THE ROLE OF FOREIGN AID IN POVERTY ERADICATION; A CASE STUDY OF THE DONOR ASSISTED SETTLEMENT PROGRAMMES IN LAMU AND MALINDI DISTRICTS OF KENYA

BY

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DECLARATION

This research project is my original work and to the best of my knowledge has not been submitted for the award of a degree in any other university.

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This research project has been submitted for examination with my approval as a University Supervisor.

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This project is dedicated to my family; my mother, my wife, my children, brothers and sisters, who look upon me as a source of their inspiration and urged me to continue with studies.

So to my wife Ruguru, my children, Kiiru, Macharia and Nduta, I have set the pace. Take the challenge.
ABSTRACT

This study examines the role of foreign aid in poverty eradication using two case studies from Kenya’s Coast province; the Magarini Settlement project in Malindi district and the GASP (German Assisted Settlement Programme) in Lamu district. In analysing various development initiatives proposed for Africa one hardly finds any that has contributed to sustainable development. In most cases, donor projects have been an island of plenty in the midst of poverty that characterises most rural areas in Africa. Soon these withers and all the resources disappear at the end of such projects and the population relapses back to poverty.

In order to find out whether foreign aid contributed to development in the above case studies, this study compares their project designs and implementation to find out how they both contributed or failed in achieving their objectives of eradicating poverty in the respective districts of implementation. Data has been collected through interviews, project reports and published reports.

Through a detailed case study analysis, we come to the conclusion that it is only through participatory planning, monitoring and evaluation, where decisions are made at joint donor, government and community consultative workshops that meaningful development has been realised. Where donors dismiss the important role of the beneficiaries in the design and implementation of projects, development is not realised.

Tied to this is a people’s history and culture. That a people have with time developed certain skills with which to tame nature. These skills cannot be replaced by new ones over night and it’s up to the donors and the government representatives to ensure that the integration of the beneficiary community’s technology with the proposed one is done with care. Otherwise introducing machines with the hope of adoption by the beneficiaries can produce disastrous results when that technology is rejected by the expected beneficiaries.

Community involvement empowers the people and enables beneficiaries to translate foreign aid into sustainable development that they can be proud of long after the donors are gone.
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CHAPTER ONE

1.0 Introduction

Foreign aid is according to Todaro\(^1\), the international transfer of public funds in form of loans or grants either directly from one government to another or through multilateral agencies such as the World Bank. There are various forms of aid. Aid can be given as development capital, technical assistance or even as food, medicine and clothing during times of emergencies. It is given to underdeveloped and developed countries either as capital to stimulate growth by bridging the gap between saving and investments or the trade deficit gap or to assist people in need during crisis. In most cases aid is given to satisfy various objectives of the donor.

The Marshall plan which set out to reconstruct the Western European economies after the Second World War was the first major form of foreign aid to be given. It was given by the United States of America to European countries to help reconstruct their dilapidated industries and revive the economies. In so doing the USA was able to create a group of friendly states willing to adopt liberal capitalism and in this way achieve her primary objective of checking the spread of Communism.

The Marshall Plan was successful in reconstructing the Western Europe economies and formed the bases for a similar programme for Africa and the rest of the Third World countries. The shift from aiding Western Europe to Third World occurred especially in the

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1960s when most African countries gained independence. There was need to contain the spread of Communism through supporting these countries' development efforts and the Third World became an area of concert.

According to Todaro aid is used by the Third World countries as a major source of foreign exchange and can supplement savings and domestic revenue.\(^2\) He however argues that the donors and the recipients of this aid have different motive in giving and accepting the aid. Donors give aid for various reasons, which include, moral and humanitarian, political and economic\(^3\). Countries therefore give aid because they have political, strategic and economic self interest. According to Lundborg\(^4\), during the cold war era, the United States and the Soviet Union had incentives to provide foreign aid so as to increase the international political support for their own policies and to decrease support for their rivals.

Aid is also given as a necessary condition for the realization of other goals such as poverty alleviation, spread of ideals such as democracy or expansion of markets for developed countries' products. The Third World countries accept aid as per the prescriptions of the donors; that aid is necessary and will contribute to growth of their economies.

Africa for example, has received a lot of foreign aid. According to William Easterly\(^5\), Africa was already the most aid-intensive region in the world before the efforts of 2005 proposed by Gordon Brown, then UK's Chancellor of the Exchequer. Gordon Brown

\(^2\) Ibid p 405

\(^3\) Ibid

\(^4\) Lundborg P: Foreign aid and international support as a gift exchange economics and politics, Volume,10, Issue 2, July 1998, Pp 127-142: 127

called for a doubling of foreign aid in January 2005. He offered hope to solving Africa's poverty situation by pointing out how easy it was to provide the following, “Medicine that would prevent half of all malaria deaths costs only 12 cents per dose. A bed net to prevent malaria costs only $4. Spending just $3 on each new mother would prevent 5 million child deaths over the next ten years.” As a result of this the World Economic Forum held in Davos in January 2005 proposed to increase aid from $25 billion to $50 billion, so Easterly considers that the year 2005 was the year that the West tried harder than ever to save Africa. This proposal was easier said than done for despite this effort and previous others, Africa has remained poor.

Kenya being part of Africa, has since independence benefited from foreign aid either as technical cooperation from such organizations such Gesellschaft fuer Technische Zusammenarbeit (GTZ), Japan International Cooperation Agency (JICA), Department for International Development (DfID) or as budget support for various programmes and in project specific aid for programmes such as settlement of the landless after independence. Yet despite these, there is widespread poverty. This calls for analysis of some of the programmes to find out whether they have made any positive contribution towards poverty eradication and reasons for their success or failure.

The effectiveness of foreign aid in economic growth and development is however
contested since there is evidence that aid has not reduced poverty in Africa. There are several debates either in favour or opposed to the view that aid contributes to growth and development. It is important to note that aid applied in Western Europe by President Truman through the Marshall Plan succeeded in stimulating growth and development. But when applied to Africa, it has produced no meaningful growth and poverty remains.

1.1 Statement of the Problem

Kenya has received foreign aid since independence and in various forms, project or programme aid, and budget support. The aid is intended to support economic growth and development since the Government is unable to raise enough revenue to support this. Donors also have found out that budget support aid does not translate to real poverty reduction since economic growth does not necessarily translate into human development through out the country. Yet despite the amount of aid given over the years, poverty still exists and continues to rise. In two cases that form the basis of this study, the Government received aid from the German and Australian government to facilitate settlement of the landless in Lamu and Malindi districts respectively. In the case of Lamu, the project appears to have made a positive impact and contributed to infrastructural development; roads, schools and water systems, but poverty still persists. It is therefore worth studying in order to find out why this has persisted even after what appears to be meaningful infrastructural development. While in the Malindi case the project appears to have been abandoned before the objectives and goals were realized. Arising from this one may ask; 

Has foreign aid in project form contributed to poverty eradication in Lamu and Malindi districts? The German Assisted Settlement Project (GASP) and the Australian assisted
settlement programmes in Lamu and Malindi districts respectively will be the focus of this study. The study therefore intends to establish whether aid to these projects has contributed to poverty reduction.

1.2 Objectives of the study

The aim of the study arises out of the problem stated above. The aim is to evaluate the effectiveness of the foreign aid applied by both GASP and Australian assisted project in reducing poverty in Lamu and Malindi districts, with a view to establishing what aspects make it successful or a failure and thus form a basis for predicating the same to other areas in the country.

Specific objectives

The study is expected to achieve the following objectives;

1. To find out the contributions of both the GASP and Australian funded projects toward human development within their respective implementation districts.

2. To find out the contribution of the local community towards the project implementation

3. To find out the extent to which design of the projects contributed to their success or failure.

1.3 Justification of the study

The findings of the study are intended to assist policy makers in the following ways:

First, to learn on what strategies to adopt in order to make donor aided projects responsive to the needs of the communities

Second, to seek information on the role local communities should play to ensure that donor funded projects are sustainable and

Third, to form a future basis for evaluating performance of donor funded project.
There are many donor funded projects in Kenya. Their impact in reducing poverty needs to be studied. It is necessary to find out whether these projects have contributed or aggravated poverty. Their sustainability is also important to understand since this will determine whether they are worth the effort or whether they were just a waste of time and resources. The GASP and Australian funded project being examples will provide useful insight into how projects should be implemented for the benefit of the people and thus help in poverty eradication and avoid the usual pitfalls that appear to reduce effectiveness of donor funds in human development.

The research gap that this study intends to fill is that whereas there are many studies on contribution of foreign aid in poverty eradication this research provides a comparative analysis of two donor funded settlement projects in Kenya.

1.4 Literature Review

There are numerous debates related to the subject of foreign aid. The debates vary from the justification of foreign aid, effectiveness of foreign aid, its benefits, the ties associated, the donor-recipient considerations and the form in which it should be given. This research will review literature on foreign aid, projects and development. The reason for this is that since the area of study is on the contribution of foreign aid to poverty eradication, its only logical that aspects of foreign aid such as sources, reason for its provision, types of aid, its effectiveness, whom it benefits and criticism against it be studied. Similarly poverty eradication is a developmental issue and therefore its only fair that its indicators be studied and in so doing establish a relationship between foreign aid
and poverty eradication. Since donors have funded projects it’s also important to find out the contributions of the projects to poverty reduction.

Since the success of the Marshall Plan, the developed countries began to propose aid to Least Developed Countries. The consideration was driven by both political and moral reasons. The period after the Second World War witnessed the development of the cold war part of whose feature was the competition for influence between the USA led capitalist block and the USSR led Communism block. “The cold war provided a new incentive” and “the danger had to be averted at all costs; aid quickly came to be seen as the means to achieving this political end”⁸ According to Hancock, Europe provided a new dimension in the justification for aid. That Europe was driven by 'guilt' from her colonial past and thus sort to use foreign aid as a “vehicle of restitution, of righting past wrongs, of buying pardon”.⁹ Aid programmes similar to Marshall Plan were prescribed for the friendly Third World countries. “The friendly countries are usually those which would help the United States to protect itself against the danger of the spread of Communism. Similarly, a large part of the flow of Soviet Foreign Resources is motivated by political factors.”¹⁰ Moreover Mcgillivray observes that “Donor governments emphasise that, in accordance with humanitarian or developmental objectives, aid should primarily go not only to the poorest countries, who need it most, but also to those who can use it.... More contentiously, donors often emphasise that aid allocation cannot be blind to their own

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⁸ Hancock Graham; Lords Poverty, the power,prestige anHancock Graham; Lords of Poverty, the power, prestige and corruption of the international aid business, The Antiantic monthly Press, New York 1989. p.71
⁹ Ibid p.72
commercial, diplomatic, political and strategic objectives or self-interests.”

Critics of foreign aid point out that proponents are not interested in helping; rather aid is used primarily to benefit the donor in three main ways; that it provides a huge market for their goods and services, stimulates development of new overseas markets and orients national economics towards free enterprise system that are of benefit to firms. This debate on justification of foreign aid is relevant to this research because it informs on the need of foreign aid and sheds light on why foreign aid continues to be given by the developed countries.

Least Developed Countries (LDCs) accept aid because it has been demonstrated and taught that aid is an important and essential ingredient in the development process. Success stories of Israel, Taiwan and South Korea have helped to reinforce this idea. “It helps to transform the economy structurally; and it contributes to the achievement of LDC take-offs into self-sustaining economic growth.” LDCs also accept aid because it provides political leverage and enables those in power to suppress opposition and maintain themselves in power especially when the aid is given as financial resource transfers or military assistance.

Those who argue for the importance of aid in growth point out that aid is effective in promoting growth and reducing poverty, but the only problem is that the form in which it is given inhibits its effectiveness. In an International Monetary Fund (IMF) working

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12 Todaro M.P. Op cit
paper, Nadia Masud and Boriana Yontcheva\textsuperscript{13} concluded that, "Our results show that NGO aid significantly reduces infant mortality while bilateral aid does not. A number of reasons could explain this result. First, as their proponents claim, NGO aid may be more effective than government actions in reaching out to the poor. Improving infant mortality may be more efficiently done at the grassroots level. Second, NGO aid is allocated more toward countries with high infant mortality while bilateral aid favors countries with already lower infant mortality."\textsuperscript{14} According to the research "bilateral aid seems fungible and increases in aid don’t seem to be reflected in health expenditures. The lack of conditionality implies that bilateral aid increases lead to declines in non-aid-financed expenditures, canceling the potentially positive effect of bilateral aid on infant mortality."\textsuperscript{15} The idea of fungibility of aid is supported by other researchers such as Durbary\textsuperscript{16} who point out that the fungibility factor reduces effectiveness but aid per se is an important ingredient in growth. "Foreign development assistance is often targeted at specific public expenditure sectors. If this aid is not used in the sector for which it was granted (e.g. health, education), it is said to be fungible, and donors may end up financing something completely different than intended (e.g. military expenditures). The major concern about sectoral fungibility is that the alternative use of aid is less productive or socially useful than if it had been used as specified."\textsuperscript{17}

\textsuperscript{13} Nadia Masud and Boriana Yontcheva, IMF working paper, Does Foreign Aid Reduce Poverty? Empirical Evidence from Nongovernmental and Bilateral Aid, May 2005, p.20
\textsuperscript{14} Ibid, p.20
\textsuperscript{15} Ibid, p.20
\textsuperscript{17} Jan Pettersson, Foreign sectoral aid fungibility, growth and poverty reduction, Journal of International Development Volume 19, Issue 8, November 2007, Pages: 1074-1098
Other proponents have proposed other factors that can make aid more effective. That, "aid is more effective in market economies with good policy environments. If the policy environment is poor in a relatively developed economy, then foreign aid will either be largely wasted.... that in order to improve the effectiveness of aid, more aid should be allocated to market economies with good policies." This introduces the aspect of the country behaviour as an important factor in aid effectiveness. This debate is important to this study because it sheds light on the reason why Third World countries seek aid and how the funds are used. The choice of projects therefore is intended to show whether aid in this form does contribute to growth and development or not.

Another reason that has been advanced for providing aid was to bridge the gap between planned investment and planned savings, or foreign exchange short fall in trade leading to a trade gap. The assumption being that the saving would be used for domestic savings which would lead to economic growth. The assumption is that in the economies of the underdeveloped countries, labour is abundant but what is in short supply is capital to boost savings and increase investment levels which would later lead to economic growth. The assumption being that economic growth will also translate to development and will be reflected in human development index. In many of aid effectiveness papers, the donors' objective is seen as solely with the intention of promoting economic growth or the reduction of poverty in the recipient countries through ejection of capital that is insufficient. The extent to which this is successful depends on the situation in a particular

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country. This debate contributes to this research because it will help clarify whether indeed the most important aspect in development is just capital. Capital can be provided but design and implementation can lead to failure in achieving the desired goal.

