Investing in the Sustainable Development Goals in **Kenya**

A PRIMER FOR PHILANTHROPISTS AND OTHER SOCIAL INVESTORS

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The assessments of the MDG achievements, while sourced from official MDG report, have not been cleared and agreed with the Government of Kenya. The coordination bodies and stakeholders discussed within were selected based on the judgment of our staff and do not represent a comprehensive list of all institutions and organizations in Kenya.
Investing in the Sustainable Development Goals in Kenya

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Dear Philanthropist, Foundation and Social Investor,

The Sustainable Development Goals (SDGs) represent an unprecedented opportunity for the world to deliver high quality development results and philanthropy is playing a pivotal role in making this happen. In its World Investment Report 2014, Investing in the SDGs: An Action Plan, the United Nations Conference on Trade and Development (UNCTAD) estimates a US$ 2.5 trillion funding deficit against the estimated total investment needs of $3.3 to 4.5 trillion annually in delivery of the SDGs in developing countries. Meanwhile, philanthropic investment is growing and, according to conservative calculations of the Foundation Center, is forecasted to be $364 billion between 2016 and 2030. Philanthropy, along with private sector, will be an important contributor to help fill the SDG funding gap.

Key to understanding this equation, however, is not just noting the dollar amounts but recognizing that philanthropic organizations and social investors have different and complementary strengths and characteristics than the other major stakeholders, such as governments, global agencies and the private sector. These characteristics may include unique technical expertise, a high tolerance for risk and a strong ability and desire to innovate. Further, philanthropic organizations often take a long-term view on investments – which is immensely helpful when looking for development solutions that are measureable and scalable.

Poverty and climate change are complex and multi-dimensional in nature. The SDGs provide a new, vital framework of goals, targets and indicators that demand coordination and collaboration across multiple thematic sectors and among a wide variety of players – both local and global. Success relies on policy coherence at national and subnational levels, diversified financing, variety in interventions and multi-stakeholder approaches.

For philanthropists and social investors, the implementation of the SDGs opens up new avenues. Now, more than ever before, being strategic about philanthropic investments means forging partnerships and becoming a force for action in various multi-stakeholder coalitions under the SDG umbrella, as well as contributing to accountability in SDG implementation. Fortunately, the SDG framework provides the structures necessary to support such cohesion.

This primer is written so that philanthropists might better understand and engage in the emerging framework of SDG delivery across priority areas in Kenya, with a special section highlighting the country’s education sector. The primer aims to highlight why engaging in the SDG process at country level is essential to achieving transformative socio-economic change.

Further, we urge the philanthropic and social investment sector to make their presence felt at the national level in Kenya, and elsewhere across the world. The shared taxonomy of the SDGs supports planning and monitoring systems, as well as coordination. The SDGs and the implementation principles around them offer a unique opportunity to reshape the way organizations work and create greater visibility, relevance and support for programmes. We believe that a new level of collaboration is critical for driving lasting change in the quality of life of local communities and the natural and manmade environment in which they live. Let’s seize this opportunity to create deeper and lasting partnerships to meet our collective SDG aspirations!

Siddharth Chatterjee
UN Resident Coordinator & UNDP Resident Representative in Kenya
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Introduction to the Primer

Investing in the Sustainable Development Goals (SDGs) in Kenya: A primer for philanthropists and other social investors has been designed to help philanthropic and other social investment organizations and individuals to engage in delivering sustainable development in Kenya in line with the local context and the emerging SDG support and coordination mechanisms.

The role of philanthropic and other social investment organizations - venture philanthropists, social investors, impact investors and others - in helping to drive a coordinated effort to achieve the Sustainable Development Goals (SDGs) is a critical one. Indeed, philanthropy’s importance as an integrated player in the global agenda has been gaining wider recognition and traction since the inception of the SDGs, and philanthropic leaders around the world are joining the dialogue to help jointly formulate pathways for more proactive engagement with government, UN agencies, civil society and business.

“Governments alone cannot address the critical challenges of sustainable development, nor can we expect philanthropy to achieve its maximum potential operating in isolation.”

Helen Clark, United Nations Development Programme Administrator

It is more critical than ever for philanthropy and social investment actors to understand the emerging SDG ecosystem in the countries in which they work and particularly to understand how to engage with, influence and benefit from coordination around the SDGs. Such an understanding, which this Primer aims to provide, is the starting point for greater alignment of and coordination between the variety of actors striving to achieve similar and/or complementary goals under the umbrella of the SDGs.

Tips on how this primer can support your work

- Better understand what is distinctive about the SDG processes being established around the world and why engagement of philanthropy and social investments in collaborative partnerships is vitally important for impact.
- Learn about Kenya, its development needs and challenges, its policy and coordination mechanisms and its stakeholder landscape.
- Get tips on how and where you can engage in sustainable development in Kenya, where to get support and make connections, how to influence and participate in decision-making, and how to set up or work with social organizations.
- Learn about the needs and landscape of efforts, initiatives and funding in the Education sector spotlight.

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1 In this primer, we use these terms interchangeably to communicate with a broader group.
Common questions and how this Primer can help

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Action Tips for Philanthropists and Social Investors in Kenya
Where should you start?

What should be your first port of call in Kenya to engage in the SDG process, or to begin new investments or sharpen your existing investments?

SDG Philanthropy Platform in Kenya

The SDG Philanthropy Platform is embedded within the United Nations Resident Coordinator’s office which coordinates 25 United Nations entities in Kenya. The Platform has been established as a multi-country enabler of the collaboration between philanthropy, United Nations, government and others. Kenya is one of the first pilot countries for the Platform.

The Platform has a unique position in that it is a strategic entry point to the United Nations and government for philanthropists, in particular, as it relates to the SDG process in Kenya. The Platform aims to catalyze collaborative interventions on selected themes related to the SDGs. The Platform’s current focus in Kenya is on education (all levels), one of the areas that receives the most philanthropic investment in the country. It is envisioned to expand and explore other SDGs of interest to philanthropic sector and of priority to the government.

Kenya Philanthropy Forum

The Kenya Philanthropy Forum has been co-created as a result of dialogues with various local partners including the SDG Philanthropy Platform as the first locally-based alliance of foundations. It now has more than 70 participating foundations and trusts. Special sub-groups in the forum focus on data and the education sector. The Forum is tuned in to the country’s enabling environment and is aware of cross-sectoral issues and opportunities. The Forum can provide networking opportunities through their events and membership. The Forum is in the process of expanding its institutional formation and linkages with other sectors with support from the SDG Philanthropy Platform.

To the United Nations System

The United Nations in Kenya has an overarching collaboration framework with the government – the United Nations Development Assistance Framework (UNDAF). The UNDAF supports national development plans and SDG. Various ministries and United Nations agencies are clustered into four strategic result areas. The SDG Philanthropy Platform is developing pathways for philanthropy and others to engage here.

To a particular sector

Few stakeholder maps on philanthropy in the public domain are available, and generally most organizations build their own contact lists and databases. The two mechanisms described above can help. For broader regional work across East Africa, the East African Association of Grant-makers (EAAG), active across four countries including Kenya, can be contacted.

To government processes

Chapter 4 describes in greater detail government processes for priority setting, including county-level plans and other consultative processes around resource allocation and monitoring, as well as laying out coordination mechanisms. In particular, the Medium Term Planning cycle is meant to include a process of engagement of philanthropy, private sectors and other actors. In practice the level of engagement is still low but expected to increase in the future planning rounds.
How can you benefit and contribute via partnerships and coordination?

