

67642



**REPUBLIC OF KENYA**

**KENYA HIV/AIDS DISASTER RESPONSE PROJECT**

**NATIONAL AIDS CONTROL COUNCIL**

Project Implementation Plan

Presented at the

**AFRICAN DEVELOPMENT FORUM 2000**

**ADIS ABABA**

**6<sup>th</sup>. December, 2000**

## ENHANCED NATIONAL RESPONSE TO HIV/AIDS

The diagnosis of HIV/AIDS was first made in 1984 and within a very short period the impact of the pandemic has reached a crisis situation affecting millions of lives and all development sectors. In November 1999 the government declared the pandemic a national disaster requiring a multi-sectoral emergency response and large scale measures to contain the situation. It became apparent that the national resources alone would not be sufficient and the bilateral and multilateral responses to the national call would also not be sufficient.

Kenya was already going through very difficult economic crisis with a high external debt burden, a nine year squeeze on resources by international partners, a drought crisis, high poverty levels, severe unemployment situation and escalating costs of goods and services brought about by the escalating costs of oil and energy. Yet it was essential that the government find additional resources to respond to the emergency situation.

### CHALLENGES:

- cost effective interventions are already very well known in Kenya following many well designed small scale projects. However scale up of these interventions to national levels are constrained by resources.
- local resources are depleted and there is high competing demands for these resources by other equally important national needs.
- bilateral and multilateral grants are not sufficient to operationalise the national plan designed to respond to the emergency
- external debts are very heavy amounting to about 38% of the national income. Kenya pays US \$ 600 million yearly and yet the country needed about US \$ 200 million for this plan.

It was necessary for the government to weigh the options of further borrowing which would mean in the long run a substantial saving or postponing the decision which would result in heavier payments both in lives and monetary value. It was already worked out that for every dollar spent in prevention of an infection the country would gain 30 dollars and it made a lot of economic sense to take the option of applying for a loan. The government finally applied for credit from the World Bank.

### TARGETS:

In mobilizing all these resources the government had set itself ambitious targets to contain the situation. These included:

- Reduction of the prevalence of infection by 25% in five years
- Increased access to care and support services, particularly to the vulnerable groups in the society.
- Strengthening the national capacity & coordination to respond to the epidemic by setting up a strong national mechanism to operationalise the plan

#### **OBJECTIVES:**

In setting up the national strategic plan and a national structure to implement it the government intended to:

- provide a strategic leadership to enable all the partners to participate fully while the government would provide management & Coordination
- put up a framework to guide the implementation of the Plan in a participatory and multisectoral approach.
- create an enabling environment (both policy and resource base) for all partners to implement their mandates on an equal basis.

#### **KEY OUTPUTS:**

In realizing these objectives therefore the government expected to realize:

an expansion of multisectoral interventions to community level quite rapidly

- formation of Management institutions (down to community levels), fully functional, with capacity to implement the national plan
- Well developed human capacity, capable of implementing the plan, and who would be availed resource and monitoring mechanisms to community levels

#### **RISKS AND ASSUMPTIONS:**

The government was taking these bold steps, fully aware of the risks involved and assumptions that needed to be made for effective implementation. These included:

- Poverty reduction efforts will begin to pay during the life of this project, and would be complementary to the national AIDS strategy
- Communities will understand their role and will accept their responsibility and participate fully in operationalisation of the plan
- Health Sector activities will be successfully implemented according to the Plan developed by the government independent of the AIDS plan
- Resistance by the implementers of the Plan, both in government and private sector, and also resistance to behaviour change by the communities will both be reduced
- Project financial base and resource flows and also community capacity to absorb & utilise the funds will be fully realised and efficient

## **PROCESS**

Having fully realized all the implications of the issues at hand the following steps were taken:

- Application by the Government for the credit from the World Bank
- Acceptance by the Bank of the application by the government
- Creation of a joint Task Force to negotiate for the credit
- Negotiations finished in a record time of 8 weeks, which under normal circumstances would have taken about two years.
- All preconditions required by the Bank prior to disbursement of the first tranche were fulfilled in a record 16 weeks which otherwise again would have taken more than a year.
- Disbursement is now hopefully expected by February 2001

## **WORKING GUIDELINES**

- Completion of a Project Implementation Plan
  - Completion of an Operations Manual
  - A Community Initiative Accounting Manual
- have all been accomplished as required by the Bank

## **IMPLEMENTATION**

The full implementation of the credit requires that:

- All project pre-conditions have been met. These included the creation of a full fledged national management structure including the National Council, the Provincial Coordinating Committees, the District Control Committees, and the Constituency based Control Control Committees, fully trained to take their responsibilities.
- Project agreements have been signed. These have included the agreements between the Bank and the government, the Bank and the National Council, and a subsidiary agreement between the government and the Council.
- Project life has been determined
- A comprehensive computerized National Grid Accounting system is in place, capable of reconciling the accounts of all the 220 community accounts at regular and frequent intervals.
- First phase Project sites have been identified and the community teams are fully trained and ready to start the project.
- First tranche of the credit is expected in February 2001 and the first 45 community plans are expected to have been completed and ready for implementation by that time.

### **Principles Underpinning the Design and Implementation of the Account**

The government fully realizes that this is a totally new experience and has no precedence and of necessity will involve risks. But fully cognisant of this fact the government also realizes that this is an extraordinary circumstance and requires extraordinary measures. The following therefore are the guiding principles of this initiative:

- The project is operating in a dynamic and changing environment and therefore the operation systems must be flexible and open to revision to respond to the changing needs
- The Account should tie into existing governance systems and structures and should be managed by the National AIDS Control Council
- The Account shall be coordinated and integrated at the PACCC, DACC and CACC levels

- The project review, monitoring and accounting process will be open and transparent to the Kenyan and international community in order to lend credibility and enhance further cooperation and resource mobilization
- The systems must operate efficiently and without undue delays, but also without compromising accountability
- The account shall emphasize community and stakeholder participation, but the community will be trained and empowered to take their responsibilities
- The administrative procedures should not adversely affect the existing relationships among NGOs and the communities with which they work

### **Budget restrictions and guidelines**

The communities have been briefed that there will be restrictions in the use of the funds and that good plans do not necessarily guarantee unqualified use of the funds. The communities further know that they can only spend against approved plans.

- The supported activities shall not exceed 24 months or go beyond the project life
- A maximum of US \$ 200,000 will be given per project
- No more than 75% of the organizations previous year's budget will be given. This will ensure the capacity of the implementing agents
- Only allowable project expenditure will be considered
- No counterpart funds are needed of the partners
- Not more than 20% of the funds will be allowed for operational costs
- Purchase of large assets and institutional infrastructure by participating partners, eg vehicles will not be allowed

### **OBSERVATIONS**

Kenya is very proud of the fact that it is amongst the first countries to be able to use the facility availed by the Bretton Woods institutions. The government is also grateful that the World Bank has reciprocated by also taking risks of its

own to realize the operation of the national plan. But it needs to be understood that

- Taking the credit was a painful but necessary decision
- The negotiations were cordial and transparent, although marked by hard bargaining on both sides
- Kenya's interests were paramount and had to be fulfilled. The Bank appreciated this and allowed within its ability this flexibility
- Negotiating teams were highly skilled and showed exemplary dedication
- Negotiations were completed in record time and this was a pleasant surprise to both parties
- We are proud to be the first beneficiary of this initiative, but fully cognizant of the sentiments of the rest of Africa that was not morally right given the grave situation that Africa finds itself in.
- We therefore echo the sentiments of the rest of Africa that this loan would be better appreciated if it could be converted to a grant

**DR. MOHAMED S. ABDULLAH. MBS**  
**CHAIRMAN, NATIONAL AIDS CONTROL COUNCIL**