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This study was conducted on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). The views expressed are the independent conclusions of the authors. The BMZ views the study as a contribution to the international discussion on the monitoring of Poverty Reduction Strategy Papers (PRSPs). The complete study - the main report and the country cases - is available in German and English. The summary and the country cases studies of Burkina Faso and Nicaragua are also available in French and Spanish, respectively.

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## Abbreviations

BMD	Budget Monitoring Department
CBS	Central Bureau of Statistics
CiReCa	Citizen Report Card
ERS	see ERSWEC
ERSWEC	Economic Recovery Strategy for Wealth and Employment Creation (also shortened to ERS) of the NARC government. Together with the investment program IP-ERS, it forms the full PRSP for Kenya.
IEA	Institute for Economic Affairs
IP-ERS	Investment Program for the Economic Recovery Strategy. With the ERSWEC, it forms the full PRSP for Kenya.
KANU	Kenya African National Union, the former governing party of President arap Moi
KEPIM	Kenya Participatory Impact Assessment
MTEF	Medium-Term Expenditure Review
NARC	National Rainbow Coalition (new governing party)
NESC	National Economic and Social Council
NPED	National Poverty Eradication Program
PER	Public Expenditure Review
PPA	Participatory Poverty Assessment
PS	Permanent Secretary
SPAS	Social Policy Advisory Project of GTZ

## 1. Origin and Characteristics of Kenya's Poverty Reduction Strategy

### 1.1 Political and economic background

Regime change at the beginning of 2003

In December 2002, the KANU government under Daniel arap Moi, president of Kenya for 24 years, was voted out of office. In a landslide victory, the National Rainbow Coalition (NARC) with its president, Mwai Kibaki, took over official functions. This regime change represents in every respect a break with Kenya's political history, one which also has impacts on the country's poverty reduction strategy.

Twelve years of impoverishment

In recent decades, Kenya has gone from being relatively rich by developing-country standards to being relatively poor. On the Human Development Index for 2003, Kenya ranks 146<sup>th</sup> of a total of 173 countries. An extremely weak economic growth rate, well below the rate of population growth in the 12-year period 1990-2002/3; an ever-steeper imbalance in income and wealth distribution; falling rates of domestic investment and savings as well as of foreign investment; and degradation of its material and social infrastructure and public services mark Kenya's steady economic and social decline since 1990.

The negative trend of recent decades is quantitatively reflected in the depressing state of the socio-economic indicators as the new millennium begins:

- The per capita income for 2002 of USD 360 (at current exchange rate; USD 990 at purchasing power parity) is less than the 1990 level (USD 380).<sup>1</sup>
- With a Gini coefficient of 44.9, Kenya in 2000/1 is on a global scale among the countries with the highest degree of inequity in distribution of income and wealth.<sup>2</sup>
- The proportion of the population with an income below the poverty line<sup>3</sup> (USD 1 per capita and day) rose from 43.3 percent (1990) to an estimated 56 percent (2002).<sup>4</sup>

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<sup>1</sup> By comparison: the average per capita income of the sub-Saharan countries in 2001 was USD 570.

<sup>2</sup> Based on the 1997 welfare monitoring survey. However, no-responses as usual distort the real imbalance, so this figure must be regarded as the lower limit. Cf. here World Bank: Kenya: A Policy Agenda to Restore Growth, 18 August 2003, pp. 21 ff.

<sup>3</sup> The nationally defined poverty line per adult and per day in Kenya is USD 0.57 (rural areas) or USD 1.20 (urban areas). By this standard, in 1997 53 percent of the rural and 50 percent of the urban population were living below the poverty line.

- Many of the social targets of the eight MDGs<sup>5</sup> (such as life expectancy, infant mortality, HIV rate, primary school rate, etc.) have slid back as compared to 1990, so that the first MDG balance drawn in 2003 came to the “off-track” result.<sup>6</sup>

The principal causes: corruption and “bad governance”

Poor governance, a high degree of corruption at all levels and the resulting absence of foreign investment and donor funding are the principal causes of this development.

New government seeks to combat corruption and stoke the economy

The new government under President Kibeki started the turnaround and in its first year in office took the initiative at an unprecedented pace to revitalize the economy, restore Kenya's attraction for foreign investments and bring to an end the extensive donor boycott. Among the principal social achievements of the new government, which otherwise is seen primarily as business-oriented, was the elimination of all school fees for basic education as promised in the party's electoral platform. Among its more important projects are the removal of corrupt officials from the civil service and the overall reduction of the endemic corruption, the privatizing of numerous public enterprises and the preparation of a new constitution, which can be expected to increase substantially the role played by local institutions.

## 1.2 Origin of the poverty reduction strategy

The Moi PRSP was an attempt to normalize relations with the BWIs.

Although Kenya is not a heavily indebted poor country (HIPC), it is nevertheless among those countries that because of their low per-capita incomes do not receive loans from the World Bank at market conditions but at concessionary rates or as subsidies. The attempt to improve the very poor relations with the Bretton Woods institutions, caused by corruption and poor governance, was of decisive importance for Kenya's submission, under the KANU/Moi government, of an interim PRSP in June 2000. Its immediate predecessor was a National Poverty Eradication Plan (NPEP), published in 1999 with a planning horizon up to 2015.

This I-PRSP was drawn up by the finance ministry with little participation by other ministries and minimal participation by the civil society. Notwithstanding, the Joint Staff Assessment (JSA) by the World Bank and IMF came to the conclusion that the I-PRSP offered a sound basis for development of a fully participatory PRSP and for granting privileged financing by the World Bank and IMF.<sup>7</sup> Thereupon the IMF granted Kenya

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<sup>4</sup> The findings of the three Welfare Monitoring Surveys are comparable to only a limited extent. But what is certain is that the incidence of poverty has grown in recent years. Cf. World Bank: Kenya: A Policy Agenda to Restore Growth, 18 August 2003, pp. 20 ff.

<sup>5</sup> Millennium Development Goals

<sup>6</sup> Cf. Government of Kenya, Issues For Discussion At The Donor Consultative Group Meeting, November 24-25, 2003.

<sup>7</sup> see IMF/IDA, JSA of ERS Preparation Status Report, November 7, 2003 p.1.

a Poverty Reduction and Growth Facility (PRGF) loan, further payment of which, however, was cancelled in the same year.

The three-year full PRSP for 2001-2004, begun in November 2000 with a comprehensive consultation and participation process, was laid before the Bretton Woods institutions (BWIs) in a first draft in June and in a revised version in September 2001.

Nevertheless, an exemplary degree of participation ...

The openness and scope of the consultation process surprised even Kenya experts. With the overall objective of allowing Kenyans at all social levels to share in the process, including the poor and the vulnerable, and of identifying their development needs and priorities in participatory, comprehensive, constructive and credible form, the key goals of the process were articulated as:

- to interlink policy, planning and budgeting
- to achieve quality expenditures and increase efficiency
- to set up a harmonized financing framework for equitable distribution of national resources and development initiatives
- to expand participation and ownership in a transparent, open and accountable way
- to give the poor a voice
- to monitor and evaluate poverty reduction and growth strategies.

... at all levels

The PRSP consultation program included both the national and local levels. Mixed consultation committees were established. At province and village level in 25 districts, in-depth consultations (whole series of events down to meetings at village level) and in the other 45 districts at any rate single-stage consultations were conducted. In addition, at municipal level in ten selected districts participative poverty studies (PPS) were carried out.

