence and socio-economic impact of HIV/AIDS, malaria and tuberculosis.
3. Strengthening of national and local systems for emergency preparedness, prevention, response and mitigation.
4. Promotion of sustainable livelihoods

UNDAF led to the development of a Country Programme Action Plan (CPAP) which is a five-year framework for defining mutual cooperation between the Government of Kenya and the United Nations, covering the period 2004-2008. Programme components are organised by outcomes. Related activities are described in annual work plans, which become annexes to CPAP. According to the respondent, "this new arrangement is meant to address the problem of project or donor proliferation." (D6)

Kenya's aid coordination also includes sectoral working groups (SWGs), designed to bring together donors operating in particular sectors to share ideas and coordinate their activities (see Table 6.1). These are part of the overall coordination structure and their chairs are given TORs by the HAC secretariat. Nevertheless, they have been described as "loose networks without clear terms of reference" (D5). Another respondent was less concerned about TORs. Arguing that donor coordination had partly resulted in competition between donor projects with some pet projects getting lost, she said that donors have to negotiate with Government Ministries in order to ensure that their pet programmes/projects are included in the strategic plans of the relevant Government ministries (D1). Strategic donor interest in particular sectors was seen as one reason why coordination is difficult (D9). Another is differences in organisation. Some aid agencies like DFID are quite decentralised, while others like JICA are centralised. This, according to one donor, makes joint decision-making difficult (D9).

In addition to participating in these donor-led structures, Government has its own set of internal aid coordinating mechanisms. These are spelled out in some detail in the annex to the draft External Resources

Table 6.2: **Kenya Government Organs Involved in Aid Harmonisation and Coordination**

Ministry	Organ/Department	Role and Relevant Function
Ministry of Finance	Minister	· Overall ODA Policy coordination and management · Solicits ODA funding, signs ODA contracts
	External Resources Department	· Identifies, negotiates, and secures sources of external funding on behalf of the Government · Undertakes overall ODA coordination · Monitors ODA inflows · Expedites authorisation of disbursement of donor funds to implementing agencies · Coordinates donor-Government consultative meetings · Facilitates provision of technical assistance from donors to Government ministries and departments · Oversees the integration of ODA funds with the domestic resources via the national budget process · Ensures full involvement in appraisal of new projects · Facilitates line agencies in external resources monitoring and evaluation
	ERD HAC Committee	· Sets Government agenda, taking into account issues of donor coordination as envisaged in Paris Declaration
	Sector Working Groups	· Ensure sector policy consistency · Link with donor SWGs
	Debt Management Department	· Evaluates appropriateness of ODA
	Accountant General	· Releases ODA funds to Implementing Agencies
Ministry of Planning and National Development	National Monitoring and Evaluation Unit	· Monitoring and Evaluation
	Central Planning Units	· Coordination, planning and analysis of donor projects at the line ministries.

Source: Own compilation from Kenya (2006a; 2007d), G4;

Policy (Kenya 2006a) and on the Ministry of Finance's website. Those most relevant to the discussion of aid coordination are presented in Table 6.2. The Ministry of Finance has the major responsibility for coordinating external resources. The Minister is charged with overall ODA policy coordination and management. He also, in collaboration with line ministries, solicits ODA funding and signs all ODA contracts. The External Resources Department (ERD) carries out tasks ranging from identifying sources of external funding to facilitating the line agencies in monitoring and evaluation of the projects they are managing. The ERD has reorganised its structure into twelve divisions which cover all projects from a particular country or donor group.[13]

ERD also has a programme coordination unit, disbursement unit, and technical assistance unit. Other organs/departments within the Ministry of Finance are charged with ensuring policy consistency, linking with donor sector working groups, evaluating the appropriateness of ODA from a debt management perspective, and releasing ODA funds to the implementing agencies. The ERD HAC Committee consists of ERD's divisional heads and is chaired by the Director, ERD. The Committee sets the Government agenda and ensures that the issues of donor coordination as provided for in the Paris Declaration receive adequate attention.

Finally, the Ministry of Planning and National Development, through its National Monitoring and Evaluation Unit, undertakes the monitoring and evaluation of aid projects. Through its Central Planning Unit, the Ministry of Planning and National Development is responsible for coordination, planning and analysis of donor projects at the line ministries.

With this background we turn to the analysis of the coordination of aid in the two sectors under study.

6.2 Coordination of Inclusive Industrialisation Donors and Projects

This section looks at the extent and forms of coordination of activities in support of Inclusive Industrialisation. During the period under examination, there was a fair amount of donor activity, but very little attempt at coordination. In 2005 there were thirty-three active projects

[13] The divisions as of June 2007 are Africa and Regional Organisations; World Bank; Commonwealth, World Food Programme, IFAD/FAO, and UNICEF; Americas, including Latin America and Caribbean; Europe I (Nordic Countries); Europe II (Germany, France, Italy, Spain); Asia/Pacific (Japan, China, Korea, Russia); European Union; Middle East and Arab Countries; Global Fund; UN Agencies. The ERD Disbursement Unit is the twelfth division.

funded by eleven donors (see Tables 5.1 and 5.2). There were no SWAps or other large multi-donor programmes among the thirty-three. Our interview with the Ministry of Trade and Industry, however, identified an important project leading to a SWAp. Its main aim was to develop and produce the Private Sector Development Strategy 2006-2010 (PSDS), which was launched in early 2007. Donors offered to support its development at the Consultative Group Meeting held in April 2005 (Kenya Consultative Group Meeting 2005).

Work apparently began almost immediately. It was funded under the Business Sector Programme Support project (case 104). Our list shows the donor for this project as DANIDA, but sources within ERD said that other donors were involved and they most likely channelled their funds for the writing of the PSDS through DANIDA.

Donor Harmonisation: During the period 2000-2005, donors had a Sector Working Group on Private Sector Development. One donor said that the group met approximately every six weeks, but that the meetings became more frequent during the time of preparation of the Private Sector Development Strategy (D5). During this time, the quality of meetings also improved. Previously meetings were fairly informal, with donors keeping their own notes. Since the development of PSDS, the group has designated a chair and minutes are officially taken and circulated. This is an improvement, but it is costly in terms of donor time (D5). One of our research team had the opportunity to participate in a Private Sector Development Strategy Group meeting in late 2006. During the meeting donors deliberated on various planned projects presented by members of the group, offering input and cautions based on experiences from Kenya and other African countries. Since the PSDS work began, subgroups focusing on business development services, trade, tourism, land, infrastructure, transport and financial services have also emerged (D5). These experiences point to good efforts at coordination. Yet another respondent said that one of the donors funding the PSDS did not consult with others, but instead preferred to deal directly with the Ministry (G5).

Intra-Government Harmonisation: In this sector, coordination within Government has been problematic for some time, partly because of lack of clarity about the division of labour between the Ministry of Trade and Industry (MOTI) and the Ministry of Labour and Human Resource Development (MOLHRD) with regard to micro and small enterprise development. Respondents at the Ministry of Trade and Industry expressed the view that the two ministries should have distinct roles, with MOTI focusing on the core business of trade and industry, and

MOLHRD focusing on training issues (G1, G5). MOLHRD, through the Department of Micro and Small Enterprise Development (DMSED), coordinates a range of activities country-wide aimed at supporting MSEs and their associations (G6). According to the Director of DMSED, most of this work is currently being done through the Government budget, without donor funding. Nevertheless, the functions of the Department of Micro and Small Enterprise (DMSED) listed on the MOLHRD website, seem to perpetuate the confusion of roles between MOLHRD and MOTI (Kenya 2007b). According to one respondent, "attempts to harmonise the operations ... have been frustrated mainly due to lack of political good will from both sides" (G5). Others seem to want to downplay the conflict of roles, lest it appear to be a conflict of persons. Still others – and the Director of DMSED is among these – argue that the ministerial location of DMSED is not especially important; what matters is that there is such a department for the promotion and development of micro and small enterprises in Kenya. What is clear is that there is a need for a fully fledged department for SME. The most logical location for such a department appears to be the Ministry of Trade and Industry, because this would allow for coordination through the new private sector development strategy. A second coordination challenge lies with the projects that are being implemented by neither MOTI nor MOLHRD. Table 5.4 shows that there were four projects in the Ministry of Agriculture, three in the Ministry of Finance, and one in the Ministry of Tourism and Wildlife. A MOTI representative at the Nairobi stakeholders' workshop said that MOTI works closely with the ministries implementing such projects, but the precise mechanisms for such coordination are not clear. Nor is it clear how projects managed by NGOs are coordinated.

