

ANNEX I: References

- Brookings Institute. 2013. *Top Five Reasons Why Africa Should Be a Priority for the United States; Africa Growth Initiative*. Washington, D.C. March 2013.
<http://www.brookings.edu/research/reports/2013/04/africa-priority-united-states>
- Bureau of African Affairs. 2013. *Joint Regional Strategy FY 2015-2017*. February 7, 2013.
- DAI. 2012. *Rapid Political Economy Assessment; Drivers of Accountability Programme*; September 2012.
- Development and Training Services. Inc. (DTS). 2012. *Arid and Marginal Lands Recovery Consortium (ARC) Program in Kenya: Final Evaluation*. For USAID/Kenya. October 12, 2012.
- Development and Training Services. Inc. (DTS). 2012. *Mid-term Evaluation of USAID/Kenya Natural Resource Management Projects*. For USAID/Kenya. April 2, 2012.
- Development and Training Services. Inc. (DTS). 2012. *Multi-Stakeholder Evaluation of Agriculture and Livestock Value Chain Activities in Kenya*. For USAID/Kenya. March 29, 2012.
- Department for International Development (DFID). 2004. *Strengthening the Incentives for Pro-Poor Policy Change: An analysis of drivers of change in Kenya*. Nairobi, Kenya 2004.
- Eberhard et al. 2008. *Underpowered: The State of the Power Sector in Sub-Saharan Africa*. Background Paper 6. Africa Infrastructure Country Diagnostic, World Bank, Washington, D.C.
- Food and Agriculture Organization (FAO). 2005. *Forest Resources Assessment*.
<http://www.fao.org/forestry/fra/fra2005/en/>.
- Foster, Vivien and Briceño-Garmendia Cecilia (editors). 2010. *Africa's Infrastructure: A Time for Transformation*. African Development Bank and the World Bank, Washington D.C.
<https://www.infrastructureafrica.org/library/doc/552/africa%E2%80%99s-infrastructure-time-transformation>.
- Government of Kenya. 2012. *Facts and Figures, Basic Education Bill 2012*. Nairobi, Kenya.
- Government of Kenya. 2012. *National Climate Change Action Plan 2013-2017*.
- Government of Kenya, Office of the Prime Minister. 2012. *Releasing our Full Potential: National Policy for the Sustainable Development of Northern Kenya and other Arid Lands*. Office of the Prime Minister Sessional Paper No. 8 of 2012. October 11, 2012.
- Government of Kenya. 2010. *Facts and Figures, Basic Education Bill 2010*. Nairobi, Kenya.
- Government of Kenya, Ministry of Agriculture. 2010. *Agriculture Sector Development Strategy, 2010-2020*. Nairobi, Kenya.
- Government of Kenya, Central Bank of Kenya. 2013. *Developments in the Kenyan Banking Sector for the Quarter Ended 31st March 2013*. Nairobi, Kenya.
<http://www.centralbank.go.ke/index.php/news/296-kenyan-banking-sector-registers-improved-performance>.

International Monetary Fund. (2013). *IMF Concludes Mission to Kenya*. Press Release No. 13/49. February 14, 2013. Washington, D.C.
<http://www.imf.org/external/np/sec/pr/2013/pr1349.htm>.

IMF and World Bank. 2011. *Debt Sustainability Analysis*. Approved by Saul Lizondo and Dominique Desruelle (IMF), and Marcelo Guigale and Jeffrey Lewis (World Bank). November 23, 2011. As found in IMF Country Report No. 12/14. January 2012.

Kenya Institute for Public Policy Research and Analysis (KIPPRA). 2013. *Inequalities and Social Cohesion in Kenya: Evidence and Policy Implications*. Nairobi, Kenya. January 2013.

Kenya Institute for Public Policy Research and Analysis (KIPPRA). 2012. *Youth Unemployment, Under Employment and Decent Work in Kenya*. Nairobi, Kenya; September 2012.

Kenya National Bureau of Statistics (KNBS) and ICF Macro. 2010. *Kenya Demographic and Health Survey 2008-09*. Nairobi, Kenya. June 2010.

Omolo J (2014), *Youth Unemployment Compact for Kenya (2014-2016)*.

Ranganathan and Foster. 2011. *East Africa's Infrastructure: A Regional Perspective*. World Bank Policy Research Working Paper, no WPS 5844. <http://go.worldbank.org/BWBRP91A50>.

United Nations Development Programme (UNDP). 2013. *Kenya's Youth Employment Challenge*
http://www.undp.org/content/undp/en/home/librarypage/poverty-reduction/inclusive_development/kenya_s-youth-employment-challenge/

UNDP. (2012). International Human Development Indicators: Kenya.

U.S. Senate Foreign Relations Subcommittee on African Affairs. 2013. *Embracing Africa's Economic Potential*. March 7, 2013.

USAID. 2013. *Kenya Power Sector Assessment Report; Africa Infrastructure Program (AIP)*. USAID/AFR/SD. March 2013.

USAID. 2013. *Regional Development Cooperation Strategy Results Framework Narrative (Draft)*. USAID/East Africa. January 7, 2013.

USAID. 2013. *Securing the Vision 2030: Focusing on Current Challenges to Economic Growth in Kenya through an Inclusive Growth Diagnostic, Economic Analysis Series*, May 2013 (Draft). USAID/E3 and USAID/Kenya.

USAID. 2013. *USAID/Kenya Private Sector Engagement Assessment*. USAID/Kenya.

USAID. 2012. *Gender Analysis & Action Plan*. USAID/Kenya. August 7, 2012.

USAID. 2012. *Horn of Africa Action Plan: Risk Reduction, Resilience and Economic Growth in the Drylands 2012-2017*; USAID Joint Planning Cell: Ethiopia-Kenya-East Africa. USAID/Kenya. February 3, 2012.

USAID. 2012. *Improved Management of Natural Landscapes and Climate Resilient Development: A Multi-Year Strategy for Natural Resources and Global Climate Change Management, FY 2012-2017, DRAFT*. USAID/Kenya.

USAID. 2012. *Investment Plan for Sustainable Natural Resources Development in Selected Ecologically Important Landscapes of Kenya*. USAID/Kenya. July 2012.

USAID. 2012. *Kenyan Civil Society Assessment Report*. October 9, 2012.

USAID. 2011. *Best Practices at Scale in the Home, Community and Facilities (BEST) Country Action Plan 2011-2015*. USAID/Kenya. May 2011.

USAID. 2011. *Devolution in Kenya Study: Policy Analysis and Programming Strategies*. USAID/Kenya. October 18, 2011.

USAID. 2011. *Feed the Future Multi-Year Strategy, 2011-2015*. USAID/Kenya. June 2011.

USAID. 2011. *Kenya: Democracy & Governance Assessment and Strategy*. USAID/Kenya. May 20, 2011.

USAID. 2011. *Kenya Tropical Forestry and Biodiversity Assessment*. USAID/Kenya. September 2011.

USAID. 2010. *Five Year Implementation Framework for the Health Sector (2010-2015)*. USAID/Kenya. January 2010.

USAID. 2010. *Global Health Initiative Kenya Strategy 2011-2014*. November 4, 2010.

USAID. 2010. *The Political and Socio-Economic Inclusion of the Muslim Community in Kenya*. USAID. March 2010.

USAID. 2010. *Risk Assessment: Violent Religious Extremism and the Muslim Population in Kenya*. January 2010.

USAID. 2009. *Cross-Sectoral Assessment for At-Risk Youth in Kenya*. November 2009.

USAID and DFID. 2009. *Joint Conflict Vulnerability Assessment on Kenya*. July 2009.

Uwezo Kenya. 2011. *Are Our Children Learning? Annual Learning Assessment Report*. http://www.uwezo.net/wp-content/uploads/2012/08/KE_2011_AnnualAssessmentReportSummary.pdf.

World Bank. 2013. *Kenya Economic Update: Time to shift gears – accelerating growth and poverty reduction in the new Kenya*. Nairobi The World Bank. <http://www.worldbank.org/content/dam/Worldbank/document/Africa/Kenya/kenya-economic-update-june-2013.pdf>.

World Bank. 2012. *Devolution without disruption: pathways to a successful new Kenya*. Washington D.C. The World Bank. <http://documents.worldbank.org/curated/en/2012/11/16964608/devolution-without-disruption-pathways-successful-new-kenya-vol-2-2-main-report>.

World Bank. 2012. *Doing Business 2012: Doing Business in a More Transparent World*. Washington, D.C. World Bank.
<http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB12-FullReport.pdf>.

World Bank. 2012. *Logistics Performance Index: Connecting to Compete 2012*. Washington, D.C., World Bank. <http://go.worldbank.org/7TEVSUEAR0>.

World Bank. 2008. *Kenya: Accelerating and Sustaining Inclusive Growth*. Report No. 42844-KE, Poverty Reduction and Economic Management Unit, World Bank. Washington DC.

World Economic Forum. 2012. *The Global Competitiveness Report, 2012-2013*, Full Data Version. Geneva: World Economic Forum.
http://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport_2012-13.pdf.

World Education Forum. 2000. *Dakar Framework for Action, Education for All: Meeting Our Collective Commitments*. Paris: UNESCO.

World Travel and Tourism Council (WTTC). 2012. *Travel and Tourism: Economic Impact 2012*, Kenya http://www.wttc.org/site_media/uploads/downloads/kenya2012_2.pdf.

