

Country Strategy for Development Cooperation

Kenya

1 January 1999 – 31 December 2003



REGERINGSKANSLIET

UD

The Government

Government decision 11:3

15 April 1999

UD1999/452/AF

The Ministry for Foreign Affairs

The Swedish International Development
Cooperation Agency (Sida)
105 25 STOCKHOLM

Country strategy for development cooperation with Kenya 1999-2003

2 appendices

The Matter

In a decision of 2 July 1998 the government instructed the Swedish International Development Agency (Sida) to prepare and submit to the Ministry for Foreign Affairs a proposal for a country strategy for Sweden's development cooperation with Kenya for the period 1999-2003.

In a letter dated 13 November 1998 Sida submitted a proposal for the focus of development cooperation with Kenya for the period 1 January 1999 – 31 December 2003. A proposed country strategy, a country analysis and a proposal for a cooperation agreement for the period 1 July 1999 – 30 June 2002 were attached to the letter.

The Government's Decision

The government resolves that the development cooperation with Kenya for the period 1 January 1999 – 31 December 2003 shall be pursued in accordance with the country strategy expressed in the attached memorandum (*appendix 1*).

The government authorises Sida to enter into a cooperation agreement with Kenya for the period 1 July 1999 – 30 June 2002 for a maximum of SEK 195 million in general accordance with the attached draft agreement (*appendix 2*).

For and on behalf of the government

Pierre Schori

Gunilla von Bahr

Development Indicators – Kenya

	1975	1985	1996
Population (millions)	13.7	20.0	27.4
Population growth (%)	3.6	3.8	2.6
Urban (%)	12.9	19.8	29.5
Fertility	8.1	6.9	4.6
GDP/C (USD)	250	300	320
Economic growth (%)	5.2	5.6	4.1
Poverty (% of population)	na	na	42.0
Urban			29.3
Rural	na	na	46.4
Income distribution (% of income)			
Lowest 20 % of population	2.6	na	3.4
Highest 20 % of population	60.4	na	62.1
Public expenditure (% of GDP)			
Health care	na	na	1.9
Education			6.8
Access to drinking water (% of the population)	17	27	53
Urban	100	61	67
Rural	4	21	49
Life expectancy			
Women	53	54	60
Men	49	50	57
Infant mortality (per 1000 births)	98	64	57

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Proposed Country Strategy for Kenya 1999 - 2003

The Swedish Government has decided to structure long-term country strategies for bilateral development co-operation with countries with which Sweden co-operates extensively, including Kenya. Special guidelines are set out for the formulation of a country strategy with Kenya (Government decision of 2 July 1998). The purpose of the country strategy is to provide guidance for all Swedish development co-operations with Kenya during the period 1 January 1999 to 31 December 2003. A midterm review of the co-operation should be carried out in 2001.

The proposal is based on the document "Country Analysis of Kenya and Hypothesis for Future Development Co-operation" of 25 February 1998 as well as a number of assessments and studies commissioned by the Embassy in Nairobi. The overall focus of the Swedish-Kenyan co-operation was the subject of broad discussions with Kenyan representatives in May 1998.

1. Conclusions of the country analysis

A general conclusion about the political developments in Kenya in the last five years is that there has been a promising improvement, albeit with many setbacks and miscalculations. The Government has accepted reforms that in the long term pave the way for democratic development. This occurred in connection with the elections of 1992 and 1997, and in 1998 the Government and other interested parties were able to agree on a procedure for a review of the administrative system which should provide scope for democratic influence and broad dialogue. The reforms and social developments in general have resulted in a gradual weakening of the authoritarian social order, although this has not yet been replaced by a clear alternative.

President Moi is now in his second term of office since the one-party system was abolished in 1991. Under the constitution this is also his last period of office. This, in combination with the fact that the Government has had a weak parliamentary majority since the 1997 election, has resulted in considerable uncertainty concerning the direction domestic policy should take. The political opposition performed well in the parliamentary election in 1997, but failed to gain a majority. Its effectiveness is limited by the fact that it remains divided and lacks credible political programmes. Furthermore, most of the opposition parties have a limited and ethnic-oriented base, which limits their potential for working for a nationally unifying policy.

Kenya has a dynamic and diversified civil society, which has largely assumed the role of channelling the political call for change. The strength of the civil society was shown for example in its ability in 1997 to organise mass demonstrations that led to changes towards democracy in the run-up to the elections and in its measures to ensure broad participation in the review of the administrative system.

Kenya is characterised by considerable and increasing socio-economic contrasts. According to the World Development Report (World Bank, 1997), Kenya is one of the least egalitarian countries in the world with respect to income distribution and access to production resources, especially land. The wealthiest 20% have approximately 62% of the income, whereas the poorest 20% share just 3%. It is estimated that 20% of the total land area of Kenya is cultivable. Some 80% of the population live in this 20%. In spite of the

obvious need for action, the redistribution issue has so far been sidelined in politics and public debate.

Inequalities in society are also reflected in the human rights field. Despite the fact that democratisation and the increasing strength of the civil society have led to some reduction in violations of human rights, the poor of the country are still subject to a large number of abuses, including police brutality. Women and children are consistently worst affected in this respect. The people's awareness of their rights is limited, which puts them at a disadvantage in their relations with the state. The weak economic and social position of the poorest section of the population puts them at a considerable disadvantage in relation to the propertied classes, and undermines their legal rights.

Women in Kenya have less control than men over cultural, economic and political resources which is evident in all aspects of Kenyan society, the political sphere and the home. Traditional norms serve to uphold the unequal relationship, but aspects of modern legislation also discriminate against women. The situation of children, too, is characterised by powerlessness and vulnerability. The government has so far refrained from implementing and respecting the international conventions in support of women and children, which the country has ratified.

Economic development in Kenya has been stagnating since the mid-1970s and the negative trend has been further reinforced during the 1990s. The average increase in GDP fell from approximately 7% in the 1970s to 2.2% in the period 1990-1997. This means that growth fell below the population increase, which is estimated to be 2.8% per year. The economic reforms progressively carried out in the 1990s, combined with the good harvests and the opening up of the EAC market, led to some economic recovery in the mid-1990s. Growth in 1995 and 1996 was 4.8% and 4.6% respectively. However, in 1997 the positive trend turned and growth remained at 2.3%. Economic growth in 1998 was 1.6%, which means continued negative per capita growth.