At national level, various working groups were involved in preparing papers: nine thematic and eight sectoral groups<sup>8</sup>, under the leadership of the finance ministry with involvement of other ministries and civil society organizations. The conclusion reports of the consultations in all 70 districts of the country were integrated into the process at national level. The overall result of the PRSP was discussed and accepted in a National Stakeholder Forum.

It is true that a number of aspects of the participative process can be criticized (time pressure, the representative character of participants in workshops, the way in which consultations were conducted, lack of institutionalized dialogue, etc.) Nevertheless, representatives of the civil society are predominantly of the opinion that to a surprisingly large extent the government has adopted positions developed in the consultation

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<sup>8</sup> Agriculture and Rural Development; Human Resource Development; Physical Infrastructure; Trade, Tourism and Industry; Public Safety, Law and Order; National Security; Public Administration; Information Technology

process. But also independently of the final document, the PRSP process was praised as an important step on the way to more consultation and participation in Kenya.<sup>9</sup>

Although the PRSP recognizes in principle the necessity of a people-based approach for identification, implementation and M&E, it remains very vague in respect to the specific roles and functions assigned to local, district and provincial administrations in implementing and monitoring the development program. The following shortcomings are also to be noted:

- the failure to prioritize actions in respect to resources and capacities
- the large, scarcely feasible number and sometimes questionable quality of the indicators to be monitored
- the implicit or explicit presumption of external financing of most of the poverty-oriented PRSP measures against the background of tense relations between the government and the donor community.

**The PRSP of 2001 was never implemented ...**

Although the full PRSP was printed and officially launched (with a delay) and was later also supplemented by an action plan, it was never officially presented to the BWIs. For, in view of continued corruption and the inadequate efforts to improve governance under the Moi regime, there were no prospects of normalising credit relationships. The last budget formulated by the Moi government, for 2002/03, took no account of the PRSP.

**... and in 2003 was replaced by the ERSWEC**

After the new NARC government under President Kibaki took office in early January 2003, it decided not to pursue Moi's PRSP further, but rather to devise its own Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC). This was presented in June 2003.

According to government statements, the following program documents were taken into account in the process of formulating the ERSWEC:

- the NARC's election platform "Manifesto on Democracy and Empowerment"
- the NARC action program adopted after the election
- the full PRSP taken over from the previous government and the Moi government's action plan.

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<sup>9</sup> "Government facilitates the production of a Poverty Reduction Strategy Paper (PRSP) to provide a medium-term strategy to reduce poverty. This strategy requires Government to refocus and reduce spending but allows for various poverty-focused activities. It also promotes a range of non-financial measures that have an impact on poverty reduction. PRSP is different from all other strategies in that it sets focused targets and involves multiple stakeholders through a participatory planning approach"; sh. National Task Force, established by a National Stakeholders' Workshop on PRSP Monitoring, Evaluation and MDGs Reporting in Kenya, held in Mombasa in February 2003: A proposed institutional framework for the monitoring and evaluation of Kenya's economic recovery strategy for employment creation and poverty reduction, draft report, Nairobi, May 2003, p. 9.

It is also stressed that ERSWEC now takes fully into account the demands and recommendations formulated by the BWIs in their assessment of the I-PRSP 2000-2003.

No new comprehensive country-wide consultation process has taken place this time; however, ERSWEC has been broadly discussed at central level.

**ERSWEC and IP-ERS presented in May 2004 to BWIs as full PRSP**

This ERSWEC was presented to the IMF and the World Bank as a document that was to fulfil the function of a PRSP. These institutions, however, asked that the ERSWEC be made more specific, whereupon the government in November submitted an interim investment program (IP-ERS) that was to operationalize the ERSWEC. The IP-ERS represented the action plan requested by the donors, without which the ERSWEC would have been too little oriented to implementation and lacking prioritization. The two documents together represent Kenya's full PRSP, which was assessed in May 2004 by the World Bank and IMF as a good basis for their concessionary aid.

The IMF had already granted a PRGF loan in November 2003.

### **1.3 Characteristics of ERSWEC and IP-ERS**

In contrast to the first version of the PRSP of 2001, the perspective of ERWEC 2003-2007 is considerably broader. It is a medium-term program, largely prepared by the Kenyan government and displaying a high degree of ownership.

Poor governance in general – in particular, corruption – and economic stagnation are the deciding causes of the visible deterioration in poverty indicators in Kenya.<sup>10</sup> This means that an effective poverty reduction strategy must be firmly based in an overall strategy that boosts the economy, regains the trust of investors, and combats corruption at all levels. ERSWEC/IP-ERS places its faith firmly in promotion of the productive sector by improving the framework conditions and infrastructure. This approach, oriented primarily to growth and employment impacts, is supplemented by measures in the social area and toward good governance, especially in combating corruption, in the judicial system and in public security.

In this broad program, the direct poverty reduction objective is left in the background by the focus on an overall growth strategy. ERSWEC, a comprehensive strategy for economic recovery, takes the form of a comprehensive governmental program in which neither direct poverty reduction measures nor concepts for broad and poverty-oriented growth can any longer be clearly discerned.

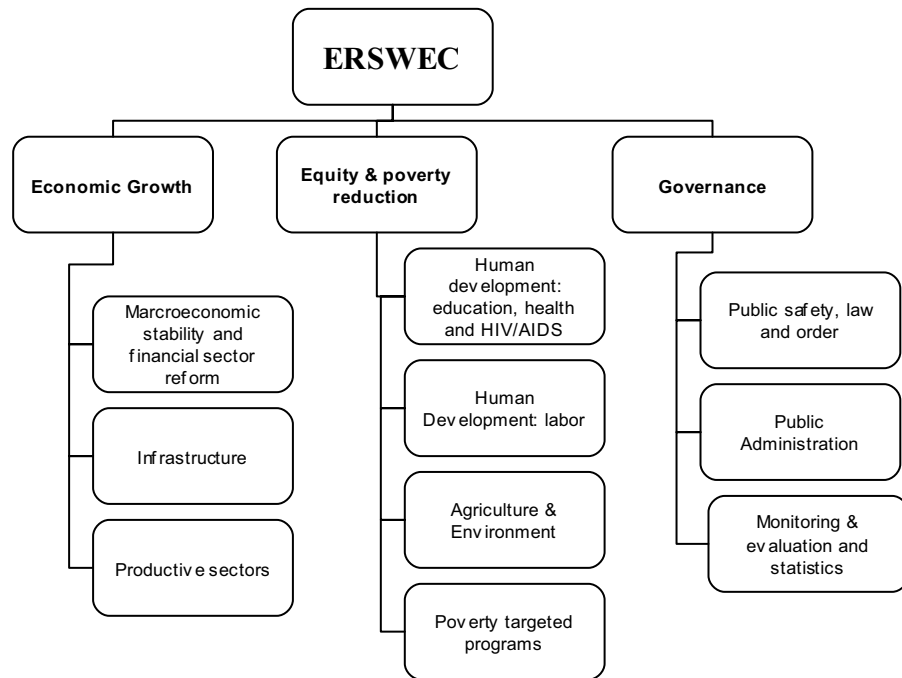
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<sup>10</sup> HIV/AIDS is another important factor in this.

**Complex, broad objectives structure**

The objectives structure in ERSWEC and the interim investment program IP-ERS is complex and not easily understood, especially in view of the different structures set out in various government documents and papers.

The illustration below shows the objectives hierarchy as seen in the investment program.



