

## **Kenya: Consultative Group Meeting Joint Statement on ERS Monitoring and Evaluation**

### **Introduction**

The government's development vision articulated in the Economic Recovery Strategy for Growth and Employment Creation (2003) and its Investment Program (IP-ERS) identifies a set of development priorities for the country. Both of these policy documents provide a credible short to medium-term strategy to re-launch economic growth, promote poverty reduction, and human development in Kenya.

We welcome the government's commitment to develop an integrated sectorwide monitoring and evaluation (M&E) system as part of its program to improve the allocation and use of resources in order to enhance governance, transparency, and accountability. This system will serve as an essential tool for gauging the efficiency and effectiveness of public policies in achieving IP-ERS objectives including the Millennium Development Goals (MDGs).

While many elements of a robust monitoring and evaluation system are in place, much remains to be done. Further efforts will therefore be required to build on and strengthen past initiatives. This effort will be challenging. It not only requires strengthening the capacity of institutions, but a framework for coordinating activities of the many actors involved in M&E.

### **Recent developments**

Since the last Consultative Group meeting in 2003, the government has made progress in strengthening capacity for M&E. It established a Monitoring and Evaluation Department within the Ministry of Planning and National Development that is responsible for collating, coordinating, and disseminating information. It has developed a Statistical Master Plan to serve as a blueprint for a national statistical system and prepared a statistics bill that will establish the national statistical system and transform the Central Bureau of Statistics into the semi-autonomous Kenya National Bureau of Statistics. The government has also created a three-tier (MDG, African Peer Review Mechanism (APRM), IP-ERS) framework for monitoring and evaluating the implementation of the IP-ERS and its effectiveness in stimulating growth and reducing poverty and inequality. A draft of first annual progress report of the IP-ERS has been prepared through a participatory process including senior government officials, heads of parastatals, civil society, universities and research institutes, the private sector, and development partners. This has helped both to promote ownership and to improve the content and messages of the report. We welcome the decision of the government to reach out to parliament to further build ownership for the report. The report will be finalized following the CG meeting.

The government has continued to revitalize its evaluation and monitoring capacity, through thematic working groups and linking this with the MTEF process through the system of public debate. A National Monitoring and Evaluation Steering Committee has been established comprising government stakeholders from the Ministries of Planning and National Development (including from the CBS), the Ministry of Finance, development partners, and nongovernmental organizations. The Cabinet Office has strengthened its capacity to track the implementation of cabinet decisions, parastatal reforms, presidential pronouncements, and government policies. The Ministry of Finance has also been strengthened to effectively monitor economic reforms, to undertake policy analysis, and to

design policies for sustainable growth. Support for the Central Bureau of Statistics has aimed at enhancing its capacity to collect and analyze data and to disseminate information.

In collaboration with its development partners, the government continues to institutionalize and strengthen its M&E system by enhancing capacity for generating statistics through the multi-donor National Statistical System Project, articulating a nationwide framework, and establishing links with planning tools such as the budgeting process, medium-term expenditure framework (MTEF), and the public expenditure reviews. In late 2004 the government established the National Economic and Social Council. The Kenya Private Sector Alliance has established 30 private sector governing councils and formed 17 sector and thematic working groups focusing on specific aspects of strategy. This has stimulated the government interest in pursuing economic development process through public/private sector partnership. NGOs and civil society organizations monitor the quality of service delivery. A new unit of Public Sector Reform and Development, headed by a permanent secretary, has been created within the Office of the President with a mandate of implementing a system of performance management, linking compensation of key government officials with their success in attaining the annual targets. Once implemented, this process could provide a powerful incentive to officials to both set realistic targets and to focus on achieving them.

The country launched in May 2004 the MDG based planning and policy formulation process to mainstream the MDGs within the national policy, budgeting, and monitoring processes of the government. The Kenya MDGs needs assessment is aimed at generating information on the resources required to achieve the MDGs, and ultimately to bring about a shift in planning, resource allocation and use, monitoring and reporting. Kenya is also using the New Partnership for Africa's Development NEPAD/APRM processes to assess political, social, and economic development and governance issues. Entities such as the Kenya National Human Rights Commission are monitoring and reporting on issues related to human rights.

Other important activities that took place during the past year include:

- Initiating preparations for the fourth Kenya participatory poverty assessment to deepen understanding of the quantitative information being collected through the Kenya integrated household budget survey.
- Selecting in collaboration with relevant ministries 31 core indicators and annual targets to monitor progress towards achieving the IP-ERS objectives and the MDGs.
- Clarifying the role and mandate of the M&E department in relation to the central and line ministries, local authorities, and other government and nongovernmental entities engaged in M&E through an institutional analysis.
- Strengthening the capacity for and monitoring of key development indicators at the district level.

