

**STRENGTHENING WORLD BANK GROUP
ENGAGEMENT ON GOVERNANCE AND ANTICORRUPTION
CONSULTATION FEEDBACK**



KENYA

(JANUARY 26, 2007)

Participants: The consultations in Kenya centered around twelve sector or theme related meetings with key stakeholders in the areas of procurement, oversight and transparency, public accountability, water and sanitation, local government, health, HIV/AIDS, transport, education, legal and judicial sector, ICT and the development partners (a list of topics and attendees accompanies this note in a separate document). Discussants came from a wide range of groups including government line ministries, suppliers, academia, private sector, oversight institutions, NGOs, parliament, judiciary, NGOs, user groups, service providers, project implementing agencies, professional bodies, media, development partners and local government authorities.

Kenya GAC Consultations Schedule, January 18-25, 2007

	Sector/Theme Meetings	Meeting Dates January 18 – 25, 2007
1.	Procurement	Jan 18
2.	Oversight and Transparency	Jan 18
3.	Public Accountability	Jan. 19
4.	HIV/AIDs	Jan 19
5.	Legal/Nightingale	Jan 19
6.	Transport	Jan 19
7.	Water & Sanitation	Jan 19 and 22
8.	Local Government	Jan 19 and 22
9.	ICT	Jan 22
10.	Health	Jan 23
11..	Development Partners	Jan 24
12.	Education	Jan 25

How did the process fit into ongoing country dialogue?

In mid-2006, several Kenyan representatives of faith-based organizations, academia, parliament, professional bodies, media, government, foundations and NGOs were involved in video conferences and face-to-face meetings to discuss the initial draft of the World Bank Group's new strategy for Governance and Anticorruption (GAC) activities. Their feedback generally called for greater transparency and public access to information as a means of improving governance and fighting corruption, greater engagement between the Bank and the government on expediting procurement of Bank-funded projects to reduce project implementation delays, and strengthened partnerships with the government and other partners on strengthening the regulatory framework and capacity of public sector oversight and anti-corruption watchdogs. These inputs were taken into account in the paper discussed by the Development Committee at the September 2006 Annual Meetings of the International Monetary Fund and the World Bank in Singapore. In particular, Section II of the paper, *A Strategy for Strengthened Support to Countries*, emphasizes integration of the Bank Group's approach to governance and anticorruption in country assistance strategies.

The World Bank Country Office in Kenya has long maintained an ongoing dialogue with various stakeholders and partners on a wide range of development issues, including its Country Assistance Strategy (CAS) which places GAC as one of the key engagement areas. The consultations in January 2007 provided an opportunity to broaden the base of stakeholders and to deepen the level of feedback received on strengthening the Bank's engagement on GAC activities. The consultations are timely given the continued high profile of Kenya in the development community and the fact that the World Bank is finalizing its Country Assistance Strategy Progress Report for Kenya (on which there have been consultations as well). The approach taken in Kenya to guide the recent discussions was to slightly modify the global questions to fit the country context so that the consultations enriched both the corporate and country agendas. For example, in selected areas, the consultations focused on very concrete operational issues, including how the Bank work's is contributing to the global and country strategies, and how such contribution may be improved with identified operational actions.

Key issues and themes raised by participants are presented below:

Respondent Type	Consultation Reply
1. Top governance challenges in Kenya	
<i>Public Accountability</i>	<ul style="list-style-type: none"> • WB and donor focusing on institutions rather than individuals. A need to refocus on individuals rather than condemn Kenya and institutions wholesome. • Lack of access to information by Kenyans about their rights/awareness to make public officials more accountable. • Lack of competence of those who provide services (due to tribalism or nepotism). • The constitution has over delegated public oversight to parliament without looking at the capacity of parliament. There is need to review what oversight needs to be vested to parliament. • Confusion between unit of administration and unit of development. Development is at constituency level while administration is at district level. • Failure to clarify the roles of institutions and decentralized funds. There is a multiplicity of funds at the local level. • Lack of rule of law. • Harmonization of rules, e.g. agriculture has 73 pieces of legislation. These laws hinder development in the agricultural sector. • Public audit done ex-post when the rot has already happened and not at implementation or at strategy level. • Poor leadership. Participation does not root out corruption or bring development. Good leadership does. Governance is not participation.
<i>Oversight</i>	<ul style="list-style-type: none"> • Inequalities resting on skewed distribution of resources and of development, and the fact resources do not get to ultimate beneficiaries in an equitable manner. • Weaknesses in the oversight institutions and mechanisms such as the Public Accounts Committee, the Public Investment Committee and the Controller and Auditor General. • Professional bodies in Kenya such as the Institute of Certified Public Accountants, ICPAK; the Law Society of Kenya, LSK, etc. are usually not able to regulate and discipline their members who work in the public sector. • Too many laws- including Anti-Corruption and Economic Crimes Act, the Public Audit Act, the Public Officers Ethics Act, even the Constituency Development Fund Act - are either not fully implemented or only partially implemented. • Lack of freedom of information leading to opacity in decision-making.