Another consideration for aid effectiveness is the absorptive capacity of the country to be given the aid. Absorptive capacity is measured using indices such as the rise in volume of investment in the last five years and the increase in the amount of saving in the last few years. It also depends on the type of infrastructure, the levels of education and skills of the population so that “an economy with a poor system of transport and communication, managerial skill, handicapped further by lack of proper training and educational facilities is likely to have a low absorptive capacity”\(^{19}\) This debate is critical to this research because it will help to bring out whether projects being finite and within a relatively small geographical area are affected by absorptive capacity or whether their failure to achieve objectives is related to other factors.

Major proponents of foreign aid such as Jeffrey Sachs, propose a big push where the Third World countries will be flooded with aid from developed countries to enable them to grow. However, though this like the proposal by Gordon Brown begs a question. Who would implement? What is the guarantee that this aid will be utilised for the purpose of eradicating poverty? One critical observation that has been made is that aid agencies themselves are not accountable and so what gets in as aid may be far different from what was intended. “NGOS are not necessarily the knights in shining armor that will ride to the rescue of aid problems. They have their own problems ...they respond to big problems

\(^{19}\) Ibid p183.
that will be very visible to rich-country publics so rich people will give donations; like the tsunami, all the NGOs will flock in, even though, as tragic as that event was, the amount of money that went to it was more than could be effectively spent to help the victims. It would be better spent on long-run development, nutrition or school programs."\(^2\) This research will use this debate in trying to understand whether the motivation to provide aid is based on the goals and objectives they proclaim or whether the aid donors mean well and failure to achieve objectives can be blamed on other factors about the recipients.

Those who consider that aid could be well spent in projects such as Alan Carlin\(^2\)\(^1\) present potential benefits as viewed by donors such, that there is direct control by the recipient over the selection of projects in certain circumstances; greater opportunity of influencing, in both their design and implementation; increased ease of influencing the recipient's policies in those sectors of the recipient's economy for which project aid has been made available and incentives for improving the quantity and quality of projects. In this research therefore attempt will be made to find out whether recipients gain such control over projects.

Critics of foreign aid on the other hand have argued that aid allocation by most donors often pursue a different underlying agenda and allocate aid according to their own

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\(^2\) Why foreign aid doesn't work, http://www.salon.com/books/int/2006/04/05/easterly/print.html

\(^1\) Carlin Alan; Project Versus Programme Aid: From the Donor's Viewpoint; The Economic Journal, Vol. 77, No. 305 (Mar., 1967), pp. 48-58:50
strategic interest. According to Cox\textsuperscript{22}, the purpose of aid to Third World countries from the time of colonisation was two fold; first provide infrastructure for the benefit of the overseas firms in profit making and availability of required labour and second, to conceal their real motives in the exploitation of the resources. He goes on to argue, with reference to the Lester Pearson report that the main purpose for aid is to enable private sector to grow. Given that the private sector in relation to the Third World countries composed of multinational from developed countries, then aid was not intended to help the Third World. “Indeed for most countries, official aid to finance schools, roads, hospitals and other infrastructure is a prerequisite for and a stimulant to, private investment”\textsuperscript{23}

In the case of donor funded projects, some critics have argued that donors start up and fund project that do not provide value to beneficiaries and are not necessarily what the beneficiaries may be interested in at a particular time. Such projects have low priority among the beneficiaries as is observed in some projects in Somalia. “Aid has provided Somalia with a number of low-priority projects,\textsuperscript{24} and whose overriding motive “has been to create prestigious and easily identifiable projects for the sake of gaining political advantage rather than serving the interests of Somalia.”\textsuperscript{25} More over foreign aid is used as a tool of foreign policy\textsuperscript{26} and more during the Cold War aid was used by the USA to maintain control around the world by sustaining countries which would have fallen to the

\begin{footnotes}
\item[22] Cox Idris; the hungry Half, a study in the exploitation of the “third world”, Lawrence & Wishart, London, 1970 p.56
\item[23] Ibid p 57
\item[25] Ibid p 292
\item[26] Cox; op cit p57
\end{footnotes}
Communist influence. In using the Marshall Plan as a point of reference in justifying aid for the Third World, the donors have not put into consideration the differences in the structures of the economies in Third World. According to Onyemelukwe, Europe had despite destruction of infrastructure, retained vast resource of high level human capital and expertise and what was required was the ejection of capital. In the Third World, aid brings assets and finance which are not in line with the factor proportions of the economy. He goes further to say that aid projects that make headlines as success stories in most cases are not beneficial to the country of investment. This is because as in the case of potash project in Zaire, the project was planned and implemented by donors without involvement of the local administration and its role is therefore peripheral as it cannot determine, either production levels, price and profits gained by donors.

Hancock Graham is even more candid in his attack of foreign aid: that much of the aid is not sent to third world countries but is utilised in the countries where the organisations reside and gives an example of an organisation by the name Priority One International which “sent overseas just 18 cents out of every dollar it received in donation”. The rest of the money doesn't benefit the identified recipients. He further points out that where humanitarian aid is concerned, the aid agencies spend a lot of money assessments of the situation before anything on the ground is noticed especially so during emergencies while people suffer. At the same time they bring “disaster experts” but are not trained and are

28 Ibid p 109
29 Hancock Graham; Lords of Poverty, the power, prestige and corruption of the international aid business, the Antlantic monthly press, New York1989. p7
30 Ibid.p7
31 Ibid p8
thus irrelevant while food aid is usually unfit for human consumption as the case of maize sent to Niger which was not even acceptable as animal fodder.\textsuperscript{32} It is further argued that since aid is usually tied to the exports from the recipient country, the benefits accrue to the donor, through export by the undeveloped country of relatively cheaper goods while importing from the developed country goods and services at a higher price.

Hancock like Onyemelukwe concludes that aid is a waste of time and money as it does not lead to development. However one cannot deny that aid has enabled many in the underdeveloped countries to get education, develop infrastructure and in general improve the welfare of the population in general. Kenya has been a recipient of large amounts of foreign aid in terms of loans, grants and technical assistance especially from the United Kingdom and USA and recently from Japan and China. One way of reducing poverty is through government policies that target investment in human development indicators such as education, health nutrition, water and sanitation and equality and access to land in order to increase productivity of small farmers.

In the Millennium Development Goals, global partnership for development has been identified as an important vehicle for cooperation and a bases for helping the needy particularly in the Third World countries. Official Development assistance had been from the 1970s pegged at 0.7% of Gross National Income of developed countries to developing countries. With the “Millennium Declaration (2000), the Monterrey Conference on financing Development (March 2002), the World Summit on Sustainable Development(September 2002) and the Global Conference on Scaling Up Poverty

\textsuperscript{32} Ib\textit{id} p 14
Reduction (May 2004) all urged developed nations that had not increased their funding to MDGs to make concrete efforts to achieve the target set since 1970s of 0.7% of Gross National Income as Official Development Assistance to developing countries and 0.15 to 0.20 percent of GNP of developed countries to Least Developed countries. In order to achieve this countries need to create friendly and genuine relationships where foreign aid will be utilised in programmes and project that are well designed in such a way that they provide incentive to the beneficiaries and create a sense of ownership. Failure to involve the beneficiaries often leads to failure of projects because projects become foreign to the people that they are supposed to benefit. In involving beneficiaries, foreign aid becomes an effective means of reducing poverty.

The first and the third Millennium Development goals; *Eradicate extreme poverty and hunger* and *Gender Equality and Women Empowerment* are an important basic requirement for the attainment all the other goals and ultimately development. Foreign aid must therefore respond to this requirement if it is to be effective. In the two projects that form the case study of this research, the effectiveness of the aid to these projects should also be measured against this criterion.

1.5 Theoretical Framework

The success of the Marshall Plan in Europe encouraged scholars to developed models that explained stages in economic growth in order to justify an applicable model for Africa and in line with their historical experience that they too were in the same stage of

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33 Republic of Kenya; Millennium development Goals; Status Report for Kenya 2005 p29
development. According to W. W. Rostow, "the transition from underdevelopment to development can be described in a series of steps or stages through which all countries must proceed." These stages are; the traditional society, the precondition for take-off into self sustaining growth, the drive to maturity and the age of high mass consumption. Consequently it was observed that the developed countries were well into the self-sustaining growth stage, while the underdeveloped countries are either still in the traditional society or in the preconditions for take-off stages. It was therefore prescribed that the principal path to follow in order to attain development was through mobilisation of domestic and foreign savings that would consequently generate sufficient investment that would accelerate growth. Gap models that sought to explain the important relationship between domestic savings and economic growth emerged. Harrod-Domar theory presents a functional economic relationship in which the growth rate of gross domestic product depends directly on the national savings ratio and inversely on the capital-output ratio.

The model “asserts that the rate of economic growth is constrained by inadequate levels of savings and foreign exchange and that foreign aid is required to fill these gaps in order to achieve a target rate of growth”\(^\text{35}\). The model assumes that there is an excess supply of labour and that growth is constrained only by the availability and productivity of capital or the level of investment, which in turn is determined by the level of savings. The available option for a government to attain a certain growth rate, is to increase the level

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\(^{34}\) Todaro, M.P., Economics for a Developing World, Second edition p.88

\(^{35}\) McGillivray I M., et al., Controversies over the impact of development aid: it works; it doesn’t; it can, but that depends . . . Journal of International Development Volume 18, Issue 7, Date: October 2006, Pages: 1031-1050: 1033
of savings or increase the productivity of capital. Since developing countries have very little savings to make, they are not able to attain the targeted growth rate. The most useful remedy therefore is the use of foreign aid to bridge the gap of savings constraint, which will increase investment and lead to a higher rate of growth. The Harrold-Domar model therefore presents a justification for the application of foreign aid to stimulate growth to one group of scholars.

The Marxist scholars offer a more radical justification for foreign aid. They argue in the neo-colonial dependence model that, the current situation where we have underdeveloped third world countries and the developed one is attributed to the capitalist system which create unequal development and lead to poor and rich countries respectively. That “the co-existence of rich and poor nations in an international system dominated by unequal power relationships between the 'centre' and the 'periphery' renders attempts by poor societies to be self reliant and independent in their development effort difficult and sometimes even impossible”

That in this relationship emerges a class of powerful and privileged individuals in the poor countries who serve as a link between the nations and the developed ones. This class is rewarded for perpetuating the exploitative policies of the developed nations through aid from such organisations as the World Bank, multinationals and other United Nations specialised agencies. The policies of the developed capitalist countries are therefore the cause of the rise in poverty level and which will not end as long as the exploitative relationship remains.

36 Todaro M.P., op cit p. 91
The 'false paradigm' model is another source of the current justification for foreign aid. In this model, the underdevelopment in the Third World countries is attributed to the "inappropriate advice provided by the well-meaning but often uninformed international 'expert' advisers from both developed country assistance agency and multinational donor organisations such as World Bank, United Nations Educational Scientific and Cultural Organisation(UNESCO), International Labour Organisation(ILO),United Nations Development Programme(UNDP) and the International Monetary Fund(IMF)". That these experts offer concepts, models and technical methods that lead to formulation of inappropriate policies that often produce disastrous results. Poverty levels for example continue to rise because of the inequality in resource distribution such as land, education and credit. In the end only a few people benefit. The model further explains that the educated in the Third World get their education from the developed countries and internalise concepts that lead to poor policies for their countries.

This research adopts the 'false paradigm' model as the most appropriate model that explains the current need for foreign aid in the developing countries.

1.6 Hypotheses of the Study

a) Because of participatory planning, monitoring and evaluation, GASP has been effective in poverty reduction in Lamu district

b) Because of poor project design the Australian programme aid in Malindi has been ineffective in poverty eradication.

c) Foreign aid leads to the development of social and economic infrastructure and consequently contributes to poverty reduction

37 Ibid p91
1.7 Definition of Terms

**Case study**
According to the New Oxford Dictionary of English, this is a detailed piece of research which looks in depth at a small typical case. In this research the German Assisted Settlement Programme in Lamu District and the Australian settlement assisted programme in Malindi district will be used as a case study.

**Development**
The process of improving the quality of human life that translates to better and quality food availability, access to services such as health and education and employment.

**Donor**
Government, organisation or agency providing assistance to a community

**Foreign Aid/ Donor Aid**
This refers to the international transfer of public funds as loans or grants either from one government to another or through multilateral organisations.

**Poverty**
A situation in which a population is able to afford only the bare basics for subsistence in terms of food, shelter and clothing.

**Project**
A temporary process, which has a clearly defined start and end time, a set of tasks, and a budget, that is developed to solve a well-defined goal or objective.

**Settlement programme**
A programme to plan, demarcate and settle an identified group of people
1.8 Methodology of the Research

The research examines how foreign aid has been used and whether it contributes to poverty eradication. Library research has constituted part of the source of investigation. This involved an analysis of the reports and books related to the two projects. Sources obtained include, project reports, District Development Plans for the two districts, journals and books that have been written on the projects.

However, to gain an understanding of the experience of the beneficiaries. I conducted oral interviews and administered a questionnaire designed to obtain information from a population consisting of past project managers, GTZ staff, Australian donor agency staff, land owners and business community within the project areas on the same. I also visited the project areas to see what the current situation on the ground. This is what constitutes my primary source of data. The sample size for each project consisted of fifty respondents which produced a failure rate of 14% in Magarini project due to the vast distances one has to cover before finding a respondent and the fact that none of the Australian project staff was available and efforts to get any assistance of a suitable respondent through the Australian High Commission were unsuccessful.

I have used the results of this enquiry to discuss how foreign aid has either contributed to improvement of the Human Development Index or failed to reduce poverty within the areas of research.

1.9 Scope and Limitations of the Research

The research is limited to the two settlement project in the Coast province of Kenya as it would be difficult to handle a large sample from Kenya in a project of this nature. The research also is limited to the role of foreign aid in development within the Project areas.
CHAPTER TWO

2.0 AN ANALYSIS OF PROJECTS IMPLEMENTED USING FOREIGN AID

2.1 Introduction

This chapter provides an analysis of the projects implemented through foreign aid and raises issues on why donors prefer this method and presents the challenges and benefits from the adoption of this alternative. A project has according to Krassowski\(^{38}\), two defining features. That "an aid project must normally involve the establishment (or extension) of some specific physical structure.....and second, a project must exist, so to speak, in its own right. It must be possible to trace its progress according to a pre-set schedule, and evaluate progress without reference to external factors."\(^{39}\) A donor therefore supports a particular activity which is confined to a particular place and which is designed to serve specific objectives. This makes projects visible and they therefore provide an opportunity for all to see the colour of the donor. When such projects succeed in implementation, their results are visible to all and likewise failure is glaring when they do not succeed.

Project aid has been common in Africa because the donors have started with a premise that "economic planning capacity has been weak and donors felt obliged to take a closer interest in aid usage."\(^{40}\)


\(^{39}\) Krassowski Andrzej: Ibid p. 87-88

\(^{40}\) Izabela Jelovac and Frieda Vandeninden; Working Papers: *How should donors give foreign aid? Project aid versus budget support* CREPP, HEC-Management School, University of Liège, April 2008 p2
Thus, experience has shown that project aid involves the direct participation of the donors in the design and the implementation of a development project.