ANNEX II: Constitution of Kenya 2010, Fourth Schedule, Distribution of Functions between the National Government and the County Governments

PART 1 – NATIONAL GOVERNMENT

1. Foreign affairs, foreign policy and international trade.
2. The use of international waters and water resources.
3. Immigration and citizenship.
4. The relationship between religion and state.
5. Language policy and the promotion of official and local languages.
6. National defence and the use of the national defence services.
7. Police services, including –
 - (a) the setting of standards of recruitment, training of police and use of police services;
 - (b) criminal law; and
 - (c) correctional services.
8. Courts
9. National economic policy and planning.
10. Monetary policy, currency, banking (including central banking), the incorporation and regulation of banking, insurance and financial corporations.
11. National statistics and data on population, the economy and society generally.
12. Intellectual property rights.
13. Labour standards.
14. Consumer protection, including standards for social security and professional pension plans.
15. Education policy, standards, curricula, examinations and the granting of university charters.
16. Universities, tertiary educational institutions and other institutions of research and higher learning and primary schools, special education, secondary schools and special education institutions.
17. Promotion of sports and sports education.
18. Transport and communications, including in particular –
 - (a) road traffic;
 - (b) the construction and operation of national trunk roads;
 - (c) standards for the construction and maintenance of other roads by counties;
 - (d) railways;
 - (e) pipelines;
 - (f) marine navigation;
 - (g) civil aviation;
 - (h) space travel;
 - (i) postal services;
 - (j) telecommunications; and
 - (k) radio and television broadcasting.
19. National public works.
20. Housing policy.
21. General principles of land planning and the co-ordination of planning by the counties.

22. Protection of the environment and natural resources with a view to establishing a durable and sustainable system of development, including, in particular –
 - (a) fishing, hunting and gathering;
 - (b) protection of animals and wildlife;
 - (c) water protection, securing sufficient residual water, hydraulic engineering and the safety of dams; and
 - (d) energy policy.
23. National referral health facilities.
24. Disaster management.
25. Ancient and historical monuments of national importance.
26. National elections.
27. Health policy.
28. Agricultural policy.
29. Veterinary policy.
30. Energy policy including electricity and gas reticulation and energy regulation.
31. Capacity building and technical assistance to the counties.
32. Public investment.
33. National betting, casinos and other forms of gambling.
34. Tourism policy and development.

PART 2 – COUNTY GOVERNMENTS

1. Agriculture, including –
 - (a) crop and animal husbandry;
 - (b) livestock sale yards;
 - (c) county abattoirs;
 - (d) plant and animal disease control; and
 - (e) fisheries.
2. County health services, including, in particular –
 - (a) county health facilities and pharmacies;
 - (b) ambulance services
 - (c) promotion of primary health care;
 - (d) licensing and control of undertakings that sell food to the public;
 - (e) veterinary services (excluding regulation of the profession);
 - (f) cemeteries, funeral parlours and crematoria; and
 - (g) refuse removal, refuse dumps and solid waste disposal.
3. Control of air pollution, noise pollution, other public nuisances and outdoor advertising.
4. Cultural activities, public entertainment and public amenities, including –
 - (a) betting, casinos and other forms of gambling;
 - (b) racing;
 - (c) liquor licensing;
 - (d) cinemas;
 - (e) video shows and hiring;

- (f) libraries;
 - (g) museums;
 - (h) sports and cultural activities and facilities; and
 - (i) county parks, beaches and recreation facilities.
- 5. County transport, including –
 - (a) county roads;
 - (b) street lighting;
 - (c) traffic and parking;
 - (d) public road transport; and
 - (e) ferries and harbours, excluding the regulation of international and national shipping and matters related thereto.
- 6. Animal control and welfare, including –
 - (a) licensing of dogs; and
 - (b) facilities for the accommodation, care and burial of animals.
- 7. Trade development and regulation, including –
 - (a) markets;
 - (b) trade licences (excluding regulation of professions);
 - (c) fair trading practices;
 - (d) local tourism; and
 - (e) cooperative societies.
- 8. County planning and development, including –
 - (a) statistics;
 - (b) land survey and mapping;
 - (c) boundaries and fencing;
 - (d) housing; and
 - (e) electricity and gas reticulation and energy regulation.
- 9. Pre-primary education, village polytechnics, homecraft centres and childcare facilities.
- 10. Implementation of specific national government policies on natural resources and environmental conservation, including –
 - (a) soil and water conservation; and
 - (b) forestry.
- 11. County public works and services, including –
 - (a) storm water management systems in built-up areas; and
 - (b) water and sanitation services.
- 12. Firefighting services and disaster management.
- 13. Control of drugs and pornography.
- 14. Ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations to develop the administrative capacity for the effective exercise of the functions and powers and participation in governance at the local level.

ANNEX III: Securing the Vision 2030: Focusing on Current Challenges to Economic Growth in Kenya through an Inclusive Growth Diagnostic

It is an exciting moment in Kenyan history. The peaceful outcome of the March 2013 multi-party democratic presidential elections renews confidence in the nation's stability that had been disrupted by the wave of violence that followed the previous elections of December 2007. A new era of hope begins with the implementation of a new national Constitution, which includes the laudable, but expectedly challenging, devolution of central governance.

Despite Kenya's historical position as the gateway to East Africa, the country has faced disappointing economic realities most clearly demonstrated in low rates of economic growth, a wide disparity in income levels, and a high rate of poverty. Vision 2030, the country's official framework for development, aims at Kenya attaining middle-income status through an annual 10 percent rate of economic growth. The historical record shows, however, that reaching the goal of 10 percent economic growth will be challenging. The Kenyan economy has experienced annual growth rates of greater than 5 percent only four times since 1988, three of which fall within the hopeful period of 2003-2007 before political violence following the contested December 2007 presidential election seems to have derailed the rapid progress. The poverty headcount ratio (defined at below \$1.25 PPP a day) was 43.4 percent in 2005¹. In that same year, the Kenyan government found the rural poverty rate to have been 49.1 percent. With the average real wage in the private sector having declined over the 2008-2011 period by between 4.6 percent and 19.7 percent (varying by production sector), and with national statistics over the same period showing inflation rates having been highest for low-income groups, it is unlikely that the rate of poverty has decreased. Inequality persists – Kenya's Gini coefficient of 47.7, last estimated by the World Bank in 2005, makes its wealth the 20th most unequally distributed out of the 81 countries (the 6th highest Gini ratio in Sub-Saharan Africa)².

The United States Agency for International Development (USAID) believes that economic growth is key to achieving a sustainable reduction in the rate of poverty. The budget constraints facing donor organizations has made it more important for development professionals to focus efforts on those general areas of a country's socio-economic environment in which the resolution of current challenges would bring about the greatest progress on the path towards sustainable development. To this end, USAID stresses the importance of rigorous economic analysis to gain a comprehensive understanding of a given economy and its major challenges. Such an understanding is essential for development professionals to be able to identify the most cost-effective manner in which to achieve poverty reduction and economic development.

For the *Securing the Vision 2013* report a team of USAID economists identified three categories of most binding constraints to economic growth in Kenya.³ These are briefly summarized in what follows and further detailed in the body of the report.

¹ 2005 is the latest year for which data is available from the World Bank Database

² Using the data from the 2004-2006 indicator

³ The analytical team consisted of 5 economists from USAID/Washington and 2 economists from USAID/Nairobi.

1. Political Stability and Rule of Law

The analysis reveals that issues of political governance (political stability and rule of law) have been among the most prominent features of the Kenyan landscape over the past few decades. Historical underlying political tensions, often defined on ethnic lines and expressed through corrupt and criminal activities favoring members of the sitting leadership's ethnic group, have created a strong perception among potential visitors and investors alike of a higher-risk environment. In addition there has been a clear correlation between major politically related events and significant disruption of economic growth.

While the passage of a new Constitution in 2010, a key element of which is the devolution of central governance, offers great promise for sustainable peace and stability, the post-colonial historical record provides evidence that peaceful democratic transitions are not guaranteed and will require the continued strong support of Kenya's international partners. The success of devolution is critical for Kenya to build on the current momentum to provide the economic and political opportunities for which its people long, and change itself into the middle-income country it aspires to become. Chapter 4 provides more detailed discussion on these issues of political governance.

2. Non-urban Infrastructure

The study also finds significant deficiencies in non-urban infrastructure, particularly with regard to the supply of electricity, prevent the expansion of economic activity outside of the capital. Though, Kenya has been identified as having made impressive progress on regulatory issues within the electricity sector (for example, having nearly eliminated by 2008 policies that artificially under-priced electricity), Kenya performs noticeably poorly in furnishing electricity supply outside of large urban centers.

At 39 MW/million people in 2011⁴, installed capacity for electricity generation and delivery is especially poor. Access to an electricity connection is high within Nairobi (69 percent in 2001), but a low nationwide connectivity rate (16 percent in 2009) suggests a very low rural connectivity rate (estimated at roughly 4 percent). Such a low non-urban connectivity rate exacts a level of hardship on households not expected in a country considered as a regional economic gateway, and more importantly it represents a severe geographical restriction of economic activity to a very small handful of cities. Chapter 5 of the report provides more detailed discussion on the state of Kenya's infrastructure.

The study also recognizes the poor condition of some of Kenya's road network, however it does not conclude that the problem rises to the same level of urgency, as does the issue of electricity. Data suggests that poor maintenance of key roads is a central issue – 16 percent of Kenya's paved classified roads are in poor condition, the highest share among a set of similar countries for which data is available. On the other hand the same data set shows a relatively well-maintained classified network of unpaved roads, a relatively high road density on the basis of the

⁴ Authors' calculations using data from Economic Survey 2012, KNBS.

number of vehicles on the road, and a relatively low daily vehicle count. The latter two figures suggest that the supply of roads is not a most binding constraint to business activity in Kenya.

3. Complexity of Regulatory Compliance

Finally, and with particular relevance regarding devolution, the study finds evidence that compliance with a multiplicity of rules and regulations is complex, requiring prohibitively costly interactions with numerous government agencies that often have overlapping functions. This characteristic is quite pervasive, affecting many of the micro-economic factors that influence the investment climate: the ease of business registration, sale and transfer of land, importing and exporting, and tax compliance among others. A combination of too much regulation and difficult compliance procedures represents a large cost to producers and renders Kenyan production less competitive.

Furthermore the complexity of rule compliance is partially responsible for the high rate of informal transactions in the economy. Continuing to streamline government functions would serve to provide incentives that encourage business formalization. Chapter 4 of the report provides an in-depth discussion of this and other issues falling under the category of micro-economic environment.