## 1.4 Further framework conditions for a monitoring system

Several other factors are significant for the systems being developed to monitor the effectiveness of the poverty policy:

- a) Kenya has a good independent press. This was already the case under the Moi government. Newspapers are much read, as despite the social decline the large majority of Kenyans are still able to read and write.
- b) The civil society is, for Africa, highly differentiated. There is a very active non-governmental umbrella organization (the NGO Council), private sector associations, and good universities and research institutes.
- c) Although the civil service is bloated, it employs a large number of qualified persons. A low educational level is in general not the problem in the Kenyan civil service.
- d) In the last years of the Moi era, many donors avoided working in partnership with the government. Some turned more to civil society organizations and now have good contacts and experience in cooperating with them.
- e) Within the donor group there is little cooperation. There are no sector programs and practically no program aid.
- f) Against the general trend, in about 1999 the ministries of planning and finance, previously under one roof, were separated. It should be no surprise that since that time there have been disputes over areas of competence, and the coordination of planning (to which poverty reduction should belong) with financing is a difficult matter. Responsibility for PRSP and ECSWEC or IP-ERS is with the planning ministry.

## 2. Poverty Monitoring in Kenya

### Welfare monitoring surveys

Studies of the poverty situation in Kenya have been conducted since the early 1990s. Welfare monitoring surveys took place in 1992, 1994 and 1997, but none since then. A new such survey is now in preparation.

Poverty reports based on the surveys were published in 1998 (based on the 1994 survey) and 2000 (based on data from 1997).

Compiling the data was the responsibility of the Bureau of Statistics; the analyses were produced by the department in the planning ministry responsible for human resources and social services. Popular versions and policy briefings were derived from both reports and printed.

The welfare monitoring surveys are in terms of method not fully comparable, which prompted the World Bank to state that while there was much to indicate that poverty had increased during the 1990s, a solid statistical basis supporting this conclusion was missing.

The welfare monitoring surveys and the poverty profiles based on them are only meaningful to provincial level. In order to say something about the regional concentration of poverty below that level, the Bureau of Statistics recently combined data from the 1999 census with information from the welfare monitoring surveys. This was possible because some of the indices typical of the poor have also been used in the census. Out of this emerged a poverty atlas showing the probable incidence and degree of poverty below the district level.<sup>11</sup>

#### **MDG Monitoring**

Kenya was in September 2000 (still under the Moi government) among the nations issuing the Millennium Declaration. The UNDP, in cooperation with the planning ministry and the African Population and Health Research Center (APHRC) in Nairobi, published in 2003 a progress report on Kenya's status in regard to achieving the Millennium Development goals. This is the first interim report, and it is also based on the welfare monitoring surveys, though it is based on administrative data as well. Overall, the report shows that Kenya is moving away from the MDG rather than towards them.

During our visit to Nairobi in January 2003, a new edition of the Kenya Demographic and Health Survey was reported. Here too a deterioration was evident in the health situation as compared to 1989.

No information is available concerning other possible poverty research instruments or statistics used in many other countries. In particular, our team found no mention of the CWIQ survey (Core Welfare Indicator Questionnaire), introduced in many countries with the support of the World Bank.

#### **The baseline situation is documented**

In summary: there is a statistical basis from 1997 which can serve as a benchmark for assessing progress with poverty reduction.<sup>12</sup> Everything points to a continuation of the series of welfare monitoring surveys.

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<sup>11</sup> However, the extent to which these calculated findings were supplemented by plausibility checks in the field is not explained in the accompanying text.

<sup>12</sup> As in many countries, comparison of results is problematic, especially in determining the poverty line. Our team does not know the extent to which this will be taken into account in designing the survey now being planned.

### 3. Monitoring the Poverty Reduction Policy

#### 3.1 Areas of study and instruments

##### 3.1.1 Areas of study

The approach of the Economic Recovery Strategy, as described above, has become very broad and comprehensive, and the reform measures proposed do far more than combat poverty directly. So the question arises of what the object of PRSP monitoring should be. Shall the system measure the successes and failures of the government in implementing this broad strategy? Or shall it confine itself to those measures that have a more direct relationship to poverty reduction?

The areas to be monitored are practically undefined

The Economic Recovery Strategy of June 2003 asserts that the government has identified the important components of a national M&E system and that M&E will take place at three levels – the national level, the district and local authority level, and the community level. But the subjects of monitoring by such a system are more than vague.

Included in the annex of the ERSWEC of June 2003 is an action plan which gives some idea of the orientation of the goals. Some of the expected outcomes are quantified. The important indicators are specifically listed in the interim investment program of November 2003, from which the following table has been derived.

#### “Summary and selected indicators” according to the interim investment plan

Narrative	Indicators from ... to ... by (date)	M&E data source and responsibility
<b>Objectives</b>		
Economic growth	GDP growth rate increases from 1.2% in 2002/03, to 1.9% in 2003/04, to 3.1% in 2004/05, and 4.5% by 2006/07	Annual Economic Survey (CBS)
Human development and poverty reduction	Reduce proportion of people living below the absolute poverty line (Kenya and \$1PPP) by 10% by 2006 from 57% in 1996 (MDG1)	Kenya Living Standard Survey- KLSS (CBS) (in design state)
	Reduce proportion of people living in hunger by 10% by 2006 (MDG2)	MoA, WFP, FAO, KLSS
Governance	Proportion of corruption cases leading to conviction increased	Criminal Investigation Department
<b>Development outcomes</b>		

<b>Narrative</b>	<b>Indicators</b> from ... to ... by (date)	<b>M&amp;E</b> data source and responsibility
Macroeconomic stability	Overall fiscal deficit (including grants) reduced to 3.3% GDP by 2006/07	Quarterly Budget Review (Treasury)
Financial sector development	Stock of non-performing loans reduced by one third during 2003-2006	Monthly Central Bank Reports
Increased private sector participation in infrastructure	Proportion of population with access to infrastructure service expanded	
Increased dynamism in the trade, tourism and manufacturing sectors	Trade and tourism growth rate increased from 1.3-1.5% in 2002, to 8.7-9.6% in 2007	National Accounts (CBS, CBK, KTB, Catering Levy Trustees (CLT))
Universal primary education	Increase primary school gross enrolment rate from 90% to 100% by 2005, and net primary school enrolment to close to 100% by 2015 (MDG3); reduce gender disparities in access to primary and secondary education (MDG4)	School census (MoE), KDHS (CBS), WMS (CBS)
Expanded basic health services	Reduce under-5 child mortality from 112 per 1,000 to 100 per 1,000 by 2008 (MDG5)	KDHS(CBS), health facilities data (MoH), census reports, Registrar of Births and Deaths
	Reduce maternal mortality rate from 590 per 100,000 to 450 per 100,000 by 2008 (MDG6)	Health facilities data (MoH), census reports, Registrar of Births and Deaths
	Reduce malaria morbidity (currently at 30%) by 10% annually in 2003-2008 (MDG8)	HIS of MoH
Halted and reduced HIV/AIDS spread	Reduce HIV/AIDS prevalence by 10% annual in 2003-2005 among youth aged 15-25 (MDG7)	Sentinel Surveillance (NASCOP-MoH), KDHS (CBS)
Strengthened employment creation and productivity	Half a million jobs created annually in 2003-2006	Labor force survey (CBS), Jua Kali association records
Increased agricultural productivity	Value of agricultural exports rises by 3% per year during 2003-07	Annual National Accounts/ economic survey data (CBS)
Protected the environment	Hectage of forestry remaining and reclaimed (MDG9)	MoA, KWS, MLS
Improved conditions of rural poor	Coverage for rural water increased to 60% by 2006 (MDG10)	Ministry of Water Resources, KLSS and census (CBS)
	Proportion of rural population with access to secure tenure expanded (MDG11)	Ministry of Land and Settlements
Improved conditions of urban poor	Coverage of urban water and sanitation services increased by 2% per year from 73% to 83% and 64% to 74% respectively (MDG 10-11)	Surveys by MoW with relevant NGOs, annual reports from water services providers
	Proportion of urban population with access to secure tenure expanded (MDG11)	Ministry of Lands and Settlements

Narrative	Indicators from ... to ... by (date)	M&E data source and responsibility
Strengthened public safety, law and order	Number of criminal offences reduced from 75,352 in 2001 to 65,000 in 2006	Criminal Investigation Department, Statistical Abstract (CBS)
Improved public administration systems	Wage bill reduced to below 8.5% of GDP and programmatic budget implemented.	Established adequate monitoring and evaluation mechanisms
Monitoring and evaluation system in place provides timely feedback into budget process and yearly progress reports		

Note: The table has been taken word-for-word from the investment program. The description of the MDGs in the interim investment plan does not completely correspond to the official definition of the Millennium Goals and Targets.