### 2.2 Historical Background

Project aid as a mode of implementing development has been the major aid modality since the 1950's. This trend can be explained by the belief at that time that the main constraint to development was a lack of investment, and which problem could be overcome by channeling capital investment to developing countries. Proponents of this mode visualised an end of poverty by establishing projects that would directly address the needs of the poor in the Least Developed Countries. Such proponents influence policy shifts in major institutions such as the World Bank which were to provide capital for the implementation of the projects.

In his address to the World Bank governors in 1973 in Nairobi, Robert McNamara, who was then the president of the organisation, unveiled a theme on *poverty in the less-developed countries*[^41] which was to become both a major personal and institutional preoccupation for the 1970s and the 1980s. By describing poverty as a 'blight' and a 'cancer' which was "an impediment to economic growth, and a potential political threat even to developmentalist governments,"[^42] he set the agenda for donor agencies as part of their moral responsibility to put in place programmes that were geared towards poverty eradication. In fact the World Bank made the formulation and implementation of such a plan the central theme of all its efforts during the 1970s.


[^42]: Ibid
In line with the above concept, most donor agencies made efforts to alleviate both urban and rural poverty through select programmes on improved housing and through the introduction of crop development schemes in areas deemed to be poorer than the rest of a country to receive the aid. Crusaders of the war against poverty were starting from a premise that “Poverty was to be alleviated by the vertical downward extension of ‘modernisation’.” In other words the recipients’ way of life and their reactions to the new innovations were not important. It was like the beginning of history and everything would be changed from that moment.

In the urban centres donor agencies’ efforts involved the supply of Sites and Services for the urban homeless, in order that they could build their own houses, sometimes aided by the recipient government’s counterpart funds. Unfortunately the assumption was that most of the poor would provide some percentage of the cost of construction of the houses. Such schemes normally involved surveying, clearing, and leveling land, constructing roads, installing water standpipes and occasionally electricity, and digging drainage ditches. At the end of the 1970s, donors shifted their emphasis to upgrading slums by improving poor houses and shelters with new materials, designing and constructing needed roads, and, installing standpipes and drainage. The ‘pro-poor’ efforts in these years were characteristic of the thinking of the day. It constituted a logical extension of the prevailing ideas that development could only be initiated on a top-down approach.

Poverty in rural areas on the other hand, was identified with subsistence agriculture, low levels of productivity, and ‘backward’ technologies. Mitigating it therefore, involved what

43 Ibid 194
one would call a crash programme of modernisation, with the assumption that this would raise productivity, and thus create a surplus that could be sold out and thereby generate incomes for the rural poor and in this way alleviate poverty. For the World Bank, the body given the responsibility for poverty alleviation lending was to be the Rural Integrated Development Project (R.I.D.P.), and which adopted a multi-sectoral approach towards development. This meant that project authorities were set up allied to extending government institutional structures or were integrated with the existing institutions, in order to manage distinctive agricultural, financial, infrastructural, educational, and health packages that were provided. This means that donors designed their projects with little or no involvement of the recipients. Their packages were to handed down for the local institutions to adopt. Since this involved a top down approach, then it involved a diffusion of inputs in the form of high-yielding seeds, chemical fertilisers, pesticides, and hybrid livestock.

It further meant the provision of credit to beneficiaries so that essential items could be purchased on account, as well as appropriate mechanisms for input-delivery and crop collection. Usually donors prefer such functions to be delegated to a single body such as a government parastatal, because this would become a reliable way of securing the repayment of debts owed by the farmers through deductions from crop sales. In Kenya for example such function has been played by the National Irrigation Board, National Cereal and Produce Board and the National Housing Corporation among others. To ensure success of these innovations, improvements in agricultural extension, water schemes, the building of feeder roads, and sometimes the physical relocations of
populations were carried out.

Donors have usually adopted a multi-sectoral approach to poverty in view of the fact that poverty manifests in many forms such as poor housing, poor food production, lack of clean and safe drinking water, poor health, low incomes and inaccessibility due to poor road networks among other manifestations. Therefore many donor agencies adopted this approach in order to create a balanced impact that would alleviate poverty. Therefore donor funded project have been designed with such thinking.

2.3 Projects Implemented Using the World Bank Planning Paradigm and Their Impacts.

In the case of the World Bank, which appears to have set the agenda for the donor community, it would be worthwhile to look at some of its projects to see how they were designed and implemented. The following two case studies; the Housing scheme in Tanzania and the Bura irrigation Scheme in Kenya are suitable for this illustration. In analyzing these two cases, I intend to bring out the framework through which they were conceived and in so doing find out if they were successfully implemented to meet their objectives. The analysis of these two cases is intended to make a comparison with the case studies that are the object of this research. I therefore present the analysis of these projects in order to set the ground for the case studies and so we will be able to find out whether the design and implementation of these cases forms a general trend that characterises donor projects.
2.2.1 World Bank's Urban Shelter Project in Tanzania

Tanzania had by 1964 embarked on an urban housing development programme that was aimed at providing quality housing for the growing urban population. However, the first phase did not help the poor and created a class of people that could afford the houses leaving out a poor majority. Consequently the poor continued to flock in urban centres and created large informal settlements that were in accessible and which could not be provided with basic social amenities such as water or roads. The government perhaps felt threatened by a large urban population living in informal settlement where security could not be guaranteed and neither could services be provided. In order for the government to gain access and control the urban population, the “Sites and Services scheme was conceived as one means of achieving greater direct control over the urban population by redeveloping squatter areas so as to facilitate greater access by police and military.”

Thus through the 1972 Cabinet decision it was formally recognized that Sites and Services constituted an intermediate solution of the urban housing problem. This would involve the provision of housing together with necessary social and economic infrastructure.

In 1974, Tanzania was able to secure sufficient external funding for this project from the World Bank after the Bank's two important considerations were fulfilled. First, she had to change her agricultural policies towards block farming and second adopt a more pro Western attitude in order to satisfy the World Bank’s search for a more liberal image.

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that would satisfy the major donors who have great influence at the Bank. Beside the balance of payments crisis made it possible for the Tanzanian government to cooperate in order to get assistance. Tanzania's other debts made repayment difficult and this gave the World Bank a greater control over the planning and implementation of projects. As Horace Campbell observes,

"with at least two other current Bank schemes in the country..... begin to add to significant levels of debt which the country will not be able to repay on schedule, regardless of the terms of the loans ... and with it come renewed pressures to accept IMF conditions and to scrap for existing policies, additional pressure placed on government finances through, for instance, cost overruns and devaluations or through technical and capital dependence contained in Bank projects, has also severely overextended government finance and provided additional opportunities for Bank leverage on domestic policies"\(^{46}\).

This clearly shows that the World Bank from the initial stages was to be the driving force in determining the design and implementation mechanisms and would be the leader in decision making as a result of Tanzania's weak financial position.

The project Phase I that was supposed to run from 1974 to 1978, was expected to benefit approximately 160,000 low income people through the provision of 10,600 new serviced building plots in the towns of Dar es Salaam, Mwanza and Mbeya, which were three of the largest and fastest growing towns. As stated earlier the work involved leveling and surveying land, providing access roads, water, sewage and drainage, electricity, as well as providing certain other social, facilities, e.g. schools and health clinics, markets. In addition, squatter areas in Dar es salaam and Mbeya were targeted for upgrading with

\(^{46}\) Ibid p9-10
about 9,600 fully serviced houses with concrete foundation. Construction of all infrastructure was to be achieved by tendering contracts to the private sector while the financial resources for the construction of the houses was provided and channeled through the Tanzanian Housing Bank (THB) which was specifically created for this purpose. At the same time it was intended that the Bank would ensure that the recipients of the building plots completed construction of houses following the specified standards and also repaid the loans advanced.

In Phase II, that was intended to run from 1978 to 1983, an additional 315,000 low income residents were to benefit from a similar scheme that was expanded to include the towns of Morogoro, Tanga, Iringa, Tabora and Dar es Salaam through the provision of 18,895 new building plots and 15,811 upgraded squatter plots.

2.3.2 Results

Campbell observes that the form that the project assumed clearly reflected the predominant role of the World Bank, particularly in the centralization of planning. That “from the beginning the project was largely in the hands of expatriate staff/consultants (funded by the Bank), who formulated policy and evaluated project implementation”\(^\text{47}\) and that this included not just periodic visits by Bank teams, but the placement of its own planners in the parent Ministry a long term basis. This role of the Bank resulted in the design of the project that was not in sync with the lifestyle in Tanzania. The design reflected a single family housing unit similar to those in a Western suburban development setting that has no bearing to the reality of the people on the ground who were supposed

\(^{47}\) Ibid p.10
to be the beneficiaries. "This conception not only embodies western cultural preferences of design and layout, but also assumes the possession of a specific material standard of living, adequate to cover development and administrative, still be able to run a car (distances being relatively great)."48

Further national policies were disregarded especially in the Bank's insistence on tendering the construction works to the private sector which contradicted the national policy on self sustained development, besides, it created distortions in the urban land and housing market which the government had made efforts to control against speculative ownership by nationalisation of land and housing sectors. This clearly shows the contempt with which donor agencies disregard local policies and impose theirs on the recipients. Yet, it is the recipients that they expect to accept the development they introduce.

Further the type of house approved for construction was the 'Swahili' house which was largely built according to what Campbell considers was a rigid, outdated colonial building regulations and where the building regulations required that the use of standard, industrially produced materials as the basis for advancing loans. He further notes that the houses became expensive to construct due to this requirement. It would have been cheaper to use local materials bearing in mind that this was a period of rising inflation and a growing shortage of construction materials as the local industry was unable to meet demand. It is therefore in this context, that "the exclusion of the poor from loans by THB resulted in the failure of plot recipients to 'consolidate' house construction. The condition

48 Ibid p.11
that required the use of sophisticated building standards effectively eliminated the possibility of the poor using less expensive materials and widely known traditional construction techniques to fabricate their own homes, which would have allowed a slower but nonetheless real consolidation and improvement of housing as their incomes allowed."49 The Swahili design that was approved was associated with a new problem. That it led to the extension of a new class of landlords because it allowed the subletting of part of the house to create room for many tenants.

One of the major contributions of the shelter project was supposed to have been the introduction of a source of livelihood in order to create income for the urban poor and thus enable them to afford repayment. Funding was to have been provided by the World Bank for two Small industry development Organisation (SIDO) projects located in the towns of Tabora and Tanga in what could have been the single most important contribution towards assisting the urban poor to gain access to adequate housing, through the creation of employment and the consequent improvement of their incomes. Funding was to have been provided for the purchase of imported machinery and to establish the required infrastructure for 150 new small-scale production units that were to create 870 new jobs for local residents. However due to financial difficulties that led to the scaling down of the project, the actual number of new production units created amounted to only 48, creating a mere 337 jobs. Thus only a few poor people could get employment and meet the criteria for loans from the THB.

Further due to the relatively high cost of construction, it was clear that majority of the

49 ibid
targeted beneficiaries could not afford without financial assistance. It was therefore, unfavourable to them since the THB operated as a commercial institution for providing loans only to clients who could guarantee repayment at interest. “The result was that loans were restricted to wage and salaried workers, the dominant petty bourgeoisie, and excluded entirely the majority of low income families. The exclusion of the self employed and irregularly employed from consideration as bad credit risks jeopardized their ability to construct adequate housing, and therefore put their housing at risk for failure to meet stipulated building covenants”50.

It also meant that more credit was available for the relatively small but very influential middle class who not only had access to capital but who also knew their way around bureaucracies. This resulted in only 24% of those technically eligible for loans in Phase I actually receiving financial help. Until the second phase, the THB was only able to utilise through loans 72% of the funds provided for by the World Bank as a result of its rigid lending policies. By 1984, five years after the project completion date the results were that, of 8,484 sites that were officially reported as complete, only 48.3% were actually finished with occupants in the house, 22% of the plots were not yet occupied and 26.6% showed no development51. As a result of the long period that the project took, the average construction costs doubled the official estimates of TShs.35,000 per house. A survey by the ministry of lands had however indicated that at least 60% of the urban population could not afford to live in a dwelling with a construction value exceeding Tshs.15,000 by 1980. This clearly demonstrates that the poor were unable to afford the costs of the day.

50 Ibid p11
51 Ibid p12
Though the World Bank's vision was to provide affordable housing to the urban poor through these shelter schemes, it emerged that there was a widening gap between construction costs and the ability of the poor to pay, creating a situation in which the rising urban rents were forcing the poor to move out to more marginal, unserviced squatter areas. Thus the implementation of both phases of the project did not go as planned.

Campbell notes that upgrading of squatter settlements was more successful because the high density of squatter settlement allowed for more plots to be serviced at cost below the proposed budget and the provision of basic infrastructure was relatively unproblematic with about 83% of planned community facilities being completed. This was mainly because many of the squatter had arrived from other areas and wished to own their own houses. That this was “probably because the offer of improved housing split the community between older more established landlords and a much larger number of recently arrived poor tenants. The latter group was apparently quite receptive to the idea of acquiring their own house. It was on this basis that upgrading in Manzese proceeded.

However, if we look more closely at data on the actual recipients of the scheme, as opposed to aggregate figures on overall completion, we find that many of those who were actually allocated serviced building plots were not the low-income at all. In the first place, the initial and agreed upon upper income limit for consideration to receive a plot was raised by Government from Tsh.750 per month per household to TSh.1,000 per month per individual, permitting many better-off individuals to qualify for plots.”

52 Ibid p12
2.3.3 Levels of Community Participation

Although the implementation of the project hinged on the participation of the recipients, neither the World Bank nor the state made any attempt to involve the local community either in design or consent to upgrade their houses. Yet this required a consent from the people since their houses would not be demolished or altered without their acceptance. "Upgrading required at least a minimum degree of consent and cooperation from squatters in order to survey land and identify plots, yet it is clear that at no point in the planning process had the 'Poor' (or any other local people) been consulted."53 Rather than educate the recipients and seek their consent the state had started by using earth movers to demolish the houses earmarked for upgrading which caused outcry until a new approach was used.

Moreover from the design to monitoring and evaluation the tasks remained largely in the hands of the World Bank's team of experts yet one rationale of Bank's participation in such schemes was supposed to have been the enhancement of planning and execution capabilities of the government institutions involved. This was further dimmed by the limited provision for training of local staff, which resulted in a dominant role played by 'expert' expatriates. Thus the Bank's domination has resulted in enhancing the demand for expatriate planners preferably externally financed in her Ministry of Lands. Perhaps even more important, the reliance on foreign consultants together with the design, the technology adopted for employment creation and the nature of the management skills tended to ensure and guarantee that there would be continued technical dependence on

53 Ibid p 12
foreign capital through the form of housing that was introduced that relied on the utilization of imported construction materials.

Though the shelter project formally came to an end in 1985, it is evident that the long term implications of such World Bank development schemes for Tanzania will be felt by generations to come as Tanzania struggles to repay the initial loan. This is because their failure to meet the envisaged target in terms of development and the financial burden it lays on the state will be long term.

