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I. INTRODUCTION

1. This *Sessional Paper on National Poverty Eradication* highlights the policies and strategies to tackle poverty in Kenya over the period 1999 - 2015 as outlined in the National Poverty Eradication Plan (NPEP). The Plan presents a vision for the 21st century, when Kenya hopes to halt the current increase in the incidence of poverty and then eradicate it step by step. It also sets a framework for institutionalizing poverty eradication in Kenya and reducing the incidence of poverty to less than 30% of the total population by the year 2015.
2. The Plan has been formulated in line with the goals and commitments of the World Summit for Social Development held in Copenhagen, Denmark in 1995. The goals that were adopted focus on: the eradication of poverty; the achievement of Universal Primary Education (UPE); various aspects of Health for All; and the social integration of disadvantaged people.
3. Poverty remains a pervasive national problem presenting formidable challenges, which call for urgent action. According to Welfare Monitoring Surveys carried out by the Ministry of Planning

and National Development, 47 % of Kenya's rural population and 29 % of the urban population are living below the poverty line (Kshs 980 for rural and Kshs 1490 for urban, per adult equivalent, per month) as of 1994. This translates to nearly 13.2 million Kenyans out of an estimated population of 30 million, who cannot afford a decent meal, provide adequate shelter for themselves or educate their children.

4. The problem of poverty goes beyond income measures. Poverty is multi-dimensional; it includes deprivation in knowledge, in life expectancy and in the quality of life. It usually manifests itself in the forms of hunger, malnutrition, illiteracy, lack of shelter, and failure to access essential social services such as basic education, health, water and sanitation. While poverty relates to lack of basic material needs, it also signifies lack of or deficiency of social, economic, and cultural rights, which an individual, household or community hold as important or vital for their existence, survival or well being.
5. The main causes of poverty include high population growth rate, slow growth of the economy, social exclusion, insecurity, and lack of control over productive assets such as land, credit,

and capital. The interaction of the poor and the environment has also resulted in undesirable consequences that have contributed to the worsening poverty situation in the country. The social and economic consequences of environmental degradation are becoming increasingly manifest in Kenya. As a result of poverty the poor engage in activities such as poor farming practices, burning of trees to make charcoal, poor sewage disposal, to mention but a few.

II. LESSONS LEARNT FROM PREVIOUS POVERTY REDUCTION INITIATIVES

6. Over the past 36 years the government has implemented a number of policies and programmes aimed at reducing poverty. The Land Resettlement Schemes, Harambee movement, special rural development projects, special targeted funds, and the rural urban balance strategy are some of the examples. An analysis of these past efforts to address social disadvantage and poverty reveals that they yielded limited significant positive impact. The key lessons, which have emerged from this review of previous attempts to address poverty, are summarized as follows:

- basically a similar diagnosis of the problem and its causes has been repeated in the national development plans, coupled with a recurring inability to implement the remedies prescribed and a weak understanding of the real nature of poverty;
- there is a policy gap between very broad national plans and frameworks and routine sector actions and projects which further contributes to low levels of policy implementation;
- decentralized and cross-cutting poverty oriented programmes have faced many difficulties because of limited resources and the weak commitment of sector staff and systems;
- cooperative fund raising for special, urgent purposes has been preferred to alternative, more sustainable frameworks of popular participatory action against poverty;
- there have been instances of misappropriation of funds and the diversion of benefits away from the poor.

7. In view of these lessons, the Government recognizes that the challenges for sustainable development and poverty eradication in Kenya require a combination of well-coordinated actions to meet basic needs of the poor and the creation of

employment. The NPEP bridges the gap between the National Development Plans and the imperative to address the needs of the poor. It focuses on policies, sets operational priorities on disadvantaged groups and seeks to mobilize resources for helping achieve pro-poor growth and service delivery. At the same time, it will promote consensus for participatory development.