The decline in 1997 has both short- and long-term causes. After a period of severe drought the country was hit by protracted heavy rains, which had a serious effect on agricultural production and the infrastructure. The economic stagnation should, however, also be seen in a more long-term perspective in which the weaknesses in the economic governance emerge as the most important obstacle to economic development. Corruption and the misuse of public funds are key political and economic issues in Kenya. Historically, government resources have been used not only to enrich the power elite, but also to win the support of and gain control over other political groupings. Corruption and mismanagement have frightened away private investors and donors and, most importantly, have damaged Kenya's relations with the Bretton Woods institutions.

Through the civil society, the media and Members of Parliament, corrupt dealings have increasingly come to light and there is growing awareness and criticism of the situation. The more open debate has made it somewhat harder to carry out flagrantly corrupt transactions, but the problem is not being tackled at source. The political elite needs to "buy" loyalty is important in this connection: corruption and rewards are essential to maintaining the delicate balance of power, and effective measures against them would threaten that balance. This is one of the reasons why, despite the fact that oral censure is increasing common, leading politicians and civil servants are not called to political or legal account. Since accountability is not demanded at top level, corruption continues at lower levels, such as the police force and licensing authorities. However, there are indications that improvements can be achieved if effective demands for accountability are made. One example of this is the Swedish development co-operation funds which are channelled via

the normal state budgetary system and where external auditors in the second half of the decade disclosed considerable flaws. Cancelled payments and calls for judicial action have resulted in distinct improvements in the management of public funds within the programmes, which is reflected in the recent external audits.

On the whole, corruption is still so widespread that it has macroeconomic consequences and threatens social stability, not least in the economic crisis in which accessible per capita resources are declining. Even if a long-term solution to these problems lies within the Kenyan political sphere, Sweden and other donors have an important role to play in drawing attention to the problems and discussing them at all levels, as well as calling for proper fund management in all development co-operation activities. In this context it should be said that the risks in the co-operation with NGOs and outside the strictly defined state systems are similarly great.

A considerable budgetary imbalance poses a serious problem in both the short and medium terms. A review of the present budget situation has revealed the danger of a runaway deficit. Escalating government expenditure, chiefly through a massive increase in wage costs and interest payments on the national debt has chiefly caused the deficit.

The stagnating economic development and poor economic governance are reflected in the social sectors. Social indicators paint a gloomy picture. Half the population lives on less than one US dollar per day and person, and in 1996 almost half the population failed to earn enough to buy sufficient food, primary education and health care. 25% of the population cannot obtain enough food to provide adequate nutritional levels, even if they spend their entire income on food. Average life expectancy is under 54, 23% of the population is illiterate, and 47% lack access to clean drinking water. Health care expenditure has fallen steadily, and enrolment at primary schools has gradually declined during the 1990s. Women carry a disproportionate share of the burden of poverty, and statistics show that women and children are particularly hard hit by social sector reductions that follow in the wake of poverty.

There are several threats to the sustainable use of resources in Kenya. Poverty, high population pressure and restricted availability of arable land result in the overexploitation and destruction of land. Uncertainty and ignorance with respect to ownership and utilisation rights make it difficult - not least for the poorest groups and women - to invest long-term in sustainable agricultural methods. Inadequate legislation and corruption also open the way to arbitrary utilisation and exploitation of natural resources particularly forests. An understanding of the dangers of overexploitation is lacking, but the germ of a broader awareness and responsible attitude may be detected in the considerable attention which some instances of ruthless exploitation have attracted.

Kenya was a member of the East African Community, which collapsed at the end of the 1970s. Because of its relatively well-developed industrial and service sectors, Kenya has much to gain from broadened relations and is therefore an active participant in efforts to deepen regional co-operation aimed at establishing a new community similar to the EAC in its aims and structure. Kenya also participates actively in different regional forums, such as that concerning regional environmental co-operation around Lake Victoria.

The civil society in Kenya is highly diversified and vigorous. Side by side with the political liberalisation, the civil society has strengthened its position in both rural and urban areas. In recent years it has developed a considerable ability to push political issues and defend different interests. A relatively new category of organisation is that which is involved in the defence of and education in human rights. Many of these organisations are dependent on

support from foreign donors for their financing, and often have a very narrow membership base. Nevertheless, together with the religious organisations they play a central role in the democratisation processes. There is also an array of interest organisations such as student and youth organisations, women's groups, professional associations, trades unions, environmental organisations and producer co-operatives. Another category is the associations being formed by the poor and marginalised around such issues as access to land and water, and the safeguarding of social, economic and cultural rights.

Relations between the civil society and the state are characterised by mutual mistrust, even though this has eased slightly in recent years. The Government appears to regard many organisations as threatening, and oral attacks on them are common. One positive feature is that the role of NGOs in promoting development has been increasingly recognised in some sectors, such as water supply and health care.

Total assistance to Kenya amounted in 1996 to USD 623 million, a drop of more than 7% on the 1995 level of USD 672 million. Final figures for 1997 are not yet available but preliminary estimates indicate a further fall, not least as a consequence of the decision by the IMF to terminate the ESAF agreement. Bilateral donors contributed 58% of the total assistance in 1996, multilateral donors 39% and NGOs 3%. Japan is the largest bilateral donor, followed by Germany, the United Kingdom, the Netherlands, Sweden, Denmark and the USA. The largest multilateral donor is the World Bank followed by the EU, the WFP, the UNHCR, and the UNFP the UNDP.

The donor community in Nairobi is characterised by a high degree of agreement on conditions and terms for conducting development co-operation in Kenya. This agreement is based on both similar experience and, in most respects, common analyses of obstacles and limitations - chiefly related to weaknesses in economic governance and the democratisation process - to more effective and increased co-operation. The trend in the total assistance to Kenya is largely the same as with Sweden's - that is, a gradual reduction during the greater part of the 90s. The majority of bilateral donors have also chosen to channel a greater proportion of their support via NGOs. In the current situation most multilateral and bilateral donors are adopting a wait-and-see attitude.

In July 1997 the board of the IMF decided to cancel the Extended Structural Adjustment Facility (ESAF) loan to Kenya. The reason was the lack of will/ability on the part of the Government to counteract corruption. Without the ESAF agreement the World Bank was also unable to make payments on a previously agreed loan for structural adjustment. The EU and bilateral donors have also frozen different forms of balance of payments support.

In September 1998 the World Bank presented its new three-year country strategy (Country Assistance Strategy, CAS) for Kenya. The strategy involves the Bank reducing its support and placing itself at a "low case" level of loans (a total of USD 150 million for the whole of the three-year period). The reasons for the reduction included the low rate of payments in the Bank's project portfolio and insufficient measures to improve economic governance. The strategy focuses on the following areas: public sector reforms, reformed financial management, and improved controls and accounting mechanisms.