2.3.4 Conclusion

The Tanzania's Site and service scheme was a good idea whose design and implementation became the source of failure. The lack of involvement of the government and the local people in design and implementation led to the start of a huge project that the government was unable to match in provision of counterpart funds and the administrative capacity. This guaranteed its failure and the end result was to leave Tanzania much worse of from the loan burden and inability to finance rehabilitation of the project. The recipients also were able to take advantage of the inadequate administrative capacity in the government and refused to make repayments. Besides, the World Bank had handed over the project after sensing its failure to a people who were not trained and therefore lacked the requisite administrative capacity. This was failure of the Bank that should have trained the local management on the running of such a huge project. The intended impact was therefore not realised.
2.4.0 The Bura Irrigation and Settlement Scheme

2.4.1 Background

The main objectives of the Bura Irrigation Settlement scheme (BISS) were settling landless people, provision of employment to the settlers and increasing agricultural output. The aim was to settle 5,200 families in 23 villages and the population was expected to ultimately reach 65,000 with settlers drawn from each of Kenya's Provinces on a quota basis. The settlement areas was to be serviced with infrastructure in the form of roads, treated water supplies, sewerage, schools and clinics sufficient to cater for the projected settler population. Each settler family was to be provided with a house, a 0.5 hectares vegetable plot and 1.25 hectares of land on which they were required to grow cotton and maize.

Cotton was to be the major cash crop, with maize grown for subsistence and local resale. The settlers were to be provided with services such as land preparation, crop protection, and provision of water, seed and fertilizer by the scheme authorities and whose costs were to be recovered from the proceeds from the sale of cotton. Cotton was to be ginned on site and sold for export, although Kenya is a net importer, since its superior quality was expected to attract a higher price. Irrigated fuel-wood plantations were included in the plan to provide fuel for the settled population and to prevent the destruction of the riverine forest vegetation.

2.4.2 Source of Funds

The World Bank and the European Development Bank (EDF) mainly funded the BISS. Bilateral finance in the form of grants and soft loans was also provided by Britain.
Finland, Holland and Japan. The main actor was however the World Bank, with the other donors taking little part in the monitoring of the project. Like in the Site and Service scheme in Tanzania, a parastatal to coordinate and provide services on behalf of the World Bank in the case of Bura Irrigation Settlement Scheme was the National Irrigation Board (NIB). Construction started in 1979 and the first settlers moved in 1981. BISS being a large project, was estimated to cost about Kshs 766 million (about US$ 98.4 million) in 1977, equivalent to Kshs. 148,700 (about US$ 18,000) per each family settled. There were however major delays from the onset of the implementation of the scheme in practically all administrative areas as well as major revisions on scheme design. As a result, costs soared, rising to about US$ 121.7 million. In the average budget estimates for the World Bank, “pumping and gravitational projects cost US$ 145 and US$ 31, respectively, compared to over US$1,500 in Bura, making it one of the most capital-intensive schemes in the world.”

Kenya’s share contribution to the project was to be 20% which translated to Kshs. 160 million.

2.4.3 Problems Affecting the Scheme

Mwega observes that the BISS, at the insistence of the World Bank, had relied on pumping water down large irrigation trenches instead of relying on gravitational flow. But these pumps were made from components and spare parts that came from different continents which made the pumps difficult to repair once a breakdown occurs as parts had to be sought from different sources. Siltation from sand either clogged or destroyed these pumps and this meant that dredgers were rendered useless.

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Therefore, when the pumps broke down, the waterways silted and reduced the water availability days and affected production.

The time of the implementation, like during the Tanzanian housing scheme was one of hard economic time for Africa. Inflation and devaluation of local currencies contributed to rising costs of the project. This, coupled with underestimations and unforeseen expenditures led to rapidly rising costs against a fixed aid package from the donors. Thus “Kenya's share of the costs rose from KSh160 million (20%) in 1977 to Kshs 1 billion (45%) by 1982. The government was unable to meet its obligations on many contracts that led to substantial delays and costly claims for damages.”

In 1983, a decision was made to curtail the scope of the project by about half, reducing the number of settler families to 2,500 and the cost to Kshs 1.50 billion. This was despite the fact that irrigation and water treatment works had already been completed for the full population and the main outstanding works were houses, schools and the fuel-wood plantations. This meant that much of the complex water treatment and irrigation system was going to be useless and a waste of resources. Despite this waste the project further suffered from conceptual, technical and institutional problems.

According to Mwega, the concept of settling people from all over Kenya on a quota basis was dubious. This is because settlers from the Kenya highlands, where the pressure on land is the greatest, are unused to the inhospitable climate and lack resistance to the endemic diseases such as malaria and bilharzia. Desertion and death rates amongst

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55 Ibid p9
settlers was therefore high and many household heads chose to leave their families at home and did not take them to the scheme. The result was that the settlement objectives and the relief of pressure on the land were not met.\(^56\) In addition, he says that, the settlers were unable to manage the holdings single handedly and production consequently suffered. Many of the settlers consequently saw the project as providing only temporary employment, and intended to return home if they could save enough to buy land there. This was in contrast, with settlers from the local Coast Province who were more used to the climate and had more resistance to the endemic diseases and adapted well to the scheme. Thus he concludes that, the project as a solution to landlessness and urban drift may have been misconceived from the outset.

Another problem that the scheme failed to address was related to the lack of incentives for production to farmers. Land ownership in Kenya is sentimental and translates to a sense of security to the holder. In the BISS, the settlers were given land on one-year renewable lease. This led to a sense of insecurity and destroyed any incentive for the tenants to develop the land or settle permanently, unlike settlers in other rain fed settlement schemes such as Magarini and Lake Kenyatta in Malindi and Lamu respectively, who got freehold titles as a matter of policy. As Lecomte notes “the local people are regarded primarily as a pool of unskilled labour, and have no say in devising or running the work; that is no encouragement for them to organise, equip themselves or work out how to do the job most efficiently”\(^57\)

\(^{56}\) Ibid p 10  
\(^{57}\) Lecomte Bernard J.; Project aid; limitations and alternatives, OECD, Paris 1986
Mwega therefore concludes that the provision of all inputs such as seed and fertilizer by the NIB together with the authoritarian management style also led the settlers to view themselves as labourers, rather than self sustaining farmers. The result was that the settlers came to expect to be spoon fed and showed few signs of initiative. After all, all their farming activities were scheduled on the farming calendar. “The management position was that provision of these inputs, like the tenancy arrangements, is necessary to retain control and to ensure that the crop calendar is fulfilled. It is also argued that these inputs had to be provided since the settlers had no resources of their own. In practice, inputs were not being provided on time and yields were depressed. Yet the tenants had no recourse, since charges were automatically deducted from the proceeds of the sale of their cotton, which was managed by the authorities”58

It is further noted that the scheme was unable to achieve economies of scale given that a minimum of 15,000 hectares would have been ideal for this. The World Bank though, approved the commencement of the project with only 4,000 hectares of arable land and 3,000 hectares of marginal land. This means that from its conception, the scheme was not going to attained economic production given the huge investment. A trend appears to characterise World Bank projects, for like the Tanzania's housing projects, there appears to be little or no linkages between the Banks activities and the local institutions. This brings about the problems of takeover of completed projects. In the BISS for example, the Ministry of Water Development was expected to take over a water treatment works but declined because it had not been brought on board earlier and did not therefore have staff and a budget for maintenance of such works. So was the ministry of health which

58 Ibid p10-11
took three years before taking over a clinic while in the mean time the community suffered from diseases as malaria and other waterborne diseases which decreased community productivity.

Bypassing local institutions is the result of this and appears to be a characteristic of the donor funded projects that want to control the design and the way implementation is done leaving out the local people. As Therkildsen notes “bypassing of local institutions is a logical consequence of the control oriented planning and implementation approach. When a donor circumvents parts of the recipient's institutions and procedures, the aim is to gain better control over planning and implementation.”

Staff development too was not emphasised and though the World Bank recommended the appointment of a team of expatriate managers for the first five years of operation, it was expected that this would provide time for local staff to be trained. Instead, the project staff were poorly trained, poorly motivated and too few in numbers to make an impact. It was also difficult to get experienced staff given the fact the scheme location was in a remote environment besides working conditions that were not encouraging.

While the project continued to be affected by the above problems, the prices for the cotton which was the main crop planted in the area fell drastically on the open international market. This meant that farmers could not be able to repay their debt from the inputs advanced by the NIB. This caused disillusionment among the settlers and led

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59 Therkildsen Ole, Watering the white elephants?: lesson from donor planning and implementation of rural water supplies in Tanzania, OECD, Uppsala, 1988
to the collapse of the project. The reliance on one crop proved disastrous. Lecomte presents a similar picture of such a project in West Africa. He notes that farmers at a workshop complained about the mismatch between the needs for help and the forms of assistance that the people received. "We should not be given advice only for cotton, we should grow what is best for us. They told us to follow their programme and we would get their assistance and now when we follow the programme the prices of their ploughs double and the prices of our crops stay the same."60

The irrigation system was designed as a sophisticated water treatment and distribution system with many controls at a cost of Kshs. 120 million at that time, with a dredger to remove silt and a water pump some of which never operated. Their operation more over depended on diesel fuel to run which proved very expensive. This coupled with the fact that all decision were not made on site but from Nairobi rendered operation difficult to manage as a result of delays in decision making and the supply of inputs. The heavy operating cost also translated to a huge cost burden to the farmers. Moreover the foreign exchange problems during these years made procurement of spare parts difficult.

The analysis of the above projects gives useful insight on how donor projects are designed and implemented. That the projects usually adopt a top-down approach to development and have little regard for the recipients' role in development other than as observers who are expected to follow the prescribed solutions to their poverty situation. The reasons why donors prefer to use this method in helping Least developed Countries is that they have little faith in local leadership in accounting for use of funds. Corruption among leaders is usually sited as a reason for the donors interest in control of funds since

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60 Lecomte B. J; opcit p 15
giving aid as budget support would obscure their interest. Lack of adequate capacity to manage such funds and projects as a result of weak capacities among personnel in LDCs is also advanced as a reason why donors should manage projects.

2.4.4 Conclusion

The project has been a favoured means of disbursing development funds. To donors, it has considerable advantages over the delivery of aid through budget support, because of what is perceived as the relative transparency of its procedures that makes it easier for donors to keep track of how their money is being spent unlike in budget support. Project progress can be supervised and recorded by expatriate personnel who are directly responsible to the donor. The project’s visibility, often in the form of concrete structures such as hospitals, power stations and schools, is attractive to politicians who need to provide convincing evidence to their tax paying voters back home that aid money is well spent. This means also that donors are usually interested in identifying the “colour” of their aid as a political milestone.

Project aid however, has its own shortcomings. Unlike with budget support, with project aid donors have no control over the overall allocation of resources. This means that, nothing prevents recipients from reallocating their own resources away from the development once projects are financed.61 Thus a government may decide to reallocate funds meant for an agricultural project once a donor decides to fund a similar project.

61 Tito Cordella and Giovanni Dell’Arcidia; Budget Support Versus Project Aid: A Theoretical Appraisal, The Economic Journal, 117 (October), 2007 p1267
However, governments in LDCs today, are disillusioned with project aid because of the high failure rates. The need to create a national ownership and control over the budget, has made it possible for a larger share of development expenditure to be brought under the control of governments and subjected to the normal processes of budgetary planning and resource allocation. In Uganda for example, “General budget support from donors is preferred donor funding as this provides greatest flexibility with which Government can deliver services efficiently and effectively according to its strategic objectives and priorities.” The government of Uganda has moved from a project driven approach to the development of comprehensive, co-ordinated, sector-wide programmes and investment plans, involving the participation of all stakeholders in planning and implementing development programmes.

One cannot conclude that project aid has all been a failure and a waste. But it is important to note that where there has been success, the project area has become an oasis of plenty surrounded by a very poor area especially in developing countries. This would mean that the recipient government continued to make a huge allocation towards the maintenance of infrastructure within the project unless the people within the project have meaningful income generating activities. In the absence of other replicated successful projects it would only mean that the failure rate has been high and donor projects have not been sustainable in developing countries.

62 M.C. Muduuli, Deputy Secretary to The Treasury in Uganda while giving view regarding the Ugandan experience, with both budget support and project aid at a Ugandan Workshop On Budget Support in June 2004
What is evident from the above two cases is that within the project framework, the following have been the limitations of the project mode. One poor planning and design that doesn’t involve the project beneficiaries and where designs from Europe or America are duplicated in LDCs. Lecomte makes an important observation of an agricultural project. "Farmers are not at the dawn of their history. In their group memory they have built up considerable stocks of information about their own experiences and their participation in development" Failure to involve recipients affects a project negatively. On the other hand over ambitious objectives and time schedules that are not practical given that they are applied on recipients who don’t share the same concept of development.

With the experience in the above cases, it is now worthwhile examining how the Magarini and GASP projects were planned and implemented. It should be interesting to find out whether they followed the same pattern as the two cases sited above or the donors used a different approach.

63 Lecomte B. J, opcit p.24
CHAPTER THREE

3.0 STATUS OF DEVELOPMENT IN THE STUDY AREA BEFORE COMMENCEMENT OF DONOR AID

3.1 Introduction

The study area, like most rural areas in Kenya, was lacking in basic infrastructure such as roads, good schools, hospitals and water. In most cases, for these services to reach the people, it has taken the intervention of a senior politician or the Head of State to initiate projects that provide such services to the people. Where such politicians have not intervened, the areas have remained poorly serviced and the people have suffered for a long time. Development has therefore been associated with political influence. The study area would perhaps not have attracted donor funding until such politicians exerted their influence and recommended that projects be started in these areas.

Implementing development projects in such areas is thus creating islands of plenty while adjacent areas remain with unmatched developments. Depending on how a project has been designed and implemented, a project may not create adequate inertia to stimulate development in the area of implementation to influence the adjacent areas, instead, no meaningful improvement in the welfare of the people and neither would the adjacent areas be stimulated to grow.

The study area has two sections. Section 3.2 deals, with the Magarini Settlement scheme in Malindi district from the project history to its present status. The second part 3.3.1 deals with the German Assisted Settlement Programme (GASP) in Lamu district both its background and the current status of development in the area. The intention of presenting
this information is to introduce the area of study by providing the background information to events prior to the start of the implementation by the donor agencies and give a highlight of their first experiences and they were able to accomplish. This section also places the study within its geographical context in Kenya and therefore this serves as a useful introduction to the study area.

3.2 The Magarini Settlement Scheme

The Magarini Settlement Project is located within Malindi District of Coast Province of Kenya. The settlement scheme is within a plateau, lying adjacent to the coastal strip. In its southern part, it is delineated by the Sabaki River while to the West; the Galana game reserve forms the boundary. The region comprises of five (5) divisions which were defined for the planning purpose of the settlement scheme. The main town centre is Malindi located about 10 kilometres from the southern limit of the scheme.

The region is drained by the Sabaki river which is perennial, and several seasonal tributaries that have formed valleys that dissect the plateau. The soil type according to a report on the project consists of four main types:

- A mixture of soils from the Sabaki flood plain
- Aeolian sediments associated with ridge landscapes consisting of deep red sandy loams
- Tertiary sands, deep acid sands and sandy loams associated with the almost flat plateau landscapes.
- Soils of tertiary sediments that are deep grey, sandy clays.