Respondent Type	Consultation Reply
<i>Procurement</i>	<ul style="list-style-type: none"> • No governance reform champions: Governance reforms in Kenya have no leadership and sectors that previously had such leadership have been depleted. • Lack of institutional frameworks to support reform champions leading to regrouping of the bad guys and the mobilization of resistance. • Lack of ownership of governance in Kenya unlike other sectors such as HIV/AIDs or the Constituency Development Fund where, though important financial probity questions remain, the agenda is locally owned. • Lack of transparency and issues of access to information which is critical in anti-corruption reform and in procurement. • Too many institutions and actors leading to weak reform co-ordination. • Lack of political will to implement the many laws that have been enacted arising from political patronage, nepotism and partisanship which has particularly affected the prosecution of corruption and judicial reform. • Low levels of competence and skills in the public service where key problems include a) lack of professionalism in job performance; b) poor recruitment policies- lack clear employment criteria and recruitment and c) poor work conditions, including procedures for appointment and promotion of public officers.
<i>Transport</i>	<ul style="list-style-type: none"> • Political irresponsibility to address governance issues. • Greater responsibility of the private sector and judicial sector in playing their role properly. • Weaknesses of institutions and capacity of the society to address corruption from a cultural point of view.
<i>Legal and Judicial</i>	<ul style="list-style-type: none"> • It is important to first clarify what is included in the legal sector? One risk of operating without a definition is concentrating only on the judiciary and over-looking problems of linkages between the judiciary and other sub-sectors and key players such as 1) immigration; 2) police; 3) prisons; 4) probation services; 5) legal training institutions and 6) customs officials. One immediately noted challenge was the fact sector institutions did not always work in tandem. The problem with this is that gains in one sub-sector can easily be offset by reversals offset by losses in another. • Institutional reforms relate to mandate, capacity and powers of legal sector institutions especially the judiciary. • Important to focus on areas that are usually overlooked such as: a) the drafting of pleadings and other aspects of the court process that are unproductive and driven by tradition- such as archaic filing rules; b) case load management; c) accessibility to members of the public; d) powers of the chief justice; e) training of paralegals and other court functionaries; f) public education and legal literacy and g) the role, function and use of complementary and alternative justice mechanisms.
<i>Health</i>	<ul style="list-style-type: none"> • As with other sectors, health is afflicted by corruption and consultations emphasized that all parties needed to be held

Respondent Type	Consultation Reply
	<p>accountable to arrest governance and anti-corruption issues problems. However, the sector also faces challenges that are discrete to it. Key among these are access to health care can be a life and death matter and, therefore, conditions attached to disbursements elsewhere may not be appropriate here.</p> <ul style="list-style-type: none"> • Where services are in short supply or are badly administered, and where there is discretion possible in the provision of services, then there is considerable scope for corruption. • There is need to change cultural attitudes to emphasize that public officials should be serving the people without extorting bribes. • Attention needs to be given to punitive action where necessary. Where funds have been stolen, it is insufficient simply to dismiss officials and allow them to retain the resources illegally gained. • Inefficiency and delays in the judicial system lead to a situation where public transport drivers cannot afford to take time off work to go to court so they prefer to take bribes to the police. • Tender systems are often unduly complicated or tedious, and guidelines need to be improved. It also needs to be appreciated that there are enormous pressures put on procurement staff. In the case of suppliers, as they know that payment is likely to be slow, it is in their interest to inflate costs and pay bribes. • Community mentality. Existing common attitudes include the concept “you eat where you are”, and “we have put you there so we deserve something back”.
<i>HIV/AIDs</i>	<ul style="list-style-type: none"> • There is a conflict between addressing issues on governance and delaying implementation of an urgent program. The way it has been implemented in Kenya, the grassroots have suffered because of the wrong-doings of the administration. • It is true that there were poor routines and controls previously, but the NACC has responded systematically and most of the previous concerns have been addressed. It is now time to move. • We need to find a better balance. Holding the project as ransom has obviously worked, but at what price? People are dying. • Activities in this area are long overdue. The negative impact of corruption on development and efficiency cannot be denied. Even if there is a cost, the issue has to be addressed. However, it is a long term development issue and we will not change the practices without a long term perspective. It will take time to develop another moral attitude. Perhaps the right place to start is in the schools. However, we cannot stop supporting countries; instead we will have to find ways to combine the fight against corruption with other development issues. • Local communities are different and do not understand the way we do things at the national level. People are dying. Discussions in boardrooms and hotels do not prevent this, action is required. What is needed is an approach of continuous training and supervision processes instead of conditionalities.

Respondent Type	Consultation Reply
<p><i>Local Government and Water</i></p>	<ul style="list-style-type: none"> • Government believes in setting up institutions instead of addressing issues. These institutions are expensive and add to existing bureaucracy. Governance being addressed by many institutions leading to conflict and duplication of actions. • There is no set criteria/standards for the election and appointment of leaders who can turn round the system. Appointments done on royalty. • There is a backlog of issues, projects, cases to be addressed and those mandated to reduce the backlog use this excuse not to reduce the backlog. • There is need to address the demand rather than the supply side. • Capacity building should be enhanced. Governance issues on the donor's side should also be tackled and information made available e.g. KUTIP. • There are no results on some sectors or information is not made available. • The cost of services is sometimes very high, e.g. for roads and there is need to investigate why. Value for money and reliability of product is necessary. • Quality of services, standards should not be comprised. • Tribalism. • Refusal to sign code of ethics. • Qualifications of Members of Parliament and also Cabinet Ministers. • Lack of computerization/ICT. • Slow in the implementation of the Water Act, no legal basis for prosecution. • No policies to deal with certain issues and addressed on ad hoc – floods. .No water harvesting mechanisms. • Priority given to personal gain rather than community gain. • Some staff are employed by the Public Service Commission, seconded to the Local Authorities (LAs) by the Ministry of Local Government and salaries paid by the LAs. This leads to lack of discipline, commitment and accountability. • Human resources not appropriately deployed vis a vis qualification and experience. .Lower cadre staff moved from big councils to smaller councils may hold higher grades than the heads of the smaller councils. Higher cadre staff moved from big councils to smaller councils may hold higher grades that are not in the establishment of the smaller councils and become a financial burden. • Records are normally formalized after transfer of officers, hence duplication of payments. • Staff may serve for long periods in the same post. There is lack of professionalism and this affects economic development. • Operationalization of the Water Act 2002is not in place, e.g. some institutions have not taken up the full mandate. The

