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# Kenya's aid information management: The data landscape

report

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# Key terms and acronyms

## Key terms

**Aid:** Aid generally refers to Official Development Assistance (ODA), which includes financial support, grants, concessional loans, technical assistance, or in-kind contributions provided by governments, international organizations, or donors to Kenya to promote economic development, welfare, and humanitarian assistance. Aid is typically aimed at reducing poverty, enhancing social and economic development, and building capacity.

**Aid Information Management Systems (AIMS):** AIMS are online repositories or platforms used to track and manage all information on externally financed projects in Kenya, from approval to execution. These systems provide a centralised database for the management, coordination, and monitoring of aid flows and projects, enhancing transparency and accountability.

**Data Landscaping:** Data landscaping is Development Initiatives' systematic process of mapping, analysing, and understanding the availability, quality, and usability of data in the development sector. This involves evaluating the data ecosystem, identifying data gaps, and recommending ways to improve data management and accessibility.

**Development Partners:** This term is used interchangeably with "donors" throughout this paper. Development partners include countries, international organisations, non-governmental organizations, and other entities that provide financial, technical, or material support to Kenya.

**Real-Time Data:** Real-time data refers to data that is made available as soon as it is created and acquired by the data collector. It is data that is updated continuously or frequently, enabling timely decision-making and response.

**External Finance:** This refers to funding or resources that flow into Kenya from sources outside its borders, including grants, loans, foreign direct investment (FDI), and other private sector flows. External finance can come from governments, international organizations, private investors, or non-governmental entities.

**Foreign Aid:** Foreign aid refers to financial, technical, or material assistance provided to Kenya by other nations, international organizations, or non-governmental organizations. Aid can be in the form of grants, concessional loans, technical assistance, or in-kind contributions and is intended to support development objectives, humanitarian needs, or economic growth.

**Data Standards:** Data standards refer to agreed-upon conventions, rules, or guidelines for representing and formatting data in a consistent and compatible manner. Data

standards ensure that data collected by different organizations or systems can be easily shared, compared, and analysed.

# Acronyms

AIMS	Aid Information Management Systems
CS-DRMS	Commonwealth Secretariat Debt Recording and Management System
CS-Meridian	A web-based software system developed by the Commonwealth Secretariat to replace CS-DRMS
DHIS2	District Health Information Software 2
e-CIMES	County Integrated Monitoring and Evaluation System
e-NIMES	Electronic National Integrated Monitoring and Evaluation System
e-ProMIS	Electronic Project Monitoring Information System
IATI	International Aid Transparency Initiative
IFMIS	Integrated Financial Management Information System
KERP	Kenyan External Resources Policy
PFMA	Public Finance Management Act
PIMIS	Public Investment Management Information System
SDGs	Sustainable Development Goals
SWIFT	Society for Worldwide Interbank Financial Telecommunications

# Executive summary

## Overview

There is a substantial demand for external finance data in Kenya and in many other African countries. This is driven by concerns about the country's debt sustainability, overall economic landscape, investment choices and the need for monitoring both public and private sector performance.

Kenya acknowledges that the effective management of aid data is essential for driving development and ensuring accountability, as highlighted in the National Treasury's "Effective Development Co-operation Strategic Plan (2018-2022)<sup>1</sup>." The plan underscores the importance of focusing on results rather than inputs, emphasising that reliable and accessible data is crucial for measuring progress and fostering transparent, accountable partnerships. In the face of complex global challenges,<sup>2</sup> such as the economic aftereffects of Covid-19 pandemic and geopolitical shifts, the demand for accurate, accessible and well-governed aid data is more crucial than ever. These crises have disrupted global supply chains, heightened economic instability, and deepened existing inequalities, particularly among vulnerable populations. Consequently, the ability to make informed decisions and allocate resources effectively in the aid sector hinges on the availability of reliable and up-to-date data. Various stakeholders, including government entities, businesses, investors, media and researchers, rely on aid data to inform their decisions and ensure that assistance reaches those most in need.

This paper is part of a pioneering series of data landscaping reports from Development Initiatives (DI), covering Kenya and [Uganda](#). The methodology for the study used DI's established data landscaping approach, qualitative research methods and key informant interviews.

- Section one provides an overview of Kenya's national digital administrative data management: the collection, availability and accessibility of aid-related data.
- Section two considers the legal and institutional framework surrounding the management of aid data in Kenya, including national plans, policies and coordination mechanisms.
- Section three looks at the data systems used for aid management and identifies the key stakeholders involved in the management of aid data: how government ministries, departments and agencies track and manage aid-funded projects and programmes in Kenya.
- Section four considers how well foreign aid systems integrate with domestic financial management platforms.
- Section five identifies challenges of deploying, maintaining and using aid information management systems in Kenya.



