January 2024

The role of ODA in delivering social protection programmes in Kenya

Trends in disbursements, impacts on programmes and key lessons

Case study report
# Contents

Acknowledgments ........................................................................................................... 3

Acronyms and abbreviations ............................................................................................. 4

Overview ........................................................................................................................... 5

Executive summary .............................................................................................................. 6

Key findings ......................................................................................................................... 6

Introduction .......................................................................................................................... 9

Chapter 1: Why is ODA critical for Kenya’s development agenda? ......................... 10
  To meet financing needs, the government relies on ODA to cover development budget deficits ................................................................. 10

Chapter 2: ODA flows to Kenya: what do the numbers tell us? ............................ 12
  ODA disbursement to Kenya was marked by significant fluctuations between 2012 and 2021 ........................................................................................................ 12
  Trends in ODA disbursement changed after Kenya became a lower-middle income country in 2014 ......................................................................................... 13

Chapter 3: ODA disbursement to social protection sector: what are the key trends? .. 18
  Kenya’s social protection sector saw a rapid growth in ODA in its early years of development. However, ODA to the sector reduced significantly in recent years as the government took over programme financing and implementation responsibilities. 19
  Financing to social assistance programmes gradually shifted from external to domestic resources between 2005 and 2021 ......................................................... 21

Chapter 4: What was the role of ODA in the delivery of social assistance? .......... 25
  Role of ODA in enabling investment in social assistance programmes ............ 27
  Hunger Safety Net Programme .................................................................................... 28
  Cash Transfer for Orphans and Vulnerable Children ............................................. 29
  Other factors that enabled investment in social assistance programmes ......... 30

Chapter 5: What lessons can we draw from Kenya’s social assistance programmes? 33

Conclusion ......................................................................................................................... 35

Notes ................................................................................................................................... 36
Acknowledgments

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## Acronyms and abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>CRS</td>
<td>Creditor reporting system</td>
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<tr>
<td>CSO</td>
<td>Civil society organisation</td>
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<tr>
<td>DFID</td>
<td>Department for International Development</td>
</tr>
<tr>
<td>DLI</td>
<td>Disbursement linked indicator</td>
</tr>
<tr>
<td>FCDO</td>
<td>Foreign Commonwealth &amp; Development Office</td>
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<tr>
<td>GDP</td>
<td>Gross domestic product</td>
</tr>
<tr>
<td>HGSM</td>
<td>Home-Grown School Meals</td>
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<tr>
<td>HSNP</td>
<td>Hunger Safety Net Programme</td>
</tr>
<tr>
<td>IBRD</td>
<td>International Bank for Reconstruction and Development</td>
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<tr>
<td>IDA</td>
<td>International Development Association</td>
</tr>
<tr>
<td>KEEWG</td>
<td>Kenya Education in Emergencies Working Group</td>
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<td>KES</td>
<td>Kenyan shilling</td>
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<tr>
<td>KSEIP</td>
<td>Kenya Social and Economic Inclusion Project</td>
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<td>LMIC</td>
<td>Lower-middle income country</td>
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<tr>
<td>MTP</td>
<td>Medium-term plans</td>
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<td>NDMA</td>
<td>National Drought Management Authority</td>
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<tr>
<td>ODA</td>
<td>Official development assistance</td>
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<tr>
<td>OVC</td>
<td>Orphans and vulnerable children</td>
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<tr>
<td>PILU</td>
<td>Programme Implementation and Learning Unit</td>
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<tr>
<td>SDG</td>
<td>Sustainable Development Goals</td>
</tr>
<tr>
<td>SMP</td>
<td>School Meals Programme</td>
</tr>
<tr>
<td>UNICEF</td>
<td>United Nations Children's Fund</td>
</tr>
<tr>
<td>WASH</td>
<td>Water, sanitation and hygiene</td>
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<td>WFP</td>
<td>World Food Programme</td>
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Overview

Official development assistance (ODA) is facing unparalleled pressures from growing, competing demands including humanitarian and crisis response, national development priorities, and investment in global public goods (such as tackling climate change), among others. Development Initiatives (DI) seeks to highlight the value of ODA in programmes that are national priorities to recipient countries. In addition, DI aims to enhance the understanding of enabling factors that contribute to improving aid impact.

Led by national demand for international finance data and evidence on its most appropriate use, DI embarked on producing a series of country case study reports to consider how aid has been more effective in specific development sectors in Kenya, Ethiopia and Uganda, including trends, the factors that unlock the value of aid, and the challenges that lie ahead.

This country report for Kenya provides evidence on the role and contribution of official development assistance (ODA) in the delivery of social assistance programmes. It first provides a background and overview of ODA disbursements to Kenya – both generally and specifically to the social protection sector. Then, drawing on secondary data obtained from various impact evaluation studies and key informant interviews, the report sheds light on how ODA and other factors have enabled the establishment and implementation of three specific social assistance programmes (chosen due the availability of impact data):

- Cash Transfer for Orphans and Vulnerable Children (CT-OVC)
- Hunger Safety Net Programme (HSNP)
- Home-Grown School Meals Programme (HGSM)

The report finds that between 2012 and 2021, just 1.3% of ODA disbursed to Kenya went to the social protection sector. There was rapid growth in ODA, peaking at US$89.5 million in 2013, but this fell to US$32.2 million in 2021. Over this time, financing to social assistance programmes continued its trend of shifting from ODA to domestic financing.

Our review of impact evaluation reports shows that ODA played a catalytic role in the design, rollout and expansion of the three social assistance programmes studied. The programmes improved the welfare of beneficiary households. Factors beyond ODA that enabled this success include: enabling policy framework, government commitment, alignment of priorities and multistakeholder partnership facilitated sustainability.

Detailed findings, along with lessons for the effective investment of ODA in social assistance programmes, are provided in the executive summary and report. A second Kenya-focused paper looks closer at the potential for ODA to further strengthen the impacts of social assistance programmes.
Executive summary

Key findings

The social protection sector saw a rapid growth in ODA between 2005 and 2013, but disbursements have reduced significantly in recent years.

ODA disbursement to the social protection sector in Kenya

<table>
<thead>
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<th>Year</th>
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<td>2006</td>
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<tr>
<td>2007</td>
<td>11.2m</td>
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<tr>
<td>2008</td>
<td>25.0m</td>
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<tr>
<td>2009</td>
<td>46.3m</td>
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<tr>
<td>2010</td>
<td>54.6m</td>
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<tr>
<td>2011</td>
<td>42.2m</td>
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<tr>
<td>2012</td>
<td>23.2m</td>
</tr>
<tr>
<td>2013</td>
<td>89.5m</td>
</tr>
<tr>
<td>2014</td>
<td>40.5m</td>
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<tr>
<td>2015</td>
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<tr>
<td>2016</td>
<td>17.5m</td>
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<tr>
<td>2017</td>
<td>20.0m</td>
</tr>
<tr>
<td>2018</td>
<td>43.4m</td>
</tr>
<tr>
<td>2019</td>
<td>46.9m</td>
</tr>
<tr>
<td>2020</td>
<td>32.2m</td>
</tr>
<tr>
<td>2021</td>
<td>12.8m</td>
</tr>
</tbody>
</table>

Source: Development Initiatives based on data from OECD DAC CRS database
Notes: Data in US$ constant 2020 prices.

- ODA disbursement to the social protection sector peaked at US$89.5 million in 2013 – nearly a sevenfold increase from 2005. However, disbursements reduced to US$23.2 million in 2014, but increased to US$46.9 million in 2020 in part due to grants earmarked for Covid-19 recovery.
- Disbursement to the sector grew at a modest rate of 5% between 2014 and 2021, significantly slower compared with the 44% growth between 2005 and 2013.
- Increase in disbursements between 2005 and 2013 was driven mainly by establishment of new programmes such as HSNP and expansion of existing programmes such as HGSM.
- Reduction in disbursements after 2014 is attributed to the agreement between the government and its development partners to gradually transfer programme funding and implementation responsibilities to the government.
ODA played a catalytic role in the design, rollout and expansion of social assistance programmes.