Donor-Recipient Alignment: As far as we can see, no overall mechanism for donor-recipient coordination existed during the period 2000-2005 (D7). Our interview with a respondent at the Ministry of Trade and Industry underscored some of the problems:

> "Donors still come with different approaches and demands that disrupt plans in place. A case in point is the study carried out by donors in 2002 on competitiveness. On the basis of this study, they zeroed in to support the micro and small enterprise sector. The sector then ended up with many donors but no direction." (G1)

The Permanent Secretary, Ministry of Trade and Industry, was meeting with the donor's Sector Working Group around the PSDS. In fact, one

of the donors commended the PS for his role in leading the group (D5). This was no doubt valuable and opened up channels of communication, but it is doubtful that it could substitute for a mechanism to coordinate the existing projects in the sector.

Much hope is being pinned on the Private Sector Development Strategy, which is gradually being put into effect (Kenya 2006b). It has a comprehensive implementation framework that provides for all levels of coordination. The experience of the GJLOS programme, however, suggests that institutional frameworks that look good on paper are not automatically translated into active coordination.

6.3 Coordination in the Governance Sector

This section looks at the extent of donor and project coordination in the Governance sector in Kenya. A quick review of the quantitative data shows that there were 79 projects active in 2005 (see Table 5.9). Discussions with donors and government officials reveal that among these are two large multi-donor projects: The Governance, Law and Order Sector (GJLOS) Reform Programme, and the Public Service Reform and Development (PSRD) programme. Together these account for approximately 25 of the 79 projects.[14] GJLOS is coordinated as a SWAp with a structure that includes donors, government, and civil society. PSRD has a secretariat, headed by a Permanent Secretary, within the Office of the President. Some of the remaining fifty or so projects are loosely grouped according to their objectives (e.g., public finance, parliamentary strengthening, electoral process), but coordination is essentially left to the national implementing agencies.

The next three sections analyse coordination separately for GJLOS, PSRD, and then in the remaining projects. Following the conceptual framework presented in section 3.4, we first describe the coordinating structures, and then examine three sets of coordinating activities: donors coordinating with each other (donor harmonisation), coordination of the various arms of Government (government harmonisation), and coordination of Government with the donors (donor-recipient alignment).[15]

[14] Some of the projects are easily identifiable by their titles, but others are not. GJLOS has sixteen donors and there appear to be some additional projects, so we estimate that GJLOS may account for 16-20 projects. PSRD has six donors, so we estimate 6-8 projects. As we continue to collect and verify data, we will try to refine these figures.

[15] We note that in an early interview, the Permanent Secretary in the Ministry of Trade and Industry pointed out these three levels of coordination.

6.3.1 Governance, Justice, Law and Order Sector Reform (GJLOS)

The GJLOS Programme is jointly funded by sixteen donors and includes a wide range of activities under four sector-wide reform priorities: governance reforms, human rights reforms, justice reforms, and law and order reforms (GJLOS Programme Coordination Office 2005; Kenya 2005a). The GJLOS Reform Programme was launched as a five-year programme. This was then subsequently broken down into a one-year (July 2004-June 2005) Short-Term Priorities Programme (STPP) of "quick wins", and a four year Medium-Term Strategy (MTS) of deep-seated reform running from July 2005 to June 2009. One of the outputs of the first year was a detailed document spelling out the medium-term strategy for sector-wide reforms (Kenya 2005a).

The programme is organised as a SWAp. Government sees this approach as recognising systemic inter-dependencies that cut across the sector (Kenya 2007c) and thus going beyond "traditional, narrow, institutional approaches to reform" (Kenya 2005a). Funding is provided by the Government of Kenya and the group of 16 donors. The donors fall into three categories. In Category 1 are five donors who contribute to the basket fund for support of the entire programme. In Category 2 are ten donors with particular arrangements with the Government for support to specific parts of the programme that fall within these partners' mandates. Finally, in Category 3 are three donors who channel their contribution to the programme through multilateral donors.[16]

The Medium-Term Strategy (Kenya 2005a) and the Joint Statement of Intent (Kenya 2005b) are the basic documents of GJLOS. The MTS establishes the programme agenda, while the Joint Statement of Intent spells out agreement among all the partners. It covers the partnership principles; framework for collaboration between Government of Kenya and the Development Partners; goals of the programme and scope of the statement of intent; ownership and sustainability of the programme; responsibilities, representation, organisational structure, and funding arrangements; consultation and decision making; review and evaluation; and various details, such as reporting and disbursement procedures, that are usually found in funding agreements. The Joint Statement of Intent (JSI) makes explicit the intention of the Government and the Development Partners to work within the framework of the Paris Declaration on Aid Effectiveness (OECD 2005b). The JSI also safeguards the SWAp. All financing agreements must mention the JSI. The programme has a complex governance and partnership framework,

[16] Two donors in this last category also give through the basket fund, so the total number of donors signing the Joint Statement of Intent is 16.

as indicated in *Figure 6.1* below.

Figure 6.1: GJLOS Governance Structure

Source: GJLOS Project Coordination Office

The institutional framework for GJLOS has eight management bodies:

1. Inter-Agency Steering Committee (IASC) is a cabinet-level committee that provides political, policy, and overall strategic leadership;
2. Technical Coordination Committee is a representative, decision-making stakeholder forum that also serves as executive link between IASC and Thematic Groups;
3. Ministry of Justice and Constitutional Affairs (MoJCA) is the

coordinating ministry;[17]

4. Ministries, Departments and Agencies sit on Thematic Groups relevant to their area;
5. Thematic Groups provide a forum for implementation tracking, experience sharing, and early problem resolution;
6. Development Partners Consultative Forum (or Donors Group) links all donors to programme coordination and basket-fund donors to FMA;
7. Programme Coordination Office acts as a secretariat to the Technical Coordination Committee in the coordination of GJLOS implementation; and
8. Financial Management Agent (FMA) serves as financial arm of donors in the basket fund.

This structure places Government in control (through the Inter-Agency Steering Committee), provides the opportunity for donors to communicate with one another (through the Donor Group), and offers avenues for donor-government interaction (through the Technical Coordination Committee and Thematic Groups). It also allows for more detailed input from the 32 ministries, departments and agencies participating in the programme (see Box 6.1) as well as from three focal points representing the private sector, civil society, and the development partners. The Ministry of Justice and Constitutional Affairs has a dual role, as the coordinating ministry for the overall GJLOS reform programme, and as an implementing institution with its own GJLOS reform role and mandate.

The Programme Coordination Office and Financial Management Agent are parallel institutions established because donors still feel that they are necessary to ensure efficient coordination and financial management of the programme (D10, D1, and D8). The Joint Statement of Intent (Kenya 2005b) provides that "The continuation of the PCO as part of the programme will be dependent upon the results of the mid-term evaluation that will include an assessment of the need to extend the PCO." The Financial Management Agency manages the basket fund created by the five donors in Category 1 (sometimes referred to as "B-Donors"). The remaining donors are "direct donors" who contribute to particular activities. The level of direct funding has been diminishing; at the same time, the proportion of government funding in the project has been increasing (G11). The fund manager is on a short-term renewable contract. This may mean that capacity building of Government staff is

[17] In the terms we have been using, it is the National Implementing Agency.

not in the manager's interest as it may result in loss of the contract (D1).

Box 6.1: **GJLOS Ministries, Departments, and Agencies**

The 32 ministries, departments, agencies participating in GJLOS are the following:

I. Office of the President - Provincial Administration and Internal Security
1. Kenya Police
2. Administration Police
3. Provincial Administration
4. National Agency for Campaign Against Drug Abuse (NACADA)
5. Department of Governance and Ethics

II. Ministry of State for Immigration and Registration of Persons
6. Department of Immigration
7. Department of Civil Registration
8. National Registration Bureau

III. Office of the Vice President and Ministry of Home Affairs
9. Prisons
10. Probation and Aftercare Services
11. Children's Services
12. Community Service Orders

IV. Ministry of Justice and Constitutional Affairs
13. General Administration and Sector Leadership
14. Department of Legal Affairs
15. Kenya National Commission on Human Rights
16. Kenya Law Reform Commission
17. Kenya School of Law
18. National Anti-corruption Steering Committee
19. GJLOS Reform Programme Coordination Office

V. Kenya Anti-Corruption Commission
20. Kenya Anti-Corruption Commission

VI. Judiciary
21. Judiciary
22. Judicial Service Commission
23. National Council for Law Reporting/Kenya Law Reports

VII. State Law Office/Office of the Attorney General
24. Office of the Attorney General
25. Office of the Solicitor General
26. Advocate Complaints Commission
27. Public Prosecutions
28. Civil Litigation
29. Legislative Drafting
30. Treaties and Agreements
31. Public Trustee/Administrator General
32. Registrar General

Source: Kenya (2007c) and various interviews

The structure of GJLOS provides for interactions among donors, between the various ministries, departments and agencies of the Kenya Government, and between donors and the Government. We analyse the extent to which these actually happened and whether they positively contributed to the coordination of the GJLOS Programme.