## Findings and recommendations

The findings of the aid data landscape study in Kenya highlight several key aspects and challenges related to the management, coordination, and accessibility of aid-related data. The main findings are:

1. **Fragmented Data Systems:** Kenya's aid data landscape is characterised by a fragmentation of data systems across different government ministries, departments, and agencies (MDAs). This fragmentation makes it challenging to obtain a unified and comprehensive view of aid flows and projects. Different systems are not well-integrated, leading to inconsistencies and inefficiencies in data management.
2. **Lack of Interoperability and Standardization:** The study found a lack of standardisation and interoperability between existing data management systems, such as the Integrated Financial Management Information System (IFMIS), Aid Information Management Systems (AIMS), and other sector-specific databases. This lack of integration hampers data sharing, analysis, and coordination among stakeholders.
3. **Limited Accessibility and Usability of Data:** While several data management platforms exist, access to data is often limited to certain government officials or departments. Public access to aid data is also restricted, with few data sets being openly available. This limits the ability of non-state actors, such as civil society organizations (CSOs), development partners, and the public, to engage in evidence-based decision-making, accountability, and monitoring.
4. **Inconsistent Data Quality and Timeliness:** The quality and timeliness of aid data vary significantly across different sources. Data often lacks completeness, accuracy, and timeliness, making it less useful for planning, decision-making, and monitoring purposes. Challenges in data collection and reporting processes, including insufficient resources and capacity, contribute to this inconsistency.
5. **Limited Use of Existing Aid Data Management Systems:** The study found that existing aid data management systems, such as AIMS, are underutilized by MDAs and development partners. There is a lack of awareness and capacity to use these systems effectively, leading to a reliance on manual processes and ad hoc data management practices.
6. **Weak Coordination Mechanisms:** The coordination of aid data management between state and non-state actors is weak. There is limited collaboration among government entities, development partners, and other stakeholders in terms of data sharing and alignment of data management practices. This lack of coordination leads to duplication of efforts, inefficiencies, and missed opportunities for leveraging data for development outcomes.
7. **Capacity Gaps in Data Management:** There is a need for capacity building in data management skills across various government agencies and departments. Many government officials lack the necessary technical skills to effectively manage, analyse, and use aid data. Additionally, there is a need for more resources and support to strengthen data management infrastructure.
8. **Opportunities for Improvement:** The study identified several opportunities for improving the aid data landscape in Kenya, including the development of a unified aid data repository, greater standardisation of data collection and

reporting processes, and increased use of digital platforms to enhance data accessibility and transparency. The study also emphasised the importance of fostering collaboration among stakeholders to promote data-sharing and integration efforts.

## Recommendations

Based on the findings of this study, we offer the following policy recommendations:

1. **Integrate finance systems:** Integration of domestic and aid management systems and processes is vital. This integration will streamline financial reporting and aid tracking, minimising discrepancies and ensuring that all financial resources, both state and non-state, are accounted for comprehensively.
2. **Establish comprehensive development finance tracking and aid data management:** A unified system for tracking all development finance, encompassing both state and non-state actors, is crucial. This comprehensive approach will prevent duplication of efforts, improve resource allocation, and facilitate better targeting of development projects. Additionally, creating a comprehensive aid data repository that includes information on disbursements, projects and donors is essential. This repository should be accessible to the public, development partners and government agencies to enhance transparency and accountability.
3. **Improve coordination:** Strengthening coordination mechanisms is crucial for effective aid management. The National Treasury, in collaboration with relevant ministries and counties, should establish clear lines of communication, streamline inter-agency committees and foster cooperation among stakeholders. Improved coordination will ensure that aid aligns with national development priorities and is efficiently utilised to achieve desired outcomes.
4. **Build capacity:** Government staff should be equipped with the necessary data skills and tools through capacity building programmes. This upskilling will empower them to effectively manage and utilise aid-related data, thereby enhancing decision-making processes and accountability.

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# Section 1: An overview of Kenya's aid data management landscape

Since the publication of its e-government strategy in 2004,<sup>3</sup> Kenya has made strides in its digital transformation.<sup>4</sup> This strategy laid the groundwork for the 2023 presidential directive to move all government services to the e-Citizen platform,<sup>5</sup> which showcases the government's ongoing commitment to digital transformation and e-government efforts. This shift towards online citizen services demonstrates progress in leveraging technology to improve accessibility and efficiency. The implementation of Information and communications technology (ICT) enabled public sector reform has been associated with improved governance of aid management.<sup>6</sup>

While digital transformation landscape in Kenya is advancing rapidly, there remains a critical gap in the national framework for data management. Although there are specific policies, such as those governing statistics under the Kenya Strategy for Development of Statistics (KSDS)<sup>7</sup>, there is no unified legislation or policy that comprehensively outlines how all types of government data should be managed. The Kenya Digital Masterplan<sup>8</sup>, for example, largely focuses on developing ICT infrastructure and digital services, but lacks clear guidelines or a strategic approach to data governance, management, and integration across different sectors. This creates a significant imbalance: on one hand, there is substantial investment in ICT infrastructure, but on the other, there is an absence of a cohesive data strategy that would ensure the effective use, sharing, and safeguarding of data across government departments.