**What benefits will you gain by taking a more engaged approach?**

**What contributions could you make? What do you need to know about partnering in Kenya?**

Significant knowledge and resource gaps in the implementation of the SDGs would benefit from philanthropic support. Developing deeper partnerships with carefully-selected local partners is vital to successfully embedding your work in existing knowledge and community structures. This will help you focus on gaps or ‘agreed priorities’ between stakeholders to avoid duplication of efforts, possible disenfranchisement among local actors and potential misalignment of your investments.

| A | Understand the landscape and learn from others... | Scan the development landscape to understand national and county level priorities, and identify key players across sectors that are active in the thematic area of interest to you. Communicating progress, tips and short-comings around operational, compliance and programme implementation issues among stakeholders is very important not only local but also international and pan-African foundations. Connecting to others can also help you validate and test whether your work is relevant and demand-driven. |
| B | Collaborate with/ support local foundations/ NGOs... | Partnering with and supporting local organizations, and helping to nurture their human resources, are some of the best ways to make a mark on sustainable futures. Local foundations and trusts (as well as other non-profits) quite often struggle with being under-resourced, especially in terms of human resources. Increasingly, donors are funding shorter and more field-based programmes, which tends to result in critical gaps in organizational strengthening and retention of key staff. Young foundations may also have weak or unclear division of governance and management mandates, meaning that emerging partnerships risk being personality-driven rather than based on structured agreements and organizational level buy-in. |
| C | Engage in cross-sector partnerships... | Whilst government support for foundations in Kenya is currently minimal, there is a growing appreciation that achieving the SDGs will require collective partnerships across all sectors, including philanthropy, public and private sectors (especially in sectors such as infrastructure, energy, IT and communications, agriculture, healthcare and education). Engaging in such partnerships helps to leverage the complementary strengths of diverse organizations in terms of knowledge, resources and networks. |
| D | Use blended finance partnership opportunities... | In Kenya, philanthropic foundations can co-invest and partner with a wide array of organizations including impact investors, venture philanthropists and others. More and more actors are showing a willingness to explore innovative financing mechanisms for scaling up of both non-profit and social enterprise initiatives. Blended finance may result in more financially-viable and financially-sustainable solutions, although it is still in its infancy as a tool.4 |
| E | Help build trust and promote transparency... | At times there can be what seems like a lack of transparency between local philanthropy and government; this contributes to a sense of distrust. Increasing mutual transparency, and thus trust, will bolster the effectiveness of both sectors. It will also lead to greater recognition of philanthropy’s contribution to the development of Kenya. |
| F | Engage in the SDG mechanisms and levers... | Furthermore, seeking to align philanthropic investments with the SDG framework to guide and facilitate this effort helps to engender relevance and greater collective impact. |

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4 For more details on blended finance, the World Economic Forum's toolkit is available at: [https://www.weforum.org/projects/redesigning-development-finance/](https://www.weforum.org/projects/redesigning-development-finance/).
Investing in the Sustainable Development Goals
Investing in the Sustainable Development Goals in Kenya

On 1 January 2016, the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development — adopted by world leaders in September 2015 at an historic United Nations Summit — officially came into force. Over the next fifteen years, these new universal Goals aim to ensure that no one is left behind.

The SDGs build on the success of the Millennium Development Goals (MDGs) and go even further with a target of ending all forms of poverty. The new Goals call for action by all countries — poor, rich and middle-income — to promote prosperity while protecting the planet. They recognize that ending poverty must go hand-in-hand with strategies that build economic growth, addresses social needs, create job opportunities, tackle climate change and protect the environment.

Accountability

While the SDGs are not legally binding, governments are expected to take ownership. Indeed, 193 governments around the world have already committed to integrating the global agenda, with its goals and targets, into their own national development plans, and to establish national and subnational frameworks — policies, plans and programmes — for the achievement of the 17 Goals. As such, the strength of the SDGs and Agenda 2030 lies in government’s ability to prompt transformative action and collaboration that leads to sustainable development.

Countries also have the primary responsibility for follow-up and review of progress made in implementing the Goals. National level analyses will feed into regional review which in turn will contribute to follow-up and review at the global level.

Mainstreaming

The United Nations Development Group (UNDG) has outlined a list of steps on how to mainstream the SDGs. Kenya — as a recipient of support from the United Nations System — is applying these steps to set up an SDG mechanism in the country. (Chapter 4 outlines Kenya’s development priorities and policies, and the status of and approach towards embedding the SDGs in its national and subnational priorities and monitoring mechanisms.)

UNDP Steps in mainstreaming SDGs

1. Public awareness
2. Multi-stakeholder engagement
3. Adapting to agenda to national context
4. Horizontal policy coherence (breaking the silos)
5. Vertical policy coherence (globalizing agenda)
6. Budgeting for the future
7. Monitoring, reporting and accountability
8. Accessing risks and fostering adaptability

Such follow-up will require quality, accessible and timely data collection, better data processes and statistics management. Indeed, the accountability commitment will and is already starting to drive greater availability of and access to higher-quality, disaggregated data to measure the SDGs.

Goals

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8. Accessing risks and fostering adaptability

1 UNDG (2016). The SDGs are Coming to Life, Stories of Country Implementation and UN Support.
2 The UNDG, constituted in 1997, unites the UN funds, programmes, specialized agencies, departments and offices that play a role in development in over 160 countries.
3 From the UNDG’s Mainstreaming Reference Guide.
4 Vertical policy coherence (Globalizing the agenda) requires that the different levels of government — national, regional, and local — follow common policy objectives and align systems of funding, accreditation and quality assurance. In the context of the SDGs it means coordinating mechanism across all levels of government, multi-stakeholder consultative bodies and forums, local sustainable development strategies and monitoring and evaluation of targets and indicators at local levels.
Growing Openness
With the adoption of the SDGs, there is a growing openness between government, United Nations entities, donors, philanthropic organizations and the private sector to forge common alliances and leverage complementary strengths towards development priorities under national and subnational planning and policy frameworks.

Alignment
Understanding the status of SDG mainstreaming in national and subnational development plans is important for philanthropic organizations. It allows philanthropic organizations to pursue strategic investments aligned with a country’s national priorities, better positions philanthropic investments to be integrated with or complementary to the efforts of other development partners and as such are better aligned to development needs.

SDG mainstreaming in national and subnational development plans will also provide a framework that is being aligned to monitoring mechanisms across the world. By choosing to prioritize, plan, track, measure and access your organization’s impact using the SDG taxonomy, your work can be more visible and measurable as part of the collective and integrated approach for development, and heightens your strategic influence as a development player.

Multi-stakeholder collaboration
Collaborations have been recognized as an important component of mobilizing multiple stakeholders around the new development agenda. Multi-stakeholder interventions have a greater opportunity for tapping into synergies among partners. Indeed, different organizations bring different strengths to the table:

- Local organizations – including both NGOs / CSOs and foundations – tend to have a much deeper understanding of their communities and can respond quickly to changes on the ground.
- International foundations typically have greater access to resources, broader public and private sector networks, and they can tap into and share lessons learned from across the globe.
- Governments are better positioned to drive policy, to support good ideas to scale-up, and to provide the coordinating mechanisms to help different actors engage.

When these different parties all work together, transformative and systemic change is more viable

- A collective group will bring more sway with government than individual actors both to influence (e.g. policymaking) and to garner government support.
- Collaborative interventions have a greater opportunity to tap into synergies, and greater breadth and depth of expertise among partners.
- Multi-stakeholder approaches are often well aligned to taking a long-term approach, better aligned to supporting truly sustainable change.

What does ‘engaging in the SDGs’ really mean in practice? Why does it matter?

✓ When philanthropists are advised to ‘engage in the SDGs’ in country, what does this entail? Why is it important to philanthropy / social investment? Why is it important to delivering greater impact?
About the SDG Philanthropy Platform

- What is the role of the SDG Philanthropy Platform?
- Why was it created?
- Who is currently supporting it?

The SDG Philanthropy Platform is a global initiative that helps philanthropy engage in the global development agenda. The Platform informs and catalyzes collaboration through building awareness and connections between those working in the philanthropy sector and other key actors.

Launched by the United Nations Development Programme, Foundation Center and Rockefeller Philanthropy Advisors in 2014, our Platform's growing number of partnerships and countries illustrates the dedication of foundations from North and South and the interest of governments across the world to join forces with the philanthropic sector on the road to achieving sustainable development, via Agenda 2030 and the SDGs.

Working on some of the planet’s most pressing development challenges requires a deep and clear understanding of priorities, policies and roles across the development ecosystem globally, as well as in countries and across communities.

Stakeholders must navigate complex, multi-stakeholder processes for delivering on development priorities. The SDG Philanthropy Platform hopes to act as an enabler through creating working and powerful connections and identifying processes and policies that are driving national planning and SDG delivery.

The Platform also supports multi-stakeholder policy formulation and contributes to finding collective, innovative solutions so that interventions can be more impactful. We work with philanthropists of all sectors, interests and sizes to ensure local capacity building and to forge sustainable and long-term solutions.

See page 28 of this Primer for more information on how the SDG Philanthropy Platform fits in the context of SDG coordinating mechanisms in Kenya.
Kenya’s development progress
Introduction to Kenya

What does Kenya’s population, economy and growth look like?
What are its major strengths and challenges?

Overview
Kenya is a country of more than 45 million people with a burgeoning population of youth (60 percent are under 25 years old). It is one of the fastest growing populations in sub-Saharan Africa, expected to reach 70 million by 2030. It is also a nation with increasing inequalities and vast development challenges. Although it recently became a lower-middle-income country, four in every ten people live in poverty. The majority of the population is dependent on agriculture, which accounts for almost 30 percent of the economy. The high cost of basic commodities and rising unemployment rates, coupled with corruption and crime, make it a challenge not only to govern but also for Kenyans to prosper.