The Bank has made any adjustment support conditional on reforms being carried out and on the practical implementation of the stated budget policy. In this way the strategy provides scope for moving up to "base case" level during the three-year period. At such a "base case" level the Bank would resume its adjustment loan and the total loan level for the period could rise to USD 300-500 million. This naturally also requires an ESAF agreement with the IMF.

The EU Commission is one of the major donors in Kenya and in 1997 paid out USD 34 million. The Commission has not played a particularly prominent role in the co-ordination of donors, with the exception of the preparatory meetings held by the Commission before the DDG meetings in the run-up to and conduct of the 1997 elections in Kenya. Like the World Bank and bilateral donors, the Commission is very much adopting a wait-and-see attitude towards sector support and balance of payments support. The EU Commission recently launched a major road rehabilitation project in the Northeast province.

Agreement within the donor community is reflected in the well-functioning co-ordination of donors. In the autumn of 1997 the Economic Governance Group (EGG) was formed. The group is headed by the World Bank and consists of the eleven most important bilateral donors (Belgium, Canada, Denmark, France, Germany, Italy, Japan, the Netherlands, Sweden, the UK and the USA), the IMF and the EU. The purpose of the group is to monitor and exchange information on the economic development and reform process in Kenya and to co-ordinate support to broad civic education on constitutional issues, attitudes and measures related to economic governance. There is also a Donors Democratic Group (DDG) consisting at present of 26 member countries. This group was extremely active in connection with the 1997 elections and is now monitoring the work of the constitutional review. Concerning the latter there is also close co-operation between a smaller group of donors, including Sweden.

To sum up, it can be said that Kenya now faces many political, economic, social and environmental challenges. However, despite many negative development trends the country has the potential for positive economic development. The relatively sophisticated and diversified economy provides a sound base for sustainable macroeconomic balance and growth. In order to take advantage of this potential, however, powerful measures are needed to correct the mismanagement of public institutions and create a positive growth environment. Continued economic reforms, strong measures against corruption and the abuse of power, and redistribution policy measures are essential for long-term stability and growth.

In a society with a stagnating economy, major conflicts and a lack of vision for the future on the part of the present political leadership, there is a risk that the divisive tendencies will gain the upper hand. So far, however, the balancing forces in Kenyan society have been strongest, and there is reason to believe that they will continue to be so. Undoubtedly, however, society will be subject to friction as a result of the changes that will be required for long-term stable social development.

Side by side with the authoritarian political leadership, which is impeding economic reforms and democratic development, there is an active and vigorous society, which is creating the conditions for effective development co-operation. Thus it is clear that the overall objectives of Sweden's development co-operation - democratic social development, improved conditions for the poor, and the sustainable use of natural resources and the environment - are relevant. The fact that the situation of the poorest groups, especially women and children, will probably worsen in the short term makes the concentration of the co-operation on these groups particularly important. The need for political, economic and social reforms shows the importance of Sweden's continuing to pursue together with other donors an active dialogue with the Government on the importance of economic reforms, the narrowing of social and economic divisions, powerful measures against corruption and good economic governance.

2. Conclusions of the results analysis

According to the country strategy for the period July 1995-December 1998, Swedish development co-operation should support democratic social development, improve the conditions of the poor and contribute to the sustainable use of natural resources and the environment. The sector programmes within the country frame focus primarily on *health care, soil and water conservation, water and sanitation, and rural roads*. The programmes are directed towards the rural populations and are based on active popular participation. Besides these programmes, support is also given to a Personnel and Consultancy Fund. Outside the country framework Sweden has, through Sida, provided different forms of support to areas such as democracy, human rights, gender equality, the environment, research, culture and the media. Furthermore, Kenya is one of the major recipients of support via Swedish NGOs in accordance with the 20/80 model.

Table: Development co-operation expenditure with Kenya July 1995 - Dec 1997 (SEK thousands):

<i>Project/Sector</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>
<i>Country frame</i>				
Health care	31,879	36,160	18,658	34,440
Soil conservation	18,529	19,425	10,643	19,498
Water/Sanitation	21,616	15,549	18,071	24,307
Rural roads	14,517	18,438	4,453	2,566
PC Fund	940	1,256	1,175	621
KARI				3,906
Total country frame	87,481	90,837	53,000	85,338
<i>Outside the country frame</i>				
Democracy/hum rights	1,966	3,334	10,476	4,328
Swedish NGOs	26,779	27,471	40,912	29,000
Humanitarian	1,637 837	2,650	3,131	
Total Kenya	117,863 122,479	107,038	121,797	

Analysis of the development co-operation in the previous strategy period shows that the programmes are cost effective and answer well the objectives of the country strategy and Sida's action programme. It also shows that the support really is reaching the poor rural

population. *Soil and water conservation* and *Water and sanitation programmes* are very much geared to the environment and the sustainable use of natural resources. Support to human rights and democracy has increased during the strategy period with projects on both civic education and the conduct of general elections. Rights issues have also begun to be incorporated into sector programmes.

Sweden occupies a special position among bilateral donors through its continuing to endeavour to provide the support through normal state structures with respect to both personnel and financial management. Most other bilateral donors either establish parallel systems or channel their support via NGOs. There are advantages and disadvantages with both methods.

Working through the state systems gives the benefit of using established structures with a broad national coverage. A national programme such as the soil conservation programme would be difficult to implement in any other way. Experience from all the programmes in which state systems are used also shows that there are many dedicated civil servants doing an excellent job with the resources they have at their disposal. Unambiguous demands for accountability have led to acceptable financial management in the state systems. A long-term benefit of working within these systems is that they can be expected to remain in place after the external support has been withdrawn. In the short term there is a considerable advantage in co-operating with the state in that it opens up greater opportunities for dialogue on issues both within and outside the direct development co-operation. The co-operation has enhanced Sweden's ability to support long-term policy change and reforms in previously sensitive areas of the recipient-donor relationship. An example of this is the reform of the water sector.

By contrast, the benefits of operating outside the state systems include a greater degree of flexibility and the opportunity to promote a better balance between private and state interests. This applies particularly to co-operation with NGOs. However, many NGOs are administratively weak and lack a solid economic and membership base. They easily become assistance dependent and the supported activities risk collapse when the support ends. The risk of misappropriation and misuse of funds is also considerable. Sweden's experience is that many organisations are doing a good job, but that such co-operation is administratively onerous and involves relatively large risks.

