POVERTY REDUCTION EFFORTS IN KENYA:

INSTITUTIONS, CAPACITY AND POLICY

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Abstract

As reiterated in the various policy documents, the Government of Kenya has since independence in 1963 directed its efforts to fight disease, ignorance and poverty as part of its development objectives. The policy notwithstanding, poverty levels continue to increase. In particular, practical policies in fighting poverty became eminent with the launching of the National Poverty Eradication Plan (NPEP) and the Poverty Reduction Strategy Paper (PRSP) 2000 – 2003. Hitherto, poverty reduction efforts had not yielded much due to: a) weak mapping and coordination of the lead institutions, b) duplication of efforts, c) inadequate coverage by region and even gender, d) competition among and between players, and e) lack of clear policy direction.

It is against this background that the study sought to assess the effectiveness of the policies and capacity of institutions in poverty reduction programmes. In addressing the subject, both primary and secondary data were collected in five purposively selected districts. A number of tools (viz. structured questionnaires, interview guides, focus group discussion guides, observation guides and fact sheets) were used to collect the data.

The study revealed that there still exist weak linkages among organisations involved in poverty alleviation programmes. Again, sectoral collaboration among institutions remains ineffective. This is further complicated by duplication of efforts, making it difficult for institutions to link their activities. On the other hand, the institutions lack requisite capacities as evidenced by less qualified personnel, weak physical infrastructure, ineffective networking within their areas of operation, weak management structures, and, imposing ideas on the communities rather than deriving development strategies from them.

The above limitations notwithstanding, some of the institutions are effectively reaching out to the people while others, though efficient, their activities are shrouded in secrecy. These have weakened their participation in poverty alleviation.

This study recommends effective and efficient co-ordination between state and non-state players to avoid duplication; creating an enabling environment that allows non-state actors to influence poverty alleviation policies; reforming existing government institutions and structures such as the District Focus for Rural Development (DFRD); and establishing District Poverty Alleviation secretariats to harmonize the activities of institutions involved in poverty alleviation at the local/grassroots level.
1. INTRODUCTION

1.1 Background

The government has over the years put in place various policies and resources to alleviate poverty. In its Sessional Paper No. 10 of 1965 on *African Socialism and its Application to Planning in Kenya*, the government recognized poverty together with disease and illiteracy as the major constraints to human development. Consequent to this, various development plans, Poverty Reduction Strategy Paper (PRSP) 2000-2003, Participatory Poverty Assessment Reports (PPARs) (1999) and National Poverty Eradication Plan (NPEP 1999) have spelt out the strategies to fight poverty. Even though poverty has been pronounced since independence when the economy begun to nose-dive, it is only in the 1980s that the government took drastic measures to assess the poverty levels in the country, partly due to a change in focus by the development partners such as the World Bank and the International Monetary Fund (IMF) and its increasing levels among rural and urban population.

The government has since established the causes, constraints and the processes that engender and entrench poverty. Despite these positive developments, poverty alleviation has remained elusive particularly from 1980s. Poor economic performance led to increase in absolute poverty, that is, people without adequate food and nutrition, and inadequate access to basic services – education, health facilities, safe water and decent housing. This has been blamed on poor policy formulation, initiation, planning and implementation of poverty alleviation programmes.

The PPARs have broadened perceptions of the poor on the phenomenon of poverty. The studies reveal that the poor have been excluded in formulating policies aimed at alleviating poverty. The poor have, over the years, been reduced to passive participants in their own development; reducing their ownership of poverty alleviation programmes. They are not involved in formulating the policies and identifying the specific projects that will raise the level of development, thanks to their non-representation in various policy-making organs and institutions at the grassroots.

Planning for poverty intervention activities has so far not adopted a multisectoral approach, where synthesis of policies and strategies could be harmonized, hence creating a unified approach to poverty alleviation through joint ownership of development programmes. Ownership of programmes could manifest itself in improving health, nutrition, literacy as
well as social and physical development. This discussion paper examines existing policies in poverty eradication and attempts to establish a framework that will ensure effective implementation of anti-poverty programmes that are targeted, co-ordinated and executable.

With the release of the National Poverty Eradication Programme (NPEP, 1999 – 2015), the government committed itself to poverty alleviation by 2015. Doubtless, this is an endeavour that needs to be supported by focused policies directed at raising the level of productivity of the economically weak through close cooperation of the institutions implementing the programmes.

A systematic analysis of poverty reduction efforts in the country shows that the role of institutions has neither been given attention, nor examined. Little effort has been made to relate policies, institutions and poverty reduction efforts. Secondly, while certain policy decisions have been made such as the enactment of the Non-Governmental Co-ordination Act in 1990, the overall policy environment has not been conducive, in so far as the non governmental organizations are not able to influence the direction of policy formulation and implementation as regards poverty reduction. Further, little is known of the actual situation on the ground on such issues as the actual programmes run by the variety of stakeholders on poverty, the concentration of institutions, their capacity, networking and collaboration, the involvement of communities in identifying and managing poverty programmes, and the sectors given emphasis.

Against this background, it is essential to analyse the capacity of development institutions in assisting local communities in addressing their poverty status, their involvement in participatory planning, budgeting and implementation of development programs. The study undertook to identify and analyse the policies and institutions/organizations involved in poverty eradication. The assessment focused on the viability of the interventions and their impact on men/women and girls/boys for whom the policies were being designed. Further, the study sought to determine how best institutions can network to address poverty issues.

1.2 Methodology

1.2.1 Conceptual Poverty Alleviation Framework

The poverty reduction efforts are influenced by policies, structures and capacities of institutions involved. This involves formation of partnerships against poverty through mobilisation and deliberate allocation of financial and human resources towards pro-poor
activities that are likely to stimulate economic growth. Appropriate policies, which would encourage stakeholder participation in poverty alleviation and stimulate economic development, would be a pre-requisite for successful poverty alleviation programmes. Arguably, poverty reduction efforts, which are hinged on partnership and collaboration, and supported by policies targeting the very poor are devoid of conflict or duplication in implementation.

Figure 1 shows the interaction between components of poverty alleviation on one hand and institutional strength or capacities required for successful implementation and sustainability on the other.

The capacities of the institutions and their financial resource base determine the choice of poverty alleviation programmes. Such choices would strongly be influenced by both physical and human infrastructure required to successfully implement the program. Institutions with wide range of capacities and adequate resources tend to undertake varied poverty reduction programmes while institutions with limited infrastructure engage in less income generating activities.

Again, the policies relating to poverty alleviation and contextual factors e.g. stakeholders determine the types of programmes undertaken. The community for instance, is important in the conceptualisation, planning and budgeting and implementation of programs, which are beneficial to them and their ability to carry out the tasks on their own. The stakeholder context also includes external factors such as attitudes, policies, legal and institutional frameworks which influence the successful implementation of poverty alleviation programmes. The benefits of poverty alleviation programmes can be assessed more by communities and stakeholders who helped initiate and manage them while policies create an enabling environment for stakeholder participation in choosing and implementing programs.

In all, the integration of institutional capacity with policies and stakeholders would influence the extent to which poverty alleviation programmes would be sustainable.
Figure 1: Conceptual Framework for Poverty Alleviation

Institutional Capacities
- Quantity and quality of resources for outreach activities
- Level of financial resources
- Physical and human resources
- Transparency and accountability
- Community involvement in planning, budgeting, implementation, monitoring and evaluation
- Geographical and sectoral coverage

Stakeholder Context
- Role of community, government and development partners e.g. Bilateral and multilateral donors, local and International NGO’s, CBOs, religious organisations, well-wishers etc.
- Fundraising and assisting communities conceive projects.
- Stakeholder forum for poverty alleviation
- Stakeholder managed poverty alleviation fund, coloured by project

Policies
- Legal frameworks e.g. land ownership, tax rebates
- Institutional structures for poverty alleviation by sector e.g. agriculture, health, education etc.
- Equitable distribution of social and economic resources
- Budgetary allocation, alternative sources of funding and management
- Transparency and accountability
- Declaration of poverty as a national disaster
- In-built monitoring and evaluation
- Decentralisation of decision making from central government to the periphery

Poverty Reduction Strategies
- Capacity building for local institutions and communities in conceptualisation, identification, planning and budgeting, implementation, monitoring and evaluation for sustainability.
- Structures encouraging collaboration among stakeholders in poverty alleviation
- Relief and welfare projects
- Stakeholder secretariat for planning and budgeting for poverty alleviation projects
- Tax exemptions for goods targeting the poor

Poverty Alleviation Programs
- Land tenure.
- Legal rights to property.
- Education for all.
- Health services for all.
- Water and sanitation.
- Appropriate technologies in agriculture.
- Access to low interest rate credit.
- Access to market for increased production.
- Improved infrastructure e.g. road network

Outcome
- Sustainability of projects.
- Improved living conditions.
- Increased productivity.
- Buoyant national economy with increasing growth rate.
- Reducing incidence of poverty.
- Reduced vulnerability.
- Increased employment rates.
1.2.2 Focus of the Study

The overall objective of this study was to map out the social and institutional capacities of organizations involved in poverty alleviation programmes. The specific objectives were:

i. To assess policies put in place in the fight against poverty since independence in 1963.

ii. To determine the role and capacity of institutions involved.

iii. To establish the existing institutional structures which constrain their successful implementation.

iv. To recommend social and institutional approaches that could be adopted in poverty alleviation.