III. STRATEGIC AREAS OF INTERVENTION

8. There are three major strategic areas of intervention necessary for poverty eradication. These are: a Charter for Social Integration; improved access to essential services by low-income households; and a strategy for broad based economic growth.

A. Charter for Social Integration

9. The Charter for Social Integration sets out the basic entitlements, rights and responsibilities for all citizens, communities, businesses, civil society organisations and policy-makers. It outlines the essential framework for partnership and social mobilization within which the other two strategies of NPEP can be implemented. It includes commitment to protect those who are

vulnerable and with few material resources from being further excluded by any unsatisfactory behaviour of service providers; a timescale for Government to take action against disadvantage and unacceptable conditions; governance for social integration; and a national campaign to publicize people's rights and social standards.

10. All citizens and the staff of implementing agencies are encouraged to refer to the charter in order to establish their rights and responsibilities in the struggle against poverty. For example:

- All health centres and dispensaries will display the Plan's health targets and the health staff's contribution to achieving them;
- Administrative centres will display posters on social mobilisation stating that it is the right and duty of communities to organise themselves to participate fully in the national campaign against poverty;
- All primary schools will display their own Charter targets and the actions agreed to reduce drop out and 'repeat year' rates in the schools;
- Children will be asked to help raise awareness of poverty and measures for its eradication amongst the adult population;

• A Business Against Poverty code of practices in the Kenyan private sector will be developed.

11. Implementation of the Charter will provide the enabling political, economic, and legal environment for poverty eradication. The charter sets out how civil servants and law enforcement at all levels will play a full role in combating the high level of poverty and social exclusion in the country. Government will create the enabling environment through budgets for poverty eradication, legal standards and training, and through participatory poverty monitoring and action.

B. Improved Access to Essential Social Services

12. The poor's most abundant resource is labour. That labour cannot be used effectively in the creation of national wealth if it is unskilled, suffering from illness, and vulnerable to hunger and exposed to external or natural economic and climatic shocks. There are also well known consequences of a well-educated and healthy population. Educated women tend to have fewer children; and these in turn show lower levels of

under-nutrition, disease and mortality. Basic social services specifically targeted to the poor are thus an essential aspect of a pro-poor growth strategy. They are needed for economic efficiency, equity and humanitarian grounds. Poverty makes people averse to risk taking. With their education, health and safe water needs met, the poor are more prepared to take the farming, business and employment risks necessary to secure improved livelihoods and economic growth. The NPEP makes the following recommendations with reference to following basic social services:

Education for All

13. Provision of education is a critical social service in the development of the skills and human capital of low-income groups. Improving access to education for the poor will require a combination of policy and management initiatives and a rigorous focus on increasing the primary school enrolment and completion rates of disadvantaged groups, especially for girls from low income families. The policy and management initiatives will include a primary school curriculum focussed on key universal skills; more effective and decentralised primary school management, and a

teaching cadre committed to lead in the search for broad based social development.

14. The primary school participation rates, after making steady progress during the first twenty-five years after independence, have shown a declining trend in recent years. In 1996, there were 16,255 primary schools in Kenya (almost all government 'maintained') with about 5.6 million enrolled students (49.2% of whom were girls) and 184,393 primary school teachers. The pupil to teacher ratio (PTR) was nearly 30:1. Primary gross enrolment rates reached 95% in 1989 but dropped to 78% or lower in 1996 before recovering to 87% in 1997 and to 88.4% in 1998. In 1996, the bottom 10 per cent of households had a net enrollment rate of about 63% compared with more than 90% for the top 10%.
15. Grade repetition and failure to complete primary school are serious problems in general, but especially for the lower income groups and for girls. Completion rates have remained below 50% and have declined since 1986. For example, only 43.2% of the girls and 45.1% of the boys enrolled in Standard 1 in 1989 completed Standard VIII in 1996. Parents, and especially poor parents, increasingly withdraw their children from school

when faced with increased demands on household incomes.