In weighing up the pros and cons of support within and outside the state structures, an assessment of the legitimate role of the state is also relevant. Like many other African countries, the Kenyan State has assumed responsibility for activities that could be better run by non-governmental actors. In Kenya such considerations are now being highlighted in connection with the current administrative reform. For Sweden these issues are relevant for the health care and water and soil conservation programmes.

Most of the Swedish programmes within the country frame are channelled through state authorities, although the amount paid out through various NGOs has increased, particularly within the water and sanitation programmes. All the programmes are planned and implemented by Kenyans, with limited advice from external consultants and contracted personnel. Although flaws in the financial supervision have been revealed in a few individual cases, the overall picture from auditing and assessment is that the Swedish support is being managed satisfactorily.

In the 1960s and 1970s Kenya was a major recipient of Swedish bilateral support and Sweden was one of the country's principal donors. Since then Sweden's role has declined, most noticeably during the 1990s, when the Swedish country frame for Kenya fell from

SEK 150 million in 1990/91 to SEK 65 million in 1996. The reduction was a result of concern about both economic and political developments in the country. The reduced country frame altered the emphasis of Sweden's development co-operation in several respects. Sectors such as education and small-scale industry were phased out early and the support was concentrated on the present principal areas. At the same time, the forms of the co-operation moved in the direction of simpler technology, and mobilisation and increasing know-how at local level. As a consequence of these changes Swedish support, despite the reductions, annually reaches almost one million Kenyans and makes tangible improvements to their everyday lives. The new co-operation forms have also meant an increased poverty orientation, although further work remains to be done in this respect.

There is something of a paradox in the co-operation with Kenya. Despite the overall weaknesses in economic governance and socio-economic conditions, Swedish support still produces good results. The concentration on simple technology and mobilisation of the people at local level is one important reason, since the opportunities for rural populations to direct the use of the support for their own particular ends are thereby increased. Furthermore, considerable time and resources have been put into educating civil servants involved in the Sida-supported programmes, which has led to exceptionally high levels of motivation and commitment. Finally, planning and leadership forms within the ministries concerned have gradually been improved.

Both direct and indirect poverty alleviation measures are included in the Swedish support. So far, direct measures have dominated, but recently there has been an increase in indirect supplementary measures, for example through participation in policy dialogue at sector level. In this dialogue Sweden has emphasised poverty, gender and rights issues. Indirect influence is also exerted through general discussions and through the increasing number of measures in the field of democracy and human rights.

Despite the good results at programme level, there are factors restricting the ultimate benefit of the support. One such factor is the general socio-economic climate. Studies of the soil conservation programme show that weaknesses in the legislative system and the physical infrastructure are inhibiting farmers' ability to increase their income through the use of methods learnt via the programme. If these problems are to be solved, a political change of direction is needed in favour of genuine development work by the state.

Another inhibiting factor is the weaknesses in the state budgetary and payments systems, which have resulted in delays in implementing programmes where support is directed via normal state channels - that is, all except the water and sanitation programme. It is only recently - and then only after strong reminders by Sweden - that some measures have been taken to deal with the problem. There also seems to be greater awareness of the need for comprehensive changes to the systems. Several years of discussions with Sweden have contributed to this understanding.

The health sector is the largest sector within the country frame support and its relative importance has increased during the 1990s. Altogether SEK 110 million was allocated for the period 1 July 1995 to 31 December 1998. Of this sum, a total of SEK 97 million had been paid out at 31 August 1998. The aim of the support is to bring about improvements in public health among the rural poor, especially children and women. Projects within the sector encompass sexual and reproductive health, environmental hygiene, in-service training of medical personnel, planning and follow-up, primary health care and institutional co-operation between Moi and Linköping universities. Some of the projects are national (sexual and reproductive health and in-service training) whereas the environmental hygiene programme is aimed at the two most heavily populated provinces (more than 40%

of the population). The primary health programme is being implemented in eight districts (in three provinces) with a combined population of approximately 4.2 million. Sweden is a highly active discussion partner in the reform of the health sector, which began in 1993. However, the reform process is not making the progress that might be desired, largely as a result of the lack of political will and leadership on Kenya's part.

In addition to a number of assessments and follow-ups of individual components during the period, a comprehensive assessment of the support was carried out in 1998. The study shows that there is a continuing need for external support to the sector. The Swedish support is well in line with Kenya's new health care policy, i.e. to provide a range of health services at a relatively low price, based on people's needs and living conditions. The measures are reaching the intended target groups, although it is difficult to indicate long-term effects since qualitative data is largely missing. The assessment also reveals marked Kenyan ownership of the different programmes. This, in combination with the structure of the programmes, improves the likelihood of their continuing after the Swedish support has ceased.

A health programme audit was recently carried out at Sweden's initiative. The audit reveals flaws in the reporting and monitoring of some parts of the health support. Irregularities were revealed in some cases. A single Swedish official at the Ministry is administering the support. The administrative and staff resources, which are needed to carry out the activities, are Kenyan. To improve the prospects of sustainable development although there is the risk of the type of irregularity that was revealed by the audit. The Ministry's measures for dealing with the problems include the suspension of some civil servants while awaiting further investigation and police charges. A comprehensive general plan of measures is also being worked out. Despite the disclosed weaknesses in individual sector programmes, it must be said that the Ministry's own reporting and follow-up of the Swedish support has shown a qualitative improvement in recent years.

The development co-operation between Sweden and Kenya in the natural resources sector has been going on for 30 years. A large proportion of the Swedish support has gone to **soil and water conservation**, a programme which began in 1974 and which was initially restricted to pilot projects in a few districts. Over the years the support has gradually been expanded to encompass the whole country. Swedish support for the period 1 July 1994-30 June 1998 totalled SEK 85 million, SEK 83 million of which was paid out.

The support to the soil conservation programme is directed at poor rural populations. Results accounting and evaluation indicate that the support has been effective in many respects. Since its inception the programme has reached some 1.5 million small farms around the country, and resulted in considerable production and productivity increases. Without the programme, living conditions for the majority of these people would undoubtedly have been very much worse.

In the first half of 1998 an independent study - "Impact Assessment Study, NSWCP, September 1998" - was carried out in order to assess the effects and results of the measures. The study shows that the programme has been effective in combating erosion and that the soil conservation measures have contributed significantly to increase production by small farmers. Corn yields are expected to increase by approximately 50% and beans by some 65% as a result of the measures. Livestock production has also improved as a result of better animal husbandry and the sowing of grazing crops. Tree planting on small farms has also benefited.