For digital transformation to truly deliver value, it must strike a balance between digitisation — the process of converting paper-based information into digital formats — and digitalisation, which involves using digital technologies to fundamentally change how processes operate and deliver value. Leaving historical data confined to paper records significantly limits the depth and quality of insights that can be derived. Without digitising these records, important data remains inaccessible, fragmented, and excluded from analysis, thereby reducing the effectiveness of digital tools and strategies. For Kenya to fully harness the power of digital transformation, it is essential to not only build digital systems but also to ensure that all relevant data, both past and present, is captured, digitised, and integrated into these systems for comprehensive analysis and informed decision-making.

We learnt from interviews that public institutions that create or promote data, like the Kenya National Bureau of Statistics, often grapple with underfunding and inadequate staffing, hindering the development of robust data collection and management systems. In Kenya, robust open source and widely tested information systems, such as the District Health Information System Software (DHIS2), face challenges due to underinvestment in

infrastructure and staffing, both of which are critical to their successful implementation and sustainability. The lack of facility level IT support and data personnel exacerbates these issues, resulting in the underutilization of these systems. These challenges are compounded by limited investments in human resources, which are crucial for the effective operation, maintenance and scaling of these systems. Even at the National Treasury, it was observed that fewer than three individuals are trained to use key data systems such as CS-Meridian, resulting in significant gaps and continuity challenges when these individuals leave or are otherwise unavailable.

Despite the abundance of captured data, many records still exist in paper-based formats. Additionally, essential data on administrative data systems is neither uniformly collected nor consistently accessible. This situation limits evidence-based decision-making at regional, local and national levels by government agencies, policymakers, researchers, and development partners. The decentralised management of data further exacerbates the challenge, with data rarely shared across departments or sectors.

The absence of a comprehensive data strategy and the underutilisation of evidence in decision-making are notable hurdles in Kenya's pursuit of the Sustainable Development Goals (SDGs). While Kenya has excelled in monitoring SDG indicators transparently, the country now stands at a critical juncture where it must prioritise data and establish a data-centred strategy to actualise sustainable development. As Kenya advances into the next country programme cycle and aligns with the objectives of its national plans and SDG targets, this is an ideal time to establish a focused data strategy at the core of its development efforts. This strategic data approach is pivotal to ensure that evidence-based decision-making guides Kenya's journey towards middle-income status and achieving its developmental objectives.

## Donor landscape

Kenya has benefitted from the support of several major donors during the period from 2012 to 2021.<sup>9</sup> These donors have made significant contributions to various sectors crucial for the country's development. The World Bank has played a pivotal role in improving Kenya's education, health and agriculture infrastructure. The United States, through various agencies and programmes, has also been a substantial donor, with a focus on essential areas such as healthcare, education and governance. The EU institutions have consistently contributed to Kenya's development efforts, concentrating on sectors like governance, infrastructure and social services. The African Development Bank has supported infrastructure and agriculture projects, enhancing transportation networks and agricultural productivity. Additionally, the Global Fund<sup>10</sup> has been instrumental in Kenya's healthcare system. These major donors have collectively addressed Kenya's diverse development needs, leaving a lasting impact on critical sectors and promoting sustainable development and improved living standards. Their support has been instrumental in enhancing infrastructure, healthcare, education and governance in Kenya, contributing significantly to the country's progress towards its development goals.

## AIMS

Aid Information Management Systems (AIMS) refers to tools and platforms designed to manage and organise information related to humanitarian and development aid. These systems play a crucial role in enhancing transparency, efficiency and accountability in the allocation and utilisation of aid. These typically involve digital databases and software solutions that capture, store, analyse and share data on various aspects of aid, including funding sources, project implementation and outcomes.<sup>11</sup> This paper reviews the systems used in managing aid data in Kenya.

# Section 2: Underlying legal and institutional frameworks

## Data Governance

### Legislation

Kenya's aid data systems are primarily governed by the Public Finance Management Act (PFMA), 2012.<sup>12</sup> This legislation provides the legal structure for financial management in the public sector, including the handling of aid-related finances. The PFMA is recognised as a critical piece of legislation in Kenya's financial management landscape. Within this framework, key definitions such as 'government-to-government loans', 'development partners' and 'the treasury single account' ensure accurate categorisation and reporting of aid data. These definitions align with international best practices in aid transparency and reporting.<sup>13</sup> The primary goal of the PFMA is to ensure responsible financial management at both the national and county government levels, aligning with Kenya's broader development objectives.

The PFMA assigns crucial roles in aid data governance, such as the Parliamentary Budget Office's responsibilities in offering professional services related to budget, finance, and economic information to parliamentary committees. Furthermore, the National Treasury is empowered to mobilise resources, design efficient financial management systems, and exercise oversight over finances. It has been argued that the PFMA enhances transparency by granting the National Treasury powers to access financial systems, ensuring compliance with norms and standards. Additionally, it requires regular reporting on loans and guarantees, establishing conditions for receiving grants, and enforcing regulations on grant administration. This aligns with Kenya's commitment to international aid transparency initiatives.<sup>14</sup>

Overall, Kenya's data governance framework, centred on the PFMA, underscores the nation's commitment to transparent, accountable and responsible financial management in aid, facilitating the alignment of aid practices with national development priorities. This approach has received positive recognition as a model for aid management in the region.