Respondent Type	Consultation Reply
2. Promising areas of governance and anticorruption reform 3. Main entry points and obstacles to governance reforms in Kenya?	
<i>Donors</i>	<ul style="list-style-type: none"> • Attention to rationalizing country-level and project-level efforts on governance and anticorruption. • Strengthening investigation and prosecution • Strengthening laws/legislative framework and the judiciary • Looking at the areas that continue to make political leadership a challenge in governance and anticorruption • Support for some form of truth and reconciliation process (including restitution) • Support measures that prevent opportunities for corruption and strengthening poor governance in systems (financial management, procurement, sectors, public sector reform) • Support the demand side of governance by strengthening ownership and the accountability system between the state and non state actors such as the media, civil society, NGOs, parliament, etc. • Focus attention on petty corruption because it directly and most visibly impacts the poor • In addition to addressing formal institutions and systems, we must take into account the informal relationships and institutions that contribute to corruption. • Improving indicators on governance that can be used collectively and objectively to support better measurement of progress and fair and consistent treatment across countries.
<i>Procurement</i>	<ul style="list-style-type: none"> • Lack of public education which weakens ability of the public to monitor and provide oversight to procurement. • Outdated procurement practices which have not yet taken advantage of the new communication technologies and introduce more transparency. • Inability or poor mechanisms for dealing with conflicts of interests manifest by regular conflicts in public agencies between boards of directors –political appointees- and management. • Weak monitoring and evaluation driven by the fact that oversight over procurement remains weak and audit recommendations made by the Controller and Auditor General and the oversight committees- PAC and PIC- are routinely ignored by the executive.
<i>Transport</i>	<ul style="list-style-type: none"> • Stakeholder involvement in project identification and implementation is important, but stakeholders also need civic education and need to understand how to behave as good citizens. There is a need to strengthen professional ethics and auditing tools for civil society.

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> • Involvement of media and parliament is important to hold decision makers accountable. • National business institutions must also be active in enforcing rules of conduct of its members and be proactive in making it known when its members have engaged in corrupt practices.
Public Accountability	<p><i>Opportunities:</i></p> <ul style="list-style-type: none"> • World Bank to work with local training/research institutions to conduct training on governance and corruption or to study the corruption and governance problem issues in the local context. • Need to coordinate several institutions/bodies dealing with corruption and not talking to each other. • Better communication with citizens on the adverse effects of corruption and why it should not be tolerated <p><i>Obstacles:</i></p> <ul style="list-style-type: none"> • Weak capacity in professional associations who would otherwise understand governance issues. These bodies have not been empowered to interact with governments to bar errant professionals. • Deficiency in the public sector capacity to regulate projects during procurement process, without private sector involvement yet the private sector has the expertise.
Legal and Judicial	<ul style="list-style-type: none"> • Inefficiencies in the conduct of court proceedings resting on the fact that courts lack basic facilities essential to the judicial function including: a) electronic recording of proceedings; b) research support for judges and magistrates; c) proper management of workload - the typical cause list that comes before one court in a day has about 30 cases on it. • The knowledge and skills of paralegals and other court functionaries who are the gate-keepers to the judiciary but whose skill levels are such that they are not able to deal with basic mechanical questions such as i) whether the proper papers have been filed; ii) if yes, whether they have been filed under the proper procedure? • The use of Alternative Dispute Resolution to ease the back-logs in the courts. But there are also issues of performance and integrity of the institutions at the interface of the community and the formal judicial process e.g. Land Tribunals. • Low levels of use by judicial officers and training of judges of communication technologies which could significantly affect the efficiency and performance of the judiciary. • The lack of financial autonomy for the judiciary which works as a serious incursion into its independence. • Low levels of public confidence in the judiciary/legal system exemplified by the comment, “Why hire a lawyer when you can buy a judge?”

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> • Tendency to forget that ordinary Kenyans are the consumers of legal services and thus not sufficient attention to programmes that 1) raise the levels of legal literacy in the country and 2) interface in a meaningful way with the public. Among measures identified are: a) creating help-desks in the courts; b) introducing law into the school curricula; c) a project to simplify the laws; d) support for the judiciary's Open Day which is being launched this year as part of an annual event to familiarise ordinary people with the workings of the judiciary; e) support for legal sector stakeholders such as the Law Society of Kenya.
<i>Local Government and Water</i>	<ul style="list-style-type: none"> • Bring the government and the people together. Let the government provide information on its activities. • There should be continued funding of NGOs, but the management of current NGOs basket funding should be revised. • There should be criteria for reward. • There should be disclosure on the donor funds disbursed and for what; and the results of the activities funded. • Vagueness of the Water Act, e.g. charging for water abstracted in 1963. • Workable and practical legislation – laws and regulations should be put in place. Conflicts of acts that inhibit management of operations. • Empower the people at the grassroots, particularly women and youth • There is a lot of resistance to change, particularly with the Ministry of Water and Irrigation. MW&I would like to retain some powers, against the stipulation in the Water Act. • Creating and embracing public/private partnerships. • Lack of commitments from the top. • Bureaucracy in government e.g. delayed decisions. • Decentralization by devolution – officers should be assigned resources, responsibilities, rules and regulations. • Lines of accountability should be established. Officers should be made aware of the rules and consequences of the consequences. • Establishment of proper financial management systems in councils. • Demand for accountability. Start at the lower level and rise to higher levels. • Lack of information and training