1.2.3 Data Collection

The data used in this study was collected as part of a larger study on social mapping of institutions engaged in poverty alleviation programmes. The study was commissioned by UNDP and implemented by IPAR in collaboration with PEC. The information was obtained from both field survey (primary data) and document analysis (secondary data). For the field survey, key informants included government and representatives of local Community Based Organizations (CBOs), Non Governmental Organizations (NGOs), Religious Organizations (ROs), beneficiaries, donor agencies and the private sector representatives in five districts (Isiolo, Kilifi, Makueni, Mombasa and Murang’a) purposively selected by PEC based on poverty levels. Others were District Development Officers, District Statistical Officers, District Social Development Officers, among others.

Several instruments were used to obtain data from targeted respondents. These included questionnaires, informal interview schedules, focus group discussion (FGD) guides, checklists, and a documentary analysis framework. In addition, informal consultations with stakeholders including community representatives, opinion and religious leaders helped in capturing the voices of the poor. Attempts were made to ensure equal gender representation in all categories of respondents. In each of the districts, five lead researchers were assisted by a number of research assistants responsible for the data collection.

Secondary data was sourced from existing documents on poverty alleviation strategies and programmes. Official and research documents which formed the main source of secondary data included reports from the various ministries, Central Bureau of Statistics.
In line with participatory approaches, FGDs were organized bringing together selected members of CBO and households and other stakeholders operating in the area to dialogue on the issues of poverty alleviation, interventions in place, the role of various stakeholders, challenges and prospects.

1.2.4 Data Analysis

The study adopted qualitative data analysis supplemented by quantitative analysis, which involved three major processes. First field notes from the respective districts were summarized into daily reports/briefs. This was used to develop summary sheets detailing information sought. These included: capacity of institution, quantity and quality of personnel, adequacy and condition of equipment, organogram of the institution, networking with other organizations including government departments, financial structures, planning, budgeting and programming of poverty alleviation strategies, and involvement of the community in their own development etc. Secondly, interim reports were drawn from the summary sheets and used to communicate our findings on social and institutional capacities of organizations in implementing poverty alleviation programmes. Third, systematic analysis was adopted to have an in-depth insight into data collected and to identify areas which required more information before producing the final report. The analysis took cognisance of the confidentiality of the information obtained and did not provide details of informants and their institutions.

Quantitative procedures were used mostly to analyse statistical data. The statistical data were computer formatted and analysed using SPSS and MS Excel. Basic descriptive statistical measures were used where necessary. Triangulation of data and information in this assignment were crucial.
1.2.5 Study Limitations

A number of difficulties were experienced during the data collection process. Many of the targeted informants are field officers, and it took a bit of time to locate them. In some instances, they were not willing to volunteer the required information, for fear that such data could be used against them, while others solicited for favours before they could release the needed information. Several programme managers were involved in the distribution of relief food hence had little time for the study. In isolated cases, there was a language barrier as some respondents could not communicate in either Kiswahili or English obliging the survey team to use an interpreter. Some areas were completely inaccessible due to either undeveloped or poorly maintained infrastructure. Lastly, the study coincided with the retrenchment of the civil servants, which made a number of them to be apprehensive about giving information.

1.3 Organization of the Paper

The rest of the paper is organized as follows. Chapter two gives the national poverty profiles, followed by chapter three that details some of the policies targeted at poverty, starting with the pre-independence to current policies. Chapter 4 discusses the experience of institutions in poverty reduction efforts. The final chapter outlines some of the measures that could be taken to enhance the effectiveness of poverty alleviation policies and approaches.

2.0 POVERTY PROFILES

2.1 Distribution of Poverty Profiles

The poor cannot afford basic food and non-food items. Poverty in Kenya has been on the increase over time; and food poverty has increased more than absolute poverty. For instance in 1972, the number of Kenyans defined as poor was 3.7 million, increasing to 11.5 million in 1994 and further to 12.5 million in 1997. According to the Welfare Monitoring Survey (WMS) of 1994, the incidence of poverty in Kenya was 47 percent in the rural areas and 29 percent in the urban areas. The absolute poverty line was Kshs. 980 per capita per month for rural areas, and Kshs. 1,490 per capita for the urban areas. This has since increased to Kshs. 1,239 and 2,648 for the urban and rural areas, respectively. In 2000, it was estimated that the number of poor Kenyans had shot up to 15 million (about 56 percent of the total population).
Poverty is spatial, but unevenly distributed in the country across provinces, urban-rural divide as well as by gender. According to the 1997 WMS, the incidences of rural food poverty stood at 51 percent while it was 38 percent for the urban areas. On the other hand, overall poverty incidence was 53 percent and 49 percent for the rural and urban areas, respectively. Generally, poverty has hit rural communities more than the urban. Even within the urban areas, there are differences in poverty incidences. The slum sections are more vulnerable than other urban areas.

There exist differences in poverty incidences across provinces. Studies indicate that the very poor provinces are: North Eastern, Coast, Eastern; the poor are Nyanza, Western and Rift Valley. The poor districts (with incidences of more than 60 percent) are Marsabit – 88 percent, Samburu – 84 percent, Makueni – 76 percent, Turkana –74 percent, Machakos –69 percent, Mandera – 69 percent, Kilifi – 67 percent, and Embu 63 percent (Ayako & Musambayi, 1997; GoK, 1994; 1999; UNDP, 1994; WB, 1994). Over a five-year period, poverty has been reducing in some provinces such as Central while increasing in others, notably, Nyanza and Coast.

**Chart 1: Distribution of poverty in major urban centres in Kenya, 1992, 1994 and 1997**

![Chart showing distribution of poverty in major urban centres in Kenya, 1992, 1994 and 1997](chart.png)

Source: Welfare Monitoring Survey II.
There are differences across occupations. The most affected groups are the pastoralists who account for 50 percent of the poor while farmers comprise 46 percent. Among this group, the subsistence farmers are the most affected (46 percent of the very poor).

2.2 Revealing Gender Dimensions in Poverty Incidences

Women are an important force in poverty alleviation. Studies by United Nations (1995) indicate that additional income under women’s control lead to an increase in expenditure for food and large decreases in expenditures on alcohol in Kenya, Cote d’Ivoire, Ghana and Rwanda and further increase resources directed to food. Despite such acknowledgment, gender considerations in poverty alleviation strategies in Kenya is relatively new, or at best very weak, when determined from the stress in the national policy documents, which have remained silent until the launching of the participatory poverty assessment reports and the PRSP 2000-2003. Indeed, it is recognized that women are affected more by poverty than men (Tadria, 1997). The PRSP (2000-2003) also recognizes that women are worse off in terms of vulnerability to effects of poverty than men. Factors explaining higher poverty incidences among the women are manifold and include, but not limited to, the discrimination that women face before the law or lack of legal protection, particularly...
in their rights and control over productive resources, personal security and even leisure (Tadria, 1997). Even urban migration is a predominantly male phenomenon and affects the sex ratio in the rural areas where women, remaining the majority, bear a disproportional burden in having to fend for families, often larger than in the urban areas.

In Kenya, more female than male-headed households are affected by poverty. Both the rural and urban women are more affected by poverty (PRSP, 2000-2003). The position of the women is worsened since they comprise 69 percent of all subsistence farmers, who are among the very poor in the society. This compares unfavourably with the proportion of men in the same occupational category which stands at 43 percent (PRSP, 2000-2003). This dependence of women on subsistence farming makes them extremely vulnerable. Since the poor engage in bad farming practices that result in environmental degradation, the rural woman bears the brunt of a degraded environment that cannot support viable agriculture. Gender violence also affects the productivity of women, who are the majority of the victims, and often assaulted by close relatives. In Kisii district, for instance it is reported that at least 42 percent of adult women have been assaulted by an intimate partner (Tadria, 1997).