A successful method for mobilisation and popular participation has been worked out within the programme. The method is deemed to have been so successful that it will be used as a model for all future state advisory activities in the agricultural sector.

Despite the palpable progress, it must be said that the increase in production has not led to a general raising of living standards among small farmers. Reasons include population growth, inflation, increased prices of investment items, a general decline in agricultural product prices, decaying infrastructure and inadequate legislation, institutions and financial supervision at central level. Developments within the programme thus indicate that success at programme level have limited value if they are not supplemented by supportive measures at the overall level. Within the programme an awareness of these limitations has led to plans to educate the farmers about their rights in various contexts.

Weaknesses in the state payment and reporting systems have in recent years caused serious problems in the implementation of the programme. Resources intended for activities in the field have not reached the districts and far fewer farmers than planned have been reached.

Recent audits indicate continued improvements in the management of financial resources. Real criticism has been directed at only one of the research stations involved in the programme. Payments to the station have been stopped, and the withdrawal of the co-operation is under consideration.

The aim of the **water and sanitation programme** is to improve public health and socio-economic development in rural areas. This is done through (1) a lower incidence of diseases related to poor water and sanitation, and (2) a reduction in workload for women, young people and children by improving access to clean water and acceptable sanitation. Support is being given to both policy development and comprehensive sector reforms, and to the building of water purification and sanitation plants in rural areas. Just over SEK 63 million was paid out in the period 1 July 1995-31 December 1998. The allocation for the period was SEK 62 million. The budget overdraft was encouraged in order to make use of unused funds from other sectors.

The water and sanitation programme has developed in a highly positive direction during the current period. Confident and innovative co-operation has been established, characterised by concentration on overall strategic issues - including different instruments for regulating the use of Kenya's limited water resources - and the development of better and cheaper ways for the population to acquire reliable water purification and sanitation plants. In the strategic sphere Swedish support has contributed among other things to a new official water policy in which the role of the state and other actors is being redefined, and control by the local population strengthened. At the local level the support has meant that more than 250,000 people have gained access to clean water and better sanitation. The focus on small-scale projects owned, run and increasingly financed by local co-operatives means that the programme serves in many ways as a model for other actors both in Kenya and elsewhere.

The use of resources in the water sector is high. Support is channelled outside normal state payment channels and allocated to areas with the greatest need. Often these are projects carried out via NGOs. External audits have confirmed that the financial supervision has worked well.

Between 1987 and 1997 Sida provided support to **rural roads** within the framework of the national "Minor Roads Programme" (MRP). Swedish support was concentrated to five

districts - Kiambu, Muranga, Nyeri, Kirinyaga and Kitui. The programme was based on labour-intensive methods and was supported by a number of other donors apart from Sweden. The programme as a whole covered an area in which 50% of the country's population lives and where 75% of agricultural production takes place.

The aim of the Swedish support was to contribute to social and economic development in rural areas by creating accessible roads and increased employment, thus stimulating the local economy. SEK 55.4 million of a budgeted SEK 60 million was paid out in the period 1 July 1993-30 June 1997.

From an economic perspective road maintenance is highly cost effective. Greater road usability combined with lower repair and fuel costs results in reduced transport costs and stimulates economic activity in the districts. Neglected maintenance leads to higher road repair costs in the long term. Labour-intensive methods create jobs and are cheaper than technology- and equipment-intensive methods. According to the ILO, the cost of labour-intensive road maintenance is only 60% of the cost of conventional methods. What is more, studies carried out by the Transport Research Laboratory in the UK show that the programme has produced increased transport opportunities at lower cost. In areas in which roads were rehabilitated, bus ticket prices fell by approximately 25% while demand increased by 10-15%. Bus services were also maintained during the rainy periods, when food supplies are normally restricted and the incidence of diseases such as dysentery and malaria increase.

It is often difficult to isolate effects of improvements to the roads network from other factors. But a study of the Central province, where Swedish support has been concentrated, indicates that the programme has contributed to increased marketing of agricultural products. An improved agricultural advisory service, more accessibility, greater use of medicines and commercial fertilisers, altered consumption patterns are some of the positive effects mentioned in the study. A sizeable proportion of household expenditure goes to medicines, transport and food. A 20%-30% increase in income is found among households where one member is employed in the programme.

A **Personnel and Consultancy Fund** is also included in the country programme, although it was not extensively used in the assessment period. The reason for this is that structural reforms and their analysis have been delayed on Kenya's part. An example is a project for reforming the state budgetary and payments systems, which was delayed for several years. The fund has principally been used for limited training projects.

Within the framework of funds delegated to the Swedish Embassy, SEK 8.1 million was allocated for **human rights and democracy** in Kenya during the period 1995/96 to 1997.

An extra allocation of SEK 6 million was made for partial financing of a national election-monitoring project in connection with the 1997 general election. A total of SEK 13.7 million was paid out during the period (including the election project). The approved allocations are based on a strategy worked out by the embassy, "Democracy and Human Rights in Kenya - Local strategy and action plan 1995-1997". The support is financed outside the country frame.

The objective of the co-operation is to contribute to an improvement in the human rights situation in Kenya and to promote the democratisation process. The main target groups are poor rural populations, women and the politically active population. The support is mainly channelled via Kenyan NGOs, including religious organisations.

In 1997 support-totalling SEK 5.2 million was granted to twenty or so different organisations running some thirty activities or projects. By the end of the year a total of SEK 4.1 million had been paid out. All the projects except three were completed during the year. Reporting worked well except in one individual case where repeated reminders were necessary. Four of the organisations were assessed during the year. In three cases the assessments were positive and continued support was recommended. In one case weakness were revealed which led to an investigation of the organisation, supported by a number of donors. The investigation revealed financial mismanagement and the donors are now considering what steps should be taken.

There has been a clear focus on the needs of women in the majority of projects. It has also been possible to direct the support to a greater extent towards activities in rural areas. Altogether the projects have directly reached almost 9,000 people, 2/3 of who are women. The support has reached many more indirectly, since those who have received training and education have in turn passed on their new knowledge and skills to others.

Since 1997 was an election year, the majority of projects that received support focused on civic education, electoral education or other activities directly connected to election preparations. The extra allocation of SEK 6 million for partial financing of the national election-monitoring project is of particular interest in this context. The project, which was co-financed by four donors, resulted in over 28,000 local election supervisors being trained and manning nearly all the polling stations in the country. The project has been assessed and found to have been highly successful.