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> • Lack of active civil society to educate the people and disseminate information on proper governance and awareness of their rights. • Elaborate legal framework, like that existing in the Water Act 2002. Also other Acts – Ethics, Anti-corruption, procurement etc • Higher level of funding as the demands are high so as not to spread thin. • Prudent financial management is lacking. Qualified human resource lacking.
Education	<p><i>Issues/ challenges</i></p> <ul style="list-style-type: none"> • Current systems help to account for government monies, but not partnership monies. • Selecting appropriate partners, and articulating criteria for selecting partners. Selecting partners who have good governance themselves. Pre-qualifying partners. Eliminating partners who have been involved in unethical practices. • The problem of syndicated collusion among various levels of the government and community hierarchies. • It is difficult for poor people to have access to and report on corrupt practices. There is lack of confidence in local institutions due to a history of monopoly of power. • The problem of apathy. Communities have a duty to inform and complain if there is dishonesty. Reporting is important, but there is lack of commitment to being held accountable. For example, physical inventory of instructional books not matching actual number supplied. Tracking the supply chain is one of the biggest challenges. Furthermore, in some cases teachers themselves are responsible for selling textbooks in the open market. In still other cases, some schools may get discounts in cash instead of extra books. It must be acknowledged that resources are likely to be lost through leakage. The global approach should take this into account. It will be important to respond to the dichotomy. • Ensuring good record-keeping as supporting evidence to prosecute cases. • Private sector institutions and NGOs must be registered. However, several problems persist. For example, one NGO was found to be registered with multiple ministries—Ministry of Gender, with the NGO Council, with the Attorney General. The question for MOE is to fund only those which have validated MOUs. • The problem of constant turnover due to frequent changes in School Management Committees (SMCs) leading to lack of continuity and loss of experienced and knowledgeable staff. • The lack of clear-cut guidelines and harmonization between Parents’ Teachers’ Associations (PTAs) and SMCs. Dichotomy between PTA and SMCs. • Uncoordinated procurement, inflated invoices and suppliers not being paid on time is a significant problem.

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> • Schools being pilfered on a regular basis, with no efforts to address the problems. • If an education officer must travel several hundred miles to meet the Permanent Secretary to discuss corruption at school/community levels, this signals a lack of confidence in local institutions to address the problem. • The differential costs of education by different education providers. • From a systemic perspective, monitoring funding from other ministries for education. For example, funding from the Ministry of Home Affairs for Orphans and Vulnerable Children. <p><i>Possible options to promote good governance and anticorruption:</i></p> <ul style="list-style-type: none"> • The problems are not specific to the public sector alone. Private sector companies have similar problems about partnerships. • Mobilizing partners for war against corruption. • Basing harmonization and alignment on the comparative advantage of partners. • Integrating key partners at all levels to address poor governance and corruption issues. • Development partners funding anticorruption activities for all stakeholders, including for independent monitoring. • Development partners helping to build good systems. • Development partners working through NGOs. • Building capacity of partners to play their part. • Partners ensuring that resources are being used for intended purposes. The objective of monitoring is to put in place corrective measures. • Sharing experiences--specifying who the development partners are working with. • As a longer term strategy, development partners recommitting themselves to civic education and training. School curriculum should include civics education with governance and anticorruption messages.
4. How can the Bank better assist Kenya on governance reforms?	

Respondent Type	Consultation Reply	
Procurement	i) What to do	<p><i>Quote: "The World Bank does not work for a government; it works for a world without poverty."</i></p> <ul style="list-style-type: none"> • Identify the relevant stakeholders as well as opportunities to work with practitioners. • Build the capacity, in law and in fact of professional associations so that they are able to impose sanctions or take disciplinary action against any of their members who are guilty of misconduct if they work in the public sector. • Capacity building for supply officers through the Institute of Supplies Management which has programmes to train supplies officers. • Support judicial and legal reform to deal with problems of impunity. • Support initiatives for training for journalists and media on procurement issues using i) journalists associations, ii) journalism schools; iii) customised training events for specific clusters of journalists and iv) NGO workshops for parliamentary committees. • Support for on-going work to develop a Transparency Index for Non-Governmental organisations.
	ii) How to identify partners	<ul style="list-style-type: none"> • <i>Relevance:</i> Are the partners working on issues that promote the enforcement and implementation of the Procurement Act or on other changes that will ensure better public procurement or improve oversight related to such procurement? • <i>Governance criteria:</i> Do the partners practice good corporate governance practices including a) What levels of corporate disclosures do they make?; b) Do they publish regular and proper accounts? • <i>Partner knowledge and skills:</i> What are the skills and knowledge levels in the potential partners? • Consider providing technical support: where partners are working on a relevant, have the requisite knowledge but have weak governance structures, the Bank should consider providing support to institute systems and construct governance within the organization or agency.
Donors	<ul style="list-style-type: none"> • Seek introduction of a provision in project legal agreements that calls for joint action between government and the Bank in preparing and moving forward a case on individuals suspected of corruption. • Assist in strengthening the county's Constituency Development Funds which have huge potential for development, but also for corruption. • Discourage the trend towards creating new and parallel institutions in the country to resolve non-performance issues by existing organizations. We should instead fix the problems and strengthen the existing institutions. • Support development of tools and methods that empower citizens to seek their rights and the accountability for local delivery 	