Donor Harmonisation: One donor made the point that donors often do not have a common position and have to work for a consensus. Each donor has its own agenda, and dynamics within the Donor Group are not always smooth. Political priorities of donor home countries and home-country perceptions of the recipient are critical determinants of how funds are channelled and managed. The same donor said that coordination among donors is costly, estimating that each donor agency spends about four hours per week in coordination activities. (D1). Policies governing aid also differ from one donor to another. Some, such as the World Bank and USAID, are not allowed to participate in basket funds so they provide their funding directly (Kenya 2005b) D1). This removes them from the FMA and could make them less sensitive to problems surrounding its existence. One donor pointed out that there are advantages to taking a coordinated approach, but there are also risks (D4).

Coordination also encourages standardised approaches which make the aid process more predictable. Nevertheless, when working together there is a higher risk of collapsing/falling together. Also big donors fear that coordination will give small ones a way to be more influential. Donors of all sizes fear loss of visibility. Yet with all of these caveats and difficulties, one donor described the level of coordination in the governance sector as "amazing" (D7).

Intra-Government Harmonisation: At the level of agenda-setting for GJLOS, coordination appears to be weak. Neither the Inter-Agency Steering Committee nor the Technical Coordination Committee meets regularly (Pearson and Associates 2007). Government participation in Theme Groups is also weak. One respondent analysed the problem in terms of the operating and incentive structures of government. Government, he said, is organised vertically from the Minister through the various levels of directors and officers. Reform efforts such as performance contracting have only reinforced this vertical structure by strengthening incentives for civil servants to contribute to meeting the targets of their home ministry (D11). In such a setting, people are unlikely to make participation in horizontal structures that cut across ministries a priority.

All of this, however, means that the Government is not taking advantage of the opportunity provided by the IASC to set direction for GJLOS, and further that the opportunities for more detailed discussions that might happen within the TCC are also being foregone. Financially, there is also a problem of lack of linkage with Medium Term Expenditure Framework (MTEF) and other budgetary processes (Pearson and Associates 2007). Finally, at the level of operations the main hindrance to effective coordination within government appears to be the separation of GJLOS from the mainstream of government operations (G5, (Pearson and Associates 2007). The existence of the two parallel institutions – the FMA and PCO – reinforces this separation. A Government respondent made the point several times that the FMA is now unnecessary because of improvements to government financial and procurement systems (G4). Even donors who disagree with this recognise that the FMA has not built capacity in Government (D7). Capacity building for project coordination is also lacking. The head of the coordination office is an expatriate. The others are Kenyans who were hired in a competitive process from outside of Government. There is no government officer who is involved in the coordination with the ultimate objective of acquiring the skills to carry out the coordination when these expatriates leave (G5). One donor also raised the issue of salaries in the PCO (D7). One Government respondent expressed the view that Technical Coordination Committee is also a parallel unit, and is not integrated into the structures of the Ministry (D10). Despite these difficulties, some important steps appear to have been taken towards better coordination within Government. The Mid-Term Review highlights cooperation between different departments in identifying areas of core competence and avoiding duplication, involvement of sectors and departments traditionally viewed as conservative and exclusive, and active participation of high level GOK officials as major milestones (Pearson and Associates 2007). In addition, there has been some reorganisation in the External Resources Department, especially the realignment of desks managing different agencies and the updating of systems (G4). It is not clear whether these changes are attributable to GJLOS in particular or more generally to efforts to coordinate aid more effectively.

Donor-Recipient Alignment: At the level of agenda, donor-recipient coordination is evident in major documents, especially the Joint Statement of Intent and the GJLOS Reform Programme Medium-Term Strategy document (Kenya 2005a; Kenya 2005b). These documents were produced through an intense collaborative effort, with the intention that they would guide the reform programme. Yet problems remain on both the donor and recipient side that make ongoing

coordination difficult. There is the concern that the GJLOS MTEF has not been fully integrated into Government. There is also concern that even after signing the Joint Statement of Intent, some donors want to impose additional conditionalities (D10). The bilateral interests of donors sometimes take precedence over agreed agenda. The further development and specification of the GJLOS agenda is hampered by the lack of regular Theme Group meetings (Pearson and Associates 2007). One donor said that the Theme Group meetings are long and that it is often not easy to reach a consensus (D9). Several others said that it takes long to reach decisions. At the level of operations, coordination has increased, but there are still some major differences between donors and the Kenya Government. One donor expressed the view that the pulling together of donors in GJLOS had reduced the fragmented approach and eased the burden of the government of reporting to different donors (D1). Both donors and the Government expressed the view that coordination has resulted in lower transactions costs for Government (D3, G4), though donors said that it has increased their transactions costs (D1). Government and donors disagree on whether Government systems have improved sufficiently to be used for aid funds (G4). The PCO and FMA are required by donors, yet clearly resented by Government. Whether they are necessary or not, their current mode of operation is not creating capacity that will affect the sustainability of the reform programme.[18] GJLOS has been negatively affected by the limited multi-year projections for donor funds, as well as their lack of predictability (Pearson and Associates 2007). This has caused budgeting problems and delays in implementation. These are the kinds of problems that coordination is supposed to eliminate!

Thus, this large, complex and, on paper, coordinated project is less coordinated than it at first appears. The lack of coordination reduces the effectiveness of the programme, but one should not lose sight of some of the very real gains brought about by Kenya's first attempt to use a SWAp in the Governance sector.

6.3.2 Public Service Reform

The Public Service Reform programme is charged with coordinating all public service reform efforts, including especially the implementation of a Results Based Management System (Kenya 2007e). The programme is managed from within Government by a Permanent Secretary in the Office of the President (G3). It began in 2005, and is

[18] By mid 2007, Government and the donors had agreed to a one-year extension of the FMA with the proviso that by the end of that year the financial and procurement arrangements for GJLOS would be integrated into government systems (D11).

funded by five donors.[19] The institutional framework for the programme is shown in Box 6.2 below.

The placement of the programme within the Office of the President should ensure Government ownership. The programme structure includes high-level representation of both Government and donors. Explicit inclusion of representatives of the HAC and the Development Partners' Coordination Group is a positive step. Furthermore, the Permanent Secretary who coordinates this programme also sits on the GJLOS Thematic Group on Leadership and Management Development (GJLOS Programme Coordination Office 2005). This should facilitate coordination with this sector-wide programme.

Box 6.2: **Institutional Framework for Implementing Results Based Management**

1. Cabinet
2. Cabinet Standing Committee on Public Service Reforms
3. National Steering Committee
4. PSR&DS
5. Ministerial /Institutional Management Steering Committee
6. Ministerial/Institutional Management Units
7. PSR&D Inter-Ministerial Technical Committee
8. Ministerial/Institutional Public-Private Stakeholder Forum
9. Joint PSR GoK /Head of Agencies Consultative Meeting (HAC)
10. Joint Public PSR GoK/Development Partners Coordination Group

Source: Kenya (2007e)

The programme is newer than GJLOS, so there is less documentation available. The recently completed End-Term Review of the Pilot Rapid Results Initiative is not yet on the website. At this stage, therefore, we lack enough information for a full analysis of interaction among donors, interaction within government, and donor-recipient interactions. We present what we have with the understanding that it will be augmented by further interviews.

Donor Harmonisation: All of the donors are members of HAC, and all are also donors to GJLOS, so one would expect that they have opportunities for interaction on governance reform outside of the structure of this programme.

Intra-Government Harmonisation: The activities of the Results Based

[19] Details of financial arrangements are not provided on the website, and in our early interview with the Permanent Secretary we did not request this information.