The study also identifies clear areas in which Kenya outperforms a comparable set of countries. Kenya's capacity for sound macro-economic management is impressive, although not without problems. Its ability to weather the storm of a quadruple shock to the economy, from 2008-2009, is in at least some part due to relatively sound macro-economic policy. The supply of and access to finance, from an aggregate perspective, has improved due to smart innovations such as mobile money (*M-Pesa*), banking (*M-Kesho*), and finance (*M-Shwari*). The share of Kenya's population that has benefited from a formal loan is relatively high; although there is some evidence that rural access to finance remains restricted as do guaranteed business loans (versus short-term personal loans), whether rural or urban. Kenya also outpaces a comparable set of countries on the availability of educated human capital, although the lack of formal employment opportunities has resulted in an increase in informal employment.

Consistently high rates of economic growth between 2003 and 2007 are widely thought to be a reflection of investor confidence in a post-Moi⁵ Kenya that would effectively address the issues that had been plaguing the country, and its economic prospects, over more than 20 years: crime, corruption, security, and political violence. Public approval of the 2010 Constitution of Kenya, recently passed land reforms, and the preparations for devolution are clear expressions of an intention to bring long-lasting stability to the country. It is the successful implementation of these major reforms, however, that poses the largest challenge currently facing Kenya and, subsequently, its economy. The capacity to manage major democratic transitions will likely be necessary for potential investors to consider Kenya as offering a low-risk investment environment.

⁵ Daniel arap Moi was President of Kenya from 1978 to 2002.

ANNEX IV: Kenya Private Sector Engagement Assessment

Summary

USAID/Kenya contracted Deloitte Consulting LLP under the Private Capital Group for Africa (PCGA) initiative to undertake a Private Sector Engagement Assessment to inform the CDCS. Specifically, the assessment was to: (a) analyze the interests, challenges, and issues facing the private sector and other potential alliance partners in order to determine areas for collaboration and partnership; (b) assist the Mission in the formulation of potential alliances that support economic and social development; and (c) examine market inefficiencies that exist and opportunities for resolving them through private sector collaboration. The assessment focused on three main sectors: Agriculture, Health and Energy.

The findings clearly indicate continued growth in the targeted economic sectors on the global level, even in light of current economic conditions. With new and expanded incentives coming into play in the **renewable energy sector**, the growth trajectory over the next 20 years appears exponential, even with the continued relevance of oil and gas.

In the **health sector**, the trajectory of global growth is impressive, though trends indicate that countries which focus on technology, quality care, pharmaceuticals (especially bio-similar and bio-equivalence), and Research and Development will be the strongest beneficiaries of this growth.

In **agriculture**, trends indicate that the demand for food will continue to increase, but that the opportunities for country-wide growth will come not through growing food, but rather through processing, packaging, distributing, and selling it.

Growth within these sectors is interconnected. Higher fuel costs drive increased input and distribution expenses that cause higher commodity prices, affecting both global demand and supply. Deloitte's research findings indicate that individuals at the "bottom of the pyramid" are most vulnerable to the resulting microeconomic effects on price. With little ability to afford commodities at increased prices, hundreds of millions of socio-economically disadvantaged individuals are susceptible to higher electricity costs, restricted food supplies, and health implications (such as illnesses caused by malnourishment) that weigh on the healthcare system.

Based on the above findings, USAID/Kenya's strategy will be to engage private sector through the following platforms:

- **Alliances with Multi-Nationals:** Potential alliances with multi-nationals provide the most overall impact, but they also tend to take the most time to develop. There are several reasons for this, including the propensity of multi-nationals to gravitate toward "one-off" interventions that provide high visibility but are not conducive to partnerships. In addition, many multi-nationals want to roll out programs regionally, which requires more development time, tighter coordination with potential partners, and significant planning in the design and launch phases. USAID Kenya will pursue these alliances using the private sector engagement process outlined in the assessment report, with the understanding that most of them will not be initiated in the near-term.

- **Alliances with Large Kenyan Organizations:** Many of the large Kenyan organizations (such as SafariCom, Kenya Commercial Bank) have built a strategy around Corporate Social Responsibility (CSR) or Corporate Social Investment (CSI), which while beneficial do not on their face produce sustained potential for alliances. Those that participated in the Assessment's outreach phase supported dozens of different causes, many of which they considered to be CSR. The Mission will pursue alliances with these larger Kenyan firms, especially those that have foundations with an aim of building their capacity to see the nexus between CSR, core business and development objectives. This will allow the Mission to achieve two objectives of USAID Forward: partnering with the Private sector; and partnering with local entities.
- **Global and/or Regional Alliances:** There is significant potential in regional alliances, whether through cooperation with USAID's East Africa Regional Mission, other donor organizations, or companies (especially multi-nationals) which want to roll out regional programs. USAID currently has a number of alliances outside Kenya that are easily adaptable. The Mission will strategically pursue such alliances that are relevant to the program.
- **Triangulated Alliances:** The findings also did reveal a significant potential for triangulated alliances, specifically those that merge debt and equity financing with potential support from USAID. There are already examples of such alliances in Kenya, though they are still relatively small and underdeveloped. It is also observed that there is a huge influx of private equity outfits in the country, and it has been established that there is a strong linkage between the interest these entities are pursuing and the work of the development partners. The Mission will reach out to these entities with an aim of exploring opportunities that form triangulated partnerships, as they will provide significant return on investment.

A sustained process-oriented approach to stakeholder engagement will provide the best opportunity to explore potential alliances on multiple levels. However, it will require changed mindsets and patience on the part of both the Mission and the private sector.

ANNEX V: Meta-Analysis of USAID/Kenya Evaluation Data: 2006-2012

Overview

The evaluation meta-analysis examined sixteen project evaluations conducted between 2006 and 2012. The team categorized evaluations according to their relevance to the three development objectives (DOs) outlined in the USAID/Kenya CDCS. The DO 1 team examined seven evaluations of health-related programs (OPH and PEPFAR). Two of the evaluations analyzed the same health-related program in multiple countries (including Kenya). Three evaluations analyzed regional health programs in Kenya, and the remaining two evaluations focused on district-level programs. The primary programs included reproductive health services and HIV/AIDS, child and maternal health, and malnutrition management and support services for orphans and vulnerable children. The DO 2 team examined two evaluations focused on the area of democracy and governance. One evaluation was a final impact evaluation of a civic education program and the other was a mid-term evaluation of a civil society strengthening program. The DO 3 team examined seven evaluations focused on economic growth, agriculture and natural resources management programs. Most of these were regional projects focusing on increasing agricultural productivity and livelihoods of smallholders. One evaluation was national in scope.

Team members grouped and analyzed evaluations according to their relevance to specific DOs. Recommendations and lessons-learned are summarized in a database under the following topic headings to focus the analysis: final recommendations, partners, stakeholders, beneficiaries, technical design, monitoring and evaluation, procurement and funding, mission strategy and host country systems. The DO teams generated summary reports that detail evaluation findings by topic area. The discussion below is a synthesis of the key lessons learned across the three development objectives.

Key Lessons Learned

1) Increase Project Sustainability through Better Design and Evaluation

Multiple evaluations focused on the subject of project sustainability in terms of how to achieve it and ways to measure it. Project sustainability can be enhanced through better planning and project design (DO3). When working with community-based organizations, sustainability is best approached up-front during the design of the project (DO2). A related finding was that involving partner staff in the design process increases staff commitment and results in better project design. Another key finding suggested that project sustainability should be evaluated after projects have been completed (DO1).

2) Mobilize Local Project Partners

Another set of key recommendations focused the importance of coordination and empowerment of local partners. Better project outcomes can be achieved through increased coordination with other partners, projects and private sector (DO3). Other evaluation findings focused on the need to mobilize and empower community beneficiaries in order to achieve project objectives (DO1/2). Community mobilization methods need to be thoroughly documented and expanded beyond informational meetings and volunteer training efforts (DO1). Other findings noted that implementing partners needed to devolve decision-making authority to community-based organizations in order achieve desired management objectives (DO2).

3) Enhance Communication Strategies

The need for better communication strategies emerged in several evaluations. Project managers need to place more emphasis on reporting success stories and communicating their achievements to project stakeholders (DO2). In addition, planned events that highlight project impacts, successes and challenges are good ways to sustain awareness and interest among implementing partner staff (DO1).

4) Build Strong Partner Networks for Collaborative Learning

Partner lessons converged on the importance of building networks of partner organizations and encouraging interaction and learning within these networks in order to increase community participation, allow for more community-based learning, enhance collaboration among partners, and foster peer learning within projects (DO 3/2). Project managers can create networks and forums for partner organizations to share their success stories and lessons-learned (DO1).

5) Mobilize and Empower Stakeholders within Geographic Areas

Key stakeholder lessons focused on the importance of grassroots mobilization with direct participation of stakeholders within a targeted geographic area to build common interests (DO2/3). At regional and national levels, programs should have a well-defined and comprehensive advocacy strategy when delivering a common program across a wide geographic area in order to maintain a consistent understanding of project goals and intentions with multiple stakeholder groups (DO1).

6) Expand Focus and Understanding of Marginalized Groups

Project beneficiaries should include marginalized groups (youth, women, elders) to achieve project goals (DO2/3). This is especially true with conflict mitigation programs. At the same time, increasing men's awareness of the issues facing marginalized groups (women, youth) can help actively engage them in the process of changing behaviors (DO1).

7) Improve Project Design through Increased Analysis and Flexibility

Evaluation findings pointed out that project designs should be more innovative, adaptable and flexible in order to encourage resilience goals (DO3). Designs should be subject to increased analysis and review to ensure sustainability and scalability of projects (DO3). Finally, project designers need to have a better understanding of local community structures and government systems in order to address problems associated with decentralization and devolution (DO2).

8) Simplify and Refocus Monitoring and Evaluation Systems

Monitoring and evaluation lessons called for M&E frameworks to be simple, relevant to stakeholders, and connected to the learning and knowledge management objectives of the Mission. Project PMPs should be simplified and refocused to insure that indicators are capturing project impacts (DO 2/3). More important, project designers need to involve project partners in the formulation of an M&E framework to achieve better results and shared understanding of output/impact indicators (DO1).