Other factors that make women more susceptible to poverty than men include:

i. **Gender burden:** The greater portion of time spent by women in searching for fuel and water reduces the amount of time they spend in productive activities, either on or off the farm.

ii. **Control over labour:** While women spend most of their time and often contribute higher labour inputs than men or children, their ability to make decisions on household expenditure and other related strategic investment choices are curtailed by men who control their labour in the households and often make all decisions even on resources generated by women.

iii. **Limited access to education:** While it is acknowledged that education plays an important role in human development through the process of empowering people to improve their well being and participate actively in social and economic life of the society, women are disadvantaged in access to education at all levels. Drop out rates are higher for girls, achievement rates are lower and access to some of the scientific and technological fields at tertiary levels is limited for women, apart from being the minority in tertiary education. This explains why women are more impoverished than men even though they invest more man hours in productive and non productive ventures.
3.0 POLICIES RELATED TO POVERTY REDUCTION IN KENYA

Even though the necessity to alleviate poverty was identified prior to independence, the numerous policies designed since then have lacked specificity and are deficient of cogent and realistic poverty alleviation strategies. The few that are mentioned such as rural and informal sector development are hardly given enough political will and resource allocation to spur their growth. An examination of previous poverty alleviation policies reveals that there has been an implicit assumption that the benefits of rapid growth of the key sectors such as industry, service and agriculture will automatically trickle down to all people. As a result, more effort has been spent on ways of improving their economic performance (export incentives, agricultural food processing, etc.) at the expense of promoting social-based projects.

Policies pursued since independence can be classified into four phases: The first phase originated before independence with the key feature being the Swynnerton Plan, 1952/54. The second saw the release of the KANU Manifesto, 1963 and the Sessional Paper No. 10 of 1965 on African Socialism and its Application to Planning in Kenya. The third phase was marked by the District Focus for Rural Development 1983 and Sessional Paper No. 1 of 1986 on Economic Management for Renewed Growth. Arguably, the fourth phase consisted of policies, which were fronted by the World Bank and International Monetary Fund (IMF). Such policies included Structural Adjustment Programs (SAPs) which were intended to stimulate economic recovery within the first 18 months of their implementation. However, they worsened the poverty situation in Kenya due to lack of a human face in their implementation.

3.1 The Swynnerton Plan (1952-1954)

The period preceding independence was marked by implementation of measures to pacify an increasingly restive African population especially about the expropriationist policies pursued by the then colonial government; that had resulted in alienation of large tracts of African land. The policies relegated the Africans to the reserve lands, which were congested and less productive. Besides losing land, unemployment was high among the African population. To mitigate the ill feelings, the colonial government decided to draw up a plan for accelerated agricultural development of the Native Land Units in Kenya. The task was assigned to the Assistant Director of Agriculture, R.J.M. Swynnerton, and became known as the Swynnerton Plan (Heyer et. al., 1976). The Swynnerton Plan recognized that a sound agricultural development is dependent upon a system of land tenure that
would guarantee the African farmer a unit of land and a system of farming whose production would make the African self-sufficient in food and raise their level of income through sale of excess produce. The major aspects were:

i) security for the African farmer in the form of land title deeds;
ii) consolidation and registration of all holdings in any given area;
iii) access to agricultural credit through the creation of a Loan (or Land) Bank for African farmers;
iv) provision of extension services to the African farmers; and
v) allowing farmers to grow cash crops such as tea, coffee and keep dairy cows which were hitherto prohibited.

Even though the plan was meant to assuage the agitated African farmers and reduce poverty levels, the Swynnerton Plan, like all other colonial policies “were specifically designed for the protection of the European mixed farm settlers…the policies initiated to develop African agriculture were formulated in such a way that they mainly assisted the more prosperous farmers to the exclusion of the majority smallholders” (Heyer, et. al. 1976: 147).

The independent government inherited some colonial policies on agriculture. For instance, the Maize Marketing Board, the precursor of the National Cereals and Produce Board was set up in 1967 after an amalgamation of provincial marketing boards established in the 1950s. These were poverty reduction efforts intended to provide markets for farm produce for both the large and small-scale farmers. The KANU Manifesto borrowed extensively from the Swynnerton Plan and other colonial agricultural policies. Indeed “it still form(ed) the basis of much of agricultural development policy in Kenya’s small farm areas in the 1970s” (Heyer, et. al. 1976: 11). The continuous revision of agricultural policies shifting emphasis to the small-scale farmers has tended to improve their economic status, which by implication reduces the incidence of poverty. However, the basis of the later policies on poverty alleviation through increased agricultural production was the Swynnerton plan of 1952-54.

3.2 The KANU Manifesto, 1963

The Kenya African National Union (KANU) was the political party that formed the first post independence government and continues to rule to date. Its philosophy revolved around its objective: “to achieve the fastest economic independence for Kenya…to attain
the fastest rate of economic growth and to secure a just distribution of the national income both between different areas of the country and between individuals” (KANU Manifesto, p.2). In addition the manifesto intended to reduce the burden of taxation among the low income groups and to give priority to rural development by raising agricultural and non-agricultural infrastructure.

The policies enunciated in the manifesto focused more on economic growth, which on its own has not guaranteed poverty alleviation. Though economic independence by implication would mean reducing poverty levels countrywide, this was not explicitly brought out in the manifesto. Much as it recognized the role of the voluntary sector in helping achieve the desired ends, the manifesto failed to outline a realistic strategy and framework for implementing poverty alleviation activities. This is an indication that the genesis of weak poverty alleviation strategies or a lack of specificity in poverty based reduction programmes began with the manifesto.

3.3 Sessional Paper No. 1 of 1965 on African Socialism and Its Application to Planning in Kenya

The policy document was prepared against a backdrop of ideological debates and differences within the ruling party, with one group advocating for a command economy while the other extolling the virtues of capitalism and free enterprise. The document was to establish a system for political, social and economic progress that is embedded in pragmatism and a free market economy. It recognized the importance of both the public and private sectors in accelerating economic growth and development. The paper envisaged a growing economy providing for basic needs to the citizenry. Some of its striking features (Goldsworthy, 1975: 235) included emphasizing growth first and distribution later; foreign investments to boost growth; a limited ambit for state intervention and nationalization; and incentives for private enterprise development.

Though the policy document intended to rejuvenate economic development, some of its critics argued that it was neither African nor socialist but merely introduced to close further debate within the party on patterns of development. This could be the truth for, in the introduction, it was indicated that the document “should bring to an end all conflicting theories and academic arguments that have been going on” (Republic of Kenya, 1965).

In the intervening period, the government was to continue producing regular policy documents aimed at poverty alleviation though not directly. The policies included: “The
Current Economic Situation in Kenya”, Development Plans, Economic Surveys etc. these documents were intended to drum up support for the policy on economic development. In the 1970s, the government seemed to have adopted the “Basic Needs Approach” to development as seen in the policy pronouncements through the introduction of a number of subsidies in social service delivery. In 1973, for instance, it abolished fees in primary education with the purpose of widening access to basic education, a policy that was re-emphasized by the subsequent president on attaining power in 1978. At the tertiary level, the government introduced a loan scheme to help those qualifying for university education to be able to finance their studies on their own and shift the burden of financing university education to the beneficiaries. The provision of health services was also fairly subsidized during this period. As most of the policies were politically loaded and issued in the form of decrees that had no legal or policy documents to back them up, it was almost impossible to implement them hence little or no impact on poverty alleviation. In 1981, the government issued Sessional Paper No. 4 on National Food Policy, which basically targeted the agricultural sector to raise the level of self-sufficiency in food production. By the end of the 1970s, the gains this decade had almost literally been wiped out by poor economic management and performance. The period preceding the 1990s marked an era of weak economic policies aimed at poverty alleviation leading to increases in poverty levels.

3.4 Decentralization in Development Planning: District Focus for Rural Development (DRFD) – 1983

Though officially launched in 1983, the roots of DFRD could be traced to the late 1960s when the government launched the District Development Committees (DDC) to involve district staff and stakeholders in planning for their development. This was followed in 1971 with the establishment of a Grant Fund and the Rural Works Programme Fund in the mid 1970s with the goal of stimulating the DDCs into active participation in development planning (Oyugi, 1985). In another effort, the 1974/78 Development Plan endorsed the idea of making the district the focus for rural development to raise the level of economic growth at the household and improve level of economic development countrywide.

In 1983, the DFRD began shifting the planning and implementation of policies from the central government to the districts. The shift was to stimulate rural development and encourage local initiatives to complement the government’s effort in problem identification, prioritisation, resource mobilization, and project implementation at local level. It also aimed at guiding the allocation of national resources on a more geographically equitable basis. More funds were to be allocated to the less developed regions to encourage and support
local development initiatives. This was to raise income levels of the people at community level and by extension reduce poverty levels.

The DRFD was inaugurated on the assumption that when rural economies are developed, then national economy will prosper by stimulating industrialization. Although planning was to be done at the district level, the central government provided the framework, the structures and conditions on who should sit on the DDCs. As a result, the District Commissioners, the Divisional Officers, and the Chiefs - all appointed by government – became the chairpersons of development committees at different levels. Memberships of DDCs are politicians - members of parliament, councillors and local leaders, church leaders, NGOs and communities were also co-opted. Though the politicians hold no positions in the DDCs, they influenced the activities of the committee.