In the interim investment plan, in additional detailed tables for each component area, indicators have been drawn up at three levels, titled as

- Development Outcomes
- Outputs
- Inputs or Activities/Policies

The tables take up 30 closely-printed pages. The expected scale of the indicators has been only partially quantified.

**Many indicators lack target values**

These indicators shown in the tables represent a useful beginning. But in part they need to be further specified, and above all those indicators must be selected which are to be emphasized as signifying overall success (i.e., not only in individual aspects). It has apparently not yet been discussed which indicators are necessary and appropriate in order to assess

- whether the government places the necessary stress within the ERSWEC on poverty reduction
- and whether the changes are perceptible at the grassroots level (i.e., among the poor).

**The objects to be monitored must still be agreed – by the end of 2003 this had not yet been done.**

Consequently, those instruments will be considered below that could be adopted into the monitoring system.

**3.1.2 Public expenditures**

Although public expenditures have not been subject to a monitoring system in the past, the systems with which this could be done already exist in Kenya.

## Annual budget and implementation

### Budgetary systems

The classification scheme of the budget is very detailed, also with respect to organizational units. Functions can be relatively easily understood, because organizational units below the ministerial level are often closely tied to functions. Administrative expenditures can be distinguished from allocations to institutions. However, there is no breakdown by district.

Besides the current budget, there is a development budget for projects. The definition of a “project” usually corresponds to that of the contributing donor. Although the development budget is shown separately from the current budget, the classification scheme allows them to be considered together.

An integrated and computer-supported financial management and information system is now being installed. This will in principle make it possible to record planned and actual expenditures in a way appropriate to the issue in question.

### A Core Poverty Program exists, but definitions often change

A set of central poverty expenditures (core poverty programs or core poverty expenditures) has been defined. The actual expenditures of the budget line so defined, which do not include wages, are recorded in detail by the Budget Monitoring Department of the planning ministry. According to medium-term financial planning (see below), in 2002/03 they make up 9.6 percent of total expenditures. The trend is downward: according to plan, they are to compose only 5.8 percent of expenditures.<sup>13</sup>

### The draft budget is hard for the public to absorb

Although many important elements are on hand, the information is not at present published in a form that would allow analysis of public expenditures from the viewpoint of poverty. Presentation of the budget in Parliament consists practically exclusively of the budget address, tables and texts of laws. The presentation contains an inordinate amount of details, but almost no summary account of expenditures sorted by policy area. An historical perspective is completely absent – only the budget estimates of the preceding year appear in the budget books.

### Quarterly reports on budget implementation

The Budget Monitoring Department publishes quarterly reports on total expenditures. In comparison with many other countries, that is very positive – often, however, only data on the allocation of funds advanced to ministries is available. In any case, these statistics are only broken down to the ministerial level and thus are of limited help in monitoring the expenditures that actually impact on poverty.

The Core Poverty Expenditures are not yet published, but regular reporting is being prepared. These expenditures have not yet been clearly defined – the appraisal team did not succeed in obtaining a list of these expenditures.

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<sup>13</sup> The definition of “core poverty expenditures” has been changed repeatedly in the past. The MTEF text (see below) gives no indication of redefinition, so that it must be assumed that as now defined these expenditures are to fall.

In order to make the draft budget easier for the members of parliament to take in, the Institute for Economic Affairs, a non-governmental research institute, prepares a critical analysis which is distributed to MPs. This is done annually on the weekend between the budget address of the finance minister and the opening session of parliament. The analysis includes suggestions for questions that ought to be put to the government. These concern in particular discrepancies between political objectives and the draft budget.<sup>14</sup>

### **Medium-term financial planning**

Since the fiscal year 2000/01, medium-term financial planning on the medium-term expenditure framework (MTEF) model has taken place in Kenya. This planning is under the direction of an inter-ministerial working group supported by a PRSP/MTEF secretariat. The MTEF has a three-year timeframe.

The MTEF was described to the appraisers as a process which would result at various stages in a number of documents that serve as the basis for policy decisions at the cabinet level. Thus the MTEF does not exist as a single document.

#### ***Fiscal Strategy Paper***

An important step within the MTEF process is the fiscal strategy paper prepared by the Macro-Economic Framework Group. Its members represent KIPPRA (a government research institute that regularly assists the ministries of planning and finance), the central bank, the Kenya Revenue Authority and the Bureau of Statistics.

According to an estimate of revenues on the basis of the announced fiscal policy and of economic growth, the fiscal strategy paper suggests expenditure ceilings for large budget categories. These include: debt service, wages and salaries, transfers and subventions, the development budget and expenditure for the core poverty program. There is another line for MTEF reallocations, which in the present paper for the period 2002/3 to 20004/5 contains only zeros, because there is no surplus to be allocated.

To start with, as this public document contains no information on the allocation of budget funds by sectors or programs, it is not a helpful basis for analysis and discussion of the relationship between poverty goals and public expenditures. But it is an instrument that could be developed in this direction.

#### **The draft budget projects expenditures over three years**

The detailed part of the MTEF about expenditures is an integral component of the budget. Here for every (!) post are recorded the amounts to be authorized not only for the coming budget year, but also for the next two years. The entries for the “outer years” are indicative.

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<sup>14</sup> Because of ongoing discussion of the new constitution, the team had no opportunity to talk with MPs about the usefulness of these analyses.

### Public Expenditure Review (PER)

The last Public Expenditure Review of the classic sort (under direction of the World Bank) is from 1997. After a long pause, a PER was drawn up in 2003 for which the government alone is responsible. It is planned from now on to prepare and publish PERs annually.<sup>15</sup>

**PER responsibly  
conducted by the  
government**

The PER cannot be purchased from the government printer, but is available from the planning ministry on request. In some 100 pages, including annex, the trends in general expenditures are described, and the following sectors are examined in detail: education/research/technology, health, agriculture and livestock farming, roads/construction/housing construction, water resources, environment/nature/natural parks, and the Office of the President. The concluding chapter concerns the management of public expenditures in Kenya.

The document is well-organized and informative. It can be developed into an important element in PRSP monitoring when its annual preparation becomes routine. The fact that the PER was drawn up and published under direction of the Kenyan government points the way for the future.

#### 3.1.3 Institutional data

The government ministries in Kenya, as in nearly all countries, collect an array of statistical data on their clients and outputs. It is said of the ministry of education that it keeps good school statistics.<sup>16</sup>

**Economic Survey  
summarises  
institutional data**

These and other institutional data are collected by the Bureau of Statistics and published in the *Statistical Abstract* and in the annual *Economic Survey*. The *Economic Survey* is presented to the parliament as background information for the budget debates.