Respondent Type	Consultation Reply
	<p>of services.</p> <ul style="list-style-type: none"> • Maximize all project opportunities, such as construction of roads, to infuse governance and gender developments, perspectives and indicators. • Complete decentralization to the country offices by having all Team Leaders fully located in the country to help strengthen dialogues, implementation and results.
<i>Transport</i>	<ul style="list-style-type: none"> • Assist in the development of professional bodies and in enhancing standards of accountability and transparency. • Better communication of world experience regarding political willingness to carry out governance reforms.
<i>Public Accountability</i>	<ul style="list-style-type: none"> • World Bank needs to identify upfront organizations and institutions to deal with for training and research on governance and corruption issues. • World Bank has internal obstacles which prevent it from supporting civil society institutions and professional bodies. World Bank needs to work with professional bodies. • World Bank also needs to work with local authorities and the cooperatives.
<i>ICT</i>	<ul style="list-style-type: none"> • Reward those that are not corrupt. The Bank used the example of tailored entry points but in reality there is no global consensus as this depends on the country circumstances. There is no one size fits all.
<i>Legal and Judicial</i>	<ul style="list-style-type: none"> • Support the development and enhancement of the capacities of the courts and complementary justice institutions-including ADR and traditional customary institutions. • Carry out an assessment of the needs of justice delivery mechanisms of the country including the judiciary and other institutions that resolve dispute. • Support for Rationalization of the Prosecution Function by creating a unified prosecution service to remove current situation where prosecution of crime is divided between the police and the Directorate of Public Prosecutions. • Support for the Kenya Judges and Magistrates Association and allied stakeholders, such as the Law Society of Kenya, LSK- to implement the current peer review process among the judges and magistrates. • Support analysis of local level justice delivery mechanisms.

Respondent Type	Consultation Reply
<i>Local Government and water</i>	<ul style="list-style-type: none"> • The Bank should be involved in prioritization of programs to be funded and have discretion of the priority programs. • Bank should avail information on good examples, best practice from other countries. • Study tours should be arranged/ funded to see best practice. • Bank should not be silent and should raise its voice on glaring issues, through the Country Director; say on salary of MPs and the President, or increase in number of MPs. • Provide adequate resources. • Resources should be channeled directly to/recipients/beneficiaries. • Support to training and capacity building required, including development of materials for training. Training on governance should start early in the school education. • Assistance to policy formulation required. • Assist in setting governance institutions. • Provide a tested framework and finance its implementation. • Be involved in evaluation and prioritization of investment options in basic infrastructure. • Sensitization, education and empowerment of members. • Support pilot programs (in selected councils) before embarking on large scale programs. Once a pilot program is found to be viable this can be replicated to other councils. • Allow stakeholders/beneficiaries to identify the areas required for assistance. • Assist in the identification of critical areas that need to be addressed. • Assist in the establishment of a framework to address proper governance. • Support/champion the development of the rules and regulations to operationalize the Water Act 2002, e.g. appointment of Directors of the sector institutions Water Act 2002 and operational regulations to be followed by water service providers
<i>Health</i>	<ul style="list-style-type: none"> • Support improved services, increased accountability and enhanced information access. Information dissemination is critically important so that procurement is more transparent and efficient. • Improve methods and mechanisms for reporting corruption and provide whistle blowers protection.

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> Decentralization increases local accountability, but it is important that inefficiency is not decentralized. Therefore develop appropriate systems and procedures, as well as build local capacity. Focus on outcomes. The World Bank should not press for faster disbursements per se. Strengthen public sector systems.
<p>A Multi-stakeholder Approach: While government is the key counterpart of the Bank, which are the other stakeholders groups with which we should better engage in Kenya and elsewhere (e.g., the private sector groups, civil society, media, faith-based organizations, professional bodies)? (i) By what criteria should they be selected? (ii) What should be modalities and mutual accountabilities (if any) in such interactions]?</p>	
<i>Transport</i>	<ul style="list-style-type: none"> Parliament Professional bodies/trade associations Regulatory and licensing bodies, such as the Engineers' Registration Board
<i>Public Accountability</i>	<ul style="list-style-type: none"> Strengthen Ministry of Planning or ministries responsible for monitoring and evaluation Strengthen the centre of government i.e. cabinet office where major policy decisions are made Strengthen public-public sector partnerships Help build umbrella organizations like KEPSA Work with organizations with good codes of ethics, good corporate governance and whose officials are elected under democratic principles
<i>Local Government and Water</i>	<ul style="list-style-type: none"> The Bank to involve other stakeholders like the Association of Local Government Authorities of Kenya, human rights bodies, and Law Society of Kenya. Advise on legal matters so as to effectively participate/contribute towards governance and anticorruption. Support research institutions e.g. Kenya Institute of Policy Research and Analysis (KIPRA), Institute of Policy and Research (IPAR), universities, academic institutions and professional bodies. Private sector and professional bodies should be involved, and civil society made more active and proactive Media should disseminate information.