ODA contributed to the design and implementation of these programmes by:

- Providing the financial resources that supported programme pilot, design and expansion, particularly at the early stages when domestic funding was little.
- Supporting institutional capacity strengthening efforts through development of skills, sector policies and enabling infrastructure.
- Financing impact evaluations that provided the evidence that justified continued investments in the programmes and lessons for strengthening implementation.
- Facilitating access to technical support that ensured adoption of innovative approaches in programme implementation.

Apart from ODA, other enabling factors include:

- Government commitment, demonstrated by its increased funding to the programmes facilitated sustainability as donor funding reduced.
- National policy frameworks provided a basis for setting and aligning priorities and committing the government to ensure the sustainability of the programmes.
- Alignment of the programmes’ objectives with the needs of vulnerable communities generated political goodwill, catalysing investment by donors and the government.
- Partnership and effective multistakeholder coordination enabled complementarity and access to a wide range of resources for programme implementation.

A review of impact evaluation reports shows that the three programmes improved the welfare of beneficiary households.

- CT-OVC has contributed to a reduction in poverty in beneficiary households by enhancing consumption and investment in productive assets. It has also enhanced access to basic services including healthcare, education and birth registration. Child labour and the risk of HIV among adolescents and teenage pregnancies have also reduced in beneficiary households.
- HSNP has income multiplier effects in the beneficiary countries. It supports livelihood diversification, promotes food and nutrition security and enables beneficiary households to mitigate the worst effects of poverty.
- HGSM has facilitated an increase in real incomes in rural areas, enhanced the food security of children, and reduced the burden on parents to feed their children. It has also contributed to improved school attendance, enrolment and attentiveness of children in class in beneficiary schools.
- However, these programmes still face key challenges due to resource constraints. These include low expenditure, inadequacy of cash transfer amounts, limited programme coverage and operational challenges.
Key lessons for effective investment of ODA in social assistance programmes

Prioritise building institutional capacity: sustainability requires proactive and effective investment of ODA in building the capacity of public institutions to ensure a seamless transition to domestic financing. Strengthening the capacity of public institutions that implement social assistance programmes enables the government to take over programme financing, management and implementation responsibilities.

Promote government leadership in resource allocation and policy framework: aligning ODA to national priorities, implementing ODA-funded programmes through public institutions and developing enabling policy frameworks are critical for gaining government commitment and national ownership. Importantly, the transfer of funding responsibilities to the government must be accompanied by efforts aiming to increase tax revenue and prioritising social assistance programmes in budgetary allocation.

Invest in continuous evidence generation: regular monitoring and periodic impact evaluations provide the evidence that can generate donor interest and political goodwill, leading to improved funding by donors and the government, as well as informing programme design and implementation.

Develop enabling national policy frameworks: national policy frameworks must be developed to facilitate alignment of ODA to national priorities and enable citizens to hold their government to account.

Create functional multistakeholder coordination platforms: a multistakeholder partnership, based on mutual respect and trust, facilitates access to a diverse pool of financial and technical support, but it inevitably creates coordination challenges for the government. It is therefore critical to establish government-led coordination structures that clearly define the responsibilities of various stakeholders and leadership arrangements.

Develop funding and implementation transition plans at the outset: a clear plan, developed at the outset, is critical for effective transitioning of funding and programme implementation responsibilities from donors to the government. The transition plans should promote consultations between the government and donors to identify capacity gaps that have to be filled before donor exit. The transition process should include technical support that enables the government to gradually build institutional capacity, develop enabling policies and integrate aid-funded programmes into the national budget.
Introduction

Effective development cooperation is a critical building block for sustainable development in Kenya. The ultimate goal of eradicating poverty in all its forms and dimensions by 2030 requires the Government of Kenya to mobilise significant financial resources to address needs. Notably, Covid-19 pandemic recovery efforts, food insecurity occasioned by climatic shocks and the war in Ukraine, debt repayment pressures, and rising inflation have exacerbated demands on national and sub-national government budgets, reducing the fiscal space for implementing new development priorities.¹

In the face of rising financing needs, impactful, results-oriented and scaled-up official development assistance (ODA) is fundamental to efforts aiming to fast-track sustainable development. While ODA on its own cannot break the vicious cycle of poverty, it can play a catalytic role by complementing other resources including remittances, and domestic public resources to finance Agenda 2030.² ODA can enable the Government of Kenya to invest in improved capacity to mobilise domestic resources, support private sector development, deliver essential public services and build resilience to climatic shocks.

This report adopts a country case study approach to provide evidence on the role of ODA in delivering social assistance. It first unpacks overall ODA disbursements to Kenya based on data obtained from OECD DAC’s creditor reporting system (CRS) database (official development assistance disbursement data) for the period 2005 to 2021. It then narrows down to the social protection sector to understand trends in ODA investments. Drawing on secondary data obtained from published and grey literature, including impact evaluation studies and national budgets, triangulated with key informant interviews, the report sheds light on how ODA and other enabling factors have facilitated the establishment and delivery of social assistance programmes to support vulnerable households in Kenya. This includes analysis of various elements of effective development cooperation and aid management including: ownership, focus on results, accountability, alignment with national priorities and coordination.

Chapter 1 of this report highlights the role and importance of ODA in implementing Kenya Vision 2030. This sets the scene for unpacking overall ODA disbursements to Kenya between 2012 and 2021 in Chapter 2. Focusing on the social protection sector, Chapter 3 provides insights on ODA flows to the social protection sector. Building on these insights, Chapter 4 examines the pathways through which ODA and other enabling factors contributed to the establishment and delivery of three social assistance programmes. Chapter 5 brings the report to an end by drawing key lessons on what facilitates success in ODA co-financed programmes.
Chapter 1: Why is ODA critical for Kenya’s development agenda?

To meet financing needs, the government relies on ODA to cover development budget deficits

Kenya’s long-term development blueprint (Kenya Vision 2030) aims to create a globally competitive and prosperous country that provides high quality life for its people by 2030. To achieve this ambitious goal, the government prioritises investments in human capital development and economic growth through five-year successive medium-term plans (MTPs) that outline priority programmes and projects.³

To implement the MTPs, the government supplements domestic public resources with ODA to finance long-term development projects. In the third MTP, which covered the period 2018 to 2022, ODA accounted for 43.4%, on average, of the development budget and 13.7% of the total government budget. This represents a reduction in the proportion of development budget financed by external resources, compared with previous MTPs: ODA accounted for 57% and 53.6% of development budget in the first MTP (2008 to 2013) and second MTP (2014 to 2017) respectively.⁴ ⁵ This reduction is linked in part to Kenya’s graduation from low-income country to lower-middle income category in 2014 as explained in chapter 2. Despite the reduction, the proportion of development budget financed by ODA remains significant. It stood at 47% in the 2021/22 fiscal year, an increase of 7 percentage points compared with 2017/18 fiscal year (Figure 1)
The role of ODA in delivering social protection programmes in Kenya

The fourth MTP, which covers the period 2023 to 2027, sets the priorities and policy directions for implementing the second-last phase of Kenya Vision 2030 and set the momentum for transitioning to the next national long-term development agenda. The fourth MTP is expected to fast-track progress on Sustainable Development Goals (SDGs) and Africa’s Agenda 2063 through several strategies, including fostering economic growth, employment creation, poverty reduction, food security, delivery of basic services and enhancing resilience to climatic shocks. Implementing these priorities will lead to a 50.3% increase in national expenditure from US$28.8 billion in 2022/23 fiscal year to US$43.2 billion in 2026/27 fiscal year.