The most important ministries have recently set up Internet websites. However, statistics are usually not to be found in them.

The Bureau of Statistics is in the process of completing a strategic plan which is to be supported by several donors. The plan provides for, among other things, a database with the most important data of the sectoral administrations, in order to simplify access.

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<sup>15</sup> "The Public Expenditure Review (PER) will be institutionalized and reports produced annually as part of expenditure tracking and effective implementation." ERSWEC, 2003, p. 48.

<sup>16</sup> Unfortunately, time did not permit further information to be gleaned in this study about the status of data in the sectors of health, agriculture, industry, tourism and road construction.

### 3.1.4 Kenya Participatory Impact Monitoring (KePIM)

Although the draft phase of a monitoring system is still in progress, the section of the planning ministry responsible for the social sectors has tested an interesting instrument: it is known as the Kenya Participatory Impact Monitoring (KePIM). Three “rounds” to date have been initiated, supported and financed by a GTZ project. The Bureau of Statistics and local administrations of the districts visited were intensely involved.

This instrument first summarises the principal policies in each sector and any changes in them. It is next determined, through surveys conducted at the local level, what changes have been perceived there by the public administration's “customers” and how. A wide-ranging discussion of the policy analysis and the findings of field studies is an essential part of the concept.

**Two KePIM rounds have been completed**

At the time of the appraisers' visit, two KePIM reports had been submitted. In January 2002, i.e., while the Moi government was still in office, studies were conducted in the sectors of basic health, basic education, water supply and waste water disposal, and food security. The second report, appearing in August 2003 (when the NARC government was already in place), dealt especially with access to credit and rural extension services. The results were published in book form. Shorter informative texts in a visually attractive format were also produced and disseminated.

**Corruption is shown here, too, to be a decisive poverty factor**

The KePIM reports subject the failures in government policy to severe judgement. Corruption appears again and again as the principal reason that access to public services is denied to the poor. The report also includes proposals for improving the effectiveness of the policy and identifies obstacles.<sup>17</sup>

KePIM is a relatively costly instrument. The roster for KePIM 2 lists 10-12 persons for each of the six districts and a national coordinating team of 15 persons. KePIM 1 involved still more staff, among other reasons because it covered a greater number of villages per district. A KePIM cycle takes somewhat more than a year, from the selection of topics to publication of the reports.

Little was to be found out concerning the dynamics of how this exercise was launched or its impacts. The GTZ advisor responsible at the time had just left the country at the beginning of our mission. The chief of the counterpart section said the exercise had involved pilot studies, to the marketing of whose outcomes not much importance had been attached.<sup>18</sup>

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<sup>17</sup> It was found, for instance, that the population regards school attendance largely as a means of obtaining employment in the formal sector. The impacts of girls' schooling on health and child raising were not perceived, and as a result of this (among other factors) girls were not sent to school.

<sup>18</sup> The project manager, contacted later, qualified this statement. In his view, KePIM I was a pilot exercise, but not KePIM II. Kenyan officials, he said, are inclined to classify a study as “pilot” if the findings were too controversial and then to shift to the donor the responsibility for initiating the study.

Perhaps the KePIM had helped motivate the new NARC government to revoke all school fees for basic education.

As far as the appraiser team knows, KePIM is the sole systematic confrontation between policies and the way they are perceived by those whom they are supposed to benefit. KePIM leads to outcomes that can in principle be of use both to the administration and in public relations work.

**What executing organization is suited for KePIM?**

For the future, however, the question of a suitable executing organization should be further looked into. In many of the information materials, only the GTZ project's principal advisor is listed as contact person. He explained this by saying that the Kenyan partners do not want to be identified if the findings are especially critical: for example, because they find corruption and poor public management to be the causes of failures. Civil society organizations, he said, are in general better suited as implementing organizations. But an attempt to involve them more intensively in the KePIM studies failed because the organizations in question would not have had the necessary capacities and moreover had been more interested in commissions than in public relations work.

**Citizens' Report Cards as quantitative study**

KePIM is a purely qualitative instrument. Opinions and background information on the causes of successes and failures are elicited in interviews. The answers cannot be aggregated; the random sampling is not representative. Concurrently to KePIM 2, a Citizens Report Card on Service Delivery (CiReCa) was tested as an instrument to make quantitative statements possible. The concept and the form of the questions were discussed with the thematic working group on PRSP monitoring. In September 2002, field trips were made. In February and March 2003, the findings were presented and discussed in a series of technical workshops. The official report appeared in November 2003.

CiReCa is particularly useful in determining the extent to which the poor and the less poor differ in their use of public services and their degree of satisfaction. An interesting finding, for example, was that rich parents found the material learned in school markedly less relevant than did poor parents.

Here, too, almost nothing is known about the effectiveness of policy. Conducting the same survey after two years of NARC government ought to furnish an interesting comparison, but there are as yet no concrete plans to do so.

### **3.2 Participating institutions: a Task Force Proposal**

Although there has still been hardly any discussion and no agreement on the subjects and tools for a monitoring system in Kenya, numerous discussions took place in 2002 concerning which institutions should participate in monitoring the PRSP or the Economic Recovery Strategy and what form their relationships to one another should take.

**National Economic and Social Council planned, but not yet operationalized.**

The ERSWEC provides for the creation of a National Economic and Social Counsel (NESC) to strengthen the dialogue between the

government and the civil society. A law to be passed by parliament is to provide the legal framework. Structures corresponding to the NESC are to be set up at province level. As 2004 began, however, there was no sign of a draft law or operational details or information on related discussions.

The best-formulated proposal for a monitoring system stems from a working group (National Task Force) appointed at a conference in February 2003.<sup>19</sup> The group had conducted field trips in one district and in May 2003 presented their report. Fact-finding trips to Tanzania and Uganda followed. The group was also able to make use in its work of a study conducted in 2002 which had been commissioned by UNDP and DFID.<sup>20</sup>

**Goals of the proposed M&E system**

The M&E framework proposed in the report attempts to ensure that the goals of the PRSP or the Economic Recovery Strategy are reached by providing the institutions with the incentive, involvement, capacity, resources, systems and participation needed to:

- continuously monitor progress regarding the goals and indicators and, if appropriate, indicate any need for correction to the implementing departments
- evaluate and revisit regularly the PRSP/ERS and the basis on which it rests to ensure achievement of the planned outcomes and the desired development impacts in relation to poverty reduction.

It is also mentioned that the M&E framework shall make it possible to hold the government accountable for its actions by providing complete, correct, timely and useful information about these activities.

According to this proposal by the task force, monitoring structures are to function at both the central and local levels. Overall control is exercised at central level by a national PRSP steering committee under direction of the permanent secretary of the planning ministry, supported by a PRSP M&E unit in the ministry.

The M&E unit collects administrative data from government departments, receives further data from the Central Bureau of Statistics (CBS) and is supported by sectoral and thematic working groups, ministries and non-governmental organizations.