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> • The credibility of the stakeholders should be checked with their clients. • Selection criteria could include relevance of organization, capacity (financial/human resources), audited accounts, etc.
<p>1. How to mitigate fiduciary risk in Bank operations:</p> <p>a. Which fiduciary accountability systems should the Bank seek to support in countries?</p> <p>b. How can the Bank ensure that its grant and loan proceeds are used for their intended purposes, while helping countries build these systems?</p> <p>4. Mitigating Fiduciary Risk</p>	
<i>Oversight</i>	<ul style="list-style-type: none"> • Support Integrated Financial Information Systems reforms. • Strengthen the internal auditors in government especially at the local level where there is now more money because of the devolved funds. • Strengthen and modernise government financial management rules and regulations through comprehensive review of all government financial regulations. Current regulations date back to the 1970s. • Conduct proper assessment of fiduciary risk before project sign-off and if appropriate set aside some money to build the capacities of project staff and institutions.
<i>Local Government and Water</i>	<ul style="list-style-type: none"> • Support should be given to the national budget process. • There should be shared equity within sectors – e.g. a lot of resources are under Northern Corridor Project, but there should have been something on roads for the slums (e.g. Kibera). • More needs to be done to make procurement more transparent. There is need to address cartels that exist. Information on these cartels should also be disseminated. • Consider publicizing information on bidding/tendering for goods and services, establishment of performance contracts and their monitoring, and formation of peer review groups. • Monitoring and evaluation systems. Systems at the grass roots level need support. • Accountability and participatory reviews. • Support multi-sectoral committees at various levels. • Establish a very strong monitoring unit. • Need to identify stakeholders before project implementation and make them aware of their obligations to monitor and empower them to monitor.

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> Submission of reports is not adequate and physical inspections should be made.
	<p>2. How the Bank should engage where governance is weak, and circumstances under which to engage:</p> <p>a. What should the Bank do in countries or sectors with weak governance and severe corruption, where government leadership is not consistent in tackling these problems?</p> <p>b. In such circumstances, how should the Bank remain engaged to help reduce poverty?</p>
<i>Oversight Institutions</i>	<ul style="list-style-type: none"> Recognise that involvement of democratic institutions such as parliament will mitigate the broader risks of governance. Specific measures that could have this result include: a) ensuring that legislators have information on bank projects; b) making certain that the proper parliamentary approvals and ratifications of bank loans are in place and c) investing in the capacity and skills of oversight institutions. Support measures to make budget process more accountable by a) ensuring that if there are budget consultations these are meaningfully participatory; and b) pressing the government to plug current accountability gaps in the External Loans Act, especially as relates to notification and ratification by the National Assembly. Identify when and take remedial action if the government is muzzling oversight bodies including the judiciary and the supreme audit institutions. Support demand side institutions to ensure that there are countervailing pressures on government on issues of governance by local institutions.
<i>Procurement</i>	<ul style="list-style-type: none"> Support technical work that has future pay-offs such as developing capacities, training and skills may be appropriate. Support responsive agencies and departments to develop long-term organizational documentation, such as operational manuals and strategic plans. Do not provide budget support as it only rewards bad practices. Identify partners from amongst the non-state actors but Bank needs to look at its mandate and approach. Support reforms on the demand side that strengthen oversight and monitoring: Indicative activities in Kenya for the time being would include a) support for political party financing legislation; b) support pending measures that would strengthen financial as well as general oversight such as the Fiscal Management Bill and the Freedom of Information Bill; c) fund bodies and agencies conduct integrity surveys and public education programmes. Communicate better and smarter in high corruption, high impunity environments so that Bank is not misinterpreted as supporting corrupt activities.
<i>Transport</i>	<ul style="list-style-type: none"> Stay involved to help establish governance institutions, which is bound to take a long time. Hence, be patient.

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> • Work with local stakeholders and support CDD type approaches. • Blacklisting companies to the extent that it is anchored in the law. Emphasize code of conduct. • Knowledge sharing.
Public Accountability	<ul style="list-style-type: none"> • The World Bank engagement is more important than the money. • The Bank should work with other development partners to create an enabling environment to build capacity in government and to eliminate corruption. • Fund projects which have direct impact on poverty. • Identify sectors with good leadership and work with them. • Its important for the Bank to put pressure on non-functioning ministries or corrupt sectors by doing economic and sector work to reveal the poor governance. • The Bank should provide technical assistance to root out corruption. • Stop lending for budget support but technical assistance is important to build systems. • Focus on results.
Donors	<ul style="list-style-type: none"> • Remain engaged, even in areas of poor governance. • Support a joint donors agreement to help harmonize program implementation conditions such as rolling audits introduced by one donor which have resulted in government staff transferring to less stringent donor programs. • Rationalize donor engagement based on the comparative advantage analysis. • Help to facilitate the dialogue between government and the bilaterals on development and governance. • Spear head joint analytical work on governance which should be used to improve donors' coordination, strategies and operations.
ICT	<ul style="list-style-type: none"> • Use ICT operations to strengthen transparency.
Local Government and Water	<ul style="list-style-type: none"> • In no circumstance should support be stopped. Because it does not address the problem for future engagement. • Where compliance is lacking invoke reduction of assistance and also restructure programs. • Set same rules and criteria for compliance and have basis to treat countries on equal basis.