9) Engage Local Grantees in the Procurement Process

In terms of funding and procurement, USAID needs to do a better job of promoting consultation among potential grantees to develop common strategy and maximize resource use in a targeted geographic area (DO2/3). Once the project is underway, it is important to build capacity among

local grantees to help them handle large funding streams and master donor project guidelines (DO1).

10) Build Program Consortiums to Increase Local Capacity

The Mission must increase collaboration and coordination among local project partners in order to outline and fully achieve project outcomes. Project managers could do a better job of building “program consortiums” between local governments and NGOs to achieve a “continuum” of project outcomes and increased capacity of local institutions (DO1). Another finding was the need to maintain and increase government-to-government programming when the services delivered are well-defined and where it is clear how public institutions will provide project support (DO2).

11) Engage and Build Capacity of Host Country Institutions

The main lessons focused on building leadership capacity, involving local leaders in program planning and collaborating with higher-level institutions in order to foster systemic changes in host country systems. An important finding was the need to encourage the mentoring and training of local civil society leaders to smooth transition planning within local organizations (DO2/3). In addition, it was noted that strong involvement of partner staff (including government partners) from the beginning of project strengthens relationships, builds staff commitment and enhances project sustainability (DO1/3). Finally, project managers and partners need to collaborate with national authorities and other development institutions is necessary in order to build national political will, strengthen legal systems and develop strong sector policies (DO1).

Conclusions

The analysis converges on the following main points:

Improved Communication: Better communication strategies need to be employed within the Mission (technical offices, interagency), between implementing partners, and with external partners (Host Government, other international donors, stakeholders and beneficiaries) to improve project planning and create more holistic and sustainable project designs.

Partner Coordination and Empowerment: Project partners need to be better coordinated and empowered through local networks and forums in order to build local capacity, foster peer learning, increase collaboration and enhance stakeholder participation within targeted geographic areas.

More Robust Consultations: Project partners, stakeholders and beneficiaries should be consulted extensively in order to develop simpler and relevant M&E systems and help create more integrated, geographically-focused procurement strategies.

Country System Strengthening: Host country systems should be strengthened in order to increase local leadership capacity and engage local leaders in all phases of the planning and implementation of USAID programs. These host country systems extend from the national to the county level.

ANNEX VI: Stakeholder Consultations

I. USAID/Kenya CDCS Launch Meeting – March 26, 2013

A. Principle Themes and Information Emerging Relevant to Results Framework

1. Relevant to overall structure of RF

- Kenya is a deeply unequal society. Much as enhancing economic growth is necessary to address poverty, every effort should be made to ensure these inequalities are eliminated.
- The Commission for Revenue Allocation (CRA) has developed criteria to identify the most marginalized counties. Efforts should be made to build on the work of the CRA and pay special attention to these counties.
- Land is still a central issue in the psyche of the country, and lies at the center of most conflicts.
It needs to be comprehensively addressed.
- Focus on informal and agricultural sectors is still important particularly with regard to providing opportunities for youth who form a large proportion of the unemployed.
- Counties should be supported in tapping local resources so they can generate other revenue beyond what is allocated to them from state resources.

2. Relevant to Human Capital

- With a devolved system of government the county is the next frontier in tackling development challenges, especially in relation to access to health, education and water services. This will, however, be hampered by the huge capacity gaps existing in most of the counties.

3. Relevant to Support to Kenya's Constitution

- The new constitution is still in its infant stages and needs maximum protection and support. In this regard, every assistance should be extended to institutions critical to its oversight and implementation.
- It is often said that Kenya has a constitution but lacks constitutionalism. There is need therefore to strengthen rule of law and respect for institutions while investing in the supportive economic and social sectors.
- Implementation of the constitution should ensure continued observance of international obligations.

4. Relevant to Inclusive Economic Growth

- There is a need to engage in changing mindsets in order to enhance Kenya's competitiveness and ensure sustainable growth.
- Ensuring inclusive growth to mitigate against deepening inequalities is paramount.
- Accountability is a key priority in attaining inclusive growth. This will require aligning budgetary allocations to local priorities while ensuring sound county financial management systems.
- A focus on marginalized communities in what were historically the Northern Frontiers of Kenya is needed to strengthen drought resilience among pastoralist communities.
- There has to be structural transformation to ensure convergence of an active state, private sector and peoples' participation.
- Poverty alleviation should seek solutions within the framework of the multidimensionality of the problem in terms of age and gender among other factors.

Paying attention to the human side of economic growth is therefore important in achieving prosperity.

- There should also be an examination of the cost of energy so as to improve the cost of doing business in the country.

5. Other

- Although commendable, the reforms observed in the Judiciary need to be supported through additional investments in alternative forms of negotiation or conflict resolution.
- Alternative non-farm employment opportunities in rural areas should be explored to address high unemployment. Cross-learning among counties should be encouraged to allow for the replication of success stories to establish equity through devolution and the transfer of successful practices between regions.

B. Principle Themes and Information Relevant to Ongoing Consultation Process and Potential Surveillance Activities

- The question of capacity as the county governments take shape is one of great concern.
- The ongoing election petition challenging the win of the President-elect, which is at the Supreme Court of Kenya.

II. Consultative Meeting on Unpacking Devolution: Opportunities, Challenges and Potential Spheres of Engagement – April, 3 2013

A. Principle Themes and Information Emerging Relevant to Results Framework

1. Relevant to overall structure of RF

- There is need to agree on common indicators against which county government performance can be measured. This is critical if support to the devolution process is going to be an important part of the new strategy.
- The pace of devolution is going to be slow. It is important therefore for the RF not to get “ahead of itself” and set indicators that are practical.

2. Relevant to Capacity Development

- The primary institution mandated with managing devolution – the Transitional Authority (TA) – is very weak and will need all the support it can get. It is very important, however, to coordinate any support provided with other agencies to avoid duplication.
- University campuses have been set up in many counties. Under devolution these could serve as custodians of local information generated through relevant studies on development issues within the county. It would be advisable to support them.
- Civil society organizations have generally been concentrated in Nairobi and the few found in the counties are often quite weak. These will need to be supported to enhance their capacity to take an active role in holding county governments accountable.

3. Relevant to Support to Governance

- While there is support for the senate to assert its authority and that of governors under the devolved system, there is need to ensure that they expend as much energy in

monitoring accountability of devolved funds as they will in ensuring the transfer of finances.

4. Relevant to Inclusive Economic Growth

- Private sector involvement in devolution is important to ensure counties create a conducive environment to attract investment.
- Every effort should be made to avoid devolving the inequalities noted at the national level to the counties.

5. Other

- A transition checklist to serve as a monitoring tool in the implementation of devolution by counties should be developed.

B. Principle Themes and Information Relevant to Ongoing Consultation Process and Potential Surveillance Activities

- Considering devolution will be a long term process it would be advisable to have a continuous feedback mechanism that informs the consultations as it goes along.
- The issue of performance contracts (recently raised by the Head of Public Service) for elected county executives is a good example of the friction between the executive and county governments. It should not be taken for granted that this proposition was made in good faith by the executive, particularly considering the historical precedent set with regards to the 1963 constitution. The tussle over power between county and national governments will continue and this needs very close monitoring to avoid it having an adverse effect on programs.
- The functional review exercise and deployment of technical staff to the counties will require close surveillance as this will determine the capacity gaps and measures to be taken.

III. Consultative Meeting on The Youth Bulge: Tapping the Potential to Enhance Economic Growth - April 4, 2013

A. Principle Themes and Information Emerging Relevant to Results Framework

1. Relevant to overall structure of RF

- There is still not enough known about youth and how their potential can be harnessed to spur economic growth. As such there is need to build a strong evidence base to inform the objectives in the RF and track progress.
- Whilst devolution may open more opportunities for youth under the new constitutional dispensation, it is still unclear exactly what this would look like and how they would best benefit from it. It is clear, however, that youth are a very important constituency and the final RF should pay special attention to them.
- Closer collaboration and coordination between the government and development agencies is necessary to avoid duplication. The CDCS process should therefore be aware of what others are doing and define what would be the most strategic intervention for USAID.

2. Relevant to Skills Development

- A mapping exercise is recommended to identify skill gaps and implement strategic interventions to meet market demands.

- The National Youth Service is a very strategic institution which unfortunately currently is not adequately utilized. A review of its mandate, recruitment and outreach may be necessary to make it more effective.

3. Relevant to Support to Policy

- There is need to recognize the systemic infrastructural gaps in skills development, particularly in traditionally marginalized regions of the country.
- By stratifying unemployment, policy recommendations have a better chance of making more effective interventions, particularly in terms of training.
- Policy development has to be a well-planned process and not *ad hoc* or reactive as is often the case.

4. Relevant to Inclusive Economic Growth

- Technology, demography, geography and policy are four enabling factors for increasing economic growth in Kenya.
- There is a lot of work that needs to be done if Kenya is to reach the goal of becoming a middle income country. The challenge is turning the *work* into *jobs* and making more informal sector jobs transit into the formal sector.
- Devolution provides an opportunity for youth because of the investments that can be made in the counties and the employment this would attract.

5. Other

- Corruption is a great impediment to youth starting up business. For example, even though the government has a policy that stipulates that 30% of all public procurement will be sourced through youth enterprises, this hardly happens as established cartels effectively lock out young entrepreneurs.
- Credit is prohibitively expensive in Kenya, with interest rates on average about 30%. This is a major hurdle for young entrepreneurs who want to develop their business.

B. Principle Themes and Information Relevant to Ongoing Consultation Process and Potential Surveillance Activities

- There are very many initiatives and organizations working with youth and/or on youth issues without much coordination. There is need to get a better understanding of who is doing what to identify the gaps and determine the appropriate niche for engagement.
- It is important to continuously monitor the implementation of devolution to assess upcoming opportunities for youth.
- With the establishment of a Senate and County Assemblies there could be a raft of new legislation passed to regulate youth activities. There is, therefore, need to continually monitor the policy environment.