### National plans

Kenya's approach to aid management is intricately connected with its national plans, including the National Treasury and Planning Strategic Plan 2018/19 – 2022/23,<sup>15</sup> medium-term plans,<sup>16</sup> Effective Development Co-operation Strategic Plan,<sup>17</sup> and Vision 2030<sup>18</sup>. These blueprints form the backbone of Kenya's development framework, focusing

on the efficient and transparent allocation of resources, including aid, to achieve its socio-economic goals. The National Treasury and Planning Strategic Plan serves as a crucial guiding document, emphasising the need for responsible aid management to maximise its impact on national development. Furthermore, Kenya aligns its national development strategies with global initiatives such as the SDGs, ensuring that aid projects not only benefit the country but also contribute to international targets. Vision 2030, Kenya's long-term development plan, and medium-term plans provide comprehensive roadmaps for resource allocation and utilisation at various government levels. The Effective Development Co-operation Strategic Plan<sup>19</sup> outlines Kenya's objectives and actions for enhancing the efficiency, transparency and impact of its development cooperation efforts.<sup>20</sup> These plans establish the essential framework for Kenya's aid management rationale and approaches. These overarching strategies lay the foundation for the systems in place, amplifying the existing approaches.<sup>21</sup> Kenya's development framework emphasises data-driven decision-making, evidence-based policies and the alignment of aid resources with development priorities, thereby enhancing transparency and accountability in aid management.

## Policies

Kenya's External Resources Policy (KERP)<sup>22</sup> was established in 2014 to guide the management of external finance. However, while KERP sets a foundation for data integration, it lacks the specific clauses needed for robust data governance. KERP's strengths lie in its alignment with international best practices, emphasising transparency and accountability through such measures as encouraging development partners to provide multi-year forecasts. The vision of a centralised monitoring and evaluation system aligned with national goals is a positive step towards data-driven decision-making. Additionally, KERP promotes collaboration using country systems and joint analytical work, fostering knowledge sharing between stakeholders. However, a decade since its inception, KERP's limitations have become apparent. The policy lacks clear and specific data governance clauses, hindering effective implementation. Gaps include the absence of measures for data quality assurance, insufficient details on data-sharing agreements with development partners, and a lack of concrete plans for capacity building in data analysis and visualisation techniques.

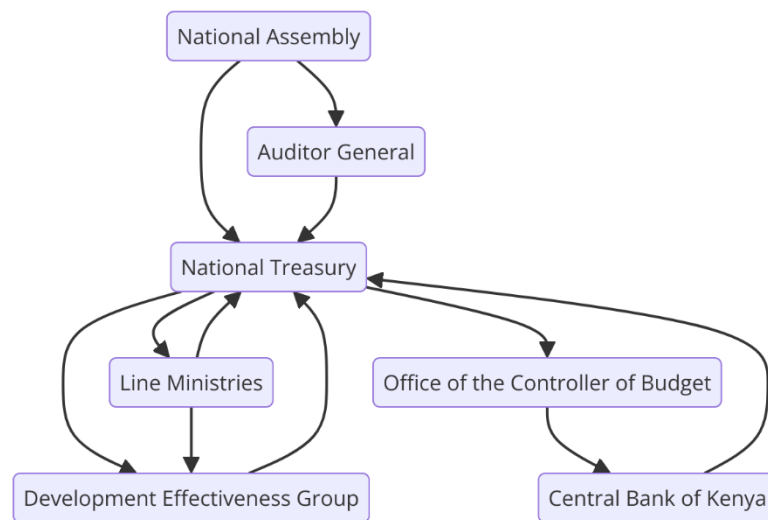
## Coordination

Kenya's aid coordination structure is a complex system designed to ensure that aid funds for national development goals are managed and used effectively. At its heart lie seven government entities working collaboratively to maximise the impact of aid. These are:

- **The National Treasury**, the central actor, formulates policies, negotiates aid agreements, and oversees budgeting and allocation of aid resources to align with national development priorities.
- **The Development Effectiveness Group (DEG)** collaborates closely with the National Treasury to enhance aid management and coordination. It also promotes harmonisation, ensuring that aid efforts are aligned with national development plans.
- **Line ministries** play a vital role by collaborating with the National Treasury and participating in inter-agency committees and working groups. They ensure specific aid projects fall under their respective mandates and contribute to their sectoral goals.

- **The Office of the Controller of Budget** authorises fund withdrawals and monitors compliance with budgetary allocations. It acts as a safeguard, ensuring aid funds are used for their intended purposes.
- **The Central Bank of Kenya** oversees project and donor accounts within the Consolidated Fund<sup>23</sup>. It acts as the custodian of these funds, ensuring their security and proper management.
- The National Assembly provides oversight, scrutiny and approval of budgets and aid-related matters. Parliamentarians play a crucial role in holding the government accountable for the use of aid funds.
- The Auditor General conducts audits to ensure accountability and compliance. These audits identify and address potential misuse of aid resources.