ODA is expected to play a critical role in bridging financing gaps to facilitate implementation of the fourth MTP’s priority development projects and programmes. To raise the required funding for the fourth MTP, the government has developed a National Tax Policy in 2022 and a Medium-Term Revenue Strategy for the period 2024/25 to 2026/27 to enhance domestic resource mobilisation. The National Tax Policy and the Medium-Term Revenue Strategy are expected to facilitate an increase in tax revenue as a proportion of GDP from 15% in 2021/22 to 18.3% in 2026/27 and to 25% in 2029/30. This increase will be achieved through several strategies including enhancing tax compliance and widening the tax base. While total (domestic resources) revenue is expected to increase by 70% over the next five fiscal years, reaching a new peak of US$35.6 billion in 2026/27, it will not be enough to meet financing needs. Cumulatively, the financing gap for the next five fiscal years (2022/23 to 2026/27) is estimated at US$32.1 billion. To bridge this gap, the government intends to mobilise ODA in the form of grants and concessional loans to finance various development programmes.
Chapter 2: ODA flows to Kenya: what do the numbers tell us?

ODA disbursement to Kenya was marked by significant fluctuations between 2012 and 2021

Total official development assistance (ODA) flows to Kenya increased from US$2.8 billion in 2012 to US$3.2 billion in 2021 – an increase of 16.4% (figure 2). However, this overall increase masks significant fluctuations in annual disbursements over the period. While ODA increased by 14.4% in 2013, it reduced by 18.4% in 2014, gaining back some of the loss in 2017. However, 2019 and 2020 saw a remarkable increase of 21.1% and 24% respectively, which was followed by a sudden drop of 24.1% in 2021. The increase in 2013 was driven mainly by loans and grants aimed at financing investments in transport and storage infrastructure, renewable energy projects, social protection and health services. It also coincided with the rollout of the devolved system of governance, which created new financing needs to establish the 47 county governments.

The sharp decrease in ODA disbursement in 2014 is attributed mainly to the reduction in grants for malaria and sexually transmitted diseases, including HIV/AIDS control interventions. While ODA disbursements to renewable energy generation projects more than doubled in 2013, disbursements to similar projects reduced by 48% in 2014. Also, donor funding to the social protection sector reduced drastically (by 74%) in 2014 as the government stepped up its funding to key social assistance programmes, particularly the Hunger Safety Net Programme (HSNP) and the Cash Transfer for Orphans and Vulnerable Children (CT-OVC) in that year (see also Chapter 3 and figures 6, 7 and 8).

Of note is that the significant growth in ODA disbursement in 2019 and 2020 was driven by special circumstances. The increase in 2019 was driven by grants and loans that financed the then Jubilee Government’s Big Four Agenda (launched in 2018/19 fiscal year) priority sectors. This included investment in agriculture and fisheries to ensure food security, developing affordable housing, and expanding energy, transport and communication infrastructure to boost manufacturing. Growth in 2019 was also driven by investments aiming to improve public finance management and domestic revenue mobilisation at both levels of government to reduce fiscal deficits. In 2020, growth in ODA was driven by general budget support of US$750 million to the government to enable it to cope with the fiscal impacts of Covid-19 pandemic. However, general budget support reduced by 62.2% in 2021, contributing to the overall reduction in total ODA flows to Kenya in that year. Other areas that saw a significant reduction in ODA investments in 2021 include agriculture, reproductive health and sexually transmitted infections control.
interventions, development of small and medium-sized enterprises, and governance and public finance management interventions.

**Figure 2: Total ODA disbursements to Kenya, 2012–2021**

![Graph showing total ODA disbursements to Kenya from 2012 to 2021. The data is in US$ billions and shows a trend of increasing disbursements over the years. The data is sourced from Development Initiatives based on data from OECD DAC CRS database. The notes indicate that the data is in US$ constant 2020 prices.]

**Trends in ODA disbursement changed after Kenya became a lower-middle income country in 2014**

As aid recipient countries move up the income per capita ladder, donor governments often reconsider the scale and modalities of their development assistance. Specifically, due to the limited availability of resources, donors tend to prioritise the poorest countries in the disbursement of aid to tackle poverty and inequality. Many of the poorest countries have limited capacity to generate adequate tax revenue and lack access to international markets to borrow. They therefore rely on development assistance as one of the few sources of external financing available to them to implement development projects. By contrast, countries that are higher up in the income per capita ladder are likely to have greater capacity to mobilise tax revenue and access to international markets to borrow. Thus, bilateral relations often shift from traditional aid programmes to economic partnerships that are of mutual benefit as aid recipient countries expand their income per capita.

The World Bank Group, for instance, uses an operational country classification approach, which determines access to concessional financing. The World Bank classifies countries as:
• IDA – countries that are eligible for soft or concessional loans from the International Development Association (IDA).
• Blend – countries that can access financing from IDA and the International Bank for Reconstruction and Development (IBRD).
• IBRD-only – countries that are eligible to borrow hard or non-concessional loans from IBRD.

Graduating from IDA means that a country is no longer eligible for IDA’s concessional financing and instead becomes eligible to borrow from IBRD only.\textsuperscript{15} IBRD provides financing at less favourable terms than IDA. Specifically, IBRD financing is characterised by shorter maturity and grace periods and higher interest rates. Graduation process starts when a country’s income per capita exceeds for two consecutive years, IDA’s operational cutoff (US$1,185 for financial year 2021).\textsuperscript{16} Graduation from blend to IBRD-only status depends on the outcome of an assessment of a country’s macroeconomic prospects, risk of debt distress, vulnerability to shocks, institutional constraints and levels of poverty and social indicators.\textsuperscript{17} Other multilateral development banks with a concessional lending window also use a similar graduation approach to provide financing to developing countries. Importantly, the graduation process is often seen by bilateral/government donors as a cue to impose harder terms and conditions for their aid or close out their programmes in countries that have moved up the income per capita ladder. Kenya graduated to a blend country category in 2018. This means that Kenya is currently IDA-eligible, but also qualifies for some IBRD borrowing.\textsuperscript{18}

Overall, the development finance landscape, including the sources, instruments, volumes and financing terms and conditions, is expected to evolve as a country moves to a higher income status.\textsuperscript{19} The graduation may lead to a reduction in development assistance, a shift from grants to more loans, and the hardening of terms and conditions for sovereign loans.\textsuperscript{20} Also, the sectoral composition of development assistance may change as countries shift from grants to soft and then to hard loans.\textsuperscript{21}

A review of ODA trends to Kenya before and after becoming a lower-middle income country (LMIC) in 2014 shows:

\textbf{Significant reduction in the growth of ODA disbursement to Kenya:} ODA disbursement to Kenya grew at an average rate of 19% between 2006 and 2013. This rapid growth was reversed from 2014 when Kenya became an LMIC. Notably, growth in ODA averaged 2% between 2014 and 2021.

\textbf{Less reliance on ODA to finance development budget:} the share of ODA in national development budget reduced from 57% between 2008 and 2013 to 53.6% between 2014 and 2017, and further reduced to 43.4% between 2018 and 2022. Notably, tax revenue increased by 79%, between 2014/15 and 2021/22 fiscal years enabling the government to rely more on domestic public resources to finance its development plans.\textsuperscript{22} Nonetheless, faster progress in increasing domestic public resource mobilisation is still required to enable the government to reduce fiscal deficits in the medium term.
While health, infrastructure, governance/security and agriculture/food security were the main recipients of ODA between 2005 and 2021, their relative shares in total ODA disbursement changed after Kenya became an LMIC in 2014 (figure 3). The health sector accounted for just under a third (32% on average) of ODA disbursement between 2005 and 2021. This was followed by infrastructure at 19%, and governance/security and agriculture/food security each at 9%. However, the share of health sector reduced by 8 percentage points after 2014, while the share of infrastructure, agriculture/food security and governance/security increased over this period (figure 3).

