

MULTI-ANNUAL COUNTRY STRATEGY 2019-2022

KENYA



Picture by Jeroen van Loon

A handwritten signature in black ink, appearing to read 'Frans Makken'.

Frans Makken

Ambassador

12 October 2018

Multi-annual Country Strategy 2019 to 2022 Kenya

In effect up to and including 31 December 2022

Strategic Goals and Commitments

The Netherlands aims at vibrant bilateral relations with Kenya, focusing on promoting responsible and sustainable trade and investment, innovative ways of working, while contributing to the prevention of conflict, poverty, migration, inequality and climate change. Strengthening the position of women and girls will be a common theme. Both delegated and central funds will be deployed as much as possible in sync to realise the BHOS objectives.

Peace, Security, Stability, Migration: Kenya as a relatively stable country in a fragile region is an important partner in the Dutch strategy for the Horn of Africa. Focus will be on a more efficient Judiciary, improved humanitarian assistance and prospects for refugees and host communities, reduced chances of radicalisation, improved P/CVE, through: support to legal NGOs, PSD, UN, EU

Sustainable Trade and Investment: value chains geared to SDGs, improved business climate, jobs created, effective business network, through: use of RVO budgets, SIB, HUB, Innovation Fund, start-ups, Nuffic, TVET, SDG3 platform. **International Legal Order and Human Rights:** improved working environment for NGOs, increased safety for HRDs and LBGT, judiciary strengthened, through: diplomacy, support to NGOs and engaging Partnerships

Social Progress: more effective CSOs and improved social indicators, such as SRHR, access to justice, women's rights, through: Partnerships, innovative PPPs, dedicated central funds, job creation for women and girls, **CSR Trends in Food Security, Water and Climate:** improved agricultural value chains, climate-smart approaches, access to safe drinking water through: innovative financing, PPP's, Dutch expertise, a resilience agenda, WASH, TVET.

I Context

Economic Kenya is one of the fastest growing economies in Sub Sahara Africa; it became a lower-middle income country in 2015. International businesses regard Kenya as an East African hub, as it boasts good connections, a dynamic private sector, a reasonably skilled workforce and high internet and mobile phone penetration levels. The Netherlands is among the four most important export destinations for Kenya, but first in terms of agricultural exports. The 'aid-to-trade' narrative was very well received in Kenya and more than 125 Dutch companies, from multinational to start ups, are represented.

Kenya's economy is generally resilient despite occasional shocks to the system around elections and due to adverse weather conditions. The economy is expected to grow by five to six per cent in the coming years. There are, however also serious challenges to cope with, such as corruption, bureaucracy, unpredictable taxation, lack of a level playing ground and a very skewed income distribution.

Social Kenya has attained some important MDG's in health and education, but key challenges remain, including poverty alleviation, inequality, governance and climate change. The Kenyan President launched the "Big Four" strategy in 2017, with ambitious goals for

manufacturing, universal health care, affordable housing and food and nutrition security. These plans address main challenges ahead such as job creation, service delivery, infrastructure, food for all and leaving no one behind. Climate change and an increasingly erratic water supply will affect Kenya's dominant sector, agriculture, and thus pose a challenge to these objectives.

Security The Netherlands' regional strategy for the Horn of Africa situates this region in the 'second ring of instability'. It therefore aims to contribute to a more stable, safe and resilient Horn region through development, managing migration, P/CVE and promoting Rule of Law. Kenya's security situation is affected by both internal conflicts as well as cross-border terrorist movements and some fragile neighbours. It is regularly confronted with humanitarian needs resulting from droughts, floods and conflict, and has hosted large numbers of refugees for several decades.

Climate Kenya is ranked as the 31st most vulnerable country to climate change and is the 37th least ready country to leverage investments for adaptive action.

II The Netherlands' objectives and strategy in Kenya

International Legal Order and Human Rights

Contributes to SDG 16: *Peace, Justice and Strong Institutions*
Results Framework medium term outcomes Civil Society Development: *Laws, regulations and practices enable CSO's to engage in advocacy*
Contributes to Integrated International Security Strategy (IISS¹) goal 11: *promoting the international legal order*

The Netherlands has, over the years, gained both trust, leverage and a leading role in both the Human Rights and civil society sector, through the support to and collaboration with human rights NGOs and the state human rights agency.

The Netherlands seeks to achieve improved promotion and protection of human rights in Kenya with a focus on priority areas of the Dutch human rights policy.

Medium term outcomes

- Improved operating environment for CSO's
- Increased safety and amplified voice of Human Rights Defenders, Journalists, LGBT community and victims of serious human rights violations with a focus on accountability

¹ The Netherlands published in March 2018 the Integrated International Security Strategy (IISS) 2018-2022. The IISS focuses on three pillars: prevent, defend and strengthen. The Netherlands focuses, within the context of bilateral cooperation with Kenya, therefore also on security, specifically counterterrorism and preventing/countering violent extremism (P/CVE).