**Figure 1: Aid management coordination.**



Source: Development Initiatives



# Section 3: Data accessibility, sources, updates and users

A stocktake of data systems revealed the following information systems that relate directly or partially to the collection of data on aid in Kenya.

## e-ProMIS

Developed by Synergy, e-ProMIS<sup>24</sup> plays a critical role in monitoring and overseeing Kenya's aid-funded development projects. This system captures comprehensive project information, including financial details, timelines and progress reports. It tracks project implementation, disbursements and expenditures to ensure funds are used effectively and aligned with project objectives. While primarily an internal government tool, e-ProMIS also contributes to transparency by offering reports on project statuses to the public and aid partners. Furthermore, it integrates with CS-Meridian, enabling a connection between project-level data in e-ProMIS and the broader financial and aid flow information managed in CS-Meridian. This integration strengthens Kenya's aid management landscape by ensuring data consistency across these two key systems.

## CS-DRMS (replaced by CS-Meridian)

For many years, CS-DRMS served as the foundation for managing Kenya's external debt. This desktop-based system focused on recording and managing loans contracted by the Kenyan government. It offered functionalities for debt analysis, but its range of financial instruments was limited. While CS-DRMS played a vital role, it faced limitations in its user interface and the types of financial products it could handle. To address these shortcomings, Kenya transitioned to CS-Meridian in early 2019.

## CS-Meridian

CS-Meridian represents a significant leap forward from CS-DRMS. Designed as a web-based system, CS-Meridian offers improved accessibility and a broader range of functionalities. It can record, manage and analyse not only loans but also grants, debt securities and other financial instruments. This expanded capacity allows for more sophisticated debt analysis and risk management. Additionally, CS-Meridian boasts features like holding management for debt securities, a payments and receipts module, and integration with Society for Worldwide Interbank Financial Telecommunications (SWIFT) for international payments. These advancements position CS-Meridian as a powerful tool for Kenya's external debt management in the digital age.

## PIMIS

The Public Investment Management Information System (PIMIS) is a crucial component of Kenya's Public Investment Management framework. Established in 2018, PIMIS is a web-based system designed to streamline, automate and enhance the management of public investments throughout their lifecycle. PIMIS responds to the challenges Kenya faces with its growing portfolio of public investments with no centralised platform for tracking and evaluating performance. Projects funded by public investments, while having significant socioeconomic impacts, have sometimes lacked rigorous project appraisals, evaluation, and comprehensive management processes. To overcome these challenges, PIMIS offers automated workflows and approval levels covering the entire Public Investment Management cycle, including project identification, planning, implementation, monitoring, evaluation and closure. By promoting transparency and accountability, PIMIS ensures prudent use of public resources in managing these investments.

## e-NIMES/e-CIMES

The Electronic National Integrated Monitoring and Evaluation System (e-NIMES/e-CIMES<sup>25</sup>) is an innovative digital platform implemented by the Kenyan government. Developed in-house, it integrates various data sources and allows for real-time data collection, analysis and reporting. This functionality makes e-NIMES/e-CIMES an invaluable tool for evidence-based decision-making. By providing policymakers and stakeholders with timely and accurate information on project progress and impact, it contributes to the efficient allocation of resources and achieving Kenya's development goals. It represents a significant step forward in harnessing the power of technology to drive positive socioeconomic change in Kenya.

## IFMIS

The Integrated Financial Management Information System (IFMIS) is the main system used for Kenya's Public Financial Management framework. Launched in 2003, IFMIS is a web-based system that automates and improves the management of public funds across their entire lifecycle. It addresses concerns about Kenya's growing public expenditure, where transparency and accountability have sometimes been flagged as weaknesses. To address these challenges, IFMIS offers functionalities like budgeting, accounting, procurement and reporting. By promoting transparency and accountability, IFMIS ensures prudent use of public resources.