Management Programme have high awareness within Government because they touch on civil servants' terms of service and because part of the programme itself – the Rapid Results Initiative -- involves formal launches and leadership orientations at the level of ministries, departments, and agencies within and outside of Nairobi (Kenya 2007e). Furthermore, the project's institutional framework includes a Cabinet Standing Committee on Public Service Reforms and a Ministerial/Institutional Management Steering Committee, both of which should ensure internal Government coordination. We do not know, however, how often this programme is on the agenda of the Cabinet Standing Committee, nor do we know how often the Management Steering Committee meets. In addition, we lack information about the extent of operational coordination achieved among the units involved in implementing the donor-funded programme, nor the effective linkages with GJLOS and other governance-sector projects. A final judgement on the extent of coordination within government will depend on the availability of such information.

Donor-Recipient Alignment: The structural elements for donor-recipient coordination appear to be in place. Two joint structures (nos. 9 and 10 in Box 6.2) provide for government-donor coordination. It is interesting to note that our donor interviews do not mention this programme. They may see it simply as falling under the GJLOS umbrella, it may be unknown to those who are not directly funding it, or its managerial focus may make it less interesting to them. The secretariat is within Government, but it is not clear how the funds are being managed. UNDP's contribution appears on our list of projects housed in the Ministry of Finance, but funds from the other four donors were not among the projects listed. Further information is clearly needed for an adequate assessment of donor-recipient coordination of the Public Service Reform programme.

6.3.3 Other governance projects

Based on the overview of donor coordination in Kenya, we would expect the main coordinating mechanism for the remaining projects to be the Sector Working Group. Our interviews with both donors and government, however, suggest that there is no effective Sector Working Group for the governance sector as a whole. Most respondents, when questioned about the governance sector talked about GJLOS. Only one respondent referred directly to a Sector Working Group, and he said that it has not worked well due to lack of sector strategy, lack of communication, and power struggles within Government (D4).

Section 7

Summary and Conclusions

Aid, not only in Kenya but throughout the world, is rapidly changing. One respondent, describing the situation in the sector he works in, said that it is like attempting to board a moving bus (D11): "When you think you know where you are, it has moved on." Despite these challenges, the study has yielded a number of findings that enable us to draw some preliminary conclusions on the forms and extent of donor and project proliferation and coordination in Kenya during the period 2000-2005.

7.1 Summary of Findings

The first set of findings has to do with donor and project proliferation. Projects and donors proliferated greatly in the between 2000 and 2005, but there were some differences between the inclusive industrialisation and governance sectors. Projects and donors proliferated in both sectors, with projects multiplying more rapidly than donors. The two sectors had a total of thirteen projects from ten donors in 2000. By 2005, they had 112 projects from twenty-eight donors. Donors had nearly tripled, but projects had risen by a factor of ten.

Project proliferation was more pronounced in governance than in inclusive industrialisation. Governance projects rose from five in 2000 to seventy-nine in 2005, while inclusive industrialisation projects grew from eight to thirty-three in the same period. In both sectors, the big jump in the number of projects occurred in 2004. It is not clear how much of this was specific to Kenya, in particular the change of regime, and how much to the general availability of more aid from DAC countries.

Proliferation was accompanied in both sectors by a sharp increase in the number of implementing agencies. In each sector a few implementing agencies accounted for the majority of projects, with the remaining projects scattered over a large number of agencies. In inclusive industrialisation, there was a noticeable shift towards project implementation by the Ministry of Trade and Industry. In 2000 MOT&I implemented twelve per cent of all active projects. By 2005, it was implementing fifty-five per cent of projects.

Government interviews and our own observations suggest that this proliferation had all of the expected effects: multiple meetings involving high-level officials, high levels of administrative effort, pressures on financial and administrative systems, and so forth.

The second set of findings has to do with the extent and forms of aid coordination. We looked first at overall coordination and then at sector-specific coordination efforts. Overall coordination involves three types of efforts: harmonisation among donors, intra-government harmonisation, and donor-recipient alignment. Efforts on all three fronts have been increasing, especially since the promulgation of the Rome and Paris Declarations in 2003 and 2005 respectively (OECD 2003b; OECD 2005b) and Kenya's change of government at the end of 2002. Until 2003 Kenya's main coordination mechanism was the Consultative Group, which met outside of Kenya under the chairmanship of the World Bank. Its main focus was donor-recipient alignment. After frequent meetings in the early 1990s, the Consultative Group process lapsed until after the change of political regime at the end of 2002. Donors to Kenya also used sector working groups for purposes of harmonising their efforts, and UN agencies have used UNDAF, though their usefulness appears to vary from sector to sector. A direct outcome of the 2003 Consultative Group meeting was the establishment of the Harmonisation, Alignment, and Coordination Donor Group in early 2004.

Intra-government harmonisation takes place through the Ministry of Finance, External Resources Department. ERD is making great efforts to capture data and manage the flow of information. It is currently reorganising itself in an attempt to work more efficiently and effectively. Most project information can be accessed through the relevant division in ERD. Two gaps have been identified: disbursement information is lacking on many projects, and agreements and other documentation on projects managed through parallel institutions such as Project Coordination Units or Financial Management Agencies is not generally available through ERD.

The two sectors reflect this general picture, though with some variations. Inclusive Industrialisation projects are loosely coordinated at the donor level by the Private Sector Donor Group. This group became more active from mid 2005 as it became involved in developing the Private Sector Development Strategy. The Ministry of Trade and Industry took a leading role in proposing this new initiative which will transform the existing Private Sector Donor Group into a Private Sector Development Strategy Steering Committee, chaired by the head of Public Service and including key ministries as well as private sector membership.

The governance sector has a large SWAp involving at least sixteen donors in the strengthening of the Governance, Justice, Law and Order

Sector. The SWAp is being implemented through the Ministry of Justice and Constitutional Affairs. The SWAp has a complex coordinating structure that includes at least two parallel institutions (FMA and PCO). The governance sector has a second multi-donor project that is being implemented through the Office of the President. Information about its structure is incomplete at this stage of the research. In addition there are approximately fifty other governance projects that either stand alone or are linked with projects or programmes in other sectors.

Two important documents designed to facilitate aid coordination are being developed. Donors to Kenya are in the process of framing a Joint Assistance Strategy (latest draft, dated May 2007), and the Government has been working for some time on its External Resources Policy (Fourth Draft, dated November 2006). At least one participant in the Nairobi stakeholders' workshop pointed out that the process of developing these documents has been at least as important as the documents themselves.

7.2 Conclusions, Emerging Issues, and Further Research

Both donors and the Kenya Government recognise the problems associated with donor and project proliferation, but despite instituting new approaches and strengthening existing coordination mechanisms, many issues remain. Donors accept in principle the thrust towards harmonisation and alignment outlined in the Rome and Paris Declarations, but some appear to find it difficult to put coordination ahead of their bilateral interests. Differences in the levels of decentralisation in aid agencies may have some impact on coordination, but are probably not the heart of the problem. More relevant is the need for agencies to be seen – by headquarters and home-country taxpayers – as being actively involved in the fight against poverty in Africa.

Donors and Government disagree on the necessity of using parallel institutions for multi-donor projects and/or SWAps. Donors say that Kenyan financial, procurement, and general management systems are not strong enough to handle such large projects efficiently and without corruption. Government officials think that they have made considerable progress in strengthening these systems and resent donors' judgements that they are still too weak to use. Government also believes that little or no capacity building is being done in the existing parallel institutions. There is truth in all of these contentions, and it is important that efforts to find a constructive solution continue. The temporary status of the GJLOS FMA is an effort to find a constructive solution that will allow the FMA to continue while at the same time making

capacity building mandatory.

Another issue of capacity building raised at the Nairobi workshop relates to the ability of government officers to negotiate aid packages. Donors may exert undue influence on the aid agenda and/or its financial and administrative systems if those on the government side lack strong negotiating skills.

The fact that the GJLOS coordination structure is not fully functioning should be taken as a warning by the Ministry of Trade and Industry, which has outlined a similarly complex structure for the Private Sector Development Strategy. If the analysis that attributes the difficulties with the GJLOS structure to a conflict between Government's vertical structures and incentives and the SWAp's horizontal mechanisms may require some rethinking of PSDS processes and structures.