Under DFRD, districts were required to prepare their annual development plans and submit them to the central government. They would receive allocations based on their needs as highlighted in the development plans and national priorities. However, the success of the policy has been little, if any, because other stakeholders have no powers to influence formulation of policies or to hold the government officials accountable. This has led to non-implementation of policies aimed at stimulating community development. In many instances, DDOs plan in their respective offices without consulting people. The lack of logistical support has lowered the pace of implementation and supervision of new and existing programmes, let alone plans and budgets for community based projects. The decentralization policy has failed to stimulate growth, resulting in the weak economic position.

The decentralization policy has not been successful (GoK, 1999; Owino, 1997; Ng’ethe, 1986; Oyugi, 1985, 1981). Some of these failures include:

i) Budget allocation to the DDCs, even before the 1980s, was too little for any meaningful development activity to be implemented. For instance, the allocation to DDCs amounted to only 1.8 percent of planned national development expenditure and 0.7 percent of the total expenditure for 1979/83. Further, this allocation was centrally controlled and could only be disbursed after the holding ministry has been convinced about the viability of a given project (Oyugi, 1985).

ii) The selection of projects to be funded tended to favour areas with the right political connections. In other words, those districts that have had powerful politicians in the government gained from the DRFD programme, while those in politically wrong areas were often informed to wait until funds became available.
iii) DFRD was based on the existing government structures and legal policy frameworks. It became difficult for districts to domesticate such frameworks to effectively plan and implement their development plans.

iv) The central government has been reluctant to delegate responsibilities to the districts because of the centralized political system and lack of confidence in local officers, fear of power sharing, mistrust of the development institutions, especially NGOs, need to control resources for development centrally, and weakness in the capacities of the headquarters to support and assist decentralization units.

v) While decentralization programmes have chiefly focused on shifting planning and management functions to the districts, little has been done on the implementation, monitoring and evaluation (M&E), decision-making and financial management.

vi) Lack of accountability and transparency in the use of collected funds through harambee (self-help) efforts, district based levies and even government funds has been constraining the centralized-decentralized DFRD.

vii) The creation of new districts almost every other time defeats the logic of long term planning. Often, the new districts have to share resources with the older ones, and in some cases, there are disagreements between politicians not only on the sharing of resources but also on the boundaries of the new districts. Given diminished government resources, the under financed districts barely do any planning, or, where plans are drawn, it is done as a formality.

The decentralization approach has not changed the development strategy inherited from the colonial government. This is because the beneficiaries have been largely excluded from direct involvement in the process of project design and implementation, while a number of NGOs operating at community level implement poverty alleviation programmes without consulting the people who are supposed to be empowered to get out of their impoverished status. The projects were thus seen as government and not community projects (GoK, 1999).

Besides, very little efforts were made to empower the people by strengthening social and administrative structures below the district level, even though these structures were closer to the people than those at district level. People were never trained on project identification, planning, management, budgeting, M&E of the programmes they are supposed to manage.
after donors phase out. This has led to the collapse of most donor-initiated projects, which had limited community involvement. In a significant number of cases, priorities for district projects were explicitly set by politicians and the district level staff, with little or no consultation at all with the NGOs, CBOs and religious organizations operating in the respective districts and lower tiers. This has continued to be the case even though it is obvious that the government is unable to meet its obligations to the citizenry. Consequently, there has been weak local support, ownership or commitment to projects. In short, the DFRD has not established the participatory and poverty alleviation processes it was meant to promote. Inability to involve the people in the development process has tended to alienate them from the projects a trend that has led to the collapse of most of the donor initiated development programmes.

3.5 Sessional Paper No. 1 of 1986 on Economic Management for Renewed Growth

This document marked a transition in the economic management from an inward looking structure to a more altruistic approach. It was prepared against a backdrop of poor economic performance spanning a decade, and a worsening poverty situation. The economic shocks triggered by the 1973 oil crisis virtually ended the honeymoon of sustained economic growth of the first decade after independence, as measured by GDP growth rate which averaged about 6.5 percent. The paper outlined measures to tackle the problem of economic stagnation on three policy fronts: promoting the private sector, managing high budget deficits, and correcting restrictive or distortionary foreign trade policies.

Economic growth became the major objective of national development policy. In a sense, it gave tacit approval for the Structural Adjustment Programmes (SAPs) which were implemented without a human face and ended up impoverishing Kenyans more. It was to become increasingly clear in the subsequent years that the implementation of SAPs (including liberalization) made many Kenyans poorer, with increases in prices of commodities and services including education and health particularly due to cost sharing. The implementation of the Policy Paper drifted the government away from its sustained efforts towards poverty alleviation to release the population to the jaws of poverty through withdrawal of subsidies to social services.

Given the adverse effects of SAPs, it became necessary to cushion the vulnerable against drifting further into poverty. As the government continued to implement SAPs, poverty levels continued to increase prompting the state to rethink the policy of cost sharing. The
Omiti, Owino, Otieno, Odundo

worsening poverty situation called for a shift in policy to cushion the vulnerable. This formed the core of the next series of government policy documents such as the Social Dimensions of Development (SDD).

3.6 Social Dimensions of Development (SDD) Programme

Launched in 1994, the document recognized that the institutional and economic reforms of the 1980s resulted in reduced provision of basic needs for the poor through cost sharing in services such as agriculture, education and health sectors. This resulted in loss of jobs, erosion of purchasing power and reduction/removal of a number of important government subsidies. The effects have accentuated the plight of the poor. The main thrust of the programme was therefore to cushion the poor against the adverse effects engendered by the economic reforms of the 1980s. Consequently, in the 1994/95 budget, the government allocated Ksh. 5.58 million to the SDD programme. The bulk of this money went into retrenchment payoffs, school fees/bursaries and supply of drugs in hospitals. Suffice it to say that this money was not enough to effectively cushion the poor against the adverse effects of cost sharing. Second, a significant amount of this money was spent on non-poverty alleviation projects. Third, the little that was allocated for such schemes as bursaries eventually ended up benefiting the least affected: those who have a say in the disbursement process. Despite the much hype about SDD, little has been achieved in terms of changing the status of the poor with increasing numbers drifting into poverty.

Between 1992 and 1997, the GOK released two WMS, which, together with the PPARs that were carried out during the same period, indicated qualitative and quantitative information on various aspects of poverty at national and regional levels. The PPAR highlighted insights of poverty issues through voices of the poor. However, in contrast to policy documents discussed and approved at the cabinet level, both the WMS and the PPARs remained academic, unlike the Sessional Papers and the SDD programme. This means that the political constituency that is so crucial in providing policy directions and support for implementation did not approve the documents. This explains why the policies were never implemented and the politicians may not even be aware of their existence.

While the first two policy documents were internally drawn and influenced by what was perceived to be the vision of the country’s political, social and economic needs, subsequent policies were influenced more by the global economic and political factors than internal needs. Second, they were to be influenced more by external organizations such as the...
World Bank and IMF. The Sessional Paper remained the most important economic policy document until the launch of the National Poverty Eradication Plan (NPEP) in 1999 and the release of the Poverty Reduction Strategy Paper in 2001 all of which aimed at the alleviation of poverty through appropriate home-grown community initiatives.

### 3.7 National Poverty Eradication Plan

The National Poverty Eradication Plan provides a national policy and institutional framework for action against poverty. The vision is to halt the current increase in the incidence of poverty through implementation of well-planned poverty alleviation programmes. This approach is resorted to after failing to combat poverty through national development plans and other specially designated programmes. Based on this realisation the plan intends to bridge the gap between national development plans and address the needs of the poor; come up with a charter for social integration setting out pro-poor policies and planning; improve access to essential services by low income households that currently lack basic health, education and safe drinking water; develop a strategy for broad based economic growth; increase access to education for children of low income groups; eliminate shortfalls in the poor household’s access to mother and child health care services; and enhance the assets and income streams of the poor to build and maintain group corporation.

Once put in place, the productive capacities of the households would be improved for sustained economic growth, which is equitably distributed.

Through NPEP, the GoK recognises the need for balanced economic growth and poverty reduction. This could be achieved through facilitation capacities needed at local government levels; support from national level agencies delivering productive services; and balanced development for rural urban areas.

The specific goals and targets for the NPEP are:
- Reduce the number of the poor in the total population by 20 percent by 2004; and by a further 30 percent by 2010.
- Increase enrolment rates by fifteen percent over the first six years of the plan.
- Increase completion rates by 19 percent, especially for girls in the six-year period.
- Universal Primary Education (UPE) to be achieved by 2015.
- Universal access to Primary Health Care to within 5 km of all rural households or within one hour of local transport by 2010.
- Increase by 8 percent each year until 2004, access to safe drinking water by poor households and create universal access to safe water by 2001.
- Reduce time spent by women on fuel (wood) and water collection.
- Publish “best practice” guidelines for rural and urban social development by 2000.
- 20 percent of communities to draw up action plans by 2004.
- Ensure that forty percent of all extension messages are relevant to very poor farmers (Republic of Kenya 1999).