Kenya's scorecard on the Millennium Development Goals is one with mixed results. Since 2000, successes have included improved net enrolment rates in education, and greater promotion of gender equality and empowerment of women, among other successes. However, much remains to be done in terms of eradicating extreme poverty and hunger, reducing child mortality, combating HIV and AIDS, malaria and other diseases, and especially improving maternal health.

Despite these and other challenges, Kenya is a stable democracy and has a relatively strong economy. The country boasts a dynamic private sector, rich reserves of natural resources and a progressive new constitution. Kenya’s real economic growth is estimated to rise six percent annually over the next few years. It is already the 5th largest economy in sub-Saharan Africa, surpassed only by Nigeria, South Africa, Angola and Sudan. Kenya’s gross domestic product (GDP) was rebased in 2014, resulting in a 25 percent upward revision in the size of the economy.

In recent years, a dip in tourism, increased insecurities around terrorism threats and lower commodity prices have all affected economic growth. But Kenya’s significant and expanding energy, oil and mining and infrastructure development opportunities have been attractive for investors and Kenya continues to stand out economically in Africa. Barring the post-election violence in 2007, the country has been politically stable. Kenya is known for its strategic role in peacekeeping in the region.

Internally, the country’s wealth gap and the opportunities and responsibilities arising from a young and growing population throw up a set of challenges and opportunities in tension with one another. The country is urbanizing rapidly – at a much faster pace (4.34% 2010-2015 est) than the overall population growth rate (1.93% 2015 est) – putting pressure on urban areas, which are centers of economic development. In addition, sustaining livelihoods and ensuring long-term food security of Kenyans has the potential to be a major contributor to environmental degradation without proper natural resource management.

Hub for East Africa
Nairobi is an economic and financial hub for East Africa. A well-educated and hardworking professional workforce and the ease of logistics and communications are huge positives. The country’s globally competitive information technology services, innovations in money transfer and its growing intellectual pool of competitive, energetic and enterprising local human resources, place Kenya ahead of its peers in the region.

Kenya boasts the largest concentration of impact investors in East Africa, and is usually the first port of call for both impact and conventional investors operating in the region.

Together with foundations from Europe and North America and growing pan-African and local philanthropy, Kenya presents many opportunities for taking blended finance approaches, co-investing and forming partnerships across the risk-appetite spectrum that bring together resources from government, donors, development finance institutions, traditional grant-makers, social investors and impact investors. These are important ingredients in the lifecycles of incubation and scale up of innovative development ideas from start-ups often utilizing the latest technological advances.

Stats

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<th>45.5</th>
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<tr>
<td>Human Development Index Rank 2014</td>
<td>145/188</td>
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<tr>
<td>Gross National Income (2011 US$PPP)</td>
<td>2,761.6</td>
</tr>
<tr>
<td>Life Expectancy (years)</td>
<td>61.6</td>
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<tr>
<td>Expected Years of Schooling (years)</td>
<td>11</td>
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3. Kenya was reclassified as a lower-middle-income country in 2014.
7. CIA World Fact Book
8. CIA World Fact Book
## Kenya’s Development Goals Score Card

A stock-taking report on where Kenya stands on the development goals today

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<th>COMMON THEMES</th>
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<td>Strong economic growth</td>
<td>Address regional disparities</td>
<td>Skills Development, Climate Change</td>
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<td></td>
<td></td>
<td>Reduced overall poverty levels, but still not low</td>
<td>Focus on agriculture’s critical role</td>
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<td></td>
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<td>Increasing inequality</td>
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<tr>
<td>2</td>
<td>Achieve universal primary education</td>
<td>Almost 100% universal primary education</td>
<td>More teachers distributed appropriately</td>
<td>Skills Development, Infrastructure Development, Climate Change</td>
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<td></td>
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<td>Challenges in secondary education rates</td>
<td>Improve poorly equipped facilities</td>
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<td></td>
<td></td>
<td>Particular regional challenges</td>
<td>Improve quality of education</td>
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<td>3</td>
<td>Promote gender equality and empower women</td>
<td>Stronger female political representation</td>
<td>Enhance skills for access to better jobs</td>
<td>Skills Development, Early Childhood Development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strong female ratio in primary education</td>
<td>Fight against harmful practices</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Most still can only access traditional jobs/roles</td>
<td>Stop gender-based violence</td>
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<td></td>
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<td>[ ]</td>
<td>Dispel harmful beliefs</td>
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<tr>
<td>4</td>
<td>Reduce child mortality</td>
<td>Moderate reductions in child mortality</td>
<td>Reduce infant and child mortality</td>
<td>Skills Development, Climate Change, Infrastructure Development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>[ ]</td>
<td>Increase the number of skilled medical staff</td>
<td></td>
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<td>[ ]</td>
<td>Improve infrastructure</td>
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<td>5</td>
<td>Improve maternal health</td>
<td>Slow progress on maternal health</td>
<td>Increase skilled staff and facilities</td>
<td>Skills Development, Infrastructure Development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Particularly weak in certain regions</td>
<td>Build awareness around skills</td>
<td></td>
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<td></td>
<td></td>
<td>Introduction of maternity services in all health facilities</td>
<td>Engage communities to overcome cultural barriers to accessing health care</td>
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<tr>
<td>6</td>
<td>Combat HIV/AIDS, malaria and other diseases</td>
<td>Dramatic rise in HIV infections</td>
<td>Health awareness among the population</td>
<td>Skills Development, Climate Change</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reduction of tuberculosis</td>
<td>Increase public funding</td>
<td></td>
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<tr>
<td>7</td>
<td>Ensure environmental sustainability</td>
<td>Improved forest cover</td>
<td>Address conflict of interests on natural resource usage</td>
<td>Skills Development, Infrastructure Development, Climate Change</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improved water access and sanitation</td>
<td>Mitigate impact of climate change</td>
<td></td>
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<td></td>
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<td>[ ]</td>
<td>Address insufficient infrastructure</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Global partnership for development</td>
<td>Significant advancement in ICT</td>
<td>Build human resource capacity in ICT</td>
<td>Skills Development, Climate Change, Early Childhood Development</td>
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<tr>
<td></td>
<td></td>
<td>[ ]</td>
<td>Support research on how to link technological innovations with anticipated development outcomes</td>
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</tr>
</tbody>
</table>

**Key to the Common Themes**

- Skills Development
- Climate Change
- Infrastructure Development
- Early Childhood Development
- Awareness Building

*Please note this list is not exhaustive and only includes some of the most common themes*
Navigating the philanthropy landscape in Kenya
Philanthropy landscape in Kenya

Culture of giving
‘Giving’ is ingrained within the social norms of Kenyan culture in most communities, where giving individual donations to family, extended clan networks and within villages is common place, and now increasingly extending across tribal, ethnic and geographical circles. Today, Kenyan philanthropy combines centuries old traditions with modern information and technologies. Observers say that most Kenyan philanthropy flows through individual relationships of trust and compassion and not formal institutions. A significant percentage of giving is also motivated by religious beliefs. Faith-based philanthropic organizations remain a major source of vast philanthropic assets, especially in land and properties. Community-based philanthropy through organized and formal structures is also increasing. Increasingly more innovative ways to fund and manage financial flows have been seen in recent years, including matching grants, property rentals and for-profit income-generating investments for cross-subsidization across sectors.

Challenges of civil society
Civil Society in Kenya has come under much criticism of late. There is a growing perception that the sector lacks transparency and accountability, suffers from poor compliance standards, does weak accounting of sources of donations and insufficently monitors and measures the social impact of donations received. Further, civil society has failed to mobilize quickly to take advantage of reforms. Indeed, philanthropy as a sub-set of the civil society sector is making keen efforts to differentiate itself from the broader sector in order to strengthen its credibility and visibility and separate itself from these criticisms.

The government has raised concerns in the past over the proliferation of CSOs and their effectiveness, and at times has a strained relationship with them. Some fear government may easily take advantage of such negative perceptions of CSOs to strengthen legislative and regulatory control over these organizations in the name of protection of public interests. A recent positive development was the operationalization of the PBO Act by the new Cabinet Secretary in charge following years of dialogue and negotiation with the civil society sector.

Funding
Despite Kenya’s status as a hub for several philanthropic organizations, philanthropic assistance is not a major source of development finance. The Foundation Center has estimated that only 23 grant-making organizations from the United States provided more than $1 billion to 554 organizations in Kenya between 2003 and 2013, which was equivalent to just six percent of the net Official Development Assistance.

Overview of philanthropy in East Africa
(Uganda, Rwanda, Tanzania and Kenya)


2 Age of choice: Kenya in the new development finance landscape, Overseas Development Institute, April 2016.

3 https://eaagblog.wordpress.com/2013/09/04/east-africa-philanthropic-giving-report-released/
What are the relevant legal structures for philanthropy in Kenya?