As the Government's main aid coordinating agency, ERD, needs further strengthening. In particular, the conversion from paper to electronic records should be completed so that valuable information can be more easily accessed and shared. The new system needs to include information about projects funded through FMAs as well as those whose funding passes through the Treasury.

The findings on the extent and forms of donor proliferation and coordination represent the conclusion of the first phase of this research. They set the stage for the next phase which will investigate in more detail the effects of proliferation and coordination on state capacity. Research questions to be addressed in Phase 2 of the project are:

a. What is the actual level of transactions costs associated with donor and project proliferation?
b. What is the impact of donor and project proliferation on state capacity?
c. What is the impact of coordination on state capacity?

In addition, it will be important to continue in the coming research to refine the concepts and theories advanced in this paper. It may be useful, for example, to consider coordination as a continuous variable ranging from simple information-sharing to fully integrated agenda setting. Other terms may similarly need unbundling if we are to understand the complex processes involved in giving, seeking, and using external resources.

Two issues of concern to aid globally have hardly been discussed in this study. The first is the role of the Millennium Development Goals as a focal point for aid, and the second is the major thrust towards increasing

aid to Africa. The absence of the MDGs from this analysis is partly due to the choice of sectors for study. The MDGs would no doubt figure more prominently if we had included a sector such as health, education, or water. Recent proposals for massive aid increases to Africa need careful examination in the light of the findings and challenges posed in this paper. Greatly increased aid will only be useful for development if it is well managed. We hope that this study will be helpful to both donors and recipient countries in establishing the mechanisms to ensure that good management. We also recognise, however, that a study of a single country may not be sufficient and that further research is needed, especially comparative studies across African countries.

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Appendix 1: Project Data Template

Project Number	:					
Project Title	:					
Foreign Donor Agency	:					
Foreign Executing Agency	:					
National Counterpart	:					
National Implementing Agency	:					
Project Status / Duration	:		Start Date			
			End Date			
Target Group	:					
Specific Objective	:					
Core Activities	:					
Funding	:	Foreign	US $	Project Total		%
		National	US $	Project Total		%
		Others	US $	Project Total		%
		TOTAL	US $	Project Total		%
Cumulative Disbursement as of 31 December 2005	:	Foreign		US $		
		National		US $		
Terms of Assistance	:	Grant/Loan				
Involvement of National Institutions	:	**Name of Institution:**			**Role/ Activities:**	
Geographic Location	:	**National/Provincial/District Level**				

Appendix 2: Interviews Conducted

Interviewee	Date
1. Royal Danish Embassy	10 April 2006
2. USAID	12 April 2006
3. CIDA	13 April 2006
4. Swedish Ambassador (Chair HAC)	25 April 2006
5. PS, OP	26 July 2006
6. PS, MOT&I	5 May 2006
7. MOF, Director, External Resources Department	20 November 2006
8. UNDP	5 December 2006
9. World Bank	20 December 2006
10. EU	24 January 2007
11. ERD, Asia Pacific Desk	3 March 2007
12. Director, ERD	17 April 2007
13. Germany-GTZ	24 April 2007
14. MOT&I	2 May 2007
15. MOJCA-GJLOS PCO, Chief Technical Coordinator	8 May 2007
16. Embassy of Japan	7 May 2007
17. MOLHRD, Department of MSE, Director	23 July 2007
18. MOJCA-GJLOS PCO, Strategy, Planning, Budgeting	24 July 2007

Appendix 3: Interview Guides

a) Guide for Government

DONOR PROLIFERATION AND STATE CAPACITY RESEARCH PROJECT

Institute for Development Studies, University of Nairobi

Interview Schedule for Government Officials, Department of External Resources, Ministry of Finance/Treasury

Main question: How does proliferation of donor agencies and projects affect state capacity in recipient countries?

Sectors of focus: Small and Medium Enterprises; and Governance

Time frame: 2000-2005.

Defining State Capacity: The ability to design policies and programmes and implement them in an authoritative and binding fashion.

An over view of donor proliferation	1. How do you describe the level of donor activity in Kenya? • Generally? • In the two sectors? • Why this level of activity? 2. What is the number of projects? • Generally? • In the two sectors? • Why this number of projects? 3. What are the differences between: • Donors? • Sectors? 4. What are some of the changes experienced generally and in the two sectors between 2000 and 2005 with regard to: • The number of donors? • The number of projects? • New donors and donors dropping off? • Shift in interests?
Effects of donor proliferation	5. What are the effects of having many donors/projects in a particular sector? 6. Have there been any particular effect (s) of donors/projects generally and in the two sectors with regard to the following: • Transaction costs incurred by the government, donor or both?

	• Government's ability to develop and pursue a strategic approach (i.e. design and implementation of policies and programmes in the sectors)? • Government's ability to learn from good and bad experiences? • Formation of parallel organizations like Project Implementation Units? • Types of parallel organisations formed (i.e. external, internal and consultancies)? • Reason(s) for their formation and their numbers over a period of 2000 to 2005?
Overcoming donor proliferation	7. Are there efforts by the government to overcome proliferation? • Generally? • In the two sectors? • If yes, what are they? • What is the motivation? • The outcomes? • Some of the strengths and weaknesses? 8. What are their particular impacts on the levels of transaction costs? • Generally? • In the two sectors? • On the government? • On the donors? 9. What is the general reaction of donors to such initiatives?

b) Guide for Donors

DONOR PROLIFERATION AND STATE CAPACITY RESEARCH PROJECT

Institute for Development Studies, University of Nairobi

Interview Schedule for Donor Agencies

Main question: How does proliferation of donor agencies and projects affect state capacity in recipient countries?

Sectors of focus: Small and Medium Enterprises; and Governance

Time frame: 2000-2005.

Defining State Capacity: The ability to design policies and programmes and implement them in an authoritative and binding fashion.

An over view of donor proliferation	1. What is the level of involvement of your organisation in funding projects? • Generally? • In the two sectors? • Why this level of activities? 2. How many projects does your organisation fund? • Generally? • In the two sectors? • Exactly how many in over a period of 2000 to 2005? • Why this number of projects? 3. Are your aware of some projects by other donors in these sectors? • If yes which donors? • Their general level of involvement? • The number of their projects in the two sectors? • Why the number of projects in the two sectors? 4. What are the differences in terms of projects between: • Donors? • Sectors? 5. Have you experienced any change(s) generally and in the two sectors between 2000 and 2005 with regard to the following: • Number of donors? • Number of projects? • New donors or donors dropping off? • Shifts in interests? • Reasons for the changes?

Effects of donor proliferation	6. What in your view as a donor are the effects of having many donors/projects in a particular sector? 7. Has there been any particular effect from the projects funded by your organisation in the two sectors with regard to the following: • Transaction costs incurred by the government, donors or both? • Government's ability to develop and pursue a strategic approach (i.e. design and implementation of policies and programmes in the sectors)? • Government's ability to learn from good and bad experiences? • Formation of parallel organisations like project implementation units? • Type of the parallel organisations (i.e. external. Internal and consultancies)? • Reasons for their formation in your organisation and their numbers between 2000 and 2005?
Overcoming donor proliferation	8. Are there efforts by donors or the government to overcome proliferation? • Generally? • In the two sectors? • If yes, how do donors go about it? • What is the motivation? • Some of the strengths and weaknesses of such efforts? 9. What are their particular impacts on the levels of transaction costs? • Generally? • In the two sectors? • On the government? • On the donors? 10. Is there a trend to fewer larger projects among donors? • Generally? • In the two sectors? • If yes what motivates them to do so? 11. Do donors have links with each other in sectors where they have multiple projects? • If yes what stage do they link with each other? • Why the link? 12. Have you seen a change in government's approaches to multiple projects? • The nature of change? • Reason for change?