16. The factors contributing to this include the introduction of cost sharing arrangements, increasing poverty and inadequate funding. There is considerable scope to improve the management of the available resources with community participation (e.g., parent-teacher associations) to expand the access and achieve greater impact.
17. The key poverty reduction targets in education include: 15% increase in enrolment rates over the first six years of the Plan; 19% increase in completion rates, especially for girls in the six year period; and Universal Primary Education by 2015.
18. To achieve these targets, the following actions will be undertaken:
 - The Ministry of Education and Human Resource Development (MOEHRD) will increase the share of resources allocated to primary education in the annual budget;
 - Bursaries for the poor will be availed and properly managed;
 - Improvement in school management (including financial management that is transparent and

accountable) will be promoted through increased community participation.

- A more balanced distribution of education expenditures between teacher salaries and other expenditures including learning materials and operation and maintenance costs will be achieved.
 - The cost burden on poor households will be reduced through the provision of textbooks and other materials and possibly a relaxation on school uniforms.
 - The quality and relevance of the curriculum will be reviewed and modified (possibly by the current Education Commission) to make it more responsive to livelihood, gender sensitivity and citizenship aspects.
 - The communities will monitor the performance of the Schools on the targets and indicators including enrolment and completion rates, student performance on standardized tests, livelihood skills, civic education and citizenship.
19. The above targets and activities will form an integral element of the annual work programmes and budgets for MOEHRD and relevant partners.

Health for All

20. Since independence in 1963, Kenya has continued to promote access to modern health care. The Government subscribed early and readily to the aim of *Health for All by the Year 2000* which sought to enhance access to health care services while also catering for a rapidly growing population. An early aim was to provide health care free of charge and to locate a health facility within 10 kilometres of each citizen.
21. Currently, 42% of the population is within 4 kilometres of a rural health facility; and more than 75% are within 8 kilometres. These are considerable achievements within a regional context. The public sector provides about 70% of the total hospital beds; and a similar percentage of the health centres and dispensaries.
22. The Government has initiated a number of countrywide programmes including family planning, child immunisation, control of diarrhoeal diseases, and growth monitoring. The priority communicable diseases tackled have included Acquired Immune Deficiency Syndrome (AIDS) caused by the human immuno-deficiency virus (HIV), leprosy, malaria and tuberculosis.

Currently, cost sharing finances account for over 7 % of non-personnel expenditures and are projected to rise to over 30 %. Government still remains the main stakeholder in the nation's essential services and will aim for universal primary health care in collaboration with its partners in the private, community and voluntary sectors. Decentralisation of health care provision will play a major part in the health care strategy

23. The impact, since 1984, of AIDS remains high and negative on the Kenyan society. The number of people infected with HIV is expected to reach about 1.7 million by the year 2000. In 1996, AIDS patients occupied nearly 50% of public hospital beds, each costing Ksh 34,680 annually to treat. AIDS deaths result in reduced household resources and income earning potential and then further trigger household poverty by reducing access to basic needs such as health care, education and food for the remaining members of the family. The Government will continue to devise methods of curtailing the scourge especially among the poor.
24. The overall target in health sector in the NPEP is to achieve universal access to Primary Health Care to within 5 km of all rural households or within one hour of local transport by 2010. The sector

will aim at (i) reduction in morbidity of low income and disadvantaged groups from malaria, acute respiratory infection, diarrhea, and skin infection by 15% by 2010 and by 25% by 2015, (ii) reduction in maternal mortality in poor households by 20% by 2010 and 30% by 2015, (iii) reduction in infant mortality by 10 per 1,000 births by 2010, (iv) increase in immunization coverage for children in low income households by 5% per year during the Plan period, and (v) increase the acceptance of family planning methods by 50% of poor families by 2010. These targets will be disaggregated by district and health center and posted prominently in each health center.