To achieve the objectives, the implementation of the plan would be overseen by the Commission of Poverty Eradication (CPE) assisted by Poverty Eradication Unit (PEU) which will be established for development co-ordination of projects, ensure geographical targeting and provide links between policy, public sector leadership and community action planning. The partnerships would be encouraged from local through national levels. These would be “partnerships against poverty” at village, locational, divisional, district and national levels. The Poverty Eradication Programmes will be financed by Poverty Eradication Budget (PEB), which will be drawn from the exchequer. Again, an Anti Poverty Trust Fund (APTF) will be established and managed outside government framework with in-built Monitoring and Evaluation.


The Poverty Reduction Strategy Paper (PRSP) outlines the priorities and measures necessary for poverty reduction and economic growth. This document recognizes that the primary development goal for Kenya is to achieve a broad based sustainable improvement in the standard of welfare for all Kenyans, and that the role of the government should be to spearhead action and create a positive framework for poverty reduction measures. Other key features of the paper include recognition of other non-state actors as key stakeholders in poverty reduction efforts; a re-statement that economic growth that outpaces population growth is a prerequisite for poverty reduction and that economic growth on its own cannot ensure poverty reduction; and, identification of a number of targeted short-term measures to directly address some critical causes and manifestations of poverty.

The paper outlines four basic components and policy objectives in the fight against poverty, to facilitate a sustained, rapid economic growth; improve governance and security; increase the ability of the poor to raise their incomes; and improve the quality of life of all citizenry, especially the poor.

Before then, poverty eradication efforts remained in the hands of the civil society such as NGOs, welfare associations (women, youth and religious organizations). So far, PRSP is
the most comprehensive and most focused policy document in the fight against poverty since independence. This is because, it draws from the failures of the past policies and the consultative process that marked its preparation, and the involvement of stakeholders – government, the donors, civil society, the private sector and the citizens. Second, the government is going through a budgetized expenditure within the MTEF which addresses short term, medium term, and long-term strategies of alleviating poverty. This particularly highlights projects which could be initiated and implemented to realize sustained development within clear time frame and budgeted resources.

3.9 Poverty Reduction in National Development Plans

Since independence, the country has produced eight development plans covering the periods 1966-1970, 1970-1974, 1974-1978, 1979-1983, 1984-1988, 1989-1993, 1994-1996 and 1997-2001. Traditionally, development plans covered a five-year period. However, 1994 marked a change when the seventh development plan was drawn to cover a three-year period. Currently, the ninth plan is being drawn to cover seven years (2001-2007). Initially, the government reasoned that plan objectives could be achieved in the medium term, hence the five-year plans. This however proved elusive, as the subsequent plan would be released without the objectives of the previous one being achieved. The focus then shifted to drawing up goals that could be achieved in the short term. This again proved elusive, and currently, the government hopes that a balance between the medium to long term would be ideal. It should, however, be noted that this has been occasioned partly by the change in government financing policies under the MTEF. The various plans have continuously emphasized alleviation of poverty, which has proved elusive over time.

Table 1 summarizes the policies related to poverty reduction in these development plans, some of which have been discarded in subsequent planning periods. In particular, this began with the 1989 – 1993 Development Plan when for instance, the policy of Kenyanization of the economy was dropped in subsequent plans. The only policy that has been pursued consistently by the government over time is that of encouraging growth in national and per capita income. Further, other policies are relatively new, and are phenomenon of the 1990s which are consequent upon emerging development issues such as cost sharing. In this category are policies that aim at: providing expanded basic needs in education and health, instituting a market-oriented strategy to mobilize resources for economic development and pursuing appropriate fiscal and monetary policies for improved economic growth and development.
### Table 1: Poverty Reduction in National Development Plans

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<tr>
<th>Policies</th>
<th>66-70</th>
<th>70-74</th>
<th>74-78</th>
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<th>89-93</th>
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<tr>
<td>Growth in national and per capita incomes</td>
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<td>Kenyanisation (hand over posts held by foreigners to Kenyans)</td>
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<td>Increased role of govt in social and economic development</td>
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<td>Expansion of the formal education system/UPE</td>
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<td>Free medical services</td>
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<td>Rural development</td>
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<td>Equal distribution of income through taxation, price and wage controls</td>
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<td>Self-employment/Informal sector</td>
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<td>Expanded health infrastructure</td>
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<td>Urban housing</td>
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<td>Social welfare/community develop through self help movements, etc.</td>
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<td>Family planning and maternal child health (MCH) programmes</td>
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<td>Price controls of basic necessities required by the poor</td>
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<td>Emphasis on prevention of disease/promotion of health care in rural areas</td>
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<td>Rural development and district planning</td>
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<td>Increased efficiency (in the public sector)</td>
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<td>Limit the role of government to provision of essential and strategic services (leave commercial activities to private sector).</td>
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<td>Incentives/opportunities for private domestic savings</td>
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<td>Incentives to promote increased role of private sector in the provision of social services and development</td>
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<td>Provision of expanded basic needs in education and health through cost-sharing</td>
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<td>Market-oriented strategy/liberalization to mobilize resources for growth and economic development</td>
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<td>Tight fiscal and monetary policies/financial discipline</td>
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In general review of policies targeting poverty reduction indicate that the country is not short of the right policies. However, in the face of increasing poverty levels, several factors tend to explain the worrying trend. These are:

i) Lack of political will to implement the policies: Non-implementation of policies has been blamed on lack of political will to implement the grand ideas contained in the Sessional Paper No. 1 of 1965. Once it had accomplished the goal of silencing critics of the first KANU government, that was about all. The document was subsequently shelved.

ii) The donor syndrome is inherent in most of our programmes: Policies have been forced on the country to qualify for development assistance, both multilateral and bilateral. Such policies have never given the role of local institutions, community and the people to benefit from the programme any serious consideration to date. Such policies have partially been successful or miserably failed.

iii) Weak resource base among the institutions: A number of institutions, starting with the government, are seriously cash strapped with collapsed infrastructure. Poverty alleviation is a gigantic national undertaking requiring colossal amounts of resources. More fundraising would be required to pool funds for poverty alleviation programmes if the trend is to be reversed.

iv) A number of policies are neither serious nor authentic: Some policies are intended to appease the public at crucial times, mostly during elections. This is particularly true of the political manifestoes, which indeed are public relations exercises for political parties whenever elections are about to be held rather than addressing real issues such as initiating sustainable poverty alleviation programmes.

v) The exclusion of institutions involved in poverty alleviation programmes: The role of institutions in poverty reduction programmes has not been well appreciated. Further, the policies that govern the operations of most of the non-state operations are formulated without soliciting their input until recently (post 2000).
4.0 EXPERIENCES AND ISSUES IN POVERTY REDUCTION

4.1 Categories of Institutions

The findings of the study revealed that categorization of institutions involved in poverty alleviation is critical. This is because of the unique positions and advantages that the different institutions have in implementing poverty related programmes. For instance, CBOs are closer to the people, consult more extensively and are perhaps more participatory in their programmes, while the NGOs have a greater capacity in terms of financial resources. On the other hand, the government has greater expertise and is indeed the largest of all institutions. Categorization is therefore necessary so that some generalizations can be made about the institutions involved in poverty alleviation programmes. Analysis of roles of government departments involved in poverty reduction is given below.

4.1.1 Government Institutions

The government is, perhaps, the largest institution involved in poverty alleviation programmes. The role of the government includes managing food security and nutrition, availing infrastructure and technical assistance, and resources necessary for implementation of programmes for improved productivity. Generally, the traditional role of government is to:

i) formulate rules and regulations of society that allow markets to flourish;

ii) design policies that facilitate the efficient distribution and allocation of resources to enhance the welfare of citizens;

iii) provide institutional infrastructure such as laws, rules and regulations that protect life and property, as well as maintain public law and order;

iv) promote economic development by undertaking investments in infrastructure which go beyond the scope of private sector; and

v) provide public goods such as education and health in order to raise the stock of human capital and its productivity in the long run.

The government’s performance in poverty alleviation programmes shows that not much success has been achieved. From independence, the government expanded public provision of services without ensuring quality and equity in provision or access. Specifically, increased spending has not been translated into better living conditions for the citizenry as an increasing number still live in abject poverty. Some of the policies were populist and not supported by economic principles and prudence. An example is the 10 percent increase in employment ordered by the head of state in 1979 which led to bloated labour force which is currently
being retrenched. This was done without due consideration to budgetary implications. Generally, management of government resources has been characterized by patronage, corruption and inefficiency. This bad negative publicity has increased the calls for good governance, reforms in key economic sectors and limited role of government in the provision of goods and services. This scenario has not augured well for the implementation of poverty alleviation strategies.