The effects of the measures are difficult to quantify. Studies reveal, however, that the Swedish strategy for support to democracy and human rights was relevant. Sweden was able to play an active role in the democratisation process. There is also a need for continued and intensified support to civic education and human rights awareness. This is particularly relevant in rural areas and with the emphasis on the situation of women. The need to focus on the situation of women is apparent, for example, in the fact that the number of women Members of Parliament remained low after the last election, in spite of active and well-financed support from a number of donors. This work, and the resources that have been invested in recent years, ought to have meant that Kenyan women moved a step closer to an egalitarian society.

Other experience is that support in this area channelled through NGOs requires detailed knowledge of sector actors, and that it is administratively onerous. Furthermore, healthy co-operation between the different donors is important, which is demonstrated not least by the innovative and successful election-monitoring project.

Support via **Swedish NGOs** is extensive and is being given to a number of areas. Organisations that have received most support include the so called "Vi"- Forest, the Swedish Mission Council, the Swedish Co-operative Centre and the Swedish Organisation of Handicapped International Aid Foundation.

Kenya is one of the major recipients of support via Swedish NGOs under the 20/80 model. Many of the largest Swedish NGOs have been active in Kenya for very many years. In addition to the sector support they provide the organisations undoubtedly play a major role in the development of knowledge and capacity within Kenyan sister organisations. The scope of the support via Swedish NGOs is determined primarily on the basis of their ability to structure and implement projects and to raise the requisite 20% of the costs. The embassy organises greatly appreciated annual seminars for these organisations, at which

an opportunity is provided to discuss how the organisations' activities compare with the overall Swedish objectives, such as those concerning democracy and human rights.

3. Future co-operation

3.1 General considerations

There is not at present a fully worked out comprehensive development strategy for Kenya, and there are considerable shortcomings in the implementation of the action programmes - such as poverty alleviation - that already exist. This lack of long-term policy is a reflection of the overall political situation in which the country finds itself, in President Moi's last term of office, in a transition period. In view of this, developments in the next strategy period are exceptionally difficult to predict.

The present country strategy is based on the premise that development in Kenya will be characterised by a gradual deepening of democracy and continued relinquishing of old authoritarian patterns.

As previously, this development may suffer occasional setbacks of a more or less temporary nature. In the economic field, too, it is difficult to predict developments. The severe and widespread poverty will continue to be one of the country's chief development problems. The severe social tensions can increase further, at least in the short term, if the government makes serious attempts to implement an economic policy aimed at restoring budgetary balance and economic growth.

The severe poverty and the democratic opening in the country justify continued Swedish support to Kenya. Swedish co-operation with Kenya is also motivated by the stabilising role which Kenya, despite its internal tensions, plays in an unstable region. Swedish development co-operation can play a positive role in the present situation, partly by continuing to focus on policy development at different levels and partly by continuing to focus on poverty through measures which reach out to a large number of people. Policy development could take various forms, from participation in the overall political and economic dialogue to support to the development of relevant programmes of measures in different sectors, such as the support being given in the current strategy period to the establishment of a new water policy.

Bearing in mind the uncertainty in predicting the country's development, Swedish development co-operation should continue at least for the time being to maintain its present focus. It should, however, be possible to change both focus and volume if developments so merit. Such changes could mean fewer undertakings, but also increased scope for the development co-operation if developments during the strategy period clearly move in a positive direction.

If positive changes are seen, cautious expansion of the co-operation could include support to key public and political institutions for the promotion of democracy and human rights. Even if this support takes a satisfactory direction, the increase would also be conditional on the collective administrative capacity of the Swedish embassy in Nairobi and Sida in Stockholm, and an increase in the country frame. If developments prove strongly positive, other co-operation forms, such as balance of payments support, could also be considered.

If economic developments are also very positive and Kenya's credit-worthiness is improved, the granting of credits could eventually be considered.

If, on the other hand, developments should take a lasting negative turn, the gradual phasing out of current projects should be considered and support be concentrated on strategic measures for the promotion of democracy and human rights, and perhaps also conflict prevention and humanitarian measures.

A deepened partnership relation with Kenya should be based primarily on the open and reciprocal exchange that already exists at different levels, particularly within the development co-operation. Efforts should also be made to increase the number of contact points, for example through sport, culture, the business community and the civil society. As far as can be predicted at present, the establishment of a formal partnership relation at government level is not likely in the next few years. However, if developments prove positive, steps should be taken to establish such a relationship in the latter part of the strategy period.

Important steps in the Swedish development co-operation are expected to be

- 1) The incorporation of a rights perspective in the established programmes;
- 2) The promotion of cross-sector co-operation and an increase in popular participation and influence at local level; and
- 3) The promotion of gradual development towards sector support in relation to agriculture and health.

3.2. Dialogue issues

There is a significant discrepancy in Kenya's development policy between the policy that is expressed in well-formulated and analytical plans and action plans, and the policies that are carried out in practice, which are often in direct opposition to the declared policy. As has been apparent from analyses of political developments, recent years have seen a gradual relaxation of the dominance of the ruling elite, in favour of the civil society and the private individual. One effect has been an increased call for actual policy to be closer to official policy. Among civil servants, many of which wish to support a fair and responsible development policy, there is an increased willingness to meet such a demand. At civil service level, therefore, the dialogue can be constructive and lead to concrete improvements even on issues not actively pursued by the political elite. All in all, this means that the opportunities to influence via constructive dialogue are expected to increase in the coming strategy period.

Emphasis should be placed on dialogue with the broadest possible spectrum of representatives of Kenyan society, such as the Kenyan government, the Kenyan authorities, political organisations, and the business community, NGOs, representatives of the civil society and other actors in development and human rights/democracy issues.

The most important dialogue issues, both bilaterally and in co-operation with other donors, are expected to be:

- ◇ Kenya's responsibility to observe international human rights agreements and conventions to which it has acceded, focusing particularly on women and children;
- ◇ Continued development towards deepened democracy, particularly with relation to the constitutional reform which began in 1998;
- ◇ Continuation and deepening of the economic reform programme, with particular emphasis on measures to reduce social and economic divisions;
- ◇ Measures for the application of good governance and a manifest reduction in opportunities for corruption and financial mismanagement;
- ◇ Regional co-operation, both with respect to economic co-operation and conflict-prevention measures.