Figure 3: Comparing the relative shares of various sectors in total ODA disbursement before and after Kenya became a LMIC

Source: Development Initiatives based on data from OECD DAC CRS database
Fewer grants, more loans: on average, grants accounted for just over two-thirds (67%) of ODA disbursement to Kenya between 2005 and 2013. However, the share of grants in ODA disbursement reduced to an average of 51% between 2014 and 2021. Grants accounted for 59% of total ODA disbursements in 2014, but its share reduced to 37.8% in 2021 (figure 4). Conversely, the share of loans in total ODA flows to Kenya increased from 39% in 2014 to 61.8% in 2021. This shift is to be expected as donors tend to target grants to the poorest countries that have limited ability to mobilise domestic resources and lack creditworthiness to borrow from international markets. By contrast, countries that have moved up the income per capita ladder and have creditworthiness are more likely to access loans rather than grants. Overall, multilaterals are the main source of ODA to Kenya since 2019, accounting for over half of the total disbursements. Bilateral donors who accounted for just over two-thirds (68%) of disbursements between 2005 and 2018, saw their share drop to 48% in 2019 and to 38% in 2020, gaining back some of this loss in 2021 (45%).

Increased reliance on loans could exacerbate Kenya’s debt vulnerabilities. Kenya’s access to external markets to borrow is constrained by its debt-carrying capacity, which was downgraded from strong in 2017 to medium in 2022. Also, Kenya’s risk of debt distress rating increased from low in 2017 to high in 2022. Kenya’s debt service to revenue and grants ratio is expected to increase from 52% in 2022 to 62.7% in 2024, meaning that much of the national revenue will go to debt repayment rather than service delivery.23 So, while Kenya’s public debt remains sustainable in the short term,24 an increase in borrowing could trigger a debt crisis over the medium to long term.

Figure 4: Composition of ODA disbursement to Kenya by flow type

![Figure 4: Composition of ODA disbursement to Kenya by flow type](image-url)
On average, just under two-thirds (63%) of ODA to Kenya between 2012 and 2021 was disbursed through public sector institutions. Notably, the proportion of ODA disbursed through public sector institutions increased from 56.8% in 2012 to 71.2% in 2019 (table 1). This reflects improved confidence of donors in using government systems to deliver aid and the shift from grants to sovereign loans that are generally disbursed through public institutions. Disbursing aid through public systems and institutions strengthens national ownership in line with the Busan Partnership for Effective Development Cooperation principles and promotes effective and efficient coordination by the government. The second largest channel was non-governmental organisations/civil society organisations, which accounted for 15% of total ODA disbursement, on average, between 2012 and 2021.

Table 1: Percentage composition of ODA by disbursement channels

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Our paper entitled ‘Trends in traditional and non-traditional aid flows to Kenya, Uganda and Ethiopia’ provides a detailed analysis of the overall ODA flows to Kenya by flow type, channels, donor type and sector composition.
Chapter 3: ODA disbursement to social protection sector: what are the key trends?

Kenya’s social protection system consists of three interrelated pillars that enable reduction of poverty and inequality. These are social assistance, social security and health insurance. Social assistance is delivered mainly through direct non-contributory cash transfers dedicated to households that are vulnerable and experiencing poverty. It also includes non-cash assistance such as in-kind food donations and school feeding programmes. Social security comprises contributory schemes that provide retirement plans to formal and informal sector workers. They are financed through regular contributions by employees and employers. Health insurance aims to enable all Kenyans to access health services. Health insurance schemes are financed by regular contributions (premiums) made by individuals, employers, employees and the government.

This report focuses on the social assistance pillar as it has been financed by domestic public resources and external resources. Social assistance includes four government-led cash transfer programmes, collectively referred to as the Inua Jamii programmes or National Safety Net Programme. These are:

- Cash Transfer for Orphans and Vulnerable Children (CT-OVC)
- Older Persons Cash Transfer/Inua Jamii Senior Citizens’ programme
- Hunger Safety Net Programme (HSNP)
- Persons with Severe Disabilities Cash Transfer

Apart from these four cash transfers, which are under the ambit of the State Department for Social Protection, the government implements other social assistance programmes in other ministries. These include, for example, the Home-Grown School Meals Programme (HGSM), which is implemented by the Ministry of Education. Non-governmental organisations and UN agencies are also implementing several donor-funded social assistance programmes, consisting of cash transfers and in-kind food donations targeting vulnerable and/or households experiencing poverty.

In this chapter, we first provide an overview of ODA disbursements to the social protection sector. Next, we review the funding to the CT-OVC, HSNP and the HGSM. We focus on these three programmes as they were co-financed by donors (external
financing), especially at their early stages, thereby enabling us to review the role of ODA in their implementation. Persons with Severe Disabilities Cash Transfer and Older Persons Cash Transfer have always been funded fully by domestic resources from their inception. Therefore, based on this analysis, we assess in Chapter 4 how ODA has contributed to the establishment and delivery of the case study social assistance programmes.

Kenya’s social protection sector saw a rapid growth in ODA in its early years of development. However, ODA to the sector reduced significantly in recent years as the government took over programme financing and implementation responsibilities

ODA disbursement to the social protection sector peaked at US$89.5 million in 2013 – nearly a sevenfold increase from 2005 (figure 5). Notably, ODA disbursement to the sector grew by 44% on average between 2005 and 2013. This growth coincided with the era of establishing and/or expanding various social protection programmes that were co-funded by donors. For instance, external funding to CT-OVC, which was established in 2004, increased sixfold from US$2.1 million in 2005 and to US$11.9 million in 2009. Similarly, external funding to school meals programmes increased fourfold from US$6.5 million in 2005 to US$26.5 million in 2010. The establishment of HSNP in 2007 contributed to the growth in ODA to the social protection sector. External funding to HSNP saw the largest growth, that is, from US$0.4 million in 2007 to US$18.3 million in 2013 – a forty-six-fold increase. This increase was aimed at expanding the coverage of these programmes and strengthening the institutional frameworks for their implementation.

Conversely, ODA disbursement to the social protection sector reduced to US$32.2 million in 2021 – a 64% reduction from 2013. On average, ODA flows to the sector grew at a modest rate of 5% between 2014 and 2021 (after Kenya became an LMIC), significantly slower compared with the 44% growth between 2005 and 2013. The reduction in ODA to the sector after 2014 is attributed in part, to the agreement between the government and its development partners to gradually transfer the programme funding and implementation responsibilities in social protection sector to the national government, as we explain later in this chapter. For instance, the government took full responsibility for funding and implementing school feeding interventions from World Food Programme in 2018.
The role of ODA in delivering social protection programmes in Kenya

Figure 5: ODA disbursement to the social protection sector in Kenya

![Graph showing ODA disbursement to the social protection sector in Kenya from 2005 to 2021.]

Source: Development Initiatives based on data from OECD DAC CRS database

Notes: Data in US$ constant 2020 prices.

The social protection sector accounts for only a small proportion of total ODA disbursement to Kenya. ODA flows to the sector accounted for 1.3%, on average, of total ODA disbursed to Kenya between 2012 and 2021. Just under a third of ODA to the social protection sector is disbursed through public institutions. This is followed by multilateral organisations and non-governmental organisations (Table 2).

Table 2: Composition of ODA disbursement to social protection sector by channel

<table>
<thead>
<tr>
<th>Disbursement channel</th>
<th>% in total ODA disbursement</th>
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<tbody>
<tr>
<td>Public sector institutions</td>
<td>32</td>
</tr>
<tr>
<td>Multilateral organisations</td>
<td>28</td>
</tr>
<tr>
<td>Other</td>
<td>20</td>
</tr>
<tr>
<td>Non-governmental organisations and civil society</td>
<td>12</td>
</tr>
<tr>
<td>Private sector institutions</td>
<td>4</td>
</tr>
<tr>
<td>University, college or other teaching, research institute or think tank</td>
<td>3</td>
</tr>
<tr>
<td>Blank/Unspecified channel</td>
<td>1</td>
</tr>
</tbody>
</table>
Financing to social assistance programmes gradually shifted from external to domestic resources between 2005 and 2021

**Funding to Cash Transfer for Orphans and Vulnerable Children**

Established in 2004, CT-OVC provides regular, predictable and unconditional cash transfers to households that are experiencing poverty and are taking care of orphans and vulnerable children. CT-OVC is aimed at strengthening the capacity of households experiencing poverty to care for and protect orphans and vulnerable children; retaining orphans and vulnerable children within their families and communities; and promoting the development of human capital of orphans and vulnerable children.