The importance of these soil types comes to light when we get the real experiences in the implementation. Climatically, the region experiences consistent hot climate with

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64 Republic of Kenya; Magarini Project Report 1981. p4-5
temperatures varying from 20°c – 25°C, while rainfall is very irregular and highly unreliable with an average of 950 mm per year in the south to less than 700 mm in the north and west.

Some critics have pointed out that the only reason why the project was funded by the Australian government was her “desire for a project 'somewhere in Africa' to deflect African leaders' charges that Australia was a bastion of white racism.” The Kenyan government saw it as an opportunity to develop one of her dry lands using the Australian expertise. In relation to other settlement schemes in Kenya, its unique characteristic was the fact that it was the only scheme within a semi-arid region and was used as a pilot scheme for subsequent replication in similar areas if its implementation became successful.

The dominant people in the region are the Giriama who cultivate maize, millet, sorghum and cassava. The people have traditionally practiced shifting cultivation that allows for a rotational bush furrow for about 2 – 3 years. This is clearly a learned practice as a result of the climatic conditions and the fact that the population is low and sparsely distributed. The farming method does not require a lot of labour as fire destroys most of the weeds which take as much as two years before new ones are well established.

The primary aim of the Magarini Settlement project was to settle families, who were

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65 Osborne Robin; Magarini Settlement, The greening of aid, 18 February 1991

48
already based in the region, alleviate poverty and increase agricultural production in a sustainable way. According to the Kilifi District Development Plan 1979 – 83, the main pre-occupation of most of the population was by 1979 subsistence agricultural activity. The project area was before 1979 poorly provided with basic infrastructure such as roads, electricity, water, hospital and schools. Residents would travel as long as 10 kilometres before accessing a motorable road. Water sources on the other hand were far and residents would travel as long as 20 kilometres to access the nearest water sources of either the Sabaki or Gongoni rivers. So were the literacy levels that were very low due to the small number of schools and low enrolment, especially among girls. Health facilities too were poor and few with dispensaries only at Marafa, Fundisa and Adu for the entire population. This meant that residents would walk for long distances to reach the nearest health facility.

The subsistence nature of the food production was also associated with low levels of production. This was supplemented by wild fruits and wild vegetables. According to one of the community leaders, the Giriama do not plant more than one crop. Intercropping is thus not an acceptable practice in their community and neither would they be confined to one parcel since they have a history of shifting cultivation which to them is reliable.

Social and physical infrastructure was clearly lacking and the implementation of the project would help in their development and solve part of the community's problems. It was accordingly envisaged that the project will progressively generate its own demand for social and physical infrastructure which the existing hierarchy of service centres will
be unable to provide. The project will have therefore to generate its own social infrastructure and also cater for some of the villages which are located outside the project area. In this way, the project will have an impact on the hierarchy of centres rather than vice versa.

According to the memorandum of understanding (MOU) between Kenya and Australia Governments, the project objectives were the following:

> To improve the living standards of the people in the region and to contribute to the growth of the Kenyan economy in a manner consistent with the National Development Plan. As well as surplus food production, the project aims to increase the production of cash crops which reduce the need for imports.66

The Ministry of Lands and Settlement was nominated as the executing authority for the project with the Government of Kenya being responsible for the project's implementation and completion. The spirit of the agreement between the two Governments was that the project would be implemented by a project team comprising both the Kenyans and Australians with the Australians taking both operational and advisory roles. The government of Kenya was responsible for the appointment of the project manager and to provide support technical staff.

One of the earliest difficulties of the Magarini settlement scheme was the lack of an overall plan providing for the phased development of integrated settlement proposal that included the social, agricultural and infrastructural development for the scheme and its surrounding region. The plans were adhoc and on sectoral basis covering progressive

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66 Ibid p 36
stages of settlement development. A decision was then made towards “dividing the project area into a series of component schemes for phased development on an integrated basis. Component area schemes are to be oriented towards an existing local centre for services provision and to be known by the name of that location, e.g. Marafa settlement scheme, Adu settlement scheme. The size of each component scheme would be in accordance with the ongoing land capacity analysis, but is expected to be of the order of 600 farm plots within a radius of perhaps 6-8 kilometres from the nominated centre”.67 Towards this then six initial schemes were identified namely Adu, Ramada, Fundisa, Mizijini, Marafa and Shauri Moyo.

The plots were to consist of blocks of 12ha each demarcated with beacons for identification to eliminate cases of boundary disputes. The plots would then be numbered and subsequently the ministry of Lands and Settlement would identify settlers and issue then with letters of allotment. This would be followed by the showing of plots to settlers who according to the settlement conditions in the letters of allotment were expected to reside within the plots, cultivate and fence off. The plots have a land development charge to be repaid in 30 years with a two year grace period, after which freehold title deeds would be issued.

In order to enable the settler have easy access to their plots, the project would open up the entire area by use of a network of roads. The plan therefore involved developing all major roads and access roads for accessibility by settlers and filed staff and to markets.

67 Ibid P39
Accordingly the project expected to “upgrade 100 kilometres of existing roads, construct 150 kilometres of through roads and 500 kilometers of access roads”\(^6\).\(^8\)

Another pressing problem in the schemes was the source of water. The initial project plan involved the drilling of three boreholes at Majengo on the Eastern edge of the scheme from where water would be pumped up Magarini hill to tanks located at Magarini primary school from where distribution would be by gravity. The production capacity was estimated at 700,000 litres per day and considered adequate for 2000 families\(^6\).\(^9\). The goal was to provide water to settlers with stand pipes at 0.5 kilometre interval in order to reduce the distance that settlers travel for water. The water reticulation system was to follow the project roads for easy access. To supplement the underground water, the design was altered to accommodate the “development of shallow treated and protected surface catchments as a supplement to piped water supplies”\(^7\).\(^0\). This was however dependent on the construction of dams and rain which is scarce in the region. A second alternative was the use of roof catchments from farm houses belonging to settlers. This however depended on how soon the settlers would occupy and construct houses. In line with Government policy, consumers are expected to pay for supplies to the extent of recovering the maintenance cost. Farmers were therefore expected to pay Kshs 15 per month for water to meet some of the costs.

The project also expected to provide settlers with building materials to enable them move

\(^6\) Republic of Kenya; Food and Nutritional in the Magarini settlement scheme. Result of an initial survey carried out amongst the first group of settlers one year after their settlement Ministry of Economic Planning and Development. June 1981. P8

\(^8\) Republic of Kenya; Magarini Project Report 1981 Opit p. 54

\(^9\) Ibid p.55

52
to the new plots. Settler housing was therefore included as part of the credit package allocation to the settlers. The donor agency expected that this would be double edged by providing permanent dwellings and roof water catchments. The project too hoped to improve other infrastructure such as educational and health. This would involve upgrading of school buildings, playgrounds, teachers houses, furniture at existing primary schools, building new primary and secondary schools and rehabilitating health centres.

For sustainability of the project, settlers needed a reliable source of funds especially from non farming activities. It was therefore expected that at the nominated urban centres of Marafa, Adu, Mizijini and Shauri Moyo for example, workshops, agro-processing, financial services and skills training would be developed. This was to be done through the Kenya Industrial Estates. This would result in an Industrial Promotion Area for the project. The planned extension of an electricity line from Malindi to Marafa was to be of great benefit to the project since it would aid industrial development.

3.2.1 Some Results from the Initial Project Implementation.

Before the project inception, the local residents in the project area were compensated in order that they move out to give way for the demarcation work and new allocations. One of the mistakes that were made by the government agents was that the inhabitants were not educated on why they were being compensated. It was not made clear why they were being paid and besides they should not have been paid while still occupying the land as this would introduce other problems of enforcing the eviction/relocation. The compensated inhabitants therefore still continued to claim their land even when allocated
to other settlers and cited their ancestral graves as the reason why they would not relocate.

In areas where new settlers moved in, such settlers had their land cleared to the extent of 4 hectares (ha) per plot to enable them move in and start cultivating. In addition, the entire 4ha was tractor ploughed and planted for them including weeding by use of paid labour by the donor as a way of initially encouraging the settlers to accept the plots. The settlers were provided with relief food in order to sustain them before their crops matured. Food was initially donated by the Catholic Relief Services (CRS) in 1980 and “consisted of 90 kg first quality rice and a tin of oil or two bags Soya bulgur (broken wheat and Soya beans) and a tin of oil per household per month.”

During this first year after the project started, the first crop did not provide sufficient food to sustain the population for the whole year. A food for work programme was started with food donation from the World Food Programme, which consisted of 45 kg maize per household per every two weeks. The settlers constructed temporary houses of wood, mud and grass thatch, with promise that permanent houses would be constructed for them at a later stage, partly funded by the settlers, the donor and the CRS. In fact the CRS had offered to donate funds sufficient to construct 80 houses. While this was in a way adding up on the burden of the settlers by raising the amount of land development loan they were supposed to eventually pay, it would appear that nobody educated the settlers on the idea of the land development loan and they considered that the houses were being constructed.

71 Republic of Kenya; Food and Nutrition in the Magarini Settlement Scheme, Result of an initial survey carried out amongst the first group of settlers one year after their settlement. Ministry of Economic Planning and Development June 1981 p8

72 Ibid
3.3.0 The German Assisted Settlement Programme (GASP)

3.3.1. Background

The German Assisted Settlement programme in Lamu district was started in 1976 within the Lake Kenyatta Settlement Scheme. This was after late President Kenyatta visited Lamu and experience the problems that were in the region. The cotton farmers had a bumber harvest but there was a shortage of labour. A solution was identified in converting this into a settlement scheme. The Germans too had interest in Lamu since the period of the 'Scramble for Africa' and appeared to have been waiting for an opportunity to quench their earlier ambitions.

The Lake Kenyatta Settlement Scheme had started as a cotton growing scheme in 1971 under the ministry of agriculture. However, a shortage of labour arose as a result of the high production of cotton witnessed in the area and the government realized that the solution to the labour problem would only be by turning it into a settlement scheme since this would attract more people. In 1974 it was converted to a settlement scheme under the ministry of Lands. The Government of Kenya requested the Federal Republic of Germany for support resulting into the formation of GASP in 1976. The purpose of GASP was to provide the physical infrastructure to the settlement scheme at Lake Kenyatta. Besides Lake Kenyatta, three other schemes were established between 1985 and 1996 namely; Hindi Magogoni, Witu and Lake Kenyatta 2. Thus today we have Lake

73 An informant one Mr. David Jefwa was disappointed that this was denied to his community. But was also quick to point out that the idea of settling people in plots was against their traditions as they lived together. To him it was a waste of time to settle them in plot rather than in the villages that they were used to.
Kenyatta 1 and 2 where the later grew as a result of the increase in population and settlement of new groups beyond the existing boundary of the initial Lake Kenyatta settlement scheme.

The general altitude of the area rises from between 2 and 20 metres above sea level and is generally flat except for the numerous shallow depressions that serve as water catchment areas. Most of these are temporary and only Lake Kenyatta is a perennial fresh water source. Soils are mainly sandy and a mixture of sandy loams. Ecologically, the area experiences bimodal rainfall at an average of 1000mm per annum with long rains from April to August and short rains from October to December. January to March is the hottest and driest periods with temperatures reaching 32°C. Vegetation is mainly cultivated farmlands with patches of bush and savannah grassland with red loams and sandy soil.

The overall goal of the scheme was to achieve a sustainable settlement of settlers drawn from various parts of Kenya. The specific goals were, creation of employment within the scheme, increasing agricultural production for settlers' own consumption, national supply and export, raising the income levels of settlers and improving the general living conditions of the settlers. The schemes cover an area of about 40,000 hectares with a population size of about 40,000.

Before the opening up of the area by the project, this was a bush land that had a very high

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74 Figure is based on the 1999 census
population of baboons and wild pig that both combined was over 20 times the number of settlers. This number could destroy an entire settler's crop within a day. Farmers had therefore to take duty in shift days and nights to guard their crops until harvest. Further the number of snakes was also high and settlers lived under constant threat from them. However, by 1977 settlers who had come in had cultivated quite a substantial area, as the table below indicates;

Table 1: Estimated area under cultivation of various crops by 1977

<table>
<thead>
<tr>
<th>Crop</th>
<th>Area under cultivation by 1977</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maize</td>
<td>4419</td>
</tr>
<tr>
<td>Sorghum</td>
<td>203</td>
</tr>
<tr>
<td>Green grams</td>
<td>87</td>
</tr>
<tr>
<td>Cotton</td>
<td>700</td>
</tr>
<tr>
<td>Simsim</td>
<td>1552</td>
</tr>
<tr>
<td>Mangoes</td>
<td>440</td>
</tr>
</tbody>
</table>


With the increase in the number of settlers also, school enrolment was raised “The growth, both in number of primary schools and in total enrolment, is mainly attributed to the development of the Lake Kenyatta Settlement scheme(with 9 schools); introduction of free primary education up to standard 4 by 1974 and subsequent abolition of school fees up to standard 7 for the entire district...” however the “major problems affecting education include, poverty; majority of Lamu inhabitants are in the low income group and are therefore unable to raise school fees; schools have substandard buildings while others have inadequate classrooms and furniture; disruption of normal enrolment due to

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75 An informant puts the figure as at 1979 at about 400,000 baboons and 100,000 wild pigs.

wildlife menace (mostly baboons) at times when school going children have to assist their parents in guarding against wild animals and that Lamu roads are impassable due to flooding resulting in a number of schools being inaccessible."  

During the first years of the project life between 1976 and 1984, there were little visible activities from GASP. Its role was mainly to offer advisory services to the government from their location in Nairobi, Mombassa and Kilifi offices. Project finances had been channeled through the budgetary supply system and one of the problems that faced the project implementation was administrative delays in the release of funds that made field work difficult. Integration with other government institutions was also difficult and did not materialise until a progress review mission recommended major changes in the GASP approach to project implementation. There had been little real impact on the ground since the donor agency operated from far. In fact the 1979-1983 Lamu District Development Plan does not mention of the activities of GASP or GTZ in its report of donor agencies and programmes operating in the district. Instead only the activities of the department of settlement related to water projects, access roads, etc are recorded as part of the anticipated annual development activities.  

The second phase from 1985 to 1995 witnessed a change in location of administrative unit. The Project advisor moved to Lamu as the new Headquarters of the project. This however did not bring about institutional integration between GASP and government departments in the project area. The project operated as a separate development project.
This was further reinforced by the change in the financing method. Donor funds were from the beginning of this phase channeled directly to the German team leader. This led to a program of parallel implementation since the Kenya Government also provided counterpart funds.

As witnessed in other projects, the approach to development in the first two phases of GASP was top-down. Technology was regarded as the only main hindrance to development and as long as this was put right everything else would be in order. But perhaps also the lack of sufficient government personnel and departments on the ground also contributed more towards this. Lamu was regarded as a punishment station rather than an ordinary station of deployment. There were no properly developed infrastructural facilities and therefore the donor agency had a free hand in designing programmes of their own choice according to what they felt was the basic requirement.