IV. Interagency Meeting – April 15, 2013

A. Principle Themes and Information Emerging Relevant to Results Framework

1. Relevant to Capacity Development

- There is relevant experience to be garnered from the US on how to implement the constitution. In drawing parallels between the national and county governments, the more appropriate analogy is not between the US federal and state governments but between the state and county governments. However, it may be better to seek examples of successful devolution closer to Kenya.
- The county will be the main interface between USAID and Kenya citizens. What should the strategy of engagement be?
- Opportunities for cross learning can also be explored through sending Kenyan officials to the US or bringing US official here to conduct training.
- How can we tell whether the threat to devolution is real? If it is, how much of that is because of lack of technical capacity and/or lack of political will?
- How can USAID work with the Peace Corps to get training opportunities for them while building capacity in the counties?
- How can individuals be empowered to demand their rights?

2. Relevant to Support to Governance

- Corruption is pervasive in Kenya and the country seems unable to deal with impunity. There is significant risk that there will be an explosion of rent seekers under devolution. Even the treasury advises what ministries to avoid when providing support. The government is always asking how much money USG will provide and whether the volume of aid will increase. It is thus critical to support transparency in all ministries. This is an area of potential collaboration between USAID and other USG agencies.
- There is a lot of anxiety about the implementation of devolution. USAID should not be seen to be taking pressure off the Kenya government with regards to its obligations towards its citizens.
- How can USAID balance its resources between supporting the national government and the 47 counties?
- There are 47 counties in which the Mission supports health programs but only 27 with FTF. Is there an inconsistency here? How does this difference get presented? Considering that counties can now approach development agencies directly for assistance, how will this be managed and coordinated?

3. Relevant to Inclusive Economic Growth

- Kenya is a very important player in the region. It also has the largest economy. How can we support policy formulation to enhance more inclusive growth? How can this support be extended to further regional integration?
- There are opportunities for regional border facilitation. How can these be supported?
- There is need to strike a balance between focusing on the poor and marginalized while also investing in opportunities that can bring quick success.

- There are additional opportunities for collaboration between USAID and the economic Section of the Mission: how can USAID-supported programs inform policy and what policy options would support USAID in its program implementation?

V. Meeting with Vision 2030 Delivery Secretariat – April 25, 2013

A. Principle Themes and Information Emerging Relevant to Results Framework

1. Relevant to overall structure of RF

- In the process of developing the new USAID/Kenya strategy, it is important to ensure there is close coordination among donors, key state agencies, the private sector and civil society organizations. The structure of the RF should take into consideration the overall objectives of the government, as espoused through V2030 and MTP 2.
- The new flagship sectors mentioned (oil and gas, mining) should also be considered when developing the RF.

2. Relevant to Capacity Development

- The transformational agenda of Vision 2030 seeks to enable the development of necessary capacity to deliver on devolution. There is need therefore to ensure adequate capacity in the counties to enable them to deliver quality services.
- While the national government will be developing policy and supervising its actualization, the county governments will be the ones implementing the Vision 2030. It is critical, therefore, to train and provide the necessary human resources to facilitate its implementation.
- To support capacity building at the county level, eleven modules are being developed in conjunction with the Kenya School of Government (KSG) to ensure a customized curriculum for all those being inducted to perform devolution functions.

3. Relevant to Support to Governance

- Borrowing from the American Constitution, the Kenyan Constitution has also instituted a system of checks and balances on Executive and Gubernatorial offices and between the national and devolved governments. It is very important, therefore, to foster mature working relationships not only with national and county governments but also among counties.

4. Relevant to Inclusive Economic Growth

- Although the V2030 is largely seen as a blueprint for guiding development at the national level, each county is free to customize the Vision to its local context. As part of this counties can identify their own flagship projects and seek support for their implementation.

5. Other

- An emerging challenge is the resource nationalism seen in a number of counties following recent oil and gas finds. Some counties are also laying claim to strategic national assets like the Port of Mombasa despite their critical role in the national and regional economy.

B. Principle Themes and Information Relevant to Ongoing Consultation Process and Potential Surveillance Activities

- There is a lot of interest in the customization of Vision 2030 at the county levels and how this can be achieved. The consultation process would be well advised to seek input on how this can be done and understand what support would be required by counties.
- While a lot has already been said about supporting counties with their development plans, attention should also be paid to supporting investment planning as well.
- Among certain sectors of society it might be advisable to demystify V2030. This will be necessary among groups that have not interacted much with the Vision and do not quite understand its potential benefits.
- As more consultations are held in various counties, opportunities should be explored for two or more counties coming together to jointly implement common flagship projects. This will not only allow them to take advantage of economies of scale, but foster closer collaboration and enhance efficiency.
- To help improve service delivery, the Ministry of Planning is developing county profiles that will be used to prepare County Strategic Plans (CSP). The CSPs will serve to contextualize the V2030 at the county level. It is important to remember, however, that the CSP is different from MTP 2. Counties will be required to submit their CSPs on the basis of which funding allocations will be made by the national government.
- Counties are expected to select projects that will jump start their economies. Choices will, therefore, be made about prioritizing infrastructure development over service delivery; growth versus citizen well-being. Counties may also choose to harmonize these competing priorities in short, medium or long term plans.
- It is important to find model county(ies) whose successes can be duplicated or replicated in other places. While it may necessary also to look for international best practices in other countries - e.g. Indonesia, Philippines or South Africa – every effort should be made to find local examples that can be easily replicated.

VI. Women In Leadership Meeting: Challenges & Opportunities under the New Constitutional Dispensation – April 30, 2013

A. Principle Themes and Information Emerging Relevant to Results Framework

1. Relevant to overall structure of RF

- As the devolution process is rolled out there is need to ensure that women's interests are well articulated at every stage. This should also be appropriately captured in all strategic plans.
- One of the main challenges women face is getting to leadership position in political parties. It is thus crucial that political parties are included among stakeholders to be encouraged to support women empowerment.

2. Relevant to Capacity Development.

- Lack of capacity is the biggest challenge facing women aspiring to run for elective office. Similar challenges face also women who have already been elected. It is therefore critical that ALL women, those elected and those aspiring for political office have their capacity appropriately developed.
- Women elected at the county levels come from very different backgrounds. For almost all of them it is the first time they have run for office or been nominated.

Considering the complexity of devolution and the task ahead of them it is important that special attention be paid to this group.

3. **Relevant to Support to Governance**

- How can devolution be made accountable? What role can women play in holding the national and county governments to account?

4. **Relevant to Inclusive Economic Growth**

- The government has done well to create opportunities youth to bid for tenders in its procurement plans. The same should be done for women to enhance their economic empowerment.
- County development plans should be inclusive and ensure gender equity.

B. Principle Themes and Information Relevant to Ongoing Consultation Process and Potential Surveillance Activities

- The engagement with women leaders and women groups needs to be long term and part of a continuous process. The focus should not be on elections only.
- The campaigns leading to the recent elections took a heavy toll on women. Women candidates were physically and psychologically abused. The pattern was the same in both the party nominations and general elections. In the run up to the next elections it is imperative to monitor abuse against women.
- The court ruling which determined that the two-thirds rule will be progressively implemented needs to be closely monitored to ensure that the objectives set are met.

VII. Eldoret Meeting – May 15, 2013

A. Principle Themes and Information Emerging Relevant to Results Framework

1. **Relevant to overall structure of RF**

- North Rift region has huge agricultural potential that is not being fully exploited. With the appropriate support the sector can make a significant contribution to the local and national economy.
- The lack of an official opposition in the region is cause for concern. There is need to ensure there is adequate oversight over the operations of the county governments. With only one party taking up most of the elective positions, who is going to provide oversight? What alternative mechanisms should be put in place?

2. **Relevant to Skills Development**

- The region has great potential for the development of agri-business. To benefit from this, however, farmers will need training and access to credit. The youth in particular need to have their capacity developed to take advantage of opportunities in agriculture.
- Following their dismal performance in the March elections, women candidates will need a lot of support to prepare them for the 2018 elections. In addition,

those who have been nominated will need to have their capacity enhanced to enable them to effectively contribute to the legislative process in county and national assemblies.

3. Relevant to Support to Policy

- Kenya is a signatory to the Maputo Declaration that binds African governments to commit 10% of the national budget to the development of agriculture. The national government should thus be held accountable to meet this commitment. County governments should also customize the Declaration to their specific context.
- Counties in the North Rift are expected to customize the national objectives of Vision 2030 to their specific contexts. To do this they will need to enact the necessary legislation and pass appropriate policies.
- Devolution offers a great opportunity for county development, but it will only succeed if the right policy framework is put in place.

4. Relevant to Inclusive Economic Growth

- The law passed by parliament last year to operationalize Private Public Partnerships (PPP) needs to be urgently implemented to encourage investment into the agricultural sector and spur growth.
- Much as the constitution allows for asymmetric growth – i.e. counties that are better prepared can move faster – there is a need to avoid deepening inequalities.

5. Other

- The key to attaining inclusive economic growth lies in maximizing the untapped potential of the counties in North Rift. Uasin Gishu County, for example, lies on the highway to the Great Lakes; it has an international airport, 40 banks, more than 17 institutions of higher learning, unutilized grain silos, and tourist attractions. This potential should be made to benefit the county citizens.

B. Principle Themes and Information Relevant to Ongoing Consultation Process and Potential Surveillance Activities

- Most CSOs, and the civic education activities they conduct, are concentrated in the main cities. This leaves out a great majority of the population that lives in the rural areas. As such CSOs should also “devolve” their activities to areas beyond the main cities. USAID consultations should similarly also go beyond the main cities.
- Following the recent elections that resulted in one party taking up most of the positions, the perception has been created that the region is homogenous politically. This is certainly not the case and consultations should seek out people of all political persuasions.
 - The recent elections may have been peaceful, but it is important to remember that the issues that led to violence in 2007/2008 have yet to be resolved. There is, therefore, need to continually monitor the situation and observe how the new county governments will deal with historical grievances.
 - Politicians made many promises during campaigns, raising expectations among citizens, especially the youth. Whether or not they fulfill the promises will determine if the region remains peaceful or not. This requires continuous surveillance.