CT-OVC was mainly funded by donors between 2005/06 and 2012/13, when external funding accounted for 64% of the programme’s total funding, on average (figure 6). While external funding accounted for just over three-quarters (76%) of CT-OVC’s budget in 2012/13, its share reduced substantially to 16% in 2015/16. In 2017/18, domestic financing increased to 96% and from 2019/20, CT-OVC was fully financed by the national government using domestic public financial resources.

**Figure 6: Composition of funding to CT-OVC by source of funding**

Source: Development Initiatives based on 2012 and 2017 Social Protection Sector review reports, supplemented with data from national budget documents and external resources estimates reports.

**Funding to the Hunger Safety Net Programme**

Established in 2007, HSNP provides unconditional cash transfer to households in the arid and semi-arid lands region that experience recurrent climatic shocks to alleviate extreme
hunger, poverty and vulnerability. The first phase (2007 to 2013) and the second phase (July 2013 to March 2018) of the programme were implemented in the poorest four counties of Kenya: Marsabit, Mandera, Turkana and Wajir. The third phase (2019 to 2024) of the programme includes additional four counties – Isiolo, Garissa, Samburu and Tana River. In addition to the regular cash transfers that reach a core beneficiary group of about 100,000 households, HSNP has a shock responsive component that provides emergency cash transfers to an additional 250,000 households when they are affected by extreme weather events.

HSNP has been funded jointly by the government of Kenya and donors, with the latter’s contribution reducing over time. The first phase (2007–2013) was financed by external resources, provided mainly by the UK government (figure 7). The second phase was also funded by external resources, which accounted for 57% of HSNP’s funding, on average, between 2013/14 and 2018/19. Notably, the increase in the share of domestic financing in HSNP’s total funding was motivated by the agreement between the Government of Kenya and donors to gradually transition the ownership, implementation and funding of the programme to the national government.

As illustrated in figure 7, HSNP’s cash transfers (regular and emergency disbursements) are funded by domestic financial resources since 2019/20 when the third phase began. While the UK government continues to provide financial support, its assistance is now earmarked for promoting policy and programme shifts that incentivise the government to invest domestic public resources to expand the coverage of HSNP, ensure financial sustainability and improve the quality of programme implementation.

Unlike the previous phases, the financial support provided by the UK government in phase 3 is channelled through the Kenya Social and Economic Inclusion Project (KSEIP). KSEIP is a five-year (2019–2023) project funded by the World Bank and implemented by the government of Kenya to achieve three objectives: (a) strengthening social protection delivery systems (for instance, the establishment of the Enhanced Single Registry and institutional capacity strengthening to facilitate implementation of the National Safety Net Programme); (b) enhancing access to social and economic inclusion interventions (including livelihoods support, nutrition sensitive safety nets, and enrolment of vulnerable groups to the National Health Insurance Fund); and (c) improving access to shock responsive safety nets (including interventions that promote expansion of HSNP’s coverage by the government). The UK government provides financial support to KSEIP through a World Bank Multi-Donor Trust Fund.

UK government’s financial contribution to KSEIP is based on a disbursement linked indicator (DLI) framework in which funds are disbursed to the government through the National Treasury, upon achievement (by the national government) of specific key results/targets related to implementation of HSNP. For example, one of the key results/targets that trigger disbursement of funds to KSEIP is the requirement that the government has to allocate adequate domestic financial resources through the annual national budget to finance HSNP’s regular and emergency cash transfers (see note 31 for more information on all the DLIs). The DLI framework is therefore aimed at leveraging external financing to incentivise the government to invest domestic public resources in providing regular and predictable cash transfers to vulnerable households.
The DLI framework has not only facilitated the transfer of financing responsibility to the government, but has also incentivised the achievement of several results, such as updating the list of HSNP’s beneficiary households and the adoption of a transition plan by the National Drought Management Authority to enable it to fully take up HSNP implementation responsibilities. Notably, the cabinet has approved the classification of funding to the National Safety Net Programme, which includes the HSNP as a priority (recurrent) expenditure to ensure predictable and timely availability of resources to provide cash transfers. Nonetheless, the government continues to face significant budget constraints that lead to delayed delivery of cash transfers to beneficiary households, as was the case in 2021/22.

**Figure 7: Composition of funding to HSNP by source of funding**

![Bar chart showing composition of funding to HSNP by source of funding from 2007 to 2021.]

Source: Development Initiatives based on 2012 and 2017 Social Protection Sector review reports, supplemented with data from national budget documents, external resources estimate reports and FCDO’s programme monitoring reports.

### Funding to Home-Grown School Meals Programme

In 1980, the Ministry of Education and the World Food Programme (WFP) implemented the School Meals Programme (SMP) as a safety net aiming to tackle the negative effects of hunger on education. The programme was implemented in the arid and semi-arid lands regions and informal settlements in Nairobi where food insecurity is high. WFP led the management and implementation of the programme: it provided in-kind food assistance, which it procured using multi-donor funding, and collaborated with the Ministry of Education to distribute the food to participating primary schools.

In an effort to promote greater national ownership and sustainability, the Ministry of Education and WFP agreed on a transition strategy in 2008 to gradually handover the responsibility of feeding children in schools to the government. This involved transitioning from the SMP, which was resourced and managed by WFP, to a new programme funded...
and managed by the national government. Accordingly, in 2009, the Ministry of Education established the Home-Grown School Meals (HGSM) Programme to provide meals to learners in primary schools that were previously supported by WFP in arid and semi-arid land (ASAL) counties and Nairobi’s informal settlements.37

In the first phase of the transition, the Ministry of Education and WFP successfully transferred all SMP’s beneficiary schools in the semi-arid counties to HGSM between 2009 and 2014. However, WFP with donor funding, continued to provide in-kind food assistance to public primary schools in arid counties and Nairobi’s informal settlements during this period. In the second phase, WFP transitioned beneficiary schools in arid counties to HGSM between 2014 and 2018. Since 2018 the Ministry of Education is fully responsible for the funding and implementation of HGSM.38 This led to an increase in government funding to HGSM as external funding (mainly provided through WFP) reduced gradually (figure 8). While HGSM was fully financed by domestic public resources in 2018/19 and 2019/20 fiscal years, in 2020/21 the programme benefited from a grant provided through the Global Partnership for Education Covid-19 Learning Continuity in Basic Education Project. However, this was just a short-term grant aimed at expanding the coverage of the programme in urban informal settlements to enable vulnerable learners to cope with Covid-19.

**Figure 8: Composition of funding to SMP/HGSM by source of funding**

![Composition of funding to SMP/HGSM by source of funding](image)

Source: Development Initiatives based on 2012 and 2017 Social Protection Sector review reports, supplemented with national budget documents and education sector medium-term expenditure reports.
Chapter 4: What was the role of ODA in the delivery of social assistance?

This chapter focuses on the pathways through which ODA and other factors contributed to the establishment and delivery of CT-OVC, HSNP and HGSM. It is worth noting here that ODA is considered in this report as one of the key factors rather than the only source of success as the three programmes were co-funded by external and domestic public resources. A separate briefing published by Development Initiatives entitled Increasing the impact of ODA on social protection in Kenya provides an in-depth review of the outcomes/impacts of the three programmes. So, in this section we provide only a summary of impacts of these programmes based on a review of literature.