The findings are then passed on to the cabinet (especially to the working group on economic management), the parliament and a National Stakeholders Forum that is supposed to convene twice a year. In the diagram contained in the report (see below), the planned National Social

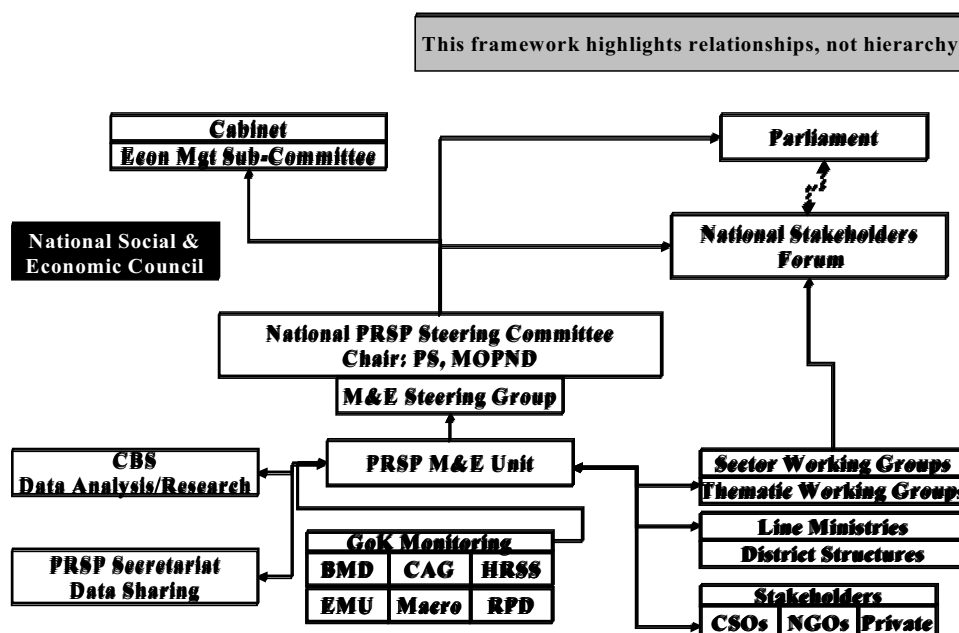
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<sup>19</sup> National Stakeholders' Workshop on PRSP Monitoring, Evaluation and MDGs Reporting in Kenya, Mombassa.

<sup>20</sup> C. Kamanga, G.H. Olum et al.: PRSP Monitoring and Evaluation Systems – Issues and Options. Draft Final Report for Stakeholder Workshop. Nairobi 2002. This study was not available to the present authors.

and Economic Council is shown alongside the networked institutions and committees because its role and composition have not yet been defined.

### Proposed Central Structure



**?** Entity and structure to be defined

Abbreviation key:

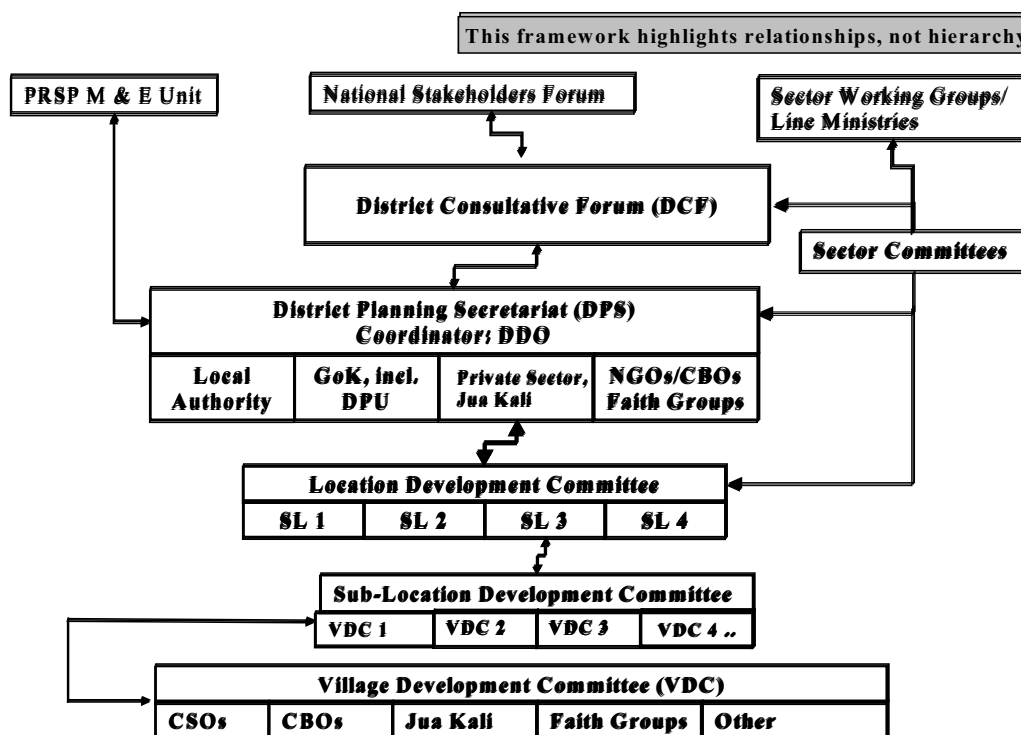
- MOPND = Ministry of Planning and National Development
- BMD = Budget Monitoring Department (in MOPND)
- CAG = Controller and Auditor-General (in finance ministry)
- EMU = Efficiency Monitoring Department
- HRSS = Human resource and Social Services Department (in MOPND)
- RPD = Rural Planning Department (in MOPND)
- CSO = Civil Society Organizations
- CBS = Central Bureau of Statistics (in MOPND)

Source: Ministry of Planning and National Development: A Proposed Institutional Framework for the Monitoring and Evaluation of Kenya's Economic Recovery Strategy for Employment Creation and Poverty Reduction, Draft Report. Nairobi, May 2003.

According to the proposal, central offices at the local level are to be the District Planning Secretariats (DPS). They draw support from the assessments made by various development committees at all levels below the district<sup>21</sup> and naturally also from local institutional data.

<sup>21</sup> There are a confusing number of these. In the proposal quoted, they are referred to in a footnote: "District Agriculture Committee, District Aids Control Committee, District Adult Education Committee, District Civil Service Reform Committee, District Education Board, District Environmental Committee, District Forestry Committee, District Health Management Board, District Information Dissemination Centre, District Loans Board, District Lands Board,

### Proposed Devolved Structure



Source: *ibid.*

The functions of the different groups and committees and the role they are expected to play in the PRSP monitoring are listed in the Annex.

Cost estimate for PRSP monitoring

At the end of the proposal, the costs are totalled. About EUR 10 million per year are estimated for the central Poverty Monitoring Unit and recurring annual costs at the district and local level of EUR 27 million. Added to these are investment expenditures of about EUR 29 million.<sup>22</sup>

No reaction so far by government to proposal

The task force proposal was given to the planning minister in May 2003. The basic ideas were presented at the investor conference in October 2003 and at the consultative group meeting in November 2003. Thus the proposal has been waiting since its submission in May 2003 for a decision or for further discussion and negotiations.

The report’s critical and well-founded analysis is convincing, as is its formulation of objectives. On the other hand, its proposals are not convincing. On the positive side, many persons and institutions are involved, and the structure proposed systematically integrates non-governmental organizations. But the structure is unclear, overburdened with committees, and lacks even the hint of a suggestion how to avoid overloading the structures with a mass of opinions and information.

District Security Committee, District Soil Conservation Committee, District Tender Board and District Roads Board” among others.

<sup>22</sup> The table of costs is difficult to read and inconsistent. The figures given should therefore be interpreted only as reference points.

### 3.3 Utilization of the findings

The period of the election campaign in 2002 and the first year of the NARC government were certainly atypical even for Kenya in regard to the readiness of the public debate to take up aspects of poverty reduction. Other issues, such as the preferral of corruption charges, the suspension of supreme court judges or acceptance of a new constitution dominated public discussion.