Kenya is a signatory to various international agreements that uphold the right of association, but like other countries, there are challenges. A specific act for creating foundations does not exist. Four organizational forms exist that a non-profit can choose from. The specifications of the rules and regulations that apply depend on which of the four organizational forms one chooses to pursue. Though registration fees are low at between $120 and $330, the registration process is lengthy, taking between six months to a year to complete, and documentation requirements can be complicated.

The exponential growth in recent times of institutionalized philanthropy in Kenya has led to a growing number of formally-registered legal entities, including community-based, corporate, family, religious and individual foundations and trusts.

Of the local foundations, over 40 percent are registered as trusts, about 35 percent as NGOs, over 20 percent as companies limited by guarantee and around 5 percent are community-based organizations.

Non-governmental organization

The NGO Act defines an ‘NGO’ as ‘a private voluntary grouping of individuals or associations, not operated for profit or for other commercial purposes but which have organized themselves nationally or internationally for the benefit of the public at large and for the promotion of social welfare, development, charity or research in the areas inclusive of, but not restricted to, health, relief, agriculture, education, industry and the supply of amenities and services.’ The NGO Act becomes inactive with the official commencement of Public Benefit Organization (PBO) Act.

Company limited by guarantee

A number of non-profit organizations are registered as companies whose liability is limited by the guarantee of the members. A company limited by guarantee under the Kenyan Companies Act 2015 must be incorporated without a share capital.

Trust

A Trust is an entity created to hold and manage assets for the benefit of others. Under the Trustees (Perpetual Succession) Act Chapter 164, Trusts can be established only for religious, educational, literary, scientific, social, athletic or charitable purposes.

Society (including an association)

Under the Societies Act, a society is “any club, company, partnership or other association of ten or more persons, whatever its nature or object, established in Kenya or having its headquarters or chief place of business in Kenya.” A branch of a society also qualifies as a society. Societies are registered and regulated by the Registrar of Societies.

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The legal enabling environment for civil society organizations

What tax and other regulations exist that are relevant and encourage philanthropy?

The legal enabling environment in Kenya – the set of tax, legal and funding regulations that govern the role and function of philanthropy – is considered encouraging, compared to other countries in sub-Saharan Africa. According to the Index of Philanthropic Freedom 2015 of the Hudson Institute, Kenya’s philanthropic environment ranks 42 out of 64 countries surveyed all over the world.

The legal enabling environment for social investment has been a subject of debate and interest for the philanthropy sector since the mid-1980s when the first global conference on the Enabling Environment was hosted by the Aga Khan Development Network in Kenya. That conference led to the Nairobi Declaration which included recommendations for legal and fiscal incentives to promote greater social investment. Since then, a number of associations have been formed to help philanthropists and other social investors including: the East African Association of Grant-makers (established in 2004), Viwango (Kenya’s first institutional effort to promote self-assessment and voluntary accreditation of civil society organizations, established in 2011) and the Kenya Philanthropy Forum (in the institutionalization process).

Tax incentives for donors
Kenyan law allows individuals and corporations who provide cash donations to eligible tax-exempt civil society organizations to deduct these from their gross income before calculating their taxable income. While the 2007 Income Tax Regulations place no ceiling on the amount of deductions that can be claimed, the process of receiving these deductions is not entirely clear and requires some bureaucratic steps to attain eligible tax-exempt receipts from tax-exempt beneficiary organizations receiving such donations.

Tax breaks for civil society organizations
Kenyan law provides tax incentives for CSOs receiving charitable donations. As regulated by the Income Tax Act (1974), they include the following:

- Value Added Tax (VAT) remissions on certain sales of goods and services, with a fairly broad range of exempt activities.
- Tax exempt status via time bound certificates requiring periodic renewal by the Kenya Revenue Authority (although the process for receiving this status is not always clear.) This includes exemption from corporate income tax for non-profits that carry out specific types of activities. Unrelated business income is subject to tax under certain circumstances.

Tax on cross-border donations
No specific Kenyan law governs cross-border giving. However, laws that affect cross-border giving include the Income Tax Act, the Central Bank of Kenya Act, the Proceeds of Crime and Anti-Money Laundering Act and the Banking Act. Numerous decisions on permitting cross-border donations lie with regulatory authorities who process the donations. The process can therefore be described as unclear and arbitrary.
Accountability and the future of the non-profit structure in Kenya

What laws govern non-profits today? What are the plans for Public Benefit Organizations in the future?

Non-governmental organizations must submit their annual returns to the NGO Coordination Board within three months of the end of their financial year. Expenditures or receipts exceeding $11,000 are required to be accompanied by audited accounts. NGOs must make their books of accounts and lists of all members available for annual inspection.

The legislative framework for how non-profits operate in the country is governed by:

- The Nongovernmental Organizations Co-ordination Act (No. 19 of 1990)
- The Nongovernmental Organizations Co-ordination Regulations (1992)
- The Societies Act (Revised 2009)
- Public Benefit Organizations Act (2013)

The Public Benefit Organizations Act

The PBO Act was passed and assented to in 2013, and on 9 September 2016, a Gazette Notice has finally been signed by the Cabinet Secretary of the Ministry of Devolution and Planning to operationalized the Act.

With the coming of the PBO Act into force, NGOs will "migrate" to becoming PBOs. The Act establishes a registration, administrative and regulatory framework within which PBOs can conduct their affairs.

Past efforts to make various amendments to the Act (e.g. to cap foreign funding of non-profits to 15 percent) were rejected by Parliament in 2013.

The PBO Act aims to bring diverse types of non-profits that undertake public benefit work under a single regulatory framework. One of the driving rationales for the Government to create the PBO Act was its diminishing control of (and increasing legal fragmentation of) the non-profit sector as new entrants increasingly chose to register using alternative legal options rather than the NGO Act itself.

Organizations registered under the PBO Act will have access to a number of benefits. Benefits will include: an income tax exemption on income received from membership subscriptions and any donations or grants; preferential treatment for value-added tax (VAT); an exemption on customs duties in relation to imported goods or services that are used to further their public benefit purposes; and other exemptions provided in the PBO Act.

Tips on engaging in the refinement of the PBO Act

- The Public Benefits Organizations Act is now being operationalized with a Gazette Notice signed 9 September 2016. Its implications for operations of foundations, including foreign-owned foundations, are worth reviewing in advance. Engaging with the CSO reference Group is a good starting point.
- Philanthropy has the opportunity to feed into the proposed amendments to the Act through engagement with the government.
- More broadly, the CSO Reference Group also helps encourage Government to create a more balanced set of guidelines governing civil society in Kenya.
Relevant governing laws in Kenya pertaining to philanthropy

The following are a list of applicable laws that govern the functioning of philanthropists and their activities in Kenya.

Cick below for hyperlinks active at time of publication

**Constitutional provisions**

**Forms of organization**
- The Nongovernmental Organizations Coordination Act (1990)
- http://www.cof.org/content/kenya - Footnote_3The Nongovernmental Organizations Coordination Regulations (1992)
- The Public Benefit Organizations Act (2013, Operationalization officially started in September 2016)
- The Companies Act, Chapter 486 of the Laws of Kenya (1959)
- The Companies Act (2015)

**Tax laws**
- The Value Added Tax Act, Chapter 476 of the Laws of Kenya (2013)
- Value Added Tax (Remission) (Charitable Organizations) Order (1999)

**Sectoral laws - education**
- The Education Act, Chapter 211 of the Laws of Kenya (1980)
- The Universities Act, Act No. 42 (2012)
- The Kenyan Constitution Article 187 (2010)
- The Teachers Service Commission Act (2012)
- The Kenya Institute of Curriculum Development Act (2013)

**Others**
- The Political Parties Act, Chapter 7B of the Laws of Kenya (2011)
- Finance Act, No. 57 (2012)

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5 For further information, see the Kenya page of the Council of Foundations website at: www.cof.org/content/kenya.
Policy and stakeholder context in Kenya
Kenyan development agenda

What are Kenya’s regional, national and local development priorities and policies?

Beyond the global SDGs, philanthropy will need to keep in mind three levels of governance and accountability that influence Kenya’s development priorities and structures: Pan-African and regional, national and subnational.

Pan-African: The African Union’s Agenda 2063

The African Union’s Agenda 2063 is a strategic framework set up to achieve a vision of, “an Integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena.” Agenda 2063 calls for inclusive growth and sustainable development brought about by the optimization of Africa’s resources for the benefits of all Africans. It includes specific goals and targets on regional integration, movement of people and the implementation of existing normative frameworks on the continent.