During the third phase running from 1996 to 2004, new project management ideas were injected. Re-engineering of the project was done. Firstly, the project's planning and implementation strategy was reviewed and updated by adopting the following principles;

1) Poverty orientation;
2) sustainability (organisational, economics and ecology)
3) Participation on all levels and in all stages of settlement development
4) Target group orientation, in particular gender specific approaches;
5) Multisectoral Approach; and
6) Regional Orientation

Further GASP management had its organisational structure changed. The ownership of

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GASP was taken over by the Ministry of Lands and Settlement in 1997 through the appointment of a GASP coordinator to be assisted by the German team leader. A management team was set up to be operating the day to activities, while overseen by a District Steering Committee and a Consultative Meeting at a National level. On the implementation level four sectors were created namely; Administration, Social (community development health and education), Green and Rural infrastructure sectors. In line with the District Focus for Rural Development strategy where services were intended to be taken closer to the people, the GASP operations were moved closer to the target population by relocating the implementation team from the headquarters on the Lamu Island to Mpeketoni in Lake Kenyatta 1.

3.3.2 Some Results from the Project Implementation.

The project initiated designs and surveys for roads in order to create well serviced blocks. This was done through the support of aerial photography for the entire district and the development of block maps for the schemes. This made it easy for opening of access to plots. Opening of the land was done either through graveled roads, field roads or cut lines that also act as fire breaks. To achieve this, the project purchased its own graders and other equipment because contractors hired to create initial access roads were unable to complete the work and their grader is a vandalized and rotting shell at the scheme today.

The project constructed a total of 66.4 kilometres of graveled roads in Lake Kenyatta 1, 17 kilometres in Hindi Magogoni and 11 Kilometres in Witu. These are the main roads joining the schemes and those that cut across them to open up for other access roads. This
was one of the most important milestones for the project because it opened up the project area to easy accessibility from Malindi and Tana River districts and thus opened up Lamu District to the rest of the country.

The success of settlement depended on the availability of water. The only available source of fresh surface water was Lake Kenyatta. The next nearest source was Tana River whose fluctuating levels and siltation levels were discouraging to any attempts at considering it as a reliable source. Beside the distance and lack of sufficient gradient were also a factor discouraging its consideration. Ground water in the scheme is highly saline to an extent higher than the acceptable World Health Organisation (WHO) standards for drinking water. The available source at Lake Kenyatta could not sustain the entire projected population and be used for agricultural activities. The Provincial Administration had funded the existing water source development before GASP established itself on the ground. “By 1977 a 20,000 gallon elevated tank was erected at Mpeketoni. Although the Provincial administration provided the funds, construction work was supervised by the ministry of Water Development. The ministry has also prepared a plan for water supply for Mpeketoni market centre.”80 The rest of the population far from Mpeketoni depended on water from ponds and shallow wells.

3.3.4 Conclusion

The above information provides a useful insight into the situation in the study area and it is hoped that this gives the reader some useful picture of the situation in the study area before discussing the research results. Political motives played a key role in the establishment of the two projects. The Australian government, eager to please an African leadership, that it was not racist, was willing to fund a project. Such a motive may in the end not produce results that are in the interest of development. Also the top down approach adopted by both the Australian agency and GASP was not in line with the current approaches towards sustainable development. This is because it left out the role of the settlers in planning and implementation. Further, the use of a Non Governmental Organisation; the McGowan International by the Australian government agency to design and implement the project simplified the idea of a development project. A development project may not be simplified as the construction of a small facility. Users must accept to own and use what is provided for them.

Both these donor agencies started their projects in areas with similar hardships in terms of water sources and other infrastructure such as roads, schools and hospitals. The problems of staff were similar since both stations are regarded as hardship areas. The character of the donor agency in terms of its sincerity in implementing relevant and appropriate design and technology is perhaps what creates the difference between the two donor agencies.
CHAPTER FOUR

4.0 RESEARCH ANALYSIS

4.1. Purposes for Establishment of the Magarini Settlement Project

For development to become sustainable, projects must be designed and implemented using the beneficiaries at various stages to provide their input in order to legitimise the process and create ownership. The experience in the history of the beneficiaries become useful lessons to the donor agencies and the technical team and improves on this in order to evolve acceptable technologies and values for the benefit of those they serve. Where the role of these beneficiaries is not recognised, projects become monuments and their objectives are not achieved. Meaningful development must be seen in terms of the improvement in terms of the Human Development Index; increase life expectancy, adult literacy, access to all three levels of education, as well as people’s average income, which is a necessary condition of their freedom of choice. When a development project provides access to such possibilities to the beneficiaries, then levels of poverty will be seen to have been reduced.

In the Magarini Settlement scheme, the majority of the respondents in fact 62% felt that the project was initiated by the Australian government. The role of the Kenyan government was so minimal or diminished that most of the settlers did not associate the project with it. To most of these settlers, the purpose is described ostensibly; according to the evidence of what they saw happen. That the project was to build schools, health centres, provide them with land for settlement, construct roads for them and provide water. However others even went further to attach other reasons such as provide houses, give loans and also cows. So the project purpose is not seen as an attempt at addressing
the known existing problems of water, landlessness, transport and famine. This begs the question, who identified the problems in the regions? What role did the people play in the design of the project? The answers that seem to come from this research are that the decision to start the project did not involve the settlers who were initially the local people. This is further reaffirmed by the response from the question on the activities that were involved in solving their needs.

The responses to the question on the activities involved in solving their needs was varied, ranging from 'machines were used', 'digging of trenches by donor', construction of roads, construction of water reservoirs and boreholes, surveying of land and settling people, helping us with food and by the provision of labourers. In fact one respondent was more specific that seven (7) labourers were provided for them to work in their farms for two days. This concurs with what a respondent informed me that labour was hired for the settlers which transformed the settlers into landlords in their own plots. What is striking and worth noting are three of these response; one, on digging of trenches by donor, two, 'helping us with food' and three, provision of labourers. These three issues do not propagate sustainable development and show that the community was depending on the donor and not contributing in any way including through labour. These respondents further say that according to him the community did not have problems prior to the establishment of the project. Given that he is not literate, one cannot say that he was arrogant in his response. This can be interpreted to mean that proper education was not carried out to help the settlers identify their needs and accept them as problems that required solutions. This respondent could be part of the group that felt that they were
better of even without donor assistance, because nothing tangible of the donor presence is available today.

None of the respondents stated that the project was designed for agricultural development. This perhaps explains why agriculture never thrived because the beneficiaries did not take it up to the level the donor intended and neither was the vigour with which it was started maintained. Available literature from the project does not provide production figures but in terms of acreages under cultivation which in itself will not guarantee that farmers will harvest any meaningful crop. This to me appears to be a way of hiding the real production which could have been dismal and questionable given the amount of funding that the project continued to receive. The table below shows some of these figures of areas under cultivation. It is worth noting that the entire project covered about 40,000 ha and the acreages given below are dismal given that the project had taken 10 years.

Table 2: Projected and achieved crop areas (ha)

<table>
<thead>
<tr>
<th>CROP</th>
<th>1987</th>
<th></th>
<th>1988</th>
<th></th>
<th>1989</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Projection</td>
<td>Achievement</td>
<td>Projection</td>
<td>Achievement</td>
<td>Projection</td>
<td>Achievement</td>
</tr>
<tr>
<td>Maize</td>
<td>2000</td>
<td>1675</td>
<td>1450</td>
<td>1530</td>
<td>2400</td>
<td>1751</td>
</tr>
<tr>
<td>Simsim</td>
<td>120</td>
<td>179</td>
<td>270</td>
<td>218</td>
<td>180</td>
<td>157</td>
</tr>
<tr>
<td>Green Grams</td>
<td>350</td>
<td>310</td>
<td>200</td>
<td>260</td>
<td>580</td>
<td>325</td>
</tr>
<tr>
<td>Cotton</td>
<td>15</td>
<td>35</td>
<td>35</td>
<td>28</td>
<td>65</td>
<td>50</td>
</tr>
<tr>
<td>Sorghum</td>
<td>140</td>
<td>65</td>
<td>85</td>
<td>73</td>
<td>85</td>
<td>148</td>
</tr>
<tr>
<td>Beans</td>
<td>50</td>
<td>38</td>
<td>60</td>
<td>53</td>
<td>50</td>
<td>68</td>
</tr>
</tbody>
</table>

In the same way the livestock production figures given as at 1994 do not show evidence of any benefit achieved from donor assistance for Magarini area. In fact the figures for Magarini are lower than those of Bahari and Malindi for dairy and beef cattle and the same also lower than those of Bahari, Ganze and Malindi in number of goats and chicken.

Table 3: Livestock distribution and population in Malindi district

<table>
<thead>
<tr>
<th>Area/division</th>
<th>Enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bahari</td>
</tr>
<tr>
<td>Beef Cattle</td>
<td>18470</td>
</tr>
<tr>
<td>Dairy cattle</td>
<td>16185</td>
</tr>
<tr>
<td>Goats</td>
<td>35260</td>
</tr>
<tr>
<td>Sheep</td>
<td>4305</td>
</tr>
<tr>
<td>Local chicken</td>
<td>235000</td>
</tr>
</tbody>
</table>


The respondents were however unanimous that decision making within the project was made by the donor and that there was no committee for planning of activities, at least one that involved them. All those interviewed admitted that decisions were made and what they saw was the implementation on the ground and they did not have a forum to communicate what they would wish. This was supported by the project water engineer who admitted that all they would do is make a decision on where to locate a well and the following morning drive the drilling rig to the site and start the work!
4.2 Problems Facing the Community Prior to the Start of the Project

Over 90% of the respondents were able to identify the problems that faced the community before the start of the project. The respondents identified lack of water, lack of good roads, lack of food, lack of land and inadequate social facilities such as schools and hospitals. The project was expected to address all these and solve them but according to the respondents from Adu and Mizijini the water problem remains and has not been solved completely. In the course of my study I met with some of the farmers who have walked for as long as five Kilometres for the water yet the project had indicated that it would provide water to within 0.5 kilometres of their farms. Settlers from the Northern part are the most affected.

The settlers also said that before the establishment of the project, there were no motorable roads in the project area and people relied on footpath and it was difficult to travel to schools and even take produce to the local centres. They were unanimous that the project provide roads and open up the area to easy transport to Malindi and the local centres. Infact one informant who was the project water engineer informed me that the project boasts some of the widest and well graded roads in the district. Today Marafa being the main urban centre within the project area has attracted good transport means. Public service vehicles leave the town every hour. However for the settlers in Mizijini, not all roads were constructed and graveled. I had an opportunity to travel to Kanyumbuni primary school and realised that the road to the school which is only 5 kilometres from Marafa town is impassable especially during the rains. The mizijini area being the highest producer of pineapples in Malindi district relies on bicycle transport to
ferry the fruits up to Marafa, especially when wet. 50% of the respondents were of the view that roads are not maintained today. This is perhaps because the available resources only cater for a small percentage of the roads since they are still maintained by the project under the ministry of Lands and their allocation is insufficient to cater for maintenance to the level that could be done by ministry of Roads and Public Works.

An interesting observation was made in relation to the question on whether the donor provided land preparation facilities. 89% denied that they were assisted in this which is strange given the fact that at least five acres of land was cleared by use of a bull dozer for all farmers to enable them start planting. Some admitted that land preparation was done but only to some people at the start of the project. One is tempted to believe that they feared that they may be asked to show where it had been cleared because all is bush again.

Food was also identified as a problem facing the population of the area before the project started. However interviews and written sources confirm that the problem of famine did not end with the establishment of the project. The situation of famine continued and the settlers depended on food donations from the WFP as stated earlier. In some instances the residents cited cases where the local public servants cheated them and sold away the food while giving the residents empty bags. Prepositions 'for' and 'of' were used to cheat the settlers, so that they were given 'bags for maize'; to be used to hold the maize once they harvest, while in their stores the records read, 'bags of maize' were issued. This is a case of corruption cited by almost all the settlers interviewed and may perhaps explain why
the food for work programme lasted for longer than earlier planned. The government officers benefited from selling this maize.

For this project, only two government officers who had worked in the project were available. Both were in agreement that the donor appeared to dominate the implementation plan and the role of the government officers was little while much was done by the donor. This concurs with what is documented: that the government did not send enough staff to the project and although the MOU was clear that the implementation was the role of the government, without adequate staff and of the right cadre, then the donor agency was forced to use part of their staff to undertake tasks meant to be done by government officers.

The officers however felt that the project was not properly conceived. To one of them, "development was brought to people of a different cultural orientation and whose concept of development varied from that of the donor. They should have first studied what this community does and developed on what they valued rather than bringing them machines"81

4.3 Contributions of the Magarini Settlement Scheme to Development

To aid agriculture a General Investigation Station (GIS) was established within the scheme in which demonstrations were held 4 times in a year to teach settlers on the best farming practices. In addition each group of about 20 plots in the scheme had a demonstration plot that was regularly visited by agricultural officers to train settlers on

81 Quotation is reported speech from the water engineer. According to him the project was a big waste.
crop management; planting, use of insecticides, intercropping etc. and livestock keeping. It was hoped that this would create an incentive to the farmers to adopt new farming techniques and increase production. From the influence of the project, crop diversification was improved to include, Simsim, green grams, cotton and beans. This was however among few settlers. An evaluation report noted that “poor adoption rates of new crop enterprises were due to cultural beliefs”82 This is supported by the current view among the people. That the “Giriama only plant one crop in a plot unlike what the donors expected them to do; that they mix cassava, maize groundnuts, peas in the same parcel”83 Available records from quarterly reports also show that most of the demonstration crops was destroyed by army worms, yet these were supposed to be the model of what the farmers should achieve. This clearly demonstrates that even from the side of the technical officers, there was little commitment.

Besides crop farming settlers were provided with four cows each of the Sahiwal breed which is a better breed than the local zebu plus ten (10) Galla goats. The animals were distributed to the farmers by the settlement officers from the project with the expectation that this would provide a better and reliable source of milk to the settlers. The settlers were also taught on good management practices to enable them take good care of the cows for better yields. By the end of the second quarter of 1984, the total number of cattle recorded within the project was 604. This number is significant considering that none of the settlers had any cattle by 1980. The Non Governmental Organisation charged

83 These are words from an informant who though having been well educated and held senior positions until his retirement still holds the traditional ideas about intercropping.
with the responsibility of implementation of programmes on behalf of the Australian Government comments. "There has been a marked improvement of cattle husbandry following a series of educational programs and improved livestock infrastructure in the project area. Clearing of bushes and dipping facilities have reduced the incidences of tse tse fly and tick attack".84

The report from the donor perspective may however paint a rosy picture that is different from the reality that was on the ground. Despite the training being conducted by the staff from the GIS, and the visits to farms by the extension officers, it is evident that the settlers did not appreciate the cattle type that was given to them. This was because they would have required a large herd of animal which to them would be more meaningful as this would be easy to graze and be a status symbol too. Besides "the cows had feeding requirements which farmers found it difficult to follow"85 The settlers did not also accept the ownership of the animals and kept on referring to them as belonging to the settlement officers who had distributed to them. It was therefore not surprising to find a farmer seeking guidance from the said officers on what to do with "their" animal that has given birth! At the extreme they exchanged one cow with three (3) smaller zebus especially with the Arab traders who took advantage of the ignorance of the settlers. They wanted to own many cows not just four.