25. The major actions to achieve these targets include:

- Increase in the supply of drugs in order to raise demand for service significantly and make a major contribution to the demands of low-income groups;
- Optimum utilisation of government, community, private sector and specialist NGO channels for delivery of services will be encouraged. The Health Sector Reform Programme (HEROS) recognises that delivery of services will be most effective when communities and NGOs join in partnerships for

planning and implementation at district and divisional levels;

- Doctors and nurses will help to create awareness at decentralised levels of the need for inter-sector co-operation and crosscutting action to counter poverty;
- Bamako Initiative (BI) pharmacies supplied with adequate drugs and mosquito nets will be established;
- Maternal and child health wards will be set up in dispensaries;
- Immunization kits will be provided;
- New health centers will be constructed;
- Food supplements will be supplied to malnourished children in feeding centers;
- Poor communities will be mobilized through participatory methods to identify the programmes to be implemented jointly with communities;
- Communities will participate in allocation of resources with a larger share going towards medicines and supplies;
- Assistance will be provided to those poor families and patients unable to pay the fees and costs of medicines;

- The MoH will be asked to provide appropriate sector policies, which will assist in the operationalization of the NPEP.

Safe Water and Sanitation for All

26. The Ministry of Water Resources (MWR) will remain the lead agency in the management of water resources and the supply of clean water in the rural areas, with a number of Civil Society Organizations complementing its efforts. The supply of clean portable water and safe sanitation (including waste disposal) in urban areas will continue to be the responsibility of Local Authorities.
27. Access to adequate and reliable supply of clean water and sanitation is key to public health, especially for low-income groups. Current estimates of water supply indicate that 75% of the country's urban population has access to safe drinking water, while 50% of the rural population has access to potable water from various schemes. Women and girls are the ones primarily involved in locating and fetching water for the family and often a significant portion of their time is absorbed in this activity.

28. Urban slum dwellers depend to a large extent on water vendors and communal water points. Only 12% of the plots in Nairobi slums have water connections and the residents depend on a few communal water points and vendors. More than 85% of the households in the slums buy water from kiosks at prices that exceed five-times the rate charged by the water utility. In spite of the high cost, the water quality may be compromised.

29. Adequate sanitation is a prerequisite for the prevention of environmental pollution as well as water-borne and other infectious diseases and contributes significantly to better living standards. The Ministry of Health (MoH) estimated the coverage of adequate sanitation at 45% in 1990 and 46% in 1997. The NPEP visualizes an increase in coverage in the most deficient districts and communities with a target of achieving at least 70% in these areas.

30. The main victims of poor sanitation in urban areas are the residents of slums and squatter settlements. In these areas, incidence of illness is estimated to reach as high as 76%. Almost three-quarters of these illnesses are related to overcrowding and poor sanitation. Collection of solid waste in urban areas is inadequate. For example, while 800 to

1,000 tons of refuse is generated in Nairobi, only a quarter of it is collected. The situation is much worse in the slums and squatter areas where the refuse is disposed of in the open. This becomes a fertile breeding ground for insects, rodents and other disease causing vectors, which adversely affect the health and quality of life of the residents.

31. The poverty reduction targets include: provision of clean potable water systems within a reasonable distance to all rural households by 2010; and increase in access to clean water by 8% per annum until 2004, in priority rural districts. The proposed targets will be achieved by:

- The completion of 400 ongoing schemes, construction of 800 community-based water supply projects and 916 dams, desilting of dams and pans and rehabilitation of 700 existing water supply schemes;
- Involvement of the communities in the design, construction and management of rural water supply schemes. At the same time, attention will be paid to the management and technical capacity of poor communities and families selecting the technologies and their ability to pay water charges in the choice of schemes;

- Formation of partnerships between communities, facilitating intermediary organizations (including NGOS) and MWR to enable the choice of appropriate technologies, management arrangements and water charges;
- Legalizing and metering of illegal connections, increasing community standpipes in the urban slums and privatization of public water systems that are generating or will generate adequate revenues in the local authorities;
- Increased education of the urban slum residents on better sanitary practices. The current use of schools for hygiene education will be strengthened and expanded