Agenda 2063 is implemented through ten-year plans, the first of which comes to an end in 2023, and comprises 20 goals. In Kenya, Agenda 2063 has not yet been mainstreamed within national development plans, but it is important to understand as an ideological vision for the continent.

Among the priorities identified in Agenda 2063: inculcating the spirit of pan-Africanism; transforming Africa to e-Society addressing youth unemployment and the challenges of rapid urbanization; transforming economies through beneficiation of Africa’s natural resources; radically transforming the agricultural sector to enable the continent to feed itself; creating opportunities for Africa’s youth for self-realization, access to health, education and jobs; ensuring safety and security for Africa’s children; and providing for early childhood development.

National: Kenya’s Vision 2030

Vision 2030 is the country’s national development framework. Vision 2030 comprises three equally important pillars with respective priorities:

- **Economic** – targeting an average annual economic growth rate of 10 percent through 2030;
- **Social** – engendering just, cohesive and equitable social development in a clean and secure environment; and

- **Political** – seeking to realize an issue-based, people-centred, results-oriented and accountable democratic system (see the next section on subnational priorities).

Vision 2030 is being implemented through consecutive five-year Medium Term Plans (MTPs). The current medium term plan - MTP II - comes to an end in 2017. MTP III (2018-2022) will better align to the SDGs. Plans stemming from the MTPs are Sector Plans, Strategic Plans, Annual Performance Contracts and Work Plans.

Kenya’s Medium Term Plans provide, in principle, entry points for stakeholders as in the formulation of MTPs the national government uses a process of consultations which are open to broad participation of development actors and aspires to increase participation of private sector and philanthropy. The next planning cycle is expected to be more open, inclusive and participatory than previous ones.

Subnational: County Integrated Development Plans

Kenya’s 2010 Constitution put into motion a process of devolution to improve service delivery and enhance citizen engagement, which transferred many functions to the country’s 47 counties, including agriculture, health services, transport, trade, planning and development, primary education, natural resources and environmental conservation, among others.

The County Integrated Development Plans (CIDPs) are a central instrument in the implementation of all development priorities at the subnational level. In fact, counties are explicitly responsible to implement certain goals within each broader framework. For example, education is a function that is not devolved, with the responsibility for implementation remaining at the national level. But within education, Early Childhood Development (ECD) is a devolved function; thus the implementation of ECD-related targets lies with the county governments.

CIDPs play a crucial role in informing resource allocation as it is prohibited by law to fund any projects that are not part of the initial planning. CIDPs are essentially the framework for funding opportunities at the subnational level. So any project that is to be funded must be linked to what has been planned for within the CIDPs. The current CIDPs will come to an end in 2017, in line with the end of the national Medium Term Plan.

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2. Included in the first ten-year plan of Agenda 2063 as a fast track initiative: the Pan-African E-Network. This involves a wide range of stakeholders and envisages putting in place policies and strategies that will lead to transformative e-applications and services in Africa; especially the intra-African broad band terrestrial infrastructure and cyber security, making the information revolution the basis for service delivery in the bio and nanotechnology industries and ultimately transform Africa into an e-Society.
Status of Kenya’s adoption of the SDGs

How far along is Kenya in formally integrating the SDGs into its priorities? How will this evolve going forward?

The Kenyan Government has shown its commitment to the SDGs by being a signatory to the United Nations Agenda 2030 in September 2015, and Kenya has a strong track record of adopting and mainstreaming the global goals from the MDG era. The SDGs are unlikely to radically change the country’s current priorities or development goals set forth earlier in the Vision 2030, certainly in the near term. However, the SDGs, as well as the additional requirements of Agenda 2063, are expected to eventually be part of national development planning.

Some risks could result from not explicitly aligning the country’s Vision 2030 with the SDG framework. These include (i) not being able to identifying how specific programmes and projects under Kenya’s Vision 2030 will contribute to the SDGs; and (ii) missing out on achieving SDG targets for lack of a distinct focus or identification of targets.

The Government of Kenya, through the Kenya National Bureau of Statistics (KNBS), is in the process of developing national indicators to track and measure progress on SDG implementation. County governments, who are responsible for the development of the County Integrated Development Plans (CIDPs), will be able to use the national indicators to derive local level indicators for regular reporting on SDG implementation at the subnational level. Eventually, national level data and the data provided by Kenya’s 47 counties will feed into a national progress report on SDG implementation.

The United Nations and mainstreaming the SDGs in Kenya

The United Nations System plays a critical role in Kenya in terms of advising the government at national and subnational levels on the localization and mainstreaming of SDGs into the respective development plans. Entities involved in this endeavour include the United Nations Development Group (UNDG) and its Mainstreaming, Acceleration and Policy Support (MAPS) work, as well as the multi-agency SDG Technical Working Group (TWG) for the United Nations System in Kenya. This group chaired by UNDP and it has worked with the Government of Kenya to develop a Roadmap for SDG implementation. Discussions are underway to adopt a model for implementation that delineates representation and inclusion of stakeholders, assigns responsibilities and indicates timelines. The UN system through the technical leadership of UNDP supports counties by reviewing their County Integrated Development Plans (CIDPs). Challenges to embedding the SDGs include limited capabilities in planning, budgeting, and monitoring for SDGs at the local level, and bringing clarity of institutional roles and responsibilities.

The National Integrated Monitoring and Evaluation System (NIMES) functions as the national monitoring framework for the country’s Vision 2030, and is revised with each new five-year MTP. Its main objectives are to build a strong culture of accountability at all levels of government in Kenya and to support data-driven decision-making. The framework is developed in consultation with various government entities and non-state actors and thus presents an important opportunity for stakeholders, including foundations and social investors, to advise on the global indicators that should be part of the framework. In addition, the budget preparation cycle allows stakeholders to give their inputs to the planned budget and thus influence funding priorities at national and county levels. With national indicators for the monitoring of the SDGs still being developed, foundations and social investors may play a role in strengthening, if not championing efforts among a variety of stakeholders in data collection to measure progress on the SDGs.

Note on devolution of power and upcoming elections in 2017

Under the new constitution, the devolution of power is one of the Government’s flagship initiatives to advance human development in the country by creating 47 counties with their own respective governments and local mandates. But this process could be contentious. National and County Government elections occur every 5 years, now scheduled in 2017. It is anticipated that there will be widespread campaigning by multiple political parties led by two major consortium groups with strong tribal affiliations. This will likely have the effect of distracting from economic and social investments aligned to the SDGs and move to short term potential electoral gratification activities and events. There has been serious political polarization and violence in the past, notably after elections in 2007.

1 A multi-stakeholder Capacity Workshop on the Roadmap for SDG Implementation in Kenya, organized by UNDP, was held in May 2016. Philanthropic representation was part of the deliberations. The models link to ideas developed during group work at the workshop.

4 This exercise has been undertaken successfully in Marsabit and Mandera Counties and is subject to scale-up.
Kenya Vision 2030

Which policies support Kenya’s national development agenda?

A good way to navigate Kenya Vision 2030 is to see it as an umbrella over the sectoral policies and regulations. Implementation of Kenya’s Vision 2030 is guided by the principles of constitutional supremacy, sovereignty of the people, equality of citizens, national values, goals and ideology, a viable political party system, public participation in governance, separation of powers and decentralization.

Cick below for hyperlinks active at time of publication

The social pillar

<table>
<thead>
<tr>
<th>Sector/priority</th>
<th>Key policies and regulations</th>
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<tbody>
<tr>
<td></td>
<td>Basic Education Act, 2013</td>
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<td>Youth</td>
<td>National Youth Policy, 2006</td>
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<td>Gender</td>
<td>The Kenya National Policy on Gender and Development, 2011</td>
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<td>Health</td>
<td>National Reproductive Health Policy, 2007</td>
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<td>Water / sanitation</td>
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<td>Urbanization</td>
<td>National Urban Development Policy, 2012</td>
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<td>National Land Policy, 2015</td>
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<td>National Housing Policy, 2004</td>
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The economic pillar

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<td>Agriculture, livestock/</td>
<td>The Agriculture Sector Development Strategy, 2010</td>
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<td>fisheries (priority sector)</td>
<td>National Food Security and Nutrition Policy, 2011</td>
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<td>The National Agricultural Sector Extension Policy, 2012</td>
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<td>National Environment Policy, 2013</td>
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<td>National Irrigation Policy Draft, 2015</td>
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<td>National Livestock Policy, 2008</td>
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<td>Oceans and Fisheries Policy, 2008</td>
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<td>ASAL Policy Draft, 2015</td>
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<td>Tourism</td>
<td>Tourism Act, 2011</td>
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<td>Trade</td>
<td>National Trade Policy Kenya Draft, 2015</td>
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<td>Oil and minerals</td>
<td>Mining Act, 2016</td>
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<td>Other regulations on Mining sector</td>
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<td>Petroleum Bill, currently being debated</td>
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The political pillar

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<th>Key policies and regulations</th>
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<tr>
<td>Devolution</td>
<td>Devolution Policy Draft, 2015</td>
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Coordinating mechanisms and bodies for development planning and cooperation

- What are the main bodies driving the development agenda?
- What bodies and initiatives are supporting and coordinating the SDG agenda specifically?