Table 1: Comparison of Key Features and Capabilities of Aid data systems

Feature	CS-DRMS	CS-Meridian	e-ProMIS	PIMIS	IFMIS	e-NiMES/e-CIMES
<b>System developer</b>	Commonwealth Secretariat	Commonwealth Secretariat	Synergy	Kingsway Business System Ltd consortium	Government of Kenya	Government of Kenya
<b>Scope</b>	External debt management	External debt management	Project monitoring (aid funded)	Public investment management	Public financial management (aid included)	Development project monitoring and evaluation
<b>External/domestic</b>	External	External	External	Domestic	Domestic	Domestic
<b>Comprehensive/partial</b>	Partial (focuses on debt)	Comprehensive (debt and other financial instruments)	Comprehensive (project details)	Comprehensive (project lifecycle)	Comprehensive (financial management)	Comprehensive (monitoring and evaluation)
<b>Loans/grants</b>	Loans	Loans, grants, debt securities	Yes	Yes	Yes	Not applicable
<b>Financial summary/detail</b>	Summary	Detailed	Project specific	Project and overall investment	Overall	Not applicable
<b>Project finances</b>	No	No	Yes	Yes	Yes	Not applicable
<b>Project life cycle</b>	No	No	Yes	Yes	Not applicable	Yes
<b>Data integration</b>	Limited	Yes (SWIFT)	Manual with CS-Meridian	Limited	Minimal integration to other government systems	Not applicable
<b>Strengths</b>	Established system	Web-based, broader instruments, improved functionalities	Transparency, accountability, project-specific data	Streamlined public investment management, public participation	Improved aid management, transparency, accountability	Real-time data, evidence-based decision-making
<b>Challenges</b>	Desktop-based, limited functionality	New system, user adoption	Internal government tool	New system, user adoption	Legacy system limitations	Not applicable to debt management or project finances

Source: Development Initiatives based on National Treasury data

## Data use and users

Data use in Kenya's aid management landscape is a multifaceted process with a wide array of actors involved, each playing unique roles in leveraging aid-related data. At the forefront are planners, decision-makers and policymakers, both at the national and county government levels, who heavily rely on comprehensive data for making informed choices regarding aid allocation and project prioritisation. This data serves not only as a retrospective evaluation tool but also as a proactive guide for shaping future policies. Currently, officers from the National Treasury manually sift through the various systems in use to extract the data needed to produce reports and inform decision-makers.<sup>26</sup> While this approach allows for basic analysis for reporting purposes, it likely hinders more sophisticated analysis that could unlock deeper insights.

Moreover, Kenya's aid ecosystem encompasses a diverse range of stakeholders, such as state actors, non-state actors and international donors. Data transparency and accessibility are paramount to ensuring these entities can adequately monitor and assess aid initiatives. Government agencies and donors rely on data to gauge project progress, financial disbursements and overall performance, while NGOs and civil society leverage data to advocate for the efficient use of aid funds and hold stakeholders accountable. A significant rift has emerged between the national government and county governments in Kenya, highlighting the disjointed nature of IFMIS. The system predominantly caters to the needs of the national government, leaving county governments with limited control and access. The involvement of the public is essential to promote transparency in aid-related data as it empowers citizens to scrutinise aid projects, participate in discussions about development priorities, and hold stakeholders accountable. However, the current state of data systems presents a challenge to achieving this goal. Among the existing systems, only e-NIMES features a public dashboard, meaning that access to the collected data may be limited without intermediaries to facilitate its availability to the public. As a result, the potential for public engagement and oversight in aid management is constrained by the lack of accessible data platforms, highlighting the need for improved transparency measures to involve citizens effectively in the development process.

## Reporting obligations

Oversight of Kenya's national debt and external financing is a crucial parliamentary duty, with the Cabinet Secretary for National Treasury holding the primary responsibility for reporting to Parliament on loan agreements and related external financial commitments. This obligation ensures that transparency, accountability and well-informed decision-making prevail in managing the country's debt portfolio.

The Cabinet Secretary for National Treasury is tasked with presenting loan agreements, for both domestic and foreign loans, to Parliament for approval. This parliamentary oversight mechanism allows Members of Parliament to scrutinise critical aspects of these financial arrangements, such as interest rates, repayment schedules and collateral, ensuring they align with the nation's best interests. Additionally, the Cabinet Secretary must provide comprehensive information on the state of national debt and the overall external financing situation, including financial statements and audit reports. This data

equips Parliament to evaluate the impact of the debt on fiscal health and make informed decisions about budget allocations. Through this oversight, Parliament contributes to responsible fiscal management, safeguarding the nation's economic stability.

In addition to this, according to the PFMA the Public Debt Management Office is charged with facilitating Kenya's aid and debt management. It by monitoring debt sustainability, develops debt management strategies, and ensures compliance with established guidelines and international best practices. It also coordinates debt-related activities, optimising the debt portfolio<sup>27</sup>, and minimises risks associated with external financing.

# Section 4: Current and potential integrations

Effective integration of data systems is crucial for improving the coordination and management of both domestic resources and foreign aid. A unified approach ensures consistent data flows, reduces redundancies and enhances the quality of decision-making across various government entities. In Kenya, the Integrated Financial Management Information System (IFMIS) provides a comprehensive and unified view of domestic resources. However, significant gaps exist in linking foreign aid management systems to IFMIS and other domestic financial management platforms. This lack of integration has led to a fragmented approach to resource management, where the oversight of domestic resources and foreign aid remains largely disconnected.