- The constitution requires that there is adequate public consultation before any major decisions are made by national and county governments. This needs to be closely monitored to ensure citizens are consulted as required.

VIII. Eldoret Focus Group Discussion – May 13, 2013

- Although the recent elections were largely peaceful, it is clear that many of the issues that led to violence in 2007 / 2008 have still not been resolved. Some of these issues are so sensitive that they are best discussed in small groups, especially now when it's been only been a few months since the general election and many issues cannot still be discussed openly.
- **Land remains the single most emotive issue in the region.** Land is identity; incidentally the poorer one is the more strongly he identifies with land. The rich, on the other hand, can buy or sell land as they wish. Land evokes deep, visceral reactions making reconciliation efforts very difficult.
- The yet to be settled squatters are getting restless and pose a real threat to peace. Examples were given of farms that changed hands from one large scale farmer to another with the squatters who have lived on it for decades being “transferred” together with the land. Towards the elections 1000 squatter families were promised resettlement on a 3000 acre farm (Chemusian) only to find that IDPs from outside the region were eventually given the land. Some of those claiming to be IDPs were actually hawkers from a particular community previously working in Kapsabet and Nandi hills. It is clear that the wounds from 2007/2008 have not healed yet. Real peace can only be achieved if the underlying issues are dealt with.
- There is concern among the Kalenjin that the Kikuyu may take advantage of the prevailing peace to sell off their farms and thereby scuttle attempts to settle squatters.
- There is urgent need to conduct an IDP census, establish their origins, and weed out all bogus ones. Questions must also be asked about whose properties were destroyed in all the areas that experienced post-election violence.
- There is little understanding of, and faith in, the recently established National Land Commission. Most people feel that it will face the same fate as previous commissions (Njoya, Ndungu, etc.) established to deal with land matters.
- There is simmering conflict between the Nandi and the Luo, with the former feeling aggrieved having been displaced from their traditional lands. The ongoing incidents of cattle rustling along the Luo / Nandi border are an expression of these pent up frustrations.
- Youth feel shortchanged after the overwhelming support they gave the ruling coalition during the elections. They complained that there was nobody under 35 appointed to the cabinet and that county assemblies did not reflect the face of the communities that elected them. In addition, the high level of unemployment was an issue of great concern.
- **Ethnic marginalization at the county level.** In a number of counties, minorities were not only *not* elected to county assemblies but they were also left out in the appointment of county assemblies. This is certainly a recipe for conflict and needs to be closely monitored.
- **ICC process.** The ICC proceedings are crucial to the regions and its progress should be closely monitored. There is a lot being discussed on social media, but the challenge is how

Old people own the land, young people fight over it.

FGD, Eldoret

to get people understand the real issues. This is especially difficult in the face of the strong political messaging put out before, during and after the elections. How can a counter narrative reach the people? The memories of 2007/2008 were still very painful, and the question is whether issues have only been suppressed to emerge again at an opportune time.

IX. Isiolo Meeting – May 20, 2013

A. Principle Themes and Information Emerging Relevant to Results Framework

1. Relevant to overall structure of RF

- Special attention should be paid to the increasing youth bulge. Isiolo town and County have a whole generation of youth and children considered ‘lost’. These are children of squatters and internally displaced people who are unable to return to their places of origin and have not been accorded alternative sites to resettle. The situation is further complicated by their engagement in substance abuse.
- Pastoralism is the dominant livelihood system in the region. While it is necessary to support pastoralists in their traditional livelihood system it is equally important to help them diversify into other economic activities to take advantage of the opportunities devolution is opening up for Isiolo and other northern counties.

2. Relevant to Skills Development

- Despite its huge potential, Isiolo County faces a serious shortage of skilled staff. The county does not have any technical colleges not to mention universities. The story is the same in the other northern counties. There is an urgent need therefore to invest heavily in education if the county is to develop the skilled manpower necessary to take advantage of the opportunities provided by devolution.
- Financial training is important to improve the uptake of the Youth Enterprise Fund (YEF) and reduce the high default rate. This will mean addressing cultural beliefs that view the fund as ‘haram’ or unacceptable under Islamic Law due to the alleged interest (or ‘riba’) charged.

3. Relevant to Support to Policy

- To take advantage of the opportunities opened under Vision 2030, namely the establishment of a Resort City and rail network, the PPP Laws passed by parliament need to be urgently operationalized. The County will also need support to pass the corresponding legislation and policies at the local level.

4. Relevant to Inclusive Economic Growth

- The northern region has vast unexploited potential. This ranges from tourism, livestock, oil and gas, and minerals, among others.
- All the major banks in the country have branches in Isiolo, a clear indication of the volume of business in the county. The presence of the banks will facilitate access to credit and spur growth.
- Considering the dominance of the livestock sector, industries that would be well suited here are leather works and meat processing plants. Also, the region would do well to increase water harvesting for irrigation.
- Most counties in northern Kenya are in urgent need of data to develop their strategic plans, conduct conflict assessments and resource mapping.

5. Other

- Security continues to be an issue of concern in Isiolo and other northern counties. The proliferation of small arms is making the situation even worse.

B. Principle Themes and Information Relevant to Ongoing Consultation Process and Potential Surveillance Activities

1. Consultation Process issues:

- There is still confusion regarding the functions of the new county structures and provincial administration. There is need for further consultations to clarify roles.
- The regular meetings among governors from contiguous counties that have been started should be encouraged. The forum established provides a useful platform for broader consultations.
- There needs to be greater involvement of disabled people in county affairs. As a special interest group they tend to be overshadowed by the youth and women groups pushing for their interests.
- It was noted that women headed NGOs face discrimination and don't receive funding. They should be included in the consultation process and adequately supported.

2. Ongoing surveillance issues:

- The implementation of the flagship projects under V2030 will need continuous monitoring to ensure plans are on track and that local residents are adequately consulted every step of the way.
- Ensuring joint planning and implementation of projects is very important. The challenge is in getting qualified people in key positions. The participation of women, youth and other marginalized groups is also very important. This should be continually monitored to ensure effective citizen participation in all activities.
- Strengthening resilience in the pastoralist communities is necessary to avoiding continued dependency.
- The formation of Ethics and Anti-Corruption Commission (EACC) offices at the county level will help in the monitoring county institutions.

X. Isiolo Focus Group Discussion – May 20, 2013

- It was noted that in the area of livestock development, an issue that is tied very closely to the livelihood of the people in Isiolo County, the presence of USAID was hardly known. The community was more familiar with programs supported over the years by the European Union (EU), World Bank through the Arid Lands Resources Management Project and INGOs like Action Aid. USAID, it was said, has greater presence in the North Eastern and Coast regions. Nonetheless they welcomed USAID's interest in the region and expressed their willingness to work with it.
- The group was surprised that USAID was implementing two large resilience programs in the region they had no information about. They were happy that staff of the programs were in the meeting and looked forward to further discussions with them.
- There is a great need to ensure peace is sustained in the region to protect pastoralists' livelihoods and strengthen their resilience. Isiolo and the neighboring counties have been beset by conflicts for a long time, both around elections and more regularly through cattle

rustling. An example was given whereby in one of the markets on the border between Isiolo and Samburu counties the price of a cow fell from KES 12000 to KES 2000 due to conflict.

- Isiolo County and northern Kenya in general are very fragile ecologically and there is need to closely monitor water availability and rangeland conditions which are crucial to pastoralist livelihoods.

XI. Mombasa Meeting – May 28, 2013

A. Principle Themes and Information Emerging Relevant to Results Framework

1. Relevant to overall structure of RF

- The implementation of the constitution is seen as the single most important issue that will ensure the historical grievances at the coast are fully addressed. As such this must be given the highest priority.
- The coast region is behind other parts of Kenya in many social development indicators, in particular health and education. These need to be prioritized to address the existing gaps.
- Citizen engagement in governance has also been generally low at the coast. This was evident, for example, in the turnout during the recent elections where numbers at the coast were generally lower than the national average. The feeling of alienation among a large proportion of the community has further dampened citizen engagement.
- Civic education should be a continuous process and not carried out only during elections. This will allow citizens engage more effectively with their leaders.

2. Relevant to Skills Development

- The coast region has traditionally lagged behind the rest of the country in performance at national examinations. This has led to the region not having adequate qualified people with the requisite skills to take up jobs in the public and private sectors. Consequently, many firms and government agencies have had to source for skilled manpower from elsewhere in the country, something that has caused resentment among locals.
- While devolution has re-ignited self-awareness among communities indigenous to the coast and opened up many opportunities, much needs to be done to develop skills and enhance capacity to enable them take charge of their counties.
- The development of partnerships between private and public sectors will require a change of mindsets and a new set of skills.

3. Relevant to Support to Policy

- The enactment of the Public Private Partnership laws will require customization to the specific context of coastal counties. The counties will also need help in developing the necessary policies to operationalize the PPP laws.
- In order to avoid devolution of corruption, the coastal counties will need help to enact the necessary policies to ensure transparency and accountability in county procurement. Youth and women who have been promised a fair share of the county government contracts should also be supported to acquire the necessary capacity to deliver on them.

4. Relevant to Inclusive Economic Growth

- Farming is viewed as an important sector that can spur economic and social development. There is need for community sensitization on the commercialization of crops like cassava, which grow well in the region. Mangoes, on the other hand, are in abundance and often go to waste for lack of processing plants.
- A number of industries set up at the coast have collapsed over the years due to neglect by the national government. These include Ramisi sugar factory, cashew nuts factory and milk processing plant in Mariakani, among others. These should be revived to provide employment and spur economic growth in the region.
- Transport infrastructure at the coast is very poor. This is hampering economic growth and should be addressed as a matter of urgency.
- The cost of doing business is discouraging many people, especially youth, to set up businesses. Too many licenses are required to open even the smallest of businesses.
- The new government has made ICT one its main areas of focus. Internet access is still very limited at the coast, and even in Mombasa the speed is much slower than in Nairobi. It is hard to understand this considering that the fiber optic cables landed in Mombasa before being extended to Nairobi and other parts of the country.
- Public private partnerships are key to economic development at the coast. Such partnerships can also be made to be environmentally-friendly. An example was given of Bamburi Cement Company which in spite being one of the biggest polluters is working with the local government to promote its environmental protection efforts. More such partnerships will be needed to scale up impact.