Several layers of coordination between national and local levels, between public and private sectors, between philanthropy, private sector, government donors and United Nations agencies exist in Kenya. To align philanthropic work with the needs and agenda of the SDGs or a particular SDG, it is important to be acquainted with relevant stakeholders in government, the United Nations and within the private space. Selected institutions provide entry points through membership structures, organized events, dialogues and forums.

Entry points for international(◆) and indigenous(●) philanthropists.
## Government Bodies

<table>
<thead>
<tr>
<th>Government Body</th>
<th>Description</th>
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<tr>
<td><strong>Aid Effectiveness Group</strong></td>
<td>This is a monthly technical group consisting of heads of agencies and senior technical officers from the Ministry of Devolution and Planning and other government ministries, co-chaired by the National Treasury and a development partner. It also includes representation from the private sector and civil society and anticipates participation from the Council of Governors.</td>
</tr>
<tr>
<td><strong>Council of Governors</strong></td>
<td>This Council is composed of the Governors of the 47 counties with a primary function to provide visionary leadership. UNDP, in collaboration with the Council of Governors, currently plans to set up an SDG unit to be located within the Council Secretariat (Nairobi-based) in order to build internal capacity on SDG implementation at local level and to help improve coordination and collaboration between the national and county governments.</td>
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<tr>
<td><strong>Development Partners Group in Kenya</strong></td>
<td>To coordinate around and discuss development projects in the country and principal messages to be brought forward with the Government of Kenya on behalf of the Development Partners.</td>
</tr>
<tr>
<td><strong>Kenya Revenue Authority</strong></td>
<td>Responsible for collection of taxes.</td>
</tr>
<tr>
<td><strong>Ministry of Devolution and Planning</strong></td>
<td>Mandated to coordinate SDG implementation in Kenya and particularly across the various line ministries. The ministry is supported by the Enablers Coordination Directorate.</td>
</tr>
<tr>
<td><strong>National Treasury</strong></td>
<td>A governmental body charged with responsibility for formulating financial and economic policies. It is also responsible for developing and maintaining sound fiscal policies that facilitate socio-economic development. This responsibility makes the National Treasury strategic and central to the country’s economic management, as all sectors of the economy look upon the Treasury to create an enabling environment in which they can operate effectively and efficiently.</td>
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<tr>
<td><strong>Permanent Working Group on Technical and Vocational Education and Training (TVET)</strong></td>
<td>A platform of engagement to incorporate the government, private sector, academia and development partners, which will be responsible to jointly oversee the efforts of Kenya’s vocational training transformation.</td>
</tr>
<tr>
<td><strong>Registrar of Companies</strong></td>
<td>Registers companies in Kenya; for philanthropy looking to start up, this is where you would register as a Company Limited by Guarantee.</td>
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<tr>
<td>SDG Contact Officers</td>
<td>SDG Contact Officers are located in all line ministries and county governments to facilitate coordination and collaboration between the two levels of government in regard to implementation of SDGs.</td>
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<tr>
<td><strong>Sector working groups</strong></td>
<td>These groups are based on the sectors used in the government’s Medium-Term Expenditure Framework and should be held at least quarterly, co-chaired by the Ministry of Devolution and Planning and development partners, to discuss sector priorities and implementation of programmes. Relevant county departments and representatives from the Council of Governors are also now beginning to attend these groups.</td>
</tr>
<tr>
<td>‘Summit’ or High-Level Development Partnership Forum</td>
<td>This is an annual event chaired by the Deputy President, and attended by government ministers, county governors, ambassadors and bilateral donor country directors, civil society and the private sector.</td>
</tr>
<tr>
<td><strong>Vision Delivery Secretariat</strong></td>
<td>This cross-sectoral body is housed in the Office of the President and provides direction to sectoral ministries on Medium Term Plans for implementation and achievement of flagship projects under Vision 2030. The Secretariat is managed by the Director-General under guidance of the Vision 2030 Delivery Board that plays an advisory role.</td>
</tr>
</tbody>
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5 Age of choice, Kenya in the new development finance landscape, Overseas Development Institute, April 2016.

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**A Primer for Philanthropists and Other Social Investors**
### Coordinating mechanisms led by the UN

| **Global Compact** | The Global Compact Local Network was first launched in Kenya in 2005 by the United Nations Development Programme (UNDP) with five local businesses. It was re-launched in 2007 to allow for greater private sector ownership, this time in partnership with a trinity of leading private business organizations in Kenya, namely the Kenya Association of Manufacturers (KAM), the Kenya Private Sector Alliance (KEPSA) and the Federation of Kenya Employers (FKE). The secretariat is currently hosted at the Kenya Association of Manufacturers. |
| **SDG Philanthropy Platform** | The SDG Philanthropy Platform informs and catalyzes collaboration through building awareness and connections between those working in the philanthropy sector and with others. As an enabler, the Platform provides country insights, connects philanthropy to key stakeholders and to processes and policies driving SDG delivery and national planning. The Platform supports multi-stakeholder policy formulation and contributes to collective innovative solutions that make interventions more impactful. The Platform works with philanthropists of all types to ensure local capacity building and forging sustainable and long-term solutions. |
| **UNDP Kenya** | Through its Strategic Policy Advisory Unit, UNDP contributes to intellectual, country, regional and global dialogue through research and policy discussions and provides technical assistance and support to the Government of Kenya for policy formulation and planning. Strengthens capacity to implement and monitor the Government’s own activities for upstream and downstream policy dialogue and interventions on poverty reduction and human development towards the realization of the SDGs and Vision 2030. |
| **United Nations Country Team, Office of Resident Coordinator** | The United Nations Development Assistance Framework (UNDAF) has been developed according to the principles of United Nations Delivering as One (DaO). It works to ensure government ownership and success of United Nations interventions. The UNDAF aims to align itself with government priorities and planning cycles. It also seeks to ensure internal coherence among United Nations agencies and programmes operating in Kenya. |
| **Working Group of the United Nations Country Team on SDGs** | Holds regular meetings to exchange information about programmes and projects of each agency and to review progress with respect to implementation of the global goals in the country. The group is chaired by UNDP. |

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6 The latter is yet to be achieved. While the government is using the fiscal year July 1 – June 30, the UN system is using the financial year January 1 – December 31. In addition, while the MTP II is 2013 – 2017, the UNDAF is 2014-2018.
### The philanthropy sector

<table>
<thead>
<tr>
<th>Organization</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSO Reference Group</td>
<td>Campaign to mobilize CSOs to participate in the development and implementation of a new enabling legal, regulatory and institutional framework for CSOs that do public benefit work.</td>
</tr>
<tr>
<td>East African Association of Grant-makers</td>
<td>The EAAG is a membership association that brings together trusts and foundations in the East Africa region to promote and nurture local philanthropy.</td>
</tr>
<tr>
<td>Kenya Philanthropy Forum</td>
<td>Created in March 2015 in order to institutionalize a voice for philanthropy in the country and to create a harmonized, centralized forum that will coordinate and support the needs of any organization with an interest in philanthropy. It was co-founded by the SDG Philanthropy Platform, the Aga Khan Foundation, the Kenyan Community Development Foundation and the East African Association of Grant-makers.</td>
</tr>
<tr>
<td>SDG Kenya Forum</td>
<td>An alliance of CSOs working towards the achievement of the SDGs in Kenya, established in 2015.</td>
</tr>
<tr>
<td>Viwango</td>
<td>Works to improve the performance of CSOs through the promotion and application of minimum standards and voluntary, independent certification.</td>
</tr>
</tbody>
</table>

### The private sector

<table>
<thead>
<tr>
<th>Organization</th>
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</thead>
<tbody>
<tr>
<td>Business Call to Action</td>
<td>Launched at the United Nations in 2008, the Business Call to Action (BCtA) is a unique multilateral alliance that challenges companies to advance core business activities that are inclusive of poor populations and contribute to the achievement of SDGs.</td>
</tr>
<tr>
<td>Kenya National Chamber of Commerce and Industry</td>
<td>Provides services in advocacy, business services, government representation and consultancy and diplomacy to the private sector.</td>
</tr>
<tr>
<td>Kenya Private Sector Alliance (KEPSA)</td>
<td>Brings together the business community in a single voice to engage and influence public policy for an enabling business environment.</td>
</tr>
<tr>
<td>Social Investment Focused Agenda (SIFA)</td>
<td>An initiative located at the Deputy President’s Office and primarily reaches out to corporate foundations in an attempt to strengthen their role in SDG implementation.</td>
</tr>
</tbody>
</table>
Funders

✅ Who are some of the important funders in Kenya and what are their goals in development?