In the bilateral dialogue concerning development co-operation, special emphasis should be placed on:

- ◆ The promotion of democratic principles and working methods;
- ◆ A greater focus on poverty alleviation and a rights perspective in all forms of development co-operation, particularly with regard to the rights and situation of women and children;
- ◆ The potential for expanding support in the area of human rights and democracy to include key government institutions;
- ◆ Measures to improve the state budgetary and payments systems so that resources can be used effectively.

3.3 Goals and objectives

The above analysis and considerations provide the basis for the direction of Sweden's development co-operation during the strategy period. They indicate that the overall objectives of the co-operation with Kenya should continue to be support to democratic social development; improving conditions for the poor; and contributing to the sustainable utilisation of natural resources and the environment. The co-operation should continue to focus on rural areas. Democratic development and the application of fundamental human rights should be actively promoted in all the co-operation forms. Special emphasis should be placed on strengthening women and children's rights, and on benefiting marginalised and impoverished groups.

The present bilateral programme in Kenya is formulated in such a way as to help realise the overall objectives of the co-operation. Continued support should therefore be given to rural health care, soil and water conservation, water and sanitation in rural areas, and rural roads. Support to the Personnel and Consultancy Fund should also continue and should focus primarily on measures to improve the state budgetary and payments systems.

If development is such that the Kenyan government desires support for the promotion of democracy and human rights, Sweden should be willing to include such support in the bilateral programme. Initially support should be considered for key functions such as the judicial system and democratic institutions such as Parliament. Support to decentralisation based on democratic institutions could also be considered.

In the event of particularly severe disasters such as long droughts or destructive rains, it should be possible to use country frame resources for humanitarian purposes in addition to the resources that can be made available through the humanitarian relief allocation.

Support to the civil society's efforts to promote democracy and human rights should continue, financed from special funds. Experience gained from the present strategy period should be utilised in order to simplify the management of the support without restricting its strategic direction. Particular attention should be given to the opportunities to support national civic education along with other donors in connection with the constitutional review.

A rapidly increasing number of Kenya's poor live in slum areas in and around the towns. There is a fast-growing need of support to these people. Sida is supporting a pilot project in Nairobi's slum areas funded by special resources. This project should be monitored during the strategy period before a possible decision is made on more long-term support after 2001.

Within the framework of the bilateral co-operation the ordinary Kenyan structure should be used as far as possible in order to further enhance long-term sustainability and Kenyan ownership. At the same time, state institutions should be encouraged to cooperate more with the private sector and NGOs, including directing parts of the Swedish support through these channels.

The result analysis has shown that weaknesses in the state budgetary and payments systems are a general problem, which is impeding implementation of the programmes. Special measures should be taken to improve these systems. Reforms in this area are important not only for better implementation of the programmes supported by Sweden but also to promote better governance in general. Until the necessary reforms have been carried out, parts of the support should continue to be channelled outside the ordinary state systems.

One example of this is the problem which in the short-term seriously hampers the channelling of funds via the state systems, and which has become evident in connection with the worsening of Kenya's public finances in recent years. This problem is the shortage of liquidity which, in combination with the shortcomings in decision-making structures at district level, means that allocated resources do not reach the activities in the field. This has resulted in a drastic fall in achieved results, for example in the soil conservation programme. The unacceptability of this situation has been drawn to the attention of those responsible on the Kenyan side for more than a year. Only at the beginning of 1999 was there a willingness to make a serious attempt to solve the problems. This was complicated by the fact that they are directly linked to the division of responsibility between President's Office and other government departments.

Sweden must require that procedures for cash transfers be altered immediately so that activities in the field are not obstructed. Fully realistic solutions for achieving this already

exist in the current body of legislation. In the longer term, support is planned from Sweden and other donors for further improvements through the modernisation of the state financial system.

Financial monitoring and control of planned activities should continue to be given high priority. Systems will be developed whereby continuous monitoring and control will be combined with capacity and systems development. This applies to support to both government bodies and NGOs.

3.4 Co-operation areas

3.4.1 The health sector

Sweden's support to the health sector focuses on poverty and rural areas. Women and children are the primary target groups and people with disabilities are also included in the support. In view of this, continued support should be given to the programme. Particular emphasis should be placed on support to primary health care, sexual and reproductive health, co-operation with universities, and environmental hygiene. Special consideration shall be given in the programme to the rights of women and children.

In order for health care in Kenya to be improved, it is important that the reform, which has begun, be allowed to continue. Provided that there is sufficient will on the Kenyan side to carry out the reforms, support to this process - and particularly to decentralisation and practical application in the areas covered by the Swedish programme - should be prioritised. Support to the introduction of better financial and administrative systems, and to capacity development at district level, are important in this context. The support should also promote broad participation by health personnel in the reform process and encourage a constructive dialogue between the Ministry and other donors. Increased co-operation between the Ministry and NGOs should be encouraged through the allocation of special resources for the purpose.

Swedish support should continue to include relatively little technical support and should as far as possible be provided via the normal Kenyan systems, but on condition that these are reformed in a satisfactory way. Measures should also be taken to strengthen the financial supervision and monitoring systems. A minimum amount of technical support means continued provision of a locally recruited administrator/co-ordinator of the programme. Further technical support in the form of contracted employees or consultants should be discussed in connection with the drafting of the new agreement.

3.4.2. Soil and water conservation

The current agreement on support to soil conservation in Kenya expires on 30 June 2000. Continued Swedish support to soil conservation and the agricultural sector after that date is justified, but should take partly new forms. To further strengthen the impact and poverty-orientation, the current programme should be integrated into the reformed national advisory structure, which is being worked out. The reformed structure will be based on a more integrated and demand-led advisory service with the active participation of farmers and other actors in the agricultural sector. The intention is to create a nation-wide advisory structure at a cost level that enables it to be maintained despite limited access to

resources. The present programme management is positive towards these changes and regards them as a means to working more effectively with poverty alleviation, food safety, gender equality, rights aspects and the promotion of farmers' organisations and participation in self-help activities. This more integrated advisory activity, in combination with the successful mobilisation method that has been developed within the soil conservation programme, is seen as having greater potential to raise the incomes of smallholders. The incorporation of rights aspects - particularly ownership and utilisation - which has already begun, should continue and be part of the integrated advisory activities.

If support is to continue, reforms are called for which ensure that funds effectively reach the activities in the field.