5. Other

- Many CSOs have mushroomed at the coast as a result of the increased focus on the region by donors following the recent rise in militia activity. While many of them are certainly implementing very useful projects there is need for a more thorough vetting of their activities to ensure only the genuine ones are funded.

B. Principle Themes and Information Relevant to Ongoing Consultation Process and Potential Surveillance Activities

- The coastal region is very large and it is important, therefore, to get input from the other areas beyond Mombasa. Most CSOs are also based in Mombasa and have no capacity to work in other parts of the coast.
- Youth are not only one of the most disadvantaged groups in the coast region but also the most vulnerable. Their lack of employment is compounded the high incidence of drug abuse among them. They should be targeted as a special group.
- The coast is still a very traditional society and women are largely marginalized. As such special attention should be paid to them to get their input so that programs for them can be better designed and targeted.
- Insecurity still remains a major concern. Mombasa was always known to be a very peaceful city but this has changed over the last few years. Residents are alarmed at the rise in crime and other violent acts.
- Drug abuse is widespread at that coast, especially among the youth. This in turn has led to diseases like HIV spreading faster.

- Land is a very emotive issue at the coast. The lack of a satisfactory resolution of the problem of squatters and absentee landlords is already a source of conflict and the situation may get out hand if not dealt with decisively. This is an issue that requires close and continuous surveillance.
- Recently the coast has attracted increased attention from investors keen on exploiting its new resource finds. While this is a welcome thing there is need for greater vigilance to ensure the welfare of citizens is safeguarded and that the environment is not destroyed.
- A worrying trend recently observed is the link between tourism and criminal activities such as prostitution, child molestation, pornography and drugs.

XII. Kisumu Meeting – May 31, 2013

A. Principle Themes and Information Emerging Relevant to Results Framework

1. Relevant to structure of RF

- Kisumu and the wider Nyanza region feel that, after the recent elections, they have again been cheated out of having one of their own become president. This has left the region deeply hurt. The full implementation of the constitution, and in particular devolution, is seen as the single most important issue that will help the region recover and take charge of its development. Devolution must thus be given the highest priority.
- Youth unemployment is a serious cause for concern and needs to be prioritized. This is one of the main factors contributing to the rise in crime.
- A number of industries in Kisumu and its environs have recently collapsed or are not operating at the expected levels. To make matters worse investors have been hesitant to set up businesses in Kisumu because of its reputation as a political “hotspot”. The violence observed in the aftermath of the 2007/2008 elections, resulting in huge losses for local businesses, has also scared away many potential investors. The question now is how can private sector be attracted back to Kisumu, which desperately needs to boost its economy and create jobs?

2. Relevant to Skills Development

- Kisumu county has traditionally performed very well in national examinations and has over the years grown a large pool of highly educated and well skilled people. Although many of them have moved to other parts of the country, there is still a large enough pool to draw from when establishing the county government structures.
- Kisumu may have well educated people, but they unfortunately are not known to be very entrepreneurial. Most of the businesses in the County are owned and run by people from other parts of the country. In order to enable youth to set up businesses and create employment there is need for a mind shift and extensive capacity building.

3. Relevant to Support to Policy

- The enactment of the Public Private Partnership laws, while in itself a good step, will require customization to the specific context of Nyanza region. The counties

will also need help in developing the necessary policies to operationalize the PPP laws.

- In order to avoid devolution of corruption, Kisumu and other counties in Nyanza will need help in enacting the necessary policies to ensure transparency and accountability in county procurement. Youth and women who have been promised a fair share of the contracts to be put out by county governments should also be supported to acquire the necessary capacity to deliver on them.

4. Relevant to Inclusive Economic Growth

- Kisumu is very strategically located, sitting on the shores of Lake Victoria and the hub linking Kenya, Uganda and Tanzania. It also has rich agricultural land and an international airport has recently been recently completed. Together with a well-educated and highly skilled workforce, Kisumu has great potential for growth.
- A number of industries set up have collapsed over the years due to neglect by the national government. Even the fish industry, the backbone of the region's economy, is barely meeting local demand and not creating enough jobs.
- Transport infrastructure, particularly road and rail, is poor. Even lake traffic is well below demand, with only a few ships sailing regularly between Kisumu and other ports.
- The national government is intent on expanding tourism and the western circuit is one of the growth areas being targeted. Kisumu thus is well-placed to benefit from this.

5. Other

- Participants generally agreed that there is urgent need for attitude change if the region is to exploit its potential and make meaningful progress. People cannot continue being consumers and producing hardly anything. Even the vegetables in the supermarkets in Kisumu town come from elsewhere.

B. Principle Themes and Information Relevant to Ongoing Consultation Process and Potential Surveillance Activities

- According to participants at the meeting, the peace observed before, during and after the elections was largely thanks to the approach taken by the key stakeholders in the county: it was integrated, inclusive and flexible. USAID was also commended for investing heavily in the peace initiatives and consulting all stakeholders throughout the process. This approach can also serve the strategy development process.
- Besides the defeat of the former Prime Minister Hon. Raila Odinga in the presidential ballot, the region also witnessed a protest vote against candidates that were perceived to be allied to him. This has resulted in many new faces being elected into office and challenging the dominance of the Odinga family that has held sway over the region for decades. It is important therefore to understand the political shift that has occurred and engage the new leadership at the earliest opportunity.
- Kisumu County is also having its dominant role in Nyanza politics challenged. Surrounding counties that have for a long time lived in its shadow (Siaya, Homa Bay etc.) are keen to exploit the opportunities offered by devolution to chart their own paths

of development. It is advisable to look beyond Kisumu to understand the region and find effective ways of engagement with emerging counties.

- For a region that is not associated with weapons the issue of small arms proliferation in the city is of great concern. This is being linked to the growing crime wave and gang culture that is taking root in Kisumu.
- The situation in the region is being described by its residents as “calm” not “peaceful”. This is because the root causes of violence have still not been addressed. The high unemployment among youth is further complicating the situation.
- The politics of Nyanza has, for decades, been dominated by one man: Raila Odinga. His defeat in the last two elections, have put to question whether this will continue to be the case. Although it is too early to discount his influence, it is clear that the 2013 elections marked a radical shift. While the region still overwhelmingly voted for Odinga, the favor was not extended to many other candidates allied to him who were vying for other national and county positions. It is important to closely monitor the evolution of Nyanza politics post-Odinga and the implications this will have on the region.
- The ongoing reforms within the police force are increasingly being seen as alienating public participation in the process. The example was give about a popular and effective police officer in the Kondele suburb of Kisumu. Mr. Johnston Wanyama, the Kondele Officer Commanding the Station (OCS), has been very effective in reducing crime in the area and thereby earning the respect of the residents. Many however feel that he is being constantly undermined and has become a victim of the turf wars between the National Police Service Commission Chairman and the Inspector General of police.
- The ruling by the Supreme Court against the petition filed by Odinga’s Cord coalition has seriously shaken Kisumu people’s faith in the Judiciary. Whether this will be extended to other courts besides the Supreme Court remains to be seen. It is thus important to monitor people’s engagement with Judiciary and observe whether they will shift towards using alternative dispute resolution mechanisms.

*Kisumu is the dip stick of
Nyanza politics.*

- Kisumu FGD
participants

XIII. Kisumu Focus Group Discussion – May 31, 2013

- The terrible experience Kisumu County had as a result of the 2007/2008 post- election violence forced stakeholders to work together to ensure the same was not repeated in 2013. State and non-state actors up to the smallest administrative unit closed ranks and preached peace. People were very grateful for the support received from USAID/ KTI, and other donors, for the implementation of the peace initiatives. The all-inclusive partnerships forged offer useful lessons for the CDCS consultative process.
- Working with and through local institutions and structures proved very effective. Informal institutions like the Boda Boda (bicycle and motorbike taxis) Associations proved to be very

effective vehicles for carrying the peace message. Such local institutions and structures should be actively engaged in all consultations.

The structural issues that led to violence have still not been addressed. These include the continued political marginalization of the regions as well as high poverty and unemployment levels among youth. The strong sense of historical injustice that the region continues to feel having seen a number of their leaders assassinated or “cheated” out of elections for high office only serves to deepen resentment.

“We must take back our city. We cannot accept to be perennially referred to as a political hotspot”

- Kisumu FGD participant.

- Having lost out on the presidency, the region has turned inwards into itself. The focus has shifted to the local leadership and how those recently elected will manage affairs of the county. Failure to entrench transparency and accountability and ensure resources are equitably distributed may open another round of political confrontation.
- Raila’s third presidential election loss is a watershed moment in Nyanza. With the huge protest vote against candidates allied to him it must be asked whether he will continue to influence the politics of the region over the past 30 years. His dominance has meant dissenting voices were seen as traitors, thus preventing the rise of a credible opposition. ***How the region manages the transition will be the most important issue for surveillance.***
- The high unemployment rate among youth was repeatedly pointed out as the main cause of conflict in the region. However, while previously the spark that ignited violence was largely ignited by political contestations, the difference this time round is that the youth are so desperate they don’t need an excuse to riot. Their poverty is reason enough.

XIV. Meeting with DO1 Implementing Partners – June 6, 2013

A. Key Highlights from Group Discussions

1. Ownership, Finance, Accessibility and Roles

- ***What is the ownership structure of Kenya’s health and social sector institutions? How are services paid for?***
 - The ownership structure of the health and social sector institutions is a dynamic setup that includes public organizations, private corporations, individuals, networks, and management boards.
 - Direct ownership by constituents is therefore a complex matter considering that those who pay for the services rendered include individuals, donors, government tax sources, faith based, private corporate social responsibility (CSR), and philanthropic businesses.
 - Management boards and private entrepreneurs are, however, the emerging new entrants in the management of hospitals.
- ***What needs to be done to ensure greater citizen ownership of the institutions? How shall we make services more easily accessible?***
 - To enhance citizen ownership there is need for civic empowerment, capacity development, strengthening the role of management boards, democratization, less government involvement, staff motivation and cost sharing.