Evaluations conducted for the CT-OVC between 2004 and 2022 showed that it:

- Contributed to improved consumption, investment in productive assets and dietary diversity, leading to a reduction in poverty in beneficiary households.
- Facilitated access to basic education among children in beneficiary households and contributed to a reduction in gender disparities in enrolment and school progression.
- Enhanced access to healthcare, leading to improved health outcomes including a reduction in the incidence of diarrhoea among children (0–5 years) and an improvement in the mental health of young men (age 14–20 years) living in beneficiary households.
- Enabled an increase in birth registration, and a reduction in child labour and HIV risks among adolescents and teenage pregnancies.

Evaluations of the first and second phases of HSNP showed that it:

- Facilitated an increase in incomes in the beneficiary counties by nearly double the amount of money injected into those counties through regular cash transfers.
- Supported diversification of livelihoods as some beneficiary households used part of the cash assistance to start businesses and purchase productive assets such as livestock.
- Contributed to an increase in food and education expenditure, and a reduction in the likelihood of moderate acute malnutrition among children in beneficiary households.
- Enabled beneficiary households to improve their living conditions and ability to pay debts. It also contributed to a decrease in the incidence and intensity of poverty among the ultra-poor beneficiary households.
• Strengthened beneficiary households’ resilience to negative shocks by enhancing their creditworthiness and mitigating negative coping mechanisms like selling productive assets such as livestock.\(^{54}\)
• Promoted access to national ID\(^{55}\) and financial inclusion by facilitating access to and use of bank accounts by households in the beneficiary counties.\(^{56}\)

Evaluation studies conducted for SMP/HGSM have demonstrated that the programme:

• Generated income multipliers in the rural regions where it is implemented: each shilling transferred to a HGSM school creates KES 1.27 of additional real income in rural Kenya.\(^{57}\)
• Enhanced the food security of children, and reduced the burden on parents to feed their children, resulting in a direct cash saving of between 4% and 9% of annual household income.\(^{58}\)
• Contributed to improved enrolment and attentiveness of children in class in beneficiary schools.\(^{59}\)
• Promoted school attendance and retention of children in school. Improved retention of children in school mitigates challenges with child labour, child marriage and female genital mutilation.

However, the impacts of social assistance programmes in Kenya (including those discussed in this report) on national poverty headcount and poverty gaps is constrained by several challenges.\(^{60}\) These include limited programme coverage;\(^{61}\) the adequacy of cash transfers being low relative to household needs;\(^{62}\) and persistent operational/implementation challenges.\(^{63}\) Our briefing entitled *Increasing the impact of ODA on social protection in Kenya* provides a detailed analysis of these challenges.

On the whole, our analysis shows that ODA contributed to the establishment and implementation of these programmes by:

• Providing the financial resources that supported programme pilot, design and expansion, particularly in the early stages when there was little domestic funding.
• Supporting institutional capacity strengthening efforts through development of skills, sector policies and infrastructure.
• Financing impact evaluations that provided the evidence that justified continued investments in the programmes and lessons for strengthening implementation.
• Facilitating access to technical support which ensured adoption of innovative programming approaches.

It is worth noting that CT-OVC, HSNP and HGSM were also established and implemented in the context of an enabling environment that catalysed investments by donors and the government. Our analysis shows that apart from ODA, the other enabling factors include:

• Government commitment, demonstrated by its increased funding to the programmes facilitated sustainability as donor funding reduced.
National policy frameworks provided a basis for setting and aligning priorities and committing the government to ensure the sustainability of the programmes.

Alignment of the programmes’ objectives with the needs of vulnerable communities and the priorities of the government generated political goodwill that catalysed investment by donors and the government.

Partnership and effective multistakeholder coordination enabled complementarity and access to a wide range of resources for programme implementation.

Role of ODA in enabling investment in social assistance programmes

Home-Grown School Meals Programme

A strong focus on capacity building

Strengthening policy and regulatory framework: WFP provided technical assistance to the government to develop relevant policy frameworks. These include the National School Health Policy, School Meals and Nutrition Strategy 2017–2022 and Home-Grown School Meals Programme Implementation Guidelines. WFP also distributed 16,000 guidelines/manuals to 8,000 Ministry of Education staff between 2013 and 2016 to facilitate implementation of HGSM.

Skills transfers through training, joint missions and staff exchange programmes: WFP trained Ministry of Education’s staff and school personnel, particularly teachers, storekeepers and cooks on various aspects of implementing HGSM. Interviews with key informants at national, county and school levels showed that the training sessions covered a wide range of topics including, food procurement, distribution, storage and food preparation practices, including dietary diversity.

Financial and technical support provided by WFP enabled beneficiary schools to establish modern kitchens, energy-efficient stoves, food storage facilities and water infrastructure. By 2017, half of the schools that participated in SMP had acquired and were using energy-efficient stoves, while 82% and 80% of the schools had dedicated kitchens and storerooms respectively, in part due to WFP’s support. Key informants mentioned that, apart from WFP, several non-government/civil society organisations worked with primary schools to build supportive infrastructure such as kitchens and water and sanitation facilities within schools.

External funding facilitated the design, rollout and expansion of SMP, which later transitioned to HGSM.

Funding provided by donors, facilitated the establishment of the WFP-led SMP in 1980. Overall, external funding facilitated a fivefold increase in programme coverage, that is, from 240,000 in 1980 to 1.2 million learners by 2008 when the government and WFP agreed to transition from the WFP-led/donor-funded SMP to the government-led HGSM. During the Covid-19 pandemic, external funding facilitated an increase in coverage by 20% in 2020/21 and 28% in 2021/22, reaching a new peak of 2.3 million...
This increase was attributed to a grant provided to the Government of Kenya under the Global Partnership for Education, Covid-19 Learning Continuity in Basic Education Project. This funding facilitated expansion of HGSM’s coverage in urban informal settlements to enable vulnerable learners to cope with Covid-19.

**Hunger Safety Net Programme**

**Initial investment by donors facilitated the design and rollout of HSNP phase 1 and expansion in phase 2**

HSNP phase 1 (2007 to 2013) was a pilot programme aimed at building evidence on the impact of cash transfers on poverty, hunger and livelihoods, focusing on the four poorest counties in Kenya. While the programme was coordinated by the government, its implementation was led by a consortium of international non-governmental organisations (INGOs) that managed administrative functions such as beneficiary registration, a private bank that delivered payments to beneficiaries and an international think tank that conducted independent evaluation of the programme. These partners received funding directly from donors to facilitate the design and rollout of phase 1 which provided regular cash transfers to 69,000 households.

The donor-funded impact evaluation of phase 1 demonstrated the effectiveness of HSNP as a safety net with ability to reduce poverty. This evidence motivated the rollout of phase 2, which provided 100,000 households with regular cash transfers. Furthermore, the shock responsive component was launched to enable the programme to increase coverage to more households (up to 250,000) during climatic shocks. Of note is that the success of phase 1 motivated the government to start providing consistent funding to the programme in phase 2, enabling sustainability and scaling up of coverage.

**Donor-funded capacity-building efforts facilitated transfer of skills and knowledge to government staff**

At the outset, UK’s Department for International Development (DFID – later amalgamated with FCO to become the Foreign, Commonwealth & Development Office, FCDO) recognised the capacity gaps that constrained the ability of the National Drought Management Authority (NDMA) to independently implement the HSNP. Accordingly, DFID procured the Programme Implementation and Learning Unit (PILU) to provide technical assistance and transfer knowledge to NDMA staff. PILU consisted of external experts who worked with NDMA staff and was responsible for the management and monitoring of HSNP, including procuring any necessary technical assistance to ensure effective programme implementation.

**Technical support facilitated innovation to enhance expansion of coverage**

A key innovation of HSNP phase 2 was the establishment of a shock responsive component that allows the programme to scale up its coverage to reach more households during climatic shocks such as droughts. The shock responsive component utilises vegetation cover index data, generated using a state-of-the-art satellite technology to
trigger emergency response. This innovation has facilitated rapid and more efficient response to drought emergencies and contributed to the shift from food to cash assistance for emergency response. PILU also established a decentralised digital case management system for HSNP to facilitate efficient and transparent management of feedback and complaints from beneficiaries.