*"Interfacing with other systems was rated, as noted above, as weak. This was based on linkages [between]: IFMIS, Central Bank of Kenya, Kenya Revenue Authority, Hyperion (our budget input system), the Debt Management System (CS-DRMS), Integrated Personnel and Payroll Database (IPPD) - Kenya's centralized payroll management system and e-ProMIS (a system created to track donor projects). The initial answer should have been to correct IFMIS first, and make sure it's fixed, then integrate it."*

Dennis Kabaara, How IFMIS turned out to have multiple defects. Business Daily Africa (2023, February 14)<sup>28</sup>

Further potential integrations could involve enhancing linkages with platforms that manage specific sectors or functions. For example, there is a need for better connections between e-ProMIS (the system designed to track donor projects) and other key government financial management systems. Currently, e-ProMIS is not being used to its full potential due to data inaccuracies and lack of active maintenance and use. A focused effort on data clean-up and reorientation of reporting and accountability could leverage e-ProMIS more effectively for managing the public investment portfolio and ensuring alignment with the national budget cycle.

Similarly, the Debt Management System (CS-DRMS) needs to be more closely integrated with IFMIS to provide a unified view of all liabilities, both domestic and foreign. Future integrations could also consider connecting systems like e-NIMES/e-CIMES, which are responsible for development project monitoring and evaluation, to provide a holistic picture of the performance of projects across various sectors.

Another area for potential integration is linking the digital platforms used for service delivery with the systems used for managing finances. For example, connecting digital service platforms with IFMIS would provide real-time data on expenditure and help ensure that financial resources are being used efficiently and effectively.

# Section 5: Barriers to Effective Aid Management in Kenya

## Transparency

Although Kenya is a member of the Open Government Partnership<sup>29</sup> and a subscriber to the Paris declaration,<sup>30</sup> it has not yet joined the International Aid Transparency Initiative (IATI).<sup>31</sup> This decision reflects a cautious approach taken by the Kenyan government regarding the adoption of IATI standards in its aid management practices. While IATI is a global initiative aimed at enhancing transparency and accountability in the allocation and utilisation of aid resources, Kenya is considering the potential implications and challenges associated with this move. One of the key considerations for Kenya is the credibility and reliability of IATI data. Unlike official government financial data, which undergoes rigorous audit and validation processes, IATI data does not have formal mechanisms in place. This lack of auditing and validation procedures raises concerns within the Kenyan government about the accuracy and trustworthiness of IATI data. Government officials worry that without robust quality control measures, there could be inaccuracies, misinterpretations or inconsistencies in the reported aid information.

This discord highlights the ongoing tension between the desire for transparency and accountability in aid management, as advocated by development partners through IATI, and the Kenyan government's insistence on the need for robust auditing and validation processes to ensure data accuracy and reliability. Finding a middle ground that addresses these concerns while promoting greater transparency remains a challenge in Kenya's aid management landscape.

## Tracking aid to non-state actors

This situation restricts the Kenyan government's capacity to effectively track and manage aid to non-state actors. While the government has established a section for disbursements to non-state actors in the e-ProMIS system, donors often refrain from contributing data to this section and instead urge the government to refer to IATI data.<sup>32</sup> This creates a data management challenge in ensuring transparency and accountability for aid allocated to various non-governmental entities and civil society organisations.

This limited ability to comprehensively monitor aid to non-state actors means that the Kenyan government focuses on monitoring aid directed to government agencies and ministries. However, this approach may inadvertently lead to inefficiencies, potential project duplication, and suboptimal resource allocation within the national development agenda. To address these issues, it becomes imperative for the government and its

development partners to collaboratively work towards improving data sharing, standardising reporting mechanisms, and building trust in IATI data, ultimately enhancing aid coordination and alignment with Kenya's development objectives.

### **Limited integration of domestic and aid management systems**

A significant challenge in Kenya's aid management is the lack of integration between domestic and aid management systems. This separation results in data fragmentation, inefficient data sharing, duplicated efforts, limited visibility and accountability gaps. Without an integrated system, it's challenging to align domestic revenue and external aid effectively, hindering informed decision-making and increasing the risk of errors and inconsistencies in financial data. Addressing this issue requires implementing an IFMIS that combines both domestic and aid components, promoting transparency and accountability while supporting better aid management and overall financial governance in Kenya.

### **Disjointed data and lack of AIMS**

Kenya's aid management landscape is fragmented and disjointed in terms of aid-related data. Currently, there is no single comprehensive system that centralises and integrates all aid management data. This fragmentation results in data silos scattered across various government departments, ministries and development partners, making it difficult to have a holistic view of aid inflows, project progress and outcomes. The lack of a unified aid management system hampers efficient data collection, validation, analysis and reporting. Furthermore, tracking aid is limited to disbursements to government.

As a result, decision-makers face difficulties in accessing timely and accurate information, which is crucial for effective aid coordination and allocation. The disjointed data landscape also hinders the government's ability to comprehensively track and monitor the impact of aid on national development priorities. This challenge highlights the pressing need for a centralised and harmonised aid data management system to enhance transparency, accountability and the overall effectiveness of aid utilisation in Kenya.