4.1.2 Non Governmental Organizations (NGOs)

From humble beginnings in the 1960s, the NGO sector has grown and is currently estimated to be having a turn over of about Kshs. 20 billion annually. The NGO sector has made significant inroads in virtually every facet of the country’s development and plays a crucial role in various development projects (education, health, agriculture, infrastructure, among others), advocacy, policy influence and capacity building. This is a significant shift in focus from the initial concentration on simple charity and relief activities. The NGOs have registered a veritable presence in the political, economic and social sphere, a field previously dominated by the government. This has been aided in part by the diminished government resources particularly in the late 1980s and 1990s. This sector has not only influenced policy on poverty alleviation but also effectively involved in initiating poverty alleviation programmes. They have been supplementing government efforts in raising the economic status of the people.

However, the NGO sector remained unregulated until the enactment of the NGO Coordination Act 1990. The Act set up the NGO Registration Bureau and the National Council of NGOs. While it is supposed to be the umbrella body bringing together all NGOs in the country, quite a significant number of NGOs are not registered with the Council and continue operating without their activities being brought to the attention of either the Bureau or the Council. Consequently, a number of so-called briefcase NGOs have sprung up and get donations from local and international bodies in the name of poverty alleviation but without any activities or projects to confirm their participation.

4.1.3 Community Based Organizations (CBOs)

Community Based Organizations (CBOs) have emerged as an important avenue in poverty alleviation efforts. Of particular significance are women and youth groups, church credit schemes, and informal Rotating Saving and Credit (ROSCAs) schemes (also called “merry-go-round”). In a number of cases, CBOs have been identified by international organizations
such as ActionAid – Kenya as channels through which poverty alleviation programmes could be implemented. As such, a number of CBOs are funded directly by international donors and religious organizations. This could be due to their proximity to the people and being owned by the people they serve.

However, the CBOs are faced with a number of problems including limited capacity, poor organization and lack of access to information and sources of power, which are needed for development and accumulation of wealth. In addition, there are Small and Micro Enterprises (SMEs) that are offering credit for the poor. However, the SMEs have operated in a policy vacuum. It is only in 2001 that the government has promised to introduce a legislation to govern their operations. Another challenge has been the capacity of the CBO members to undertake normal tasks such as bookkeeping and general management of their finances. This is because most members of CBOs are barely literate. Inability of most members to interpret statements of accounts has subjected them to manipulation by the more enlightened members. In cases where it has happened, poverty alleviation programmes have collapsed.

4.1.4 Donors or Development Partners

Increasingly, the development agenda of the country has largely been dictated by the donors particularly from the 1980s when the country started implementing the World Bank and IMF sponsored Structural Adjustment Programmes (SAPs). The current shift in policy from economic growth to poverty reduction has been forced on the government by the donor community who insist that the approach is the only way to access credit from the institutions. In an attempt to meet the conditionalities, the government came up with Poverty Reduction Strategy Paper (PRSP). Since the Bretton Woods Institutions set the tune, other bilateral organizations have since withheld funding development projects until the government meets their conditionalities. The ever-changing conditionalities have almost blocked government’s access to credit and halted her attempt to implement poverty alleviation programs.

Donor support is uncoordinated in some areas resulting in overlap of poverty alleviation programmes. Again, there is no proper forum where the multilateral and bilateral donors share their experiences on programmes being supported. Most donor-supported programmes are concentrated in or around urban centres or preferred rural areas resulting in imbalance in poverty alleviation.
4.1.5 Private Sector

Private Sector institutions include: multilateral national and local level companies, cooperative societies, the informal sector (Jua Kali), small/micro credit schemes, among others. The roles played by these agencies encompass formal/informal employment, training, credit facilities, etc. Currently, the informal sector is the largest employer of Kenyans contributing substantially to poverty alleviation. In 1997, for example, the sector employed 64 percent of the total workforce outside the smallholder agriculture (Bigsten, et. al. 1999). Multinational companies have engaged directly in poverty alleviation programmes in a variety of ways. The British American Tobacco Company supports the informal sector in Kenya. The company sponsors a yearly exhibition of products from informal sector under the auspices of “Jua Kali/Nguvu Kazi” Exhibitions. This has supported the construction of sheds and promote skills development for improved productivity. This effort has raised the income of those involved in this sector.

Other multinational companies such as the Unilever Group, Delmonte, the tourism industry, construction etc employ a sizeable number of Kenyans. On the other hand, the micro credit institutions target the small-scale traders as opposed to the big commercial banks whose loans are beyond the reach of most Kenyans. The traders have a better repayment record than most clients of the big commercial banks, which in any case have retrenched a significant number of their employees raising poverty. However, the micro finance institutions have operated in a legal vacuum, with their activities remaining largely unregulated. Since their inception, they have expanded access to credit to most vulnerable in an effort to initiate income-generating activities. In areas where such credit has been managed well, poverty levels have greatly reduced through increased productivity.

4.2 Location of Institutions

The location of institutions involved in poverty alleviation varies greatly depending on their size and mission. The location of such institutions depends largely on infrastructure and urban bias. Others factors determining location of institutions are: security, political influence and cultural and community preferences. Consequently, areas with the highest coverage tend to be near urban areas and/or with good infrastructure both human and physical, while areas with the lowest coverage are in low population density areas, areas that have insufficient communication network, arid and semi-arid lands, and, invariably, rural areas, despite the fact that available evidence shows that the rural areas have higher incidences of poverty. Though available evidence indicates that politics play a lesser role in the
location of institutions, communities do not have any say on the number and type of poverty alleviation programmes to be implemented leave alone their management. The survey revealed that community involvement is restricted to inviting organizations to assist in projects. However, this too is dependent upon other factors which may be put forward by supporting institutions.

4.3 Dominant Institutions

There are various categories of institutions involved in poverty reduction programmes in the study districts. The survey revealed, one, the dominant institutions tend to be international NGOs, and they dominate in the areas of sustainable livelihood, education and training/skills development and health especially HIV/AIDS. The institutions have compartmentalized their activities by region. It is rare to find more than one international organizations operating in the same area. Despite the limited mix of international organizations in any given district, there exists a good mix of actors by sectoral activities. While by sector, infrastructure has received least attention, with some areas not having institutions focusing on infrastructure except the government. This is because traditionally infrastructure is regarded as the role of government. Various government departments cut across all sectors and indeed are the dominant players in most sectors. Finally some institutions deal with specific activities such as macro finance support to women some of whom have not had significant impact.

4.4 Sectoral Coverage

The focus of institutions differs by region, district or sector due to needs of specific areas. In effect, each area and each institution prioritise particular activities and sectors for the areas they operate in. Invariably, the NGOs choose which sector(s) to support and which ones to ignore based on interest, location and needs of the people they intend to serve.

Agriculture has not been given prominence despite its importance in food security, enhancing nutritional status and employment. This is against the emphasis given to the sector in KANU Manifesto. In addition policies that would have attracted the presence of NGOs in this particular sector is lacking. Except for a few areas, little attention has been directed towards improving the small-scale enterprises and other Income Generating Activities (IGAs) to alleviate poverty. Again, despite the significance of judicial, executive and legislative governance structures in promoting human rights and poverty interventions, the survey indicated that it has hardly any prominence among the programmes of institutions in the respective districts.
4.5 Competency of Institutions in Tackling Poverty

Alleviation of poverty requires adequate capacity in physical, human and financial resources. Only well resourced organizations are likely to make any significant impact in poverty reduction efforts. An assessment of the capacity of institutions to effectively address poverty alleviation was carried out both from observations as well as community and organizational perspectives. The survey examined the institutional, human, physical, financial and infrastructural capacities of the institutions involved in poverty alleviation. It revealed deficiencies in almost all areas required for efficient and effective operation of the programmes.

The perceived strength of their capacity as measured by: physical and human infrastructure, technical expertise, outreach activities, and financial base, among others. As in the case with dominant institutions, institutions with strong capacity tend to be international or national with an established track record. These institutions exhibited expertise in focus areas and adequate resources such as vehicles and other facilities for outreach activities, strong financial base, are well networked, have well trained personnel and adequate office space including own office blocks, among others. The strong financial base of most institutions in this category stem from their links with other international bodies particularly in their home countries where they are registered as charitable non profit making organizations. In a number of cases, national institutions falling in this category are also funded directly by external donors.

On the other hand, the characteristic features of institutions with weak capacity include: thin human resources on the ground, limited expertise focal areas, inadequate resources which inhibit outreach activities, dependence on others/members contribution and lack of physical, human, financial resources for increased coverage. For a majority, the personnel are poorly trained, if any, and where they are trained, the level of formal education is sometimes low. Most institutions falling in this category are CBOs. Since most of them are constrained by technical expertise, they sometimes rely on the well-established institutions such as the government for technical backstopping to implement their initiatives.