**Cash Transfer for Orphans and Vulnerable Children**

Donor-supported impact evaluations provided evidence on the feasibility and effectiveness of cash assistance, catalysing the expansion of CT-OVC

In 2004 when CT-OVC was launched, there was a dearth of evidence on the impacts, sustainability and feasibility of implementing cash transfers in Kenya. In fact, a funding proposal submitted by the Government of Kenya to the Global Fund for HIV, TB and malaria to finance the rollout of CT-OVC in 2004 was rejected on the basis that a cash-based intervention had not been tested in Kenya.

To ensure buy-in from donors and national political leaders, the pre-pilot phase of CT-OVC was implemented as a proof of concept, aiming to demonstrate the feasibility of a cash-based intervention in supporting OVCs. This phase was implemented by the government in partnership with United Nations Children’s Fund (UNICEF) with financial support from the Swedish International Development Cooperation Agency.

Evaluations conducted at the pre-pilot phase with funding support from DFID and UNICEF, demonstrated that the cash transfer had a positive impact on the welfare of children, but there was need to increase the value of the cash assistance to improve impact.

Subsequent evaluations conducted at the pilot and expansion phases confirmed the effectiveness of targeting, payment and complaints systems that had been established for the programme and highlighted areas for improvement. This evidence was used to strengthen the design and operational aspects of CT-OVC and justified investing in CT-OVC by donors and the government.

Investing in strong institutional capacity and systems established the foundation for scaling up CT-OVC

At the pilot phase, the government and its partners focused on establishing and testing systems (for example targeting mechanism and payment platforms) that were needed to implement the programme. They also focused on establishing the institutional framework and capacity (staff, skills etc.) for implementing CT-OVC. This led to a major shift from ad hoc implementation processes at the pre-pilot phase to standardised procedures, operating manuals and training materials to guide implementation.

Continuous investment in capacity-building efforts by the government and its development partners have contributed to improvement in the skills and knowledge of the programme team. This has led to improvements in areas such as the capacity of the programme team to plan, implement and monitor the programme.
Other factors that enabled investment in social assistance programmes

Home-Grown School Meals Programme

Multistakeholder partnership facilitated access to complementary resources and services

SMP/HGSM benefited from the support provided by beneficiary communities, INGOs, UN agencies and several national government ministries. For instance, SNV provided support on procurement and governance aspects of the school feeding programme to ensure SMP/HGSM procurement procedures were farmer-friendly and inclusive (to enable farmers to access contracts to supply food to schools) and the communities were involved in programme implementation. Also, UNICEF collaborated with the government and WFP to develop relevant education sector policies and enhancing access to water, sanitation and hygiene (WASH) services to ensure that food was prepared in hygiene conditions in schools.

Interviews with key informants showed that the Ministry of Education worked with other ministries and county governments to implement programmes that complemented SMP/HGSM. These include the National School-Based Deworming programme, implemented by the Ministry of Education and the Ministry of Health and WASH programmes implemented in schools by county governments in collaboration with INGOs. Importantly, parents make payments ranging from US$0.42 to US$1.27 per month to schools, according to key informants, for purchasing cooking fuel, cleaning products and utensils, and paying cooks’ salaries.

Key informants emphasised that multistakeholder partnership and support was enabled by the alignment of the programme’s objectives to the priorities of development partners and communities. For example, HGSM is aligned to the priorities of organisations such as UNICEF that work on improving the welfare of children through various interventions including food and nutrition services, WASH and education programmes. Key informants noted that community members are happy to support the programme as it is in line with their priority of eradicating hunger and malnutrition.

National ownership and government commitment ensured sustainability as donor funding reduced

The national government’s commitment is demonstrated by the policy frameworks it developed to provide the basis for setting school meals and nutrition priorities and including these priorities in medium-term expenditure frameworks and annual budgets. These include:

- National School Meals and Nutrition Strategy was developed to facilitate implementation of school meals programmes.
- Home-Grown School Meals Programme Implementation Guidelines was developed specifically to support the rollout and implementation of HGSM.
• Kenya National Food and Nutrition Security Policy, which includes a component on school meals, nutrition and health.
• Kenya National Social Protection Policy recognises school meals and nutrition support programmes as important safety nets for protecting children from hunger and malnutrition.

The government has also demonstrated its commitment to HGSM through improved funding. The annual budget allocated to HGSM by the national government as a proportion of the funding required to implement it annually has consistently increased from 27.7% in 2018/19 (when the government fully took over the programme) to 70.1% in 2022/23. While HGSM is still underfunded, the government has gradually reduced the funding gap from US$21.3 million in 2018/19 to US$7.2 million in 2022/23 – a 66.2% reduction over this period.

**An interagency/intersectoral coordination structure promotes complementarity, information sharing and joint planning**

The Ministry of Education and its partners have established the National School Meals and Nutrition Programme Inter-Ministerial Coordination Committee to ensure effective coordination of partners at the national level. This has also been cascaded to the sub-national level. Inter-ministerial coordination committees have been established at county and sub-county levels to facilitate coordination and, according to key informants, School Meals Programme Committees have also been established in each school to coordinate implementation of the programme.

The inter-ministerial coordination committees are led by the Ministry of Education and brings together relevant national and county government ministries, departments and agencies, non-governmental organisations and UN agencies. Overall, the coordination committees provide a platform for sharing information, aligning priorities, joint planning, identifying needs and joint monitoring.

Kenya Education in Emergencies Working Group (KEEWG) also provide an important coordination platform. KEEWG is co-led by the Ministry of Education, UNICEF and Save the Children. It brings together government, UN agencies and NGOs that are implementing education programmes, including school feeding initiatives, in emergency contexts to share information, experiences and lessons learned.

**Hunger Safety Net Programme**

Political goodwill and government leadership have contributed to increased allocation of domestic public resources to HSNP

Implementation of HSNP through government structures, particularly NDMA promoted national ownership and provided opportunities for the government to play a leadership role in implementation. Importantly, the perfect alignment of HSNP’s objectives with the national government’s priorities of eradicating poverty, vulnerability and drought emergencies created buy-in within the political cycles.
The participatory approach adopted in beneficiary targeting and implementation of the programme also contributed to community acceptance and political goodwill. HSNP involved community members in the verification and validation of the list of beneficiary households.\(^8\) This contributed to greater community buy-in and acceptance.

**HSNP adopted a unique partnership approach, enabling access to diverse technical capacity.**

Implementing HSNP is based on a partnership model that brings together actors from the government, non-governmental organisations, donor agencies and private sector firms to deliver various aspects of the programme. For example, partnership with INGOs that led targeting and registration processes in phase 1 facilitated quick rollout of the programme as the government gradually enhanced its capacity to take more responsibilities in implementing the programme. The NDMA coordinates the partners that support implementation of HSNP. At the sector level, the Social Protection Secretariate provides a platform for dialogue and sharing information among partners including donors, government and civil society organisations that work on social assistance programmes.

**Cash Transfer for Orphans and Vulnerable Children**

**Alignment with government priorities and community needs created political goodwill for the CT-OVC implementation**

In 2004 when CT-OVC was launched, Kenya was facing a major OVC crisis. Kenya had an estimated 2.4 million orphans in 2005 and just under half of this (48\%) was due to HIV/AIDS pandemic.\(^9\) Accordingly, CT-OVC has received significant support and acceptance by the public/communities across the country on account of its relevance and contribution to the welfare of vulnerable children. This buy-in has elevated CT-OVC as an important policy tool, prioritised by politicians and donors to strengthen the resilience of households that are taking care of orphans and vulnerable children.