The largest grant makers in Kenya are international foundations and funds; there are many local foundations as well (see the lists below). Many of the international foundations also have representation at the local level.

A growth in company-led corporate social responsibility, often referred to as CSR, has resulted in large-scale corporate foundations too in Kenya, such as the Safaricom Foundation and others. Bilateral funders also operate in the sector. Charities and smaller foundations who work tend operate at local levels also are important actors in the funding landscape of Kenya.

Selected international foundations

<table>
<thead>
<tr>
<th>Foundation</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Conrad N. Hilton Foundation</td>
<td>An American non-profit charitable foundation established in 1944. The Foundation now focuses on six strategic areas: ending chronic homelessness, preventing teen substance abuse, helping youth transition out of foster care, providing access to safe water, support for the work of the Catholic Sisters and working with children affected by HIV and AIDS.</td>
</tr>
<tr>
<td>Educate Global Fund</td>
<td>An investment advisor and asset manager dedicated to education and its ancillary sectors. The Educate Global Fund seeks to improve educational outcomes and life chances for children in low-income communities with an initial focus on East Africa. In addition to allocating capital, the Fund provides operational and strategic support to enterprises with a team based locally in Kenya.</td>
</tr>
<tr>
<td>Ford Foundation</td>
<td>Worldwide grant-maker, current focus is on inequality.</td>
</tr>
<tr>
<td>Lundin Foundation</td>
<td>The Lundin Foundation provides risk capital in the form of investments in high potential small- and medium-sized businesses, to generate wealth and employment that can alleviate poverty on a sustained basis. The Foundation also provides strategic grants to early stage innovations and for technical and managerial assistance.</td>
</tr>
<tr>
<td>Rockefeller Foundation</td>
<td>The Rockefeller Foundation works towards improving economic growth in Africa by addressing issues that include food security, climate change and rapid urbanization. Its partnership with the Bill and Melinda Gates Foundation - the Alliance for a Green Revolution for Africa (AGRA), is working to catalyze transformation across the agricultural value chain. Its Food Waste and Spoilage initiative is exploring new ways to reduce post-harvest food loss that impacts farmers’ incomes and ecosystems. Rockefeller’s Global Partnership for Resilience is building resilience in some of Africa’s most vulnerable regions. Foundation also works on innovative finance and impact investing.</td>
</tr>
<tr>
<td>The MasterCard Foundation</td>
<td>The MasterCard Foundation works on helping economically disadvantaged young people in Africa find opportunities to move themselves, their families and their communities out of poverty.</td>
</tr>
</tbody>
</table>

Selected local foundations

<table>
<thead>
<tr>
<th>Foundation</th>
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</thead>
<tbody>
<tr>
<td>Ambassador Francis K. Muthaura Foundation</td>
<td>This Foundation was established for the purpose of promoting advanced education for young needy Kenyans by awarding Masters and PhD scholarships. The Foundation also supports public dialogue, research and publications in related areas.</td>
</tr>
<tr>
<td>Chandaria Foundation</td>
<td>This family foundation’s work focuses on early childhood education, poverty reduction and children’s health.</td>
</tr>
<tr>
<td>Equity Group Foundation</td>
<td>The foundation of Equity Bank, designs and delivers high-impact social development programmes across seven strategic pillars: education and leadership development, financial inclusion and literacy, innovation, entrepreneurship, agriculture, health and the environment.</td>
</tr>
<tr>
<td>Family Group Foundation</td>
<td>The corporate social responsibility arm of the Family Group (group of entities including Family Bank), it seeks to make transformative changes in education, health care, agribusiness and entrepreneurship by working with providers and through the provision of scholarships.</td>
</tr>
<tr>
<td>Organization</td>
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<tr>
<td>Housing Finance Foundation</td>
<td>The Housing Finance Foundation works on the challenges in Kenya’s building and construction industry, to improve livelihoods, support development projects and improve the quality of construction and workmanship.</td>
</tr>
<tr>
<td>Kenya Commercial Bank Foundation</td>
<td>This Foundation is the corporate social responsibility arm of the Kenya Commercial Bank. The Foundation works in five areas of support enterprise development; education; the environment; health and humanitarian aid.</td>
</tr>
<tr>
<td>Kenya Community Development Foundation</td>
<td>This Foundation invests in enhancing organized community-led initiatives to create a firm basis for the development of each community’s priority needs, and in enhancing the capacity of organizations and associations as a firm unit for promoting a variety of community-driven development efforts.</td>
</tr>
<tr>
<td>Kuza Biashara</td>
<td>aims to provide small and medium sized enterprises with small business learning, training and empowerment.</td>
</tr>
<tr>
<td>M-Pesa Foundation</td>
<td>M-Pesa Foundation is an independent charitable trust established to invest in interventions that improve the social and economic status of Kenyans. The Foundation has invested in large-scale health, environmental conservation, education and integrated water projects.</td>
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</tr>
<tr>
<td>Safaricom Foundation</td>
<td>The Safaricom Foundation funds projects in the areas of education, economic empowerment, environmental conservation, health, sports, water, disaster relief, arts and culture.</td>
</tr>
<tr>
<td>Wadhwani Foundation</td>
<td>This Foundation works to accelerate economic development in emerging economies through large-scale job creation by investing in innovation, entrepreneurship and skills development.</td>
</tr>
</tbody>
</table>

**Government donors**

<table>
<thead>
<tr>
<th>Organization</th>
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</thead>
<tbody>
<tr>
<td>The Department for International Development of the United Kingdom</td>
<td>The UK’s DFID focuses on health, increasing the quality of education, reducing vulnerability among Kenya’s most disadvantaged, and catalyzing private sector growth to create more jobs for young people.</td>
</tr>
<tr>
<td>The United States Agency for International Development</td>
<td>USAID works in democracy, agriculture and food security, environment and wildlife conservation, health care, and renewable energy.</td>
</tr>
<tr>
<td>Government of Switzerland (The Swiss Agency for Development and Cooperation)</td>
<td>The Swiss State Secretariat for Economic Affairs regional office is in charge of all development and humanitarian activities supported by the Swiss Government in Kenya and other countries in the region. Focus areas displacement, livelihoods, fostering private sector development and impact investing.</td>
</tr>
<tr>
<td>Embassy of Sweden in Kenya</td>
<td>The Swedish Embassy works to support democratic governance and human rights, and focuses on institutional development, judicial reforms, public financial management, results-oriented public administration and gender equality. Sweden’s support in the field of natural resources includes support to land reform, access to water and sanitation, agriculture sector development and strengthened environmental management.</td>
</tr>
<tr>
<td>European Union</td>
<td>The Delegation of the European Union in Kenya works on the implementation of the development cooperation policy between the European Union and Kenya based on the European Development Fund and on thematic budget lines.</td>
</tr>
<tr>
<td>High Commission of Canada in Kenya</td>
<td>The High Commission’s programme focuses on working with children by improving primary education. It also works to strengthen democratic governance by improving the efficiency and effectiveness of the public sector.</td>
</tr>
</tbody>
</table>

**Development finance institutions**

<table>
<thead>
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</thead>
<tbody>
<tr>
<td>African Development Bank</td>
<td>The African Development Bank focuses on large scale investment in collaboration with government, mainly in energy and water.</td>
</tr>
<tr>
<td>World Bank / International Finance Corporation</td>
<td>The World Bank’s work in Kenya supports the government’s Vision 2030 development strategy, which aims to accelerate sustainable growth, reduce inequality and manage resource scarcity. IFC in Kenya is one of the largest impact investors, supports private sector development, from large infrastructure projects to small and medium enterprises.</td>
</tr>
</tbody>
</table>
Other intermediary organizations and service providers

**Advising policymaking, think tanks and other kinds of hybrid organizations**

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>African Economic Research Consortium</strong></td>
<td>Public non-profit organization is devoted to the advancement of economic policy research and training. The Consortium’s mission is to strengthen local capacity for conducting independent, rigorous inquiry into the problems facing the management of economies in sub-Saharan Africa.</td>
</tr>
<tr>
<td><strong>Aga Khan Development Network</strong></td>
<td>It focuses on a small number of specific development problems by forming intellectual and financial partnerships with organizations sharing its objectives. The Aga Khan Foundation is largely an implementing organization rather than a grant-making foundation. It receives grant funding from numerous development agencies, private foundations and corporations; raises funds locally in annual events in North America and Western Europe; and receives funding from His Highness the Aga Khan.</td>
</tr>
<tr>
<td><strong>Kenya Institute for Public Policy Research</strong></td>
<td>The think tank provides public policy advice to the Government of Kenya and other stakeholders by conducting objective research and through capacity building in order to contribute to the achievement of national development goals.</td>
</tr>
<tr>
<td><strong>Local Development Research Institute</strong></td>
<td>This think tank contributes to the efforts of African governments to end extreme poverty, end hunger and reduce inequalities.</td>
</tr>
<tr>
<td><strong>Partnership for African Social and Governance Research</strong></td>
<td>The partnership, which is active in 12 African countries, works to enhance research excellence in governance and public policy. Its priorities include: creative outreach and communication to research and policy communities; rigorous, quality control across all programmes; and institutional and financial sustainability.</td>
</tr>
</tbody>
</table>
Focus on education
Why invest in education?