Social Progress

Contributes to SDG 3: *Good health and well-being*, SDG 5: *Gender equality*, SDG 17: *Partnerships for the goals*

Results Framework:

Medium Term outcomes Civil Society development: *Inclusive laws, policies and practices*

Objectives SRHR Framework: *Better public and private health care for family planning, pregnancies and childbirth, including safe abortions*

Outcomes Women's rights and gender equality: *The enabling environment for women's economic empowerment has improved*

The Netherlands has a distinctly positive profile in supporting civil society to play their role in holding government and private sector accountable for the respect of human rights and delivery of inclusive sustainable development. The focus will be on sexual and reproductive health and rights (SRHR, including HIV and the rights of lesbian, gay, bisexual and transgender people (LGBT), refugees and adolescents), access to justice, women's equal rights and the rights of persons with disabilities.

This will require an enabling environment for civil society and human rights defenders to operate freely, which relates to the work under international legal order and human rights.

Medium term outcomes

- Increased private sector commitment in SRH and HIV/Aids services
- Kenyan CSO's more effective in holding government and businesses to account
- Women and girls enjoy the right to a life free from violence
- Women are empowered as economic actors

Peace, Security, Stability, Migration

Contributes to SDG 16: *Peace, justice and strong institutions* Results

Framework:

Long term outcome Improved sustainable living conditions for refugees and orderly, safe and responsible migration: *Improved protection and socio-economic prospects for refugees and host communities*

Medium term outcomes Achieving legitimate stability and sustainable peace in conflict-affected areas: *Preventing violent extremism, Access to justice, Justice sector reform*

Contributing to IISS goals 2: *eliminating the root causes of terrorism*, 7: *counterterrorism*, 10: *tackling cross-border crime* and 12 *Strengthening international security cooperation*

Analytical Summary

Huge numbers of refugees are seeking a temporary home in Kenya, but many of them may never be able to return to their homesteads; some refugee communities in Kenya are already in their

third generation. While for some refugees there might be durable solutions (such as integration, return or resettlement) others will continue to rely on external, mostly humanitarian, assistance for many years to come.

In addition, marginalized groups within the Kenyan population bear the danger of being radicalised (GBVS 2018-2022). Active recruitment by the Somali terrorist group Al Shabaab and homegrown violent extremism are a security threat to national and regional stability and beyond, through terrorist attacks at civilians in Kenya and abroad, increased threat of violence in fragile areas, possible impact on important trade routes and the possibility of terrorist groups taking advantage of migratory flows towards Europe.

Kenya faces significant rule of law challenges: interference with the independence of the Judiciary, limited access to justice in particular for the poor and vulnerable groups including women, pressure on progressive independent state agencies and entrenched corruption. Threats to the independence of the Judiciary remains of grave concern to the Embassy given the investments made since 2012 in supporting significant reforms and transformation of the Judiciary. These gains currently are under threat. The Judiciary leadership remains keen and open to positive change to become more people-centered with focus on delivery of justice without favor or state interference.

Medium term outcomes

- Increased awareness of rights and use of formal and informal justice systems with emphasis on women
- Judiciary is strengthened to deliver justice independently, fairly, effectively and accountably in better coordination with other justice sector institutions
- Lives and prospects of refugees and host communities in terms of protection, education and livelihoods improved
- Potential root causes for radicalisation in vulnerable groups are addressed
- Local security actors are better able to prevent and counter violent extremism through targeted interventions that contribute to resilience and awareness
- Enhanced capacity on CVE Monitoring and Evaluation of government and implementing partners
- Reduced opportunities for terrorist financing and for cooperation between transnational organised crime groups and terrorist groups.
- Enhanced capacity of government, local security actors and implementing partners in rehabilitation and reintegration of returning foreign terrorist fighters (FTFs)

Trends in Food Security, Water and Climate

Contributes to SDG 2: Zero hunger, SDG 5: Gender equality, SDG 8: Decent work and economic growth, SDG 12: Responsible consumption and consumption, SDG 13: Climate action Results framework:

Immediate objectives Food and nutrition security: *Family farms benefitting from activities to improve performance, Ecological sustainability of farm land use strengthened*
Outcomes Water: *Efficient water use in agriculture; Water, sanitation and hygiene; Water resources management at country level*
Outcomes Climate: *Climate resilient water management and WASH/increased resilience water security and safety; Increased resilience of food security*

The Netherlands is capitalising on decades of Dutch ODA support to the agriculture, agro-processing and water sectors in its Private Sector Development endeavors. Dutch and Kenyan companies, knowledge institutions, NGOs and financing institutions are already active in these sectors. The brokering and facilitating role of the Netherlands in creating sustainable solutions and pathways has proven to be effective and can now contribute to realizing the SDG's, BHOS and BIG4 objectives.