Accordingly, the appraisal team encountered no evidence that the findings of studies or statistical research had influenced the political process or the discussion of options. That is likely to change soon.

## 4. The Role of the Donors in Supporting Monitoring

During the last years of the KANU government under arap Moi, cooperation of the official donors with the government was put on a back burner. Those of the donors who had not largely withdrawn from Kenya concentrated on working with non-governmental organizations. That also affected modalities of support in the area of PRSP monitoring.

The following more recent interventions appeared to the appraisers to be worth reporting:

#### DFID partnership approach

DFID supports the Institute for Economic Affairs (IEA) in the form of a partnership agreement. The DFID input is not earmarked for a purpose, but is granted on the basis of the institute's annual work program and an assessment of the transparency of its management structures. DFID receives the institute's annual report and financial reports and its Nairobi-based staff take part in IEA events of interest.

The result of this form of cooperation is that IEA management itself determines its research and events agenda. The results are impressive. The IEA played a crucial part in the aforementioned monitoring system study and in general acts as the research arm of the civil society.

The IEA also produces regular budget analyses and formulates questions that members of parliament should ask, especially about the relationship between policy goals and the draft budget presented. The analysis is carried out over the weekend between presentation of the budget and the beginning of deliberations on it, and on Monday a workshop is held for members of parliament. This is traditional and of particular importance in view of the inexperience of the present MPs.

#### Donor inputs to PER

Several donors contributed to the PER 2003 by providing and financing consultants and staff. Judging by the list of these persons, they were not only compensated, but also individually selected and seconded.

A number of donors, including the DFID, have enhanced thinking processes by financing independent studies. Mention has already been made of the preliminary studies of PRSP monitoring commissioned by UNDP and DFID.

**German foundations**

Civil society organizations are supported by a number of donors: especially the Friedrich Ebert Foundation (FES) and the Boll Foundation deserve mention. In supporting civil society organizations, these foundations are operating on their traditional terrain. In the Kenyan situation, this kind of work is highly appropriate.

The institutional development strategy of the Bureau of Statistics is to be supported by a basket financing arrangement administered by the World Bank. The precise details are not available.

**GTZ-SPAS**

While most donors financed studies or had expert reports prepared, German development aid took a different approach. It rendered an important contribution with the GTZ Social Policy Advisory Services (SPAS) project, which has been in existence since 1995, building on a predecessor project with the same partner. A long-term expert advisor has been placed in the planning ministry's Human Resources Department. Poverty research was and still is carried out there.<sup>23</sup> The advisor was involved in the analysis of the 1997 welfare monitoring survey and later contributed to formulation of the Poverty Eradication Program and to the PRSP.

The Human Resources Department then later contributed to formulating the interim PRSP and the final PRSP, which were prepared under the direction of the planning ministry. The GTZ advisor and Kenyan colleagues were as a rule involved.

In 2002 and 2003, impact monitoring with the KePIM instrument and the Citizen Report Cards was designed and implemented with GTZ funds (see above).

As an advisory service project well-integrated into partner structures, SPAS certainly spread the discussion around within the administration and provided new analytical elements. From today's perspective, the GTZ project was helpful to the Moi government because it dealt with an area in which donors and civil society were calling for action, without the government's being obliged to have these plans followed up with deeds. To that extent, the project first served to provide a fig leaf. But the circumstances, of course, changed dramatically with the beginning of 2003, so that the new ideas and analytical capacities imparted by the project can now come to a positive result.

**Few donors plan support for a M&E system**

In general, it is evident that most donors contacted in the course of this study show great interest in PRSP monitoring, but that they do little to support the establishment of an effective monitoring system.

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<sup>23</sup> As a rule, there is close cooperation with the Bureau of Statistics, which collects the data.

(An important exception here are the efforts to strengthen the Bureau of Statistics through a basket financing mechanism.) The principal reasons for this are probably (i) the fact that to date there is no approved PRSP, (ii) that the relationship between poverty reduction and the Economic Recovery Strategy is not evident to all, and (iii) none of the donors at present plans in the near future to provide budgetary aid for implementing the poverty reduction strategy: there is therefore no pressure to set up a monitoring system that can document the possible successes of such budgetary aid.

The only exception known is that DFID intends to support monitoring of PRSP implementation – at any rate, that is in the draft of the new country program, though further details are lacking.

## **5. Information Value of the Monitoring System for Donors**

At the time the appraisers were in Kenya in January 2004, there was still no approved PRSP and no precisely defined monitoring system. In this situation, the donors interviewed shared concern about ERSWEC's amplitude and the attendant difficulties in focusing a monitoring system. They were also worried that the momentum generated by the PRSP preparation phase could be lost if concrete steps toward implementation of the strategy and its poverty component are not taken soon. Most of the donors with whom the appraisers spoke are waiting with a positive attitude but do not immediately express any special expectations or make any demands on the monitoring system's capacity to meet their needs for information.

The decisive criteria for resuming their cooperation with Kenya are: progress in combating corruption, discussion of a new constitution, and successful revitalization of the economy by the new government. The information they need in this regard can be better obtained from the press and from personal contacts than from a PRSP monitoring system.

## **6. Assessment of PRSP Monitoring in Kenya**

**Theses: What next?**

How does one assess a system that does not yet exist? Maybe the best way is to speculate on how the single existing and foreseeable elements could within perhaps the next one or two years be welded together to form a system. Below, the hypotheses of the appraiser team:

**A structured system may go on just being talked to death**

1. The possibility must be taken into account that there will be no functioning and effective M&E system in Kenya soon. Supporting this thesis are:

- the absence of a tradition of making decisions on empirical grounds and the traditional aversion of government to monitoring and control
- the danger that the discussion about committees and systems becomes a never-ending saga
- the thematic and strategic amplitude of the Economic Recovery Strategy, which hinders focussing the monitoring system on the poverty aspect.

**System will remain chaotic, but may nevertheless be politically effective**

2. The “system” could be viewed as an organic, unplanned hodgepodge of instruments which nevertheless can be quite effective. The civil society organizations that participated intensively in the 2001 PRSP, the active press, and the critical academic community will probably turn out and publish an array of articles about aspects of the Economic Recovery Strategy. These articles can play a part in compelling the government to pursue seriously its announced poverty reduction strategy.

Thus, for example, the NGO Council would perhaps be the appropriate institution – with the proper support (financial above all) – to organize further KePIM rounds. The Institute for Economic Affairs would be in a position to prepare a good critical report on actual public spending and to process the findings for use in the public debate.

**Administrative data**

3. A necessary precondition for this is the availability of institutional data from the various departments and of information about public expenditures. If donors give support on a generous scale to government policy – as it seems they will – this kind of reporting could be among the conditions they set.

**Local level**

4. The prospects for successful monitoring at local level depend on the outcome of the current discussion of a new constitution and the decentralization for which it provides. But probably there will be no countrywide system of committees in the near future; it is more likely instead that various districts and localities will develop their own quite effective procedures.

**What donors can do**

If donors wish to contribute something to effective monitoring in Kenya, probably it would be useful for them to bolster the demand for monitoring information and encourage the discussion of poverty policy and its implementation. There seems to be no problem with capacities, at least not at central level.

## **7. Conclusions for Country Comparison**

**The political situation determines the monitoring system**

Kenya furnishes a very clear example of the extent to which the development of a PRSP and a monitoring system tailored to it depends on the political framework conditions. The Moi government was naturally not interested in opening itself to monitoring. The donors did not ask for data because, given the major problems with governance and corruption, they had in any case no intention of laying out macro aid for Kenya. And the civil society alone had no chance, naturally among other reasons because potential partners in the government camp, both before and after the 2003 election, had other concerns than PRSP monitoring.