### **Key challenges facing the sector**

Much remains to be done to strengthen the government's capacity to monitor and evaluate the impact of policies and programs, especially on the poor. Problems of weak capacity, a lack of an integrated and comprehensive framework for M&E, institutional disconnects, and fragmented and uncoordinated initiatives that are not complementary and often compete need to be addressed. Linkages between the many groups collecting data? research institutes, NGOs, private sector, development partners? need to be established so that efforts are not duplicated and data are made available to all. Coordination among various government

bodies that collect data also needs to be improved. Adoption of a policy regarding public access to information is a priority. Links to the public expenditure review process and the MTEF need to be made much stronger so that monitoring data are used to allocate resources intended to achieve IP-ERS objectives and the MDGs. Finally, collaboration among producers of information, technical analysts (economists, other social scientists, and environmental specialists), policymakers and other users of poverty data should be promoted to ensure that information produced provide s useful input in policy analysis and formulation. Such collaboration will generate demand for quality and timely data.

**Priority actions to address the challenges during the coming year include:**

- *Enacting into law the draft statistics bill.* The passage by parliament of this bill will permit the establishment of a much stronger and more credible National Statistics Bureau and guarantee access by the public to government statistics.
- *Encouraging ministries to incorporate the IP-ERS core indicators and annual targets in all ministerial strategic and planning documents.* Many ministries have not yet organized their work programs on an objective-led basis with appropriately identified inputs and outputs linked to outcomes. The M&E department will work with the line ministries to ensure that the final versions of the strategic plans and annual work plans for 2005/06 are suitably constructed to permit outcome-based monitoring and evaluation. This will help to eliminate inconsistencies between the new sector strategic plans and the government's overall development strategy, presented in the IP-ERS.
- *Building capacity for evaluation.* Good quality independent evaluations of government programs can provide information needed to improve the effectiveness and efficiency of government operations. The M&E department in collaboration with a university is planning to undertake evaluations of government programs. These are expected to familiarize the M&E department with the key issues and methodologies of evaluation, and, ultimately, to the establishment of capacity within the department to lead evaluations of government programs.
- *Further harmonizing partner support to the sector.* In collaboration with the government, partners will continue to align their support with government's strategy for M&E. Over the medium term, partners will increasingly provide their support through a sectorwide approach, based on a shared vision and shared priorities in a comprehensive and coordinated manner.
- *Mainstream the MDG planning process with government's other planning processes.* The MDG planning process builds on the government's existing planning processes, as presented in policy papers such as the IP-ERS. Progress towards the MDGs will be highlighted in the progress reports of the IP-ERS.
- *Enshrining the agreed indicators in the Budget Strategy Paper.* Including the core indicators in the Budget Strategy Paper will help decision-makers to allocate budgets across ministries and within ministries in line with strategic priorities.
- *Incorporating the indicators into a scorecard of government services.* Creating a scorecard of government services based on the agreed 31 targets and indicators can help to communicate the government's plans to citizens, who can in turn hold the government accountable for its actions.

## **Indicators of success**

The following are key performance indicators for the coming year:

- Statistics bill enacted into law and the CBS transformed into the Kenya National Bureau of Statistics.
- Agreement reached with line ministries on key performance indicators and annual targets that will be tracked to assess performance. Key ministries incorporate them in all their strategic documents and annual work plans for 2005/06 to permit outcome-based monitoring and evaluation.
- Several independent evaluations of government programs completed by the M&E department and their findings reported in the press.
- The 2004/05 progress report of the IP-ERS is prepared in the fall of 2005 and is of higher quality than the 2003/04 according to a survey of stakeholders.

## **Donor harmonization**

Development partners have worked well together in supporting the development of the Statistical Master Plan. During the coming year, development partners commit themselves to work towards a sectorwide approach for delivering support to further reduce transactions costs to the government. Such sectorwide support will include support for building the capacity of line ministries and local governments to collect and analyze data, and disseminate information.

## **Conclusion**

The government is making progress in strengthening its capacity for M&E. Much more remains to be done. As partners, we strongly welcome the government's commitment to the results-based approach to development. We will continue to support its efforts to collect and to report on information that will allow stakeholders to assess the effectiveness of government's strategy in achieving its development objectives and the MDGs. We applaud its actions to consult widely on the annual progress report of the IP-ERS to ensure that direction on future policies and public expenditures are informed by the hopes and aspirations of Kenyan citizens. We welcome the proposed mid-term review of the IP-ERS, which will provide an opportunity to assess the extent to which the new budget process, enhanced financial management action plan, and the public sector results-based management system are leading to a more appropriate allocation of resources in the budget.