Appendix 4: Inclusive Industrialisation Projects (selected variables)

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
3	Japanese Grant for the preparation of a privatization and private sector competitiveness project	IDA		MOF	MOF		12/12/2002	31/07/2005	US $ 846,00
11	Micro, Small and Medium Enterprise Competitiveness Project	IDA		MOF	MOT&I		08/04/2004	31/12/2009	US$ 2,175,000
18	Micro and Small Enterprise Training and Technology Project	IDA		MOF	MRTT&T	Jua Kali Federation, Jua Kali Associations	25/05/1994	30/06/2001	Ksh 15,700,000
21	Regional Trade Facilitation Project	IDA		MOF	ATIA		08/06/2001	30/06/2011	US$ 28,130,000
26	Increased sanitation levels, and associated income-generating activities, through municipal solid waste management in the Nairobi metropolitan	UNDP		MOF	ITDG-EA	NEMA (National Environment Management Authority), NCC (Nairobi City Council), ILO, UNEP, UN-Habitat, UNICEF	May-04	31/12/2007	US$ 100,000

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
74	Microfinance Sector Support Credit	AFD		MOF	MOF		25/05/2005	31/10/2010	Ksh 920,000,000
81	Increased Rural Household income	USAID		MOF	MOA		19/08/2002	30/09/2009	US$ 7,707,702
83	Private Sector Promotion in Agriculture GTZ	Germany - GTZ		MOF	MOA		Sep-02	Dec-08	Ksh 294,432,000
86	Central Kenya Dry Areas Project	IFAD		MOF	MOA	MOPND, MOA, MOWI, MOH, MOSGSS, MOL&F	2000-	2009	Ksh 1,356,000,000
88	Kenya Post Literacy Project	Germany-GTZ		MOF	MOLHRD, MOHA		1999	2003	DM 1,700,000
89	Advisory Services for Urban Development	Germany-GTZ		MOF	MOLG		2004		Euro 900,000
104	Business Sector Programme Support (BSPS)	DANIDA		MOF	MOTI	MOT&I, MOLHRD, OP, MOF	28/12/2005	2010	DDK 150 million
105	Agriculture Sector Programme Support (ASPS)	DANIDA		MOF	MOA	MOF, MOPND; Livestock and Fisheries Department; MOCD (Ministry of Cooperatives Development); MOLHRD	24/05/2005	24/05/2009	DDK 180,000

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
29	Linking Small and Micro-enterprises to Export Markets	UNDP	International Trading Centre (ITC)	MOF			01/01/2004	31/12/2008	US$ 169,950
38	Lelechwa and Bio-product production and marketing in Kenya	UNDP		MOF	NGO (NATL) - Gallman Memorial Foundation	M.E.&NR and Wildlife; MOE; KEFRI and KWS	1/ /2004	Dec-06	US$ 190,000
39	Women Entrepreneurship Capacity Development	UNDP	UNIDO	MOF		ILO, MOT&I, MLHRD, KBS, MOA and Livestock Production, EPC, IPC, EPZDA	01/01/2004	31/12/2004	US$ 130,000
60	Enhancing Capacities Through Trade Expansion and Diversification	UNDP	UNCTAD	MOF			01/01/2004	Dec-08	US$ 200,500
63	Micro Finance Sector Support	AFD		MOF	Equity Building Society, K-Rep Bank and Coop Bank		25/05/2005	31/10/2010	Euro 10.000.000
68	Micro Enterprise Development (MESP)	EU		MOF	MOT&I		Jan-97	2006	Ksh 1 billion

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
156	Promotion of Private Sector Development in Agriculture	GTZ		MOF	MOTI		Jun-03	Jun-15	USD 3,990,000
157	MSE Policy	USAID		MOF	MOTI		30-Jun-04	30-Jun-07	USD 547,500
158	Financial Sector Deepening Kenya (FSD-K)	DFID		MOF	MOTI		Jun-05	30-Oct-07	USD 22,171,500
159	Interfirm linkages between MSEs and Formal Enterprises	ILO		MOF	MOTI		Jun-03	Jun-08	
160	Coastal Micro Enterprise Development Programme (CMEDP)	USAID		MOF	MOTI		Sep-04	Sept 30 2009	USD 1,227,500
161	Kenya Trade and Poverty Programme (KTPP) Revised in 2004 for direct implementation by GoK	DFID		MOF	MOTI		Sept 30 2005	August 31 2007	USD 1,696 000
162	Kenya Business Development Services Programme (JBDS)	USAID		MOF	MOTI		Sept 08 2002		USD 5,963,989

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
110	MEDP (Micro Enterprise Development Programme)	DANIDA		MOF	MOLHRD	Not given	Jan-99	Jun-05	DKK 43,75 million
111	Trade and Poverty Project	DFID - UK		MOF	MOTI	Not given	Nov-05	Dec-07	Ksh 481 million
114	Technical Assistance to Ministry of Finance	France (AFD)		MOF	MOF	Not given	Oct-05	Dec-08	Ksh, 25,800,000
120	Tourism Trust Fund (TTF)	EU		MOF	MOTW	Not given	May-01	Dec-07	Ksh 1.2 Billion
128	Micro Small Enterprise Training and Technology Project	IDA		MOF	MOLHRD	Not given	25.5.1994	31/12/2002	US$ 100,000
130	Employment and sustainable livelihood programme (ESLP)	UNDP		MOF	MOLHRD	Not given	31/9/1999	31/05/2003	US$ 3,812,000
131	Availing easy access for markets and financial services to poor women through ICT (Kisii)	UNDP	Not given	MOF	MOLHRD	Not given	Jul-03	Jun-04	US$ 60,000
132	Microstrat	UNDP	Not given	MOF	MOLHRD	Not given	Nov-98	2002	US$ 1.7 million
133	Micro Enterprise Infrastructure support	UNDP	Not given	MOF	MOLHRD	Not given	Jan-04	Dec-04	US$ 100,000

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
163	Kenya Microfinance Capacity Building Programme (KEMCAP)	USAID		MOF	MOTI		26-Jun-05	31-May-07	USD 1,889,967
164	Strengthening Enterprise Skills and Market linkages-Pilot value chain matching grant	World Bank		MOF	MOTI		Jun-05		USD 4,000,000
165	Strengthening Enterprise Skills and Market linkages-Global business school networks	World Bank		MOF	MOTI		Jun-02		USD 2,000,000
166	CBI Training Programme	Netherlands		MOF	MOTI		Dec 31 2005	Dec 31 2007	USD 412,300
167	Business Services Market Development	DFID		MOF	MOTI		Apr-03	Jun-08	USD 8,211,450
168	North East Pastoral Development Project(NEPDP)	USAID		MOF	MOTI		Jun-04	Sept 30 2008	USD 1,997,594
169	Kenya Horticultural Development Programme (KHDP)	USAID		MOF	MOTI		Sept 30 2003	Sept 30 2007	USD 7,498,507
170	Kenya Dairy Development Programme (KDDP)	USAID		MOF	MOTI		Sept 30 2002	March 31 2007	7USD 7,022,966

Appendix 5: Governance Reform Cases (selected variables)

Case No.	Project title	Foreign Donor	Foreign Implementing Agency	National Counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
1	Norwegian grant for the Kenya Public sector Management Technical Assistance project	IDA		MOF	MOJ&CA		20/10/2003	31/12/2004	NOK 7,000,000
2	Grant for capacity building to support gender responsive implementation of the expanded legal sector reform programme.	IDA		MOF	MOJ&CA		17/10/2004	30/09/2007	US $ 489,000
5	Grant for Strengthening capacity for monitoring and evaluation	IDA		MOF	MOP&ND		05/09/2003	2006	US $ 499,000
6	Southern Nyanza Community Development Project	IDA	IFAD	MOF	MOP&ND	MOF, MOH, MWRWD, MOA, MOLFD and MGSCSS, the provincial Planning, officer Nyanza, Head of rural planning department (MOFND)	01/01/2004	2005	US$ 10,900,000
8	Grant for capacity building of the legal profession	IDA		MOJ&CA	LSK		10/07/2004	2005	US$ 256,000

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National Counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
10	Kenya Financial and Legal Sector Technical Assistance Project	IDA	DFID	MOF	MOF	MOJCA, CBK	26/06/1905	2009	US$ 17,690,000
12	Capacity Building Gender Responses	IDA		MOF	MOJ&CA		17/10/2004	30/09/2007	Ksh. 34.86 million
19	Public Sector Management Technical Assistance Project	IDA		MOF	OP		26/09/2001	30/06/2004	Ksh 11,900,000
22	Public Sector Management Technical Assistance Project	IDA		MOF	MOF		07/03/2001	31/07/2001	US$ 200,000
23	Kenya-Japanese Grant for the preparation of the poverty support credit	IDA		MOF	MOF		18/02/2005	09/09/2005	US$ 828,500
24	Capacity Building Support to Expanded Legal Sector	IDA		MOF	MOJ&CA		17/10/2004	30/09/2007	Ksh 34.86 million
25	Capacity Building support to Expanded Legal Profession	IDA		MOF	MOJ&CA		27/10/2004	30/09/2007	Ksh 17.92 million