- Ease of access can be achieved through proper capacity building in marginalized areas, prioritization of needs and the equitable distribution of inputs to cover all areas in the country.
- ***How should the role of development partners in supporting service delivery evolve over time under a system of devolved governance?***
 - Different development partners should seek to bridge gaps and coordinate interventions. They should move away from direct implementation and allow counties take greater responsibilities, providing capacity building along the way.

2. Oversight, Inclusion and Sustainability

In the group discussions the focus was on how to ensure there is accountability and equitable access in the health and education sectors. The suggestions given included the oversight mechanisms that need to be put in place so marginalized or minority communities in counties are equally served and the provision of sustainable service delivery. In short it was an examination of what has or has not worked before, what needs to change under devolution and how these endeavors can best be supported. Among the suggestions made were:

- There is need to strengthen stakeholder forums and organizations such as school committee groups like Boards of Governors and Parent Teacher Associations (PTA).
- There has to be a balance between supply and demand for assistance in the health and education sectors to reduce waste and resource misallocation.
- Efforts have to be made to mitigate against socio cultural practices that stigmatize communities.
- A customer service culture should be inculcated in the health and education sectors.
- Score cards should be developed in order to measure and show the implication of meeting or not meeting set targets.
- PPP should be rolled out all the way to the county level.
- Media can help open channels of dialogue and communication at the local level.
- In the planning of projects, an exit strategy for donor partners has to be included from the outset so that the projects can continue after grants end.
- Proper management of facilities, funding and human capacity is necessary in the governance of health and education sectors. Stakeholders should therefore support such endeavors at all levels.
- Political will is important in the formulation and enforcement of policy.
- An affordable minimum package of services that can be delivered to all citizens should be designed for the health and education sectors so to cater for all citizens equitably.
- Community involvement should be an integral part of program planning and implementation.

3. Collaboration, Learning and Adapting

- ***Achievements are more likely to be noticed, if:***
 - A body of evidence on the positive and negative impacts of programs is developed.
 - Qualitative data accurately narrates the quantitative outcomes of established M&E systems.
 - An index is set up to measure the achievements of multidimensional objectives.

- An understanding of impact in terms of what is meant as “capacity development” is based on the context of needs by local beneficiaries.
- There is “Data Ownership” in the handling of data. Partners have to be more accountable for the quality of data they produce in the course of their activities.
- ***Measurements***
 - There has to be a move from focusing on the outputs to measuring the outcomes.
 - Staff involved in service delivery has to “reflect” on the data they are generating.
 - The usefulness of data must be the main focus in its generations.
 - There needs to be a community assessment with the help of local partners to gauge progress and organizational capacities in the selected area.
 - Mutual accountability between stake holders on the quality of data is necessary for activities in all units by implementing partners.
- ***Correcting errors***
 - In the conduct of M&E systems the development of community leadership will ensure greater accountability.
 - The issues that are identified by the community should be used in making necessary changes to the program if required.
 - There must be a move beyond performance indicators to focus on impact on beneficiaries.
 - Program staff should be encouraged to have an appreciation for M&E systems.
- ***Sharing lessons with other stakeholders programs, partners and across counties***
 - The M&E teams should carry out regular fieldwork to gather feedback directly from beneficiaries.
 - The feedback mechanism from beneficiaries has to make sure they are getting appropriate services or assistance adequately.
 - There should be a focus on measuring how ICT methods impact teaching and learning in schools
 - The use of ICT in strengthening community input in M&E systems should be prioritized.
 - An integrated ICT platform should be developed to allow partners to share experiences.

4. Partnerships, Conduct and Trust

The focus here was to develop mature partnerships in order to achieve results and meet objectives. It involved the identification of who to work with and determination of different ways to work with them. Collaborative endeavors should seek to end the negative competitiveness between different organizations and instead seek to promote synergy between them. This development of mature relationships is a key point of intervention and can provide leadership in terms resource sharing.

The following suggestions were made towards developing more mature partnerships with various stakeholders at different levels:

- **Trade Unions and Cooperatives**
 - Should be encouraged to play their role within civil society. Most of the time they see themselves as excluded and not a part of this group.

- **National Government**
 - Should recognize the importance of listening and respecting the opinions of other constituencies
 - Needs to encourage the sharing of data especially for those programs geared towards budgeting, and ease the access and use of information.
- **County Governments**
 - County planning officers should be encouraged to share available data. CSOs, on their part, should also share data generated through their programs with government.
 - County by-laws that may not be aligned with national laws need to be reviewed and harmonized.
 - There is a need to develop open communication channels to enable USAID to be kept “in the know”.
 - USAID should engage and ask the counties the areas in which they think they need support in.
 - The development of county plans should be a collaborative endeavor by all stakeholders.
 - CSOs should note that planning and budgeting is now taking place at county level and so they must get more involved at that level.
 - How does USAID engage with a county administration if it is not interested?
- **Private Sector**
 - Private sector actors can help county governments in co-planning and co-designing projects.
 - They can also assist in leveraging resources to ensure sustainability of projects.

ANNEX VII: Evaluation Questions

Development Objective 1: Devolution Effectively Implemented

Broad evaluation questions under this DO can consider the following:

- Which approaches succeeded in bringing government and resources closer to the people; e.g. empowering citizens and local leaders to manage their own affairs, including raising and managing investments?
- To what extent is civil society better able to play its role as a watchdog and advocate, linking community members to their government?
- What are the most effective interventions for capacity building in county governments?
- What factors enabled youth organizations to participate in the management of county affairs and engage with county governments more effectively?
- How were marginalized communities, youth, and women more effectively involved in county affairs?
- How have USAID interventions contributed to effectively functioning governments (executive and legislative) in our target counties?
 - How did this affect their social and economic status?

Potential Impact Evaluation Questions:

- To what extent did USAID's interventions enhance accountability within county governments in the targeted counties?
 - Did some counties perform better than others and what were the contributing factors?
- To what extent did actual budget transfers between national government and the target county governments align with planned allocations and purpose as a result of USAID interventions?
- To what extent are county governments better able to deliver services to their people as a result of USAID interventions?
- What was the increase in the participation of citizens in the management of county affairs as a result of USAID interventions?
- How much investment have counties raised and managed as a result of USAID interventions?

Development Objective 2: Health and Human Capacity Strengthened

Broad evaluation questions under this DO can consider the following:

- Was USAID's target of increased Kenyan ownership of health systems achieved?
- Which aspects of USAID interventions contributed to an increase in educational outcomes of children and youth on a national scale, particularly in terms of enrollment, transition, retention, and quality?
- What are the contextual factors that influenced reading outcomes in primary school students around the country?
- Which aspects of USAID interventions contributed to promoting youth empowerment in social and economic development?
- Which interventions have been most successful in changing youths' attitude towards violence and negative ethnicity?
- What have been the most effective strategies for increasing utilization of quality services?
- How and to what degree of effectiveness have communities been more involved in the provision of social services?
- How have Kenyans' perceptions changed regarding national and county governments' provision of social services?
- How effective has the USAID's integrated service delivery model been in contributing to the improvement of service utilization, quality of services and health status for the projects' target population?
- Are OVC services meeting the national minimum quality standards?
- What are the contextual factors that influenced reading outcomes in primary school students around the country?

Potential Impact Evaluation Questions:

- To what extent did youth exhibit improved health and education outcomes, increased economic outcomes and resiliency, and resistance to extremism and manipulation as a result of USAID interventions?
- To what extent have the various household economic strengthening (HES) approaches supported by USAID increased the capability of vulnerable households to meet the basic needs of OVC under their care?
- To what extent was increased ownership of education systems achieved on the national and county levels, considering in particular partnerships among government, youth, private sector, and international donors as a result of USAID activities?
- To what extent has capacity of local entities (including government, semi-government, and non-governmental organizations) improved with USAID investment?

Development Objective 3: Inclusive, Market Driven, Environmentally Sustainable Economic Growth

Broad evaluation questions under this DO can consider the following:

- How effectively have interventions focusing on smallholder-dominated value chains been perceived to link producers to markets and increased access to financial and business opportunities?
 - Are the interventions profitable and sustainable at the smallholder level?
- To what extent has private sector investment in infrastructure for energy, roads and ports increased and contributed to inclusive economic growth?
- To what extent have public and private capital flows increased?
 - In what ways is the increase inclusive and market-driven?
 - In what ways has this enhanced economic growth?
- How effectively have the youth participated in selected value chains that receive USAID investment?
- Which interventions have contributed most successfully to broad-based economic growth and why?
- How effectively have USAID programs in agriculture, WASH and nutrition (and health) synergized in terms of population based indicators of underweight children, prevalence of poverty and per capita expenditures.
- What are three to five variables USAID addressed in targeting underweight children, prevalence of poverty and per capita expenditures? Are those the most important variables to address?
- To what extent has USAID contributed to bringing, managing and providing access to additional energy in Kenya?
- To what extent has USAID helped pastoral communities move from needing humanitarian aid to benefitting from long-term sustainable development interventions in the ASAL region?
- What environment and climate change interventions have contributed to the increased resilience of people and ecosystems?
 - What barriers, if any, have impeded environmentally sustainable economic growth? What opportunities exist for overcoming these barriers?

Potential Impact Evaluation Questions:

- To what extent have value chain investments improved the ability of vulnerable households (women, youth and poor) to access a diverse diet in the face of common and extreme shocks affecting their economic activities?
- What is the impact of USAID interventions on nutrition, household food security, and resilience in Kenya?
- To what extent has the use of Payment for Environmental Services (PES) increased sustainability of ecosystem services?
 - In what ways is PES effective as a sustainable conservation financing model?