**An enabling policy environment has contributed to success**

The social protection policy landscape in Kenya was fairly weak in 2004 when CT-OVC was established. The National Social Protection Policy and Kenya Vision 2030 that explicitly promote social protection had not been promulgated. However, the policy framework has been strengthened significantly in the last 15 years. In 2010, Kenya promulgated its latest Constitution which expressly guarantees all Kenyans the right to social security. To facilitate realisation of this right, the Kenya Social Protection Policy developed in 2011 included cash transfers as part of the social assistance interventions aimed at supporting vulnerable groups. These improvements in the policy space have created an enabling environment for sustainable investment in CT-OVC alongside other social protection programmes in Kenya.
Chapter 5: What lessons can we draw from Kenya’s social assistance programmes?

In this chapter, we summarise the key lessons that are relevant for development cooperation and factors that contribute to success in ODA co-financed programmes based on the three social assistance programmes analysed in this report. These lessons are aimed at informing future investment of ODA in more effective, impactful and sustainable ways.

**Institutional capacity building**: sustainability requires proactive and effective investment in increasing the capabilities of public institutions to take over programme funding and implementation roles. A common success factor in the three programmes is the investment that donors made in building the capacity of public institutions to take over implementation responsibilities in the long term. For instance, implementation of HGSM benefited from the technical support provided by WFP while the donor-funded PILU supported implementation of HSNP and enabled transfer of skills to the government, especially NDMA’s staff. Overall, donor-funded technical support and capacity-building efforts, including skills development through training, development of policies/operating procedures and building supportive infrastructure enabled seamless transfer of financing, management and implementation responsibilities to the government.

**Government leadership in resource allocation and policy framework**: the government has to be in the drivers’ seat, leading implementation and backing its commitments with predictable funding. In all the three programmes, external financing progressively reduced, while the government rapidly increased funding from domestic sources to ensure continuation after donor exit. The ability of the government to take up funding responsibility is attributed, in part to its prioritisation and commitment to strengthening mobilisation of tax revenue, which increased by 79% between 2014/15 and 2021/22 fiscal years. Importantly, the three case study programmes show that aligning ODA to national priorities and community needs, implementing through public institutions, ability to demonstrate programme impact and establishing enabling policy frameworks are critical for gaining government commitment and political goodwill.

**Continuous evidence generation**: managing and implementing ODA-funded programmes in ways that focus on results and evidence-based decision-making is critical for success. Across the three case study programmes, regular monitoring and periodic impact evaluations, mostly donor-funded, was incorporated as an integral aspect of
programming. For instance, evidence on the effectiveness of CT-OVC’s pre-pilot and pilot phases generated donor interest and political goodwill, leading to improved funding by donors and the national government to scale up coverage. Similarly, evidence from HSNP’s phase 1 motivated the expansion of the programme, including investment by the government from phase 2. In all the three programmes, recommendations from impact evaluations informed programme design and implementation in various ways including targeting, operating procedures, coordination and information management.

**Establishing overarching national policy frameworks:** national policy frameworks facilitate alignment of ODA to national priorities and enable citizens to hold their government to account. Kenya Vision 2030 and all its medium-term plans prioritised social assistance programmes, and provided the basis for discussions among donors, government and civil society organisations on alignment of priorities. Furthermore, the Kenya Social Protection Policy defines the broad social assistance interventions, which the government and donors are expected to prioritise to build the resilience of vulnerable households. The Constitution of Kenya 2010 requires the government to provide social security as a right to every Kenyan. This requirement not only makes the government accountable to its people, but also provides the impetus for better development cooperation to facilitate access to external resources to complement domestic resources to deliver interventions such as cash transfers.

**Functional multistakeholder coordination platforms:** the three case studies demonstrate that a multistakeholder partnership, based on mutual respect and trust, facilitates access to diverse pool of resources for programme scale-up. Effective coordination of diverse partners requires clear definition of responsibilities and leadership arrangement. The three programmes benefited from government-led coordination structures that have a policy backing. The National School Meals and Nutrition Strategy outlines the institutional framework and coordination structure for HGSM. Kenya Social Protection Policy also outlines the institutional and coordination framework for all social protection programmes.

**Role of a transition strategy/plan:** a clear strategy, developed at the outset is critical for effective transitioning of funding and programme implementation responsibilities from donors to the government. For example, in the HGSM case study, WFP agreed with the government in 2008 to gradually handover the responsibility of feeding children in schools to the government. The transitioning process involved a lot of capacity-building support, regular consultations between WFP and the government and the process was implemented over a 10-year period (2009–2018) to ensure adequate time for enhancing the capacity of the government. In the HSNP case study, there was a clear plan for donor exit right from the onset. DFID/FCDO worked with the government to fully transfer funding and implementation responsibilities by the end of phase 3 of the programme in 2024. The transition process involves regular consultations, setting specific milestones for the transition and providing technical support to the government to fully take over the programme at the end of UK government’s support in 2024. The transitioning plans enabled the Government of Kenya to gradually build institutional capacity, develop enabling policies and integrate HGSM and HSNP into the national budget to ensure sustainability after donor exit.
Conclusion

Official development assistance (ODA) plays a critical role in the design and delivery of programmes that support vulnerable communities and households experiencing poverty. In Kenya, ODA catalysed investment in social assistance programmes by financing programme pilot, design and expansion, institutional capacity strengthening interventions, programme impact evaluations, and access to technical support for effective programme implementation.

However, ODA has to be invested in an enabling environment that promotes sustainability and national ownership. This calls for ensuring government leadership and commitment to gradually take over programme funding and implementation responsibilities in the long term, by developing overarching national policy frameworks to align ODA to national priorities and adopting effective multistakeholder partnerships to access a wide range of technical and financial support from development partners.

Notably, ODA is a scarce resource and access to it is likely to reduce as a country moves up the income per capita ladder. For instance, growth in ODA disbursement to Kenya significantly reduced after 2014 when Kenya became a lower-middle income country. Furthermore, disbursements to Kenya have gradually shifted from grants to more loans. Accordingly, there have to be deliberate efforts by the government and donors to strengthen domestic resource mobilisation to finance social assistance programmes upon donor exit.

Developing a clear transition plan is critical for a seamless transfer of programme funding and implementation responsibilities from donors to the government. The transition plan ought to clearly outline the timelines for donor exit, strategies for increasing domestic financing to compensate for reductions in external funding, and the plan for strengthening institutional capacity within government to take over funding and implementation responsibilities. Significantly, implementing transition plans require time and financial resources. Accordingly, the transition plans have to be developed right from the outset and funded adequately to facilitate implementing interventions such as strengthening institutional capacity, developing national policies and constructing enabling infrastructure for programme implementation.

In the face of competing national expenditure needs, it is critical to implement ODA-funded programmes in ways that focus on results and evidence-based decision-making. As illustrated by the reviewed social assistance programmes, evidence on programme effectiveness based on impact evaluations can generate interest for continued funding of programmes by the government after donor exit, thereby ensuring sustainability.
The role of ODA in delivering social protection programmes in Kenya

Notes

9 The first Medium-Term Revenue Strategy will cover the period 2023/24 to 2026/27 and the second will cover 2027/28 to 2029/30 fiscal year.
22 Calculations based on data from statistical abstracts for the years 2019 and 2022. Available at: https://www.kenbs.or.ke/publications/
25 Channel has not be specified in the CRS database.
26 Hunger Safety Net Programme 2023. Available at: https://hsnp.or.ke/index.php/as/objectives
36 Ministry of Education, 2016. Home-Grown School Meals Programme Implementation Guidelines. (The document is not available online, but hard-copies are available)
39 Fisher, E. et al. 2017. The livelihood impacts of cash transfers in Sub-Saharan Africa: beneficiary perspectives from six countries. Available at: https://doi.org/10.1016/j.worlddev.2017.05.020
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The role of ODA in delivering social protection programmes in Kenya

43 Romeo, A. et al. 2014. The long-term impacts of cash transfers in the context of inflation: The case of CT-OVC programme in Kenya. Available at: https://doi.org/10.1093/wbro/kyv005
46 Romeo, A. et al. 2014. The long-term impacts of cash transfers in the context of inflation: The case of CT-OVC programme in Kenya. Available at: https://doi.org/10.1093/wbro/kyv005
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