3.4.3 Water and sanitation

Co-operation between Sweden and Kenya in the water sector has gone on for almost 30 years. The focus of the co-operation has changed gradually over the years, and two principal trends have a bearing on future co-operation. (1) The transition from large-scale capital-intensive installations to small-scale co-financed and communally owned installations. This development has meant that consumers have taken their rightful place as initiators and owners of their own water and sanitation facilities. (2) The increased attention to the state water policy and the legal framework, which regulates the limited Kenyan water resources. The continued population increase will mean that the pressure on and competition for water will continue to grow, which in turn means that an appropriate action programme and well-functioning legislation will be increasingly important.

Future co-operation should concentrate on these two areas and on poverty and rights issues both in support to local projects and in the further development of water policy and the legal framework for the sector. In this context gender considerations should be given particular attention. In the support to the new water policy, the new roles that have been ascribed to the different actors should receive particular attention. This means, for example, that the Ministry must concentrate on its role as policy-maker, supervisor and advisor and move away from its previous role as project implementers. At the same time, NGOs, self-help groups, communes and the private sector as a whole should increase their competence not only with respect to construction and technical solutions but also to leadership, maintenance and financing methods. Sanitation aspects within different forms of support should also be strengthened. There is much to be learnt in this respect from the Ministry of Health's environmental health programme.

3.4.4 Rural roads

Swedish support to the roads programme Roads 2000 in two districts in central Kenya - Nyeri and Kirinyaga - is contained in agreements, which expire on 30 June 2000. Support to the roads sector should continue, provided that the programme is carried out as planned which means *inter alia* that Kenya gradually takes over a greater proportion of the costs in the two districts. There are several reasons for this. A well-functioning road network is essential for economic recovery and facilitates the implementation of other Swedish-supported programmes such as the soil conservation programme. A further argument is that the on-going reform of the roads sectors means that responsibility for the majority of the roads in the Roads 2000 programme is transferred to the local authorities.

Sweden, with its long experience of road building, could contribute valuable support to the necessary competence and capacity building during the transition period.

If continued Swedish support to the roads sector is to be considered after June 2000, the Kenyan government must assume overall responsibility for the roads network as a whole. This has not previously been the case. Instead, poor maintenance, corruption, jerry-building and inadequate control of axle loads and speed limits have resulted in large parts of the roads network in Kenya being in deplorable condition. What is more, funds generated by a petrol tax and earmarked for road maintenance have not been used for the intended purpose. However, there are indications that the situation is changing. The government has given clear signals that the road tax is to be administered through a special fund and used for the intended purpose. Furthermore, procedures for ensuring that vehicles do not exceed the permitted axle load are being rationalised. Development in these areas will be closely monitored before any decision is made on continued Swedish support to the sector.

3.4.5 Personnel and Consultancy Fund

Support within the framework of the Personnel and Consultancy Fund should primarily be made to a project for reforming the government budgetary and payments systems. In addition, support should also continue to be given to strategic studies, training projects, and other smaller projects of a strategic nature.

3.4.6 Human rights and democracy

It has not previously been possible to promote democracy and human rights in active co-operation with the government. However, there are now indications of a change in attitude, at least in some sectors of the government. If this trend continues, consideration should be given to increase Swedish support to government functions and structures promoting democratic development and respect for human rights, for example the judicial system and Parliament. A change in attitude would also benefit the ongoing work of incorporating and increasing the focus on human rights issues in three of the sector programmes within the country framework - health, soil conservation, water and sanitation.

Even if the preconditions for support via the country framework are improved, support to human rights and democracy should continue to outside the country co-operation framework.

To support democracy and human rights in the next three-year period, a new local strategy will be drawn up. In working out this strategy, experience gained so far will be analysed and goals and methods for future support will be worked out in detail, including the preconditions for focusing further on these issues in the bilateral programme. The analysis will also include a review of the forms of support where it is important to find forms that both express the area's high priority and are manageable both administratively and in terms of resources. The strategy is expected to have the following characteristics:

- If the positive development continues, direct co-operation with the government in the form of support to government structures such as the judicial system and/or political structures such as Parliament. Since several donors can be expected to work along

the same lines it is important that support is co-ordinated and directed towards areas in which Sweden has comparative advantages.

- Support to the civil society should continue and be prioritised so that first priority is given to civic education in connection with the constitutional reform and before the next election. The second priority should be other civic education in human rights with particular emphasis on a) women, children and young people, b) legal aid, and c) sound administration. The third priority should be given to limited projects of an innovative or strategic nature in other areas. Finally, attention should be paid to local and national networks that can strengthen both participation and the democratisation process.
- Support to the civil society should be guided by: (1) greater focus upon organisations having a working internal democracy; (2) capacity development and continuous financial supervision, i.e. procurement of an external auditor to handle these functions; and (3) capacity-raising measures for analysing and formulating policies and for democratic participation.
- The incorporation of human rights issues - with particular emphasis on the rights of women and children - should continue and be strengthened in all the programmes within the country frame. The increased emphasis on the judicial framework and policy issues, which can already be discerned in the health, soil conservation and water/sanitation programmes provide a good foundation for this work.

3.4.7 Other measures

Humanitarian support financed from the country frame could be considered on a case- to-case basis.

The anticipated regional support to Lake Victoria could affect parts of the bilateral co-operation between Sweden and Kenya.

It should be possible to consider country frame financed support in the fields of democracy and human rights. Other than that there should be no broadening of the project directed support.

Balance of payments support could be considered if there is a long-term and stable improvement in the country's development policy.

4. Administrative considerations

Four Sida officials from Sweden are currently working with development co-operation at the Embassy in Nairobi, namely a counsellor, a programme officer, an economist and a financial administrator. There are also two locally recruited programme officers, both Kenyan. Finally there are two Swedish Sida regional advisers/officers, one for humanitarian projects and one for democracy and human rights. The capacity to manage the expected Lake Victoria project, in which the Nairobi Embassy will play a central role, will be expanded. Some of the Embassy's other Swedish officials also deal with development co-operation as part of their duties, but only to a limited extent with the

bilateral programme. Conversely, some of the Sida officials from Sweden work with issues that are mainly dealt with by other Swedish staff at the Embassy. This applies not least to the financial administrator, who works much less than fifty percent with the bilateral programme. At Sida Stockholm three officials work with the support to Kenya.

It is estimated that the new strategy can be implemented with the present level of staffing. However, Embassy staffing should be looked at in connection with a review of the country strategy in 2001.



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Cover: Maria Beckius, Editorial Office

Printing and Graphic Reproduction centre, Stockholm 2000

Article no: UD 00.193