Water reticulation in the project was fairly done. Within 10 years of the project, 15 high

84 McGowan International Pty Ltd; Magarini Settlement Project, Quarterly Project Report No.30 November 1984 p.32

85 Comment from an informant who due to his education background and exposure is an opinion leader in the community.
yielding boreholes had been sunk and supply water to the scheme. In addition 136 kilometres of water pipes have been laid though this is short of the agreed 183 kilometres in the MOU. Along these pipelines are 59 communal watering points out of which 19 are commercial. There are 60 ferro-cement tanks for water storage with a capacity of 22m$^3$ each. This capacity is mainly in the southern part of the project area which is generally low lying. The northern part has a higher gradient and would require a higher capital investment to construct bigger tanks and pipes. Distribution is therefore not evenly done throughout the project.

Despite this seemingly impressive picture, most boreholes are at times not operational due to mechanical problems. The pump technology is archaic and difficult to repair. None of the indigenous settlers were trained on the repair and maintenance of the pumps and a simple breakdown and take long to rectify. Besides the borehole accessories are expensive and conducive to the environmental conditions of the area. The accessories are made from steel castings which are susceptible to corrosion due to salts. Further the ferro-cement tanks are not suitable as they are also easily affected by corrosion. Many of the storage tanks are therefore not in use. During this research, long queues could be seen especially in urban centres such as Marafa. Many of the communal watering points are not operational and settlers have to move to as long as 4 kilometres for water quite unlike the project target of 0.5 kilometres.

Surface water had also been developed. The MOU had set a target of 53 earth dams to be

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86 Though this was a designated centre for one of the schemes, it is a small centre of less that 500 inhabitants. Elsewhere in the farms I witness settlers who were up as early as 6pm rushing towards the nearest watering point.
constructed at various sites within the project. By 1989, 50 had been completed. However despite this impressive implementation of the dam construction, they were only useful in the southern part of the project since the Northern has limiting factors such as low annual rainfall which is usually below 600mm, high evaporation rates and percolation/sippage due to the porous nature of the limestone.

The project design that recommended the use of borehole technology was flawed from the beginning. Instead of using this expensive technology that depended on engine driven pumps, a cheaper water source should have been from the Sabaki river which is about 10 kilometres from the project boundary, where gravitational flow would have been used to supply the entire scheme starting from the northern part. This would have also eliminated the current technological problems involved in the repair of pumps and provide sufficient quantities of water at low maintenance costs. One can only speculate that the Australian donor was interested in selling their out of date technology. The water distribution system though well planned has slowly been failing and may perhaps one day collapse if deliberate effort is not made to ensure pumping is done by means of electricity and that proper management of water services is done in order to ensure that beneficiaries pay for the services. It had been noted earlier that “The system of selling water at selling points was found to be lacking coordination. Most water points were manned by casual employees who could not be held accountable. It is recommended that local residents be identified who could sell this water on an agency basis.”

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Today a project committee manages the water services but it is not clear the extent to which the local residents participate in the running of these services.

Besides water the MOU involved the construction of a road network within the project. The project was to provide 201 kilometres of main roads and 374 kilometres of access roads. By 1989, 107 kilometres of main roads had been completed, while 200 kilometres of access roads had been done opening up most of the project areas for accessibility to settlers. These roads are up to today of a good standard and the project is well accessible from almost all sides. The project could not however meet the target of the expected number of kilometres because of inadequate machinery. Further some of the associated problems were in the nature of machinery which required unique spare parts and whose suppliers were contracted. “It was noted that suppliers of these parts do not normally stock them in appreciable quantity. This is due to their low demand coupled with their high cost/prices. In most cases the contracted suppliers have to order these spares from abroad resulting into long delays.” The result was that “some of these equipment and large quantities of spares parts were procured from Australia. Unfortunately most of these parts ended up as wrong parts to the existing equipment” The central workshop within the project lies derelict with huge volumes of such useless parts and attests to the amount of wastage that was occasion from this procurement.

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88 Ibid p 39
89 Ibid
It was recommended by the evaluation team that visited the project in 1989 that the completed roads would be handed over to the Ministry of Public Works for maintenance since they were already classified. However, like in the previous case of a health centre in the Bura irrigation scheme, the ministry could not take up the management of these roads because their length and requirement would almost consume the entire district allocation for a financial year, yet the Magarini project area does not occupy a third of the entire district size.

The project assisted the local communities by improving the educational facilities through construction of school classrooms, nursery schools, teachers' houses, youth polytechnics and provision of desks. This was to improve the situation from what was generally a community with low literacy levels. In a previous research on food and nutrition previously cited in this research, the highest percent of the residents had not attended formal education and few had attained secondary school education. “The project has constructed 16 primary schools and one secondary school. A total of 52 classrooms, 2 youth polytechnics, 5 nursery schools and 4 teachers' houses”90 Other infrastructure developed by the project included the construction of two dispensaries at Adu and Fundisa, Extension and improvement of an existing dispensary at Marafa and construction of staff houses at both Adu and Fundisa dispensaries. The local community participated in the health campaign by helping in construction of 30 toilets within the

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90 Ibid p.40
dispensaries. Unfortunately the local population does not use the toilets. The health and education sector was well supported by the government and the community because the schools and dispensaries were handed over to the line ministries immediately after completion unlike other project components such as roads. The only exception being Fundisa dispensary which took 10 years to start functioning because the government did not fully take over. The project also constructed 47 staff houses for project staff at Marafa, GIS Central Workshop and Ramada. These houses are still in good condition today and house most of the government staff posted within the project area. In order to support the population in generating revenue, the project helped establish the Marafa bakery, Marafa godown for storage of commercial foods, and a posho mill at Shomella. However none of these income generating activities are available today.

4.3.1 Levels of Community Participation.

At inception the project appears to have started with a premise that the Magarini area was poor because either there was lack of capital for mechanised farming or that a people's history was not important, it could be re written and relived with injection of new ideas. The experiences that were brought in with the project must have been useful lessons to project managers and community development workers and practitioner. To begin with, the local community was not clearly educated on why they were being compensated and relocated to other parcels when they were a communal group that lived in villages, occasionally shifting from one area to another for fresh land that had been furrow. In the end many did not shift from their villages to occupy new parcels yet they had been

91 Up to today most people will only relief themselves at night in the bushes than use the toilets.
compensated for it.

Shifting cultivation being their main method of cultivation was to them beneficial because they did not have enough labour to till the land. Burning therefore eliminated the need to weed for up to two seasons. The mechanical means introduced by use of tractors meant that the sizes of their farms had drastically increased yet their labour requirement could not be met. The project first engaged hired labour for the settlers perhaps to initially induce them to accept to relocate to the new farms. Unfortunately, the settlers were themselves acting as supervisors in their own farms, while virtually everything was done for them. “The settlers became supervisors in their own plots and were paid for it!”92 If the donor had wished that the settlers would be responsible for their own farms one day, then this was the wrong approach and it never gave any incentive to the settlers to work on their farms.

The tractor cultivation also became a problem to the farmers. Ploughing deep loosened the soil a lot and after one season the settlers complained that they were sinking in the mud and could not continue cultivating in the same plot. They therefore abandoned them for fresh ones where they burnt vegetation as per their traditional knowledge. This infuriated both the project administration, the local administration and the forest department that called for the “Agriculture Act, Forest Act and the Chief’s Act be enforced to curb down the slash and burn agriculture that seem rampant.”93 If this had

92 An informant who was an employee of the project as a charge hand in the machinery unit narrates how the settlers became landlords.

93 Magarini Project report, opcit p.21
continued up to the time the donors withdrew, then one can only rightly point that the settlers actually resisted any new farming methods. One of the informants actually informed me that they did not accept the idea of planting more than one crop in the farms which the donor wanted and they did not want to be separated from their families. So they did not like the idea of settling them far from their kin. This demonstrates the importance of having solutions that are in tandem with the community's way of life if projects are going to be successful.

Further the project had introduced Sahiwal cattle breeds and Galla goats which it was hoped would be preferred by the settlers. These animals were distributed by project settlement officers to the settlers with little regard to the local preference for large numbers of animals. As noted earlier the settlers did not appreciate these cattle and could not cope with their demands or rejected them in preference to the local types. Had the people been consulted, they would have chosen what they could keep. Moreover part of the use of the cattle was for ploughing and farmers had been trained on oxen driven ploughs as an alternative to use of tractors. This loosened the soil which the settlers disliked.

According to a project water engineer, the beneficiaries did not own the project. It was development brought to the Giriama people and their role was just as recipients. The case of road and water pipeline lying, are given as examples. That the local people just saw bulldozers make roads and borehole dug and various sites and pipeline laid along the roads. They had no role not even digging of trenches. They merely watched. This
explains why there are numerous incidents of destroyed water taps at many watering points. Perhaps even the use of the taps was not properly demonstrated. If the community had owned the work, the huge repair costs occasioned by this would have been avoided. As some authors point out “The political structures of Kenya were only dealt with in a cursory manner and the project defined in a narrow technical fashion: if the technology was correct then, the project would flourish. Indeed, such was the sway of the 'development discourse' that the official project list of the needs of local people 'systematically blocked' any discussion of what the local people saw as their needs”94

In 1983, the Kenya National Trading Corporation (KNTC) approached the project administration with a business venture to produce 10,000 tonnes of cassava for export to Yugoslavia.95 Since the project had already in its plans, the establishment of a cassava industry, training was done for project personnel in workshops that were also sponsored by other prospective buyers without involving the main stakeholders who were to grow the crop. Funds were also set aside for purchase of machinery. But when it came to implementation, the project fizzled out and was never discussed again.

One way in which the community unconsciously participated was as a result of the drought witnessed in the early 1980s. This led to crop failure and the settlers had to rely of food donations from the World Food Programme. This programme was initially to last for three years but provision of relief food continued almost for the entire 10 year period

95 Magarini Project Report; Establishment of a Cassava industry. 14th February 1984
of the donor assistance. During this period a food for work programme engaged people in agro forestry work of tending tree nurseries, soil conservation, building construction, water reticulation etc. In the period April to June 1984 for example only 338 were engaged in food for work programme but never the less given 656 bags of maize, 46 bags of beans and 1243 gallons of cooking oil. Thus they participated out of desperation because they had to eat but not the realisation of a need to develop themselves and eliminate poverty.

4.3.2 Current Status

Today most of the project area is virtually a bush land colonised by secondary vegetation with little evidence of any massive donor involvement in bush clearing using earth crawlers. The settlers relapsed to their old life and except that the scale of rotational bush furrow is reduced, the amount land under cultivation is very small per family. During this study, my driver drove into a homestead but as he was parking he realised he was on a 'shamba la mihogo' kiswahili for a cassava farm. I could not identify it and was shocked to hear that we were driving on a farm. What this means is that this is a tiny plot less than 100m² that the family call a farm, yet 30 acres lie idle. Just as it was 30 years ago so it is today, that famine continues to affect the community and there is reliance on relief food. The magnificent staff houses at Marafa are still not fully occupied but with the creation of a new district for this region with the headquarters at the former project offices will attract occupants. The building housing the social hall and club have however collapsed. There is danger also that the staff houses will too because the calcareous limestone region known as the devil kitchen is less that 300 metres away.

96 McGowan International Pty Ltd; Magarini Settlement Project, Quarterly Project Report No.30 November 1984. p.66
This is has porous limestone and may in near future collapse. Schools and dispensaries have however, continued to operate as population continues to increase.

4.4 The German Assisted Settlement Programme

4.4.1 Purposes for Establishment of the GASP

A striking observation was noted in the course of this research: that most of the settlers interviewed were literate. Settlers in this scheme were unanimous about the purpose for which it was established. Most of them identified the purpose as development of physical infrastructure such as roads, water, schools, development of agriculture and improve their welfare. According to this research the donors objectives and motivation in funding the infrastructural development in this project is related to Germany’s earlier political interests. The Project area was a German Protectorate with the offices at Witu. The British declaration of a protectorate over Kenya in 1890 ended the German interests and the request for support of a settlement programme by the Kenya government in the same area of their interest provided an opportunity for the Germans to come back. Other objectives cited are that the German government was interested in helping the Kenyan government settle refugees from Tanzania who had been displaced after the collapse of the East African Community. The donor also was interested in poverty reduction through an integrated rural development approach.

According to the settlers, the implementation of the project involved a wide range of activities from, settlement planning and surveying, road construction, construction of schools, development of water systems, development of crop farming and agro forestry and development of dairy goat enterprise, development of an electricity project, clearing
bushes, training and educating settlers and community mobilisation. All these activities were planned by the community, the donor representatives and government representatives in consultative workshops. The workshops were used to plan for all project activities especially in the last phase which involved participatory planning as a strategy to achieve the desired development after failure in the initial stages. According to the donor agency representatives, the project did not have a specified implementation period and the earlier phases are considered as pilot phases intended to test the viability of the settlement option.

4.4.2 Problems Facing the Community prior to the start of the Project

Problems that affected the community before the project were wildlife, transport due to poor roads, health, water, low food production, lack of modern technology, poverty, insecurity and low education levels. As stated earlier, wildlife ranging from baboons, wild pigs and snakes were a major threat to the community. In addition insecurity from banditry attacks by shifias were frequent and vehicles had to be escorted throughout Lamu district. This was made worse by the poor roads that existed. In fact, there was only one classified road running from Mokowe to Witu toward Malindi, that was in poor condition and impassable during the rains. The project can only be seen to have contributed to development if these problems are adequately addressed.

4.4.3 Contributions of the GASP to Development

As noted earlier, the success of the settlement programme depended on the availability of a reliable source of water. A solution was found in the use of a borehole adjacent to Lake Kenyatta in order to tap the water from the aquifer adjacent to the lake. "This aquifer can
produce 2,000 m³ per day without any danger of salination. Both Lake Kenyatta 1 and Lake Kenyatta 2 have a maximum water demand of 1,000 m³ per day. Similarly in both Witu and Hindi Magogoni, water is available from aquifers that are mainly recharged by rain water. A borehole has been done in each scheme with a respective capacity of 19,000 m³ per day and 300 m³ per day.

In developing the water supply systems GASP’s objective was “to ensure that in line with the WHO recommendations, each settler has access to at least 25 litre of potable water daily by the year 2005 supplied from sustainable community based water supply systems which are owned and operated by the beneficiaries.” To supplement the borehole capacity other shallow wells have been dug to make a total of 80 wells in Lake Kenyatta 1, 1 in Lake Kenyatta 2, 15 in Hindi Magogoni and 20 in Witu and all initially equipped with hand pumps and later some operated on electricity. Further, more storage tanks and water distribution point have been provided. Supply is done through a central water supply system where water is pumped to an elevated storage tank and then supplied to consumer by gravity. The project provides clean treated water, “Water is treated using chlorine dispensed by gravity dosers, which are mounted on top of the tanks. Lake Kenyatta Water Association (LAKWA) however has a special treatment plant with aeration cascades to remove hydrogen sulphide gas.” This water is available to settlers from water kiosks at Kshs. 2.50 per 20 litre jerry can. Settlers interviewed agree that they no longer have problems of water because it is available.