Why does the most-funded sector in Kenya need your help?

It is an exciting time to be involved in education as a philanthropist due to a shift in government thinking which aims to be more inclusive to non-traditional partners, such as philanthropy and the private sector.

The Government of Kenya invests heavily in the education sector, accounting for 6.4 percent of its GDP. Education is one of the most-funded sectors by the Government of Kenya and by foundations, yet more than a million children are still not in primary school.

This section describes the opportunities for philanthropists and social investors based on the critical need to invest in education in Kenya.

What is the current status of education?

Since independence, Kenya has prioritized education as a national goal. The 2010 Constitution of Kenya provided for free and compulsory basic education at the primary level. There are also plans underway to deliver free secondary education by 2019.

Kenya Vision 2030 aims to provide globally-competitive quality education, training and research to reduce illiteracy, improve the transition rate from primary to secondary schools and raise the quality and relevance of education.

The national government is responsible for the formulation and implementation of the education policy, education standards, curricula, examinations and the granting of University Charters. Counties are responsible for the early stages of education (Early Childhood Development) and vocational and skills training delivery. However, the counties often lack enough capacity and expertise to implement programmes and formulate policy. Government financing is utilized for teacher remuneration, curriculum development, administration and management.

The advent of free primary education has led to high enrolment rates throughout the country. However, disparities exist in enrolment for primary school education, particularly in Arid and Semi-arid Areas (ASALs) and in informal settlements (slums), where fewer go to school. Overall, while enrolment in primary education is high, the transition rate into secondary and tertiary education is still low. The high dropout rates from primary schools are attributed to the costs associated with education beyond the primary level.

Further, quality of education and learning outcomes are unsatisfactory. There are regions where children are not able to achieve the most basic literacy and numeracy competencies. There are inequalities on several levels; gender, regional and exclusion of those with special needs are the main ones. There are inadequate basic physical facilities in schools. Poor planning, inefficiency in utilization of resources, insufficient accountability and poor linkages between the different levels of education are other causes. This presents a critical challenge for Kenya’s policymakers.
Role of foundations in education today

What is the current role and function of foundations in education in Kenya today?

Recent reports state that while progress has been made in providing access to education, there are multiple opportunities for betterment and engagement from more non-state stakeholders.

Foundations, trusts, NGOs, faith-based organizations and, increasingly, social enterprises are contributing to the financing, delivery and support of education from early childhood development through to adult learning. The private sector has recently pushed for business skills in the education sector, particularly in light of curriculum and knowledge shortfalls that have led to a shortage of a skilled entry-level workforce.

A burgeoning array of education options are emerging in the fields of girls' education, information communication technology and technical training. These interventions are more common around Nairobi than in rural areas, however strides are being made, through collaboration between multiple stakeholders, to increase access. The idea is to take education to those who need it instead of waiting for the government to bring it to them.

Social enterprises utilizing blended finance are beginning to offer both sustainable and scalable education solutions. One such innovative impact investor, Educate Global Fund, invests in the ecosystem around education – in water and sanitation, health and local agriculture – with the belief that provision of a healthy and holistic ecosystem around schools will lead to healthier and better performing students.

Both international and local foundations make large contributions to the education sector through the provision of bursaries and scholarships to needy students.

There is potential to create additional impact and to increase access to education in underserved rural and extra-rural areas.

Bringing back into the education system youth and adolescents who have been removed from schools to take up pastoral farming in extremely poor regions is a lesser-known policy focus area that is backed by national and county governments, and one which social investors can work on.

The majority of philanthropies, private-led education providers and innovators observe that scalable impact will not be possible without government support. In many instances non-state providers and stakeholders seek to collaborate with government by working in priority policy areas proactively alongside government education officers. However, this is not always the case, particularly with smaller, local foundations.

Non-traditional partners can launch projects jointly with local governments; in doing so the public sector can leverage this external investment and the external partner can benefit from potential tax incentives. This would lead to a fiscally efficient system to improve upon the infrastructure and delivery of education.

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Flagship initiatives in education

☑️ A recent initiative in the sector and key reforms

Lodwar Youth Polytechnic
The Lundin Foundation and the Turkana County Government worked together for the Lodwar Youth Polytechnic that was fully refurbished. The support was provided to improve the Polytechnic’s capacity to provide technical and vocational training in skills areas and to increase standards. This collaboration has strengthened the path to quality vocational training and highlighted the importance of SDGs on education and partnerships. In addition, it will help optimize employment and income benefits to local communities by addressing skill shortages for indirect jobs within supply chains, or induced employment. This can create a sustainable impact on the local economy by improving skill levels needed to boost a wide range of sectors.

The National Education Sector Plan (NESP) – reforms in education


Some of the areas of reforms include governance, management and accountability. There is an emphasis on devolved responsibilities and diverse partnerships. Guidelines are being developed for better coordination, transparency and reporting at the national, county, sub-county and institutional levels.

The focus is on improvement of schooling outcomes, impact of investment, development of relevant skills, improved learning outcomes, improved efficiency and effectiveness in use of available resources. The Education Quality Assurance and Standards Council are expected to develop procedures to enhance the provision of quality education as a result of these reforms.

A critical aspect of the programme is the improvement of access for hard-to-reach children through a combination of policy and management initiatives with a focus on increasing enrolment and completion rates in basic education. A National Council for Nomadic Education in Kenya (NACONEK) has been established to spearhead education initiatives among the hard to reach marginalized and nomadic communities in Kenya.
How can philanthropy engage in education?

**Ways to invest in the sector**

Philanthropy can engage with government to deliver their expertise on the National Education Sector Plan (NESP) and the ongoing curriculum reforms.

Socio-economic and gender inequality is still prevalent throughout the country. There is also an inequality in accessing information in rural areas, particularly on the availability of scholarships and bursaries. By strengthening links with rural areas, more awareness can be created about opportunities to further education.

Engaging with county governments on this front will have the added benefit of opening dialogue with regard to other social aspects and the advancement of other SDGs. For example, education is a function that is not devolved to county governments. The responsibility for implementation lies at the national level. However, within education, Early Childhood Development is a devolved function so the implementation of early childhood development-related targets lies with the county governments.

Utilizing existing platforms, such as the Kenya Philanthropy Forum and the SDG Philanthropy Platform, philanthropy can help to:

- deepen communication across foundations;
- develop concrete collaborations across foundations and across multiple stakeholders;
- uncover common points of engagement with the Ministry of Education;
- improve access to education through coordinating the delivery of scholarships and interventions on inclusion of underserved populations;
- raise the quality of education through interventions related to curriculum, pedagogy, mentorship and geographically-specific skills based training; and
- safeguard equality in education through not only addressing gender and socio-economic gaps, but also strengthening the links between rural and urban areas.

**Measuring impact and therefore access to data and the sharing of data**

The responsibility for education in Kenya of course lies with the Government. Collectively, if philanthropy can work with the Ministry of Education and county governments, they can add to their capacity and provide invaluable expertise to help create an inclusive and evolutionary education system. These opportunities are being identified by both the Kenya Philanthropy Forum and the SDG Philanthropy Platform and are in line with the SDG call for partnerships that create opportunities for collaboration between government, philanthropy and the private sector.

As new stakeholders emerge, they can join the Kenya Philanthropy Forum thematic sub-groups in education. The sub-group on education, in particular, is an important node for engagement and collaboration between other philanthropic organizations and with the national and county governments. This sub-group is working with the Ministry of Education to better align philanthropy to government frameworks. Some of the recent initiatives include creation of a new joint working group between the Ministry of Education and the Forum and developing a Memorandum of Understanding on the instruments and tools for collaboration.

The SDG Philanthropy Platform is also a valuable resource to engage with for government and United Nations-led processes.
References
African Union. Agenda 2063. 2015.


Smith, Brad. “Foundations will contribute $364 billion to the SDGs,” SDG Philanthropy Platform website. 8 February 2016.