The study revealed that most of the local CBOs have great potential but lack capacity in terms of financial, physical and human resources. Similarly, the religious/mission institutions are well grounded and have the support of most of the community members yet they are not adequate to handle the challenges of poverty alleviation. In cases where they have
near adequate capacities, they tend to confine themselves to members of their faiths. This limits the coverage of the impoverished population in areas they serve.

4.6 Transparency and Accountability Issues

Transparency and accountability is yet another critical factor in determining the effectiveness of institutions in addressing poverty. According to the survey findings, most of the institutions are not transparent and accountable to the people. The most transparent and accountable institutions in focus districts based on the perceptions of the recipients of their poverty alleviation are highlighted below. Programmes as well as opinions of other stakeholders such as the DC, DDO, DSDO, and communities were used to rank institutions according to perceived levels of accountability and transparency.

The transparent and accountable institutions could be categorized. First, the local CBOs were seen to have simple operations that are open to public scrutiny. On the other hand, for the religious and mission organizations, the communities attest to their openness, bonded by the dictates of their respective faiths. The national and international level institutions were praised by communities that they are involved in project cycle, audited accounts, both internally and externally.

Generally, transparent and accountable institutions appear to cut across the board, that is, international, national and religious/mission organizations and CBOs.

Evidence of less transparent and accountable institutions was observed in cases of:

i) Less transparency on financial matters - diverting of funds to less priority areas, pilferage, poor record keeping, and failure to involve the people in financial management.

ii) Requests for exemption from tax and waivers from the government and the failure to extend the same to beneficiaries, e.g. often importing vehicles for individual use other than for implementation of poverty alleviation programs.

iii) Charging relatively high interest rates with limited grace period leading to high default rates.

iv) Reluctance to bring the government on board, especially in regulating programmes for fear that their activities will be subjected to scrutiny by collaborators and stakeholders within and outside their area of operation.

v) Requesting for land from the community without due consideration to transferring derived benefits. Often communities are alienated from poverty alleviation programs, which should serve them.
However, communities cannot question the operations of institutions because they regard
the NGOs, as benevolent masters helping them accomplish what they could not do
themselves. This has dissuaded communities from questioning activities of NGOs for fear
that they may withdraw their support.

4.7 Participatory Planning and Development for Poverty Eradication

The survey revealed that communities are not involved in planning for poverty alleviation
but where they are, they monitor and evaluate projects run by the communities; train the
beneficiaries on M & E to empower them to undertake these activities; incorporate the
local elders and administrators e.g. chiefs in their programme committees; and use opinion
leaders to sensitise the community on the importance of programmes.

For effective and popular community participation in development, several strategies were
suggested. These include:

i) Creating the political space where people and their organizations can flourish and
actively seek people’s input into the decision making process.

ii) Working with people and their representatives in formulating development strategies
with the aim of achieving “self reliant and people centred development.”

iii) Devolving power from the centre to the people, adapting government efforts to
people’s initiatives, and creating an enabling environment which makes genuine
empowerment of people a reality.

iv) Enabling people to direct their own socio-economic transformation by giving
recognition to their institutions and grassroots initiatives and developing cooperative
partnership that reflect African priorities.

v) Developing creative and mutually beneficial partnerships between public institutions,
private sector and NGOs.
vi) Enabling communities to identify with poverty alleviation policies, programmes and projects and in the long run, ensure their sustainability.

4.8 Issues for Effective Governance

Effective governance is a pre-requisite for efficient implementation of poverty alleviation programmes. Arguably, responsive governance structures guarantee the full enjoyment of human and economic rights. In the end, it allows the various actors to participate effectively in poverty reduction. When citizens are aware and defensive of their rights, they are more assertive and are able to promote their own interests.

Legislative governance is crucial as it relates to the promulgation of laws and institutions that guarantee access to resources by all segments of the society. Women’s lack of access to family properties, and inheritance, in some communities is a hindrance to poverty reduction efforts. In addition, practices that inhibit poverty reduction strategies such as corruption could be handled within the legislative governance framework. Laws should protect the right to property ownership. Lack of appropriate legal frameworks can hamper the operation of organisations involved in poverty reduction efforts. While small and micro enterprise schemes play a significant role in poverty reduction, they are operating in a legal vacuum, which is likely to reduce their effectiveness in poverty alleviation. While enforcing rules and regulations creates a conducive environment for investment, instituting measures to fight corruption requires legislation. Ideally, the will to eradicate corruption should emanate from the executive and political establishment, while the judicial system facilitates mitigation between disputing parties and interprets legislation. The three forms of governance are complementary and should work to ensure the implementation of poverty alleviation programmes independently, yet harmoniously.
5.0 CONCLUSIONS

5.1 Institutional Capacities

Strengthening of institutional capacities is the most important step in the fight against poverty. The development agencies need to emphasize a capacity development agenda as a means of overcoming the institutional gaps present in many countries (UNDP, 2001). It is urgent to build long-term capacity of local institutions and actors, and also analyse existing policies and practices. There is need to strengthen inter-organizational collaboration within sectors with guidance and infrastructural support from the government.

5.1.1 The Government

In order to successfully implement poverty alleviation programmes, it is critical for the government to improve governance and make government institutions work for the poor. It is suggested that the government develop a clearer vision, develop stable and representative constitutional arrangements; decentralize through devolution of power; develop and enforce the rule of law; secure property rights and adjudicate disputes; invest in a healthy and knowledgeable citizenry; encourage private sector investment in infrastructure and production; manage resources transparently; and, deliver goods and services effectively to communities and firms.

These factors will facilitate the poor’s access to basic services. To achieve this, the poor should have capacity to understand the operation of institutions involved in poverty alleviation. Subsequently, effective civil society development organizations should be supported by the public and private sectors. CBOs, NGOs and religious organizations should remain supportive in facilitating delivery of goods and services. However, they have not been able to reach out to all the needy people. This could be achieved by strengthening their capacities – financial, logistical and human to enable them adequately handle challenges of poverty alleviation.

5.1.2 Non Governmental Organizations (NGOs)

In order to oversee, coordinate and integrate the activities of NGOs involved in poverty alleviation and to streamline their activities for the benefit of the poor, a series of measures need to be taken by international, religious and national level institutions.
i) **International organizations**, need to enter into contractual and non-contractual partnerships with local CBOs, and also involve the community in project conceptualisation, identification, design, implementation and monitoring and evaluation.

ii) **Religious/mission organizations** need to expand outreach programmes beyond members of their faithfuls. There is also need to train personnel in specialized aspects like planning, management and extension services especially in water, agriculture etc.

iii) **National institutions** should be involved in the provision of infrastructural facilities for transport (e.g. motor bikes, vehicles, and bicycles), injecting additional finances, training of personnel and promotion of group dynamics in the project activities by specific institutions is critical.

In addition, there is need to assist the community to initiate their development agenda based on need and respect for CBOs; help clarify institutional and national philosophies and values; effectively expand and coordinate activities; determine needy sectors and areas of focus; have memorandum of understanding with communities and government; and, ensure accountability and transparency of activities in which they are involved.

### 5.1.3 Community Based Organizations (CBOs)

The capacities of CBOs should be enhanced through training in basic project management, financial systems/book keeping, public relations, sales and marketing, networking and partnerships with other organizations among others. Additional financial support and recognition as legitimate development actors would improve their performance. CBOs should be used for community participation in development activities. On the other hand, review of laws and regulations which affect their operations is crucial. Efficient communication channels between CBOs and development partners should be strengthened through formal linkages. Increased fundraising to boost financial position of CBOs, and to enable them to implement poverty alleviation programmes.

### 5.1.4 Development Partners (Donors)

There is need for donors to share the vision of addressing poverty with other stakeholders to facilitate coordination of poverty alleviation programmes. Harmonize channelling of funds targeting specific programmes for development.
5.1.5 The Private Sector

Measures that would be instituted in encouraging private sector participation include creating an enabling environment for their operation through giving tax incentives to those involved in poverty alleviation programmes; creating legal framework for the operation of MSE credit schemes, improving governance, security and curbing corruption, simplifying licensing procedures, involving private sector institutions in policy formulation and decision making. Measures should also be put in place to encourage private sector institutions to be self regulating but with the guidance of the government.

5.2 Institutional Location and Geographical Coverage

The majority of institutions involved in poverty alleviation programmes tend to situate themselves in urban areas or other rural areas with relatively better infrastructure. To create equal representation, there is need to introduce appropriate incentives (such as tax rebates, free land, waivers and exemptions on input/equipment) to enable the development institutions expand coverage to disadvantaged and hardship areas that are not currently covered, yet are more impoverished than the areas that are currently covered.

5.3 Presence of Institutions by Area/Sector

There is need to enhance intra/inter sectoral collaboration among the development institutions to minimize duplication of services. This will entail initiating local stakeholders’ fora where they do not exist and strengthening the already existing structures including the DFRD, to undertake project prioritisation, monitoring and evaluation.