However, more than before, Kenya is suffering from prolonged droughts and excessive flooding, causing substantial loss of human life, cattle, dwellings, crops, water works and other infrastructure. A stronger focus on climate action is required, since climate change and extremes also pose risks for economic development, food security and basic services. These factors may exacerbate regional instability. Therefore, the Netherlands will prioritize market-led, climate-smart and innovative water and food security interventions.

Outcomes

- Increased and strengthened agribusiness activities in various agricultural value chains, notably dairy, horticulture, aquaculture, potatoes.
- Climate-resilience is integrated in water and food security interventions.
- Productivity and incomes of value chain actors in both fertile areas as well as arid and semi-arid areas improved, especially women; jobs created, particularly for young people.
- Increased number of women and men using safely managed drinking water services and sanitation services.
- Identifying a niche for strategic water, food security, climate contribution to existing interventions in fragile areas of other actors.

Sustainable Trade and Investment

Contributing to SDG 1: *No poverty*, SDG 8: *Decent work and economic growth*, SDG 9: *Industry, innovation and infrastructure* and SDG 17: *Partnerships* Results Framework:
Outcomes Private sector development: *Improved market access and sustainable trade; Strengthened Economic institutions and actors; Business development, by investment or trade of local or Dutch companies*
Intermediate outcomes: *Increased private sector investment in Kenya*

The Netherlands has a steady position in the top-four export destinations for Kenyan produce. Kenya, and its hinterland, offer opportunities for Dutch trade and investment and already Kenya is home to some 125 Dutch companies. Trade promotion, in general, is a demand-driven responsibility of the embassy and not bound to certain sectors.

Based on its ODA track record in the Water sector as well as Food Security and Agro-Processing, however, the embassy will pro-actively promote Private Sector Development in these sectors. Kenya's adoption of the principles of Circular and Blue economies creates extra chances for Dutch knowledge and businesses. Dutch companies have proven that they can function as examples and frontrunners in CSR and Sustainable Inclusive Business.

Apart from trade and investment stimulating economic growth, innovative public-private cooperation and financing models.

Medium term outcomes

- Increased sustainable trade and investment by Dutch businesses in Kenya, with particular focus on water and food security
- Business climate in Kenya improved with new Laws, Regulations and/or Policy plans and with strengthened economic institutions and actors
- CSR landscape and CSR awareness in Kenya improved, with special emphasis on gender
- Access to education and relevant industry skills enhanced, particularly vocational training, and demand for skills from private sector better addressed
- Regional trade and cooperation improved
- Employment opportunities created with special focus on youth, women and refugees

III How we work

The Netherlands Embassy has changed its development approach in Kenya when the latter was promoted to the league of Lower-Middle Income Countries. During the 2014-2018 MASP, the programme managed by the Embassy was virtually phased out, to make way for a more facilitating approach to trade and investment in the pursuit of Dutch trade promotion and realisation of development goals through private sector development.

The funds managed by the embassy are however only a small portion of the total Dutch funding in Kenya. Other Dutch-funded operations in Kenya are implemented through EU, UN, Partnerships/NGO's (Dutch and Kenyan), World Bank and IMF in particular, but also through other Dutch ministries and FMO. The Embassy and the regional department in the Ministry of Foreign Affairs coordinate the diverse activities and policies within the Country Team. The Multi annual Country Strategy is leading for any future policy decisions or new activities.

With the transition of the Dutch development programme in Kenya from aid to trade, the stakeholders of the embassy's programme have gradually shifted towards actors in the private and semi-private sector. Aid programmes were implemented by specialised development agencies,

NGO's and UN organisations. Coordination and cooperation with government whether at the central or at the county level is important, in that close coordination is required in such matters as PPP's, investment climate, trade relations, judiciary, rules and regulations (including phyto-sanitary restrictions). Where possible the Embassy will do this in the framework of EU Joint Programming and it will actively participate in coordination mechanisms as the Development Partners Group.

Working with private sector is particularly about identifying ways in which Dutch and Kenyan corporations can be used as a vehicle to attain SDG's to mutual benefit of both the company, the Kenyan society and Dutch business interests in Kenya. It is about facilitating, brokering, initialising, supporting as well as mediating in getting promising corporate initiatives funded by Dutch funds such as Drive, DGGF and the various RVO support programmes. Some initiatives require involvement of other donors, both 'traditional' and 'emerging', which calls for coordination to be instigated by the Embassy. The same holds for the involvement of NUFFIC, knowledge institutions, NGO's, UN organisations, etc.: the quest for innovative solutions is often about rallying unlikely parties behind a common objective.