EU IN THE ODA IN KENYA

After a decade long downward trend that reached its lowest level in the late 90s (310M USD in 1999), total ODA disbursements have improved, up to 635M USD in 2004, though not recovering their early 90s’ level. EU ODA - referred as the ODA of EU state members and European Commission - has followed this global trend.

EU ODA disbursements in 2005 reached Sh27bn/293M€. On average, between 2000 and 2004, EU represents 45% of total ODA received by Kenya. This proportion is higher than the EU share in the ODA worldwide, which accounts for 41% of the total during the same period.

EU ODA Trends in Kenya

Characteristics of EU ODA in Kenya

Main EU ODA sectors

Total and EU ODA trends in Kenya

WHAT IS EU?

The EU today is a political community of 25 states, committed to work together towards peace and prosperity. The EU is represented by, among others, 5 institutions:

- The EU Parliament: The voice of the people
- The EU Council: The voice of the member states
- The European Commission: The executive body promoting the common interest
- The Court of Justice: The rule of law
- The Court of Auditors: Getting value for money

Where to read more on EU:
http://europa.eu/index_en.htm

EU AND DEVELOPMENT

In December 2005, Presidents Barroso, Borrell and Blair* signed the first joint Development Policy Statement. It is built on a strong “European consensus”, providing for the first time a common framework of objectives, values and principles.

At the heart of the consensus is poverty eradication, based on the Millenium Development Goals (MDGs). The “European consensus” implies refreshed principles and tools for policy implementation, with an aim of increasing aid - a collective average target of 0.56% of Gross National Income in 2010 - and improving its effectiveness.

In addition of being the most important economic and trade partner of Africa, the EU is also the largest donor in the continent.

Late 2005, the European Council adopted the EU Strategy for Africa, which clearly prioritised the achievement of the MDGs. This strategy emphasises a new comprehensive, integrated and long-term framework of EU/Africa relations.

It aims to promote equality, partnership, ownership, subsidiarity, solidarity and political dialogue.

Furthermore, the European Union gives increased aid effectiveness a central role in its own development strategy and made it one of the essential objectives on the EU agenda, thereby assuming its share of the international effort.

The European Union (Member States and EU Commission, including 10 new Member States as emerging donors) signed up to ambitious objectives, both as individual donors and as a collective group, and is fully committed to a timely implementation and monitoring of the Paris Declaration on Aid Effectiveness. It has set monitorable targets for 2010 and for the EU specific commitments adopted at the Paris Forum.

* Respectively presidents of the European Commission, the European Parliament and the EU Council.
In Kenya, the EU community is keen to work in a true spirit of partnership and aid effectiveness, following its deep commitment to the Paris Declaration. The EU philosophy is therefore to align its action behind the government’s sector priorities, stated in the Economic and Recovery Strategy (ERS), as shown below.

**THE EU ODA SECTOR PRIORITIES**

*Promoting human development and poverty alleviation - Sh15.2bn / 162ME*

Human development and support to poverty reduction attracted 56% of EU ODA funds in 2005. Integrated poverty reduction and health programmes accounted for around two thirds of it.

70% of the European health assistance focused on three priority areas: (i) the immunization and disease control, (ii) the fight against HIV-AIDS and (iii) the access of people to basic health services.

The education share - from nursery to tertiary levels - may appear relatively low. However, new commitments suggest that the EU support to the development of the education sector shall increase significantly in the coming years.

*Improving governance - Sh2bn / 21ME*

The governance sector received 7% of the total EU assistance. EU priorities in this sector are firstly justice and good governance programmes. For example, many EU donors are part of the GJLOS - Governance, Justice, Law & Order Sector - partnership.

EU also helped to foster human rights, e.g. through civic education projects, and to develop strong monitoring and evaluation policies and tools.

*A focus on the EU ODA share of each province*

The provincial analysis underlines the relative low level of EU ODA per capita in Nyanza and Western, two provinces with a high poverty rate. The highest ODA per capita in North Eastern might be explained both by its scarce population and the concentration of humanitarian relief following the drought.

**QUALITY AND EFFECTIVENESS OF EU ODA**

Together with other donors, the EU is committed to improve “value for money”, through concrete steps. The following ODA characteristics give a picture on the EU record on this objective. The EU ODA was almost entirely in the form of grants in 2005 (94% of 2005 disbursements) and largely untied (almost two thirds of total ODA). As for ODA types*, project assistance made up around half of total funding, followed by free-standing technical assistance and balance of payment support (around 17% each). In 2005, the EU ODA was barely disbursed under sector wide approaches, but this figure should encounter a significant rise in the coming years, as sector strategies will develop, e.g. in the education field. Concerning alignment and harmonization, EU donors disbursed fair amounts of ODA (i) using national procedures (around 30%) and (ii) reported on the Kenyan national budget (around 50%).

**GEOGRAPHIC PATTERN OF EU ODA**

Around 60% - Sh16.5 bn/ 175ME - of the EU ODA had a national scope in 2005, benefiting in principle the whole country. 31% was targeted specifically at the 8 provinces.

The 9% left was dedicated to regional projects in the Horn of Africa, including Kenya; this underlines the role of Nairobi as a regional hub.

**WHAT EU IS DOING TO SUPPORT KENYA TACKLING THE 2005-06 DROUGHT AND ITS AFTERMATH?**

Several successive years of below average rainfall culminated by a virtual total failure of the November 2005 rains in Kenya and the Horn of Africa led to an acute emergency in late 2005 affecting millions of Kenyans. In Kenya, EU donors contributed Sh3.1bn/36M€, and further funding for relief and recovery is planned. This EU funding is spent through government channels, UN agencies such as WFP and UNICEF, and international non-governmental organisations. It aims to improve the situation of vulnerable people, ensure access to food and basic services (health and water supply, for example), as well as to support pastoral livelihoods. Funding was also addressing drought preparedness and drought management through longer-term projects.

**EU ODA TRENDS IN 2006**

As a whole, EU ODA disbursements are forecasted at Sh31bn/359M€ - around +23%. The projections show that disbursements in the human development area shall benefit from approximately the same amounts than in 2005. An increase is expected within the infrastructure sector, especially for water and sanitation projects and roads. Justice and good governance programmes funding is expected to increase slightly. The increase in the governance sector shall stem from a renewed effort to support monitoring and evaluation strategies and instruments, partly through a reinforcement of the national statistical system. There shall be no major changes as regards the ODA implementation methods, though one might expect a progressive increase of funds channelled under sector-wide approaches. The EU funds shall follow the same geographical pattern.

*Detailed ODA information on Kenya, figures and graphs are based on donors’ answers to the UNDP Donor cooperation report 2005 questionnaire.*