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National Counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
27	Support to preparation of the international conference of the Great Lakes Region	UNDP		MOF	Secretariat ICGLR	Friends of the Great Lakes Region, Secretariat of the ICGLR i.e. the office of the special Representative of the Secretary General in the Great Lakes, National Preparation committees, UNDP Tanzania, UNDP Zambia, UNDP Rwanda, UNDP Burundi, UNDP DR Congo, UNDP Uganda, NGOs and CBOs.	Jan-04	Jun-05	US$ 10,025,000
28	Strategic support to energy planning to meet MDG requirement (Energy Access and services)	UNDP		MOE	ESDA (Energy and Sustainable Development Africa)	ITDG-EA	Jul-04	Jun-05	US$ 100,000
30	Improving Public Sector Management, Coordination and Networking short title: Public Sector Management and Development	UNDP		MOF	OP		01/01/2005	31/12/2005	USD 1,470,023

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National Counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
32	Effective economic reform monitoring, policy analysis and design	UNDP		MOF	MOF		06/01/2004	31/05/2006	USD 1,191,587
33	Mainstreaming MDGS in Kenya's Development Process	UNDP		MOF	MOP&ND	MOF, Line Ministries, UN WIDER and Private Sector	07/01/2005	30/06/2006	US$ 1,788,750
34	Support to National Execution Project	UNDP		MOF	MOF&P		04/01/2001	04/01/2004	US$ 700,00
35	Promotion of Impartial and Transparent Administrative Justice	UNDP		MOF	UNDP Kenya	Judiciary, MOJCA, AG	07/01/2005	30/06/2006	US$ 115,500
36	Capacity Building for the Police Department	UNDP/TTF		MOF	OP and KACC		04/01/2004	31/12/2004	US$ 100,000
37	Promotion of women's rights through engagement with policy makers	UNDP		MOJCA	FIDA Kenya	KNHRC,MPs, Gender Depts, CSOs, Kenya Police	07/01/2005	30/06/2006	US$ 160,000
40	Mainstreaming MDGS Project	UNDP		MOF	MOPND	Ministry of Finance, Line ministries - Agriculture Health Education and Gender, UNIFEM and Other UN Agencies, NGO Council Action Aid	07/01/2004	30/06/2005	US$ 464,000
42	Data collection and	UNFPA/UN		MOF	CBS		2004	2005	US$ 384,000

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National Counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
	database development	DP							
43	Information and Communication Policy and Framework	UNDP	UNESCO	MOF	MOI&C	OP, UNESCO-University of Nairobi, UNDESA	Jul-04	Jun-05	US$ 150 000
44	UN Volunteers Intermediation Strategy (UNVIs)	UNDP		MOF,OP,MOPND	UNDP	UNV, UNICEF, UNFPA, UNRC Unit, CBS, MOPND/Rural Planning Dept	07/01/2004	20/06/2005	US$ 308 000
45	Achieving Targeted Results for Kenya. Public Service Reform	UNDP		MOF	OP		07/01/2004	2008	US$ 640, 545
46	External Aid Policy	UNDP		MOF	MOF		06/01/2004	31/05/2005	US$ 50,000
47	Mainstreaming Millennium Development Goals within the National policy, planning and budgeting processes	UNDP		MOF	MOPND	MOA, MOE, MOLG, UN Agencies	06/01/2004	30/06/2005	US$ 464,000
48	Public Service Reforms (Short Title; Achieving Targeted Results for Kenyans (Title)	UNDP		MOF	OP		2005	2008	US$ 540,445
49	Community Level Eco-tourism Initiatives	UNDP		MOTW	Eco Tourism Society of Kenya	MENR, MOTI, KWS	07/01/2005	31/12/2005	US$ 45,320
50	Credit Rating for Kenya	UNDP		MOF	MOF	MOPND, CBK, Standards and Poor	01/01/2004	31/12/2004	US$ 120,000

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National Counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
56	Preparatory Phase of Kenya's capacity 2015 partnership programme	UNDP		MOF	MOPND	Rural Planning Department, UNDP Drylands, Poverty and Environment Initiative, NEMA, Africa 2000 Network	07/01/2004	31/12/2004	US$ 100,000
57	Domesticating NEPAD/APRM processes in Kenya	UNDP		MOF	MOPND (through NEPAD, APRM Secretariat)		Aug-04	Jul-05	US$ 100,000
58	Assisting communities together - Kenya	UNDP		MOJCA	UNDP/DEX	KNCHR, KHRC, COVAW, UNDPK, CEMERIDE, UNICEF	Jun-04	Jun-05	US$ 36,500
59	Strengthened National Capacity for Promotion and Protection of Human Rights	UNDP		MOJCA	KNCHR	MOJCA	Jul-04	Jun-05	US$ 52,000
61	Anti-Corruption Training (ACT)	UNDP		MOF	KACC	Egerton University	09/01/2004	30/06/2005	US$ 233,000
62	Safer Cities Project Nairobi	UNDP	UNHABITAT	MOF	MOLG	NCC	01/01/2004	31/12/2004	US$ 158,000
64	Kenya Trade and Poverty Programme	DFID	Africa Policy Agents, London	MOF	MOTTI (Ministry of Tourism, Trade and Industry)	MOT, MOTI	04/01/2002	2005	£601,335

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National Counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
51	Training, Research, Advocacy and Governance (TRAG) programme Short Title: Anti-Corruption Training (ACT)	UNDP (Denmark funds)		MOJCA	KACC	Egerton University	09/01/2004	30/06/2005	US$ 233,000
52	Gender Equity, Equality and Empowerment of Women	UNDP/UNFPA		MOF	MOGSC&SS		2004	2008	US$ 72,008
54	Gender Mainstreaming for improved governance	UNDP		MGSCSS	UNIFEM	Ministry of Gender, Sports, Culture and Social Services, other government ministries, private sector and UN agencies.	06/01/2004	31/05/2005	US$ 100,000
55	Integrating HIV/AIDS into Community Development Initiatives	UNDP		OP	African 2000 Plus Network (A2+N)	Natural Aids Control Council, Kenya Aids NGO Consortium, Pathfinder International, KELIN Capacity 2015	07/01/2004	30/06/2005	US$ 85,000

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National Counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
65	Support to Legal Sector Reform	DFID		MOF	MOJ&CA		Jan-05	Jun-07	Ksh 147 million
66	Children's Participation	UNICEF		MOF	MOHA		Jan-04	Dec-08	Ksh 20 million
67	Juvenile Justice (Children's Department)	UNICEF		MOF	MOHA		Jan-04	08-Dec	Ksh. 30 million
70	Rural Poverty Reduction in Local Government	ADB		MOF	MOLG		Sep-04	Jun-05	Ksh 2.1 billion
73	Democratic Governance Project	CIDA		MOF	MOJ&CA	Human NGOs; Civil society organisation; government institutions, departments and agencies	Jan-04	31/12/2008	Ksh 360,000,000
75	Financial/Legal Sector Support	DFID/UK		MOF	MOF		05/12/2005	Dec-10	Ks 700,000,000
77	Governance, Justice, Law and Order Sector Support	Germany-GTZ		MOF	MOJCA		14/11/2005	31/10/2008	Euro 3,400,000
78	Technical assistance to the Ministry of Finance	FINLAND		MOF	MOF		Oct-05	Dec-08	Ksh 25,800,000
79	Promotion of Democracy and Good Governance	USAID		MOF	MOJ&CA		19/08/2003	30/09/2009	US$ 14,254,400
82	Kenya Enterprise Development Program: Fund for Economic Development	USAID		MOF	MOPND, CBS & MOTI		20/05/2004	30/09/2009	Ksh 625, 823,951
87	Kilifi District Development Programme (KDDP)	Germany - GTZ		MOF	MOW&I		1999	2004	Euro 1,580,000