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97 Apindi E. & Onyango P, Community Based Water Supply Systems in the GASP Internal working paper no 102 March 2004 p.2
98 Ibid p.3
99 Ibid p.8
Agricultural development was an important component of GASP and its importance lies in its ability to effectively change the lives of settlers by encouraging them to settle. As noted earlier, that the third phase of GASP encouraged a participatory approach, the ministries of Agriculture and the Forest Department became partners in implementation of agricultural programmes. At the beginning of every year, planning workshops were organised by GASP to prepare an agricultural programme for the whole year. This would include all trainings and demonstrations needed by farmers and the role the farmers would play in on-farm trials. Similarly an end of the year evaluation workshop would be conducted to assess the implementation of the year's programmes. Farmers would be provided with handbooks and poster on the various topics trained to ensure that they clearly understand the contents. Research and dissemination of research finding was emphasised in order to ensure that farmers acquire new techniques and varieties. Where research on new varieties had shown positive outcomes, then on-farm trial would be undertaken by a select group of 25-30 farmers per scheme on an annual basis. Between 1989 and 2001 GASP was able to train 10,539 farmers on various topics in addition 2,766 agricultural extension staff were trained within the same period. This training was done from the Lake Kenyatta Farmers' training centre at Mpeketoni constructed by GASP.

To further support the agricultural extension services, GASP provided bicycles and motorcycles to extension staff to make it easy for them to disseminate information and supervise field work. This led to gradual increase in production of food crops so that by

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2004 when GASP wound up, the ministry of Agriculture estimated Lake Kenyatta 1 was producing over 3,800 tonnes of maize being the staple food, 75,000 tonnes of simsim as cash crop, 3,500 tonnes of cotton and 8,600 tonnes of cassava among other crops. A similar growth in livestock production was also noted. Settlers were initially provided with German Alpine goats which would do well compares to cattle because of tsetse fly prevalence in the region. From an initial figure of 112 goats, in Lake Kenyatta 1 for example, the number had within eight years grown to 9,700. Other schemes had registered growth though not as high. "Lake Kenyatta 1 being the oldest of the four settlement schemes contributes 80% of the total food production. The rest of the schemes are still facing some problems like wildlife menace, typical in the early years of settlement development hence their food production is still low."

As mentioned above GASP was committed to sustainability and one aspect that was developed was in relation to the environment. "The experience in Lake Kenyatta 1 had shown that with an increase in population, demand for basic natural resources such as firewood and building material increased and cause great pressure on available forest resources." Therefore in the planning of Witu settlement scheme, GASP implemented the following conservation activities

- Buffer Zone forest
- protection of pockets of natural forests
- conservation of solitary indigenous trees on farms and,
- Promotion of agro forestry activities on farms.

101 Ibid
102 Ibid p. 14
103 Lusweti E.F., *Community Based Buffer Zone Forest Management in Witu 1.* Internal working paper no 104 March 2004 p 1
The buffer zone was set aside to protect the Witu gazetted forest from destruction and to create a sustainable source of wood for the settlers. The pockets of natural forests were conserved for their variety of diverse species of plant and animal life. Conservation of solitary indigenous trees on farms was done throughout all schemes in order to preserve tree species from extinction. Farmers were encouraged to adopt agro forestry where they planted trees species that grow fast and which could earn them money within a short time. Among the trees species planted are Casuarinas and Eucalyptus. Farmers visited in the course of this study were happy that they were able to sell these trees to hotel construction industry and fetch good money. GASP has been able to train over 1,000 farmers on agro forestry and environmental conservation skills and has also witnessed over 500,000 tree and fruit seedling produced annually by the farmers.

GASP also helped develop and improve educational facilities. Though the project did not start any primary or secondary school on its own from the ground, it contributed to their improvement through construction of permanent classrooms and provision of desks and laboratory equipment to 38 primary schools and 1 secondary school. The requirement was that the people had to start up on their own to express their desire while the government was expected to make commitment to send teachers. By the end of the project period “11,000 pupils are currently enrolled in all primary schools in the settlement area”

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104 Hassan F. & Mwachoki F., op cit p12
Other infrastructural facilities provided include, 3 health centres that were assisted in both construction and equipment at Lake Kenyatta 1, Hindi and Witu. Besides these, offices for various services were constructed. A land registry and settlement offices were constructed at Mpeketoni to serve the settlement schemes and reduce the distance to Lamu Island that farmers would travel for services. Offices for other line ministries such as agriculture, cooperative development, provincial administration and community development centre were constructed in order to help bring services closer to the people. The construction of offices created an immediate demand for accommodation and GASP also constructed 38 staff houses in all the schemes.

4.4.4. Levels of Community Participation

As pointed out earlier the approach to implementation in the initial project phases was top-down. Neither the community nor the government institutions were integrated into the GASP operations. “The GTZ acted so much alone that no continuous and interactive working relationship came about with the Kenyan project authority. GASP was a 'law unto itself'. Minor tensions with the local, coastal population originated largely from this style of exclusion.”106 This however changed and GASP was re-engineered to adopt a more realistic and appropriate approach towards development; one involving the beneficiary community in planning and implementation of the project activities. The community Development Sector was established in 1992 with the objectives of mobilising the settler communities towards self determination, building capacity of the settlers to represent their interests, promoting organisational and institutional development and to promote participatory approach with the GASP programmes.

The community participation is identified through, settlers support groups, Well committees, Women groups, Mango drying group, Community based health care Juan kali associations, Mpeketoni Electricity project, Water Users Associations, School Parents Associations etc. It would suffice to discuss a few of these sector in which the community participated. Settlers Support Groups involved a measure of integrating new settlers into a scheme by assisting them clear bushes and cultivate to over four acres of their plot. This would open up the plots and help reduce the number of wild animals and encourage them to stay. Besides opening up the farms it was designed at achieving a social integration between the old and new settlers.

Well Committees and Water Users Associations were formed by the settlers to help them manage water sources. Well Committees were formed during the initiate project stages and later registered as associations, known as the Water Users Associations that are in every Scheme. LAKWA for Lake Kenyatta Water Users Association, HMWA for Hindi Magogoni Water Users Association and WIWA for Witu Water Users Association. The settlers elect their well committees two of whom must be women. These committees have the responsibility of among others; organising the settlers during well construction, registration of well community with the government, and signing of social agreements. GASP assisted these organisations by providing skilled labour for construction, machinery, building materials, routine water level and quality monitoring and training for the group members on the management.
The community was also involved in the excavation of trenches for the pipeline for water distribution. A total length of 219 kilometres for all the schemes was done by the community. This contribution was rated at 10% of the cost of the water works with rest being met by the GASP.

Perhaps the most unique initiative by the local community was the running of the Mpeketoni Electricity Project (MEP) which stands out as the only community run diesel generating project in Kenya. Although it has today been taken over by Kenya Electricity Generating company ltd, the project has been in operation for 14 years. "The idea of starting a community owned and operated electricity company at Mpeketoni Settlement Scheme was conceived in 1991 in partnership between the Mpeketoni Jua Kali Association and the German Assisted Settlement Project (GASP) via GTZ (German Technical Cooperation Agency). The initial capital cost was Ksh2.7 million (US$36,000). GASP contributed Ksh1.8 million (US$24,000) and the Mpeketoni Jua Kali Association, in conjunction with other community members, raised Ksh0.9 million (US$12,000). The contribution by the community was mobilized as equity capital through selling of shares to individuals, who became the shareholders of MEP. The project was commissioned in 1994."107

4.4.5. Conclusion
Development has taken place within GASP project. Agriculture, roads, clean water, education, health and economic activities have been developed to a point where few can

claim to be unable to access the basic needs. GASP unlike the Magarini project quickly learnt its mistakes and adopted more appropriate design and implementation strategies that included the role of beneficiaries. The government also appears to have learnt from past mistakes in Bura and Magarini appeared to have realised that donor agencies can not lead implementation of programmes. The take over of GASP by the government was in the right direction. Within 10 years of an integrated approach the achievement were more than what had been achieved and would have been achieved if this was not adopted. As an audit firm observes “Only since 1997 can GASP be considered well on its way allowing the expectation that services of settler CBO, government institutions and private service providers will be sustained in the future”\textsuperscript{108} The benefits of a participatory approach to development are clearly visible.

Security improved in Lamu and vehicles can now move without police escort from Garsen to Mokowe. Cases of banditry attacks within the settlement schemes are no longer heard. This has encouraged more settlers to come into areas beyond the schemes boundaries refered to as “witemere” a kikuyu word meaning hive off by yourself.

This quotation is adopted in this report from the Price Waterhouse Cooper’s PreC audit report of GASP dated June 2002.
CHAPTER FIVE

5.0 Conclusion and Recommendations

5.1 Conclusion

The key findings for Magarini and GASP are that development must be owned and driven by beneficiaries. The beneficiaries are the most important element and must first accept the change that is to be introduced in their lives in order for this change to take root and be of benefit to them. This will also help in sustaining the development initiatives once the donor support is withdrawn. Thus for effective development to occur, the beneficiaries must be involved in the planning, monitoring and evaluation of the development initiated for them to own the process. Projects can fail when the designers and implementors fail to appreciate the importance of history in recognising the path that the beneficiaries have traced in time.

Their path is dotted with footprints of learned skills in dealing with the environment in which they have lived. In the harsh climatic conditions of the Magarini for example, no amount of technology was able to sway the Giriama people using simple tools and fire in continuing with an age old tradition of shifting cultivation. This was aggrevated by the fact that most of the workers within the project ranks were from outside the community and were unable to appreciate the point in time that this community had reached. Instead of educating and exposing them to new knowledge while appreciating the importance of their technology, they chose to replace everything and rewrite history. A similar experience was witnessed in Lamu before a new approach was adopted.
This attitude stems from the belief that people, especially the uneducated are incapable of managing their affairs and the best a donor can do to lead by showing the best practice and making decisions on their behalf. The use of NGOs to run project has not been better either. In both projects in the area of study, McGowan International was used perhaps with a concept in mind that the best way to implement development programmes was to by pass the inefficient recipient bureaucracy. GASP in the initial phases behaved the same way, but the results were not visible.

This proves the first hypothesis, that Because of participatory planning, monitoring and evaluation, GASP has been effective in poverty reduction in Lamu district. Decisions were made at joint donor, government and community consultative workshops where planning, and evaluation of the implementation of project activities is done. All aspects of human life have been influenced positively. Clean drinking water has been availed, schools have been constructed leading to rise in enrollment, health care has improved greatly including education on care and treatment of HIV/AIDS related illnesses. Empowerment of women through inclusion in all development activities and in Community Based Organisation has increased their participatory role in development. Further income generating activities based on agricultural produce such as crop farming and agroforestry and non agricultural production such as tailoring and office services, water and tree crop management have developed.

At Magarini there was no such forum that involved the local people who were to be the
beneficiaries. They therefore did not share a common vision and goals in the implementation of the project. Yet they were implementors of the agricultural programmes such as growing of cassava for export and other crops. Success of the project depended on their adoption of new agricultural methods. This further proves right the second hypothesis; that *Because of poor project design the Australian programme aid in Malindi has been ineffective in poverty eradication.* The top-down approach to development adopted in providing aid to the Magarini project did not provide room for consideration of the role of the beneficiaries. Technology was seen as the answer that would transform the region from one of low marginal use to a productive and high potential region.

However, for development to occur, other aspects such as, the beneficiaries, their role, the sustainability of the project and the appropriateness of the technology must also be considered. For example, in Lamu GASP used 'AFRIDEV' hand pumps for community wells because of its local availability and low maintenance costs besides using stainless or galvanised steel to guard against corrosion due to the climatic conditions. Pipes used also are made from unplasticised polyvinyl chloride which does not corrode If these had been used in Magarini, the frequent breakdowns of pump experienced would not occur and this would ensure that settlers get water always.

The settlers at Magarini were also not taught and empowered on how to feed themselves, from the beginning of the project to the end, people relied on food aid. The hiring of

109 Apindi E. & Onyango P.; op cit p.7
110 Ibid p. 8
labour for the settlers was one way of creating dependence of the settlers on donations besides the relief food. The use of tractors to dig water pipe trenches too denied the settlers an opportunity to identify with the water solution. It is therefore not surprising that some settlers would say that they did not have problems before the implementation of the project. To them life was as usual and normal and it is only the outsiders who introduced produced problems of relocation, tractor farming that was both unaffordable and destroyed their land and prevented them from continuing with their rotational bush furrow method of cultivation.

I find the third hypothesis valid too, that Foreign aid leads to the development of social and economic infrastructure and consequently contributes to poverty reduction. In the both donor assisted schemes, schools, dispensaries and roads have been developed. This have laid the foundation for, one, a well educated population that is able to diversify the sources of income from previous traditional subsistence agriculture to employment in formal and informal sectors that can provide more a reliable income. Trained teachers, nurses, agriculturalists and other professionals have passed through these donor assisted schools. Roads have greatly aided agricultural development among other sector. Agricultural products from Lamu are able to reach Nairobi and Mombasa markets as a result of good roads constructed from donor aid. This contributes to a substantial source of income for the community and contributes to poverty eradication. Electricity projects like Mpeketoni Electricity Project (MEP) have led to the diversification of economy. The MEP has enabled the growth of a jua kali sector that has provided a source of livelihood to a large number of young people including the older generation who are able to run
posho mills. Other services such as photocopying, internet services, entertainment from video shows have thrived and become a source of earning for the people. Banking services and mobile telephone providers have also established their presence in Lamu which has greatly transformed the communication methods and also promoted security within the schemes.

The role of the donor and the government should include educating the beneficiaries on identification of needs in their environment. This helps in shaping the conceptual framework to enable the beneficiaries appreciate other ideas of development that may not be in conflict with their beliefs and customs. It introduces new ways of dealing with their environment in order to tame it for their benefit much faster.

5.2 Recommendations

Government departments must take a leadership role in implementation of project activities while realising that they have the ultimate responsibility of ensuring that government policies are followed. Respect would also be earned from the donor community if government agencies strictly followed programme schedules in implementation of projects.

In both projects staffing levels were below the required capacity. In such project areas adequate compensation for staff working in them should be made to create better incentive and motivate them to work in such an environment. This will ensure continuity in implementation without delays due to staff shortage.
Project managers should also be in charge of all staff including those from other departments posted to work within the project. This will increase the level of accountability to the project management rather than where the staffs attached to such projects are still under the supervision of the line ministry.

In the implementation of donor funded projects, both donor and local government staff are involved. In many instances these staff members do not come from the same community as the area of implementation. It would be expected and appears to be the case that one of the hindrances to project implementation is the cultural shock that is experienced by the implementing staff on meeting a new community that to them may appear very backward in terms of development. I wish to recommend that further study be carried out to find out the extent to which this cultural shock contributes to failure in implementation of donor funded projects.
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