### **Lack of awareness and capacity within government**

The effective implementation of AIMS is further hampered by limited awareness and capacity within government, particularly in the National Treasury. Few staff have received training and have the skills needed to operate the AIMS.<sup>33</sup> This poses a significant risk on continuity when the staff unexpectedly leave or are rendered incapable of holding office. Furthermore, a lack of awareness persists among government employees about the existence and functionalities of the full range of systems the government uses to manage aid.<sup>34</sup>



# Conclusion

In conclusion, Kenya is at a critical juncture in its efforts to manage aid more effectively. While the country has made significant strides in developing various policies, systems and frameworks to guide aid management, numerous challenges must still be addressed to ensure meaningful progress. Key obstacles include limited awareness and capacity within government agencies, a lack of comprehensive documentation for existing aid data systems, and the costly nature of upgrading these systems. Furthermore, there are gaps in national legislation, policies and standards on data management, and the lack of integration between domestic finance management and aid management systems further exacerbates the disjointed approach to managing resources.

To navigate these challenges, Kenya must prioritise several strategic actions. First, the government should invest in capacity-building efforts to equip government staff with the skills needed to manage aid data systems effectively. This includes training on data management, analysis and integration to ensure continuity and minimise the impact of staff turnover. Second, there is a need to enhance coordination mechanisms between state and non-state actors to align activities with national development priorities and avoid duplication of efforts. Kenya should also consider adopting open aid standards, such as the International Aid Transparency Initiative (IATI), to improve data sharing and foster greater transparency and accountability in aid management.

Additionally, Kenya must focus on interlinking and harmonising existing aid data systems with domestic finance systems, such as e-ProMIS, IFMIS, and CS-Meridian, with other relevant government platforms. This would create a more unified and coherent approach to aid management, enabling better decision-making and more efficient resource allocation. The integration of domestic and foreign aid management systems would address the current fragmentation and improve the overall effectiveness of resource management within the country. The National Treasury should lead efforts to clean up existing data, improve the accuracy of data entry and promote the use of data-driven decision-making at all levels of government.

Kenya's progress in the digital transformation journey, as reflected in its digital economy blueprint and master plan, underscores the importance of a coherent national data strategy that balances digitisation and digitalisation. Effective data management requires a comprehensive approach that includes the digitisation of historical records, the establishment of clear guidelines for handling all government data, and the harmonisation of data standards across sectors. While frameworks such as the Kenya Statistical Development Strategy (KSDS) provide a robust foundation for managing statistical data, they leave gaps for non-statistical data that can also provide valuable insights.

By tackling these challenges head-on and implementing the necessary strategic reforms, Kenya can pave the way for more effective aid management, leading to sustainable development and improved outcomes for its citizens. This will require the government to address gaps in national policies and invest in building a more integrated and transparent data ecosystem that supports evidence-based decision-making and fosters a collaborative approach to development among all stakeholders.

# Recommendations

Based on the findings of this study, we offer the following policy recommendations:

5. **Integrate finance systems:** Integration of domestic and aid management systems and processes is vital. This integration will streamline financial reporting and aid tracking, minimising discrepancies and ensuring that all financial resources, both state and non-state, are accounted for comprehensively.
6. **Establish comprehensive development finance tracking and aid data management:** A unified system for tracking all development finance, encompassing both state and non-state actors, is crucial. This comprehensive approach will prevent duplication of efforts, improve resource allocation, and facilitate better targeting of development projects. Additionally, creating a comprehensive aid data repository that includes information on disbursements, projects and donors is essential. This repository should be accessible to the public, development partners and government agencies to enhance transparency and accountability.
7. **Improve coordination:** Strengthening coordination mechanisms is crucial for effective aid management. The National Treasury, in collaboration with relevant ministries and counties, should establish clear lines of communication, streamline inter-agency committees and foster cooperation among stakeholders. Improved coordination will ensure that aid aligns with national development priorities and is efficiently utilised to achieve desired outcomes.
8. **Build capacity:** Government staff should be equipped with the necessary data skills and tools through capacity building programmes. This upskilling will empower them to effectively manage and utilise aid-related data, thereby enhancing decision-making processes and accountability.

# Methodology

The research was designed using DI's data landscaping approach, which maps, assesses and makes recommendations to strengthen aid data ecosystems.

In this case, it entailed preparing a detailed inventory and analysis of existing data sources, systems and practices across government ministries, departments and agencies involved in aid management. Gaps and possible opportunities for data integration and collaboration were identified.

Desk-based literature reviews were used to gather information regarding the aid management landscape in Kenya. This process involved identifying relevant academic papers, reports and government publications. It focused on understanding the legislative framework, policies and historical context of aid management in Kenya.

Using the knowledge gained during the literature review phase, a series of questions were posed to a diverse group of stakeholders, including key government officials, development partners and other actors responsible for data collection, management and use. These interviews provided critical insights into the existing data systems, challenges, opportunities and potential areas for improvement.

The data landscaping process aims to support the development of a unified, standardised and interoperable data landscape that facilitates efficient aid tracking, reporting and evaluation. This approach aims to enhance transparency and effectiveness in decision-making around aid management and use.

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# Notes

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- <sup>26</sup> DI key informant interview, March 2023.
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