C Improved Productive Employment Opportunities for the Poor

32. High and sustained levels of economic growth are a pre-requisite to poverty reduction. To achieve meaningful reduction in unemployment and poverty, the Kenyan economy should grow at a much faster rate than population growth rate. The Government has in the recent past been implementing far-reaching and bold economic reforms aimed at creating the necessary enabling environment for rapid economic growth. However, since the majority of Kenyans are poor,

they can only benefit from such economic growth if it is achieved through the use of their productivity. When low-income groups are so numerous it is no longer desirable, or even feasible, to exclude their productive potential, create surpluses in highly productive sectors and then use those surpluses to alleviate their poverty by means of welfare and relief payments. Thus failure to tap the poor's potential contribution to employment creation and growth will severely handicap the national economic effort.

33. What is required is broad-based economic growth, which starts from the need to protect and enhance the assets and income streams of those who are permanently and temporarily poor. The assets they work with include their human capital and labour skills and the social capital found within social networks and community institutions. It is these personal skills and social networks which provide employment, safety nets in times of distress, and routes to savings and remittances used for investment purposes when the formal employment sectors cannot help. There is good evidence to show that the poor cannot afford to be idle and do invest in their future. The NPEP therefore seeks ways of assisting poor men and women to increase the range and quality of their

productive opportunities and livelihood choices in order to escape poverty permanently.

34. The creation of productive employment opportunities is one of the most serious challenges facing Kenya today. So far, agriculture remains the largest source of gainful employment (contributing up to 80% of rural employment) in Kenya and will continue to be so until well into the next century. A dynamic agricultural sector is crucial to the economic development of the country and requires a long-term strategy for employment creation. Interventions in this sector will seek to increase farm productivity through intensification of land utilization, enhanced household subsistence and income generating opportunities, and to provide security. Diversification of crops is one element to a development strategy for poor farmers. This diversification could include the incorporation of trees on farm, small-scale dairy, and export horticulture and seed production.
35. Targeted support will include efforts to:
- Increase dairy production by improving animal health services;

- Ensure that 40% of all extension messages are relevant to very poor;
- Help poor people to organise the marketing of their products and crops through improved marketing infrastructure;
- Significantly reduce the time spent by women on fuelwood and water collection;
- Target research and extension at resource-poor farmers to raise their on-farm productivity;
- Ensure availability of affordable micro-credit to poor farmers;
- Ensure availability of certified quality seeds and other farm inputs;
- Enhance access to and control over agricultural land by the poor;
- Access to simple but effective small-scale irrigation infrastructure;
- Integration of poor women into productive opportunities;
- Improve rural access roads to enhance production and marketing of agricultural produce.

To create livelihoods for the land-poor and landless, more sustainable off-farm food processing and *jua kali* micro and small enterprises are needed. Off-farm food processing activities like

honey refining, pressing of cooking and other oils from oil seeds, making of sesame bars, groundnut pastes and butter, and jams are all potentially important. Trade and retail activity is also an important source of income for some rural families. The Government will provide incentives and policy encouragement to the private sector to create jobs in off-farm food processing.

37. The focus of plan implementation will be to protect and enhance the assets and income streams making up rural and urban livelihoods. Searching for poverty-reducing technical change, building and enhancing social capital through group cooperation, support for new marketing initiatives for lower income groups, and the removal of local and national government regulations which obstruct petty trade will all help improve existing livelihoods and contribute to broad-based economic growth.

38. The informal sector is becoming an increasingly important feature of the Kenyan economy. Its significance is often thought to be predominantly urban. The *1997 Economic Survey* records that almost 1.7 million people were 'engaged' in the urban informal sector in 1996. The sector will continue to play a significant role in creating