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> • Bank should be consistent with conditionalities. Any changes should be small. • Should not set tough unattainable conditions, because enforcing will be difficult and in the end they not be honored. Bank should assist in poverty reduction activities identified by the stakeholders. • Formulate ways of reaching the beneficiaries. • Address the root cause of the problem and not the symptoms. • Start in a small way not a bang. • Support initiated governance and anti-corruption programs. • Increase pressure and enhance engagement to address poverty. • Bank should continue to fund but identify innovative modalities for implementing the programs. • Form multi-sectoral groups to help in the implementation of the programs. • Directly finance the beneficiaries. Channeling of funds funding through many institutions before reaching the implementing agency does not add value. • There should be no stopping, but restricting can be done. • Common person requires the assistance. • Bank should be non-partisan. • Bank should set standards that are applicable across countries.
<i>Legal and Judicial</i>	<ul style="list-style-type: none"> • The need for a proper understanding of the various forms of corruption and how these impact overall Bank programming. • Support for the demand-side of reforms by funding civil society organizations “to make noise at government.” • Leverage change in institutions that the Bank has stopped funding so that even when the Bank decides to disengage from a particular sector in order to support another better governed sector, it should, as much as possible, use the support it is offering to that other sector to leverage positive changes in the sector it has abandoned. • Plan for periodic risks such as those associated with elections and keep in mind that 2007 is an election year in Kenya.
<i>Education</i>	<ul style="list-style-type: none"> • There are partnerships - everyone is responsible for addressing the issues and moving forward together with shared accountability. Don't just pull out when there is a problem but find solutions together. • It is not about the World Bank. It is about systems and how the World Bank and other development partners can support

Respondent Type	Consultation Reply
	them together. Role of World Bank needs to be seen in broader perspective.
<i>HIV/AIDS, Health</i>	<ul style="list-style-type: none"> • World Bank to review carefully the need to move forward with support with due diligence. Yes, high fiduciary standards are needed. But, important to balance the development needs and be prepared to take measured risks in situations of emergency and real human suffering. • Even in very difficult circumstances where there is limited commitment by governments or where there are substantial sectoral constraints, it would be undesirable for the World Bank to withdraw its support entirely.
<p>3. The Bank's role vis-a-vis other donors in supporting governance reform Global Collective Action: How might development partners work best at the local and international levels to support reformers in their fight against corruption?, What should be priority areas for such collective/common action?</p>	
<i>Public Accountability</i>	<ul style="list-style-type: none"> • Peer review mechanism by supporting government to government learning. • Promote South to South learning. • Building capacities where reformers are and try to institutionalize reforms. • Celebrate reformers where they are. • Ratification of UN laws for money laundering . • Blacklisting multinationals involved in corruption.
<i>ICT</i>	<ul style="list-style-type: none"> • Work together to get more information out to the public. • Focus on preventive as well as enforcement measures.
<i>Local Government and Water</i>	<ul style="list-style-type: none"> • Development partners could jointly agree that any NGOs that they each fund should publicly disclose funding and project performance on a regular basis. • Combined basket funding for a particular sector. • Formation of Inter-Agency Committees for coordination and to avoid duplication, maximize on use of resources, strengthening linkages, improve on transparency and a forum for sharing information. • Need to focus on institutions and provide capacity building. • For reformers soft loans and/or grants should be provided. • For motivation, make good governance a condition for support. Support programs for empowerment of communities.

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> • Capacity building at the education level to be given priority. • Have harmonized approach in tackling issues, including the treatment of national organizations and individuals. • Disseminating best practice in all countries. • Supporting anti-corruption champions. • Establishment of anti corruption forums from grass roots (location) to national level. • Recognition of those who have talked candidly. • Start educating the people. • Blacklisting and let others know. • Sharing of information on the performance of multinationals. • Information should be available on the firms and the Bank could provide the necessary intelligence data base.
<i>Transport</i>	<ul style="list-style-type: none"> • Work on repatriation laws and capital controls. • Facilitate enforcement of international laws on corruption by multi-national firms.
	<p><i>Promoting accountability</i></p> <ul style="list-style-type: none"> • Taking a multi-sectoral approach to addressing governance. Key entry point is local governance and information dissemination. • Tackling corruption from a holistic perspective. • Targeting both private contributions as well as public money. • Exposing corruption from the Ministry to school levels is a good strategy. • Ensuring that all complaints are addressed; this is key. • Developing mechanisms to address resource leakage issues through a work program and a dedicated team. • Setting up country level system to redress grievances. Evidence is necessary to redress grievances. In the absence of evidence, people are incapacitated. • Including ‘whistleblower clause’ in the governance rules and regulations. • Addressing the issues of power structure by clearly defining roles and responsibilities at school and grassroots level. • Empowering local level staff. It is not sufficient to open the door for addressing corruption. There is a need to help

Respondent Type	Consultation Reply
	<p>people to enter.</p> <ul style="list-style-type: none"> • Promoting standardization <i>versus</i> allowing schools to define how funds are going to be expended, particularly where procurement is concerned. • Incorporating traditional control mechanisms into the system; linking modern and traditional forms of government. • Removing discretionary powers. For example, eliminating the middlemen in disbursing funds to schools. Option adopted could be for bursary funds to go directly from the central bank to the schools' accounts in local banks. The MOE would not be handling funds directly. The financial system would be harnessed to ensure transfers and the built-in accountability measures would be applicable. • Promoting school-based management strategy which has been a successful model as demonstrated through the Free Primary Education Support Project (FPESP). The mechanism works because communities feel they know how resources are being used. • Creating incentives for good governance and management. Focusing on honest and credible appointment and promotion systems. There is a major problem if the wrong people are promoted. • Rewarding good practices. • Focusing on quality assurance and standards by taking both qualitative and quantitative data into consideration. • Self-regulation as a first benchmark augmented with others levels of regulation for accountability. • Countervailing efforts to ensure mutual accountability. • Focusing on judicial reform to allow systems to function. • Designing new methods of funding and tracking. • Building capacity at the institutional level. For example, the Kenya Education Sector Support Program (KESSP) management experts have received training. A DfID financed 2-day workshop has helped to raise awareness about governance issues. And • Instituting strong labor laws in the country and enforcing them. Multinational companies (MNCs) tend to take advantage of weak labor laws and loopholes to penetrate global markets. <p><i>Communication strategies:</i></p> <ul style="list-style-type: none"> • Harnessing the media to fight corruption through anticorruption media campaigns and disseminating good practices. • Avoiding divisions that convey wrong messages, which separate the camp between good and bad. The reality is not stark