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National Counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
90	Transmara Development Programme	Germany-GTZ		MOF	MOA		2001	2005	Euro 2,045,167
91	Governance, Justice, Law and Order sector Reform Programme (GJLOS) short term priorities programme 2003/2004	Netherlands		MOF	MOJCA		Oct-05	30/06/2009	Ksh 882,352,843
92	Governance, Justice, Law and Order sector Reform Programme (GJLOS) short term priorities programme 2003/2004	SIDA		MOF	MOJCA		10/01/2005	30/06/2009	SEK 15,000,000
93	Governance, Justice, Law and Order sector Reform Programme (GJLOS) short term priorities programme 2003/2004	DANIDA		MOF	MOJCA		10/01/2005	30/06/2009	Ksh 46,131,400
94	Governance, Justice, Law and Order sector Reform Programme (GJLOS) short term priorities programme 2003/2004	DANIDA, Germany, Netherlands, Norway, and SIDA	Head of Missions of the donor funding agencies	MOF	MOJCA		12-May-04	30-Jun-06	25 Mill SEK, 17 Mill NOK, 3 Mill Euro, 10Mill DN, Euro 810,000
96	Sector Programme Support for Governance, Justice, Law and Order sector Reform Programme (GJLOS)	Finland	MOFA-Finland	MOF	MOJCA	CIDA, DFID, USAID, USAID, UK, SIDA, EC, UNDP, UN-Habitat, UNICEF, UNDESA	10/01/2005	06/03/2009	Euro 8,000,000

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National Counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
97	Good Governance and Decentralisation	Germany-GTZ		MOF	MOJCA		18/05/2004	06/01/2006	Euro 511,291.88
98	Governance, Justice, Law and Order sector Reform Programme (GJLOS)	CIDA	CIDA & DFID	MOF	MOJCA	Government of Germany, Denmark, Netherlands Norway and Sweden	19/04/2004	30/06/2005	Pound 3 Million & CD 350,000
99	Democratic Government Support Programme	EU		MOF	MOJCA& OP	Parliament, AG, KHRC, ALGAK, FKE, Council of NGOs. EC Delegation	01/01/2001	Dec-06	Ksh 660,000, 000
100	Enhanced Awareness of Constitutional and Democratic Rights from a Gender Perspective short title: Civic education	UNDP		MOJCA	League of Kenya Women Voters (LKWV)	Davger, FIDA, Institute for Education in Democracy (IED), National Council of NGOs and UNDP United Nations Volunteer Intermediation strategy (UNVIS)	07/01/2005	30/06/2006	
101	Good Governance - GTZ	Germany GTZ		MOF	MOJCA	Not given	02/01/2002	31/12/2006	Ksh 49,083,900
102	Promotion human rights through enhanced awareness on gender - based violence	UNDP		MOJCA	Alwan communications	Not given	01/01/2005	Dec-05	US$ 140,000

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National Counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
112	Support to pastoral development and contact management	OXFAM (UK)		MOF	OP - Special programmes	Not given	09/09/2004	09/09/2006	Ksh 8,187,500
113	Domesticating NEPAD/APRM	UNICEF		MOF	MO Education	Not given	08/01/2005	30/06/2006	US$ 100,000
115	Support to Governance, Justice, Law and Order sector, Reform Programme (GJLOS) and the short term priorities programme (STPP), 2003/2004	Finland	FMA (Finland Management Agency)	MOF	MOJCA	Not given	29/07/2004	31/12/2005	Euro 600,000
116	Gender Project	UNICEF		MOF	MSGSS	Not given	Jan-04	Dec-08	Ksh. 30 million
117	Public Sector Reform	UNICEF		MOF	MOJCA	Not given	01/01/2005	06/03/2006	USD 1,655,00
121	Rural Poverty Reduction in Local Government	EU		MOF	MOLG	Not given	Sep-04	2008	Ksh. 2.1 billion
123	Southern Nyanza Community Development Project	IFAD		MOF	MOPND	Not given	Jan-03	2012	Ksh 1,335,000,000
134	Economic Recovery Strategy for Wealth and Employment implementation and monitoring	UNDP		MOF	MOPPND	Not given	01/01/2005	31/12/2005	US$ 383,500
135	Strengthening Capacity of the External Resources Department	UNDP		MOF	MOF	Not given	01-Jun-04	2005	US$ 100,000
137	Support to a personnel and consultancy fund	SIDA		MOF	MOF	Not given	07/01/2002	30/06/2005	Sk 10,000,000

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National Counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
138	Integrated financial management and information system project	SIDA		MOF	MOF&P	Not given	06/10/2002	31/12/2004	SK 22,000,000
139	Strengthening Government Finance and Accounting Functions - Phase 3 stage 1	DFID, SID and World Bank		MOF	MOF	Not given	Mar-00	2002	US$ 4.64 million
141	Huris (Human Rights Strengthening) Kenya Pilot on Indigenous Human Rights Mainstreaming	UNDP		MOJCA	Indigenous Information Network (NGO)	UNRC, NGOs and CBOs	Jan-04	Jan-05	USD 60,000
142	Capacity Building for the police department: promotion of good governance and realisation of rights	UNDP		MOF	OP: Police Department	CIDA, DFID, USAID, SIDA, Gvt of Australia among others(not mentioned)	Jan-04	Jan-08	USD 100,000; Australian D 100,000; Swedish Kroner 8Million
143	National Statistical system in Kenya (STATCAP)	IDA		MOF	CBS-MOPND		Apr-04	Jun-06	
144	Strengthening Capacity and Evaluation of CBS	IDA		MOF	CBS-MOPND		Sep-03	04/09/2006	
145	Preparation of Economic Recovery Strategy Support Credit	IDA		MOF	MOF		18/02/2005	30/09/2006	
146	Financial Sector Technical Assistance (FSTAC)	IDA/DFID		MOF	MOF		12/02/2004	2004	
147	Preparation for the poverty reduction support Credit	IDA		MOF	MOPND		18/02/2005	30/09/2007	
148	UK/Kenya Strengthening Government finance and accounting functions	DFID		MOF	MOF		26/05/2000	2004	

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National Counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
138	Integrated financial management and information system project	SIDA		MOF	MOF&P	Not given	06/10/2002	31/12/2004	SK 22,000,000
139	Strengthening Government Finance and Accounting Functions - Phase 3 stage 1	DFID, SID and World Bank		MOF	MOF	Not given	Mar-00	2002	US$ 4.64 million
141	Huris (Human Rights Strengthening) Kenya Pilot on Indigenous Human Rights Mainstreaming	UNDP		MOJCA	Indigenous Inform ation Netw ork (NGO)	UNRC, NGOs and CBOs	Jan-04	Jan-05	USD 60,000
142	Capacity Building for the police department: promotion of good governance and realisation of rights	UNDP		MOF	OP: Police Department	CIDA, DFID, USAID, SIDA, Gvt of Australia among others(not mentioned)	Jan-04	Jan-08	USD,100,000; Australian D 100,000 Swedish Kroner 8 Million
143	National Statistical system in Kenya (STATCAP)	IDA		MOF	CBS-MOPND		Apr-04	Jun-06	
144	Strengthening Capacity and Evaluation of CBS	IDA		MOF	CBS-MOPND		Sep-03	04/09/2006	
145	Preparation of Economic Recovery Strategy Support Credit	IDA		MOF	MOF		18/02/2005	30/09/2006	
146	Financial Sector Technical Assistance (FSTAC)	IDA/DFID		MOF	MOF		12/02/2004	2004	
147	Preparation for the poverty reduction support Credit	IDA		MOF	MOPND		18/02/2005	30/09/2007	
148	UK/Kenya Strengthening Government finance and accounting functions	DFID		MOF	MOF		26/05/2000	2004	

Case No	Project title	Foreign Donor	Foreign Implementing Agency	National Counterpart	National Implementing Agency	Collaborators	Start Date	End Date	Total Funding
149	National Statistical system	DFID		MOF	MOPND		May-05	04/05/2010	
150	Support National Land policy	DFID		MOF	MOL		Apr-05	Jun-07	
151	Mainstreaming Millennium Development Goals	UNICEF		MOF	OP		01/06/2005	01/06/2006	
152	Vital Statistics-Civic Registration	UNICEF		MOF	MOI		01-Jan-04	Dec-08	
153	Social analysis and policy support	UNICEF		MOF	MOHA		Jan-04	Dec-08	
154	Programme Planning and Coordination Support	UNICEF		MOF	MOPND		01/01/2004	Dec-05	
155	Poverty Reduction Budget Support Programme (PRBS II) 9ACP KE 03	EU		MOF	MOF		01/11/2005	Jun-05	

[i] The Development Assistance Committee (DAC) is a committee of the Organisation for Economic Cooperation and Development that serves as a key forum for major bilateral aid donors.