Additionally, there is need to empower and equip communities with survival skills including the ability to recognize and exploit local potential sources of income and livelihood. Agencies dealing with communities need to foster and encourage home-grown strategies and approaches in poverty alleviation. Adopting home-grown strategies in poverty alleviation requires greater co-ordination, collaboration and co-operation among the development partners. To this end, contractual or non-contractual partnership that exists between/among the agencies should be encouraged to harmonize their operations and ensure effective delivery of services to the community.
5.4 Participatory Planning and Development

The community should be involved in all the stages of development intended to improve their situation:

i) Provide increased opportunities for the communities to identify their respective needs, prioritize, plan and budget for the implementation of such projects. In addition, communities should contribute a given proportion of the total budgetary requirement for full implementation of a project. This will enable them to own the project and ensure sustainability.

ii) Encourage the mobilization of community resources (labour, materials, finance, etc) to provide local funds to complement donor support for projects. This would improve ownership and ensure sustainability.

iii) Encourage community ownership in all aspects of the project cycle (conceptualization, planning, budgeting, implementation, monitoring and evaluation).

iv) Sensitise communities to initiate development projects from within and highlight the need for transparency and accountability. The local CBOs should actively be involved in the initiation, implementation, monitoring and evaluation of projects. There is need to emphasize record keeping as an important element of project management and improved financial discipline.

v) Establish an in-built mechanism for the gradual reduction in donor-dependency. Thus, as a project progresses, there should be a mechanism to enhance community capacity in such aspects as financial management, procurement, monitoring and evaluation.

vi) Enable the communities to understand their strength when participating as a group and educate them on the role played by effective feedback systems as prerequisite for project sustainability.

5.5 District Focus for Rural Development Strategy

The DFRD was aimed at encouraging local participation in project design, identification, operation and maintenance and accelerate the development of rural areas. It was envisaged that the DFRD would broaden the base for decision-making at the local level and raise productivity. The strategy was also envisioned to be significant in employment creation, identifying the district resource envelope and improving on its distribution and, enhancing intra and inter departmental district co-ordination and collaboration. Through these, socio-economic development was to be fostered through more responsive poverty alleviation programmes. Unfortunately, the strategy has not attained its goals as earlier anticipated.
There is need to reform the DRFD to provide an impetus in decentralising the operations of institutions involved in poverty alleviation. It would help overcome the following difficulties embedded in the original document namely:

i) avoid running parallel to the local county councils, which produces conflicting results,
ii) lack of an appropriate legislation to back public support for poverty alleviation strategies and, de-linking itself from state led poverty alleviation programmes,
iii) failure to harmonise its existence with the participation of other development partners at the local level,
iv) lack of more responsive and flexible district plans and budgets drawn from the needs of the local communities,
v) failure to provide a technical backstop to the various programs run by the communities.

DFRD could be rejuvenated by establishing legislation to back up the DFRD and soliciting public support for its approach in poverty alleviation. Secondly, creation of committees at the village level and subsequent devolution of decision-making process to local units. Three, district plans and budgets be drawn from the needs of the communities as identified by them. A participatory approach where their views are incorporated in drawing up the document. Four, harmonize the plans among the various agencies engaged in district development activities. The DDC’s Office in collaboration with the DDO’s office should help create a secretariat who is responsible for collating views and together with the communities prioritise their development needs. The secretariat should advise potential development partners of areas of need within the district. Lastly, the development partners should work jointly to identify a common resource envelope, share information on projects and develop district plans. To achieve this, there is need to put in place legislative structures to provide institutional mandate needed for efficient operation of various stakeholders in poverty alleviation.

5.6 Stakeholder Participation

The stakeholders in poverty alleviation should embrace bottom-up approach where communities are involved at every stage in the project cycle: conceptualisation, planning and budgeting, implementation, monitoring and evaluation. To enhance project sustainability, communities should be sensitised to own and maintain development projects. Ideally, the community should formulate the objectives of the new projects before embarking on the actual implementation. Thereafter, the communities together with stakeholders should conceptualise the project and assess the needs in the context of possible alternatives.
This would stimulate the mobilization of local resources, and final implementation of various programs. Regular reviews by lead institutions, local CBOs and the government in consultation with communities would ensure successful implementation and sustainability of projects. The development partners should be encouraged to initiate pro-poor community interventions that would be beneficial to them and improve the economic status of the majority. Figure 2 presents a proposed framework for implementation of poverty related projects by a variety of stakeholders.

As proposed in the Figure 2, community sensitisation could be undertaken by the government, non-government institutions, community leaders among others. The next step after sensitisation is conceptualising the project including assessing the essential needs in the context of possible alternatives. This would allow for the mobilization of individual community where feasible, and subsequently allow for the final implementation of respective programs. Regular reviews by the lead institutions, local CBOs and the GoK are important in enhancing project performance and sustainability.

5.7 Utilization of Poverty Reduction Funds

Lack of transparency and accountability in the management of funds has been blamed for creating friction between and among the communities and the institutions involved in poverty alleviation. To guard against misappropriation, there is need to create a poverty alleviation fund at district level coloured by sector and development partners with managers of the fund drawn from representatives of all stakeholders. They would be trustees to the pooled fund and to disburse as may be planned. In the framework, monitoring and evaluation would be a continuous process with periodical reporting to relevant stakeholders. The role of the government should be limited to regulation, monitoring and evaluation as regards the operations of development agencies involved. The government would coordinate activities of the different institutions involved in poverty alleviation to ensure communities maximize benefits from poverty alleviation programmes.

Figure 3 presents a proposed framework for the disbursement of funds targetting poverty programs. Ideally, one of the best way of channeling funds is a multi-sectoral and participatory approach with in-built checks and balances. This model envisages a situation where the money meant for poverty alleviation from both the Government and the donors is channelled to a poverty alleviation unit such as a District Consolidated Poverty Fund, run by a stakeholders committee, which will include organisations and other players involved in poverty alleviation and whom the funds directly target.
The framework requires the creation of a unit composed of the various stakeholders as the trustees to disburse targeted funds to individual CBOs, NGOs and other players in poverty alleviation. Meanwhile, monitoring and evaluation would be an ongoing process at the various stages with periodical reporting to every other tier. This requires implementing agencies reporting to the disbursement unit on the utilisation of funds, and the disbursement unit reporting to and informing the District Stakeholders Committee on the progress in the implementation of programmes/projects and impacts at every stage. The District Stakeholders Committee would be required to report to a national monitoring forum such as a consortium of NGOs, development partners and the government, in addition, ensuring the creation and maintenance of an enabling environment for effective initiation, implementation and sustainability of projects.
5.8 Sectoral Performance

Not all sectors involved in poverty alleviation can receive equal attention by the donors, NGOs, or even the CBOs. There is need to identify sectors which are relatively more vital in poverty alleviation strategies and which could be used to stimulate other sectors through increased allocation of financial and physical resources. Based on this realization, micro and small enterprises, health, education, income generating activities and agriculture should be given prominence in financing for poverty alleviation.

i) **Medium and Small Scale Enterprises:** In as much as there are agencies in MSE programmes, access to funds is limited partly due to the high interest rates and the limited grace period. Agencies involved in poverty alleviation need to lower their interest rates and extend the grace period for wider coverage and ease of repayment. They should enhance people’s participation by creating innovative approaches such as rotating savings and credit schemes and village banks to boost
financial position of communities. In particular, community-based savings and credit schemes to be supported should contain the following attributes:

i. appropriate support from all members of the communities
ii. willingness to operate as a group
iii. have elected leaders
iv. be legally registered
v. have an operational bank account with operational savings
vi. be willing to lend at low interest rates and provide subsidies to its members,
vii. loans to be generated by the group members.

ii) **Establishing Bamako initiatives or community pharmacies**: Increased support should be given to the Bamako Initiatives/community pharmacies to take health services closer to the people. Community health needs could be met through well-stocked BI’s and qualified personnel managing them. The units also reach a wider segment of the community. Also community HIV/AIDS campaigns particularly those targeting widows and orphans should be through BI’s. The BIs could also diversify by initiating IGAs to boost their financial base.

iii) **Promoting Income Generating Activities**: This could be one of the effective strategies to fight poverty. Emphasis should be placed on individual entrepreneurs, disabled women and youth groups. While capacity building is crucial for the success of any institution, and sustainability of projects, directing colossal sums to it than to poverty alleviation programmes has resulted in the collapse of certain projects. Such organizations have been blamed for lack of transparency, and ineffectiveness in the use of poverty alleviation resources.

iv) **Improving food security through agriculture**: Diversification of agriculture to reduce over-reliance of specific crops, value-adding activities, expand cottage industries, water management for irrigation, domestic use, marketing facilities and trade would raise food level and boost household incomes.
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