Respondent Type	Consultation Reply
	<p>black or white.</p> <ul style="list-style-type: none"> • Disseminating information on mechanisms and provisions to schools. • Setting up information systems at school level. • Developing guidelines that can be applied, assessed/reviewed, and revised as needed. Designing manuals and anticorruption guidelines. • Producing information materials, and ensuring that information is received by the intended audiences. • Setting up independent hotlines for reporting corrupt practices. Once good practices are adopted and known, a virtuous cycle can be developed.
<p>4. How to monitor progress in governance and anticorruption at the country level. Tracking Change: How should progress be measured and monitored?</p>	
<p><i>Oversight Institutions</i></p>	<ul style="list-style-type: none"> • Conduct baseline surveys to establish bench-marks for measuring project progress. • Specify project outcomes clearly and measurably before the project is implemented to allow for proper assessment of milestones in the project life. • Create and support the creation of effective public complaints mechanisms to act as watch-dogs for service delivery. • Conduct regular point of service audits and surveys to assess the level of end user satisfaction. • Insist on both regularity audits (end of period financial audit) and value for money audit (effectiveness), reinforced with effective and periodic monitoring and evaluation mechanisms. • Review and popularise performance contracts so that they can become instruments by which ordinary citizens can judge the performance of those charged with responsibilities for service delivery. • Perform social audits in addition to financial audit.
<p><i>Transport</i></p>	<ul style="list-style-type: none"> • Develop agreed yardsticks on which to assess countries in a consistent manner and measure progress. • “The yardstick and the criteria must be well understood so that weaknesses can be clearly identified and corrective measures applied.” • Use stakeholders to do the monitoring.
<p><i>Public Accountability</i></p>	<ul style="list-style-type: none"> • Performance contracts. • Score cards.

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> • Beneficiary assessments. • Agreed upon targets set by stakeholders. • Performance management accountability mechanisms in place and tracking milestones for the long term vision. • Value for money performance audits • Having a strong integrated M&E mechanism. • Service charters. • 360 degrees feedback in ministries.
<i>Legal and Judicial</i>	<ul style="list-style-type: none"> • The need to develop performance bench-marks that includes specification of objectives and an in-built monitoring plan. • Use of qualitative information: Important shifts in governance have qualitative dimensions that need to be captured in M&E. • Academic inputs are necessary: there was emphasis that it was important to incorporate academicians into the measurement of progress.
<i>Donors</i>	<ul style="list-style-type: none"> • Encourage a multisectoral/stakeholder approach in project implementation and monitoring so that the non-state actors are in the driving seat, and it is not a situation where donors are raising issues with the government but one where the beneficiaries lead the cause with the support of development partners. • Use practical development results, including the MDGs, as an important lens for judging governance.
<i>Local Government and Water</i>	<ul style="list-style-type: none"> • Citizen Report Card. • Establish indicators e.g. corruption indices through surveys by established international organizations. • Use of per capita index, economic growth, percent of school age children going to school, literacy level, and how independent the judiciary is. • Establishment of action/work plans. • Progress on established benchmarks. • Specific performance contracts. • Citizens empowerment on monitoring and evaluation. • Regular audits and follow up actions.

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> • Establish clear targets and attainable/measurable key performance Indicators. • Apply preventive measures during project implementation rather than after the project. • Carry out customer satisfaction surveys. • Periodically communicate the results.
<i>Education</i>	<ul style="list-style-type: none"> • Moving from input to output to outcome to impact indicators. • Using qualitative measures in conjunction with quantitative indicators. Baseline information is very important for all activities. Governance surveys are needed. • Augmenting technical evaluation by experts with small-scale versus large-scale/mass production indicators. • Developing varied measurement instruments to suit country, sector and sub-sector needs. • Conducting regular participatory, beneficiary assessments (MOE's responsibility). • Factoring appropriateness and timeliness of monitoring for the Government and for development partners. • Designing penalties for delays in achieving objectives. Implementation timing should take into account physical conditions of service delivery, weather changes, and <i>force majeure</i> circumstances beyond the control of service delivery agents. • Strengthening Education Management Information Systems (EMIS) from the central to the institutional and community levels. • Obtaining the right information at the right time; widening information gathering and sharing with development partners. • Scaling up SMS messaging. • Setting up a scale to measure progress, building in corrective measures, identifying ways and means of scaling up or extending successful practices. • Setting benchmarks for each activity; assessing what is being dealt with; and carrying out surveys of areas to assess extent of problems. • Designing reporting mechanisms along the lines of the one commissioned for Nyanza, the Rift Valley, and the Eastern Province. • Identifying signals and aberrations in the system. • Including media representation in monitoring committees. For example, in the agriculture sector, with USAID support the media is being actively tapped. For HIV/AIDS, UNESCO is actively working with the media. DfID has another worthwhile approach.

Respondent Type	Consultation Reply
	<ul style="list-style-type: none">• Adopting the ‘independent monitors’ model being used in Uganda to monitor Universal Primary Education (UPE).