After one year of NARC government under President Kibaki, the preconditions for a monitoring system and for an institutionalized dialogue between the government and its partners – the civil society and donors – have greatly improved. But after last year's upheavals, it takes time before structures and numbers and systems can again be thoughtfully considered.

**Can a vague PRSP be made specific by a good monitoring system?**

Kenya also is good example of the difficulties in designing a monitoring system when the PRSP is broadly structured and also not specific. Whether monitoring mechanisms can help improve the PRSP's focus, as is hoped, remains to be seen.

Supporting civil society organizations in professionalizing public relations work seems to be a very promising approach in Kenya. This holds true all the more in the face of doubts about the government's determination to assign priority to the poverty reduction strategy and implement it as planned. But there is also a danger that the civil society will lose interest in the PRSP if after many years of participatory planning no visible progress is made and cooperation forums have nothing more to discuss. So it is urgent to establish a monitoring system offering scope for further useful civil society cooperation.

**Nonetheless, good preconditions for an effective system in Kenya**

The preconditions for the critical public analysis of public expenditures in Kenya, by contrast, are good: a budget system is being put in place that permits detailed monitoring of expenditures, and there are institutions that are experienced in doing effective public relations groundwork. Here it would be important that donors for their part demand publication of actual figures on budget implementation as a precondition for programmatic aid. This also would furnish civil society organizations with the information they need in order to be able to keep critical watch on the implementation of the poverty policy.

## Annex 1: Functions of Institutions to Participate in Monitoring

(according to the National Task Force proposal)

### Institutions' specific responsibilities on M&E: central level

Institution	Responsibility
Cabinet	Provides broad policy guidelines on national political and socio-economic development and influences all development-related issues
Economic Management Sub-committee	Technical arm of Cabinet; it provides technical inputs to Cabinet on the issues related to economic management which are relevant to M&E.
National Economic and Social Council	Brings together all the major stakeholders to define M&E policies and coordinates all their efforts efficiently and productively. Sets implementation strategies and follows progress of executive arms of government and other stakeholders in implementing programs and policies
Parliament	Legislative arm of the government, which has also the role of the executive. Sets the agenda for the implementation of the plan through the approval of the budget and other related policies.
National PRSP Steering Committee (NSC): <i>Chaired by PS, MOPND</i>	NSC is the key institution linking the policy decision-makers with the technical working groups on M&E. It is to be chaired by PS MPND. The NSC will formulate policies and programs for the M&E Unit.
M&E Steering Group	Technical arm of NSC, which has the responsibility of setting the agenda of NSC and also assists the M&E Unit to operationalize all the policies and programs agreed at NSC.
National Stakeholders Forum	Ensures ownership and legitimizes all M&E stakeholders.
PRSP M&E Unit	Oversees the collection and analysis of both qualitative and quantitative information on poverty and well-being as it relates to monitoring and evaluation of SER/PRSP. Coordinates research related to poverty analysis and facilitates analysis and dissemination of findings to government, CSOs, communities and development partners
Central Bureau of Statistics	Responsible for overall statistics in the country and more specifically conducts censuses and surveys (including welfare monitoring survey, HH budgets, demographic and health survey, etc.) and provides detailed analysis of all these data. Compiles the national accounts statistics and related economic indicators, etc., and other data as might be required by M&E.
PRSP/MTEF Secretariat	Oversees the PRSP planning processes, and will have a shared data link with the PRSP M&E Unit.

Institution	Responsibility
GoK Monitoring: - BMD - Macro Group - CAG - HRSS - RPD - EMU	Monitors public expenditure Forecasts and monitors macroeconomic indicators and sectoral resource envelopes Controls public expenditure and produces annual audited accounts Designs indicators for the health, education and employment sectors and compiles administrative data for social sectors as they relate to the M&E. Provides information related the National Development Plans and district development plans Checks on the efficiency of utilization of public resources (mainly procurement and purchases)
Sector working groups	As they involve all active members of each sector, they could be used as a vehicle to design standards for the sector on the targets and indicators which could then be monitored by the M&E unit.
Thematic working groups	Same as sector working groups
Stakeholders Civil society organizations Non-governmental organizations Private sector	
Line ministries (Ministerial planning units)	Design indicators and monitor inputs, activities, outputs and the allocated budget. Collect administrative data on service delivery efforts and their immediate outcomes; analyze these data in conjunction with other sources, and identify policy responses.
District structure of line ministries (district planning units)	With the assistance of the ministerial planning unit (at central level) strengthen district management information system for M&E.

### Description of the Structure - Devolved Level

	Institution	Composition	Role/Linkages
1.	Village Development Committees (VDC)	Organized groups, e.g. CBOs, religious groups, etc Headed by elected community leader.	Shall monitor implementation of the programs at the village level, based on the agreed priorities.  Shall also be responsible, under the supervision of the head of the committee, for the collection of relevant local level information and onward submission to the SDC
2.	Sub-location Development Committee (SDC)	Representatives of community, i.e. CSOs, CBOs, Jua Kali, faith groups & others  Chairperson to be elected by members	Shall monitor implementation of the programs at the sub-location level based on the agreed priorities.  Shall provide the VDCs with a link to the LDCs.  Shall collect, collate and distribute info/reports from LDCs & VDCs both ways.
3.	Location Development Committee (LDC)	Elected representatives from sub-location level  Chairperson to be elected by members	Shall provide link between the SDCs & by extension VDCs.  Shall receive M & E reports from all the SDCs within its jurisdiction and recommend appropriate action to the DCF/DPS which shall be the supreme policy decision making organ.  Shall provide a link between the DCF/DPS and the lower level institutions.
4.	District Planning Secretariat (DPS)	All-inclusive representation, with a membership of 11, drawn from the membership of the District Consultative Forum.  At least one member must be from the District Planning Unit	Will have the responsibility of coordinating the collection and transmission of data within the devolved structure and between the devolved structure & the national structure.  Shall maintain the entire district data base on all relevant M & E issues.  Shall provide a direct link between the national structure and the devolved structure.
5.	Sector boards	Members shall be drawn from existing boards and/or committees. These boards shall be organized on the basis of sectors, preferably as defined at the national level under the MTEF and PRSP arrangement.	These shall report to the DCF  Members of the sector boards shall be automatic members of the DCF  Shall also coordinate the activities of NGOs, CBOs and others, besides government development programs.

	<b>Institution</b>	<b>Composition</b>	<b>Role/Linkages</b>
6.	District Consultative Forum (DCF)	<p>2 representatives from each location (one woman &amp; one man)</p> <p>Representatives of NGOs, faith groups, private sector, Jua kali, local authorities (town clerks &amp; mayor/chairmen), GOK (DEC) &amp; others</p> <p>Chairperson elected by members on a rotational basis</p>	<p>Shall be the supreme policy decision-making institution at the district level.</p> <p>Shall provide the direct link between the district and the LDCs &amp; indirect link between the VDCs &amp; SDC.</p> <p>All communication and links with the national level structure shall be through the DPS</p>

Source: Ministry of Planning and National Development: A Proposed Institutional Framework for the Monitoring and Evaluation of Kenya's Economic Recovery Strategy for Employment Creation and Poverty Reduction, Draft Report prepared by a National Task Force established by a National Stakeholders' Workshop on PRSP Monitoring, Evaluation and MDGs. Reporting in Kenya in Mombasa, in February 2003, Nairobi, May 2003.

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